

# DVFA Small Cap Conference 2009

*Company Presentation*

*September 1, 2009*

## Agenda

- **Profile**
- **Financials**
- **Strategy**
- **Appendix**

*Intelligent flexible solutions provider*

● **Key characteristics of the group**

- Decentralized structure with D.Logistics AG as the management holding
- Service solutions for all industry sectors with the main focus on “packaging”
- Long lasting know-how in particular for industrial goods and consumer goods
- Leadership in Europe in the field of export packing
- Customer specific IT-solutions / data management



*Service-orientated segment structure*



## Industrial Goods Packaging (IGP)

### IGP

#### Know-how

### From handcraft to industrial production

- Technological competence, CAD-based production and packaging
- Process- and IT know-how
- International network
- Secure, reliable delivery
- Special packaging techniques

#### Kind of goods

From screws to generators for power plants

#### Geographical focus

Europe

#### Market position

Largest Provider Europe – Leadership in Germany

#### Customer examples



## Key characteristics Consumer Goods Packaging (CGP)

CGP	Full Service Provider
<p><b>Know-how</b></p>	<ul style="list-style-type: none"> <li>• “Total Packaging Solution“</li> <li>• Design &amp; Innovation</li> <li>• Know-how for best manageability, usefulness and protection</li> <li>• Packaging technology (from high-speed transfer lines to the building of displays)</li> </ul>
<p><b>Kind of goods</b></p>	<p>e.g. Gift cards – Batteries – Pens – Windshield wipers – Home products</p>
<p><b>Geographical focus</b></p>	<p>Europe, USA</p>
<p><b>Market position</b></p>	<p>One of a few providers</p>
<p><b>Customer examples</b></p>	

## Key characteristics Warehouse Logistics (WL)

WL	From warehouse design to operation
<p><b>Know-how</b></p>	<ul style="list-style-type: none"> <li>• Process- and IT know-how</li> <li>• Full service provider (e.g. management, planning, picking, packing, customs)</li> <li>• Inhouse-Outsourcing<sup>®</sup></li> </ul>
<p><b>Kind of goods</b></p>	<p>Various goods</p>
<p><b>Geographical focus</b></p>	<p>Central Europe</p>
<p><b>Market position</b></p>	<p>Services also offered by competitors</p>
<p><b>Customer examples</b></p>	<div style="display: flex; justify-content: space-around; align-items: center;">      </div>

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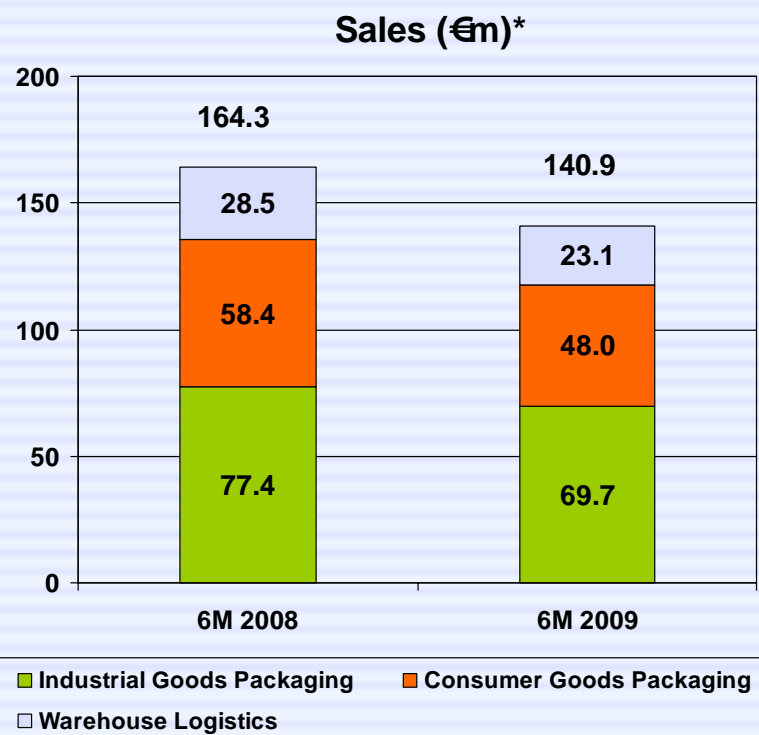


## Overview 6 months 2009

- Revenues down by 14.2% to €141 million
- EBITA €2.78 million (prior year: €6.77 million)
- Financial result slightly improved (€1.9 after €2.1 million in 2008)
- Net earnings of €0.14 million (prior year: €5.34 million)
- Operating cash flow significantly higher (€5.6 after €2.0 million in 2008)
- Net financial liabilities increased in the first six months of the year by €1.6 to €0.5 million

## Sales split by segment

### Economic crisis has tangible effects



- „Industrial Goods Packaging“ with the smallest decline (– 9.9%)
- „Consumer Goods Packaging“ down 17.8%; currency adjusted – 22.1%
- „Warehouse Logistics“ down – 19.0%

\*Sales figures without holding

## Earnings burdened by economic crisis

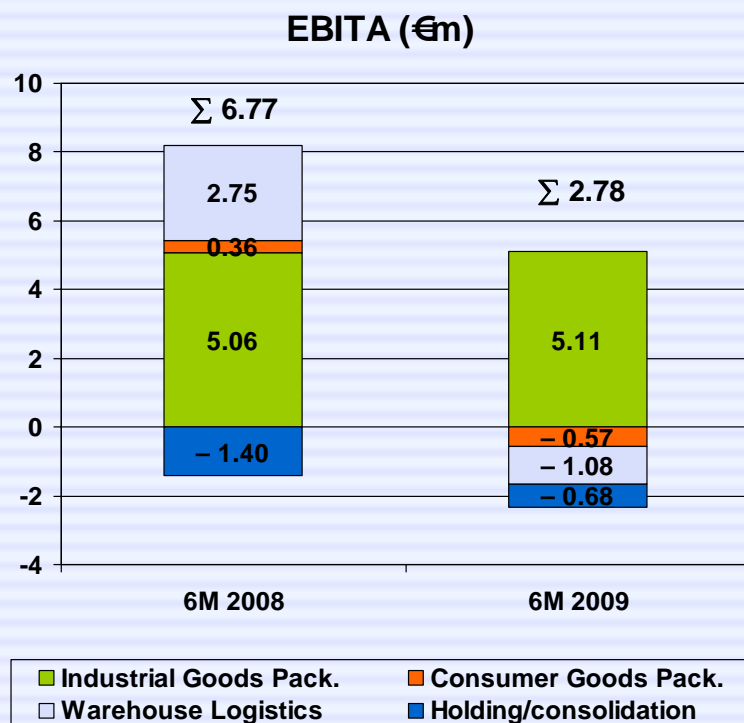
### Still profitable despite recession



- Gross profit down 21.0%
- EBITDA 40.3% lower; depreciation up 5.0%
- EBITA 59.0% below previous year
- Net earnings reached €0.14 million
- EPS €0.003 (previous year €0.120)

## EBITA split by segment

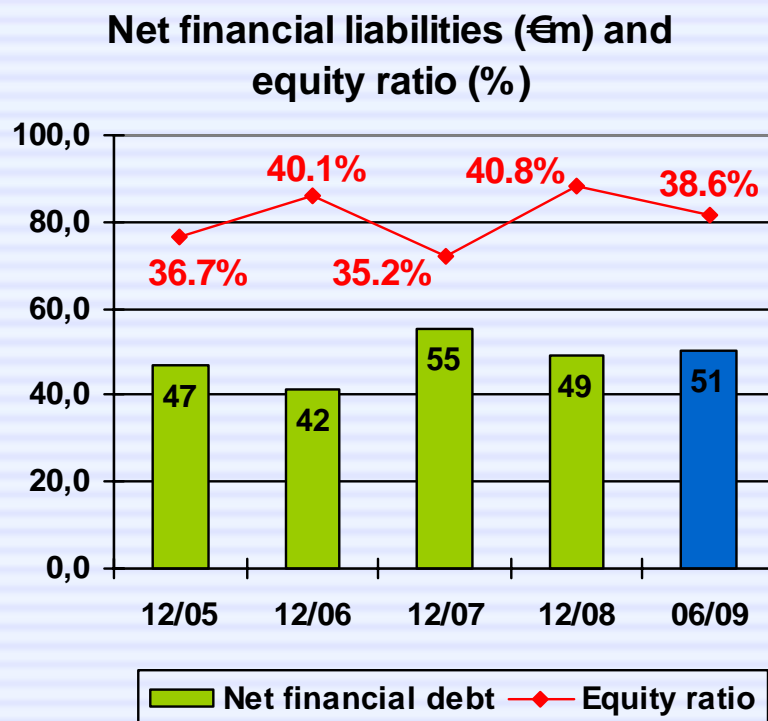
### “Industrial Goods Packaging” as the biggest earnings driver



- „Industrial Goods Packaging“ up 1.0%; additional projects completed successfully
- „Consumer Goods Packaging“ with a loss; U.S. business disappointing; Belgium developed satisfactorily, Italy increasing
- „Warehouse Logistics“ suffered from lower volumes and start-up losses in a new “Customization Center”; last year included €0.9 million accounting profit from the sale of real estate
- Holding loss (€0.68 million) reduced (prior year: 1.4m)

## Well-balanced liability side

### Comfortable equity base



- D.Logistics Group is financed in a decentralized form; most financing is provided by bilateral bank loans and syndicated borrowing facilities
- Slight increase in net financial liabilities in the six months 2009 by €1.6 to 50.5 million
- Equity ratio very comfortable at 38.6% (equity €2.9m)
- Equity per share stands at €2.12

## Planning 2009

- **Economic and business environment remains tough**
- **Planned revenues 2009: €285 - 300 million**
- **Planned Group-EBITA 2009: €7.0 - 10.0 million**
- **Expected financial position**
  - **Investments of around €6.0 million are planned**
  - **No significant external financing for the current business required**
- **In 2010 organic growth and increasing profits are expected**

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## *Planned orientation of the group*

- **Focus on leadership in packaging – intelligent flexible solutions provider**
- **Expansion of Industrial Goods Packaging**
  - Enhancing the market position (No. 1) for industrial export packaging
  - Further expansion in Europe and overseas
- **Expansion of Consumer Goods Packaging**
  - Extension and reinforcement of existing customer relationships
  - Know-how transfer of the “total packaging solution” (USA) to Europe
  - Innovation – Value added – Intelligent packaging – Data management



## *Medium-term financial objectives*

- **Constant organic growth above market perhaps combined with acquisitions primarily in Germany and Eastern Europe**
- **Sustainable EBIT(A) margin of more than 4%**
- **Improve financial result and minimize tax expense**
- **Equity ratio in excess of 30%**

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**Financial calendar 2009**

- **April 7, 2009**                      **Annual report 2008**  
Conference call
- **May 14, 2009**                      **Interim report I/2009, January 1 – March 31**  
Conference call
- **August 13, 2009**                      **Interim report II/2009, April 1 – June 30**  
Conference call
- **September 1, 2009**                      **DVFA Small Cap Conference**  
Investor/analyst conference
- **November 12, 2009**                      **Interim report III/2009, July 1 – September 30**  
Conference call

## Management Board of D.Logistics AG



- **Andreas Bargende (CEO)**

1993 to 2002 at KPMG (lawyer); Partner since 2000; joined D.Logistics in September 2002 as COO; Chief Executive Officer since June 2009;

Areas of Responsibility: Legal Affairs, Investment Management and Key Accounting



- **Detlef W. Hübner**

1979 Managing Partner of Dönne + Hellwig GmbH;  
1998 Founding of D.Logistics AG;

Areas of Responsibility: Investor & Public Relations, Personnel and Risk Management



- **Tammo Fey (CFO)**

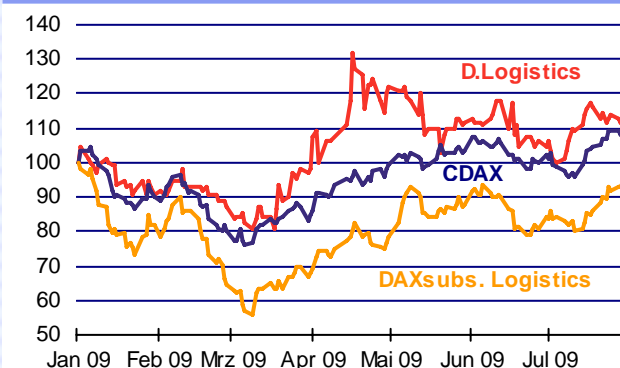
Since the Company's founding in 1998 Director of Accounting and Controlling; also executive position in various subsidiaries of the D.Logistics Group, appointed Chief Financial Officer in February 2006;

Areas of Responsibility: Finance and Controlling

## The D.Logistics share

<b>Price at July 31, 2009</b>	1.23 €
<b>High / Low (1 year)</b>	1.47 / 0.83 €
<b>Market capitalization</b>	approx. € 54 million
<b>Reuters / Bloomberg</b>	LOIG.DE / LOI GR
<b>ISIN</b>	DE0005101505
<b>Number of shares (as of July 31, 2009)</b>	43,772,824
<b>Shareholder structure</b>	see table
<b>Stock category</b>	Bearer shares
<b>Market segment</b>	Regulated Market (Prime Standard)
<b>Indices</b>	CDAX, DAXsector Transp. & Log., Classic All Share, Prime All Share
<b>Designated Sponsor</b>	BHF-Bank AG, Equinet AG, ICF Kursmakler AG
<b>Analyst coverage</b>	Jochen Rothenbacher (Equinet), Nils Machemehl (BHF-Bank)
<b>Daily trading vol. (Ø 2008)</b>	48,296

**Performance of D.Logistics' shares**  
indexed, in %, January 1 to July 31, 2009



**Shareholder structure (as of July 31, 2009)**

	number	per cent
Andreas Bargende (CEO)	58,000	0.13
Detlef W. Hübner	23,110,832	52.80
Tammo Fey (CFO)	15,000	0.03
Other shareholders	20,588,992	47.04
<b>Subscribed capital</b>	<b>43,772,824</b>	<b>100.00</b>

**Financials: Income statement**

<b>in € thousand</b>	<b>06/2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
Sales	141,005	336,748	337,737	322,363
EBITDA	7,451	24,011	20,767	26,356
EBITA	2,779	14,562	12,252	16,132
EBT	914	9,911	7,868	14,091
Taxes on income	(609)	2,458	(3,959)	(3,460)
Income	305	12,369	3,909	10,631
thereof minority interests	166	884	1,151	(757)
thereof equity holders of parent	139	11,485	2,758	11,388
Earnings per share (€)	0.003	0.257	0.065	0.268
Dividend per share (€)	n/a	0.07	0	0

**Financials: Asset structure**

<b>in € thousands</b>	<b>06/2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
Current assets	85,899	80,288	88,653	87,737
Noncurrent assets	154,944	156,821	148,463	121,888
Balance sheet total	240,843	237,109	237,116	209,625
Current liabilities	80,860	76,773	84,134	83,571
Noncurrent liabilities	67,102	63,612	69,712	42,087
Equity	92,875	96,724	83,270	83,967
Equity ratio (%)	38.6	40.8	35.1	40.1
Financial liabilities	81,244	76,119	79,305	64,899
Working capital	37,591	35,041	30,807	33,630

**Financials: Cash flow / Investments / Liquidity**

<b>in € thousands</b>	<b>06/2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
Cash flow from operating activities	5,585	15,663	16,025	12,723
Cash flow from investment activities	(1,512)	(464)	(24,831)	(3,968)
Cash flow from financing activities	(1,567)	(15,678)	9,798	(4,845)
Investment in property, plant and equipment	2,640	7,197	5,243	7,566
Investment in other intangible assets	414	1,747	180	277
Cash and cash equivalents	14,649	12,143	12,708	11,716
Net financial liabilities	50,512	48,950	55,391	41,524



## Financials: Ratios

	06/2009	2008	2007	2006
Investment ratio (%) <sup>1)</sup>	1.9	2.1	1.6	2.3
Operating cash flow / investments (%) <sup>2)</sup>	182.9	175.1	295.5	162.2
Interest cover <sup>3)</sup>	1.2	2.2	2.1	3.8
Asset cover ratio II (%) <sup>4)</sup>	123.4	121.4	118.0	124.5
Current ratio (%) <sup>5)</sup>	106.2	104.6	105.4	105.0
Financial liabilities / equity (%) <sup>6)</sup>	92.6	82.4	94.8	78.1
Net financial liabilities / EBITDA <sup>7)</sup>	2.5	2.0	2.7	1.6

1) Ratio of investments on property, plant and equipment to revenue

2) Net cash provided by operating activities / (investments on property, plant and equipment + other intangible assets)

3) (EBITA + finance income) / finance costs

4) (Equity + noncurrent liabilities) / fixed assets (property, plant & equipment + intangible assets + financial assets)

5) (Cash and cash equivalents + current receivables + inventories) / current liabilities

6) Financial liabilities / (Equity – deferred tax assets + deferred tax liabilities)

7) (Financial liabilities - financial receivables - cash and cash equivalents) / EBITDA; per 06/2009 trailing 12 months

**Segment data: Industrial Goods Packaging**

<b>in € thousand</b>	<b>06/2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
Sales	69,709	155,334	145,148	120,479
EBITDA	6,971	13,936	11,258	8,551
EBITA	5,109	10,202	8,775	6,089
EBT	4,963	8,798	8,180	5,324
Assets	69,048	65,896	63,225	45,105
Allocated Goodwill	52,889	52,814	52,753	24,109
Financial liabilities	23,280	23,548	22,111	14,835
Other debt	16,121	16,068	18,871	14,403
Investments	924	3,226	1,919	1,846

**Segment data: Consumer Goods Packaging**

<b>in € thousand</b>	<b>06/2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
Sales	48,038	126,330	136,018	139,514
EBITDA	1,221	8,757	5,915	8,291
EBITA	(570)	5,002	2,204	3,788
EBT	(1,768)	2,704	240	1,824
Assets	69,548	71,661	76,660	84,024
Allocated Goodwill	7,914	8,329	6,568	10,228
Financial liabilities	15,825	13,874	16,793	18,637
Other debt	19,656	18,569	27,989	29,878
Investments	1,322	3,689	1,919	4,935

**Segment data: Warehouse Logistics**

<b>in € thousand</b>	<b>06/2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
Sales	23,102	54,852	56,265	62,079
EBITDA	(275)	4,569	5,957	5,821
EBITA	(1,076)	3,081	4,264	3,624
EBT	(1,238)	3,106	3,720	2,653
Assets	38,903	35,648	37,357	40,764
Allocated Goodwill	7,203	7,203	7,203	7,203
Financial liabilities	20,219	19,020	14,005	15,612
Other debt	11,921	10,401	6,944	7,679
Investments	649	2,072	963	2,197

## Logistics management for industrial goods of any size

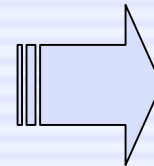
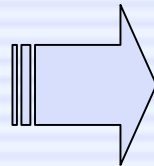
### Example Industrial Goods Packaging



- Packaging consultancy and design
- Production of special packings
- Export packaging for air, land and sea
- Permanent storage packaging technology
- Management of large projects
- Hazardous goods packaging

*From design to distribution - a broad range of services under one roof*

## Example Consumer Goods Packaging / Duracell: Location Heist-op-den-Berg



### Primary packing

- Capacity: 2.1 bn batteries / year
- 12 high-speed transfer lines, 20 pack type options
- 50 semi-automatic machines, 50 pack type options
- Regular service: 3 shifts up to 7 days / week
- Pack type: K-Pack and blister
- Team: up to 350 (incl. interims)

### Secondary packing

- Capacity: 520,000 displays/year
- 6 preparation lines
- 100 % manual work
- 1,000 display versions
- Regular service: 2 shifts, 5 days/ week
- Pack type: point of purchase displays
- Team: up to 95 (incl. interims)

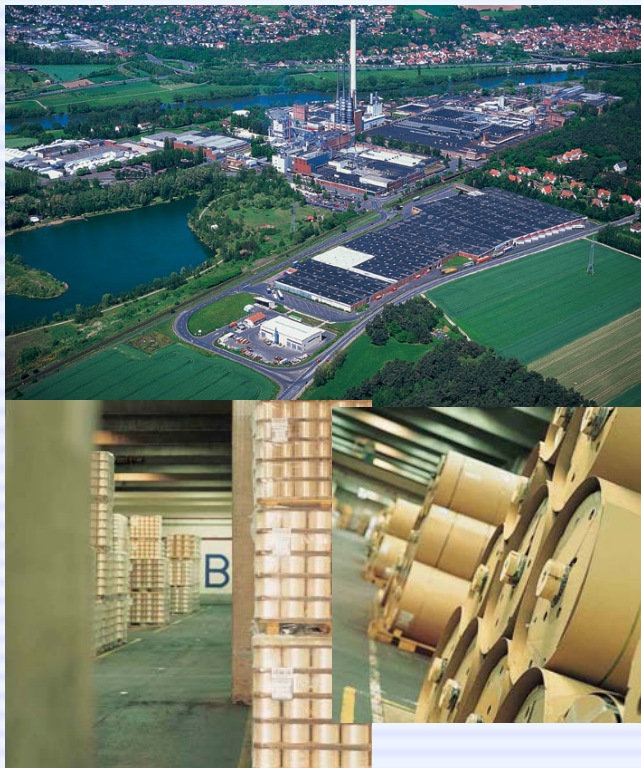
### Warehouse

- Annual volume: 260,000 pallets (40 trucks / day)
- Capacity: 30,000 pallet spaces
- Activity: > 1 million pallet movements / year
- Turnover: once a month
- Regular service: 3 shifts up to 7 days / week
- Team: up to 75 (incl. interims)



*Up-to-date warehouse management: a precondition for just-in-time delivery*

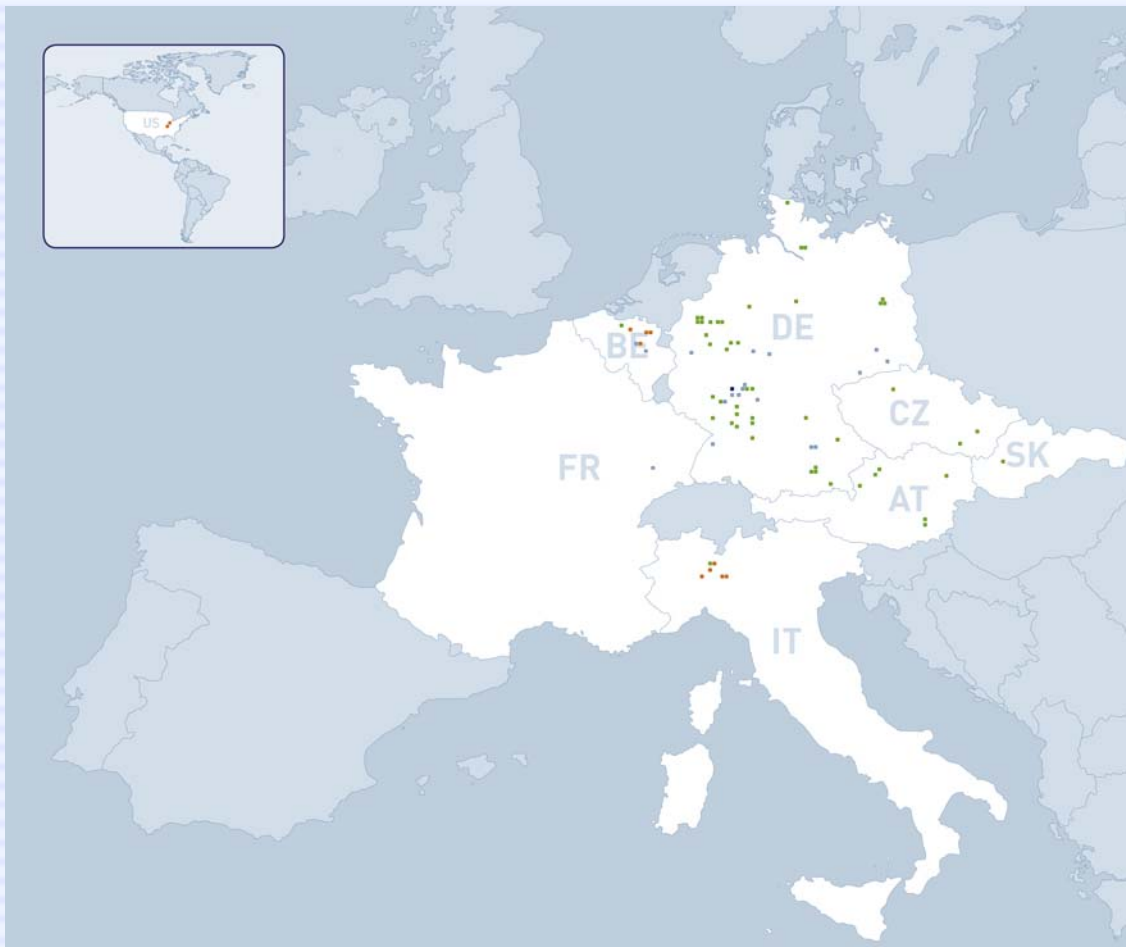
**Example Warehouse Logistics: Logistics centre Obernburg**



**Management of the finished goods warehouse for Acordis Industrial Fibres**

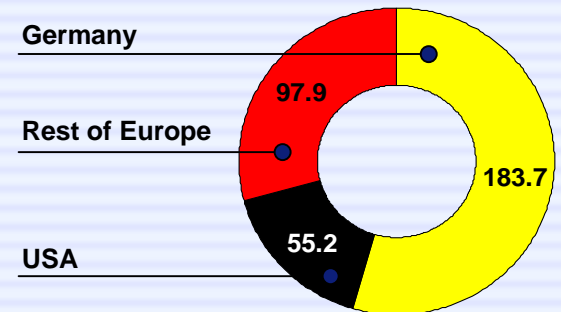
- 36,000 pallet spaces in high racks plus additional 20,000 m<sup>2</sup> storage area
- Steering of inbound and outbound traffic, picking and placing the goods at the disposal (> 270,000 pallets/year)
- Inventory tracked movement of more than 120,000 tons of industrial fibres per year, used space 53,000 m<sup>2</sup>
- Transport management
- Turnover of basic material for production of chemical fibre (> 2,000 wagons per year)
- Team: 56 employees

**Main focus in Europe – strong footprint in the US**



- Industrial Goods Packaging  
50 Locations
- Consumer Goods Packaging  
11 Locations
- Warehouse Logistics  
18 Locations
- D:LOGISTICS AG

**Sales by region**  
2008, €million





## Contact

- **Rainer Monetha**

**Head of Investor & Public Relations**

**D.Logistics AG**

**Johannes-Gutenberg-Strasse 3-5**

**D - 65719 Hofheim (Wallau)**

**Phone: +49 (6122) 50 12 38**

**E-mail: [Rainer.Monetha@DLogistics.com](mailto:Rainer.Monetha@DLogistics.com)**

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