



# DVFA – Small Cap Conference

*Company Presentation*

*August 31, 2004*

## Agenda

- **Short profile**
- **Financial results Q2 2004**
- **Market, positioning**
- **Strategy, outlook**
- **Appendix**

*Focused logistics group with extensive specialist expertise*

- **D.Logistics AG is a holding company whose subsidiaries offer logistics services mainly provided on a customer- and project-specific basis.**
- **Our business areas are:**
  - **Consumer Goods Packaging**
  - **Industrial Goods Packaging**
  - **Warehouse Logistics**
- **We supply our services across all sectors, although we focus on the [air cargo](#), [automotive](#), [chemicals](#), [consumer goods](#), [electronic](#), [health care](#) and [mechanical engineering](#) sectors.**

## Our services



\* figures for 2003

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***D.Logistics in the 2<sup>nd</sup> quarter: growth in sales and earnings***

- **Sales with €83.3 million about 9.5% higher y.o.y. and 8% above budget**
- **EBITA with €2.53 million approx. 97% higher and 28% above budget**
- **Net loss (€-0.3 m) halved (PY €-0.6m)**
- **Operating cash flow (€-3.3) temporarily burdened by increasing trade receivables (PY €6.9m)**
- **Net financial liabilities decreased by €1.23 million to €75.3 million**

***Income statement***

<b>in € thousands</b>	<b>Q2 2004</b>	<b>Q2 2003</b>	<b>6M 2004</b>	<b>6M 2003</b>
Sales	83,761	76,468	160,331	155,267
Gross profit	7,636	9,544	15,938	16,719
EBITDA	5,258	5,504	9,139	9,387
EBITA	2,532	1,287	3,649	1,904
EBIT	2,532	1,287	3,649	1,904
EBT	1,507	213	1,355	(892)
Taxes on income	(1,137)	(511)	(1,740)	(856)
Minority interests	(668)	(153)	(909)	(90)
Discontinued operations	-	(150)	-	(231)
Net result	(298)	(601)	(1,294)	(2,069)
Earnings per share	(0.01)	(0.02)	(0.03)	(0.06)

## Asset structure

<b>in € thousands</b>	<b>06/2004</b>	<b>%</b>	<b>03/2004</b>	<b>%</b>	<b>12/2003</b>	<b>in %</b>
Short-term assets	101,211	42.6	99,049	36.3	98,329	41.1
Long-term assets	136,663	57.4	137,396	63.7	140,840	58.9
Balance sheet total	237,874	100.0	236,445	100.0	239,169	100.0
Short-term liabilities	123,769	52.0	125.302	53.0	128,209	53.6
Long-term liabilities*	52,525	22.1	56.961	24.1	57,488	24.0
Shareholders' equity	61,580	25.9	54.182	22.9	53,472	22.4
Financial liabilities	88,045	37.0	91.483	38.7	95,948	40.1
Net financial liabilities	75,295	31.7	76.522	32.4	79,879	33.4

\* incl. minority interests



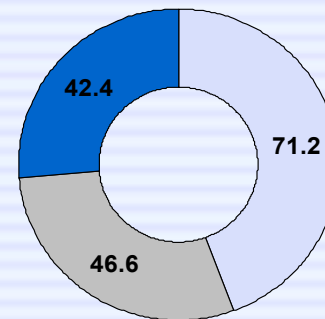
**Cash flow / Liquidity**

<b>in € thousands</b>	<b>Q2 2004</b>	<b>Q2 2003</b>	<b>6M 2004</b>	<b>6M 2003</b>
Cash flow from ordinary activities	(3,272)	6,926	(2.541)	6,094
Cash flow from investment activities	(1,128)	2,414	1.490	5,641
Cash flow from financing activities	2,197	(5,397)	(2.268)	(13,479)
Free Cash flow	(4,400)	9,340	(1.051)	11,735
Change in liquid funds	(2,211)	(3,858)	(3.319)	(1,829)
Change in net financial liabilities	(1,227)	(9,255)	(7.903)	(11,650)

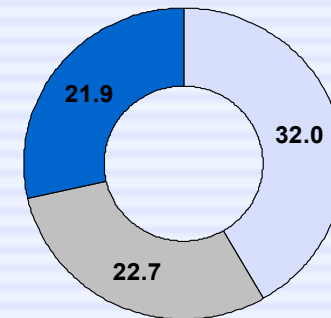
## Segment revenues

- Strongest segment is „Consumer Goods Packaging“ (approx. 44.4% of revenues per June 2004)
- Segment „Warehouse logistics“ with strongest increase (+11%)
- Focus on Central Europe (85.6% of revenues per June 2004), strong footprint in the USA (14.4%)
- Share of Germany increased in the first 6M 2004 (50.0 after 48.4% in 2003)

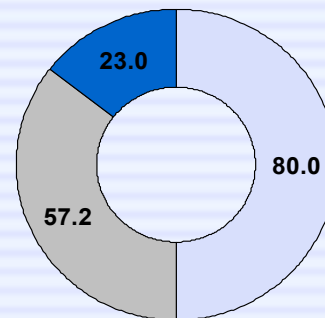
Revenues 6M '04 (€m)



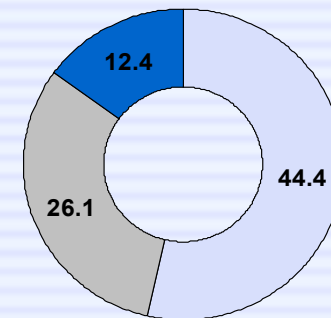
Revenues Q1 '04 (€m)



Regions 6M '04 (€m)



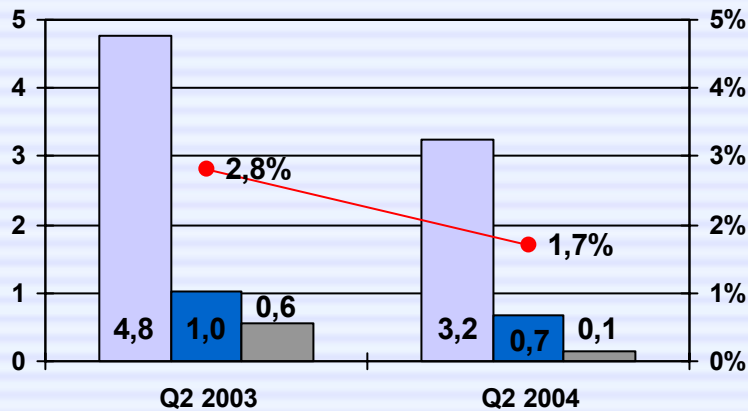
Regions Q1 '04 (€m)



Consolidated figures

CGP = Consumer Goods Packaging, IGP = Industrial Goods Packaging, WL= Warehouse Logistics

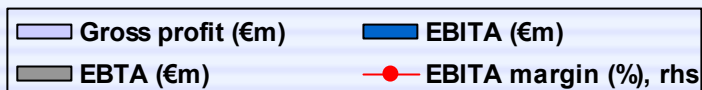
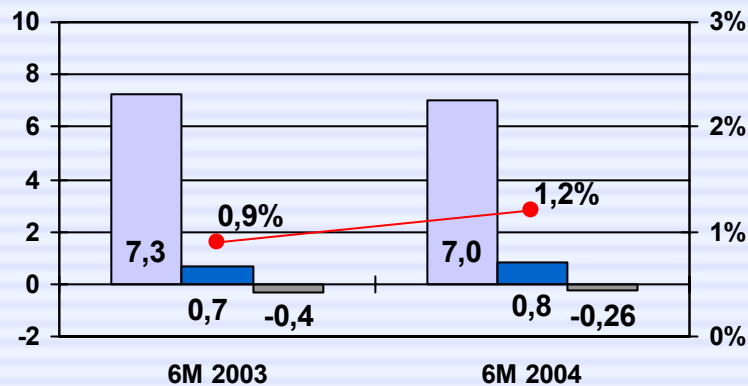
## Consumer Goods Packaging



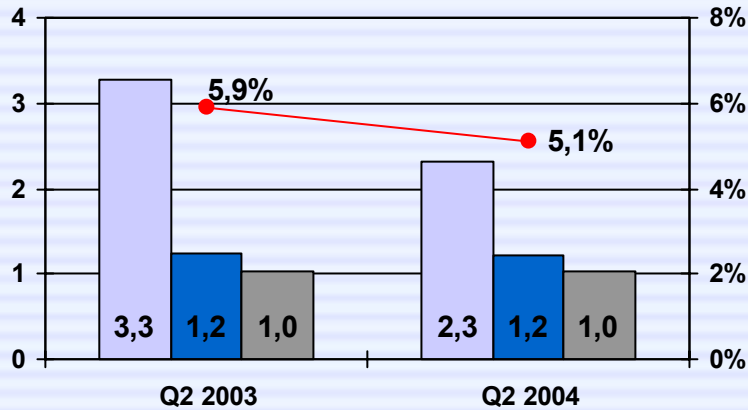
- Revenues in the first six months slightly lower y.o.y. (-1%), in Q2 (€39.2m) up 7.8%
- EBITA in the first six months 23% above prior year, in Q2 (€0.68m) down 33%

- Cancellation of a special order in the USA in Q2

- USA: preliminary contracts with new customers
- Italy: renewal of contracts with major customers



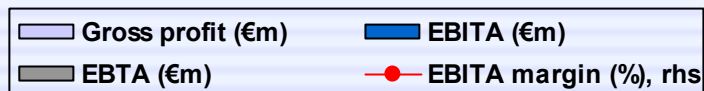
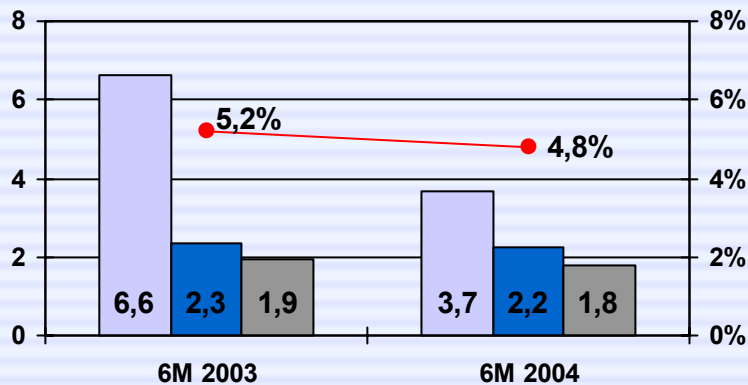
## Industrial Goods Packaging



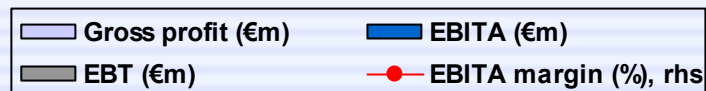
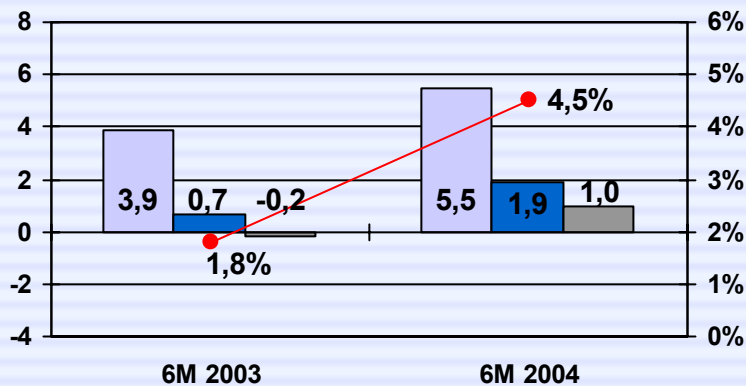
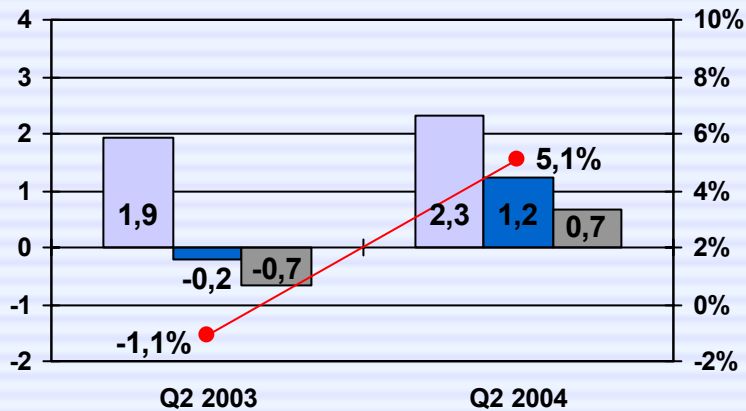
- Revenues in the first six months 15% higher y.o.y., in Q2 (€23.9m) up also 15%
- EBITA in the first six months down 4% against prior year, in Q2 (€1.23m) down 0.5%

- Q2: expenses for upcoming projects

- New contracts negotiated



## Warehouse Logistics



- Revenues in the first six months 11% higher y.o.y., in Q2 (€23.9m) up 19%
- EBITA in the first six months up 176% against prior year, in Q2 positive result of €1.12m after a loss of €0.22m in Q2 2003
- New projects develop favourably

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## Logistics in Europe

### Logistics market Europe

€470 bn , thereof €320 bn THW\*-logistics

Share contract logistics appr. 32%



10-15% p.a.

Share THW-logistics appr. 68%

Share outsourced contract logistics approx. 27%



### Logistics market Germany

€157 bn, thereof €95 bn THW-logistics

Share contract logistics appr. 30%



10-15% p.a.

Share THW-logistics appr. 60%

Share outsourced contract logistics approx. 30%



Share outsourced THW-logistics approx. 62%



5-6% p.a.



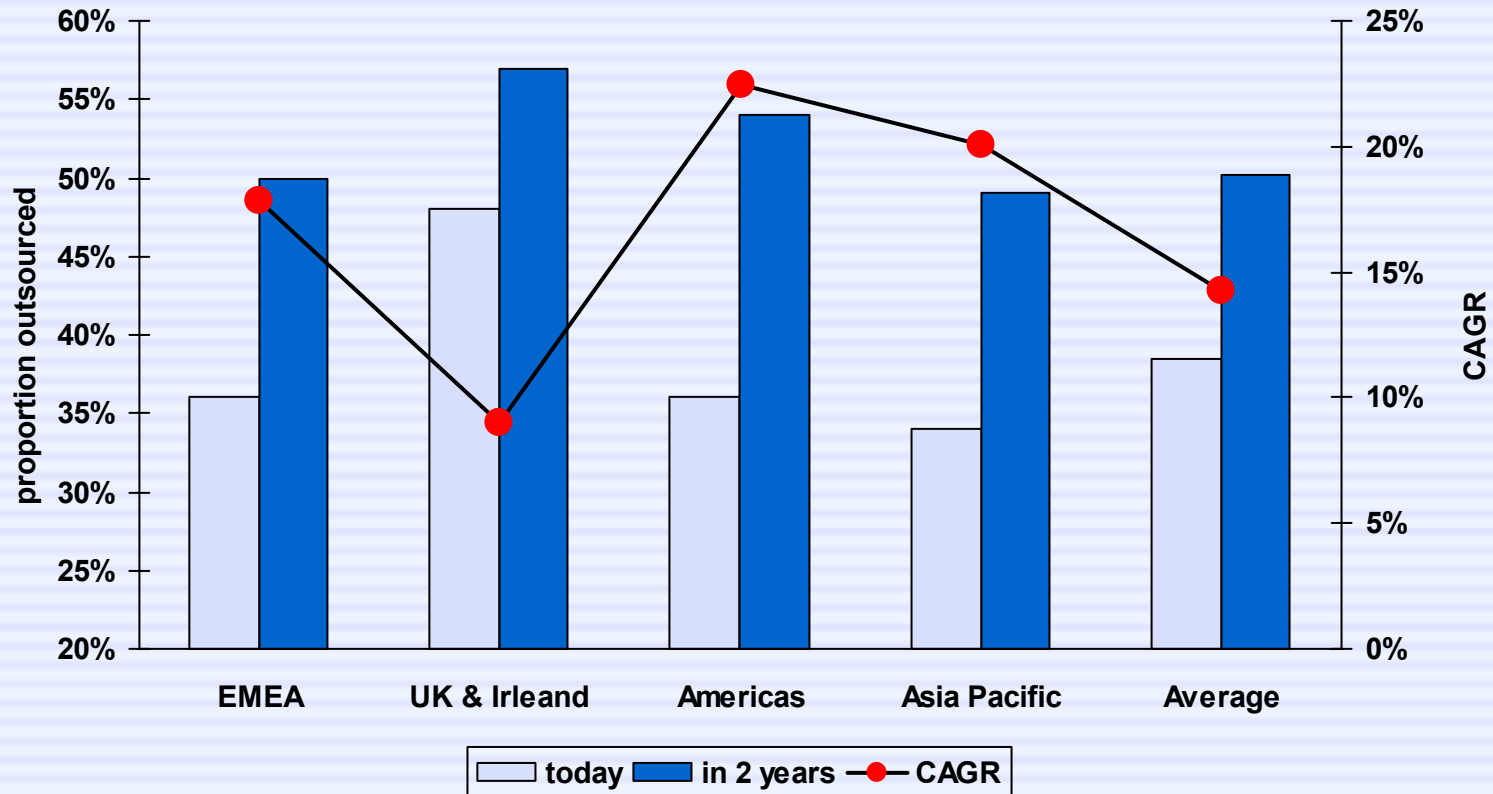
2-5% p.a.

\* THW =Transport, handling, warehouse

Source: Baumgarten, H.; Zadek, H.

## Outsourced logistics will continue to experience strong growth

What proportion of your supply chain management do you currently outsource?  
And what proportion do you expect to outsource in two years time?



Source: Exel, 2003 MORI Survey



***Focused logistics group with extensive specialist expertise (I)*****● Consumer Goods Packaging**

- Full service provider (from design to customized contract packing)
- Focus: Central Europe, strong footprint in the USA
- Sector focus: automotive, consumer goods

**● Industrial Goods Packaging**

- Provider of complete solutions in the field of industrial goods packaging; special know-how in packaging of entire manufacturing plants
- Leading service provider of export packaging and the only wide-coverage, nationwide provider, global service
- Sector focus: mechanical engineering

***Focused logistics group with extensive specialist expertise (II)*****● Warehouse Logistics**

- Processing all storage, transport and shipping activities (Inhouse-Outsourcing<sup>®</sup>)
- Focus: Central Europe
- Sector focus: automotive, electronics, health care, consumer goods, airport services (cargo handling)

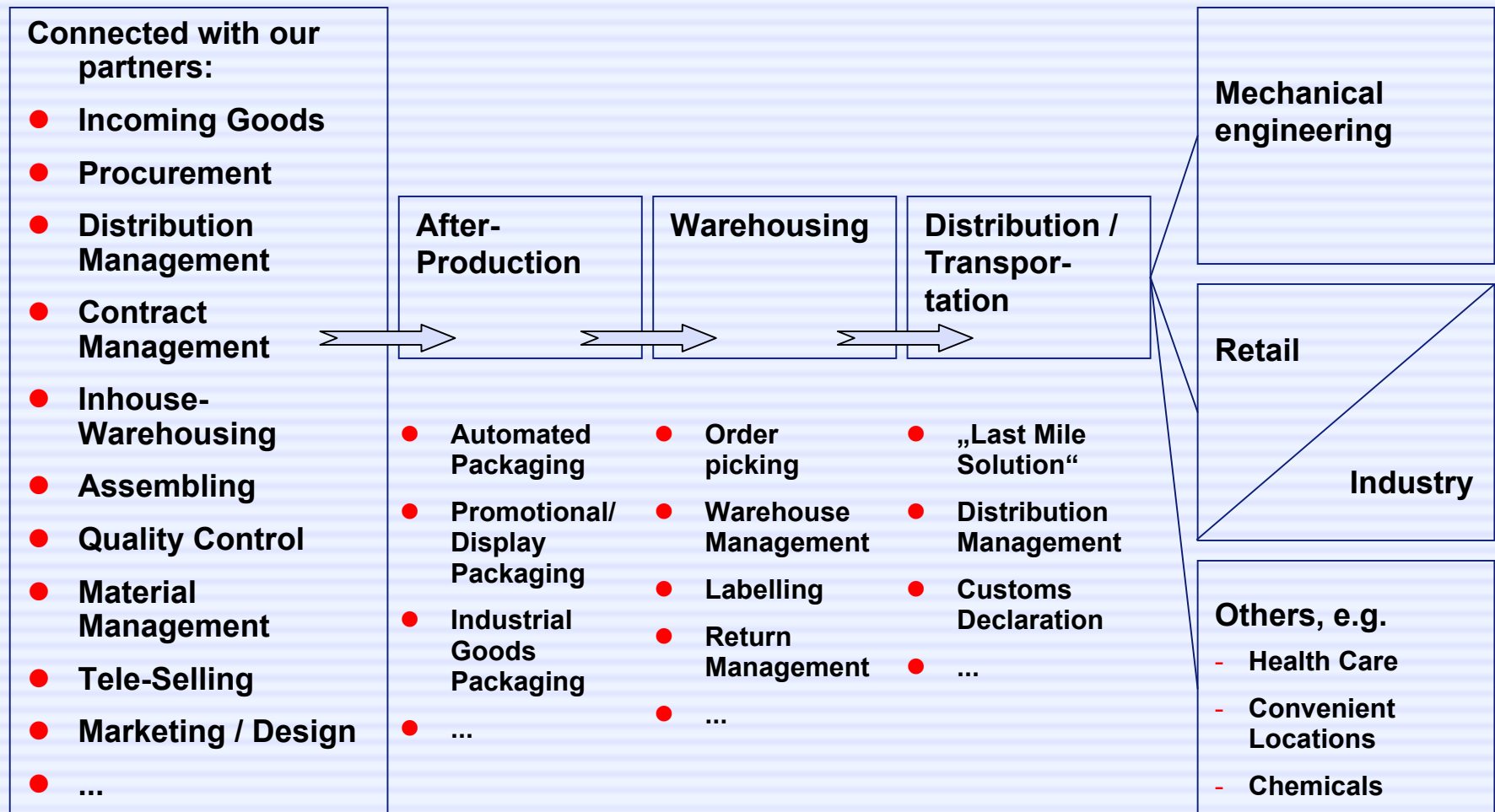
**● Other activities**

- Electronic data communication to the health sector (GHX)
- Last mile solutions (Droppoint)

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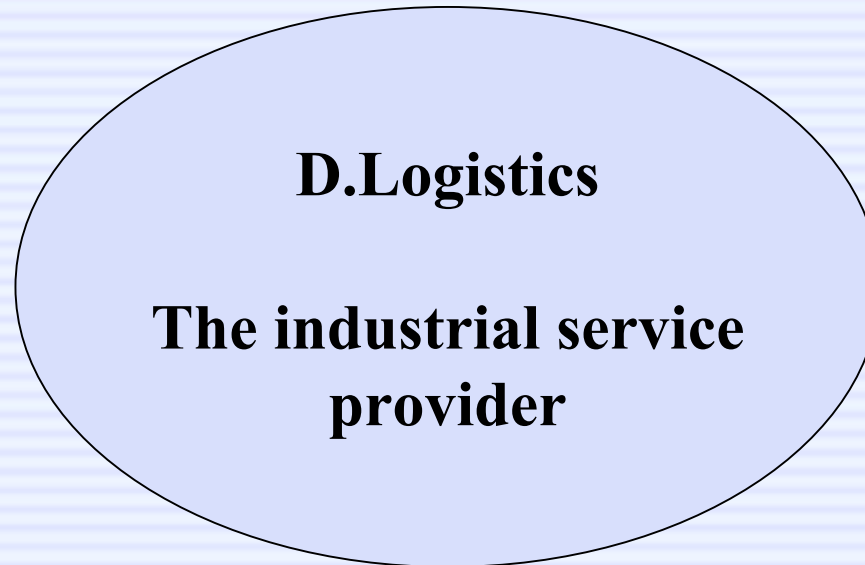
## From the core competence "packaging" adding ...



*... related industrial supply chain services*

Connected with our partners:

- Incoming Goods
- Procurement
- Distribution Management
- Contract Management
- Inhouse-Warehousing
- Assembling
- Quality Control
- Material Management
- Tele-Selling
- Marketing / Design
- ...



**Mechanical engineering**

**Retail**

**Industry**

**Others, e.g.**

- Health Care
- Convenient Locations

## *Strategy Consumer Goods Packaging*

- **Customer focussed strategy**
  - Increasing the packaging business with Gillette group in Europe and North America and developing new customers relationships
  - Extending the supply chain towards distribution/transportation
- **Know-how transfer (Franks Industries) to Europe**
  - Design/Printing/Cutting&Finishing/etc.
- **Extending the process chain**
  - Increasing Distribution/Management services
    - Management by D.Logistics
    - In cooperation with „Transportation Companies“
  - Material Management, assembling, quality control, etc.

**Strategy Industrial Goods Packaging**

- **Completion of Post Merger Integration (Deufol Baumann/Tailleur)**
  - Sharing specific IT competence and IT solutions
  - Optimising the operational basis
  - Realising merger synergies (procurement, ..)
- **Enhancing the German market position (No. 1)**
  - Penetration of customers with additional services
  - Signing up new customers by offering a wider range of services
- **Global expansion**
  - Running own operations in Belgium, Czech Republic and Asia within the next 3 years
  - Global alliances and cooperations

## *Strategy Warehouse Logistics and Promising Services*

- **Optimising existing structures**
  - Reorganisation of operations
  - Optimising internal administration and organisational structures
  
- **Connecting services around warehousing**
  - Rework, packaging, internal logistics, management of empty goods
  - Container staffing
  - Distribution and transportation management
  
- **Promising services**
  - Droppoint
  - GHX/PLC



## Planning 2004 (I)

- **Planned revenues 2004 (304.8 Mio. €) about 4.8% lower than 2003 (320.3 Mio. €)**
- **Reasons:**
  - **Planned dollar rate of 1.27 USD/€ (after 1,13), effect > 7 Mio. €**
  - **Changes in the scope of consolidation (2 companies at-equity), effect > €4.5 million**

Revenues 2004 e (€m)	Q1 e	Q1 a	Q2 e	Q2 a	Q3 e	Q4 e	Total e	2003
Consumer Goods Packaging	33.36	31.97	39.51	39,22	37.02	38.72	<b>148.61</b>	144.47
Industrial Goods Packaging	20.00	22.69	20.81	23,93	21.29	22.55	<b>84.65</b>	92.76
Warehouse Logistics	17.56	21.87	17.27	20,57	18.21	18.50	<b>71.64</b>	82.89
<b>D.Logistics Group</b>	<b>70.92</b>	<b>76.53</b>	<b>77.59</b>	<b>83,76</b>	<b>76.52</b>	<b>79.77</b>	<b>304.80</b>	320.27

## Planning 2004 (II)

- EBITA increase of more than 70% from 5 to €8.7 million
- Reasons:
  - Restructuring in Industrial Goods Packaging segment almost completed
  - Recovery in Consumer Goods Packaging expected
  - Further improvement in Warehouse Logistics
  - Again reduction of holding costs

EBITA 2004 e (€m)	Q1 e	Q1 a	Q2 e	Q2 a	Q3 e	Q4 e	Total e	2003
Consumer Goods Packaging	(0.24)	0.15	1.05	0.68	1.66	1.93	<b>4.40</b>	2.92
Industrial Goods Packaging	0.97	1.02	1.13	1.23	1.21	1.56	<b>4.87</b>	2.94
Warehouse Logistics	0.49	0.78	0.65	1.12	0.89	1.09	<b>3.12</b>	1.93
Holding	(0.87)	(0.84)	(0.86)	(0.49)	(1.09)	(0.86)	<b>(3.68)</b>	(2.64)
<b>D.Logistics Group</b>	<b>0.35</b>	<b>1.12</b>	<b>1.97</b>	<b>2.53</b>	<b>2.67</b>	<b>3.72</b>	<b>8.71</b>	5.14

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*Financial calendar*

- **August 24, 2004**                      **Interim report II/2004, April 1 – June 30**
- **November 23, 2004**                **Interim report III/2004, July 1 – September 30**
- **April 20, 2005**                        **Annual report 2004**

## Broad customer base

- ABB
- Agilent Technologies
- Alstom
- Acordis
- arvato logistics services
- Audi
- Barmag
- Beiersdorf
- Binda
- Bosch
- Candle-Lite
- Chanel
- Dell'Orto
- Dr. Schär
- Dürr
- Duracell
- Ferrero
- Gillette Group
- Hermes
- Hewlett-Packard
- IBM
- Infracore
- KHS
- Kronos
- Lagostina
- Loacker
- Lohmann & Rauscher
- Lufthansa Cargo
- MAN Nutzfahrzeuge
- Marconi
- Marvil Products
- Medion
- Mölnlycke
- New Zealand Post
- Pfizer
- Procter & Gamble
- Sanford
- Siemens
- Stant MfG
- Surgical Appliance
- Terumo Medical
- Totes
- United States Playing Cards
- Volkswagen
- Wacker

## Income statement

in € thousands	2003	2002	2001	2000	1999
Sales	320,265	342,582	484,272	382,518	64,820
Gross profit	41,233	43,680	70,052	65,384	12,071
EBITDA	18,972	5,587	42,371	35,004	6,422
EBITA	5,144	(6,205)	24,463	24,503	4,456
EBIT	(19,452)	(6,205)	12,420	23,384	4,252
EBT	(26,012)	(17,763)	1,643	18,590	4,514
Taxes on income	(4,326)	(1,484)	(5,311)	(7,762)	(1,789)
Minority interests	(1,672)	(613)	(1,599)	(1,207)	(356)
Discontinued operations	(4,991)	3,303	(20,407)	-	-
First-time application of SFAS 142	-	(76,593)	-	-	-
Net result	(37,001)	(91,666)	(25,674)	9,621	2,369
Earnings per share (€)	(1.05)	(2.68)	(0.90)	0.36	0.12

## Asset structure

in € thousands	2003	2002	2001	2000	1999
Short-term assets	98,329	130,257	187,650	144,208	32,835
Long-term assets	140,840	188,106	370,340	297,431	19,201
Balance sheet total	239,169	318,363	557,990	441,639	52,036
Short-term liabilities	128,209	151,991	231,764	138,682	20,488
Long-term liabilities*	57,488	71,043	131,484	81,399	1,987
Shareholders' equity	53,472	95,329	194,742	221,558	29,561
Equity ratio (%)	22.4	29.9	34.9	50.2	56.8
Financial liabilities	95,948	119,884	234,608	96.376	5,441
Net financial liabilities	79,879	100,648	199,541	76.381	(11,620)

\* incl. minority interests

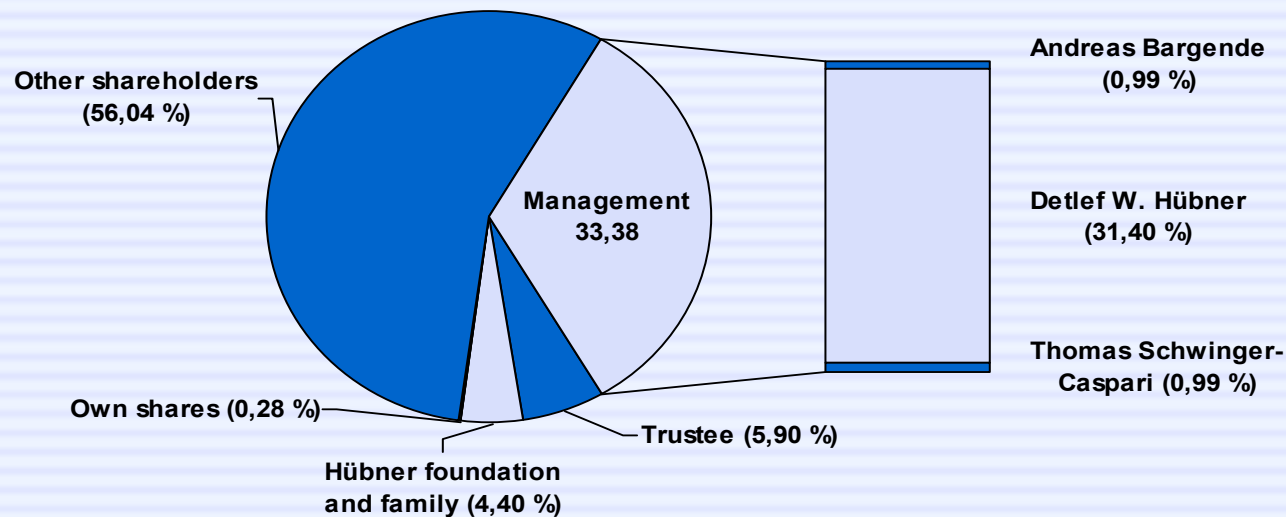
**Cash flow / Investments / Liquidity / Employees**

<b>in € thousands</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>	<b>2000</b>	<b>1999</b>
Cash flow from ordinary activities	11.179	5.879	(399)	13.468	3.940
Cash flow from investment activities	8.389	33.946	(95.952)	(289.852)	(13.467)
Cash flow from financing activities	(22.463)	(55.656)	138.232	279.731	24.793
Investments in tangible assets	10.764	23.865	31.956	21.734	2.045
Investments in Goodwill	5.010	0.814	25.489	192.000	3.850
Investments in other intangible assets	2.987	2.266	2.997	3.124	3.700
Change in liquid funds	(3.167)	(15.831)	15.072	2.934	15.266
Change in net financial liabilities	(20.769)	(98.893)	123.160	88.001	14.722
Employees (as of Dec. 31)	(3.550)	3.686	6.214	4.782	1.247



## Member of the Prime Standard

- D.Logistics is listed in the Prime Standard of the regulated market, thereby fulfilling the most stringent standards of transparency
- The D.Logistics share is included in the SDAX, containing the 50 largest stocks from traditional sectors below the MDAX
- Shareholder structure



as of June 2004

## Contact

- **D.Logistics AG**  
**Rainer Monetha**  
**Head of Investor & Public Relations**  
**Johannes-Gutenberg-Strasse 3-5**  
**65719 Hofheim (Wallau)**  
**Germany**  
**Phone: 06122 / 50 – 12 38**  
**Fax: 06122 / 50 – 13 06**  
**E-Mail: [info@dlogistics.com](mailto:info@dlogistics.com)**