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Speech by Dr. Antonius Wagner, Chie Financial Officer

- The spoken word is final -

Ladies and Gentlemen,

I now have the pleasure to present the figures of fiscal year 2007. From my perspective, the consolidated financial statement shows that we made good progress also from a financial perspective. Our stable financial position will essentially help us to realize the operating benefits from the new management structure and the uniform group brand in the year 2008. We expect this to lead to an increased profitability of the Group.

Key Financials

Net sales show a very dynamic growth of 8.0 percent as against previous year and for the first time exceeds 2 billion Euros. EBIT before restructuring costs and impairments amounts to 34.3 million Euros and is around one quarter up on the previous year. Despite restructuring costs of 2.3 million Euros and an impairment of 6.0 million Euros, the net result is positive at 3.3 million Euros. Thus, we achieved a substantial target – despite the heavy setback from the insolvency of the main customer in the business unit Furniture Logistics early in 2007.

Cash flow developed especially pleasing in the second half of the year. At 38.6 million Euros, operating cash flow was nearly doubled. Net cash flow – one of the key financial figures in the group – is stable on the last year’s level of 12.8 million Euros. In 2007, it contains payments for acquisitions of 8.5 million Euros. In 2006, we acted much more conservative on the acquisition side.

Segment reporting

Following the new management structure, we initiated a new segment reporting. I believe this allows for much better internal and external transparency. And it allows you to compare our three business segments to the activities of our competitors.

Sales growth was very dynamic in the Air + Ocean business segment. Here, sales grew for nearly 19 percent to 520 million Euros. The high profitability of the air and sea business becomes clear when recognising that the segment result at 19.5 percent rises more sharply than sales.

Also, a significant growth driver comes from the business segment Road + Rail. Here, sales grow by 10 percent and totals 810 million Euros. As you know, we intend to focus increasingly on profitable customers and markets in 2008 and are willing to incur sales losses from the cancellation of contracts. The negative segment result is, of course, not satisfying. However, it is positive to see that results could already be improved significantly as against previous year. We are optimistic that the measures we have implemented will lead to a positive operating result in 2008.

In the business segment Solutions, it is very pleasing that the operating result rises for 14 percent to around 24 million Euros, despite the fact, that sales remained stable at roughly 760 million Euros. The operating margin exceeds three percent. That means we do not have to shy away from a comparison to our competitors.

Solutions

Let us now please go into some more detail with regard to the business unit level.

The business unit Fashion managed to expand its existing business and to win new customers in 2007. We achieved a particularly nice sales success when we took up the retail distribution for a Scandinavian retailer in Northern Germany. Moreover, at the end of the year we succeeded in closing a long-term contract with a leading textile manufacturer. In this context, we assumed control of a logistics centre for finished part logistics in Bochum-Wattenscheid.

The business unit Media affirmed its leading market position. On one hand, we could prolong the contract with our biggest customer for several years. On the other hand, Media achieved to win new customers for business. Market prospects are especially good in the Eastern European press market. From an overall sales and earnings perspective, we are well prepared for the future.

Likewise, in the business unit Industrial Goods sales are stable, too. At the Heppenheim location, after a period of underutilisation we began to realise a European distribution centre for an international chemical group. Heppenheim is a good example for enduring marketing efforts leading to the utilisation of capacities. Although it might sometimes take some time!

The loss of essential sales from the new furniture logistics led to a slight decrease in sales. The expansion of existing business with our biggest customer, an energy drink producer, in the business unit Consumer Goods could not compensate wholly for these losses.

Air + Ocean

In the business segment Air + Ocean the key growth drivers are the European imports from Asia and the growing freight volumes from Southern America. Here, business is particularly promising at the moment. In order to fully participate in the growth opportunities in this market, we strengthened the sales organisation in Brazil and acquired the majority stake in a Chilean joint venture. This year, we already built-up a new country organisation in Mexico and are in the position of exploring this important market in the region.

In Europe, a new location was opened at the Baltic sea in Gdynia in Poland. This location provides sea forwarding in addition to the services of the well-established Road + Rail locations in Eastern Europe. With this new location a modern pick by light installation for one of our main customers was installed.

The business unit Far East also contributed significantly to growth. Although our presence in China is quite extensive, we opened a new location in Tianjin and expanded our Guangzhou location.

International air and sea transports but also an increasing volume of value added services contributes to a 12 percent growth in the business unit South East Asia. Here also, new locations were opened in Australia, Malaysia and on the Philippines.

Road + Rail

All business units contributed to sales growth in the segment Road + Rail. It is good to see a high growth rate especially in Eastern Europe and for transports into the region respectively. Here, we generate a positive earnings contribution. For the further extension of our European network, Road + Rail opened three new locations in Poland, two in Russia and one in Belarus. In doing so, we maintain our position as a leading network provider in the strong Eastern European growth market.

The segment result is charged essentially by the poor profitability of individual locations in Western and Central Europe. The measures we implemented to improve profitability showed initial success at the end of 2007. For example, at the Düsseldorf location network activities were terminated. The site will now serve as a warehousing site only. In addition, measures include the cancelation of unprofitable contracts, reduction of personnel costs, acquisition of new customers for the network activities and the renegotiation of contractual terms in existing but unprofitable customer relations.

Profit and Loss Statement

Looking at the P&L statement it is eye-catching that purchased services have grown for 3 percentage points in excess of sales. In essence, this account includes transport services purchased from third parties. The disproportionate increase is mainly due to rising freight rates in the European transport market. E.g. the price for diesel fuel has increased in the course of 2007 for more than 20 percent. The increase in transportation cost is continuing, but was dampened somewhat in the second half of 2007. Higher costs could not be handed over in full or in time to customers. This explains why the gross profit margin was under last year's figure at 7.4 percent.

It is pleasing that the so-called SG&A costs as a percentage of sales declined. Besides the group-wide restructuring, the bundling of administrative capacities at the Aschaffenburg location contributed to that success.

Overall, the Group generates earnings before interest, taxes restructuring costs and impairments of 34 million Euros in 2007. This is a considerable increase of operating performance as against previous year.

The major share of restructuring costs of 2.3 million Euros is due to costs for personnel lay-offs as well as for consulting costs in connection with the new management structure.

As we explained in detail in our nine months press conference, an impairment of 6 million Euros was made necessary in the Solutions segment following the insolvency of the main customer in the area of furniture logistics.

The slight increase in interest expense results from a temporarily increase in demand for working capital. The increase in tax expense is explained with the positive influence of tax expense from corporate tax credit of 3.4 million Euros in 2006. The tax rate, excluding the goodwill impairment would have been at 37 percent.

The net result of fiscal year 2007 is positive at 3.3 million Euros. Roughly half of that is attributable to Thiel AG shareholders.

Balance sheet

The balance sheet shows that the group has started into 2008 with a solid financial position. The Group equity is at around 35 percent. The long-term corporate bond from 2004 has a very stabilising effect against the background of recent capital markets turmoil. The bond matures in 2012. In addition, the group has short-term credit facilities at several financial institutes with a volume of nearly 60 million Euros which were undrawn at the balance sheet date. Moreover, it is pleasing that the group's net debt was reduced from 151 million Euros to 143 million Euros.

Cash Flow Statement

Let's have a look at the cash flow statement. As you can see, the Group achieved last year a positive net cash flow as well as a positive free cash flow based on the significant increase of operating cash flow.

Capital expenditure amounted to -23.4 million Euros, which includes especially necessarily reinvestments and replacement measures in services at some specific locations to adjust to changing customer requirements. In addition, investments included the completion of the logistics centre in Feldkirch-Tosters commissioned in early 2007.

Altogether, -8.5 million Euro was used for acquisitions and the purchase of outstanding minority interests in associated companies. Among others, this was the squeeze out at Microlog AG as well as the expansion of our activities in Turkey and Chile. The Group strengthens in a very targeted way its ability to benefit from the very strong growth within these regions.

Outlook

Looking now at the outlook: We expect a further sales increase on Group level. This trend is composed of different developments. On the business segment level, Air + Ocean will distribute the main part. The business segments Solutions and Road + Rail will profit adequately from the overall market growth. However, especially, the business segment Road + Rail will focus in 2008 on the profitability of its sales.

This year, the introduction of the joint brand Logwin will be a key investment in a successful future of the Group. The implementation costs will have a limited effect on the Group EBIT. We estimate one-offs amounting to 5 million Euros.

Overall, we expect a significant increase of both EBIT and the net result compared to last year. The operating targets for the Group stay unchanged. We see the following margin for each business unit:

- In the business segment Solutions, we expect a stable margin at or slightly above this year's level
- In the same way, Air + Ocean will raise step by step this pleasing level despite limited additional expenditures for network expansions and business development
- The target for Road + Rail will be to achieve a positive operating result in 2008.

We will successfully maintain our current financial stability - like exercised in the previous years – also in 2008. Thus a tight working capital management will stay important. Investments will be oriented at the business development as well at the financial strength of the Group.

Thank your very much for your attention. My colleagues and I are now looking forward to answer your questions!