First six months

Half-year report 2006

Dear Shareholders

TAKKT AG has remained on its growth track for the first half-year 2006. It has by far exceeded sales and profit before tax figures reported in the previous half-year as a result of the acquisition of National Business Furniture (NBF) Group, the improved economic development in Europe and a stable economic situation in North America. Consolidated turnover was up by 24.9 percent and reached EUR 471.6 million. Profit before tax improved by 12.8 percent to EUR 45.0 million. All three divisions contributed to this very positive result.

TAKKT highlights in the first half-year 2006

- Turnover up by 9.2 percent in currency and acquisition adjusted terms
- Earnings per share increase by 14.3 percent to 40 cent
- Cash flow reaches new half-year record with EUR 38.8 million
- First-time consolidated NBF Group exceeds expectations
- Newly founded companies meeting expectations: KAISER + KRAFT EUROPA already mailing its second catalogue in China, Gaerner in France is mailing its first
- New KAISER + KRAFT catalogue design very popular with customers
- TAKKT comes in third again in SDAX segment for renowned investor relations prize from business magazine “Capital”

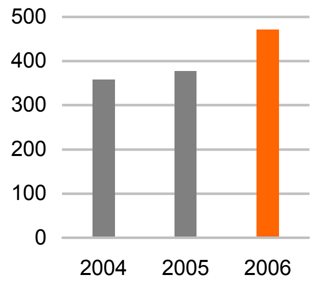
The TAKKT Group

In the first half of 2006 TAKKT generated a turnover of EUR 471.6 (previous year: 377.5) million including NBF Group, which was acquired with effect from 2 January 2006. This amounts to a substantial growth of 24.9 percent. Adjusted for exchange rate effects turnover increased by 22.2 percent. Even excluding NBF Group, TAKKT saw substantial growth in the first six months. Turnover excluding the acquisition increased by 11.3 percent to EUR 420.1 million, 9.2 percent in currency-adjusted terms.

The most important reason for the substantial increase can be attributed to higher average order values. Furthermore, the number of orders has also risen against the previous year.

All three divisions have contributed to the increase in turnover. Bolstered by the continuing recovery of the economy in Europe, KAISER + KRAFT EUROPA was able to record a currency-adjusted increase of 10.5 percent in the first six months of the year. Topdeq generated an organic increase in turnover of 4.3 percent. With the economic situation in the US remaining stable. K + K America saw its turnover rise against the previous year by 44.7 percent to reach USD 258.5 million. Excluding NBF Group growth still amounts to 9.4 percent.

Turnover January to June TAKKT Group in million Euro



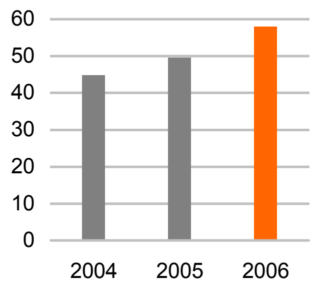
Even if, as expected, the turnover increase in the second quarter was lower due to Easter holidays and fewer working days, the TAKKT Management Board is optimistic for the financial year 2006. Management is raising its turnover forecast for the full year 2006 and expecting exchange rate adjusted growth of about 20 percent. Until now the Management Board was assuming growth of at least 18 percent.

Results of the TAKKT Group

As a result of the first-time consolidation of NBF Group the gross profit margin fell as expected slightly from 41.6 to 40.7 percent. Excluding the acquisition the margin was up slightly. This can be mainly attributed to the fact that companies with higher gross profit margins grew considerably. Furthermore, improvements were achieved in purchasing terms.

Earnings before interest, tax, depreciation and amortisation, EBITDA, rose by 16.9 percent to EUR 58.0 (49.6) million. The EBITDA margin however dropped from 13.1 to 12.3 percent. The first-time consolidation of NBF Group is the main reason as it currently still generates below-average EBITDA margins. Excluding NBF Group, the EBITDA margin is 13.2 percent and at the level of the previous year.

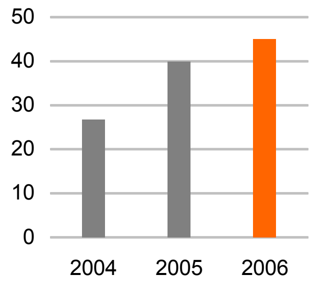
EBITDA January to June TAKKT Group in million Euro



The Management Board of TAKKT Group is extremely pleased with the results of the first six months. In the full year 2006 the EBITDA margin is expected to be at the upper end of the target corridor of ten to twelve percent, despite the first-time consolidation of NBF Group and the planned start-up costs incurred by new companies.

In the course of the purchase price allocation for NBF Group intangible assets according to IFRS 3 were identified which are subject to scheduled amortisation. As a result depreciation increased from EUR 4.6 to 6.8 million. This overproportionately high increase means that EBITA, i.e. earnings before interest, tax and amortisation on goodwill, increased by 13.8 percent to EUR 51.2 million. The margin however dropped from 11.9 percent to 10.9 percent of consolidated turnover. Goodwill impairment was not necessary.

Profit before tax January to June TAKKT Group in million Euro



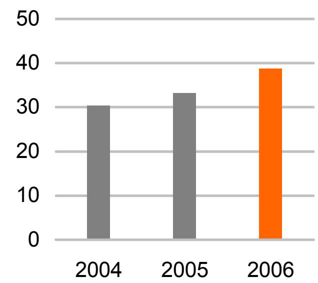
Borrowings increased in connection with funding the acquisition of NBF Group. This is the main reason for higher interest expense. This is compounded by effects from exchange rate changes, especially in the US dollar. Profit before tax still increased considerably to EUR 45.0 (39.9) million, which constitutes an increase of 12.8 percent.

The tax rate of TAKKT Group in the first six months of 2006 was 34.2 percent, below last year's figure of 35.1 percent. This is due to the fact that the tax rates of European companies are lower than in North America and the proportion contributed to the Group by

KAISER + KRAFT EUROPA has increased against the previous year. As a result, profit increased from EUR 25.9 to 29.6 million.

Cash flow reached EUR 38.8 (33.2) million which marked a new record and a margin of 8.2 (8.8) percent.

Cash flow January to June TAKKT Group in million Euro



Balance sheet of the TAKKT Group

The acquisition of NBF Group and the subsequent funding of the acquisition contributed to increasing the assets and liabilities. Information about the purchase price allocation is included in the notes to this half-year report.

As a result of the high cash flow and healthy earnings, balance sheet ratios continue to be sound. After consolidating NBF Group the equity ratio at the reporting date was recorded at a continuingly good level of 43.3 percent. The dividend paid for the financial year 2005 of EUR 10.9 million has already been taken into account.

In the period from 31 December 2005 to the reporting date net borrowings increased from EUR 156.5 to 200.5 million. Changed exchange rates, especially in the case of the US dollar, caused a devaluation of borrowings in the first half of 2006 by EUR 6.0 million. Paying the acquisition price for NBF Group at the beginning of the year increased borrowings accordingly. As a result of the high cash flow TAKKT was able to repay EUR 19.1 million on its borrowings in the first six months of the year.

The average receivables collection period of 40 days is once again at the level of the previous year. Including NBF Group has not caused a material change to this figure.

In the first six months of 2006 TAKKT invested EUR 5.6 (4.2) million on the rationalisation, expansion and maintenance of its business. With 1.2 percent of consolidated turnover, capital expenditure was in line with the long-term average.

KAISER + KRAFT EUROPA

In a positive economic environment KAISER + KRAFT EUROPA was able to increase its turnover compared to the previous period by 10.5 percent to EUR 219.5 (198.7) million. This corresponds to 46.6 percent of consolidated turnover. Growth can be attributed to an increased number of orders being received as well as higher average order volumes. Companies in almost all countries have been able to record very positive growth rates, particularly Japan, Eastern Europe, Scandinavia, Spain and Switzerland.

Despite anticipated start-up costs being incurred for newly founded companies in the division, EBITDA increased overproportionately by 13.2 percent to EUR 41.2 (36.4) million. The EBITDA margin is 18.8 (18.3) percent. This increase is mainly due to improved purchasing terms as well as higher capacity utilisation in mail order infrastructure.

EBITA improved by 13.5 percent to EUR 38.7 (34.1) million.

Business development at companies founded in China and France in 2006, as well as young companies in Turkey and Romania, is exceeding expectations.

Topdeq

The Topdeq division continued on its growth track in the first six months of 2006 and increased its turnover by 5.3 percent to EUR 41.7 (39.6) million in the first half-year. Topdeq generated 8.8 percent of consolidated turnover. Excluding exchange rate changes the increase in turnover would have been 4.3 percent.

This increase is accounted for by a significant increase in average order values which in turn can be attributed to repositioning Topdeq as a premium brand. Topdeq focuses on high-end, design-driven equipment which ensures a high degree of usability. TAKKT's management accepts that this means that former, less profitable customer groups are no longer being addressed. The effects of the repositioning on turnover are most striking in Germany, which is home to the longest-established company in the Topdeq Group with the largest customer base. Higher average order volumes have not yet fully compensated for falling order numbers. All other countries are showing a positive turnover development. Business development in the new Belgian subsidiary is extremely positive with order intake by far exceeding expectations.

The profitability of the division has improved further. By successfully adjusting the product range as well as increasing capacity utilisation of mail order infrastructure in Pfungstadt, EBITDA increased by 33.3 percent to EUR 1.6 (1.2) million. The EBITDA margin reached 3.8 (3.0) percent.

EBITA subsequently increased from EUR 0.4 to 0.7 million.

Preparations for starting business operations in Austria are going to plan.

K + K America

With stable North American economic development, companies in K + K America increased their sales over the previous year by 44.7 percent to USD 258.5 million. Translated into the reporting currency of euros turnover was up by 51.1 percent to EUR 210.4 (139.2) million. The division's share of consolidated turnover increased to 44.6 percent. This marked increase can be mainly attributed to the first-time consolidation of NBF Group. Excluding the acquisition, K + K America still grew considerably and turnover increased by 9.4 percent to USD 195.3 million.

All companies in the division contributed to this growth, which was mainly driven by higher average order values. This was also positively affected by the acquisition of NBF Group. Hubert in the USA and C&H in Mexico are continuing to develop extremely positively. The integration of NBF Group is continuing to go to plan and business development in the first six months of the year exceeded management expectations.

The division K + K America was also able to increase EBITDA significantly to EUR 20.1 (16.1) million, 24.8 percent above the previous period. However, the EBITDA margin declined as expected from 11.6 to 9.6 percent. This can be mainly attributed to the consolidation of NBF Group as well as slight pressure on gross profit margin as a result of larger orders. Furthermore, expenses were incurred for rolling-out the division's new IT platform.

EBITA improved from EUR 14.8 to 16.7 million.

The TAKKT share

More than 460 shareholders and guests followed the invitation of TAKKT AG to the seventh ordinary Annual General Annual Meeting in Ludwigsburg on 31 May 2006. The vast majority of shareholders approved the proposals submitted for decision by the Management Board and shareholder Franz Haniel & Cie. GmbH.

Among other things an unchanged dividend of 15 cent per share was approved and a total of EUR 10.9 million distributed to shareholders as in the previous year. This constitutes a payout ratio of 22 percent of net income. Shareholders renewed their approval to authorise the Management Board to buy shares of up to ten percent of the existing share capital. The motion by shareholder Franz Haniel & Cie. GmbH proposing that personal compensation to Management Board members not be published for five years was also passed with a great majority. The Annual General Meeting also passed some changes to the articles of association to comply with the German Law on Corporate Integrity and Modernisation of Rescission Right of Challenge (in short: UMAG).

Professor Dr Theo Siegert resigned from the Supervisory Board effective from the end of the Annual General Meeting. Dr Eckhard Cordes was appointed to the Supervisory Board.

The Annual General Meeting was also presented with the new responsibilities of the Management Board members: Alfred Milanello, who had been responsible for IT and Organisation retired on 30 June 2006. As TAKKT wishes to strengthen the position of each division and pay tribute to the internationality of the Group, the Supervisory Board appointed Didier Nulens (Topdeq division) and Thomas Loos (K + K America division) to the Management Board of TAKKT AG in a meeting prior to the Annual General Meeting. Further information about the new Management Board members, the Annual General Meeting and the voting results are available on our website at www.takkt.de.

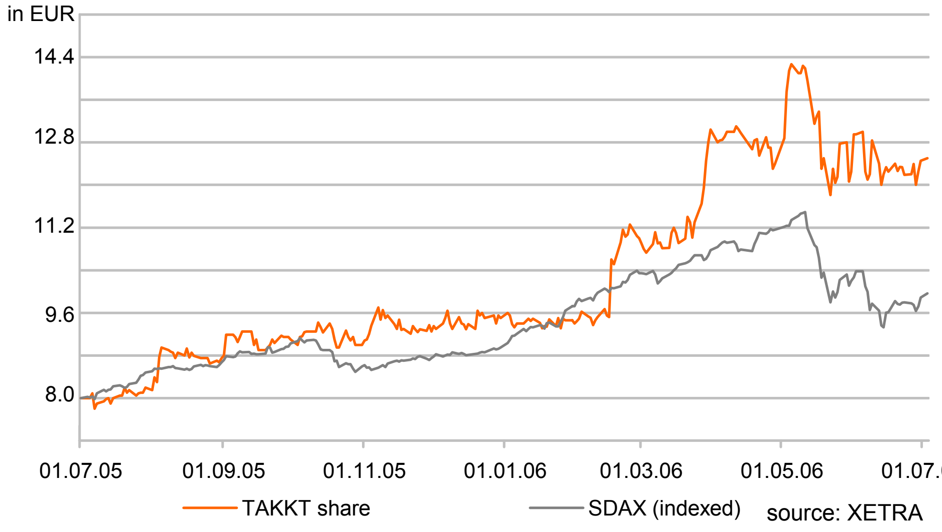
TAKKT pursued its intense and continual investor relations activities in the first half of 2006. In addition to two international investor conferences in Frankfurt in January and June of this year, TAKKT attended a capital market conference in New York for the first time in June. The objective was to intensify relations with investors and potential investors from North America.

After the financial statements press conference in Stuttgart and the analysts' conference in Frankfurt at the end of March 2006, road shows took management to London, Edinburgh and Paris. A number of institutional investors also visited TAKKT AG in Stuttgart. In one-on-one meetings the TAKKT business model and success factors were described in detail. Management also highlighted the strategy and the prospects of TAKKT.

TAKKT AG was again commended for its exemplary investor relations activities on 21 June 2006. As last year TAKKT came in third in the SDAX segment in the renowned investor relations prize which is awarded by reputed German business magazine "Capital". In the overall ranking of 196 German and European companies from the EUROSTOXX 50, DAX, MDAX, TecDAX and SDAX the Group came in with a very respectable 10th place. This success is a confirmation of TAKKT's excellent investor relations work. The objective is to keep different addressees on capital markets supplied with information about TAKKT's business development as well as the business outlook in a continual, transparent, timely and comprehensive manner.

The report about the first nine months of 2006 will be issued by TAKKT on 2 November 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 when 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
  Since 31 December 2005, the scope of consolidation has increased by five companies in connection with the acquisition of NBF Group and a new company within the Topdeq division.
- Earnings per share
  The earnings per share figure 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 approx. USD 85 million in an asset deal.
  NBF Group is based in the US state of Wisconsin and owns five brands. The largest proportion 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.
In total 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.

The transaction was accounted for under the acquisition method. The purchase price of acquired assets and liabilities at the time of the 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			**46.6**
Purchase price			**85.1**

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 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 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)

	Q II		January to June	
	01.04.2006-30.06.2006	01.04.2005-30.06.2005	01.01.2006-30.06.2006	01.01.2005-30.06.2005
Turnover	224.0	187.0	471.6	377.5
Changes in inventories of finished goods and work in progress	0.1	0.1	0.1	0.2
Own work capitalised	0.0	0.0	0.0	0.0
Gross performance	**224.1**	**187.1**	**471.7**	**377.7**
Cost of sales	133.7	109.3	279.6	220.6
Gross profit	**90.4**	**77.8**	**192.1**	**157.1**
Other income	1.4	1.6	3.3	2.9
Personnel expenses	28.5	23.9	57.4	47.6
Other operating expenses	39.9	32.0	80.0	62.8
EBITDA	**23.4**	**23.5**	**58.0**	**49.6**
Depreciation of property, plant and equipment and other intangible assets	3.3	2.4	6.8	4.6
EBITA	**20.1**	**21.1**	**51.2**	**45.0**
Amortisation of goodwill	0.0	0.0	0.0	0.0
EBIT	**20.1**	**21.1**	**51.2**	**45.0**
Financial result	- 3.1	- 2.6	- 6.2	- 5.1
Profit before tax	**17.0**	**18.5**	**45.0**	**39.9**
Income taxes	5.8	6.4	15.4	14.0
Profit	**11.2**	**12.1**	**29.6**	**25.9**
attributable to TAKKT AG shareholders	11.0	11.9	29.1	25.5
attributable to minority interest	0.2	0.2	0.5	0.4
	11.2	**12.1**	**29.6**	**25.9**
Number of issued shares in millions	72.9	72.9	72.9	72.9
Earnings per share in EUR	0.15	0.16	0.40	0.35
Average number of employees (full-time equivalent)	2,010	1,832	2,007	1,836

Consolidated balance sheet

(in EUR million)

Assets	30.06.2006	31.12.2005
Non-current assets		
Property, plant and equipment	67.5	68.0
Goodwill	255.5	227.5
Other intangible assets	33.6	9.3
Other financial assets	0.4	0.4
Deferred tax	5.1	5.1
	362.1	**310.3**
Current assets		
Inventories	65.7	66.0
Trade receivables	103.7	95.9
Other receivables and assets	25.3	23.3
Income tax assets	0.6	0.1
Cash and cash equivalents	6.6	4.3
	201.9	**189.6**
Total assets	**564.0**	**499.9**

Equity and liabilities	30.06.2006	31.12.2005
Shareholders' equity		
Issued capital	72.9	72.9
Reserves	141.2	108.5
Other comprehensive income	1.2	- 0.5
Profit attributable to shareholders	29.1	49.7
	244.4	**230.6**
Minority interest	**2.9**	**2.4**
Total equity	**247.3**	**233.0**
Non-current liabilities		
Borrowings	143.4	150.0
Deferred tax	16.6	13.7
Provisions	13.8	12.4
	173.8	**176.1**
Current liabilities		
Borrowings	63.7	12.2
Trade payables	29.7	28.2
Other liabilities	29.7	28.4
Provisions	8.8	10.5
Income tax liabilities	11.0	11.5
	142.9	**90.8**
Total equity and liabilities	**564.0**	**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	- 6.1	0.0	- 6.1	0.0	- 6.1
Dividends paid	0.0	- 10.9	0.0	0.0	- 10.9	0.0	- 10.9
Profit	0.0	29.1	0.0	0.0	29.1	0.5	29.6
Changes in derivative financial instruments	0.0	0.0	0.0	1.7	1.7	0.0	1.7
Balance at 30.06.2006	**72.9**	**184.0**	**- 13.7**	**1.2**	**244.4**	**2.9**	**247.3**

	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	7.7	- 0.1	7.6	0.0	7.6
Dividends paid	0.0	- 10.9	0.0	0.0	- 10.9	0.0	- 10.9
Profit	0.0	25.5	0.0	0.0	25.5	0.4	25.9
Changes in derivative financial instruments	0.0	0.0	0.0	0.2	0.2	0.0	0.2
Balance at 30.06.2005	**72.9**	**141.7**	**- 10.0**	**- 1.2**	**203.4**	**3.4**	**206.8**

Segment information

(in EUR million)

01.01.-30.06.2006	K + K EUROPA	Topdeq	K + K America	Other	Group total
Segment turnover	219.5	41.7	210.4	0.0	471.6
EBITDA	41.2	1.6	20.1	- 4.9	58.0
EBITA	38.7	0.7	16.7	- 4.9	51.2
EBIT	38.7	0.7	16.7	- 4.9	51.2
Profit before tax	35.8	0.5	12.0	- 3.3	45.0
Profit	23.7	0.6	7.3	- 2.0	29.6
Average no. of employees (full-time equivalent)	871	198	911	27	2,007
Employees (full-time equivalent) at 30.06.2006	879	195	928	28	2,030

01.01.-30.06.2005	K + K EUROPA	Topdeq	K + K America	Other	Group total
Segment turnover	198.7	39.6	139.2	0.0	377.5
EBITDA	36.4	1.2	16.1	- 4.1	49.6
EBITA	34.1	0.4	14.8	- 4.3	45.0
EBIT	34.1	0.4	14.8	- 4.3	45.0
Profit before tax	31.3	0.2	11.7	- 3.3	39.9
Profit	20.6	0.7	7.1	- 2.5	25.9
Average no. of employees (full-time equivalent)	834	209	767	26	1,836
Employees (full-time equivalent) at 30.06.2005	834	205	773	27	1,839

Consolidated cash flow statement

(in EUR million)

	01.01.2006-30.06.2006	01.01.2005-30.06.2005
Profit	29.6	25.9
Depreciation of non-current assets	6.8	4.6
Deferred tax affecting profit	2.4	2.7
Cash flow	**38.8**	**33.2**
Other non-cash expenses and income	2.0	6.3
Profit and loss on disposal of non-current assets	- 0.2	0.0
Change in inventories	- 2.5	- 4.7
Change in trade receivables	- 4.0	- 3.7
Change in other assets not included in investing and financing activities	4.7	4.2
Change in short and long-term provisions	- 0.2	- 2.3
Change in trade payables	- 2.2	- 3.1
Change in other liabilities not included in investing and financing activities	1.4	- 0.4
Cash flow from operating activities	**37.8**	**29.5**
Proceeds from disposal of non-current assets	0.4	0.2
Capital expenditure on non-current assets	- 5.6	- 4.2
Acquisition of NBF Group (less cash acquired)	- 66.9	0.0
Cash flow from investing activities	**- 72.1**	**- 4.0**
Proceeds from borrowings	158.8	5.4
Repayment of borrowings	- 111.0	- 18.1
Dividends to TAKKT AG shareholders and minority interest	- 10.9	- 10.9
Other financial payments	- 0.2	0.0
Cash flow from financing activities	**36.7**	**- 23.6**
Net change in cash and cash equivalents	2.4	1.9
Effect of exchange rate changes	- 0.1	0.1
Cash and cash equivalents at beginning of period	4.3	4.0
Cash and cash equivalents at end of period	**6.6**	**6.0**

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Dr Florian Funck
Thomas Loos
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