

# B/07

## 9-MONTHS REPORT

Effects of the corporate tax reform burden the quarterly result  
Operating result remains below plans  
Accelerated staff increase at Polish subsidiary

Key figures for the first three quarters of 2007 in accordance with IFRS

	01.01. – 30.09.2007	01.01. – 30.09.2006	Percentage change	Absolute change
Sales	60,276 k€	61,300 k€	-1.7%	-1,024 k€
EBIT	1,339 k€	1,773 k€	-24.5%	-434 k€
EBIT margin	2.2%	2.9%	–	–
Group net profit	543 k€	911 k€	-40.4%	-368 k€
EPS	0.07 €	0.11 €	–	–
Equity ratio (30/06)	29.0%	25.4%	–	–
Employees (30/06)	953	933	+2.1%	+20

### Course of business in the third quarter of 2007

The course of business in the third quarter which was, as expected, characterized by the company holidays of major customers fell short of the plans of the management. The sales target set for this quarter in the transport segment within the Lila Logistik Group could not be reached. Furthermore share of materials used was at an excessively high level. As a result of higher costs, especially in connection with the projects of the Polish subsidiary, the Q3 revenues were lower compared to the year-ago quarter.

In the July to September 2007 months, sales of Müller – Die Lila Logistik AG were 19,474 k€. This represents a slight decrease of 1,277 k€ on the same period last year (previous year: 20,751 k€). Material costs rose to 7,578 k€ compared to the same period a year ago (previous year: 7,407 k€). Personnel expenses decreased to 6,876 k€ (previous year: 7,294 k€). The operating result achieved in Q3 was 169 k€ (previous year: 726 k€).

In view of the corporate tax reform in Germany, the deferred tax liabilities need to be revalued in the third quarter. In addition, revenues have shifted to group segments where tax loss carry-forwards cannot be used. Both effects have a negative influence of 346 k€ on the quarterly result. As a consequence, the loss for the Q3 period amounted to 367 k€ (previous year: profit for the period amounting to 304 k€).

### Development of business in the January to September 2007 period

The development of operating earnings during the first three quarters of 2007 was not satisfactory for the Lila Logistik Group, substantially influenced by the third quarter which just ended. The high cost pressure within the transport industry had a negative impact on the earning power of the Group since costs incurred could not be passed along fully. In addition, the tax result of Q3 is, as described, a burden on the profit and loss situation of the Lila Logistik Group.

Sales in the first three quarters were slightly down and amounted to 60,276 k€ (previous year: 61,300 k€). The resulting EBIT amounted to 1,339 k€ (previous year: 1,773 k€), the corresponding EBIT margin was 2.2%. The consolidated net profits of the first nine months of the year 2007 were 543 k€ and missed the year-ago result by 368 k€. As a consequence, earnings per share were 4 euro cents below those of last year and amounted to 7 euro cents.

Compared to the same period last year, the Lila Logistik Group further increased its staff. As of 30 September 2007, the Lila Logistik Group employed 953 people. This corresponds to an absolute increase by 20 workplaces which were created in connection with the project starts at the newly opened Logistics Service Center in Poland.

This 9-months report was once again compiled using the reporting, assessment and accounting methods in accordance with the International Financial Reporting Standards (IFRS) analogous to the Annual Statement of 31 December 2006.

## Explanatory notes to the Income Statement

### Consolidated companies

In comparison with the same period of the previous year, there were no changes in the basis of consolidation of the Lila Logistik Group.

### Development of income and expenses

During the January to September months, the Lila Logistik Group posted sales totalling 60,276 k€. Compared to last year, sales went down by 1.7%, or 1,024 k€ (previous year: 61,300 k€). Substantially due to a special effect during the first quarter of 2007,

other operating income rose by 12.9% to 1,636 k€ (previous year: 1,449 k€). As a result of increased project start-up costs as well as higher prices of services received in the transport segment, the cost of materials were up 1,679 k€ to 23,481 k€ on the same period last year. On the other hand, personnel expenses at the end of the 9-months period totalled 22,510 k€ and were thus slightly below the year-ago level (previous year: 22,559 k€). Other operating expenses decreased compared to last year to 13,445 k€ (previous year: 15,205 k€).

Earnings before interest and taxes (EBIT) during the first nine months of the year 2007 were 1,339 k€ (previous year: 1,773 k€) which is equivalent to a 2.2% margin (previous year: 2.9%).

Due to the repayment of loans using earnings from property transactions carried out last year, the balance from interests earned and interests paid improved by 48.6% to minus 508 k€ (previous year: minus 988 k€).

As a result of the market valuation of derivative foreign exchange transactions based on the exchange rate of the Polish Zloty against the euro with a nominal volume of 875 k€, revenues amounting to 12 k€ were recognised in the income statement of the third quarter of 2007. The valuation of an interest swap with a nominal volume of 4,500 k€ at fair value resulted in revenues amounting to 24 k€ during the first three quarters.

Taking into consideration income tax amounting to minus 620 k€ (previous year: minus 274 k€), the resulting consolidated net profit is 543 k€ (previous year 911 k€) in the period under review. Earnings per share were 7 euro cents. The average number of shares in issue (on an undiluted basis) was 7,942,069 (previous year: 7,924,139).

## Segment reporting (before consolidation)

Figures in k€	Sales from 01.01.-30.09.2007	Sales from 01.01.-30.09.2006	Percentage change	Absolute change	EBIT 01.01.-30.09.2007	EBIT 01.01.-30.09.2006	Percentage change	Absolute change
Logistics Design	2,075	1,972	+5.2%	+103	369	344	+7.3%	+25
Logistics Operating	58,373	59,379	-1.7%	-1,006	970	1,429	-32.1%	-459

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

	<b>01.01.2007- 30.09.2007</b>	<b>01.07.2007- 30.09.2007</b>	<b>01.01.2006- 30.09.2006</b>	<b>01.07.2006- 30.09.2006</b>
	€	€	€	€
Sales revenues	60,275,655	19,474,149	61,300,263	20,750,559
Other operating income	1,635,872	139,574	1,448,863	422,705
Change in inventory of completed services and work in progress	-7,938	0	0	0
Cost of materials/expenses for services received	-23,480,995	-7,578,145	-21,801,883	-7,406,546
Personnel expenses	-22,510,347	-6,875,719	-22,558,610	-7,293,607
Depreciation and amortisation on tangible and intangible assets	-1,128,285	-420,240	-1,410,997	-444,025
Other operating expenses	-13,445,237	-4,570,342	-15,204,691	-5,303,547
<b>Operating result</b>	<b>1,338,725</b>	<b>169,277</b>	<b>1,772,945</b>	<b>725,539</b>
Interest income/expenses	-507,505	-205,646	-988,062	-358,730
Other income	0	0	43,848	43,848
Income from investments	-54,595	-18,405	-54,643	-18,053
Income from financial assets accounted for using the equity method	386,403	33,681	410,855	53,819
<b>Result before income tax (and minority interests)</b>	<b>1,163,028</b>	<b>-21,093</b>	<b>1,184,943</b>	<b>446,423</b>
Tax on income	-619,952	-346,388	-273,713	-142,086
<b>Group net income</b>	<b>543,076</b>	<b>-367,481</b>	<b>911,230</b>	<b>304,337</b>
Result per share (undiluted)	0.07		0.11	
Result per share (diluted)	0.07		0.11	
Average number of shares in issue (undiluted)	7,942,069		7,924,139	
Average number of shares in issue (diluted)	7,942,069		7,988,472	

**Development of the business segments**

**Logistics Design**

In the course of the first nine months of this year, the planning and consulting operations segment of Müller – Die lila Logistik AG generated sales revenues of 2,075 k€ (previous year: 1.972 k€), and with sales totalling 744 k€ in Q3 exceeded the results of the previous quarters (Q1: 688 k€, Q2: 643 k€). EBIT improved by 7.3% and were 369 k€ after nine months. As a result, the EBIT margin was 17.8%.

**Logistics Operating**

In the Logistics Operating segment, the third quarter fell short of expectations. Providing logistics operating services, the segment achieved sales revenues of 18,789 k€ in the quarter just ended. Sales made by this segment thus were down both in comparison with the previous quarters in 2007 (Q1: 19,676 k€; Q2: 19,908 k€) and as regards the accumulated sales of 58,373 k€ in comparison with the same period last year (previous year: 59,379 k€). EBIT in the end totalled 970 k€ (previous year: 1,429 k€).

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

<b>Assets</b>	<b>30.09.2007</b>	<b>31.12.2006</b>
	€	€
<b>Short-term assets</b>		
Liquid assets	1,978,019	4,345,289
Trade accounts receivable	13,869,172	10,459,697
Receivables from affiliated companies	1,000	0
Receivables from related parties and equity-holding companies	193,975	45,947
Inventories	44,727	48,850
Tax refund claims	949,863	291,175
Accrued income, prepaid expenses and other short-term assets	670,737	707,029
<b>Total short-term assets</b>	<b>17,707,493</b>	<b>15,897,987</b>
<b>Long-term assets</b>		
Tangible fixed assets	18,490,797	11,235,070
Investment property	862,952	870,011
Intangible assets	443,312	266,807
Goodwill	9,754,084	9,754,084
Financial assets	90,963	61,903
Equity interests in associated companies	1,764,888	1,378,485
Loans	0	3,722
Deferred taxes	625,748	887,284
Tax refund claims	64,925	64,925
<b>Total long-term assets</b>	<b>32,097,669</b>	<b>24,522,291</b>
<b>Total assets</b>	<b>49,805,162</b>	<b>40,420,278</b>

**Explanatory notes to the balance sheet**

**Assets**

Compared to 31 December 2006, liquid assets of the Lila Logistik Group decreased by 2,367 k€ to 1,978 k€ as of 30 September 2007.

Trade accounts receivable declined by 333 k€ to 13,869 k€ compared to the closing date 30 June 2007 (31.12.2006: 10,460 k€). The strong increase of tax refund claims to 950 k€ (31.12.2006: 291 k€) was primarily the result of sales tax refund claims in connection with the investments made in the Logistics Service Center in Poland. The growth of tangible fixed assets to 18,491 k€ as of 30 September 2007 also reflects the investment activities of the Polish subsidiary.

As a result of the tax effect described above in this report, deferred tax assets decreased by 261 k€ to 626 k€ as of 30 September (31.12.2006: 887 k€).

**Liabilities**

On the liabilities side of the balance sheet, the additional tax effect can be seen in the rise of tax liabilities from 1,015 k€ as of 31 December 2006 by 376 k€ to 1,391 k€ as of 30 September 2007.

The additional take-up of a note loan totalling 2 million euros in Q3 in connection with the strong investment activities of the Lila Logistik Group increased Long-term liabilities to 19,405 k€ (31.12.2006: 12,097 k€).

Trade accounts payable were below the previous year's level (30/09/2006: 4,840 k€) and amounted to 4,289 k€ as of the closing date (31.12.2006: 4,302 k€).

As a result of the net profits in the period under review, the loss shown in the balance sheet decreased by 543 k€ to 3,395 k€ (31.12.2006: 3,938 k€).

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

<b>Liabilities</b>	<b>30.09.2007</b>	<b>31.12.2006</b>
	€	€
<b>Short-term liabilities</b>		
Short-term portion of financial lease liabilities	181,955	263,639
Short-term loans and short-term portion of long-term loans	2,211,928	2,233,709
Short-term portion of long-term shareholder loans	50,000	250,000
Trade accounts payable	4,288,873	4,301,691
Liabilities within the scope of the group	25,450	25,450
Liabilities to related parties	216,784	191,910
Provisions	280,680	509,865
Tax liabilities	1,390,930	1,014,890
Other short-term liabilities	6,730,928	5,273,796
<b>Total short-term liabilities</b>	<b>15,377,528</b>	<b>14,064,950</b>
<b>Long-term liabilities</b>		
Long-term loans	19,404,890	12,097,353
Long-term financial lease obligations	172,354	12,411
Deferred taxes	12,522	11,024
Provisions	64,400	49,800
Pension provisions	161,735	161,233
Other long-term liabilities	188,299	154,047
<b>Total long-term liabilities</b>	<b>20,004,200</b>	<b>12,485,868</b>
<b>Shareholders' equity</b>		
Subscribed capital	7,938,375	7,938,375
Capital reserve	9,638,364	9,638,364
Stock options outstanding	23,341	23,341
Other accumulated equity	29,398	18,500
Accumulated deficit	-3,394,892	-3,937,968
Minority interests	188,848	188,848
<b>Total shareholders' equity</b>	<b>14,423,434</b>	<b>13,869,460</b>
<b>Total liabilities</b>	<b>49,805,162</b>	<b>40,420,278</b>

The balance sheet total as at 30 September 2007 was 49,805 k€ which represents an increase of 9,385 k€ as compared to the closing date 31 December 2006. The equity ratio declined in comparison to the end of 2006 from 34.3% to 29% now.

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

	<b>30.09.2007</b>	<b>30.09.2006</b>
	€	€
Group net earnings	543,076	911,230
Changes for		
Depreciation and amortisation	1,128,285	1,410,997
Change in provisions and allowances	-283,141	232,964
Profit from retirement of fixed assets	-57,388	-132,607
At equity valuation	-386,403	91,866
Gains/Losses on exchange	7,417	-1,521
Change SOP	0	2,597
Change in deferred tax assets/tax liabilities	-20,946	136,076
Change in inventories	4,123	35,099
Change in trade accounts receivable and accounts receivable from associated and affiliated companies	-3,489,446	-1,596,847
Change in accrued income, prepaid expenses and other assets	36,292	-307,263
Change in received prepayments	0	-89,000
Change in trade accounts payable, accounts payable to affiliated companies and accounts payable to related persons	12,056	-125,143
Change in other liabilities, accrued expenses and deferred income	1,491,384	-335,687
<b>Cash flow from current activities</b>	<b>-1,014,691</b>	<b>232,761</b>
Disposal of subsidiaries, net of cash transferred	0	25,456
Acquisition of fixed assets	-8,649,077	-3,248,818
Income from the sale of fixed assets	127,672	198,379
<b>Cash flow from investment activities</b>	<b>-8,521,405</b>	<b>-3,024,983</b>
Change in short- and long-term loans	7,285,755	3,538,665
Change in shareholders' loans	-200,000	-500,533
Change in capital leases	78,259	-211,348
<b>Cash flow from finance activities</b>	<b>7,164,014</b>	<b>2,826,784</b>
Changes in liquid assets caused by exchange rates	4,812	-2,527
<b>Change in liquid assets</b>	<b>-2,367,270</b>	<b>32,035</b>
Liquid assets at the beginning of the period	4,345,289	1,091,108
<b>Liquid assets at the end of the period</b>	<b>1,978,019</b>	<b>1,123,143</b>

## STATEMENT OF CHANGES IN GROUP SHAREHOLDERS' EQUITY

	Subscribed capital €	Capital reserves €	Accumulated deficit €	Outstanding stock options €	Minority interests €	Other comprehensive income €	Total shareholders' equity
Balance at 1 January 2007	7,938,375	9,638,364	-3,937,968	23,341	188,848	18,500	13,869,460
Minority interests	0	0	0	0	0	0	0
Consolidated result	0	0	543,076	0	0	0	543,076
Translation of foreign currencies	0	0	0	0	0	10,898	10,898
Stock options	0	0	0	0	0	0	0
<b>Balance at 30 September 2007</b>	<b>7,938,375</b>	<b>9,638,364</b>	<b>-3,394,892</b>	<b>23,341</b>	<b>188,848</b>	<b>29,398</b>	<b>14,423,434</b>
Balance at 1 January 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	911,230	0	0	0	911,230
Translation of foreign currencies	0	0	0	0	0	-2,536	-2,536
Stock options	0	0	0	2,597	0	0	2,597
<b>Balance at 30 September 2006</b>	<b>7,920,750</b>	<b>9,633,606</b>	<b>-5,923,826</b>	<b>29,164</b>	<b>188,848</b>	<b>25,380</b>	<b>11,873,922</b>

### Cash flow, liquidity

Cash outflow from the operating activities in the 9-months period shows the comparatively high amount of receivables in the transport segment of the Polish subsidiary. In comparison with last year, the operating cash flow as at 30 September 2007 decreased to minus 1,015 k€ (previous year: 233 k€). The cash outflow as a result of investment activities of the Lila Logistik Group, particularly in Poland, amounted to 8,521 k€ (previous year: 3,025 k€), while cash inflows from finance activities totalled 7,164 k€ (previous year: 2,827 k€).

As at 30 September 2007, liquid assets amounted to 1,978 k€ (previous year: 1,123 k€).

### Capital expenditure, depreciation and amortisation

During the first 9 months of the year 2007, the Lila Logistik Group invested 8,649 k€ (previous year: 3,249 k€) in the purchase of fixed assets, above all in connection with the construction of the Logistics Service Center in Poland. The disinvestments transacted during that period amounted to 128 k€ (previous year: 198 k€). Write-downs decreased by 283 k€ to 1,128 k€ (previous year: 1,411 k€).

### Shareholdings of board members

At 30 September 2007, the members of the Management Board and the 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	4,069,000	-
Rupert Früh	Member of the Management Board	8,000	-
Prof. Peter Klaus	Chairman of the Supervisory Board	9,614	-
Dr. Gerd Wecker	Vice Chairman of the Supervisory Board	-	-
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	-

## Personnel

At the end of the third quarter of the year 2007, the Lila Logistik Group employed 953 staff (previous year: 933). This is an increase by 29 people or 3.1%, respectively, in comparison with the number of staff employed at 31 December 2006. In addition, 47 young people received professional training within the Lila Logistik Group in this period.

Due to the start of business operations at the new Logistics Service Center in Poland, the share of people not working in Germany but in other European countries rose to 34%. The employees at German sites and establishments accounted for 66% of the total Lila Logistik staff.

## Post balance sheet events

Since 1 October, Müller – Die lila Logistik West GmbH, Herne, which was renamed following its acquisition, has been carrying out in-house, production and shipping logistics for a customer of the automotive industry based in North Rhine-Westphalia. The Lila Logistik Group thus further strengthens its presence in North Rhine-Westphalia and emphasizes its competence in the automotive industry.

Müller - Die lila Logistik AG plans to sell its real estate at its headquarters in Baden-Württemberg and then to rent it on a long-term basis. The potential cash inflow from the sale will be used to reduce existing liabilities and for reinvestments in new projects.

## Outlook

Due to the high deficits posted for the Rodgau logistics center, Müller - Die lila Logistik AG has decided to end the activities there as of 31 December 2007. The one-time burdens accruing in the third quarter in personnel expenses as well as other operating expenses will have negative effects on the year-end result.

At the Logistics Service Center completed and officially opened in Poland in September, additional business operations were launched in Q3 2007. Contrary to plans, the Logistics Service Center will only be able to make its first positive contributions to the results, previously expected for the end of the year 2007, in the first half of 2008.

The Lila Logistik Group will continue to increase its workforce. By 31 December, the number of employees will be increased by approx. 80 due to the long-term co-operation with a customer from the automotive industry.

After the sale of the real estate at the headquarters at Besigheim-Ottmarsheim, Müller – Die lila Logistik AG expects a reduction of liabilities by approx. 9 million Euros. Of the expected annual earnings amounting to 5.4 to 5.6 million Euros before taxes, the proceeds from the sale of the real estate will approx. account for 4.6 million Euros. Considering the explanations given above, the second half of the year 2007 will, therefore, not make any positive contribution to earnings before taxes on balance.

Due to the development of business in the first three quarters, the company forecasts total sales of approx. 82 million Euros for the total fiscal year 2007.

We explicitly point out that actual results may differ from these forecasts.

## Company calendar 2007

Publication of 9-months financial statements	28 November 2007
Analysts' presentation	28 November 2007

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## Note:

With the exception of the historical information, the information contained herein includes forward-looking statements within the meaning of the "Safe Harbour" conditions of the US Private Securities Litigation Reform Act of 1995 which may involve risks and uncertainties. There are factors that could cause actual results to differ materially from those projected. Such factors include, among others, risks relating to the development of products and services, to the introduction of new products and services, to the persisting demand for services, to services and prices offered by competitors, to changed economic circumstances at home and abroad and to prompt performance by partner companies. Further information on these matters can be found in the company's sales prospectus and other publications made in the context of publications required by the stock-exchange supervisory authorities.