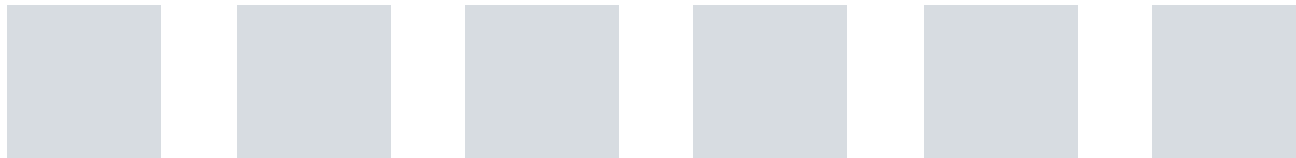
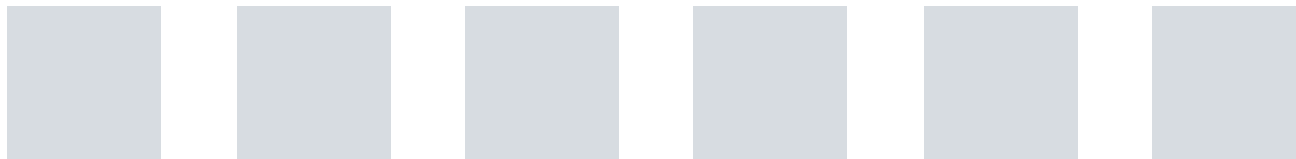


# **Thiel Logistik AG**

## **Presentation Annual Results 2005**

**March 16, 2006**



## Agenda

**Introduction - Review of FY 2005**

**Berndt-Michael Winter**

**Financial Review 2005 and Outlook**

**Dr. Antonius Wagner**

**Performance enhancements by further integration**

**Klaus Hrazdira**

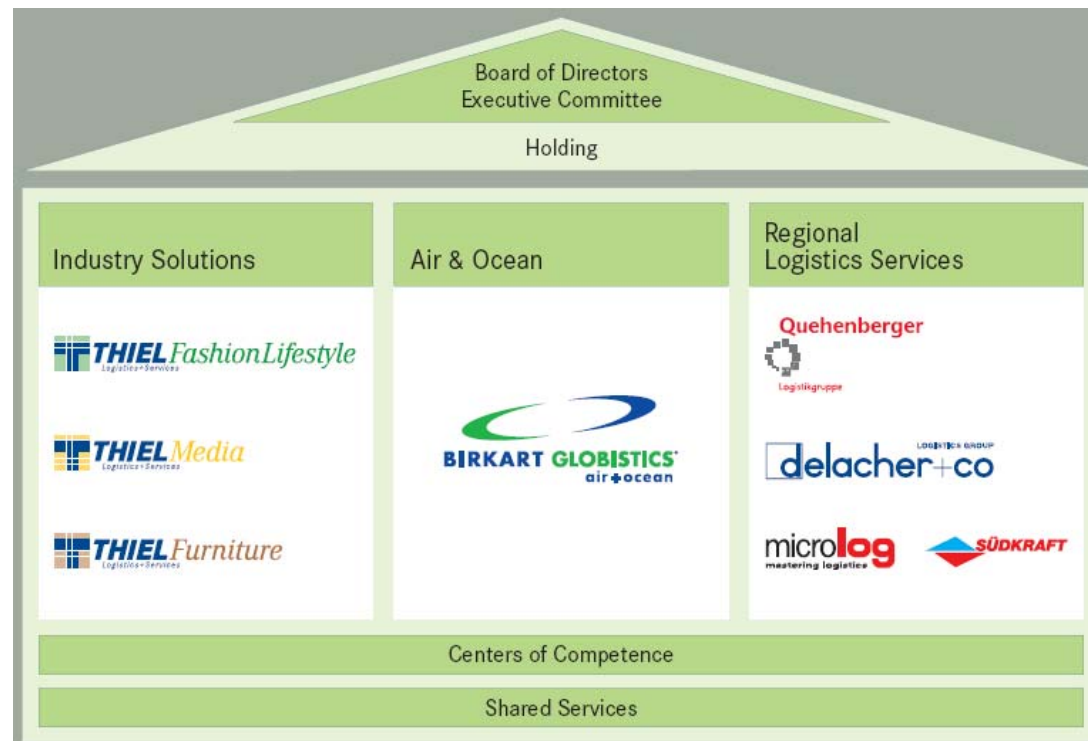
**Strategy implementation reinforced**

**Stefan Delacher**

## Introduction and Review 2005

- The fiscal year 2005 was marked by a stable operating development despite some unexpected setbacks
- Based on new organizational structure, Executive Committee works successfully towards the more rigorous implementation of Thiel Group strategy
- Centers of Competence as well as an intensified customer dialogue yield first successes
- Board of Directors will be further strengthened by proposed appointment of Dr Michael Kemmer as a non-executive member
- The target to reach a market standard profitability in the medium-term is confirmed

# New Thiel Structure – Foundation for sustained profitability increase



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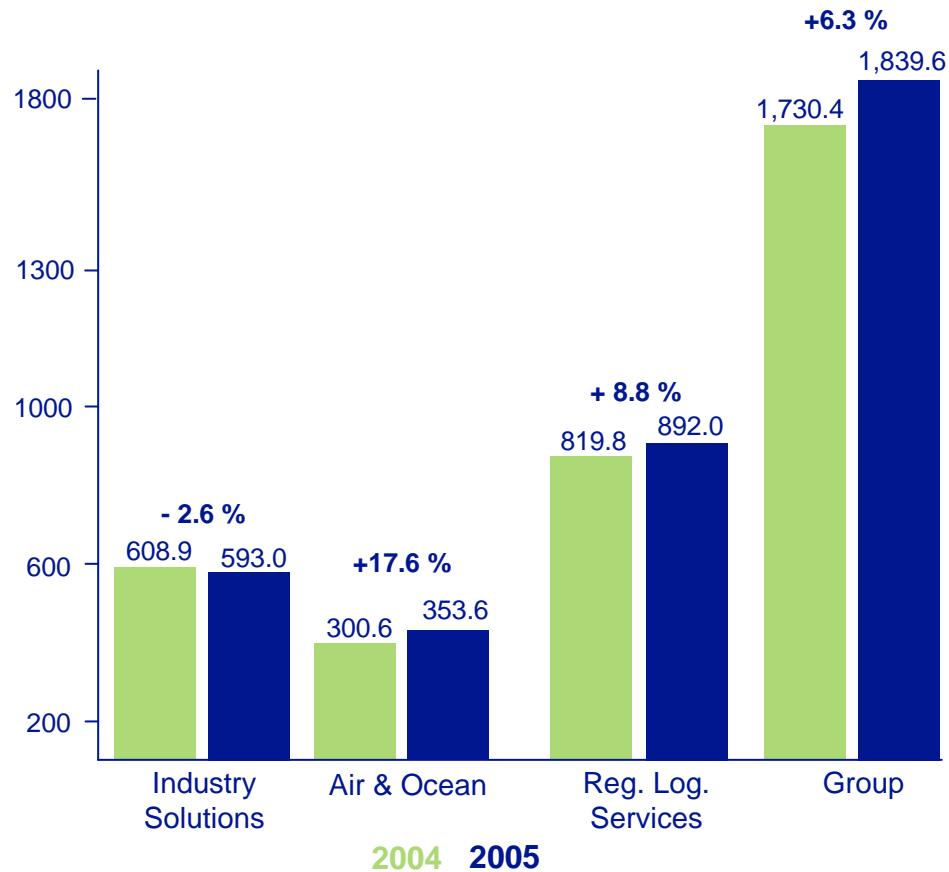
**Stefan Delacher**

## Key Financials

	2005	2004
<b>Net Sales</b>	<b>1,839.6</b>	1,730.4
<b>Sales Growth</b>	<b>6,3%</b>	4,0%
<b>EBIT before Restructuring Costs and Impairments</b>	<b>27.3</b>	35.4
<b>EBIT</b>	<b>-19.8</b>	34.0
<b>Loss from Discontinued Operations</b>	<b>-7.9</b>	-7.1
<b>Net Result</b>	<b>-53.0</b>	5.2

(EUR in million)

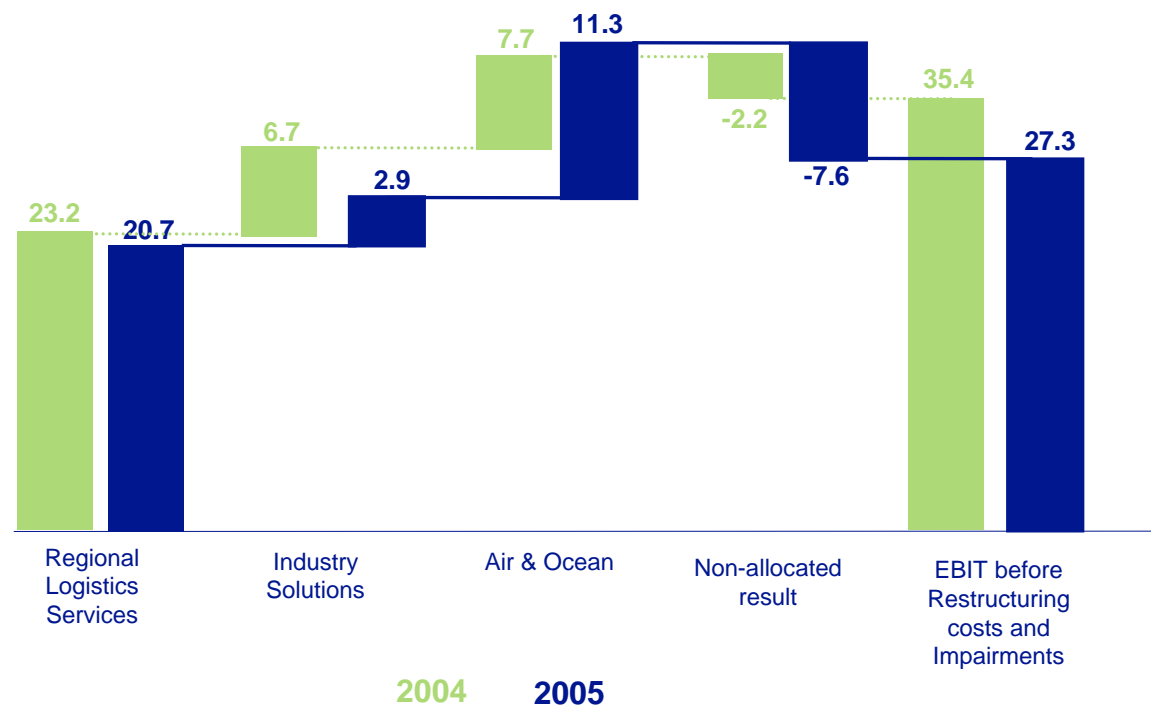
## Sales Breakdown by Segments



- Solid sales growth of 6.3 percent (5.0 percent organically)
- In Industry Solutions stable development with reduction caused by Thiel Automotive and Thiel Furniture
- Air & Ocean with very strong growth momentum, benefiting overproportionally from favorable market conditions and extended international network
- Growth in Regional Logistics Services business segment dominated by Quehenberger's growth in Eastern Europe and Delacher in Austria, Switzerland and the Netherlands

(EUR in million)

## Segment Results before Restructuring Costs and Impairments



- Before restructuring charges, all business segments with earnings contributions
- Positive development in Regional Logistics Services disguised by one-offs (divestment public transportation) in previous year and slow start into 2005 by Südkraft
- Air & Ocean not only benefiting from growth and market conditions but also from continuous productivity improvements and intensified sales efforts

(EUR in million)

## Restructuring and Impairment Charges

<b>EBIT before Restructuring Costs and Impairments</b>	<b>27.3</b>
<b>Restructuring Costs</b>	<b>-6.1</b>
▪ <b>Microlog / Südkraft</b>	<b>-4.9</b>
▪ Redundancy Payments	-3.8
▪ Other Restructuring Costs	-1.1
▪ <b>Streamlining of holding functions</b>	<b>-1.2</b>
<b>Impairment of Long-Lived Assets</b>	<b>-34.2</b>
▪ <b>Impairment of Customer Stock (Industry Solutions)</b>	<b>-4.8</b>
▪ <b>Impairment of Tangible Fixed Assets</b>	<b>-29.4</b>
▪ Microlog (Logistics center Heppenheim)	-20.0
▪ Südkraft (Other sites / Real Estate)	-5.3
▪ Furniture (Logistics warehouse)	-2.6
▪ Other	-1.5
<b>Impairment of Goodwill</b>	<b>-6.8</b>
<b>EBIT</b>	<b>-19.8</b>

(EUR in million)

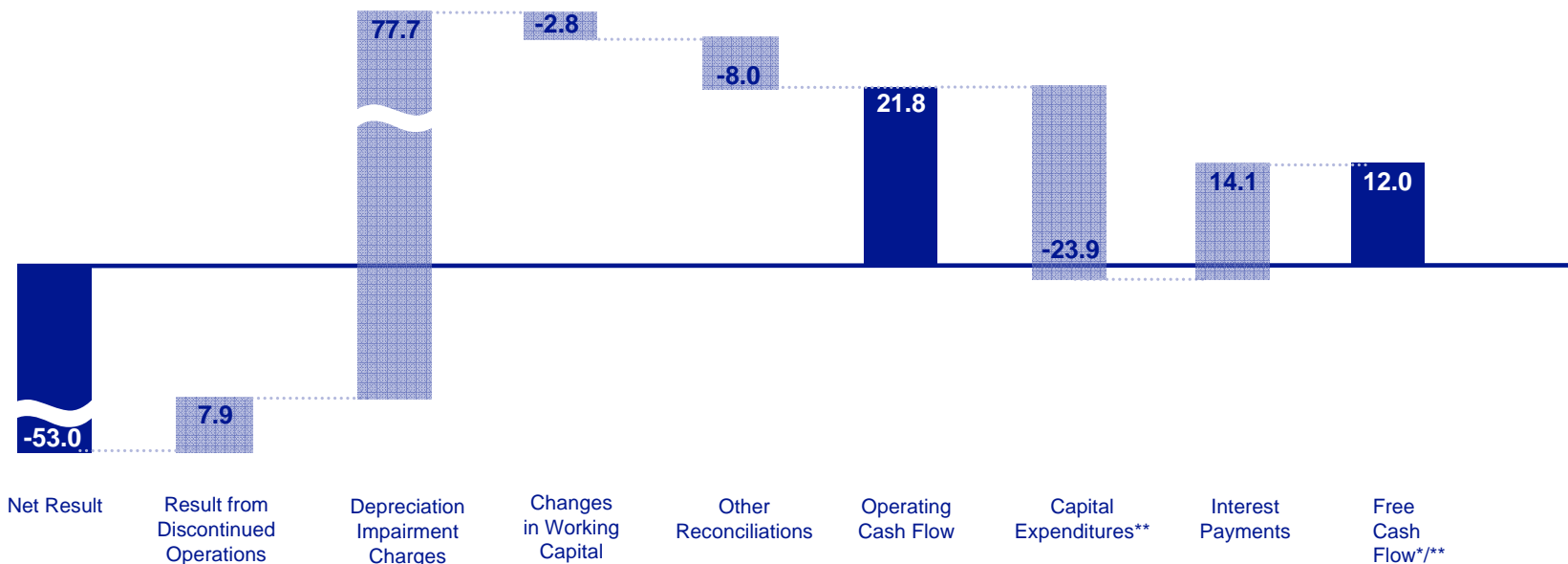
## From EBIT to Net Income

	2005	2004
<b>EBIT</b>	<b>-19.8</b>	34.0
Interest Expenses, net	-17.6	-19.5
Income Taxes	-7.7	-2.2
Loss from Discontinued Operations	-7.9	-7.1
<b>Net Result</b>	<b>-53.0</b>	5.2

(EUR in million)

## Cash Flow Analysis

	2005	2004
Operating Cash Flow	21.8	60.9
Investing Cash Flow	-18.6	-12.3
Free Cash Flow	12.0	48.6



(EUR in million)

\*FCF = OCF – capital expenditures + interest payments

\*\*excl. acquisitions (Proxar)

## Outlook

- Expected Sales growth will reflect overall market growth and economic condition in key markets, i.e. growth rates in Eastern Europe and Asia will exceed growth in home markets
- Main target of market standard profitability of a 3 percent EBIT margin in the medium-term is confirmed. 2006 will be an important step in this direction
- Financial stability remains first priority, i.e. capex will be managed tightly based on headroom created by underlying performance
- Risks consist of development at Thiel Furniture, among others with regard to cost structures, success of Microlog-Südkraft integration and further stabilization of French businesses

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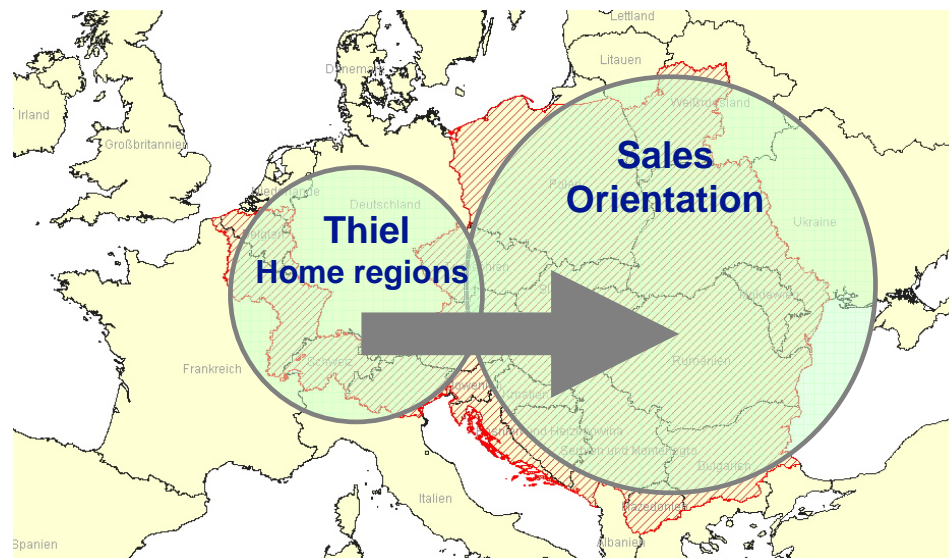
**Klaus Hrazdira**

**Strategy implementation reinforced**

**Stefan Delacher**

## CoC “Logistics Networks” as key Group integration catalyst

- **Key Focus**
  - Coordination of Thiel general network activities from central point, i.e. internalization of transportation volumes in order to optimize capacity utilization
  - Productivity increases in core logistics processes of freight management, network and transportation activities



## CoC “Logistics Networks” – First Results

### ■ Steps taken

- Detailed analysis of volumes and shipments handled in Thiel hubs
- Strategy and practical approach to shift network relationships has been established
- Next steps to focus on further standardization facilitating information flow

### ■ First Results

- Response to changes in partner networks has been rapidly implemented, i.e. change of partners to Quehenberger / Welz for German companies due to change in ownership of ids / elix cooperation
- Volumes originating from French, Spanish and Italian companies have been integrated into Quehenberger and Delacher Central and Eastern European network activities
- Dutch subsidiaries (Delacher) have switched their Polish and Czech Partners

## Review 2005 – Regional Logistics Services



- Net Sales 2005: EUR 445.3m (2004: EUR 378.9m)
- Strong organic growth resulting from positive business development with new and existing customers
- Expansion of network presence in Central and Eastern Europe added to strong overall growth momentum with additional sites opened in Bulgaria, Russia, Croatia, Slovakia and Romania



- Net Sales 2005: EUR 231.5m (2004: EUR 217.2m)
- Positive business development mainly due to growth in Austria, the Netherlands and Switzerland; service offering for warehousing and distribution also expanded in Hungary and Czech Republic



- Net Sales for Südkraft 2005: EUR 215.1m (2004: EUR 223.7 m)
- Südkraft and Microlog integration as key issue for 2005 and 2006 with joint management of the two companies in office since mid-2005
- Combined service offering based on strategic reorientation showing first successes, especially with regard to new customer acquisitions

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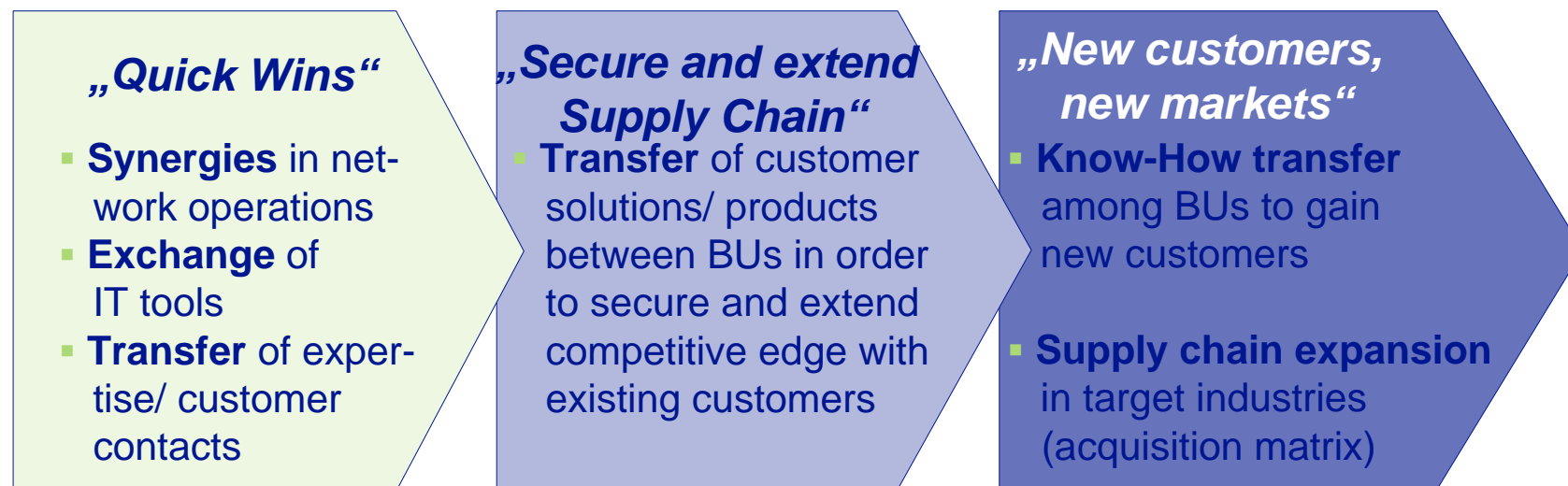
**Strategy implementation reinforced**

**Stefan Delacher**

## CoC “Supply Chain Solutions” – platform for logistics expertise: driver for operational excellence

### ■ Key Focus

Identification of operational best practice solutions from existing customers/ projects, determination/ elimination of weaknesses and thorough analysis of present and future customer needs



## CoC “Supply Chain Solutions” – First Results

- **Quick Wins**
  - Handling of white goods for a customer in the Thiel Furniture business unit starting immediately as a result of intensified customer dialogue
  - Thiel Warehouse and office utilization in CEE based on the structure of Quehenberger mainly for Thiel FashionLifestyle and Thiel Media
  - Return loads for Thiel Furniture from Austria, Italy and Switzerland by Delacher, Quehenberger, and Microlog-Südkraft
  
- **Supply Chain**
  - Utilization of Thiel Media in-night micro network for same day automotive spare-parts delivery
  - Thiel FashionLifestyle supports the “last mile distribution” of Thiel Furniture
  
- **New Customers**
  - Customer acquisition matrix – attractive potentials
  - Additional contracts for Thiel Media in distribution of print materials for Thiel non-press clients

## Review 2005 – Industry Solutions with mixed success



- Net Sales 2005: EUR 219.9 m (2004: EUR 219.7m)
- Despite slow consumer spending in German home market, sales remained stable while earnings developed positively
- Industry trends towards verticalization is being accompanied by strengthened network presence in CEE and Turkey
- Cooperation with DHL / Exel proceeding with focus on harmonization of IT interfaces and clearing activities



- Net Sales 2005: EUR 125.2m (2004: EUR 122.3m)
- German press logistics continues to be successful but has not returned to levels of the year 2000
- Expansion into Eastern Europe continues, initial focus on Poland; other CEE countries to follow
- Additional impetus from soccer world cup expected

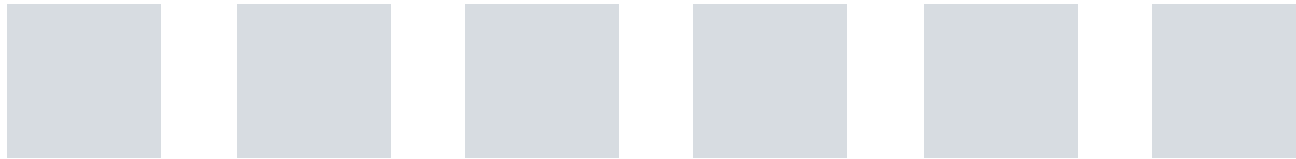
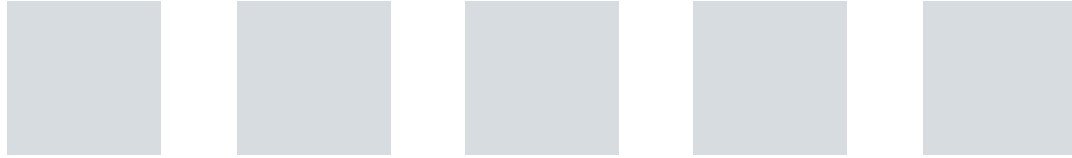
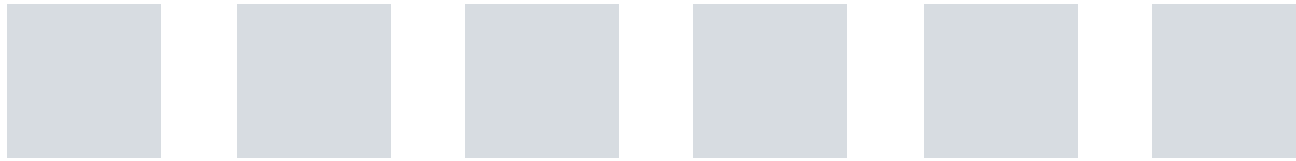


- Net Sales 2005: EUR 45.6m (2004: EUR 48.1m)
- Customer losses resulting from operating problems in Lemgo-Vossheide could not be compensated for in 2005 and added to earnings shortfalls resulting from one-offs
- Operating performance fully stabilized but productivity hampered by adverse cost structures and decreasing volumes of key customer

## Review 2005 – Air & Ocean successfully growing in strong market



- Net Sales 2005: EUR 353.6m (2004: EUR 300.6m)
- Benefiting from strong market growth, increased export activities from Asia to Europe and from generally global sales increase
- Air & Ocean business segment continues to expand global network, i.e. with newly established joint venture companies in Dubai, Italy and South Africa, which contribute to strong and profitable growth
- Further gains in productivity, i.e. by continuing IT rollouts further simplifying global freight processing
- Strategic focus:
  - The regional focus in Air & Ocean continues to be China, but also South America
  - Network completion – diversification as balancing strategy against volatile boom routes, such as China-Central/Western Europe
  - Integration of contract logistics elements – at both ends of international freight forwarding routes (e.g. collection in Europe and supplier consolidation in China resulting in JIT deliveries for the Automotive industry)



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