Annual Report

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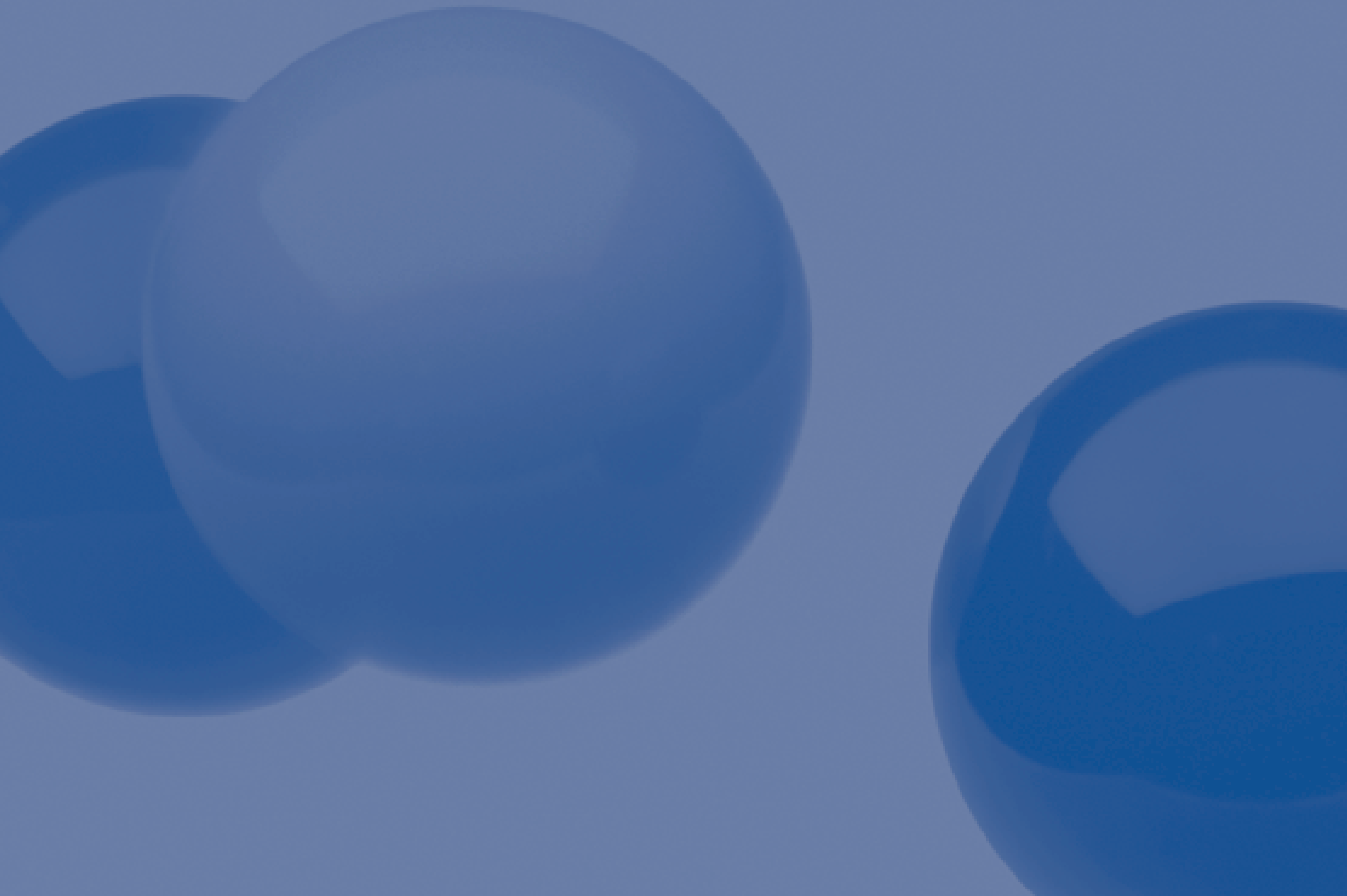

DELTON

Key figures at a glance

(Euro millions)	2002	2001
Sales	1.053,6	594,1
– Pharmaceuticals	115,2	100,1
– Household Products	214,4	220,1
– Logistics	505,7	14,4
– Fashion	26,9	45,7
– Power Supply	191,4	213,8
EBITA	7,6	20,3
Profit before tax	– 61,3	7,1
Net earnings	– 68,3	5,1
Return on sales – EBITA (%)	0,7	3,4
Shareholders' equity including minority interests	267,4	180,2
Equity ratio including minority interests (%)	20	35
Capital expenditure and acquisitions	154,9	117,1
Cash flow from operating activities	20,8	43,3
Number of employees at Dec. 31	22.579	11.798

DELTON AG – Principal Participations

Pharmaceuticals

Ergo-Pharm Beteiligungsgesellschaft mbH
Baden-Baden **D**

- **Biologische Heilmittel Heel GmbH**
  Baden-Baden **D** ■ ▲
- **Heel Inc.**
  Albuquerque **USA** ■ ▲
- **Phinter-Heel S.A.** (90,0 %*)
  Madrid **E** ■ ▲
- **Heel Belgium N.V.**
  Drongen **B** ■ ▲
- **DCG Nordic AB**
  Västra Frölunda **S** ■ ▲
- **Distribution companies**
  in Canada
  Chile
  Colombia (96,5 %*)
  Netherlands
  Poland
  South Africa

Household Products

CeDo Haushaltsprodukte Holding GmbH
Bad Homburg v. d. Höhe **D**

- **CeDo Ltd.**
  Telford **GB** ■ ▲
- **CeDo Sp. z o.o.**
  Katy Wroclawskie **PL** ■ ▲
- **CeDo (Shanghai) Ltd.**
  Shanghai **PRC** ■
- **CeDo Recycling**
  Geleen **NL** ■ ▲
- **CeDo Folien und Haushaltsprodukte GmbH**
  Nuremberg **D** ▲
- **CeDo Papierprodukte GmbH**
  Nossen **D** ■ ▲
- **HIMA AG**
  Rotkreuz **CH** ■ ▲
- **Distribution companies**
  in China
  Czech Republic
  France
  Russia

Wholly-owned subsidiary unless otherwise indicated

*Percentage held by direct parent company

Status as at March 2003

Logistik

DELTON Vermögensverwaltung AG
Bad Homburg v. d. Höhe — D

Thiel Logistik AG (50,26 %*)
Grevenmacher — L ◆

- **Quehenberger Logistik AG**
  Bergheim — A ◆
- **Birkart Globistics GmbH & Co Logistik und Service KG**
  Aschaffenburg — D ◆
- **Microlog Logistics AG** (97,23 %*)
  Frankfurt am Main — D ◆
- **Kraftverkehr Bayern GmbH** (96 %*)
  Munic — D ◆
- **Südkraft Süddeutsche Kraftwagen-Speditions GmbH**
  Munic — D ◆
- **Brechtbühl AG**
  Urdorf — CH ◆
- **Delacher Logistics AG & Co KG**
  Wolfurt — A ◆
- **TK Transports Internationaux TK**
  Genas-Lyon — F ◆
- **GST Plateforme Europeene**
  Scionzier — F ◆
- **GAT – Logistik GmbH & Co. KG**
  Kempten — D ◆

Stromversorgung

CEAG AG (76,8 %*)
Bad Homburg v. d. Höhe — D

- **FRIWO Gerätebau GmbH**
  Ostbevern — D ■ ▲
- **FRIWO Mobile Power GmbH**
  Ostbevern — D ▲
- **FRIWO Far East Ltd.**
  Hong Kong — HK ■ ▲
- **FRIWO CEAG Electrical (Shenzhen) Company Ltd.**
  XiXiang — PRC ■ ▲
- **FRIWO ELECTRICAL (Beijing) Co. Ltd.**
  Beijing — PRC ■ ▲
- **FRIWO EMC Inc.**
  Colorado Springs — USA ■ ▲
- **FRIWO Japan Co. Ltd.**
  Tokyo — JP ▲
- **FRIWO do Brasil Ltda.**
  São Paulo — BR ▲

■ Production company
▲ Distribution company
◆ Service company

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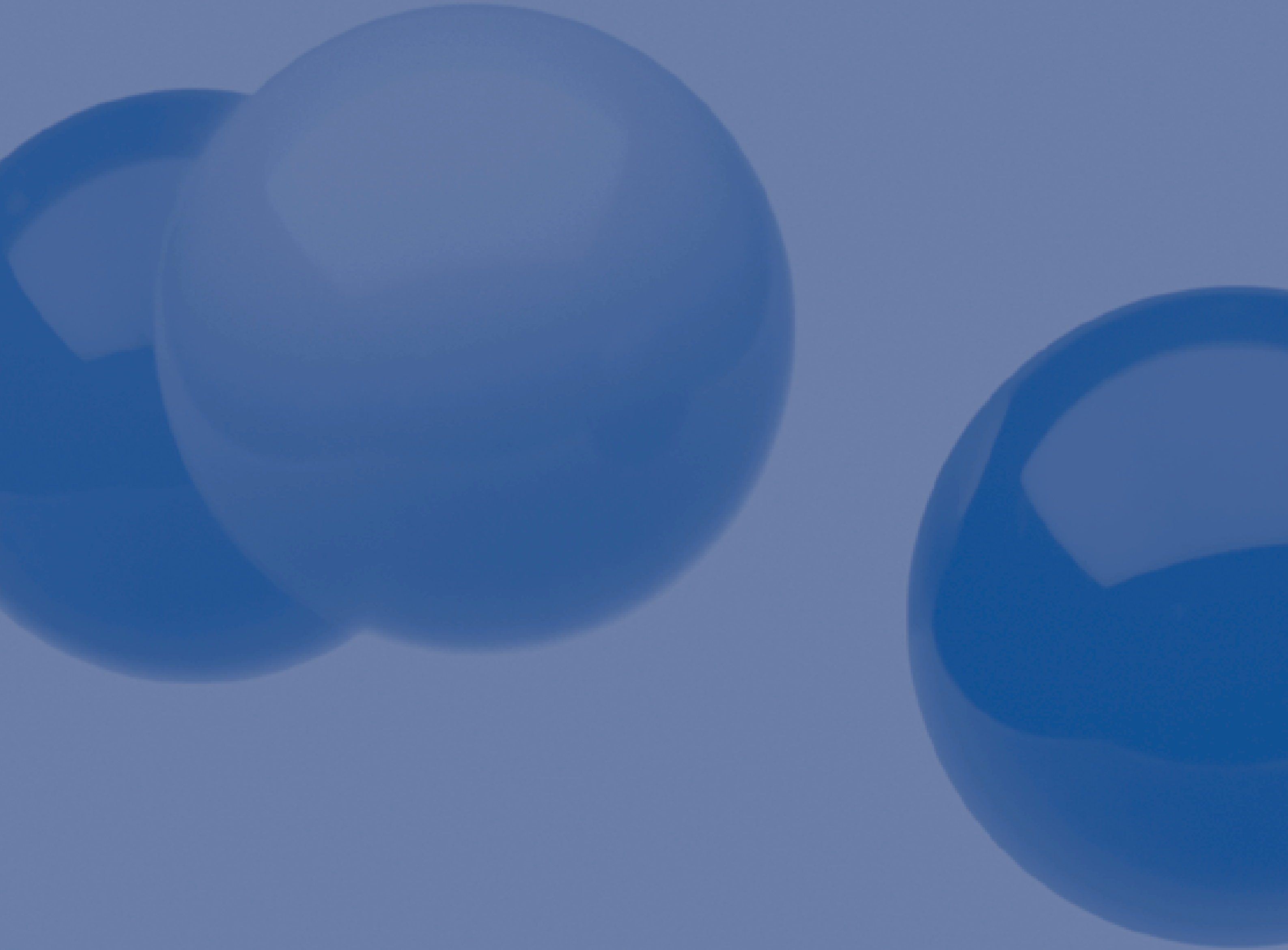

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“Having a vision in mind keeps you one step ahead”

Berndt-Michael Winter, Chief Executive Officer

Management Board DELTON AG: Dr. Klaus-Dieter Petersson, Berndt-Michael Winter, Dr. Antonius Wagner

Since its establishment DELTON AG has always been an entrepreneurial organization. As a strategic management holding company it has no involvement in purely financial participating interests, but consistently builds up majority interests that it wishes to develop and sustain over the long term. On the basis of the mission and vision statement that we drew up for our company in 2002 and the measures taken in the last few years, we have continued the process of reorganizing the Group. As a result 2002 saw major changes in the DELTON portfolio.

With the sale of the van Laack Group to an experienced investor from the sector, our activities under the umbrella of the Fashion division came to an end. At the same time, we greatly expanded our Logistics division with the acquisition of a majority interest in the Luxembourg-based corporation, Thiel Logistik AG. Against a background of increasing globalization and the trend toward outsourcing the logistics market offers attractive prospects for growth.

The DELTON portfolio now covers four divisions. In time, it is our intention to redress the temporary imbalance in the portfolio, which is currently showing a clear bias in favour of logistics. Opportunities for a further development of the other divisions are therefore also under review.

Decentralized management responsibility forms a core element of our vision. This requires transparency, both internally and externally. To achieve this we set up and developed thorough, efficient management and control systems in the holding and operating companies. In addition, two further important measures were initiated in 2002: We implemented the German Corporate Governance Code throughout our Group and strengthened our communications activities. The latter included a change in our corporate design.

The earnings position for 2002 is wholly unsatisfactory. The causes lie in the portfolio changes already mentioned, in substantial restructuring expenses and in the difficult economic climate, all of which have adversely affected our divisions in different ways. We anticipate a marked improvement in operating profits in fiscal 2003. Our target is to ensure that in the medium term, DELTON achieves value-oriented growth and generates an appropriate return on capital employed.

Berndt-Michael Winter
Chief Executive Officer

Dr. Klaus-Dieter Petersson
Member of the
Management Board

Dr. Antonius Wagner
Member of the
Management Board (CFO)

07 Introduction

08 Corporate Governance
09 New Corporate Design

Corporate Governance, transparent management

The Supervisory Board and Management Board of DELTON AG welcome the introduction of the German Corporate Governance Code which came into force in 2002. Many of the Code's principles and procedures, relating to responsible corporate management and control and oriented toward long-term value creation, have been observed and practiced by DELTON for some years. Although DELTON is not a listed company, its vision statement determines that it should be set up in the same way as a listed company. As a consequence, and on a voluntary basis, the decision was taken to comply with the recommendations of the Federal Commission responsible for the Code to the extent applicable to the structure of DELTON. In December 2002, DELTON issued the so-called "declaration of conformity" pursuant to section 161 of the German Stock Corporation Act and published it on the company website at www.delton.de.

The corporate governance principles serve to underpin responsible and transparent management in the DELTON Group. However, observance on a purely formal basis achieves nothing. The Code sets out the guidelines, but it is up to us to give life and form to them. The Supervisory Board, Management Board and all employees are committed to ensuring that we consistently implement and adhere to the corporate governance principles, because we all understand that they represent an important contribution to the lasting success of the company.

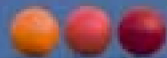
To highlight just a few key points: Within the DELTON Group we have implemented transparent management and control systems that comply with the standards in comparable listed companies; Group employees are committed to ethical and moral conduct that is beyond reproach; communications, both internally and externally, are handled in an open manner.

New Corporate Design:
Making the vision visible

With its new corporate design, DELTON has redefined the style for its corporate communications. DELTON AG prides itself on its ability to manage its diverse portfolio as a unit and this is now also clearly reflected in the company logo. The typeface has been chosen for its timeless typography, evoking both experience and openness to the future. Moreover, the visual impact of the typeface has been reinforced by the addition of a new graphic in colour, inspired by the four elements of the DELTON vision.

The three red dots in the new DELTON logo symbolize the diverse nature of the Group, its flexibility and creative vitality. They stand for the three pillars of the DELTON vision: Entrepreneurship Brand, Active Portfolio Management and International Group of Medium-sized Companies. These three elements are integrated and balanced by a sweeping curve. This symbolizes the proactive stance on Corporate Governance that is likewise anchored in the DELTON vision. At the same time, the light blue flourish represents the dynamism of the DELTON Group. It points to the future and signals our receptiveness to new ideas.

Fresher, more colorful, more dynamic – the new DELTON corporate identity is also a feature of this annual report.



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Strategic development of the DELTON portfolio

In 2002, DELTON AG, as a strategic management holding company, continued to run entrepreneurial, value-creating activities organized into several unrelated divisions. During the year, DELTON issued a mission and vision statement to all parts of the Group to underline the general objective of the Group as a whole. With the portfolio criteria of value-oriented growth, internationalization, market leadership and earning potential, DELTON has established transparent control variables, allowing it to operate a policy of active portfolio management that sets a clear direction for the operating management in terms of the expected development of each business.

Growth at Logistics boosted by acquisition of majority interest in Thiel

In 2002 the negative effect of extremely unfavourable economic circumstances was felt worldwide and was reflected in the sustained weakness of stock markets. However, it is precisely in a difficult market environment that DELTON, with its special ownership structure allowing it to take a long-term approach to strategic decisions, can bring competitive advantage to bear and exploit exceptional opportunities. With the acquisition of a majority interest in the Luxembourg-based Thiel Logistik AG – a logistics service provider listed on the MDAX of the German Stock Exchange – DELTON seized just such an opportunity and took a significant step toward achieving the challenging objectives set out in the vision statement. This acquisition delivered further targeted expansion for DELTON in the attractive logistics sector. It followed the purchase of a participating interest in Microlog in 2001 and an increase in the participation to 50.3 % at the start of fiscal 2002.

Within the next years contract logistics, in particular, will offer growth and earnings prospects that lie well above average, given the background of increasing globalization and the trend toward outsourcing. The capital increase of Euro 70 million in the year under review underlines the support given by the sole shareholder of DELTON, Mr. Stefan Quandt, to this strategic decision.

DELTON first acquired a shareholding in Thiel in August 2002 and, using its wholly-owned subsidiary, DELTON Vermögensverwaltung AG, achieved the 45 % of voting rights in Thiel that gave it a controlling interest. Thiel management welcomed the friendly participation of DELTON. In a further development, DELTON and Thiel decided to merge the activities of Micrologand Thiel to generate synergies and make the most of their complementary strengths. This set the course for the further development of a much broader-based and powerful logistics company. The Management Board and Supervisory Board of Microlog gave this strategic move their support. After the acquisition of the stock from the original Microlog shareholders, DELTON AG exchanged its Microlog shares for new shares in Thiel in October 2002. Since the end of 2002, DELTON has held around 43 million Thiel shares, representing 50.26 % of the Thiel share capital.

Thiel made a voluntary cash offer of Euro 16.50 per share to the holders of free-float Microlog shares for the purchase of their Microlog shares. This offer was accepted by most of the Microlog shareholders. At the end of the offer acceptance period, Thiel owned more than 97 percent of Microlog shares. This therefore fulfilled the legal requirement that allows the minority Microlog shareholders to be bought out with a cash settlement in a squeeze-out transaction.

As far as was possible under the law in Luxembourg, a clear separation of responsibilities was created between the Management Board and the Board of Directors at Thiel with the aim of bringing the corporate structure closely into line with German stock corporation law and the requirements of the German Corporate Governance Code. DELTON assumed its responsibilities by occupying the positions of Chairman and Deputy Chairman on the Board of Directors.

Divestment of the Fashion division

The van Laack Group was sold with effect from August 31, 2002. This completed the full disposal of the Fashion division begun by DELTON the previous year with the sale of Regent and Alexander. This development was consistent with the DELTON portfolio strategy. The strategy concentrates on core business areas likely to deliver the best level of profitability based on their size and related earning potential. The sale to an experienced investor in the sector unlocks interesting growth prospects for the van Laack Group outside DELTON.

Restructuring necessary to strengthen profitability

The DELTON commitment to its long-term aim of a balanced portfolio remains unchanged. The current heavy weighting in the DELTON portfolio toward the Logistics division is to be redressed in due course. The other divisions are also being expanded into those areas offering the most attractive prospects. As a prerequisite for further growth and a means for strengthening future profitability in individual divisions, the process of targeted restructuring initiated in 2001 continued in the year under review. However, the negative impact on profits was greater than forecast, not least because of the difficult economic circumstances.

A comprehensive strategic realignment was carried out in the Power Supply division, where the operating business was split into two strategic business units, FRIWO Mobile Power (FMP) and FRIWO Power Solutions (FPS). The high-volume product business, such as charging devices for cell phones, is being concentrated within the FMP business unit, which has been operating as an independent legal entity since December 2002. Within a short period of time, the FMP business unit has been able to re-establish a competitive cost structure and further expand its leading market position by completely relocating production to its Chinese facilities. The FPS business unit manufactures network equipment and charging devices for the fragmented information and communications technology markets. Massive under-utilization at the Ostbevern plant, resulting from the economic situation, has led to unavoidable adjustments in capacity resulting in redundancies accompanied by considerable one-off expenses.

Sites worldwide

The **Household Products** division also continued to implement successfully the comprehensive restructuring program begun in the previous year to enhance efficiency. The closure of facilities at Henfenfeld (Germany) and Houthalen (Belgium) was necessary to secure the position of the division as cost leader in the face of increasingly intense competitive pressure. The division now has state-of-the-art production facilities for polyethylene products at its disposal in the United Kingdom, Poland and China.

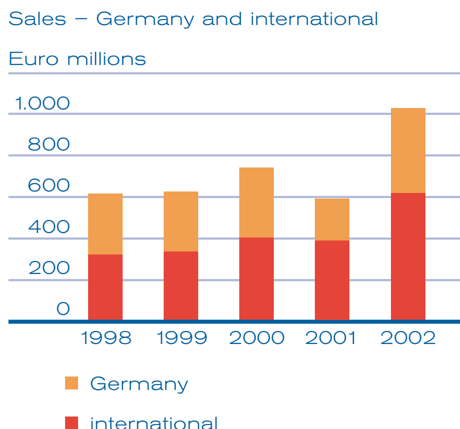
The implementation of these measures means that the associated restructuring projects have now been concluded. Both divisions are equipped to meet the challenges of the marketplace and to be able to deliver a positive earnings contribution within the DELTON portfolio in the future.

Internationalization further strengthened

All divisions continued to pursue the strategy of internationalization already instituted and are therefore fulfilling an important criterion in the DELTON portfolio strategy to secure future profitability. In particular, the **Pharmaceuticals** division was very successful in opening up markets in new countries. In addition, the subsidiary in the USA, Heel Inc., underwent strategic realignment. The internationalization achieved in the last few years has allowed the high level of earnings in the division to be generated from a broader base.

With entry into the Chinese market, the **Household Products** division has also opened up access to the Asian market. By adopting a brand strategy reoriented on this basis, the division began to unlock the considerable potential of the Chinese market in the year under review, albeit initially in selected regions. The experience in brand management gained in these areas can then also be applied to prospects in other economic regions.

By extending market development in the USA and South America, the **Power Supply** division was able to reinforce its position as the leading worldwide component supplier to mobile telephone manufacturers.



Expansion of management systems in the holding company

At the holding company level, 2002 was the year when forward-looking management tools were introduced to reinforce the decentralized Group management structure defined in the DELTON vision statement.

A central control variable for value-based management across the whole Group was introduced in the form of "economic value added" or EVA. This is also to become a core element of performance-related management compensation packages. In addition, to generate a more future-aligned strategic dialogue between the holding company and the operating divisions, a strategic planning system was introduced in cooperation with the divisions, oriented toward achievement of the targets set out in the vision statement.

A further corporate project initiated during the year under review was the introduction of a web-based management information system (MIS). This allowed DELTON to implement a Group-wide link between external and internal accounting structures. In addition, the holding company intensified its corporate communications activities.

Sales and earnings performance at the DELTON Group

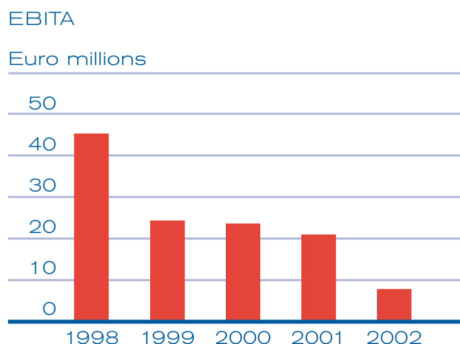
Leap in sales from expansion at Logistics

At Euro 1,054 million compared to Euro 594 million in the previous year, DELTON's consolidated sales revenue underwent considerable growth in the year under review. This mainly reflects the impact of the first-time inclusion of Microlog and Thiel in the consolidation, from January 1, 2002 and November 1, 2002 respectively. Following the disposal of van Laack, the Fashion division was no longer included in consolidated sales after August 2002. The more pronounced weighting of the German market at the Logistics division meant that the share of international business in total sales revenue fell from 65 % to 58 %.

Sharp reduction in earnings

Following Group EBITA of Euro 20.3 million in the previous year, profitability fell sharply to Euro 7.6 million. This drop in earnings is attributable primarily to the restructuring carried out at the Power Supply and Household Products divisions; however, the earnings of the Logistics division were also disappointing. On the other hand, as in the previous year, the Pharmaceuticals division achieved a very gratifying contribution to earnings.

Losses before taxes on income of Euro – 61.3 million (2001: Euro + 7.1 million) are significant. Earnings have been seriously affected by an unplanned write-down of Euro 40 million of goodwill resulting from the transfer of the Microlog shareholding into Thiel. Further negative impacts on earnings were caused by higher interest expenses of approximately Euro 4 million from the acquisition of the Thiel shares, the restructuring costs of approximately Euro 20 million already mentioned, and exceptional charges of approximately Euro 5 million in respect of Microlog.



After taking into account tax on income (Euro 7.0 million) and minority interests (Euro – 5.5 million), the net loss for the Group amounts to Euro – 62.8 million (2001: Euro + 5.7 million).

Higher financing requirement resulting from the investment in Thiel

Cash flow from operating activities generated Euro 20.8 million, a sharp fall compared to the prior-year figure of Euro 43.3 million. Operating cash flow in the Power Supply division declined appreciably against the previous year as a result of the unsatisfactory development of the business. The Logistics division further contributed to this reduction with a negative operating cash flow of Euro – 5.8 million.

A sharp rise in the capital requirement from investing activities resulted from the participation in Thiel. The increase in financial liabilities in respect of both this capital requirement and the initial consolidation of Thiel and Microlog, and in particular the liability to banks of approximately Euro 608 million, impacted on the Group equity ratio (including minority interests), which fell from 35 % to 20 %.

Financial statements of DELTON AG

The financial statements of DELTON AG, prepared in accordance with HGB (German Commercial Code), show a net loss for the year of Euro – 2.1 million (2001: Euro – 28.4 million) and retained earnings were reduced accordingly. In the year under review, earnings were negatively affected by the merger of Microlog with Thiel. In addition, a write-down of the participating interest in Microlog to the lower stock market price on the balance sheet date had been carried out in the previous year's financial statements.

Sales and earnings performance by division

Pharmaceuticals - stabilization at a high level

In fiscal 2002, the **Pharmaceuticals** division again returned an increase in revenue. Sales of Euro 115.2 million represent a gratifying increase of 15 % on the previous year. In Germany the division managed to hold sales at an almost constant level in a difficult regulatory environment. The improvement in sales is attributable to growth in international business, where an increase of 26 % was achieved. This demonstrates that the division is on course with its strategy of organic growth through internationalization. The increase in sales was also reflected positively in earnings with an EBITA figure of Euro 22.8 million. The division was able to achieve a significant rise in earnings in several international markets.

Household Products – positive earnings contribution despite restructuring

With sales of Euro 214.4 million, the **Household Products** division was just able to maintain the level of the previous year in spite of difficult economic circumstances.

Earnings in the division have shown some growth. An EBITA figure of over Euro 5 million was achieved in fiscal 2002, despite restructuring costs of over Euro 7 million and expenses incurred in entering the Chinese market. A major part of the restructuring involved the closure of facilities in Henfenfeld (Germany) and Houthalen (Belgium), together with the relocation of production to Wroclaw (Poland). The prior-year EBITA contained the considerable book profits from the sale of the Flexible Packaging business.

Our position in the UK polyethylene and aluminum products sector is extremely encouraging and the division was able to further its market lead. Against this, sales in Central Europe receded, mainly owing to the weakness of the respective national economies. Profits in these markets were also suppressed by increasing pressure on prices.

There was a positive earnings contribution from the coffee filter sector. Following the implementation of restructuring measures, the division was able to stabilize business at a satisfactory level. However, growth in the sector was impeded by floodwater that caused considerable damage at the plant in Nossen, near Dresden.

Logistics – negative impact from cyclical effects

The Logistics division achieved sales of Euro 505.9 million in fiscal 2002. However, comparison with the previous year is distorted due to consolidation issues. The effect of the takeover of Thiel is not yet fully apparent in the DELTON financial statements because Thiel has only been consolidated for two months on a proportional basis.

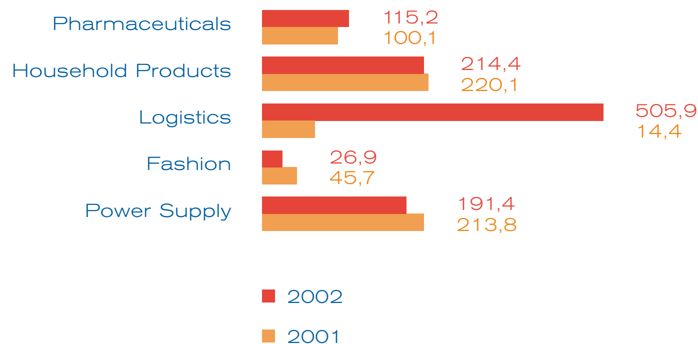
The break-even profit level at the Logistics division for the year under review did not meet expectations. The proportional negative earnings at Thiel eroded the slightly positive EBITA at Microlog.

Owing to the general economic climate, earnings at Microlog were adversely affected by delays in winning new orders. Structural problems in the “Solutions” business and other exceptional items reduced EBITA by a total of approximately Euro 5 million.

The cyclically related decline in sales revenue, high integration costs and local management errors led to negative earnings at Thiel, especially in the second half of the year.

Fashion – van Laack included in the Group financial statements on a proportional basis

Until its disposal on August 31, 2002, the Fashion division contributed Euro 26.9 million to Group sales. The sale of van Laack was transacted with almost no effect on earnings.



Power Supply – difficult environment adversely affects earnings

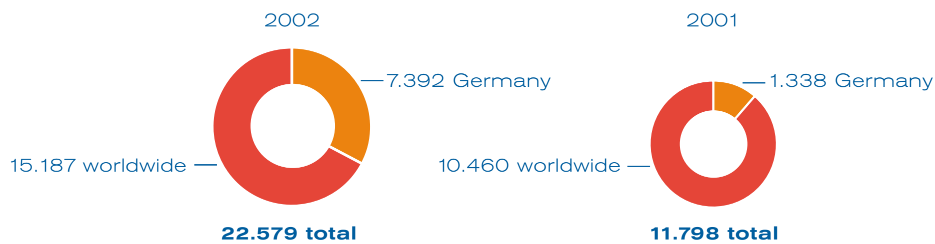
2002 was an extremely difficult year for the **Power Supply** division, as was also the case in 2001. Worldwide, the demand for mobile telephone equipment remained at the level of the previous year. Although the division was able to achieve an increase in sales volumes of 14 % and improve market share, it nevertheless had to bear a drop in sales revenue of 11 % resulting from massive downward pressure on prices by customers. Sales at the division amounted to Euro 191.4 million (2001: Euro 213.8 million).

In the year under review, the FMP business unit was partly able to compensate for the fall in prices by modifications to the sales structure and further overhead reductions. However, earnings were lower compared with the previous year as a result of the restructuring required. Against this, the division was able to further expand on its market-leading position with a world market share of almost 27%. With the further development of switch mode technology, the division is well prepared for the challenges of the marketplace.

Development at the FPS business unit was, however, less satisfactory. The business performance of FPS during 2002 meant that further restructuring measures were required, such as the relocation of production facilities, shutdown of plants in the USA and Mexico, and redundancies. The division fell well short of its sales target as a result of both significant market contraction and the delayed development and launch of platform products. However, the unit has set out on a clear, forward-looking course by optimizing its marketing and distribution activities, employing new personnel in key managerial positions and realigning its organizational structure.

The division shows an EBITA of Euro –13.3 million. The restructuring expenses mentioned earlier reduced earnings by Euro 10.2 million.

Employees – Germany and worldwide (Dec. 31, 2002)



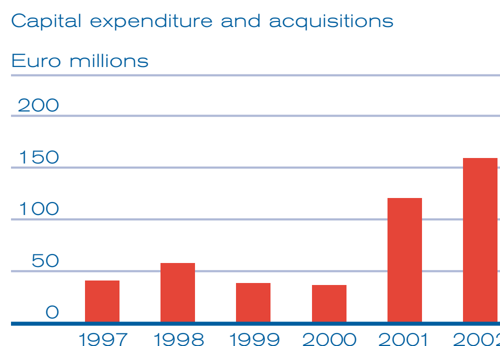
Employees

At the end of the year under review, the number of employees in the DELTON Group amounted to 22,579, almost double the number of the previous year (11,798).

The increase in employee numbers is almost entirely attributable to the integration of Microlog and Thiel. There were also increases in the workforce in the Pharmaceuticals, Household Products and Power Supply divisions, but these were offset by the reduction brought about by the disposal of the Fashion division.

The number of employees in Germany rose to 7,392 (2001: 1,338) compared with 15,187 abroad (2001: 10,460). During the year, further training and development of personnel was regularly carried out to promote the knowledge and skills that DELTON employees will need in this climate of ever-increasing competitive pressure.

We would like to take this opportunity to offer our grateful thanks to all employees for their dedication and commitment during 2002. We also thank the employee representatives for their loyal and constructive cooperation.



Capital expenditure

The DELTON Group invested Euro 155 million in property, plant and equipment, and financial assets in the year under review. This represents an increase of 32 % on the previous year. Of this sum, financial investments accounted for Euro 87 million, almost all of which was related to the acquisition of a majority interest in Thiel. The cash and cash equivalents available in Thiel at the time of acquisition have been deducted from the purchase price for the Thiel shares contained in the above amount.

Capital expenditure on property, plant and equipment, and on intangibles in the Group increased appreciably to Euro 68 million (2001: Euro 27 million). Apart from the expansion or optimization of production capacity, primarily in the Household Products and Power Supply divisions, the focus of our investment activities lay in the acquisition of new business in the Logistics division.

Research and Development

Ongoing research and development activity is mainly a feature of the Pharmaceuticals and Power Supply divisions, reflecting the nature of their respective business models.

The Pharmaceuticals division carried out studies to examine the efficacy of different homeopathic products. As an example, the division was able to successfully conclude a clinical study for Vertigo Heel®, the market-leading product for vertigo or dizziness. It also completed user monitoring for a range of preparations, such as Zeel® and Spascupreel®, and was able to achieve progress in fundamental research dealing with the principles underlying the efficacy of modern homeopathic treatments.

The primary R&D activities at the Power Supply division related to the development of new products and the optimization of production processes for charging devices with newly developed switch mode power supply units. Other research and development work focused on the identification of environmentally friendly raw materials and production processes.

Risk Management

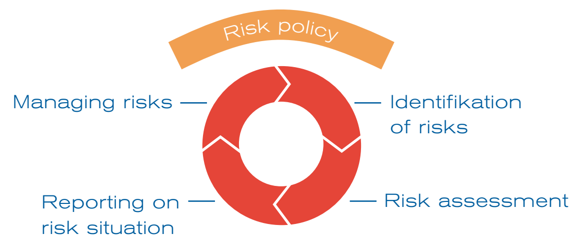
DELTON is a Group with worldwide operations and risk management therefore forms an indispensable element of its corporate management. Group-wide principles for risk management, guidelines for the assessment and reporting of risk, and the creation of risk awareness form the framework adopted by the company for effective risk management. With this basis firmly established, DELTON continued to expand its systems for analyzing and monitoring risks in fiscal 2002.

The Pharmaceuticals division is subject to business-related risks associated with changes to the legal framework, particularly involving registration and licensing procedures. The division is dealing with these risks by expanding suitable personnel capacity and implementing practical action plans. As a result of the high and increasing level of internationalization in the division's activities, it is also exposed to typical foreign exchange rate and country-specific risks.

The Household Products division continues to see its risk in terms of exposure to changes in raw material costs and price-oriented competition. Moreover, a further fall in business resulting from the economic downturn could adversely affect revenue and earnings.

For the most part, the risks in the Logistics division lie in the ongoing integration of the companies acquired in the last few years. In addition, operating risks arise from the low utilization of available capacity and delayed acquisition of new orders, the latter emanating primarily from the effect of economic uncertainty on potential customers.

Risk management process



Apart from the influence of possible exchange rate fluctuations and uncertainties in respect of future developments in the mobile telephone market, the most important concern in the Power Supply division is that the restructuring measures implemented in the FPS business unit will indeed lead to the expected improvements in earnings.

The priority for further development in risk management systems at DELTON lies with the expansion of risk management at Thiel. To summarize, there are no identifiable risks that could jeopardize the future of DELTON as a going concern.

Significant events after the balance sheet date

In March 2003, Thiel signed a cooperation agreement with Axel Springer Verlag, Hamburg. The agreement will run for a minimum of five years. Under this agreement Thiel will take over not only transportation activities for Axel Springer Verlag, but also its wholly-owned subsidiary, Overbruck Spedition GmbH, Hamburg, together with three other subsidiaries. The agreement is subject to approval from the relevant anti-trust authorities. In Germany the Overbruck Group occupies a market-leading position in the media logistics sector.

Outlook for 2003

Our assumption for 2003 is that appreciable economic recovery in our most important markets remains unlikely. However, we are expecting a clear improvement in operating earnings from the Household Products and Power Supply divisions, based on the restructuring measures implemented in 2002. We also anticipate a good performance from the Pharmaceuticals division in 2003.

Our priority task for fiscal 2003 is the integration of the Thiel Group. The emphasis here will be on strategic realignment and enhancement of transparency.

Under the guidance of an international consultancy, the entire Thiel Group is currently undergoing a strategic review with the objective of setting key priorities and establishing the strategic thrust for the future. Progressing from this base, Thiel is then to be provided with an appropriately aligned management and organizational structure. Decentralized management responsibility, as a core element of the DELTON vision, requires transparent structures and efficient systems and processes in the divisions. With further development of its controlling systems, Thiel will be able to offer enhanced internal and external transparency in the interests both of the capital market and of the free-float Thiel shareholders.

Relationships with affiliated companies

Mr. Stefan Quandt is an enterprise within the meaning of § 15 (et saq.) AktG (German Stock Corporation Act) and holds all the shares in our company. Pursuant to § 312 AktG, we have prepared a report on the relationships with affiliated companies. This report concludes with the following statement:

"According to the circumstances known to us at the time when the legal transactions referred to in the report on relationships with affiliated companies were carried out, DELTON AG has received reasonable consideration for every such legal transaction. The company has not suffered any disadvantage as a result of actions taken or not taken."

29 Divisions

30 Pharmaceuticals
34 Household Products
38 Logistics
42 Power Supply

Pharmaceuticals

Pharmaceuticals Division

Euro millions	2002	2001
Sales	115.2	100.1
– Germany	43.4	43.1
– International	71.8	57.0
EBITA	22.8	19.6
Employees (Dec.31)	990	894

Heel: Gentle therapy has a marked effect

For over two hundred years, the art of homeopathic healing has stood side-by-side with conventional medicine. Carefully selected and highly diluted plant, chemical, mineral and organic substances stimulate the body to use its own natural forces to fight illness. Even and particularly in the case of chronic conditions, such as neurodermatitis or rheumatism, homeopathy has proven successful.

The twentieth century saw further development of this form of therapy. The first homeopathic combination remedies came onto the scene, consisting of not just one, but several substances, and thus having a wider range of application. The expensive search for a single substance suitable for each condition is no longer necessary. As in homeopathy generally, these combination preparations are not aimed at eliminating symptoms, but at the cause of the illness.

One of the leading worldwide suppliers of a range of homeopathic combination remedies based on this approach to therapy is the Heel company in Baden-Baden. The program was developed 50 – 70 years ago by the founder of Heel, doctor and scientist Dr. Hans-Heinrich Reckeweg. Following decades of proven empirical success Heel scientists have, in the last few years, been increasingly successful in using clinical studies to prove, that the homeopathic combination medicines from Heel are equally as effective as allopathic and phytotherapeutic medicines, but with appreciably reduced side-effects. This fundamental realization is expected to secure further success for modern homeopathic combination remedies in the next years. In 2002, Heel was successfully able to conclude appropriate studies on its various leading preparations, including Zeel® for the treatment of arthrosis of the knee, Traumeel® for sports injuries, Vertigoheel ® for vertigo and dizziness in old age, and Cralonin® for the treatment of cardiac insufficiency.

With its portfolio of around 1,000 preparations, Heel's success today extends far beyond Germany. While the home market is rather stagnant owing to the ever-worsening legal situation faced by pharmaceutical companies, international growth has remained steady. To date, Heel has established ten wholly-owned international subsidiaries and 46 exclusive agencies around the world. International markets already account for over 60 percent of revenue, with particular success coming from Italy, Austria, the USA, and above all, Eastern

European markets, such as Russia and the Ukraine. Heel has moved into a new production plant in Belgium. Business in South America also progressed. At the start of 2002, it was finally able to open up the fifth continent with the establishment of a sales and distribution unit in Australia.

In Germany, as in all international markets in which the company is present, Heel offers regular training and further development courses for doctors, therapists and pharmacists: In 2002 alone there were 1,840 group-specific events attended by representatives from 23 countries. This is equivalent to 6 events per day. As a further example, 450 doctors from Germany, and 173 from 25 other nations, took part in the Congress of the International Society of Homotoxicology during Baden-Baden's Medical Week in October 2002.

Heel is responding to the increasing interest in homeopathy worldwide. All its sales, marketing and distribution activities are oriented toward penetration of international markets and further expansion. In addition, the options for development in new areas of business, e.g. in preventative medicine and aftercare, are kept continuously under review.

The efficacy of modern homeopathic medicines from Heel is not only of benefit to humans. Indeed, the veterinary medicine program at Heel can be expected to play an even greater role in future, because sustainable success in this area is also in sight. The company has already been able to increase revenue significantly by establishing its own field sales force. The gentle medicine with the marked effect is assuming its rightful position in healthcare both for humans and for animals.

Household Products

Household Products Division

Euro millions	2002	2001
Sales	214.4	220.1
– Germany	58.3	54.5
– International	156.1	165.6
EBITA	5.2	9.8*
Employees (Dec. 31).	1,501	1,405

* including gain from sale of Flexible Packaging

CeDo: Heading for success with private label products

Products for everyday use do not usually enjoy a particularly high profile, yet many people often come into contact with them without being aware of it, and the demand for quality is high. Quality is thus one of the deciding factors in the choice of product at the time of the next purchase. Other important criteria in the buying decision are continuous availability, product range, and finally, price. However, it is not just the well-known brand names that catch our attention. In times when discount operators – especially in Germany – are gaining a good deal of ground, consumers are increasingly turning specifically to the private labels of the large retail chains, because they offer such good value for money.

The CeDo Group is one of the leading European suppliers of household products manufactured from polyethylene and aluminum. The range of merchandise supplied to the large retail chains comprises cling film, aluminum foil, freezer bags, bin liners, refuse sacks and coffee filters. CeDo customers include such international Groups as Aldi, Lidl, Tesco, Sainsbury, Carrefour and Wal-Mart. They sell the CeDo products under their own private labels. The country-specific requirements of the markets served vary considerably and flexible production and distribution strategies are a necessity. This is exactly where the strength of CeDo lies.

The most developed market for private labels is the retail grocery trade in the United Kingdom. CeDo has been able to maintain a leading position in this demanding market over a period of several years. A significant reason for this success is CeDo's extensive, long-term experience in category management and its commitment to optimizing the entire value chain. Within this context, CeDo supports its retailers by ensuring that it always offers them up-to-the-minute products aligned to consumer preferences and that, despite the need to minimize inventory levels, these products are constantly available on the shelves. As an example, CeDo is the sole supplier of household wrapping products to all branches of Sainsbury. And CeDo can now also place this experience at the disposal of German and other European retail organizations, thereby securing for itself a significant competitive advantage.

CeDo operates its own production facilities for polyethylene and aluminium products in the United Kingdom, Poland and China, and for coffee filters in Germany and Switzerland.
The company has gained a significant edge over its competitors from the flexibility afforded by having its own capacity in terms of personnel and materials. Despite a highly competitive environment, CeDo is able to meet customer demands with a rapid response time while constantly striving to achieve cost leadership.

International markets in raw materials continue to be characterized by widely fluctuating pricing levels. CeDo's own recycling plant for polyethylene materials in Geleen, Netherlands, produces source materials for new products, which helps to balance this fluctuations.
A perfect cycle of operations that both benefits CeDo profits and helps protect the environment and resources.

The requirements of consumers vary considerably and are subject to rapid change. Since 2002, all CeDo activities worldwide have been supported by its own market research and enhanced marketing operations. Apart from ongoing quality control and improvement, the service for individual customers includes continuous product innovation and development.

In Asia CeDo has opened up a market that is still quite new: China. This market demands products that are specifically tailored to the requirements of Chinese customers, and that satisfy the desire for European-style quality. CeDo is meeting this demand with the "Mrs. Williams" brand. This new line has been developed on the basis of proven European products. It generated consumer confidence at once and has already become established in selected market segments. The immense future potential in other Asian countries, and also in Eastern Europe for example, leaves the company confident about its future prospects.

Logistics

Logistics Division

Euro millions	2002	2001
Sales	505.9	14.4
– Germany	267.1	14.3
– International	238.8	0.1
EBITA	0.4	1.8
Employees (Dec. 31)	11,337	–

Thiel: Tailored logistics solutions across a broad base

After years of continuous growth numerous sectors are complaining that stagnation, and even noticeable contraction, are now setting in. However, as before, logistics constitutes one of the most promising markets with significant potential for the future. In times of globalization and advancing international division of labour, the worldwide flow of goods presents significant challenges for companies. More specifically, individual segments of the logistics market are showing attractive rates of growth. These segments mainly focus on the solutions business, i.e. complete logistics solutions in which the service provider assumes responsibility for logistics processes along the entire supply chain, and operations are based on a close working relationship with the customer.

The competitive advantages that can be achieved by outsourcing complex logistics processes have been recognized not only by large corporations but also increasingly by medium-sized enterprises from a variety of sectors. Thiel Logistik AG, an international company that manages logistics operations in trade and industry, optimizes business processes and sets new standards in the management of goods supply and data flows, intends to seize the business opportunities presented by this situation.

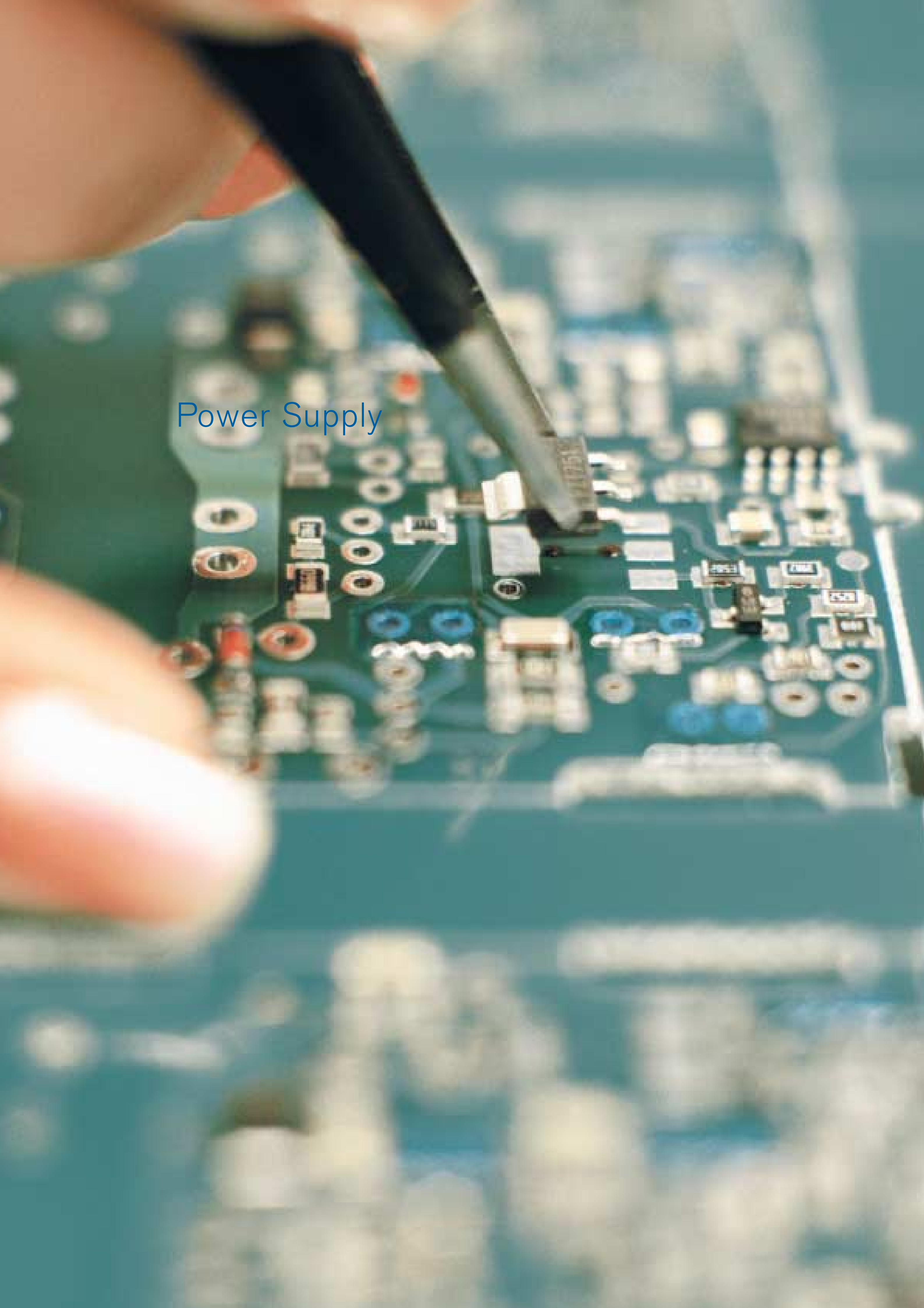
The Thiel group includes well-known company names that have been well established for some years, such as Birkart, Delacher, Quehenberger and Microlog, together with subsidiaries at more than 350 locations in around 50 countries worldwide. Country borders are hardly relevant any more in terms of the diverse goods flows and extensive services involved. Thiel Logistik AG can offer almost total European coverage with access to a network of the most well-established freight-forwarding and logistics companies. Also Thiel has worldwide subsidiaries representing it on all continents. These companies drive organic growth and offer great innovation potential for the whole group. They ensure complete coverage, so that the local requirements of logistics customers can also be met. Furthermore, the freight-forwarding and logistics companies in the Thiel Group, each with their defined set of key priorities, form a broad base of logistics expertise with which the specific requirements of individual customers can be developed into all-encompassing sector solutions. These focused solutions are now acquiring an increasingly high level of importance for Thiel, although the classic freight-forwarding business continues to account for a very important proportion of revenue.

In the last few years, five of these sector solutions have been developed within the Thiel Group, with more to follow. Thiel targets sectors characterized by significantly fragmented markets, rapid growth or inflexible structures, where particularly high growth prospects for intelligent logistics and service solutions can be anticipated. Specific expertise from the whole corporate group is concentrated in specially established competence centres. Individual customer solutions are further developed into a standard solution for an entire sector. Proven infrastructures are an absolute prerequisite for such evolution. The service package covers the entire supply chain of the individual Thiel customer, including procurement logistics for the manufacturer, in-house and production logistics, distribution to the end customer and waste disposal management. Upstream and downstream services may also be managed on behalf of the customer.

Thiel Furniture is the name of the sector solution for the furniture industry. Here, customer warehouse and transport capacity has been significantly reduced and delivery times shortened drastically. Thiel Freshnet offers secure distribution in the foodstuffs sector. For

example, for Burger King, one of the most rapidly growing fast food restaurant chains in Germany, Thiel ensures that fresh or chilled foods and ingredients are delivered to the customer in the shortest time possible. IT expertise specific to the logistics sector is particularly in demand in such cases. With **Thiel HealthCare**, Thiel covers the demand from health care establishments for logistics support for a customer base that includes hospitals, care homes, medical centres and laboratories. The **Thiel Lifestyle** sector solution offers consultancy and operational support to customers in the fashion industry. For the Otto Group for example, increased transparency, efficiency and flexibility have been achieved in the associated operations. **Thiel Technical** is aimed at the market for electronic equipment.

Whether it is traditional freight-forwarding business or IT-supported contract logistics, for Thiel Logistik AG the customers and their individual requirements are always the focus of the company's concerns.



Power Supply

Power Supply Division

Euro millions	2002	2001
Sales	191.4	213.8
– Germany	55.4	64.8
– International	136.0	149.0
EBITA	– 13.3	– 2.7
Employees (Dec. 31)	8,727	8,519

CEAG: Commitment to new technologies

Mobile communications today mean around the world, around the clock availability. It is barely ten years ago that we saw the first signs of developments that were eventually to surge through the telecommunications industry at lightning speed. Increasing human mobility is matched by a rise in the requirement for mobile communications. More than 420 million mobile telephones were sold in 2002. One in four of these cell phones is currently charged by a FRIWO unit. This makes CEAG AG, with its FRIWO subsidiaries, currently the world's leading supplier of cell phone chargers.

The stimulus for growth in the "power supply" market, as it is known, is derived primarily from technical innovation in relation to the terminal devices. Each new generation of products brings with it additional demands on power supply and charging technology, such as shorter charging times, reductions in size and weight, and greater independence from country-specific voltages. CEAG has been intensively promoting development and expansion of switch mode technology. The new product family of powerful switch mode power units offers enhanced performance to deliver shorter charging times combined with energy savings. The company thus can build effectively on the market success of its linear mode power supply and charging devices.

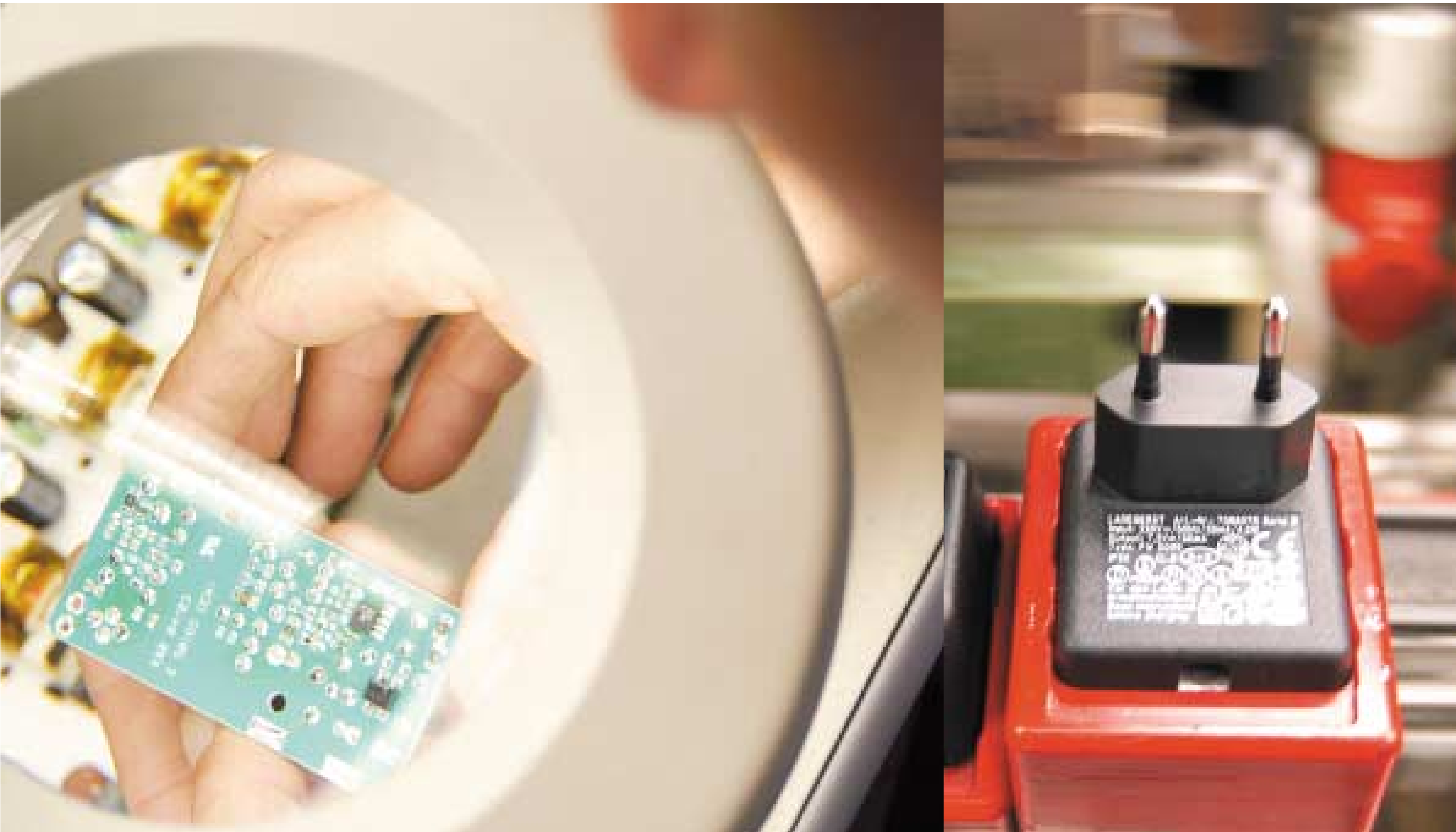
With its innovative capability and technical expertise, the company has been able to play a leading role in the development of power supply technology and position itself as the leading international components provider to the electrical and electronic equipment industry. The growth in weekly production demonstrates the operational efficiency of the company within the world market: In 1971 FRIWO invented the first plug-in power supply unit in the world and manufactured 1,000 units a week at Ostbevern, whereas at peak periods in China today, more than three million power supply and charging devices are produced over the same period.

This core business is concentrated in the strategic business unit FRIWO Mobile Power. However, the range of activities of CEAG, one of the world leading producers of charging units, extends much further. Other specialized solutions for more customized, complex products used in medical engineering, information technology, cordless tools and industrial applications are brought together under the umbrella of a second strategic business unit, FRIWO Power

Solutions. These products are aimed at a wide spectrum of customers and consumers. In 2002, the two business units were separated from each other, allowing a more targeted approach in their respective market operations.

Following a thorough analysis, capacity and facilities were re-aligned to reflect changing market conditions. Over 8,000 employees manufacture high-volume products at the two plants at XiXiang and Shajing in China. These offer flexible and cost-effective production processes in state-of-the-art facilities. This successful production site location strategy is continuing with the construction of a third FRIWO facility in the Beijing region. Manufacturing operations are scheduled to begin there in 2004.

CEAG is responding to the ever-increasing demand for global product availability, and also to the special requirements of its customer base, which includes companies such as Nokia,



Siemens, Braun and Philips, with ongoing investment and continuous optimization of its production and manufacturing processes. As an example, CEAG reacted to the requirements of the market by stepping up its distribution activities in Brazil and Japan. Sales, marketing and distribution strategies are therefore of the utmost importance.

In research and development, the division is concentrating its efforts on products for the future. For example, particular emphasis is currently being placed on fuel cells and their possible application in small devices. Intensive work is also being devoted to the inexorable process of miniaturization in power supply and charging units. The same maxim therefore applies: The way to a successful future is best secured by attaining and maintaining leadership in both technology and costs.

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Balance Sheet

ASSETS	Notes	Dec. 31, 2002	Dec. 31, 2001
Long-term assets			
Non-current assets			
Intangible assets	(3)	223,639	46,485
Property, plant and equipment	(4)	440,140	115,424
Shares in associated companies and other financial assets	(5)	35,267	94,752
		699,046	**256,661**
Deferred tax assets	(6)	**40,265**	**9,612**
Other long-term assets	(7)	**14,442**	**–**
Short-term assets			
Current assets			
Inventories	(8)	98,589	105,776
Trade accounts receivable	(9)	320,069	92,010
Other receivables and miscellaneous assets	(9)	59,726	34,506
Cash and cash equivalents	(10)	118,257	13,414
		596,641	**245,706**
		1,350,394	**511,979**

All figures on pages 48 to 93, in thousand Euro (EUR '000) unless otherwise indicated.

LIABILITIES	Notes	Dec. 31, 2002	Dec. 31, 2001
Shareholders' equity	(11)		
Issued capital		70,000	50,000
Capital reserves		137,674	87,674
Revenue reserves		17,285	13,116
Currency translation differences		1,833	10,469
Consolidated loss/Consolidated unappropriated profit		– 62,821	5,670
		163,971	**166,929**
Minority interests	(12)	**103,438**	**13,249**
Shareholders' equity and minority interests		**267,409**	**180,178**
Long-term provisions			
Provisions for pensions	(13)	53,109	15,921
Other long-term provisions	(14)	5,550	805
		58,659	**16,726**
Long-term liabilities	(17)		
Financing liabilities		272,101	56,372
Other long-term liabilities		3,431	420
		275,532	**56,792**
Deferred tax liabilities	(15)	**43,148**	**2,973**
Short-term provisions			
Tax provisions	(16)	23,043	9,753
Other short-term provisions	(14)	39,410	11,214
		62,453	**20,967**
Short-term liabilities	(17)		
Financing liabilities		335,470	128,821
Trade accounts payable		204,108	70,660
Other short-term liabilities		103,615	34,862
		643,193	**234,343**
		1,350,394	**511,979**

Income Statement

	Notes	2002	2001
Sales revenue	(18)	**1,053,598**	**594,084**
Cost of sales	(19)	– 859,377	– 435,297
Gross profit		**194,221**	**158,787**
Research and development costs	(19)	– 1,839	– 3,325
Selling costs	(19)	– 107,921	– 87,960
General administrative expenses	(19)	– 77,471	– 51,313
Other operating expenses	(20)	– 12,580	– 10,850
Other operating income	(21)	14,455	5,815
Amortization of goodwill		– 50,140	– 3,050
Operating loss (2001: Operating profit)		**– 41,275**	**8,104**
Income/losses from associated companies and other participations	(22)	– 1,191	9,167
Net financial items	(23)	– 18,762	– 10,145
Net gain/loss on disposal of discontinued operations	(24)	– 97	–
Profit before tax		**– 61,325**	**7,126**
Taxes on income	(25)	– 6,961	– 2,024
Net loss (2001: Net earnings)		**– 68,286**	**5,102**
Minority interests	(26)	5,465	568
Consolidated loss (2001: Consolidated unappropriated profit)		**– 62,821**	**5,670**
Earnings before interest, tax and amortization of goodwill (EBITA)		**7,577**	**20,321**
Earnings before interest and tax (EBIT)		**– 42,563**	**17,271**
Undiluted and diluted earnings per share (in Euro)	(27)	**– 1,12**	**0,13**

Cash Flow Statement

	2002	2001
Net loss/Net earnings (including minority interests)	–68,286	5,102
Depreciation of non-current assets	87,181	75,206
Changes in provisions	–1,948	–617
Other non-cash items	–2,566	–319
Net gain/loss on disposal of non-current assets	–528	–58,023
Change in deferred taxes	–2,691	–1,622
Change in inventories, trade accounts receivable and miscellaneous assets	66,079	12,035
Change in trade accounts payable and other liabilities	–56,403	11,569
Net cash flow from operating activities	**20,838**	**43,331**
Proceeds from disposals of intangible assets, property, plant and equipment	11,551	3,701
Capital expenditure on intangible assets, property, plant and equipment	–68,052	–27,148
Proceeds from disposals of financial assets	1,647	202
Capital expenditure on financial assets	–3,207	–86,808
Proceeds from the sale of consolidated companies and other business units	2,154	31,014
Expenditure on the acquisition of consolidated companies and other business units	–83,678	–3,189
Net cash flow from investing activities	**–139,585**	**–82,228**
Capital contributions received*	70,000	50,000
Dividends paid to minority interests	–893	–1,064
Change in borrowings	154,375	–7,939
Net cash flow from financing activities	**223,482**	**40,997**
Net change in cash and cash equivalents	**104,735**	**2,100**
Effect of changes in composition of the Group	108	–10
Cash and cash equivalents at beginning of year	13,414	11,324
Cash and cash equivalents at end of year	**118,257**	**13,414**

* In 2002: Former loan converted into equity.

Statement of Changes in Equity

	Issued capital	Capital reserve	Revenue reserves	Currency translation differences	Consolidated unappropriated profit/Consoli-dated loss	Equity
Balance at Jan. 1, 2001	**32,000**	**55,674**	**13,704**	**8,678**	**– 1,802**	**108,254**
Reclassification of currency translation differences previously recognized in revenue reserves	–	–	815	– 815	–	–
Allocation of revenue reserves	–	–	– 1,802	–	1,802	–
Transfer of reserves	5,500	– 5,500	–	–	–	–
Capital increase paid up in cash	12,500	37,500	–	–	–	50,000
Consolidated unappropriated profit	–	–	–	–	5,670	5,670
Currency translation differ-ences taken to equity	–	–	–	2,606	–	2,606
Other changes	–	–	399	–	–	399
Balance at Dec. 31, 2001	**50,000**	**87,674**	**13,116**	**10,469**	**5,670**	**166,929**
Transfer to revenue reserves	–	–	5,670	–	– 5,670	–
Increase in capital by non-cash contribution	20,000	50,000	–	–	–	70,000
Consolidated loss	–	–	–	–	– 62,821	– 62,821
Currency translation differ-ences taken to equity	–	–	–	– 8,636	–	– 8,636
Other changes	–	–	– 1,501	–	–	– 1,501
Balance at Dec. 31, 2002	**70,000**	**137,674**	**17,285**	**1,833**	**– 62,821**	**163,971**

Notes

(1) General

Reporting currency

All amounts are shown in thousand Euro rounded to the nearest Euro ’000 unless otherwise indicated.

Application of International Financial Reporting Standards

DELTON AG, Bad Homburg v.d. Höhe, Germany, has prepared its consolidated financial statements as at December 31, 2002 in accordance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB) as applicable on the balance sheet date. The requirements of all the standards applied and also the opinions of the Standing Interpretations Committee (SIC) have been fully complied with in the consolidated financial statements. They provide for a true reflection of the asset, financial and earnings position of the DELTON Group. There was no deviation from these standards due to overriding principles.

There are some material differences between the IFRS provisions applied and the corresponding provisions of the HGB (German Commercial Code). For example, according to IFRS goodwill has to be capitalized where it has resulted from company acquisitions dating after January 1, 1995. Non-current assets must be depreciated using the straight-line method. Unlike in the case of § 274 (2) HGB, deferred tax assets must be capitalized, and deferred tax assets must also be recognized in respect of tax-allowable loss carry-forwards that may be utilized in later periods. Provisions for pensions are calculated according to IFRS using an actuarial formula (projected unit credit method) that differs from that applicable per HGB and EStG (German Income Tax Act) in that it also takes into account estimated future developments in wages, salaries and retirement benefits. Moreover, generally stricter criteria have to be satisfied for the formation of provisions. Provisions may only be established where there is a legal or de facto obligation in respect of third parties, and where an outflow of resources is probable. Essentially, the preparation of accounts according to IFRS is carried out independent of tax law regulations.

The consolidated financial statements comply with European Union directive 83/349/EEC on consolidated accounts. The requirements of § 292a HGB have been fulfilled according to the regulations contained in DRS 1 (German Accounting Standards 1: “Exempting Consolidated Financial Statements per § 292a HGB”). The present consolidated financial statements prepared according to IFRS therefore exempt us from preparing consolidated financial statements according to HGB regulations.

Adjustment of prior-year figures

During the year under review, the method of presentation of the income statement was changed from the cost-of-production convention (classification of expenses by nature) to the cost-of-sales convention (classification of expenses by function). Moreover, the balance sheet was restructured according to long-term and short-term assets and liabilities. The prior-year figures appearing in the balance sheet and income statement have been adjusted accordingly.

Within the Logistics division, furthermore, marketable securities at Microlog were treated in fiscal 2002 as special purpose entities (known as special funds). The changes in value compared with their cost at the time of acquisition were originally recognized in equity in line with IAS 39. This was done on the assumption that the fund shares would not be liquidated before the fair value had once again reached the original acquisition cost.

Following changes in the application of IAS 39, such special purpose entities are to be consolidated as required by SIC 12. The consequence of this is that the changes in value are not recognized directly in equity but rather in the income statement. The accounting practice applied has been modified accordingly and the prior-year figures have been adjusted (income/losses from associated companies and other participations Euro +0.7 million).

Companies included in the consolidation

In addition to DELTON AG, the consolidated financial statements include 81 domestic and 128 international companies in which DELTON AG owns, directly or indirectly, a majority of the voting rights in accordance with the control concept defined under IAS 27.

The number of companies included in the consolidation was thus increased by 164 during the year under review. This is primarily due to the first-time consolidation of the entities incorporated in the Logistics division. Microlog Logistics AG, Frankfurt a. M., Germany, an associate previously accounted for by the equity method, was fully consolidated together with its subsidiaries effective January 2, 2002. This was triggered by acquisition of a further 0.8 % of the shares in Microlog taking our participating interest to 50.3 % and providing us with control as defined in IAS 27. At the time of initial consolidation, a total of 40 entities were consolidated. In the course of the year, the group was reduced by six as a result of restructuring activities under company law, and by the sale of a further two entities. Conversely, a further five smaller entities were acquired and three new entities were created.

Since October 30, 2002, moreover, a control relationship has existed in respect of Thiel Logistik AG, Grevenmacher, Luxembourg, including its subsidiaries. On October 17, 2002, the shares in Microlog owned by DELTON were transferred as a non-cash contribution to increase the capital of Thiel, as a result of which the DELTON Group's participating interest in Thiel rose to 50.3 %. On October 30, 2002, two representatives of DELTON were voted onto Thiel's Board of Directors at the Extraordinary General Meeting of that company, and in the subsequent meeting of this Board they were elected Chairman and Deputy Chairman. From this time a further 126 entities, with their income and expenses, assets and liabilities, were incorporated within the consolidated DELTON Group. In all, the consolidation scope increased by 167 entities as a result of inclusion of the new companies of the Logistics division and of DELTON Vermögensverwaltung AG, Bad Homburg, Germany that was previously recognized under financial assets. It is this company that holds the participating interest in Thiel.

In the Pharmaceuticals division, four relatively small sales and distribution companies previously recognized under financial assets were included in the consolidated financial statements for the first time. In addition, we also acquired the last 10 % of the shares in Heel Inc., Albuquerque, USA.

In the Household Products division, 2002 saw the establishment of CeDo Shanghai Household Wrappings Ltd., Shanghai, China.

In the Fashion division, on the other hand, van Laack GmbH and its eight subsidiaries were sold and excluded from the consolidation with effect from August 31, 2002. Further explanations can be found under "Net gain/loss on disposal of discontinuing operations" (Note 24).

The entity FRIWO-Compit Stromversorgung und Lichttechnik GmbH, Ostbevern, Germany, of the Power Supply division was also sold and eliminated from the consolidation at the end of August 2002. Likewise in 2002, FRIWO Mobile Power GmbH, Ostbevern, Germany and FRIWO Electrical (Beijing) Co. Ltd., Beijing, China were founded as new entities of the Power Supply division.

All first-time consolidations were implemented by the purchase method with operations continuing on a going concern basis.

Where comparability with the prior-year figures is adversely affected by these changes, the effects are separately explained in the individual notes.

List of shareholdings

The significant subsidiaries of the Group as at December 31, 2002, are listed in the following schedule in accordance with IAS 27.32.

	Direct share of capital in %*
Pharmaceuticals division	
Ergo-Pharm Beteiligungsgesellschaft mbH, Baden-Baden, Germany**	100.0
Biologische Heilmittel Heel GmbH, Baden-Baden, Germany**	100.0
• Phinter-Heel S.A., Madrid, Spain	90.0
• Heel Polska Sp. z o.o., Warsaw, Poland	100.0
• Heel Inc., Albuquerque/New Mexico, USA	100.0
• Heel Colombia Ltda., Bogota, Columbia	96.5
Aurelia-Verlag GmbH, Baden-Baden, Germany**	100.0
Fidesan GmbH, Baden-Baden, Germany**	100.0
Cosmochema Dr. H.-H. Reckeweg GmbH, Baden-Baden, Germany**	100.0
Household products division	
CeDo Haushaltsprodukte Holding GmbH, Bad Homburg v. d. Höhe, Germany**	100.0
CeDo Ltd., Telford, UK	100.0
• CeDo Sp. z o.o., Katy Wroclawskie, Poland	100.0
CeDo Household Products N.V., Houthalen, Belgium	100.0
CeDo Papierprodukte GmbH, Nossen, Germany	100.0
CeDo (Shanghai) Ltd., Shanghai, PR China	100.0
Logistics division	
DELTON Vermögensverwaltung AG, Bad Homburg v. d. Höhe, Germany**	100.0
Thiel Logistik AG, Grevenmacher, Luxembourg	50.3
• Thiel EuroLogistics Services S.à.r.l, Munsbach, Luxembourg	100.0
• BTS Delhey Logistik GmbH, Spreenhagen, Germany	100.0
• Lippe-Logistik GmbH & Co. KG, Schieder-Schwalenberg, Germany	74.9
• May Logistik GmbH & Co. KG, Erftstadt, Germany	60.0
• Brechtbühl AG, Urdorf, Switzerland	100.0
– Birkart Globistics GmbH & Co. KG, Aschaffenburg, Germany	100.0
– Birkart Globistics Ltd., Hayes, UK	100.0
– Birkart Austria Internationale Spedition GmbH, Vienna, Austria	100.0
– GST Plateforme Europeénne S.A., Scionzier, France	100.0

	Direct share of capital in %*
• Birkart International Forwarding S.A., Johannesburg, South Africa	100.0
• Birkart Globistics Ltd., Hong Kong, PR China	100.0
• Birkart Transportes Internacionais Ltda., São Paulo, Brazil	100.0
• SES Schneider & Erb Speditions AG, Thayngen, Switzerland	100.0
• Quehenberger Logistik AG & Co. KG, Bergheim, Austria	100.0
– Logochem Logistikservice GmbH & Co. KG, Linz, Austria	100.0
– Welz Internationale Spedition GmbH, Salzburg, Austria	100.0
• Delacher Logistics AG & Co. KG, Wolfurt, Austria	100.0
– Delacher & Co Transport AG, Muttenz, Switzerland	95.0
• Kraftverkehr Bayern GmbH, Munich, Germany	96.0
– Südkraft Süddeutsche Kraftwagen-Speditions GmbH, Munich, Germany	100.0
• Microlog Logistics AG, Frankfurt am Main, Germany	67.8
– Microlog Logistische Dienstleistungen GmbH, Heppenheim, Germany	100.0
– Locton Gesellschaft für Logistik-Systeme mbH, Cologne, Germany	100.0
– Geris Logistics B.V., Beringe, Netherlands	100.0
– Nunner B.V., Valkenswaard, Netherlands	100.0
Fashion division	
IPG Immobilien GmbH, Mönchengladbach, Germany**	100.0
IPG Verwaltungsgesellschaft mbH, Bad Homburg v. d. Höhe, Germany**	100.0
Modena Verwaltungsgesellschaft mbH, Bad Homburg v. d. Höhe, Germany**	100.0
Power supply division	
CEAG AG, Bad Homburg v. d. Höhe, Germany	76.8
FRIWO Gerätebau GmbH, Ostbevern, Germany	100.0
FRIWO Mobile Power GmbH, Ostbevern, Germany	100.0
• FRIWO Far East Ltd., Hong Kong, PR China	100.0
• FRIWO CEAG Electrical (Shenzhen) Company Ltd., XiXiang, PR China	100.0

* Percentage held by direct parent company

** These companies are, in accordance with § 264 (3) HGB (German Commercial Code), exempt from publishing their annual financial statements.

At December 31, 2001, the following subsidiaries also fell under the disclosure requirement as significant participations sold during 2002.

	Direct share of capital in %
van Laack GmbH, Mönchengladbach, Germany (eliminated from the consolidation as of August 31, 2002)	100.0
Modena GmbH Internationale Moden, Mönchengladbach, Germany (eliminated from the consolidation as of August 31, 2002)	100.0

Consolidation principles

The annual financial statements of domestic and international subsidiaries on which the consolidated financial statements are based have been drawn up on a uniform basis in conformity with accounting and valuation guidelines issued by DELTON AG.

The financial year of all companies included in the consolidation is the same as the calendar year.

Subsidiaries are consolidated by the purchase method by offsetting the carrying amounts of the investments against the proportion of net assets attributable to them at the date of their acquisition or at the date when they are consolidated for the first time. The differences that remain after fair value adjustments are recognized as goodwill or negative goodwill and amortized against, or released to, income in accordance with the rules of IAS 22. During the year under review, the differences in value arising at the time of initial consolidation of the entities of the Microlog and Thiel corporate groups, of the four sales and distribution companies in the Pharmaceuticals division, of the further shares acquired in Heel Inc. and of the other smaller companies purchased by the Microlog Group, were capitalized as goodwill. Any excess of the cost arising from the inclusion of companies within the consolidation for the first time in earlier years was recognized as goodwill, or – where the acquisition occurred before January 1, 1995 – set off against reserves by applying the alternative treatment contained in IAS 22 in accordance with SIC 8.

Counter-balancing accounts receivable and payable between consolidated companies are offset against one another. Intragroup sales, the results of intragroup transactions and all other intragroup income and expenses are eliminated.

Deferred taxes are calculated in accordance with the rules of IAS 12 in respect of consolidation measures affecting net income. In this process, deferred claims under the tax relationship are treated as deferred tax assets, and deferred taxes payable are shown separately as deferred tax liabilities.

These consolidation principles apply analogously to associated companies accounted for by the equity method. The investment income from associates accounted for by the equity method is recognized under income/losses from associated companies and other participations.

Foreign currency translation

The concept of the functional currency according to IAS 21 is applied in the consolidation of the financial statements prepared in foreign currencies. As the international companies operate their respective businesses independently in terms of their financial, economic and organizational structure, the functional currency is the respective national currency in all cases.

Consequently, the assets and liabilities of these companies are recognized at the mid rate prevailing at the balance sheet date ("closing rate"), while income and expense items are shown at average rates for the year. The difference compared with using closing rates of exchange is taken to equity, shown separately as currency translation differences, and thus has no effect on earnings.

The following exchange rates have been used for currency translation purposes:

		Euro closing rate		Euro average rate	
		Dec. 31, 2002	Dec. 31, 2001	Jan. 1 – Dec. 31, 2002	Jan. 1 – Dec. 31, 2001
CHF	Switzerland	1.4546	1.4805	1.4668	1.5100
CNY	PR China	8.6874	7.3034	7.8235	7.4097
GBP	UK	0.6535	0.6088	0.6291	0.6217
HKD	Hong Kong	8.1763	6.8803	7.3716	7.0189
PLN	Poland	4.0285	3.5068	3.8461	3.6727
USD	USA	1.0483	0.8820	0.9451	0.8949

Accounts receivable and payable in a foreign currency are translated in the individual financial statements at the mid rate prevailing at the balance sheet date. The reporting currency of the Group is the Euro. This is also the reporting currency of DELTON AG.

(2) Segment reporting

By division		Pharmaceuticals	Household products
Sales revenue	**2002**	115,195	214,401
	2001	100,078	220,076
Earnings before interest, tax and amortization of goodwill (EBITA)	**2002**	22,762	5,167
	2001	19,622	9,817 **
Segment assets	**2002**	71,961	178,963
	2001	71,534	184,536
Borrowings	**2002**	62,445	126,555
	2001	58,427	126,990
Capital expenditure***	**2002**	5,458	13,867
	2001	4,453	13,672
Depreciation and amortization***	**2002**	4,770	9,340
	2001	4,394	10,866
Net cash flow from operating activities	**2002**	23,437	6,817
	2001	22,141	– 3,697

By region		Germany	Rest of EU
Sales revenue	**2002**	440,920	325,944
	2001	207,218	235,561
Segment assets	**2002**	1.091,994	413,459
	2001	387,879	105,928
Capital expenditure***	**2002**	227,126	22,807
	2001	8,501	4,472

* values relate to the period to March 13, 2001
** including gain from sale of Flexible Packaging
*** on intangible assets, property, plant and equipment

Logistics	Fashion	Power Supply	Holding	Consolidated	Group
505,942	26,920	191,358	–	– 218	**1,053,598**
14,489*	45,682	213,818	–	– 59	**594,084**
431	383	– 13,266	– 7,452	– 448	**7,577**
1,847	615	– 2,669	– 8,911	–	**20,321**
992,281	30,662	86,781	513,261	– 523,515	**1,350,394**
89,555	39,496	135,108	241,978	– 250,228	**511,979**
832,247	2,521	64,204	292,622	– 297,609	**1,082,985**
–	11,464	81,522	143,082	– 89,684	**331,801**
252,390	1,133	6,807	1,149	–	**280,804**
231*	729	9,232	76	–	**28,393**
62,839	896	8,911	104	–	**86,860**
168*	1,256	7,960	138	–	**24,782**
– 5,817	2,898	6,032	– 12,504	– 25	**20,838**
– 716*	6,491	30,107	– 10,995	–	**43,331**

Other International	Consolidated	Group
286,734	–	**1,053,598**
151,305	–	**594,084**
334,786	– 489,845	**1,350,394**
146,303	– 128,131	**511,979**
30,871	–	**280,804**
16,202	– 782	**28,393**

The report on the primary segments by division corresponds to the structure applied in reporting to the Group management. The geographical segmentation is regarded as of secondary importance, and in accordance with the business activities performed in the various countries is structured according to Germany, Rest of Europe and Other International. The segment reporting system implemented at the DELTON Group is thus in compliance with the requirements of IAS 14. EBITA as a measure of operating profit is applied as the central control variable of the DELTON Group. The EBITA shown at Group level is calculated as follows from the profit before tax recognized in the income statement:

	2002	2001
Profit before tax	**– 61,325**	**7,126**
Net financial items	– 18,762	– 10,145
EBIT	**– 42,563**	**17,271**
Amortization of goodwill	50,140	3,050
EBITA	**7,577**	**20,321**

The Pharmaceuticals division manufactures and sells homeopathic remedies under the brand name Heel.

The Household Products division is active in the manufacture of cling film and aluminium foil, freezer bags, bin liners and garbage bags, and also coffee filters, which are primarily sold to the food retail trade as private label products.

In the Logistics division, the activities of Thiel Logistik AG, which is listed on the M-DAX index, have been recognized – on a time-proportionate basis and adjusted for exceptional items – since commencement of the control relationship on October 30, 2002. The business operations of Microlog have been included on a full-year basis. Both companies offer comprehensive logistic and service solutions on a business-to-business platform. One of the main activities of this division lies in contract logistics, i.e. assuming responsibility for complex logistical functions outsourced by trade and industry enterprises. The earnings of the Logistics division include net income from associates amounting to Euro 0.3 million (2001: Euro 0.6 million). The assets include shares of associates accounted for by the equity method in the amount of Euro 4.6 million (2001: Euro 89.6 million).

The Fashion division produces high-quality ladies' and gentlemen's outerwear, and in particular shirts and blouses, under the brand van Laack. The operating activities of this division were divested with effect from August 31, 2002. A detailed explanation of related income and expenses can be found under "Net gain/loss on disposal of discontinued operations" (Note 24).

In the Power Supply division, which is headed by the listed company CEAG AG, battery charging devices are manufactured by the FRIWO Group on behalf of, in particular, renowned mobile phone manufacturers. The division also manufactures power supply units and charging devices for other applications such as those encountered in medical engineering and information technology. The earnings of this division reflect impairment losses on goodwill amounting to Euro 2.7 million and on property, plant and equipment amounting to Euro 0.8 million (2001: Euro 2.7 million).

Notes to the Balance Sheet

(3) Intangible assets

	Franchises, industrial proprietary rights and similar rights	Goodwill	Advance payments made	Total
Cost				
At Jan. 1, 2002	15,156	57,825	87	73,068
Additions	4,759	212,752	2,201	219,712
Disposals	1,172	–	483	1,655
Reclassifications	426	–	60	486
Currency translation differences	– 286	– 918	– 2	– 1,206
Changes in the Group	24,577	863	85	25,525
At Dec. 31, 2002	**43,460**	**270,522**	**1,948**	**315,930**
Accumulated amortization				
At Jan. 1, 2002	12,427	14,156	–	26,583
Additions	4,739	50,140	45	54,924
Disposals	1,677	–	–	1,677
Reclassifications	254	–	–	254
Currency translation differences	– 136	– 400	–	– 536
Changes in the Group	11,880	863	–	12,743
At Dec. 31, 2002	**27,487**	**64,759**	**45**	**92,291**
Carrying amount at Dec. 31, 2002	**15,973**	**205,763**	**1,903**	**223,639**
Carrying amount at Dec. 31, 2001	2,729	43,669	87	46,485

Purchased intangible assets and goodwill from the individual financial statements of consolidated companies are recognized at cost in accordance with the requirements of IAS 38 and systematically amortized by the straight-line method over their expected useful life. In the event of an impairment exceeding the scheduled amortization values, an impairment charge is recognized in accordance with IAS 36 in the form of an impairment write-down. Goodwill arising from consolidation is capitalized in accordance with IAS 22 and predominantly amortized over a period of 20 years. Goodwill acquired prior to January 1, 1995, has been set off against equity irrespective of the expected useful life.

Amortization charges for the current fiscal year are included in the manufacturing costs, research and development costs, distribution costs and administrative expenses. Goodwill amortization is shown separately in the income statement.

The additions to goodwill relate primarily to the first-time consolidation of Microlog in January 2002 and of Thiel in October 2002. This figure also reflects the first-time consolidation of acquisitions effected within the Microlog Group, acquisition of the remaining shares in Heel Inc. and inclusion of the four distribution companies in the Pharmaceutical division that were previously excluded from the consolidation scope. Their goodwill and the amortization thereof have been calculated in line with IAS 8.54 as if the entities had been consolidated at the time of initial acquisition. The negative goodwill of HIMA calculated in the previous year was adjusted per IAS 22.71 (Euro +0.5 million), thus yielding a positive value.

The goodwill amortization figure includes an amount of Euro 39.9 million as an impairment charge resulting from the transfer of Microlog to Thiel on October 17, 2002. Moreover, in the Power Supply division, an impairment charge on the goodwill acquired in FRIWO EMC was taken in the amount of Euro 2.7 million. The valuation conducted in relation to the Thiel shares received for the non-cash contribution of the Microlog shares was performed in accordance with the agreed exchange ratio and on the basis of the price of Euro 16.50 per share that was also offered to the free-float shareholders of Microlog. The Thiel shares received in exchange were transferred as a non-cash contribution to DELTON Vermögensverwaltung AG in December 2002.

The amounts indicated as attributable to changes in the Group are predominantly the result of the first-time consolidation of the entities in the Logistics division.

(4) Property, plant and equipment

	Real estate, leasehold rights and buildings, including buildings on third party land	Technical facilities, plant and machinery	Other factory and office equipment	Advance payments made and assets in course of construction	Total
Cost					
At Jan. 1, 2002	76,049	158,374	54,179	2,945	291,547
Additions	19,923	25,430	13,958	1,781	61,092
Disposals	4,895	20,467	13,417	3,423	42,202
Reclassifications	– 4,790	3,304	3,008	– 2,008	– 486
Currency translation differences	– 2,642	– 9,200	– 1,572	– 269	– 13,683
Changes in the Group	247,116	207,586	79,266	7,566	541,534
At Dec. 31, 2002	**330,761**	**365,027**	**135,422**	**6,592**	**837,802**
Accumulated depreciation					
At Jan. 1, 2002	26,754	105,856	43,231	282	176,123
Additions	5,707	16,096	9,945	188	31,936
Disposals	2,491	16,048	12,491	192	31,222
Reclassifications	– 1,548	250	1,260	– 216	– 254
Currency translation differences	– 726	– 4,902	– 993	7	– 6,614
Changes in the Group	51,857	127,117	48,663	56	227,693
At Dec. 31, 2002	**79,553**	**228,369**	**89,615**	**125**	**397,662**
Carrying amount at Dec. 31, 2002	**251,208**	**136,658**	**45,807**	**6,467**	**440,140**
Carrying amount at Dec. 31, 2001	49,295	52,518	10,948	2,663	115,424

Property, plant and equipment are valued at purchase or manufacturing cost in accordance with IAS 16. Interest charges on borrowings accumulating during the manufacturing period are not capitalized. At the Logistics division, the interest charges incurred in the previous years during the construction of a logistics centre at Microlog have been capitalized. Limited-life property, plant and equipment assets are depreciated by the straight-line method unless exceptional differences in the pattern of usage requires the application of a different depreciation method.

Impairment charges are recognized where a lower valuation is required. Property, plant and equipment assets are reviewed for indications of probable impairment irrespective of whether they may continue to be used in operating activities or are destined for sale. If this assessment reveals that the fair value is lower than the book value, a lower valuation is applied. In accordance with IAS 36, the fair value (market value) is determined from the net selling price (selling proceeds less estimated incremental costs to dispose of the asset) or – if this value is higher – from the present value of the estimated future cash flow of the asset concerned and its disposal value at the end of its useful life. Where the reasons for the impairment loss become invalid, the asset concerned is written up accordingly.

Property, plant and equipment assets that are the subject of a finance lease agreement are capitalized and depreciated over the contractual term. Lease payments resulting from operating leases are recognized as expenses within the function concerned.

The majority of the lease agreements that exist within the Group relate to buildings and business equipment in the Logistics division. Most contracts have extension options, purchase options and price adjustment clauses. No contingent rent is paid.

The leased assets capitalized under property, plant and equipment have undergone the following changes:

	Cost	Accumulated depreciation	Carrying amount
At Jan. 1, 2002	1,029	682	347
Additions	15,605	3,867	11,738
Currency translation differences	–636	–125	–511
Changes in the Group	42,894	14,932	27,962
At Dec. 31, 2002	**58,892**	**19,356**	**39,536**

Amounts recognized under changes in the Group in respect of both the leased and the total non-current assets relate primarily to the first-time consolidation of the Logistics division.

(5) Shares in associated companies and other financial assets

	Shares in affiliated companies	Shares in associated companies	Other participating interests	Other financial assets	Total
Cost					
As at Jan. 1, 2002	3,339	139,890	2,548	–	145,777
Additions	60	786	409	1,951	3,206
Disposals	–	51,597	49	305	51,951
Reclassifications	–	1,995	– 1,995	–	–
Currency translation differences	– 6	–	3	20	17
Changes in the Group	2,193	– 84,521	9,319	11,261	– 61,748
At Dec. 31, 2002	**5,586**	**6,553**	**10,235**	**12,927**	**35,301**
Write-downs					
At Jan. 1, 2002	690	50,335	–	–	51,025
Additions	–	–	321	–	321
Disposals	–	50,335	–	–	50,335
Reclassifications	–	–	–	–	–
Currency translation differences	– 2	–	–	–	– 2
Changes in the Group	– 654	–	– 321	–	– 975
At Dec. 31, 2002	**34**	**–**	**–**	**–**	**34**
Carrying amount at Dec. 31, 2002	**5,552**	**6,553**	**10,235**	**12,927**	**35,267**
Carrying amount at Dec. 31, 2001	2,649	89,555	2,548	–	94,752

Applying the regulations of IAS 39, shares in affiliated companies, shares in associated companies and other participating interests are classified as “available-for-sale” financial assets and measured at their fair value where this can be determined. If it is not possible to determine their fair value, they are valued at cost. Shares in affiliated companies, participating interests and other financial assets are predominantly valued at amortized cost, as their fair value cannot be ascertained. Associated companies are exclusively accounted for by the equity method. In the event of an identified impairment, financial assets are written down to the lower fair value.

In the case of the affiliated companies, the changes in the Group relate to the shares in four companies in the Pharmaceuticals division that have been consolidated for the first time, and the shares in DELTON Vermögensverwaltung AG. This change was partially offset by a contrary movement in respect of shares in affiliated companies in the Logistics division. The write-downs on participating interests relate to a company in the Fashion division that was divested in the year under review.

The changes in the Group relating to shares in associated companies are predominantly attributable to the participating interest in Microlog that was accounted for by the equity method in the previous year. This investment was fully consolidated on January 2 due to the acquisition of further shares. There were also additions to the scope of consolidation from associated companies in the Logistics division (Euro 4.6 million). The disposals include Euro 50.3 million of acquisition costs where these were affected by the write-down to the equity value of Microlog taken in the previous year.

The changes to the Group in respect of the other participating interests and the other financial assets likewise relate to the Logistics division.

(6) Deferred tax assets

Deferred tax assets arise from temporary differences between the reporting base of an asset or liability and its tax base, tax losses carried forward that are expected to be utilized, and consolidation procedures at Group level. The future tax relief likely to arise as a result of these differences is capitalized. Further explanations are provided under the note to taxes on income (Note 25). Deferred tax assets are essentially classified as non-current in accordance with IAS 12.70.

(7) Other long-term assets

The other long-term assets essentially comprise receivables from divestments and a credit balance in a provident trust of a Swiss company in the Logistics division.

Non-interest-bearing receivables with a term of more that one year are discounted.

(8) Inventories

	Dec. 31, 2002	Dec. 31, 2001
Raw materials and supplies	31,975	35,739
Work in process	8,116	10,331
Finished products and merchandise	56,827	59,297
Advance payments made	1,671	409
	98,589	**105,776**

Inventories are valued at cost and, in accordance with IAS 2, measured according to the average cost method. Manufacturing costs include material costs, production costs and appropriate allocations of fixed and variable overheads. Where the cost of inventories exceeded the net realizable value at the balance sheet date, the latter was applied; inventory reserves of Euro 7.5 million (previous year: Euro 6.7 million) have been taken into account.

(9) Receivables and miscellaneous assets

	Dec. 31, 2002	Dec. 31, 2001
Receivables		
Trade accounts receivable from third parties (net of valuation allowance)	320,069 (16,270)	91,541 (3,964)
Accounts receivable from affiliated companies	–	469
	320,069	**92,010**
Other receivables and miscellaneous assets		
Accounts receivable from other companies in which participations are held	3,307	170
Marketable securities	3,231	–
Loans	15,719	4,514
Claims for refund of taxes	15,953	6,664
Receivables from foreign agency transactions	117	15,538
Miscellaneous assets	15,273	5,862
Deferred charges	6,126	1,758
	59,726	**34,506**

Receivables and miscellaneous assets are shown at their full face value. Receivables in foreign currencies are translated at the closing rate in accordance with IAS 21, with currency translation differences being recognized in income. Identifiable risks are recognized by appropriate valuation adjustments. The increase in trade accounts receivable is due in the amount of Euro 243.0 million to the first-time consolidation of the companies of the Logistics division. This was slightly offset by the sale of the Fashion division which resulted in a reduction of Euro 7.1 million.

The change in other receivables and miscellaneous assets is predominantly attributable to two factors. An increase of Euro 38.5 million resulted from the first-time consolidation of the Logistics division. This was partially offset by a decrease of Euro 15.5 million in receivables from foreign agency transactions. These relate to balances in Chinese currency held by the Power Supply division that are administered by a Chinese state-run company.

(10) Cash and cash equivalents

This heading comprises cheques, cash on hand and credit balances at banks. The increase over the previous year is attributable to the first-time consolidation of the Logistics division.

(11) Shareholder's equity

On January 1, 2002, 50,000,000 new bearer shares of no-par-value were issued and paid up.

On September 13, 2002, the Annual General Meeting resolved to increase the share capital from Euro 50,000,000 to Euro 70,000,000 by issuing 20,000,000 new bearer shares of no-par-value in return for a non-cash contribution. The new shares were offered to the shareholder at a price of Euro 3.50 per share.

On acceptance of the offer by the shareholder, the share capital was duly increased to Euro 70,000,000.–. Each no-par-value share represents a proportion of capital equivalent to a notional nominal value of Euro 1 per share.

The non-cash contribution was provided by the shareholder through transfer of part of a senior debt outstanding, amounting to Euro 70,000,000, from a liquid and full-value debt due against the company in a principal amount of Euro 80,337,563.18 per statement of account dated August 30, 2002 of the loan facility agreement of July 18, 2002 between the company and Stefan Quandt GmbH & Co. KG für Automobilwerte, that was due to the shareholder per assignment of September 13, 2002 and which the shareholder contributed by assignment to the company so that this debt was discharged by unification of the creditor and debtor as one legal person. The capital reserves of DELTON AG increased by Euro 50,000,000.– as a result of the allocation arising from the issue of new shares.

The revenue reserves contain undistributed past earnings of the companies included in the consolidated financial statements. The other changes relate primarily to the four sales and distribution companies in the Pharmaceuticals division that have been included in the consolidation scope for the first time. Capital consolidation in respect of these entities was performed on the basis of the value of shareholders' equity of each company at the time of their respective acquisition.

(12) Minority interests

The amount shown here essentially represents the share of profits and losses attributable to minority shareholders of Thiel. Also included are the shares of profits and losses attributable to minority shareholders of CEAG AG and Micrmedian, and also of subsidiaries of Microlog.

(13) Provisions for pensions and similar obligations

Provisions for pensions and similar obligations resulting from defined benefit plans are shown on the liabilities side in accordance with IAS 19. The pension benefits primarily relate to employees of the German consolidated companies and are calculated according to length of service and future estimated trends in wages, salaries and benefits.

In addition, in the event of retirement or early termination of their employment, employees in Austrian companies are legally entitled to a lump-sum settlement of between 2 and 12 months' equivalent of their last monthly payment, depending on length of service.

Provisions for these obligations are calculated using the projected unit credit method which also includes estimated future increases in benefit payments to take into account developments in wages, salaries and pensions. The actuarial method of calculation is based on the following parameters: Discount rate 6 % p. a. (2001: 6.25 % p. a.); upward trend in wages

and salaries 3 % p. a. (2001: 3 % p. a.); increase in retirement benefits 1.5 % p. a. (2001: 2 % p. a.). The calculations are further based on the 1998 mortality tables according to Dr. Klaus Heubeck.

In compliance with IAS 19.93, actuarial gains and losses exceeding a corridor of 10 % of the present value of the pension liabilities are recognized as income or expense. The actuarial computations are prepared on an annual basis.

The changes in the provisions during the year under review are as follows:

	Dec. 31, 2002	Dec. 31, 2001
Changes to provisions for pensions		
Provisions at Jan. 1	15,921	15,767
Pension costs	3,556	1,491
Benefit payments	– 2,656	– 846
Changes in the Group	37,276	– 463
Other	– 988	– 28
Provisions at Dec. 31	**53,109**	**15,921**
Present value of obligations not covered by plan assets	47,746	15,798
Present value of obligations covered by plan assets	5,337	–
	53,083	15,798
Less fair value of plan assets	– 325	–
Unrecognized actuarial gains and losses	351	123
Unrecognized past service cost	–	–
	53,109	**15,921**
Pension costs		
Current service cost	1,932	537
Interest expense	1,714	942
Recognized actuarial gains and losses	– 90	12
	3,556	1,491

The amounts shown under changes in the Group relate primarily to the companies of the Logistics division. In addition to the Euro 0.3 million shown, there also exists a credit balance in a provident trust recognized under long-term assets.

(14) Other provisions

	Jan. 1, 2002	Provided	Utilized	Reversed	Currency translation differences	Changes in the Group	Dec. 31, 2002
Other long-term provisions	**805**	**1,011**	**249**	**441**	**– 2**	**4,426**	**5,550**
Other short-term provisions							
Guarantees and warranties	1,822	1,077	381	384	– 47	– 124	1,963
Retrospective drug registration	1,642	581	174	7	–	–	2,042
Litigation risks	255	816	358	242	– 14	3,429	3,886
Flood damage	–	2,057	–	–	–	–	2,057
Restructuring	3,358	4,779	1,560	312	– 124	– 325	5,816
Sundry	4,137	23,203	12,651	4,225	– 208	13,390	23,646
	11,214	**32,513**	**15,124**	**5,170**	**– 393**	**16,370**	**39,410**

The other provisions have been accounted for according to IAS 37. According to the regulations of this standard, provisions should be recognized when a present obligation exists as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. The provisions shown in the balance sheet adequately cover the potential liabilities contained in the annual financial statements, which exist in respect of third parties. Measurement is based on the estimated amount of the obligation. Provisions with an expected remaining term of more than one year are measured at their present value.

The long-term provisions essentially relate to long-service awards and provisions for the possible take-up of pre-retirement part-time employment plans. Provisions for guarantees and warranties relate to goods supplied and services rendered. In the Pharmaceuticals division, provisions are allocated for the retrospective registration of preparations that have been applied for as a result of new legal requirements and have yet to be granted. The Nossen plant in eastern Germany operated by the Household Products division suffered substantial flood damage, for the repair of which insurance compensation payments have been received. These will be recognized in liabilities until completion of the clear-up work. Major provisions for restructuring have been allocated for the Power Supply, Logistics and Household Products divisions. These provisions are mainly due to expected severance payments and closure costs.

The sundry provisions not only relate to a number of specific individual risks of the divisions but also include provisions for anticipated losses on incomplete contracts. The amounts shown under changes in the Group largely relate to the entities of the Logistics division.

(15) Deferred tax liabilities

Deferred tax liabilities arise from temporary differences between the reporting base of an asset or liability and its tax base, and from consolidation procedures at Group level. Tax charges likely to occur in the future due to these differences are shown as liabilities. Further explanations are provided under the note to taxes on income (Note 25). Deferred tax liabilities are essentially classified as non-current in accordance with IAS 12.70.

(16) Tax provisions

Exclusively recognized in tax provisions are the actual tax liabilities for current and earlier periods where these have not yet been settled. Deferred tax liabilities are shown separately.

(17) Liabilities

	Dec. 31, 2002	Dec. 31, 2001
Long-term liabilities		
Financing liabilities		
Bank loans	233,555	56,326
Finance lease commitments	32,920	46
Other interest-bearing liabilities	5,626	–
	272,101	**56,372**
Other long-term liabilities		
Obligations from pre-retirement part-time employment plans	515	420
Sundry long-term liabilities	2,916	–
	3,431	**420**
	275,532	**56,792**
Short-term liabilities		
Financing liabilities		
Bank loans	319,960	128,691
Finance lease commitments	6,553	55
Bills and notes payable	108	75
Other interest-bearing liabilities	8,849	–
	335,470	**128,821**
Trade accounts payable	**204,108**	**70,660**
Other short-term liabilities		
Tax liabilities	28,131	4,533
Liabilities relating to personnel	54,775	17,981
Investment grants and subsidies received	2,576	2,768
Sundry short-term liabilities	18,133	9,580
	103,615	**34,862**
	643,193	**234,343**

Sufficiently substantiated payment obligations are recognized as either short-term or long-term liabilities on the basis of the due date of payment. They are shown at the full amount payable. Liabilities relating to personnel are derived predominantly from vacation due, profit-sharing bonuses and severance payments. Investment grants and subsidies received are shown on the liabilities side in compliance with IAS 20.24 and are released back in accordance with the useful life of the assets concerned. Liabilities in foreign currencies have been translated at the closing rate in accordance with IAS 21. Currency translation differences arising from this have been recognized in income.

The increase in short- and long-term liabilities is due firstly to an amount of Euro 518.2 million arising from the first-time consolidation of the Logistics division, and secondly to the increased borrowing requirement of DELTON resulting from the acquisition of shares in Thiel. This has been offset somewhat by significant decreases in the Power Supply division and in respect of the Fashion division.

Included in the bank loans figure are long-term loan agreements amounting to Euro 269.3 million. Their maturity ranges from four to eighteen years. Interest is charged at an average rate of 5.58 % p.a.

The sundry short-term liabilities mainly involve trade discounts and other sales-related liabilities.

With the exception of a portion of the bank borrowings, all the liabilities are unsecured. In the Logistics division, bank loans amounting to Euro 183.9 million have been secured by a pledge of non-current assets, investments, receivables and marketable securities.

Long-term liabilities essentially have a remaining term of more than one year.

Notes to the Income Statement

(18) Sales revenue

This heading comprises the goods and services supplied by companies included in the consolidation – net of sales within the Group, cash and trade discounts, and rebates. The amounts are recognized on the basis of when the services were rendered or the goods or products supplied. The sales figures are broken down according to division and region for segment reporting in accordance with IAS 14.2.

(19) Cost of sales, research and development costs, distribution costs, general administrative expenses

The cost of sales essentially comprises those costs attributable to the products, merchandise and services sold that have been incurred in generating the disclosed sales revenue. The research and development costs incurred in the Pharmaceuticals division relate predominantly to expenses for clinical studies and scientific fees, while in the case of the Power Supply division they relate to the development of power supply units and charging devices. Under this heading costs are recognized that are incurred within the framework of research and development work and cannot be capitalized as self-generated intangible assets. Distribution costs are expenses incurred in relation to the distribution and sale of products, merchandise and services. Costs are aggregated under the general administrative expenses function that, from the point of view of the entity concerned, are incurred by corporate units and are administrative costs in the wider sense.

The decrease in research and development costs is attributable to the Pharmaceuticals division in which expenses in relation to the licensing of preparations are to be disclosed under distribution costs with effect from 2002.

The manufacturing costs and the three functions include, among others, the following types of expenditure:

	2002	2001
Material costs	329,405	317,081
Personnel costs	246,062	135,442
Regular amortization of intangible assets* and depreciation of property, plant and equipment	35,898	19,060
Impairment charges for intangible assets*, property, plant and equipment	822	2,672

* excluding goodwill

The material costs comprise both expenditure on purchased materials and expenditure on purchased services. The rise in the material costs figure occured largely due to an addition of Euro 58.5 million arising from the first-time consolidation in the year under review of the entities in the Logistics division. This was offset to some extent by a decrease in the amount expensed (Euro 6.4 million) arising from the elimination from the consolidation of the Fashion division with effect from August 31, 2002. Further reductions in the Power Supply division (Euro 10.1 million) and Household Products division (Euro 16.1 million) are due to a combination of cost savings and a lower level of business volume.

Personnel costs are comprised of wages, salaries, severance payments, social security contributions, pension costs and social assistance. The figure for fiscal 2002 includes expenses amounting to Euro 123.2 million attributable to the entities in the Logistics division.

These were offset to some degree by reductions in personnel costs arising from the divestment of the Fashion division. Additional pension provisions are recognized as pension costs where they relate to current service cost. The interest element which is also included in the additional pension provisions is recognized under financial items. Scheduled depreciation and amortization are computed exclusively by the straight-line method. This is done on the basis of estimated useful lives standardized throughout the Group as follows:

Useful life	Years
Franchises, proprietary rights and similar rights and assets and similar rights and assets	3 – 5
Buildings	10 – 50
Technical facilities, plant and machinery	2 – 25
Other factory and office equipment	2 – 25

The increase in regular amortization and depreciation is due in the amount of Euro 17.9 million to the first-time consolidation of the entities in the Logistics division.

Extraordinary write-downs/impairment charges are applied where the present value of future cash flows expected to arise from the continuing use of the asset and from its disposal is lower than the recoverable amount, whereby the recoverable amount is determined from the higher of the present value of estimated future cash flows and the net selling price or net realizable value. The unscheduled write-downs relate essentially to the real estate of the North American production site operated by the Power Supply division.

(20) Other operating expenses

	2002	2001
Losses from asset disposals	747	1,457
Foreign currency losses	9,812	2,260
Sundry expenses	2,021	7,133
	12,580	**10,850**

(21) Other operating income

	2002	2001
Gains from asset disposals	1,340	708
Foreign currency gains	5,740	1,259
Sundry income	7,375	3,848
	14,455	**5,815**

The sundry income figure includes insurance refunds and income from investment grants. The income from insurance refunds includes Euro 1.1 million paid in compensation for flood damage suffered by the Nossen plant in eastern Germany, operated by the Household Products division.

(22) Income/losses from associated companies and other participations

	2002	2001
Income from sale of participating interests	6	58,282
Income from participations in affiliated companies	19	473
Share of profit/loss of associated companies	287	599
Income from other participations	24	174
Losses from other participations	– 183	–
Write-downs on, and losses on disposal of, financial assets	– 1,344	– 50,361
	– 1,191	**9,167**

The share of profit from investments in associated companies comprises Euro 0.2 million related to the logistics division and Euro 0.1 million related to DELTON AG. Write-downs on financial assets were taken in the amount of Euro 1.0 million in the Logistics division and in the amount of Euro 0.3 million in the Fashion division.

In the previous year, income from the sale of participating interests included the transfer of the net assets of Locton to Microlog in exchange for an issue of new shares in the latter to the value of Euro 50.4 million, and the gain from the sale of the Flexible Packaging business. Also disclosed under this heading are write-downs to the financial assets of Microlog, which at the time was accounted for by the equity method.

(23) Financial items

	2002	2001
Sundry interest and similar income	2,203	1,568
Sundry interest and similar expenses	21,320	11,713
Net interest expense	**−19,117**	**−10,145**
Income from the disposal of marketable securities	383	–
Losses on disposal of marketable securities	28	–
Sundry financial items	**355**	**–**
Net financial items	**−18,762**	**−10,145**

The increase in the net interest expense is due in the amount of Euro 5.9 million to the first-time consolidation of the entities in the Logistics division. The figure also reflects the financing cost of acquiring the stake in Thiel.

(24) Net gain/loss on disposal of discontinued operations

The amount disclosed relates to the Fashion division that, in compliance with the requirements of IAS 35.2 (a) (i), is classed as a discontinued operation. With the sale of the van Laack Group, all the operating companies in this division were divested with effect from August 31, 2002. The consolidated income statement of the DELTON Group contains the following income and expense items relating to the Fashion division:

	2002	2001
Sales revenue	**26,920**	**45,682**
Cost of sales	–15,141	–23,934
Gross profit	**11,779**	**21,748**
Selling costs	–8,483	–15,386
General administrative expenses	–2,677	–4,821
Other operating expenses	–274	–258
Other operating income	436	104
Operating profit	**781**	**1,387**
Income/losses from associated companies and other participations	–301	–772
Net financial items	191	657
Net gain/loss on disposal of discontinuing operations	–97	–
Profit before tax (PBT)	**574**	**1,272**
Transfer of loss (2001: Transfer of profit)	17	–1,009
Taxes on income	–44	–299
Net earnings (2001: Net loss)	**547**	**–36**
Minority interests	–64	–99
Consolidated profit / Consolidated loss	**483**	**–135**

The cash flows of the **Fashion** division were as follows:

	2002	2001
Net cash flow from operating activities	2,898	6,491
Net cash flow from investing activities	1,456	836
Net cash flow from financing activities	– 2,914	– 8,059

(25) Taxes on income

Taxes on income are calculated according to IAS 12. This regulation requires that deferred tax assets and deferred tax liabilities be formed in respect of the temporary differences between the valuations contained in the tax balance sheets and in the consolidated financial statements drawn up according to IFRS, and also in respect of the tax-allowable loss carry-forwards. Moreover, deferred tax assets and liabilities also arise from consolidation procedures. According to IAS 12, no deferred tax is recognized in respect of the capitalization of goodwill.

These principles are applied using the tax rate expected to prevail at the time of realization. Since January 1, 2001, Germany has had a standard corporate tax rate of 25 %, which is applied in the calculation of domestic deferred taxes. The trade tax on income and the solidarity surcharge have also been included in the calculation. In the case of the international companies, the expected country-specific tax rates are applied.

The breakdown of the aggregated tax charge is as follows:

	2002	2001
Current taxes on income	4,466	3,722
Deferred taxes on income	2,495	–1,698
Total	**6,961**	**2,024**

The recognized deferred taxes relate to the following balance sheet items:

	Dec. 31, 2002 Assets	Dec. 31, 2002 Liabilities	Dec. 31, 2001 Assets	Dec. 31,2001 Liabilities
Intangible assets	4,807	2,581	115	403
Property, plant and equipment	1,200	38,278	2,128	7,849
Financial assets	3	326	54	–
Inventories	299	177	584	129
Receivables and miscellaneous assets	101	344	468	301
Pension provisions	3,432	–	745	–
Other provisions	3,726	96	1,724	169
Liabilities	275	576	1,033	187
Sundry	4,204	4,780	42	131
Loss carry-forwards	34,611	–	8,926	–
Valuation allowance	9,758	–	1,817	–
Total from individual company accounts	**42,900**	**47,158**	**14,002**	**9,169**
Deferred taxes from consolidation	1,393	18	1,844	38
Amounts netted	– 4,028	– 4,028	– 6,234	– 6,234
Consolidated balance sheet figures	**40,265**	**43,148**	**9,612**	**2,973**

Where deferred tax assets exceed deferred tax liabilities, their future value is measured on the basis of the profitability forecast of the Group company concerned.

The following reconciliation shows the relationship between the estimated tax charge and the tax charge in the income statement. As in the previous year, the estimated tax charge has been calculated on the basis of a tax rate of 38%:

	2002	2001
Profit before tax	– 61,325	7,126
Estimated tax charge	– 23,303	2,708
Tax rate differences	– 137	– 933
Tax charge for non-deductible amortization of goodwill	18,627	988
Change in the valuation allowance and effects arising from non-recognition of deferred tax assets	8,258	– 796
Tax charge on intragroup asset transactions	3,326	–
Tax effects from previous years	–1,539	566
Tax charge for non-deductible expenses	1,146	371
Sundry	583	– 880
Taxes on income per income statement	**6,961**	**2,024**

(26) Minority interests

	2002	2001
Share of profits	2,002	120
Share of losses	– 7,467	– 688
	– 5,465	**– 568**

The share of profits figure for the year under review relates essentially to the minority interests in Microlog Logistics AG and subsidiaries of Microlog. The share of losses figure is divided between the minority interests in CEAG AG and in Thiel.

(27) Earnings per share

The undiluted earnings per share are determined in accordance with IAS 33 by division of the consolidated earnings by the time-weighted average of the number of shares in circulation during a financial year.

At December 31, 2001, there were 50 million ordinary shares in circulation. In 2002, capital was increased by a non-cash contribution of Euro 20 million. This was accompanied by a rights issue of 20 million new ordinary shares.

In accordance with the requirements of IAS 33.20, the undiluted earnings for 2001 were determined on the basis of the time-weighted average of 37.5 million and 50.0 million shares (giving 42.5 million shares). The average figure for 2002 was calculated on the basis of a time-weighted average of 50 million and 70 million shares (giving 56 million shares).

Notes to the Cash Flow Statement

The cash and cash equivalents at the beginning and the end of the period under review correspond in terms of their compositional breakdown to the cash and cash equivalents shown in the relevant balance sheet.

The cash inflow and outflow figures shown in the cash flow statement arising from the sale/acquisition of consolidated companies and other business entities break down as follows:

	Sale	Acquisition
Non-current assets	2,914	274,696
Deferred tax assets	278	12,931
Other assets	9,652	476,927
Sold/acquired cash and cash equivalents	–1,907	–140,191
Minority interests	–215	–98,799
Deferred tax liabilities	–	–24,885
Other long-term borrowings	–1,353	–184,976
Short-term borrowings	–7,118	–444,026
Purchased goodwill	–	212,001
Net gain/loss from the sale of consolidated companies	–97	–
	2,154	**83,678**

The breakdown by division of the computed net cash inflows from change in borrowings is as follows:

	Proceeds	Payments
Pharmaceuticals	–	1,881
Household Products	11,591	–
Logistics	19,132	–
Fashion	–	227
Power Supply	–	20,703
DELTON AG	146,463	–
	177,186	**22,811**

The cash flows from interest payments, receipts and taxes on income are as follows:

	2002	2001
Interest payments	19,492	12,246
Interest receipts	2,132	1,332
Income tax payments	9,217	4,370

Other information

Stock based compensation schemes

Within the **Logistics** division, Thiel Logistik AG and Microlog Logistics AG operate stock based compensation schemes.

Thiel has established a stock option plan for the senior management. As of Dec. 31, 2002, a total of 1,114,000 stock options had been issued with no options becoming exercisable or expiring by that date. The plan entitles the participants to acquire Thiel shares at a base price averaging Euro 20.20 per share. The base price for options issued prior to the floatation of Thiel is determined by the share issue price at the time of the initial public offering. For all other options, the strike price is determined in each case on the date of allocation and is calculated from the average price of the share over the preceding ten days. Options issued to members of the Thiel Board of Directors mature after five years. The holding period for all other beneficiaries is three years. Each year there are four exercise windows; after the Annual General Meeting, following publication of Thiel Group's annual financial statements, following publication of the half-yearly financial statements and following publication of the third-quarter financial statements.

Microlog established an initial employee participation plan for management and staff of the Microlog Group in conjunction with the stock market floatation. The base price was set in two tranches, one at Euro 34.00 per share and the other at Euro 72.00 per share. By the balance sheet date, 130,700 options and 21,550 options respectively had been issued from these tranches. One third of the option rights allocated in each case can only be exercised after a waiting period of two years has lapsed, and each subsequent third can be exercised after a waiting period of three and four years respectively. The option rights lapse without compensation after seven years.

In June 2001, a second stock option plan was agreed upon with an option price of Euro 72.00 per share subject to a possible increase where appropriate. The prerequisite for exercising the option rights is a defined, positive development in the share price of Microlog Logistics AG. The company had not issued any options under this plan by the balance sheet date.

Contingent liabilities

	2002	2001
Bills and notes discounted	–	194
Guarantees (thereof for affiliated companies)	27,350	5,883 (819)
Contingent liabilities according to IAS	–	444
	27,350	**6,521**

The increase is essentially due to the inclusion of the Logistics division in the scope of consolidation during the year under review. The guarantees relate predominantly to customs guarantees. The provision of investment grants for the Nossen plant in eastern Germany, operated by the Household Products division, is contingent upon a certain number of local jobs being created and retained for the period up to December 31, 2005. In the event of non-compliance with this condition, there is the risk that an amount of Euro 2.5 million, included in the guarantees, will have to be repaid.

Other financial commitments

The total amount allocated to other financial commitments for the Group is Euro 489.2 million (2001: Euro 22.9 million).

These include commitments under rent and lease agreements and order commitments for capital expenditure amounting to Euro 6.0 million (2001: Euro 3.0 million) and other commitments amounting to Euro 15.4 million. The lease agreements take the form of either finance leases or operating leases. Apart from disclosure of the assets held under finance leases, IAS 17 also requires a separate listing of future commitments arising from rental or lease relationships. The breakdown as at December 31, 2002, is as follows:

	Finance leases	Operating leases	Rent payments
Commitments 2003	8,843	8,806	61,128
Commitments 2004 to 2007	22,250	17,896	183,252
Commitments 2008 and later	17,479	2,821	116,001
Total	**48,572**	**29,523**	**360,381**
Less interest element included	8,507		
Present value of lease payments	**40,065**		
Less short-term element	8,843		
Long-term commitments arising from finance leases	**31,222**		

In the Logistics division, sublease agreements have been arranged in respect of items covered by existing lease relationships. During the year under review, proceeds received within this context on a time-proportionate basis amounted to Euro 0.6 million. In the coming periods, further proceeds amounting to Euro 3.5 million are expected to accrue on the basis of these agreements.

In the course of acquiring the Microlog Group, Thiel submitted a voluntary purchase offer to the free-float shareholders of Microlog at the beginning of November 2002. The bid entailed a cash payment of Euro 16.50 per Microlog share. By the offer deadline of December 31, 2002, this had resulted in the acquisition of 1,775,531 Microlog shares. All the legal requirements in relation to the voluntary purchase offer, and in particular the legal transfer of ownership of the shares, were completed in January 2003. Consequently, by the closing date of December 31, 2002, the Group had a financial commitment arising from the voluntary purchase offer amounting to Euro 29.3, this being included in the aggregated financial commitments figure.

Financial instruments

The financial instruments included in the balance sheet encompass cash and cash equivalents (liquid funds, marketable securities), trade accounts receivable and financial liabilities.

According to IAS 39, securities are classified according to the categories "held for trading", "held to maturity" and "available for sale". A security is held for trading if it has been acquired principally for the purpose of generating a profit from short-term fluctuations in price. Securities held to maturity are financial assets with fixed or determinable payments and fixed maturity that an enterprise has the positive intent and ability to hold to maturity. Securities that do not fall under either of these categories are classified as available for sale. Purchases and sales of securities are essentially recognized at the date of the firm-commitment transaction. Securities are initially recognized at cost, which also corresponds to their fair value.

The other financial assets include held-to-maturity and available-for-sale securities in the Logistics division amounting to a total of Euro 8.6 million. The subsequent measurement of these securities is by amortized cost in the case of the former and according to fair value in the case of the latter.

The remaining terms as at the balance sheet date of the held-to-maturity securities included in the other financial assets line are as follows:

	Dec. 31, 2002
Maturing in 2003	374
Maturing between 2004 and 2007	–
Maturing after 2008	7
	381

The held-for-sale securities break down as follows:

	Dec. 31, 2002
Stocks and shares	3,153
Investment funds	3,658
Debt securities	1,387
	8,198

The remaining terms of available-for-sale debt securities are as follows:

	Dec. 31, 2002
Maturing in 2003	426
Maturing between 2004 and 2007	943
Maturing after 2008	18
Debt securities	**1,387**

The reconciliation of the amortized cost of available-for-sale securities and their fair values at the balance sheet date read as follows:

	Dec. 31, 2002
Amortized cost	9,957
Unrealized gains	34
Unrealized losses	1,793
Fair value	**8,198**

Income and expenses arising from financial instruments are essentially recognized in the period to which they relate.

In view of their international activities, the companies of the DELTON Group are exposed to currency risks. They are also exposed to interest rate risks.

As regards the foreign currency risks, a natural hedging effect arises in the first instance from the foreign currency positions that occur on both the credit and debit side. The remaining foreign currency risks are diminished by effective currency management.

The Pharmaceuticals, Logistics and Power Supply divisions enter into forward exchange contracts for this purpose, although these do not meet the requirements of a hedging instrument as defined in IAS 39. They are categorized as being held for trading and recognized at their fair value. Changes in their valuation are recognized in earnings. The notional principal amounts and the fair values of the forward exchange contracts in force as at the balance sheet dates are aggregated as follows:

	2002	2001
Notional principal amount	4,838	1,546
Fair value	4,741	1,564
Recognized in earnings	**–97**	**18**

An interest rate risk exists in respect of the bank loans shown in the consolidated balance sheet of the DELTON Group. In order to reduce this risk, a certain proportion of the loans are taken out at a long-term fixed interest rate. Interest rate movements in the market are continuously observed and analyzed.

Cash and cash equivalents, receivables and miscellaneous assets, and also liabilities, are not shown at their fair value but rather at their principal value; however, the principal amounts are virtually identical with the fair values of these financial instruments.

Employees

Annual average	2002	2001
Pharmaceuticals	994	856
Household Products	1,519	1,375
Logistics	4,004	–
Fashion	467	986
Power Supply	7,881	7,409
DELTON AG	23	19
	14,888	**10,645**

The average number of employees in the Logistics division was determined in line with the time-proportionate consolidation of the Microlog and Thiel corporate groups. At the end of fiscal 2002, the number of employees at the Thiel group was 11,337.

In the previous year, no employees in the Logistics division were included in the number for the DELTON Group owning to the fact that Microlog was accounted for by the equity method. The average number of employees at Microlog in 2001 was 1,429.

Related parties and entities

Mr. Stefan Quandt is a related party as he is the sole shareholder of DELTON AG. He is also the Chairman of the Supervisory Board and, in accordance with the articles of incorporation, receives a Supervisory Board emolument and expenses to cover his office outgoings. Mr. Quandt is also a member of the Supervisory Board of CEAG AG and receives an emolument in accordance with that company's statutes. No further business was transacted between him and the DELTON Group.

Mr. Quandt also holds 100% of the shares in Stefan Quandt GmbH, Stefan Quandt GmbH & Co. KG für Automobilwerte, ACTON 3. Beteiligungs GmbH and SIKON Private Equity GmbH, all domiciled in Bad Homburg v. d. Höhe, Germany, which may be regarded as related entities. Stefan Quandt GmbH & Co. KG für Automobilwerte has provided collateral in the form of pledged securities in respect of credit facilities granted by banks to DELTON AG. In addition, this company also granted DELTON AG a credit facility from July to December 2002 that was utilized up to an amount of Euro 80 million. The principal amount outstanding in October 2002 together with the accrued interest was paid back in full in October 2002. There are no further relationships between these companies and the DELTON Group.

Mr. Quandt is, in addition, a shareholder and member of the Supervisory Board of BMW AG. He is able to exercise significant influence on BMW AG in the sense defined in IAS 24. In fiscal 2002, DELTON AG via its subsidiaries Microlog and Thiel generated sales revenue amounting to Euro 41.8 million in business dealings with BMW AG. The trade accounts receivable in respect of BMW AG as at Dec. 31, 2002 amount to Euro 2.8 million. Moreover, companies of the DELTON Group have purchased motor vehicles from BMW AG. The transactions were, without exception, conducted under normal market terms and conditions in accordance with the "dealing at arm's length" principal.

Corporate governance declaration

In response to the recommendations of the Federal Commission on the German Corporate Governance Code, the Management Board and Supervisory Board of DELTON AG issued a joint declaration per §161 AktG (German Stock Corporation Act), which can be found on the DELTON AG website. This commits DELTON AG to the recommendations of the Federal Commission subject to certain exceptions.

Emoluments of management bodies

The total emoluments of the Supervisory Board for the past year amounted to Euro 320 thousand. Each member received a fixed sum of Euro 20 thousand; the Chairperson receives triple that figure and a Deputy Chairperson double. The total emoluments to the members of the Management Board amounted to Euro 1,546 thousand, including Euro 39 thousand paid by affiliated companies. Compensation to the Management Board was made up of a fixed component totaling Euro 860 thousand and a variable component totaling Euro 686 thousand. A total of Euro 837 thousand (2001: Euro 1,350 thousand) has been provided for pension commitments to the members of the Management Board. The members of the Supervisory Board and of the Management Board are listed on pages 102 to 103.

Business address

DELTON AG
Seedammweg 55
61352 Bad Homburg v. d. Höhe
Germany

Major events after the balance sheet date

In March 2003, Thiel concluded a cooperation agreement with the publishing group Axel Springer Verlag, Hamburg, with a minimum term of five years. Under this agreement, Thiel is to assume responsibility for the transport logistics management for Axel Springer Verlag and acquired its wholly-owned subsidiary Overbruck Spedition GmbH, Hamburg and three other subsidiaries. The agreement has yet to be ratified by the relevant anti-trust authorities. The Overbruck Group occupies a market-leading position in the media logistics sector within Germany.

Publication and filing

The consolidated annual financial statements are to be presented to the Supervisory Board on May 22, 2003 and thereafter published in the Bundesanzeiger [Federal Gazette] and filed with the District Court of Bad Homburg v. d. Höhe, Germany
(Registered No: HRB 3986).

Bad Homburg v. d. Höhe, March 2003
DELTON AG
The Management Board

Berndt-Michael Winter

Dr. Klaus-Dieter Petersson

Dr. Antonius Wagner

Report of the Independent Auditors

We have audited the combined financial statements prepared by DELTON AG consisting of the balance sheet and the related statements of income, changes in shareholder's equity and cash flows for the fiscal year from January 1, 2002 to December 31, 2002, and the notes to said financial statements. The preparation and content of the combined financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the basis of the audit we have performed as to whether these financial statements satisfy International Financial Reporting Standards (IFRS).

We have conducted our audit of the combined financial statements in accordance with German audit regulations and the standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW) generally accepted in Germany. Those standards require that we plan and perform the audit so as to obtain reasonable assurance about whether the combined financial statements are free of material misstatements. Knowledge of the business activities and of the economic and legal environment in which the DELTON Group operates, together with the potential for possible errors, is taken into account in the determination of audit procedures. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the combined financial statements. An audit also includes assessing the accounting principles applied and significant estimates made by the legal representatives, as well as evaluating the overall presentation of the combined financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the combined financial statements give a true and fair view of the net assets, financial position and results of operations of the DELTON Group and of its cash flows for the year under review and comply with International Financial Reporting Standards.

Our audit, which included an examination of the business report for the Company and Group relating to the fiscal year from January 1, 2002 to December 31, 2002 prepared by the management, has revealed no reservations. In our opinion the said management report gives

a true picture of the Company's and Group's position overall and a fair representation of the risks and uncertainties that may affect their future performance. We also confirm that the combined financial statements and the management report on the situation of the Company and Group for the fiscal year from January 1, 2002, to December 31, 2002, satisfies the requirements exempting the Company from preparing combined financial statements and a group management report according to German law.

Ernst & Young Revisions- und Treuhandgesellschaft mbH
Wirtschaftsprüfungsgesellschaft, Steuerberatungsgesellschaft

Christoph Groß
Wirtschaftsprüfer
(Auditor)

Wolfgang Müller
Wirtschaftsprüfer
(Auditor)

Eschborn, Frankfurt/M., April 10, 2003

Stefan Quandt, Chairman

Supervisory Board Report

During the fiscal year under review, at meetings of the Supervisory Board and by means of written and oral reports between those meetings, the Management Board kept the Supervisory Board informed about the position of the company and the development of the business.

In these meetings, the current position of DELTON and each of its divisions was explained in detail. In addition, targets for the further development of DELTON, corporate planning and individual business transactions of importance were discussed. Between meetings of the Supervisory Board, the Chairman also held discussions with the Management Board to review significant business transactions and DELTON's strategic direction, and to receive reports on the current performance of the Company. The Supervisory Board was informed of the Company's position on a quarterly basis by means of written reports.

In the second half of the year, consultations focused on considerations regarding the further expansion of the Logistics Division through the acquisition of a majority interest in Thiel Logistik AG. In the course of the year, other key areas included the extremely difficult situation at Power Supply and possible restructuring measures in this division, together with the further development of corporate governance at DELTON. Based on the reports and information provided by the Management Board, we have monitored the management of the business. Significant transactions have been discussed and examined in detail.

German Corporate Governance Code

The Supervisory Board welcomes the introduction of the German Corporate Governance Code as a further development in accountable and transparent corporate management and control. The Supervisory Board agrees with the Management Board that the recommendations in the Code, which inprinciple relating to listed companies, should be applied to DELTON where such application is useful, given the structure of the Company. We have also used the opportunity presented by the introduction of the Code to review our current rules governing cooperation between the Supervisory Board and Management Board.

The Supervisory Board had formed a committee in preparation for any decisions and possible changes in connection with the implementation of the Code. At the December meeting, on the basis of proposals from the committee, the Supervisory Board approved the text of the joint statement by the Management Board and Supervisory Board pursuant to § 161 AktG (German Stock Corporation Act), together with the revised rules of procedure for the Supervisory Board and the list of business transactions for which the Management Board must obtain approval. The “Bilanzausschuss” was also renamed in “Prüfungsausschuss” (Audit Committee).

Meetings of the Supervisory Board and committees

The Supervisory Board convened at three regular meetings during the year under review. In addition, an extraordinary meeting of the Supervisory Board took place to discuss the planned acquisition of a controlling interest in Thiel Logistik AG.

The meeting in September 2002 took place in Heppenheim at the premises of Microlog Logistische Dienstleistungen GmbH, part of the Logistics Division. The Supervisory Board was able to use the opportunity to increase its understanding of the Heppenheim logistics center. At the meeting in December 2002, in particular, we discussed corporate planning for the following year and approved decisions on corporate governance.

The Audit Committee met in May 2002, with the external auditors in attendance, to examine the annual and consolidated financial statements for 2001. At a further meeting, the key areas for the 2002 audit were discussed with the auditors. The Personnel Committee met once. The Mediation Committee formed pursuant to § 27 (3) MitbestG (German Codetermination Act) did not need to convene.

Audit of the risk management system

In addition to performing the statutory audit, the appointed auditors were also commissioned by the Supervisory Board to examine, in accordance with the regulations applicable to listed companies, whether the risk management system instituted by the Management Board of DELTON AG can fulfill its function. As a result of the disposal of the van Laack Group in August 2002, the Fashion Division was not included in the audit.

Financial statements

The annual financial statements of DELTON AG and consolidated financial statements drawn up by the Management Board, and the combined management report for DELTON AG and the Group, including the accounting records from which they were prepared, have been examined and each given an unqualified opinion by Ernst & Young Revisions- und Treuhand-gesellschaft mbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Eschborn, Frankfurt/Main, Germany as the auditors (formerly Arthur Andersen Wirtschaftsprüfungs-gesellschaft Steuerberatungsgesellschaft mbH, Eschborn, Frankfurt/Main, Germany, as auditor appointed for 2002 by the Annual General Meeting; the change of name took place without any change in legal personality). The accounting records, the Annual Report and the opinions of the auditors relating to their examination of the annual financial statements of DELTON AG, and their examination of the consolidated financial statements, were presented to all members of the Supervisory Board in reasonable time prior to the Supervisory Board meeting convened to approve the year-end financial statements.

Ernst & Young also examined the risk management system of DELTON AG. This audit revealed that the Management Board has instituted a system that is suited to its task of identifying developments at an early stage that could endanger the continued existence of the Company as a going concern. At a joint meeting with the auditors, the Audit Committee received extensive details about the annual and consolidated financial statements of DELTON and was able to obtain comprehensive information about items of significance. The auditors also attended the meeting of the Supervisory Board at which the financial statements were approved.

We have examined the DELTON annual financial statements, the consolidated financial statements and the combined management report for DELTON AG and the Group. The examination gave no cause for objection. The Supervisory Board concurs with the findings of the audit and, at its meeting today, has approved the annual financial statements drawn up by the Management Board. The annual financial statements of DELTON AG have therefore been adopted pursuant to § 172 AktG. We concur with the management report of the Management Board.

Pursuant to § 312 AktG, the Management Board has prepared a report on relationships with affiliated companies for the fiscal year 2002. Ernst & Young has examined this report and issued the following opinion: "In our opinion, based on the examination which we have carried out in accordance with professional standards, the factual information contained in the report is correct, the consideration given by the Company for the legal transactions referred to in the report was not unreasonably high, and there are no circumstances supporting a judgement materially different from that reached by the Management Board with regard to the actions referred to in the report". The Supervisory Board, which has also examined the report, concurs with the findings of the audit by Ernst & Young and has no objection to the Management Board's report on relationships with affiliated companies.

The Supervisory Board proposes to the 2003 Annual General Meeting that Ernst & Young AG Wirtschaftsprüfungsgesellschaft, Eschborn, Frankfurt/Main, Germany (which resulted from the merger of the Arthur Andersen and Ernst & Young organizations in Germany) be appointed auditors for the fiscal year 2003. This company has issued the statement required by section 7 (2)(1) of the German Corporate Governance Code.

Changes in membership of the Supervisory Board

Following the sale of the van Laack Group, Mr. Hans-Wolfgang Darge resigned from the Supervisory Board as employee representative on September 2, 2002 in accordance with statutory requirements. The Supervisory Board thanked Mr. Darge for his constructive contribution. He was replaced by Mr. Klaus Boos, who had already been elected as replacement member for Mr. Darge in the employee ballot for the Supervisory Board in March 2001.

The Supervisory Board thanks the Management Board, Divisional management and all employees in the DELTON Group for their efforts and commitment in the past fiscal year.

Bad Homburg v. d. Höhe, May 22, 2003

The Supervisory Board

Stefan Quandt
Chairman

Supervisory Board of DELTON AG

Stefan Quandt
(Chairman)
Entrepreneur
BMW AG (Deputy Chairman)*
CEAG AG*
Dresdner Bank AG*
Gerling-Konzern Allgemeine Versicherungs-AG*
DataCard Corporation, USA**

Rita Brehm
(Deputy Chairwoman)
Machine Fitter
FRIWO Gerätebau GmbH
CEAG AG*

Dr. rer. nat. Frank Trömel
(Deputy Chairman)
Former Chief Executive Officer of
DELTON AG
New Germany Fund, Inc., USA**

Ulf C. Behringer
Head of Subsidiaries
Biologische Heilmittel Heel GmbH
DCG Nordic AB, Sweden**
Heel Biologische Geneesmiddelen B.V., Netherlands**
Heel Canada Inc., Canada**
Heel Inc., USA**
Heel South Africa (Pty.) Ltd., South Africa**
Homeoden-Heel N.V., Belgium**
Phinter-Heel S.A., Spain**

Klaus Boos
Landscape Gardener
Biologische Heilmittel Heel GmbH
(Member of the Supervisory Board since
September 2, 2002)

Prof. Dr. rer. pol. Manfred Bruhn
University Lecturer in Business Management Studies
MC Marketing Corporation AG (Chairman)*
CASEA AG*
Stylepark AG*

Horst Gellert
Former Chief Executive Officer of
DETECON GmbH
Barmenia Versicherungen*
BULL GmbH*
Dimetis AG*
DETECON Inc., USA (Chairman)**
tmm Telecomunicações Móveis de Moçambique Lda.,
Mosambique (Chairman)**

Prof. Dr. Michael Hoffmann-Becking
Attorney at Law
Bertelsmann AG*
Rheinische Bahngesellschaft AG*
C. H. Boehringer Sohn (Chairman)**
Felix Schoeller Holding GmbH & Co. KG (Chairman)**
de Haen-Carstonjen+Söhne GmbH**

Ursula Karius
Chemistry Laboratory Technician
Biologische Heilmittel Heel GmbH

Inge Lies-Bohlmann
Second Authorized Representative of
IG Metall Bremen
Still GmbH*
STN ATLAS Elektronik GmbH*

Dr. oec. Dieter Schadt
Former Chief Executive Officer of
Franz Haniel & Cie GmbH
ExxonMobile Central Europe Holding GmbH*
Gebr. Röchling KG*
Röchling RIV GmbH*
RWE Umwelt AG*
TAKKT AG*

Guntram Schneider
First Authorized Representative of IG Metall Münster
Claas KG a. A. (Deputy Chairman)**

Resigned from the Supervisory Board

Hans-Wolfgang Darge
Member of Resource Management
van Laack GmbH
(resigned September 2, 2002)

Status as at December 31, 2002

* Membership of other statutory Supervisory Boards
** Membership of comparable Supervisory Committees in Germany and abroad

Management Board of DELTON AG

Berndt-Michael Winter
(Chief Executive Officer)
CEAG AG (Chairman)*
DELTON Vermögensverwaltung AG (Chairman)*
Microlog Logistics AG (Chairman)*
CeDo Household Products Ltd., UK**
Thiel Logistik AG, Luxembourg (Chairman)**

Dr. Antonius Wagner
(Chief Financial Officer)
(Member of the Management Board since February 1, 2002)
Microlog Logistics AG*
CeDo Household Products Ltd., UK**
Thiel Logistik AG, Luxembourg (Deputy Chairman)**

Dr. Klaus-Dieter Petersson
DELTON Vermögensverwaltung AG (Deputy Chairman)*
Texpa Maschinenbau GmbH & Co. KG**

Michael D. Wilkens
(resigned May 14, 2002)
DELTON Vermögensverwaltung AG*
FRIWO Gerätebau GmbH (Deputy Chairman)*
CeDo Household Products Ltd., UK**
(Status of memberships as at May 14, 2002)

Heads of Central Services

Hans-Peter Hermani
Group Accounting / MIS

Dr. Tatjana Schroeder
Legal

Ulrike Hohmann
Treasury

Dr. Peter Straube
Group Controlling

Susanne Prüfer
Corporate Communications

* Membership in statutory Supervisory Boards
** Membership in Supervisory Committees comparable to Supervisory Boards

Status as at May 15, 2003

Areas of Responsibility at DELTON AG

Berndt-Michael Winter Chief Executive Officer	**Dr. Klaus-Dieter Petersson** Member of Management Board	**Dr. Antonius Wagner** Member of Management Board (CFO)
Holding functions		
Corporate Strategy		Group Controlling
Personnel		Group Accounting/MIS
Legal		Risk Management
Corporate Communications		Tax
		Treasury
		Insurance
		IT/IS
Divisions		
Household Products	Pharmaceuticals	
Logistics		
Power Supply		

Management Boards of Divisions

Pharmaceuticals

Ergo-Pharm Beteiligungsgesellschaft mbH
Dr. Klaus-Dieter Petersson (CEO)
Dr. Rainer Hopfgarten (CFO)

Household Products

CeDo Household Products Ltd.
Peter Humphreys (CEO)
Don Ferguson (CFO)
Les Jakeman

Logistics

Thiel Logistik AG
Dr. Klaus Eierhoff (CEO)
Stefan Delacher
Prof. Dr. Andreas Goldschmidt
Martin Löffler (CFO)

Power Supply

CEAG AG
Rolf Endreß (CEO)
Matthias Grevener (CFO)

Status as at May 15, 2003

Five-year summary

(Euro millions)	1998*	1999*	2000	2001	2002
Sales	607,0	616,1	733,1	594,1	1.053,6
– Pharmaceuticals	77,7	79,2	91,8	100,1	115,2
– Household Products	219,6	231,3	246,4	220,1	214,4
– Logistics	74,6	66,4	71,6	14,4	505,7
– Fashion	69,9	68,0	62,5	45,7	26,9
– Power Supply	165,2	171,2	260,8	213,8	191,4
EBITA	44,7	24,6	24,4	20,3	7,6
Profit before tax	33,3	14,4	10,0	7,1	– 61,3
Net earnings	28,0	14,0	0,9	5,1	– 68,3
Return on sales – EBITA (%)	7,4	4,0	3,3	3,4	0,7
Shareholders' equity including minority interests	88,0	94,4	122,3	180,2	267,4
Equity ratio including minority interests (%)	26	24	26	35	20
Capital expenditure and acquisitions	55,8	37,1	34,8	117,1	154,9
Cash flow from operating activities	49,3	13,5	25,5	43,3	20,8
Number of employees at Dec. 31	8.574	9.286	11.949	11.798	22.579

*according to HGB

Imprint

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Both versions are also available as pdf downloads at www.delton.de

The Financial Statements (in German only) are available on request.

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