Report for the first nine months 2004

DEAR SHAREHOLDERS,

TAKKT has benefited from the updated catalogues and the positive economic environment during the first nine months 2004. The turnover increased by 0.9 percent from EUR 532.1 million to EUR 536.8 million. At constant exchange rates TAKKT would have achieved a growth rate of 5.1 percent. Earnings rose at an above average rate, with profit before tax up 36.7 percent to EUR 38.0 million.

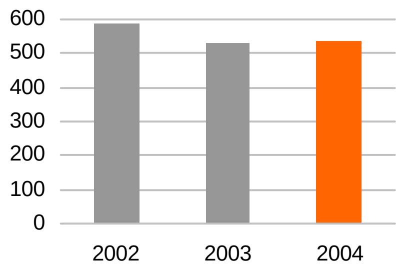
HIGHLIGHTS OF THE FIRST NINE MONTHS OF 2004:

- Turnover up 5.1 percent in exchange rate adjusted terms; all segments have contributed to this growth
- Profitability further improved: profit before tax up 36.7 percent
- Earnings per share increased by 45.5 percent
- Equity ratio increased to 37.2 percent
- KAISER + KRAFT EUROPA took Gerdmans to Estonia
- Number of customers with e-procurement projects at KAISER + KRAFT EUROPA reached 200

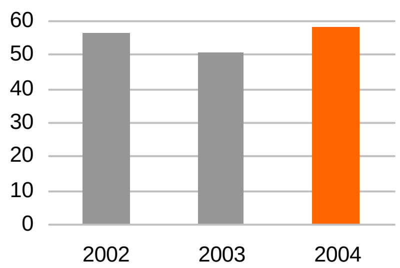
THE TAKKT GROUP. The positive growth in turnover is based on an increased number of orders, as well as an increased average order size, the latter on the assumption of unchanged exchange rates. At KAISER + KRAFT EUROPA the growth ratio increased during the year and thus reflects the improved economic environment in Europe. In North America the Group achieved stable growth rates in comparison to the previous year.

TAKKT AG
BUSINESS EQUIPMENT SOLUTIONS

Turnover first nine months
TAKKT Group in EUR million



EBITA first nine months
TAKKT Group in EUR million



As TAKKT is only active in the B2B mail order sector, weak consumer spending did not influence its business. TAKKT was therefore able to insulate itself from the overall development of the B2C mail order sector, particularly in Germany. The positive development is partly due to the fact that TAKKT has updated its advertising media and slightly increased catalogue circulation.

Based on the positive first nine months and this trend continuing, TAKKT estimates that it can now achieve an exchange rate adjusted growth of four to five percent. Full-year earnings before tax will be noticeably above the previous year.

RESULTS OF THE TAKKT GROUP. The gross profit margin increased slightly over the previous year. This forms the basis for the stable earnings figures of the TAKKT Group.

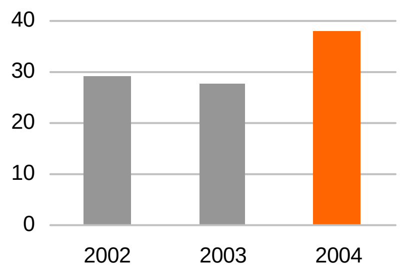
Earnings before interest, tax, depreciation and amortisation (EBITDA) rose by 12.3 percent to EUR 65.0 (57.9) million. The EBITDA margin improved noticeably to 12.1 (10.9) percent.

EBITA (earnings before interest, tax and amortisation) climbed 15.2 percent to EUR 58.2 (50.5) million. The EBITA margin rose again, from 9.5 to 10.8 percent. The result of the first nine months fully met the expectations of TAKKT AG. The TAKKT Group has traditionally reported higher turnover and earnings in the first and fourth quarters compared to the second and third quarters. This is due to the fact that most advertising media is mailed in the first and fourth quarter and also due to the higher number of (public) holidays in the second and third quarters.

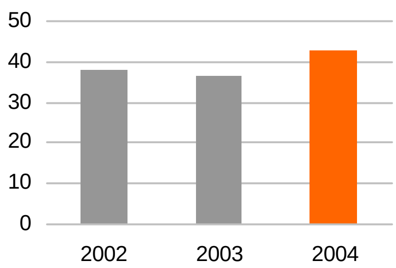
Scheduled amortisation of goodwill was at the same level as in the previous year. The changes shown are the result of currency translation and were caused by the depreciation of the US dollar. Accordingly, earnings before interest and tax (EBIT) rose by 21.8 percent to EUR 46.4 (38.1) million, which represents an EBIT margin of 8.6 (7.2) percent.

The TAKKT Group's profit before tax increased to EUR 38.0 (27.8) million. Based on a slightly lower tax ratio, net income reached EUR 24.0 (16.8) million. At EUR 42.6 (36.6) million, cash flow was also clearly up on the previous year.

Profit before tax nine months TAKKT Group in EUR million



Cash flow first nine months TAKKT Group in EUR million



The newly established companies have developed in line with expectations. Expenses for these 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 nine months 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.

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 37.2 percent on the reporting date.

The Group's net financial debt amounted to EUR 206.9 million at 30 September 2004, down from EUR 234.3 million at 31 December 2003. Net financial debt rose slightly by EUR 2.1 million as a result of changes in exchange rates. EUR 26.5 million of cash flow was used to repay debt. TAKKT expects full-year debt repayments to total approximately EUR 35 million.

In the first nine months of the year, TAKKT invested EUR 5.6 (7.5) million in the rationalisation, expansion and maintenance of its business operations. At 1.0 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 has been made of the stock repurchase programme up to the end of the quarter. No major incidents have occurred since the end of the reporting period.

KAISER + KRAFT EUROPA. At EUR 275.7 (264.2) million, turnover at KAISER + KRAFT EUROPA was up 4.4 percent on the same period of the previous year. Based on stable exchange rates, the increase would have come to 4.6 percent. KAISER + KRAFT EUROPA contributed 51.4 percent to total Group turnover. This promising development is mainly due to the increased number of orders as well as the increased average order value. Nearly all subsidiaries of KAISER + KRAFT EUROPA contributed positively to these results. Only the situation in the Netherlands remains weak. The subsidiaries in Eastern Europe, Norway, Switzerland, France and Japan reported very positive business. Encouraging growth rates are being reported in Germany after a disappointing first quarter.

KAISER + KRAFT EUROPA has continued to acquire customers for e-procurement projects. These projects – implementing electronic catalogues on the customers own intranet – enable KAISER + KRAFT EUROPA to generate a higher turnover with these customers, as a result of the higher customer loyalty. The customer takes the advantage of reducing transaction costs with every order placed. In the past quarter KAISER + KRAFT EUROPA was able to win the 200th customer.

KAISER + KRAFT EUROPA's earnings position remains excellent, with EBITA totalling EUR 44.2 (40.0) million. The EBITA margin climbed from the previous year's 15.1 percent to 16.0 percent.

TOPDEQ. The Topdeq division generated a turnover of EUR 51.7 (51.8) million, representing a slight decline of 0.2 percent. Based on stable exchange rates, the turnover would have increased by 1.6 percent. Topdeq contributed 9.6 percent to the total Group turnover. The persistently weak demand for office furniture is apparent in Germany and especially in the Netherlands. The subsidiary in the USA contributed good growth figures after stagnation in the first half-year. This proves that the price increases implemented in the first half-year have been accepted by the market. The Swiss and French subsidiaries have continued favourably.

The adjustment of capacities to the current business levels, as well as a more efficient mailing policy has had a positive impact on the earnings position of the Topdeq segment. The division generated earnings before interest, tax and amortisation of EUR - 2.2 (- 2.8) million.

K+K AMERICA. In the first nine months of 2004, the companies of the K+K America division generated a turnover of USD 256.5 (239.9) million, up 6.9 percent on the previous year. Translated into the reporting currency, however, turnover was down 3.1 percent to EUR 209.4 (216.1) million due to changes in exchange rates. The division has contributed 39.0 percent to total Group turnover. The profitability increased significantly, with the EBITA margin reaching 10.4 (8.7) percent. EBITA totalled USD 26.7 (20.8) million, equivalent to EUR 21.8 (18.7) million.

While the ongoing positive economic situation is clearly reflected in the trading results at C&H, C&H Mexico, Avenue 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. The sales at Conney in the third quarter were however encouraging.

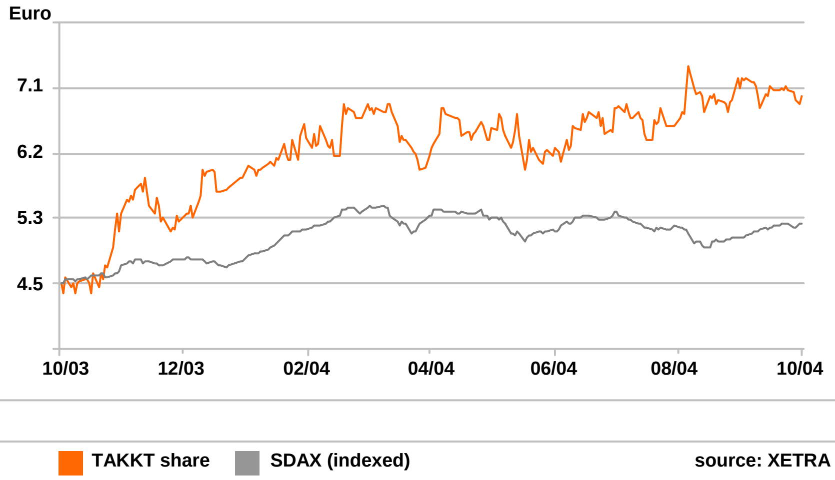
THE TAKKT SHARE. On 4 May 2004, the Management and Supervisory Boards welcomed some 475 shareholders and guests to TAKKT AG's fifth ordinary Annual General Meeting in Ludwigsburg. A detailed report on the course and the results was given in the report on the first half-year.

TAKKT's top management is actively involved in the company's ongoing investor relations activities. Visits to investors at the major finance centres in Europe play an important role. Roadshows had been held by the TAKKT-management twice in London and twice in Paris. Also investors in Frankfurt, Edinburgh, Copenhagen and Stockholm were informed about the advantages of the B2B mail order business.

TAKKT also takes part in capital market conferences to address institutional and private investors. For example, TAKKT made a presentation at the Cheuvreux German Corporate Conference in January 2004.

Preliminary figures for the full financial year 2004 will be published on 17 February 2005.

Performance of the TAKKT share, 52 week comparison



source: XETRA

CONSOLIDATED PROFIT AND LOSS ACCOUNT

(in EUR million)

	Q 3		9 months	
	01.07.2004-30.09.2004	01.07.2003-30.09.2003	01.01.2004-30.09.2004	01.01.2003-30.09.2003
Turnover	178.4	171.3	536.8	532.1
Changes in inventories of finished goods and work in progress	0.0	0.0	0.1	0.0
Own fixed assets capitalised	0.0	0.1	0.0	0.1
Gross performance	**178.4**	**171.4**	**536.9**	**532.2**
Cost of sales	106.3	102.4	317.4	316.9
Gross profit	**72.1**	**69.0**	**219.5**	**215.3**
Other income	1.6	2.5	5.2	6.1
Personnel expenses	23.4	23.5	70.0	71.3
Other operating expenses	30.0	29.7	89.7	92.2
EBITDA	**20.3**	**18.3**	**65.0**	**57.9**
Depreciation of other intangible and tangible assets	2.3	2.4	6.8	7.4
EBITA	**18.0**	**15.9**	**58.2**	**50.5**
Amortisation of goodwill	3.9	4.1	11.8	12.4
EBIT	**14.1**	**11.8**	**46.4**	**38.1**
Financial result	- 2.8	- 3.2	- 8.4	- 10.3
Profit before tax	**11.3**	**8.6**	**38.0**	**27.8**
Income taxes	4.5	3.8	14.0	11.0
Net income before minority interest	**6.8**	**4.8**	**24.0**	**16.8**
Minority interest	0.1	0.1	0.5	0.5
Net income	**6.7**	**4.7**	**23.5**	**16.3**
Number of issued shares in millions	72.9	72.9	72.9	72.9
Earnings per share in EUR	0.09	0.06	0.32	0.22
Average no. of employees (full-time equivalent)	1,853	1,884	1,852	1,896

This report was prepared in accordance with 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. – 30.09.2004	K+K EUROPA	Topdeq	K+K America	Other	Total
Turnover	275.7	51.7	209.4	0.0	536.8
EBITDA	47.6	- 0.9	23.7	- 5.4	65.0
EBITA	44.2	- 2.2	21.8	- 5.6	58.2
EBIT	39.2	- 3.3	16.1	- 5.6	46.4
Profit before tax	35.4	- 3.6	11.0	- 4.8	38.0
Net income before minorities	22.9	- 3.4	6.5	- 2.0	24.0
Average no. of employees (full-time equivalent)	837	220	770	25	1,852
Employees (full-time equivalent) at 30.09.2004	838	220	778	24	1,860

01.01. – 30.09.2003	K+K EUROPA	Topdeq	K+K America	Other	Total
Turnover	264.2	51.8	216.1	0.0	532.1
EBITDA	43.6	- 1.3	20.8	- 5.2	57.9
EBITA	40.0	- 2.8	18.7	- 5.4	50.5
EBIT	35.0	- 3.8	12.3	- 5.4	38.1
Profit before tax	30.8	- 4.2	6.0	- 4.8	27.8
Net income before minorities	19.7	- 3.8	3.5	- 2.6	16.8
Average no. of employees (full-time equivalent)	866	226	778	26	1,896
Employees (full-time equivalent) at 30.09.2003	857	226	779	26	1,888

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	1.6	- 0.1	1.5
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	23.5	0.0	23.5
Changes in derivative financial instruments	0.0	0.0	1.5	1.5
Balance at 30.09.2004	**72.9**	**105.8**	**- 2.3**	**176.4**

	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	- 7.5	0.7	- 6.8
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	16.3	0.0	16.3
Changes in derivative financial instruments	0.0	0.0	1.8	1.8
Balance at 30.09.2003	**72.9**	**85.4**	**- 4.7**	**153.6**

CONSOLIDATED CASH FLOW STATEMENT

(in EUR million)

	01.01.2004-30.09.2004	01.01.2003-30.09.2003
Net income (incl. minority interests)	24.0	16.8
Depreciation of fixed assets	18.6	19.8
Cash flow	**42.6**	**36.6**
Change in provisions	- 0.1	2.7
Other income / expenditure not affecting the movement of funds	- 0.1	- 0.6
Profit / loss on disposal of fixed assets	0.0	- 0.2
Change in stocks	- 2.9	1.2
Change in trade debtors and other assets, not being part of investing and financing activities	1.0	- 3.8
Change in trade liabilities and other liabilities, not being part of investing and financing activities	3.1	- 1.3
Net cash flow from operating activities	**43.6**	**34.6**
Proceeds from disposal of tangible and intangible assets	0.2	0.5
Investment in tangible and intangible assets	- 5.6	- 7.5
Net cash flow from investing activities	**- 5.4**	**- 7.0**
Change in gross borrowings	- 26.5	- 18.7
Dividends to Group shareholders and minority interests	- 8.4	- 8.2
Other changes in shareholders' equity	- 0.1	0.2
Net cash flow from financing activities	**- 35.0**	**- 26.7**
Net change in funds	3.2	0.9
Effects of exchange rate changes	0.1	- 0.2
Funds at beginning of period	4.2	5.5
Funds at end of period	**7.5**	**6.2**

CONSOLIDATED BALANCE SHEET

(in EUR million)

ASSETS	30.09.2004	31.12.2003
Fixed assets		
Goodwill	225.4	235.1
Other intangible assets	5.2	5.1
Tangible assets	70.6	71.5
Financial assets	0.1	0.1
	301.3	**311.8**
Current assets		
Stocks	58.8	55.4
Trade and other debtors	90.5	83.8
Cash and cash equivalents	7.5	4.2
	156.8	**143.4**
Deferred taxes	**4.5**	**9.6**
Prepaid expenses	**12.2**	**15.1**
	474.8	**479.9**

EQUITY AND LIABILITIES	30.09.2004	31.12.2003
Shareholders' equity		
Issued capital	72.9	72.9
General reserves	82.3	64.3
Other comprehensive income	- 2.3	- 3.7
Retained earnings	23.5	23.7
	176.4	**157.2**
Minority interest	**2.8**	**3.4**
Provisions	**29.1**	**29.3**
Short and long-term borrowings	**214.4**	**238.6**
Trade and other liabilities	**52.1**	**51.4**
	474.8	**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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