

## **Thiel Logistik AG – First half-year operative performance stable – Forecast for year lowered**

**Grevenmacher (Luxembourg) - Thiel Logistik posted a solid performance in the first half year 2005, with significantly increased organic sales and a clearly positive cash flow again in the second quarter. The previous full-year forecast has been lowered due to the impact of costs from some individual business units.**

### **Sales, earnings and cash flow**

Sales of Thiel Logistik AG rose by 4.2 percent year-on-year to 883.5 million euros (first half year 2004: 848.1 million euros), with organic growth of 5.1 percent achieved. In the second quarter organic sales growth reached as high as 7.5 percent. Expansion in Central and Eastern Europe along with the expansion of the business in Asia played a major part in this growth.

At 10.3 million euros, the result before interest and income taxes (EBIT) was lower than the previous year's 13.1 million euros. The main reason for this was a substantial drop in earnings in the Thiel Furniture business unit. For the first six months of 2005 the Group posted a negative net result after minorities of - 8.2 million euros (first half year 2004: - 0.5 million euros).

In total, a positive operating cash flow of 5.3 million euros (first half year 2004: 25.3 million euros) was generated in the reporting period. After an 8.5 million euro impact on the cash flow in the first quarter due to a one-off payment as settlement for pension provisions, cash flow improved in the second quarter by 10.8 million euros. The free cash flow came to 2.4 million euros (first half year 2004: 18.5 million euros).

### **Forecast for the year lowered**

Against the background of the burdens from the Thiel Furniture business unit and the continuing weak earnings position at Thiel Automotive, the previous forecast for the year of a 36 million euro EBIT is not achievable. This figure has been revised today as a result. For fiscal year 2005 Thiel Logistik is now expecting an EBIT in the range of 25 to 30 million euros before impairments of long-lived assets and goodwill and before restructuring expenses.

### **Positive result at three Industry Solutions – substantial decline at Thiel Furniture**

In the Industry Solutions business segment the Group generated sales of 296.5 million euros in the first half year, thus coming in at last year's levels (first half year 2004: 301 million euros). At 0.5 million euros, the result remained significantly behind the previous year's level of 2.0 million euros. Weak results at Thiel furniture were primarily responsible for this. By contrast, despite cyclical impacts and tough economic conditions Thiel FashionLifestyle succeeded in maintaining sales and gaining more profit from them. Thiel Media managed to even increase its year-on-year sales significantly. In the second quarter Thiel Automotive stabilized sales and earnings following a difficult first quarter.

**Substantial increase at Air & Ocean**

The Air & Ocean business segment under the lead company Birkart Globistics put in a very positive performance, with sales of 159.5 million euros – an increase of around 12 percent over comparable sales of 142.1 million euros generated the previous year. At 4.3 million euros the result practically doubled (first half year 2004: 2.3 million euros). Dynamic growth in traffic between Europe and Asia was chiefly responsible for this.

**Solid growth in Regional Logistics Services**

The Regional Logistics Service Providers increased sales by 5.7 percent, from 404.3 million euros to 427.5 million euros. The decline in the result from 14.1 million euros in the first half of 2004 to the present 11.2 million euros was primarily due to the sale of Südkraft's public transport businesses last year. Both Quehenberger and delacher continued to grow, recording sales increases of 14.1 percent and 4.3 percent respectively over the year before. This was due mainly to business expansion in Central and Eastern Europe. Following an even tougher first quarter, Südkraft significantly improved sales and earnings in the second quarter.

**Management structure**

Unlike a German Supervisory Board, the Board of Directors of a joint stock company governed by the law of Luxembourg is the management body of the company. As Chairman of the Board of Directors of Thiel Logistik AG, Berndt-Michael Winter has assumed responsibility – until the appointment of a new CEO – for steering the work of the Executive Board following the resignation of Dr. Eierhoff as of June 30, 2005. Dr. Antonius Wagner, a member of the Board of Directors, is performing the duties of CFO – until a new CFO joins the company – following the resignation of Mr. Löffler. The Board of Directors has extended the appointment of Stefan Delacher as a member of the Executive Board of Thiel Logistik AG until September 2010. At the moment he is responsible on the Executive Board for all the Thiel Group's logistics operations.

**Outlook**

As last year, the Thiel Group expects the operating result for the second half of the year to again increase compared to the first half of the year. In view of the lack of capacity utilization at the Heppenheim warehouse, numerous sales activities have been initiated aimed at regaining capacity utilization. The management is confident this will result in a positive conclusion. If, contrary to expectations, utilization cannot be achieved within the next few months, or if the terms are unfavorable, then a substantial impairment to the book value of 24.7 million euros will be advisable, the exact extent of which will depend on the usage situation at the particular time.

There may be a need to adjust the value of goodwill in the Thiel Automotive unit due to the loss of several major orders. In this regard, the premature termination of a logistics services contract with FAG Kugelfischer with several more years to run has been contested. The company is aiming to achieve a final assessment of the goodwill in the Thiel Automotive unit by the September 30, 2005, reporting date.

Thiel expects a unified market approach of Thiel Automotive and Südkraft to provide significant momentum for future growth. The two business units were placed under a single management

at the end of July, with the aim of pooling the automotive and contract logistics expertise, leveraging synergies and offering customers an even broader product portfolio.

**About Thiel Logistik AG**

Thiel Logistik AG of Grevenmacher, Luxembourg, develops integrated logistics and service solutions as an external partner for industry and commerce. In 2004 the Group generated sales of 1.7 billion euros, and currently employs a staff of around 9,000 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 Switzerland and Austria to the countries of Central and Eastern Europe. The Industry Solutions are 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 Prime Standard 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 January 01, - June 30, 2005

according to the International Financial Reporting Standards (IFRS)

	<i>in thousand €</i>	<b>2005</b>	<b>2004</b>	<i>Change in %</i>
<b>Group Net Sales</b>				
<b>Industry Solutions</b>		<b>296,454</b>	301,031	-1.5
Thiel Automotive		101,383	105,856	-4.2
Thiel FashionLifestyle		104,898	106,489	-1.5
Thiel Media		60,586	59,243	2.3
Thiel Furniture		24,301	24,784	-1.9
Other		5,286	4,659	13.5
<b>Air &amp; Ocean</b>		<b>159,483</b>	142,120	12.2
<b>Regional Logistics Services</b>		<b>427,462</b>	404,337	5.7
Quehenberger		207,888	182,214	14.1
Südkraft		105,739	112,948	-6.4
Delacher		113,835	109,175	4.3
<b>Holdings</b>		<b>109</b>	629	-82.7
<b>Total Net Sales</b>		<b>883,508</b>	848,117	4.2
<b>Segment results</b>				
Industry Solutions		532	1,975	-73.1
Air & Ocean		4,273	2,319	84.3
Regional Logistics Services		11,151	14,116	-21.0
Holdings		-4,455	-4,927	-9.6
Consolidation		-1,565	24	N/A
Other financial income (expenses), net		357	-389	N/A
<b>Earnings before interest and taxes (EBIT)</b>		<b>10,293</b>	13,118	-21.5
<b>Net result</b>		<b>-6,605</b>	1,222	N/A
Attributable to Equity holders of the company <sup>1</sup>		<b>-8,219</b>	-450	1,726.4
Attributable to Minority shareholders		<b>1,614</b>	1,672	-3.5
<b>Earnings per Share in Euro</b>		<b>-0.07</b>	0.00	N/A
<b>Operating Cashflow</b>		<b>5,310</b>	25,326	-79.0
<b>Capital expenditure</b>		<b>-10,018</b>	-14,500	-30.9
<b>Free Cash flow</b>		<b>2,408</b>	18,481	-87.0
<b>Depreciation and amortization</b>		<b>-18,465</b>	-20,194	-8.6
<b>EBITDA</b>		<b>28,758</b>	33,312	-13.7
<b>Net financial debt</b>		<b>158,776</b>	145,227*	9.3
<b>Shareholders' equity (incl. minority interest)</b>		<b>373,070</b>	377,842*	-1.3
<b>Number of Employees</b>		<b>8,891</b>	8,912*	-0.2

<sup>1</sup> comparable with the former term "Net income (loss)"  
\*as of December 31, 2004