Report for the first half-year 2004

DEAR SHAREHOLDERS,

In the first six months of 2004, TAKKT reported an exchange rate adjusted turnover growth of 3.9 percent, benefiting from the slightly improved economic situation in Europe and North America. Earnings rose at an above average rate, with earnings before tax up 39.1 percent to EUR 26.7 million.

HIGHLIGHTS DURING THE FIRST HALF-YEAR OF 2004:

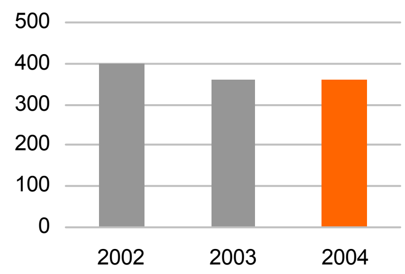
- Turnover up 3.9 percent in exchange rate adjusted terms
- Earnings per share increase by 43.8 percent
- Equity ratio increases to 35.1 percent
- KAISER + KRAFT EUROPA takes Gerdmans to Estonia
- Dr. Klaus Trützschler succeeds Günther Hülse as Chairman of the Supervisory Board
- Change in the Management Board of TAKKT AG: Dr. Florian Funck succeeds Dr. Felix A. Zimmermann as CFO
- Annual General Meeting authorised the Management and the Supervisory Boards to implement a new stock repurchase programme
- Annual General Meeting confirms payment of an unchanged dividend of EUR 0.10 per share

THE TAKKT GROUP. TAKKT's first-half turnover declined by 0.7 percent to EUR 358.4 (360.8) million. Adjusted for changes in exchange rates, turnover was up 3.9 percent on the previous year. This good development is mainly due to an increased number of orders. Based on stable exchange rates, the average order value also increased moderately.

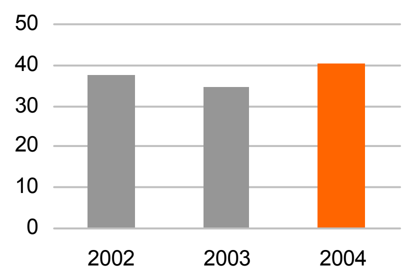
TAKKT AG

BUSINESS EQUIPMENT SOLUTIONS

Turnover first half-year
TAKKT Group in EUR million



EBITA first half-year
TAKKT Group in EUR million



The individual segments developed in line with expectations. While the North American economy continued to recover, the upward trend in Europe is not yet stable. The positive development is partly attributable to the fact that TAKKT updated its advertising media and slightly increased the catalogue circulation.

Even though the course of business in the first half of the year gives cause for optimism, the future development will depend primarily on a revival of the economy, especially in Germany. TAKKT will keep to its exchange rate adjusted growth target of 3 percent. Full-year earnings before tax will grow at an above average rate.

RESULTS OF THE TAKKT GROUP. The gross profit margin again increased slightly over the previous year. This good result forms the basis for the stable earnings figures of the TAKKT Group. The biggest contribution to the improved figures was made by KAISER + KRAFT EUROPA.

EBITDA (earnings before interest, tax, depreciation and amortisation) rose by 12.9 percent to EUR 44.7 (39.6) million. The EBITDA margin improved noticeably to 12.5 (11.0) percent.

Earnings before interest, tax and amortisation (EBITA) climbed 16.2 percent to EUR 40.2 (34.6) million. The EBITA margin rose again, from 9.6 to 11.2 percent. This means that first and second-quarter earnings were fully in line with expectations. The TAKKT Group has traditionally reported higher turnover and earnings in the first and fourth quarters than in the second and third quarters. This is due to the fact that most advertising media are mailed at these times as well as to the higher number of (public) holidays in the second and third quarters. TAKKT is confident in achieving an EBITA margin at the upper end of the long-term corridor between 9 and 11 percent for the full year.

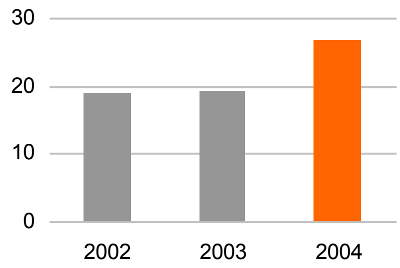
Scheduled amortisation of goodwill was at the same level as in the previous year. The changes shown are the result of currency translation and were caused by the depreciation of the US dollar. Accordingly, earnings before interest and tax (EBIT) rose by 22.8 percent to EUR 32.3 (26.3) million, which represents an EBIT margin of 9.0 (7.3) percent.

The TAKKT Group's profit before tax increased to EUR 26.7 (19.2) million. Based on a slightly lower tax ratio, net income reached EUR 17.2 (12.0) million. At EUR 29.6 (25.3) million, cash flow was also clearly up on the previous year.

The capacity adjustments implemented in previous quarters again contributed to an improvement in key figures. Expenses for newly established companies were in line with the budget but a little lower than in the same period of the previous year.

Due to the TAKKT Group's reduced indebtedness, interest expense was lower than in the first half of 2003. TAKKT also benefited from the continuing weakness of the US dollar, which had a positive effect on the interest result on translation into euros.

Profit before tax first half-year TAKKT Group in EUR million



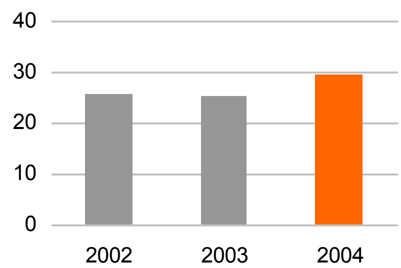
BALANCE SHEET OF THE TAKKT GROUP. The financial structure remains solid. The high cash flow again enabled TAKKT to reduce its financial liabilities. At the same time, the equity ratio rose from 32.8 percent on 31 December 2003 to 35.1 percent on the reporting date. This figure already reflects the dividend paid for 2003.

The Group's net financial debt amounted to EUR 222.3 million at 30 June 2004, down from EUR 234.4 million at 31 December 2003. Net financial debt rose by EUR 4.7 million as a result of changes in exchange rates. EUR 12.2 million of cash flow was used to repay debt. TAKKT expects full-year debt repayments to total approx. EUR 30 million.

In the first half of the year, TAKKT invested EUR 4.2 (4.7) million in the rationalisation, expansion and maintenance of its business operations. At 1.2 percent of turnover capital expenditure was in line with the long-term average.

Contingent liabilities have remained unchanged since the last balance sheet date. No use had been made of the stock repurchase programme up to the reporting date. No major incidents have occurred since the end of the reporting period.

Cash flow first half-year TAKKT Group in EUR million



KAISER + KRAFT EUROPA. At EUR 186.5 (181.6) million, first-half turnover at KAISER + KRAFT EUROPA was up 2.7 percent on the same period of the previous year. Based on stable exchange rates, the increase would have come to 3.4 percent. KAISER + KRAFT EUROPA contributed 52.0 percent to total Group turnover. The subsidiaries in Eastern Europe, France and Switzerland reported a positive course of business. This development is mainly attributable to an increase in the number of orders in the second quarter. In Germany the first signs of a recovery are visible. The situation in the Netherlands remains weak.

KAISER + KRAFT EUROPA's earnings position remains gratifying, with EBITA totalling EUR 31.0 (27.7) million. The EBITA margin climbed from the previous year's 15.3 percent to 16.6 percent.

The new subsidiary in Japan has shown a positive development. The enlarged product range has been very well received by local customers. The company will continue to grow in the coming years as both the product range and the delivery radius are expanded.

TOPDEQ. Turnover in the Topdeq division declined by 2.8 percent to EUR 34.8 (35.8) million. Based on stable exchange rates, the decline would have come to only 0.8 percent. Topdeq contributed 9.7 percent to total Group turnover. The persistently weak demand for office furniture is primarily apparent in Germany and the Netherlands. Business in the USA stagnated as prices were adjusted in response to the changed US dollar exchange rate in order to maintain profitability. In the USA, declining order numbers contrast with a higher average order value. The Swiss and French subsidiaries developed favourably and reported good growth rates.

The adjustment of capacities to the course of business has had a positive impact on the earnings position of the Topdeq segment. The division generated earnings before interest, tax and amortisation of EUR -0.8 (-1.5) million.

K + K AMERICA. In the first half of 2004, the companies of the K + K America division generated a turnover of USD 168.1 (158.3) million, up 6.2 percent on the previous year. Translated into the reporting currency, however, turnover was down 4.4 percent to EUR 137.1 (143.4) million due to changes in exchange rates. The division has contributed 38.3 percent to total Group turnover. The profit-turnover ratio increased significantly, with the EBITA margin reaching 10.0 (8.4) percent. EBITA totalled USD 16.8 (13.3) million, equivalent to EUR 13.7 (12.0) million.

While the improved economic situation has clearly had a positive effect on business at C&H and Hubert, Conney’s turnover remained slightly below the previous year’s level. This is mainly attributable to the weak labour market situation in the manufacturing sector. Positive figures were reported in Mexico, however, where incoming orders have exceeded expectations by far.

THE TAKKT SHARE. On 4 May 2004, the Management and Supervisory Boards welcomed some 475 shareholders and guests to TAKKT AG‘s fifth ordinary Annual General Meeting in Ludwigsburg. The shareholders were informed about a change to the Supervisory Board, where Dr. Klaus Trützschler has taken over the position of Chairman from Günther Hülse, who retired from office for health reasons, but will remain a member of the Supervisory Board. Also the appointment of Dr. Florian Funck as new CFO was announced. With effect from 1 June 2004, Dr. Funck succeeded Dr. Felix Zimmerman, who joined Celesio AG as CFO as of the same date.

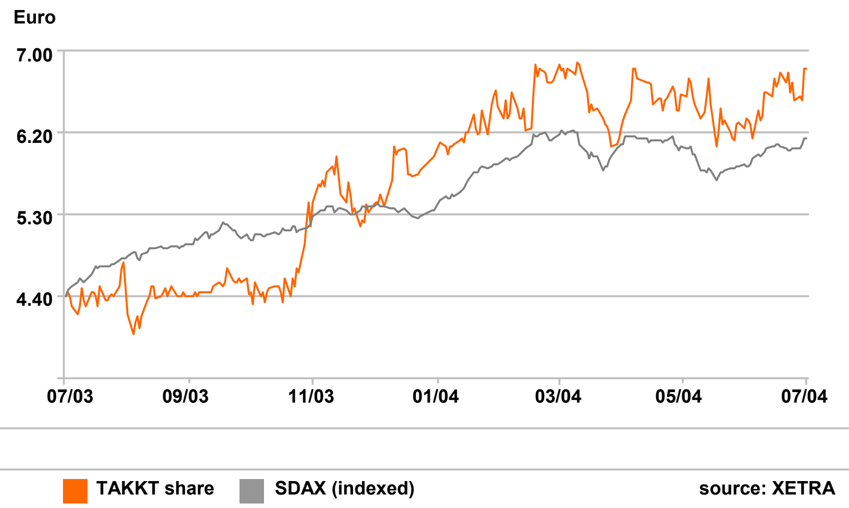
The vast majority of the shareholders approved the proposals as submitted by the Management and Supervisory Boards, including payment of a dividend of EUR 0.10 per share. As in the previous year, a total amount of EUR 7.3 million was paid out to the shareholders. The Supervisory and Management Boards were also authorised to implement a stock repurchase programme.

After the financial statements press conference and the analysts' conference in late March, the TAKKT management went on a road show to Paris, London and Edinburgh to inform potential investors of the advantages of the B2B mail order business. At the beginning of March, the TAKKT Management Board briefed institutional investors in Frankfurt on the strategy and the business development of the TAKKT Group. Investors in Copenhagen and Stockholm were contacted for the first time in April 2004. Dr. Florian Funck personally introduced himself to analysts in Frankfurt and London in June and July, respectively.

TAKKT's top management is actively involved in the company's ongoing investor relations activities. Not surprisingly, therefore, the company's investor relations department was voted the best IR department in the "Business Services" sector in a survey conducted by "Institutional Investor" magazine.

Figures for the first nine months of the financial year 2004 will be published on 4 November 2004.

Performance of the TAKKT share, 52 weeks comparison



CONSOLIDATED PROFIT AND LOSS ACCOUNT

(in EUR million)

	Q 2		H 1	
	01.04.2004-30.06.2004	01.04.2003-30.06.2003	01.01.2004-30.06.2004	01.01.2003-30.06.2003
Turnover	174.0	169.6	358.4	360.8
Changes in inventories of finished goods and work in progress	0.2	0.0	0.1	0.0
Own fixed assets capitalised	0.0	0.0	0.0	0.0
Gross performance	**174.2**	**169.6**	**358.5**	**360.8**
Cost of sales	102.8	101.5	211.1	214.5
Gross profit	**71.4**	**68.1**	**147.4**	**146.3**
Other income	1.7	1.8	3.6	3.6
Personnel expenses	23.2	23.5	46.6	47.8
Other operating expenses	29.8	30.3	59.7	62.5
EBITDA	**20.1**	**16.1**	**44.7**	**39.6**
Depreciation of other intangible and tangible assets	2.4	2.5	4.5	5.0
EBITA	**17.7**	**13.6**	**40.2**	**34.6**
Amortisation of goodwill	4.0	4.1	7.9	8.3
EBIT	**13.7**	**9.5**	**32.3**	**26.3**
Financial result	- 2.8	- 3.4	- 5.6	- 7.1
Profit before tax	**10.9**	**6.1**	**26.7**	**19.2**
Income taxes	3.9	2.1	9.5	7.2
Net income before minority interest	**7.0**	**4.0**	**17.2**	**12.0**
Minority interest	0.2	0.2	0.4	0.4
Net income	**6.8**	**3.8**	**16.8**	**11.6**
Number of issued shares in millions	72.9	72.9	72.9	72.9
Earnings per share in EUR	0.09	0.05	0.23	0.16
Average no. of employees (full-time equivalent)	1,847	1,898	1,851	1,903

This half-year report was prepared according to the International Financial Reporting Standards (IFRS). The same accounting principles as set out in the annual report 2003 (page 83 and following) were applied.

SEGMENT INFORMATION

(in EUR million)

01.01. – 30.06.2004	K + K EUROPA	Topdeq	K+K America	Other	Total
Turnover	186.5	34.8	137.1	0.0	358.4
EBITDA	33.3	0.1	14.9	- 3.6	44.7
EBITA	31.0	- 0.8	13.7	- 3.7	40.2
EBIT	27.7	- 1.5	9.8	- 3.7	32.3
Profit before tax	25.0	- 1.7	6.5	- 3.1	26.7
Net income before minorities	16.3	- 1.8	3.9	- 1.2	17.2
Average no. of employees (full-time equivalent)	837	222	766	26	1,851
Employees (full-time equivalent) at 30.06.2004	838	220	768	25	1,851

01.01. – 30.06.2003	K + K EUROPA	Topdeq	K+K America	Other	Total
Turnover	181.6	35.8	143.4	0.0	360.8
EBITDA	30.1	- 0.5	13.5	- 3.5	39.6
EBITA	27.7	- 1.5	12.0	- 3.6	34.6
EBIT	24.3	- 2.2	7.8	- 3.6	26.3
Profit before tax	21.3	- 2.4	3.4	- 3.1	19.2
Net income before minorities	13.9	- 2.3	1.9	- 1.5	12.0
Average no. of employees (full-time equivalent)	871	228	778	26	1,903
Employees (full-time equivalent) at 30.06.2003	865	222	780	26	1,893

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(in EUR million)

	Share capital	General reserves	Other comprehensive income	Total equity
Balance at 01.01.2004	**72.9**	**88.0**	**- 3.7**	**157.2**
Currency translation differences	0.0	2.7	- 0.2	2.5
Dividend	0.0	- 7.3	0.0	- 7.3
Other changes	0.0	0.0	0.0	0.0
Net income for the period	0.0	16.8	0.0	16.8
Changes in derivative financial instruments	0.0	0.0	1.2	1.2
Balance at 30.06.2004	**72.9**	**100.2**	**- 2.7**	**170.4**

	Share capital	General reserves	Other comprehensive income	Total equity
Balance at 01.01.2003	**72.9**	**83.9**	**- 7.2**	**149.6**
Currency translation differences	0.0	- 6.7	0.6	- 6.1
Dividend	0.0	- 7.3	0.0	- 7.3
Other changes	0.0	0.0	0.0	0.0
Net income for the period	0.0	11.6	0.0	11.6
Changes in derivative financial instruments	0.0	0.0	1.2	1.2
Balance at 30.06.2003	**72.9**	**81.5**	**- 5.4**	**149.0**

CONSOLIDATED CASH FLOW STATEMENT

(in EUR million)

	01.01.2004-30.06.2004	01.01.2003-30.06.2003
Net income (incl. minority interests)	17.2	12.0
Depreciation of fixed assets	12.4	13.3
Cash flow	**29.6**	**25.3**
Change in provisions	- 0.1	0.6
Other income / expenditure not affecting the movement of funds	0.2	- 0.4
Profit / loss on disposal of fixed assets	- 0,1	- 0.2
Change in stocks	- 3.4	1.3
Change in trade debtors and other assets not part of investing and financing activities	1.2	- 2.6
Change in trade liabilities and other liabilities not part of investing and financing activities	0.6	1.7
Net cash flow from operating activities	**28.0**	**25.7**
Proceeds from disposal of tangible and intangible assets	0.2	0.3
Investment in tangible and intangible assets	- 4.2	- 4.7
Net cash flow from investing activities	**- 4.0**	**- 4.4**
Change in gross borrowings	- 12.2	- 12.2
Dividends to Group shareholders and minority interests	- 7.3	- 7.3
Other changes in shareholders' equity	- 0.1	0.4
Net cash flow from financing activities	**- 19.6**	**- 19.1**
Net change in funds	4.4	2.2
Effects of exchange rate changes	0.1	- 0.2
Funds at beginning of period	4.2	5.5
Funds at end of period	**8.7**	**7.5**

CONSOLIDATED BALANCE SHEET

(in EUR million)

ASSETS	30.06.2004	31.12.2003
Fixed assets		
Goodwill	231.9	235.1
Other intangible assets	5.1	5.1
Tangible assets	71.9	71.5
Financial assets	0.1	0.1
	309.0	**311.8**
Current assets		
Stocks	59.9	55.4
Trade and other debtors	88.1	83.8
Cash and cash equivalents	8.7	4.2
	156.7	**143.4**
Deferred taxes	**6.3**	**9.6**
Prepaid expenses	**13.5**	**15.1**
	485.5	**479.9**

EQUITY AND LIABILITIES	30.06.2004	31.12.2003
Shareholders' equity		
Issued capital	72.9	72.9
General reserves	83.4	64.3
Other comprehensive income	- 2.7	- 3.7
Retained earnings	16.8	23.7
	170.4	**157.2**
Minority interest	**3.8**	**3.4**
Provisions	**29.1**	**29.3**
Short and long-term borrowings	**231.0**	**238.6**
Trade and other liabilities	**51.2**	**51.4**
	485.5	**479.9**

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Chairman of the Supervisory Board: Dr. Klaus Trützschler
Management Board: Georg Gayer (Chairman), Dr. Florian Funck, Alfred Milanello, Franz Vogel

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