

## Thiel announces growth and positive net result for 2006 – Re-organization to improve efficiency of the Group

- Organic sales growth 3.7 %; operating result 27.5 million euros
- New business segments Solutions – Air & Ocean – Road & Rail gear organization towards business processes
- Further sales growth expected for 2007; medium-term EBIT margin target of 3 % confirmed

**Grevenmacher (Luxemburg)** – Thiel Logistik AG has concluded fiscal year 2006 with consolidated net sales of 1.89 billion euros, an increase of 2.8 % as against the previous year. Organic sales growth amounted to 3.7 %. It was largely driven by the positive performance of the Air & Ocean business segment. Following 2005, a year weakened by considerable one-off effects, 2006 saw the Group generate a positive net result of 2.1 million euros (2005: -53.0 million euros).

The first successes of the measures initiated in order to increase efficiency were impaired by difficult market conditions, such as the rise in transportation costs as a result of a shortage of freight capacities in European land transportation and a partial underutilization of existing network capacities. At 27.5 million euros, the EBIT before restructuring costs and impairment remained stable as against the previous year. Restructuring costs of 3.6 million euros in connection with the insolvency of Lippe Logistik reduced EBIT to 23.9 million euros (2005: -19.8 million euros).

### **Industry Solutions: Slight improvement in operating earnings**

In 2006, Industry Solutions generated net sales of 410.0 million euros, an increase of 2 %. The performance of both the Thiel FashionLifestyle and Thiel Media business units was satisfactory. However, Thiel Furniture suffered a considerable downturn in net sales owing to volume reductions at its German subsidiary Lippe Logistik. At 7.8 million euros, the Industry Solutions segment result before restructuring and other one-off effects was up on the previous year figure of 6.4 million euros.

**Air & Ocean: Significant increases in net sales and earnings**

The strong performance of the Air & Ocean business segment continued during the reporting year. Net sales rose by 7.5 % as against the previous year to 380.1 million euros (2005: 353.6 million euros). While the sales performance was dampened by low rates in the intercontinental sea freight business, the number of shipments and transportation volumes showed above-average growth, particularly in the Asia business. Business with both existing and new customers was very positive, resulting in a significant rise in earnings to 15.0 million euros (2005: 11.3 million euros).

**Regional Logistics Services: Difficult market conditions burden earnings**

At 1,101.4 million euros, net sales in Regional Logistics Services were up slightly as against the previous year (2005: 1,082.9 million euros). Owing to the expiry of customer projects, Microlog-Südkraft posted a considerable decline in sales, while the business units Delacher and Quehenberger posted satisfactory growth rates. Segment earnings were squeezed by an under-utilization in parts of the network structure and substantial margin pressures in the transportation segment to 14.1 million euros, down on the previous year's figure of 17.2 million euros.

**Customer-oriented, efficient management and organizational structure to be introduced**

At the proposal of the Executive Committee of Thiel Logistik AG, the Board of Directors has resolved to enhance the management structure of the Thiel Group. The new structure is scheduled to become effective as of July 1, 2007. It will be horizontally geared towards business processes. All similar activities are bundled in the business segments Solutions, Air & Ocean and Road & Rail. The business segment Solutions will comprise Thiel's contract logistics activities. The current basic structure of the Air & Ocean business segment will remain unchanged, though it will now bundle all air and ocean freight forwarding activities in the Group. European land transportation and special transportation activities will be merged to form an efficient network in the newly formed business segment Road & Rail.

The efficiency of the Thiel Group will be boosted by reducing the number of hierarchy levels. In future, the three business segments will be managed and developed directly by the Executive Committee of Thiel Logistik AG. This will consist of CEO Berndt-Michael Winter, CFO Dr. Antonius Wagner and one COO for each of the three business segments: Klaus Hrazdira, currently responsible for Regional Logistics Services in the Executive Committee, will assume responsibility for the Solutions business segment. Helmut Kaspers, currently CEO of Birkart Globistics air + ocean, and Detlef Kükenshöner, currently CEO of Thiel FashionLifestyle, will be appointed as new members of the Executive Committee. They will assume responsibility for the Air & Ocean and Road & Rail business segments, respectively.

Berndt-Michael Winter, Chairman of the Board of Directors of Thiel Logistik AG: "The future management and organizational structure will support the unchanged strategy of profitable growth in selected markets and industries. At the same time, the consistent bundling of business processes into the three business segments concludes a key stage in the development of the Thiel Group. What was initially a somewhat loose association of acquired companies is now becoming an integrated logistics group."

**Outlook**

The year 2007 will be dominated by the implementation of the reorganization of business segment. The Group's strategy will continue to focus on profitable growth in all three business segments. Against this background, sales growth is expected to continue in fiscal year 2007. Factors contributing to this will include the positive organic growth and bolt-on acquisitions. The Thiel Group's target of an EBIT margin of 3% in the medium term remains unchanged.

**About Thiel Logistik AG**

As an external partner, Thiel Logistik AG, Grevenmacher (Luxembourg), develops holistic logistics and service solutions for trade and industry. In 2006, the Group generated sales of EUR 1.89 billion and currently employs approximately 8,000 staff in 42 countries. Thiel Logistik operates on the main markets worldwide and has some 350 locations across all continents.

Thiel Logistik AG is listed on the Prime Standard of Deutsche Boerse. The major shareholder of the company is DELTON AG, Bad Homburg, which has an equity stake of 50.26 percent.

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# Key Figures

■ ■ ■	<i>in thousand €</i>	<b>2006</b>	2005
<b>External Sales</b>			
<b>Industry Solutions</b>		<b>409,963</b>	402,094
Thiel FashionLifestyle		230,974	219,864
Thiel Media		124,270	125,519
Thiel Furniture		42,613	45,554
Other		12,106	11,157
<b>Air &amp; Ocean</b>		<b>380,068</b>	353,554
<b>Regional Logistics Services</b>		<b>1,101,362</b>	1,082,875
Quehenberger		495,000	445,334
Delacher		279,384	259,795
Microlog-Südkraft		326,978	377,746
<b>Total Net Sales</b>		<b>1,891,410</b>	1,839,597
<b>Segment results (before restructuring costs and impairments)</b>			
Industry Solutions		7,762	6,376
Air & Ocean		15,047	11,269
Regional Logistics Services		14,122	17,173
<b>Earnings before interest and taxes (EBIT) before restructuring costs and impairments</b>		<b>27,515</b>	27,288
Restructuring costs		-3,652	-6,055
Impairment of long-lived Assets		-	-34,196
Impairment of Goodwill		-	-6,856
<b>Earnings before interest and taxes (EBIT)</b>		<b>23,863</b>	-19,819
<b>Net result</b>		<b>2,075</b>	-52,978
<i>Attributable to Shareholders of Thiel Logistik AG</i>		899	-53,414
<i>Attributable to Minority shareholders</i>		1,176	436
<b>Earnings per share in Euro</b>		<b>0.01</b>	-0.48
<b>Operating Cash Flow</b>		<b>20,631</b>	21,842
<b>Capital expenditure</b>		<b>-21,151</b>	-23,941
<b>Net Cash Flow</b>		<b>13,425</b>	3,246
<b>Free Cash Flow</b>		<b>-520</b>	-2,099
<b>Depreciation and Amortization</b>		<b>-33,596</b>	-36,618
<b>EBITDA</b>		<b>61,111</b>	63,906
<b>Net financial debt</b>		<b>150,944</b>	156,472
<b>Shareholders' equity (incl. minority interest)</b>		<b>321,052</b>	322,043
<b>Number of Employees</b>		<b>8,115</b>	8,807