

## **Restructuring process successfully completed**

### **Thiel Logistik confirms positive earnings forecast – Capital increase of 80 – 100 million Euro**

Grevenmacher (Luxembourg) – The Thiel Logistik Group increased Group sales from 1.4 billion to 1.7 billion Euro during fiscal 2003. The initial consolidation of Overbruck, as well as the consolidation of the Microlog Group for the first time on a fully year basis, have significantly contributed to this result. The Group, however, also achieved organic growth again during the second half of the year. This organic sales growth of over 3 percent during the second part of the year and a significantly improved gross margin enabled the Company to attain operating profits of 1.8 million for the year before restructuring costs and extraordinary write-offs (prior year: 16.4 million). During the fourth quarter of 2003, the Group recorded quarterly earnings before interest and taxes (EBIT) of just under 2.3 million Euro again (prior year: -12.5 million Euro).

In spring of last year, the new Managing Board headed by Chairman Dr. Klaus Eierhoff had to introduce incisive measures to restructure the Group. Resulting restructuring costs of 16 million Euro and impairment charges on goodwill and long-lived assets of 47 million Euro, as well as losses from "discontinued operations" of 73 million led to a Group loss of 156 million Euro (prior year: 5.3 million Euro). These inevitable one-time charges in 2003 of 136 million Euro constituted almost 90 percent of the annual loss. According to Dr. Klaus Eierhoff: "We had previously announced stringent measures, which were then implemented during 2003. The Group is now in a position to confront the challenges of the future."

#### **New Group structure**

The Group has concentrated on core business areas and consequently developed a structure based on three segments – Sector Solutions, Air & Ocean and Regional Logistics Services. This has allowed the Group to focus on its core competencies. Business areas that are not considered core or do not meet the Group's investment return requirements, were to a large extent sold or closed down. The difficult situations have been successfully dealt with in fiscal 2003, in particular the loss leading BTL Group and the departure from the health care logistics business. Remaining divestments will be finalized by the end of the first half of the year.

#### **Decentralization of profit responsibilities**

A key step in implementing the new and efficient management structure was the transfer of profit responsibility to the operating companies and concentration of Group management functions (such as Finance, Strategic Planning and Human Resources) in the holding company in Grevenmacher. This process is supported by the implementation of a Group-wide uniform control and reporting system.

The Managing Board was reduced from 5 to 3 members during fiscal 2003. Moreover, the Group instituted radical personnel changes in the top two management tiers. Thiel Logistik conducted a management audit of the top managers and a detailed job evaluation exercise with external help in order to enhance the Group's performance capabilities. The number of employees at the balance sheet date declined from 11,337 to 10,872 despite the acquisition of Overbruck. Once discontinued operations are taken into account, the number of employees decreases to 9,908.

**Capital increase**

A capital increase of approved capital with subscription rights amounting to 80 to 100 million Euro will be undertaken, placement of which is assured. Deutsche Bank will manage the capital increase. The subscription price is to be established on March 10 and the subscription period to start on March 11.

**Outlook**

Thiel Logistik anticipates continued sales growth at the Group level and confirms positive earnings forecasts for 2004. New structures are in place, no further restructuring costs or goodwill write-offs of note are to be expected. Dr. Eierhoff: "This creates the framework for solid growth. A number of new clients, exploitation of synergy opportunities and the capital increase will contribute to the Company's becoming a high-yield European logistics group in the medium term. We are on the right path and confident that we will achieve our goals during the current fiscal year as well."

### Selected figures annual Report 2003

(according to US GAAP)

€ in thousands	2003	2002	annual percentage change
<b>Net Sales</b>			
Specialised Sector Solutions	622,555	353,183	76.3 %
Air & Ocean	281,071	278,963	0.8 %
Regional Logistics Services	794,849	735,919	8.0 %
Other	1,386	28,766	-95.2 %
<b>Total</b>	<b>1,699,861</b>	<b>1,396,831</b>	<b>21.7 %</b>
<b>Segment Result</b>			
Specialised Sector Solutions	15,512	-1,629	N/A
Air & Ocean	-979	-986	0.7 %
Regional Logistics Services	10,154	11,790	-13.9 %
Unallocated result	-22,917	7,467	N/A
<b>Operating Income before restructuring and impairment</b>	<b>1,770</b>	<b>16,642</b>	<b>-89.4 %</b>
<b>Ebit</b>	<b>-53,858</b>	<b>16,642</b>	<b>N/A</b>
<b>Net loss</b>	<b>156,207</b>	<b>5,258</b>	<b>N/A</b>
<b>Earnings per Share in €</b>	<b>-1.82</b>	<b>-0.07</b>	<b>N/A</b>
<b>Operating cash flow</b>	<b>40,793</b>	<b>39,942</b>	<b>2.1 %</b>
<b>Shareholder's Equity</b>	<b>279,753</b>	<b>438,888</b>	<b>-36.3 %</b>
<b>Cash and cash equivalents</b>	<b>51,012</b>	<b>111,565</b>	<b>-54.3 %</b>
<b>Interestbearing debt</b>	<b>318,488</b>	<b>291,545</b>	<b>9.2 %</b>
<b>Total assets</b>	<b>998,502</b>	<b>1,098,066</b>	<b>-9.1 %</b>
<b>Employees</b>	<b>10,872</b>	<b>11,337</b>	<b>-4.1 %</b>

**Information about the Thiel Logistik AG**

Thiel Logistik AG, Grevenmacher (Luxembourg), develops as an external partner end-to-end logistics and service solutions for industry and commerce. In 2003 the group generated a turnover of 1.7 billion euros and currently employs 10,000 people in 44 countries. Thiel Logistik is present in all the main European markets as well as in the major procurement and sales markets worldwide with more than 350 locations on all continents. The core business areas are regional logistics services, focussing on Central Europe including air- and sea freight, and specialised sector services, which are Automotive, Fashion/Lifestyle, Media, Furniture and Food. In its core business activities Thiel Logistik holds a leading market position. Thiel Logistik AG is listed at the Frankfurt Stock Exchange and part of the MDAX. The main shareholder is the DELTON AG, Bad Homburg, owning 50.26 % of the share capital.

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