

Thiel Logistik – restrained start to 2005

Grevenmacher (Luxembourg) – The Thiel Logistik Group increased its sales in the first quarter of 2005 by 1.2 percent over the previous year's quarter, up from 425.9 million euros to 431.0 million euros. After adjusting for currency effects and divestments, organic growth amounts to 2.6 percent. The operating profit (EBIT) of 5.9 million euros is below the 6.4 million euros of the previous year's quarter (-8.4 percent). After a period net result of -0.1 million euros in 2004, the Thiel Group stated a net result of -1.3 million euros for the first quarter of fiscal year 2005. After a deduction of the minority interest of 0.7 million euros remains a negative result attributable to the shareholders' of the company of -2.0 million euros.

Business performance in the first quarter was subject to different developments. Favorable economic conditions in Eastern Europe and Asia enabled the activities in these growth markets to be expanded. This applied to the Air & Ocean business segment and the Quehenberger and Delacher business units in particular. By contrast, the difficult economic environment in the core markets, in which Thiel Logistik also operates in sectors that are heavily consumer dependent, had a detrimental effect on the current business performance. This affected the Thiel Automotive and Thiel Furniture Industry Solutions especially. The unsatisfactory earnings performance in these business units and at Südkraft could not yet be offset by the positive business performance of the other business units.

Dr. Klaus Eierhoff, Chief Executive Officer (CEO), explained the situation: "Even though the returns we were anticipating were not matched by all the business units, the growth in Asia and Europe, outsourcing projects that were successfully launched and progress in gaining new customers all show that we are on the right road toward developing Thiel Logistik into a focused, and in some market segments leading, logistics Group. Our many years of experience, expertise and individual logistics solutions are key factors here."

In the **Industry Solutions** business segment the Thiel Logistik Group offers integrated logistics solutions along the entire supply chain of an industry. In the first quarter of 2005 this segment generated sales of 153.5 million euros compared to 158.9 million euros in 2004. The result declined from 5.7 to 2.8 million euros.

The difference in the result is mainly attributable to the Thiel Furniture and Thiel Automotive business units, which to a large extent are subject to cyclical conditions. On top of this, Thiel Furniture was impacted by start-up difficulties at the new furniture distribution center in Lemgo-Vossheide and uncompetitive wages and salaries. In the meantime an agreement has been reached here with the unions and the works council on a savings program, set to begin in the second half of 2005. In addition, an overhaul of the logistics processes is now underway.

Thiel Automotive continued to feel the impact of the sustained weak automotive economy, and this also made it more difficult to gain new customers. To ensure the viability of the Heppenheim site, the utilization of its capacities must be secured through a follow-on contract after a customer contract expires after mid-2005.

The Thiel Media and Thiel FashionLifestyle businesses performed favorably in line with expectations. Consequently, Thiel FashionLifestyle and DHL Solutions intend to step up their long-standing international cooperation in textile distribution, and to combine operations into a

strategic alliance. The aim is to establish a textile distribution network covering the whole of Europe, with uniform standards of operation and harmonized information logistics structures.

The performance in the **Air & Ocean** business segment was very favorable. The Asia business experienced double-digit growth in the reporting period. Net sales of this segment, which is responsible for air and sea freight operations, increased from 69.2 million euros in the previous year's quarter to 75.5 million euros in 2005. The result improved from 0.6 million euros the previous year to 1.8 million euros.

In the **Regional Logistics Services** business segment Thiel Logistik focuses on providing logistics solutions for customers in the regional core markets. Here the Thiel Group posted an increase in sales up from 197.4 million euros to 202.0 million euros. The result declined from 4.7 to 3.9 million euros, the Südkraft business unit being responsible for the decrease. This unit is impacted to a particular extent by the weak domestic economy in Germany, characterized by tougher price competition with declining margins. In order to improve the earnings situation some marketing-oriented measures have been initiated by the management.

In line with the pursued growth strategy in Eastern Europe, the Quehenberger business unit acquired a majority interest in the Slovakian logistics company Proxar - subject to the approval of the antitrust authorities. The aim is to exploit synergy potentials within the Thiel Group and to greatly reduce the number of deadheading transports from Western to Eastern Europe.

As business performance in the first quarter was below expectations, the estimation of net income for the year was revised in April 2005. Accordingly, after an EBIT (according to IFRS) of 34 million euros in 2004, estimates for fiscal year 2005 are now for an EBIT (according to IFRS) of 36 million euros. Sales are expected to increase by three percent this year.

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About Thiel Logistik AG

Thiel Logistik AG of Grevenmacher, Luxembourg, develops complete logistics and service solutions as an external partner for industry and commerce. In 2004, the Thiel Group achieved sales of € 1.7 billion and currently employs approximately 9,000 people in 44 countries. With more than 446 locations on all continents, Thiel Logistik operates in the major European markets and in every important procurement and sales market worldwide. The Group's business segments are Industry Solutions, Air & Ocean with its focus on air and sea freight, and Regional Logistics Services, whose areas of operation extend from Germany and the Benelux countries via Austria and Switzerland to the countries of Central and Eastern Europe. The Industry Solutions comprise Thiel Automotive, Thiel FashionLifestyle, Thiel Media and Thiel Furniture. Thiel Logistik AG ranks among the market leaders in its business segments. Thiel Logistik AG is listed on the MDAX segment of the German Stock Exchange. The principle shareholder is DELTON AG, Bad Homburg, Germany, with 50.26 percent of the share capital.

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Key Figures January 01, - March 31, 2005

according to the International Financial Reporting Standards (IFRS)

	<i>in thousand €</i>	2005	2004	<i>Change in %</i>
Group Net Sales				
Industry Solutions		153,469	158,863	-3.4
Thiel Automotive		48,798	52,738	-7.5
Thiel FashionLifestyle		60,411	60,924	-0.8
Thiel Media		28,803	29,486	-2.3
Thiel Furniture		12,848	13,436	-4.4
Other		2,609	2,279	14.5
Air & Ocean		75,509	69,228	9.1
Regional Logistics Services		201,972	197,380	2.3
Quehenberger		98,492	90,024	9.4
Südkraft		49,671	55,293	-10.2
Delacher		53,809	52,063	3.4
Holdings		58	380	-84.7
Total Net Sales		431,008	425,851	1.2
Segment results				
Industry Solutions		2,819	5,723	-50.7
Air & Ocean		1,762	579	204.3
Regional Logistics Services		3,929	4,710	-16.6
Holdings		-1,888	-4,530	-58.3
Consolidation		-734	-8	9,075.0
Other financial income (expenses), net		13	-33	N/A
Earnings before interest and taxes (EBIT)		5,901	6,441	-8.4
Net result		-1,336	-110	1,114.5
Attributable to Equity holders of the company ¹		-1,967	-980	100.7
Attributable to Minority shareholders		631	870	-27.5
Earnings per Share in Euro		-0.02	-0.01	100.0
Operating Cashflow		-5,493	18,791	N/A
Capital expenditure		-6,418	-5,693	12.7
Free Cash flow		-10,868	16,393	N/A
Depreciation and amortization		-9,259	-10,271	-9.9
EBITDA		15,160	16,712	-9.3
Net financial debt		165,009	145,227*	13.6
Shareholders' equity (incl. minority interest)		376,939	377,842*	-0.2
Number of Employees		8,986	8,912*	0.8

¹ comparable with the former term "Net income (loss)"
*as of December 31, 2004