

Sales and Earnings Continue to Develop Favorably at Thiel Logistik

- Sales grow by 5.9 percent to € 1.3 billion
- EBIT € 21.6 million – company returns to profitability again with net income of € 1.4 million
- High free cash flow: € 32 million

Grevenmacher (Luxembourg) – In the period from January to September 2004, sales of the Thiel Logistik Group rose 5.9 percent from € 1.2 billion to € 1.3 billion. Operating income amounted to € 21.6 million after € 4.0 million on a comparable basis with the previous year. Gross cash flow nearly doubled to € 52.7 million compared to the first half of the year; free cash flow was € 32 million.

The positive contribution of all segments to the rise in earnings was instrumental in the favorable development of Thiel Logistik Group. The development in the Automotive industry solution was weaker than expected, but was more than compensated for by the growth in sales and earnings in the Air & Ocean business segment and at the subsidiary Quehenberger in the Regional Logistics Services business segment.

“This is clear proof that we’ve gained the acceptance of the business world once again and that customers have regained their confidence in the performance of the companies in the Thiel Logistik Group. We have been able to link our innovative logistics solutions for selected industries with our traditionally strong market positions in the Central and Eastern European regions,” says Thiel Logistik’s CEO Dr. Klaus Eierhoff.

The company also benefited from the persistent economic upswing in China. In the course of expanding the business in Asia, six new branch offices were opened in China

this year alone. Since receiving the coveted A-Class license in September 2004, Thiel Logistik Group is excellently positioned in China, above all in the Air & Ocean business segment.

In the third quarter of 2004, sales rose from € 446.1 million to € 459.3 million. In addition, gross margin was increased to 7.9 percent. In the third quarter of 2004, Thiel Logistik Group generated operating income of € 9.2 million.

Despite the decline in the earnings of “discontinued operations” as a result of the smaller businesses sold or to be sold, the company achieved a net income of € 1.8 million in the third quarter of 2004. The accumulated net income for the nine months ending September 30, 2004 was € 1.4 million.

“The focus on profitable sales and our continued strict cost management are the drivers behind the favorable operational development of Thiel Logistik Group. Consistent working capital management has played a decisive role in increasing both gross cash flow and free cash flow significantly from the prior year and the previous quarters,” emphasizes Thiel Logistik’s CFO Martin Löffler.

After strengthening the equity ratio with the successful capital increase this past spring, the Company is currently looking at possibilities for restructuring the liabilities side, in particular the rescheduling of a large part of its debt. To reduce the number of lending banks and to refinance over the long term, all possible options are currently being analyzed, including the issuance of a corporate bond. A decision has not yet been made.

With continued growth in sales, operating income is expected to significantly improve in 2005.

“We’re currently reviewing several possible acquisitions,” says Dr. Klaus Eierhoff.

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 2003, Thiel Group achieved sales of € 1.7 billion and currently employs more than 9,300 people in 44 countries. With more than 350 locations on all five continents, Thiel Logistik is present in the major European markets and in every important procurement and sales market worldwide. The Group’s three business segments are Industry Solutions, Air & Ocean and Regional Logistics Services. Industry Solutions include Thiel Automotive, Thiel FashionLifestyle, Thiel Media and Thiel Furniture. The Air & Ocean segment focuses on air and sea freight. Regional Logistics Services extend from Germany and Benelux via Austria and Switzerland to the countries of Eastern and Central Europe. In these business segments, Thiel Logistik AG ranks among the market leaders. Thiel Logistik AG is listed on the MDAX segment of the German Stock Exchange. The majority shareholder is DELTON AG, Bad Homburg, Germany, with 50.26 percent of the share capital.

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Key figures January 1 - September 30, 2004

(in accordance with US GAAP)

in € '000	2004	2003 ¹	Change in %
Net sales			
Industry Solutions	462,072	459,416	0.6
Air & Ocean	233,766	204,205	14.5
Regional Logistics Services	610,831	569,483	7.3
Other	732	1,005	-27.2
Total	1,307,401	1,234,109	5.9
Segment results			
Industry Solutions	8,654	9,823	-11.9
Air & Ocean	3,869	(617)	N/A
Regional Logistics Services	20,124	12,882	56.2
Non-allocated results	(11,054)	(18,121)	39.0
Operating income	21,593	3,967⁴	444.3
Net income (loss)	1,393	(127,266)	N/A
Earnings per share in €	0.01	(1.48)	N/A
Operating cash flow	52,716	29,736	77.3
Capital expenditure	(20,699)	(28,149)	26.5
Free cash flow⁵	32,017	1,587	1,917.5
Depreciation and amortization	30,077	32,335	-7.0
EBITDA	51,670	36,302	42.3
Share capital	139,344	107,187²	30.0
Total shareholders' equity	375,069	279,753²	34.1
Cash and cash equivalents	86,833	51,012²	70.2
Interest-bearing debt	231,184	318,483²	-27.4
Total assets	991,694	998,501²	-0.7
Number of employees	8,966	9,613³	-6.7

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

² Comparison to December 31, 2003

³ Comparison to December 31, 2003 (discontinued operations not included)

⁴ Before restructuring and impairment

⁵ Free cash flow = operating cash flow - capital expenditure