

# German Equity Forum 2008

*Company Presentation*

*November 12, 2008*

## Agenda

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

***Strong service solutions partner with extensive specialist expertise***

● **Key characteristics of the group**

- D.Logistics AG as holding company
- Specialist for service solutions with the main focus on “packaging”
- Long lasting industry know-how in particular for industrial goods and consumer goods
- Market leader in Europe in the field of industrial export packing
- Customer specific IT-solutions




*Service-orientated segment structure*



Figures for 2007

## Key characteristics Industrial Goods Packaging (IGP)

IGP	From handcraft to industrial production
<p><b>Know-how</b></p>	<ul style="list-style-type: none"> <li>• Technological competence</li> <li>• Process- and IT know-how</li> <li>• International network</li> <li>• Secure, reliable delivery</li> <li>• Special packaging techniques</li> </ul>
<p><b>Kind of goods</b></p>	<p>From screws to generators for power plants</p>
<p><b>Geographical focus</b></p>	<p>Europe</p>
<p><b>Market position</b></p>	<p>Market leader in Europe</p>
<p><b>Customer examples</b></p>	

## Key characteristics Consumer Goods Packaging (CGP)

CGP	From design to storage
<p><b>Know-how</b></p>	<ul style="list-style-type: none"> <li>• “Total Packaging Solution“</li> <li>• Package design</li> <li>• Design 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>Bulk articles</p>
<p><b>Geographical focus</b></p>	<p>Europe, USA</p>
<p><b>Market position</b></p>	<p>Largest service provider independent from packing material</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- und 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-between; align-items: center;">  <div style="text-align: center;">  <p><b>Lufthansa Cargo</b> The business to business class.</p> </div> <div style="text-align: center;">  <p><b>infraseriv</b> höchst</p> </div> <div style="text-align: center;">  <p><b>MÖLNLYCKE</b> HEALTH CARE</p> </div>  </div>

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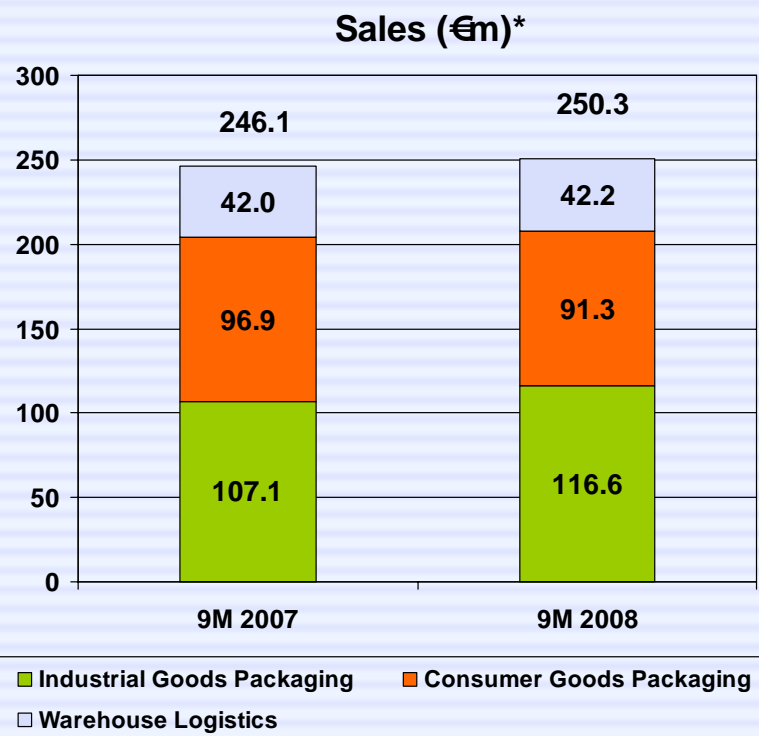


## Highlights 9 months 2008

- Revenues increased by 1.7% to €250.5 million
- EBITA up 46.5% to €11.3 million
- Financial result slightly improved (€3.3 after €3.4 million in 2007)
- Net earnings of €7.77 million (prior year: €2.11 million)
- Net financial liabilities decreased in the first nine months of the year by €8.7 to €46.7 million

## Satisfactory revenue growth

**Sales up 1.7% to €250.5 million**

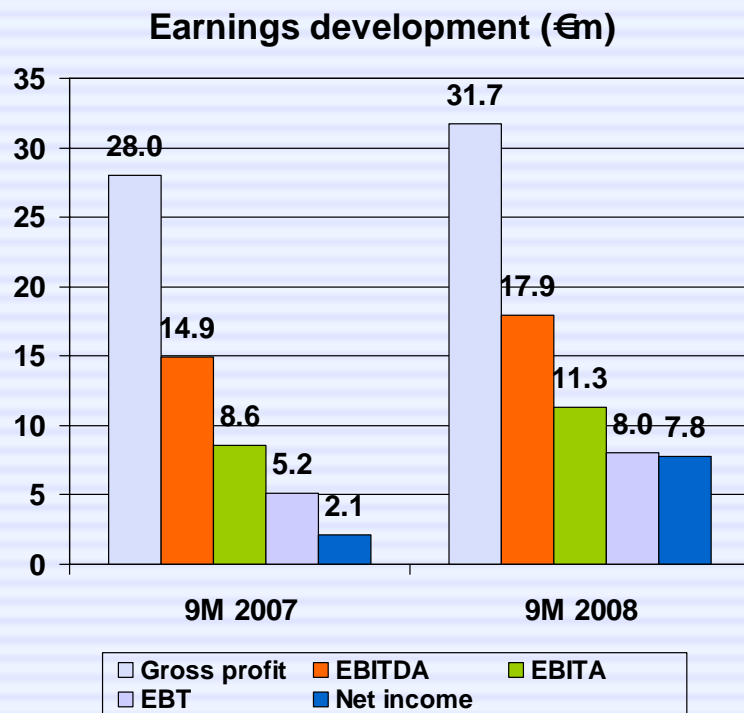


- „Industrial Goods Packaging“ up 8.8%
- „Consumer Goods Packaging“ down 5.8%; currency adjusted –0.7%
- „Warehouse Logistics“ up 1.0%

\*Sales figures without holding

## Strong earnings growth

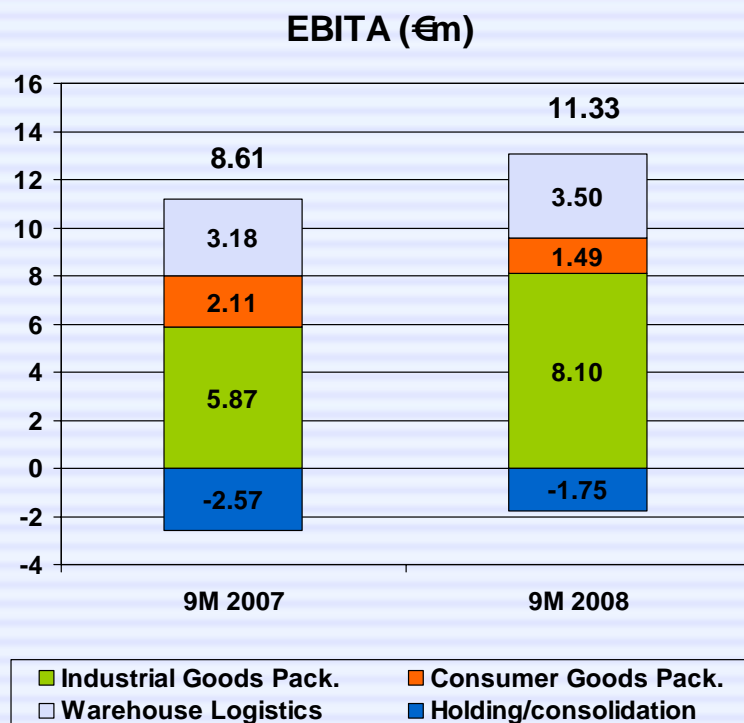
### EBITA increased 46.5%



- Gross profit up 13.1%
- EBITDA up 20%;  
depreciation up 4.1%
- EBITA (€11.3m) increased 46.5%
- Net earnings reached €7.8 million
- EPS €0.17 (previous year €0.05)

## Segment earnings increased strongly

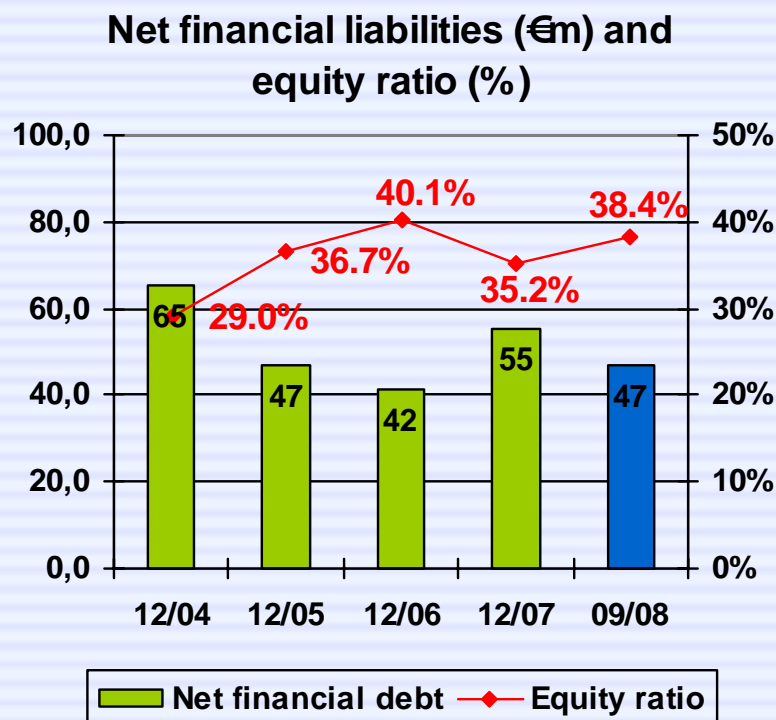
### Strong performance of “Industrial Goods Packaging”



- „Industrial Goods Packaging“ up 38.0%; margin up from 5.5 to 6.9%
- „Consumer Goods Packaging“ 29.9% below last year; margin 1.6 after 2.2%; monthly income of €0.1 million is now shown at holding level; USA showed turnaround in Q3
- „Warehouse logistics“ up 9.8%; margin improves from 5.6 to 8.2%; includes €0.9 million accounting profit from the sale of real estate
- Holding loss of €1.75 million (prior year: –€2.57m), includes the above mentioned income former shown in CGP

## Well-balanced liability side

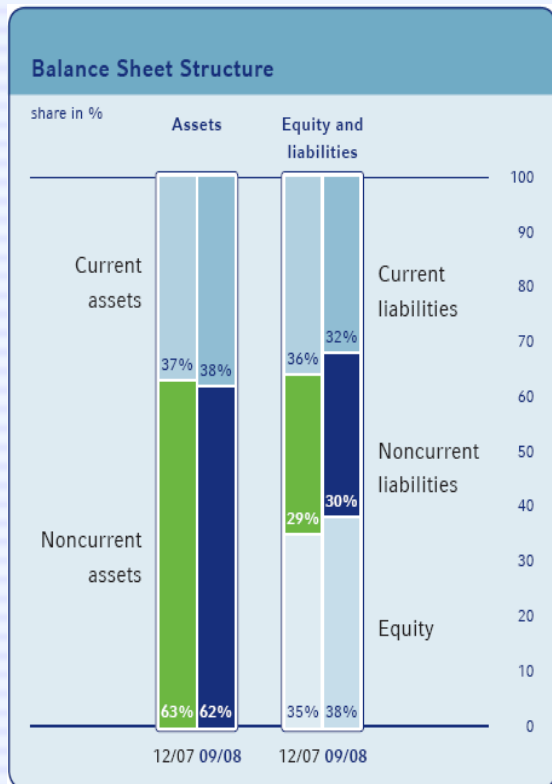
### Net financial liabilities are declining again



- D.Logistics Group is financed in a decentralized form; most financing is provided by bilateral bank loans and syndicated borrowing facilities
- After the increase in net financial liabilities in 2007 due to acquisitions, they declined again in the first nine months 2008 by €8.7 to 46.7 million
- Equity ratio very comfortable at 38.4% (equity €93.1m)

## Solid balance sheet structure

### Current assets exceed current liabilities



- Balance sheet total increased by 2.4% in the first 9 months of the year to €242.8 million
- Acid test (ratio of cash plus current receivables to current liabilities) stays at 101.2% (September 30)
- Asset cover II (ratio of shareholder's equity and noncurrent liabilities to fixed assets) stays at 128.2% (September 30)

## Planning 2008

- **Planned revenues 2008: €330 – 345 million**
- **Planned Group-EBITA 2008: €13.0 - 14.5 million**
- **Segment performance**
  - **Industrial Goods Packaging outperforming targets**
  - **Consumer Goods Packaging depending on Q4, but expected well**
  - **Warehouse Logistics expected below targets**

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## *Planned orientation of the group (I)*

### ● Expansion of Industrial Goods Packaging

- Enhancing the market position (No. 1) for industrial export packaging
- Highly attractive market segment with an average growth rate of more than 10% in the years 2004 to 2007, very fragmented market offers opportunities
- Expansion to Europe and overseas with existing and new clients using our unique know-how

#### *Acquisitions already executed*

- Takeover of the Walpa group as of April 1, 2007, purchase price €3.5 million,
- Purchase of the 45% minority interests in Deufol Tailleur GmbH as of June 29, 2007, purchase price up to €30.0 million
- Purchase of Logis group as of December 1, 2007, purchase price €6.5 million



## *Planned orientation of the group (II)*

- **Expansion of Consumer Goods Packaging**
  - Extension and reinforcement of existing customer relationships
  - Know-how transfer of the “total packaging solution” (USA) to Europe
  
- **Expanding our service range – developing from a logistics service provider to an industrial service provider**
  - Extend logistics-related services at all locations
  - Build a presence in additional areas of activity that businesses outsource to service providers

## *Medium-term financial objectives*

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

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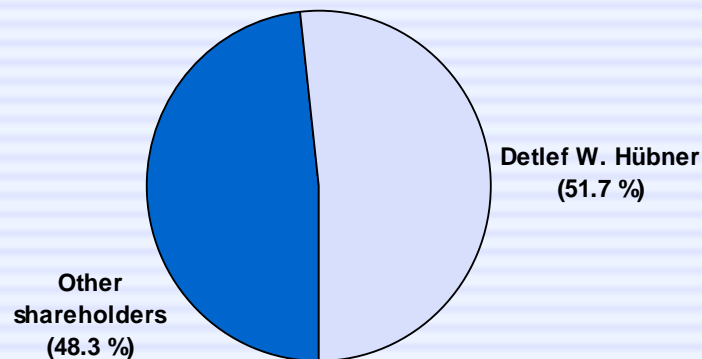
## *Financial calendar*

- **November 11, 2008**      **Interim report III/2008, July 1 – September 30**  
Conference call
- **November 12, 2008**      **German equity Forum**  
Investor conference
- **April 7, 2009**              **Annual results 2008**
- **May 14, 2009**              **Interim report I/2009, January 1 – March 31**
- **August 13, 2009**         **Interim report II/2009, April 1 – June 30**
- **November 12, 2009**      **Interim report III/2009, July 1 – September 30**

## The D.Logistics share

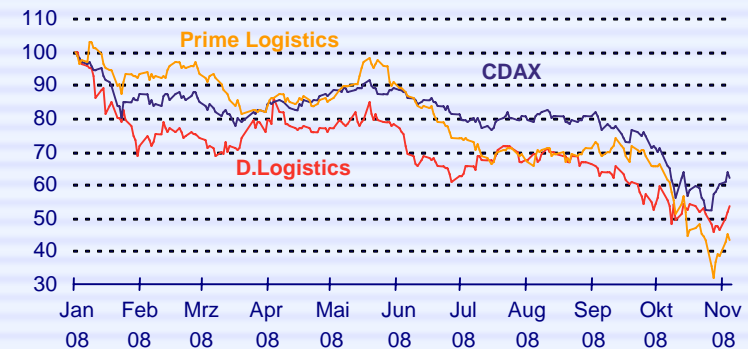
- Market capitalization: about €46.5m
- Regulated market (Prime Standard)
- Indices: CDAX, Prime Transport & Logistics, GEX
- ISIN: DE0005101505
- Shareholder structure

- Price (Xetra) 2008/11/05: €1.04  
(high/low 52 weeks: €2.29/0.85)



As of October 31, 2008

Comparative performance of D.Logistics' shares indexed, in %, January 1 to November 5



**Income statement**

<b>in € thousand</b>	<b>9M 2008</b>	<b>2007</b>	<b>2006*</b>	<b>2005</b>
Sales	250,464	337,737	322,363	313,516
EBITDA	17,933	20,767	26,356	22,331
EBITA	11,332	12,252	16,132	11,374
EBT	8,019	7,868	14,091	6,620
Taxes on income	516	(3,959)	(3,460)	(4,332)
Profit from continuing operations	8,535	3,909	10,631	2,288
Profit from discontinued operations	0	0	0	1,036
Income	8,535	3,909	10,631	3,324
thereof minority interests	769	1,151	(757)	1,923
thereof equity holders of parent	7,766	2,758	11,388	1,401
Earnings per share (€)	0.174	0.065	0.268	0.033

\* Earnings figures include the sale of participations and successful litigations

## Asset structure

<b>in € thousands</b>	<b>9M 2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>
Current assets	93,275	88,653	87,737	80,495
Noncurrent assets	149,481	148,463	121,888	131,915
Balance sheet total	242,756	237,116	209,625	212,410
Current liabilities	82,677	84,134	83,571	86,358
Noncurrent liabilities	63,680	69,712	42,087	48,201
Equity	93,125	83,270	83,967	77,851
Equity ratio	38.4	35.1	40.1	36.7
Financial liabilities	76,769	79,305	64,899	66,113
Net financial liabilities	46,701	55,391	41,524	47,036



**Cash flow / Investments / Liquidity**

<b>in € thousands</b>	<b>9M 2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>
Cash flow from operating activities	10,558	16,025	12,723	7,690
Cash flow from investment activities	4,061	(24,831)	(3,968)	(2,180)
Cash flow from financing activities	(10,554)	9,798	(4,845)	(13,796)
Investment in property, plant and equipment	3,685	5,243	7,566	6,794
Investment in other intangible assets	220	180	277	399
Cash and cash equivalents	16,773	12,708	11,716	7,806
Net financial liabilities	46,701	55,391	41,524	47,036

## Logistics management for industrial goods of any size

### Example Industrial Goods Packaging

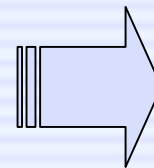
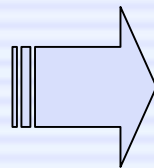


- Packaging consultancy and design
- Production of special packings
- Export packaging for air, land and sea
- Permanent storage packaging technology
- Management of large projects
- Hazardous goods packaging

*Customers: e.g. Alstom, Barmag, KHS, Kronos, Siemens*

*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

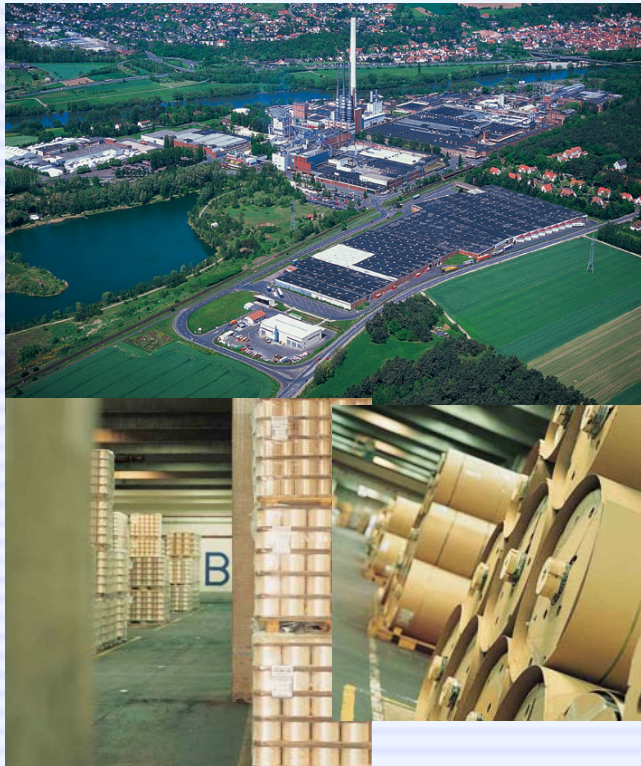
- Capacity: 520,000 displays/year
- 6 preparation lines
- 100 % manual work
- 1,000 display versions
- Regular service: 2 shifts, 5 days/ week
- Pack type: point of purchase displays
- Team: up to 95 (incl. interims)

### 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*

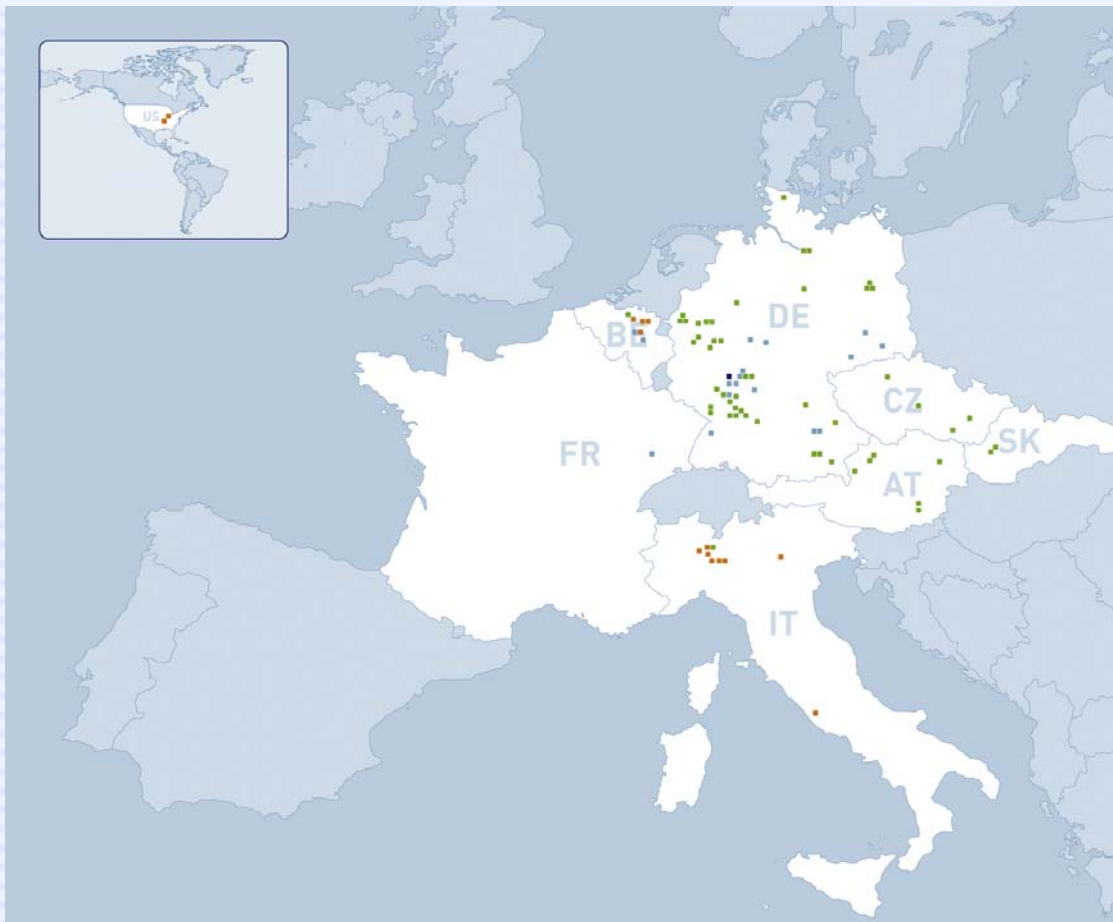
**Example Warehouse Logistics: Logistics centre Obernburg**



**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**



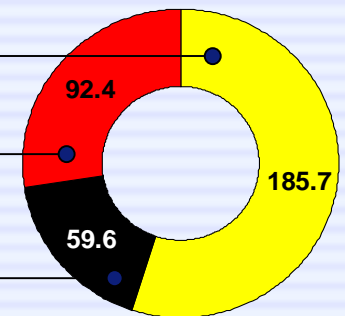
- Industrial Goods Packaging  
52 Locations
- Consumer Goods Packaging  
14 Locations
- Warehouse Logistics  
17 Locations
- D.Logistics AG

**Sales by region**  
2007, €million

Germany

Rest of Europe

USA



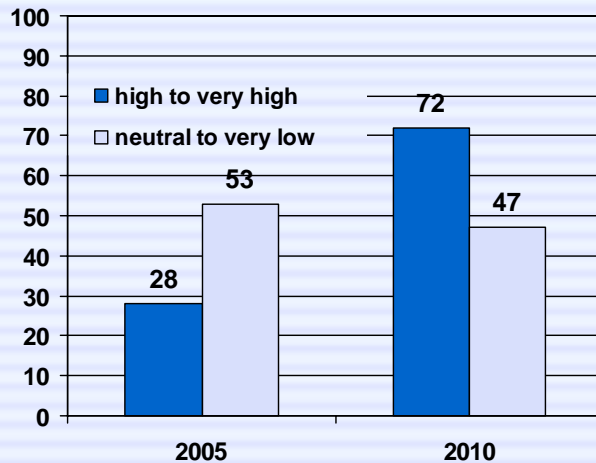
## Broad customer base

- 3M
- ABB
- Agilent Technologies
- Agrati
- Ahlstrom Corp.
- Alpa
- Ample Industries
- Alstom
- Acordis
- Audi
- Aventis
- Barmag
- Beiersdorf
- Binda
- Bonne Bell Inc.
- Bosch
- Candle-Lite
- Cummins Engine
- Dell'Orto
- Desa International
- Dürr
- Drink International
- Duracell
- Fritz Winter
- Gerber
- Gillette
- Guess
- Hermes
- Hewlett-Packard
- Hitachi
- IBM
- Infineon
- Infraser Logistics
- Johnson & Johnson
- KHS
- Krauss Maffei
- Krones
- Lohmann & Rauscher
- Lufthansa Cargo
- MAN Nutzfahrzeuge
- Marconi Communications
- Marvil Products
- Mölnlycke
- Oral B
- Osram Sylvania
- Panasonic
- Procter & Gamble
- Remotec Reitz
- Sanford
- Siemens
- Singulus Technologies
- Stant MfG
- Surgical Appliance
- Time Service
- Volkswagen
- Wacker Chemie
- York International

**Market trends**

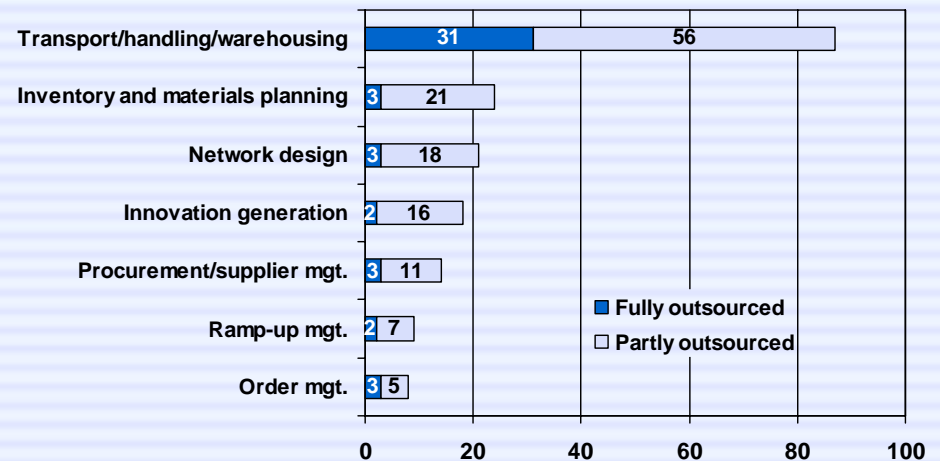
*Growing importance of outsourcing*

**Importance of outsourcing in industry (%)**



*Increased outsourcing of secondary logistics services offers growth prospects for service providers*

**Outsourcing of logistics services in industry (%)**



## Contact

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