Report for the first quarter 2005

DEAR SHAREHOLDERS

TAKKT AG is reporting good turnover and earnings figures for the first three months of 2005. The result is all the more positive against the background of the weak economic activity in Europe and, in particular, Germany.

Turnover was up 3.3 percent on the previous year. In currency-adjusted terms, the increase would have been 4.8 percent. The highest growth was reported by the Topdeq division, followed by K + K America and KAISER + KRAFT EUROPA. The TAKKT Group's earnings figures rose at an over-proportional rate.

TAKKT-HIGHLIGHTS IN THE FIRST THREE MONTHS OF 2005

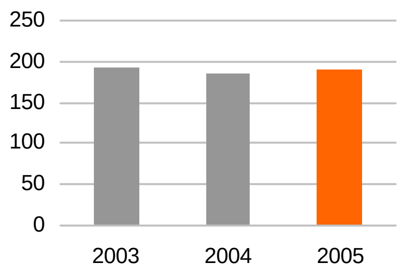
- Turnover up 4.8 percent on exchange rate adjusted terms
- Topdeq reports strong growth over the previous year
- Equity ratio rises to 41.8 percent
- Management and Supervisory Boards propose to increase the dividend for the financial 2004 by 50 percent to EUR 0.15 per share
- TAKKT adopts IFRS 3 with effect from 1 January 2005
- Five new companies on three continents scheduled to start operations in mid-2005
- Dutch KAISER + KRAFT EUROPA subsidiary, Vink, wins regional "Sterkste Schakel 2005" award for best service

EFFECTS OF THE ADOPTION OF IFRS 3 AT TAKKT AG

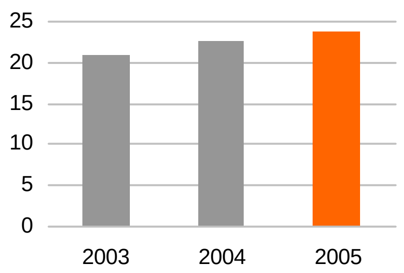
- The 1 January 2005 adoption of IFRS 3 means that goodwill is no longer subject to scheduled amortisation
- Going forward, goodwill must be tested for impairment on an annual basis
- There was no indication for an impairment charge in the first quarter 2005
- EBIT and profit before tax increase by an amount equivalent to the former goodwill amortisation
- Deferred tax effecting net income increases as goodwill continues to be depreciated for tax purposes
- When calculating cash flow, TAKKT will now take deferred tax into account in order to eliminate the distorting effect of this non-cash expense

TAKKT AG
BUSINESS EQUIPMENT SOLUTIONS

Turnover January to March
TAKKT Group in million Euro



EBITA January to March
TAKKT Group in million Euro



THE TAKKT GROUP

In the first three months of 2005, TAKKT increased its turnover by 3.3 percent to EUR 190.5 (2004: 184.4) million. Based on stable exchange rates, turnover was up by 4.8 percent. This growth was mainly attributable to an increase in the average order value. The number of orders was also slightly higher than in the same period of the previous year.

The individual divisions reported different growth rates. While KAISER + KRAFT EUROPA grew only moderately due to weak economic activity in key European markets, Topdeq reported strong growth. K + K America again achieved good growth rates.

Although the course of business in the first quarter 2005 was satisfactory, economic activity – particularly in Europe – might weaken further. At present it is not possible to tell how intense this development will be. The TAKKT management is nevertheless confident that the Group will be able to mitigate the effects of this possible development. The Group will benefit from its strong international presence, further updated catalogues and mailings and the expansion into new regions. The objective for 2005 is to achieve currency-adjusted turnover growth of at least three percent.

RESULTS OF THE TAKKT GROUP

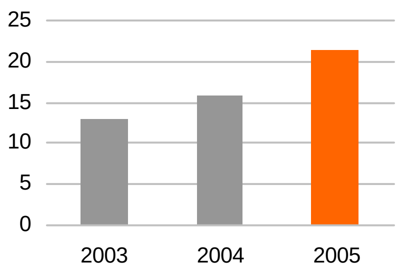
The gross profit margin rose slightly from 41.2 percent in the first quarter of the previous year to 41.6 percent. This excellent figure forms the basis for the TAKKT Group’s high and stable earnings figures. Both KAISER + KRAFT EUROPA and K + K America contributed to the higher gross profit margin, as both divisions secured favourable purchasing terms in the first quarter. Moreover, K + K America saw turnover shift slightly in favour of the Hubert subsidiary, which generally generates higher gross profit margins. In the prevailing economic environment there was an absence of large-scale orders across all divisions, which are usually subject to discounts.

EBITDA – earnings before interest, tax, depreciation and amortisation – rose by 6.1 percent to EUR 26.1 (24.6) million. The EBITDA margin climbed to 13.7 (13.3) percent.

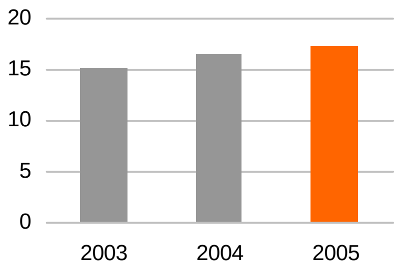
Earnings before interest, tax and amortisation (EBITA) reached EUR 23.9 (22.5) million, which represents a 6.2 percent increase. Accordingly, the EBITA margin reached 12.5 (12.2) percent. The TAKKT Group traditionally reports higher turnover and earnings figures in the first and fourth quarters in comparison to the second and third quarters, when the number of (public) holidays is higher. Moreover, the Group mails most of its catalogues at the beginning and the end of a year. TAKKT expects the EBITA margin for the full year to be in the upper half of the long-term target corridor of 9 to 11 percent.

As a result of the adoption of IFRS 3 from the beginning of the year, the TAKKT Group’s goodwill is no longer subject to scheduled amortisation. As a result, earnings before interest and tax (EBIT) increased sharply to EUR 23.9 (18.6) million. Last year’s goodwill amortisation amounted to EUR 3.9 million.

Profit before tax January to March TAKKT Group in million Euro



Cash flow January to March TAKKT Group in million Euro



Profit before tax rose strongly to EUR 21.4 (15.8) million, again due to the adoption of IFRS 3. The increase is also attributable to higher operational profitability and a better interest result. TAKKT benefited from the fact that interest expense continued to decline as a result of the Group's reduced total liabilities. The change in exchange rates also had a positive effect on the interest result.

Net income before minority interest climbed to EUR 13.8 (10.2) million. At 35.5 (35.4) percent, the tax ratio remained virtually unchanged. Deferred taxes increased as a result of the adoption of IFRS 3. To eliminate the distorting effects of the non-cash deferred taxes, TAKKT now calculates the cash flow on the basis of the net income before minority interest plus depreciation and deferred tax.

Calculated according to the new method, first-quarter cash flow amounted to EUR 17.4 (16.6) million, which represents a margin of 9.1 (9.0) percent.

BALANCE SHEET OF THE TAKKT GROUP

Balance sheet ratios continued to improve in the first three months of 2005 as a result of the good earnings and the high cash flow. The TAKKT Group's equity ratio rose from 39.6 percent at 31 December 2004 to 41.8 percent at 31 March 2005. At the same time, the strong cash flow allowed borrowings to be reduced by EUR 9.2 million. At 31 March 2005, net borrowings totalled EUR 175.3 million (EUR 182.3 million at 31 December 2004). Given that TAKKT raises finance in line with the cash flows expected in the individual currencies, this item was also influenced by exchange rate changes – mainly US dollar – which led to a EUR 5.7 million increase in net borrowings.

The active management of trade receivables continues to be very important. The receivables collection period remained almost unchanged at 39 days in the first three months of the year.

In the first three months of the year, TAKKT invested EUR 1.6 (1.5) million in the rationalisation, expansion and maintenance of its business.

Contingent liabilities are not material and unchanged since 31 December 2004. No use has been made of the possibility to buy its own shares. No major events have occurred since the end of the reporting period.

KAISER + KRAFT EUROPA

Against the background of a lacklustre economic outlook – especially in Germany – KAISER + KRAFT EUROPA's turnover rose by 2.5 percent to EUR 100.8 (98.3) million, which represents 52.9 percent of total Group turnover. Based on stable exchange rates, the increase would have been 1.9 percent. Given that the number of working days in the first quarter of 2005 was lower than in the first three months of 2004, the increase is attributable to higher average order values. Business activity differed from country to country, with the subsidiaries in the Netherlands and Italy making a weak start to the year 2005. In contrast, positive figures were reported by the TAKKT subsidiaries in Japan, France, the Slovak Republic and Sweden.

EBITA amounted to EUR 17.4 (17.5) million, which represents an EBITA margin of 17.3 (17.8) percent. The moderate decline in the EBITA margin is due to increased advertising expenses, which will become effective in the second quarter. Preparations for the start of operations of the new subsidiaries in China, Romania and Turkey are mainly proceeding according to plan. Before the first catalogues are mailed beginning May 2005, the new start-ups will have little effect on the profitability of the KAISER + KRAFT EUROPA division.

Vink, the Dutch subsidiary, won the “Sterkste Schakel 2005“ prize, which is awarded by the Alphen/Rhine region to companies in different industries excelling in terms of customer satisfaction and service. Vink won the prize both in the “Office and Automation” category and for the best overall result across all industries.

TOPDEQ

Topdeq boosted its turnover by 12.2 percent to EUR 21.1 (18.8) million in the first three months of 2005. Adjusted for exchange rate effects, turnover would have grown by 12.8 percent. This growth is attributable to a higher number of orders and to a higher average order value. Topdeq now accounts for over 11.1 percent of total Group turnover. With the exception of the Dutch subsidiary, which just missed the previous year’s turnover, all subsidiaries contributed to this growth; this suggests that the trough of the extended crisis in the European office furniture market has been passed. The situation remains particularly favourable in the USA and France. But Germany and Switzerland have also shown positive growth.

Higher capacity utilisation and optimised processes have had a positive effect on the profitability of the Topdeq Group. The division generated EBITA in an amount of EUR 1.0 (0.3) million. This corresponds to an EBITA margin of 4.7 (1.6) percent.

K + K AMERICA

The companies of the K + K America division generated USD 89.9 (84.1) million in turnover in the first three months of 2005. This represents an increase of 6.9 percent. The division thus remains on the growth track thanks to rising order numbers and higher average order values. All subsidiaries have contributed to this growth.

Translated into euros, the division’s turnover amounted to EUR 68.6 million, up 1.9 percent on the previous year’s EUR 67.3. K + K America contributed 36.0 percent to total Group turnover. EBITA improved from EUR 6.6 to 7.4 million. Accordingly, the EBITA margin climbed to 10.8 (9.8) percent. The higher gross profit margin, optimised internal processes and more efficient catalogues and mailings all had a positive effect.

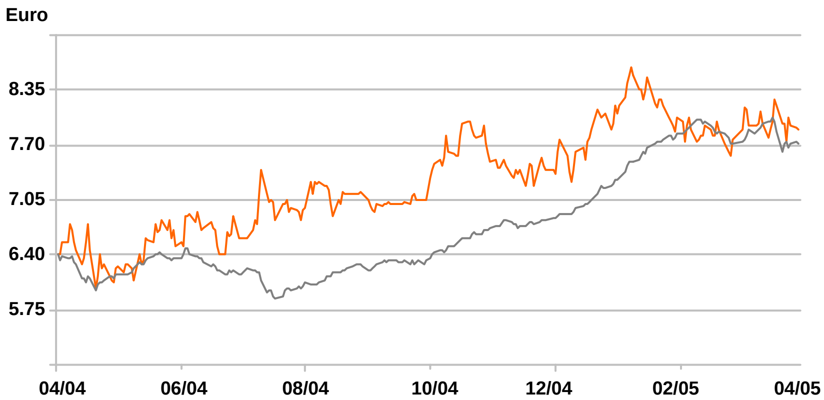
THE TAKKT SHARE

In January 2005, TAKKT attended an international capital market conference to inform analysts and investors about the advantages of the B2B mail order business. After the financial statements press and analysts conferences in late March, TAKKT management continued its investor relations activities and went on road shows in Frankfurt, Paris and London in April. On this occasion, a large number of institutional investors were informed about the Group's strategy and its profit and growth prospects.

Due to the good results in 2004, the Management and Supervisory Boards of TAKKT AG will propose to the Annual General Meeting on 3 May 2005 an increase in the dividend of 50 percent to EUR 0.15 per share. The payout ratio will thus reach 33.8 percent. The Annual General Meeting in Ludwigsburg will offer private and institutional investors and analysts another opportunity for direct communication with TAKKT AG.

The report on the first half-year 2005 will be published on 4 August 2005.

Performance of the TAKKT share, 52 weeks comparison



TAKKT share **SDAX (indexed)** **source: XETRA**

CONSOLIDATED INCOME STATEMENT

(in EUR million)	01.01.2005-31.03.2005	01.01.2004-31.03.2004
Turnover	190.5	184.4
Changes in inventories of finished goods and work in progress	0.1	- 0.1
Own work capitalised	0.0	0.0
Gross performance	**190.6**	**184.3**
Cost of sales	111.3	108.3
Gross profit	**79.3**	**76.0**
Other operating income	1.3	1.9
Personnel expenses	23.7	23.4
Other operating expenses	30.8	29.9
EBITDA	**26.1**	**24.6**
Depreciation of other intangible assets and property, plant and equipment	2.2	2.1
EBITA	**23.9**	**22.5**
Amortisation of goodwill	0.0	3.9
EBIT	**23.9**	**18.6**
Financial result	- 2.5	- 2.8
Profit before tax	**21.4**	**15.8**
Income taxes	7.6	5.6
Net income before minority interest	**13.8**	**10.2**
Minority interest	0.2	0.2
Net income	**13.6**	**10.0**
Number of issued shares in millions	72.9	72.9
Earnings per share in EUR	0.19	0.14
Average no. of employees (full-time equivalent)	1,841	1,856

This quarterly report was prepared in accordance with the International Financial Reporting Standards (IFRS). The same principles as set out in the annual report 2004 (page 67 and following) were applied.

CONSOLIDATED BALANCE SHEET

(in EUR million)

ASSETS	31.03.2005	31.12.2004
Fixed assets		
Goodwill	216.7	211.4
Other intangible assets	6.8	6.3
Property, plant and equipment	68.1	68.1
Other financial assets	0.1	0.1
	291.7	**285.9**
Non-current assets		
Other receivables and assets	0.3	0.3
Deferred tax assets	4.8	5.1
	5.1	**5.4**
Current receivables and assets		
Inventories	59.3	56.7
Trade receivables	90.0	82.8
Other receivables and assets	18.8	21.4
Income tax assets	1.1	1.6
Cash	7.6	4.0
	176.8	**166.5**
Total assets	**473.6**	**457.8**
EQUITY AND LIABILITIES	31.03.2005	31.12.2004
Shareholders' equity		
Issued capital	72.9	72.9
General reserves	112.4	77.0
Other comprehensive income	- 1.1	- 1.3
Net income	13.6	32.4
	197.8	**181.0**
Minority interest	**3.2**	**3.0**
Total equity	**201.0**	**184.0**
Non-current liabilities		
Borrowings	156.7	164.8
Deferred tax liabilities	8.3	6.9
Provisions	10.9	10.8
	175.9	**182.5**
Current liabilities		
Borrowings	26.2	21.5
Trade payables	25.2	26.4
Other liabilities	26.2	27.1
Provisions	8.9	9.1
Income tax liabilities	10.2	7.2
	96.7	**91.3**
Total equity and liabilities	**473.6**	**457.8**

SEGMENT INFORMATION

(in EUR million)

01.01. – 31.03.2005	K + K EUROPA	Topdeq	K + K America	Other	Group total
Segment turnover	100.8	21.1	68.6	0.0	190.5
EBITDA	18.6	1.4	8.0	- 1.9	26.1
EBITA	17.4	1.0	7.4	- 1.9	23.9
EBIT	17.4	1.0	7.4	- 1.9	23.9
Profit before tax	16.0	0.9	5.9	- 1.4	21.4
Net income before minority interest	10.7	0.9	3.6	- 1.4	13.8
Average no. of employees (full-time equivalent)	832	211	773	25	1,841
Employees (full-time equivalent) at 31.03.2005	826	211	772	25	1,834

01.01. – 31.03.2004	K + K EUROPA	Topdeq	K + K America	Other	Group total
Segment 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 minority interest	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

CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY

(in EUR million)

	Issued capital	General reserves	Other comprehensive income	Shareholders' equity	Minority interest	Total equity
Balance at 01.01.2005	**72.9**	**109.4**	**- 1.3**	**181.0**	**3.0**	**184.0**
Currency translation differences	0.0	3.0	- 0.1	2.9	0.0	2.9
Dividends paid	0.0	0.0	0.0	0.0	0.0	0.0
Net income for the period	0.0	13.6	0.0	13.6	0.2	13.8
Changes in derivative financial instruments	0.0	0.0	0.3	0.3	0.0	0.3
Balance at 31.03.2005	**72.9**	**126.0**	**- 1.1**	**197.8**	**3.2**	**201.0**

	Issued capital	General reserves	Other comprehensive income	Shareholders' equity	Minority interest	Total equity
Balance at 01.01.2004	**72.9**	**88.0**	**- 3.7**	**157.2**	**3.4**	**160.6**
Currency translation differences	0.0	2.1	- 0.1	2.0	0.0	2.0
Dividends paid	0.0	0.0	0.0	0.0	0.0	0.0
Net income for the period	0.0	10.0	0.0	10.0	0.2	10.2
Changes in derivative financial instruments	0.0	0.0	1.0	1.0	0.0	1.0
Balance at 31.03.2004	**72.9**	**100.1**	**- 2.8**	**170.2**	**3.6**	**173.8**

CONSOLIDATED CASH FLOW STATEMENT

(in EUR million)

	01.01.2005-31.03.2005	01.01.2004-31.03.2004
Net income before minority interest	13.8	10.2
Depreciation and amortisation	2.2	6.0
Deferred taxes affecting net income	1.4	0.4
Cash flow	**17.4**	**16.6**
Other non-cash expenses and income	4.1	3.6
Profit and loss on disposal of fixed assets	0.0	0.0
Change in inventories	- 1.1	- 0.8
Change in trade receivables	- 6.2	- 10.5
Change in other assets not included in investing and financing activities	2.8	0.5
Change in short- and long-term provisions	- 0.2	0.5
Change in trade payables	- 1.6	3.1
Change in other liabilities not included in investing and financing activities	- 0.9	- 0.6
Cash flow from operating activities	**14.3**	**12.4**
Proceeds from disposal of fixed assets	0.1	0.1
Capital expenditure on fixed assets	- 1.6	- 1.5
Cash flow from investing activities	**- 1.5**	**- 1.4**
Change in borrowings	- 9.2	- 8.1
Dividends to shareholders and minority interest	0.0	0.0
Other changes in shareholders' equity	0.0	- 0.4
Cash flow from financing activities	**- 9.2**	**- 8.5**
Net change in cash	3.6	2.5
Effect of exchange rate changes on cash	0.0	0.0
Cash at beginning of period	4.0	4.2
Cash at end of period	**7.6**	**6.7**

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