

Name



THIEL

Logistics+Services

Industry

L O G I S T I C S

Date

September 30, 2006

NINE-MONTH REPORT

Key Figures January 1 - September 30, 2006

according to International Financial Reporting Standards (IFRS)

■ ■	<i>in thousand €</i>	2006	2005	<i>Change in %</i>
Group Net Sales				
Industry Solutions		311,035	305,653	1.8
Thiel FashionLifestyle		178,815	170,501	4.9
Thiel Media		92,339	92,392	-0.1
Thiel Furniture		31,345	34,480	-9.1
Other		8,536	8,280	3.1
Air & Ocean		279,155	258,210	8.1
Regional Logistics Services		816,117	803,540	1.6
Quehenberger		368,408	325,144	13.3
Delacher		205,148	192,510	6.6
Microlog-Südkraft		242,561	285,886	-15.2
Holdings		11	474	-97.7
Total Net Sales		1,406,318	1,367,877	2.8
Segment results				
Industry Solutions		5,926	9,058	-34.6
Air & Ocean		10,424	7,903	31.9
Regional Logistics Services		14,560	14,071	3.5
Holdings		-5,723	-5,159	10.9
Consolidation		-292	-2,239	-87.0
Other financial income (expenses), net		607	54	1,024.1
Earnings before interest and taxes (EBIT) before restructuring costs and impairment		25,502	23,688	7.7
Restructuring costs		-	-5,201	N/A
Impairment of long-lived assets		-	-30,283	N/A
Impairment of goodwill		-	-5,000	N/A
Earnings before interest and taxes (EBIT)		25,502	-16,796	N/A
Net result		5,599	-44,196	N/A
Attributable to equity holders of Thiel Logistik AG		5,077	-42,884	N/A
Attributable to minority interest		522	-1,312	N/A
Earnings per Share		0.05	-0.38	N/A
Operating Cash flow		10,066	25,430	-60.4
Capital expenditure		14,441	16,116	-10.4
Free Cash flow		-4,375	9,314	N/A
Depreciation and amortization		-25,082	-27,781	-9.7
EBITDA		50,584	51,469	-1.7
Net financial debt		160,858	156,472 *	2.8
Shareholders' equity (incl. minority interest)		325,516	322,043 *	0.9
Number of employees		8,337	8,807 *	-5.3

*as of December 31, 2005

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Overview: Development

Economic conditions After a strong increase in global production during the first half year 2006, the global economy has lost some momentum in recent months. According to the Institute for the World Economy, the main factors responsible for this are a tightened monetary policy in the industrialized nations as well as declines in production in the United States and also Japan since spring 2006.

The economic development in Germany was increasingly driven by domestic construction and other investment activities. In the first half of 2006, the economy grew at 2.5 percent year-on-year, while the increase in the Euro zone in this same period was 3.4 percent. Economic growth is expected to slow during the second half of the year. Subsequently, growth forecasts for 2007 project a drop in momentum and a reduced rise in economic performance as against the current year.

Ongoing industry consolidation – significant increase in transportation prices

The ongoing industry consolidation and the development of transportation prices were the key factors driving developments in the logistics industry during the first nine months of the year. Especially large logistics groups have continued to focus on growth areas, with acquisitions of air and sea freight forwarders as well as specialized contract logistics providers. These further acquisitions aiming at a strengthening of existing networks, also in the area of European land transportation, should allow companies to leverage economies of scale in the transportation business.

At the same time, freight prices in European land transportation increased significantly in the reporting period based on a continuing strong demand for transportation services. In addition to the robust demand, this was also due to capacity bottlenecks in some markets, which were accompanied by considerable increases of fuel and other vehicle costs, in particular at the start of the year. Against this background, the trend towards an increased utilization of Eastern European service providers continued unre-
rentedly.

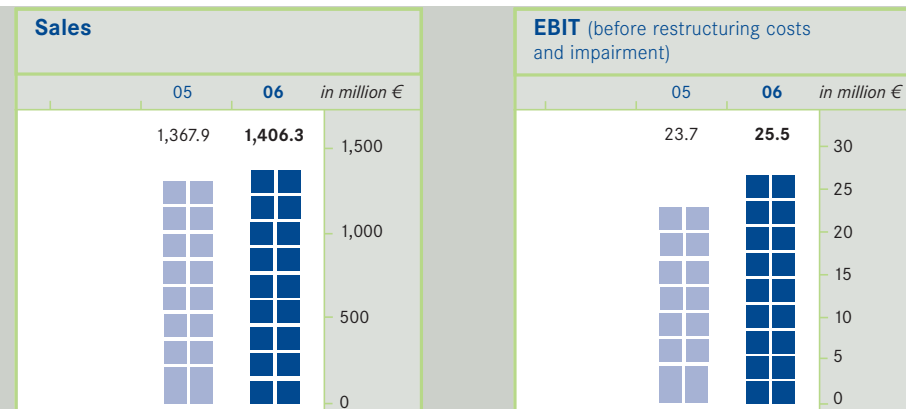
Organic growth with positive net earnings Sales in the Thiel Group grew by 2.8 percent from 1,367.9 million euros to 1,406.3 million euros during the first nine months of the year. The encouraging growth at the start of the year has weakened in the further course of the year. The organic sales growth of Thiel Logistik, which amounted to 3.0 percent in the reporting period, was negatively impacted by the effects of customer losses in prior periods and the development of intercontinental sea freight rates.

The slowdown in sales growth, particularly in the second half of the year, has also affected the rise in earnings. EBIT before restructuring costs and impairment was up to 25.5 million euros after 23.7 million euros in the previous year. On account of the considerable one-off effects of the previous year, the net result increased from -44.2 million euros to 5.6 million euros.

The Thiel Group therefore returned to profitability. Despite the improvement in net earnings, the Group has not yet fully achieved its goal of a significant increase in operating earnings. The main reasons for this were the difficult market conditions, mainly affecting the business segment Regional Logistics Services, caused by the rise in

freight prices in European land transportation and also a partial under-utilization of network capacities. In the business segment Industry Solutions, earnings were affected by restructuring costs. At the same time, the Air & Ocean business segment continued to show a very promising performance.

Cost-cutting and other efficiency-enhancing measures In light of the economic development during the first nine months of the year, further measures were introduced with the intention of ensuring an additional contribution to the targeted sustained profitability of the Thiel Group. These include the systematic analysis and leverage of existing efficiency reserves in the performance of logistics services as well as in the administrative functions. Systematic use of the results of the work performed to date by the Centers of Competence and also the positive effects of the bundling of administrative functions in the new Shared Service Center are key elements of these efforts.



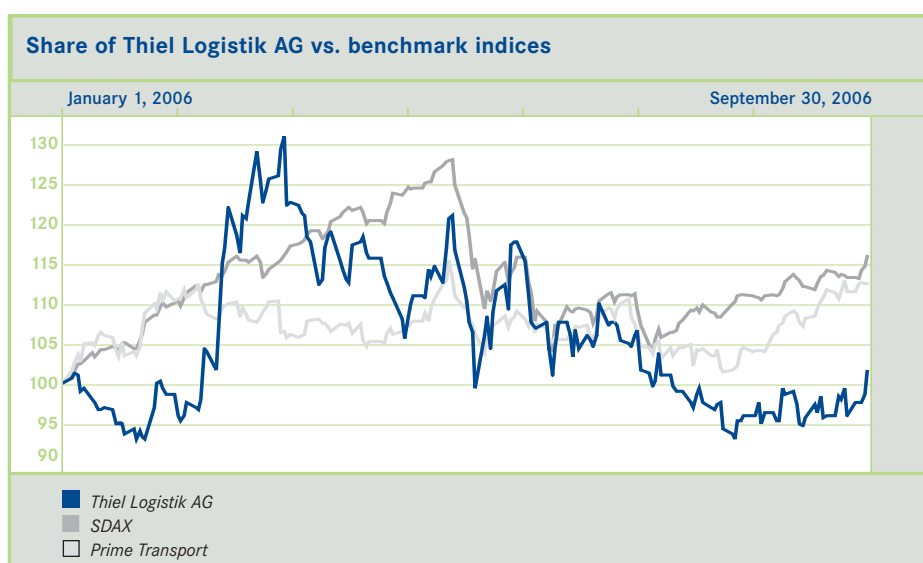
Report on the Stock and Corporate Bond

Stock indices up in the first nine months of 2006 The stock markets developed positively in the period leading to September. At the beginning of the year, the relevant indices rose. After a period of considerable adjustments over the course of the second quarter, the markets recovered by the end of the reporting period, though they failed to return to the record levels of May 2006. As at the end of the third quarter, the relevant comparative index SDAX nonetheless closed at 4,930 points on a level significantly above at the beginning of the year.

Share price as at start of year Over the course of the year to date, the shares of Thiel Logistik have displayed a mixed development and, with a closing price of 3.02 euros at the end of the reporting period, were at the same level as at the beginning of the year. After a considerable rise in the share price in the first quarter, the share price declined before recovering at the end of the third quarter. 28.8 million Thiel Logistik AG shares were traded on all German stock exchanges during the first nine months of the year. This corresponds to a sales volume of 93.6 million euros based on the weighted average share price in the XETRA trading system. The average volume per trading day was 147,874 shares for the reporting period.

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

Bond development slightly below overall market As at the end of the third quarter, the corporate bond traded at a credit spread of 428 basis points on an asset swap basis, which indicates the risk premium of a selected security at a risk-free alternative. Thus, the risk premium was down by 77 basis points since the beginning of the year.



Financial Position and Performance

Consolidated Statement of Income

<i>in thousand €</i>	January 1 - September 30,	2006	2005	Change
Net sales		1,406,318	1,367,877	2.8 %
Cost of sales		-1,292,343	-1,254,180	3.0 %
Gross profit		113,975	113,697	0.2 %
Operating expenses		-89,080	-90,063	-1.1 %
Other income (expenses)		607	54	N/A
EBIT before restructuring costs and impairment		25,502	23,688	7.7 %
Restructuring costs		-	-5,201	N/A
Impairment of long-lived assets		-	-30,283	N/A
Impairment of goodwill		-	-5,000	N/A
Earnings before interest and taxes (EBIT)		25,502	-16,796	N/A
Net interest		-12,263	-12,974	-5.5 %
Income taxes		-7,483	-9,771	-23.4 %
Income from continuing operations		5,756	-39,541	N/A
Income from discontinued operations		-157	-4,655	-96.6 %
Net result		5,599	-44,196	N/A
Attributable to:				
Equity holders of Thiel Logistik AG		5,077	-42,884	N/A
Minority interest		522	-1,312	N/A
Depreciation and amortization		-25,082	-27,781	-9.6 %
EBITDA ¹⁾		50,584	51,469	-1.7 %
Operating lease expenses		-46,989	-50,362	-6.7 %
EBITDAR		97,573	101,831	-4.2 %
Gross margin ²⁾		8.1 %	8.3 %	-0.2 %
EBIT margin ¹⁾²⁾		1.8 %	1.7 %	0.1 %
EBITDA margin ¹⁾²⁾		3.6 %	3.8 %	-0.2 %
EBITDAR margin ²⁾		6.9 %	7.4 %	-0.5 %
EBITDA/Net interest		4.12	3.97	4.0 %

¹⁾ 2005: Before restructuring costs and impairment

²⁾ Changes in percentage points

Net sales The Thiel Group generated net sales of 1,406.3 million euros in the first nine months of 2006, an increase of 2.8 percent from 1,367.9 million euros year-on-year. Organic sales growth amounted to 3.0 percent. The adjustment for acquisitions and divestments primarily included the effects of the first-time consolidation of the Slovakian company Proxar in June 2005 and the disposal of PD Logistics in March 2006.

Earnings At 114.0 million euros, gross profit remained on the same level as in the previous year. The gross margin declined slightly from 8.3 percent to 8.1 percent. Operating expenses of 89.1 million euros were reduced by 1.0 million euros compared to the previous year. Costs of sales and operating expenses in 2006 include depreciation and amortization of 25.1 million euros (2005: 27.8 million euros). Other financial expenses (income) comprise earnings from investments, securities, and other financial instruments.

Earnings before interest and taxes (EBIT) before restructuring and impairment increased from 23.7 million euros to 25.5 million euros. In addition to the positive effect from the disposal of PD Logistics of 3.1 million euros, which is allocated to the Microlog-Südkraft business unit, the Group's EBIT was affected by negative one-off effects of a comparable amount. For the first nine months of 2006, the EBIT margin was 1.8 percent. During the same period of the previous year, EBIT was affected by considerable restructuring costs as well as impairment on long-lived assets and goodwill.

Earnings before interest, taxes, depreciation and amortization, and restructuring (EBITDA) decreased by 1.7 percent from 51.5 million euros in the previous year to 50.6 million euros. At -12.3 million euros, the Group's net interest was below the previous year's level of -13.0 million euros. The ratio of EBITDA to net interest was 4.1 in the first nine months of 2006 and 4.0 in the previous year.

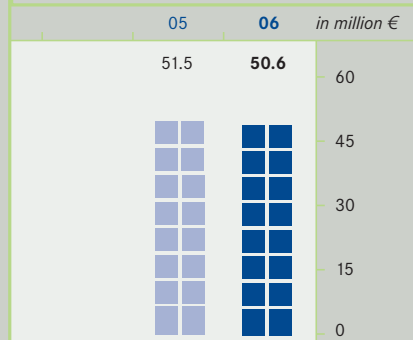
The income tax expense declined from 9.8 million euros for the first nine months of 2005 to 7.5 million euros for the current nine-month period.

In the reporting period, from the net result of 5.6 million euros (2005: -44.2 million euros), 5.1 million euros (2005: -42.9 million euros) was allocated to the shareholders of Thiel Logistik AG and 0.5 million euros to minority shareholders (2005: -1.3 million euros).

Sales Analysis

Sales Growth		in %
Total sales growth		2.8
from acquisitions		0.4
from foreign currencies		-0.2
organic growth		3.0

EBITDA



Cash Flow Statement

in thousand €	January 1 - September 30,	2006	2005	Change
Earnings before interest and taxes (EBIT)		25,502	-16,796	N/A
Depreciation and amortization		25,082	63,064	-60.2 %
Restructuring Costs		-	5,201	N/A
Earnings before interest, taxes, depreciation and amortization (EBITDA)		50,584	51,469	-1.7 %
Income tax payments		-7,623	-8,267	-7.8 %
Interest payments		-8,064	-7,998	0.8 %
Changes in working capital		-22,448	3,446	N/A
Other reconciliations		-2,383	-13,220	-82.4 %
Operating Cash flow		10,066	25,430	-60.4 %
Capital expenditure		-14,441	-16,116	-10.4 %
Divestments		7,328	7,714	-5.0 %
Acquisitions of subsidiaries		-388	-5,191	-92.5 %
Other changes in Cash flow from investing activities		1,663	-622	N/A
Cash flow from investing activities		-5,838	-14,215	-58.9 %
Changes in bank borrowings		-4,814	-10,091	-52.3 %
Issuance of corporate bond		-	-1,430	N/A
Other changes in Cash flow from financing activities		-6,878	-8,694	-20.9 %
Cash flow from financing activities		-11,692	-20,215	-42.2 %
Net cash used in discontinued operations		-1,385	-1,499	-7.6 %
Effects of exchange rate changes on cash		-364	490	N/A
Changes in Cash and cash equivalents		-9,213	-10,009	-8.0 %
Cash and cash equivalents at end of period		55,874	77,360	-27.8 %
Net Cash flow ¹⁾		4,228	11,215	-62.3 %
Free Cash flow ²⁾		-4,375	9,314	N/A

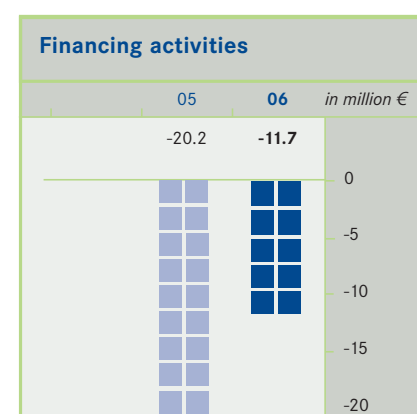
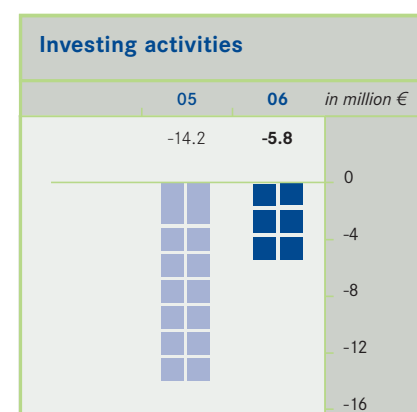
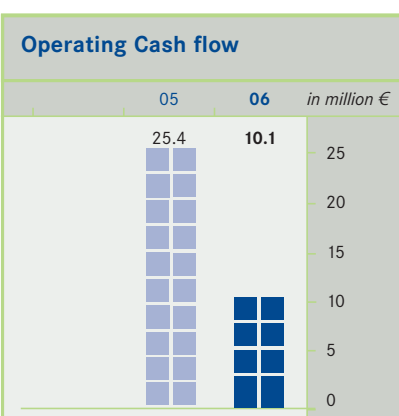
¹⁾ Net Cash flow = Operating Cash flow - Cash flow from investing activities

²⁾ Free Cash flow = Operating Cash flow - Capital expenditure (payments)

Cash flow At 10.1 million euros, the operating cash flow of the Thiel Group was down on the previous year's level of 25.4 million euros. The cash outflows from working capital of -22.4 million euros include provisions for restructuring measures made in the previous year. Furthermore, the increase in trade accounts receivable could only partially be offset by a corresponding prolongation of liabilities due to the competitive environment.

Disposals of long-lived assets and companies resulted in cash inflow of 7.3 million euros (2005: 7.7 million euros) from divestments in the first nine months of 2006. Other net cash provided by investing activities amounting to 1.7 million euros (2005: -0.6 million euros) includes changes in other loans and securities.

Net bank borrowings of 4.8 million euros were repaid in the first nine months of 2006. Other net cash used in financing activities amounted to -6.9 million euros (2005: -8.7 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 -1.4 million euros primarily includes the utilization of provisions made 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 on the cash position in the first nine months of 2006 (2005: 0.5 million euros).

As at September 30, 2006, the Thiel Group held cash and cash equivalents of 55.9 million euros. The Net Cash flow as a key control figure remains positive at 4.2 million euros (2005: 11.2 million euros).

Balance Sheet

<i>in thousand €</i>	Sept. 30, 2006	Dec. 31, 2005	<i>Change</i>
Assets			
Cash and cash equivalents	55,874	65,087	-14.2 %
Trade accounts receivable	294,311	233,206	26.2 %
Prepaid expenses and other current assets	47,322	42,873	10.4 %
Assets of discontinued operations	87	4,737	-98.2 %
Property, plant and equipment	209,769	221,517	-5.3 %
Intangible assets	19,316	22,422	-13.9 %
Goodwill	278,837	277,324	0.5 %
Other long-term assets	30,092	33,881	-11.2 %
Total assets	935.608	901,047	3.8 %
Liabilities and Shareholders' Equity			
Short-term bank borrowings	10,322	10,646	-3.0 %
Trade accounts payable	242,891	197,317	23.1 %
Other short-term liabilities	73,881	64,870	13.9 %
Other short-term provisions	24,282	28,384	-14.5 %
Liabilities of discontinued operations	116	6,095	-98.1 %
Long-term bank borrowings	34,231	35,055	-2.4 %
Bonds payable	125,947	125,626	0.3 %
Other long-term liabilities	62,803	65,660	-4.4 %
Other long-term provisions	35,619	45,351	-21.5 %
Shareholders' equity (including minority interest)	325,516	322,043	1.1 %
Total liabilities and shareholders' equity	935,608	901,047	3.8 %
Key figures to the Balance Sheet			
Equity ratio ¹⁾	34.8 %	35.7 %	-0.9 %
Gross financial debt	216,732	221,559	-2.2 %
Net financial debt	160,858	156,472	2.8 %

¹⁾ Change in percentage points

Asset and capital structure Total assets increased by 3.8 percent to 935.6 million euros as against the balance sheet date of December 31, 2005. Cash and cash equivalents declined from 65.1 million euros as at December 31, 2005 to 55.9 million euros as at September 30, 2006. Adjusted for sales and structural effects, trade accounts receivable rose by 61.1 million euros to 294.3 million euros.

Property, plant and equipment decreased by 5.3 percent from 221.5 million euros as at December 31, 2005 to 209.8 million euros as at September 30, 2006. Additions to long-lived assets amounted to 16.2 million euros in the Thiel Group in the first nine months of 2006, asset disposals amounted to 5.5 million euros and depreciation amounted to 18.6 million euros. Intangible assets decreased by 3.1 million euros from 22.4 million euros to 19.3 million euros in the reporting period. Additions to the intangible long-lived assets amounted to 3.4 million euros and amortization on intangible assets to 6.5 million euros in the reporting period.

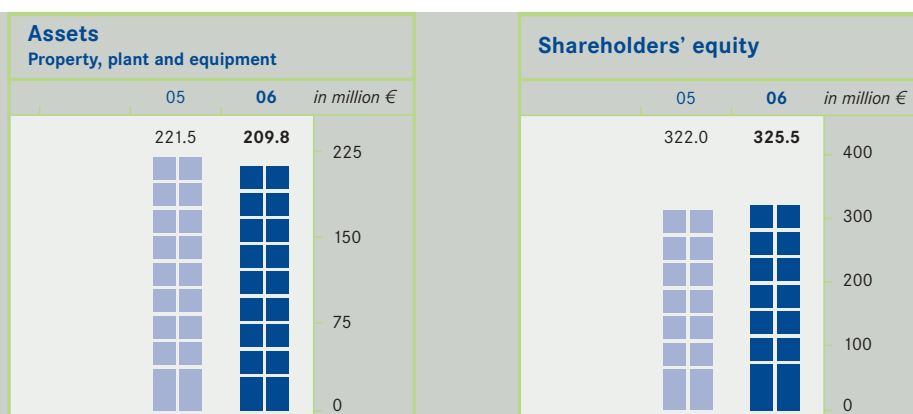
Both the assets and liabilities of discontinued operations declined significantly as at September 30, 2006.

Trade accounts payable increased, primarily as a result of structural effects from 197.3 million euros as at December 31, 2005 to 242.9 million euros as at September 30, 2006. The decline in short-term provisions by 4.1 million euros to 24.3 million euros as at September 30, 2006 includes the utilization of restructuring provisions recognized in the previous year.

Liabilities from the issuance of the bond with a volume of 130 million euros are posted along with the costs for the issuance, which are amortized over the term of the bond, resulting in slight changes to this liability. Long-term provisions were down by 21.5 percent to 35.6 million euros, compared to December 31, 2005 (45.4 million euros). This decrease is due to the disposal of PD Logistics on March 31, 2006 and of other small subsidiaries in the Quehenberger business unit, the pension obligations of which were assumed by the buyer.

At 325.5 million euros, shareholders' equity was up 1.1 percent compared to December 31, 2005 (322.0 million euros). Mainly as a result of the rise in total assets, the equity ratio of the Thiel Group was slightly down at 34.8 percent (2005: 35.7 percent) as at September 30, 2006.

Net financial debt increased in the reporting period, primarily as a result of the 9.2 million euros decline in cash and cash equivalents, from 156.5 million euros as at December 31, 2005 to 160.9 million euros as at September 30, 2006. At the same time, gross financial debt improved by 2.2 percent from 221.6 million euros to 216.7 million euros.

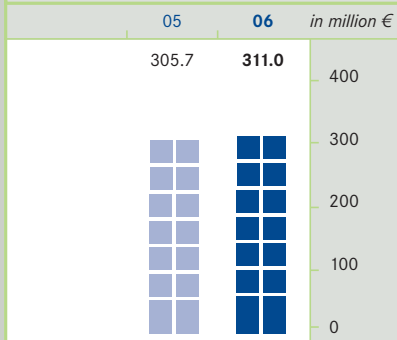


Industry Solutions

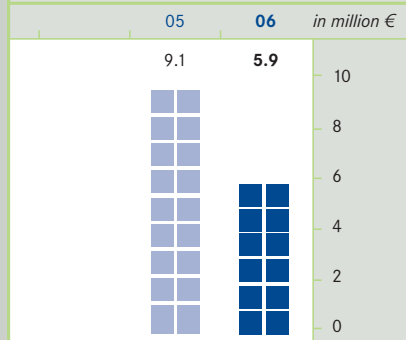
In the reporting period, the development in the business units of the Industry Solutions business segment was mixed. On the basis of their strong market positions and long-standing expertise in industry-specific supply chain management for the fashion and lifestyle industry and the press and media sector, the Thiel FashionLifestyle and Thiel Media business units continued their stable development. The Thiel Furniture business unit suffered from considerable earnings problems. The main reason for this were sales volumes short of forecasts and the need for structural adjustments.

For the first three quarters, the Industry Solutions business segment recorded sales of 311.0 million euros. The sales in Industry Solutions were thus higher than the previous year's level of 305.7 million euros. At 5.9 million euros, earnings for the first nine months before restructuring costs and impairment as at September 30, 2006 were down significantly on the previous year's figure of 9.1 million euros. 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 nine months of 2005 were adapted accordingly.

Sales Industry Solutions



Result (before restructuring costs and impairment)



Thiel FashionLifestyle In the first three quarters, the Thiel FashionLifestyle business unit generated sales of 178.8 million euros. This corresponds to an increase of 8.3 million euros as against the previous year. This growth primarily resulted from an expansion of business with existing long-term customers in the German market. This additional business compensated for the continuing slight decline in volumes.

In the reporting period, the service offering for textile transportation services to Eastern Europe, including Russia in particular, and Turkey was extended. In the third quarter, Thiel FashionLifestyle – together with its customers Parfümerie Douglas and the cosmetics manufacturer L'Oréal Luxusprodukte – won the "ECR Best Practice Award" for the successful implementation of a logistics concept reducing inventories.

In order to continue meeting rising customer requirements, additional warehousing capacities were added to the Thiel FashionLifestyle locations in Langenfeld and Aschaffenburg in the second quarter, which helped to cover the anticipated seasonal peaks during the third quarter of the reporting period. Furthermore, the utilization of infrastructure was optimized by attracting new customers helping to increase capacity utilization and the merger of locations where possible.

Thiel Furniture The reporting period was marked by considerable challenges for the Thiel Furniture business unit. At 31.3 million euros, sales in the first nine months of the year were significantly below the previous year's figure of 34.5 million euros.

The sales reductions were primarily due to considerable declines in volumes from existing customers. As a result of the decline in business, measures were taken in order to achieve the necessary structural adjustments to the number of employees and other costs. While there have already been initial successes, they have entailed one-off expenses of approximately two million euros during the reporting period. The measures introduced to cut staff costs and sustainably increase sales with main customers have not yet resulted in the improvements needed. The results of the efforts undertaken will determine the results of the goodwill allocated to the Thiel Furniture business unit, which is currently around 12 million euros.

Thiel Media At 92.3 million euros, sales recorded by the Thiel Media business unit in the reporting period matched the previous year's figure (92.4 million euros). Despite a temporary industry-specific boom in the second quarter, the existing core business declined slightly on account of the continuing reductions in tonnages on the German newspaper and magazine market.

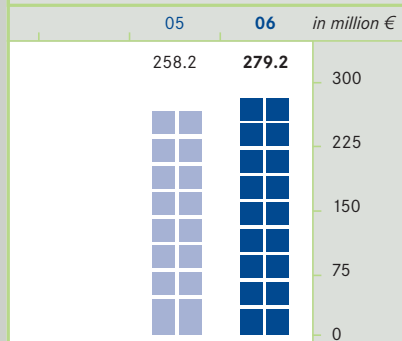
This development was offset by new customers gained and an expansion of other logistics activities, such as business with supplements and other printed products. In the first nine months of the year, Thiel Media started to handle the merchandising logistics for Axel Springer Verlag in cooperation with the Microlog-Südkraft business unit.

In light of the existing structures in the German core business, the Thiel Media business unit continued its activities to tap new customer potentials and expand its range of services. In addition to various pilot projects, these measures also included the regional expansion of the service range in Eastern Europe, particularly for the Russian market.

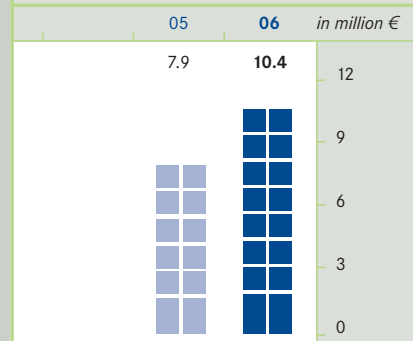
Air & Ocean

The international air and sea forwarding activities of Thiel Logistik in the Air & Ocean business segment continued to develop very satisfactorily in the first nine months of the year. Sales rose by 8.1 percent as against the previous year to 279.2 million euros (2005: 258.2 million euros). Earnings increased even more by 31.7 percent to 10.4 million euros from 7.9 million euros in the previous year.

Sales Air & Ocean



Result (before restructuring costs and impairment)



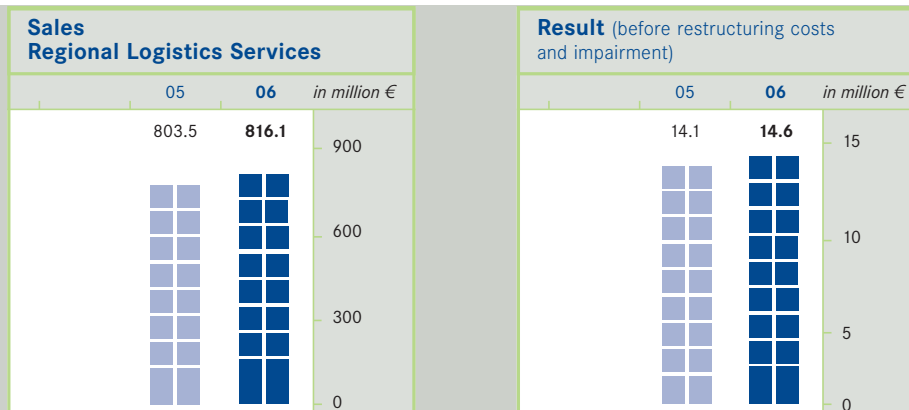
However, the encouraging organic growth was only partially reflected in the corresponding sales increase due to falling sea freight rates. Nevertheless, above-average growth, even by industry standards, in numbers of shipments and volumes handled exceeded this development significantly. The growth in sales and earnings was due to both the expansion of business with existing customers and business with new customers. In addition to the current focus industries of the Birkart Globistics air+ocean management company, project business has taken on additional importance. In particular, key projects in the reporting period concerned global transportation of industrial equipment, occasionally using special equipment and the associated services.

The network expansion continued, for example with the opening of a further Chinese branch in Wuxi. In Europe, the presence was further reinforced by the opening of an additional branch in Hanover. Based on the uniform global processes and IT standards in the Air & Ocean business segment, the smooth and rapid integration of these new offices into the existing network is guaranteed.

Regional Logistics Services

In the reporting period, the business segment of the Regional Logistics Service Providers Quehenberger, Delacher and Microlog-Südkraft recorded a slight increase in sales, characterized by diverse developments on the regional markets and the diversified logistics activities of the different business units. For the first nine months of the year, sales in this business segment amounted to 816.1 million euros as against 803.5 million euros in the previous year. Despite an extraordinary income from a divestment of a subsidiary in the Microlog-Südkraft business unit, earnings before restructuring costs and impairment only slightly increased from 14.1 million euros in the previous year to 14.6 million euros. This was mainly due to a strong margin pressure in some key markets, particularly as a result of increases in transportation prices. The compa-

rative figures for the first nine months of 2005 were adjusted following the allocation of the former Thiel Automotive business unit to the Regional Logistics Services business segment.



Quehenberger The Quehenberger business unit continued its growth and generated sales of 368.4 million euros after 325.1 million euros in the same period of the previous year, an increase of 13.3 percent for the reporting period. Despite a slowdown in sales growth, particularly in the second half of the year, this still amounts to growth of 8.0 percent adjusted for acquisitions.

The slowdown in sales growth despite the gains of several new customers was accompanied by rising margin pressure owing to a massive supply shortage in freight capacities, particularly on the business unit's domestic market of Austria. It is adapting to this development by implementing intensive cost management and systematically leveraging efficiency potential on the basis of its newly introduced software solution for freight forwarding processes.

During the first nine months of the year, the extension of network activities in Central and Eastern Europe was continued with the opening of new locations in Poland, Macedonia and the Ukraine. Plans for further expansion were completed, particularly in Russia. At the same time, the presence in Austria was optimized even further when the new Austrian logistics center in Ludesch (Western Austria) began operations during the second quarter. The construction of a new logistics terminal near Linz as a central hub for Upper Austria will be completed by the end of the year.

Delacher In the first nine months of the year, the sales performance of the Delacher business unit was characterized by a solid development in Austria and Switzerland as well as in the Netherlands, Spain and Italy. In contrast, business developed rather muted in Hungary and France. In the reporting period, sales by the Delacher business unit amounted to 205.1 million euros, up 12.6 million euros on the previous year's sales of 192.5 million euros.

In particular, this sales growth as a result of business expansion contributed to the business unit's overall satisfactory earnings development. New projects for the supply of Swiss retailers or the distribution of a major retail group's non-food items for Germany and Austria commenced or were expanded in the first nine months of 2006, while other new projects were set up and will support future development.

In addition, the earnings situation in France in particular, stabilized significantly as a result of intensive cost management and the closer alignment of individual activities in the various regions. For example, the vehicle fleet in France was reduced and the remaining vehicles are being operated at significantly lower costs. The construction of a new logistics center in Austria's Feldkirch-Tosters is on schedule and, will form the basis for further growth on the domestic market from 2007 on.

Cooperation with the Thiel Group's Centers of Competence was a key area of focus in the reporting period. Together with the Center of Competence "Logistics Networks", the partner structures of the Thiel Group's Regional Logistics Service Providers for several countries and regions were harmonized during the second half of the year.

Microlog-Südkraft Despite some sales growth with existing customers and the gain of several new customers, sales in the Microlog-Südkraft business unit were characterized by a decline due to the expiry of terminated customer projects and the deconsolidation of business activities that have been disposed of. In the reporting period, sales by the Microlog-Südkraft business unit amounted to 242.6 million euros as against 285.9 million euros in the same period of the previous year.

In the third quarter, in what continued to be a highly competitive German market, existing business relationships in the areas of contract logistics and logistics networks were developed further. Here, considerable progress was discernible in the market presence of the merged Microlog-Südkraft business unit, which is being well received by customers. Newly agreed customer projects, such as in merchandising logistics or in international shipping for various German industrial groups started up in the first nine months of the year. Existing cooperations with customers were extended, frequently in conjunction with additional services provided.

At the same time, considerable attention was devoted to the Group-wide cooperation as part of the Center of Competence "Logistics Networks". As a result of intensive efforts to achieve further harmonization in the Thiel Group's transportation activities, a pilot project for same-day delivery of purchased parts from Baden-Württemberg to automotive customers in Austria was launched in cooperation with the Quehenberger business unit. Furthermore, partner structures were further optimized in the domestic markets of the Regional Logistics Service Providers and, in addition, in other regions.

Other Reporting

Number of employees declining As against December 31, 2005, the number of employees in the Thiel Group declined from 8,807 to 8,337 in the first nine months of 2006. This corresponds to a reduction of 470 employees, resulting mainly from divestments and targeted capacity adjustments.

With the new training year started during the third quarter, 353 trainees were employed in the Thiel Group in Germany and Austria as at September 30, 2006. In the reporting period, the work to systematically improve management capacity and the development of executives was continued intensively.

	September 30, 2006	Dezember 31, 2005
Germany	3,690	4,335
Austria	1,559	1,574
Switzerland	369	349
Eastern Europe	914	894
Asia, Pazific region, Africa	850	770
Other	955	885
Total	8,337	8,807

Squeeze-out for Microlog Logistics AG In July 2006, with the aim of simplifying the corporate structure by discontinuing the Microlog Logistics AG subsidiary's stock exchange listing and fully integrating the Microlog Group into the Thiel Group, Thiel Logistik began a squeeze-out to exclude the minority shareholders of Microlog Logistics AG. Minority shareholders were made an offer of 10.60 euros per Microlog share, acceptance of which is to be resolved by an Extraordinary Annual General Meeting of Microlog Logistics AG on November 23, 2006.

Outlook The strong organic sales growth at Group level in the first quarter slowed as the year went on. As a result, a subdued sales increase is expected for the Thiel Group in 2006. The continuing organic growth will be affected significantly by expiry of customer projects as well as the consolidation effects from divestments.

Based on the developments described, EBIT is expected to improve slightly compared to the previous year. The level of net earnings for the full year could be affected by the results of the scheduled impairment test for the non-current assets of the Thiel Group. The medium-term target remains an EBIT margin of 3 percent.

Despite the realization of the planned investments to support the further development of Thiel Logistik, financial stability remains a high priority.

Name



THIEL
Logistics+Services

Industry

LOGISTICS

Date

September 30, 2006

CONSOLIDATED FINANCIAL STATEMENTS

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Consolidated Statement of Income

in EUR thousands except per share amounts

	January 1 - Sept. 30, 2006	January 1 - Sept. 30, 2005	July 1 - Sept. 30, 2006	July 1 - Sept. 30, 2005
Net sales	1,406,318	1,367,877	483,830	484,369
Cost of sales	(1,292,343)	(1,254,180)	(443,692)	(440,860)
Gross profit	113,975	113,697	40,138	43,509
Selling costs	(28,253)	(26,630)	(9,862)	(8,906)
General and administrative costs	(64,252)	(69,130)	(21,274)	(22,202)
Other income (expenses), net	4,032	5,751	75	994
Earnings before restructuring costs, impairment, interest and taxes	25,502	23,688	9,077	13,395
Restructuring costs	-	(5,201)	-	(5,201)
Impairment of long-lived assets	-	(30,283)	-	(30,283)
Impairment of goodwill	-	(5,000)	-	(5,000)
Earnings before interest and taxes (EBIT)	25,502	(16,796)	9,077	(27,089)
Interest expenses, net	(12,263)	(12,974)	(4,358)	(4,132)
Income (Loss) from continuing operations before income taxes	13,239	(29,770)	4,719	(31,221)
Income taxes	(7,483)	(9,771)	(3,287)	(5,754)
Income (Loss) from continuing operations	5,756	(39,541)	1,432	(36,975)
Income (Loss) from discontinued operations, net of tax	(157)	(4,655)	(64)	(616)
Net profit	5,599	(44,196)	1,368	(37,591)
Attributable to:				
Equity holders of Thiel Logistik AG	5,077	(42,884)	1,408	(34,665)
Minority interest	522	(1,312)	(40)	(2,926)

	January 1 - Sept. 30, 2006	January 1 - Sept. 30, 2005	July 1 - Sept. 30, 2006	July 1 - Sept. 30, 2005
Earnings per share (in EUR) - basic and fully diluted:				
for income (loss) from continuing operations	0.05	(0.35)	0.01	(0.33)
for income (loss) from discontinued operations, net of tax	(0.00)	(0.04)	(0.00)	(0.01)
for net result attributable to the equity holders of Thiel Logistik AG	0.05	(0.38)	0.01	(0.31)

Consolidated Statement of Cash Flows

in EUR thousands

■ ■	January 1 - September 30,	2006	2005
Cash flows from operating activities			
Net result		5,599	(44,196)
Adjustments to reconcile net result to net cash used in operating activities			
Income (Loss) from discontinued operations		157	4,655
Depreciation and amortization		25,082	27,781
Impairment of long-lived assets		-	30,283
Impairment of goodwill		-	5,000
Non-cash items in connection with disposal of non-current assets		(2,370)	(1,108)
Deferred income taxes		1,898	2,822
Other, net		2,196	4,837
Change in retirement and other employee-related obligations		(48)	(8,090)
Changes in working capital			
Decrease (Increase) in trade accounts receivable and other assets		(67,183)	(38,483)
Decrease (Increase) in inventory		(8,007)	(1,351)
Increase (Decrease) in trade accounts payable and other liabilities		52,742	43,280
Net cash provided by (used in) operating activities		10,066	25,430
Cash flows from investing activities			
Capital expenditure		(14,441)	(16,116)
Proceeds from disposal of non-current assets		7,328	7,714
Purchase of available-for-sale securities		(6)	253
Proceeds from sale of available-for-sale securities		1,460	-
Change in other loans granted		209	(875)
Payments for acquisitions of subsidiaries, net of cash acquired		(388)	(5,191)
Net cash used in investing activities		(5,838)	(14,215)
Cash flows from financing activities			
Repayment of short-term borrowings		(3,990)	(7,105)
Proceeds from long-term bank borrowings		2,534	-
Repayment of long-term borrowings		(3,358)	(2,986)
Repayment in finance lease obligations		(6,130)	(5,789)
Other financing activities		(85)	(2,905)
Proceeds from issuance of corporate bond, net		-	(1,430)
Other payments		(663)	-
Net cash used in financing activities		(11,692)	(20,215)
Net cash provided by (used in) discontinued operations		(1,385)	(1,499)
Effects of exchange rate changes on cash		(364)	490
Increase (Decrease) in cash and cash equivalents		(9,213)	(10,009)
Cash and cash equivalents at beginning of year		65,087	87,369
Increase (Decrease)		(9,213)	(10,009)
Cash and cash equivalents at end of period		55,874	77,360

Consolidated Balance Sheet

in EUR thousands

	Sept. 30, 2006	Dec. 31, 2005
■ ■ ASSETS		
Current Assets		
Cash and cash equivalents	55,874	65,087
Trade accounts receivable	294,311	233,206
Inventories	13,331	8,916
Prepaid expenses and other current assets	33,991	33,250
Assets held for sale	-	707
Assets of discontinued operations	87	4,737
Total current assets	397,594	345,903
Non-current assets		
Property, plant and equipment	209,769	221,517
Intangible assets	19,316	22,422
Goodwill	278,837	277,324
Investments in associated companies	251	267
Investments in affiliated, not consolidated companies and other investments	2,318	2,985
Securities, available-for-sale	2,114	3,645
Securities, held-to-maturity	370	370
Deferred income taxes	19,136	19,761
Other non-current assets	5,903	6,853
Total non-current assets	538,014	555,144
Total assets	935,608	901,047

■ ■ LIABILITIES AND SHAREHOLDERS' EQUITY	Sept. 30, 2006	Dec. 31, 2005
Current liabilities		
Short-term bank borrowings and current portion of long-term debt	10,322	10,646
Trade accounts payable	242,891	197,317
Lease obligations, short-term	6,754	7,538
Tax provisions	7,795	10,278
Other short-term liabilities	67,127	57,332
Other short-term provisions	16,487	18,106
Liabilities of discontinued operations	116	6,095
Total current liabilities	351,492	307,312
Non-current liabilities		
Long-term bank borrowings	34,231	35,055
Bonds payable	125,947	125,626
Lease obligations, long-term	39,478	42,694
Retirement and other employee-related obligations	35,565	45,121
Deferred income taxes	20,170	18,892
Other long-term liabilities	3,155	4,074
Other long-term provisions	54	230
Total non-current liabilities	258,600	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	12,902	(23,073)
Translation reserve	(322)	1,015
Fair value reserve	465	440
Actuarial gains and losses from pensions	(3,977)	(3,977)
Total Group equity	322,413	318,648
Minority interest	3,103	3,395
Shareholders' equity	325,516	322,043
Total liabilities and shareholders' equity	935,608	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			(42,884)		(42,884)	(1,312)	(44,196)
Neutral effects from Minority interests						(355)	(355)
Result directly recognized in equity							
Translation reserve				1,422	1,422		1,422
Fair value reserve				275	275		275
Total					(41,187)	(1,667)	(42,854)
September 30, 2005	139,344	204,899	(12,543)	304	332,004	2,585	334,589
Net profit			(10,530)		(10,530)	1,748	(8,782)
Neutral effects from Minority interests						(938)	(938)
Result directly recognized in equity							
Translation reserve				617	617		617
Fair value reserve				(73)	(73)		(73)
Actuarial gains and losses from pensions				(3,370)	(3,370)		(3,370)
Total					(13,356)	810	(12,546)
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			5,077		5,077	522	5,599
Neutral effects from Minority interests						(814)	(814)
Result directly recognized in equity							
Translation reserve				(1,338)	(1,338)		(1,338)
Fair value reserve				26	26		26
Total					3,765	(292)	3,473
September 30, 2006	139,344	174,001	12,902	(3,834)	322,413	3,103	325,516

Notes to Consolidated Financial Statements as of September 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 111 foreign companies as of September 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	Sept. 30, 2006
Luxembourg	5	-	-	5
Abroad	137	4	(30)	111
Total	142	4	(30)	116

Three 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. 30 companies are no longer included in the Group reporting. Thereof 17 companies have 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. 37 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 – Sept. 30, 2006	January 1 – Sept. 30, 2005	Sept. 30 2006	December 31 2005
1 EUR =					
Swiss franc	CHF	1.5665	1.5487	1.5881	1.5551
Polish zloty	PLN	3.8904	4.0587	3.9713	3.8600
Hong Kong dollar	HKD	9.6605	9.8409	9.8640	9.1781
Hungarian forint	HUF	265.5191	246.7723	273.0000	252.8700
Britisch pound	GBP	0.6847	0.6852	0.6777	0.6853
US dollar	USD	1.2442	1.2635	1.2660	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 September 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 September 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 September 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 10 to 50 years for plant and buildings and 5 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 3 to 10 years.

Business Combinations

IFRS 3 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.

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.

Unallocated amounts: General corporate expenses not directly attributable to segments are reported in the column “Holdings”. 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 September 30, 2006 and 2005:

	Industry Solutions	Air & Ocean	Regional Logistics Services	Holdings	Consolidation	Group
January 1 - September 30, 2006						
Net sales						
External sales	311,035	279,155	816,117	11	-	1,406,318
Intersegment sales	6,217	11,136	3,951	-	(21,304)	-
Total net sales	317,252	290,291	820,068	11	(21,304)	1,406,318
Result						
Segment result before restructuring costs and impairment	5,926	10,424	14,560	(5,723)	(292)	24,895
Restructuring costs	-	-	-	-	-	-
Impairment of long-lived assets	-	-	-	-	-	-
Impairment of goodwill	-	-	-	-	-	-
Segment result	5,926	10,424	14,560	(5,723)	(292)	24,895
Other financial income (expenses)						607
Earnings before interest and taxes (EBIT)						25,502
Interest expenses, net						(12,263)
Income (Loss) from continuing operations before income taxes						13,239
Income taxes						(7,483)
Income (Loss) from discontinued operations, net of tax						(157)
Net result						5,599
<i>Included in segment result are:</i>						
Depreciation and amortization	(6,238)	(1,168)	(15,212)	(2,464)	-	(25,082)
<i>thereof amortization of customer contracts</i>	<i>(1,457)</i>	<i>-</i>	<i>(820)</i>	<i>-</i>	<i>-</i>	<i>(2,277)</i>
Restructuring costs	-	-	-	-	-	-
Impairment of long-lived assets	-	-	-	-	-	-
Impairment of goodwill	-	-	-	-	-	-
Balance Sheet						
Segment assets	188,863	119,020	527,976	26,911	(10,668)	852,102
Unallocated assets						83,506
Total consolidated assets						935,608
Segment liabilities	91,876	85,035	187,979	10,990	(10,668)	365,212
Unallocated liabilities						244,880
Total consolidated liabilities						610,092
<i>Included in segment assets are:</i>						
Capital additions	2,578	995	14,075	2,007	-	19,655

	Industry Solutions	Air & Ocean	Regional Logistics Services	Holdings	Consoli- dation	Group
January 1 - September 30, 2005						
Net sales						
External sales	305,653	258,210	803,540	474	-	1,367,877
Intersegment sales	12,051	4,317	4,298	-	(20,666)	-
Total net sales	317,704	262,527	807,838	474	(20,666)	1,367,877
Result						
Segment result before restructuring costs and impairment	9,058	7,903	14,071	(5,159)	(2,239)	23,634
Restructuring costs	-	-	(4,080)	(1,121)	-	(5,201)
Impairment of long-lived assets	-	(267)	(30,016)	-	-	(30,283)
Impairment of goodwill	-	-	(5,000)	-	-	(5,000)
Segment result	9,058	7,636	(25,025)	(6,280)	(2,239)	(16,850)
Other financial income (expenses)						54
Earnings before interest and taxes (EBIT)						(16,796)
Interest expenses, net						(12,974)
Income (Loss) from continuing operations before income taxes						(29,770)
Income taxes						(9,771)
Income (Loss) from discontinued operations, net of tax						(4,655)
Net result						(44,196)
<i>Included in segment result are:</i>						
Depreciation and amortization	(6,723)	(1,115)	(18,136)	(1,807)	-	(27,781)
<i>thereof amortization of customer contracts</i>	<i>(1,457)</i>	<i>-</i>	<i>(1,350)</i>	<i>-</i>	<i>-</i>	<i>(2,807)</i>
Non-cash portion of restructuring costs	-	-	(4,058)	(1,121)	-	(5,179)
Impairment of long-lived assets	-	(267)	(30,016)	-	-	(30,283)
Impairment of goodwill	-	-	(5,000)	-	-	(5,000)
Balance Sheet						
Segment assets	174,892	103,930	526,180	20,785	(7,876)	817,911
Unallocated assets						117,236
Total consolidated assets						935,147
Segment liabilities	71,718	69,546	188,725	9,047	(7,876)	331,160
Unallocated liabilities						269,000
Total consolidated liabilities						600,160
<i>Included in segment assets are:</i>						
Capital additions	1,871	1,145	12,100	2,532	-	17,648

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 just under 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 September 30, 2006 and 2005:

■ ■	January 1 - September 30,	2006		2005	
Germany	594,198	42.3%	640,654	46.9%	
Austria	405,523	28.9%	381,867	27.9%	
Asia	87,779	6.2%	84,263	6.2%	
Eastern Europe	108,373	7.7%	70,320	5.1%	
Switzerland	63,813	4.5%	61,759	4.5%	
Other	146,632	10.4%	129,014	9.4%	
Total net sales	1,406,318	100.0%	1,367,877	100.0%	

■ ■	September 30,	2006		2005	
Germany	236,319	41.2%	221,684	41.1%	
Austria	140,680	24.6%	133,760	24.8%	
Asia	30,820	5.4%	23,830	4.4%	
Eastern Europe	46,454	8.1%	46,965	8.7%	
Switzerland	43,802	7.6%	43,908	8.2%	
Other	75,190	13.1%	69,121	12.8%	
Total segment assets	573,265	100.0%	539,268	100.0%	
Goodwill	278,837		278,642		
Other unallocated assets	83,506		117,237		
Total consolidated assets	935,608		935,147		

■ ■	January 1 - September 30,	2006		2005	
Germany	4,753	24.2%	3,748	21.2%	
Austria	5,946	30.3%	7,479	42.4%	
Asia	386	1.9%	539	3.1%	
Eastern Europe	622	3.2%	739	4.2%	
Switzerland	2,604	13.2%	680	3.9%	
Other	5,344	27.2%	4,463	25.2%	
Total capital additions	19,655	100.0%	17,648	100.0%	

■ ■	September 30,	2006		2005	
Germany	93,860	40.9%	105,022	42.4%	
Austria	67,785	29.6%	67,170	27.1%	
Asia	1,624	0.7%	1,365	0.6%	
Eastern Europe	18,911	8.3%	25,057	10.1%	
Switzerland	27,016	11.8%	26,992	10.9%	
Other	19,889	8.7%	22,026	8.9%	
Total fixed assets	229,085	100.0%	247,632	100.0%	

3 Other Income (Expenses), net

■ ■	January 1 - September 30,	2006	2005
Gain from disposal of long-lived assets		923	1,103
Foreign exchange gain		6,724	4,648
Insurance revenue		10	61
Income from reversal of provisions		423	2,647
Miscellaneous operating income		6,007	1,640
Other operating income		14,087	10,099

■ ■	January 1 - September 30,	2006	2005
Foreign exchange loss		(7,999)	(3,298)
Miscellaneous operating expenses		(2,663)	(1,104)
Other operating expenses		(10,662)	(4,402)

■ ■	January 1 - September 30,	2006	2005
Other operating income (expenses), net		3,425	5,697
Other financial income (expenses), net		607	54
Total other income (expenses), net		4,032	5,751

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 September 30, 2006 and 2005:

■ ■	January 1 - September 30,	2006	2005
Net Sales		2,747	10,781
Income (Loss) from discontinued operations		(157)	(4,655)

5 Property, Plant and Equipment and Intangible Assets

■ ■	Acquisition cost	Accumulated amortization/ depreciation	Net book value September 30, 2006	Net book value December 31, 2005
Land and buildings	240,800	87,868	152,932	158,513
Machinery and equipment	58,780	42,986	15,794	16,554
Tools, fixtures, furniture, office equipment	76,213	57,665	18,548	21,878
Fleet of cars	62,560	44,898	17,662	23,598
Construction in progress	4,833	-	4,833	974
Property, plant and equipment	443,186	233,417	209,769	221,517
Concessions, licences, copyrights	4,388	2,649	1,739	2,323
Customer contracts	20,474	14,383	6,091	8,343
Software	41,367	30,479	10,888	8,047
Construction in progress	777	179	598	3,709
Intangible assets	67,006	47,690	19,316	22,422

6 Assets and Liabilities of Discontinued Operations

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

■ ■	Sept. 30, 2006	Dec. 31, 2005
Trade accounts receivable	14	1,193
Prepaid expenses and other current assets	-	3,318
Property, plant and equipment	73	223
Other non-current assets	-	3
Total assets of discontinued operations	87	4,737

■ ■	Sept. 30, 2006	Dec. 31, 2005
Short-term bank borrowings and current portion of long-term debt	113	116
Trade accounts payable	3	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	116	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 as at December 31, 2005.

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 - September 30,	2006	2005
Interest payments		8,064	7,998
Income tax payments		7,623	8,267

In the first nine months of 2006 TEUR 3,565 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 5,200).

9 Subsequent Events

In the squeeze-out procedure of the minority shareholders of Microlog Logistics AG, Thiel Logistik AG made an offer of 10.60 euros per Microlog share, acceptance of which to be resolved by an Extraordinary Annual General Meeting of Microlog Logistics AG on November 23, 2006.

Financial Calendar

April 11, 2007
Annual General Meeting

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Imprint

Publisher

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