

## **Thiel Logistik generates further growth – implementation of strategy with new Group structure on schedule**

- Operating result in line with annual forecast
- Result negatively impacted by one-off charges
- Efficient management and organizational structure implemented

**Grevenmacher (Luxembourg)** – Thiel Logistik has had an eventful year with a satisfactory operational development overall. The Group continued to grow in most of its corporate units. Sales increased by 6.3 percent to EUR 1.8 billion (2004: EUR 1.7 billion). Key impulses came from the air and ocean business as well as from exploiting growth potentials in the Asia and Eastern European regions.

At EUR 27.3 million, EBIT before restructuring costs and impairment was in line with the guidance of between EUR 25 million and EUR 30 million announced in August (2004: EUR 35.4 million). In comparison to the previous year, the gross margin improved. Gross profit increased by 12.6 percent to EUR 147.0 million (2004: EUR 130.6 million). However, this positive development overall was impaired by earnings problems, particularly in the Industry Solutions business segment.

### **Negative impact from one-off charges and impairment**

The restructuring measures implemented and the necessary adjustments of the medium-term earnings expectations resulted in considerable one-off charges. In fiscal year 2005, there were one-off effects of EUR 47.2 million. These included restructuring costs in connection with the merger of Thiel Automotive and Südkraft as well as expenses for holding functions of EUR 6.1 million. In addition, in the context of an impairment test, impairments on long-lived assets of EUR 34.2 million were recognized. EUR 20.0 million of this related to the Heppenheim site. In addition, an impairment test resulted in goodwill impairment of EUR 6.9 million.

After restructuring costs and impairment, an EBIT of minus EUR 19.8 million was generated (2004: EUR 34.0 million). With net interest of minus EUR 17.6 million, income taxes of minus EUR 7.6 million and a result of discontinued operations of minus EUR 7.9 million, the Net result was minus EUR 53.0 million (2004: EUR 5.2 million) in the reporting period.

**Mixed performance of the Industry Solutions business segment**

In the Industry Solutions business segment, the Thiel Group generated sales of EUR 593.0 million, a decline of 2.6 percent in comparison to the previous year (2004: EUR 608.9 million). The development was very mixed.

While the Thiel FashionLifestyle and Thiel Media business units increased sales and expanded further, despite the market situation remaining difficult, the Thiel Automotive and Thiel Furniture business units were confronted with lower sales. In particular, the Thiel Furniture business unit posted increased one-off charges for the reorganization of a furniture distribution center, contributing to the negative earnings development.

**Strong sales development in the Air & Ocean business segment**

In fiscal year 2005, the Air & Ocean business unit developed positively again. Sales increased by approximately 18 percent to EUR 353.6 million (2004: EUR 300.6 million). This growth was primarily driven by ongoing high demand for intercontinental air and ocean transportation between Asia and Europe.

**Regional Logistics Services report strong growth in Central and Eastern Europe**

The Regional Logistics Services business segment remains the segment in the Thiel Group with the largest sales volume. At EUR 892.0 million, sales in the segment were up around nine percent in comparison to the previous year (2004: EUR 819.8 million). A key factor contributing to this was the expansion of the network in the countries of Central and Eastern Europe.

**Changes in the management and organizational structure implemented**

In the second half of 2005, far-reaching organizational and structural changes were resolved and implemented. The objective was to align the Thiel Group to achieve better use of the performance potential within the Group and to obtain an orientation to a sustained improvement of profitability. Implementation is on schedule. The eight Centers of Competence are already contributing to a better use of resources within the Group and are promoting the transfer of know-how among business units. Freight volumes are being bundled and are contributing to better utilization in the transportation area, individual locations are being switched to Group partners and IT solution modules can now be used across the Group. The work of the Centers of Competence is expected to make a considerable contribution to Group profitability.

With effect from January 1, 2006, the Thiel Automotive and Südkraft business units were merged and allocated to the Regional Logistics Services business segment in the Thiel Group as the new Microlog-Südkraft business unit. Initial acquisition successes were achieved as a result of the unified market approach. In addition, at the beginning of the year, the Thiel Service GmbH, headquartered in Aschaffenburg, commenced operations, performing administrative functions such as financial accounting and human resources administration for several business units.

**Dr. Michael Kemmer nominated as non-executive member of the Board of Directors**

With the objective of further strengthening the Board of Directors as a governing body, the Board of Directors will propose to the Annual General Meeting in April of this year the appointment of Dr. Michael Kemmer, until recently Chief Risk Officer on the HypoVereinsbank AG Executive Board, as a new non-executive member to the Board of Directors, alongside Klaus Hrazdira. Thus, the committees of the Board of Directors which exercise key control functions will consist of three very experienced and independent non-executive members.

**Outlook: medium-term goal EBIT margin of three percent reiterated**

For the Thiel Group, 2006 will be characterized by further consolidation and integration, while at the same time intensifying the specialization on specific industries and regions. Sales growth in 2006 will be in line with the expected growth of the overall market of three to four percent. The development over the next months is still fraught with uncertainty. However, Thiel Logistik reiterates its statement on the development of the earnings situation in 2006.

Berndt-Michael Winter, Chairman of the Board of Directors: "With the new management and organizational structure, we are rigorously implementing the strategy of focusing on clearly defined markets with decentralized and specialized units. We have thus prepared the ground for strengthening the competitive advantage and generating further growth. In 2006, we will make an important step in the direction of achieving our medium-term goal of an EBIT margin of three percent."

**Information on Thiel Logistik AG**

As an external partner, Partner Thiel Logistik AG, Grevenmacher (Luxemburg) develops holistic logistics and service solutions for trade and industry. In 2005, the Group generated sales of EUR 1.8 billion and currently employs approximately 8,800 staff in 41 countries. Thiel Logistik operates on the main European markets as well as in all the important procurement and sales markets worldwide. It has some 400 locations across all continents. Its business units are Industry Solutions, Air & Ocean, responsible for the air and ocean freight business, and Regional Logistics Services, whose area of operations covers Germany and Benelux, Switzerland and Austria to the Central and European countries. The Industry Solutions are Thiel FashionLifestyle, Thiel Media und Thiel Furniture. In the business units, Thiel Logistik AG is one of the market leaders. Thiel Logistik AG is listed on the Prime Standard of Deutsche Boerse. The main shareholder of the company is DELTON AG, Bad Homburg, which has an equity stake of 50.26 percent.

Your contact:

[www.thiel-logistik.com](http://www.thiel-logistik.com)

**Tino Fritsch**

Head of Public Relations  
Phone: 00352 / 71 96 90 -1353  
Fax: 00352 / 71 96 90 -1359  
presse-kontakt@thiel-logistik.com

---

**Thiel Logistik AG | ZIR Potaschberg | 5, an de Laengten | 6776 Grevenmacher | Luxembourg**

# Key Figures

according to the International Financial Reporting Standards (IFRSs)

■ ■	<i>in thousand €</i>	<b>2005</b>	<b>2004</b>	<i>Change in %</i>
<b>Net Sales</b>				
Industry Solutions		593,004	608,941	-2.6
Air & Ocean		353,554	300,577	17.6
Regional Logistics Services		891,965	819,801	8.8
Holdings		1,074	1,071	0.3
<b>Total Net Sales</b>		<b>1,839,597</b>	1,730,390	6.3
<b>Segment results (before restructuring costs and impairments)</b>				
Industry Solutions		2,879	6,738	-57.3
Air & Ocean		11,269	7,688	46.6
Regional Logistics Services		20,670	23,197	-10.9
Holdings and Consolidation		-7,037	-10,304	-31.7
Other financial income (expenses), net		-493	8,108	N/A
<b>Earnings before interest and taxes (EBIT) before restructuring costs and impairments</b>		<b>27,288</b>	35,427	-23.0
Restructuring costs		-6,055	-	N/A
Impairment of long-lived Assets		-34,196	-1,380	2,378.0
Impairment of Goodwill		-6,856	-	N/A
<b>Earnings before interest and taxes (EBIT)</b>		<b>-19,819</b>	34,047	N/A
<b>Net result</b>				
Attributable to Shareholders of Thiel Logistik AG <sup>1</sup>		-53,414	867	N/A
Attributable to Minority shareholders		436	4,309	-89.9
<b>Earnings per share in Euro</b>		<b>-0.48</b>	0.01	N/A
<b>Operating Cash Flow</b>				
		<b>21,842</b>	60,865	-64.1
<b>Free Cash Flow</b>				
		<b>11,989</b>	48,602	-75.3
<b>EBITDA<sup>2</sup></b>				
		<b>63,906</b>	76,196	-16.1
<b>Net financial debt</b>				
		<b>156.5</b>	145.2	7.8
<b>Shareholders' equity (incl. minority interest)</b>				
		<b>322,043</b>	377,443	-14.7
<b>Number of Employees</b>				
		<b>8,807</b>	8,912	-1.2

<sup>1</sup> comparable with the former term "Net income (loss)"

<sup>2</sup> before restructuring costs and impairments