First six months

# //half-year financial report 2012

## Ladies and gentlemen

TAKKT Group benefited from the regional diversification of its business activities and its acquisition strategy in the first half-year of 2012. While turnover in Europe fell as a result of the difficult economic environment, the Group recorded significant growth in America. In the first six months of the year, consolidated turnover went up by 6.2 percent. However, adjusted for acquisition and currency effects, there was a slight decrease of 0.3 percent. Based on the development of early economic indicators, the Management Board is now predicting a slight organic reduction in turnover for 2012 overall within the context of the three scenarios outlined at the beginning of the year. The Group's most recent acquisitions – the US direct marketing company for display articles GPA and the B2B direct marketing company for packaging solutions Ratioform – will enable the Group to increase its annual turnover in absolute terms and continue its growth course. The acquisition of these two companies has also allowed TAKKT to successfully expand its product range and at the same time further diversify its portfolio on both sides of the Atlantic. Including the two acquisitions and based on current economic data, the Management Board is forecasting an increase in turnover adjusted for currency between six and eight percent and an EBITDA margin between 13 and 14 percent.

**Significant events in the first half-year of 2012**

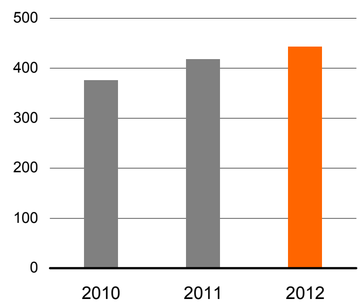
- Turnover increase in reporting currency of euros of 6.2 percent
- Acquisition and currency-adjusted fall in turnover of 0.3 percent
- EBITDA margin decreases to 15.7 (2011: 16.2) percent
- Earnings per share rise to EUR 0.58 (0.57)
- Total dividend of EUR 0.85 per share paid for the 2011 financial year
- US business as well as acquisitions there and in Germany enable further growth despite economic weakness in Europe

## Interim Management Report of TAKKT Group

**Turnover and earnings situation**

The continuing divergence of economic developments in Europe and North America impacted on TAKKT Group's performance. In the first six months of 2012, consolidated turnover climbed to EUR 443.5 (417.6) million. TAKKT Group therefore generated a turnover growth of 6.2 percent. Adjusted for

**Turnover** *in EUR million*
*First half-year TAKKT Group*



acquisition and currency effects, consolidated turnover was down slightly by 0.3 percent, with an organic decrease in turnover of 2.8 percent in the second quarter. The Group's performance was therefore in line with the expectations of the Management Board, which had anticipated a slowdown already at the end of the previous year. The organic decrease in turnover was essentially due to the lower number of orders – the average order value remained almost unchanged in comparison with the previous year's period.

The performances of the Group's two divisions contrasted in the first half of the year. TAKKT EUROPE's turnover was down 3.6 percent (currency-adjusted decrease of 4.4 percent) in the period under review and fell 5.5 percent (currency-adjusted drop of 6.3 percent) in the second quarter. TAKKT AMERICA, on the other hand, increased turnover in the first six months by 21.4 percent. Organically, i.e. adjusted for currency effects and the GPA acquisition, the division was up 6.0 percent. In the second quarter, turnover increased by 28.0 percent (organically by 2.2 percent).

The gross profit margin contracted to 42.9 (43.5) percent in the first half-year. This was in particular due to different shares of consolidated turnover generated by the various regions, business units or products respectively compared with the same period in the previous year. The lower gross profit margin led to a slight drop in operational profitability. In the first six months of the financial year, the absolute EBITDA (earnings before interest, taxes, depreciation and amortisation) climbed to EUR 69.7 (67.8) million and the EBITDA margin shrank to 15.7 (16.2) percent.

At EUR 8.5 (8.4) million, depreciation was slightly higher in the first half of 2012 than in the same period in 2011. Additional depreciation of intangible assets identified as part of the purchase price allocation for GPA and the greater average strength of the US dollar in comparison with the euro compensated for the effect of lower depreciation in the regular business. There were no grounds for goodwill impairment. Earnings before interest and taxes (EBIT) rose by a disproportionately low degree to EUR 61.2 (59.4) million, corresponding to an EBIT margin of 13.8 (14.2) percent.

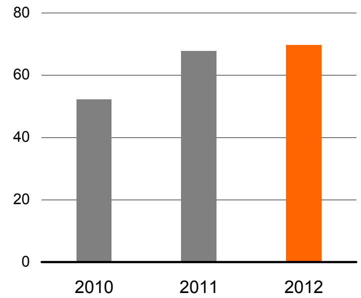
Finance expenses were comparable to those of the previous year's period. Here, the strength of the US dollar on average in comparison with the euro stood in contrast to the lower debt level on average in the first six months. Profit before tax rose by 3.2 percent to EUR 57.6 (55.8) million.

The Group's tax ratio in the period under review was approximately at the same level as in the previous year at 33.9 (33.3) percent. Profit for the period rose slightly to EUR 38.1 (37.2) million. Based on the weighted average number of TAKKT shares – 65.6 (65.6) million – this corresponds to earnings per share of EUR 0.58 (0.57).

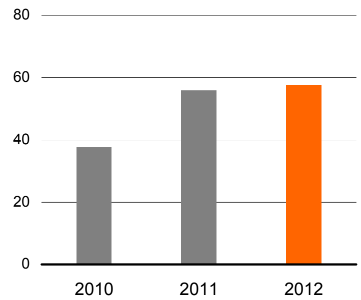
**Financial situation**

Despite the further deterioration of the economic situation in Europe, the TAKKT business model continues to be characterised by its strong cash flow. The TAKKT cash flow – defined as the profit for the period plus depreciation, goodwill impairment and deferred tax affecting profit – amounted to EUR 50.8 (49.4) million in the first half-year of 2012. This corresponds to a cash flow margin of 11.5 (11.8) percent. Cash flow from operating activities rose from EUR 34.8 million to EUR 56.2 million. This increase was mainly due to a reduction in net current assets in contrary to the previous half-year. The payment behaviour of TAKKT's customers remained stable as usual. In the first six months of 2012, the average collection period decreased to 32 (35) days mainly due to the acquisition.

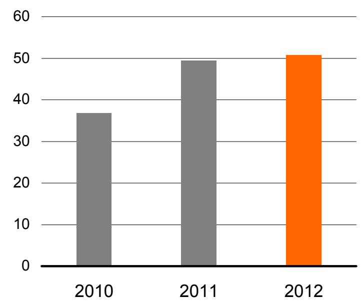
**EBITDA** *in EUR million*
*First half-year TAKKT Group*




**Profit before tax** *in EUR million*
*First half-year TAKKT Group*




**Cash flow** *in EUR million*
*First half-year TAKKT Group*



Capital expenditure on the expansion, rationalisation and modernisation of TAKKT's business operations remained fairly unchanged compared to the previous year´s period. The installation of one of the largest photovoltaic systems in Ohio on the roof of the Hubert warehouses had a major impact here. In the first half-year of 2012 it totalled EUR 4.6 (4.5) million. That corresponds to 1.0 (1.1) percent of consolidated turnover. The capital expenditure ratio thus continued to be at the lower end of the long-term average of one to two percent. Free cash flow – defined as the cash flow from operating activities less regular capital expenditure, which can be used by TAKKT for acquisitions, new capital expenditure, payments to shareholders and repayment of borrowings – came to 51.6 (30.3) million.

Net financial debt rose to EUR 140.3 million overall as of 30 June 2012, compared with EUR 93.6 million on 31 December 2011. Payment of the first tranche of around 51 million US dollars for the purchase of GPA, payment of a dividend totalling EUR 55.8 million and the translation-related increase of EUR 4.5 million led to a rise in debt. Thanks to the strong internal financing capability of TAKKT´s business net financial debt only increased by EUR 46.7 million in the first six months of 2012.

Following completion of the GPA acquisition, the total equity ratio stood at 45.4 percent as of mid-2012, thereby remaining within the middle of the long-term TAKKT target range of 30 to 60 percent (as against 54.7 percent on 31 December 2011).

**Risk report**

The risks for the TAKKT Group were discussed in detail in the 2011 annual report (page 32 onwards) and remain unchanged. Overall, they are limited and calculable. Based on the information currently available, the Management Board does not believe that there are any substantial individual risks, either now or in the foreseeable future, that threaten the Group's ongoing existence. As the business model generates strong cash flows and the Group has a sound finance structure, neither the risks as a whole nor a renewed flare-up of the global economic crisis threaten TAKKT Group's ongoing existence.

**Forecast report**

As predicted, there was a clear downturn in economic developments at the start of 2012, especially in Europe. On the other side of the Atlantic, the US economy initially appeared to be much more robust. However, current figures for the various purchasing managers' indices (PMIs) suggest that economic momentum is weakening there too. At the start of 2012, the TAKKT Management Board outlined three scenarios for the company's performance in 2012, depending on international economic developments. Until now, it believed that the middle scenario was the most probable one. In view of the current performance of the global economy, the Management Board cannot rule out the more cautious scenario: an organic decrease in turnover for 2012 overall. Including the two acquisitions and based on current economic and currency data, the Management Board is forecasting a currency-adjusted increase in turnover between six and eight percent and an EBITDA margin between 13 and 14 percent. All other forecasts, opportunities and risks affecting the development of TAKKT Group as described in the 2011 Group management report remain largely unchanged in the 2012 financial year.

# Divisions

**TAKKT EUROPE**

In the first six months of the current year, the ongoing difficulties in the European economic environment impacted on the performance of the TAKKT EUROPE division, which consists of the Business Equipment Group (BEG) and the Office Equipment Group (OEG). All in all, TAKKT EUROPE generated turnover of EUR 245.4 (254.5) million in the first six months of 2012 – a decrease of 3.6 percent. This means that TAKKT EUROPE accounted for 55.3 (60.9) percent of consolidated turnover. Adjusted for the various currency effects, the decrease in the first half-year of 2012 came to 4.4 percent. As a result, there was an organic drop in turnover of 6.3 percent in the second quarter. The turnover decrease was primarily due to a lower number of orders. Average order value decreased slightly.

The two groups, BEG and OEG, continued to experience disparate business trends. The BEG exhibited a low single-digit decrease in turnover. Contrary to the general trend, turnover figures in Asia showed a positive performance, while results in Southern Europe remained unsatisfactory.

The OEG reported a fall in turnover in the low double-digit percentage range. The anticipated decrease in order numbers was mainly due to a change in the marketing strategy which causes Topdeq´s order numbers to decrease, while its average order value is growing.

TAKKT EUROPE generated an EBITDA of EUR 53.6 (57.2) million in the first half-year, resulting in an EBITDA margin of 21.8 (22.5) percent. The slight drop in advertising efficiency and the lower utilisation of the BEG's infrastructure continued into Q2 2012 as well. The OEG achieved a positive EBITDA again despite its decreasing turnover.

TAKKT EUROPE will continue with the expansion strategy seen in recent years during the second half-year of 2012 as well. The focus here is on internet business. In February 2012 the web-only brand Certeo successfully started operations in France. The Group also launched its first customer-specific internet brand eduquip24.de for the adult education sector at the end of the 2011 financial year. The traditional multi-channel brands throughout the Group will also continue to develop and expand their offerings.

**TAKKT AMERICA**

With effect from 01 April 2012, the TAKKT Group company K+K America Corporation acquired the company GPA, headquartered in Rhode Island, USA. The acquisition of the B2B direct marketing company for display products will enable TAKKT to strengthen its US portfolio. The new company became part of TAKKT AMERICA's Specialties Group (SPG). Further details about the company acquisition are outlined on page 13 of this report.

The TAKKT AMERICA division consists of the Plant Equipment Group (PEG), the Specialties Group (SPG) and the Office Equipment Group (OEG). It increased its turnover to EUR 198.2 (163.2) million in the first six months of the financial year. This corresponds to growth of 21.4 percent. The division thereby contributed 44.7 (39.1) percent to consolidated turnover. Adjusted for currency effects, turnover was up by 12.7 percent. Further adjusted for the acquisition of GPA, the division recorded organic growth of 6.0 percent. The organic increase in the second quarter of 2012 came to 2.2 percent. The main reason behind this positive development was a higher average order value in US dollars. In addition, order numbers exceeded the previous year's figure.

TAKKT AMERICA continues to profit from the extensive diversification of its customer and product portfolio and the individual development in the three groups within the division. In organic terms, the PEG's turnover figure was nearly unchanged in the first six months. The SPG recorded organic turnover growth in the middle single digits. Including the acquisition of GPA, the group managed a high double-digit increase in turnover. The strongest organic growth in the first six months came from the late-cyclical OEG.

In the period under review, TAKKT AMERICA generated EBITDA of EUR 20.9 (15.6) million. This resulted in an EBITDA margin of 10.5 percent. Excluding the acquisition of GPA, the EBITDA margin was 10.2 (9.6) percent in the first half of the year. This rise was due to better utilisation of the direct marketing infrastructure. By contrast, anticipated start-up losses at the European Hubert companies, as well as at IndustrialSupplies.com and cateringplanet.com had a negative impact on earnings.

TAKKT AMERICA will be further strengthening the integration of GPA as 2012 progresses. In addition to this, Hubert will continue with its European expansion in the coming years.

**Events after the balance sheet date**

With effect from 01 July 2012, TAKKT AG acquired Ratioform Holding GmbH, headquartered in Pliening near Munich, Germany. Further information can be found on page 15 of this report.

There were no further events after the reporting date that had a material impact on the net assets, financial position and results of operations.

## TAKKT share

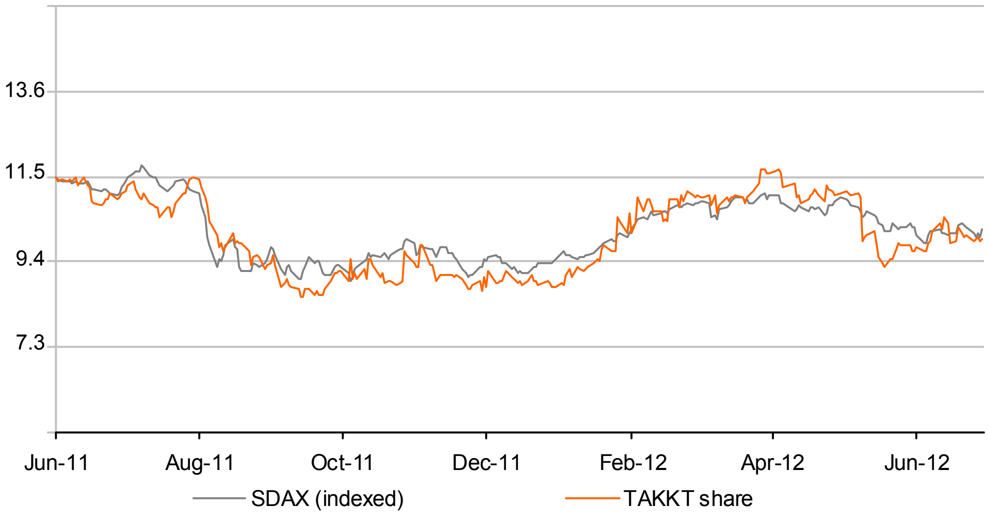
Approximately 350 shareholders and guests attended the thirteenth ordinary Annual General Meeting (AGM) of TAKKT AG in Ludwigsburg on 08 May 2012. In addition to an unchanged ordinary dividend of EUR 0.32 per share, the shareholders voted by a large majority in favour of paying out a special dividend of EUR 0.53 per share. All in all, TAKKT paid 84.5 percent of the result for the period to its shareholders. The ordinary dividend represented 31.8 percent of the result for the period. TAKKT has thus remained true to the dividend policy it has practised for many years. Even after the dividend payout and the successful completion of the two acquisitions, TAKKT Group continues to have a very solid balance sheet structure, with an equity ratio of more than 30 percent.

As the terms in office for all members of the Supervisory Board came to an end after the 2012 Annual General Meeting, new elections for the Supervisory Board took place as planned. Voted onto the Supervisory Board for the next five years were Prof. Dr Klaus Trützschler and Dr Florian Funck, member of the Management Board at Franz Haniel & Cie. GmbH; Dr Johannes Haupt, CEO of E.G.O. Group; Prof. Dr Jürgen Kluge, CEO of Franz Haniel & Cie. GmbH; Thomas Kniehl, Logistics employee at KAISER+KRAFT GmbH; and Prof. Dr Dres h.c. Arnold Picot, Professor at the Ludwig-Maximilians-Universität München (LMU Munich). The Annual General Meeting also ratified by a large majority the management's proposals on the other agenda items. Detailed information about the voting results can be found in the Share/Annual General Meeting section of the website www.takkt.com.

Consistent, sustainable investor relations work is of great importance in the dealings with institutional investors, private shareholders, financial analysts and potential investors. The Management Board and the IR team participated in the capital market conference held by Cheuvreux (Crédit Agricole Group) in Frankfurt am Main at the beginning of the year. It was the eighth time the company had attended the event. TAKKT presented its audited figures for the 2011 financial year at its financial statements press conference in Stuttgart and the analysts' conference in Frankfurt am Main at the end of March 2012. The Management Board also discussed TAKKT Group's future business focus with a large number of investors at roadshows in London, Edinburgh, Cologne, Düsseldorf and Zurich and in one-to-one talks in Stuttgart. All information published in connection with these events is always made available promptly on the Group's website www.takkt.com in the section headed Share/Presentations.

TAKKT will publish the figures for the first nine months of 2012 on 30 October 2012.

**Performance of the TAKKT share, 52 week comparison, in Euro**



# Interim Financial Statements of the TAKKT Group

## Consolidated income statement (in EUR million)

| | 01.04.2012 – 30.06.2012 | 01.04.2011 – 30.06.2011 | 01.01.2012 – 30.06.2012 | 01.01.2011 – 30.06.2011 |
|---|---|---|---|---|
| Turnover | 220.7 | 204.1 | 443.5 | 417.6 |
| Changes in inventories of finished goods and work in progress | –0.1 | 0.0 | –0.1 | 0.2 |
| Own work capitalised | 0.0 | 0.0 | 0.0 | 0.0 |
| **Gross performance** | **220.6** | **204.1** | **443.4** | **417.8** |
| Cost of sales | 126.2 | 115.8 | 253.1 | 236.1 |
| **Gross profit** | **94.4** | **88.3** | **190.3** | **181.7** |
| Other income | 1.5 | 1.6 | 3.8 | 4.2 |
| Personnel expenses | 31.0 | 27.9 | 60.9 | 55.9 |
| Other operating expenses | 35.0 | 30.8 | 63.5 | 62.2 |
| **EBITDA** | **29.9** | **31.2** | **69.7** | **67.8** |
| Depreciation of property, plant and equipment and other intangible assets | 4.6 | 4.2 | 8.5 | 8.4 |
| **EBITA** | **25.3** | **27.0** | **61.2** | **59.4** |
| Impairment of goodwill | 0.0 | 0.0 | 0.0 | 0.0 |
| **EBIT** | **25.3** | **27.0** | **61.2** | **59.4** |
| Income from associated companies | 0.0 | 0.0 | 0.0 | 0.0 |
| Finance expenses | –2.2 | –1.8 | –3.7 | –3.7 |
| Other financial result | 0.0 | 0.1 | 0.1 | 0.1 |
| **Financial result** | **–2.2** | **–1.7** | **–3.6** | **–3.6** |
| **Profit before tax** | **23.1** | **25.3** | **57.6** | **55.8** |
| Income tax expense | 7.9 | 8.4 | 19.5 | 18.6 |
| **Profit** | **15.2** | **16.9** | **38.1** | **37.2** |
| attributable to owners of TAKKT AG | 15.2 | 16.9 | 38.1 | 37.2 |
| attributable to non-controlling interests | 0.0 | 0.0 | 0.0 | 0.0 |
| | | | | |
| Weighted average number of issued shares in millions | 65.6 | 65.6 | 65.6 | 65.6 |
| Earnings per share (in EUR) | 0.23 | 0.26 | 0.58 | 0.57 |
| | | | | |
| Average no. of employees (full-time equivalent) | 2,060 | 1,864 | 1,969 | 1,842 |

Consolidated statement of comprehensive income (in EUR million)

| | 01.04.2012 – 30.06.2012 | 01.04.2011 – 30.06.2011 | 01.01.2012 – 30.06.2012 | 01.01.2011 – 30.06.2011 |
|---|---|---|---|---|
| **Profit** | **15.2** | **16.9** | **38.1** | **37.2** |
| | | | | |
| **Other comprehensive income** | | | | |
| Income and expenses from the subsequent measurement of cash flow hedges recognised in equity | –0.2 | –2.1 | –0.5 | –2.6 |
| Income recognised in the income statement | 0.0 | 0.5 | –0.2 | 2.2 |
| **Subsequent measurement of cash flow hedges** | **–0.2** | **–1.6** | **–0.7** | **–0.4** |
| Income and expenses from the adjustment of foreign currency reserves recognised in equity | 5.0 | –1.0 | 3.7 | –6.0 |
| Income recognised in the income statement | 0.0 | 0.0 | 0.0 | 0.0 |
| **Adjustment of foreign currency reserves** | **5.0** | **–1.0** | **3.7** | **–6.0** |
| Deferred tax on subsequent measurement of cash flow hedges | 0.0 | 0.6 | 0.2 | 0.2 |
| Deferred tax on adjustment of foreign currency reserves | 0.0 | 0.0 | 0.0 | 0.0 |
| **Deferred tax on other comprehensive income** | **0.0** | **0.6** | **0.2** | **0.2** |
| **Changes to other components of equity (other comprehensive income)** | **4.8** | **–2.0** | **3.2** | **–6.2** |
| attributable to owners of TAKKT AG | 4.8 | –2.0 | 3.2 | –6.2 |
| attributable to non-controlling interests | 0.0 | 0.0 | 0.0 | 0.0 |
| | | | | |
| **Total comprehensive income** | **20.0** | **14.9** | **41.3** | **31.0** |
| attributable to owners of TAKKT AG | 20.0 | 14.9 | 41.3 | 31.0 |
| attributable to non-controlling interests | 0.0 | 0.0 | 0.0 | 0.0 |

Consolidated balance sheet (in EUR million)

| Assets | 30.06.2012 | 31.12.2011 |
|---|---|---|
| **Non-current assets** | | |
| Property, plant and equipment | 92.9 | 93.3 |
| Goodwill | 316.2 | 244.4 |
| Other intangible assets | 43.4 | 33.2 |
| Investment in associated companies | 0.0 | 0.0 |
| Other assets | 0.9 | 0.9 |
| Deferred tax | 5.1 | 5.1 |
| | **458.5** | **376.9** |
| | | |
| **Current assets** | | |
| Inventories | 66.4 | 58.8 |
| Trade receivables | 89.1 | 91.2 |
| Other receivables and assets | 13.3 | 19.5 |
| Income tax receivables | 0.4 | 1.2 |
| Cash and cash equivalents | 3.4 | 2.2 |
| | **172.6** | **172.9** |
| **Total assets** | **631.1** | **549.8** |

| Equity and liabilities | 30.06.2012 | 31.12.2011 |
|---|---|---|
| **Shareholders' equity** | | |
| Share capital | 65.6 | 65.6 |
| Retained earnings | 235.3 | 253.0 |
| Other components of equity | –14.4 | –17.6 |
| | **286.5** | **301.0** |
| **Non-controlling interests** | **0.0** | **0.0** |
| **Total equity** | **286.5** | **301.0** |
| | | |
| **Non-current liabilities** | | |
| Borrowings | 67.1 | 65.3 |
| Deferred tax | 40.4 | 35.9 |
| Other liabilities | 46.1 | 0.4 |
| Provisions | 26.8 | 25.8 |
| | **180.4** | **127.4** |
| | | |
| **Current liabilities** | | |
| Borrowings | 76.6 | 30.5 |
| Trade payables | 24.5 | 22.1 |
| Other liabilities | 41.6 | 40.5 |
| Provisions | 11.9 | 17.1 |
| Income tax payables | 9.6 | 11.2 |
| | **164.2** | **121.4** |
| **Total equity and liabilities** | **631.1** | **549.8** |

Consolidated statement of changes in total equity (in EUR million)

| | Share capital | Retained earnings | Other components of equity | **Shareholders' equity** | Non-controlling interests | **Total equity** |
|---|---|---|---|---|---|---|
| **Balance at 01.01.2012** | **65.6** | **253.0** | **–17.6** | **301.0** | **0.0** | **301.0** |
| Transactions with owners | 0.0 | –55.8 | 0.0 | –55.8 | 0.0 | –55.8 |
| thereof acquisition of non-controlling interests | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| thereof dividends paid | 0.0 | –55.8 | 0.0 | –55.8 | 0.0 | –55.8 |
| Total comprehensive income | 0.0 | 38.1 | 3.2 | 41.3 | 0.0 | 41.3 |
| **Balance at 30.06.2012** | **65.6** | **235.3** | **–14.4** | **286.5** | **0.0** | **286.5** |

| | Share capital | Retained earnings | Other components of equity | Shareholders' equity | Non-controlling interests | Total equity |
|---|---|---|---|---|---|---|
| **Balance at 01.01.2011** | **65.6** | **208.0** | **–21.9** | **251.7** | **0.0** | **251.7** |
| Transactions with owners | 0.0 | –21.0 | 0.0 | –21.0 | 0.0 | –21.0 |
| thereof acquisition of non-controlling interests | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| thereof dividends paid | 0.0 | –21.0 | 0.0 | –21.0 | 0.0 | –21.0 |
| Total comprehensive income | 0.0 | 37.2 | –6.2 | 31.0 | 0.0 | 31.0 |
| **Balance at 30.06.2011** | **65.6** | **224.2** | **–28.1** | **261.7** | **0.0** | **261.7** |

## Consolidated cash flow statement (in EUR million)

| | 01.01.2012 – 30.06.2012 | 01.01.2011 – 30.06.2011 |
|---|---|---|
| Profit | 38.1 | 37.2 |
| Depreciation and impairment of non-current assets | 8.5 | 8.4 |
| Deferred tax affecting profit | 4.2 | 3.8 |
| **TAKKT cash flow** | **50.8** | **49.4** |
| | | |
| Other non-cash expenses and income | 1.0 | –0.6 |
| Profit and loss on disposal of non-current assets and consolidated companies | –0.1 | –0.4 |
| Change in inventories | 0.2 | –5.1 |
| Change in trade receivables | 3.5 | –2.6 |
| Change in other assets not included in investing and financing activities | 5.7 | 3.8 |
| Change in short and long-term provisions | –4.7 | –4.5 |
| Change in trade payables | 1.0 | –5.8 |
| Change in other liabilities not included in investing and financing activities | –1.2 | 0.6 |
| **Cash flow from operating activities** | **56.2** | **34.8** |
| | | |
| Proceeds from disposal of non-current assets | 0.1 | 0.9 |
| Capital expenditure on non-current assets | –4.6 | –4.5 |
| Cash outflows for the acquisition of consolidated companies (less acquired cash and cash equivalents) | –38.0 | 0.0 |
| **Cash flow from investing activities** | **–42.5** | **–3.6** |
| | | |
| Proceeds from borrowings | 97.7 | 35.7 |
| Repayments of borrowings | –54.4 | –45.2 |
| Dividends to owners of TAKKT AG and non-controlling interests | –55.8 | –21.0 |
| Payments for the acquisition of non-controlling interests | 0.0 | 0.0 |
| Other financial payments | 0.0 | 0.0 |
| **Cash flow from financing activities** | **–12.5** | **–30.5** |
| | | |
| Net change in cash and cash equivalents | 1.2 | 0.7 |
| Effect of exchange rate changes | 0.0 | 0.0 |
| Cash and cash equivalents at 01.01. | 2.2 | 3.6 |
| **Cash and cash equivalents at 30.06.** | **3.4** | **4.3** |

Segment reporting by division (in EUR million)

| **01.01.2012 – 30.06.2012** | TAKKT EUROPE | TAKKT AMERICA | **Segments total** | Others | Consolidation | **Group total** |
|---|---|---|---|---|---|---|
| Turnover to third parties | 245.3 | 198.2 | 443.5 | 0.0 | 0.0 | 443.5 |
| Inter-segment turnover | 0.1 | 0.0 | 0.1 | 0.0 | –0.1 | 0.0 |
| Segment turnover | 245.4 | 198.2 | 443.6 | 0.0 | –0.1 | 443.5 |
| EBITDA | 53.6 | 20.9 | 74.5 | –4.8 | 0.0 | 69.7 |
| EBITA | 49.4 | 16.6 | 66.0 | –4.8 | 0.0 | 61.2 |
| EBIT | 49.4 | 16.6 | 66.0 | –4.8 | 0.0 | 61.2 |
| Profit before tax | 47.0 | 14.3 | 61.3 | –3.7 | 0.0 | 57.6 |
| Profit | 33.4 | 7.9 | 41.3 | –3.2 | 0.0 | 38.1 |
| Average no. of employees (full-time equivalent) | 1,015 | 923 | 1,938 | 31 | 0 | 1,969 |
| Employees (full-time equivalent) at the closing date | 1,026 | 1,011 | 2,037 | 32 | 0 | 2,069 |

| 01.01.2011 – 30.06.2011 | TAKKT EUROPE | TAKKT AMERICA | Segments total | Others | Consolidation | Group total |
|---|---|---|---|---|---|---|
| Turnover to third parties | 254.2 | 163.2 | 417.4 | 0.0 | 0.0 | 417.4 |
| Inter-segment turnover | 0.3 | 0.0 | 0.3 | 0.0 | –0.1 | 0.2 |
| Segment turnover | 254.5 | 163.2 | 417.7 | 0.0 | –0.1 | 417.6 |
| EBITDA | 57.2 | 15.6 | 72.8 | –5.0 | 0.0 | 67.8 |
| EBITA | 53.0 | 11.4 | 64.4 | –5.0 | 0.0 | 59.4 |
| EBIT | 53.0 | 11.4 | 64.4 | –5.0 | 0.0 | 59.4 |
| Profit before tax | 50.4 | 8.9 | 59.3 | –3.5 | 0.0 | 55.8 |
| Profit | 34.9 | 5.0 | 39.9 | –2.7 | 0.0 | 37.2 |
| Average no. of employees (full-time equivalent) | 988 | 824 | 1,812 | 30 | 0 | 1,842 |
| Employees (full-time equivalent) at the closing date | 1,008 | 833 | 1,841 | 30 | 0 | 1,871 |

**Explanatory notes**

The unaudited interim financial statements of the TAKKT Group have been drawn up in accordance with International Accounting Standard (IAS) 34.

Accounting and valuation principles

The same accounting and valuation principles have been applied as for the consolidated financial statements for the 2011 financial year. The interim financial statements should be read in the context of the 2011 annual report, page 82 onwards.

Scope of consolidation

Compared to the scope of consolidation as of 31 December 2011, there were no changes. One company was acquired in the division TAKKT AMERICA.

Acquisition of companies

George Patton Associates, Inc. (GPA)

With effect from 01 April 2012, the TAKKT Group company K+K America Corporation acquired George Patton Associates, Inc. (GPA), headquartered in Rhode Island, USA. The acquisition of the B2B direct marketing company for display products will enable TAKKT to strengthen its US portfolio. The new company will be part of TAKKT AMERICA's SPG.

In 2011, GPA generated turnover of approximately 52 million US dollars and recorded an EBITDA margin of around 20 percent, with websites focusing on various different sectors. This makes GPA the leading B2B direct marketing specialist for display products in the USA. About 80 percent of its turnover is generated via the internet.

A purchase price to be paid in two instalments was agreed for 100 percent of the shares and voting rights in GPA. In the second quarter, the purchase price paid amounted to 50.8 million US-dollars in total. The second payment has been agreed for early 2015. The minimum amount of the second payment will be 47.6 million US-dollars. The purchase price may also include an additional variable amount of approximately up to 22 million US-dollars, depending on whether turnover targets for 2014 are met. All payments are to be settled in cash only. The second payment and the conditional element of the purchase price that the Management Board expects is recognised under other non-current liabilities with its discounted value of 57.0 million US-dollars.

The transaction was configurated as an asset deal. The following fair values of the identifiable assets and liabilities were recognised as first-time consolidation amounts of the company acquired in the first half-year of 2012:

| | Fair value at aquisition date (in EUR million) |
|---|---|
| **Assets** | **18.9** |
| Other intangible assets | 11.2 |
| Property, plant and equipment | 0.5 |
| Inventories | 6.2 |
| Trade receivables | 0.7 |
| Other assets | 0.3 |
| **Liabilities** | **2.0** |
| Trade payables | 1.0 |
| Other liabilities | 1.0 |
| **Net assets acquired** | **16.9** |

The intangible assets identified as part of the purchase price allocation with a total value amounting to EUR 11.2 million and their expected useful lifes are listed in the following table:

| | Fair value (in EUR million) | Useful life in years |
|---|---|---|
| Domain names | 6.7 | 10 |
| Catalogue / Online content | 1.7 | 5 |
| Customer and supplier relationships | 1.5 | 3–5 |
| Others | 1.3 | 3–5 |
| | **11.2** | |

No contingent liability was recognized. The remaining excess of the consideration made for the company amounting to EUR 80.7 million (107.8 million US-dollars) over the fair value of the acquired assets and liabilities that can be individually identified and measured is recognised as goodwill amounting to EUR 63.8 million that reflects various factors. The most important of these are assembled workforce, employee knowledge and the strengthening of TAKKT Group's strategic position in North America. The goodwill as well as the individually identifiable intangible assets will be fully tax deductible.

The fair value of the receivables acquired is EUR 0.7 million. Only trade receivables with a gross and net value of EUR 0.7 million are included.

Following the transfer of control, GPA contributed turnover of EUR 11.8 million and profit totalling EUR 0.2 million to the consolidated income statement in the second quarter of 2012. If the transaction had already been completed by 01 January 2012, the consolidated turnover in the first half-year of 2012 would have been higher by EUR 24.2 million and the profit by EUR 0.6 million.

Incidental acquisition costs of EUR 0.3 million incurred as a result of the transaction were recognised under other operating expenses and reduced profit.

The previous owners have agreed to long-term service contracts and remain in charge of managing the company. TAKKT financed the acquisition from long-term credit lines that were already approved.

Ratioform Holding GmbH

With effect from 01 July 2012, TAKKT AG acquired Ratioform Holding GmbH, headquartered in Pliening near Munich, Germany. The acquisition of the B2B direct marketing company for packaging solutions will enable TAKKT to strengthen its European portfolio.

In 2011, the Ratioform Group generated pro forma turnover of EUR 83 million and a pro forma EBITDA of EUR 22.6 million. Ratioform is the leading B2B direct marketing company for transport packaging in Germany, where it generates 75 percent of its turnover. Ratioform also operates in five other European countries. One of the key growth drivers behind increasing demand for transport packaging is the growing importance of internet trade. This acquisition will also be a long-term supplement to TAKKT Group's portfolio.

As well as the two German companies Ratioform Holding GmbH and Ratioform Verpackungs GmbH, the Ratioform Group has companies in Italy, Spain, the United Kingdom and Switzerland. Ratioform has a range of more than 5,000 products in the areas of warehousing and distribution, almost all of which are available directly from stock. The high-quality products are sold to B2B customers from various different sectors using the multi-channel approach. Ratioform guarantees very high service standards, thanks in part to a high level of stock availability that enables quick delivery to customers.

Both purchase price allocation and first-time consolidation will take place in the third quarter of 2012. For this reason, disclosures in accordance with IFRS 3 B 66 are only made as far as the necessary information was available when this quarterly report was being prepared.

Within the scope of a share deal, a purchase price of EUR 210 million on a debt free basis was agreed on for 100 percent of the shares and voting rights in Ratioform. In addition, a contingent payment of up to EUR 4 million is to be payable at the beginning of 2016 if certain turnover and margin targets are met. Both instalments are to be settled in cash only.

Based on the available figures according to the German Commercial Code (HGB), management assumes that basically long-term assets of around EUR 5 million, short-term assets of around EUR 16 million as well as provisions and liabilities of around EUR 8 million will be acquired. Due to the evaluation of rental contracts as finance leases, there will presumably be additional assets and liabilities in the double-digit million range. Moreover, individually identifiable and measurable intangible assets, presumably such as customer lists, trade names, catalogue content etc. will be capitalised as intangible assets as part of the purchase price allocation. The remaining excess amount of the consideration made for the company above the fair value of the individually identifiable and measurable assets and liabilities acquired will be recognised as goodwill that reflects various factors. The most important of these include assembled workforce, employee know-how and the strengthening of TAKKT Group´s strategic position in Europe.

Incidental acquisition costs of lower significance incurred as a result of the transaction will be recognised under Other operating expenses.

If the transaction had already been completed by 01 January 2012, the consolidated turnover in the first half-year of 2012 would have been higher by EUR 42 million.

The former executives will continue to be responsible for managing the company following completion of the transaction. TAKKT is financing the acquisition from acquisition loans committed at short notice and long-term credit lines already in place. Even after this transaction is completed, TAKKT will continue to have a solid balance sheet structure, with an equity ratio of more than 30 percent.

### Change in contingent consideration

The contingent consideration of EUR 0.5 million recognised as of 31 December 2011 increased by EUR 11.1 million in the first half-year of 2012. The change is attributable to the addition of the contingent consideration of EUR 10.3 million resulting from the acquisition of GPA as well as currency and interest effects (EUR 0.6 million and EUR 0.2 million).

### Auditor's review

The interim financial statements and the interim management report have not been audited or reviewed in accordance with Section 317 of the German Commercial Code (HGB).

### Earnings per share

Earnings per share are calculated by dividing the profit for the period by the weighted average number of ordinary shares. So-called potential shares (e.g. stock options and convertible bonds), which could dilute the earnings per share, were not issued. The diluted and undiluted earnings per share are therefore identical.

### Related party disclosures

Related parties in the sense of IAS 24 include the Management and Supervisory Boards of TAKKT AG (including any and all persons related to these boards), TAKKT Group's associated companies and the majority shareholder Franz Haniel & Cie. GmbH, Duisburg (including its subsidiaries and affiliated companies). Related-party transactions mainly refer to the cash management system, delivery and service contracts and processing intercompany transactions. By participating in Haniel Group's cash management system, TAKKT Group benefits from potential economies of scale. All transactions with related parties were contractually agreed. During the interim reporting period, there were no changes which had a material influence on the earnings, financial and assets situation.

### Other disclosures

Based on the contract considering the opportunity to expand the mail order centre in Kamp-Lintfort, a payment of compensation between EUR 1.6 million and EUR 2.5 million could become due if the expansion was abandoned. The exact amount depends on the date of the declaration of non-execution. No extraordinary business transactions as defined in IAS 34.16c occurred.

## Responsibility statement by the Management Board

To the best of our knowledge and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group. The interim management report of the Group includes a fair view of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group in the remaining of the financial year.

Stuttgart, 31 July 2012

TAKKT AG
The Management Board

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