

6-MONTHS REPORT

Lila Logistik continues to grow

Half-year surplus at previous year's level

Increase in number of employees as a result of organic growth

Key figures for the first half of 2006 in accordance with IFRS

	01.01. – 30.06.2006	01.01. – 30.06.2005	Percentage change	Absolut change
Turnover	40,550 kEUR	35,903 kEUR	+12.9 %	+4,647 kEUR
EBIT	1,047 kEUR	1,184 kEUR	-11.6 %	-137 kEUR
EBIT margin	2.6 %	3.3 %	-	-
Consolidated net income	607 kEUR	619 kEUR	-1.9 %	-12 kEUR
EPS	0.08 EUR	0.08 EUR	-	-
Equity to assets ratio (30 June)	25.4 %	23.4 %	-	-
Employees (30 June)	947	854	+10.9 %	+93

Course of business in the second quarter of 2006

The Lila Logistik group continued to expand its business relationships and turnover in the second quarter of the year. The course of business remained below that of the favourable first quarter, but was in line with Management expectations.

In the second quarter of 2006 turnover increased by 13.9% compared with the same period of the previous year to kEUR 20,127 (previous year: kEUR 17,664). The development of the result in the favourable first quarter could not be equalled, with earnings before interest and tax (EBIT) reaching the level of kEUR 353 (previous year: kEUR 690). Marked by the expansion of capacity, the surplus reached kEUR 188 (previous year: kEUR 460).

The present half-yearly report has been compiled using the accounting, valuation and calculation methods as per International Financial Reporting Standards (IFRS) analogously to the annual financial statements for the period ending 31 December 2005.

Business development in the first half of 2006

Müller - Die lila Logistik AG's turnover increased in comparison with the first half of the previous year by kEUR 4,647 or 12.9% to kEUR 40,550 (previous year: kEUR 35,903). Consolidated net income in the first half of 2006 was EUR 607,000, approximately the same as the previous year's level (previous year: kEUR 619). Earnings per share remained unchanged at a level of 8 euro-cents (previous year: EUR 0.08). Compared with the same period of the previous year the equity-to-assets ratio increased by 2.0 percentage points to 25.4%.

The growth of the Lila Logistik group was reflected in the development in the number of employees. At 30 June 2006 the Lila Logistik group employed 947 people, primarily in Germany, Austria, Poland and Belgium (previous year: 854). This represents an increase of 10.9%.



Development of the business areas

Logistics Design

In the first half of 2006 the planning and consultancy segment of Müller - Die lila Logistik AG achieved sales revenues of kEUR 1,265 (previous year: kEUR 1,746), thus failing to reach the previous year's level. The decline in turnover and income indicated in the first quarter of 2006 also continued in terms of EBIT for the first six months. As a result of the planning and consultancy services provided by Logistics Design, EBIT of kEUR 196 was achieved (previous year: kEUR 407).

Logistics Operating

With sales revenues of kEUR 39,320 in the first six months, Müller - Die lila Logistik AG was able to continue to drive forward the growth of its turnover in the Logistics Operating segment. Compared with the same period of the previous year the company achieved turnover growth of kEUR 5,150 or 15.1 per cent (previous year: kEUR 34,170). EBIT increased by 9.5 per cent on the same period of the previous year, reaching kEUR 851 (previous year: kEUR 777).

Segment reporting (before consolidation)

In thousands of EUR	Turnover 01.01.- 30.06.2006	Turnover 01.01.- 30.06.2005	Percentage change	Absolute change	EBIT 01.01.- 30.06.2006	EBIT 01.01.- 30.06.2005	Percentage change	Absolute change
Logistics Design	1.265	1.746	-27,5 %	-481	196	407	-51,8 %	-211
Logistics Operating	39.320	34.170	+15,1 %	+5.150	851	777	+9,5 %	+74

Notes to the income statement

Consolidated companies

When comparing the figures for the first half of 2006 with those of the previous year, account has to be taken of the full consolidation of Müller - Die lila Logistik Ost GmbH for the full first half of 2006. In addition, in contrast to the same period of the previous year Vedes-Müller Logistik GmbH is no longer included in the consolidation.

Movements in income and expenses

The Lila Logistik group's organic growth in the first half of 2006 was 12.9% and resulted in sales revenues of kEUR 40,550 (previous year: kEUR 35,903). Other operating income increased slightly in the first two quarters to kEUR 1,026, thus matching the previous year's level (kEUR 1,010). As a result of the increase in turnover, material expenses increased to kEUR 14,395 (previous year: kEUR 10,990). Several project starts also contributed to the increase in this item. Against the background described, personnel expenses increased only moderately by 2.7% to kEUR 15,265 (previous year: kEUR 14,861).

The EBIT of kEUR 1,047 (previous year: kEUR 1,184) corresponds with a margin of 2.6% (previous year: 3.3%).

As a result of the scheduled redemption of loans the balance of interest income and expense declined in comparison with the same period of the previous year to a level of kEUR 629 (previous year: kEUR 687).

The increased profit at a minority interest was the reason for the increase in income from financial assets accounted for using the equity method to kEUR 320 (previous year: kEUR 195).

After taking account of income taxes of kEUR 132 (previous year: kEUR 73), the remaining group surplus for the period was kEUR 607 (previous year: kEUR 619). On 7,920,750 shares (previous year: 7,900,000) this corresponds with unchanged earnings per share compared with the same period in the previous year, of 8 euro-cents.

GROUP INCOME STATEMENT
(according to IFRS, unaudited)

	01.01.2006- 30.06.2006	01.01.2005- 30.06.2005
	EUR	EUR
Sales revenues	40,549,704	35,903,177
Other operating income	1,026,158	1,009,645
Change in inventory of completed work and work in progress	0	-64,700
Cost of materials/expenses for services received	-14,395,337	-10,990,073
Personnel expenses	-15,265,003	-14,860,639
Depreciation and amortisation on tangible and intangible assets	-966,972	-974,844
Other operating expenses	-9,901,144	-8,838,444
Operating result	1,047,405	1,184,122
Interest income/expense	-629,332	-687,266
Income from investments	412	206
Income from financial assets accounted for using the equity method	320,034	194,997
Result before income tax (and minority interests)	738,519	692,060
Taxes on income	-131,627	-73,447
Group net income	606,893	618,613
Minority interests	-6,835,056	-8,198,340
Accumulated deficit	-6,228,163	-7,579,727
Result per share (undiluted)	0.08	0.08
Result per share (diluted)	0.08	0.08
Average number of shares in issue (undiluted)	7,920,750	7,900,000
Average number of shares in issue (diluted)	7,988,500	7,992,500

GROUP BALANCE SHEET
(according to IFRS)

Assets

Short-term assets

	30.06.2006 EUR	31.12.2005 EUR
Liquid assets	1,573,557	1,091,108
Trade accounts receivable	11,986,519	11,637,706
Receivables from affiliated companies	0	1,000
Receivables from related parties and equity-holding companies	41,515	44,031
Inventories	118,694	125,946
Tax-reimbursement entitlements	166,771	172,158
Accrued income, prepaid expenses and other short-term assets	770,447	455,501
Total short-term assets	14,657,503	13,527,450

Long-term assets

Tangible fixed assets	16,275,995	15,380,677
Investment property	1,839,646	1,865,233
Intangible assets	227,080	299,988
Goodwill	9,798,248	9,798,248
Financial assets	46,677	74,178
Equity interests in associated companies	1,774,544	1,417,507
Loans	3,788	3,788
Deferred tax assets	913,898	917,583
Other assets	56,431	0
Total long-term assets	30,936,307	29,757,202

Total assets

45,593,810 **43,284,652**

Notes to the balance sheet

Assets

Compared with 31 December 2005 liquid assets increased by kEUR 483 to a total of kEUR 1,574 (31 December 2005: kEUR 1,091). As a result of the increase in turnover, trade accounts receivable increased slightly to kEUR 11,987 (31 December 2005: kEUR 11,638).

Liabilities

As a result of reclassification from long-term liabilities to current liabilities as well as stronger take-up of short-term credit lines, the position 'short-term loans and short-term portion of long-term loans' increased at 30 June 2006 by kEUR 3,069 to kEUR 7,764 (31 December 2005: kEUR 4,695). The loss carry-forward declined by kEUR 607 to kEUR 6,228 (31 December 2005: kEUR 6,835).

The equity-to-assets ratio increased slightly to 25.4% (31 December 2005: 25.3%), while total assets increased by 5.3% to kEUR 45,594 (31 December 2005: kEUR 43,285).

GROUP BALANCE SHEET
(according to IFRS)

Liabilities

	30.06.2006 EUR	31.12.2005 EUR
Short-term liabilities		
Short-term portion of financial lease liabilities	238,760	249,536
Short-term loans and short-term portion of long-term loans	7,763,639	4,694,893
Short-term portion of long-term shareholder loans	500,533	750,533
Trade accounts payable	5,522,517	4,827,304
Liabilities within the scope of the group	25,300	25,300
Liabilities to related parties	190,069	237,250
Advances from customers	0	89,000
Provisions	707,295	800,982
Tax liabilities	754,652	713,322
Other short-term liabilities	4,661,376	4,944,070
Total short-term liabilities	20,364,140	17,332,190
Long-term liabilities		
Long-term loans	13,050,816	14,064,539
Long-term capital lease obligations	127,219	264,677
Liabilities to related parties	0	120,000
Deferred taxes	7,890	24,526
Provisions	42,400	20,000
Pension provisions	157,386	117,552
Other long-term liabilities	262,144	378,537
Total long-term liabilities	13,647,855	14,989,831
Shareholders' equity		
Subscribed capital	7,920,750	7,920,750
Capital reserve	9,633,606	9,633,606
Stock options outstanding	28,299	26,567
Other accumulated equity	38,475	27,916
Accumulated deficit	-6,228,163	-6,835,056
Minority interests	188,848	188,848
Total shareholders' equity	11,581,815	10,962,631
Total liabilities	45,593,810	43,284,652

GROUP CASH FLOW STATEMENT
(according to IFRS, unaudited)

	30.06.2006 EUR	30.06.2005 EUR
Group net earnings	606,893	618,613
Changes for		
Minority interests	0	-15,932
Depreciation and amortisation	966,972	974,844
Change in provisions and allowances	-42,753	10,032
Profit from retirement of fixed assets	-110,000	-213,188
At equity valuation	-357,036	-188,649
Gain/Losses on exchange	10,559	519
Change SOP	1,732	0
Change in deferred tax assets/ tax liabilities	33,765	-37,356
Change in inventories	7,252	48,490
Change in marketable securities	0	162,762
Changes in trade accounts receivable and accounts receivable from associated and affiliated companies	-333,998	-1,600,913
Change in accrued income, prepaid expenses and other assets	-370,337	116,965
Change in trade accounts payable, accounts payable to affiliated companies and accounts payable to related persons	432,046	157,535
Change in other liabilities, accrued expenses and deferred income	-400,122	373,956
Cash flow from current activities	444,973	407,678
Disposal of subsidiaries, net of cash transferred	25,456	-376,523
Acquisition of fixed assets	-1,821,274	-847,487
Income from the sale of fixed assets	176,505	857,106
Cash flow from investment activities	-1,619,313	-366,904
Change in short- and long- term loans	2,055,023	-1,218,273
Payments for capital leases	-250,000	0
Change in capital leases	-148,234	142,498
Cash flow from finance activities	1,656,789	-1,075,775
Changes in liquid assets caused by exchange rates	0	635
Change in liquid assets	482,449	-1,034,366
Liquid assets at the beginning of the period	1,091,108	1,270,980
Liquid assets at the end of the period	1,573,557	236,614

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 1 Januar 2006	7,920,750	9,633,606	-6,835,056	26,567	188,848	27,916	10,962,631
Minority interests	0	0	0	0	0	0	0
Consolidated result	0	0	606,893	0	0	0	606,893
Translation of foreign currencies	0	0	0	0	0	10,559	10,559
Stock options	0	0	0	1,732	0	0	1,732
Balance at 30 June 2006	7,920,750	9,633,606	-6,228,163	28,299	188,848	38,475	11,581,815
Balance at 1 Januar 2005	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
Balance at 30 June 2005	7,900,000	9,628,003	-7,579,727	17,477	188,848	20,878	10,175,479

Cash Flow, liquidity

The inflow of funds to the Lila Logistik group from current activities in the first half of 2006 was kEUR 445 (previous year: kEUR 408). Cash flow from investment activities was minus kEUR 1,619 (previous year: minus kEUR 367) and was marked essentially by the start of two major construction projects by the Lila Logistik group. The funds inflow from finance activity reached a level of kEUR 1,657 (previous year: minus kEUR 1,076) and reflects the Lila Logistik group's investment activities.

On 30 June of this year liquid assets amounted to kEUR 1,574 (previous year: kEUR 237).

Capital expenditure, depreciation and amortisation

In the first half of the year capital investment by the Lila Logistik group totalled kEUR 1,821 (previous year: kEUR 847). The project start-ups in Poland, Herne and other operating establishments already described were substantially responsible for the significant increase compared with the previous year. Depreciation and amortisation amounted to kEUR 967 for scheduled wear and tear of fixed assets (previous year: kEUR 975).

Shareholdings of board members

At 30 June 2006 the members of the Management Board and Supervisory Board of Müller - Die lila Logistik AG owned the following shares and share options in the company:

Name	Position	Shares	Options
Michael Müller	Chairman of the Management Board	4,064,000	35,000
Rupert Früh	Member of the Management Board	4,000	4,000
Wolfgang Monning	Chairman of the Supervisory Board	15,428	-
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

Personnel

The workforce at the Lila Logistik group increased by 93 people in comparison with the previous year. At 30 June 2006 a total of 947 (previous year: 854) personnel worked for the Lila Logistik group. 72% of personnel work in Germany and 28% in Europe outside Germany – primarily in Austria, Poland and Belgium.

General meeting of shareholders on 22 June 2006

This year's general meeting of shareholders of Müller - Die lila Logistik AG was again held at 'Haus der Wirtschaft' in Stuttgart. All resolutions on the matters indicated on the agenda were all adopted by the capital present as proposed by the management.

Post balance sheet events

A further shareholder loan was reduced in July. A bank loan was also taken up in July for purposes of medium-term funding of current assets as well as the first phase of capital expenditure.

Outlook

The business year 2006 is marked by investments in capacities forming the basis for further growth of Lila Logistik activities. The Lila Logistik group still expects annual sales totalling approx. 75 million Euro as well as higher profits in comparison with last year.

Company diary 2006

Publication of 6-months financial statements	23 August 2006
Presentation to analysts	22 November 2006
Publication of 9-months financial statements	22 November 2006

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