

# Annual Report 2007

Thiel Logistik AG



# LOGWIN

## **THIEL LOGISTIK BECOMES LOGWIN.**

LOGWIN COMBINES ALL GROUP COMPANIES  
INTO A STRONG COMMON BRAND:  
THUS, LOGWIN STANDS FOR OUR INTEGRATED LOGISTICS GROUP.

THIS BRAND IMPLIES A CLEAR VALUE PROPOSITION:  
OUR CUSTOMERS ARE SUCCESSFUL WITH US AS LOGISTICS PARTNER.

**LOGWIN. YOUR LOGISTICS.**

## Key Figures January 1 - December 31, 2007

Group	in thousand €	12 Months			4th Quarter		
		2007	2006	Δ in %	2007	2006	Δ in %
Sales		2,043,108	1,891,410	8.0	515,216	485,092	5.6
Gross profit <i>Margin</i>		150,648 7.4 %	143,748 7.6 %	4.8	32,483	29,773	9.1
Earnings before Interest and Taxes (EBIT) before Restructuring Costs and Impairments <i>Margin</i>		34,314 1.7 %	27,515 1.5 %	24.7	4,160	2,013	206.1
Earnings before Interest and Taxes (EBIT) <i>Margin</i>		26,006 1.3 %	23,863 1.3 %	9.0	3,715	-1,638	-
Net Result <i>Attributable to Shareholders of Thiel Logistik AG</i>		3,334 1,662	2,075 899		1,870 910	-3,524 -4,177	
Earnings per Share (in €)		0.01	0.01		0.01	-0.04	
Operating Cash Flow		38,590	20,631		26,836	10,565	
Net Cash Flow		12,760	13,425		19,439	9,197	

Business Segments	in thousand €	12 Months			4th Quarter		
		2007	2006	Δ in %	2007	2006	Δ in %
<b>Solutions</b>							
Sales		759,818	758,886	0.1	187,986	185,743	1.2
Segment Result before Restructuring Costs and Impairments <i>Margin</i>		23,572 3.1 %	20,847 2.7 %	13.1	2,456 1.3 %	2,928 1.6 %	-16.1
<b>Air + Ocean</b>							
Sales		521,892	438,971	18.9	137,890	116,212	18.7
Segment Result before Restructuring Costs and Impairments <i>Margin</i>		18,962 3.6 %	15,876 3.6 %	19.4	4,860 3.5 %	4,648 4.0 %	4.6
<b>Road + Rail</b>							
Sales		812,531	738,084	10.1	203,819	191,644	6.4
Segment Result before Restructuring Costs and Impairments <i>Margin</i>		-1,418 -0.2 %	-4,451 -0.6 %	-	-1,475 -0.7 %	-3,124 -1.6 %	-

	in thousand €	Dec. 31, 2007	Dec. 31, 2006	Δ in %	Dec. 31, 2007	Sep. 30, 2007	Δ in %
Equity Ratio		34.8 %	35.2 %		34.8 %	33.8 %	
Net Financial Debt		142,787	150,944	-5.4	142,787	163,359	-12.6
Number of Employees		8,483	8,115	4.5	8,494	8,607	-1.4

## Overview

**Sales** In fiscal year 2007 Thiel Logistik AG generated net sales of 2,043.1 million euros. This represents an increase of 8.0 % as against the previous year's figure of 1,891.4 million euros.

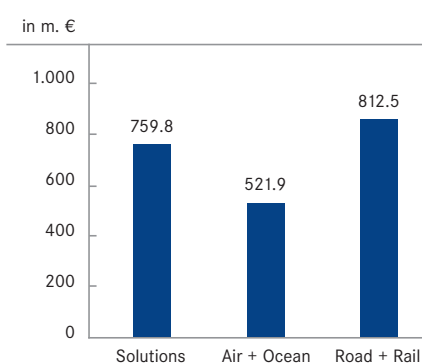
**Earnings** EBIT before restructuring expenses and impairments increased by 6.8 million euros to 34.3 million euros (2006: 27.5 million euros). At 1.7 % the EBIT margin before restructuring and impairments for the fiscal year 2007 was slightly higher than in 2006 with 1.5 %. Including restructuring expenses and impairments the EBIT also exceeded the prior year slightly and reached 26.0 million euros in 2007 (2006: 23.9 million euros).

**Business segments** The sales growth was particularly dynamic in the business segments Air + Ocean with an increase of 18.9 % as well as Road + Rail with an increase of 10.1 %. The sales level of the business segment Solutions remained stable.

**New management structure** Since July 1, 2007 the Thiel Group has bundled similar activities in the business segments Solutions, Air + Ocean and Road + Rail. With the successful implementation of the new management structure the Thiel Group becomes a fully integrated logistics group.

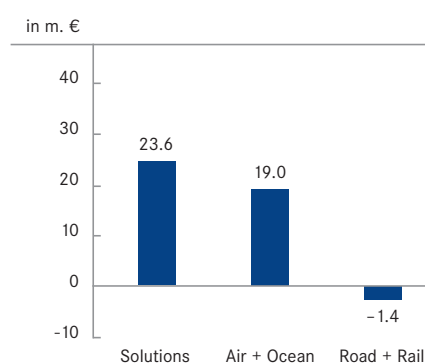
**Outlook** For the year 2008 the Thiel Group expects a further growth of net sales. EBIT and net result are expected to increase significantly despite the limited expenditures for the launch of a uniform group brand.

**Sales by business segments**



**Result by business segments**

(before restructuring expenses and impairments)



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## Ladies and Gentlemen,

One year ago we announced the introduction of our new management structure and the expectations we associate with it. This structure has been effective since July 1, 2007. Since then, similar activities have been combined in the business segments Solutions, Air + Ocean, and Road + Rail. Today we can recognize that the new structure has already been filled with life, as demonstrated by the intensified cooperation of the new business segments and business units. The Group integration is promoted dynamically and the improved customer focus and increased transparency show first positive effects both internally and externally. The feedback of our customers and employees confirms that our decision was right.

The operating and financial developments of the Group in the last financial year also show that we have now embarked upon the right course. The Group's net sales increased considerably. Despite slight strains as a result of the restructuring expenses for the introduction of our new management structure and an impairment of goodwill the operating profit also increased.

The business segment Air + Ocean developed especially dynamically and posted two-digit growth rates both for segment sales and segment earnings. In the business segment Solutions, segment result developed positively and segment sales rose slightly. Both business segments are highly profitable. The business segment Road + Rail saw a clear sales growth, but has not yet reached the targeted profitability in the period under review. Therefore, we make every endeavor to improve our cost structure and our services range.

For the ongoing integration process and the dynamic further development of our business our new brand plays a significant role. Thiel Logistik will become LOGWIN. In the future, all Group companies will use the same company name.

Thanks to the decision on a common brand name we continue to fulfill the objectives we had for our new management structure: the clear focus on the needs of our customers, the creation of more transparency, and thus enhanced efficiency in the delivery of our services. The new brand name and the new logo stand for our relaunch as a sustainably successful, integrated logistics company.

In the future, the common brand LOGWIN will express clearly who we are and what performance standards we have. LOGWIN is a logistics company, which is distinctly reflected in the name and recognizable at first glance. The brandname LOGWIN implies an obvious value proposition: our customers will be successful with us as their logistics partner. LOGWIN. Your logistics. This short and concise statement underlines our proposition and demonstrates that the customer is always in the focus of our activities. We trust in the performance and know-how of our employees to fulfill this value proposition. Their excellent interaction in the Group and the dialog and partnership with our customers is expressed in the graphic element. The two arches symbolize the interaction that creates something new. Shape and coloring of the graphic element demonstrate vitality, drive, openness, and simultaneously stability and power.

The Executive Committee is convinced that our powerful brand with its clear value proposition will meet with the acceptance of our customers, our employees, and of the capital markets. It will help to position the Group confidently and successfully and to gain a competitive edge.

We would like to highlight in this context: our new management structure and our new brand do not signify a change of the strategy which we have identified as being right. Both measures are two sides of the same coin and will accelerate the successful implementation of the unchanged strategy. The decentralized responsibilities of our local business entities will remain a crucial element of this strategy also with the common brand LOGWIN. They give us the flexibility and speed of response that our customers expect from us.

The official launch of the new brand in Germany, Austria, and Switzerland is scheduled for July 1, 2008. At our Annual General Meeting in April, we will propose to our shareholders to approve the renaming of Thiel Logistik AG in LOGWIN AG. We would like to be globally present as the LOGWIN Group by the end of the year.

The new brand means a reorientation for our employees. Today we would like to extend a very special thank you to you for having seized the opportunities offered by the new corporate structure so pro-actively. We are convinced that together we will also be able to master the new start as LOGWIN Group successfully.

We would also like to thank you, our customers, shareholders and business partners cordially for your support and we are happy that you will continue to accompany us also on our ambitious course as LOGWIN AG.

Grevenmacher/Luxembourg, March 2008



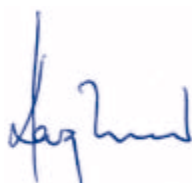
Berndt-Michael Winter



Dr. Antonius Wagner



Klaus Hrazdira



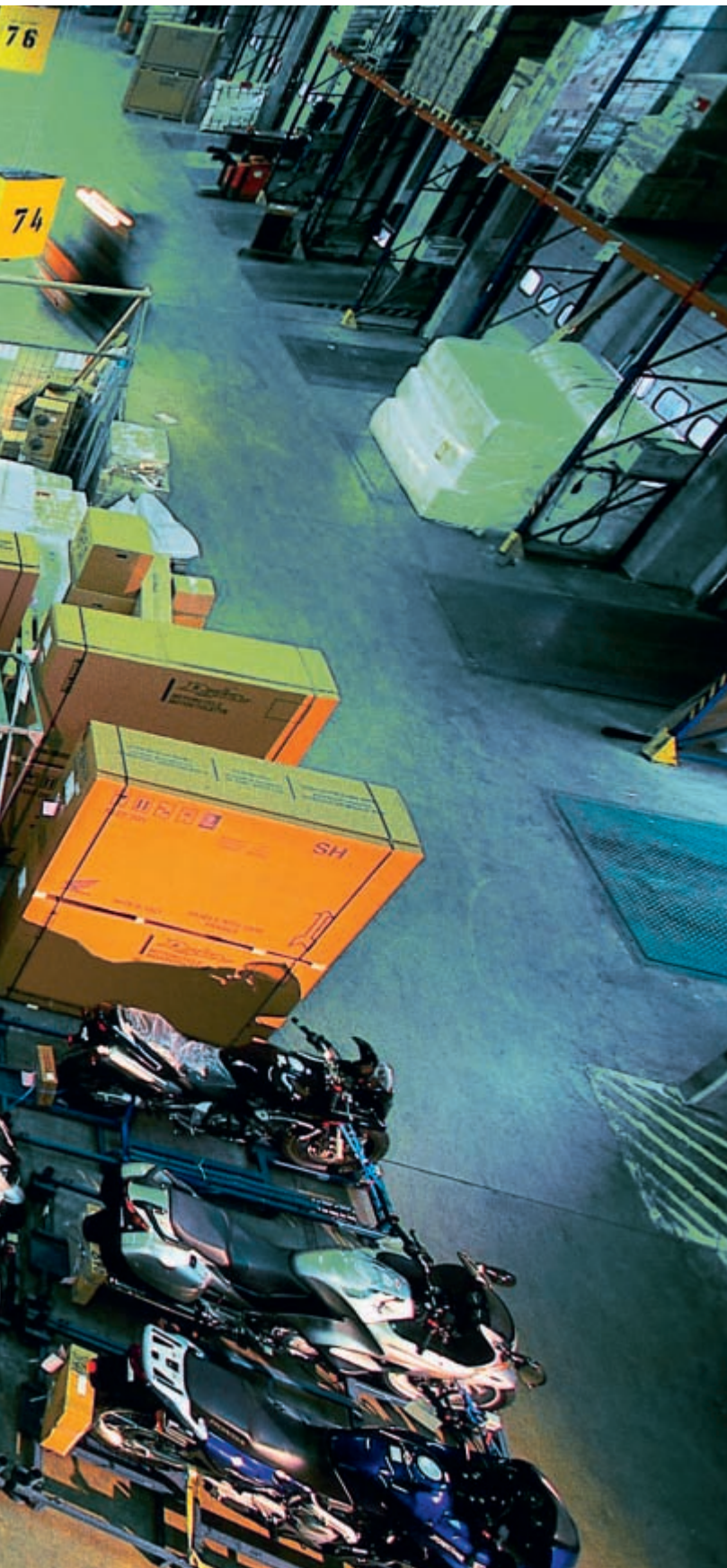
Helmut Kaspers



Detlef Kükenshöner



# Group Portrait



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## Group Portrait

Logistics is essential – for industrial manufacturing, the distribution of goods and the cooperation of companies in every stage of a value chain. The logistics sector has consequently long since developed beyond the simple transport of goods. In fact, the market for logistics services has seen far-reaching changes in recent decades. Logistics has become a key factor for the success of companies across industries, especially against the background of progressive globalization and the dynamic evolution of their respective markets. An optimized integration of transportation, warehousing and services into a high-performance logistics chain is therefore at the top of the agenda for modern logistics service providers.

As an innovative logistics partner, the Thiel Group is oriented towards the needs of its customers and develops customized and integrated logistics concepts for them. The Group offers a broad range of logistics services – from global transportation to warehousing and value-added services. These value-added services include, for example picking and labeling of goods, quality controls and returns management. The objective of the Thiel Group is to advance the business of its customers sustainably. The company delivers its services relying on integrated services, long-standing know-how and is clearly oriented towards best practice solutions.

The essential element of successful cooperation is a continuous dialog between the logistics provider and its highly entrepreneurially-minded customers. The Thiel Group considers itself and its services an integral part of the value chain. The close cooperation and partnership enables a flexible and above all efficient combination of customized solutions and standardized tools. Together with its customers, the Thiel Group designs optimized logistics processes, presents continuously varied innovative solutions and advances quality and performance by implementing them.

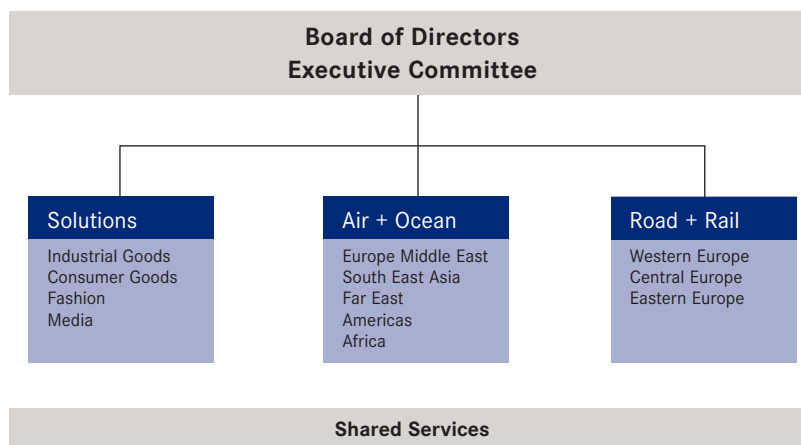
Besides smooth processes, absolute reliability and consistent good quality, cost management is also an essential value driver in logistics. Along with the rendering of efficient services which develop dynamically with the business of customers as well as the permanent realization of cost reduction potentials are therefore also key to the success of the Thiel Group.

The new corporate structure reflects the aim of continuously improving its services, creating maximum transparency and consistently using synergies. Since July 1, 2007 the Group has bundled similar activities in the three business segments Solutions, Air + Ocean as well as Road + Rail.

The business segment Solutions combines customer-focused contract logistics solutions that frequently achieve a high degree of integration into the customers' respective value chains. With an industry-specific and customer-specific services portfolio, special infrastructure for warehousing and transportation services as well as the specially developed IT systems the business segment allows a transparent management of the flow of goods. The business segment Air + Ocean is responsible for all air and sea freight activities in the Group and in many cases also supports the logistics activities of the other two business segments. Thanks to its strong IT and logistics competencies, the business segment offers integrated solutions in the intercontinental freight forwarding business that are tailored to the customers and their respective industries. The business segment Road + Rail is the specialist for efficient land transportation and offers comprehensive forwarding, warehousing and value-added services in the field of rail and road transport. An in-depth knowledge of the local markets not only allows high-quality handling including straightforward services levels, tracking & tracing functions and flexible bottleneck solutions, but also the development and implementation of customized transport concepts together with its customers.

The new corporate structure strengthens the far-reaching operational responsibilities of the business segments for their respective markets and customers. It creates the necessary flexibility and possibility to respond rapidly to changing customer demands. Linking decentralized and centralized elements differentiates the Thiel Group from its competitors as an integrated Group and an innovative and flexible logistics partner.

### The Group structure





Solutions

## Solutions

Flexibility and speed are becoming increasingly important as decisive factors in the competition for customers across industries. Markets are growing dynamically, product life cycles are getting shorter, the range of services and products offered is expanding continuously. As a result, manufacturers and trade companies are increasingly focusing on their core competences. In many cases, they outsource their logistics processes to specialists offering the full range of logistics services, and thus are frequently able to achieve additional efficiencies.

The business segment Solutions offers comprehensive contract logistics solutions. The portfolio of services ranges from industry-specific supply chain management and warehousing to value-added services and complete logistics outsourcing projects. With its four business units Industrial Goods, Consumer Goods, Fashion and Media, Solutions implements innovative and comprehensive solutions for customers and entire industries.

Years of experience, thorough industry knowledge and a high degree of competence in process management and the development of customized IT solutions form the basis for the logistics concepts implemented. The business units benefit from the bundling of IT, purchasing and business development functions at the business segment level. Successful concepts and IT solutions are transferred between business units, enabling an ongoing optimization of the services portfolio. With its comprehensive range of services and specialist networks, the business segment offers its customers efficiency and transparency in managing the flows of goods and information, thereby providing sustained added value to their respective businesses. An integral part of the customer solutions is the use of dedicated equipment and the efficient use of all modes of transportation. Close networking with the business segments Air + Ocean and Road + Rail also supports a rapid and effective implementation of intermodal transport.

In 14 European countries, around 3,300 employees in 150 branches ensure the smooth implementation and execution of logistics concepts for customers, for example in the automotive, chemical, tire, hi-tech, fashion, lifestyle, mechanical engineering, electronics, furniture, fast-moving consumer goods and media businesses.

**Industrial Goods** The business unit Industrial Goods specializes in the management of logistics for industrial customers, with a focus on on-site logistics at customer sites with efficient supply chain management and distribution activities. The target industries of Industrial Goods include particularly the automotive sector, the chemical industry as well as the mechanical engineering and electronics sectors. Transport of premium industrial goods in these sectors often involves just-in-time delivery directly at the conveyor belt. The reliability of the supply chain is thus a top priority for the business unit Industrial Goods when designing and implementing industry-specific logistics solutions for its industrial customers.

Based on the demands of its industrial customers, with their often highly-specialized goods, the business unit Industrial Goods develops customized logistics concepts and creates measurable added value. The additional services include for example just-in-sequence deliveries and pre-assemblies for the automotive industry, filling and refilling services for customers from the chemical industry, or complete inventory management. Depending on the specific customer's needs, special equipment and product-specific modes of transportation also play an essential role in the logistics process. Taking into account industry-specific demands, efficient IT concepts may implement smoothly functioning spare parts logistics or the integration of entire supply chains between manufacturers and their suppliers.

**Consumer Goods** The business unit Consumer Goods implements specialized distribution logistics for consumer goods manufacturers and merchants. Consumer Goods focuses on customers from retailers to the furniture industry, wheel production, medical products, food and the electronics industry.

As a provider of contract logistics, the business segment Solutions meets the steadily growing demands of trade customers and consumer goods manufacturers through its business unit Consumer Goods with industry-specific know-how and innovative logistics solutions. The range of services covers transport and handling, warehousing and managing the entire supply chain for consumer durables, valuable electronics or perishable goods. Consumer Goods offers end-to-end distribution solutions which support customers' expansion, particularly in the Eastern European markets. The industry-specific solutions include, e.g. consumption-driven inventory management using dedicated software applications for industrial catering, pre-assembly or installations, functional testing of hi-tech equipment, the optimization of loading arrangements in the transport of new furniture or the mounting of tires before delivery into retail.

The logistics know-how acquired from the high demands of the consumer goods industry with its high delivery frequency and absolute supply chain reliability also plays a central role in implementing logistics solutions for customers in other industries. Event-driven communication concepts report disruptions in the transport chain and the rapid response makes the complete distribution of customer products possible. In addition, by reducing clearance time at customs, complete transport documentation offers competitive advantages for customers in any industry.

**Fashion** The business unit Fashion implements holistic logistics solutions specifically for the fashion and lifestyle industry. The production, with its extensive global setup, and the international fashion trade are under growing pressure to maximize efficiency. At the same time, more frequent changes in collections create an increasing demand for flexibility in supply chains and distribution arrangements. The timely delivery of all collection items is accordingly decisive for success in the retail.

The logistics services of the business unit Fashion are therefore based on seamlessly managing the entire process, from the production facility to the shelves in the stores. Frequently, these processes are re-engineered using sophisticated simulation and management tools. In many cases this yields a measurable increase in the transparency, efficiency and flexibility of supply chains for retail and manufacturers.

The business unit Fashion has the largest pan-European network for hanging garment transportation. Every year the business unit delivers 300 million pieces of hanging textiles to their destination. Among other services for fashion and lifestyle products include repacking, treatment of the fashion items or textiles, for example pressing clothing, applying safety labels or recycling hangers. With its product Branch Logistics, Fashion also offers a modular service with individually agreed delivery cycles for retail. At the same time, delivery times have been reduced significantly by the introduction of this service.

**Media** The business unit Media offers highly specialized logistics services for the printing and publishing industry as well as the distribution of merchandise and advertising supplements. Newspapers and periodicals are still a key element of media consumption in the digital information era. At the same time, print products are under tremendous pressure to stay up-to-the-minute. Publishers with time-critical products are accordingly demanding innovative and intelligent concepts from their logistics partners in order to supply media wholesalers and other large customers exact-to-the-minute on a daily basis.

With its business unit Media, the Group is the German market leader in press logistics and the leading air freight media forwarding agent. For over 40 years, Media has been offering holistic logistics solutions for all aspects of the print supply chain. These cover production and procurement logistics, as well as disposal, returns transport and distribution to wholesalers and retailers and distribution centers throughout Germany. The business unit Media also handles the distribution of 150 German and international newspapers and periodicals to the world's tourism and business centers. As an outsourcing partner, Media also manages mailing departments at printing firms and looks after their printing paper delivery and warehouse management. Its own courier service handles express and overnight shipping of time-critical documents and goods. Special equipment for paper transport and value-added services like labelling, packaging and inserts complete the range of services.

Due to its high degree of reliability and the extreme flexibility with regard to changing delivery patterns, the business segment Solutions can utilize its special network for the execution of numerous additional solutions, especially for customers from other industries. Complementing the main delivery times, a partial or complete utilization of the network allows the execution of distribution services, especially for higher value goods, for example in the area of after sales.



Air + Ocean

## Air + Ocean

The internationalization of business results in a strong demand for transport and logistics services. In meeting this demand, the key value driver for logistics providers is the optimization of international flows of goods. To this end, worldwide markets become integrated into global value chains.

The business segment Air + Ocean combines intercontinental air and sea freight forwarding with logistics solutions. These value-added services include inbound and outbound related activities such as warehousing, distribution or order picking. Furthermore, the business segment coordinates the entire delivery chain, extending from choosing the adequate carrier and loading equipment to reliable transport. Finally, based on a wide international network of locations in the business units Europe Middle East, South East Asia, Far East, Americas and Africa, Air + Ocean develops individual logistics solutions for its customers.

The range of products as well as the intercontinental network are being continuously expanded. The business segment offers its customers logistics solutions precisely tailored to their requirements. Well-established modules from various industries are often combined in new and individual concepts. In many cases, the business segment Air + Ocean takes advantage of synergies by closely cooperating with the other business segments in the Group. For example, logistics solutions for automotive customers are closely coordinated with the business unit Industrial Goods in order to utilize best practices for this demanding customer group, with its high demands on supply chain reliability and cost efficiency. Flexible transport concepts for the textile industry – such as the in-house developments “AirTextainer” and “SeaTextainer” – and creative services for consumer products, e.g. in the hi-tech or electronics segment, are also part of the service portfolio.

The intercontinental network of the business segment Air + Ocean ensures uniform processes and quality standards worldwide. Standardized software applications throughout the entire organization ensure a smooth flow of information, from the online air freight booking service to tracking & tracing via the Internet. All IT tools have a modular structure so that they can be adapted easily for specific customer needs. In addition, customers can use numerous innovative IT services ranging from e-billing to warehouse management.

The business segment Air + Ocean is represented at over 200 locations on every continent and has around 1,650 employees in 26 countries.

**Europe Middle East** The business segment Air + Ocean has a wide network of branches in the Europe Middle East region with locations in Germany, Belgium, the UK, Italy, Austria, Poland, the Netherlands, Switzerland, Spain, Hungary and Dubai. The extensive services portfolio includes innovative concepts like direct and time saving gateway transport from Asia to various European countries, or combined air-sea transport via Dubai. Besides transport logistics, the business unit also offers its customers comprehensive supply chain management and the coordination of complex international logistics projects. Air + Ocean provides customized logistics solutions especially for customers in the textile, automotive or electronics industries.

**South East Asia** Air + Ocean has many years of local experience in South East Asia, with twelve locations in Australia, Indonesia, Malaysia, the Philippines and Singapore as well as in New Zealand. Besides air and sea freight forwarding services, the business unit also offers warehousing, distribution logistics and comprehensive value-added services in the South East Asia region. The focus is in particular on the automotive and healthcare industries and in the high-end consumer goods segment.

**Far East** The business segment has a network of locations in the People's Republic of China and Hong Kong, South Korea, Taiwan, Thailand and Vietnam. Thus, the business unit maintains a presence at all of the region's main industrial and business hubs. The business segment Air + Ocean operates from 20 locations in the People's Republic of China alone, with two nationally valid "A"-licences for transport, logistics and distribution services and also for trading activities.

**Americas** Air + Ocean has been running its own branches in Latin America for over 30 years, with a presence in Brazil, Chile, Peru, Uruguay and Mexico. The business segment Air + Ocean serves other countries in Latin America in cooperation with strong local partners. Besides the international core business, the service portfolio is completed by warehousing, distribution logistics and comprehensive value-added services. Customers are primarily in the automotive and consumer goods industries. Another key activity is specialist project freight forwarding activities e.g. the shipment of industrial plants.

Expanding the network in the Americas region is a strategic priority for the business segment Air + Ocean. Its presence is being strengthened continuously by adding locations in additional countries throughout the region. At the same time, the important North American market is covered by established exclusive partnerships for the trans-Pacific and for the trans-Atlantic business.

**Africa** With its own locations in Durban, East London, Johannesburg, Cape Town and Port Elizabeth, the business segment Air + Ocean has a strong presence in South Africa. Besides intercontinental air and sea freight forwarding, the core business also includes local forwarding activities, warehousing and comprehensive supply chain management. Moreover, the business segment Air + Ocean coordinates complex logistics projects across Africa and holds a leading position in special forwarding industries. With a specialist automotive center in Port Elizabeth, the business segment Air + Ocean concentrates on the important automotive suppliers in the region.



Road + Rail

## Road + Rail

European economic activity has undergone a considerable structural change in recent years and since the expansion of the European Union to 27 member states the EU is now the largest common market in the world. The dynamic growth of the world economy is also leading to steady growth in international trade. The Eastern European emerging nations and CIS countries have also become increasingly important as they deregulated their national economies. Besides their continuing strong appeal as production markets, they are also increasingly emerging as consumer markets for high-end consumer and capital goods.

The business segment Road + Rail with its comprehensive European land transportation and forwarding services reflects the high level of competence of the Thiel Group in developing and providing transport services. Through its business units Western Europe, Central Europe and Eastern Europe, one of Road + Rail's special competences is the integration of Eastern and Western European industrial locations into one network.

With a highly customer-oriented support and a thorough knowledge of local markets based on many years of experience, the business segment Road + Rail offers flexible transport solutions. In many cases, these are supplemented with comprehensive freight forwarding, warehousing and value-added services, which entail road and rail transportation all over Europe. Besides a direct access to the European land transportation networks, the business segment offers special transport concepts for full and less-than-truck load, groupage and special transportation services, such as chartered trains or tank and silo logistics. Qualified employees and special equipment are used to meet special requirements of customers in procurement and distribution – including hazardous materials transport, branch delivery or steel and paper transport.

As a full service provider, the business segment Road + Rail combines rail transport, truck transport and inland shipping based on customer demands. Particularly in implementing intermodal transport concepts, the business segment Road + Rail is ideally complemented by the competence of the business segments Solutions and Air + Ocean – for example in deliveries to retailers, including reverse logistics concepts, automotive logistics or the integration of pre-assembly services in the transportation chain.

The business segment has a network of over 140 locations in 25 countries. Road + Rail's core region comprises Germany, Austria, Switzerland and the emerging markets in Central and Eastern Europe. The business segment has many years of experience and operates from modern logistics estates. Groupage and truck load transportation activities are supported by standardized IT and quality management tools and usefully supplemented by the use of the business segment's own transportation equipment. Established alliances and strategic partnerships guarantee a Europe-wide coverage to a Western European standard.

Around 3,200 employees ensure the smooth transport of goods of all kinds and the movement of around ten million tons of freight a year by road and 1.5 million tons by rail. A total of 400,000 sq. m. of managed indoor warehousing, 500 own trucks and over 600 swap bodies and trailers are operated, combined with a comprehensive network of individual sub-contractors.

**Western Europe** The business unit Western Europe has over 40 locations in Germany, Belgium, the Netherlands and Luxembourg. Its own network of locations is supplemented by participation in leading individual transport alliances. The portfolio of services includes daily direct trips within Germany, fixed individual freight routes to Eastern Europe and pan-European FTL/LTL transport.

In addition to tank and silo logistics, heavy load and steel transport services and automotive logistics, Western Europe region's services include just-in-sequence deliveries, supplier consolidation activities and pre-assembly services. To optimize the customer's transport chain, the business unit also offers warehousing, order picking and value-added services at its locations.

**Central Europe** The business unit Central Europe has its own full-coverage forwarding network in Austria and Hungary and 50 closely cooperating locations in Switzerland, Spain, Italy, France and Turkey. The business unit Central Europe is particularly important in linking the Western and Central European regions to Eastern Europe, specifically for FTL/LTL transport. It has a special industry competence in white goods logistics, delivery into retail and in the automotive and chemical industries. Customers have access to modern hub locations, rail transportation facilities customized for their needs and special equipment for steel and paper transportation.

**Eastern Europe** In Eastern Europe, the business segment Road + Rail maintains a transport network, which ranks as one of the leading logistics networks in the region. Besides the individual national transport networks, for example in Romania and Poland, the special competence of this business unit is organising transport within Eastern Europe and regular links between the EU accession countries and former CIS nations and the distribution markets in Central and Eastern Europe.

The business unit Eastern Europe has over 50 locations in 14 Eastern European countries including Russia, Ukraine, Poland, the Czech Republic, Slovenia and Slovakia. Customers benefit from intermodal transport, pan-European FTL/LTL transportation and transfer and warehousing capacities at all locations. The Eastern European locations have special industry competencies in automotive and paper logistics.



**Board of Directors and Executive Committee**

from left to right, standing: Dr. Yves Prussen, Helmut Kaspers, Prof. Dr. Dr. h.c. Werner Delfmann, Klaus Hrazdira  
from left to right, seated: Detlef Kükenshöner, Berndt-Michael Winter (Chairman), Dr. Michael Kemmer, Dr. Antonius Wagner (Deputy Chairman)

## Corporate Governance Report

The Board of Directors of Thiel Logistik AG manages the business of the company and is committed to transparent company management and control. Thiel Logistik AG is a company with worldwide operations, with its registered office in Luxembourg. The company's management and supervisory structures are based on Luxembourg law, the articles of association, German capital market laws (due to its inclusion in the Frankfurt stock exchange's Prime Segment) and finally the German Corporate Governance Code (implemented in a form that is specific to the company and with only a few exceptions).

The Board of Directors of Thiel Logistik AG issued the following declaration of compliance on December 6, 2007 under section 161 of the German Stock Corporation Act (AktG) and made it available to its shareholders on the Thiel Logistik AG website at [www.thiel-logistik.com](http://www.thiel-logistik.com):

**Voluntary declaration by the Board of Directors of Thiel Logistik AG concerning the German Corporate Governance Code pursuant to Article 161 of the German Stock Corporation Act (Declaration of Compliance):**

Since the last declaration of compliance on December 13, 2006, the company has been in compliance with the recommendations of the Government Commission on the German Corporate Governance Code (code version of June 14, 2007) as published in the electronic Federal Gazette on July 20, 2007, with the following exceptions and will also comply in future with the recommendations of the Government Commission in the code version of June 14, 2007, with the following exceptions.

It should be noted in this respect that the company is a joint stock company as prescribed by Luxembourg law, with a Board of Directors (governance by a single body). The Board of Directors manages the company in accordance with Luxembourg company law. The Board of Directors has transferred responsibility for the day-to-day business to an Executive Committee. In addition to the members of the Board of Directors who serve on the Executive Committee together with non-members of the Board of Directors, the Board of Directors has three non-executive members of the Board of Directors.

**1. Code section 2.3.2** As the company has issued only bearer shares, it is not aware of the identity of all its shareholders. It is accordingly impossible to send notification of the convening of the General Meeting together with the convention documents to all shareholders by electronic means.

**2. Code section 3.8** The company's existing D&O insurance provides no insurance cover for wilful breach of duty. Where there is insurance cover, there is no deductible for members of the Board of Directors. In the case of publicly listed companies, contrary to the recommendation of the German Corporate Governance Code no standard practice has yet developed regarding the deductible for D&O insurance for company officers. The company is therefore rejecting a deductible at present.

**3. Code section 4.2.2 paragraph 1** The recommendation that the Board of Directors' plenum should advise on and examine the compensation structure of the Executive Board, which corresponds to the Executive Committee, is not in keeping with the legal structure of a Luxembourg joint stock company with executive and non-executive members of the Board of Directors as currently established in the articles of association. It is thus regarded as appropriate that the Appointments & Remuneration Committee of the Board of Directors alone advises on and determines the compensation structure of the executive members of the Board of Directors.

**4. Code sections 4.2.4 and 4.2.5** In conformity with the law of Luxembourg, in order to protect privacy no details are given concerning compensation paid to the executive members of the Board of Directors on an individual basis.

**5. Code section 5.4.4 sentence 1** Because a single-tier Board of Directors under Luxembourg law involves no distinction between Executive Board and Supervisory Board, there is no occasion for an Executive Board Chairperson to change to become Supervisory Board Chairperson or Chairperson of a Supervisory Board Committee.

**6. Code section 5.4.7 paragraph 2, sentence 1** The non-executive members of the company's Board of Directors do not receive any performance-related compensation. They are independent members of the Board of Directors in the sense of section 5.4.2. Their primary duty is to monitor the Executive Committee. Therefore their remuneration shall not be measured according to the economic success of the company.

**7. Code section 5.4.7 paragraph 3** In order to protect privacy, no details are given concerning compensation paid to the non-executive members of the Board of Directors on an individual basis.

**8. Code section 6.2** As the Luxembourg stock exchange and company law sets reporting limits which differ from those in the German Securities Trading Act and German Corporate Governance Code, the Board of Directors will comply only with the limits of the relevant Luxembourg law.

**9. Code section 7.1.4** With regard to the list of third-party companies in which the company has a shareholding that is not of minor importance for the company, all details are stated except for those concerning the operating result.

Grevenmacher, December 6, 2007



**Berndt-Michael Winter**  
(Chairman of the Board of Directors)



**Dr. Antonius Wagner**  
(Deputy Chairman Of the Board of Directors)

**Governing bodies of the company** Thiel Logistik AG, headquartered in Grevenmacher in the Grand Duchy of Luxembourg, is subject to Luxembourg corporate law. In accordance with the articles of association, the Board of Directors is the sole management body of the company. In addition to the Board of Directors, the Annual General Meeting, the meeting of shareholders, is the company's second governing body. All boards are obliged to act in the interests of the shareholders and the company.

**Board of Directors and Executive Committee** The Board of Directors, elected by the Annual General Meeting, exercises both managerial and supervisory duties. It is made up of executive and non-executive members. At regular meetings, the Board of Directors discusses business performance, adopts annual planning and strategy and monitors its implementation and the risk management system and compliance. The Board of Directors compiles the interim reports and the annual and consolidated financial statements of Thiel Logistik AG, taking into consideration the auditor's reports and the results of the examination by the Audit Committee.

The executive members of the Board of Directors together with two other members form the Executive Committee, which is responsible for the executive management and daily business. The Executive Committee is responsible for developing the corporate strategy, preparing the corporate budget, risk management, allocating resources, supervising the management of the operating business segments and compliance. The Executive Committee works closely with the non-executive members of the Board of Directors. The latter primarily have a supervisory function within the Board of Directors.

Members of the Board of Directors serve for a maximum period of six years. The Board of Directors has adopted rules of procedure which govern its tasks and mode of operation.

The rules of procedure for the Board of Directors provide for the creation of committees. Tasks and responsibilities are in compliance with the requirements of the German Corporate Governance Code. The Board of Directors has formed an Audit Committee, an Appointments & Remuneration Committee and a Nomination Committee from its members. These consist exclusively of non-executive members of the Board of Directors. These committees fulfil the functions delegated to them by the rules of procedure in the name and on behalf of the Board of Directors.

Wherever Board of Directors members might face conflicts of interest during the Board of Directors' deliberations, the Board of Directors members concerned do not participate in either the discussion or the voting.

**Annual General Meeting** The Annual General Meeting, which is held in April in accordance with the Articles of Association, is the decision-making body of the shareholders of Thiel Logistik AG.

Thiel Logistik AG also enables its shareholders to exercise their rights through proxies (who must follow the shareholders' instructions) without having to participate in the Annual General Meeting in person. The Chairman of the Board of Directors chairs the Annual General Meeting. The Annual General Meeting adopts resolutions on all matters assigned to it by law and these resolutions are binding on all shareholders and the company. They include specifically the approval of the annual and consolidated financial statements, the appropriation of profits, approval of the acts of the Board of Directors and the appointment of the auditor. Amendments to the articles of association and capital measures are adopted exclusively by the Annual General Meeting and implemented by the Board of Directors.

**Risk management** Thiel Logistik AG has a system for recording and monitoring business and financial risks. The risk management system, which as mandated by the Board of Directors is examined by the auditors in accordance with the provisions applicable to listed German companies, is designed to identify and control corporate risks at an early stage. In addition, the system aims to ensure that corporate goals are achieved. The principles of Thiel Logistik AG's internal control system have been defined and established to ensure accurate and timely accounting for all business transactions and to provide reliable information about the company's financial situation for internal and external use. However, since even the internal control and risk management system cannot avoid risks, absolute protection against losses or fraudulent acts is not possible.

**Accounting and auditing** The accounts of the Thiel Group are prepared according to the IFRS (International Financial Reporting Standards). The annual financial statements for Thiel Logistik AG are prepared in accordance with the accounting standards of the Grand Duchy of Luxembourg. The consolidated financial statements are prepared by the Board of Directors, audited by an independent auditor and subsequently approved by the Annual General Meeting. The Annual General Meeting elects the independent auditor.

The Audit Committee determines the focus of the audit, the auditor's fee and checks the independence of the auditor.

**Financial disclosure** Thiel Logistik AG places a high value on transparency. Thiel Logistik AG reports to its shareholders on business development and the financial position and performance four times during the fiscal year according to a fixed financial calendar. In addition, shareholders and all capital market participants, financial analysts, shareholder associations, the media and the interested public are informed about the company's status and business developments at the same time by regular, open and current communication. In the 2007 fiscal year, the financial statements press conference and the Annual General Meeting were broadcast live on the company's website.

**Compliance** The Board of Directors regards compliance as a key element in the management and control structure of Thiel Logistik AG. It has established binding regulations for compliance with the law, for dealing with conflicts of interest and handling insider information and securities transactions of members of the Board of Directors and Executive Committee and employees.

Compliance with the relevant disclosure provisions required by the company's stock market listing is ensured by a Compliance Committee and the necessary internal structures. The ongoing activities which the Compliance Committee performed to ensure compliance with insider regulations in the past fiscal year included the maintenance of an insider directory, regular reporting by the Compliance Officer and informing all employees concerned. The existing guidelines on directors' dealings were updated on February 28, 2007.

Compliance tasks within the company were reorganized in view of the increase in tasks, including preventing unfair or criminal behaviour. The regulations set by the Board of Directors and Executive Committee were communicated and implemented across the Group and the existing monitoring structures improved on an ongoing basis. For this purpose, an internal code was formulated which summarizes the goals, structure and organization of compliance. The group's Chief Compliance Officer is the corporate counsel, who in this role reports directly to the Chairman of the Board of Directors. In the case of group companies, their boards of management are responsible for compliance.

**Directors' Dealings** No reportable business transactions in accordance with Article 15a of the German Securities Trading Act (WpHG) were carried out by members of the company's Board of Directors or Executive Committee or other management staff in the 2007 fiscal year. No member of the Board of Directors or Executive Committee holds any shares, or related financial instruments in the company. For transactions under section 15a WpHG, the Board of Directors updated its existing guidelines with effect from February 28, 2007.

**Meetings of the Board of Directors and its committees** The Board of Directors held eight meetings during the fiscal year. Seven meetings took place in person, one was held via telephone conference. In addition, three resolutions were adopted by written vote.

The Board of Directors primarily discussed the following topics:

- Changes in the management and organisational structure
- Personnel measures
- Preparation of the annual and consolidated financial statements
- Budget 2008
- Investments and divestments
- Risk management
- Examination of the efficiency of the Board of Directors
- Developments in the business unit Thiel Furniture
- Rebranding the Group

The Audit Committee met five times in the 2007 fiscal year, including three teleconference meetings. It was primarily concerned with the annual and consolidated financial statements, the quarterly financial statements and the scope of the work on the annual financial statements.

The Appointments & Remuneration Committee met three times. One meeting took place in person, two via telephone conference. In addition, the Executive Committee consulted the Chairman of the Appointments & Remuneration Committee on three occasions. The Appointments & Remuneration Committee dealt primarily with the principles of the remuneration of members of the Board of Directors and Executive Committee, the personnel policy for the group as a whole and individual personnel measures.

At the meeting of the Board of Directors on December 6, 2007, a Nomination Committee was created to submit nominations for new members of the Board of Directors. The Nomination Committee met once in the 2007 fiscal year.

**Annual and consolidated financial statements** The annual and consolidated financial statements for Thiel Logistik AG for the fiscal year ending on December 31, 2007 prepared by the Board of Directors were audited by Ernst & Young S.A. and given an unqualified audit opinion. The auditor confirmed that both the management report and the group management report were in accordance with the relevant financial statements.

**Remuneration of the Board of Directors and Executive Committee** The company's Annual General Meeting determines the remuneration of non-executive members of the Board of Directors. The remuneration of members of the Executive Committee is determined by the Appointments & Remuneration Committee of the Board of Directors and is regulated by employment contracts. The remuneration of the members of the Executive Committee of Thiel Logistik AG is based on the amount and structure of remuneration of boards of directors of comparable companies. The specific areas of responsibility of the individuals concerned is taken into account.

Remuneration has two components: fixed remuneration and a variable bonus. The bonus depends on the attainment of financial and qualitative goals. These can be set for one or more years. The measurement criteria are:

- Economic Value Added (EVA)
- Earnings before Interest and Taxes (EBIT)
- Strategic qualitative targets.

An annual target income is set in all contracts which assumes that the targets of all criteria have been achieved in full. The relative proportion of the variable remuneration component in the target income rises as the target income itself increases and for the 2007 fiscal year it is at least 39 % of target income, assuming that all targets are fully met. The bonus can be between 0 % and 200 % of the target bonus, depending on quantitative results and qualitative performance. There is no minimum guaranteed bonus amount. The remuneration of members of the Executive Committee therefore largely depends on performance. The Appointments & Remuneration Committee of the Board of Directors can set a special bonus remuneration and allocate share options in accordance with legislation and resolutions by the Annual General Meeting. At present, no stock options have been issued to members of the Board of Directors or Executive Committee.

For three members of the Executive Committee there are defined pension contributions. In addition, there are fringe benefits in the form of remuneration in kind.

Service agreements with members of the Board of Directors and Executive Committee do not include severance commitments in the event of premature termination. However, severance payments may arise from an individually arranged termination agreement.

Where members of the Board of Directors also perform executive functions at group companies or indirect subsidiaries, remuneration for these functions is included in their remuneration as members of the Board of Directors. This also applies to members of the Executive Committee.

Two members of the Executive Committee carry out their tasks based on a human resources provision contract with DELTON AG agreed by the Appointments & Remuneration Committee. A fixed monthly amount is charged to Thiel Logistik AG, the amount of which is based on the remuneration of the Board of Directors at comparable companies.

**Stock option program** A stock option plan for members of the Board of Directors, managing directors and other executives was approved by the Annual General Meeting on February 10, 2000. By resolution of the Extraordinary Annual General Meeting of Thiel Logistik AG on April 12, 2006, the Board of Directors is authorized to increase the share capital by up to 375,000 euros by March 31, 2011 for the purpose of granting shares from the stock option plan from the authorized capital. For options issued prior to listing on the stock market, the strike price is set at the share issue price at the time of the IPO. For all other options, the strike price is set on the day of allocation and is calculated from the average share price over a period of ten days prior to the day of allocation. Please refer to Notes for details on the stock option plan.

**Personnel issues** By resolution of the Board of Directors on March 28, 2007, Helmut Kaspers and Detlef Kükenshöner were appointed additional members of the Executive Committee of Thiel Logistik AG with effect from April 1, 2007.

The Board of Directors and Executive Committee thank all the employees of the Thiel Group for their commitment and work in the past fiscal year.

## Members of the Board of Directors and Executive Committee

**Berndt-Michael Winter** (\*1954)

Chairman of the Board of Directors and the Executive Committee  
(Chief Executive Officer)

Chairman of the Management Board (CEO), DELTON AG, Bad Homburg v. d. Höhe (GER)

**Dr. Antonius Wagner** (\*1961)

Deputy Chairman of the Board of Directors and the Executive Committee  
(Chief Financial Officer)

Member of the Management Board, DELTON AG, Bad Homburg v. d. Höhe (GER)

**Prof. Dr. Dr. h.c. Werner Delfmann** (\*1949)

Non-executive member of the Board of Directors

Director of the Seminar for Corporate Management and Logistics,  
University of Cologne (GER)

**Klaus Hrazdira** (\*1963)

Member of the Board of Directors and the Executive Committee  
(Chief Operating Officer Solutions)

**Helmut Kaspers** (\*1965)

Member of the Executive Committee  
(Chief Operating Officer Air + Ocean)

**Dr. Michael Kemmer** (\*1957)

Non-executive member of the Board of Directors

Chairman of the Management Board, BayernLB, Munich (GER)

**Detlef Kükenshöner** (\*1961)

Member of the Executive Committee  
(Chief Operating Officer Road + Rail)

**Dr. Yves Prussen** (\*1947)

Non-executive member of the Board of Directors  
Attorney in Luxembourg (L)

Please find an overview of positions held on other statutory Supervisory Boards and comparable controlling bodies in Germany and in other countries on page 150 and 151.

**Board of Directors Committees:**

**Audit Committee:** Dr. Yves Prussen, Chairman  
Prof. Dr. Dr. h.c. Werner Delfmann  
Dr. Michael Kemmer

**Appointments &  
Remuneration Committee:** Prof. Dr. Dr. h.c. Werner Delfmann, Chairman  
Dr. Michael Kemmer  
Dr. Yves Prussen

**Nomination Committee:** Dr. Michael Kemmer, Chairman  
Prof. Dr. Dr. h.c. Werner Delfmann  
Dr. Yves Prussen

## Report on the Stock and Corporate Bond

**Developments in the German and European share markets** The share markets presented a mixed picture in 2007. At the start of the year, the German share market continued its positive development of 2006. Emerging fears of growing defaults in the US housing mortgage market as well as the massive slide in the Chinese stock markets at the end of February 2007 impacted the German DAX index. The DAX lost ground in March, reaching a low for the year at 6,448 points in the middle of the month. After this, however, the DAX recovered sharply, breaking through the 8,000 level in mid-June and reaching its highest level since March 2000. The trend for the rest of the year was marked by high volatility in the face of the US housing crisis. The DAX closed the year at 8,067 points, a gain of 20.7 % on its level of 6,681 points at the start of the year. The German small caps index SDAX followed the main index DAX at the start of the year, but lost ground as the year went on. After a high of 6,659 points in mid-July, the SDAX dropped to a low of 4,970 points on November 21, 2007, closing the year at 5,192 points, a loss of 8.4 % since the start of the year.

**Development in the share price** In a volatile capital market, the Thiel Logistik AG share price lost ground over the course of 2007. The first half of the year showed a varied picture, ending with a high of 3.04 Euros on June 25, 2007 which took the share back to its level at the start of the year. This was followed by substantial losses bringing the share to its low for the year of 2.05 Euros at the close of August 20, 2007. The share recovered slightly over the rest of the year, closing at 2.70 Euros, a loss of 8.8 % as against the end of the previous year.

The Thiel Logistik AG share is listed in the Prime Standard of Deutsche Börse AG, with its high standard disclosure and transparency requirements. In 2007, the number of Thiel Logistik AG shares traded on all German stock exchanges amounted to 31.5 million. This represents turnover of 85.4 million Euros. Average volume per trading day was 124,835 shares with average daily turnover of 0.3 million Euros.

**Shareholders' structure** As at December 31, 2007, DELTON AG, Bad Homburg, Germany, held a majority of the Thiel Logistik AG shares. The members of the Board of Directors and the Executive Committee do not hold either shares or options to purchase shares in Thiel Logistik AG.

**Annual General Meeting** The Annual General Meeting of Thiel Logistik AG was held in Luxembourg on April 11, 2007. 50.57 % of the registered share capital was represented. Shareholders voting in person or through proxies approved all the proposals of the Board of Directors by a large majority.

**Key figures for Thiel Logistik shares**

	<i>in €</i>	<b>Dec. 31, 2007</b>	<b>Dec. 31, 2006</b>
Closing price (Xetra)		2.70	2.96
High / Low 52 weeks		3.04 / 2.05	3.90 / 2.76
Total number of shares		111,474,987	111,474,987
Market capitalization		301.0	330.0
Earnings per share		0.01	0.01
Operating cash flow per share		0.35	0.19

**Key data for Thiel Logistik shares**

Stock exchange abbreviation	TGH
ISIN	LU0106198319
German SIN	931705
Segment	Prime Standard
Indices	Prime All Share, Classic All Share, Prime IG Logistics, Prime Transportation & Logistics

**Performance of European high yield bonds** The European bond markets were also subject to considerable volatility. This was the result of a general global reluctance to accept financial risks since the crisis in the US mortgage market began. In essence, the international bond markets were affected mainly by portfolio adjustments in favor of safer forms of investment. Increasingly, bond yields were reflecting the growing investors' pessimism about the economic prospects, particularly in the United States.

**Performance of the corporate bond** The price of the Thiel Logistik AG corporate bond performed well in the first six months, reaching a high for the year of 103.50 at the start of February. However, it proved impossible to maintain this level in an environment of uncertainty. Thus, the Thiel corporate bond lost ground, reaching its low for the year of 92.50 at the start of November and closing the year 2007 at a price of 96.25. The credit spread fell from its initial 478 basis points to 240 basis points in mid-June 2007. It subsequently increased again in line with the general trend in the market, reaching 543 basis points by the end of the year.

**Company rating** In 2007, Thiel Logistik AG again maintained its intensive and continuous communication with the external rating agencies Moody's and Standard & Poor's. The external ratings of the corporate bond and the company were unchanged during the year. However, due to Thiel Logistik AG's stable operating growth, Moody's raised its outlook for the company rating and the bond from "negative" to "stable". Standard & Poor's outlook for the corporate rating is unchanged at "stable". As at the end of the year, Moody's rating for the Thiel group was accordingly still "B2". Standard & Poor's continues to place the Thiel group in the "B" rating category.

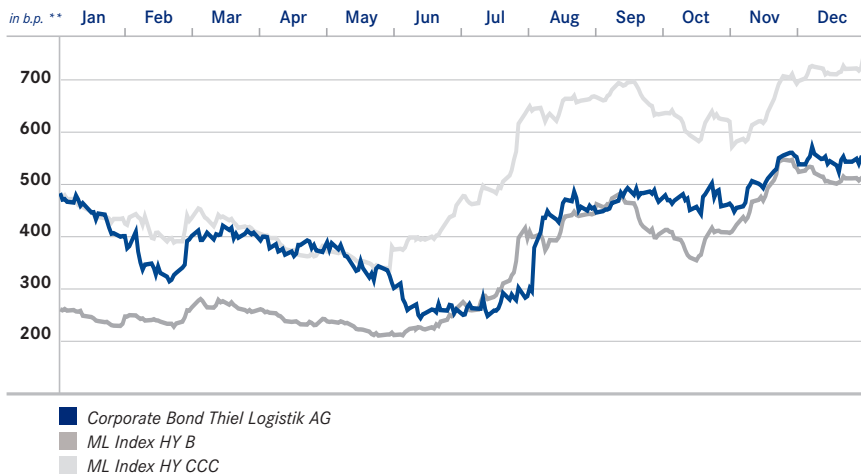
**Investor Relations activities** In 2007, Investor Relations activities were again geared towards consolidating Thiel Logistik AG's position as a reliable capital market partner. The focus was on comprehensive, rapid and real-time provision of information and communication with all the capital market participants. One of the most important information tools in this context is the publication of the quarterly and annual reports. In mid-March 2007 the annual press and analyst conference presented the results for 2006 and conference calls were used to announce the quarterly figures. Another important event during the year was the fourth Capital Markets Day for institutional investors and financial analysts in November 2007. The focus of the full-day event in Frankfurt, Germany, was on presenting the strategic objectives of the Thiel group and the successful implementation of the new management and organizational structure with its three business segments Solutions, Air + Ocean and Road + Rail.

The core of Investor Relations work is the communication with investors and analysts in an open and active dialog. Roadshows in Frankfurt, Hamburg, Zurich, Vienna and Helsinki helped maintain existing contacts and develop new ones. The company was also represented at investor conferences in Frankfurt, London, Barcelona and Edinburgh. The investors took great interest in the new Thiel Logistik AG organization and the future development of the Group's business segments.

**Share of Thiel Logistik AG vs. benchmark indices**



**Corporate Bond of Thiel Logistik AG vs. benchmark indices (Credit Spread\*)**



\* Credit Spread = risk premium to a secure alternative

\*\* b.p. = basis points



# Management Report



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## Economic Conditions

The global economy continued its growth trend in 2007. The OECD expects world trade in 2007 to be 7.0 % higher than in the previous year. The very strong growth of the emerging markets reached a high level during the year and made a decisive contribution to the vigor of the global economy. Asia was a major source of growth. The OECD estimates that growth in gross domestic product (GDP) slowed for the third consecutive year in the United States, falling to 2.2 % in 2007. According to the OECD, a noticeably slower economic growth could be identified in the Euro zone as well, where GDP grew 2.6 % on the previous year.

The German economy again benefited from the growth in the global economy in 2007. Provisional estimates by the Federal Statistical Office put GDP growth at 2.6 %, compared with 3.1 % in the previous year. In particular, the economy picked up momentum towards the end of the year. The slight slowdown in the generally solid economy was due to a number of external events, such as the rise in the euro against the US Dollar, the rise in oil prices and the increase in VAT. Conversely, a positive stimulus came from the significant expansion of German exports. The major sources of growth in the domestic economy were investment in plant and machinery and public sector spending, while private consumption continued to decline. Against this background, the business climate deteriorated in the second half of the year.

Switzerland saw GDP growth decline to 2.6 % in 2007 (2006: 3.2 %). By contrast, growth in Austria picked up slightly, with the Austrian Institute of Economic Research estimating growth at 3.4 % in 2007, up from 3.3 % the previous year.

In the second half of the year, the crisis in the US housing market affected international financial markets, leading to higher costs for short-term liquidity supply, in particular concerning banks. The central banks responded with repeated and substantial injections of funds into the markets. While the US Federal Reserve and the Bank of England cut their interest rates, the European Central Bank and Bank of Japan held off on previously signalled interest rate increases, despite a clear rise in inflation.

The global logistics market is expected to have maintained its dynamic growth in 2007. Accordingly, the logistics industry in Europe and Germany grew by approximately 8.0 % in the past year. In Western Europe, the logistics markets in the Netherlands, Austria and Belgium grew particularly fast. The Swiss logistics market also experienced further growth. In Eastern Europe, the highest growth was seen in Poland, Russia, the Czech Republic and Hungary. After the EU eastward expansion, a growing number of German small and medium-sized companies are joining the major Groups already present in these markets.

The German logistics industry also benefited from the general economic environment, with the majority of German transport and logistics companies showing a strong sales growth. According to the International Transport Association (IATA), global air freight traffic performance increased by 4.3 % in the year 2007. The growth rate of the ten largest European sea ports as measured by the turnover of containers averaged 13.6 %. Total transportation volumes regarding road and rail advanced by a total of 6.5 % over the previous year. Road transportation was yet again confronted with higher costs as a result of rising fuel prices and the new regulations on working hours for truck drivers, which came into force in April 2007 in some regions. Over the course of the year, a growing number of companies were unable to pass on the increased expense to customers.

Ocean freight rates rose generally after the slump during the previous year. Sea freight rates grew above average on the links between Asia and Europe which are particularly important to the Thiel Group. Demand for additional shipping capacity rose significantly, so that considerable numbers of container ships will be delivered worldwide over the next three to four years. By contrast, air cargo rates dropped significantly over the course of the year, due to global excess capacities.

The process of consolidation continued in the logistics industry in 2007. The number of mergers and takeovers in 2007 increased worldwide. The purchasers primarily were internationally active logistics Groups, followed by private equity investors. The majority of German companies met the pressure from consolidation with a strategy of internal growth. Around one-third of the companies relied on cooperation through strategic alliances and a further third chose external growth options.

The business climate in the logistics and transport industry remained overall positive in the past fiscal year, only easing in autumn as a result of seasonal factors.

The appeal of the market segment contract logistics lies in its high potential for long-term profitable contracts. The Fraunhofer Institute estimates the European market for contract logistics to be worth 313 billion euros in all, of which only around 25 % has so far been outsourced. The business segment Air + Ocean benefited from the globalization of trade flows. As in past years, a number of firms left the European road freight market, adding to the shortage of capacity. The resulting increase in freight rates should further boost the consolidation pressure in the industry.

### Key Factors Influencing the Financial Condition and Results of Operations

#### **Dynamic net sales growth, particularly in the business segments Air + Ocean and Road + Rail**

Consolidated net sales rise from 1,891.4 million euros in the previous year to 2,043.1 million euros in the 2007 fiscal year. Net sales growth is particularly strong in the business segment Air + Ocean at 18.9 % and the business segment Road + Rail at 10.1 %. Net sales of the business segment Solutions is unchanged from the previous year. The previous year's figure includes net sales from a terminated joint venture and other discontinued business activities. Thiel Group's net sales in the 2007 fiscal year are mainly focused on Germany at 40.5 % (828.4 million euros), compared with 41.8 % (2006: 790.6 million euros) and on Austria at 28.0 % (572.9 million euros), against 28.9 % in the previous year (2006: 546.0 million euros). The slightly lower share of net sales in the core countries of Germany and Austria is a result of the increasing sales contribution of the growth markets, in particular Eastern Europe at 9.7 % (2006: 7.8 %).

**Operating results rise despite declining gross margin** In comparison with the previous year, EBIT before restructuring expenses and impairment of goodwill rises to 34.3 million euros (2006: 27.5 million euros). The operating expenses remain stable despite increased cost of sales. The gross margin for the reporting period is 7.4 %, compared with 7.6 % in the previous year.

**Restructuring costs** In fiscal year 2007, restructuring costs of 2.3 million euros are reported in connection with the restructuring of the Thiel Group. The 3.7 million euros reported as restructuring costs in the previous year related to the insolvency proceedings in the former business unit Furniture.

**Assets** The Group's financial position continues to be stable. Shareholders' equity decreased slightly to 317.9 million euros (2006: 321.1 million euros). Goodwill amounted to 277.1 million euros, unchanged from the previous year (2006: 278.5 million euros). The most notable changes are a partial impairment of goodwill in the business segment Solutions and an addition of goodwill from the acquisition of a majority stake in a joint venture in the business segment Air + Ocean.

**Considerable improvement to cash flow** The operating cash flow of the Thiel Group rises from 20.6 million euros in 2006 to 38.6 million euros. Despite the targeted acquisitions in 2007, the net cash flow is 12.8 million euros, compared with 13.4 million euros in the previous year.

## Sales and Earnings Development

The consolidated financial statements were drawn up according to the accounting regulations of the International Financial Reporting Standards (IFRS).

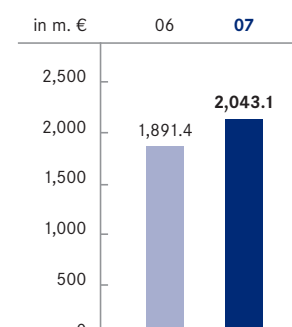
### Consolidated Statement of Income

<i>in thousand €</i>	January 1 – December 31	2007	2006	Change
<b>Net sales</b>		<b>2,043,108</b>	<b>1,891,410</b>	<b>8.0 %</b>
Cost of sales		-1,892,460	-1,747,662	8.3 %
<b>Gross profit</b>		<b>150,648</b>	<b>143,748</b>	<b>4.8 %</b>
Operating expenses		-116,684	-116,701	0.0 %
Other financial income (expenses)		350	468	-25.2 %
<b>EBIT before restructuring costs and impairments</b>		<b>34,314</b>	<b>27,515</b>	<b>24.7 %</b>
Restructuring costs		-2,308	-3,652	-36.8 %
Impairment of goodwill		-6,000	-	-
<b>Earnings before interest and taxes (EBIT)</b>		<b>26,006</b>	<b>23,863</b>	<b>9.0 %</b>
Net interest		-17,123	-16,501	3.8 %
Income taxes		-5,549	-4,970	11.6 %
<b>Income from continuing operations</b>		<b>3,334</b>	<b>2,392</b>	<b>39.4 %</b>
Income from discontinued operations		-	-317	-100.0 %
<b>Net result</b>		<b>3,334</b>	<b>2,075</b>	<b>60.7 %</b>
Attributable to:				
Shareholders of Thiel Logistik AG		1,662	899	84.9 %
Minority shareholders		1,672	1,176	42.3 %
Depreciation and amortization		-29,798	-33,596	-11.3 %
EBITDA		64,112	61,111	4.9 %
Operating lease expenses		-68,800	-63,747	-7.9 %
EBITDAR		132,912	124,858	6.4 %
Gross Margin <sup>1)</sup>		7.4 %	7.6 %	-0.2 %
EBIT Margin <sup>1) 2)</sup>		1.7 %	1.5 %	0.2 %
EBITDA Margin <sup>1) 2)</sup>		3.1 %	3.2 %	-0.1 %
EBITDAR Margin <sup>1)</sup>		6.5 %	6.6 %	-0.1 %
EBITDA/Net interest		3.74	3.70	1.1 %

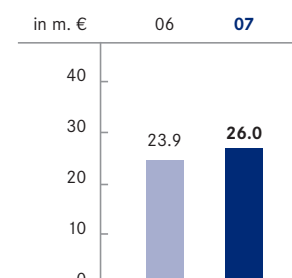
<sup>1)</sup> Change in percentage points

<sup>2)</sup> EBIT before restructuring

### Sales



### EBIT



**Thiel Group** In fiscal year 2007, the Thiel Group generates net sales of 2,043.1 million euros. This equals an increase of 8.0 % against 1,891.4 million euros in fiscal year 2006. Adjusting the net sales for currency effects and the effects of acquisitions and divestments leaves a strong organic net sales growth of 7.4 %.

Operating expenses in the reporting period amount to -116.7 million euros, unchanged from the previous year (2006: -116.7 million euros). Against the background of increased net sales this reflects the stability of expenses resulting from the success of the restructuring efforts and the bundling of administrative functions at the Aschaffenburg location. Cost of sales and operating expenses in fiscal year 2007 include regular depreciation and amortization of 29.8 million euros (2006: 33.6 million euros).

EBIT before restructuring costs and impairments totals 34.3 million euros (2006: 27.5 million euros), an increase of 6.8 million euros. The EBIT margin before restructuring costs and impairments is 1.7 % in fiscal year 2007 (2006: 1.5 %).

In the past fiscal year, EBIT is 26.0 million euros, compared with EBIT of 23.9 million euros in the previous year.

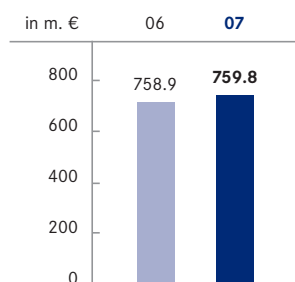
Earnings before interest, taxes, depreciation, amortization and special items (EBITDA) is 64.1 million euros, an increase on the previous year's 61.1 million euros. This translates into an EBITDA margin of 3.1 % (2006: 3.2 %). Adjusting EBITDA for operating leasing expenses increases EBITDAR to 132.9 million euros in fiscal year 2007 (2006: 124.9 million euros), underlining the changes to the cost structure.

The Group's net interest expense with -17.1 million euros is below the previous year's figure (2006: -16.5 million euros). The essential reason for this was an increased capital demand from working capital during the year. This led to a slight decrease in interest earnings to 1.3 million euros (2006: 1.5 million euros) and an increase in interest expense to -18.4 million euros (2006: -18.0 million euros). The ratio of EBITDA to net interest was stable at 3.7 in fiscal year 2007 (2006: 3.7).

Income tax expense rises from -5.0 million euros in fiscal year 2006 to -5.5 million euros in fiscal year 2007. The income tax expense in the previous year benefited from corporate tax credits for German Group companies totaling 3.4 million euros.

Of the net result for the past year of 3.3 million euros (2006: 2.1 million euros), 1.7 million euros (2006: 0.9 million euros) are attributable to the shareholders of Thiel Logistik AG in the past fiscal year and 1.7 million euros are attributable to minority shareholders (2006: 1.2 million euros).

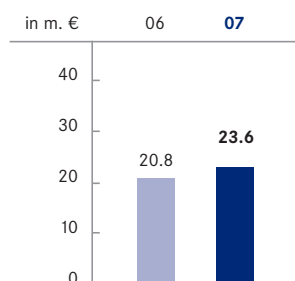
**Sales Solutions**



**Solutions** The business segment Solutions reports net sales of 759.8 million euros in 2007, slightly above the previous year’s figure of 758.9 million euros. The slight increase in sales is due to growth in major existing businesses, which experienced both higher transport volume and higher net sales of services. The business unit Fashion increases its net sales significantly on the previous year. Net sales of the business units Industrial Goods and Media are stable. This increase is countered by the loss of significant net sales in the furniture business of the business unit Consumer Goods.

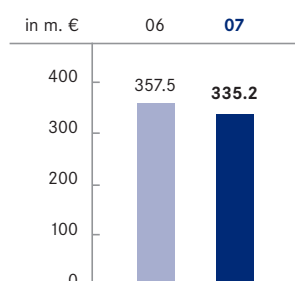
Segment earnings before restructuring costs and impairments for the reporting period amount to 23.6 million euros, up on the previous year (2006: 20.8 million euros). The increase of 13.1 % could be realized despite the ramp-up costs of new major projects, particularly at the Heppenheim location and the impact by the sharp rise in freight rates. The operating margin of the business segment Solutions was 3.1 % (2006: 2.7 %).

**Results Solutions**



The business segment Solutions expanded and developed its existing business in fiscal year 2007. In addition, decisive contract extensions were achieved with core customers. In the business unit Media, the existing service contract with one of the most important German publishers of newspapers and periodicals was extended. Besides the press logistics in the German core market, the business unit Media continues to be the lead partner for national and international distribution of the publisher’s newspapers and periodicals. The business unit Consumer Goods further expanded its existing partnership in global distribution logistics with an international beverage manufacturer and intensified its integrated supply chain management by taking over activities at a further location. Activities in the furniture business were stabilized at a reduced level following the insolvency of the main customer.

**Segment Assets Solutions**



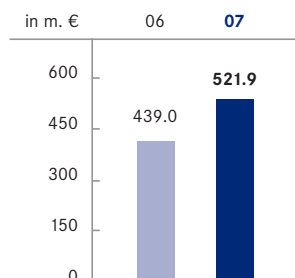
Besides business with existing customers, there was also significant growth in business with new customers. The business unit Industrial Goods set up a European distribution center for textile chemicals at the Heppenheim location, together with an international chemical group. The customer will be offered an industry-specific logistics solution ranging from warehousing, transfer, order picking, packing, labeling through to sampling. The Heppenheim location was expanded to meet new customer requirements with investments made in IT and handling equipment.

New customers were also reported by the business unit Fashion. For example, the business unit has taken over finished textile logistics for a major clothing producer in Europe. In line with the trend towards more efficient in-store logistics in the fashion industry, the speed of delivery was significantly increased by various process modifications. The new service also supports individual delivery cycles and clearly defined windows for the delivery of goods. Delivery to stores is now also possible at night or early in the morning.

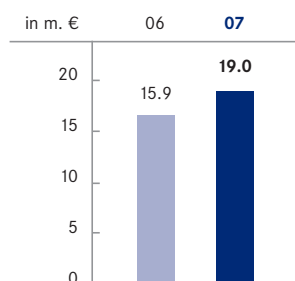
Amid the lack of growth in the German press market, the business unit Media is following a strategy of developing new potential customers and of expanding its range of services. For example, the business unit Media gained a new customer for which it is handling delivery of a daily newspaper from the press to wholesale in Germany.

The business unit Consumer Goods expanded its range of services in Eastern Europe in particular. In the Romanian market distribution for a drug store company is carried out. The range of services runs from transport and handling through to labeling, store delivery and container management.

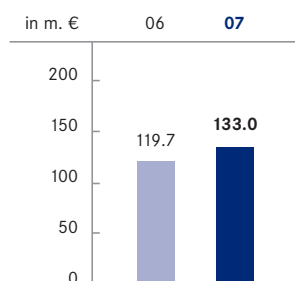
**Sales  
Air + Ocean**



**Results  
Air + Ocean**



**Segment Assets  
Air + Ocean**



**Air + Ocean** In the year 2007, the business segment Air + Ocean handled 115,032 tons of goods and moved 352,462 TEU in sea freight. Net sales in the business segment Air + Ocean rise by 18.9 % from 439.0 million euros to 521.9 million euros, accounting for over one quarter of consolidated net sales.

Key drivers are the continuing strong growth of European imports from Asia and the growth in freight volumes from South America. The decrease in air freight rates has only partially offset the strong rise in sea freight rates. The Group strategy of expanding its worldwide presence and the dynamic expansion of the range of services offered by Air + Ocean are validated by the positive earnings momentum of the business segment. Segment earnings rise during the reporting period by 19.4 %, from 15.9 million euros to 19.0 million euros. The operating margin is at 3.6 %, as in the previous year. This is especially due to the very dynamic growth in net sales resulting from the rising sea freight rates and the slight increase in expenses due to deliberately taken growth steps. The weakness of the USD has little effect, as currency losses on receivables in foreign currencies are largely offset by matching liabilities.

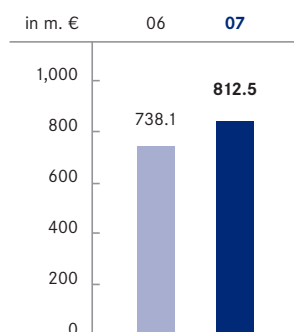
The business segment Air + Ocean continued to expand its network in all business units. In Chile, for example, it acquired the majority stake in a joint venture and it significantly strengthened its sales capacities in Brazil. Existing relationships with agents in Scandinavia and in selected Asian countries were expanded. In Poland, a new branch was opened in Gdynia and a modern picking and packing site was commissioned for a customer. As part of the Group's new management and organization structure, the existing air and sea freight activities in Austria and Spain were integrated into the business segment Air + Ocean. New locations were opened in Australia, Malaysia and the Philippines. In China, the business segment expanded its location in Guangzhou and opened a new location in Tianjin.

IT competence outside the German-speaking region was permanently strengthened by introducing uniform financial software. In addition, the establishment of a regional computer center in South America made the introduction of uniform tracking & tracing software possible.

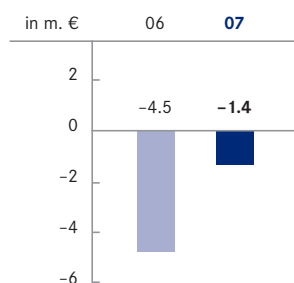
The focus in activities was on expanding the core business in the consumer goods, retail, textile and automotive sectors. In addition, the engagement in the field of medical care in the business unit Far East was expanded further, as were services to customers in the ships parts industry.

Business with new customers again grew strongly, particularly in the business unit Europe Middle East. Here, international air and sea freight transport and cross-docking activities were implemented, mainly for European retail chains. The business with new customers commenced in fiscal year 2007 has already shown satisfactory profitability after only a short time. Business with existing customers also grew substantially and made a key contribution towards the overall profitability of the business segment. The strongest driver was the further development of business with customers of the business units Europe Middle East and South East Asia. For the largest existing customers across retail and industry, the business segment Air + Ocean mainly performed air and ocean forwarding services, but also a wide range of value-added services.

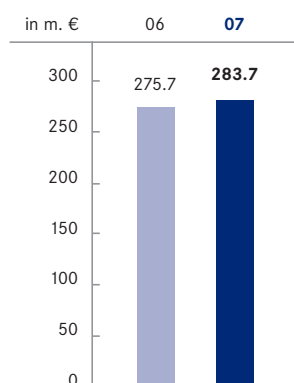
**Sales  
Road + Rail**



**Results  
Road + Rail**



**Segment Assets  
Road + Rail**



**Road + Rail** In fiscal year 2007, the business segment Road + Rail transported some 11.5 million tons of freight. There were around 6.0 million consignments. Net sales rise 10.1 % from 738.1 million euros to 812.5 million euros. All business units contributed to the growth in net sales, with the largest relative growth in the Eastern Europe business unit. After segment earnings of -4.5 million euros in the previous year, the segment achieves an improvement to -1.4 million euros. A positive earnings contributor is the Eastern European business. Here, the main drivers are expansion in business as well as the improved efficiency of several Austrian activities.

The unsatisfactory state of earnings is explained by the underutilization of individual locations and the lack of profitability of several customer contracts. In the reporting period, key measures were initiated to restructure individual locations. The Düsseldorf branch was converted into a warehousing and handling location and the vehicle fleet was reduced accordingly. Cost-cutting measures were introduced in Freiberg. The elimination of loss-making business, reduction of personnel cost and acquisition of new customers for groupage transportation showed initial success at locations with an inadequate profitability. Unprofitable activities were either renegotiated with customers or terminated as planned during the year.

In 2007, the business segment Road + Rail made investments in the existing transport network. In Austria, two new logistics terminals were commissioned in Enns and Feldkirch-Tosters. Other new locations were opened in Bielsko Biala, Kielce, Narewka and Wrocław in Poland, Potolok in Belarus and Krasnodar and Vladivostok in Russia to expand the network in Eastern Europe.

The targeted investments into a full coverage of target markets with own locations strengthened the market position of Thiel Logistik AG as a pan-European logistics group. They also reduced the dependence on the highly competitive activities in Central and South East Europe. Additional warehouse space was leased in Romania and Bulgaria. Intermodal loading activities at the Salzburg location were transferred to a strategic partnership in the course of the year. Negotiations on divestments of idle real estate at selected locations and the sale of individual activities of the business segment were continued. Some transactions were completed in the past fiscal year.

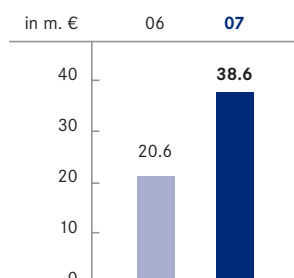
Besides intensive efforts to improve profitability, the business segment focused on standardizing processes and services and strategically invested in further development of its IT competence in the year 2007. The introduction of further standardized freight forwarding software improved the IT structure of the business segment.

The strong growth in business with existing customers continued towards the end of the year. Services were largely provided in the fields of road and rail transport, warehousing and value-added services for customers in the automotive, paper manufacture and retailing sectors. Capacity utilization, particularly in the business units Central Europe and Eastern Europe, was improved over the course of the year by the acquisition of numerous new customers, primarily for warehousing and distribution services. A wide range of transport and warehousing services were provided mainly for small and medium-sized new customers in the consumer goods and food sector. Intensive sales efforts resulted in a clear improvement in profitability towards the end of the year.

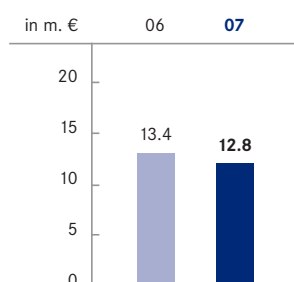
The significant rise in European road transport costs throughout the fiscal year was a major challenge. The reasons for this are the continuing shortage of freight space in Central and Eastern Europe, rising diesel fuel prices and the new labor law regulations in Germany and other European countries. The clear increase in the cost of freight purchasing was only partly offset through higher prices or price adjustment clauses in customer contracts. Additional costs in connection with the temporary strikes in Germany were incurred primarily for the preparation of emergency plans but had little impact on earnings.

## Financial Position

### Operating cash flow



### Net cash flow



### Cash Flow Statement

<i>in thousand €</i>	January 1 - December 31	2007	2006
Earnings before interest and taxes (EBIT)		26,006	23,863
Depreciation and amortization		35,798	33,596
Restructuring costs		2,308	3,652
Earnings before interest, taxes, depreciation and amortization (EBITDA)		64,112	61,111
Interest payments		-14,606	-14,575
Income tax payments		-12,185	-9,651
Changes in working capital		5,945	-9,593
Other reconciliations		-4,676	-6,661
<b>Operating cash flow</b>		<b>38,590</b>	<b>20,631</b>
Capital expenditure		-23,357	-21,151
Divestments		6,672	12,559
Acquisitions of subsidiaries		-8,493	-368
Other changes in cash flow from investing activities		-652	1,754
<b>Cash flow from investing activities</b>		<b>-25,830</b>	<b>-7,206</b>
<b>Net cash flow</b>		<b>12,760</b>	<b>13,425</b>
Changes in financial liabilities		-972	-3,086
Other changes in cash flow from financing activities		-9,444	-9,117
<b>Cash flow from financing activities</b>		<b>-10,416</b>	<b>-12,203</b>
Net cash used in discontinued operations		-	-1,636
Effects of exchange rate changes on cash		-493	-898
<b>Changes in cash and cash equivalents</b>		<b>1,851</b>	<b>-1,312</b>
Cash and cash equivalents at end of period		65,626	63,775
<b>Free cash flow</b>		<b>15,233</b>	<b>-520</b>

Net cash flow = Operating cash flow - Cash flow from investing activities

Free cash flow = Operating cash flow - Capital expenditure (payments)

**Cash flow** Cash flow performance is pleasing. A particularly positive feature is the increase of 18.0 million euros to 38.6 million euros in the operating cash flow. This significant improvement was due primarily to the change of 5.9 million euros in working capital. This contrasts with outflows of -9.6 million euros in the previous year. The rise in EBITDA to 64.1 million euros (2006: 61.1 million euros) also contributes to the improvement in the operating cash flow. Interest payments are stable at -14.6 million euros (2006: -14.6 million euros). However, income tax payments are higher at -12.2 million euros (2006: -9.7 million euros).

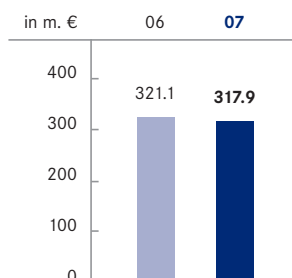
Despite strategic investment activities, net cash flow as a central control parameter in the Thiel Group is stable at 12.8 million euros (2006: 13.4 million euros). Outflows for investment in fixed assets total -23.4 million euros (2006: -21.2 million euros). Besides replacement, this primarily involved conversion measures at individual locations in the context of new customer projects and the completion of the logistics center at Feldkirch-Tosters commissioned in February 2007. Disposals of fixed assets result in a cash inflow of 6.7 million euros in fiscal year 2007 (2006: 12.6 million euros). Cash outflows from the acquisition of subsidiaries totalling -8.5 million euros are due particularly to the acquisition of outstanding minority interests in subsidiaries and purchase price payments for acquisitions in Chile and Turkey.

Free cash flow rises to 15.2 million euros (2006: -0.5 million euros).

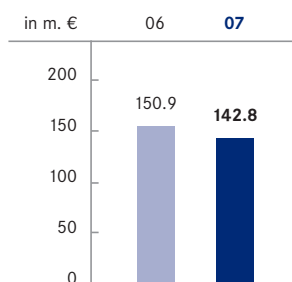
In fiscal year 2007, net repayments of financial liabilities total -1.0 million euros. (2006: -3.1 million euros). This includes new long-term financial liabilities of 3.0 million euros (2006: 4.8 million euros), particularly for the expansion of a warehouse in Switzerland. This contrasts with repayments of -4.0 million euros (2006: -5.0 million euros). The other net cash used in financing activities of -9.4 million euros (2006: -9.1 million euros) includes changes in finance lease obligations.

As of December 31, 2007, the Thiel Group held cash and cash equivalents of 65.6 million euros (2006: 63.8 million euros).

### Shareholders' equity



### Net financial debt



### Asset and Capital Structure

in thousand €	Dec. 31, 2007	Dec. 31, 2006	Change
<b>Assets</b>			
Cash and cash equivalents	65,626	63,775	2.9 %
Trade accounts receivable	285,572	270,054	5.7 %
Prepaid expenses and other current assets	46,658	45,774	1.9 %
Property, plant and equipment	195,764	205,511	-4.7 %
Intangible assets	15,735	18,347	-14.2 %
Goodwill	277,133	278,507	-0.5 %
Other long-term assets	25,816	31,132	-17.1 %
<b>Total assets</b>	<b>912,304</b>	<b>913,100</b>	<b>-0.1 %</b>
<b>Passiva</b>			
Short-term financial liabilities	8,537	8,775	-2.7 %
Trade accounts payable	253,043	238,494	6.1 %
Other short-term provisions and liabilities	83,094	87,498	-5.0 %
Long-term financial liabilities	33,693	34,909	-3.5 %
Bonds payable	126,642	126,112	0.4 %
Other long-term provisions and liabilities	89,376	96,260	-7.2 %
Shareholders' equity (including minority interests)	317,919	321,052	-1.0 %
<b>Total liabilities and shareholders' equity</b>	<b>912,304</b>	<b>913,100</b>	<b>-0.1 %</b>
<b>Key figures to the Balance Sheet</b>			
Equity ratio <sup>1)</sup>	34.8 %	35.2 %	-0.4 %
Gross financial debt	208,413	214,719	-2.9 %
Net financial debt	142,787	150,944	-5.4 %
Net working capital	-3,554	-2,373	-49.8 %

<sup>1)</sup> Changes in percentage points

**Balance sheet** The balance sheet total is virtually unchanged compared to December 31, 2007 at 912.3 million euros (2006: 913.1 million euros). Cash and cash equivalents rise from 63.8 million euros as of December 31, 2006 to 65.6 million euros as of December 31, 2007.

As a result of the dynamic growth in net sales, trade receivables rose 15.5 million euros, from 270.1 million euros to 285.6 million euros.

Property, plant and equipment decreased by 4.7 % to 195.8 million euros (2006: 205.5 million euros). In the Thiel Group, additions to fixed assets in fiscal year 2007 amounted to 16.1 million euros (2006: 22.5 million euros), with disposals of 5.0 million euros (2006: 30.4 million euros) and regular depreciation and amortization of 22.5 million euros (2006: 10.2 million euros). Additions to fixed assets in the reporting period were for replacements and expansion, including a warehouse extension at a Swiss location.

As of December 31, 2007, fixed assets included land and buildings with a carrying amount of 150.9 million euros. The real estate owned has a total area of around 330,000 square meters and usable space (offices and storage) of around 257,000 square meters. Additional office, open air and covered storage space is also leased at a large number of locations. In total, the Thiel Group manages around 1.5 million square meters, of which around 1.0 million square meters is warehousing. As of December 31, 2007 the Group owned around 22.0 % of the real estate it utilizes.

Intangible assets decreased by 2.6 million euros in fiscal year 2007 from 18.3 million euros to 15.7 million euros. The slight decrease in goodwill of 1.4 million euros from 278.5 million euros to 277.1 million euros as of December 31, 2007 is explained by an impairment of goodwill totaling -6.0 million euros in the business segment Solutions. This is partially offset by additions of goodwill totaling 4.6 million euros, primarily due to the acquisition of a majority stake in a joint venture of the business segment Air + Ocean in Chile.

Short term financial liabilities decreased to 8.5 million euros (2006: 8.8 million euros).

Other short-term provisions and liabilities decreased in fiscal year 2007 by 4.4 million euros to 83.1 million euros (2006: 87.5 million euros). This is primarily due to the decrease of 3.3 million euros in income tax liabilities.

Long-term financial liabilities fall slightly from 34.9 million euros to 33.7 million euros as of December 31, 2007. As of December 31, 2007, the Thiel Group has around 50 long-term credit commitments (2006: 70). No one credit facility was drawn in an amount exceeding 5 million euros. There are no covenants related to the credit commitments.

The change in liabilities from the issuance of the bond of 0.5 million euros to 126.6 million euros (2006: 126.1 million euros) is due to the amortization of the bond issuance costs included in this item.

Other long-term provisions and liabilities decrease from 96.3 million euros to 89.4 million euros as of December 31, 2007. Thereof, 4.1 million euros is due to a decrease in long-term leasing liabilities and 2.4 million euros from the decrease in provisions for pensions and other long-term personnel obligations, specifically due to the increase in the rediscount rate from 4.5 % to 5.25 % in the reporting period.

Shareholders' equity also includes minority interests. At 317.9 million euros, it is slightly below the figure of 321.1 million euros as of December 31, 2006. The equity ratio of the Thiel Group was 34.8 % as of December 31, 2007 (2006: 35.2 %).

Net financial debt could be reduced to 142.8 million euros as of December 31, 2007 (2006: 150.9 million euros). The decrease is due to the reduction of 5.4 million euros in leasing liabilities, a net decrease of 1.4 million euros in financial liabilities and an increase in cash and cash equivalents of 1.9 million euros. Gross financial debt drops from 214.7 million euros to 208.4 million euros.

The Thiel Group meets existing and new payment obligations from existing cash funds and funds generated by operating activities. Capital expenditure and the availability of operating funds at short notice are covered by existing short-term and long-term credit lines. As of December 31, 2007, the Thiel Group had short-term credit commitments of 58.6 million euros (2006: 78.8 million euros) at its disposal.

As of December 31, 2007 the Thiel Group has contingent liabilities of 0.1 million euros (2006: 1.3 million euros) arising from guarantees in the context of ordinary course of business.

There are also extensive operating lease obligations, which primarily relate to the use of warehouse real estate, other buildings and real estate and vehicles. The total value of future lease obligations as of December 31, 2007 is 235.7 million euros.

The total number of properties used for warehousing as of December 31, 2007 is 371 in 39 countries. Around 800 own trucks, 1,300 trailers and around 1,900 swap bodies are used in the Thiel Group. Also, a considerable number of industrial trucks and other items of equipment were operated, predominantly as leased vehicles. Above and beyond that, Thiel Group usually leases capacities or contracts them to subcontractors.

# Value-oriented Company Management

A sustained increase in the company value is central to the corporate policy of Thiel Logistik, allowing for an adequate risk-adjusted return on investment reflecting market expectations.

Implementing value-orientation calls for the identification of clearly-defined factors that are crucial for success, which are then used to control the business units. In value-oriented management, resources are allocated according to the criterion with the highest value contribution for the company. All measures and decisions are thus examined regarding their value added for the company.

**Value analysis using Economic Value Added (EVA)** A central criterion for the assessment of value development at Thiel Logistik is Economic Value Added (EVA). EVA is calculated as the difference between Net Operating Profit After Tax (= NOPAT) and Capital Charge.

NOPAT is the difference between earnings before interest and taxes (EBIT) and an average Group tax burden. Capital Charge is the product of Capital Employed and Cost of Capital (Weighted Average Cost of Capital, WACC). Capital Employed is calculated by deducting the available non-interest-bearing capital from operating long-lived assets and current assets.

The Weighted Average Cost of Capital is used in the Thiel Group not only for the calculations of Economic Value Added at Group and business segment level, but also in the context of investment evaluation and to ascertain the value of long-term assets.

## Capital Expenditure

Thiel Group investment totalled 20.9 million euros in the 2007 fiscal year (2006: 27.2 million euros). This corresponds to 1.0 % of net sales. 77.2 % of total investment in the reporting year was invested in property, plant and equipment and 22.8 % in intangible assets.

Investments in the Thiel Group are subject to strict investment management and contribute to a sustainable increase in the value of the company. There is an investment guideline in the Thiel Group for managing investment. This ensures that:

- limited and competing financial funds are allocated in the best possible way within the Thiel Group,
- standardized and transparent processes are established for requesting, assessing, making decisions on and executing investments,
- there is solid finance for all investments and
- they comply with the Group strategy.

In the business segment Solutions, investment in the 2007 fiscal year focused on expanding and extending existing warehouses and installations such as racking and order picking systems. The Heppenheim warehouse was modified to meet the needs of a new major customer. Investment in the business segment Air + Ocean enabled it to make further progress with its global expansion, particularly in Australia and South America. The business segment Road + Rail made final investments in and extensions to the existing branches and investments in expanding the vehicle fleet. All business segments also invested in IT to improve and standardize their operating and administrative procedures.

The bulk of the investment, or 38.6 %, was in the business segment Road + Rail. The business segment Solutions accounted for 26.3 % and Air + Ocean for 11.5 % of total investment in 2007. The remaining share applies to central investment projects especially concerning IT.

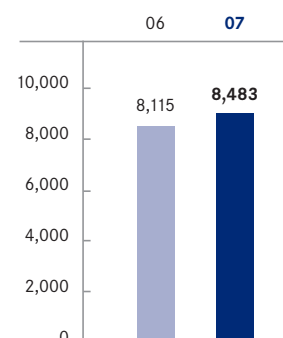
## Research and Development

Innovations and ongoing process enhancements are a core element of the Thiel Group's strategy as they are the decisive competitive factors for a service provider. As a logistics service provider, Thiel focuses on service and process innovations. They are developed in the context of major orders or in ongoing cooperation with customers to optimize business processes further. The Thiel Group does not conduct stand-alone research and development work with corresponding organizational structures.

## Employees

	Dec. 31, 2007	Dec. 31, 2006
Germany	3,600	3,436
Austria	1,450	1,592
Switzerland	402	381
Eastern Europe	1,151	887
Asia, Pacific region, Africa	933	860
Other	947	959
<b>Total</b>	<b>8,483</b>	<b>8,115</b>
<i>Of which:</i>		
<i>Solutions</i>	3,269	3,246
<i>Air + Ocean</i>	1,654	1,513
<i>Road + Rail</i>	3,227	3,150
<i>Holdings/Shared Service Center</i>	333	206

Employees



**Changes in employment** At the end of the year there were 8,483 employees in the Thiel Group worldwide. This represents an increase of 4.5 %, due primarily to the expansion of business in Germany and initial consolidation of foreign subsidiaries.

Activities to bundle financial and other crosscutting functions at the Aschaffenburg location were continued in 2007 in order to enhance efficiency within the Group and the business segments. Streamlining the holding functions and further standardization and bundling of administrative processes within the shared-service organisation have made it possible for the business segments created in mid-2007 to focus on their core operating business.

**Training** Training young people continues to play an important role in the Thiel Group. Besides meeting its social responsibility, the company also ensures qualified junior management throughout the Group. As at December 31, 2007 there were 419 vocational trainees in the Thiel Group. This represents an increase of 16.4 % on the previous year. Through commercial and technical training, release courses as a partner company of vocational colleges and intensive cooperation with university departments, the Group offers students a wide range of opportunities to embark on a career and is positioning itself in this way as an attractive employer in various regions and for many specializations.

**Human resource development** During the reporting period a large number of internal and external advanced training measures were organized, both central and decentralized. The focus throughout the Group was on developing technical and management competences in line with needs. These continue to include measures in the fields of logistical knowhow, finance and management and also special topics such as issues in labor law, intercultural competence or sales. In the context of the reorganization of the Thiel Group, ongoing qualification of employees was a special challenge in the 2007 fiscal year and further attention will be given to this in future.

The various measures enable us to tie employees to the company in the long term and help them develop continuously. This is a decisive contribution to the success of the Thiel Group.

## Supplementary Report

On February 28, 2008 the Board of Directors of Thiel Logistik AG unanimously approved the launch of the new uniform brand for the Group, which was developed in the rebranding project.

## Risk Report

Based on its global logistics business operations, the Thiel Group faces macroeconomic risks on the one hand and potential industry, competition, procurement, demand and customer risks on the other. In addition, interest rate and currency risks, regulation and environmental risks, management, legal, IT and other risks can affect the Group's business.

**Macroeconomic risks** World economic growth will probably slow in 2008. A significant slowdown of growth in the relevant economies could significantly weaken the demand for capital and consumer goods. This could result in reduced demand for transportation services.

The continuing rise in energy prices could also be a further economic risk to growth, as this could lead to increasing inflation. These potential inflationary risks can lead to more restrictive monetary policies by the leading central banks, thus slowing economic growth and international trade. The continuing crisis in the international financial markets may become a risk to global economic growth as well.

A further rise in the Euro exchange rate against major currencies could lead to higher prices in importing countries, which would have an adverse growth effect on the exporting economy and impact the flows of goods to the countries involved.

Country-specific or global political instability and international crises due to political, social or humanitarian events can lead to a decline in world trade by interrupting the global flow of goods.

**Financing risks** One immediate effect of the continuing uncertainty in the global financial markets is expected to be a general increase in risk premiums. As a result, a further deterioration of financing conditions for companies seeking to borrow funds cannot be ruled out. This could have an adverse effect in the Group's average interest rate.

**Interest rate and currency risks** The Thiel Group's worldwide activities mean that a share of its consolidated sales is being generated in non-euro currencies and a corresponding share of assets is also recognized in financial statements in other currencies. As a result, the Group is subject to ongoing currency risks. In some cases, these risk positions are neutralized by natural hedges as expenses in key currency areas are frequently matched by corresponding income and receivables by corresponding liabilities. Furthermore, the strategy of reducing foreign exchange risks foresees bundling evolving risks as part of a central assumption of risks and hedged utilizing effective instruments. In some cases, risks are reduced by financing arrangements in local currencies.

As a result of the long-term financial resources provided by a fixed-rate corporate bond, changes in interest rates have only a limited effect on the Group's financial situation.

**Industry-specific risks** The volume of logistics business is tied to the overall economic situation and the trade relations of any given country or regions. A rise in protectionist measures can accordingly lead to a slowdown of growth or even a decline in exports and import activities.

In addition, external factors can cause a significant increase in the prices of logistics services, particularly in freight forwarding. In addition to customs, import and export taxes or transportation taxes, such factors could include significant price hikes for fuel and fees for transport routes (road tolls, rail use, sea passage), resulting in a lasting slowdown in demand for logistics solutions.

It remains difficult to predict the effects of newly emerging and liberalized markets on the logistics industry. In addition, statutory measures (minimum wages, regulations on working hours, introduction of environmental zones) can have an adverse effect on cost structures within the logistics industry. Growth of the logistics industry can slow as a result of a declining trend towards outsourcing or an increase of insourcing tendencies by major customers.

**Competition risks** The emergence of new competitors or the loss of competitive advantages over existing competitors in the market can lead to a risk that the Thiel Group may no longer be able to operate its own logistics solutions profitably.

The market environment in the logistics industry is shaped by a large number of providers with small market shares. This large number of providers results in high intensity of competition in some areas of the logistics markets. Competitors are seeking to exploit economies of scale or particularly efficient corporate structures to generate competitive advantages.

The intensity of competition is partly being countered by consolidation and loose associations, particularly alliances. Mergers of key competitors or a change in strategy as a result of a new shareholder structure could lead to a shift in the current competitive situation. The emergence of logistics groups with significantly greater financial strength may involve a competitive disadvantage, for example if future customer requirements demand major investments which could then not be implemented on the required scale.

The greater financial strength of these Groups can also affect the prices which Thiel can charge if competitors use aggressive pricing with the intention of taking over customer projects.

In addition, there are risks due to the further reduction of restrictions on cabotage within the EU and the resulting steady increase in competition by providers from countries with lower wage and other costs, such as the EU accession countries.

In the business segment Solutions, the specific risks in the business units Fashion and Media stem from concentrated competition with a small number of comparable competitors. This limits the potential for growth due to remote customers' readiness to change their logistics partner. A risk from dependence on individual major customers is particularly evident in the business units Consumer Goods and Industrial Goods. In the business segment Air + Ocean, the key competition risk is a possible unwillingness of customers to accept higher freight rates passed on to them and a weakening demand for global sea and air freight forwarding, particularly in the Asian and European growth markets. The business segment Road + Rail is particularly vulnerable to rising purchase prices due to further growth in fuel prices, rising wages and other costs in the freight sector.

**Demand and customer risks** Dependence on customers is an intrinsic risk of doing business as a logistics service provider. The customer structure in the business segment Solutions, which is less heterogeneous than in the business segments Air + Ocean and Road + Rail, leads to the specific risk of new tenders for expiring customer contracts. The business segment meets these risks with constant innovation and continuous efficiency enhancements in customer projects, together with comprehensive customer relationship management. At Group level, the risk is reduced by the large total number of customers. No single customer of the Group generates more than 6 % of net sales. In the 2007 fiscal year, the five biggest customers accounted for a share of around 15 % in net sales.

Risks can arise from strategic changes on the customers' part, for example, through the relocation of production, insolvency or corporate mergers. The Thiel Group makes every effort to minimize these risks by appropriate contractual means.

Particularly in areas where customer-specific capacities or a dedicated infrastructure is held, the Thiel Group is exposed to the risk of unexpectedly low demand for the resources reserved. Here, customer losses could result in significant impairments of the value of both investments and specific plant and installations.

Changes in demand or customer requirements can result in changing requirements for purchasing and the reservation of infrastructure. Flexible cost structures with a high degree of outsourcing of simple services address the risk of capacity underutilisation in operations. The use of synergies from cooperation between the business units reduces this risk further. In the case of new customer projects, additional expenses may be incurred in the start-up phase. The Thiel Group meets this risk by detailed process planning with customer involvement.

**Procurement risks** For a significant portion of the services to customers, the Thiel Group uses subcontractors and suppliers, particularly in its forwarding activities. The services are contracted on the basis of long-term supply agreements, master agreements or individual contracts. In order to reduce these risks the central function Freight Purchasing was created as part of the Group's reorganisation in 2007. A potential inability to secure sufficient transportation capacities or their sustained price increase can lead to significant price hikes that cannot always be passed on to customers directly and in a timely manner.

A shortage of raw materials or need to use special equipment with limited availability can also lead to a significant increase in the price of the services provided. There is a risk that such cost increases can only be passed on to the customer with some delay. If such shortages delay or prevent provision of the agreed services, this can lead to contractual penalties or claims for damages against the Thiel Group.

**Management risks** Management accept specific and quantifiable risks in order to make full use of existing market opportunities. The Group has a range of systematic control instruments to evaluate and track these entrepreneurial risks. Besides the risk management system, strategic planning and ongoing controlling and reporting processes combine assessments of opportunities and risks for the relevant markets with a continuing audit of the strategic orientation of the business units.

**Legal, regulatory and environmental risks** In providing its services and operating its own facilities, the Thiel Group complies with the prevailing rules and regulations.

In many countries, these regulations include transportation licenses, which in some cases distinguish between national and international activities. Other restrictions and licensing requirements may depend on the time of day or day of the week. For a number of customer projects, it is essential that the companies of the Thiel Group retain their current licenses and permits. Losing such authorization could therefore result in substantial negative earnings impacts.

Also, material changes in taxation or levies such as road tolls and other usage-based charges could have a substantial effect on the economic feasibility of current business and impact the economic performance negatively. The same goes for other regulations, such as European labor protection laws, where shortening legal working hours results in a permanent increase in the cost of road and rail transport.

Regulatory intervention in world trade (import bans, punitive customs etc.) can also affect the routing and volume of major flows of goods and thus impact the Thiel Group's business.

Legal risks for the Thiel Group relate to the settlement of divested businesses of the Group or past business transactions.

One example of country-specific risk is the risk of incoherent interpretation and application of legal, tax and customs regulations in emerging countries where the legal systems do not yet meet international standards and can be subject to sometimes very abrupt changes.

The companies of the Thiel Group have applied for trademark protection for most of their brands or are already in possession of such property rights.

In addition, the company ensures through appropriate liability clauses that products used (such as software) are covered by the necessary licences or that the suppliers have the necessary licensing and trademark rights.

Within the Thiel Group, environmental laws and regulations are particularly relevant in areas where the provision of logistics services includes handling potentially hazardous materials such as operating gas stations or tank cleaning facilities. In addition, various logistics projects for hazardous materials are being operated. Through consistent compliance with all safety regulations and designation of hazardous materials officers, the Group minimizes the risks in this field.

**IT and other risks** IT risks can arise resulting from a possible outage of operating and administrative IT systems which could impact the course of business. This risk is avoided by emergency plans for an outage of the computer center.

The activities of the Thiel Group's business segments involve risks of operating damages and quality deficits. These are minimized by quality management systems, comprehensive logistics controlling instruments and professional process management. In areas which are critical for safety, the company has intelligent emergency plans. The Group also has established a systematic contract and liability management.

Sustained weak performance of individual areas without any prospect of change involves risk of impairment for goodwill recognized in the Thiel Group's consolidated balance sheet. Other factors are interest rate changes.

The planned rebranding of the group involves risks in terms of acceptance of the new brand of customers. The Thiel Group companies are subject to different national jurisdictions, which implies that delays in the establishment of possible new names and the change of licences cannot be ruled out.

**Risk management system** Professional and effective risk management as part of the planning and control system is an essential part of company management and controls in the Thiel Group. In the 2007 fiscal year, the existing systems for identifying and monitoring risks were applied and modified for the new Group structure. The risk management system helps to identify risks systematically and at an early stage, creating the possibility of avoiding risks in advance or initiating countermeasures early to minimize adverse consequences.

Group-wide principles and regulations for a structured documentation, evaluation and reporting of risks provide a framework for efficient risk management. "Risk owners" (managers in all key Group functions) are responsible for identifying, evaluating, managing and communicating risks. "Risk controllers" assist them and ensure communication of key risks exceeding predetermined limits to higher levels of management, up to the Executive Committee and Board of Directors. This system ensures that all identified risks are dealt with.

Reporting duties within the risk management system and the risk policy determined by the Board of Directors ensure that there is awareness and a critical approach to risks in all areas of the Group.

## Outlook

**Macro economic outlook** Forecasts for the global economy in 2008 are currently subject to considerable uncertainties as a result of the lasting turbulences in the international financial markets. An important reason for this situation was the perceived risk of increasing defaults in the US housing sector. In addition, substantial price fluctuations in the commodity markets, with crude oil as a major commodity and the massive shifts in exchange rates, mainly a result of the weakness of the US dollar, have affected the forecast to differing degrees.

In the view of leading economic research institutes, world economic growth in 2008 will slow significantly compared to the previous year. This slowdown will affect all economic regions. The Kiel Institute for the World Economy expects GDP growth in the European Union to drop from 2.9 % in 2007 to 2.2 % in 2008. US growth is expected to slow from 2.2 % to 1.8 % and growth in Japan is predicted to fall from 1.9 % to 1.1 %.

The substantial change of certain growth rates in Europe will also affect Germany and Austria as Thiel Group's main markets. Besides the financial markets crisis and high oil prices, the slowdown in growth is also due to the expected decrease in investment activity and an only moderate growth in private consumption. Both factors may lose their impact in the second half of the year. According to the estimates of the leading German economic research institutes, German GDP growth will fall from 2.6 % in 2007 to 2.0 % in 2008. German exports are likely to drop significantly in the first half-year and are likely to continue weak in the second half-year as a result of the economic weakness of the Euro-zone and weak demand in the USA. A continuing strength of the euro could put a further strain on exports. German import growth is also likely to slow in 2008 as the economy loses pace.

The Austrian Institute of Economic Research (WIFO) predicts that Austrian GDP growth will fall to 2.4 % in 2008. Imports are expected to grow at the previous year's rate of 6.4 %, while exports will grow more slowly than in 2007 at 6.6 %. A fairly significant slowdown in the economy is also expected for Switzerland and other relevant markets. Growth in Asia and Eastern Europe will ease significantly in 2008 after a long phase of rapid expansion. However, growth will still remain at a higher level than in the Western Europe economies. The same applies to South America, where economic growth is actually already rising slightly in some areas.

Despite the worsening macroeconomic forecast, the OECD expects a continued growth in world trade at 8.1 % against the previous year (2006: 7.0 %). This results primarily from the sharp rise in exports from the Asian emerging countries and high import growth rates in the CIS states (Commonwealth of Independent States).

**Trends in the financial markets** Given the continuing uncertainty in the world financial markets, only a gradual recovery is expected in the capital markets. The leading central banks are expected to reduce key interest rates slightly over the course of 2008, in order to counter the impact of the liquidity crisis (particularly on interbank lending) and to minimize the spillover effects on other capital markets and the economy generally. These efforts are constrained in both the Euro-zone and the USA by the significant increase in inflation. Overall, interest rates will most likely decrease slightly in 2008 as a whole.

**Industry outlook** Forecasts for the global logistics markets assume that the long-term growth will continue. Growth rates will be significantly above economic growth in all economic regions. Within this context, growth in the Asia-Pacific and other emerging regions will be significantly higher than in the leading economic regions, Europe and the United States.

All the relevant sub-markets of the Thiel Group, contract logistics, air and sea freight and European land transportation, will maintain their strong growth in 2008. The Fraunhofer ATL (Working Group for Technologies in the Logistics Services Industry) expects the German logistics industry to grow by approximately 8 % in 2008. Of the total services volume, transport and logistics service providers will supply approximately 90 billion euros.

The biggest growth driver is expected to be contract logistics. According to estimates, only around 25 % out of a European market potential of 313 billion euros has been developed thus far. It is expected that the market for contract logistics services will grow at rates of 11.0 % to 13.0 % in the next few years. There are also strong contributions to growth here from the Asian and Pacific regions.

The Boeing World Cargo Forecast for 2008 predicts that air freight will grow by approximately 6.1 %. Above-average growth is expected in the Asian market (particularly in Chinese domestic freight) and on routes between Asia and North America and Europe. The potential profits here will depend on the further development of air freight rates. Given the expected growth on the supply side in the next few months, these will probably be stable.

Most global commodity shipments are still expedited by sea. According to the growth predictions made by the OECD, the market for sea freight transportation will continue to grow considerably. The growth expectations are supported by the lively demand for container ships. Figures from the ISL (Institute for Shipping Economics and Logistics) show that ship-owners ordered container ships with a record value of 2.9 billion euros last year. In view of the continuing strong growth in sea freight capacity, world container freight rates will depend on the continuing strong demand for intercontinental sea transportation.

Slower growth in the German economy in 2008 will mean a noticeable easing in growth for freight. While rail transport has shown the fastest growth in recent years, in the next few years road transportation is expected to grow faster.

A major challenge for land transportation continues to be the increase in costs, which in some cases are enormous. After the shortage of supply of transport capacities in earlier years and the increased raw material costs – particularly for fuel – prices will also be significantly boosted by amended regulation in 2008. This includes specifically the reduction in permitted driving hours for truck drivers and the introduction of the digital tachograph. Supply in land transportation will increase only gradually despite the continuing high output by automotive manufacturers. The continuing high demand for land transportation capacities will thus lead to a continuing tense market for freight forwarding services and substantial cost increases. At the same time, the considerable consolidation in the industry is expected to enhance the readiness of market actors to move towards reasonable prices in the long term.

**Market prospects** The development of the logistics industry depends essentially on growth in trading activity. The increasing internationalization of major corporations as well as small and medium-sized companies and their relocation of production facilities and penetration of new markets, all support a sustained growth in world trade. For logistics service providers, this general expansion leads to higher volumes of transported goods and increased demand for turnover and handling, warehousing and associated services and management functions for the increasingly complex supply chain.

The European and particularly the German industry have a strong element of small and medium-sized enterprises (SMEs). German SMEs generate almost half the total economic output of German companies. For medium-sized companies, advancing internationalization often poses a challenge to their own logistics processes. Cooperation with a logistics services provider enables them to make them more efficient. The Thiel Group has been successfully working with many German SME customers for many years, especially supporting them in accessing foreign markets. Based on a worldwide network of locations and a comprehensive range of integrated logistics services, we develop and implement customized solutions from a single source.

The growth regions of Asia and Eastern Europe benefit particularly from the internationalization of freight. The Thiel Group has had locations in both regions for many years, providing full coverage. In addition, new market potential is being utilized through a continuing network expansion.

In European land transportation, rising transport costs will lead to a process of further concentration. It is strategically important here to be present in the market with a network covering all relevant geographies. With its wide range of European locations, Thiel Group is an attractive partner for European transport alliances and collaboration. Cooperation within European partnerships provides additional support to the intensive efforts to improve purchasing conditions for freight space in European land transportation.

On the procurement side, Thiel will continue to purchase sea and air freight capacities primarily through the purchasing alliances Future and Group 99. This enables the Thiel Group continuously to obtain competitive purchasing conditions for its customers in the face of ongoing consolidation.

**Strategy** As an integrated logistics service provider, the Thiel Group follows a strategy of profitable growth. This means different priorities in developing its three business segments:

- In the business segment Solutions, intensive marketing efforts are achieving significant sales growth. Success factors include the development of specialist customer solutions, successfully exploiting synergies throughout the Group, cross-selling initiatives by the business segments to existing customers and the successful development of individual customer solutions towards general industry standards. In the medium term, smaller acquisitions or partnerships will also help to grow net sales.
- The business segment Air + Ocean is continuing to grow net sales and is becoming a leading provider of intercontinental air and sea freight to SME customers. This is being done by intensifying global key account management, further extending the network by opening new locations (particularly in the growth regions of Latin America and Asia) and an increased investment in employee qualifications.
- In the business segment Road + Rail, the top priority is improving profitability. This demands a successful restructuring of locations with weak margins. In addition, the key strategic challenge to the business segment Road + Rail is to focus on profitable customers and markets. The resulting adjustment of net sales will result in a falling overall contribution of the business segment's net sales in the medium term.

The Thiel Group will manage its portfolio of logistics activities in strict accordance with profitability criteria. This may involve divesting individual activities where profitability goals cannot be met sustainably and which are not linked to the core business. To benefit over-proportionately from market growth, the Thiel Group intends to pursue the following strategic options:

- The focus is on organic, customer-oriented growth. It must be Thiel Group's goal to meet or exceed customer requirements in terms of technology and finance so that it can satisfy the needs of its target customers fully at all times.
- Meeting customer needs requires strict expenditure discipline and consistent exploitation of economies of scale, particularly by maximizing internal possibilities for co-operation.
- In the medium term, acquisitions will serve only to fill gaps, supplementing existing activities or helping systematically to develop new markets.

**Predicted sales and earnings development** The Thiel Group expects a further sales growth in 2008. The growth will be driven by growth with existing customers as well as the addition of new customers. The contribution of the Thiel Group's business segments to the anticipated sales growth will vary. The business segment Air + Ocean is expected to generate a strong double-digit sales growth. In their existing profitable activities the other business segments, Solutions and Road + Rail, will benefit from the continuing growth in their respective markets for transport services and contract logistics. However, specific measures to improve profitability, particularly in the business segment Road + Rail, will lead to the termination of marginal activities or unprofitable business, resulting in controlled sales reductions constraining organic growth. In the business segment Solutions, the anticipated expiration of customer contracts – together with the full-year effects of the termination or disposal of activities in the previous year – will lead to an overall stable sales level. The key influence here will be the extent of new business generation and its impact on sales in the year 2008.

The comprehensive measures to improve the return on sales are predominantly targeted at an increase in gross profit. On this basis, the goal is to achieve a significant growth in earnings before interest and taxes (EBIT). All business segments will contribute to this increase in EBIT. Achieving a sustainable profitability in the business segment Road + Rail will have a major influence on the extent of the improvement. Meanwhile a further growth in segment earnings is expected also from the successful business segments Air + Ocean and Solutions.

Besides the ongoing efforts to improve the operating profitability of the Group, the fiscal year 2008 will be dominated by the introduction of a uniform group brand. This investment in the Thiel Group's successful future as an integrated logistics company will have a limited negative effect on the Group EBIT.

Based on the expected operating performance, the Thiel Group targets a clear increase in net result.

The financial situation of the Thiel Group will continue to be stable in fiscal year 2008. The strategic value of the long-term financing instruments available to the Group is underlined by the continuing uncertainties in the international financial markets. The further strengthening of internal financing through a consistent working capital management also continues to be an important factor. Decisions on planned investment and acquisitions will continue to be made accordingly on the basis of cash flow-related key ratios and clear requirements regarding their profitability.

## Assurance by the legal representatives

„To the best of our knowledge and in accordance with the applicable reporting principles of consolidated financial reporting, the consolidated statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.”



Berndt-Michael Winter  
(Chairman of the Board of Directors)



Dr. Antonius Wagner  
(Deputy Chairman of the Board of Directors)



# Consolidated Financial Statements



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## Consolidated Statement of Income

<i>in thousand €</i>	January 1, – December 31,	2007	2006	<i>Note/Page</i>
Net sales		2,043,108	1,891,410	4/96
Cost of sales		-1,892,460	-1,747,662	5/101
<b>Gross profit</b>		<b>150,648</b>	<b>143,748</b>	
Selling costs		-35,855	-36,758	5/101
General and administrative costs		-87,485	-84,974	5/101
Other income		21,478	19,499	6/102
Other expenses		-14,472	-14,000	6/102
<b>Earnings before restructuring costs and impairments, interest and taxes</b>		<b>34,314</b>	<b>27,515</b>	
Restructuring costs		-2,308	-3,652	7/103
Impairment of long-lived assets		-6,000	-	8/103
<b>Earnings before interest and taxes (EBIT)</b>		<b>26,006</b>	<b>23,863</b>	
Interest income		1,304	1,464	9/104
Interest expenses		-18,427	-17,965	9/104
<b>Income (loss) from continuing operations before income taxes</b>		<b>8,883</b>	<b>7,362</b>	
Income taxes		-5,549	-4,970	10/105
<b>Income (loss) from continuing operations</b>		<b>3,334</b>	<b>2,392</b>	
Income (loss) from discontinued operations, net of tax		-	-317	
<b>Net result</b>		<b>3,334</b>	<b>2,075</b>	
<b>Attributable to:</b>				
Equity holders of Thiel Logistik AG		1,662	899	
Minority interest		1,672	1,176	

<b>Earnings per share – basic and fully diluted</b>	<i>in €/numbers of shares</i>	2007	2006
Income (loss) from continuing operations attributable to the equity holders of Thiel Logistik AG		0.01	0.01
Weighted average number of shares outstanding		111,474,987	111,474,987

The accompanying notes are an integral part of these Consolidated Financial Statements.

## Consolidated Statement of Cash Flows

<i>in thousand €</i>	January 1, – December 31,	<b>2007</b>	<b>2006</b>	<i>Note/Page</i>
Net result		3,334	2,075	
Adjustments to reconcile net result to net cash provided by operating activities				
Income (loss) from discontinued operations		–	317	
Depreciation and amortization		29,798	33,596	
Impairment of goodwill		6,000	–	
Non-cash items in connection with disposal of non-current assets		–3,550	–3,102	
Deferred income taxes		–1,875	–1,519	
Other, net		–844	–1,408	
Change in retirement and other employee-related obligations		–218	265	
Changes in working capital				
Change in trade accounts receivable and other assets		–18,122	–41,113	
Change in inventory		7,067	–9,186	
Change in trade accounts payable and other liabilities		17,000	40,706	
<b>Net cash provided by operating activities</b>		<b>38,590</b>	<b>20,631</b>	34/130
Capital expenditures		–23,357	–21,151	
Proceeds from disposal of non-current assets		5,623	10,407	
Proceeds from sale of available-for-sale securities		591	1,489	
Change in other loans granted		–1,243	265	
Proceeds from sale of consolidated companies and other business units		1,049	2,152	
Payments for acquisitions of subsidiaries, net cash acquired		–8,493	–368	
<b>Net cash used in investing activities</b>		<b>–25,830</b>	<b>–7,206</b>	
<b>Net cash flow</b>		<b>12,760</b>	<b>13,425</b>	
Change in short-term financial liabilities		–115	–2,940	
Proceeds from financial liabilities		2,993	4,841	
Repayment of long-term borrowings		–3,850	–4,987	
Repayment in financial liabilities		–8,408	–7,889	
Distribution to minorities		–1,481	–1,143	
Other, net		445	–85	
<b>Net cash used in financing activities</b>		<b>–10,416</b>	<b>–12,203</b>	
<b>Net cash used in discontinued operations</b>		<b>–</b>	<b>–1,636</b>	
Effects of exchange rate changes and changes in consolidation scope on cash		–493	–898	
<b>Changes in cash and cash equivalents</b>		<b>1,851</b>	<b>–1,312</b>	
Cash and cash equivalents at beginning of year		63,775	65,087	
Change		1,851	–1,312	
<b>Cash and cash equivalents at end of period</b>		<b>65,626</b>	<b>63,775</b>	

The accompanying notes are an integral part of these Consolidated Financial Statements.

## Consolidated Balance Sheet

Assets	<i>in thousand €</i>	Dec. 31, 2007	Dec. 31, 2006	<i>Note/Page</i>
<b>Current assets</b>				
Cash and cash equivalents		65,626	63,775	12/106
Trade accounts receivable		285,572	270,054	13/107
Inventories		7,304	14,453	14/108
Income tax receivables		10,620	8,367	15/108
Prepaid expenses and other current assets		26,901	22,954	16/108
Assets, held-for-sale		1,833	-	17/109
<b>Total current assets</b>		<b>397,856</b>	<b>379,603</b>	
<b>Non-current assets</b>				
Property, plant and equipment		195,764	205,511	18/109
Intangible assets		15,735	18,347	18/109
Goodwill		277,133	278,507	19/112
Investments in associated companies		159	255	20/114
Investments in affiliated, not consolidated companies and other investments		1,773	2,696	20/114
Securities, available-for-sale		1,501	2,047	20/114
Securities, held-to-maturity		464	462	20/114
Deferred income taxes		20,922	21,706	21/117
Other non-current assets		997	3,966	22/118
<b>Total non-current assets</b>		<b>514,448</b>	<b>533,497</b>	
<b>Total assets</b>		<b>912,304</b>	<b>913,100</b>	

The accompanying notes are an integral part of these Consolidated Financial Statements.

<b>Liabilities and Shareholders' Equity</b>	<i>in thousand €</i>	<b>Dec. 31, 2007</b>	<b>Dec. 31, 2006</b>	<i>Note/Page</i>
Short-term financial liabilities		8,537	8,775	23/118
Trade accounts payable		253,043	238,494	26/121
Lease obligations, short-term		5,472	6,738	30/123
Tax liabilities		8,039	11,361	27/121
Other short-term liabilities		59,398	54,670	28/121
Other short-term provisions		10,185	14,729	29/122
<b>Total current liabilities</b>		<b>344,674</b>	<b>334,767</b>	
Bonds payable		126,642	126,112	24/119
Long-term financial liabilities		33,693	34,909	23/118
Lease obligations, long-term		34,069	38,185	30/123
Retirement and other employee-related obligations		33,457	35,856	31/123
Deferred income taxes		17,567	19,305	21/117
Other long-term liabilities		4,254	2,881	28/121
Other long-term provisions		29	33	29/122
<b>Total non-current liabilities</b>		<b>249,711</b>	<b>257,281</b>	
Ordinary shares – voting, no-par value		139,344	139,344	
Additional paid-in capital		174,002	174,002	32/128
Retained earnings and other reserves		5,738	8,723	32/128
Translation reserve		-1,961	-206	32/128
Fair value reserve		276	429	32/128
Revaluation reserve		-619	-619	32/128
Actuarial gains and losses from pensions		-1,916	-3,337	32/128
<b>Total Group equity</b>		<b>314,864</b>	<b>318,336</b>	
Minority interest		3,055	2,716	
<b>Shareholders' equity</b>		<b>317,919</b>	<b>321,052</b>	
<b>Total liabilities and shareholders' equity</b>		<b>912,304</b>	<b>913,100</b>	

## Consolidated Statement of Changes in Shareholders' Equity

<i>in thousand €</i>	Ordinary shares – voting, non-par value	Additional paid-in capital	Retained earnings and other reserves
<b>January 1, 2006</b>	139,344	204,900	–23,074
Settlement additional paid-in capital with balance sheet loss		–30,898	30,898
Net result			899
Neutral effects from minority interests			
Result directly recognized in equity, net of tax			
Translation reserve			
Fair value reserve			
Revaluation reserve			
Actuarial gains and losses from pensions			
<b>December 31, 2006</b>	139,344	174,002	8,723
Net result			1,602
Acquisition of outstanding minority interests			–4,647
Neutral effects from minority interests			
Result directly recognized in equity, net of tax			
Translation reserve			
Fair value reserve			
Revaluation reserve			
Actuarial gains and losses from pensions			
<b>December 31, 2007</b>	139,344	174,002	5,738

The accompanying notes are an integral part of these Consolidated Financial Statements.

Translation reserve	Fair value reserve	Revaluation reserve	Actuarial gains and losses from pensions	Total Group equity	Minority interest	Total Shareholders' equity
1,015	440	-	-3,977	<b>318,648</b>	3,395	<b>322,043</b>
				899	1,176	2,075
					-1,855	-1,855
-1,221				-1,221		-1,221
	-11			-11		-11
		-619		-619		-619
			640	640		640
-206	429	-619	-3,337	<b>318,336</b>	2,716	<b>321,052</b>
				1,662	1,672	3,334
				-4,647		-4,647
					-1,333	-1,333
-1,755				-1,755		-1,755
	-153			-153		-153
			1,421	1,421		1,421
-1,961	276	-619	-1,916	<b>314,864</b>	3,055	<b>317,919</b>

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## 1 Corporate information

The consolidated financial statements of Thiel Logistik AG (“Thiel Logistik” or “Thiel Group”) for the fiscal year as of December 31, 2007 were authorized for issue by resolution of its Board of Directors on February 28, 2008 and under Luxembourg law are still subject to approval by the Annual General Meeting. Thiel Logistik AG, 5 an de Längten, L-6776 Grevenmacher, is a limited company incorporated and domiciled in Grevenmacher, Luxembourg, whose shares are publicly traded in the Prime Standard section of the Frankfurt Stock Exchange. The majority shareholder is DELTON AG, Bad Homburg, Germany, through its wholly owned subsidiary DELTON Vermögensverwaltung AG, Bad Homburg, Germany.

The principal activities of the Group are described in Note 4, “Segment Reporting”.

## 2 General principles of accounting and valuation

### General principles of accounting and valuation

The consolidated financial statements have been prepared on a historical cost basis, except for derivative financial instruments and available-for-sale securities, which have been measured at fair value. The consolidated financial statements are presented in euro and all values are rounded to the nearest thousand (TEUR) except when otherwise indicated. General principles of accounting and valuation are in accordance with last year principles. The Thiel-Group has adopted the following new and amended IFRS and IFRIC interpretations during the year (IFRS 7, IAS 1, IFRIC 8, IFRIC 9, IFRIC 10). Adoption of these revised standards and interpretations did not have any effect on financial performance or position of the Group.

### Statement of compliance with IFRS

The consolidated financial statements of Thiel Logistik AG and its subsidiaries have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union.

### Consolidation principles

The consolidated financial statements comprise the financial statements of Thiel Logistik AG and its subsidiaries as of December 31 each year. In addition to Thiel Logistik AG as the parent company, the fully consolidated subsidiaries include 5 domestic and 105 foreign companies (2006: 5 domestic and 110 foreign companies).

The consolidated entities including Thiel Logistik AG have developed as follows:

	Dec. 31, 2006	Additions	Disposals	Dec. 31, 2007
Luxembourg	5	-	-	5
Abroad	110	16	21	105
<b>Total</b>	<b>115</b>	<b>16</b>	<b>21</b>	<b>110</b>

In the course of reorganization of the Thiel Group, 12 companies were merged with other Group companies, five more were liquidated. Four companies were sold in fiscal year 2007.

As a result of the reorganization, four companies were spun off from Group companies and included in the consolidation for the first time, and four companies were newly formed. A total of five companies which had previously not been consolidated because of their minor significance to the Group have been included in the consolidation for the first time. The Thiel Group acquired a majority holding in two companies in the reporting period. In addition, a majority holding was acquired in a company previously valued at equity, which is now included in the consolidation.

Five companies were valued at equity (December 31, 2006: seven). Not included in the consolidation were 36 subsidiaries (December 31, 2006: 40) which were either dormant or had a negligible volume of business. Their influence on the Group's assets, financial position and earnings is insignificant.

The financial statements of the subsidiaries are prepared using uniform accounting and valuation methods and the same balance sheet date as the financial statements of the parent company.

All intragroup balances, transactions, income, expenses, gains and losses resulting from intragroup transactions recognized in the carrying amount of assets, are eliminated in full.

Subsidiaries are fully consolidated from the time of acquisition, i.e. from the time at which the Group achieves control. They are dropped from the consolidated financial statements at the time they pass from the control of the parent company.

Minority interests represent the portion of net results and net assets of consolidated companies, not held by the Group and are presented separately in the consolidated income statement and within equity in the consolidated balance sheet.

### **Significant accounting judgments and estimates**

The preparation of financial statements requires management to make certain assumptions and estimates that affect the reported amounts of assets, liabilities, contingent assets and liabilities and revenue and costs as of the balance sheet date. Actual results could differ from those estimates. The key assumptions concerning future and other key sources of uncertainty in estimates at the balance sheet date are discussed below. They result in a significant risk that a material adjustment to the carrying amounts of assets and liabilities might be required within the next financial year.

#### **Impairment of deferred tax assets**

The Group determines the book value of deferred tax assets at each reporting date. This requires an estimate of future taxable profits. The carrying amount of a deferred tax asset is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of that deferred tax asset to be utilized. The carrying amount of deferred tax assets as of December 31, 2007 was TEUR 20,922 (2006: TEUR 21,706).

#### **Impairment of long-lived assets**

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If such indication exists, or annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's net selling price and its value in use. To determine the value in use, the estimated future cash flows are discounted using a pre-tax discount rate that reflects current market expectations for the time value of money and the risks specific to the asset. As of December 31, 2007 the carrying amount of property, plant, and equipment was TEUR 195,764 (2006: TEUR 205,511) and that of intangible assets was TEUR 15,735 (2006: TEUR 18,347).

#### **Impairment of goodwill**

The Group determines whether goodwill is impaired at least once a year. This requires an estimate of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate to calculate the present value of those cash flows. The carrying amount of goodwill at December 31, 2007 was TEUR 277,133 (2006: TEUR 278,507). Reference is made to Note 19, "Goodwill".

#### **Summary of significant accounting and valuation policies**

##### **Foreign currency translation**

The consolidated financial statements are presented in euro, which is the Group's functional and presentation currency.

The assets and liabilities and shareholders' equity of Group companies with a functional currency other than the euro are translated into euro using the exchange rate in effect at the reporting date and revenues and expenses are translated at the average rate during the fiscal year. Exchange rate gains or losses on foreign currency translation are reported as a separate item under shareholders' equity. On disposal of a foreign operation, the cumulative amount recognized in equity relating to that particular foreign operation is recognized in the income statement for the period.

Gains and losses arising from ongoing transactions in currencies other than the euro are shown in the income statement.

The following table shows the development of the exchange rates of the major currencies used in the consolidated financial statements:

Currency	Average rate		Closing rate		
	2007	2006	Dec. 31, 2007	Dec. 31, 2006	
1 EUR =					
Swiss Franc	CHF	1.6427	1.5731	1.6604	1.6069
Polish Zloty	PLN	3.7832	3.8794	3.6015	3.8310
Hong Kong Dollar	HKD	10.6923	9.7549	11.4620	10.2409
Hungarian Forint	HUF	251.3217	264.1315	253.8100	251.7700
British Pound	GBP	0.6845	0.6818	0.7348	0.6715
US Dollar	USD	1.3706	1.2557	1.4692	1.3170
South African Rand	ZAR	9.661	8.4865	10.0012	9.2124

### Revenue recognition

The Thiel Group generates sales from its core business segments Solutions, Air + Ocean and Road + Rail by providing logistics and service solutions for industry and commerce. Sales are recognized net of sales deductions such as bonuses, discounts or rebates at the time they have materialized according to IFRS. This is generally the case when there is clear evidence of an agreement, ownership has been transferred or the service has been rendered, the price has been agreed or can be determined, and there appears to be adequate certainty of receipt of payment.

### Taxes

#### Current taxes

Current tax assets and liabilities of the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that apply or will shortly apply at the balance sheet date.

#### Deferred income taxes

At the balance sheet date deferred taxes are recognized by applying the balance sheet-related liability method to all temporary differences between the taxation base of assets and liabilities and their carrying amounts in the consolidated balance sheet for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred tax liabilities arise from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and at the time of the transaction affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, unused tax loss carry-forwards and unused tax credits, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilized except:

- where the deferred tax assets relating to the deductible temporary difference arise from the initial recognition of an asset and a liability in a transaction that is not a business combination and at the time of transaction affect neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Unrecognized deferred taxes are reassessed at each balance sheet date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax regulations) that apply or have been announced at the balance sheet date. Income taxes relating to items recognized directly in equity are recognized in equity and not in the income statement.

### **Inventories**

Inventories are stated at the lower of cost or net realizable value using the moving average method. Risks resulting from slow-moving items and from the obsolescence of inventories, as well as uncompleted services that involve impending losses are allowed for by writing them down to their net realizable values.

### **Non-current assets held for sale**

The Thiel Group applies IFRS 5, “Non-current assets held-for-sale and discontinued operations”. This states that a non-current asset is classified as “held-for-sale”, if the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets and if its sale is highly probable. In addition, “discontinued operations”, are defined as a group of assets and the liabilities directly associated with them to be disposed of, by sale or otherwise, in a single transaction. These “assets held-for-sale” and the assets and liabilities of a “discontinued operation” classified as available for sale must be presented separately in the balance sheet.

In the consolidated balance sheet, individual assets are classified as “held-for-sale” and reported separately in the balance sheet.

### **Property, plant, and equipment**

Property, plant, and equipment is stated at the cost of acquisition, construction or production less accumulated depreciation and accumulated impairment losses. Additions and reversals that extend the useful life of the asset are capitalized.

Depreciation is calculated on a straight-line basis, based on an economic useful life of between ten and 50 years for land and buildings and three to 20 years for machinery, operating and office equipment.

The depreciation period, the depreciation method and the residual value for an item of property, plant, and equipment are reviewed at regular intervals. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the depreciation period or method as appropriate, and treated as changes in accounting estimates. Depreciation of tangible assets is recognized in the income statement in the expense category consistent with the function of the asset.

The carrying amounts of property, plant, and equipment are reviewed for impairment when there are indications that the carrying amount of an asset exceeds the recoverable amount.

An item of property, plant, and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from derecognition of the asset is calculated as the difference between the net disposal proceeds and the carrying amount and recognized in the period the item is derecognized.

#### **Intangible assets**

Intangible assets acquired separately are measured at the cost of acquisition or production on initial recognition. The acquisition costs of intangible assets acquired in a business combination is the fair value as of the date of acquisition. Following initial recognition, intangible assets are carried at the cost of acquisition or production less any accumulated amortization and any accumulated impairment. Internally generated intangible assets, excluding capitalized software development costs, are not capitalized and expenditure is recognized in income in the period in which it is incurred.

Intangible assets with finite useful lives are amortized over the economic life and assessed for impairment whenever there is an indication that the asset may be impaired. Acquired intangible assets are capitalized and amortized over a useful life of between three and ten years.

The amortization period and method and the residual value for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the depreciation period or method as appropriate, and treated as changes in accounting estimates. Amortisation on intangible assets with finite useful lives is recognized in the income statement in the expense category consistent with the function of the intangible asset.

Gains and losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the income statement when the asset is derecognized.

### Business combinations

The Thiel Group exercises an option under IFRS 1 “First time adoption of IFRS” which allows an exception to full retroactive restatement in connection with business combinations. “Business combinations” has been applied for business combinations occurring after September 30, 2002. Upon acquisition, the Group initially measures the identifiable assets, liabilities and contingent liabilities acquired at their fair values as at the acquisition date, hence causing any minority interest in the acquiree to be stated at the minority proportion of the net fair values of those items. Goodwill acquired in a business combination is initially measured at acquisition costs, which are the excess of the acquisition cost of the business combination over the Group’s interest in the fair value of the identifiable assets, liabilities and contingent liabilities. The excess of cost of acquiring minority interests over the share value is offset against the retained earnings where the Thiel Group had already exercised control over the companies in question.

Following initial recognition, goodwill is measured at the acquisition costs less any accumulated impairment losses. Goodwill is reviewed for impairment annually or if events or changes in circumstances indicate that the carrying amount may be impaired. Under IAS 36.110, impairment of goodwill cannot be reversed even if the circumstances leading to the impairment no longer apply.

### Impairment of assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If such indication exists, or annual impairment testing for an asset is required, the Group makes an estimate of the asset’s recoverable amount. An asset’s recoverable amount is the higher of an asset’s or cash-generating unit’s net selling price and its value in use. The recoverable amount is calculated for each individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered to be impaired and is written down to its recoverable amount. To determine the value in use, the estimated future cash flows are discounted using a pre-tax discount rate that reflects current market expectations for the time value of money and the risks specific to the asset. Impairment losses of continuing operations are disclosed as a separate item in the consolidated income statement.

An assessment is made at each reporting date as to whether there is an indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset’s recoverable amount since the last impairment loss was recognized. The increased carrying amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized immediately in the income for the period. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset’s revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

For the purpose of impairment testing, any goodwill acquired in a business combination is allocated, from the acquisition date, to each of the Group's cash-generating units or groups of cash-generating units which are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units. Each unit or group of units to which the goodwill is allocated

- represents the lowest level within the Group at which the goodwill is monitored for internal management purposes; and
- is not larger than a segment based on either the Group's primary or the Group's secondary reporting format determined in accordance with IAS 14, "Segment Reporting".

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units), to which the goodwill relates. In the Thiel Group, the cash generating units are the business segments. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. Where goodwill forms part of a cash-generating unit (group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this way is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

The Thiel Group has selected September 30 of each fiscal year as the reference date for its annual goodwill impairment test.

#### **Investments in associated companies**

The Group's investment in its associate is valued using the equity method of accounting. An associated company is an entity over which the Group has significant influence and which is neither a subsidiary nor a joint venture.

Under the equity method, the investment in the associate is carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associated company. Goodwill relating to an associate is included in the carrying amount of the investment and is not amortized. After application of the equity method, the Thiel Group determines whether it is necessary to recognize any additional impairment loss with respect to the Group's net investment in the associated company. The share of the results of operations of the associated company is included in income statement items "Other income" and "Other expenses".

The reporting dates of the associated companies and the Group are identical and the associates' accounting and valuation policies conform to those used by the Group for similar transactions and events in comparable circumstances.

### **Financial assets and financial liabilities**

Financial assets comprise securities, short and long-term receivables, cash and cash equivalents and derivative financial instruments. Financial assets are recognized on the settlement date, i.e. at the time of creation or transfer, at fair value plus transaction costs. Long-term loans which are low interest or interest-free are recognized at present value.

Subsequent valuation of financial assets is based on their categorization according to IAS 39. Loans and receivables and securities held to maturity are valued at amortized cost, subject to the effective interest rate method in the case of low interest or interest-free receivables. Available-for-sale securities are carried at fair value, where changes in fair value are recognized in the "fair value reserve" net of income taxes as a separate component of shareholders' equity. Reversal of the reserves through the income statement is done at sale or in the event of a prolonged decline in fair value. Subsequent valuation of investments for which there is no listed price on an active market is at acquisition cost. If the recoverable amount at the balance sheet date is below book value, impairment is taken through the income statement. Derivative financial instruments are categorized as held for trading and carried at fair value, with changes in fair value recognized in the income statement.

With the exception of derivative financial instruments, subsequent valuation of financial liabilities is at amortised cost, subject to the effective interest rate method.

### **Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand, bank balances and deposits with an original maturity of three months or less.

### **Trade and other receivables**

Trade receivables, which generally have 30–90 day terms, are recognized at original invoice amount less an allowance for any uncollectible amounts. Provision is made when there is objective evidence that the Group will not be able to collect the debts. Bad debts are written off when identified.

### Securities

Debt and equity securities that have determinable fair values are recognized in one of three categories: trading, available-for-sale or held-to-maturity. Management determines the appropriate classification of its investments in debt and equity securities at the time of purchase and reviews such classifications at each balance sheet date.

### Derivative financial instruments and hedging relationships

Derivative financial instruments are used in the Group exclusively for hedging foreign currency exposure. Fair value hedges are used to hedge risks in the fair value of Group assets and liabilities. The Group enters into cash flow hedges in order to hedge fluctuations in cash flows from variable interest liabilities. Changes in the fair value of derivative financial instruments designated as fair value hedges are recognized in the result of the current period as offsetting items for fluctuations in the value of the hedged assets, liabilities or existing obligations. Changes in the fair values of derivative financial instruments designated as cash flow hedges are first taken directly to shareholders' equity under the fair value reserve. They are transferred to income when the hedged transactions affect income.

Derivatives that are entered into for risk management purposes, but which do not meet the conditions of IAS 39 for a hedging relationships, are recognised at fair value with changes in fair values recognized in income of the period.

### Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, bonds are subsequently measured at amortized cost using the effective interest method, interest-bearing loans are carried at the repayment amount. Gains and losses are recognized in statement of income when the liabilities are derecognized and through the amortization process.

## Derecognition of financial assets and liabilities

### Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized where the rights to receive cash flows from the asset have expired, there is solely a contractual obligation to pay cash flows to a third party under a “pass-through” arrangement, or the rights to receive cash flows have been transferred. If these conditions are not met, the financial asset must continue to be recognized.

### Financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized as an income or expense.

### Borrowing costs

Borrowing costs are recognized as an expense when incurred.

### Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Grants relating to an asset are deducted directly from the costs of acquisition. Depreciation is calculated on the basis of reduced acquisition costs.

### Leases

The determination whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

### Group as lessee

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the start of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Lease payments are apportioned between the finance costs and the repayment of the lease liability so as to achieve a constant rate of interest on the residual carrying amount of the lease liability. Finance costs are expensed immediately.

If it is not sufficiently certain that ownership will pass to the Group at the end of the term of the lease, capitalized leased assets are depreciated over the shorter of the term of the lease or its useful life.

Operating lease payments are recognized as an expense in the income statement on a straight-line basis over the lease term.

### Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is only recognized as a separate asset if the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense.

### Retirement and other employee-related obligations

Retirement and other employee-related obligations within the Thiel Group comprise defined benefit plans and defined contribution plans.

#### Defined benefit plans

Retirement and other employee-related obligations under defined benefit plans are accounted for using the projected unit credit method in accordance with IAS 19, "Employee Benefits". Under this method, obligations relating to known vested benefits at the reporting date are recognized together with the effect of expected future increases in pensions and salaries. The provision is derived from an independent actuarial valuation which takes into account the relevant biometric factors.

Actuarial gains and losses related to pension and other post-employment benefits (pension benefits and severance payments in Austria under the old system) are recognized as a separate component of shareholders' equity. Recognizing actuarial gains and losses in shareholders' equity affects the amounts of receivables and of provisions for pensions and other post-employment benefits stated in the balance sheet and also requires the recognition of deferred taxes on the resulting temporary differences. Deferred taxes on these temporary differences are also offset against the corresponding equity items. The past service cost related to pension and other post-employment benefits is recognized as an expense on a straight-line basis over the average period until the benefits become vested. If the benefits are already vested immediately following the introduction of, or changes to, a pension plan, past service cost is recognized immediately in income of the period.

Actuarial gains and losses related to other long-term employee benefits (long-service bonuses) are recognized immediately in income of the period. All past service costs related to such benefits are also recognized immediately in income of the period.

Defined benefit plans within the Group comprise the following benefits:

#### Pension benefits

Retirement obligations recognized in the balance sheet are to individual managers and employees. The majority of the plans are unfunded, only a minor portion of the plans is funded by assets.

#### Severance payments in Austria under the old system

Under Austrian law prior to December 31, 2002, all Austrian employees are entitled in the event of retirement or involuntary termination of employment to severance pay ranging from two to twelve months of the last monthly salary depending on period of service. The severance payments of employees still subject to the old regulation have been recognized as defined benefit plans.

#### Long-service bonuses

Benefits to which employees are entitled due to their years of service for the company are also recognized as defined benefit plans.

#### Defined contribution plans

Contributions payable to a defined contribution plan are recognized as an expense immediately. A liability is only recognized if the accrued expense exceeds the contributions already paid. If the contribution already paid exceeds the contribution due for services before the balance sheet date, the excess is recognized as an asset (prepaid expense).

Defined contribution plans within the Group comprise the following:

#### Severance payments in Austria under the new system

Austrian law on severance payments has been changed to a defined contribution system of benefits. All Austrian employees joining a company after December 31, 2002, are subject to the new regulation as well as employees who voluntarily change to the new system. The new system has been recognized as a defined contribution plan in the consolidated financial statements.

### Earnings per share

Basic and diluted earnings per share (EPS) are based on the weighted average number of shares outstanding.

### Share-based payment

The Group used the transitional provisions of IFRS 2 under which IFRS 2 must only be applied to share-based payments granted after November 7, 2002 which have not vested before IFRS 2 is first applied. No stock options have been granted after November 7, 2002, and the options granted have not been modified. The Group only discloses the information required for share options granted before November 7, 2002. Reference is made to Note 40, "Share-Based Payment".

### New accounting regulations

The following standards and interpretations have been issued by the International Accounting Standards Board (IASB), but will only become effective for fiscal years beginning on or after January 1, 2008. These standards and interpretations have not been prematurely adopted by the Thiel Group:

- IAS 1 – Revised Presentation of Financial Statements
- IFRS 2 – Share-based Payments–Vesting Conditions and Cancellations
- IFRS 3R – Business Combinations
- IFRS 8 – Operating Segments
- IAS 23 – Borrowing Costs – Revised
- IAS 27R – Consolidated Financial Statements
- IAS 32/IAS 1 – Puttable Financial Instruments
- IFRIC 11 – IFRS 2 Group and Treasury Share Transactions (March 2007)

Standards issued by the IASB but not yet endorsed by the European Union:

- IAS 1 – Revised Presentation of Financial Statements
- IFRS 2 – Share-based Payments–Vesting Conditions and Cancellations
- IFRS 3R – Business Combinations
- IFRIC 12 – Service Concession Arrangements
- IFRIC 13 – Customer Loyalty Programmes
- IFRIC 14 – The Limit on Defined Benefit Assets, Minimum Funding Requirements and their Interaction
- IAS 23 – Borrowing Costs – Revised
- IAS 27R – Consolidated Financial Statements
- IAS 32/IAS 1 – Puttable Financial Instruments

The Thiel Group will adopt the above-mentioned standards and interpretations as of their obligatory adoption date. Changes to the accounting policies resulting from the adoption will not have significant influence on the consolidated financial statements.

### 3 Material business acquisitions

The Thiel Group did not make any material acquisitions in fiscal year 2007. In the course of bolt-on acquisitions of the Thiel Group, the business segment Air + Ocean together with Globistics Chile S.A. formed the Chilean company Birkart Globistics Chile S.A., Chile. The Group's holding is 66.7 %. The holding in Birkart Uluslarasi Nakliyat Ltd., Turkey, was increased to 50.1 %. Both companies were first consolidated as of January 1, 2007.

Holdings in FT Logistics AG, Switzerland, and Delacher + co Transport AG, Switzerland, were increased to 100 %. Through a successful squeeze out of minority shareholders, Thiel Logistik AG acquired the remaining shares in Microlog Logistics AG.

The acquisitions resulted in an outflow of funds in the Thiel Group of TEUR 8,493.

### 4 Segment reporting

#### Primary reporting format – business segments

The current segments reflect the management structure of the Thiel Group since July 1, 2007. In the new structure similar processes are bundled in the same segment. Figures for 2006 were adjusted to the new structure.

#### Solutions

The business segment Solutions offers contract logistics services for specific industries and customers, optimizing the entire logistics chain for its customers. This encompasses the operation of industry-specific net activities, too. The business segment Solutions comprises the business units Industrial Goods, Consumer Goods, Fashion and Media.

#### Air + Ocean

The business segment Air + Ocean bundles the international air and sea freight activities of the Thiel Group in the Europe Middle East, South East Asia, Far East, Americas and Africa business units.

#### Road + Rail

The business segment Road + Rail offers comprehensive forwarding services and individual transport solutions for general cargo and special transport in the business units Western Europe, Central Europe and Eastern Europe.

### Holdings

General expenses which cannot be directly allocated to the segments are shown in the “Holdings” column. The effects from the deconsolidation of companies sold in 2006 are treated as non-allocatable contributions and are likewise shown in the “Holdings” column.

Transactions between the segments are made at “arm’s length”, identical with transactions with third parties. The information on the business segments is reported after consolidation of intrasegment transactions. Transactions between the segments are eliminated in the column “Consolidation”.

Segment result: the result of each segment is measured by management based on the earnings before other financial income (expenses), interest expenses and income taxes. As far as possible, the general administrative expenses of the holding companies have been allocated to the business segments in line with the principle of causality.

Unallocated amounts: general corporate expenses not directly attributable to segments are reported in the column “Holdings”. The remaining items not included in segment result are reported separately in the reconciliation of segment results to the Group result.

Segment assets: segment assets include long-lived assets (excluding financial assets) and current assets (excluding income tax assets, cash and cash equivalents and securities). Goodwill has been allocated to the segments.

Segment liabilities: segment liabilities comprise short-term and long-term, non-interest bearing provisions and liabilities, excluding income tax liabilities.

Capital additions comprise additions to property, plant, and equipment and intangible assets (excluding goodwill) and additions from capitalization of finance lease contracts.

Depreciation and amortization relate to long-lived and intangible assets directly attributable to business segments (including amortization of capitalized customer contracts).

The tables below present segment information for the business segments for fiscal years 2007 and 2006:

	Solutions	Air + Ocean	Road + Rail	Holdings	Consolidation	Group
<b>Fiscal year 2007</b>	<i>in thousand €</i>					
<b>Net sales</b>						
External sales	746,193	502,290	791,826	2,799	-	2,043,108
Intersegment sales	13,625	19,602	20,705	-	-53,932	-
<b>Total net sales</b>	<b>759,818</b>	<b>521,892</b>	<b>812,531</b>	<b>2,799</b>	<b>-53,932</b>	<b>2,043,108</b>
<b>Earnings</b>						
<b>Segment result before restructuring costs and impairments</b>	<b>23,572</b>	<b>18,962</b>	<b>-1,418</b>	<b>-7,152</b>	<b>-</b>	<b>33,964</b>
Restructuring costs	-124	-28	-190	-1,966	-	-2,308
Impairment of goodwill	-6,000	-	-	-	-	-6,000
<b>Segment result</b>	<b>17,448</b>	<b>18,934</b>	<b>-1,608</b>	<b>-9,118</b>	<b>-</b>	<b>25,656</b>
Other financial income (expenses), net						350
<b>Earnings before interest and taxes (EBIT)</b>						<b>26,006</b>
Interest expenses, net						-17,123
<b>Income (loss) from continuing operations before income taxes</b>						<b>8,883</b>
Income taxes						-5,549
Income (loss) from discontinued operations, net of tax						0
<b>Net result</b>						<b>3,334</b>
<i>The Segment result includes:</i>						
Depreciation and amortization	-12,865	-1,611	-10,156	-5,166	-	-29,798
<i>thereof amortization of customer contracts</i>	<i>-2,422</i>	<i>-</i>	<i>-681</i>	<i>-</i>	<i>-</i>	<i>-3,103</i>
Non-cash portion of restructuring costs	-	-	140	203	-	343
Impairment of goodwill	-6,000	-	-	-	-	-6,000
<b>Balance sheet</b>						
Segment assets	335,231	132,963	283,660	57,639	-	809,493
Unallocated assets						102,811
<b>Total consolidated assets</b>						<b>912,304</b>
Segment liabilities	116,139	62,247	150,198	31,779	-	360,363
Unallocated liabilities						234,022
<b>Total consolidated liabilities</b>						<b>594,385</b>
<i>The Segment assets include:</i>						
<b>Capital additions</b>	<b>5,490</b>	<b>2,415</b>	<b>8,078</b>	<b>4,929</b>	<b>-</b>	<b>20,912</b>

	Solutions	Air + Ocean	Road + Rail	Holdings	Consolidation	Group
<b>Fiscal year 2006</b>						
<i>in thousand €</i>						
<b>Net sales</b>						
External sales	748,783	421,377	718,920	2,330	-	1,891,410
Intersegment sales	10,103	17,594	19,164	-	-46,861	-
<b>Total net sales</b>	<b>758,886</b>	<b>438,971</b>	<b>738,084</b>	<b>2,330</b>	<b>-46,861</b>	<b>1,891,410</b>
<b>Earnings</b>						
<b>Segment result before restructuring costs and impairments</b>	<b>20,847</b>	<b>15,876</b>	<b>-4,451</b>	<b>-5,225</b>	<b>-</b>	<b>27,047</b>
Restructuring costs	-3,369	-	-	-283	-	-3,652
Impairment of goodwill	-	-	-	-	-	-
<b>Segment result</b>	<b>17,478</b>	<b>15,876</b>	<b>-4,451</b>	<b>-5,508</b>	<b>-</b>	<b>23,395</b>
Other financial income (expenses), net						468
<b>Earnings before interest and taxes (EBIT)</b>						<b>23,863</b>
Interest expenses, net						-16,501
<b>Income (loss) from continuing operations before income taxes</b>						<b>7,362</b>
Income taxes						-4,970
Income (loss) from discontinued operations, net of tax						-317
<b>Net result</b>						<b>2,075</b>
<i>The Segment result includes:</i>						
Depreciation and amortization	-15,540	-1,683	-11,154	-5,219	-	-33,596
<i>thereof amortization of customer contracts</i>	<i>-2,481</i>	<i>-</i>	<i>-577</i>	<i>-</i>	<i>-</i>	<i>-3,058</i>
Non-cash portion of restructuring costs	2,848	-	12	130	-	2,990
Impairment of goodwill	-	-	-	-	-	-
<b>Balance sheet</b>						
Segment assets	357,487	119,678	275,716	58,036	-	<b>810,917</b>
Unallocated assets						102,183
<b>Total consolidated assets</b>						<b>913,100</b>
Segment liabilities	129,802	54,732	134,078	28,047	-	346,659
Unallocated liabilities						245,390
<b>Total consolidated liabilities</b>						<b>592,049</b>
<i>The Segment assets include:</i>						
Capital additions	6,290	1,526	14,174	5,167	-	27,157

### Secondary reporting format – segments by region

The Thiel Group is subdivided into six geographical regions according to their importance. Asia is headed by China, with more than 50 % of the segment's net sales, followed by Singapore and Korea. The segment "Other" is dominated by European countries with more than 80 %, the remaining share comprises South Africa, Australia and countries in South America.

Net sales from external customers have been allocated according to the geographical location of the assets.

Segment assets and all other geographical information are reported by location of the respective assets. Segment assets are defined as long-lived assets excluding financial assets and goodwill plus current assets excluding income taxes, cash, securities and assets of discontinued operations. Long-lived assets and capital additions comprise property, plant, and equipment and intangible assets excluding goodwill, both including the acquisition and capitalization of finance lease contracts.

The tables below present geographic information on net sales from external customers, segment assets, capital additions and long-lived assets for the for fiscal years 2007 and 2006:

<i>in thousand €</i>	2007		2006	
Germany	828,410	40.5 %	790,550	41.8 %
Austria	572,891	28.0 %	545,978	28.9 %
Eastern Europe	195,522	9.7 %	147,741	7.8 %
Asia	133,720	6.5 %	121,642	6.4 %
Switzerland	92,890	4.5 %	82,896	4.4 %
Other	219,675	10.8 %	202,603	10.7 %
<b>Total net sales</b>	<b>2,043,108</b>	<b>100.0 %</b>	<b>1,891,410</b>	<b>100.0 %</b>

<i>in thousand €</i>	Dec. 31, 2007		Dec. 31, 2006	
Germany	199,717	37.5 %	206,694	38.8 %
Austria	142,015	26.7 %	143,668	27.2 %
Eastern Europe	59,414	11.2 %	46,999	8.7 %
Asia	29,388	5.5 %	26,946	5.0 %
Switzerland	35,412	6.7 %	37,002	6.8 %
Other	66,414	12.4 %	71,101	13.5 %
<b>Total segment assets</b>	<b>532,360</b>	<b>100.0 %</b>	<b>532,410</b>	<b>100.0 %</b>
Goodwill	277,133		278,507	
Other unallocated assets	102,811		102,183	
<b>Total consolidated assets</b>	<b>912,304</b>		<b>913,100</b>	

<i>in thousand €</i>	2007		2006	
Germany	6,243	29.9 %	6,700	24.7 %
Austria	6,490	31.0 %	9,785	36.0 %
Eastern Europe	1,677	8.0 %	952	3.5 %
Asia	992	4.7 %	560	2.0 %
Switzerland	1,710	8.2 %	2,850	10.5 %
Other	3,800	18.2 %	6,310	23.3 %
<b>Total capital additions</b>	<b>20,912</b>	<b>100.0 %</b>	<b>27,157</b>	<b>100.0 %</b>

<i>in thousand €</i>	Dec. 31, 2007		Dec. 31, 2006	
Germany	84,459	39.9 %	92,093	41.1 %
Austria	68,405	32.3 %	69,732	31.2 %
Eastern Europe	19,376	9.2 %	19,102	8.5 %
Asia	1,749	0.8 %	1,621	0.7 %
Switzerland	20,061	9.5 %	21,305	9.5 %
Other	17,449	8.3 %	20,005	9.0 %
<b>Total long-lived assets</b>	<b>211,499</b>	<b>100.0 %</b>	<b>223,858</b>	<b>100.0 %</b>

## 5 Expenses by nature

<i>in thousand €</i>	2007	2006
Purchased services	-1,433,207	-1,288,099
Materials and supplies	-14,274	-20,330
Personnel expenses	-344,269	-335,039
Operating lease expenses (incl. rental expenses)	-68,799	-63,747
Depreciation and amortization	-29,768	-33,596
Other expenses	-125,483	-128,583
<b>Total cost of sales, selling and general and administrative expenses</b>	<b>-2,015,800</b>	<b>-1,869,394</b>

In essence, purchased services include transportation services acquired from third parties.

In the fiscal year 2007, "Other expenses" include services from Group auditors Ernst & Young totalling TEUR 1,473, of which TEUR 1,408 relates to audit fees and TEUR 65 to other services.

## 6 Other income and expenses

<i>in thousand €</i>	<b>2007</b>	<b>2006</b>
Foreign exchange gain	12,646	9,815
Gain from disposal of long-lived assets	2,784	1,648
Other operating income	5,486	7,597
Other financial income	562	439
<b>Other income</b>	<b>21,478</b>	<b>19,499</b>

<i>in thousand €</i>	<b>2007</b>	<b>2006</b>
Foreign exchange loss	-13,293	-11,056
Loss from disposal of long-lived assets	-322	-1,574
Other operating expenses	-700	-1,343
Other financial expenses	-157	-27
<b>Other expenses</b>	<b>-14,472</b>	<b>-14,000</b>

Net income from foreign exchange gains and losses are as follows:

<i>in thousand €</i>	<b>2007</b>	<b>2006</b>
Foreign exchange gains	12,646	9,815
Foreign exchange losses	-13,293	-11,056
<b>Foreign exchange effects, net</b>	<b>-647</b>	<b>-1,241</b>

The rise in foreign exchange gains and losses is due to increased transportation activities invoiced in foreign currencies. Material risks arising are reduced under financial risk management by using effective hedging instruments. For details of foreign exchange risks, see Note 35 "Financial risk management objectives and policies".

The other operating income in 2006 contains effects of TEUR 3,312 from the deconsolidation of subsidiaries.

## 7 Restructuring costs

Restructuring costs are costs incurred in the context of restructuring programs communicated throughout the Group and restructuring measures arising from operating business which are of material importance for the continuation of business and which, from a Group perspective, have a material influence on assets, financial position and performance.

In fiscal year 2007 expenses in connection with the reorganisation of the Thiel Group initiated by the Board of Directors of Thiel Logistik AG are reported as restructuring costs.

Out of expenditures totalling TEUR 2,308, TEUR 343 were transferred to the restructuring provision as of December 31, 2007. The remaining TEUR 1,965 were reported as expenses in 2007.

In the prior year, the result of the Thiel Group was affected by expenses from the restructuring of the former business segment Furniture, and specifically the insolvency of Lippe Logistik GmbH & Co. KG, Lange.

## 8 Impairment of goodwill

The insolvency of the main customer of the former business segment Furniture resulted in a significantly altered evaluation of the allocated goodwill, resulting in a necessary write-down of 6,000 TEUR during the year. The regular impairment test on September 30, 2007 did not show any further impairment.

For further information on the goodwill impairment test, please refer to Note 19, "Goodwill".

## 9 Interest income and expenses

The following table shows the composition of interest income and expenditure in fiscal years 2007 and 2006:

<i>in thousand €</i>	<b>2007</b>	<b>2006</b>
Interest income from bank accounts	641	770
Interest income from associated companies	–	11
Interest income from affiliated, not consolidated companies	47	85
Other interest income from third parties	616	598
<b>Interest income</b>	<b>1,304</b>	<b>1,464</b>

Interest income from third parties includes specifically interest on long-term trade accounts receivable, tax credits and interest included in rental income.

<i>in thousand €</i>	<b>2007</b>	<b>2006</b>
Interest income from bank accounts	–3,342	–2,651
Interest on bonds	–10,929	–10,886
Interest expenses from finance leases	–2,213	–2,356
Interest expenses from discounting pensions and other provisions	–1,410	–1,644
Interest and similar expenses to third parties	–533	–428
<b>Interest expenses</b>	<b>–18,427</b>	<b>–17,965</b>

<i>in thousand €</i>	<b>2007</b>	<b>2006</b>
Interest income	1,304	1,464
Interest expenses	–18,427	–17,965
<b>Interest expenses, net</b>	<b>–17,123</b>	<b>–16,501</b>

## 10 Income taxes

Income taxes within the Thiel Group are as follows:

<i>in thousand €</i>	<b>2007</b>	<b>2006</b>
Current income taxes	-7,411	-6,575
Deferred income taxes	1,862	1,605
<b>Total income taxes</b>	<b>-5,549</b>	<b>-4,970</b>

Reconciliation of expected income tax expenses to the tax expenses in the consolidated statement of income:

<i>in thousand €</i>	<b>2007</b>	<b>2006</b>
Income (loss) from continuing operations before income taxes	8,883	7,362
<b>Expected income tax benefit (expenses)</b> <b>(tax rate: 30.38 %, previous year: 30.38 %)</b>	<b>-2,699</b>	<b>-2,237</b>
Foreign tax rate differential	219	37
Income not subject to tax	2,211	7,492
Expenses not deductible for tax purposes	-1,615	-5,522
Tax income and expenses relating to prior periods	2,285	1,897
Valuation allowance of deferred tax assets	-3,914	-3,319
Other taxation effects	-2,036	-3,318
<b>Total income tax expenses recognized</b>	<b>-5,549</b>	<b>-4,970</b>
Effective tax rate (%)	-62.5	-67.5

## 11 Earnings per share

Undiluted earnings per share are calculated by dividing net profit for the year attributable to the shareholders of Thiel Logistik AG by the weighted average number of ordinary shares outstanding during the year. As there was no equity dilution in the fiscal years 2007 and 2006, the undiluted earnings per share represent diluted earnings per share.

<i>in thousand €</i>	<b>2007</b>	<b>2006</b>
Gain (loss) attributable to the equity holders of Thiel Logistik AG from continuing operations	1,662	1,216
Gain (loss) attributable to the equity holders of Thiel Logistik AG from discontinued operations	-	-317
<b>Net result attributable to the equity holders of Thiel Logistik AG</b>	<b>1,662</b>	<b>899</b>

<i>in shares</i>	<b>2007</b>	<b>2006</b>
<b>Weighted average number of ordinary shares outstanding</b>	<b>111,474,987</b>	<b>111,474,987</b>

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the preparation of these financial statements.

## 12 Cash and cash equivalents

Cash and cash equivalents comprise checks, cash in hand and bank balances with a total maturity of three months or less.

<i>in thousand €</i>	<b>Dec. 31, 2007</b>	<b>Dec. 31, 2006</b>
Cash	65,511	63,584
Cash equivalents	115	191
<b>Total cash and cash equivalents</b>	<b>65,626</b>	<b>63,775</b>

The average weighted interest rate on short-term bank deposits was 2.51 % (2006: 1.89 %). Cash and cash equivalents comprise restricted cash of TEUR 340 (2006: TEUR 424) due to securities for bank guarantees.

### 13 Trade accounts receivable

<i>in thousand €</i>	<b>Dec. 31, 2007</b>	<b>Dec. 31, 2006</b>
Trade accounts receivable due from:		
third parties	293,951	275,978
associated companies	-	591
affiliated companies, not consolidated	567	2,508
<b>Trade accounts receivable</b>	<b>294,518</b>	<b>279,077</b>
Less: allowance for doubtful accounts	-8,946	-9,023
<b>Trade accounts receivable, net</b>	<b>285,572</b>	<b>270,054</b>

The carrying amount of trade accounts receivable corresponds to their fair value. In 2007, the Group recognized net allowances of TEUR 4,274 (2006: TEUR 2,542) on receivables. Valuation allowances are reported as “selling costs” in the consolidated statement of income.

The allowances changed as follows:

<i>in thousand €</i>	Allowances	
	<b>2007</b>	<b>2006</b>
<b>Development of allowances</b>		
Opening balance of allowances	-9,023	-6,844
Currency adjustments	-74	-156
Additions	-5,966	-4,690
Utilization	3,247	636
Reversals	2,870	2,031
<b>Closing balance of allowances</b>	<b>-8,946</b>	<b>-9,023</b>

The table below shows the aging of unimpaired trade accounts receivable:

<i>in thousand €</i>	<b>Dec. 31, 2007</b>	<b>Dec. 31, 2006</b>
<b>Aging structure</b>		
not overdue	191,799	176,612
< 30 days	67,088	68,107
31 - 90 days	17,314	15,844
91 - 180 days	4,331	4,510
181 - 360 days	197	379
> 360 days	-	-

As of December 31, 2007, trade accounts receivable in the amount of TEUR 54,800 (2006: TEUR 40,300) were secured by guarantees.

#### 14 Inventories

<i>in thousand €</i>	<b>Dec. 31, 2007</b>	<b>Dec. 31, 2006</b>
Raw materials and supplies	3,547	5,565
Merchandise	3,757	8,793
Work in progress	-	95
<b>Total inventories</b>	<b>7,304</b>	<b>14,453</b>

Raw materials and supplies mainly include fuel, vehicle spare parts and tyres. Merchandise mostly comprises consumables of a customer and items that are held in the property of the Thiel Group by contractual agreement. No inventories were pledged.

#### 15 Income tax receivables

As of December 31, 2007, income tax receivables of TEUR 10,620 (2006: TEUR 8,367) include tax refunds from corporation tax credit of TEUR 2,742.

#### 16 Prepaid expenses and other current assets

<i>in thousand €</i>	<b>Dec. 31, 2007</b>	<b>Dec. 31, 2006</b>
Receivables from loans granted to:		
third parties	215	10
affiliated companies, not consolidated	1,495	1,049
Value added tax	8,074	9,336
Advance payments	8,447	6,985
Prepaid expenses and other current assets	8,670	5,574
<b>Total prepaid expenses and other current assets</b>	<b>26,901</b>	<b>22,954</b>

The difference between "Prepaid expenses and other current assets" as of December 31, 2007 and December 31, 2006 is primarily accounted for by advance payments of insurance contributions of TEUR 245 as well as receivables from the sale of long-term assets in the amount of TEUR 2,935.

### 17 Assets held-for-sale

Assets held for sale as of December 31, 2007 totaling TEUR 1,833 comprise a property held by the business segment Road + Rail (TEUR 1,438) and various assets held by the business segment Solutions in connection with the sale of the Gundelfingen location (TEUR 395). The contracts for the sale of these assets were signed in the fiscal year 2007.

### 18 Property, plant and equipment and intangible assets

#### Property, plant and equipment

The “Cost of sales” include depreciation on property, plant, and equipment of TEUR 19,317 (2006: TEUR 21,535). Furthermore, depreciation on property, plant and equipment of TEUR 695 (2006: TEUR 533) are reported as “Selling costs” and TEUR 2,534 (2006: TEUR 2,733) as “General and administrative costs”.

Property with a carrying amount of TEUR 55,331 (2006: 55,280) is mortgaged to secure current loans. Other long-lived assets with a carrying amount of TEUR 1,315 (2006: TEUR 1,098) were pledged.

Disposals include reclassification of assets as held for sale in the amount of TEUR 1,833.

#### Intangible assets

Depreciation on intangible assets of TEUR 5,359 (2006: TEUR 5,718) is included in “Cost of sales”. A further TEUR 280 (2006: TEUR 257) relates to “Selling costs” and TEUR 1,611 (2006: TEUR 2,819) to “General and administrative costs”.

Estimated future annual amortization on capitalized customer contracts amounts to TEUR 1,100 for each of the fiscal years 2008 and 2009 and TEUR 84 for fiscal year 2010.

	Acquisition cost						Dec. 31, 2007
	Jan. 1, 2007	Changes in scope of consolidation	Additions	Transfers	Disposals	Currency adjustment	
<i>in thousand €</i>							
Land and buildings	237,346	-349	1,715	9,327	-2,080	-272	245,687
<i>thereof finance lease</i>	58,694	-	655	-	-	-26	59,323
Machinery and equipment	57,536	-250	2,237	-98	-767	-170	58,488
<i>thereof finance lease</i>	14,195	-55	459	-370	-93	-12	14,124
Tools, fixtures, furniture, office equipment	76,445	274	6,145	-2,411	-8,378	-417	71,658
<i>thereof finance lease</i>	2,179	-	369	-1,341	-105	3	1,105
Fleet of cars	60,928	1,365	3,028	4,918	-13,048	346	57,537
<i>thereof finance lease</i>	17,767	1,295	423	-28	-6,415	460	13,502
Construction in progress	7,579	559	3,017	-9,639	-26	-17	1,473
<b>Property, plant and equipment</b>	<b>439,835</b>	<b>1,598</b>	<b>16,142</b>	<b>2,097</b>	<b>-24,299</b>	<b>-530</b>	<b>434,843</b>
<i>thereof finance lease</i>	92,835	1,240	1,906	-1,739	-6,613	425	88,054
Concessions, licenses, copyrights	4,364	146	374	-	-106	17	4,795
Customer contracts acquired	20,701	-	-	-	-	70	20,771
Software	42,314	-28	2,842	487	-779	-127	44,709
<i>thereof finance lease</i>	11	-	-	-	-	-	11
Construction in progress	893	-	1,553	-467	-143	-	1,836
<b>Intangible assets</b>	<b>68,272</b>	<b>118</b>	<b>4,769</b>	<b>20</b>	<b>-1,028</b>	<b>-40</b>	<b>72,111</b>
<i>thereof finance lease</i>	11	-	-	-	-	-	11

	Acquisition cost						Dec. 31, 2006
	Jan. 1, 2006	Changes in scope of consolidation	Additions	Transfers	Disposals	Currency adjustment	
<i>in thousand €</i>							
Land and buildings	242,053	-1,032	1,404	67	-4,543	-603	237,346
<i>thereof finance lease</i>	60,078	-	-	-1,398	-	14	58,694
Machinery and equipment	57,199	-1,438	2,817	840	-1,672	-210	57,536
<i>thereof finance lease</i>	12,465	-	1,681	58	-	-9	14,195
Tools, fixtures, furniture, office equipment	82,014	-4,761	6,039	-395	-5,962	-489	76,446
<i>thereof finance lease</i>	2,198	-	163	252	-421	-13	2,179
Fleet of cars	74,164	-132	5,178	23	-18,197	-108	60,928
<i>thereof finance lease</i>	18,746	41	2,352	-49	-3,350	27	17,767
Construction in progress	974	-	7,085	-480	-	-	7,579
<b>Property, plant and equipment</b>	<b>456,404</b>	<b>-7,363</b>	<b>22,523</b>	<b>55</b>	<b>-30,374</b>	<b>-1,410</b>	<b>439,835</b>
<i>thereof finance lease</i>	93,487	41	4,196	-1,137	-3,771	19	92,835
Concessions, licenses, copyrights	4,432	-41	70	-	-96	-1	4,364
Customer contracts acquired	26,768	-6,327	-	-	-	260	20,701
Software	35,072	79	4,103	3,411	-248	-103	42,314
<i>thereof finance lease</i>	13	-	-	-	-	-2	11
Construction in progress	3,888	-	461	-3,456	-	-	893
<b>Intangible assets</b>	<b>70,160</b>	<b>-6,289</b>	<b>4,634</b>	<b>-45</b>	<b>-344</b>	<b>156</b>	<b>68,272</b>
<i>thereof finance lease</i>	13	-	-	-	-	-2	11

Jan. 1, 2007	Accumulated amortization, depreciation and impairment						Carrying amount		
	Changes in scope of consolidation	Current year depreciation/amortization	Impairments	Transfers	Disposals	Currency adjustment	Dec. 31, 2007	Dec. 31, 2007	Dec. 31, 2006
89,302	-578	6,485	-	4	-460	5	94,758	150,929	148,044
16,349	-	2,085	-	-	-	-4	18,430	40,893	42,345
42,783	-451	3,580	-	-123	-608	-132	45,049	13,439	14,753
5,804	-33	1,823	-	-219	-47	5	7,333	6,791	8,391
58,043	223	6,733	-	-1,133	-7,680	-331	55,855	15,803	18,403
1,467	-	142	-	-954	-68	-7	580	525	712
44,196	410	5,748	-	3,369	-10,575	269	43,417	14,120	16,732
10,308	381	2,573	-	-27	-5,160	358	8,433	5,069	7,459
-	-	-	-	-	-	-	-	1,473	7,579
<b>234,324</b>	<b>-396</b>	<b>22,546</b>	<b>-</b>	<b>2,117</b>	<b>-19,323</b>	<b>-189</b>	<b>239,079</b>	<b>195,764</b>	205,511
33,928	348	6,624	-	1,200	-5,275	352	34,776	52,278	58,907
2,845	105	407	-	-	-103	15	3,266	1,526	1,519
15,236	-	3,103	-	-	-	27	18,366	2,405	5,465
31,665	-41	3,741	-	-	-696	-106	34,562	10,147	10,649
10	-	-	-	-	-	-	10	-	1
179	-	-	-	-	-	-	179	1,657	714
<b>49,925</b>	<b>64</b>	<b>7,251</b>	<b>-</b>	<b>-</b>	<b>-799</b>	<b>-64</b>	<b>56,375</b>	<b>15,735</b>	18,347
10	-	-	-	-	-	-	10	-	1

Jan. 1, 2006	Accumulated amortization, depreciation and impairment						Carrying amount		
	Changes in scope of consolidation	Current year depreciation/amortization	Impairments	Transfers	Disposals	Currency adjustment	Dec. 31, 2006	Dec. 31, 2006	Dec. 31, 2005
83,540	-202	6,399	-	-	-395	-40	89,302	148,044	158,513
14,223	-	2,159	-	-39	-	6	16,349	42,345	45,855
40,645	-720	3,896	-	482	-1,365	-155	42,783	14,753	16,554
4,080	-	1,722	-	1	-	1	5,804	8,391	8,385
60,136	-3,432	7,568	-	-498	-5,377	-354	58,043	18,403	21,878
1,568	-	143	-	143	-376	-11	1,467	712	630
50,566	-159	6,939	-	26	-13,101	-75	44,196	16,732	23,598
9,245	3	3,071	-	29	-2,070	30	10,308	7,459	9,501
-	-	-	-	-	-	-	-	7,579	974
<b>234,887</b>	<b>-4,513</b>	<b>24,802</b>	<b>-</b>	<b>10</b>	<b>-20,238</b>	<b>-624</b>	<b>234,324</b>	<b>205,511</b>	221,517
29,116	3	7,095	-	134	-2,446	26	33,928	58,907	64,371
2,109	-39	868	-	-	-93	-	2,845	1,519	2,323
18,425	-6,327	3,058	-	-	-	80	15,236	5,465	8,343
27,025	106	4,868	-	-	-243	-91	31,665	10,649	8,047
11	-	1	-	-	-	-2	10	1	2
179	-	-	-	-	-	-	179	714	3,709
<b>47,738</b>	<b>-6,260</b>	<b>8,794</b>	<b>-</b>	<b>-</b>	<b>-336</b>	<b>-11</b>	<b>49,925</b>	<b>18,347</b>	22,422
11	-	1	-	-	-	-2	10	1	2

## 19 Goodwill

	Goodwill				
	Jan. 1, 2007	Additions	Impairment losses	Disposals	Dec. 31, 2007
<i>in thousand €</i>					
Acquisition costs	285,363	4,995	-	-369	289,989
Accumulated impairment	-6,856	-	-6,000	-	-12,856
<b>Carrying amount</b>	<b>278,507</b>	<b>4,995</b>	<b>-6,000</b>	<b>-369</b>	<b>277,133</b>

	Goodwill				
	Jan. 1, 2006	Additions	Impairment losses	Disposals	Dec. 31, 2006
<i>in thousand €</i>					
Acquisition costs	284,180	1,230	-	-47	285,363
Accumulated impairment	-6,856	-	-	-	-6,856
<b>Carrying amount</b>	<b>277,324</b>	<b>1,230</b>	<b>-</b>	<b>-47</b>	<b>278,507</b>

Due to the reorganization of the Thiel Group in the reporting period, for the purposes of impairment testing a reallocation of goodwill to cash-generating units was required. This was done in accordance with IAS 36.87 using a relative-value approach. The defined cash-generating units are the three business segments Solutions, Air + Ocean and Road + Rail.

Due to the insolvency of a major customer in the new furniture logistics of the former business unit Furniture, and the resulting change in medium-term expectations for sales and earnings, goodwill was written down by 6.0 million euros. In the new structure, the impairment is shown in the cash-generating unit Solutions.

### Goodwill impairment test

Goodwill acquired through business combinations has been allocated to the following cash-generating units for impairment testing:

- Solutions
- Air + Ocean
- Road + Rail

The recoverable amount of all cash-generating units is determined based on a value-in-use calculation using cash flow projections based on financial budgets for a five-year period. The discount rate used for the cash flow projections is between 7.9 % and 8.1 % (2006: 7.7 % and 7.8 %) for the five-year period. Cash flows after the five-year period are extrapolated using a growth rate of 1 % to 2 % (2006: 1 % to 2 %).

The carrying amount of goodwill was allocated to the cash-generating units as follows:

<i>in thousand €</i>	<b>Dec. 31, 2007</b>	<b>Dec. 31, 2006</b>
Solutions	165,115	169,849
Air + Ocean	45,386	42,026
Road + Rail	66,632	66,632
<b>Goodwill</b>	<b>277,133</b>	<b>278,507</b>

The following describes key assumptions used to calculate the value of cash-generating units as of December 31, 2007 and 2006 on which cash flow projections for goodwill impairment testing are based.

- Budgeted sales growth rates – the forecast growth rates of the respective sectors are used to determine the budgeted sales growth rates
- Budgeted operating profit margins – the profit margins generated in the immediately preceding year, increased for expected efficiency improvements, are used to determine the budgeted operating profit margins.

As in the previous year, the review of goodwill impairment in the impairment test as of September 30, 2007 did not lead to any impairment. A long-term growth rate of 1 % applied to all cash-generating units would not result in any impairment. An increase of 1 % in the discount rate used in the cash flow forecast leads to an impairment risk at the cash-generating unit Road + Rail amounting to 6.0 million euros, assuming other conditions were unchanged.

## 20 Financial assets

### Statement of changes in investments

<i>in thousand €</i>	Acquisition cost					Dec. 31, 2007
	Jan. 1, 2007	Changes in scope of consolidation	Additions	Disposals	Currency adjustment	
Investments in associated companies	255	-105	53	-42	-2	159
Investments in affiliated companies, not consolidated	2,943	-716	17	-55	-	2,189
Other investments	292	-154	113	-4	1	248
Advance payments for investments	114	-	-	-114	-	-
<b>Total</b>	<b>3,604</b>	<b>-975</b>	<b>183</b>	<b>-215</b>	<b>-1</b>	<b>2,596</b>

### Statement of changes in securities

<i>in thousand €</i>	Acquisition cost					Dec. 31, 2007	
	Jan. 1, 2007	Foreign exchange difference opening balance	Changes in scope of consolidation	Additions	Disposals		Currency adjustment
Securities, available-for-sale	2,211	-2	-30	-	-518	-	1,661
Securities, held-to-maturity	462	-	-	2	-	-	464
<b>Total</b>	<b>2,673</b>	<b>-2</b>	<b>-30</b>	<b>2</b>	<b>-518</b>	<b>-</b>	<b>2,125</b>

#### Investments in associated companies

Under the equity method, investments are recognized at initial acquisition cost and then adjusted for changes in capital and the share of current gains, losses and dividends received.

The carrying amount of the investments in associates at December 31, 2007 amounted to TEUR 159 (2006: TEUR 255) and represents the Group's share of shareholders' equity in the relevant companies.

#### Investments in affiliated non-consolidated companies and other investments

The changes at non-consolidated companies primarily relate to the first time consolidation of a number of small companies in fiscal year 2007 and the liquidation of an inactive company.

	Accumulated impairments					Carrying amount		
	Jan. 1, 2007	Changes in scope of consolidation	Additions	Disposals	Currency adjustments	Dec. 31, 2007	Dec. 31, 2007	Dec. 31, 2006
	-	-	-	-	-	-	159	255
	622	-	-	-	1	623	1,566	2,321
	31	-	10	-	-	41	207	261
	-	-	-	-	-	-	-	114
	<b>653</b>	-	<b>10</b>	-	<b>1</b>	<b>664</b>	<b>1,932</b>	2,951

	Accumulated unrealized holding gains and losses							Carrying amount		
	Jan. 1, 2007	Foreign exchange difference beginning balance	Changes in scope of consolidation	Un-realized holding losses	Un-realized holding gains	Acc. Unrealized losses and gains & losses of retirement	Currency adjustments	Dec. 31, 2007	Dec. 31, 2007	Dec. 31, 2006
	164	-	-	41	-19	-26	-	160	1,501	2,047
	-	-	-	-	-	-	-	-	464	462
	<b>164</b>	-	-	<b>41</b>	<b>-19</b>	<b>-26</b>	-	<b>160</b>	<b>1,965</b>	<b>2,509</b>

#### Securities

The securities comprise only listed available-for-sale and held-to-maturity securities. The available-for-sale securities comprise investment funds and debt securities to cover pension provisions and severance payments.

#### Available-for-sale securities

The following tables show the amortized cost, fair value and unrealized gains and losses for 2007 and 2006:

	Dec. 31, 2007				Dec. 31, 2006			
	Amortized cost	Un-realized gains	Un-realized losses	Fair value	Amortized cost	Un-realized gains	Un-realized losses	Fair value
<i>in thousand €</i>								
Investment funds	1,643	-	-160	1,483	2,190	148	-312	2,026
Debt securities	18	-	-	18	21	-	-	21
<b>Total available-for-sale securities</b>	<b>1,661</b>	-	<b>-160</b>	<b>1,501</b>	<b>2,211</b>	<b>148</b>	<b>-312</b>	<b>2,047</b>

The remaining maturities of available-for-sale debt securities are as follows:

	Dec. 31, 2007				Dec. 31, 2006			
	Due within 1 year	Due between 1-5 years	Due after 5 years	Carrying amount	Due within 1 year	Due between 1-5 years	Due after 5 years	Carrying amount
<i>in thousand €</i>								
Debt securities	-	-	18	18	-	-	21	21
<b>Total available-for-sale securities</b>	<b>-</b>	<b>-</b>	<b>18</b>	<b>18</b>	<b>-</b>	<b>-</b>	<b>21</b>	<b>21</b>

Proceeds from the sale of available-for-sale securities amounted to TEUR 461 in fiscal year 2007 (2006: TEUR 1,495). This resulted in a disposal effect of TEUR 99 (2006: TEUR -97).

#### Held-to-maturity securities

The held-to-maturity securities comprise debt securities. Their remaining maturities are as follows:

	Dec. 31, 2007				Dec. 31, 2006			
	Due within 1 year	Due between 1-5 years	Due after 5 years	Carrying amount	Due within 1 year	Due between 1-5 years	Due after 5 years	Carrying amount
<i>in thousand €</i>								
Debt securities	-	371	93	464	-	370	92	462
<b>Total held-to-maturity securities</b>	<b>-</b>	<b>371</b>	<b>93</b>	<b>464</b>	<b>-</b>	<b>370</b>	<b>92</b>	<b>462</b>

As of the balance sheet date December 31, 2007, securities in the amount of TEUR 439 (2006: TEUR 439) were pledged for a credit facility at the business segment Road + Rail.

## Loans granted

<i>in thousand €</i>	Dec. 31, 2007				Dec. 31, 2006			
	Due within 1 year	Due between 1-5 years	Due after 5 years	Carrying amount	Due within 1 year	Due between 1-5 years	Due after 5 years	Carrying amount
Receivables from loans granted to affiliated companies, not consolidated	-	-	-	-	-	890	858	1,748
Receivables from loans granted to third parties	17	-	-	17	15	-	-	15
<b>Total granted loans</b>	<b>17</b>	<b>-</b>	<b>-</b>	<b>17</b>	<b>15</b>	<b>890</b>	<b>858</b>	<b>1,763</b>

Loans granted of TEUR 17 (2006: TEUR 1,763) are included in the balance sheet item “Other non-current assets” and reference is made to Note 22, “Other non-current assets”.

## 21 Deferred taxes

Deferred tax assets and liabilities consist of the following:

<i>in thousand €</i>	Dec. 31, 2007		Dec. 31, 2006	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Intangible assets	1,361	9,234	1,779	12,338
Property, plant and equipment	1,878	14,589	2,314	17,678
Financial assets	136	128	205	74
Current assets	247	432	148	5,398
Provisions	3,248	512	4,791	542
Liabilities	1,244	528	1,781	533
Tax loss carry-forwards	117,589	-	113,571	-
Valuation allowance	-96,925	-	-85,625	-
Amounts offset	-7,856	-7,856	-17,258	-17,258
<b>Total deferred taxes</b>	<b>20,922</b>	<b>17,567</b>	<b>21,706</b>	<b>19,305</b>

Tax loss carry-forwards are as follows:

<i>in thousand €</i>	Dec. 31, 2007	Dec. 31, 2006
Loss carry-forward		
- can be carried forward indefinitely	376,988	365,476
- can be carried forward for a limited period (1-15 years)	48,190	48,437
<b>Total tax loss carry-forwards</b>	<b>425,178</b>	<b>413,913</b>

## 22 Other non-current assets

Other non-current assets include the following:

	<i>in thousand €</i>	Dec. 31, 2007	Dec. 31, 2006
Loans granted		17	1,763
Miscellaneous non-current assets		980	2,203
<b>Total other non-current assets</b>		<b>997</b>	<b>3,966</b>

The loans granted in fiscal year 2006 include a loan to a company which was included in the consolidation for the first time in fiscal year 2007.

## 23 Financial liabilities

The short-term and long-term financial liabilities and the current portion of the long-term debt, classified by maturity, are shown below:

	Dec. 31, 2007							Carrying amount	Average rate of interest
	2008	2009	2010	2011	2012	There-after			
<i>in thousand €</i>									
Short-term financial liabilities	4,090	-	-	-	-	-	4,090	5.10 %	
Current portion of long-term financial liabilities <sup>1</sup>	4,447	-	-	-	-	-	4,447	4.94 %	
<b>Total</b>	<b>8,537</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,537</b>		
Long-term financial liabilities <sup>2</sup>	-	4,977	6,327	4,211	3,418	14,760	33,693	4.94 %	
<b>Total</b>	<b>-</b>	<b>4,977</b>	<b>6,327</b>	<b>4,211</b>	<b>3,418</b>	<b>14,760</b>	<b>33,693</b>		

<sup>1</sup> Including accrued interest on bonds payable

<sup>2</sup> Not including corporate bond

	Dec. 31, 2006							Carrying amount	Average rate of interest
	2007	2008	2009	2010	2011	There-after			
<i>in thousand €</i>									
Short-term financial liabilities	3,625	-	-	-	-	-	3,625	4.55 %	
Current portion of long-term financial liabilities <sup>1</sup>	5,150	-	-	-	-	-	5,150	4.61 %	
<b>Total</b>	<b>8,775</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,775</b>		
Long-term financial liabilities <sup>2</sup>	-	7,173	7,160	6,268	2,025	12,283	34,909	4.61 %	
<b>Total</b>	<b>-</b>	<b>7,173</b>	<b>7,160</b>	<b>6,268</b>	<b>2,025</b>	<b>12,283</b>	<b>34,909</b>		

<sup>1</sup> Including accrued interest on bonds payable

<sup>2</sup> Not including corporate bond

As of December 31, 2007, the Group had credit commitments and borrowing facilities with various banks amounting to TEUR 96,763 (2006: TEUR 118,415) of which TEUR 40,068 was drawn (2006: TEUR 41,109).

Long-term financial liabilities are secured by several mortgages on long-lived assets totaling TEUR 42,193 (2006: TEUR 44,805). In addition, certain assets in the amount of TEUR 1,315 (2006: TEUR 2,411) have been pledged as collateral.

## 24 Corporate bond

In December 2004, Thiel Logistik AG issued a senior subordinated bond with a nominal value of TEUR 130,000. Expenses relating directly to the issuance of the bond amounted to TEUR 4,972. Bond issuance expenses are amortized over the term of the bond using the effective interest rate method. The carrying amount of the bond as of December 31, 2007 was TEUR 126,642 (2006: TEUR 126,112).

Interest on the bond has been fixed at the annual rate of 8 % and is payable in arrears on June 15 and December 15 of each year. The maturity date of the bond is December 15, 2012.

The bond can be redeemed prematurely in full or in part from December 15, 2008 onwards at the rates shown below (expressed as a percentage of the nominal value):

	Call Price
2008	104 %
2009	102 %
2010 and thereafter	100 %

At the early redemption date Thiel Logistik AG also has to pay interest accrued since the last interest date.

Prior to December 15, 2008, the Thiel Logistik AG may also redeem the bond in full or in part by paying the interest payments avoided until the bond matures ("make-whole" premium). At any time after December 15, 2010, the Thiel Logistik AG is entitled to redeem the bond in full or in part at nominal value.

As part of the issuance of the bond, future bank borrowings and other senior financial liabilities (including finance lease obligations) of the Thiel Group are subject to specific requirements, the most important of which is staying within defined ceilings for the total financial debt of the Thiel Group. The bond agreement also limits the Thiel Group in its ability to distribute dividends and make other payments. In the event of a third party acquiring the majority of voting share capital of the issuer, or, in the event of a merger, a majority of voting share capital of the merged company, or in case of liquidation of the company by resolution of the Annual General Meeting, or if certain assets are disposed of, the company is obliged under certain conditions to offer bond holders premature redemption of the bond at a rate of 101 % plus interest accrued since the last interest date.

As of December 31, 2007, the Thiel Group was in compliance with the provisions of the loan agreement.

The bond has been listed for trading on the Luxembourg Stock Exchange since December 13, 2004 (ISIN XS0207922054). As of December 31, 2007, the fair value of the bond was TEUR 125,125 (December 31, 2006: TEUR 128,593), based on quoted market prices.

## 25 Derivative financial instruments

As of December 31, 2007, derivative financial instruments are included in the balance sheet line items “Prepaid expenses and other current assets” and “Other short-term liabilities”. The maximum term of derivative financial instruments is up to three months. The following tables show the fair values and the nominal amounts of the derivative financial instruments and their maturities:

<i>in thousand €</i>	<b>Dec. 31, 2007</b>			
	Nominal amount		Fair value	
	Up to 1 year	Over 1 year	Up to 1 year	Over 1 year
<b>Assets</b>				
Forward foreign exchange contracts	2,948	-	12	-
<b>Total</b>	<b>2,948</b>	<b>-</b>	<b>12</b>	<b>-</b>
<b>Liabilities</b>				
Forward foreign exchange contracts	25,052	-	184	-
<b>Total</b>	<b>25,052</b>	<b>-</b>	<b>184</b>	<b>-</b>

<i>in thousand €</i>	<b>Dec. 31, 2006</b>			
	Nominal amount		Fair value	
	Up to 1 year	Over 1 year	Up to 1 year	Over 1 year
<b>Assets</b>				
Forward foreign exchange contracts	14,489	-	77	-
<b>Total</b>	<b>14,489</b>	<b>-</b>	<b>77</b>	<b>-</b>
<b>Liabilities</b>				
Forward foreign exchange contracts	4,380	-	8	-
<b>Total</b>	<b>4,380</b>	<b>-</b>	<b>8</b>	<b>-</b>

The assets are matched by liabilities from the valuation of underlying financial transactions. Liabilities from foreign exchange forward transactions are matched by assets from the valuation of underlying internal financial transactions.

## 26 Trade accounts payable

	<i>in thousand €</i>	<b>Dec. 31, 2007</b>	<b>Dec. 31, 2006</b>
Trade accounts payable due to:			
third parties		252,891	238,315
affiliated companies, not consolidated		152	179
<b>Total trade accounts payable</b>		<b>253,043</b>	<b>238,494</b>

## 27 Income tax liabilities

<i>in thousand €</i>	<b>Jan. 2007</b>	Changes in scope of consolidation	Additions	Utilization	Reversal	Transfers	Currency adjustment	<b>Dec. 31, 2007</b>
Deferred income tax expenses	17,244	177	9,253	-4,587	-3,113	-738	-339	17,897
Tax prepayments	-5,883	-158	-7,097	2,207	172	736	165	-9,858
<b>Total income tax liabilities</b>	<b>11,361</b>	<b>19</b>	<b>2,156</b>	<b>-2,380</b>	<b>-2,941</b>	<b>-2</b>	<b>-174</b>	<b>8,039</b>

The recognized liabilities are calculated from deferred tax expenses for fiscal year 2007 and prior fiscal years, less prepayments made.

## 28 Other liabilities

	<i>in thousand €</i>	<b>Dec. 31, 2007</b>	<b>Dec. 31, 2006</b>
Liabilities relating to personnel			
Wages and salaries		17,385	17,435
Social securities		4,679	5,067
Not consumed vacation		6,546	6,325
Other taxes and levies		15,366	14,456
Other payables due to affiliated companies, not consolidated		4	4
Advances received from customers		2,211	2,744
Other liabilities, accruals and deferred income		13,207	8,639
<b>Total other short-term liabilities</b>		<b>59,398</b>	<b>54,670</b>

Other short-term liabilities include financial liabilities under IAS 32.11 of TEUR 13,540 (2006: TEUR 7,902).

	<i>in thousand €</i>	<b>Dec. 31, 2007</b>	<b>Dec. 31, 2006</b>
Other non-current liabilities		3,759	2,840
Deferred income		495	41
<b>Total other long-term liabilities</b>		<b>4,254</b>	<b>2,881</b>

Other long-term liabilities include financial liabilities under IAS 32.11 of TEUR 4,041 (2006: TEUR 166). The remaining maturities of the financial liabilities included in other long-term liabilities are shown below:

	<i>in thousand €</i>	<b>Dec. 31, 2007</b>	<b>Dec. 31, 2006</b>
Due within 1 year		13,540	7,902
Due within 1–5 years		3,613	166
Due after 5 years		428	–
<b>Other financial liabilities</b>		<b>17,581</b>	<b>8,068</b>

## 29 Other provisions

<i>in thousand €</i>	<b>Jan. 1, 2007</b>	Changes in scope of consolidations	Additions	Utilization	Reversal	Transfers	Currency adjustment	<b>Dec. 31, 2007</b>
Provisions for litigations and claims	731	–38	194	–111	–272	77	–8	573
Provisions for pending losses	583	–	–	–183	–400	–	–	–
Provisions for warranties	2,861	–	1,150	–912	–594	133	–2	2,636
Restructuring reserve	2,536	–	343	–1,884	–378	–	–	617
Other short-term provisions	8,018	–12	5,882	–3,583	–1,196	–2,704	–46	6,359
<b>Total short-term provisions</b>	<b>14,729</b>	<b>–50</b>	<b>7,569</b>	<b>–6,673</b>	<b>–2,840</b>	<b>–2,494</b>	<b>–56</b>	<b>10,185</b>

<i>in thousand €</i>	<b>Jan. 1, 2007</b>	Changes in scope of consolidations	Additions	Utilization	Reversal	Transfers	Currency adjustment	<b>Dec. 31, 2007</b>
<b>Other long-term provisions</b>	<b>33</b>	<b>–</b>	<b>4</b>	<b>–</b>	<b>–8</b>	<b>–</b>	<b>–</b>	<b>29</b>

As of December 31, 2007, provisions for litigation totaled TEUR 573 (2006: TEUR 731). The amount is related to various litigation risks in different companies within the Thiel Group with no single amount exceeding TEUR 150. Provisions for warranties and product damages concerning the operating businesses amounted to TEUR 2,636 (2006: TEUR 2,861). This provision mainly comprises provisions for damages. As of December 31, 2007, TEUR 274 of the restructuring provision recognized in fiscal years 2005 and 2006 remained. This predominantly amounts for one off severance payments and redundancy plans, which will probably be paid out in 2008. For details on the additions to the restructuring reserve, please refer to Note 7, “Restructuring costs”.

### 30 Obligations under finance leases

Within the Thiel Group certain items of property, plant and equipment are financed through finance leases. This mainly relates to buildings and vehicles. Interest rates and other interest conditions are fixed at the contract date. Some finance leases contain renewal options, purchase options and price adjustment clauses. Finance leases do not provide for conditioned rentals nor do they contain restrictions on the Group's activities concerning dividends, additional debt or further leasing.

Obligations under finance leases are as follows:

	Dec. 31, 2007		
	Future minimum lease payments	Less: future finance charges	Present value of future minimum lease payments
<i>in thousand €</i>			
2008	7,649	-2,177	5,472
2009	5,999	-1,885	4,114
2010	5,809	-1,662	4,147
2011	4,234	-1,451	2,783
2012	3,413	-1,200	2,213
Thereafter	27,407	-6,595	20,812
<b>Total</b>	<b>54,511</b>	<b>- 14,970</b>	<b>39,541</b>

Payments of TEUR 229 (2006: TEUR 345) are expected from the subleasing of vehicles and buildings under finance leases in future periods.

### 31 Retirement and other employee-related obligations

Retirement and other employee-related obligations within the Thiel Group comprise defined benefit plans and defined contribution plans. In accordance with the "third option" under IAS 19, actuarial gains and losses related to pension and other postemployment benefits are recognized as a separate component of shareholders' equity. The rate of interest used to discount long-term employee obligations was raised from 4.5 % to 5.25 % in the reporting period.

#### Defined benefit plans

The defined benefit plans comprise pension obligations (funded and unfunded pension benefits), long-term severance benefits and long-service bonuses. The expenses for defined benefit plans in the consolidated income statement are as follows:

	<i>in thousand €</i>	2007	2006
Expenses for funded pension benefits		-69	-240
Expenses for unfunded pension benefits		-777	-1,044
Expenses for other benefits		-1,528	-1,772
<b>Expenses for benefits</b>		<b>-2,374</b>	<b>-3,056</b>

Expenses for defined plans recognized in the Consolidated Balance Sheets are as follows:

<i>in thousand €</i>	<b>Dec. 31, 2007</b>	<b>Dec. 31, 2006</b>
Funded pension benefits	815	1,183
Unfunded pension benefits	19,568	20,064
Other benefits	12,509	13,175
<b>Provisions for retirement and other employee-related obligations</b>	<b>32,892</b>	<b>34,422</b>

#### Pension benefits

The expenses for pension benefits in the consolidated income statement are as follows:

<i>in thousand €</i>	Funded pension benefits		Unfunded pension benefits	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
Current service costs	-26	-181	-106	-163
Interest expenses	-55	-111	-888	-881
Past service costs	-	-	217	-
Return on plan assets	12	52	-	-
<b>Pension expenses</b>	<b>-69</b>	<b>-240</b>	<b>-777</b>	<b>-1,044</b>

Of the total pension expenses of TEUR 846 (2006: TEUR 1,284), TEUR 469 (2006: TEUR 898) was included in "Cost of sales", TEUR 107 (2006: TEUR 100) in "Selling costs" and TEUR 270 (2006: TEUR 286) in "General and administrative costs".

The income from past service costs results from the riste fo statutory retirement age in Germany up to 67 years.

The net pension benefit obligation from defined benefit plans breaks down as follows:

<i>in thousand €</i>	<b>Dec. 31, 2007</b>	<b>Dec. 31, 2006</b>
Defined benefit plans	21,528	22,813
Fair value of plan assets	-1,145	-1,566
<b>Net pension benefit obligation</b>	<b>20,383</b>	<b>21,247</b>

The present value of projected pension benefits, the development of plan assets and funding status for the fiscal years 2007 and 2006 are as follows:

	Funded pension benefits		Unfunded pension benefits	
	Dec. 31, 2007	Dec. 31, 2006	Dec. 31, 2007	Dec. 31, 2006
<i>in thousand €</i>				
<b>Change in pension benefits</b>				
Opening balance of pension benefits	2,749	1,832	20,064	29,027
Current service costs	26	181	106	163
Interest expenses	55	111	888	881
Past service costs	-	-	-217	-
Actuarial (gains) losses	-169	27	-1,399	-139
Changes in the scope of consolidation	-	-	-	-8,636
Exchange rate changes	3	1	12	-11
Benefits paid	-73	-10	-1,076	-1,044
Transfer of funded to unfunded pension benefits	-1,081	-	1,065	-
Other changes	450	607	126	-177
<b>Ending balance of pension benefits</b>	<b>1,960</b>	<b>2,749</b>	<b>19,569</b>	<b>20,064</b>
<b>Development of plan assets</b>				
Opening balance of plan assets at fair value	1,566	677	-	-
Return on plan assets	12	52	-	-
Contributions paid	75	195	-	-
Benefits paid	-804	-	-	-
Other changes	296	642	-	-
<b>Ending balance of plan assets at fair value</b>	<b>1,145</b>	<b>1,566</b>	<b>-</b>	<b>-</b>
<b>Net pension benefit obligation</b>	<b>815</b>	<b>1,183</b>	<b>19,569</b>	<b>20,064</b>

The plan assets consist of direct insurance policies (TEUR 299), reinsurance policies (TEUR 516) and pension trusts (TEUR 330).

Over several years the amounts changed as follows:

	Dec. 31, 2007	Dec. 31, 2006	Dec. 31, 2005
<i>in thousand €</i>			
Defined benefit obligation	21,528	22,813	30,859
Fair value of plan assets	-1,145	-1,566	-677
<b>Deficit</b>	<b>20,383</b>	<b>21,247</b>	<b>30,182</b>
Experience-based adjustments of plan liabilities	-19	4	95
Experience-based adjustments of plan assets	435	-19	630

### Other benefits

The expenses for other benefits in the consolidated income statement are as follows:

	Unfunded other benefits	
	<i>in thousand €</i>	
	<b>2007</b>	<b>2006</b>
Current service costs	-1,374	-1,170
Interest expenses	-466	-534
Net actuarial gains (losses) recognized	312	-68
<b>Expenses for other benefits</b>	<b>-1,528</b>	<b>-1,772</b>

Of the total amount of TEUR 1,528 (2006: TEUR 1,772), TEUR 847 (2006: TEUR 1,239) was included in “Cost of sales”, TEUR 194 (2006: TEUR 139) in “Selling costs” and TEUR 487 (2006: TEUR 394) in “General and administrative costs”.

The aggregate change in other benefits and funded status for the fiscal years 2007 and 2006 were as follows:

	Unfunded other benefits	
	<i>in thousand €</i>	
	<b>Dec. 31, 2007</b>	<b>Dec. 31, 2006</b>
<b>Change in other benefits</b>		
Opening balance of other benefits	13,175	13,058
Current service costs	1,374	1,170
Interest expenses	466	534
Actuarial (gains) losses	-1,033	157
Changes in the scope of consolidation	-115	-121
Exchange rate changes	15	7
Benefits paid	-1,554	-1,630
Other changes	181	0
<b>Ending balance of other benefits</b>	<b>12,509</b>	<b>13,175</b>

Claims arising from partial retirement plans developed as follows:

	<b>2007</b>	<b>2006</b>
<b>January 1</b>	<b>1,433</b>	<b>1,880</b>
Additions	112	549
Utilization	-331	-177
Transfer to short-term liabilities	-649	-199
Changes in scope of consolidated companies	-	-620
<b>December 31</b>	<b>565</b>	<b>1,433</b>

### Payments for retirement and other employee-related obligations

Payments planned for retirement and other employee-related obligations for the next ten years are as follows:

<i>in thousand €</i>	<b>Dec. 31, 2007</b>
2008	1,704
2009	1,539
2010	1,815
2011	1,828
2012	1,871
2013–2017	11,728
<b>Total payments</b>	<b>20,485</b>

<i>in thousand €</i>	<b>Dec. 31, 2006</b>
2007	2,078
2008	1,983
2009	1,666
2010	1,807
2011	1,791
2012–2016	9,740
<b>Total payments</b>	<b>19,065</b>

### Principal actuarial assumptions

The following principal actuarial assumptions were used to determine retirement and other long-term employee-related obligations:

	Pension benefits		Other benefits	
	<b>Dec. 31, 2007</b>	<b>Dec. 31, 2006</b>	<b>Dec. 31, 2007</b>	<b>Dec. 31, 2006</b>
Discount rate	5.25 %	4.5 %	5.25 %	4.5 %
Future salary increases	1.5 % – 3.0 %	1.5 % – 3.0 %	1.5 % – 3.0 %	1.5 % – 3.0 %
Expected return on plan assets	3.3 %	3.1 %	3.3 %	3.1 %

### Defined contribution plans

The defined contributions plans resulted in the following payments:

<i>in thousand €</i>	<b>2007</b>	<b>2006</b>
Pension obligations	710	775
Termination benefits	511	621
<b>Total contributions paid</b>	<b>1,221</b>	<b>1,396</b>

In fiscal year 2007, out of the total amount of TEUR 1,221 (2006: TEUR 1,396) TEUR 677 (2006: TEUR 976) was included in “Cost of sales”, TEUR 155 (2006: TEUR 109) in “Selling costs” and TEUR 389 (2006: TEUR 311) in “General and administrative costs”. TEUR 657 “Pension obligations” and TEUR 410 “Termination benefits” out of the total amount are expected to be paid in the fiscal year 2008.

## 32 Shareholders' equity

### Ordinary shares

As of December 31, 2007, there were 111,474,987 no-par voting shares outstanding. Each share represents 1.25 euros of issued capital. As of December 31, 2007, issued capital accordingly amounted to TEUR 139,344.

### Distributable retained earnings

According to Luxembourg law, companies headquartered in Luxembourg must allocate at least 5 % of net profit for the period from the local financial statements to a legal reserve until the reserve equals 10 % of issued capital. As of December 31, 2007, the consolidated financial statements included a legal reserve of TEUR 5,638 (2006: TEUR 4,782) under "retained earnings and other reserves". The legal reserve cannot be distributed as a dividend.

### Use of profit and retained earnings

The Annual General Meeting of Thiel Logistik AG on April 11, 2007 approved the transfer from profit for the fiscal year ending December 31, 2006 of TEUR 856 to legal reserve and TEUR 16,268 to retained earnings.

### Income (expenses) recognized directly in equity

Differences from the translation of the financial statements of subsidiaries with a functional currency other than the euro, the remeasurement of long-lived assets, the effects of the fair value measurement of assets from the acquisition of minority interests in Group companies where control was already exercised, and changes in the fair value of derivative financial instruments classified as cash flow hedges are reported under shareholders' equity as "income (expenses) recognized directly in shareholders' equity". Due to the adoption of the "third option" in connection with the measurement of pension provisions, actuarial gains and losses are recognized directly in shareholders' equity.

	2007			
	<i>in thousand €</i>	Before tax	Tax effect	Net
Unrealized gains (losses) on available-for-sale securities		-22	-	-22
Realized gains (losses) on available-for-sale securities		-131	-	-131
Foreign currency translation adjustment		-1,755	-	-1,755
Actuarial gains and losses from pensions		2,289	-868	1,421
Acquisition of minority interests (outstanding)		-4,647	-	-4,647
<b>Income (expenses) recognized directly in equity</b>		<b>-4,266</b>	<b>-868</b>	<b>-5,134</b>

	2006			
	<i>in thousand €</i>	Before tax	Tax effect	Net
Unrealized gains (losses) on available-for-sale securities		-11	-	-11
Foreign currency translation adjustment		-1,221	-	-1,221
Actuarial gains and losses from pensions		1,002	-362	640
Revaluation reserve		-619	-	-619
<b>Income (expenses) recognized directly in equity</b>		<b>-849</b>	<b>-362</b>	<b>-1,211</b>

“Acquisition of minority interests (outstanding)” represents the amount of acquisition costs exceeding the minority interest in the shareholders equity, in cases outstanding minority interest are acquired and the Thiel Group has already exercised the control over the respective company.

The increase in the actuarial gains and losses recognized in equity is due to the increase in the discount rate for pension provisions from 4.5 % as of December 31, 2006 to 5.25 % as of December 31, 2007.

### 33 Additional information on the statement of cash flow

The consolidated statement of cash flow is classified into cash flows from operating, investing and financing activities. The net cash provided by operating activities includes the following cash flows:

	<i>in thousand €</i>	2007	2006
Cash provided by interest payments		985	942
Cash used for interest payments		-14,606	-14,575
Cash provided by dividend payments		159	400
Cash used for dividend payments		-796	-901
Net cash used for income taxes		-11,566	-8,280

The cash flow from investing activities reflects the cash outflow for capital expenditures for fixed assets, the cash inflow from the disposal of long-lived assets and the cash flows from changes in investments. In fiscal year 2007, additions to property, plant and equipment and intangible assets led to liabilities in the amount of 465 (2006: TEUR 4,817). In connection with the disposal of long-lived assets the Group discloses receivables in the amount of TEUR 1,090 (2006: TEUR 877) as of December 31, 2007. In fiscal year 2007, contracts classified as finance lease obligations resulted in additions to long-lived assets in the amount of TEUR 1,907 (2006: TEUR 4,196). Reference is made to Note 30 “Obligations under finance leases”. For details of cash and cash equivalents, specifically with regard to restrictions on availability, see Note 12 “Cash and cash equivalents”. Credit lines and their use are explained in Note 23, “Financial liabilities”.

### 34 Additional information on financial instruments

#### Financial instruments by valuation category

The following tables provide additional information on the financial instruments held by the Thiel Group. They show respectively the financial assets and liabilities by IAS 39 valuation category, and the balance sheet items containing financial instruments, with the corresponding carrying amounts.

	Book value Dec. 31, 2007 <i>in thousand €</i>	Amounts recognized in balance sheet according to IAS 39			
		Amortized cost	Historical cost	Fair value recognized in p/l	Fair value recognized in equity
Loans and Receivables (LaR)	360,812	360,812	-	-	-
Held to Maturity (HtM)	464	464	-	-	-
Available for Sale (AfS)	3,433	2,378	-	-	1,055
Financial Assets Held for Trading (FAHfT)	12	-	-	12	-
Financial Liabilities Measured at Amortised Cost (FLaAC)	438,817	438,817	-	-	-
Financial Liabilities Held for Trading (FLHfT)	184	-	-	184	-

	Book value Dec. 31, 2006 <i>in thousand €</i>	Amounts recognized in balance sheet according to IAS 39			
		Amortized cost	Historical cost	Fair value recognized in p/l	Fair value recognized in equity
Loans and Receivables (LaR)	342,581	342,581	-	-	-
Held to Maturity (HtM)	462	462	-	-	-
Available for Sale (AfS)	5,047	4,522	-	-	525
Financial Assets Held for Trading (FAHfT)	77	-	-	77	-
Financial Liabilities Measured at Amortised Cost (FLaAC)	415,961	415,961	-	-	-
Financial Liabilities Held for Trading (FLHfT)	8	-	-	8	-

Balance sheet items including financial instruments

<i>in thousand €</i>	Category in accordance with IAS 39	<b>Book value Dec. 31, 2007</b>	Amounts recognized in balance sheet according to IAS 39				Amounts recog- nized in balance sheet according to IAS 17
			Amortized cost	Historical cost	Fair value recognized in p/l	Fair value recognized in equity	
<b>Assets</b>							
Cash and cash equivalents	LaR	65,626	65,626	-	-	-	-
Investments	AfS	1,932	1,932	-	-	-	-
Trade accounts receivables	LaR	285,572	285,572	-	-	-	-
Other receivables	LaR	232	232	-	-	-	-
Securities, available-for-sale	Afs	1,501	446	-	-	1,055	-
Securities, held-to-maturity	HtM	464	464	-	-	-	-
Other financial assets	LaR/FAHFT	9,394	9,382	-	12	-	-
<b>Liabilities and Shareholders' Equity</b>							
Financial Liabilities	FLaAC	42,230	42,230	-	-	-	-
Finance lease obligations	n/a	39,541	-	-	-	-	39,541
Trade accounts payable	FLaAC	252,548	252,548	-	-	-	-
Bonds payable	FLaAC	126,642	126,642	-	-	-	-
Other financial liabilities	FLaAC/Hft	17,581	17,397	-	184	-	-

<i>in thousand €</i>	Category in accordance with IAS 39	Book value Dec. 31, 2006	Amounts recognized in balance sheet according to IAS 39				Amounts recog- nized in balance sheet according to IAS 17
			Amortized cost	Historical cost	Fair value recognized in p/l	Fair value recognized in equity	
<b>Assets</b>							
Cash and cash equivalents	LaR	63,775	63,775	-	-	-	-
Investments	AfS	2,950	2,950	-	-	-	-
Trade accounts receivables	LaR	269,463	269,463	-	-	-	-
Other receivables	LaR	1,887	1,887	-	-	-	-
Securities, available-for-sale	Afs	2,047	1,572	-	-	475	-
Securities, held-to-maturity	HtM	462	462	-	-	-	-
Other financial assets	LaR/FAHfT/Afs	7,583	7,456	-	77	50	-
<b>Liabilities and Shareholders' Equity</b>							
Financial Liabilities	FLaAC	43,684	43,684	-	-	-	-
Finance lease obligations	n/a	44,923	-	-	-	-	44,923
Trade accounts payable	FLaAC	238,105	238,105	-	-	-	-
Bonds payable	FLaAC	126,112	126,112	-	-	-	-
Other financial liabilities	FLaAC/Hft	8,068	8,060	-	8	-	-

Other financial assets and liabilities include derivative financial instruments from a hedge of currency risk with positive or negative fair value whose changes are recognised in income for the period.

### Net result by valuation category

<i>in thousand €</i>	From subsequent measurement				Net result	
	From interest	At fair value	Reversal of impairment	From derecognition	2007	2006
Loans and Receivable (LaR)	1,243	-	-4,274	-	-3,031	-1,189
Held to Maturity (HtM)	18	-	-	-	18	-
Available for Sale (AFS)	61	-130	-	99	30	20
Financial Assets Held for Trading (FAHfT)	-	1,051	-	-	1,051	472
Financial Liabilities Measured at Amortised Cost (FLaAC)	-14,803	-	-	-	-14,803	-13,520
Financial Liabilities Held for Trading (FLHfT)	-	-1,112	-	-	-1,112	-409
<b>Total</b>	<b>-13,481</b>	<b>-191</b>	<b>-4,274</b>	<b>99</b>	<b>-17,847</b>	<b>-14,626</b>

Interest expense relates to bank interest charges amounting to TEUR 3,341 (2006: 2,651 TEUR) and interest on bonds of TEUR 10,929 (2006: TEUR 10,886). Income and expense from the subsequent valuation at fair value relate primarily to valuation of derivative financial instruments held to hedge currency risks. Expenses on impairment charges include both write-offs for default and impairment on receivables.

### Fair values from financial instruments

<i>in thousand €</i>	Dec. 31, 2007	
	Book value	Fair Value
<b>Financial Instruments at amortized cost</b>		
Assets	363,654	363,654
Liabilities	478,358	479,778
<b>Financial Instruments at fair value</b>		
Assets	1,067	1,067
Liabilities	184	184

	Dec. 31, 2006	
	Book value	Fair Value
<i>in thousand €</i>		
<b>Financial Instruments at amortized cost</b>		
Assets	347,565	347,565
Liabilities	460,884	458,799
<b>Financial Instruments at fair value</b>		
Assets	602	602
Liabilities	8	8

Cash and cash equivalents and trade accounts receivable have short maturities. Their carrying amount at the balance sheet date is accordingly close to their fair value.

Trade accounts payable generally have short maturities, so that the carrying amounts are close to their fair value.

As these financial instruments are not traded on an active market, the fair values of long-term financial and leasing liabilities are determined using the present value method, applying appropriate market parameters.

### 35 Financial risk management objectives and policies

#### Risk management

The Thiel Group has guidelines regulating the handling of financial risks. These risks are countered by the use of a risk management system designed to identify, measure, control and limit financial risks. Business risks are identified taking into consideration booked, contracted, planned and off-balance sheet positions. The subsequent risk measurement is based on fair values and possible changes in fair values. The limitation of financial risks ensures the ability to act and adapt rapidly in the event of unplanned situations while at the same time utilizing opportunities arising from market developments.

#### Liquidity risk

The Thiel Group operates a centralized cash management system. In consultation with the Corporate Treasury Department, prudent liquidity risk management within the business segments ensures liquidity by maintaining sufficient cash and cash equivalents. The companies are obliged to ensure internal that the planned liquidity requirements are guaranteed up to the corresponding level of the projected liquidity by arranging credit lines internally. The financing structure should be designed with matching maturities and currencies. Group liquidity planning covers a period of at least three to twelve months.

The following cash outflows can be expected in the coming years to service financial obligations:

	Dec. 31, 2007				
	Loans from financial institutions	Lease obligations	Bond	Miscel- laneous financial liabilities	Liabilities from derivatives
<b>Cash Flow 2008</b>					
Interest fix	1,251	1,827	10,400	1,080	-
Interest variable	584	350	-	2	-
Redemption	6,376	5,472	-	11,732	184
<b>Total</b>	<b>8,211</b>	<b>7,649</b>	<b>10,400</b>	<b>12,814</b>	<b>184</b>
<b>Cash Flow 2009</b>					
Interest fix	1,024	944	10,400	125	-
Interest variable	561	941	-	-	-
Redemption	4,976	4,144	-	1,478	-
<b>Total</b>	<b>6,561</b>	<b>5,999</b>	<b>10,400</b>	<b>1,603</b>	-
<b>Cash Flow 2010</b>					
Interest fix	832	807	10,400	97	-
Interest variable	538	855	-	-	-
Redemption	6,372	4,147	-	453	-
<b>Total</b>	<b>7,697</b>	<b>5,809</b>	<b>10,400</b>	<b>550</b>	-
<b>Cash Flow 2011</b>					
Interest fix	622	652	10,400	69	-
Interest variable	517	652	-	-	-
Redemption	4,211	2,784	-	585	-
<b>Total</b>	<b>5,350</b>	<b>4,088</b>	<b>10,400</b>	<b>654</b>	-
<b>Cash Flow 2012 and later</b>					
Interest fix	439	2,119	10,400	71	-
Interest variable	496	5,823	-	-	-
Redemption	18,177	23,025	130,000	880	-
<b>Total</b>	<b>19,122</b>	<b>30,967</b>	<b>140,400</b>	<b>951</b>	-

	Dec. 31, 2006				
	Loans from financial institutions	Lease obligations	Bond	Miscellaneous financial liabilities	Liabilities from derivatives
<b>Cash Flow 2007</b>					
Interest fix	1,436	1,062	10,400	799	-
Interest variabel	292	1,144	-	1	-
Redemption	6,200	6,738	-	8,674	7
<b>Sum</b>	<b>7,928</b>	<b>8,944</b>	<b>10,400</b>	<b>9,474</b>	<b>7</b>
<b>Cash Flow 2008</b>					
Interest fix	1,251	1,459	10,400	94	-
Interest variabel	-	973	-	-	-
Redemption	7,173	8,002	-	1,116	-
<b>Sum</b>	<b>8,424</b>	<b>10,434</b>	<b>10,400</b>	<b>1,210</b>	<b>-</b>
<b>Cash Flow 2009</b>					
Interest fix	1,024	1,037	10,400	73	-
Interest variabel	-	681	-	-	-
Redemption	7,160	3,820	-	343	-
<b>Sum</b>	<b>8,184</b>	<b>5,538</b>	<b>10,400</b>	<b>416</b>	<b>-</b>
<b>Cash Flow 2010</b>					
Interest fix	832	857	10,400	53	-
Interest variabel	-	585	-	-	-
Redemption	6,268	3,789	-	442	-
<b>Sum</b>	<b>7,100</b>	<b>5,231</b>	<b>10,400</b>	<b>495</b>	<b>-</b>
<b>Cash Flow 2011 and later</b>					
Interest fix	1,061	2,167	20,800	54	-
Interest variabel	-	3,818	-	-	-
Redemption	14,308	22,574	130,000	665	-
<b>Sum</b>	<b>15,369</b>	<b>28,559</b>	<b>150,800</b>	<b>719</b>	<b>-</b>

This chart only includes instruments held at December 31, 2007 (December 31, 2006) for which payments had already been contractually agreed. Budget figures for future new liabilities are not included.

#### Credit risk

The Thiel Group controls credit risk with its customers through ongoing credit evaluation of its customers' financial condition. Credit risk relating to customers is limited by credit limits. Risks arising from trade accounts receivables are accounted for by valuation allowance on receivables.

The Group has policies in place which limit the amount of credit exposure to any financial institution and which allow only financial institutions with excellent creditworthiness documented by positive ratings as partner banks.

#### Foreign exchange risk

Due to its international operations, the Thiel-Group is subject to foreign exchange risks arising out of future cash flows in a foreign currency.

Foreign exchange risks resulting from the operating business are frequently reduced by appropriate hedges, where income is matched by corresponding expenses and receivables by liabilities. Furthermore the Thiel-Group reacts on identifiable future cash flows in foreign currency by using hedging instruments. The choice and the contract of hedging instruments is carried out in close cooperation with the Corporate Treasury department.

The Thiel Group operates a centralized cash management system under which subsidiaries lend cash and cash equivalents on basis of stipulation to or borrow cash and cash equivalents from Thiel Logistik AG. Resulting internal loans are generally denominated in the subsidiaries' local currency.

The net risk position resulting from Group borrowing through foreign currency loans is hedged by Thiel Logistik AG through foreign exchange contracts. As of December 31, 2007 the Thiel Group had various foreign exchange swaps to hedge receivables and liabilities of Thiel Logistik AG arising from Group borrowing.

Dec. 31, 2007	Maturity	Exchange rate
Foreign exchange swaps to hedge receivables of Thiel Logistik AG arising from Group borrowing		
<b>Sell</b>		
300,000 USD	Feb 29, 2008	1.4669 EUR/USD
18,300,000 CHF	March 27, 2008	1.6535 EUR/CHF
3,300,000 CZK	March 27, 2008	26.185 EUR/CZK
8,700,000 CZK	March 27, 2008	26.400 EUR/CZK
27,400,000 HUF	March 27, 2008	256.15 EUR/HUF
282,000,000 HUF	March 27, 2008	256.60 EUR/HUF
360,000 PLN	March 27, 2008	3.621 EUR/PLN
1,900,000 AUD	March 27, 2008	1.6845 EUR/AUD
39,700,000 ZAR	March 27, 2008	10.302 EUR/ZAR
2,600,000 MYR	March 27, 2008	4.8135 EUR/MYR
Foreign exchange swaps to hedge payables of Thiel Logistik AG arising from Group borrowing		
<b>Buy</b>		
4,400,000 USD	Jan 02, 2008	1.44943 EUR/USD
500,000 SGD	Jan 04, 2008	2.1185 EUR/SGD
2,650,000 SGD	March 27, 2008	2.0800 EUR/SGD
100,000 CHF	March 27, 2008	1.6520 EUR/CHF
25,800,000 HKD	March 27, 2008	11.1550 EUR/HKD

### Interest rate risk

As a result of the long-term funding through the corporate bond, which bears interest at a fixed interest rate until maturity, changes in interest rates do not materially affect the financial situation of the Group. As of the balance sheet date, the Group did not use any derivative financial instruments to hedge interest rate risks.

In the Thiel Group, interest rate swaps can only be utilized in coordination with the Corporate Treasury department. The Thiel Group enters into interest rate swaps to hedge against future cash flows from variable interest rate loans. In line with the provisions of IAS 39 "Financial Instruments: Recognition and Measurement", interest rate swaps are recognized at fair value. Changes in the fair value of derivative financial transactions are reported under "income (expenses) recognised directly in equity". The fair value of interest rate swaps is the estimated amount based upon quoted market rates that the Group would receive or pay to settle the related agreements as of the balance sheet date.

The following table shows the carrying amounts by maturity of the Group's assets and liabilities subject to interest rate risk:

Dec. 31, 2007 <i>in thousand €</i>	2008	2009	2010	2011	2012	Thereafter	Total
<b>Fixed rate</b>							
Cash and cash equivalents (only interest bearing portion)	-	-	-	-	-	-	-
Trade accounts receivable	-	-	-	-	-	-	-
Prepaid expenses and other current assets	-	-	-	-	-	-	-
Trade accounts payable	-	-	-	-	-	-	-
Bonds payable	-	-	-	-	-	-130,000	-130,000
Financial liabilities	-3,948	-4,503	-5,842	-3,714	-2,909	-6,865	-27,781
Lease obligations	-4,592	-3,243	-2,719	-2,020	-1,505	-7,521	-21,600
Other non-current liabilities	-	-	-	-	-	-	-
<b>Floating rate</b>							
Cash and cash equivalents (only interest bearing portion)	63,963	-	-	-	-	-	63,963
Trade accounts receivable	-	-	-	-	-	-	-
Prepaid expenses and other current assets	1,903	-	-	-	-	-	1,903
Trade accounts payable	-	-	-	-	-	-	-
Bonds payable	-	-	-	-	-	-	-
Financial liabilities	-2,428	-473	-485	-497	-509	-7,894	-12,286
Lease obligations	-880	-871	-1,428	-763	-708	-13,291	-17,941
Other non-current liabilities	-	-	-	-	-	-	-

Dec. 31, 2006 <i>in thousand €</i>	2007	2008	2009	2010	2011	Thereafter	Total
<b>Fixed rate</b>							
Cash and cash equivalents (only interest bearing portion)	-	-	-	-	-	-	-
Trade accounts receivable	-	-	-	-	-	-	-
Prepaid expenses and other current assets	-	-	-	-	-	-	-
Trade accounts payable	-	-	-	-	-	-	-
Bonds payable	-	-	-	-	-	-130,000	-130,000
Financial liabilities	-4,717	-7,173	-7,160	-6,268	-2,025	-12,283	-39,626
Lease obligations	-3,242	-3,190	-2,771	-2,420	-1,851	-8,991	-22,465
Other non-current liabilities	-	-	-	-	-	-	-
<b>Floating rate</b>							
Cash and cash equivalents (only interest bearing portion)	62,971	-	-	-	-	-	62,971
Trade accounts receivable	-	-	-	-	-	-	-
Prepaid expenses and other current assets	1,557	-	-	-	-	-	1,557
Trade accounts payable	-	-	-	-	-	-	-
Bonds payable	-	-	-	-	-	-	-
Financial liabilities	-1,483	-	-	-	-	-	-1,483
Lease obligations	-3,496	-4,812	-1,049	-1,369	-634	-11,098	-22,458
Other non-current liabilities	-	-	-	-	-	-	-

In general, long term loans are charged with a fixed interest rate, whereas short term loans are charged with variable interest rates.

If the interest level of liabilities charged with a variable interest rates would rise by 100 basis points in the financial year 2008, the effect on the interest expenses would be -302 TEUR.

Furthermore due to interest related indexation of operating lease contracts and rental contracts, an increase in expenses is possible if the interest level rises.

#### Capital management

The goal of the Thiel Group's capital management is to preserve its financial stability and maintain its equity resources. The Thiel Group can react to changes in its financial position and performance by implementing appropriate capital measures. It can react to changes in the capital structure by adjusting its equity or debt resources.

Medium and long-term financial decisions are checked for their impact on the capital structure of the Thiel Group on an ongoing basis and adjusted as required. In addition, short and medium-term changes in the capital structure are systematically monitored by analyzing working capital. In addition to changes in absolute values, a key aspect here is relative changes and changes relative to relevant figures such as sales.

The following items are covered by capital management:

<i>in thousand €</i>	<b>Dec. 31, 2007</b>	<b>Dec. 31, 2006</b>
Corporate bond	126,642	126,112
Other financial liabilities	81,771	88,607
<b>Gross financial debt</b>	<b>208,413</b>	<b>214,719</b>
Cash	65,626	63,775
<b>Net financial debt</b>	<b>142,787</b>	<b>150,944</b>
Trade accounts payable	253,043	238,494
Other liabilities and provisions	81,905	83,674
Trade accounts receivable	285,572	270,054
Other assets and receivables	38,518	35,288
Inventories	7,304	14,453
<b>Working capital</b>	<b>-3,554</b>	<b>-2,373</b>
Shareholders' equity	317,918	321,052
<b>Shareholders' equity and net debt</b>	<b>457,151</b>	<b>469,623</b>

### 36 Commitments

The following tables show all long-term commitments as of December 31, 2007 and 2006:

<i>in thousand €</i>	<b>Dec. 31, 2007</b>			<b>Total</b>
	Operating lease contracts	Purchase order commitments	Other commitments	
2008	53,451	334	126	53,911
2009	37,396	-	58	37,454
2010	31,113	-	49	31,162
2011	26,299	-	46	26,345
2012	18,808	-	46	18,854
Thereafter	68,634	-	-	68,634
<b>Total</b>	<b>235,701</b>	<b>334</b>	<b>325</b>	<b>236,360</b>

<i>in thousand €</i>	<b>Dec. 31, 2006</b>			<b>Total</b>
	Operating lease contracts	Purchase order commitments	Other commitments	
2007	55,185	679	482	56,346
2008	40,607	-	271	40,878
2009	32,903	-	256	33,159
2010	27,559	-	1	27,560
2011	22,036	-	1	22,037
Thereafter	84,861	-	1	84,862
<b>Total</b>	<b>263,151</b>	<b>679</b>	<b>1,012</b>	<b>264,842</b>

#### Operating lease contracts (including rental contracts)

The Group has operating lease agreements predominantly for warehouses, other buildings and vehicles, where some leases contain renewal options, purchase options, escalation clauses and contingent rentals. There are no resulting restrictions on the Group's activities concerning dividends, additional debt or further leasing.

In the financial year 2007, operating lease expenses (including rental expenses) amounted to TEUR 68,800 (2006: TEUR 63,747).

Payments totaling TEUR 725 (2006: TEUR 314) are expected from subletting assets under operating leases in future periods. In fiscal year 2007, the Group received TEUR 1,363 (2006: TEUR 1,383) from these contracts.

#### Purchase order commitments

Purchase order commitments comprise purchase orders relating to capital expenditures and services that have been contractually committed to as of the balance sheet date, where deliveries and services have not yet been received or rendered.

### 37 Contingent liabilities

	<i>in thousand €</i>	<b>Dec. 31, 2007</b>	<b>Dec. 31, 2006</b>
Bank and other guarantees		-	1,047
Other contingent liabilities		115	210
<b>Total contingent liabilities</b>		<b>115</b>	<b>1,257</b>

It can be assumed that the contingent liabilities in respect of bank and other guarantees, letters of comfort, assessments and other matters arising in the ordinary course of business in existence of December 31, 2007 will not result in material liabilities.

### 38 Government grants

In fiscal year 2007 the Thiel Group received a total of TEUR 1,474 (2006: TEUR 262) in government grants. Of these, TEUR 1,111 was deducted from long-lived assets while TEUR 363 was booked as income in the statement of income. There are no unfulfilled obligations or uncertainties related to the government grants included in the consolidated financial statements.

### 39 Key management personnel compensation

The compensation of non-executive members of the Board of Directors and of members of the Executive Committee includes all amounts received from Group companies. The fixed compensation also includes other compensation components.

<i>in thousand €</i>	<b>2007</b>	<b>2006</b>
Members of the Executive Committee	2,045	1,755
<i>thereof fixed portion of short-term benefits</i>	1,642	1,488
<i>thereof variable portion of short-term benefits and termination benefits</i>	403	267
Non-executive members of the Board of Directors	180	163

### 40 Share-based payment

A stock option plan for members of the Board of Directors, managing directors and other executives was approved by the Annual General Meeting on February 10, 2000. By resolution of the Extraordinary General Meeting of Thiel Logistik AG on April 12, 2006, the Board of Directors is authorized to increase the share capital by up to TEUR 375 by March 31, 2011 for the purpose of granting shares from the stock option plan from the authorized capital. For options issued prior to listing on the stock market, the strike price is set at the share issue price at the time of the IPO. For all other options, the strike price is set on the day of allocation and is calculated from the average share price over a period of ten days prior to the day of allocation

Under the stock option plan, options issued to members of the Board of Directors can be exercised after a period of five years. The holding period for all other beneficiaries of the stock option plan is three years. There are four ten-day annual windows in which options can be exercised: following the Annual General Meeting, following the publication of the consolidated financial statements and following publication of the half-year and third-quarter reports.

As no stock options were granted after November 7, 2002, the stock options do not have to be recognized in accordance with IFRS 2, "Share-based Payment". The Group only discloses the information required by IFRS 2 for equity instruments granted before November 7, 2002. Reference is made to Note 2, "General principles of accounting and valuation".

The following table shows the number and weighted average exercise prices of stock options issued in the fiscal year:

	Number of stock options	Weighted average exercise price
<b>Outstanding at January 1, 2006</b>	<b>294,000</b>	<b>20.19</b>
Granted during the year	-	-
Exercised during the year	-	-
Forfeited during the year	164,000	21.70
<b>Outstanding at December 31, 2006</b>	<b>130,000</b>	<b>18.30</b>
Granted during the year	-	-
Exercised during the year	-	-
Forfeited during the year	126,000	22.41
<b>Outstanding at December 31, 2007</b>	<b>4,000</b>	<b>29.73</b>

As of December 31, 2007, Thiel Logistik AG had issued 4,000 stock options (2006: 130,000). Of these 4,000 (2006: 130,000) were stock options with a weighted average exercise price of 29.73 euros (2006: 18.30 euros).

The weighted average remaining contractual life of options outstanding as of December 31, 2007 is 0.25 years (2006: 0.62 years).

The exercise price for options outstanding as of December 31, 2007 was 29.73 euros (2006: between 9.00 and 29.73 euros).

#### **41 Related party transactions**

Entities and persons are regarded as related parties if one party has the ability to control the other party or has an interest in the entity that gives it significant influence over the entity, if the party is an associate or if the party is a member of the key personnel of the entity or its parent.

In fiscal years 2007 and 2006, the Group rendered services to certain associated companies and affiliated non-consolidated companies as part of its ordinary operations.

Thiel Logistik AG's majority shareholder is DELTON AG through its wholly owned subsidiary DELTON Vermögensverwaltung AG, Bad Homburg.

Transactions between the Thiel Group and the consolidated group of DELTON AG as well as its associated companies and affiliated non-consolidated companies were at standard market conditions. They are contained in the following items of the balance sheet and income statement:

	Associates and affiliated, not consolidated companies		DELTON AG and its subsidiaries		
	<i>in thousand €</i>	2007	2006	2007	2006
Net sales		3,533	5,173	4,830	3,905
Cost of sales		-3,764	-5,906	-6	-2
Operating expenses		-15	-79	-1,651	-1,838
Other operating income, net		65	-30	71	99
Other financial income		-	72	-	-
Interest expense, net		14	9	-	-
Receivables		1,094	1,563	1,439	691
Payables		435	402	420	77

The sole shareholder of DELTON AG, Mr. Stefan Quandt, is a shareholder in and Deputy Chairman of the Supervisory Board of BMW AG. He is a related party to BMW AG as defined by IAS 24 "Related Party Disclosures".

In 2007, net sales of the Thiel Group to BMW AG amounted to TEUR 52,263 (2006: TEUR 49,917). Receivables from BMW AG amounted to TEUR 606 as of December 31, 2007 (2006: TEUR 820). In addition, Thiel Group companies procured vehicles from BMW AG. All transactions were conducted under standard market condition at arm's length.

Furthermore, there were transactions between Thiel Group and members of its Board of Directors. In 2007, these resulted in expenses for the Thiel Group in the amount of TEUR 36 (2006: TEUR 18).

No bad debt impairment charges have been recognized for receivables from related parties.

Reference is made to Note 39, "Key Management Personnel Compensation".

**42 Events after the balance  
sheet date**

On February 28, 2008, the Board of Directors of Thiel Logistik AG unanimously resolved to introduce a new uniform brand for the Group, which was developed in the rebranding project.

Significant Subsidiaries<sup>1</sup>

<i>Net sales in thousand €</i>	Share of capital	Net sales 2007	Employees Dec. 31, 2007
<b>Solutions</b>			
Quehenberger Solutions GmbH, Bergheim (AT)	100.0 %	208,778	313
THIEL FashionLifestyle GmbH & Co. KG, Aschaffenburg (DE) <sup>2</sup>	100.0 %	179,759	890
Thiel Media GmbH, Hamburg (DE)	100.0 %	122,940	218
LOCTON Gesellschaft für Logistik-Systeme mbh, Köln (DE)	100.0 %	50,540	282
Birkart Globistics Austria GmbH, Wien (AT)	100.0 %	37,048	210
FT Logistics AG, Pratteln (CH)	100.0 %	21,520	128
Birkart Uluslarasi Nakliyat Ltd., Istanbul (TR)	50.1 %	18,980	43
BTS Delhey Logistik GmbH, Spreenhagen (DE)	100.0 %	18,603	143
Birkart Espana S.A., Madrid (ES)	100.0 %	15,833	76
ALCO GmbH Transport International Kamen, Lemgo (DE)	100.0 %	15,477	91
Albatros Poland Sp.z.o.o., Ilawa (PL)	100.0 %	15,476	220
Birkart CR Mezinarodni zaslatelstvi s.r., Brno (Z)	100.0 %	12,885	68
<b>Air + Ocean</b>			
Birkart Globistics GmbH & Co. Logistik u. Service KG, Aschaffenburg (DE) <sup>2</sup>	100.0 %	233,302	279
Birkart Globistics Ltd., Hongkong (HK)	100.0 %	56,100	165
Birkart Globistics Ltd., Hayes (GB)	100.0 %	53,951	81
Birkart Globistics Co. Ltd., Shanghai (CHN)	100.0 %	47,731	206
Quehenberger Air & Ocean Austria GmbH, Bergheim (AT)	100.0 %	22,962	15
Birkart Globistics Sp.z.o.o., Warschau (PL)	100.0 %	21,612	102
Birkart Globistics (S.A.) (Pty.) Ltd., Johannesburg (ZA)	100.0 %	21,144	95
Birkart Globistics (S.E.A.) Pte. Ltd., Singapore (SGP)	100.0 %	16,305	84
Birkart Globistics Korea Co. Ltd., Seoul (KR)	100.0 %	15,333	22
Birkart Globistics (Australia) Pty. Ltd., Sydney (AU)	100.0 %	13,826	31
Birkart Globistics B.V., Venlo (NL)	100.0 %	11,385	35
Birkart Globistics (Schweiz) AG, Muttenz (CH)	100.0 %	10,833	22
Birkart Globistics S.R.L., Pessano con Bornago (IT)	100.0 %	10,573	15
Birkart Thailand Co., Ltd., Bangkok (TH)	100.0 %	10,218	83
<b>Road + Rail</b>			
Südkraft Logistik GmbH, München (DE)	100.0 %	182,845	776
Quehenberger Road & Rail GmbH, Bergheim (AT)	100.0 %	174,080	549
delacher Logistics AG + Co. KG, Wolfurt (AT)	100.0 %	111,873	265
delacher + co Spedition AG, Thayngen (CH)	100.0 %	61,668	238
Proxar Slovakia Internationale Spedition a.s., Bratislava (SK)	66.0 %	45,551	44
Nunner B.V., Valkenswaard (NL)	100.0 %	36,434	45
Nunner GmbH, Fürnitz (AT)	100.0 %	30,905	26
LOCTON Transport + Service GmbH, Köln (DE)	100.0 %	29,397	80
Thiel EuroLogistics Serv. GmbH, Trier (DE)	100.0 %	18,379	36
GST Plateforme Européenne SAS, Scionzier (FR)	100.0 %	16,135	115
WELZ Internationale Spedition Sp.z.o.o., Tychy (PL)	100.0 %	14,859	93
SC Quehenberger Spedition SRL, Petesti (RO)	100.0 %	13,777	65
Nunner Logistic Tic. Ltd. Sti., Istanbul (TR)	100.0 %	13,574	45
Delacher + co Transport kft, Budapest (HU)	100.0 %	13,368	136
gts güter-transport + spedition GmbH, Burgstadt (DE)	100.0 %	12,973	61
GST Logistica S.r.l., Atessa (IT)	100.0 %	11,568	123

<sup>1</sup> Includes lead companies and companies with net sales exceeding 10 million Euro.<sup>2</sup> These companies make use of the exemption clause pursuant § 264b of the German Commercial Code (HGB).

**Declaration by the Board of Directors**

The Board of Directors is responsible for the preparation, completeness and accuracy of the consolidated financial statements and the Group Management Report, as well as for all other information provided in the Annual Report.

These consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS). Pursuant to the provisions of the Luxembourgian Commercial Code, the Group Management Report contains an analysis of the financial position and performance of the Group, as well as further information.

The consolidated financial statements, the Group Management Report and the Audit Report were subject to a preliminary audit by the Audit Committee and discussed extensively in a meeting of the Board of Directors together with representatives of the auditing.

The audit of the consolidated financial statements and the Management Report for the fiscal year 2007 did not give rise to any objections. By way of resolution by the Board of Directors, the consolidated financial statements and the Group Management Report were therefore approved for publication.

In line with Luxembourg law, the consolidated financial statements and the Group Management Report must still be approved by the executive body of the Annual General Meeting.

The Board of Directors of Thiel Logistik AG  
Grevenmacher, February 28, 2008

## Independent Auditor's Report

To the Shareholders of Thiel Logistik AG

### Report on the financial statements

Following our appointment by the General Meeting of the shareholders dated April 11, 2007, we have audited the accompanying financial statements of Thiel Logistik AG, which comprise the balance sheet as at December 31, 2007, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes to the financial statements.

#### Board of Directors' responsibility for the financial statements

The Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union. This responsibility includes: designing; implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### Responsibility of the "Réviseur d'Entreprises"

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted by the "Institut des Réviseurs d'Entreprises". Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the judgment of the "Réviseur d'Entreprises", including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the "Réviseur d'Entreprises" considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Thiel Logistik AG as of December 31, 2007, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

### Report on other legal and regulatory requirements

The management report, which is the responsibility of the Board of Directors, is in accordance with the financial statements.

ERNST & YOUNG  
Société Anonyme  
Réviseur d'Entreprises

Jeannot Weyer  
Luxembourg, February 28, 2008

## Positions of the Members of the Board of Directors and the Executive Committee

	Positions
<p><b>Berndt-Michael Winter</b> Chairman of the Board of Directors and the Executive Committee (Chief Executive Officer) Chairman of the Management Board (CEO), DELTON AG, Bad Homburg v. d. Höhe (GER)</p>	<p><b>Positions within the Thiel Group:</b> Chairman of the Supervisory Board, delacher Logistics AG, Wolfurt (AT) (until April 20, 2007 Member) Member of the Supervisory Board, Quehenberger Logistik AG, Bergheim (AT)</p> <p><b>External positions:</b> Chairman of the Supervisory Board, CEAG AG, Bad Homburg v. d. Höhe (GER) Chairman of the Supervisory Board, DELTON Vermögensverwaltung AG, Bad Homburg v. d. Höhe (GER) Member of the Supervisory Board, Mast-Jägermeister AG, Wolfenbüttel (GER)</p>
<p><b>Dr. Antonius Wagner</b> Deputy Chairman of the Board of Directors and the Executive Committee (Chief Financial Officer) Member of the Management Board, DELTON AG, Bad Homburg v. d. Höhe (GER)</p>	<p><b>Positions within the Thiel Group:</b> Member of the Supervisory Board, delacher Logistics AG, Wolfurt (AT) (since April 20, 2007) Deputy Chairman of the Supervisory Board, Microlog Logistics AG, Aschaffenburg (GER) Member of the Supervisory Board, Quehenberger Logistik AG, Bergheim (AT) (since April 20, 2007)</p> <p><b>External positions:</b> Member of the Supervisory Board, CEAG AG, Bad Homburg v. d. Höhe (GER) Sole Management Board Member, DELTON Vermögensverwaltung AG, Bad Homburg v. d. Höhe (GER)</p>
<p><b>Prof. Dr. Dr. h.c. Werner Delfmann</b> Non-executive member of the Board of Directors Director of the Seminar for Corporate Management and Logistics, University of Cologne (GER)</p>	
<p><b>Klaus Hrazdira</b> Member of the Board of Directors and the Executive Committee (Chief Operating Officer Solutions)</p>	<p><b>Positions within the Thiel Group:</b> Member of the Supervisory Board, delacher Logistics AG, Wolfurt, (AT) (until April 20, 2007 Chairman) Member of the Supervisory Board, Microlog Logistics AG, Aschaffenburg (GER) Member of the Supervisory Board, Quehenberger Logistik AG, Bergheim (AT) (since April 20, 2007) Chairman of the Management Board, Quehenberger Logistik AG, Bergheim (AT) (until April 20, 2007) Chairman of the Supervisory Board, Südkraft Logistik GmbH, München (GER) (until April 20, 2007)</p>
<p><b>Helmut Kaspers</b> Member of the Executive Committee (Chief Operating Officer Air + Ocean)</p>	<p><b>Positions within the Thiel Group:</b> Chairman of the Management Board, Birkart Globistics International GmbH, Aschaffenburg (GER)</p>

	Positions
<p><b>Dr. Michael Kemmer</b> Non-executive member of the Board of Directors Chairman of the Management Board, BayernLB, Munich (GER)</p>	<p><b>External positions:</b> Chairman of the Supervisory Board, Bayern Facility Management GmbH, München (GER) (since July 31, 2007) Member of the Supervisory Board, BayernInvest Kapitalbeteiligungsgesellschaft mbH, München (GER) (since February 1, 2007) Member of the Supervisory Board, cash.life AG, Pullach (GER) Member of the Supervisory Board, Deutschen Kreditbank AG, Berlin (GER) (since March 9, 2007) Member of the Supervisory Board, GBW AG Bayerische Wohnungs-AG, München (GER) (since October 15, 2007) Member of the Supervisory Board, Saar LB, Saarbrücken (GER) (since January 1, 2008)</p>
<p><b>Detlef Kükenshöner</b> Member of the Executive Committee (Chief Operating Officer Road + Rail)</p>	<p><b>Positions within the Thiel Group:</b> Member of the Supervisory Board, delacher Logistics AG + Co. KG, Wolfurt (AT) (since April 20, 2007) Member of the Supervisory Board, Microlog Logistics AG, Aschaffenburg (GER) (since April 20, 2007) Member of the Supervisory Board, Quehenberger Logistics AG (since April 20, 2007) Chairman of the Supervisory Board, Südkraft Logistik GmbH, München (GER) (since April 20, 2007)</p>
<p><b>Dr. Yves Prussen</b> Non-executive member of the Board of Directors Attorney in Luxembourg (LUX)</p>	<p><b>External positions:</b> Member of the Supervisory Board, AllianceBernstein (Luxembourg) S.A. (LUX) Member of the Supervisory Board, Banque Degroof Luxembourg S.A. (LUX) Member of the Supervisory Board, Gefinor S.A. (LUX)</p>

## Dates 2008

April 9, 2008  
Annual General Meeting

May 7, 2008  
Publication of Quarterly Financial Report 2008

August 6, 2008  
Publication of Half-Year Financial Report 2008

November 12, 2008  
Publication of Nine-Month Financial Report 2008

April 8, 2009  
Annual General Meeting

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This report is available in both German and English and can be downloaded from our website at [www.thiel-logistik.com](http://www.thiel-logistik.com).

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