Quarterly Report I/2004

DEAR SHAREHOLDERS,

Although the economic environment in several European markets remains difficult, the TAKKT Group presented good turnover and earnings figures for the first three months of financial year 2004, thanks to the positive development of our business activities outside Europe. Signs of a recovery have, in particular, become apparent in North America. While turnover in euros declined by 3.6 percent, exchange rate adjusted turnover was up by 2.9 percent. Earnings before tax increased by 20.6 percent in the first three months of the year, thanks to a lower tax ratio the net profit increased with 27.5 percent even more.

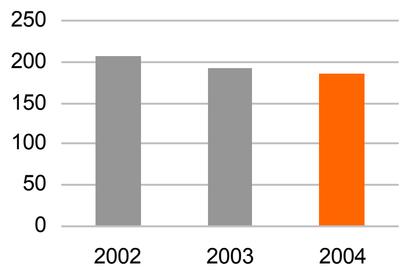
TAKKT-HIGHLIGHTS IN THE FIRST THREE MONTHS OF 2004:

- Turnover up 2.9 percent in exchange rate adjusted terms
- Signs of a recovery in North American business activities
- Earnings per share increased from 11 cents to 14 cents
- Further increase in equity ratio to 34.4 percent
- New subsidiaries in Eastern Europe, Mexico and Japan continue to develop promisingly
- Operative start of warehouse expansion in Kamp-Lintfort successful

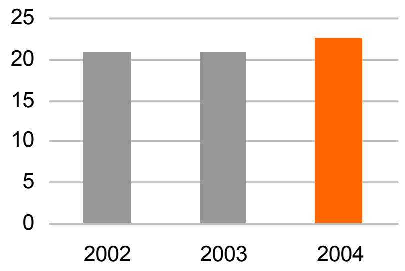
THE TAKKT GROUP. The weak economic situation in European markets - especially in Germany - continues to affect the purchasing behaviour of TAKKT's European customers. We have been able, however, to compensate for these effects, in particular thanks to the pick-up in the US economy and the winning of new customers in new and existing markets.

TAKKT AG
BUSINESS EQUIPMENT SOLUTIONS

Turnover January to March
TAKKT Group in million Euro



EBITA January to March
TAKKT Group in million Euro



First-quarter turnover declined by 3.6 percent to EUR 184.4 (191.2) million. Adjusted for changes in exchange rates, turnover was up 2.9 percent on the previous year. Other reasons include an increase in number of orders in the TAKKT Group as a whole and a moderate increase - based on stable exchange rates - in the average order value.

The value and growth drivers developed as expected in all segments. K + K America boosted its sales in US dollars by 6.1 percent, while KAISER + KRAFT EUROPA and Topdeq reported an increase, in exchange rate adjusted terms, by 1.5 percent and 0.5 percent, respectively. This development was also supported by the additional working day in comparison to the previous year.

TAKKT is cautiously optimistic about the course of business in the next nine months. Cautious, because the economic recovery, especially in Germany, has been slower than predicted by economic researchers. Optimistic, because TAKKT's duplicable systems business enables the Group to make inroads into new markets and win new customers. We will keep to our (exchange rate adjusted) growth target in the region of 3 percent, if the projections of the researchers materialize. Profit before tax will grow at a higher rate, however, as a result of a reduced interest expense.

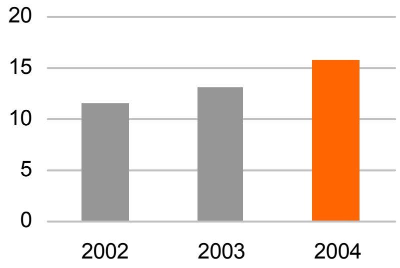
TAKKT GROUP RESULTS. At 41.2 (40.9) percent, the gross profit margin was again higher than in the first three months of the previous year. This excellent margin is the basis for the TAKKT Group's stable overall earnings figures, to which K + K America and KAISER + KRAFT EUROPA made the biggest contributions. While this is attributable to the further expansion of the warehouse business at KAISER + KRAFT EUROPA, K + K America saw turnover shift slightly in favour of the Hubert subsidiary, which has traditionally achieved higher gross profit margins. Also, due to the weak economy, hardly any large orders with discounts were received in all three segments.

EBITDA (earnings before interest, tax, depreciation and amortisation) increased by 4.7 percent to EUR 24.6 (23.5) million. The EBITDA margin improved significantly, reaching 13.3 (12.3) percent.

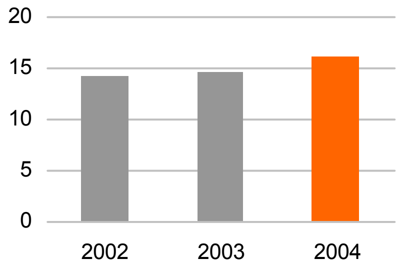
Earnings before interest, tax and amortisation (EBITA) climbed 7.1 percent to EUR 22.5 (21.0) million, while the EBITA margin improved significantly from 11.0 to 12.2 percent. TAKKT generally reports higher turnover and earnings figures in the first and fourth quarter, compared with the second and third quarter. In the first and fourth quarter the main effort of advertising media is sent out to customers, the other quarters are also influenced by holidays' taken in that period. TAKKT therefore retains its full-year EBITA margin target of 9 to 11 percent.

Scheduled goodwill amortisation remained unchanged from the previous year. The changes shown are the result of currency translation and are exclusively

Profit before tax January to March
TAKKT-Group in million Euro



Cash flow January to March
TAKKT-Group in million Euro



attributable to the depreciation of the US dollar. Accordingly, earnings before interest and tax (EBIT) rose by 10.7 percent to EUR 18.6 (16.8) million, which represents an EBIT margin of 10.1 (8.8) percent. The TAKKT Group's pre-tax profit climbed to EUR 15.8 (13.1) million. Based on a lower tax ratio, net income amounted to EUR 10.2 (8.0) million. At EUR 16.2 million, cash flow was up on the previous year.

The improved key figures are mainly attributable to the capacity adjustments implemented in previous years. Start-up losses for the newly established companies were on par with the previous year. Expenses - especially for catalogues - were in line with budget.

Interest expense was down on the same period of the previous year, reflecting the lower level of indebtedness. The Group also benefited from the continued weakness of the US dollar, which had a positive effect on the interest result in the translation into euros.

BALANCE SHEET OF THE TAKKT GROUP. The balance sheet continues to be characterised by the continued high cash flow and the active management of inventories and trade receivables. The equity ratio rose from 32.8 percent (December 31, 2003) to 34.4 percent (March 31, 2004).

The cash flow allowed the Group's total debt to be reduced by EUR 8.1 million. TAKKT expects full-year repayments to total EUR 30 million. Net financial debt was down EUR 6.9 million on December 31, 2003 to EUR 227.5 million. Changes in exchange rates – especially of the US dollar – resulted in an increase of EUR 1.2 million in the net financial debt.

In the first three months of the financial year, TAKKT invested EUR 1.5 (2.1) million in the rationalisation, maintenance and expansion of its business operations.

Contingent liabilities have remained unchanged since the last balance sheet date. No major events have occurred since the end of the reporting period. Up to the reporting date, no use had been made of the stock repurchase programme approved by the Annual General Meeting last year.

KAISER + KRAFT EUROPA. At EUR 98.3 (98.1) million, the three-month turnover of KAISER + KRAFT EUROPA was up by a moderate 0.2 percent on the same period of the previous year. Based on stable exchange rates, the increase would have come to 1.5 percent. KAISER + KRAFT EUROPA contributed 53.3 percent to total Group sales. While the average order value dropped slightly in the first quarter, the number of orders received by the Group increased. The situation differs from country to country though. Customers' purchasing restraint was particularly evident in Sweden, Germany and the Netherlands. The KAI-

SER + KRAFT and KWESTO companies based in the countries, which will join the European Union on May 1, 2004, again achieved very positive results. The earnings position of KAISER + KRAFT EUROPA remains very satisfying. The division generated EBITA of EUR 17.5 (16.6) million, the margin improved, reaching 17.8 (16.9) percent.

The new subsidiary in Japan continued its positive development. The enlarged product range has been so well received by local customers that the company finished its test phase earlier than planned. The company's organic growth will accelerate in the coming years through constant additions to the product range and an expansion of the delivery radius.

TOPDEQ. At EUR 18.8 (19.2) million, the Topdeq Group's turnover was down by a moderate 2.1 percent on the same period of the previous year. Based on unchanged exchange rates, Topdeq would have reported a moderate 0.5 percent increase. The continued difficult economic situation in Germany and the Netherlands had an adverse impact on local Topdeq customers' purchasing behaviour. Against this background, the good growth rates achieved by the Topdeq companies in the USA and France were all the more promising.

The adjustment of capacities at Topdeq Germany and the closure of Topdeq's warehouse in the Netherlands have had a positive effect on the earnings position of the Topdeq Group. The start-up losses of the new businesses established in recent years were also slightly lower than in the same period of the previous year. EBITA for the segment stood at EUR 0.3 (- 0.5) million.

K + K AMERICA. In the first three months of 2004, the companies of the K + K America Group generated USD 84.1 (79.3) million in turnover, up 6.1 percent on the same period of the previous year. Translated into the reporting currency, turnover declined, however, from EUR 73.9 million to EUR 67.3 million, contributing 36.5 percent to total Group turnover. The EBITA margin increased again, reaching now 9.8 (8.7) percent. The division's earnings totalled USD 8.3 (6.9) million, translated to a reported EUR 6.6 (6.4) million.

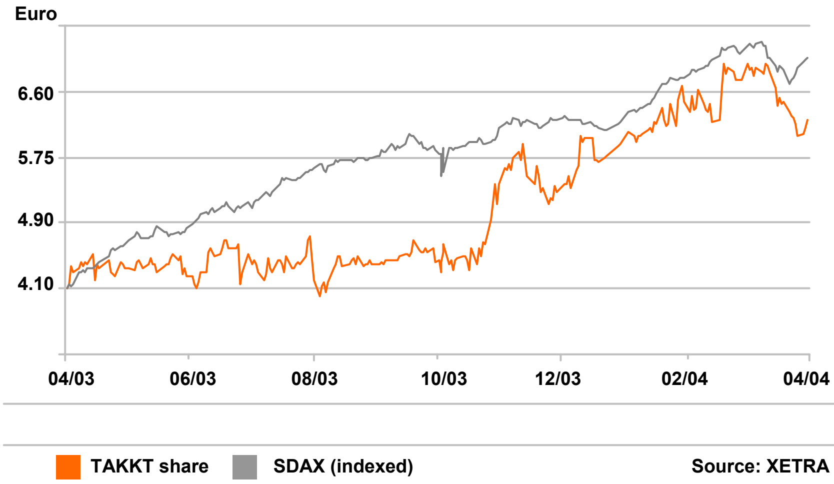
Conney's turnover was down on the previous year, mainly due to the general development in the labour market. The pick-up in the US economy had a positive effect on the business of C&H Distributors, however, with incoming orders and turnover slightly up on the same period of the previous year. Hubert continued to develop favourably, not least due to the successful business activities in Canada and the mailing of the first catalogue to the general retail sector in August 2003. C&H Mexico also reported good results, with the number of incoming orders above expectations.

THE TAKKT SHARE. After the press conference for the presentation of the annual accounts and the analysts' conference in March 2004, the TAKKT management stepped up its investor relations activities and organized road shows in

Paris, London and Edinburgh. 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. In April 2004, investors in Copenhagen and Stockholm were for the first time informed of the advantages of the B2B mail order business.

Figures for the first half-year of financial year 2004 will be published on August 5, 2004.

Performance of the TAKKT share, 52 weeks comparison



Source: XETRA

CONSOLIDATED PROFIT AND LOSS ACCOUNT

(in EUR million)

	01.01.2004-31.03.2004	01.01.2003-31.03.2003
Turnover	184.4	191.2
Changes in inventories of finished goods and work in progress	- 0.1	0.0
Own fixed assets capitalised	0.0	0.0
Gross performance	**184.3**	**191.2**
Cost of sales	108.3	113.0
Gross profit	**76.0**	**78.2**
Other income	1.9	1.8
Personnel expenses	23.4	24.3
Other operating expenses	29.9	32.2
EBITDA	**24.6**	**23.5**
Depreciation of other intangible and tangible assets	2.1	2.5
EBITA	**22.5**	**21.0**
Amortisation of goodwill	3.9	4.2
EBIT	**18.6**	**16.8**
Financial result	- 2.8	3.7
Profit before tax	**15.8**	**13.1**
Income taxes	5.6	5.1
Net income before minority interest	**10.2**	**8.0**
Minority interest	0.2	0.2
Net income	**10.0**	**7.8**
Number of issued shares in millions	72.9	72.9
Earnings per share in EUR	0.14	0.11
Average no. of employees (full-time equivalent)	1,856	1,908

This quarterly 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. – 31.03.2004	K+K EUROPA	Topdeq	K+K America	Other	Total
Turnover	98.3	18.8	67.3	0.0	184.4
EBITDA	18.6	0.7	7.2	- 1.9	24.6
EBITA	17.5	0.3	6.6	- 1.9	22.5
EBIT	15.9	- 0.1	4.7	- 1.9	18.6
Profit before tax	14.6	- 0.2	3.0	- 1.6	15.8
Net income before minorities	9.6	- 0.3	1.8	- 0.9	10.2
Average no. of employees (full-time equivalent)	841	222	767	26	1,856
Employees (full-time equivalent) at 31.03.2004	842	220	765	26	1,853

01.01. – 31.03.2003	K+K EUROPA	Topdeq	K+K America	Other	Total
Turnover	98.1	19.2	73.9	0.0	191.2
EBITDA	17.9	0.0	7.1	- 1.5	23.5
EBITA	16.6	- 0.5	6.4	- 1.5	21.0
EBIT	14.9	- 0.8	4.2	- 1.5	16.8
Profit before tax	13.3	- 0.9	1.9	- 1.2	13.1
Net income before minorities	8.8	- 1.2	1.1	- 0.7	8.0
Average no. of employees (full-time equivalent)	874	231	777	26	1,908
Employees (full-time equivalent) at 31.03.2003	875	229	784	26	1,914

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	2.1	- 0.1	2.0
Dividend	0.0	0.0	0.0	0.0
Other changes	0.0	0.0	0.0	0.0
Net income for the period	0.0	10.0	0.0	10.0
Changes in derivative financial instruments	0.0	0.0	1.0	1.0
Balance at 31.03.2004	**72.9**	**100.1**	**- 2.8**	**170.2**

	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	- 3.2	0.3	- 2.9
Dividend	0.0	0.0	0.0	0.0
Other changes	0.0	0.0	0.0	0.0
Net income for the period	0.0	7.8	0.0	7.8
Changes in derivative financial instruments	0.0	0.0	0.9	0.9
Balance at 31.03.2003	**72.9**	**88.5**	**- 6.0**	**155.4**

CONSOLIDATED CASH FLOW STATEMENT

(in EUR million)

	01.01.2004-31.03.2004	01.01.2003-31.03.2003
Net income (incl. minority interests)	10.2	8.0
Depreciation of fixed assets	6.0	6.7
Cash flow	**16.2**	**14.7**
Change in provisions	4.4	1.1
Other income / expenditure not affecting the movement of funds	0.1	- 0.2
Profit / loss on disposal of fixed assets	0.0	- 0.3
Change in stocks	- 0.8	0.8
Change in trade debtors and other assets not part of investing and financing activities	- 10.0	- 8.0
Change in trade liabilities and other liabilities not part of investing and financing activities	2.5	2.7
Net cash flow from operating activities	**12.4**	**10.8**
Proceeds from disposal of tangible and intangible assets	0.1	0.3
Investment in tangible and intangible assets	- 1.5	- 2.1
Net cash flow from investing activities	**- 1.4**	**- 1.8**
Change in gross borrowings	- 8.1	- 6.8
Dividends to Group shareholders and minority interests	0.0	0.0
Other changes in shareholders' equity	- 0.4	0.2
Net cash flow from financing activities	**- 8.5**	**- 6.6**
Net change in funds	2.5	2.4
Effects of exchange rate changes	0.0	- 0.1
Funds at beginning of period	4.2	5.5
Funds at end of period	**6.7**	**7.8**

CONSOLIDATED BALANCE SHEET

(in EUR million)

ASSETS	31.03.2004	31.12.2003
Fixed assets		
Goodwill	235.1	235.1
Other intangible assets	5.0	5.1
Tangible assets	71.8	71.5
Financial assets	0.1	0.1
	312.0	**311.8**
Current assets		
Stocks	57.0	55.4
Trade and other debtors	95.5	83.8
Cash and cash equivalents	6.7	4.2
	159.2	**143.4**
Deferred taxes	**8.8**	**9.6**
Prepaid expenses	**14.8**	**15.1**
	494.8	**479.9**

EQUITY AND LIABILITIES	31.03.2004	31.12.2003
Shareholders' equity		
Issued capital	72.9	72.9
General reserves	90.1	64.3
Other comprehensive income	- 2.8	- 3.7
Retained earnings	10.0	23.7
	170.2	**157.2**
Minority interest	**3.6**	**3.4**
Provisions	**33.9**	**29.3**
Short and long-term borrowings	**234.2**	**238.6**
Trade and other liabilities	**52.9**	**51.4**
	494.8	**479.9**

TAKKT AG, Corp. Finance/Investor Relations, Presselstrasse 12, 70191 Stuttgart, Germany
Tel. +49 (0)711 3 46 58-2 22, Fax +49 (0)711 3 46 58-1 04, investor@takkt.de, www.takkt.de