



### Business development

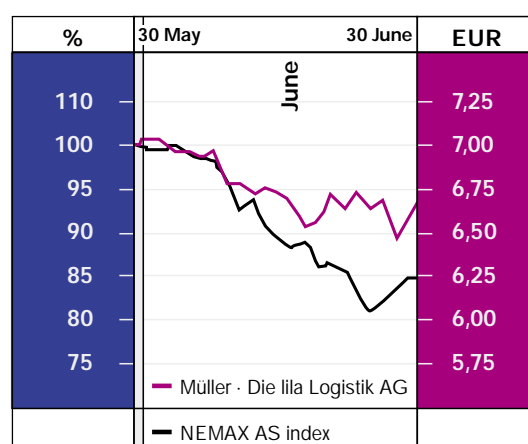
In the first six months of the 2001 financial year Müller · Die lila Logistik AG expanded its business volume strongly. Despite a noticeable cooling in the general economy the company achieved income of EUR 12.4 million in the period under review, thus increasing sales by 90% (or EUR 5.9 million) in comparison with the first half of 2000. The clear upward trend in sales growth becomes evident when sales in the second quarter are compared with sales in the first quarter. After income had increased by EUR 4.6 million (42%) in the first quarter, sales of EUR 7.8 million were achieved in the second quarter, which represents growth of 138% on the previous year.

Moreover Müller · Die lila Logistik AG benefited in particular from new customers, which it was able to add to its long-established connections. New business included the implementation of new logistics platforms and the acquisition of new locations, for example for Valeo, Kienle & Spiess, Bosch Siemens household appliances, Lear and Grundig. The major part of sales were generated in the core business of Logistics Operating, and as expected, to a lesser extent in the future growth area of Logistics Design. As a result of the incorporation of TKS Unternehmensberatung und Industriepfung GmbH, Eningen (management consultancy and industrial planning) in which a majority interest was acquired in June 2001, the company has massively strengthened its presence in this field and is anticipating a strong increase in turnover and continuing expansion in the second half of the year. According to plan the company will achieve the first contributions to turnover in the developing business areas of Trade and Inventory Management (TIM) and Life Time Supply (LTS) in the second half of the year.

Experience indicates that the logistics sector is subject to clear seasonal fluctuations and generally shows substantially higher sales in the second half of the year. Müller · Die lila Logistik AG is therefore expecting a further strong increase in income in particular in the fourth quarter of 2001, this expectation being confirmed by the current order backlog.

	First half of 2001	First half of 2000	percentage change
<b>Sales</b>	<b>12,446 T€</b>	<b>6,546 T€</b>	<b>+ 90 %</b>
<b>EBIT</b>	<b>687 T€</b>	<b>-266 T€</b>	<b>-</b>
<b>EBIT margin</b>	<b>5.5 %</b>	<b>-4.1 %</b>	<b>-</b>
<b>EBITDA</b>	<b>1,547 T€</b>	<b>288 T€</b>	<b>+437 %</b>
<b>EBITDA margin</b>	<b>12.4 %</b>	<b>4.4 %</b>	<b>-</b>
<b>EPS</b> <small>(7.7 million shares)</small>	<b>0.03 €</b>	<b>-</b>	<b>-</b>
<b>Equity ratio</b>	<small>(30 June)</small> <b>51.1 %</b>	<small>(31 Dec.)</small> <b>31.3 %</b>	<b>-</b>
<b>Employees</b> <small>(average in first half-year)</small>	<b>311</b>	<b>149</b>	<b>+109 %</b>

### The Share



The flotation, with the first listing on 30 May 2001, was a special event for the company. At an issuing price of EUR 7.00 the shares were three times over-subscribed in a difficult capital market environment. Gross funds of EUR 11.9 million accrued to the company. In a stock exchange climate that has deteriorated further since the first listing, the price has since been below the issue price, but its performance has been clearly better than that of the Nemax All-share Index. Recent estimates by sector analysts place the shares of Müller · Die lila Logistik AG in the outperformer category.

## Notes



### Result

In the first half-year income developed favourably as expected. In the accounting period the company improved earnings before interest and tax (EBIT) to EUR 687,000, thereby achieving an EBIT margin of 5.5%. In the comparable period of the previous year the company still recorded a loss of EUR 0.3 million before interest and tax (EBIT margin in first half of 2000: -4.1%). The EBITDA margin improved from 4.4% to 12.4%. Goodwill is written off over 7 years on a straight-line basis. The income situation was affected by start-up costs in the context of new customer projects. The result was burdened with the cost of ongoing development of the two new business areas (TIM and LTS) amounting to EUR 100,000. Profits at TKS GmbH is only being consolidated with effect from 1 July. The capacity required for stock exchange flotation in May 2001 also affected profits.

After tax, Müller · Die lila Logistik AG achieved a surplus of EUR 208,000 during the period under review after a loss of EUR 582,000 during the same period of the previous year. As a result, earnings per share were EUR 0.027 with 7.7 million shares in issue (as at 30 June).

### Capacity expansion

The company significantly increased capacity in the first half of 2001. In the course of the take-over of branches in Leipzig, Dresden and Ulm their business activity commenced on 1 March 2001 as scheduled. These operations handle substantial logistics processes, in particular for the customers AEG, Bosch Siemens domestic appliances, Gardena, Grundig, Elco-Klößner and Miele. The universal expansion of the activities of Müller · Die lila Logistik AG in the area of Logistics Operating was further served by the acquisition of logistics locations in Magdeburg and Minden at the start of the second quarter.

In order to be able to meet the requirements of new major clients, Müller · Die lila Logistik AG also substantially expanded logistical capacity at its headquarters. With the commissioning of a further Logistics Service Center the service areas in Besigheim increased by 10,500 square metres to 35,500 square metres.

### Capital expenditure

With the commissioning of the new headquarters, expenditure on property, plant and equipment declined as expected. In the first half of the year it reached EUR 570,000 (previous year: EUR 1,455,000). Total capital expenditure by the company amounted to EUR 6.76 million, of which EUR 6.19 million was for the acquisition of a holding in a company and of a customer portfolio (Asset Deal).

# for 2<sup>nd</sup> quarter 2001

## Internationalisation

In the first half of 2001 the focus was on activities related to the development of international locations. In June 2001 Müller · Die lila Logistik AG increased its holding in TKS Unternehmensberatung und Industrieplanung GmbH, Eningen, from 19% to 51%. With the acquisition of a majority holding the company not only further expanded the planning and consulting area of Logistics Design, but also expanded into Hungary via the existing TKS subsidiaries. In addition, the company has a shareholding in the newly founded TKS Polska GmbH. In the financial year 2002 15 people will be employed here while the first contributions to sales are already expected in the current financial year.

## Order intake

New business developed favourably in the first half of the year. Among other things Müller · Die lila Logistik AG benefits in this area from consistent adherence to its business model: alignment of its range of services to the lifecycle of its customer's product. This is increasingly enabling the company to win major contracts. Long-term contracts with customers constitute a stable foundation for further development of the company.

In the middle of June 2001 a contract was signed with Lear Corp., Bremen, for the construction of a Logistics Service Center at a new location in the immediate vicinity of the Lear factory. This location will provide logistical support for the assembly of vehicle seats for the models of a noted car manufacturer by means of just-in-sequence production supply. The acquisition is evidence of the company's effective multiplication strategy, which is aimed at transferring successfully implemented logistical concepts to a customer's other locations. The new location in Bremen will in turn be used to win further customers in the region ('germ-cell' strategy).

## Group income statement (according to US-GAAP, unaudited)

Information in euros	1 January to 30 June 2001	1 January to 30 June 2000
Sales	12,445,592	6,545,918
Cost of sales	-9,573,955	-5,243,175
<b>Gross profit</b>	<b>2,871,637</b>	<b>1,302,743</b>
Selling and marketing expenses	-138,818	-51,997
General and administrative expenses	-2,074,814	-1,541,623
Other operating income and expenses	28,628	24,764
<b>Operating result</b>	<b>686,633</b>	<b>-266,113</b>
Interest income and expenses	-278,987	-341,322
Income from associated companies	607	4,135
<b>Result before income tax and minority interests</b>	<b>408,253</b>	<b>-603,300</b>
Taxes on income	-199,987	21,286
<b>Result before minority interests</b>	<b>208,266</b>	<b>-582,014</b>
Minority interests	138	-
<b>Net income / net deficit for the half-year</b>	<b>208,404</b>	<b>-582,014</b>
Result per share	0.027	-
Number of shares in issue at 30 June	7,700,000	-

# Quarterly report

## Group balance sheet (according to US-GAAP, unaudited)

<b>Assets in euros</b>	<b>30 June 2001</b>	<b>30 June 2000</b>
<b>Short-term assets</b>		
Liquid assets	8,521,965	5,799,121
Marketable securities	11,650	–
Trade accounts receivable	5,223,481	1,892,849
Accounts receivable due from associated and affiliated companies	169,705	201,324
Deferred taxes	983,505	331,320
Accrued income, prepaid expenses and other short-term assets	461,060	245,868
Prepaid stock market flotation expenses	–	51,586
<b>Short-term assets, total</b>	<b>15,371,366</b>	<b>8,522,068</b>
Tangible fixed assets	11,318,486	11,406,996
Intangible assets	5,750	6,033
Financial assets	238,938	44,766
Goodwill	5,681,677	–
Deferred taxes	106,607	24,362
Other assets	318,614	254,317
<b>Total assets</b>	<b>33,041,438</b>	<b>20,258,542</b>

<b>Liabilities in euros</b>	<b>30 June 2001</b>	<b>30 June 2000</b>
<b>Short-term liabilities</b>		
Short-term portion of financial lease liabilities	58,940	58,681
Short-term loans and short-term portion of long-term loans	1,980,342	1,276,195
Short-term portion of long-term shareholder's loan	118,771	226,276
Trade accounts payable	1,432,135	1,344,037
Provisions	555,163	308,318
Deferred income	4,737	31,623
Income tax liabilities	512,981	76,928
Other short-term liabilities	784,737	437,837
<b>Total short-term liabilities</b>	<b>5,447,806</b>	<b>3,759,895</b>
Long-term loans	9,878,616	9,687,015
Long-term shareholder's loan	250,533	250,533
Long-term financial lease liabilities	108,895	138,056
Pension provisions	154,493	83,616
Minority interests	313,562	–
<b>Shareholders' equity</b>		
Capital subscribed	7,700,000	600,000
Capital surplus	9,679,702	6,440,000
Accumulated deficit	-492,169	-700,573
<b>Total shareholders' equity</b>	<b>16,887,533</b>	<b>6,339,427</b>
<b>Total liabilities</b>	<b>33,041,438</b>	<b>20,258,542</b>

### Personnel

At Müller · Die lila Logistik AG qualified employees form the basis for successful development of the company. Regular ISO 9001-based quality meetings ensure adherence to a recognised standard, while additional incentives have been created by the introduction of an employee-participation programme in the form of equity participation. In the first half of 2001 the group employed an average of 311 full-time and part-time personnel (same period previous year: 149).

### Marketing and sales

Because of the company's rapid growth, current and future requirements in the area of marketing and sales have also grown. One of the ways in which Müller · Die lila Logistik AG has intensified its activities is by a presentation at the "Eurocargo" logistics trade fair, which took place in Stuttgart in February. The company also took part for the first time in Europe's most important logistics fair, the "transport logistic" fair, held in May 2001 in Munich. Both fairs resulted in a large number of interesting contacts with potential customers and partners.

### Outlook

As a result of the weakening economy and the resulting increased cost pressure, the demand for intelligent logistical solutions, such as those offered by Müller · Die lila Logistik AG, will continue to rise and the volume of outsourcing will continue to increase. No reduction in planned business can yet be detected on the part of the company's existing customers. The additional familiarity acquired as a result of the stock exchange flotation is providing positive support for the marketing activity. Orders on hand almost fully underpin the sales plans for 2001. Based on current views the company is sticking to its planned targets for the year.

### Shareholdings of board members

At 30 June 2001 the members of the Management and Supervisory Boards of Müller · Die lila Logistik AG held the following shares and options in the company:

Name	Position	Shares	Options
Michael Müller	Chairman of the Management Board	4,059,000	20,000
Alfred Benk	Member of the Management Board		10,000
Michael Bachmeier	Member of the Management Board		20,000
Wolfgang Monning	Chairman of the Supervisory Board	1,428	
Prof. Peter Klaus	Deputy Chairman of the Supervisory Board	714	

The shareholdings shown here arose in the course of the stock exchange flotation and have since continued unchanged.

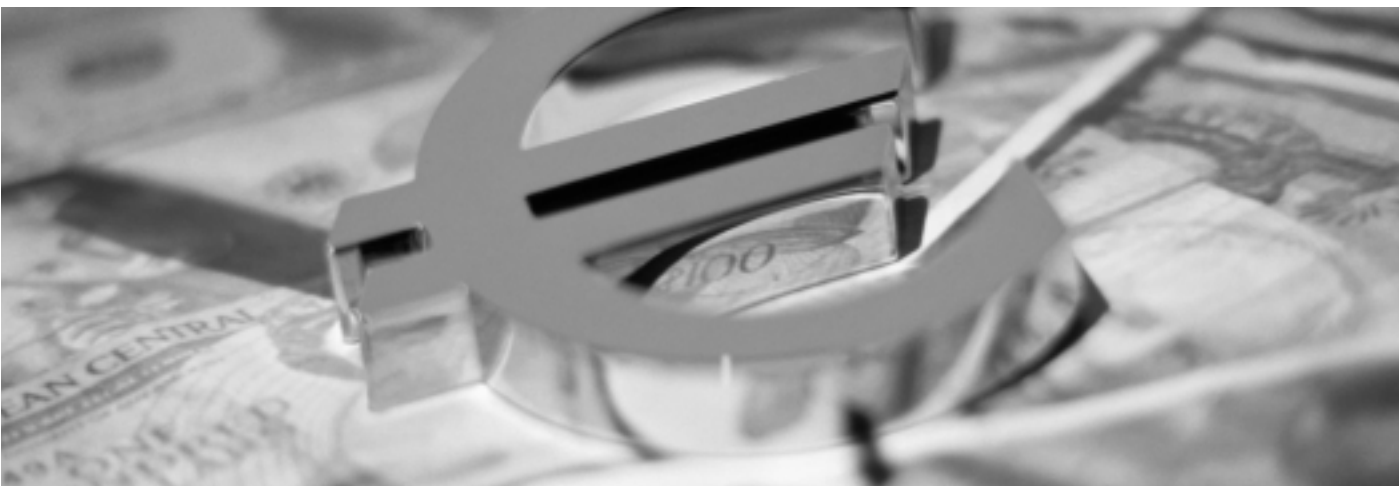
# Quarterly report

## Group cash-flow statement (according to US-GAAP, unaudited)

### Figures in euros

	30 June 2001	30 June 2000
<b>Half-year net income/deficit</b>	208,404	-582,014
Result attributable to minority interests	-138	–
Transition from half-year net income/deficit to cash used for current operations		
Depreciation and amortisation of property, plant and equipment and intangible assets	666,085	554,481
Amortisation of goodwill	194,778	–
Profit on sale of fixed assets	-1,534	-1,659
Increase in deferred tax assets	-734,431	-161,418
Change in operating assets and liabilities		
Increase/reduction in trade accounts receivable and accounts receivable from related parties	-3,170,448	591,992
Increase in accrued income, prepaid assets and other assets	-173,017	-150,804
Reduction in prepaid stock exchange flotation expenses	51,586	–
Increase/reduction in trade accounts payable and accounts payable to related parties	638,912	-820,591
Reduction in provisions and tax liabilities	139,033	-829,420
Increase in other liabilities	480,268	364,941
<b>Cash used for current operations</b>	<b>-1,700,502</b>	<b>-1,034,492</b>
<b>Cash flow from investment activities:</b>		
Payments made for investment in property, plant and equipment and intangible assets	-6,760,307	-736,235
Payments received from disposal of property, plant and equipment	1,534	1,659
Proceeds from the consolidation of TKS and LISS	768,328	–
<b>Cash used for investment activities</b>	<b>-5,990,445</b>	<b>-734,576</b>
<b>Cash flow from finance activity:</b>		
Increase in subscribed capital (flotation)	1,700,000	–
Increase in capital surplus (share premium from flotation)	10,200,000	–
Cost of flotation less deferred taxes	-1,560,298	–
Redemption of shareholder's loan	-112,484	–
Payments in respect of capital lease liabilities	-34,445	–
Payment of notes payable	-166,431	–
Changes in amounts payable to banks	387,448	1,749,044
<b>Proceeds from finance operations</b>	<b>10,413,790</b>	<b>1,749,044</b>
Increase/decrease in cash and cash equivalents	2,722,843	-20,024
Cash and cash equivalents at start of year	5,799,121	67,182
<b>Cash and cash equivalents at 30 June</b>	<b>8,521,965</b>	<b>47,158</b>

# for 2<sup>nd</sup> quarter 2001



## Statement of changes in group shareholders' equity (according to US-GAAP, unaudited)

Information in euros	Subscribed capital	Capital surplus	Group accumulated deficit	Total shareholders' equity
Balance at 31 December 2000	600,000	6,440,000	-700,573	6,339,427
Conversion of capital surplus into subscribed capital	5,400,000	-5,400,000	–	–
Issue of new shares in connection with stock-exchange flotation	1,700,000	–	–	1,700,000
Share premium from the issue of new shares	–	10,200,000	–	10,200,000
Settlement of the stock exchange flotation expenses prepaid in 2000	–	-51,586	–	-51,586
Settlement of the stock exchange flotation expenses due in 2001	–	-1,508,712	–	-1,508,712
Net income for the half-year	–	–	208,404	208,404
<b>Balance at 30 June 2001</b>	<b>7,700,000</b>	<b>9,679,702</b>	<b>-492,169</b>	<b>16,887,533</b>



## Company diary

27 November 2001: Publication of 9-months report

### Contact:

Müller · Die lila Logistik AG  
Investor Relations  
Ferdinand-Porsche-Straße 4  
D-74354 Besigheim-Ottmarsheim  
Germany  
Tel.: ++49 (0) 7143/810-123  
Fax: ++49 (0) 7143/810-199  
[investor@lila-logistik.de](mailto:investor@lila-logistik.de)

### Note

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