ANNUAL REPORT 2006

MÜLLER - DIE LILA LOGISTIK AG

ACCORDING TO HGB

Contents

Management Report of

Müller - Die lila Logistik AG

for the Financial Year 2006

Business Model

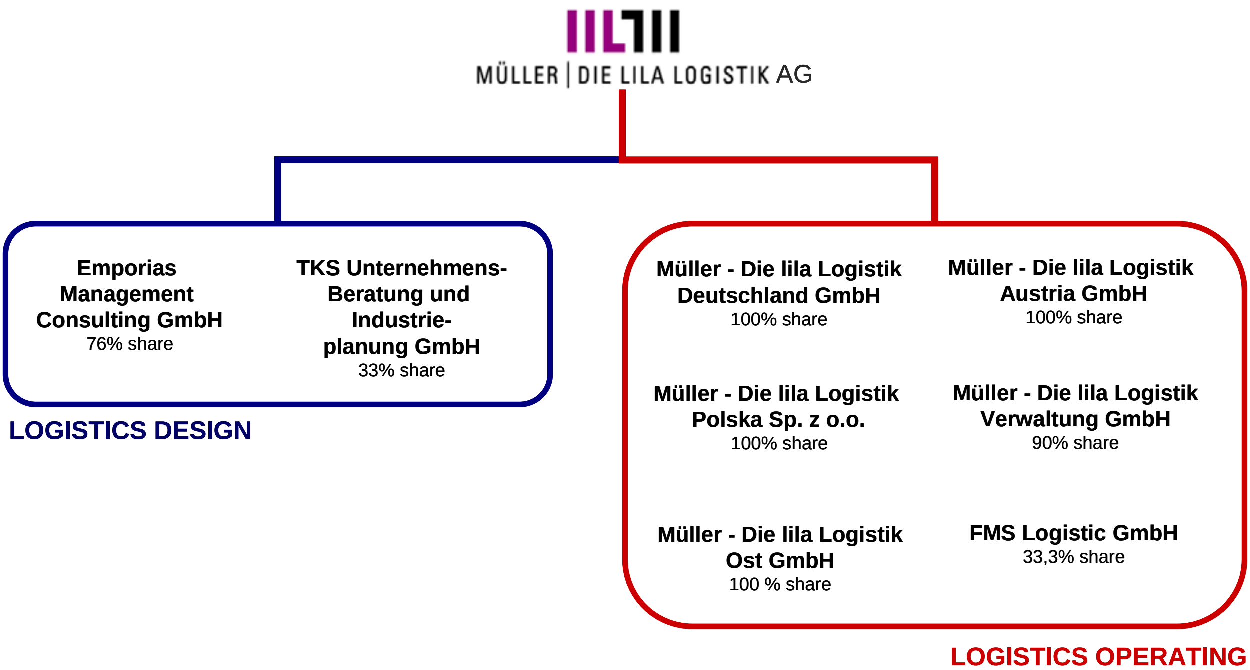
Müller - Die lila Logistik AG performs various management functions for Lila Logistik Group. The subsidiaries perform the actual marketable tasks of logistics operations, consulting, and logistics service operations.

The company's personnel consists of the management, management secretarial, distribution, controlling, corporate development, and investor relations/marketing staff. All functions mentioned above are either group management functions or internal services that the group parent renders its subsidiaries against remuneration. The group parent is a joint stock corporation [Aktiengesellschaft] domiciled in Besigheim, Germany, with no secondary business locations.

Equity Investments

There have been no changes in Müller - Die lila Logistik AG's equity investment portfolio in financial year 2006.

The group is currently structured as follows (not including indirect subsidiaries):



Profit Transfer Agreements
Müller - Die lila Logistik AG has entered into profit transfer and control agreements with the following of its subsidiaries:
Müller - Die lila Logistik Deutschland GmbH, Besigheim,
Müller - Die lila Logistik Verwaltung GmbH, Herne, and
Emporias Management Consulting GmbH, Unterföhring.

Sector Development
The logistics services market is very heterogeneous. It is generally quite hard to determine any congruent market trends and the main market segments in which our company operates, i.e. logistics design and logistics operations may show quite diverging trends. Small and medium-sized transport logistics enterprises faced enormous challenges in the year under review, for instance, road toll for trucks, rising costs for fuel and lubricants, and the market entry of foreign rivals. Moreover, customers from all industries are constantly trying to extract ever more efficiency potential from contract logistics. Related effects on the group companies spill over to Müller - Die lila Logistik AG through its income from equity investments and profit transfer agreements. Overall, the logistics sector remains a growth industry both in Germany and Europe-wide. Favourable economic factors boost this development as does the increasing interlinking of the global flow of goods. Innovative solutions, modern IT systems, and high service quality are the hallmark features of successful market players in this sector.

Business Development
Sales Revenues
The sales revenues of Müller - Die lila Logistik AG primarily consist of revenue transfers from affiliated companies and in the year under review amounted to kEUR 1,233 close to the prior year's level (previous year: kEUR 1,297). By far most of our group's total sales revenues stemmed from German and Austrian operations.

Earnings Development
In financial year 2006, the company realised a net profit for the year of kEUR 3,456 (previous year: kEUR 1,036). The following three factors had the greatest impact on the earnings development of Müller - Die lila Logistik AG: Due to the favourable development of our subsidiaries we had to correct some partial impairments of years past by posting historical cost appreciation. Thanks to these appreciations, our other operating income came close to the previous year's level at an amount of kEUR 1,204 (previous year: kEUR 1,138). Our income from equity investments grew substantially to an amount of kEUR 803 (previous year: kEUR 275). One of our subsidiaries sold a property under a sale-and-lease-back agreement in the year under review. The sale proceeds from this transaction materially benefited our income from profit transfer agreements in the amount of kEUR 3,309 bringing the total to kEUR 4,994 (previous year: kEUR 3,394).

The main cost positions of Müller - Die lila Logistik AG developed as follows in financial year 2006: We had no cost of materials to expense (previous year: kEUR 56 owing to subsidiary factoring). Our personnel costs were above the previous year's level at kEUR 1,527 due to variable compensation components (previous year: kEUR 1,317). At kEUR 1,727, our other operating expense was in line with the prior year (previous year: kEUR 1,728). Depreciation, amortisation, and impairments on intangible and property, plant & equipment assets turned out lower than the year before at kEUR 642 (previous year: kEUR 755).

In financial year 2006, our earnings per share improved to EUR 0.44 (previous year: EUR 0.13). Return on equity came to 30.7 % (previous year: 13.3 % return on equity).

Capital Spending and Depreciation, Amortisation, and Impairments
In the period under review, Müller - Die lila Logistik AG spent kEUR 2,125 (previous year: kEUR 303) on its asset base. The focus of this capital spending was to provide our subsidiary in Poland with sufficient capital in the form of a capital increase in the amount of kEUR 924 and a long-term loan of kEUR 1,100.

Depreciation, amortisation, and impairments on intangible and property, plant & equipment assets in financial year 2006 totalled kEUR 642 (previous year: kEUR 755). We again did not have to write down financial assets in the year under review.

Asset and Financial Position
As of the balance sheet date on 31 December 2006, our total assets had increased 23.9 % year-on-year to kEUR 29,653 (previous year: kEUR 23,942). On the asset side of the balance sheet, the company's non-current assets increased to kEUR 21,523 (previous year: kEUR 19,597) and current assets came to kEUR 7,922 (previous year: kEUR 4,136). The rise in receivables from affiliated companies to kEUR 5,822 was mainly due to higher profit transfers from subsidiaries.

Thanks to our good earnings situation, our equity increased in the year under review and amounted to kEUR 11,261 (previous year: kEUR 7,783) as of the balance sheet date. Liabilities came to kEUR 16,392 (previous year: kEUR 14,680) as of the last day of the financial year. Our liabilities consisted of liabilities to banks in the amount of kEUR 14,691 (mostly involving long-term real estate financing and working capital financing for subsidiaries), liabilities to subsidiaries of kEUR 744 within the framework of cash management, and other liabilities of kEUR 957 (primarily for taxes and trade liabilities). Equity accounted for 38 % (previous year: 32.5 %) of the balance sheet total.

Cash Flow and Liquidity
Cash and cash equivalents came to kEUR 131 (previous year: kEUR 12) as of the balance sheet date. Operating cash flow amounted to kEUR 764 (previous year: kEUR 1,780). Providing the capital for our subsidiary in Poland in the context of the capital spending project there caused a cash outflow from capital spending activities of kEUR 2,122 (previous year: Cash inflow from capital spending activities of kEUR 601). The cash inflow from finance activities of kEUR 1,476 (previous year: Cash outflow from finance activities of kEUR 2,419) resulted from new borrowing to finance the working capital of our subsidiaries through a note-backed bullet loan with fixed interest rate for EUR 3 million that is set against scheduled principal repayments on loan liabilities of some EUR 1.7 million. Our continuing effort to reduce our debt also shows in our gearing (ratio of outside capital to total capital) that came to 0.62 (previous year: 0.67) as of the balance sheet date.

Overall Assessment of the Company's Development in Financial Year 2006
The financial year 2006 was economically a success for Müller - Die lila Logistik AG. Our net profit for the year improved more than planned not least thanks to the income boost from the sale-and-lease-back of a property by one of our subsidiaries. The fact that our subsidiaries and equity investments are showing more stable operating profitability also contributed to this gratifying development.

Capital Structure
So far, the company has exclusively issued no-par bearer shares with a total of 7,938,375 no-par shares outstanding.

The annual general shareholders' meeting on 16 June 2005 authorised Management to increase the company's share capital subject to Supervisory Board consent by issuing new no-par shares against capital contributions in cash or kind but in total not exceeding kEUR 3,160 in one or more tranches up to 16 June 2010 (authorised capital I). Management has been furthermore authorised to increase the company's share capital subject to Supervisory Board consent by issuing new no-par shares against cash capital contribution but in total not exceeding kEUR 790 in one or more tranches up to 16 June 2010 (authorised capital II).

The following natural and legal persons own substantial interests in our company's share capital: Mr. Müller holds EUR 4,066,500 (51.23 % equity stake), LBBW Spezialprodukte-Holding GmbH holds EUR 1,341,340 (16.90 % equity stake), and Mr. Reisdorf holds EUR 410,885 (5.18 % equity stake). The remaining shares are in free float.

Management Board Appointment and Amendment to the Articles of Association
According to the company's articles of association, the Supervisory Board is the corporate body vested with the power to appoint Management Board members, sign their employment contracts, and terminate or annul such appointments. The Supervisory Board is furthermore authorised to change the articles of association of the company to the extent that such change only affects the wording of the articles of association.

Changes in the Management and Supervisory Boards
No personnel changes occurred in the Management and Supervisory Boards in the period under review.

Chairman Wolfgang Monning left the Supervisory Board of Müller - Die lila Logistik AG effective 31 December 2006. The Supervisory Board members vested with voting rights unanimously elected the previous Vice Chairman Professor Peter Klaus as new Supervisory Board Chairman at their December meeting.

Compensation Report
As a regular component of our corporate governance report, the compensation report summarises the principles applied in calculating the compensation of Müller - Die lila Logistik AG's Management Board and explains the amount and structure of Management Board member income.

The compensation report furthermore details the underlying principles and actual amounts of Supervisory Board compensation and states the shareholdings in the company of Management and Supervisory Board members.

Structure of Management Board Member Compensation
The Supervisory Board is the corporate body vested with the power to determine Management Board member compensation. The compensation for members of Müller - Die lila Logistik AG's Management Board is geared to the size of the company and its international operations. The Supervisory Board considers the responsibilities and corporate performance contributions of the respective Management Board members in determining their remuneration. Our Management Board member compensation is performance based. It comprises a fixed salary, a variable bonus pegged to our business development, and a long-term incentive component.

The fixed-amount part of Management Board compensation consists of a basic salary to be paid in twelve monthly instalments. Our Management Board members do not receive Christmas or vacation bonuses.

Our Management Board members receive a variable bonus pegged to certain quantitative corporate goals that closely follow the group's overall EBT as set forth in the respective Management Board members' employment contracts.

The long-term incentive component is based on a stock option programme that entitles option holders to purchase shares in Müller - Die lila Logistik AG. In financial year 2006, the group issued no stock options to its Management Board members.

Management Board Compensation in Financial Year 2006
In the past financial year, Management Board compensation totalled kEUR 848 (previous year: kEUR 657) that broke down as follows:

	kEUR
Salary	421
Annual bonus	427

Supervisory Board Compensation in Financial Year 2006
The annual general shareholders' meeting of Müller - Die lila Logistik AG is the corporate body vested with the power to determine Supervisory Board member compensation pursuant to article 14 of the company's articles of association. Supervisory Board member compensation is based on the individual members' tasks and responsibilities.

Supervisory Board member compensation has two components:

- A fixed component, and
- A component based on membership in committees of Müller - Die lila Logistik AG.

The fixed annual compensation of regular Supervisory Board members serves as multiplier to determine the fixed compensation of the officers with the Supervisory Board Chairperson receiving three times as much and the Vice Chairperson one-and-a-half times as much.

In financial year 2006, the compensation for Supervisory Board members of Müller - Die lila Logistik AG totalled kEUR 67.

Supervisory Board Member Compensation

Name	Function	Total 2006 kEUR
Wolfgang Monning	Supervisory Board Chairman	25
Prof. Peter Klaus	Supervisory Board Vice Chairman	12
Volker Buckmann	Supervisory Board member	6
Per Klemm	Supervisory Board member	6
Klaus Langer	Supervisory Board member	12
Carlos Rodrigues	Supervisory Board member	6

Shareholdings of Management and Supervisory Board Members

As of 31 December 2006, our Management Board members held a total of 4,072,500 shares in our company corresponding to 51.30 % of Müller - Die lila Logistik AG's market capitalisation. Our Supervisory Board members held a total of 75,777 shares or 0.95 % of the company's share capital.

Please refer to the notes to the annual financial statements for an itemised break down of corporate officer shareholdings under section 3 Other Disclosures.

Personnel

On 31 December 2006, Müller - Die lila Logistik AG employed nine persons not including members of the Management and Supervisory Boards.

Risk Report

Risk Management System

It is a well-known fact that business success cannot be attained without any risk. However, Müller – Die lila Logistik AG considers it indispensable for economic success to be alert to the risks that arise in business reality and to handle them responsibly.

Pursuant to article 91, paragraph 2 of the German Stock Corporation Act [Aktiengesetz, AktG], a company's management has to take appropriate measures in particular by implementing a suitable risk monitoring system to detect existential risks to the company as early as possible. The German Commercial Code [Handelsgesetzbuch, HGB] moreover mandates that company's report on the company's future development and the resulting risks in its management report. Already several years ago, Müller – Die lila Logistik AG has implemented a risk management system to detect risks early and handle them appropriately.

Müller – Die lila Logistik AG's risk management system is based on group-wide standards and comprehensive reporting and information systems. We scrutinise all segments for risks and opportunities at regular annual planning meetings and evaluate their potential. Our group-wide controlling and reporting system monitors target compliance throughout the year. Moreover, our risk managers on site submit risk reporting data sheets as a quick and ready reference to our top executives. The group's internal reporting focuses on earnings calculations per site or company, forecast updates, and liquidity analyses as well as

MÜLLER | DIE LILA LOGISTIK

target/actual comparisons in terms of budgets and month-over-month development. Analyses of key data like gross margin and return on sales allow us to spot negative developments right away and take immediate counter action. As such, our risk management revolves around management's responsibility to detect, analyse, and evaluate risks early so that the group is best protected.

Our auditors regularly check whether our risk management system is appropriate and suitable for its task within the framework of auditing our annual financial statements. Our risk management system in the year under review was found to satisfy all requirements of the German Corporate Control and Transparency Act [Gesetz Zur Kontrolle und Transparenz im Unternehmensbereich, KonTraG]. We have taken all required measures to detect existential risks early.

Overall Economic Risk
Companies are always subject to general economic risks. As such, Müller - Die lila Logistik AG is also subject to such risks. Economic disruptions cause demand declines for production materials and therefore reduce the overall flow of goods. Demand declines abroad may also severely impair the domestic flow of goods given the strong export bias of German industry. Moreover, oil price hikes can seriously impact the logistics sector. Müller - Die lila Logistik AG and its subsidiaries are also well aware of seasonal fluctuations in their business stemming from summer breaks or lulls in customer sectors. The company is taking such effects into account in its corporate planning.

Dependence on Major Customers
Our group's deliberate focus on internationally operating clients from four narrowly-defined core target sectors (automotive, electronics, consumer goods, and industrial goods) allow the subsidiaries of Müller – Die lila Logistik AG to cherry pick its clientele from the fastest growing players in their segments. Being a closely integrated service provider to the overachieving players in rapidly growing sectors makes business relations intense but also entails mutual dependencies. Our extensive involvement in customers' processes gives us a rather secure position in terms of continuity of existing and future business with our clientele. The resulting dependencies between logistics sourcer and provider are mutual. Expanding our customer base and maintaining existing customers remains amongst the top priorities of our business strategy going forward.

Financial Risk
One of the many tasks of group parent Müller - Die lila Logistik AG is to ensure the necessary liquidity of the group. To this end, the group parent has to optimise the financing of the group. We typically hedge financing that is being passed on within the group to match the respective amounts and maturities to be refinanced. Moreover, the business activity of Müller - Die lila Logistik AG entails financial risks resulting from changes in interest and foreign exchange rates. We hedge these risks with derivative financial instruments. Müller - Die lila Logistik AG hedges interest rate risks for the group with interest rate swap contracts.

Dependency on Top-Level Management
The economic success of Müller – Die lila Logistik AG crucially depends on the qualification of our staff. We have continuously evolved the organisational structures for positive

professional development in 2006. There still remains the fundamental risk that key know-how carriers may leave the company.

Managing Project Starts
Project starts are generally subject to operating and financial risks especially calculation and liability as well as investment risks. We are carefully analysing and monitoring these risks in our interdisciplinary project management and thorough project controlling processes. Based on the results of these processes we can take appropriate steps to minimise these risks.

IT Risk
Networking all the various parties involved in the logistics processes of Müller - Die lila Logistik requires functional and adaptable IT systems. Müller - Die lila Logistik AG is protecting these systems with state-of-the-art virus protection and firewalls and has back-up plans for downtime and system failure that are indispensable parts of our quality assurance management.

Internationalisation Risk
As a group parent, Müller - Die lila Logistik AG has to take account of our industry's rapid internationalisation and the resulting business expansion of its subsidiaries into new markets. Economic and legal peculiarities of foreign markets can cause considerable expense of time and money to cope with. Moreover, foreign business is more prone to payment delays and debtor defaults. Subsidiaries of Müller - Die lila Logistik AG have business operations outside the euro area, in particular this involves Poland. Part of the invoices for the business transactions there are not billed or paid in euros. Foreign exchange fluctuations in the value of the euro relative to currencies outside the euro area can thus impact the earnings of Müller - Die lila Logistik AG.

Assuming existing Employment Contracts
Under German law, the purchaser or a full or partial going concern assumes the rights and obligations of this going concern at the time of legal ownership transfer including the rights and obligations arising from employment contracts. In the context of future going concern acquisitions, it is therefore possible that subsidiaries of Müller - Die lila Logistik AG will have to assume employment contracts that they would not have taken over without the legal transfer of rights and obligations under the going concern regulations. Even if the respective company has taken account of such economic burdens in its purchase negotiations with the seller, it remains possible that the statutory continuation of employment contracts under the going concern regulation will adversely affect the respective company's financial and income position.

Investment Portfolio Risk
By assisting its individual subsidiaries and by handling the standardised group controlling, the group parent company Müller - Die lila Logistik AG has detailed knowledge of development and risks of its subsidiaries. Nonetheless, it cannot be ruled out that possible profitability problems of subsidiaries may burden the parent's financial and income position despite all the safeguards and protection measures taken.

MÜLLER | DIE LILA LOGISTIK

Risk Report Summary
Overall, Müller - Die lila Logistik AG is mainly exposed to the typical risks of its sector, market, and general economic activity. The company's business risks are generally limited and manageable without any discernible existential risks. We currently also see no existential risks to Müller - Die lila Logistik AG for the foreseeable future.

Supplementary Report
At the beginning of January 2007, Müller – Die lila Logistik AG has made a major principal repayment of kEUR 200 on a loan from majority shareholder Michael Müller.

Outlook
Müller - Die lila Logistik AG will continue to operate in its markets and defined key customer sectors following its business model as a holding company for a group of subsidiaries that engage in the two core activities of logistics consulting and implementation of logistics processes. We expect the networking of business processes in the extended euro area to progress. The group stands to gain from its current market position. On a middle-term, Müller - Die lila Logistik AG expects continued lively growth of the logistics sector. Projecting beyond this in either scope or time would entail too much uncertainty from a business prudence point of view to make reasonable predictions given the high volatility of project business. As soon as the new logistics services centre in Poland will be completed in about mid-2007, the site will start its operating activities. Müller - Die lila Logistik AG expects the subsidiary to make its first positive earnings contributions from operating activities toward the end of 2007 and will continue to do so over the course of the entire financial year 2008.

The gradual change of the regulatory environment for domestic road freighting of goods by non-regional enterprises domiciled in foreign countries until 2010 constitutes from Müller - Die lila Logistik AG's perspective a material change in the regulatory environment. The company and its subsidiaries are already getting jointly prepared to deal with the corresponding effects of this change.

For the current financial year 2007, the company expects operating earnings in line with the previous year. Adjusting for the extraordinary effects from the sale-and-lease-back transaction of one of our subsidiaries in financial year 2006, earnings contributions from subsidiaries and equity investments are likely to remain stable. Sales revenues will probably turn out higher thanks to new services offered by our group. After completion of the high capital spending phase in 2007, the group will shift its focus to continuous debt reduction in financial year 2008. We expect our 2007 business trend to continue in financial year 2008.

Besigheim, 16 March 2007

Michael Müller	Rupert Früh
Chief Executive Officer	Chief Financial Officer

Balance sheet as at 31 December 2006

Assets

		2006	2005
		EUR	EUR
A.	**Non-current assets**		
I.	**Intangible assets**		
	1. Concessions, industrial property rights and similar rights as well as licenses in such rights and assets	27,672.00	54,671.00
	2. Goodwill	1,263,736.00	1,468,802.00
II.	**Property, plant & equipment**		
	1. Properties, property-like rights and buildings includings buildings on third-party properties	6,437,374.06	6,737,159.06
	2. Other improvements, operating, and office equipment	322,179.51	406,936.51
III.	**Financial assets**		
	1. Equity interests in affiliated companies	9,876,971.50	8,554,665.02
	2. Loans to affiliated companies	2,122,583.76	1,022,583.76
	3. Equity investments	1,470,368.22	1,350,000.00
	4. Other loans	2,060.00	2,060.00
	Non-current assets, total	**21,522,945.05**	**19,596,877.35**
B.	**Current assets**		
I.	**Receivables and other assets**		
	1. Trade receivables	0.00	54,631.00
	2. Receivables from affiliated companies	5,821,609.73	2,510,083.59
	3. Other assets -- thereof with residual maturities of more than one year EUR 1,701,404.99 (previous year: EUR 1,385,568.03)--	1,969,550.08	1,559,278.09
II.	**Cash on hand and credit balances with banks**	130,967.40	12,042.48
	Current assets, total	**7,922,127.21**	**4,136,035.16**
C.	**Prepaid expenses and deferred income**	208,332.51	209,587.28
	Assets, total	**29,653,404.77**	**23,942,499.79**

Balance sheet as at 31 December 2006

Liabilities and Shareholders' Equity

			2006	2005
			EUR	EUR
A.	**Equity**			
	I.	**Subscribed capital**	7,938,375.00	7,920,750.00
	II.	**Capital reserve**	11,472,361.26	11,467,602.51
	III.	**Balance sheet loss**	-8,149,531.10	-11,605,397.17
	Equity, total		**11,261,205.16**	**7,782,955.34**
B.	**Provisions**			
	1.	Pension provisions and similar obligations	427,417.00	375,951.00
	2.	Tax provisions	801,608.69	479,835.10
	3.	Other provisions	771,348.65	624,038.28
	Provisions, total		**2,000,374.34**	**1,479,824.38**
C.	**Liabilities**			
	1.	Liabilities to banks --thereof with residual maturities of up to one year EUR 1,830,369.44 (previous year: EUR 2,048.433.20)--	14,690,547.40	13,236,435.16
	2.	Trade liabilities --with a residual maturity of up to one year	75,600.01	54,057.85
	3.	Liabilities to affiliated enterprises --with a residual maturity of up to one year--	744,456.40	3,230.60
	4.	Other liabilities --with a residual maturity of up to one year-- --thereof for taxes EUR 337,011.54 (previous year: EUR 382,648.77)-- --thereof for social security insurance EUR 0 (previous year: EUR 11,441.23)--	881,221.46	1,385,996.46
	Liabilities, total		**16,391,825.27**	**14,679,720.07**
	Equity and Liabilities, total		**29,653,404.77**	**23,942,499.79**

Income statement for the period from 1 January to 31 December 2006

	2006	2005
	EUR	EUR
1. Sales revenues	1,232,630.51	1,297,076.17
2. Other operating income	1,203,994.57	1,138,078.82
3. Cost of materials		
Cost of services hired	0.00	-55,939.38
4. Personnel cost		
a) Wages and salaries	-1,379,141.87	-1,178,663.40
b) Social insurance contributions and pension provision	-147,479.41	-138,347.74
--thereof for pension provision EUR 63,943.11		
(previous year: EUR 65,094.99)--		
5. Depreciation, amortisation, and impairments of non-current and PP&E assets	-641,789.32	-754,764.11
6. Other operating expense	-1,727,011.93	-1,727,992.17
7. Investment income	803,133.17	275,092.75
8. Income from profit transfer agreements	4,994,028.13	3,394,336.03
9. Other interest and similar income	321,830.23	205,056.99
10. Interest and similar expense	-893,795.92	-948,285.23
11. Income from ordinary business activity	**3,766,398.16**	**1,505,648.73**
12. Taxes on income	-274,207.63	-254,348.87
13. Other taxes	-36,324.46	-215,212.32
14. Net profit for the year	**3,455,866.07**	**1,036,087.54**
15. Loss carry-forward	-11,605,397.17	-12,641,484.71
16. Balance sheet loss	**-8,149,531.10**	**-11,605,397.17**

Notes to the Annual Financial Statements

for Financial Year 2006

1. General Information on the Annual Financial Statements as well as the Accounting and Valuation Methods used

1.1 Structure

The annual financial statements have been prepared according to statutory rules and regulations. The balance sheet has been prepared pursuant to article 266 of the German Commercial Code [Handelsgesetzbuch, HGB] in the form mandated for major corporations. The income statement has been prepared using the total expenditure format pursuant to article 275, paragraph 2 HGB.

1.2 Accounting Methods

The annual financial statements include all assets, liabilities, expenses, and income unless otherwise required by law.

Non-current and current assets, equity, and liabilities are shown separately in the balance sheet and are sufficiently categorised.

Non-current assets only include assets earmarked for permanent business use. Provisions have been made pursuant to article 249 HGB.

1.3 Valuation Methods

Opening balance sheet values of a given financial year accord with the closing balance sheet value of the preceding year for the same item. Valuations assume the continuation of business operations. Assets and debts are valued separately. All value recognitions are conservative and all foreseeable risks and losses that have been incurred up to the balance sheet date have been taken into account even if these have only become known in the period between the balance sheet date and preparation of the annual financial statements. Only profits that have been realised by the balance sheet date are recognised. The valuation methods used in preparing the preceding annual financial statements have been maintained. Income and expenses of the financial year under review are stated independently of the time of payment.

Individual positions have been valued as follows:

Non-current assets are stated at amortised historical costs. Depreciation, amortisation, and impairments are prorated over time.

Low-value goods (defined as discrete objects acquired or manufactured for up to EUR 410.00 net of VAT each) are fully amortised in their year of acquisition.

Goodwill is amortised over its prospective economic service life pursuant to article 255, paragraph 4, sentence 3 HGB.

Financial assets are valued at historical costs minus applicable impairments. As soon as the reasons for impairment are no longer valid, financial assets appreciate up to their amortised historical costs.

Receivables, other assets, and cash and cash equivalents are recognised at nominal value. Reinsurance policies stated under other assets are set at their respective asset value unless this exceeds the value of the underlying obligation.

Provisions are determined according to prudent business practise. Pension obligations are calculated by actuarial expertise based on the Heubeck 2005 G actuarial tables and an interest rate of 6.0 % as in financial year 2005. Pension obligations pertain to the Management Board members that were still active in their respective positions as of the balance sheet date on 31 December 2006 and the former Chief Financial Officer Alfred Bank who left his position on 30 June 2003. Other provisions cover all discernible risks and uncertain obligations. Liabilities are stated at their respective repayment amounts.

1.4 Currency Translation

As of the balance sheet date, the company had no receivables or liabilities denominated in foreign currencies.

1.5 Disagio

The disagio shown in the balance sheet resulted from financing the property located at Besigheim-Ottmarsheim, Ferdinand-Porsche-Straße 4, in 1999. The original amount of kEUR 281 is being amortised linearly over 20 years, i.e. to 2019.

2. Explanation of Individual Balance Sheet and Income Statement Positions

2.1 Explanation of Individual Balance Sheet Positions

2.1.1 Noncurrent Assets

The asset analysis shows the development and classification of individual non-current-asset items and their depreciation, amortisation, and impairment in the financial year under review.

2.1.2 Financial Assets

Müller – Die lila Logistik AG regularly tests the book values of its financial and intangible assets for indications of impairment or appreciation as of the balance sheet date. Due to our current earnings situation and the underlying plans of our subsidiaries and equity investments, we booked an appreciation in our financial assets totalling kEUR 443 as of the balance sheet date. No appreciation was made in the prior year.

The value appreciation is limited to the historical costs of the equity investments. The appreciation made has been recognised in the income statement.

In the year under review, our subsidiary Müller – Die lila Logistik Polska Sp. z o.o. increased its nominal capital by kEUR 924. The capital contributions not yet paid up for Müller – Die lila Logistik Polska Sp. z o.o. total kPLN 107. Müller – Die lila Logistik AG is now invested in Müller – Die lila Logistik Polska Sp. z o.o. to the tune of kEUR 1,676.

In the prior year, the following events impacted our financial assets:
Pursuant to the notarised agreement dated 20 May 2005, the joint venture of Vedes Logistik GmbH and Müller – Die lila Logistik AG has been terminated retroactively to 1 April 2005. Müller – Die lila Logistik AG sold its equity interest with a nominal value of kEUR 13 for a purchase price of EUR 1 to Vedes Logistik GmbH.

On 20 December 2005, the company acquired a management company with registered capital of kEUR 25 and renamed it to Müller - Die lila Logistik Ost GmbH.

2.1.3 Current Assets

Receivables from affiliated companies totalled kEUR 5,822 and primarily comprised year-end payments under profit transfer agreements with Müller - Die lila Logistik Deutschland GmbH, Müller - Die lila Logistik Verwaltung GmbH, and Emporias Management Consulting GmbH.

On 1 July 2005, the claim subordination agreement we entered into with Müller - Die lila Logistik Deutschland GmbH dated 21 August 2002 was rescinded. This agreement involved receivables in the amount of kEUR 1,373 and was made to avoid the subsidiary's impending accounting insolvency in 2002. As this situation ceased to exist thanks to the subsidiary's good earnings development in the past few financial years and resulting positive equity evolution of Müller - Die lila Logistik Deutschland GmbH, the claim subordination agreement could be rescinded.

Other asset amounted to kEUR 1,970 (previous year: kEUR 1,559) primarily consist of reinsurance policies with repurchase values totalling kEUR 1,675 (previous year: kEUR 1,386) and tax receivables of kEUR 277 (previous year: kEUR 170).

2.1.4 Prepaid Expenses and Deferred Income

The main item under the prepaid expenses and deferred income position is a disagio with a book value of kEUR 175.

2.1.5 Share Capital

The company's share capital amounts to about kEUR 7,938 (previous year: kEUR 7,921) divided into 7,938,375 (previous year: 7,920,750) no-par bearer shares.

On 8 February 2001, the annual general shareholders' meeting approved the increase of the share capital by kEUR 5,400 to kEUR 6,000. In the course of the company's initial public offering, the annual general shareholders' meeting on 5 March 2001 resolved a share capital increase by kEUR 1,700 to kEUR 7,700. The annual general shareholders' meeting moreover authorised management to increase the share capital in one or more tranches by a total of no more than kEUR 3,000 up to 5 March 2006. The annual general shareholders' meeting on 5 March 2001 furthermore resolved a contingent share capital increase by up to kEUR 600. The contingent capital has been earmarked for the employee stock option plan.

On 27 April 2004, the Management Board decided with Supervisory Board consent to increase the share capital by utilising the authorised capital by kEUR 200 to kEUR 7,900. The capital increase was entered into the commercial register on 15 June 2004.

The annual general shareholders' meeting on 16 June 2005 resolved the dissolution of the previous and creation of new authorised capital I and II. Management has been authorised to increase the company's share capital subject to Supervisory Board consent by issuing new no-par shares against capital contributions in cash or kind but in total not exceeding kEUR 3,160 in one or more tranches up to 16 June 2010 (authorised capital I).

Management has been furthermore authorised to increase the company's share capital subject to Supervisory Board consent by issuing new no-par shares against cash capital contribution but in total not exceeding kEUR 790 in one or more tranches up to 16 June 2010 (authorised capital II).

Based on the contingent capital increase resolved on 5 March 2001 and 15 May 2001 (contingent capital) kEUR 17 (previous year: kEUR 21) in subscription shares have been issued in financial year 2006. At the end of the financial year, the company's share capital came to kEUR 7,938 (previous year: kEUR 7,921); the residual contingent capital at the end of the financial year came to kEUR 562 (previous year: kEUR 579).

2.1.6 Capital Reserve

As in the prior year, the capital reserve of kEUR 11,472 (previous year: kEUR 11,468) mostly consisted of the surplus proceeds from the capital increase in the context of the company's initial public offering in the amount of kEUR 11,240 and the valuation surplus on the contribution in kind of kEUR 222 for the capital increase entered into the commercial register on 15 June 2004. In financial year 2006, the difference between the shares' face value and the exercising price for the stock options (17,625 no-par converted stock options from the employee stock option programme) came to kEUR 5 (previous year: EUR 6).

2.1.7 Other Provisions

Other provisions totalling kEUR 771 (previous year: kEUR 624) primarily pertain to personnel obligations in the amount of kEUR 553 (previous year: kEUR 367), financial statement auditing and other audit costs of kEUR 189 (previous year: kEUR 214) and open bills amounting to kEUR 29 (previous year: kEUR 43).

2.1.8 Tax Provisions

Tax provisions in the amount of kEUR 802 (previous year: kEUR 480) pertain to the financial years 1998 through 2006.

2.1.9 Liabilities

The following table provides an overview of our liabilities by residual maturity:

	Total	Thereof with residual maturities of up to one year	Thereof with residual maturities of one to fine years	Thereof with residual maturities of more than five years
	kEUR	**kEUR**	**kEUR**	**kEUR**
Liabilities to banks	14,691	1,831	4,245	8,615
Trade liabilities	76	76	0	0
Liabilities to affiliated companies	744	744	0	0
Other liabilities	881	881	0	0
Total liabilities	**16,392**	**3,532**	**4,245**	**8,615**
(previous year:	14,680	3,492	2,541	8,647)

Liabilities to banks

Our liabilities to banks as of 31 December 2006 were fully secured with liens against property, assignment of life insurance policies, receivables, chattel mortgages, and pledged shares in our company.

Other liabilities

On 30 December 2000, majority shareholder Michael Müller granted the company a loan moratorium under the proviso of improvement. The conditional waiver in the amount of kEUR 251 lapsed with the company's net profitability. Net profitability was defined as Müller - Die lila Logistik AG posting a net profit for the year. Whenever the company meets the net profitability condition, Michael Müller shall be entitled to loan service at the original interest rate but at least 6 % per year. The company met the net profitability condition already in financial year 2004 with a net profit for the year. On 31 December 2006 the loan still had a total principal value of kEUR 250. In financial year 2006, Müller - Die lila Logistik AG incurred total interest expense of kEUR 15 on this loan.

Müller - Die lila Logistik AG received the following shareholder loans in financial year 2002:

Shareholder Michael Müller	kEUR 250
Shareholder Süd-Kapitalbeteiligungs-Gesellschaft mbH	kEUR 250

Both loans are unsecured. The shareholder loans plus accrued interest originally fell due and payable on 30 June 2004. Both loans have been extended on 1 July 2004 to 30 June 2006.

Both loans have been fully repaid in financial year 2006. The shareholder loans both bear interest at a rate of 9.25 % per year. The interest is due and payable in monthly instalments at the end of the month from 1 July 2004 forward. In financial year 2006, Müller - Die lila Logistik AG incurred total interest expense of kEUR 24 (previous year: kEUR 46) on these loans.

Liabilities to affiliated companies
Our liabilities to affiliated companies come to kEUR 744 (previous year: kEUR 3) as of the balance sheet date. This position comprises one liability to Müller – Die lila Logistik Austria GmbH in the amount of kEUR 588 and one to Müller – Die lila Logistik Ost GmbH in the amount of kEUR 156.

2.2 Explanations to the Income Statement

2.2.1 Sales Revenues

In financial year 2006, the company realised sales revenues of kEUR 1,233 (previous year: kEUR 1,297). The decline in sales revenue was essentially the result of the fact that our subsidiaries were not billing their clients for services through Müller - Die lila Logistik AG in the past financial year. That means our company did not realise external sales revenue in the year under review (previous year: kEUR 55).

Müller - Die lila Logistik AG realised intra-group sales revenue in financial year 2006 of kEUR 1,216 from domestic subsidiaries (previous year: kEUR 1,210) and of kEUR 17 (previous year: kEUR 32) from subsidiaries abroad (primarily in Austria). The sales revenues pertained to management services and non-current asset leases.

Sales revenue breaks down into domestic and foreign as follows:

	kEUR	in % of Total sales revenues
Domestic	1,216 (PY: 1,210)	98.6 %
Foreign	17 (PY: 87)	1.4 %
Total	**1,233 (PY: 1,297)**	**100.0 %**

2.2.2 Other Operating Income

Other operating income in the year under review amounted to kEUR 1,204 (previous year: kEUR 1,138) and primarily pertained to income from the appreciation of equity investments of kEUR 443, rental income of kEUR 370, increases in the asset value of reinsurance policies of kEUR 289, income from writing back provisions in the amount of kEUR 39, reimbursements for payments made in prior years in the amount of EUR 56,000, and other operating income of kEUR 7. This furthermore includes non-period income of kEUR 102 (previous year: kEUR 137).

2.2.3 Cost of Materials

The company did not incur any cost of materials in financial year 2006. In the prior financial year, this position mainly showed intra-group consulting costs in the amount of kEUR 56 that have been billed on. The decrease in this position corresponds to the above-mentioned cessation of external sales revenues.

2.2.4 Depreciation, Amortisation, and Impairment of Intangible noncurrent Assets and Property, Plant & Equipment Assets

As in the prior financial year, the company did not have to post extraordinary depreciation, amortisation, and impairments on its intangible assets in the year under review.

2.2.5 Other Operating Expenses

Our other operating expenses in 2006 amounted to kEUR 1,727 (previous year: kEUR 1,728). The position comprises consulting costs (including costs for preparing and auditing financial statements) of kEUR 435, insurance costs of kEUR 345, external personnel costs and contracted work of kEUR 266 (thereof kEUR 218 for intra-group services), advertising and travel costs of kEUR 197, room costs including repairs and maintenance kEUR 165, vehicle costs of kEUR 74, repairs and maintenance as well as rent for operating and office equipment of kEUR 53, and other operating expenses in the amount of kEUR 192. This position includes non-period expense in the amount of kEUR 32 (previous year: kEUR 209). In the prior financial year, this primarily pertained to losses on asset disposals.

2.2.6 Interest

Our interest income of kEUR 322 (previous year: kEUR 205) pertains in the amount of kEUR 322 (previous year: kEUR 204) to affiliated companies. Our interest expense of kEUR 894 (previous year: kEUR 948) includes kEUR 21 (previous year: kEUR 24) in interest paid to affiliated companies.

2.2.7 Impairments of Financial Assets

As in the prior financial year, the company did not have to post impairments on its financial assets in the year under review.

2.2.8 Taxes on Income / Other Taxes

kEUR 5 (previous year: kEUR 193) of the taxes on income are allocable to prior periods.

Other taxes mainly involve property taxes. This position includes kEUR 11 (previous year: kEUR 188) in non-period taxes.

2.2.9 Net Profit for the Year

The net profit for the year came to kEUR 3,456 (previous year: kEUR 1,036). This total comprises a profit transfer from Müller - Die lila Logistik Deutschland GmbH in the amount of kEUR 1,275 (previous year: kEUR 1,581), a profit transfer from Müller - Die lila Logistik Verwaltung GmbH in the amount of kEUR 3,361 (previous year: kEUR 1,120) net of a guarantee dividend of kEUR 5, and a profit transfer from Emporias Management Consulting GmbH in the amount of kEUR 432 (previous year: kEUR 767) net of a guarantee dividend of kEUR 69.

2.2.10 Profit Appropriation

The net profit of the financial year 2006 will be carried forward.

3. Other Disclosures

The company's Management and Supervisory Board have the following members.

Management

Michael Müller	Chief Executive Officer residing in Stuttgart Forwarding merchant
Rupert Früh	Chief Financial Officer residing in Buchen im Odenwald Master of Economics

In financial year 2006, the company paid its management total compensation of kEUR 848 (previous year: kEUR 657). The annual general shareholders meeting on 22 June 2006 resolved that the disclosures required under article 285, paragraph 1, no. 9a, sentences 5 through 9 HGB as amended by the German Management Compensation Disclosure Act [Vorstandsvergütungs-Offenlegungsgesetz, VorstOG] be omitted for a period of five years from 1 January 2006. As of 31 December 2006, the Management Board members of Müller – Die lila Logistik AG held the following stock and options in the company:

Michael Müller Chief Executive Officer	4,066,500 shares and 12,500 options
Rupert Früh Member of the Management Board	6,000 shares and 2,000 options

Supervisory Board

Wolfgang Monning	Chairman of the Supervisory Board (until 31 December 2006) residing in Ilsfeld independent corporate consultant / no other offices
Professor Peter Klaus DBA/ Boston University	Vice Chairman of the Supervisory Board (until 31 December 2006) / Chairman of the Supervisory Board from 1 January 2007 residing in Bamberg Full professor of Business Administration, logistics specialist, University of Erlangen / Nuremberg, Head of the Fraunhofer study group on technologies of the logistics services industry [Arbeitsgruppe für Technologien der Logistik-Dienstleistungswirtschaft ATL], Nuremberg Vice Chairman of the Supervisory Board of BILOG AG, Bamberg, and Vice Chairman of the Supervisory Board of Grieshaber Logistics Group AG, Bad Säckingen

Klaus Langer | Member of the Supervisory Board residing in Stuttgart Tax advisor and certified auditor Member of the Supervisory Board of Weingarten AG, Weingarten

Klaus Langer	Member of the Supervisory Board residing in Stuttgart Tax advisor and certified auditor Member of the Supervisory Board of Weingarten AG, Weingarten
Per Klemm	Member of the Supervisory Board residing in Stuttgart Managing Director / no other offices
Volker Buckmann	Member of the Supervisory Board residing in Dortmund commercial clerk / no other offices
Carlos Rodrigues	Member of the Supervisory Board residing in Flein Master of Business Administration (FH) / no other offices

Wolfgang Monning left the company's Supervisory Board as of 31 December 2006. To fill the position for the subsequent year, the Supervisory Board elected at its meeting on 13 December 2006 Professor Peter Klaus new Supervisory Board Chairman effective 1 January 2007.

Supervisory Board member compensation remained in the year under review at the same level as in 2005 with kEUR 67.

Supervisory Board member compensation broke down by person and category as follows:

Name	**Function**	**Supervisory Board compensation**	**Committee compensation**
Wolfgang Monning	Chairman of the Supervisory Board until 31 December 2006	kEUR 19	kEUR 6
Prof. Peter Klaus	Vice Chairman of the Supervisory Board until 31 December 2006	kEUR 10	kEUR 2
Klaus Langer	Supervisory Board member	kEUR 6	kEUR 6
Per Klemm	Supervisory Board member	kEUR 6	-
Volker Buckmann	Supervisory Board member	kEUR 6	-
Carlos Rodrigues	Supervisory Board member	kEUR 6	-

On 31 December 2006, Supervisory Board members of Müller – Die lila Logistik AG owned the following shares and options in the company:

31 December 2006	Shares	Options
Wolfgang Monning	21,428	-
Prof. Peter Klaus	4,614	-
Volker Buckmann	-	-
Per Klemm	46,450	-
Klaus Langer	2,500	-
Carlos Rodrigues	785	5,000

Personnel
In financial year 2006, the company employed on average 9 persons (previous year: 7 persons) not including Managing Board members.

Equity Investments
The company owns equity stakes of 20 % or more in the following enterprises:

Müller - Die lila Logistik Deutschland GmbH, Besigheim	
Equity stake	100 percent
Total equity	kEUR 1,147
Net profit for the year 2006 (according to EAV)	kEUR 0
Müller - Die lila Logistik Austria GmbH, Graz	
Equity stake	100 percent
Total equity	kEUR 618
Net profit for the year 2006	kEUR 498
Emporias Management Consulting GmbH, Unterföhring	
Equity stake	76 percent
Total equity	kEUR 154
Net profit for the year 2006 (according to EAV)	kEUR 0
Müller - Die lila Logistik Verwaltung GmbH, Herne	
Equity stake	90 percent
Total equity	kEUR 638
Net profit for the year 2006 (according to EAV)	kEUR 0
ILS Depot GmbH, Herne	
Equity stake	(indirectly) 90 percent
Total equity	kEUR 26
Net profit for the year 2006 (according to EAV)	kEUR 0

Müller - Die lila Logistik GmbH, Herne	
Equity stake	(indirectly) 90 percent
Total equity	kEUR 156
Net profit for the year 2006 (according to EAV)	kEUR 0
Müller - Die lila Logistik Polska Sp. z o.o., Gliwice	
Equity stake	100 percent
Total equity	kEUR 883
Net loss for the year 2006	kEUR 251
TKS Unternehmensberatung und Industrieplanung GmbH, Eningen unter Achalm	
Equity stake	33 percent
Equity on 30 June 2006	EUR 1,882
Net profit for the financial year 2005/2006	EUR 1,523
FMS Logistic GmbH, Besigheim	
Equity stake	33.33 percent
Total equity (preliminary)	kEUR 38
Net profit for the year 2006 (preliminary)	kEUR 11
Müller - Die lila Logistik Ost GmbH, Zwickau	
Equity stake	100 percent
Total	kEUR 55
Net profit for the year 2006	kEUR 32
Müller - Die lila Logistik Nord GmbH, Bünde	
Equity stake	(indirectly) 90 percent
Total equity	kEUR 25
Net profit for the year 2006	kEUR 2

Auditors' Services and Fees

	2006
	kEUR
Fees for financial statement audits	96
Tax advisory services	5
Other fees	38
Total	**139**

The auditors' fees position comprises fees for the statutory audit of the individual and consolidated financial statements of Müller – Die lila Logistik AG as well as the financial statements of its subsidiaries Müller – Die lila Logistik Deutschland GmbH and Emporias Management Consulting GmbH according to German Commercial Code principles and IFRS for the financial year 2006.

Other fees are mostly for consulting services in the context of interim reporting issues and audit-related consulting particularly on the subject of how to account for individual items under IFRS.

Notices Pursuant to Article 21, Paragraph 1 of the German Securities Trading Act [Wertpapierhandelsgesetz, WpHG]

Mr. Müller notified the company that at the time of the initial public offering of Müller – Die lila Logistik AG shares on the Frankfurt stock exchange on 30 May 2001, his share of voting stock in the company exceeded 50 % at an exact total of 52.714 %.

LBBW Spezialprodukte-Holding GmbH of Stuttgart, Germany, has notified the company that its share of voting stock in the company has exceeded the 5 % threshold on 18 September 2002 and not comes to 17.42 %.

SüdKapitalbeteiligungs-Gesellschaft mbH (SüdKA) of Frankfurt/Main, Germany, has notified the company that its share of voting stock in the company held in security speciality funds under management of SüdKA as capital investment manager dropped below the 5 % threshold on 26 October 2006 and now comes to 4.784 %.

Mr. Reisdorf, Switzerland has notified the company that his share of voting stock in the company has exceeded the 5 % threshold on 31 October 2006 and now comes to 5.19 %.

4. Legal Liabilities and other Financial Obligations

The company has assumed sureties for subsidiaries totalling kEUR 2,694 (previous year: kEUR 2,173). The increase resulted from restructuring the credit line of Müller – Die lila Logistik GmbH, Herne, and entering into new leasing agreements for Müller – Die lila Logistik Polska Sp. z o.o. of Gliwice, Poland.

Other financial obligations not shown in the balance sheet and not constituting legal liabilities within the meaning of article 251 HGB existed as of the balance sheet date in the form of continuing performance obligations (rental and lease agreements). The future expense on these comes to kEUR 79 of which kEUR 40 will be incurred in 2007.

5. Declaration of Compliance with the German Corporate Governance Code

The joint declaration of the Management and Supervisory Boards of Müller - Die lila Logistik AG pursuant to article 161 of the German Stock Corporation Act [Aktiengesellschaftsgesetz, AktG] on the company's compliance with the German Corporate Governance Code has been published and made permanently available in December 2006.

Besigheim, 16 March 2007

The Management

Development of Changes in Noncurrent Assets

		Historical and manufacturing costs			
		1.1.2006	Additions	Disposals	31.12.2006
		EUR	EUR	EUR	EUR
I.	**Intangible assets**				
	1. Concessions, industrial property rights,and similar rights and assets as well as licenses to such rights and assets	100,567.55	2,790.00	0.00	103,357.55
	2. Goodwill	4,345,433.83	0.00	0.00	4,345,433.83
		4,446,001.38	**2,790.00**	**0.00**	**4,448,791.38**
II.	**Property, plant & equipment**				
	1. Properties, property-like rights, and buildings including buildings on third-party properties	8,535,521.02	0.00	0.00	8,535,521.02
	2. Other improvements, operating, and office equipment	1,042,631.44	22,392.32	24,475.84	1,040,547.92
		9,578,152.46	**22,392.32**	**24,475.84**	**9,576,068.94**
III.	**Financial assets**				
	1. Equity interests in affiliated enterprises	8,877,136.07	999,835.43	0.00	9,876,971.50
	2. Loans to affiliated enterprises	1,022,583.76	1,100,000.00	0.00	2,122,583.76
	3. Equity investments	1,470,368.22	0.00	0.00	1,470,368.22
	4. Other loans	2,060.00	0.00	0.00	2,060.00
		11,372,148.05	**2,099,835.43**	**0.00**	**13,471,983.48**
		25,396,301.89	**2,125,017.75**	**24,475.84**	**27,496,843.80**

		Cumulated depreciation, amortisation, and impairments					Book vallues	
		1.1.2006	D&A&I in the financial year	Appreciation in the financial year	Disposals	31.12.2006	31.12.2006	31.12.2005
		EUR	EUR	EUR	EUR	EUR	EUR	EUR
I.	**Intangible assets**							
	1. Concessions, industrial property rights,and similar rights and assets as well as licenses to such rights and assets	45,896.55	29,789.00	0.00	0.00	75,685.55	27,672.00	54,671.00
	2. Goodwill	2,876,631.83	205,066.00	0.00	0.00	3,081,697.83	1,263,736.00	1,468,802.00
		2,922,528.38	**234,855.00**	**0.00**	**0.00**	**3,157,383.38**	**1,291,408.00**	**1,523,473.00**
II.	**Property, plant & equipment**							
	1. Properties, property-like rights, and buildings including buildings on third-party properties	1,798,361.96	299,785.00	0.00	0.00	2,098,146.96	6,437,374.06	6,737,159.06
	2. Other improvements, operating, and office equipment	635,694.93	107,149.32	0.00	24,475.84	718,368.41	322,179.51	406,936.51
		2,434,056.89	**406,934.32**	**0.00**	**24,475.84**	**2,816,515.37**	**6,759,553.57**	**7,144,095.57**
III.	**Financial assets**							
	1. Equity interests in affiliated enterprises	322,471.05	0.00	322,471.05	0.00	0.00	9,876,971.50	8,554,665.02
	2. Loans to affiliated enterprises	0.00	0.00	0.00	0.00	0.00	2,122,583.76	1,022,583.76
	3. Equity investments	120,368.22	0.00	120,368.22	0.00	0.00	1,470,368.22	1,350,000.00
	4. Other loans	0.00	0.00	0.00	0.00	0.00	2,060.00	2,060.00
		442,839.27	**0.00**	**442,839.27**	**0.00**	**0.00**	**13,471,983.48**	**10,929,308.78**
		5,799,424.54	**641,789.32**	**442,839.27**	**24,475.84**	**5,973,898.75**	**21,522,945.05**	**19,596,877.35**

MÜLLER | DIE LILA LOGISTIK

CORPORATE GOVERNANCE

Declaration by the Management Board and Supervisory Board of Müller - Die lila Logistik AG pursuant to article 161 of the German Stock Corporation Act [Aktiengesetz, AktG]

The management board and supervisory board of Müller - Die lila Logistik AG, headquartered in Besigheim, acknowledge the recommendations of the Government Commission on the German Corporate Governance Code (GCGC) as amended on 12 June 2006 and declare that they were and are in compliance with these recommendations except for those listed below:

Individualised Reporting of Compensation for Members of the Management Board and Supervisory Board
The German Corporate Governance Code recommends that the compensation for members of the management board and the supervisory board be disclosed in the notes to the annual financial statements broken down into fixed, performance-based, and long-term incentive components unless the annual general shareholders' meeting resolved otherwise by corresponding majority (Number 4.2.4). The 2006 annual general shareholders' meeting voted against applying this recommendation so that we continue to refrain from publishing individual itemised compensation accounts for our board members. Müller - Die lila Logistik AG states management board compensation on a year-to-date basis. Stock options are reported separately. The German Corporate Governance Code furthermore recommends disclosing the compensation for supervisory board members by fixed and performance-based components in the notes to the consolidated financial statements (Number 5.4.7 GCGC). The company has been disclosing supervisory board member compensation by individual and broken down into its components since fiscal 2005.

Performance-based compensation for the Supervisory Board
The German Corporate Governance Code recommends that the members of the supervisory board receive a variable, performance-based compensation component in addition to their fixed compensation (Number 5.4.7 GCGC). The members of the supervisory board of Müller - Die lila Logistik AG receive only fixed compensation.

Publication deadlines for Interim Reports
The German Corporate Governance Code recommends that interim reports be published within 45 days (Number 7.1.2 GCGC). Müller - Die lila Logistik AG will publish its interim reports immediately after their preparation in accordance with the German stock exchange rules and regulations, but in any case no later than two months after the end of the reporting period.

Besigheim, December 2006

For the Management Board	Michael Müller Chairman
For the Supervisory Board	Wolfgang Monning Chairman

Auditor's Report

We have audited the annual financial statements, comprising the balance sheet, the income statement and the notes to the financial statements, together with the bookkeeping system, and the management report of the Müller - Die lila Logistik AG, Besigheim, for the business year from 1 January to 31 December 2006. The maintenance of the books and records and the preparation of the annual financial statements and management report in accordance with German commercial law are the responsibility of the Company's management. Our responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system, and the management report based on our audit.

We conducted our audit of the annual financial statements in accordance with § 317 of the German Commercial Code (HGB) and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the annual financial statements in accordance with German principles of proper accounting and in the management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Company and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records, the annual financial statements and the management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the annual financial statements and management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the annual financial statements comply with the legal requirements and give a true and fair view of the net assets, financial position and results of operations of the Müller - Die lila Logistik AG in accordance with German principles of proper accounting. The management report is consistent with the annual financial statements and as a whole provides a suitable view of the company's position and suitably presents the opportunities and risks of future development.

Stuttgart, 16 March 2007

KPMG Deutsche Treuhand-Gesellschaft Aktiengesellschaft Wirtschaftsprüfungsgesellschaft

Meyer	Hundshagen
Wirtschaftsprüfer	Wirtschaftsprüfer

Contact

Müller - Die lila Logistik AG
Investor Relations
Ferdinand-Porsche-Straße 4
74354 Besigheim
Germany
Fon: +49 (0) 7143 / 810 - 125
Fax: +49 (0) 7143 / 810 - 199
investor@lila-logistik.com
www.lila-logistik.com