

# 2005

## 6-MONTHS REPORT

Result for the second quarter of 2005 distinctly better than for the first quarter

Further reduction in liabilities

Equity-to-assets ratio further strengthened

### Key data for the first half of 2005

	01.01. – 30.06.2005	01.01. – 30.06.2004	percentage change	absolute change
Turnover	35,903 TEUR	32,814 TEUR	+ 9.4 %	+ 3,089 TEUR
EBIT	1,184 TEUR	1,667 TEUR	- 29.0 %	- 483 TEUR
EBIT margin	3.3 %	5.1 %	-	-
Period surplus	619 TEUR	722 TEUR	- 14.3 %	- 103 TEUR
Earnings per share	0.08 EUR	0.09 EUR	- 11.1 %	- 0,01 EUR
Equity ratio (30/06)	23.4 %	20.9 %	-	-
Employees (30/06)	854	684	+ 24.9 %	+ 170

### Course of business in second quarter of 2005

The course of business in the second quarter fulfilled expectations, as in particular the surplus for the period was tripled in comparison with the first quarter of 2005. As a result, after a weaker first quarter in line with plan, Müller - Die lila Logistik AG picked up speed with regard to the result surplus. Turnover increased (purely organically) in comparison with the same quarter of the previous year by 3.4 % to EUR 17,664,000 (previous year: EUR 17,081,000). As a result of, among other things, the dissolution of the joint venture in Nuremberg, EBIT (earnings before interest and tax) fell to EUR 690,000 (previous year: EUR 871,000). Increased income from financial assets and a lower tax charge resulted in a slightly improved surplus for the period of EUR 460,000 (previous year: EUR 447,000) and earnings per share for the quarter of 6 euro cents, which was identical with the previous year's figure.

### Business development to date in the first half of 2005

Comparison of turnover in the two half-years shows that Müller - Die lila Logistik AG increased by EUR 3,089,000 or 9.4 % to EUR 35,903,000 (previous year: EUR 32,814,000). At 30 June this year the surplus of EUR 619,000 for the period is still slightly below that of the previous year (previous year: EUR 722,000), which is also reflected in the earnings per share of 8 euro cents (previous year: 9 euro cents).

The capital to assets ratio increased to 23.4%, having still been 21.5% at 31 December 2004 and 20.9% at 30 June last year.

At 30 June 2005 the group had 854 employees (previous year: 684).

### Conversion of group accounting to IFRS

The 3-months report 2005 was already compiled in accordance with the International Financial Reporting Standards (IFRS), whereas in previous years the US accounting standards (US-GAAP) had been used. The individual reconciliation statements are shown in the report.



### **Selected information on the accounting principles used**

The unaudited quarterly financial statements presented here have been compiled for the first time in accordance with the International Financial Reporting Standards (IFRS). With the exception of the changes presented below as a result of the first-time conversion to IFRS, deviations of IFRS in relation to the consolidated financial statements compiled for Müller - Die lila Logistik AG at 31 December 2004 in accordance with US-GAAP have no significant effects.

Müller - Die lila Logistik AG will compile its consolidated annual financial statements in accordance with the provisions of IFRS for the first time at 31 December 2005. The transition from US-GAAP to IFRS is based on the provisions of IFRS 1 (first-time application of IFRS). The standards, use of which will be compulsory as at 31 December 2005, have been fully implemented in the quarterly financial statements presented here.

The consolidated financial statements of Müller - Die lila Logistik AG were compiled according to US-GAAP for the last time on 31 December 2004. Differences in methods of accounting, valuation and consolidation between US-GAAP and IFRS have been taken into account by means of appropriate changes in the reporting and comparison period.

The reconciliation accounts and notes according to IFRS 1 are provided below.

At the time of the transition to IFRS (1 January 2004) use was made of the following simplification options:

### **Company mergers**

In the years 2001 to 2003 Müller - Die lila Logistik AG or its subsidiaries acquired several companies. The Management Board decided to make use of the simplification option of IFRS 1 for company mergers and consequently to retain the accounting used to date for mergers that occurred before the point of transition.

### **Share-oriented remuneration**

Options granted to the Supervisory and Management Boards and employees have been treated in accordance with IFRS 2. Options granted before 2003 have not been taken into account, in accordance with IFRS 1. The valuation of the options is based on an option pricing model that takes into account, among other things, the respective blocking period, exercise thresholds, volatility of the base value and corresponding interest rates.

### **Pension provisions**

In accordance with the option in IFRS 1, all actuarial gains and losses were realised at the time of transition, despite use of the corridor arrangement.

### **The following significant variances resulted from the transition from US-GAAP to IFRS:**

- For reasons of practicability and transparency, the income statement has been compiled according to the type of expenditure format (not as to date according to the cost of sales method).
- In the case of pension liabilities IAS 19.54 has been applied. This rule allows statement of the net amount from the cash value of the performance-oriented liability at the balance sheet date less the attributable present value at the balance sheet date of planned assets, with which the liabilities are to be directly compensated.
- In the US-GAAP financial statements published to date, interest arising in connection with the construction of a building have been capitalised and spread over the building's useful life. As part of the conversion to IFRS, such capitalisation was no longer undertaken.
- In the transition to IFRS, depending on the degree of application, the provisions according to US-GAAP have been allocated to the provisions or other liabilities positions.
- In accordance with IAS 12, deferred taxes have only been shown as long-term.
- In accordance with IAS 40, property held as a financial investment has been stated separately and valued at continued acquisition costs.
- In the course of the acquisition of further shares in a subsidiary it was agreed that, on reaching specific results thresholds for the 2005 and 2006 financial years, further purchase price payments become due. In accordance with IFRS 3, on the grounds of the probability of attainment of the result thresholds, these have been stated as liabilities and resulted in a total increase in goodwill of EUR 240,000.

## **Notes to the transition of the group income statement from US-GAAP to IFRS**

On the basis of IFRS, the reconciliation for the first half of 2004 shows an improvement of EUR 108,000 in the group result. This is based on the one hand on a reduction of EUR 64,000 in personnel expenses arising from the taking into account of pension expenses and to a fall of EUR 2,000 in depreciation on tangible assets; deferred taxation on these reduced the group result by EUR 23,000. On the other hand, the change in relation to US-GAAP in the statement of minority interests as a part of shareholders' equity in the income statement results in the result attributable to minority interests no longer affecting the group result but being stated as appropriation of profit. Consequently the group result on the basis of IFRS for the first half 2004 improved by the amount of the profits of EUR 64,000 attributable to minorities, since the latter had previously been eliminated from the group result.

For the financial year 2004 as a whole, the transition from US-GAAP to IFRS results in a group result that is EUR 127,000 lower according to IFRS. The differing consideration of pension expenses and share-oriented remuneration under IFRS results in a reduction of EUR 82,000 in personnel expenses. The depreciation of tangible fixed assets is EUR 5,000 lower under IFRS than under US-GAAP. The change in discounting of provisions resulted in additional interest expense of EUR 4,000. The differing results brought about additional deferred tax expenses of EUR 31,000. Accounting for the losses of EUR 179,000 attributable to minority interests as appropriation of profit and no longer as a part of the consolidated result led to a corresponding reduction in the group result, while under US-GAAP the loss attributable to minority interests was eliminated from the consolidated result.

The other differences in the two reconciliations result from the reclassification of the various items in the course of conversion of the income statement from the cost-of-sales method to the type of expenditure format.

## **Notes to the income statement**

### **Companies consolidated**

When comparing the figures for the first half of 2005 with those of the previous year, account has to be taken of the full consolidation of Müller – Die lila Logistik Austria GmbH in the full half-year 2005 and of Vedes-Müller Logistik GmbH in the first quarter of 2005. The two companies indicated were not included in the group figures for the first half of 2004.

### **Development of income and expenses**

The group's turnover growth in the first half-year was 9.4% and resulted in sales revenue of EUR 35,903,000 (previous year: EUR 32,814,000). Other operating income, which includes the letting of warehouse space and income from the retirement of fixed assets, also increased to a total of EUR 1,010,000 (previous year: EUR 635,000). The expense items developed virtually constantly during the first two quarters of 2005. Only in comparison with the previous year period increases occurred as a result of the expansion in the consolidated companies. In the current year solely the item cost of materials/expenses for services received was significantly lower by EUR 2,194,000 as the Polish subsidiary purchased substantially less transport services than in the previous year. The cost of materials was EUR 10,990,000 (previous year: EUR 13,184,000).

EBIT was EUR 1,184,000 (previous year: EUR 1,667,000), representing a margin of 3.3% (previous year: 5.1%).

The lower take-up of the credit lines and the redemption payments in recent quarters resulted in a further decline in interest expense. Total interest expense was EUR 696,000 (previous year: EUR 805,000) and interest income EUR 9,000 (previous year: EUR 14,000).

The negative income from participations of minus EUR 37,000 resulted from the posted equalisation payments to minority shareholders in subsidiaries with which a control and profit transfer agreement was concluded.

A substantial increase in the income from financial assets (in TKS Unternehmensberatung und Industrieplanung GmbH) is the reason for the increase in income from the financial assets accounted for according to the equity method to EUR 232,000 (previous year: EUR 46,000). After taking account of taxes on income amounting to EUR 73,000 (previous year: EUR 200,000) there remains a group surplus for the period of EUR 619,000 (previous year: EUR 722,000), which on 7.9 million shares (previous year: 7,766,667) represents earnings per share of 8 euro cents (previous year: 9 euro cents).

**GROUP INCOME STATEMENT**  
(according to IFRS, unaudited)

	01.04.2005 – 30.06.2005 EUR	01.04.2004 – 30.06.2004 EUR	01.01.2005 – 30.06.2005 EUR	01.01.2004 – 30.06.2004 EUR
Sales revenues	17,663,850	17,080,813	35,903,177	32,813,541
Other operating income	460,335	287,077	1,009,645	635,418
Change in inventory of completed services and work in progress	-64,700	-155,748	-64,700	-50,000
Cost of materials/expenses for services received	-5,496,246	-6,734,752	-10,990,073	-13,183,638
Personnel expenses	-6,938,887	-5,562,561	-14,860,639	-10,801,351
Depreciation and amortisation on tangible and intangible assets	-495,766	-465,987	-974,844	-879,362
Other operating expenses	-4,438,609	-3,577,461	-8,838,444	-6,867,168
<b>Operating result</b>	<b>689,977</b>	<b>871,381</b>	<b>1,184,122</b>	<b>1,667,440</b>
Interest income/expense	-353,605	-377,242	-687,266	-791,386
Income from investments	-18,295	0	-36,796	0
Income from financial assets accounted for using the equity method	163,816	43,560	231,999	45,870
<b>Result before income tax (and minority interests)</b>	<b>481,893</b>	<b>537,699</b>	<b>692,059</b>	<b>921,924</b>
Taxes on income	-22,347	-91,113	-73,446	-199,609
<b>Group net income</b>	<b>459,546</b>	<b>446,586</b>	<b>618,613</b>	<b>722,315</b>
Result per share (undiluted)	0.06	0.06	0.08	0.09
Result per share (diluted)	0.06	0.06	0.08	0.09
Average number of shares in issue (undiluted)	7,900,000	7,833,333	7,900,000	7,766,667
Average number of shares in issue (diluted)	7,900,000	7,833,333	7,900,000	7,766,667

**RECONCILIATION OF CONSOLIDATED INCOME STATEMENT**  
for the period from 1 January to 30 June 2004

	US-GAAP 01.01.2004 – 30.06.2004 EUR	Transition to IFRS EUR	IFRS 01.01.2004 – 30.06.2004 EUR
Sales revenues	32,813,541	0	32,813,541
Cost of sales	-26,866,651	26,866,651	0
Selling expenses	-809,176	809,176	0
General and administrative expenses	-3,928,556	3,928,556	0
Other operating income and expenses	388,510	-388,510	0
Other operating income	0	635,418	635,418
Change in inventory of completed work and work in progress	0	-50,000	-50,000
Cost of materials/expenses for services received	0	-13,183,638	-13,183,638
Personnel expenses	0	-10,801,351	-10,801,351
Depreciation and amortisation on tangible and intangible assets	0	-879,362	-879,362
Other operating expenses	0	-6,867,168	-6,867,168
<b>Operating result</b>	<b>1,597,668</b>	<b>69,772</b>	<b>1,667,440</b>
Interest income/expense	-791,386	0	-791,386
Income/expense from financial assets accounted for using the equity method	45,870	0	45,870
<b>Consolidated result before tax (and minority interests)</b>	<b>852,152</b>	<b>69,772</b>	<b>921,924</b>
Taxes on income	-173,313	-26,296	-199,609
<b>Consolidated result before minority interests</b>	<b>678,839</b>	<b>43,476</b>	<b>722,315</b>
Minority interests	-64,110	64,110	0
<b>Consolidated net income</b>	<b>614,729</b>	<b>107,586</b>	<b>722,315</b>

**RECONCILIATION OF CONSOLIDATED INCOME STATEMENT**  
for the period from 1 January to 31 December 2004

	US-GAAP 2004 EUR	Transition to IFRS EUR	IFRS 2004 EUR
Sales revenues	70,535,952	0	70,535,952
Cost of sales	-59,250,550	59,250,550	0
Selling expenses	-1,571,735	1,571,735	0
General and administrative expenses	-8,121,411	8,121,411	0
Other operating income and expenses	958,331	-958,331	0
Other operating income	0	2,540,179	2,540,179
Change in inventory of completed work and work in progress	0	14,700	14,700
Cost of materials/expenses for services received	0	-24,934,609	-24,934,609
Personnel expenses	0	-26,825,607	-26,825,607
Depreciation and amortisation on tangible and intangible assets	0	-1,911,610	-1,911,610
Other operating expenses	0	-16,781,457	-16,781,457
	<b>2,550,587</b>	<b>86,961</b>	<b>2,637,548</b>
Interest income/expense	-1,484,892	-3,962	-1,488,854
Income from investments	1,103	0	1,103
Income/expense from financial assets accounted for using the equity method	45,424	0	45,424
Other expenses	-74,150	0	-74,150
<b>Consolidated result before tax (and minority interests)</b>	<b>1,038,072</b>	<b>82,999</b>	<b>1,121,071</b>
Taxes on income	-189,819	-31,134	-220,953
<b>Consolidated result before minority interests</b>	<b>848,253</b>	<b>51,865</b>	<b>900,118</b>
Minority interests	179,121	-179,121	0
<b>Consolidated net income</b>	<b>1,027,374</b>	<b>-127,256</b>	<b>900,118</b>

### Development of the business areas

There have been no changes in the presentation and content of the business areas as a result of the conversion to IFRS.

#### Logistics Design

In the first six months the planning and consultancy segment of Müller – Die lila Logistik AG achieved sales revenues of EUR 1,746,000 (previous year: EUR 2,135,000) and was unable to equal the extremely pleasing level of turnover of 2004, which had been supported by the start-up of new projects. Nevertheless the business units developed very favourably, precisely in the second quarter of this year. EBIT for the six-month period was EUR 407,000 (previous year: EUR 450,000). Against the background of the imminent customer summer holidays, we are assuming a lower level of business activity for Logistics Design in the third quarter of this year.

#### Logistics Operating

In comparison with the first quarter of the year, in the second half of 2005 the business area of operational logistics services slightly slowed its turnover growth, while at the same time accelerating the development of its earnings. Both effects are attributable to deconsolidation of the joint venture with Vedes, as a result of which less turnover was achieved, but at the same time the loss did not have a negative impact on the company's results. Turnover of this segment increased by 10% in the first half of the year to EUR 34,170,000 (previous year: EUR 30,956,000) and the business area's EBIT was around EUR 777,000 (previous year: EUR 1,217,000). At one of the two branches, which exhibited under-utilisation in the first quarter, volumes increased, so that the fourth quarter will also proceed there according to plan.

### Segments (before consolidation)

In thousands of EUR	Sales from 01.01. – 30.06.2005	Sales from 01.01. – 30.06.2004	percentage change	absolute change	EBIT 01.01. – 30.06.2005	EBIT 01.01. – 30.06.2004	percentage change	absolute change
Logistics Design	1,746	2,135	- 18 %	- 389	407	450	- 10 %	- 43
Logistics Operating	34,170	30,956	+10 %	+ 3,214	777	1,217	- 36 %	- 440

**GROUP BALANCE SHEET**  
(according to IFRS)

**Assets**

**Short-term assets**

	30.06.2005 EUR	31.12.2004 EUR
Liquid assets	236,614	1,270,980
Marketable securities	0	162,762
Trade accounts receivable	10,949,169	9,325,360
Accounts receivable due from associated and affiliated companies	36,000	599,879
Inventories	143,162	191,652
Accrued income, prepaid expenses and other short-term assets	686,534	729,721
<b>Total short-term assets</b>	<b>12,051,479</b>	<b>12,280,354</b>

**Long-term assets**

Tangible fixed assets	16,013,748	16,699,800
Property held as a financial investment	1,890,826	1,916,415
Intangible assets	361,544	421,178
Goodwill	9,798,249	9,798,249
Financial assets	46,678	46,678
Interests in associated companies	1,503,359	1,314,710
Loans	3,788	3,788
Deferred tax assets	962,938	988,775
Other assets	886,974	976,576
<b>Total long-term assets</b>	<b>31,468,104</b>	<b>32,166,169</b>

**Total assets**

**43,519,583**      **44,446,523**

**Notes to the balance sheet**

**Assets**

The significant changes on the assets side of the balance sheet in the second quarter were attributable to the reduction in liquid assets to EUR 237,000 (previous year: EUR 1,271,000) and the complete sale of marketable securities (previous year: EUR 163,000). The funds were used to reduce liabilities, since reduction of liabilities continues to be one of the company's major medium-term goals.

**Liabilities**

On the liabilities side of the balance sheet the greatest change was in the position long-term loan, which in comparison with 31 December 2004 was reduced by EUR 2,198,000 to a level of EUR 15,965,000 (31 December 2004: EUR 18,163,000).

The capital-to-assets ratio increased to 23.4% (31 December 2004: 21.5%). Despite an expansion in turnover, total assets fell of 2.1% to EUR 43,520,000 (31 December 2004: EUR 44,447,000).



**GROUP BALANCE SHEET**  
(according to IFRS)

<b>Liabilities</b>	30.06.2005 EUR	31.12.2004 EUR
<b>Short-term liabilities</b>		
Short-term portion of financial lease liabilities	223,437	144,877
Short-term loans and short-term portion of long-term loans	5,193,316	4,212,658
Short-term portion of long-term shareholders' loans	750,533	250,533
Trade accounts payable	3,949,566	4,031,159
Accounts payable in the group context	25,150	25,150
Liabilities to related parties	120,000	189,000
Provisions	1,087,593	618,400
Income tax liabilities	18,915	94,553
Other short-term liabilities	4,921,490	5,017,762
<b>Total short-term liabilities</b>	<b>16,290,000</b>	<b>14,584,092</b>
<b>Long-term liabilities</b>		
Long-term loans	15,964,550	18,163,481
Long-term shareholders' loans	0	500,000
Long-term capital-lease liabilities	376,468	312,529
Liabilities to related parties	120,000	240,000
Deferred tax liabilities	20,785	8,340
Provisions	41,204	422,671
Pension provisions	196,888	287,827
Other long-term liabilities	334,209	355,939
<b>Total long-term liabilities</b>	<b>17,054,104</b>	<b>20,290,787</b>
<b>Shareholders' equity</b>		
Capital subscribed	7,900,000	7,900,000
Capital surplus	9,628,003	9,628,003
Stock options in issue	17,477	17,477
Other comprehensive income	20,878	19,724
Accumulated deficit	-7,579,727	-8,198,340
Minority interests	188,848	204,780
<b>Total shareholders' equity</b>	<b>10,175,479</b>	<b>9,571,644</b>
<b>Total liabilities</b>	<b>43,519,583</b>	<b>44,446,523</b>

**RECONCILIATION OF CONSOLIDATED BALANCE SHEET  
at 1 January 2004**

<b>Assets</b>	31.12.2003 US-GAAP EUR	Transition to IFRS EUR	01.01.2004 IFRS EUR
<b>Short-term assets</b>			
Liquid assets	880,374	0	880,374
Marketable securities	255,107	0	255,107
Trade accounts receivable	7,037,520	0	7,037,520
Accounts receivable due from associated and affiliated companies	221,431	0	221,431
Inventories	284,845	0	284,845
Deferred tax assets	313,714	-313,714	0
Accrued income, prepaid expenses and other short-term assets	2,474,933	-1,220,172	1,254,761
<b>Total short-term assets</b>	<b>11,467,924</b>	<b>-1,533,886</b>	<b>9,934,038</b>
<b>Long-term assets</b>			
Tangible fixed assets	18,096,185	-2,080,184	16,016,001
Property held as a financial investment	0	1,984,487	1,984,487
Intangible assets	209,702	-75,016	134,686
Goodwill	9,111,952	0	9,111,952
Financial assets	46,678	0	46,678
Interests in associated companies	1,356,286	0	1,356,286
Loans	2,045	0	2,045
Deferred tax assets	834,604	348,535	1,183,139
Other assets	845,193	-79,272	765,921
<b>Total long-term assets</b>	<b>30,502,645</b>	<b>98,550</b>	<b>30,601,195</b>
<b>Total assets</b>	<b>41,970,569</b>	<b>-1,435,336</b>	<b>40,535,233</b>

**RECONCILIATION OF CONSOLIDATED BALANCE SHEET  
at 1 January 2004**

**Liabilities**

	31.12.2003 US-GAAP EUR	Transition to IFRS EUR	01.01.2004 IFRS EUR
<b>Short-term liabilities</b>			
Short-term portion of financial lease liabilities	15,987	0	15,987
Short-term loans and short-term portion of long-term loans	4,104,765	0	4,104,765
Short-term portion of long-term shareholders' loans	551,607	0	551,607
Trade accounts payable	2,575,998	0	2,575,998
Accounts payable in the group context	173	0	173
Liabilities to related parties	0	0	0
Provisions	2,264,803	-1,974,133	290,670
Income tax liabilities	512,580	-129,160	383,420
Other short-term liabilities	1,904,967	1,676,793	3,581,760
<b>Total short-term liabilities</b>	<b>11,930,880</b>	<b>-426,500</b>	<b>11,504,380</b>
<b>Long-term liabilities</b>			
Long-term loans	20,336,934	-412,765	19,924,169
Long-term shareholders' loans	250,533	0	250,533
Long-term capital lease liabilities	0	0	0
Liabilities to related parties	0	0	0
Income tax liabilities	0	123,993	123,993
Deferred tax liabilities	0	0	0
Provisions	0	45,351	45,351
Pension provisions	1,292,834	-886,677	406,157
Other long-term liabilities	0	226,765	226,765
<b>Total long-term liabilities</b>	<b>21,880,301</b>	<b>-903,333</b>	<b>20,976,968</b>
<b>Minority interests</b>	<b>228,336</b>	<b>-228,336</b>	<b>0</b>
<b>Shareholders' equity</b>			
Capital subscribed	7,700,000	0	7,700,000
Capital surplus	9,406,003	0	9,406,003
Stock options in issue	0	5,140	5,140
Other comprehensive income	-126,894	118,878	-8,016
Accumulated deficit	-9,048,057	-229,521	-9,277,578
Minority interests	0	228,336	228,336
<b>Total shareholders' equity</b>	<b>7,931,052</b>	<b>122,833</b>	<b>8,053,885</b>
<b>Total liabilities</b>	<b>41,970,569</b>	<b>-1,435,336</b>	<b>40,535,233</b>

**RECONCILIATION OF CONSOLIDATED BALANCE SHEET  
at 31 December 2004**

<b>Assets</b>	31.12.2004 US-GAAP EUR	Transition to IFRS EUR	31.12.2004 IFRS EUR
<b>Short-term assets</b>			
Liquid assets	1,270,980	0	1,270,980
Marketable securities	162,762	0	162,762
Trade accounts receivable	9,325,360	0	9,325,360
Accounts receivable due from associated and affiliated companies	599,879	0	599,879
Inventories	191,652	0	191,652
Deferred tax assets	167,167	-167,167	0
Accrued income, prepaid expenses and other short-term assets	1,989,191	-1,259,470	729,721
<b>Total short-term assets</b>	<b>13,706,991</b>	<b>-1,426,637</b>	<b>12,280,354</b>
<b>Long-term assets</b>			
Tangible fixed assets	18,707,355	-2,007,555	16,699,800
Property held as a financial investment	0	1,916,415	1,916,415
Intangible assets	449,099	-27,921	421,178
Goodwill	9,558,249	240,000	9,798,249
Financial assets	46,678	0	46,678
Interests in associated companies	1,314,710	0	1,314,710
Loans	3,788	0	3,788
Deferred tax assets	815,745	173,030	988,775
Other assets	1,084,387	-107,811	976,576
<b>Total long-term assets</b>	<b>31,980,011</b>	<b>186,158</b>	<b>32,166,169</b>
<b>Total assets</b>	<b>45,687,002</b>	<b>-1,240,479</b>	<b>44,446,523</b>

**RECONCILIATION OF CONSOLIDATED BALANCE SHEET  
at 31 December 2004**

**Liabilities**

	31.12.2004 US-GAAP EUR	Transition to IFRS EUR	31.12.2004 IFRS EUR
<b>Short-term liabilities</b>			
Short-term portion of financial lease liabilities	144,877	0	144,877
Short-term loans and short-term portion of long-term loans	4,212,658	0	4,212,658
Short-term portion of long-term shareholders' loans	439,533	-189,000	250,533
Trade accounts payable	4,031,159	0	4,031,159
Accounts payable in the group context	25,150	0	25,150
Liabilities to related parties	0	189,000	189,000
Provisions	3,917,816	-3,299,416	618,400
Income tax liabilities	94,553	0	94,553
Other short-term liabilities	2,280,808	2,736,954	5,017,762
<b>Total short-term liabilities</b>	<b>15,146,554</b>	<b>-562,462</b>	<b>14,584,092</b>
<b>Long-term liabilities</b>			
Long-term loans	18,549,623	-386,142	18,163,481
Long-term shareholders' loans	500,000	0	500,000
Long-term capital lease liabilities	312,529	0	312,529
Liabilities to related parties	0	240,000	240,000
Deferred tax liabilities	8,340	0	8,340
Provisions	0	422,671	422,671
Pension provisions	1,310,892	-1,023,065	287,827
Other long-term liabilities	242,575	113,364	355,939
<b>Total long-term liabilities</b>	<b>20,923,959</b>	<b>-633,172</b>	<b>20,290,787</b>
<b>Minority interests</b>	<b>204,780</b>	<b>-204,780</b>	<b>0</b>
<b>Shareholders' equity</b>			
Capital subscribed	7,900,000	0	7,900,000
Capital surplus	9,628,003	0	9,628,003
Stock options in issue	0	17,477	17,477
Other comprehensive income	-95,611	115,335	19,724
Accumulated deficit	-8,020,683	-177,657	-8,198,340
Minority interests	0	204,780	204,780
<b>Total shareholders' equity</b>	<b>9,411,709</b>	<b>159,935</b>	<b>9,571,644</b>
<b>Total liabilities</b>	<b>45,687,002</b>	<b>-1,240,479</b>	<b>44,446,523</b>

**GROUP CASH FLOW STATEMENT**  
(according to IFRS, unaudited)

	30.06.2005 EUR	30.06.2004 EUR
Consolidated result	618,613	722,315
Changes for		
Minority interests	-15,932	0
Depreciation and amortisation	974,844	879,362
Change in provisions and allowances	10,032	372,801
Profit from the retirement of fixed assets	-213,188	-228,669
At equity valuation	-188,649	-45,870
Gains/losses on exchange	519	6,668
Change in deferred tax assets/liabilities	-37,356	-94,950
Change in inventories	48,490	100,577
Change in marketable securities	162,762	-155
Changes in trade accounts receivable and accounts receivable from associated and affiliated companies	-1,600,913	-3,406,307
Change in accrued income, prepaid expenses and other assets	116,965	280,509
Change in trade accounts payable, amounts payable to affiliated companies and liabilities to related parties	157,535	1,686,650
Change in other liabilities, accrued expenses and deferred income	373,956	-15,398
<b>Cash flow from current activities</b>	<b>407,678</b>	<b>257,533</b>
Sale in subsidiaries, less liquid assets assigned	-376,523	0
Acquisition of fixed assets	-847,487	-788,803
Income from the sale of fixed assets	857,106	211,650
<b>Cash flow from investment activities</b>	<b>-366,904</b>	<b>-577,153</b>
Change in short and long-term loans	-1,218,273	-123,455
Change in shareholders' loans	0	25,534
Change in capital leases	142,498	-14,064
<b>Cash flow from finance activities</b>	<b>-1,075,775</b>	<b>-111,985</b>
Changes in liquid assets caused by exchange rates	635	2,733
<b>Change in liquid assets</b>	<b>-1,034,366</b>	<b>-428,872</b>
Liquid assets at the beginning of the period	1,270,980	880,374
<b>Liquid assets at the end of the period</b>	<b>236,614</b>	<b>451,502</b>

**Cash flow, liquidity**

The inflow of funds from current activities in the first half of the year was EUR 408,000 (previous year: EUR 258,000). The cash flow from investment activities was marked essentially by the acquisition of software licences and hardware as well as the sale of fixed assets of the former joint venture, and amounted to minus EUR 367,000 (previous year: minus EUR 577,000). Cash used for finance activities, amounting to EUR 1,076,000 (previous year: EUR 112,000) reflects the reduction in liabilities.

At 30 June this year liquid assets amounted to EUR 237,000 (previous year: EUR 452,000).

**Capital expenditure and depreciation**

During the period under review capital investment by the group totalled EUR 847,000 (previous year: EUR 789,000), depreciation amounted to EUR 975,000 (previous year: EUR 879,000) for scheduled depreciation of fixed assets.

## STATEMENT OF CHANGES IN GROUP SHAREHOLDERS' EQUITY

	Subscribed capital EUR	Capital reserves EUR	Accumulated deficit EUR	Outstanding stock options EUR	Minority interests EUR	Other comprehensive income EUR	Total shareholders' equity EUR
Balance at 31 December 2004	7,900,000	9,628,003	- 8,198,340	17,477	204,780	19,724	9,571,644
Minority interests	0	0	0	0	- 15,932	0	- 15,932
Consolidated result	0	0	618,613	0	0	0	618,613
Translation of foreign currencies	0	0	0	0	0	1,154	1,154
Stock options	0	0	0	0	0	0	0
<b>Balance at 30 June 2005</b>	<b>7,900,000</b>	<b>9,628,003</b>	<b>- 7,579,727</b>	<b>17,477</b>	<b>188,848</b>	<b>20,878</b>	<b>10,175,479</b>
Balance at 1 January 2004	7,700,000	9,406,003	- 9,277,578	5,140	228,336	- 8,016	8,053,885
Increase in capital	200,000	0	0	0	0	0	200,000
Capital surplus from increase in capital	0	222,000	0	0	0	0	222,000
Minority interests	0	0	- 64,110	0	2,119	0	- 61,991
Consolidated result	0	0	722,315	0	0	0	722,315
Translation of foreign currencies	0	0	0	0	0	9,401	9,401
Stock options	0	0	0	0	0	0	0
<b>Balance at 30 June 2004</b>	<b>7,900,000</b>	<b>9,628,003</b>	<b>- 8,619,373</b>	<b>5,140</b>	<b>230,455</b>	<b>1,385</b>	<b>9,145,610</b>
Balance at 1 January 2004 on the basis of US-GAAP	7,700,000	9,406,003	- 9,048,057	0	0	- 126,894	7,931,052
Minority interests	0	0	0	0	228,336	0	228,336
Pension reserves	0	0	- 266,201	0	0	191,185	- 75,016
Tangible fixed assets	0	0	- 95,697	0	0	0	- 95,697
Stock options	0	0	- 5,140	5,140	0	0	0
Provisions and other liabilities	0	0	30,390	0	0	0	30,390
Deferred taxes	0	0	107,127	0	0	- 72,307	34,820
<b>Balance at 1 January 2004 on the basis of IFRS</b>	<b>7,700,000</b>	<b>9,406,003</b>	<b>- 9,277,578</b>	<b>5,140</b>	<b>228,336</b>	<b>- 8,016</b>	<b>8,053,885</b>
Balance at 31 December 2004 on the basis of US-GAAP	7,900,000	9,628,003	- 8,020,683	0	0	- 95,611	9,411,709
Minority interests	0	0	0	0	204,780	0	204,780
Pension reserves	0	0	- 171,461	0	0	185,466	14,005
Tangible fixed assets	0	0	- 91,140	0	0	0	- 91,140
Stock options	0	0	- 17,477	17,477	0	0	0
Provisions and other liabilities	0	0	26,428	0	0	0	26,428
Deferred taxes	0	0	75,993	0	0	- 70,131	5,862
<b>Balance at 31 December 2004 on the basis of IFRS</b>	<b>7,900,000</b>	<b>9,628,003</b>	<b>- 8,198,340</b>	<b>17,477</b>	<b>204,780</b>	<b>19,724</b>	<b>9,571,644</b>
Balance at 30 June 2004 on the basis of US-GAAP	7,900,000	9,628,003	- 8,433,329	0	0	- 106,499	8,988,175
Minority interests	0	0	0	0	230,455	0	230,455
Pension reserves	0	0	- 198,709	0	0	173,820	- 24,889
Tangible fixed assets	0	0	- 93,418	0	0	0	- 93,418
Stock options	0	0	- 5,140	5,140	0	0	0
Provisions and other liabilities	0	0	30,390	0	0	0	30,390
Deferred taxes	0	0	80,833	0	0	- 65,936	14,897
<b>Balance at 30 June 2004 on the basis of IFRS</b>	<b>7,900,000</b>	<b>9,628,003</b>	<b>- 8,619,373</b>	<b>5,140</b>	<b>230,455</b>	<b>1,385</b>	<b>9,145,610</b>

### Shareholdings of Board members

On 31 May 2005 the Chairman of the Supervisory Board, Mr Wolfgang Monning, purchased a further 3,000 shares of Müller – Die lila Logistik AG. At the reference date of 30 June

the members of the Management Board and Supervisory Board of Müller – Die lila Logistik AG owned the following shares and options in the company:

Name	Position	Shares	Options
Michael Müller	Chairman of the Management Board	4,059,000	40,000
Rupert Früh	Member of the Management Board	-	8,000
Wolfgang Monning	Chairman of the Supervisory Board	16,428	-
Prof. Peter Klaus	Deputy Chairman of the Supervisory Board	4,614	-
Volker Buckmann	Member of the Supervisory Board	-	-
Per Klemm	Member of the Supervisory Board	46,450	-
Klaus Langer	Member of the Supervisory Board	2,500	-
Carlos Rodrigues	Member of the Supervisory Board	785	10,000

### Sale of the shares in the joint venture with Vedes

The collaboration in the joint venture under the name Vedes-Müller Logistik GmbH was terminated in May with effect from 1 April 2005. The shareholders to date, Müller – Die lila Logistik AG and VEDES-Gruppe, decided amicably not to continue the joint venture because of changed general conditions. Against the background of strongly reduced turnover expectations for the joint venture this financial year and next, the necessary income goals were not achievable. This also impacted on the forecast for 2005 as a whole. This was already reported on in the 2005 3-months report.

### Annual general meeting of shareholders on 16 June 2005

This year's AGM took place at the "Haus der Wirtschaft" in Stuttgart. In addition to presentation of the adopted annual financial statements, adoption of the resolution on the application of the retained earnings, discharge of the members of the Supervisory Board and of the Management Board, appointment of the auditors and a number of changes to the articles of association with regard to the draft law on corporate integrity and modernisation of the right of rescission, the agenda also included the adoption of a resolution on the creation of new authorised capital. All points on the agenda were resolved in accordance with the proposals by unanimous vote.

### Outlook

After the first quarter had proceeded according to plan and following the pleasing development of the second quarter, the company is on the right path to achieving the total year forecast of EUR 74 million in turnover and EUR 700,000 to 800,000 in terms of annual net profit. It should still be observed that the third quarter has traditionally been marked by customer plant holidays and there-

fore lower logistics volumes, which in turn results in lower anticipated results in the third quarter. According to the company's planning the final quarter of 2005 will provide the significant contribution to achievement of the planned results.

### Company diary 2005

Publication of 6-month financial statements	24 August
Analysts' event	24 August
Publication of 9-month financial statements	22 November

### 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

### Note:

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