

Profitable growth and net income result for Thiel Logistik

- Net income of 1.0 million euros
- Operating income of 25 million euros - EBIT (US GAAP) 31.8 million euros
- Sales up 4 percent to 1.73 billion euros
- Free cash flow increased to 48.6 million euros

Grevenmacher (Luxembourg) – The Thiel Logistik Group achieved an operating income of 25 million euros in fiscal year 2004 and an EBIT (US GAAP) of 31.8 million euros, significantly beating the target of a 20-million euro operating income. Sales rose by 4 percent year-on-year from 1.66 billion euros to 1.73 billion euros, with organic growth recorded in all quarters, 2.8 percent on an annualized basis. The free cash flow more than doubled, standing at 48.6 million euros compared to the previous year's 16.6 million euros.

2004 – Profitable growth again

2004 saw the completion of the restructuring and realignment of the Thiel Logistik Group that became necessary in 2003. 2004 was used to strengthen the financing structure, solidify the operations of the three business segments and align the company to the growth markets in Eastern Europe and Asia. All the Group's business segments made a positive contribution to the net income result.

In the **Industry Solutions** business segment the Thiel Logistik Group provides integrated logistics solutions along the entire supply chain of an industry. In reporting year 2004 the Thiel Logistik Group generated sales of 608.9 million euros in this business segment compared to 622.6 million euros the year before. The result decreased from 15.5 million euros to 10.7 million euros. This was primarily on the back of sales and earnings declines in the THIEL Automotive business unit which were due to the weak automotive economy.

In the **Air & Ocean** business segment, which is responsible for air and sea freight operations, the Thiel Logistik Group increased net sales from 281.1 million euros the year before to 300.6 million euros. The result improved from -1.0 million euros the previous year to 7.3 million euros – the granting of the A-Class license for logistics operations within China played a crucial role here.

In the **Regional Logistics Services** business segment the Thiel Logistik Group focuses on providing logistics solutions for customers in the regional core markets. In its business segment with the strongest sales the Thiel Logistik Group increased sales in reporting year 2004, up from 758.6 million euros to 819.8 million euros. The result rose from 16.3 million euros to 21 million euros.

Strategic alliance between THIEL FashionLifestyle and DHL Solutions

The THIEL FashionLifestyle business unit and DHL Solutions, a Deutsche Post World Net company, have agreed to step up their long-standing international cooperation in textile distribution, and to combine operations into a strategic alliance.

The objective is to establish a textile distribution network covering the whole of Europe, with uniform standards of operation and harmonized information logistics structures, in order to satisfy the industry's increased vertical demands throughout Europe. To achieve this, both companies will invest in developing standardized processes and IT systems. By combining these activities they can provide customers in the European network with an even more individually customized range of services.

Quehenberger buys majority holding in Proxar, the Slovakian logistics company

A few days ago a purchase agreement was concluded between Quehenberger, the Thiel Logistik Group company, and MONDI BUSINESS PAPER SCP in Slovakia, one of the largest manufacturers of business paper, and Eco Invest for the acquisition of the majority share in Proxar, the logistics company. Proxar has been owned to date by MONDI BUSINESS PAPER SCP and Eco Invest. Quehenberger will acquire a total of 66 percent of the shares in Proxar Slovakia Internationale Spedition a.s. in April 2005 -

subject to approval by the anti-trust authorities. MONDI BUSINESS PAPER SCP will continue to hold the remaining 34 percent of the shares. Proxar's sales in 2004 were approximately 35 million euros. Proxar organizes mainly road haulage. Operating from three sites (Ruzomberok, Haniska, Kosice), with a total of 50 employees and with around 800,000 metric tons per year it is a "big player" in national east-to-west road haulage. Proxar's services also cover rail transport, handling customs formalities and spare-parts logistics.

The Thiel Logistik Group companies intend to further expand their network in Eastern Europe through the addition of Proxar. The aim is to considerably reduce the number of one-way transports from Western to Eastern Europe in future and to optimize synergy potential within the Thiel Logistik Group.

Successful capital increase and corporate bond

Restructuring and significant strengthening of the liabilities side of the balance sheet also figured strongly in 2004. During the first half of the year a capital increase from authorized capital with subscription rights of approximately 100 million euros was successfully conducted. Towards the end of the year the corporate bond issue of 130 million euros with an eight-year term was placed with institutional investors, primarily in order to settle short-term liabilities in favor of long-term bond financing. Both these measures complete the restructuring of the liabilities side of the balance sheet, putting the financing of the Group on a solid foundation for the long term.

Outlook – Increase in value and further growth in 2005

Two years after fundamental restructuring and reorganization, the Thiel Logistik Group is as a result a profitable, quality-focused logistics services provider, and well-positioned in the growth markets of the industry. Its future direction will be governed by the expectation that the market for logistics services will continue to grow and become increasingly specialized. In keeping with its end-to-end, integrated approach, Thiel Logistik takes into account the entire logistics chain.

Press Release

March 10, 2005

Dr. Klaus Eierhoff, Chief Executive Officer (CEO), comments: “We have kept our word, and by employing a clear strategy and implementing this strategy consistently we have put the Thiel Logistik Group back on the road towards profitable growth and increased value. Our business performance during reporting year 2004 proves that the Group has succeeded in accomplishing the turnaround.”

As a result, further organic sales growth is expected for 2005. Suitable acquisitions, provided they fit into the strategic corporate concept and make a positive contribution to results, could strengthen growth.

About Thiel Logistik AG

Thiel Logistik AG of Grevenmacher, Luxembourg, develops complete logistics and service solutions as an external partner for industry and commerce. In 2004, the Thiel Group achieved sales of € 1.7 billion and currently employs more than 8,900 people in 44 countries. With more than 446 locations on all continents, Thiel Logistik operates in the major European markets and in every important procurement and sales market worldwide. The Group's business segments are Industry Solutions, Air & Ocean with its focus on air and sea freight, and Regional Logistics Services, whose areas of operation extend from Germany and the Benelux countries via Austria and Switzerland to the countries of Central and Eastern Europe. The Industry Solutions comprise THIEL Automotive, THIEL FashionLifestyle, THIEL Media and THIEL Furniture. Thiel Logistik AG ranks among the market leaders in its business segments. Thiel Logistik AG is listed on the MDAX segment of the German Stock Exchange. The principle shareholder is DELTON AG, Bad Homburg, Germany, with 50.26 percent of the share capital.

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Key Figures

■ ■	<i>in thousand €</i>	2004	2003¹	<i>Changes</i>
Group Net Sales				
Industry Solutions		608,941	622,555	- 2.19 %
Air & Ocean		300,577	281,071	6.94 %
Regional Logistics Services		819,801	758,586	8.07 %
Other		1,071	1,386	- 22.73 %
Total Net Sales		1,730,390	1,663,598	4.01 %
Segment results				
Industry Solutions		10,714	15,512	- 30.93 %
Air & Ocean		7,284	- 979	N/A
Regional Logistics Services		21,017	16,255	29.30 %
Non-allocated results		- 13,974	- 23,572	40.72 %
Operating income²		25,041	7,216	247.02 %
EBIT (US GAAP)⁴		31,769	- 50,139	N/A
EBIT (IFRS)		34,070	N/A	N/A
Net income (loss)		1,045	- 156,207	N/A
Earnings per share (in €)		0.01	- 1.82	N/A
Operating cash flow		60,865	38,505	58.07 %
Capital expenditure		- 26,878	- 36,825	- 27.01 %
Free cash flow³		48,602	16,577	193.19 %
Depreciation and amortization		- 40,769	- 43,439	- 6.15 %
EBITDA²		73,918	43,313	70.66 %
Net financial debt		150,184	267,471	- 43.85 %
Net financial debt/ EBITDA		2.03	6.18	- 67.15 %
Capital stock		139,344	107,187	30.00 %
Shareholders' equity (US GAAP)		375,164	279,753	34.10 %
Shareholders' equity (IFRS)		377,842	N/A	N/A
Number of employees		8,912	9,613	- 7.29 %

¹ Reclassification according to US GAAP SFAS 144 (discontinued operations)

² Before restructuring and impairment

³ Free cash flow = operating cash flow - capital expenditure + interest payments

⁴ EBIT (US GAAP) = operating income + other financial income (expense) + equity in earnings of associated companies