First three months

Quarterly Report I/2006

Dear Shareholders

TAKKT has started in 2006 extremely well. This development is bolstered by the improved economic situation in Europe and Germany. TAKKT saw turnover rise by 30 percent, with key earnings figures also experiencing a pronounced increase. Profit before tax was up by 30.8 percent to EUR 28.0 million.

TAKKT highlights in the first three months of 2006

- Turnover increases by 24.9 percent in currency-adjusted terms
- Earnings per share up by 31.6 percent to 25 cent
- Cash flow up from EUR 17.4 to 22.8 million
- First-time consolidated NBF Group is developing positively
- Business at newly founded companies in China, Turkey, Romania, Belgium and Canada continues to be good
- Successful redesign of KAISER + KRAFT catalogue

The TAKKT Group

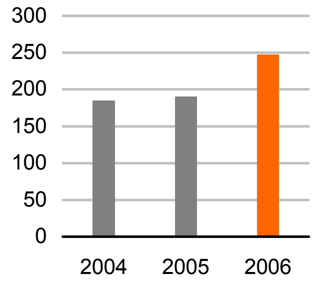
TAKKT Group was able in the first quarter to pick up on the positive development of 2005 and significantly increased turnover. Including the first-time consolidated NBF Group, turnover rose to EUR 247.6 (previous year: 190.5) million, being a surge of 30.0 percent in year-on-year terms. Based on unchanged exchange rates the increase amounted to 24.9 percent. Even when excluding the first-time consolidated NBF Group TAKKT still shows strong growth, turnover in the reporting currency of euros was up by 16.2 percent to EUR 221.3 million and adjusted for currency effects the increase amounts to 12.2 percent.

In addition to economic recovery in Europe, this development was also driven by the re-designed KAISER + KRAFT catalogue (“everything for the business”), a further optimised product range, continually improved service levels as well as successful web-marketing. It should be noted that the unusually high number of working days in the first quarter and Easter being later this year lead to positive impulses compared to the prior year. Turnover increases are spread evenly throughout TAKKT Group’s value and growth drivers, i.e. average order values and the number of orders were up considerably.

All three divisions contributed to turnover growth. KAISER + KRAFT EUROPA and the Topdeq Group generated currency-adjusted growth of 15.4 percent and 8.5 percent respectively. The division K + K America was able to increase its turnover in US-dollar terms by 44.4 percent against the previous year. K + K America's organic growth before consolidating NBF Group was 9.2 percent, which is extremely positive against the backdrop of the North American economy cooling down.

The TAKKT management assumes that turnover for the financial year 2006 will increase by at least 18 percent. Good business development in the first three months of this year supports this ambitious target.

Turnover January to March TAKKT Group in million Euro

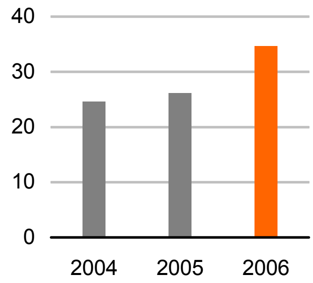


Results of the TAKKT Group

As a result of the first-time consolidation of NBF Group the gross profit margin dropped slightly to 41.1 (41.6) percent, as expected. Excluding the acquisition TAKKT would have reported a slight increase. This can be attributed to improved purchasing terms as well as structural effects from the shift in turnover shares to companies with higher gross profit margins.

Earnings before interest, tax, depreciation and amortisation, EBITDA, increased by EUR 8.5 million to reach EUR 34.6 million, which represents an increase of 32.6 percent. The EBITDA margin improved from 13.7 to 14.0 percent. Without consolidating the NBF Group, TAKKT Group would have achieved a 15.0 percent margin. The reason for this extremely positive development can be attributed to generally higher utilisation of central mail order infrastructures in conjunction with more efficient catalogues and mailings. The first quarter results completely met expectations.

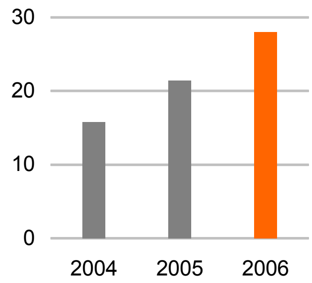
EBITDA January to March TAKKT Group in million Euro



Experience shows that TAKKT Group generates higher turnover and better key figures in the first and fourth quarters in comparison to the second and third quarters, the reason being the fewer public holidays as well as the holiday season itself. For the full year 2006 the TAKKT management is expecting the EBITDA margin to be at the top end of the 10 to 12 percent target corridor, despite planned expense for newly founded companies of the years 2005 and 2006 and the first-time consolidation of NBF Group.

As expected, depreciation increased significantly from EUR 2.2 to 3.5 million. This can be attributed to the first-time amortisation of intangible assets, which were identified in the purchase price allocation conducted for NBF Group under IFRS 3.

Profit before tax January to March TAKKT Group in million Euro

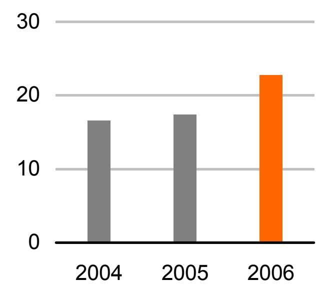


EBITA, earnings before interest, tax and amortisation, reached EUR 31.1 (23.9) million, which is an increase of 30.1 percent and a margin of 12.6 (12.5) percent. Goodwill impairment was not necessary.

Interest expense increased as a result of higher financial liabilities in connection with the NBF acquisition as well as for currency translation reasons. Profit before tax however still increased considerably to EUR 28.0 (21.4) million, marking a rise of 30.8 percent against the previous year.

Profit was up from EUR 13.8 to 18.4 million. Cash flow also increased to EUR 22.8 million in the first quarter and exceeded the previous year's amount of EUR 17.4 million considerably. This is a margin of 9.2 (9.1) percent of turnover.

Cash flow January to March TAKKT Group in million Euro



Balance sheet of the TAKKT Group

Thanks to the high cash flow and continuing healthy earnings situation, TAKKT's financial structure after the consolidation of NBF Group remains sound. Its equity ratio at the end of the quarter is 42.5 percent.

Acquiring NBF Group saw assets and liabilities increase. Information regarding the purchase price allocation is given in the notes to this quarterly report.

On the balance sheet date net borrowings amounted to EUR 207.8 million in contrast to EUR 156.5 million at 31 December 2005. Different exchange rates, particularly the US-dollar, caused borrowings to drop by EUR 2.1 million in the first quarter of 2006. Paying for the acquisition at the beginning of the year increased borrowings. Thanks to TAKKT's high cash flow it was able to repay EUR 18.5 million in borrowings.

TAKKT continues to focus on its receivables management. Average collection periods are about 41 days and therefore at previous year levels. Consolidating NBF Group does not have any negative impact on this key figure.

In the first three months of the financial year TAKKT invested EUR 2.8 (1.6) million in rationalising, maintaining and expanding its business. This puts the investment ratio within the long-term target of 1 to 2 percent of Group turnover.

KAISER + KRAFT EUROPA

KAISER + KRAFT EUROPA was able to increase turnover by 15.4 percent to EUR 116.3 (100.8) million against the backdrop of the European economy continuing to pick up and contributed 47.0 percent to Group turnover. This development is driven by higher average order values and increased order numbers. The e-business turnover has increased over-proportionately.

The division was able to record double-digit growth in almost all countries, which is also based on the higher number of working days compared to the previous year.

The earnings situation continues to be extremely positive. Despite budgeted start-up costs for newly founded companies in the past years, EBITDA jumped from EUR 18.6 to 24.0 million, an increase of 29.0 percent, putting the EBITDA margin at record-breaking 20.6 (18.5) percent. This can be attributed to higher capacity utilisation, more efficient advertising media as well as better purchasing terms.

EBITA subsequently increased by 31.0 percent to EUR 22.8 (17.4) million.

The first eight weeks since starting operating business in China have been very promising and the order intake has exceeded expectations. By gradually increasing the product range as well as widening the delivery radius step by step, management is expecting high organic growth in this region in coming years. Companies in Turkey and Romania are continuing to develop as expected.

Gaerner's market entry into France is imminent and the first catalogue is being mailed in May 2006 as planned.

Topdeq

Topdeq Group was able to maintain its growth momentum from 2005 in the first three months of the financial year 2006. The division increased its turnover by 10.4 percent in the year under review to EUR 23.3 (21.1) million and is contributing 9.4 percent to Group turnover. In currency-adjusted terms the increase in turnover was 8.5 percent. Increasing turnover can be attributed to significantly higher average order values in repositioning Topdeq as a premium brand. With the exception of Germany, all companies contributed to growth. Developments in the USA were particularly positive.

The division saw a higher than average increase in profitability thanks to increased capacity utilisation as well as further optimising the product range. EBITDA was up by 14.3 percent to reach EUR 1.6 (1.4) million, which corresponds to a margin of 6.9 (6.6) percent.

EBITA was up by 20.0 percent to EUR 1.2 (1.0) million.

The company founded in Belgium in 2005 is continuing to develop extremely positively and exceeds expectations. Preparations for entering the Austrian market are going according to plan.

K + K America

The division K + K America saw strong growth in the first quarter of 2006. Compared to the previous year's period, turnover was up by 44.4 percent to USD 129.8 (89.9) million. As a result of the higher US-dollar compared to the previous year, turnover in the reporting currency of euros was even up by 57.4 percent, reaching EUR 108.0 (68.6) million. This accounts for 43.6 percent of Group turnover.

A major reason for the jump in turnover is the first-time consolidation of NBF Group from 2 January 2006. Even excluding NBF, K + K America has developed extremely positively. Turnover was up by 9.2 percent to USD 98.2 (89.9) million in acquisition-adjusted terms. Growth in turnover can be attributed to an increase in average order values, which were up considerably at almost all companies. Consolidating NBF Group also triggered a structural increase for this value and growth driver, as the average order value at NBF is clearly higher than the division average.

The development of Hubert in the USA, C&H in Mexico and NBF Group continues to be especially positive. Other companies were able to record sound increases despite weakening economic momentum in the manufacturing sector.

Consolidating NBF also has a visible impact on the division's profitability figures. EBITDA improved significantly from EUR 8.0 to 11.3 million. The EBITDA margin did however fall from 11.7 to 10.5 percent, as expected. Excluding the acquisition, the EBITDA margin would have further increased to 12.1 percent. Improved processes as well as more efficient advertising media have had a positive effect.

EBITA was EUR 9.5 (7.4) million.

The TAKKT share

At the beginning of the year TAKKT again took the opportunity at a Capital Markets Conference in Germany to convince investors and analysts alike of the virtues of its business model.

After the Financial Statements Press Conference in Stuttgart and the Analysts Conference in Frankfurt at the end of March 2006, TAKKT continued its intensive investor relations activities with road shows in London and Edinburgh as well as visiting Paris at the beginning of April. In a series of meetings with investors and analysts management highlighted the strategy and the growth opportunities of the Group.

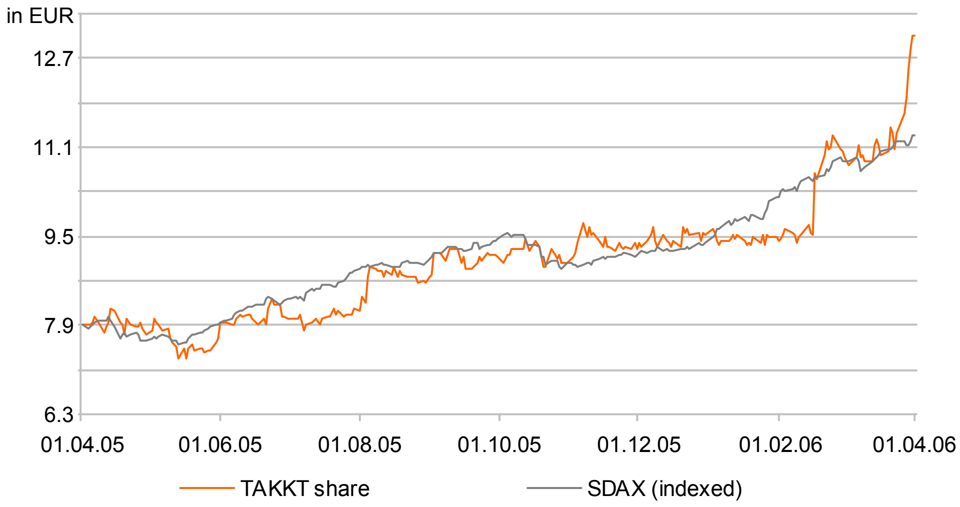
The increase of TAKKT’s share price since the beginning of the year is as positive as the business development.

The Annual General Meeting on 31 May 2006 is an ideal opportunity for private and institutional investors to communicate with the management of TAKKT AG.

Due to the purchase of NBF and the resulting financial commitment, TAKKT AG’s Management and Supervisory Boards will propose that the dividend for the financial year 2005 remains unchanged at 15 cent per share. Information about the agenda and respective motions are published on the website www.takkt.de.

TAKKT will be publishing the report for the first half-year 2006 on 3 August 2006.

Performance of the TAKKT share, 52 week comparison



Notes

The unaudited interim report of TAKKT Group has been drawn up in compliance with the International Accounting Standard (IAS) 34.

- Accounting principles
  The same accounting principles were applied as in preparing the consolidated statement for the financial year 2005. This interim report is therefore to be read in the context of the Annual Report for 2005, page 79 onwards.
- Scope of consolidation
  In comparison with 31 December 2005, the scope of consolidation has increased by five companies in connection with the acquisition of NBF Group.
- Earnings per share
  Earnings per share is calculated by dividing profit after minority interest by the weighted average number of common stock. So-called potential shares (especially stock options and convertible bonds) which could have a dilutive effect on earnings per share were not issued. Diluted and undiluted earnings per share are therefore identical.
- Acquisition of subsidiaries
  On 2 January 2006 TAKKT Group acquired the complete business operations of National Business Furniture (NBF) Group in the USA for a cash payment of about USD 85 million in the form of an asset deal.
  NBF Group is based in the US state of Wisconsin and owns five brands. The largest share of turnover is generated by the National Business Furniture brand. This main brand sells traditional US office furniture to a broad range of companies. The brands Alfax and Dallas Midwest mainly focus on non-profit organisations such as schools, universities and public authorities, while the brands OfficeFurniture.com and FurnitureOnline.com sell their products exclusively online.
  NBF's product range includes more than 11,000 articles.
  In 2005, NBF Group generated a turnover of approx. USD 125 million with an EBIT margin of about 5 percent.

  This transaction was accounted for under the acquisition method.
  The purchase price of acquired assets and liabilities at the time of purchase can be allocated as follows:

	Book value USD million	Fair value adjustments USD million	Fair value USD million
Non-current assets	1.4	31.7	33.1
Current assets	17.3	-2.1	15.2
Current liabilities	-9.4	-0.4	-9.8
	9.3	29.2	38.5
Goodwill			**46.7**
Purchase price			**85.2**

  Goodwill can be contributed to a number of factors which strengthen the operational and strategic position of TAKKT Group without a value being attributable to an individual item.

The expected useful lives of the other intangible assets acquired are as follows:

	Fair value USD million	Useful lives in years
Trade names	9.4	indefinite
Customer lists	11.4	5
Domain names/websites	5.8	3
Catalogue	5.2	10
Other	0.5	
	32.3	

- Other disclosures

Contingent liabilities are not material and have remained unchanged since the last balance sheet date.
No use was made of the option to buy-back own shares in the period under review.
There were no material events after the end of the interim reporting period.
Extraordinary events or transactions as specified in IAS 34.16c have not occurred.

Consolidated income statement

(in EUR million)

	01.01.2006-31.03.2006	01.01.2005-31.03.2005
Turnover	247.6	190.5
Changes in inventories of finished goods an work in progress	0.0	0.1
Own work capitalised	0.0	0.0
Gross performance	**247.6**	**190.6**
Cost of sales	145.9	111.3
Gross profit	**101.7**	**79.3**
Other income	1.9	1.3
Personnel expenses	28.9	23.7
Other operating expenses	40.1	30.8
EBITDA	**34.6**	**26.1**
Depreciation of property, plant and equipment and other intangible assets	3.5	2.2
EBITA	**31.1**	**23.9**
Amortisation of goodwill	0.0	0.0
EBIT	**31.1**	**23.9**
Financial result	- 3.1	- 2.5
Profit before tax	**28.0**	**21.4**
Income taxes	9.6	7.6
Profit	**18.4**	**13.8**
attributable to TAKKT AG shareholders	18.1	13.6
attributable to minority interest	0.3	0.2
	18.4	**13.8**
Number of issued shares in millions	72.9	72.9
Earnings per share in EUR	0.25	0.19
Average no. of employees (full-time equivalent)	2,006	1,841

Consolidated balance sheet

(in EUR million)

Assets	31.03.2006	31.12.2005
Non-current assets		
Property, plant and equipment	69.2	68.0
Goodwill	263.1	227.5
Other intangible assets	35.2	9.3
Other financial assets	0.4	0.4
Deferred tax	5.0	5.1
	372.9	**310.3**
Current assets		
Inventories	63.8	66.0
Trade receivables	111.2	95.9
Other receivables and assets	26.3	23.3
Income tax assets	0.1	0.1
Cash and cash equivalents	7.2	4.3
	208.6	**189.6**
Total assets	**581.5**	**499.9**

Equity and liabilities	31.03.2006	31.12.2005
Shareholders' equity		
Issued capital	72.9	72.9
Reserves	155.8	108.5
Other comprehensive income	0.2	- 0.5
Profit attributable to shareholders	18.1	49.7
	247.0	**230.6**
Minority interest	**2.7**	**2.4**
Total equity	**249.7**	**233.0**
Non-current liabilities		
Borrowings	142.0	150.0
Deferred tax	14.7	13.7
Provisions	13.2	12.4
	169.9	**176.1**
Current liabilities		
Borrowings	73.0	12.2
Trade payables	36.6	28.2
Other liabilities	27.6	28.4
Provisions	10.9	10.5
Income tax liabilities	13.8	11.5
	161.9	**90.8**
Total equity and liabilities	**581.5**	**499.9**

Consolidated statement of changes in total equity

(in EUR million)

	Issued capital	General reserves	Currency reserves	Other compre-hensive income	Share-holders' equity	Minority interest	Total equity
Balance at 01.01.2006	**72.9**	**165.8**	**- 7.6**	**- 0.5**	**230.6**	**2.4**	**233.0**
Effect of currency changes	0.0	0.0	- 2.4	0.0	- 2.4	0.0	- 2.4
Dividends paid	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Profit	0.0	18.1	0.0	0.0	18.1	0.3	18.4
Changes in derivative financial instruments	0.0	0.0	0.0	0.7	0.7	0.0	0.7
Balance at 31.03.2006	**72.9**	**183.9**	**- 10.0**	**0.2**	**247.0**	**2.7**	**249.7**

	Issued capital	General reserves	Currency reserves	Other compre-hensive income	Share-holders' equity	Minority interest	Total equity
Balance at 01.01.2005	**72.9**	**127.1**	**- 17.7**	**- 1.3**	**181.0**	**3.0**	**184.0**
Effect of currency changes	0.0	0.0	3.0	- 0.1	2.9	0.0	2.9
Dividends paid	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Profit	0.0	13.6	0.0	0.0	13.6	0.2	13.8
Changes in derivative financial instruments	0.0	0.0	0.0	0.3	0.3	0.0	0.3
Balance at 31.03.2005	**72.9**	**140.7**	**- 14.7**	**- 1.1**	**197.8**	**3.2**	**201.0**

Segment information

(in EUR million)

01.01.-31.03.2006	K + K EUROPA	Topdeq	K + K America	Other	Group total
Segment turnover	116.3	23.3	108.0	0.0	247.6
EBITDA	24.0	1.6	11.3	- 2.3	34.6
EBITA	22.8	1.2	9.5	- 2.4	31.1
EBIT	22.8	1.2	9.5	- 2.4	31.1
Profit before tax	21.3	1.1	7.1	- 1.5	28.0
Profit	14.1	0.9	4.4	- 1.0	18.4
Average no. of employees (full-time equivalent)	867	203	909	27	2,006
Employees (full-time equivalent) at 31.03.2006	868	200	910	27	2,005

01.01.-31.03.2005	K + K EUROPA	Topdeq	K + K America	Other	Group total
Segment turnover	100.8	21.1	68.6	0.0	190.5
EBITDA	18.6	1.4	8.0	- 1.9	26.1
EBITA	17.4	1.0	7.4	- 1.9	23.9
EBIT	17.4	1.0	7.4	- 1.9	23.9
Profit before tax	16.0	0.9	5.9	- 1.4	21.4
Profit	10.7	0.9	3.6	- 1.4	13.8
Average no. of employees (full-time equivalent)	832	211	773	25	1,841
Employees (full-time equivalent) at 31.03.2005	826	211	772	25	1,834

Consolidated cash flow statement

(in EUR million)

	01.01.2006-31.03.2006	01.01.2005-31.03.2005
Profit	18.4	13.8
Depreciation of non-current assets	3.5	2.2
Deferred tax affecting profit	0.9	1.4
Cash flow	**22.8**	**17.4**
Other non-cash expenses and income	3.2	4.1
Profit and loss on disposal of non-current assets	0.0	0.0
Change in inventories	1.0	- 1.1
Change in trade receivables	- 9.4	- 6.2
Change in other assets not included in investing and financing activities	2.7	2.8
Change in short and long-term provisions	1.0	- 0.2
Change in trade payables	4.2	- 1.6
Change in other liabilities not included in investing and financing activities	- 1.3	- 0.9
Cash flow from operating activities	**24.2**	**14.3**
Proceeds from disposal of non-current assets	0.3	0.1
Capital expenditure on non-current assets	- 2.8	- 1.6
Acquisition of NBF Group (less cash acquired)	- 70.4	0.0
Cash flow from investing activities	**- 72.9**	**- 1.5**
Proceeds from borrowings	166.2	7.9
Repayment of borrowings	- 114.3	- 17.1
Dividends to TAKKT AG shareholders and minority interest	0.0	0.0
Other financial payments	- 0.2	0.0
Cash flow from financing activities	**51.7**	**- 9.2**
Net change in cash and cash equivalents	3.0	3.6
Effect of exchange rate changes	- 0.1	0.0
Cash and cash equivalents at beginning of period	4.3	4.0
Cash and cash equivalents at end of period	**7.2**	**7.6**

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