

Name



THIEL

Logistics+Services

Industry

L O G I S T I C S

Date

June 30, 2006

HALF-YEAR REPORT

Key Figures January 1, - June 30, 2006

according to International Financial Reporting Standards (IFRS)

■ ■	<i>in thousand €</i>	2006	2005	<i>Change in %</i>
Group Net Sales				
Industry Solutions		197,256	195,072	1.1
Thiel FashionLifestyle		109,802	104,898	4.7
Thiel Media		60,618	60,586	0.1
Thiel Furniture		21,657	24,302	-10.9
Other		5,179	5,286	-2.0
Air & Ocean		178,721	159,483	12.1
Regional Logistics Services		546,501	528,844	3.3
Quehenberger		245,298	207,888	18.0
Delacher		137,544	128,780	6.8
Microlog-Südkraft		163,659	192,176	-14.8
Holdings		10	109	-90.8
Total Net Sales		922,488	883,508	4.4
Segment results				
Industry Solutions		2,473	2,300	7.5
Air & Ocean		6,431	4,273	50.5
Regional Logistics Services		11,615	9,383	23.8
Holdings		-4,055	-4,455	-9.0
Consolidation		-292	-1,565	-81.3
Other financial income (expenses), net		253	357	-29.1
Earnings before interest and taxes (EBIT)		16,425	10,293	59.6
Net result		4,231	-6,605	N/A
Attributable to equity holders of Thiel Logistik AG		3,669	-8,219	N/A
Attributable to minority interest		562	1,614	-65.2
Earnings per Share		0.04	-0.02	N/A
Operating Cash flow		5,975	5,310	12.5
Capital expenditure		-8,745	-10,018	-12.7
Free Cash flow		-2,770	-4,708	-41.2
Depreciation and amortization		-16,804	-18,465	-9.0
EBITDA		33,229	28,758	15.5
Net financial debt		159,078	156,472*	1.7
Shareholders' equity (incl. minority interest)		323,888	322,043*	0.6
Number of employees		8,237	8,807*	-6.5

*as of December 31, 2005

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Overview: Development

Economic conditions According to the Kiel Institute for the World Economy, the economy grew significantly in the industrialized nations in the first half of 2006. The record price of oil and a tightened interest rate policy by the central banks contributed to a slow down in the growth rate in the second quarter, without effecting an adjustment of the annual forecast of around 3 percent. As a result of the strong first quarter, global trade is expected to stay robust in 2006 despite a reduction in production growth in the emerging markets. Given the favorable indicators for incoming orders and the business climate, a strong upturn was anticipated for the German economy during the first half of the year. Despite a slight decline in export growth as a result of the appreciation of the euro and high oil prices, the Institute for the World Economy is expecting a significant production increase in 2006. The forecast for annual GDP growth in Germany for 2006 continues to be at 2.1 percent.

Logistics sector optimistic The logistics market is profiting from the improved economic situation, as shown by the SCI logistics barometer. For the first time since the start of this survey in summer 2003, almost half of the participating logistics companies described their business situation as good. As part of the study on the "Top 100 in Logistics", international transportation and specialized contract logistics in particular were identified as growth areas for logistics.

Increased sales and EBIT – net result positive again During the first half year, Thiel Logistik returned to profitability with a net result of 4.2 million euros (2005: -6.6 million euros). Driven by a strong first quarter, EBIT was up to 16.4 million euros (2005: 10.3 million euros). Sales increased from 883.5 million euros to 922.5 million euros in spite of considerable effects from expired customer projects and the disposal of business activities. Sales growth was driven by the Air & Ocean business segment in particular.

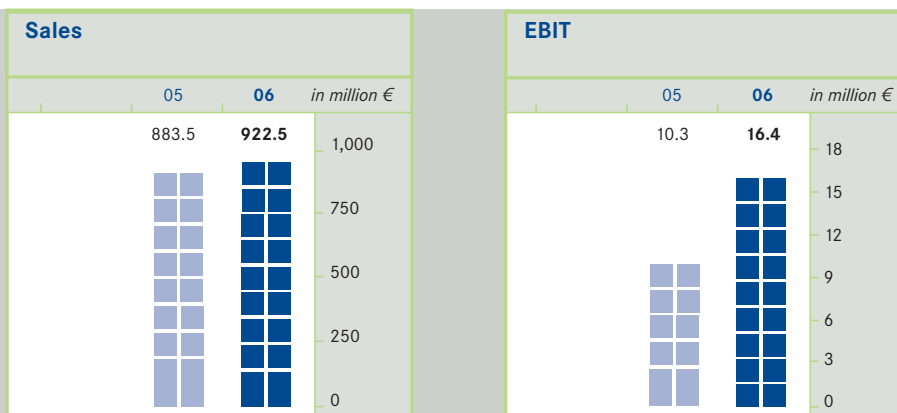
Further implementation of efficiency program The comprehensive structural and operating measures initiated in the previous year to enhance earnings power were further implemented in the first half of 2006. The Thiel Service Center, which has been established in Aschaffenburg in order to bundle administrative activities, has already met expectations. To date, it has assumed the finance and accounting functions, payroll administration and IT services for the Microlog-Südkraft, Thiel FashionLifestyle and Birkart Globistics air+ocean business units.

Centers of Competence show first signs of success The Centers of Competence established in the fourth quarter of 2005 have been working systematically to make expertise within the Group universally available, intensify cooperation between the business units, eliminate operational weak spots, and optimize logistics processes. After six months of operations, they are showing their first signs of success. This is particularly true for the Center of Competence "Logistics Networks", which streamlines existing network structures and is working towards harmonization of partner structures within the Group. In Southern Germany, for example, a new central hub for transportation to the Balkan states was set up. Key transportation routes to and from Germany were bundled within the Group.

In order to use the resources that exist within the Group more effectively, the best

practice solutions identified by the Center of Competence "Supply Chain Solutions" were comprehensively analyzed in cooperation with Technical University Berlin. These logistics solutions have been made available to all business units on a joint knowledge and project platform via a database application. In addition, the Thiel FashionLifestyle, Thiel Media and Thiel Furniture business units were supported in the second quarter for specific measures, such as leveraging location and network synergies, analyzing new customer markets, and preparing IT and sector concepts.

The reaction of customers to the work performed by the Centers of Competence has revealed considerable potentials for securing and expanding existing customer relationships and for reaching out to new customers. Directly reporting to the Executive Committee, the Centers of Competence will use the necessary resources in a highly focused manner while working closely with the business units.



Report on the Stock and Corporate Bond

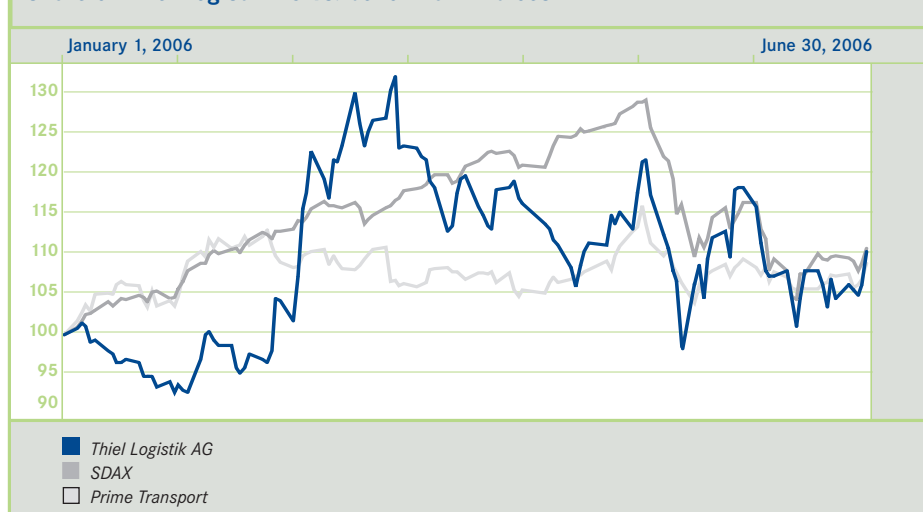
Stock markets remain friendly in the first half of 2006 The German stock markets initially posted considerable price gains in the first half of 2006, though this was followed by partially significant losses as the reporting period progressed. Following an increase during the first quarter, the relevant comparative index SDAX posted heavy losses in the second quarter. At 4,694 points, it closed slightly ahead of the beginning of the year on June 30, 2006.

Positive share price development The performance of the Thiel Logistik share price was in line with the general market. After an initially negative development, reaching a low of 2.76 euros, the share price climbed to a reporting period high of 3.90 euros on March 15, 2006. Following a significant price adjustment during the second quarter, the shares closed at a price of 3.27 euros. The increase of around 10 percent during the reporting period largely corresponds to the performance of the SDAX in the reporting period. 23.4 million no-par value Thiel Logistik shares were traded on all German stock exchanges in the first half of 2006. This corresponds to sales of 77.7 million euros based on the weighted average share price in the XETRA trading system. The average volume per trading day was 179,903 shares.

Shareholders' structure With a share of 50.26 percent, DELTON AG remains the major shareholder of Thiel Logistik AG as at June 30, 2006. The free float amounts to 49.74 percent. The other members of the Board of Directors neither hold Thiel Logistik shares nor options to purchase shares in the company.

Strong bond performance The corporate bond continued its positive development in the first half of 2006. On June 30, 2006, the credit spread was 397 basis points to the asset swap basis, which means that the risk premium was reduced by 35 basis points as against March 31, 2006. The bond therefore outperformed the "ML High Yield" comparative index by 13 basis points in the reporting period.

Share of Thiel Logistik AG vs. benchmark indices



Financial Position and Performance

Consolidated Statement of Income

<i>in thousand €</i>	January 1, - June 30,	2006	2005	Change
Net sales		922,488	883,508	4.4 %
Cost of sales		-848,651	-813,320	4.3 %
Gross profit		73,837	70,188	5.2 %
Operating expenses		-57,165	-60,252	-5.1 %
Other income (expenses)		-247	357	N/A
Earnings before interest and taxes (EBIT)		16,425	10,293	59.6 %
Net interest		-7,905	-8,842	-10.6 %
Income taxes		-4,196	-4,017	4.5 %
Income from continuing operations		4,324	-2,566	N/A
Income from discontinued operations		-93	-4,039	-97.7 %
Net result		4,231	-6,605	N/A
Attributable to:				
Equity holders of Thiel Logistik AG		3,669	-8,219	N/A
Minority interest		562	1,614	-65.2 %
Depreciation and amortization		-16,804	-18,465	-9.0 %
EBITDA		33,229	28,758	15.5 %
Operating lease expenses		-31,884	-33,527	-4.9 %
EBITDAR		65,113	62,285	4.5 %
Gross Margin ¹⁾		8.0 %	7.9 %	0.1 %
EBIT-Margin ¹⁾		1.8 %	1.2 %	0.6 %
EBITDA-Margin ¹⁾		3.6 %	3.3 %	0.3 %
EBITDAR-Margin ¹⁾		7.1 %	7.0 %	0.1 %
EBITDA/Net interest		4.20	3.25	29.2 %

¹⁾ Changes in percentage points

Net sales The Thiel Group generated net sales of 922.5 million euros in the first half of 2006, which corresponds to a year-on-year increase of 4.4 percent from the corresponding 883.5 million euros. Organic growth amounted to 3.4 percent, while acquisitions and currency effects each contributed 0.5 percent to the sales growth. The adjustment for acquisitions and divestments primarily relates to the effects of the first-time consolidation of the Slovakian company Proxar in June 2005, as well as the disposal of PD Logistics GmbH in March 2006.

Earnings A gross profit of 73.8 million euros was generated in the 2006 reporting period, which corresponds to an increase of 5.2 percent from 70.2 million euros year-on-year. The gross margin amounted to 8.0 percent in the first half of 2006 (2005: 7.9 percent). The operating expenses of 57.2 million euros were reduced by 3.1 million euros compared to the previous year. Cost of sales and operating expenses in 2006 include depreciation and amortization of 16.8 million euros (2005: 18.5 million euros). Other financial expenses (income) comprise earnings from investments, securities, and other financial instruments.

At 16.4 million euros, earnings before interest and taxes (EBIT) were 59.6 percent higher than in the previous year (2005: 10.3 million euros), primarily due to the earnings

development in the Air & Ocean business segment. In addition to the positive effect of the disposal of PD Logistics of 3.1 million euros in the Microlog-Südkraft business unit, the Group's EBIT was impacted by other one-off effects in the amount of -0.9 million euros.

The EBIT margin amounted to 1.8 percent in the first half of 2006 (2005: 1.2 percent). Earnings before interest, taxes, depreciation and amortization (EBITDA) increased by 15.5 percent from 28.8 million euros in the previous year to 33.2 million euros.

At -7.9 million euros, the Group's net interest was behind the previous year's level (2005: -8.8 million euros). The ratio of EBITDA to net interest was 4.2 for the first half of 2006 (2005: 3.3).

The income tax expenses amounted to 4.2 million euros in the current reporting period and was thus at the same level as the previous year.

In the reporting period, 3.7 million euros (2005: -8.2 million euros) from the net result of 4.2 million euros (2005: -6.6 million euros) were attributable to the shareholders of Thiel Logistik AG and 0.6 million euros were attributable to minority shareholders (2005: 1.6 million euros).

Sales Analysis

Sales growth		in %
Total sales growth		4.4
from acquisitions		-0.5
from foreign currencies		-0.5
organic growth		3.4

EBITDA

	05	06	in million €
	28.8	33.2	

Cash Flow Statement

in thousand €	January 1, - June 30,	2006	2005	Change
Earnings before interest and taxes (EBIT)		16,425	10,293	59.6 %
Depreciation and amortization		16,804	18,465	-9.0 %
Earnings before interest, taxes, depreciation and amortization (EBITDA)		33,229	28,758	15.5 %
Income tax payments		-4,467	-3,656	22.2 %
Interest payments		-7,101	-7,116	-0.2 %
Changes in working capital		-11,274	-3,059	268.6 %
Other reconciliations		-4,412	-9,617	-54.1 %
Operating Cash flow		5,975	5,310	12.5 %
Capital expenditure		-8,745	-10,018	-12.7 %
Divestments		3,597	3,694	-2.6 %
Acquisitions of subsidiaries		-245	-4,987	-95.1 %
Other changes in Cash flow from investing activities		1,952	-1,851	N/A
Cash flow from investing activities		-3,441	-13,162	-73.9 %
Changes in bank borrowings		-3,711	-8,154	-54.5 %
Issuance of corporate bond		-	-1,430	N/A
Other changes in Cash flow from financing activities		-4,174	-4,421	-5.6 %
Cash flow from financing activities		-7,885	-14,005	-43.7 %
Net cash used in discontinued operations		-1,332	-327	N/A
Effects of exchange rate changes on cash		-420	447	N/A
Changes in Cash and cash equivalents		-7,103	-21,737	-67.3 %
Cash and cash equivalents at end of period		57,984	65,632	-11.7 %
Free Cash flow ¹⁾		-2,770	-4,708	-41.2 %

¹⁾ Free Cash flow = Operating Cash flow - Capital expenditure (payments)

Cash flow An operating cash flow of 6.0 million euros (2005: 5.3 million euros) was generated during the reporting period. The reported outflows of cash from working capital of -11.3 million euros include provisions made for restructuring measures in the previous year.

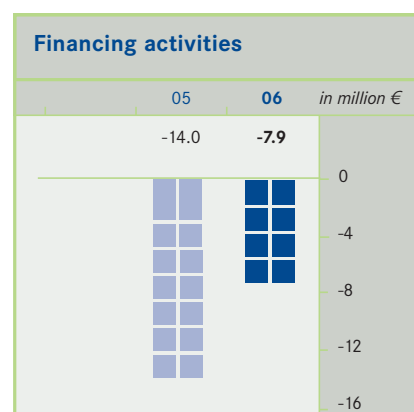
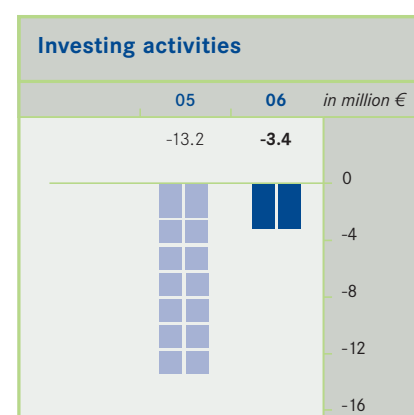
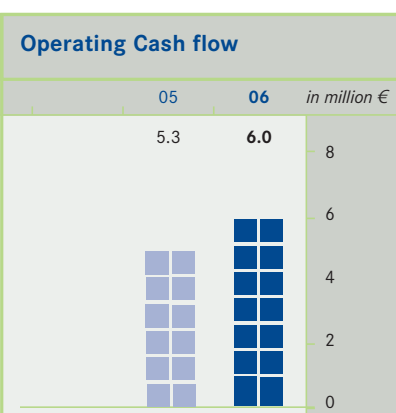
Disposals of long-lived assets and companies resulted in a cash inflow of 3.6 million euros (2005: 3.7 million euros) from divestments in the first half of 2006.

Other net cash provided by investing activities amounting to 2.0 million euros (2005: -1.9 million euros) includes changes in other loans and securities.

Bank borrowings with a net amount of 3.7 million euros were repaid during the first half of 2006. Other net cash used in financing activities amounted to -4.2 million euros (2005: -4.4 million euros) and includes changes in finance lease liabilities and other liabilities from financing activities.

The change in net cash provided by discontinued operations of -1.3 million euros primarily includes the utilization of provisions in 2005.

Exchange rate effects in the Thiel Group primarily relate to transactions in the currencies Swiss franc, Polish zloty, Hong Kong dollar, South African rand, and Hungarian



forint. This resulted in an effect of -0.4 million euros to the cash position during the first half of 2006 (2005: 0.4 million euros).

As of June 30, 2006, the Thiel Group held cash and cash equivalents of 58.0 million euros.

Balance Sheet

<i>in thousand €</i>	June 30, 2006	Dec. 31, 2005	<i>Change</i>
Assets			
Cash and cash equivalents	57,984	65,087	-10.9%
Trade accounts receivable	252,221	233,206	8.2%
Prepaid expenses and other current assets	44,613	42,873	4.1%
Assets of discontinued operations	97	4,737	-98.0%
Property, plant and equipment	212,395	221,517	-4.1%
Intangible assets	20,071	22,422	-10.5%
Goodwill	278,644	277,324	0.5%
Other long-term assets	30,777	33,881	-9.2%
Total assets	896,802	901,047	-0.5%
Liabilities and Shareholders' Equity			
Short-term bank borrowings	9,209	10,646	-13.5%
Trade accounts payable	214,156	197,317	8.5%
Other short-term liabilities	64,631	64,870	-0.4%
Other short-term provisions	24,884	28,384	-12.3%
Liabilities of discontinued operations	115	6,095	-98.1%
Long-term bank borrowings	33,837	35,055	-3.5%
Bonds payable	125,820	125,626	0.2%
Other long-term liabilities	64,935	65,660	-1.1%
Other long-term provisions	35,327	45,351	-22.1%
Shareholders' equity (including minority interest)	323,888	322,043	0.6%
Total liabilities and shareholders' equity	896,802	901,047	-0.5%
Key figures to the Balance Sheet			
Equity ratio ¹⁾	36.1%	35.7%	0.4%
Gross financial debt	217,062	221,559	-2.0%
Net financial debt	159,078	156,472	1.7%

¹⁾ Change in percentage points

Asset and capital structure Total assets declined by 0.5 percent to 896.8 million euros compared to the balance sheet reporting date of December 31, 2005 (2005: 901.0 million euros). Cash and cash equivalents were down from 65.1 million euros as of December 31, 2005 to 58.0 million euros as of June 30, 2006. As a result of sales and structural effects, trade accounts receivable increased by 19.0 million euros to 252.2 million euros.

Property, plant and equipment decreased by 4.1 percent to 212.4 million euros (2005: 221.5 million euros). Additions of long-lived assets amounted to 8.2 million euros in the Thiel Group in the first half of 2006, asset disposals amounted to 0.9 million euros

and depreciation amounted to 12.4 million euros. Intangible assets decreased by 2.3 million euros from 22.4 million euros to 20.1 million euros in the reporting period, with additions amounting to 2.1 million euros and amortization on intangible assets to 4.4 million euros in the reporting period.

Both assets and liabilities from discontinued operations fell significantly as of June 30, 2006.

Largely as a result of structural factors, trade accounts payable increased to 214.2 million euros (2005: 197.3 million euros). The drop in other short-term provisions of 3.5 million euros to 24.9 million euros as of June 30, 2006 was primarily due to the utilization of restructuring provisions recognized in the previous year.

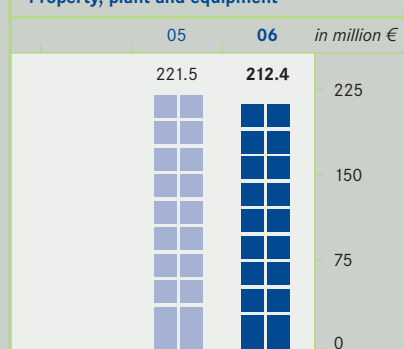
Expenses from the issuance of the Corporate Bond are posted alongside the bond volume of 130.0 million euros with the prepaid costs for the issuance over the term of the bond. Changes to the liability are due to the amortization of these issue costs. Other long-term provisions were down by 22.1 percent from 45.4 million euros as of December 31, 2005 to 35.3 million euros. This decrease is due to the disposal of PD Logistics effective March 31, 2006 and of other small subsidiaries of the Quehenberger business unit, the pension obligations of which were assumed by the buyer.

At 323.9 million euros, shareholders' equity was up 0.6 percent compared to December 31, 2005 (322.0 million euros). The equity ratio of the Thiel Group was 36.1 percent as of June 30, 2006 (2005: 35.7 percent).

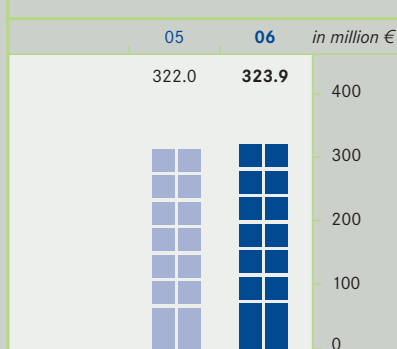
Net financial debt rose by 2.6 million euros to 159.1 million euros in the reporting period (2005: 156.5 million euros). Gross financial debt improved by 2.0 percent from 221.6 million euros to 217.1 million euros.

Assets

Property, plant and equipment



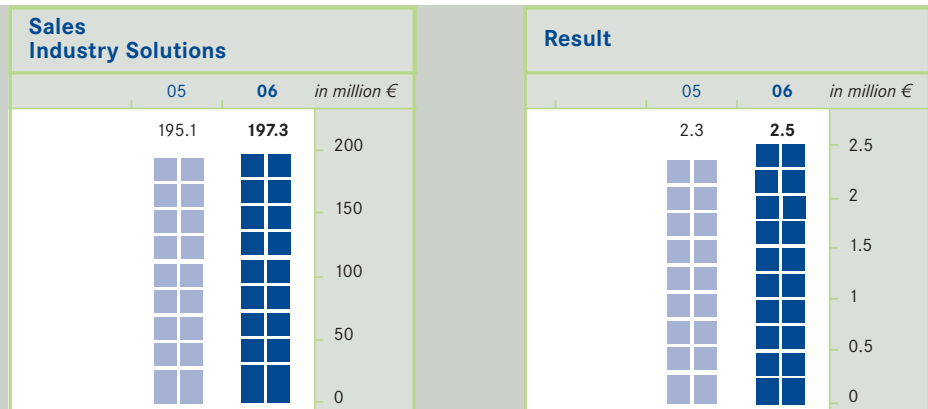
Shareholders' equity



Industry Solutions

The Industry Solutions Thiel FashionLifestyle, Thiel Furniture, and Thiel Media were developed in the context of customer projects and provide tailor-made supply chain management for the fashion and lifestyle, new furniture, as well as press and media industries. The former Industry Solution Thiel Automotive was allocated to the Regional Logistics Services business segment following the merger with the Südkraft business unit at the start of the year. The comparative figures for the first half of 2005 were adapted.

The Thiel Group posted sales of 197.3 million euros in the Industry Solutions business segment in the first half year. Net sales in Industry Solutions were thus higher than the previous year's level of 195.1 million euros. At 2.5 million euros, earnings for the first half year as of June 30, 2006 were up on previous year's 2.3 million euros.



Thiel FashionLifestyle Despite the weak consumer demand on the German market, the Thiel FashionLifestyle business unit generated sales of 109.8 million euros for the reporting period, an increase of 4.9 million euros compared to the previous year's figure. This growth was generated both in the German core market and abroad.

In order to meet rising customer demand, additional storage space was added to the Thiel FashionLifestyle locations in Langenfeld and Aschaffenburg in the second quarter. Two major new customers were also found for the Hanau location. During the World Cup, Thiel FashionLifestyle was responsible for the fashion logistics for the fitting of Fifa representatives and stadium employees. The suits and costumes were delivered to the respective match sites on hangers and ready-to-wear.

During the second quarter, the transportation of hanging garments to Moscow and the supply of packaged goods to the Russian market was performed for the first time. This service range also includes obtaining on behalf of customers the necessary certificates of quality, which are required to sell textiles in Russia.

Thiel Furniture In the second quarter, the Thiel Furniture business unit suffered as a result of the cyclical and sustained weak economy in the sector, which was characterized by a sharp decrease in sales and increasing cost pressures. At 21.7 million euros, sales were down on the previous year's figure of 24.3 million euros in the first half of

2006. The extensive measures aiming at an improvement of the revenue and the cost situation were intensified in the first half of the year. With the support of the Centers of Competence "Supply Chain Solutions" and "Marketing", a concept was developed to intensify measures to gain additional customers. First signs of success of these operational measures have become already evident, particularly at Lippe Logistik. The intensive negotiations with the trade union and the works council with regard to an acceptable salary level in line with market conditions were continued.

As no economic recovery is anticipated in the furniture segment in Germany for 2007, Thiel Furniture focuses on the further expansion of business in Eastern Europe. It intends to extend its activities in Rumania and Bulgaria, and to increase the import business from Southeast Asia and to expand its warehousing activities. Thiel Furniture works closely with Quehenberger and Birkart Globistics air+ocean in the growth areas of Eastern Europe and Asia.

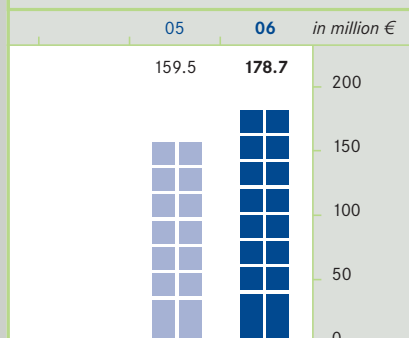
Thiel Media The Thiel Media business unit generated sales of 60.6 million euros in the first half of 2006, matching the figure for the previous year despite a general decline in volumes in the newspaper and magazine market and falling rates for full and part truck loads.

As part of the World Cup, Thiel Media established additional logistics procedures exclusively for Axel Springer thereby reducing transport times and making it possible for the editorial departments to report on all the results from late matches. In cooperation with the Microlog-Südkraft business unit, a web shop for merchandise was also implemented for this customer.

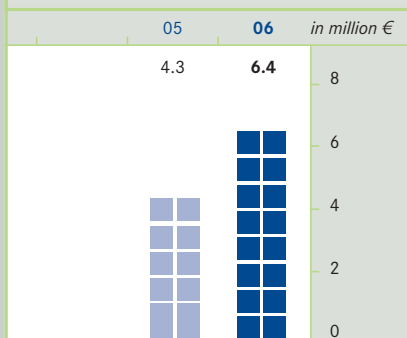
Air & Ocean

The Air & Ocean business segment comprises the Group's international air and sea freight forwarding activities under the management of Birkart Globistics air+ocean. In the reporting period, Thiel Logistik generated sales of 178.7 million euros in this business segment, an increase of 12.1 percent compared to the previous quarter, despite declining freight rates. Earnings improved from 4.3 million euros in the previous year to 6.4 million euros.

Sales Air & Ocean



Result



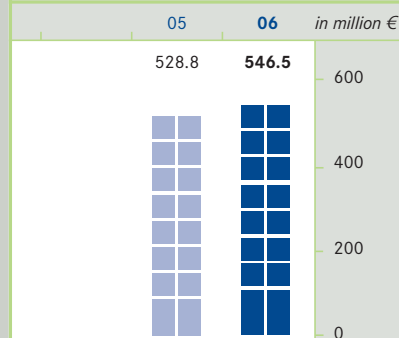
The business segment continued to benefit from the ongoing growth in intercontinental logistics. The expansion was mainly driven by the import and export business activities with the Asian Region and South Africa. In both regions, the business segment attracted major new customers in the electronics and consumer goods industry in addition to expanding business with its existing customers.

Air & Ocean participated in the trend towards the outsourcing of logistics services. Thus, in the reporting period, this segment gained a series of new customers, for which it performs inbound and outbound logistics services in addition to global goods transportation. In addition to warehousing, these include labeling and commissioning of luxury goods for the Chinese market together with distribution activities at the point-of-sale.

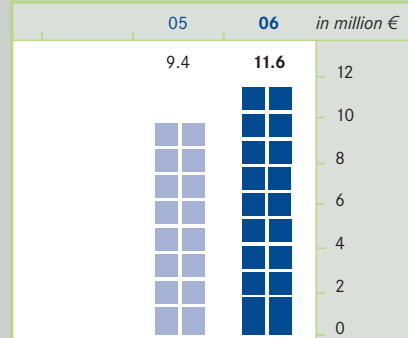
Regional Logistics Services

The regional logistics service providers Quehenberger, Delacher and Microlog-Südkraft provide logistics services to customers from their respective home markets, which also support them in their international activities. Sales in this business segment amounted to 546.5 million euros in the first half of 2006, compared to 528.8 million euros for the same period of the previous year. Earnings rose from 9.4 million euros in the previous year to 11.6 million euros. The comparative figures for the first quarter of 2005 were adjusted following the allocation of the former Thiel Automotive business unit to the Regional Logistics Services business segment.

Sales Regional Logistics Services



Result



Quehenberger The Quehenberger business unit generated sales of 245.3 million euros, 37.4 million euros more than sales in the same period of the previous year of 207.9 million euros, an increase of around 18 percent. Net sales for the first half of 2006 include the revenues of the logistics service provider Proxar, which was acquired in mid-2005.

Quehenberger continued to focus on expanding the network in Central and Eastern Europe during the reporting period. Additional sites were opened in Poland and Macedonia. The new Austrian logistics center in Ludesch became operational. Construction on a new logistics terminal in Enns (Linz) as a hub for Upper Austria was commenced. The Russian location at Novgorod was also expanded.

The range of services available at the tire logistics center in Traiskirchen has been expanded. In addition to warehousing, up to 2,000 wheels are now assembled every day on a total of four assembly lines for wheel-and-tire deliveries to dealerships.

Groupage transportation from Switzerland to Slovakia and Romania was bundled with the Delacher business unit as a result of the coordinating function of the Center of Competence "Logistics Networks".

Delacher In the first half of 2006, sales in the Delacher business unit amounted to 137.5 million euros, compared to 128.8 million euros in the same period of the previous year. Delacher recorded a positive sales performance in Austria, Spain, Italy, and the Netherlands in particular. In contrast, sales were down in Hungary and the French subsidiaries. Sales measures and cost cutting programs were introduced here, which should contribute to a positive development in the second half of the year.

Construction was begun on a new logistics center in Feldkirch-Tosters, Austria, in the reporting period. Upon completion the facility will have 20,000 square meters of storage space and will begin operations in 2007.

In Switzerland and the Netherlands, administrative functions were bundled and the market presence was streamlined with the aim of further cost-cutting.

During the first half of the year, further synergies were leveraged with other business units in the context of the activities of the Center of Competence "Logistics Networks" and Group-wide cooperation was expanded. For example, Delacher has been working together with Quehenberger as its new partner for transports from Switzerland to Romania and Slovakia since the second quarter of 2006.

Microlog-Südskraft In the first half of 2006, the Microlog-Südskraft business unit generated sales of 163.7 million euros. A pro forma presentation of the sales of the former Thiel Automotive and Südskraft business units shows a comparative value of 192.2 million euros for the previous year. Sales losses compared to the same period in the previous year are largely the result of expired projects with major customers as well as the disposal of PD Logistics at the end of the first quarter.

In the reporting period, the Microlog-Südskraft business unit focused on securing and expanding existing business relationships. For example, the long-standing business relationship with the customer Heraeus was extended and other existing agreements were prolonged. The existing supplier consolidation activities with the customer ZF Group were also expanded. In the contract logistics business segment, global spare parts logistics for the new customer ViaStore will be arranged via the logistics center in Neckartenzlingen. In addition, new customer agreements were signed and existing contracts were expanded in the areas of transport logistics, bulk and silo logistics, as well as merchandizing logistics.

Number of employees declined again The number of employees in the Thiel Group declined further in the first half of 2006 as against December 31, 2005. On June 30, 2006, the Group employed 8,237 people, which corresponds to a decline of 570 employees. This decrease is primarily due to the disposal of Group companies.

In personnel management, the first half of the year was characterized by the ongoing analysis and improvement of management capacity in the Group. In addition, appropriate personnel measures were introduced in selected business units to improve management quality and the advancement programs for executives and employees in the Group were intensified and enhanced. In addition to individual development measures, the advancement program for young professionals was continued and expanded to include training sessions on management.

Efforts to achieve a sustainable improvement of the economic situation in the Thiel Furniture business unit were continued and talks with the trade union and the works council were intensified.

	June 30, 2006	December 31, 2005
Germany	3,668	4,335
Austria	1,522	1,574
Switzerland	364	349
Eastern Europe	893	894
Asia, Pacific region, Africa	831	770
Other	959	885
Total	8,237	8,807

Board of Directors expanded– authorized capital of 50 million euros approved

Shareholders of Thiel Logistik AG resolved to expand the Board of Directors at the Ordinary Annual General Meeting in April 2006. Stefan Delacher, who was approved as a member of the Board of Directors, and Klaus Hrazdira, a member of the Executive Committee since September 2005, were appointed to the Board of Directors of Thiel Logistik AG. In addition, Dr. Michael Kemmer, a member of the Board of BayernLB, was appointed a non-executive member of the Board of Directors.

The Executive Committee, which is responsible for the management of day-to-day business, is now formed of four executive members of the Board of Directors: Berndt-Michael Winter (Chairman), Dr. Antonius Wagner (Finance), Stefan Delacher (Industry Solutions and Air & Ocean) and Klaus Hrazdira (Regional Logistics Services). All fundamental control functions are now – following the appointment of Dr. Michael Kemmer alongside Prof. Dr. Dr. h. c. Werner Delfmann and Dr. Yves Prussen – carried out by three independent, non-executive members, who also form the Audit and the Appointments and Remuneration Committee. At a subsequent Extraordinary Annual General Meeting, it was resolved to create an Authorized Capital amounting to 50 million euros, as the previous authorized capital has expired, and an editorially revised version of the Articles of Association was approved.

Squeeze-Out Procedure at Microlog Logistics AG commenced In July 2006, a squeeze-out procedure was commenced for the purpose of excluding the minority shareholders of Microlog Logistics AG. The aim of this is to completely integrate the company into the Thiel Group, as the considerable expenses associated with a stock market listing are no longer justified. Thiel Logistik does not pursue any other aims within the scope of excluding the minority shareholders and, in particular, does not plan any measures requiring a prior successful execution of the squeeze-out. Against this background, Thiel Logistik AG reserves the right to withdraw from the process and to refrain from the execution of excluding the minority shareholders if the stock market price increases to such an extent that a squeeze-out would no longer make commercial sense for Thiel Logistik AG.

Outlook In light of the developments during the first half of the year, the target continues to be a sales increase of around 5 percent. EBIT is expected to improve compared to the previous year. The medium-term target remains an EBIT margin of 3 percent.

Name



THIEL
Logistics+Services

Industry

LOGISTICS

Date

June 30, 2006

CONSOLIDATED FINANCIAL STATEMENTS

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Consolidated Statement of Income

in EUR thousands except per share amounts

	January 1, - June 30, 2006	January 1, - June 30, 2005	April 1, - June 30, 2006	April 1, - June 30, 2005
Net sales	922,488	883,508	445,144	452,500
Cost of sales	(848,651)	(813,320)	(410,897)	(416,773)
Gross profit	73,837	70,188	34,247	35,727
Selling costs	(18,391)	(17,724)	(9,417)	(8,754)
General and administrative costs	(42,977)	(46,928)	(20,750)	(24,362)
Other income (expenses), net	3,956	4,757	1,965	1,781
Earnings before interest and taxes (EBIT)	16,425	10,293	6,045	4,392
Interest expenses, net	(7,905)	(8,842)	(3,926)	(4,407)
Income (Loss) from continuing operations before income taxes	8,520	1,451	(2,119)	(15)
Income taxes	(4,196)	(4,017)	(1,211)	(2,059)
Income (Loss) from continuing operations	4,324	(2,566)	908	(2,074)
Income (Loss) from discontinued operations, net of tax	(93)	(4,039)	(57)	(3,195)
Net profit	4,231	(6,605)	851	(5,269)
Attributable to:				
Equity holders of Thiel Logistik AG	3,669	(8,219)	483	(6,252)
Minority interest	562	1,614	368	983

	January 1, - June 30, 2006	January 1, - June 30, 2005	April 1, - June 30, 2006	April 1, - June 30, 2005
Earnings per share (in EUR) - basic and fully diluted:				
for income (loss) from continuing operations	0.04	(0.02)	0.01	(0.02)
for income (loss) from discontinued operations, net of tax	(0.00)	(0.04)	(0.00)	(0.03)
for net result attributable to the equity holders of Thiel Logistik AG	0.03	(0.07)	0.00	(0.06)

Consolidated Statement of Cash Flows

in EUR thousands

■ ■	January 1, - June 30,	2006	2005
Cash flows from operating activities			
Net result		4,231	(6,605)
Adjustments to reconcile net result to net cash used in operating activities			
Income (Loss) from discontinued operations		93	4,039
Depreciation and amortization		16,804	18,465
Non-cash items in connection with disposal of non-current assets		(3,319)	(1,165)
Deferred income taxes		616	(200)
Other, net		(857)	1,748
Change in retirement and other employee-related obligations		(319)	(7,913)
Changes in working capital			
Decrease (Increase) in trade accounts receivable and other assets		(23,814)	(26,125)
Decrease (Increase) in inventory		(7,224)	(1,871)
Increase (Decrease) in trade accounts payable and other liabilities		19,764	24,937
Net cash provided by (used in) operating activities		5,975	5,310
Cash flows from investing activities			
Capital expenditure		(8,745)	(10,018)
Proceeds from disposal of non-current assets		3,597	3,694
Purchase of available-for-sale securities		(6)	253
Proceeds from sale of available-for-sale securities		1,471	-
Change in other loans granted		487	(2,104)
Payments for acquisitions of subsidiaries, net of cash acquired		(245)	(4,987)
Net cash used in investing activities		(3,441)	(13,162)
Cash flows from financing activities			
Repayment of short-term borrowings		(2,492)	(6,204)
Repayment of long-term borrowings		(1,219)	(1,950)
Repayment in finance lease obligations		(3,767)	(3,835)
Other financing activities		(85)	(586)
Proceeds from issuance of corporate bond, net		-	(1,430)
Other payments		(322)	-
Net cash used in financing activities		(7,885)	(14,005)
Net cash provided by (used in) discontinued operations		(1,332)	(327)
Effects of exchange rate changes on cash		(420)	447
Increase (Decrease) in cash and cash equivalents		(7,103)	(21,737)
Cash and cash equivalents at beginning of year		65,087	87,369
Increase (Decrease)		(7,103)	(21,737)
Cash and cash equivalents at end of period		57,984	65,632

Consolidated Balance Sheet

in EUR thousands

	June 30, 2006	Dec. 31, 2005
ASSETS		
Current Assets		
Cash and cash equivalents	57,984	65,087
Trade accounts receivable	252,221	233,206
Inventories	12,548	8,916
Prepaid expenses and other current assets	32,065	33,250
Assets held for sale	-	707
Assets of discontinued operations	97	4,737
Total current assets	354,915	345,903
Non-current assets		
Property, plant and equipment	212,395	221,517
Intangible assets	20,071	22,422
Goodwill	278,644	277,324
Investments in associated companies	255	267
Investments in affiliated, not consolidated companies and other investments	2,438	2,985
Securities, available-for-sale	2,059	3,645
Securities, held-to-maturity	370	370
Deferred income taxes	19,961	19,761
Other non-current assets	5,694	6,853
Total non-current assets	541,887	555,144
Total assets	896,802	901,047

■ ■ LIABILITIES AND SHAREHOLDERS' EQUITY	June 30, 2006	Dec. 31, 2005
Current liabilities		
Short-term bank borrowings and current portion of long-term debt	9,209	10,646
Trade accounts payable	214,156	197,317
Lease obligations, short-term	6,317	7,538
Tax provisions	9,067	10,278
Other short-term liabilities	58,314	57,332
Other short-term provisions	15,817	18,106
Liabilities of discontinued operations	115	6,095
Total current liabilities	312,995	307,312
Non-current liabilities		
Long-term bank borrowings	33,837	35,055
Bonds payable	125,820	125,626
Lease obligations, long-term	41,879	42,694
Retirement and other employee-related obligations	35,293	45,121
Deferred income taxes	19,727	18,892
Other long-term liabilities	3,329	4,074
Other long-term provisions	34	230
Total non-current liabilities	259,919	271,692
Shareholders' equity		
Capital and reserves attributable to the Company's equity holders		
Ordinary shares - voting, no-par value	139,344	139,344
Additional paid-in capital	174,001	204,899
Retained earnings and other reserves	11,494	(23,073)
Translation reserve	(684)	1,015
Fair value reserve	311	440
Actuarial gains and losses from pensions	(3,977)	(3,977)
Total Group equity	320,489	318,648
Minority interest	3,399	3,395
Shareholders' equity	323,888	322,043
Total liabilities and shareholders' equity	896,802	901,047

Consolidated Statement of Changes in Shareholders' Equity

in EUR thousands

	Ordinary shares - voting, no-par value	Additional paid-in capital	Retained earnings and other reserves	Result directly recognized in equity	Total Group equity	Minority interest	Total Shareholders' equity
January 1, 2005	139,344	323,184	(87,944)	(1,393)	373,191	4,252	377,443
Settlement additional paid-in capital with balance sheet loss		(118,285)	118,285				
Net profit			(8,219)		(8,219)	1,614	(6,605)
Neutral effects from Minority interests						212	212
Result directly recognized in equity							
Translation reserve				1,395	1,395		1,395
Fair value reserve				226	226		226
Total					(6,598)	1,826	(4,772)
June 30, 2005	139,344	204,899	22,122	228	366,593	6,078	372,671
Net profit			(45,195)		(45,195)	(1,178)	(46,373)
Neutral effects from Minority interests						(1,505)	(1,505)
Result directly recognized in equity							
Translation reserve				644	644		644
Fair value reserve				(24)	(24)		(24)
Actuarial gains and losses from pensions				(3,370)	(3,370)		(3,370)
Total					(47,945)	(2,683)	(50,628)
December 31, 2005	139,344	204,899	(23,073)	(2,522)	318,648	3,395	322,043
Settlement additional paid-in capital with balance sheet loss		(30,898)	30,898				
Net profit			3,669		3,669	562	4,231
Neutral effects from Minority interests						(558)	(558)
Result directly recognized in equity							
Translation reserve				(1,699)	(1,699)		(1,699)
Fair value reserve				(129)	(129)		(129)
Total					1,841	4	1,845
June 30, 2006	139,344	174,001	11,494	(4,350)	320,489	3,399	323,888

Notes to Consolidated Financial Statements as of June 30, 2006

1 Summary of Significant Accounting Policies

Basis of Presentation

The Consolidated Financial Statements include all accounts of Thiel Logistik AG and all assets, liabilities and results of operations of its subsidiaries, some of which have a minority interest. All significant intercompany accounts and transactions have been eliminated. The Consolidated Financial Statements have been prepared on a historical cost basis, except for derivative financial instruments and available-for-sale securities, which have been measured at fair value.

The Consolidated Financial Statements of Thiel Logistik AG and its subsidiaries have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union.

Consolidation Methods

The Consolidated Financial Statements include all material companies in which Thiel Logistik AG has legal or effective control. Significant investments in which the Company has 20 percent to 50 percent of the voting rights and the ability to exercise significant influence over operating and financial policies ("associated companies") are accounted for using the equity method according to IAS 28, "Investments in Associates". All other investments are recorded at acquisition cost.

Scope of consolidation

In addition to Thiel Logistik AG as the parent company, the scope of fully consolidated companies includes four domestic and 125 foreign companies as of June 30, 2006 (as of December 31, 2005: four domestic and 137 foreign companies).

The consolidated entities including Thiel Logistik AG have developed as follows:

	Dec. 31, 2005	Additions	Disposals	June 30, 2006
Luxembourg	5	-	-	5
Abroad	137	3	(15)	125
Total	142	3	(15)	130

Two minor companies were first factored into the scope of consolidation. Due to a legal demerger in the Air & Ocean and Industry Solutions segments one further company was first consolidated as of January 1, 2006. 15 companies are no longer included in the Group reporting. Thereof two companies has been merged, seven companies were disposed of and six companies were dissolved. The disposals mainly concern the sale of PD Logistics GmbH to INA Schaeffler Group effectively March 31, 2006. Under the equity method seven companies were accounted for (as of December 31, 2005: eight). Thiel Systemhandelsgesellschaft mbH former accounted according to the equity method, has been merged with another group company in the second quarter. Thirty-seven subsidiaries (as of December 31, 2005: 38) either dormant or generating a negligible volume of business are not included. Their influence on the Group's assets, liabilities, financial position and earnings is immaterial.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates. Key assumptions concerning future and other key sources of estimation uncertainty exist in the range of estimation of future taxable profits, which form the basis of impairment evaluation of deferred tax assets. In addition estimates are required to determine expected future cash flows and a suitable discount rate for impairment evaluation of goodwill according to the discounted-cash-flow method. Further assumptions result in the creation of provisions and the determination of the useful life of long-lived assets.

Foreign Currency Translation

The functional currency of the Group's operations is the Euro.

The assets and liabilities of the Group's operations having a functional currency other than the Euro are translated into Euro using the exchange rate in effect at the reporting date and revenues and expenses are translated at the average rate during the reported period. Exchange gains or losses on translation of the Company's net equity investment in these operations are deferred as a separate component of shareholders' equity. Gains and losses arising from transactions denominated in currencies other than the Euro are reflected in the income statement.

The following table shows the development of the exchange rates of the major currencies used in the Consolidated Financial Statements:

Currencies		Average rate during		Exchange rate as at	
		January 1, – June 30, 2006	January 1, – June 30, 2005	June 30, 2006	December 31, 2005
1 EUR =					
Swiss franc	CHF	1.5613	1.5463	1.5672	1.5551
Polish zloty	PLN	3.8895	4.0783	4.0546	3.8600
Hong Kong dollar	HKD	9.5362	10.0173	9.8745	9.1781
Hungarian forint	HUF	260.5591	247.3604	283.3500	252.8700
Britisch pound	GBP	0.6871	0.6861	0.6921	0.6853
US dollar	USD	1.2292	1.2855	1.2713	1.1797

Revenue Recognition

Thiel Logistik Group generates sales from its core business areas Industry Solutions, Air & Ocean and Regional Logistics Services by providing end-to-end logistics and service solutions for industry and commerce. Sales are recognized net of applicable provisions for discounts and allowances, when realized or realizable and earned according to IFRS. This is usually the case when there is clear evidence of an agreement, the risks and rewards of ownership of the goods have been transferred or the service has been rendered, the price has been agreed upon, and there is adequate assurance that collection will be made.

Deferred Taxes

The Group provides for income taxes using the liability method which requires that deferred tax assets and liabilities be recognized for the expected future tax consequences of temporary differences arising between the bases of assets and liabilities for financial reporting and income tax purposes. Currently enacted tax rates are used to determine deferred income tax. Changes in tax rates which have been substantively enacted at balance sheet date have been taken into consideration.

Under this method, the Group is required to record deferred income taxes on the revaluation of certain non-current assets and, in relation with an acquisition, on the difference between the fair values of the net assets acquired and their tax base. Valuation allowances on deferred tax assets are provided where management believes it is more likely than not that the Group will not realize such amounts.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and deposits held at call with banks with an original maturity of three months or less.

Trade and other receivables

Trade receivables are recognized and carried at original invoice amount less an allowance for any uncollectible amounts.

Inventories

Inventories are stated at the lower of cost or net realizable value, with cost being determined substantially by weighted average method. Risks resulting from slow-moving items and from the obsolescence or reduced utility of inventories, as well as uncompleted contracts that involve impending losses are allowed for by writing them down to their net realizable values.

Non-current assets held for sale and discontinued operations

The Thiel Group applies IFRS 5, "Non-current Assets Held for Sale and Discontinued Operations", which states that a non-current asset is classified as "held for sale", if the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets and if its sale is highly probable. In addition, "discontinued operations" are defined as a group of assets to be disposed of, by sale or otherwise, together as a group in a single transaction, and liabilities directly associated with those assets that will be transferred in the transaction. These "assets held for sale" and the assets and liabilities of a disposal group classified as held for sale shall be presented separately in the balance sheet.

In the Consolidated Balance Sheets as of June 30, 2006 and December 31, 2005, assets and liabilities of businesses to be discontinued have been reflected in the balance sheet line items "Assets of discontinued operations" and "Liabilities of discontinued operations". In the Consolidated Statements of Income for the periods ended June 30, 2006 and 2005, profits and losses attributable to businesses to be discontinued have been segregated from continuing operations and reflected in the line item "Income (Loss) from discontinued operations, net of tax". The effect of net cash provided by discontinued operations has been separately disclosed in the Consolidated Statements of Cash

Flows for the periods ended June 30, 2006 and 2005. Reference is made to note 4, "Income (Loss) from Discontinued Operations" and to note 6, "Assets and Liabilities of Discontinued Operations".

Property, Plant and Equipment and Intangible Assets

Property, plant and equipment and acquired intangible assets are stated at historical cost less accumulated depreciation. Additions and improvements which add to the life of the related asset or improve its utility to the Group are capitalized, whereas maintenance and repairs are expensed as incurred. Depreciation and amortization are provided using the straight-line method over estimated useful lives ranging from ten to 50 years for plant and buildings and five to 20 years for machinery, fixtures and equipment. Acquired intangible assets with definite useful life are recognized and amortized over their estimated useful lives ranging from three to ten years.

Business Combinations

IFRS 3, "Business combinations" has been applied for business combinations occurring after September 30, 2002. Upon acquisition, the Group initially measures the identifiable assets, liabilities and contingent liabilities acquired at their fair values as at the acquisition date; hence causing any minority interest in the acquiree to be stated at the minority proportion of the net fair values of those items.

Impairment Evaluation of long-lived assets

The Thiel Group adopts IAS 36, "Impairment of Assets". Long-lived assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. If the reason for the previously recognized impairment loss no longer exists, the impairment is reversed up to the level of its rolled-forward depreciated or amortized cost.

According to IFRS 3, "Business Combinations" goodwill shall be tested annually and on an interim basis when an event occurs or circumstances change between annual tests that would more-likely-than-not result in impairment, in accordance with IAS 36, "Impairment of Assets". For the purpose of impairment testing, goodwill is allocated to cash-generating units defined by the company. The fair value of this cash-generating unit is compared to its carrying value. A cash-generating unit is the level at which goodwill impairment is measured. If the fair value of the cash-generating unit is less than its carrying value, goodwill allocated to this cash-generating unit is impaired. If the reason for the previously recognized impairment loss no longer exists, a reversal of the impairment is not allowed.

The regular impairment test is performed by Thiel Logistik Group as of September 30, of each fiscal year.

Securities

Debt and equity securities that have readily determinable fair values are classified and accounted for in one of three categories: trading, held-to-maturity or available-for-sale. Trading securities are recorded at fair value with movements in fair value included in the income statement. Investments in held-to-maturity securities are measured at amortized costs. Available-for-sale securities are recorded at fair value. Movements in fair value are excluded from earnings and recorded net of tax in a fair value reserve as a separate component of shareholders' equity. Management determines the appropriate classification of its investments in debt and equity securities at the time of purchase and re-evaluates such classifications at each balance sheet date.

Derivative Financial Instruments

Thiel Logistik Group adopts IAS 39, "Financial Instruments". This standard requires that all derivative instruments are to be reported on the balance sheet at fair values and establishes criteria for designation and effectiveness of hedging relationships.

Derivative products are used for non-trading purposes including the management of foreign currency exposure and interest rate positions. Hedges of fair value exposure are entered into in order to hedge the fair value of a recognized asset or liability or a firm commitment. The Group enters into hedges of cash flow exposure in order to hedge the variability of cash flows to be paid related to a recognized interest-bearing liability. Changes in derivative fair values that are designated as fair value hedges are recognized in earnings as offsets to the change in fair value of related hedged assets, liabilities and firm commitments. Changes in the derivative fair values that are designated as cash flow hedges are deferred in a fair value reserve as a separate component of shareholders' equity. They are recognized in earnings at the moment when the hedged transactions occur and are recognized in earnings. Derivatives that are entered into for risk management purposes, but which do not meet the conditions of IAS 39, are recorded at their market values with changes in fair values recognized in current earnings.

Leasing

The Group leases certain fixed assets. All leases that meet certain specified criteria representing situations where the substantial risks and rewards of ownership have been transferred to the Group are accounted for as capital leases. Capital leases are recorded at the lower of the fair market value of the leased asset or the net present value of the future rental payments at the inception of the lease. Capitalized lease assets and related leasehold improvements, if any, are amortized over the economic life of the asset or its lease term, as the case may be. All other leases are accounted for as operating leases.

Interest-bearing loans and bonds

Loans and bonds respectively are initially recognized at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, bonds are subsequently measured at amortized cost using the effective interest method, interest-bearing loans are reported at redemption amount. Gains and losses are recognized in net profit or loss when the liabilities are derecognized as well as through the amortization process.

Provisions

The Group adopts IAS 37, "Provisions, Contingent Liabilities and Contingent Assets". Provisions are recognized when the Group has a present (legal or constructive) obligation to a third party, an outflow of resources is probable and a reliable estimate can be made of the amount of the obligation. Measurement is computed on the bases of fully attributable costs. Long-term provisions with a remaining period of more than one year are discounted to the present value of the expenditures expected to settle the obligation at the balance sheet date

Retirement and Other Employee-Related Obligations

Provisions for retirement are accounted for using the projected unit credit method in accordance with IAS 19, "Employee Benefits". Under this method, not only obligations relating to known vested benefits at the reporting date are recognized, but also the effect of future increases in pensions and salaries. This involves taking account of various input factors which are evaluated on a prudent basis. The provision is derived from an independent actuarial valuation which takes into account the relevant biometric factors. Gains and losses from changes in actuarial valuation are recognized as a separate component of shareholders' equity. This so-called "third option" was initially adopted as of December 31, 2005.

Earnings per Share (EPS)

According to IAS 33, "Earning per share", basic and diluted earnings per share (EPS) are based on the weighted average number of registered shares outstanding

2 Segment Reporting

Primary reporting format – Business segments

According to the merger of Südkraft and Thiel Automotive in terms of corporate law, effective from January 1, 2006, the internal reporting system was adapted. The newly founded Microlog-Südkraft business unit was allocated to the Regional Logistics Services segment. In the course of this reorganization the GST-Group (former Thiel Automotive) was assigned to the Delacher business unit. According to the requirements of IAS 14, "Segment reporting", prior year's comparable figures were restated.

Industry Solutions

In this business segment the Thiel Group provides logistics services for the fashion, media and furniture industries.

Air & Ocean

In this business segment, the Thiel Group operates in the area of intercontinental air and sea transportation services. At the same time, the Industry Solutions and Regional Logistics Services business segments are assisted by this segment.

Regional Logistics Services

The companies bundled in this business segment provide logistics services at a regional level. These services range from simple transportation to contract logistics, including supply chain management focusing on Central and Eastern Europe.

Transactions between the segments are measured at “arm’s length”, similar to transactions with third parties. The information on the business segments is reported after consolidation of the intersegment transactions. Transactions between the segments have been eliminated in the column “Consolidation”.

Segment result: The result of each segment is measured by management based on the earnings before other financial income (expenses), interest expenses and income taxes. General corporate expenses of the holding companies have been allocated to the business segments in line with the principle of causality.

The remaining positions not included in segment result are reported separately in the reconciliation of segment results to the consolidated result.

Segment assets: Segment assets include long-lived assets (excluding financial assets) and current assets (excluding income tax assets, cash and cash equivalents, securities and assets of discontinued operations). Goodwill has been allocated to the segments.

Segment liabilities: Segment liabilities comprise short-term and long-term, non-interest-bearing provisions and liabilities, excluding income tax liabilities and liabilities of discontinued operations.

Capital additions comprise additions to property, plant and equipment and intangible assets (excluding goodwill) and additions from capitalization of finance lease contracts.

Depreciation and amortization relate to long-lived and intangible assets, directly attributable to business segments (including amortization of capitalized customer contracts).

The tables below set forth segment information of the business segments for the periods ended June 30, 2006 and 2005:

	Industry Solutions	Air & Ocean	Regional Logistics Services	Holdings	Consoli- dation	Group
January 1, - June 30, 2006						
Net sales						
External sales	197,256	178,721	546,501	10	-	922,488
Intersegment sales	3,862	7,685	2,454	-	(14,001)	-
Total net sales	201,118	186,406	548,955	10	(14,001)	922,488
Result						
Segment result	2,473	6,431	11,615	(4,055)	(292)	16,172
Other financial income (expenses)						253
Earnings before interest and taxes (EBIT)						16,425
Interest expenses, net						(7,905)
Income (Loss) from continuing operations before income taxes						8,520
Income taxes						(4,196)
Income (Loss) from discontinued operations, net of tax						(93)
Net result						4,231
<i>Included in segment result are:</i>						
Depreciation and amortization	(4,148)	(784)	(10,302)	(1,570)	-	(16,804)
<i>thereof amortization of customer contracts</i>	<i>(971)</i>	<i>-</i>	<i>(548)</i>	<i>-</i>	<i>-</i>	<i>(1,519)</i>
Balance Sheet						
Segment assets	169,211	101,497	522,373	26,828	(9,503)	810,406
Unallocated assets						86,396
Total consolidated assets						896,802
Segment liabilities	72,899	69,394	183,627	10,212	(9,503)	326,629
Unallocated liabilities						246,285
Total consolidated liabilities						572,914
<i>Included in segment assets are:</i>						
Capital additions	1,801	716	6,462	1,391	-	10,370

	Industry Solutions	Air & Ocean	Regional Logistics Services	Holdings	Consoli- dation	Group
January 1, - June 30, 2005						
Net sales						
External sales	195,072	159,483	528,844	109	-	883,508
Intersegment sales	7,754	2,550	3,042	-	(13,346)	-
Total net sales	202,826	162,033	531,886	109	(13,346)	883,508
Result						
Segment result	2,300	4,273	9,383	(4,455)	(1,565)	9,936
Other financial income (expenses)						357
Earnings before interest and taxes (EBIT)						10,293
Interest expenses, net						(8,842)
Income (Loss) from continuing operations before income taxes						1,451
Income taxes						(4,017)
Income (Loss) from discontinued operations, net of tax						(4,039)
Net result						(6,605)
<i>Included in segment result are:</i>						
Depreciation and amortization	(4,540)	(766)	(11,984)	(1,175)	-	(18,465)
<i>thereof amortization of customer contracts</i>	<i>(971)</i>	<i>-</i>	<i>(824)</i>	<i>-</i>	<i>-</i>	<i>(1,795)</i>
Balance Sheet						
Segment assets	176,215	91,141	562,369	27,198	(8,913)	848,010
Unallocated assets						110,902
Total consolidated assets						958,912
Segment liabilities	35,194	56,845	219,027	8,730	(8,913)	310,883
Unallocated liabilities						274,959
Total consolidated liabilities						585,842
<i>Included in segment assets are:</i>						
Capital additions	1,100	888	8,008	1,670	-	11,666

Secondary reporting format – Segments by regions

The Thiel Group is subdivided into six geographical regions according to their materiality. Asia is headed by China with more than 50 percent of the segment's net sales, followed by Singapore and Korea. The segment "Other" is dominated by European countries with about 80 percent, the remaining share comprises Australia and countries in South America and Africa.

Net sales from external customers have been allocated according to the geographical location of the assets.

Segment assets as well as any additional geographical information are reported by location of the respective assets. Segment assets are defined as long-lived assets excluding financial assets and goodwill as well as current assets excluding income taxes, cash, securities and assets of discontinued operations. Long-lived assets and capital additions comprise property, plant and equipment and intangible assets excluding goodwill, both including the acquisition and capitalization of finance lease contracts.

The tables below present geographic information on net sales from external customers, segment assets, capital additions and long-lived assets for the periods ended June 30, 2006 and 2005:

■ ■	January 1, - June 30,	2006		2005	
Germany		385,907	41.8 %	418,143	47.3 %
Austria		267,850	29.0 %	250,601	28.4 %
Asia		55,235	6.0 %	51,569	5.8 %
Eastern Europe		73,064	7.9 %	40,365	4.6 %
Switzerland		43,889	4.8 %	42,086	4.8 %
Other		96,543	10.5 %	80,744	9.1 %
Total net sales		922,488	100.0 %	883,508	100.0 %

■ ■	June 30,	2006		2005	
Germany		206,746	38.9 %	251,870	44.6 %
Austria		135,537	25.5 %	128,197	22.7 %
Asia		24,856	4.7 %	20,778	3.7 %
Eastern Europe		44,936	8.4 %	48,443	8.6 %
Switzerland		46,766	8.8 %	46,387	8.2 %
Other		72,922	13.7 %	68,767	12.2 %
Total segment assets		531,763	100.0 %	564,442	100.0 %
Goodwill		278,644		283,568	
Other unallocated assets		86,395		110,902	
Total consolidated assets		896,802		958,912	

■ ■	January 1, - June 30,	2006		2005	
Germany	3,365	32.5%	2,315	19.9%	
Austria	2,532	24.4%	4,879	41.8%	
Asia	302	2.9%	408	3.5%	
Eastern Europe	498	4.8%	360	3.1%	
Switzerland	1,855	17.9%	351	3.0%	
Other	1,818	17.5%	3,353	28.7%	
Total capital additions	10,370	100.0%	11,666	100.0%	

■ ■	June 30,	2006		2005	
Germany	95,846	41.2%	138,077	49.0%	
Austria	65,919	28.4%	66,548	23.6%	
Asia	1,734	0.7%	2,226	0.8%	
Eastern Europe	21,031	9.0%	25,518	9.0%	
Switzerland	27,322	11.8%	27,474	9.7%	
Other	20,614	8.9%	22,346	7.9%	
Total fixed assets	232,466	100.0%	282,189	100.0%	

3 Other Income (Expenses), net

■ ■	January 1, - June 30,	2006	2005
Gain from disposal of long-lived assets		670	882
Foreign exchange gain		4,740	2,897
Insurance revenue		10	257
Income from reversal of provisions		406	2,159
Miscellaneous operating income		4,878	1,238
Other operating income		10,704	7,433

■ ■	January 1, - June 30,	2006	2005
Foreign exchange loss		(5,799)	(2,178)
Miscellaneous operating expenses		(1,202)	(855)
Other operating expenses		(7,001)	(3,033)

■ ■	January 1, - June 30,	2006	2005
Other operating income (expenses), net		3,703	4,400
Other financial income (expenses), net		253	357
Total other income (expenses), net		3,956	4,757

In 2006 miscellaneous operating income mainly comprises the gain from disposal of two companies in the Microlog-Südkraft business unit in the amount of TEUR 3,112.

4 Income (Loss) from Discontinued Operations

The following amounts related to businesses to be discontinued have been segregated from continuing operations and reflected as discontinued operations for the three-month periods ended June 30, 2006 and 2005:

■ ■	January 1, - June 30,	2006	2005
Net Sales		1,910	8,154
Income (Loss) from discontinued operations		(93)	(4,039)

5 Property, Plant and Equipment and Intangible Assets

■ ■	Acquisition cost	Accumulated amortization/ depreciation	Net book value June 30, 2006	Net book value December 31, 2005
Land and buildings	240,345	86,242	154,103	158,513
Machinery and equipment	58,638	42,262	16,376	16,554
Tools, fixtures, furniture, office equipment	75,520	56,319	19,201	21,878
Fleet of cars	67,370	47,205	20,165	23,598
Construction in progress	2,491	-	2,491	974
Property, plant and equipment	444,364	232,028	212,336	221,517
Concessions, licences, copyrights	4,403	2,461	1,942	2,323
Customer contracts	20,408	13,607	6,801	8,343
Software	40,048	29,321	10,727	8,047
Construction in progress	780	179	601	3,709
Intangible assets	65,639	45,568	20,071	22,422

6 Assets and Liabilities of Discontinued Operations

Assets and liabilities of discontinued operations as of June 30, 2006 and December 31, 2005, are as follows:

■ ■	June 30, 2006	Dec. 31, 2005
Trade accounts receivable	15	1,193
Prepaid expenses and other current assets	-	3,318
Property, plant and equipment	82	223
Other non-current assets	-	3
Total assets of discontinued operations	97	4,737

■ ■	June 30, 2006	Dec. 31, 2005
Short-term bank borrowings and current portion of long-term debt	113	116
Trade accounts payable	2	3,231
Tax provisions	-	225
Other short-term liabilities	-	726
Other short-term provisions	-	211
Retirement and other employee-related obligations	-	1,478
Other long-term liabilities	-	108
Total liabilities of discontinued operations	115	6,095

7 Shareholders' Equity

Ordinary shares

As of March 31, 2006, the Company had 111,474,987 ordinary shares, voting without nominal value, issued and outstanding, representing common stock amounting to TEUR 139,344. Each share represents a calculated par value of EUR 1.25.

Settlement of the Additional paid-in capital with Balance Sheet loss

The Annual General Meeting of Thiel Logistik AG on April 12, 2006 approved the settlement of the loss in the local balance sheet of Thiel Logistik AG, prepared in accordance with Luxembourg law, in the amount of TEUR 30,898 with the free additional paid-in capital. This settlement was disclosed in the Consolidated Balance Sheet of Thiel Logistik AG as of June 30, 2006

8 Supplemental Disclosures of Cash flow Information

The Consolidated Statement of Cash Flows is classified into cash flows from operating, investing and financing activities. Net cash used in discontinued operations is disclosed as a single item.

The cash inflow from operating activities includes the following items:

■ ■	January 1, - June 30,	2006	2005
Interest payments		7,101	7,116
Income tax payments		4,467	3,656

In the first half of 2006 TEUR 2,901 of the restructuring provision, made in 2005, were paid out. Furthermore interests on bonds were paid in the amount of TEUR 5,200 (2005: TEUR 5,257).

9 Subsequent Events

Thiel Logistik AG has commenced a squeeze out procedure for the purpose of excluding the minority shareholders of Microlog Logistics AG. It approached the management board of Microlog Logistics AG with a corresponding request pursuant to sec. 327a Stock Corporation Act (AktG) on July 24, 2006. The aim of excluding the minority shareholders, which hold approximate 2.26 percent of the share capital of Microlog Logistics AG, is to completely integrate the company into the Thiel Group.

Dates 2006 | 2007

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Annual General Meeting

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Further copies of the report and additional information can be obtained from us free of charge.

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