First three months

//quarterly financial report 1/2011

Dear shareholders

The first few months of 2011 were shaped by ongoing positive economic trends around the world. TAKKT Group also profited from these developments. In the first quarter of 2011, the Group once again accelerated its growth pace. Having posted an organic increase in turnover of 9.4 percent in the fourth quarter of 2010, it raised the figure for the first three months of 2011 to 12.5 percent. This pleasing turnover trend was reflected in the Group's earnings key figures as well. The TAKKT Management Board raises its forecast for the full year 2011 and anticipates organic turnover growth of a good five percent and a further increase in operational profitability.

Significant events in the first quarter of 2011

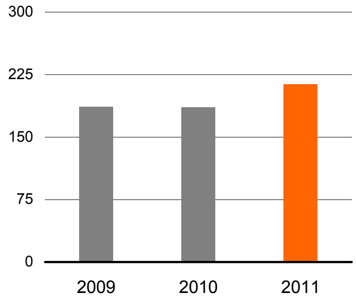
- Organic turnover growth of 12.5 percent
- EBITDA margin increased to 17.1 (2010: 15.4) percent
- Earnings per share up 47.6 percent to EUR 0.31 (0.21)
- Stable ordinary dividend of EUR 0.32 per share proposed for 2010
- Option secured on extension site for European mail order centre
- Repositioning of European OEG started

Interim Management Report of TAKKT Group

Turnover and earnings situation

TAKKT's business continued to feel the tailwind of the good economic conditions at the beginning of 2011. Once again, the German market showed particularly dynamic growth. Additionally, TAKKT benefited from the growth initiatives launched internally. In the first three months of 2011, the Group therefore generated turnover of EUR 213.5 (185.8) million. This corresponds to an increase of 14.9 percent. Adjusted for currency effects, consolidated turnover rose by 12.5 percent. Both the number of orders and the average order value were higher than in the first quarter of 2010.

Turnover *in EUR million*
First three months TAKKT Group



Both of the Group's divisions continued on their respective growth paths and made significant progress. Having already posted very good organic turnover growth of 11.7 percent in the fourth quarter of 2010, TAKKT EUROPE further improved this figure to 14.4 percent. TAKKT AMERICA also remained at good, stable performance with organic growth of 9.5 percent.

The gross profit margin for the first three months of 2011 was at 43.7 percent and therefore well above the previous year's very good figure of 43.0 percent. On the one hand, this was due to a higher proportion of stock shipment business and lower freight cost ratios. On the other hand, a gradual shift in the share of turnover attributable to the different groups played a role. A number of larger-scale orders – associated with bigger discounts – had a slightly adverse impact on the gross profit margin. If the economy continues to develop positively, this effect will further increase.

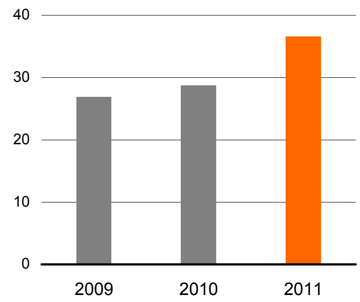
Operational profitability increased, not least thanks to the improved gross profit margin. EBITDA (earnings before interest, taxes, depreciation and amortisation) also benefitted from an improved advertising efficiency and increased utilisation of the central mail order infrastructures in Europe and North America. The figure climbed by 27.5 percent to EUR 36.6 (28.7) million. This resulted in an EBITDA margin of 17.1 (15.4) percent.

Depreciation and amortisation fell year-on-year to EUR 4.2 (4.8) million. The main reason for this was the phase-out of amortisation on intangible assets identified as part of the purchase price allocation (PPA) for the American OEG in 2006. EBIT (earnings before interest and taxes) improved from EUR 23.9 million to EUR 32.4 million; the EBIT margin was 15.2 (12.9) percent.

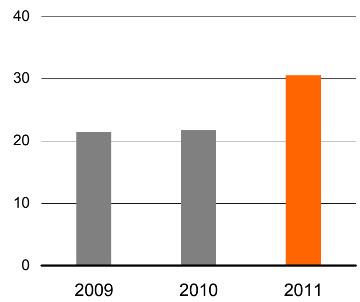
At EUR 1.9 (2.2) million, finance expenses in the period under review was below the previous year's figure. This was largely attributable to lower average debt in the first three months of 2011. Improved credit conditions also had a positive effect. Profit before tax rose by 40.6 percent to EUR 30.5 (21.7) million.

The Group's tax ratio at 33.4 percent was roughly on the same level as in the previous year's first quarter. The profit for the period reached EUR 20.3 (14.4) million. Based on the unchanged weighted average number of TAKKT shares – 65.6 million – earnings per share came to EUR 0.31 (0.21).

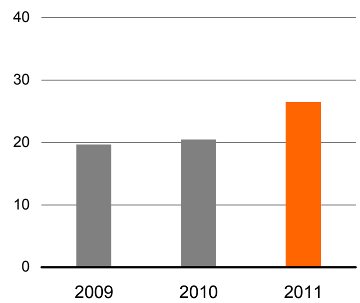
EBITDA *in EUR million*
First three months TAKKT Group



Profit before tax *in EUR million*
First three months TAKKT Group



Cash flow *in EUR million*
First three months TAKKT Group



Financial situation

Internal financing capability remains one of the strengths of the TAKKT business model. This again was documented in the first quarter of 2011 by the TAKKT cash flow, defined as profit for the period plus depreciation, goodwill impairment and deferred taxes affecting profit. In the period under review, the figure climbed to EUR 26.5 (20.5) million, corresponding to a cash flow margin of 12.4 (11.0) percent.

As expected, the positive course of business prompted higher net current assets with a negative impact on the cash flow on operating activities. Meanwhile, the payment behaviour of TAKKT's customers remained stable. The average collection period in the first three months of the financial year was slightly above the previous year's level at 36 days. Overall, the cash flow from operating activities fell from EUR 24.2 million to EUR 18.7 million.

Investment in the expansion, rationalisation and modernisation of TAKKT's business operations increased slightly in comparison to the previous year. It was at EUR 2.2 (1.1) million for the first quarter of 2011. At 1.0 (0.6) percent, the investment ratio as percentage of consolidated turnover was at the lower end of the long-term average of one to two percent. This resulted in free cash flow – i.e. the cash flow from operating activities less regular capital expenditure – of EUR 16.5 (23.1) million, which is available for acquisitions, new investments, payments to TAKKT's shareholders and repayment of borrowings.

TAKKT's strong internal financing capability enabled the company to repay borrowings amounting to EUR 16.3 million. Together with positive currency effects – resulting largely from the weaker US dollar on the balance sheet date – this prompted net borrowings to fall to EUR 115.4 million as of 31 March 2011, compared to EUR 139.2 million on 31 December 2010.

At the end of the first three months of 2011, the total equity ratio came to 50.2 percent. This was well within TAKKT's long-term target corridor of 30 to 60 percent (46.5 percent as of 31 December 2010).

Risk report

The risks for the TAKKT Group were discussed in detail in the 2010 annual report (page 30 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

Economic developments again picked up pace at the beginning of 2011. However, a base effect due to the previous year's increasingly higher figures will appear from the second quarter onwards, prompting growth rates to decline as the year progresses. Given the good course of business seen in the first quarter and the ongoing positive economic indicators, the TAKKT Management Board raises its forecast for organic turnover growth. It now anticipates organic turnover growth of a good five percent for the Group in the full year 2011.

Due to the rules on accounting for advertising costs under IFRS applicable since 2009, TAKKT Group's advertising costs posted in the first quarter are disproportionately low. Therefore, the EBITDA margin at the end of the year will be below that of the first three months, as expected, but still well above the previous year's figure. TAKKT currently expects the Group's EBITDA margin to exceed 13.0 percent and it will therefore be in the middle of the long-term target corridor of twelve to 15 percent.

All the other forecasts, opportunities and risks relating to the development of TAKKT Group in the 2011 financial year as described in the 2010 Group management report remain essentially unchanged.

Divisions

TAKKT EUROPE

As in the 2010 financial year, the TAKKT EUROPE division – consisting of the Business Equipment Group (BEG) and the Office Equipment Group (OEG) – proved to be TAKKT Group's growth driver and strongest contributor to earnings. Overall, it generated turnover of EUR 133.7 (114.0) million in the first quarter of 2011. This is equivalent to an increase of 17.3 percent. Adjusted for currency effects, the growth rate was 14.4 percent. TAKKT EUROPE was therefore responsible for 62.6 (61.3) percent of consolidated turnover.

Order numbers and the average order value grew at roughly the same rate in the first three months of 2011. However, business continued to develop divergently at the division's two groups, BEG and OEG.

The BEG recorded clear double-digit turnover growth with its brands KAISER + KRAFT, gaerner, Gerdmans, KWESTO and Certeo. The performance in Germany, Austria and Eastern Europe was especially positive. By contrast, developments in the Netherlands and Denmark were particularly unsatisfactory.

Due to the repositioning measures initiated, the OEG experienced a double-digit decline in turnover as anticipated. In March 2011, the comprehensive repositioning of the Topdeq brand was presented to the market. The project includes an improved product portfolio and a new marketing strategy. At the heart of this strategy is the new, much larger Topdeq annual catalogue, which was sent to customers for the first time at the end of March. In addition to this, the Topdeq web shop has been completely redesigned, since the internet shall be used as a key means of gaining new customers. The existing range of services has also been extended, for example by an on-site assembly service free of charge. Furthermore, a web-only brand – Furnandi – was launched for the European OEG in February in order to appeal to internet-savvy, price-conscious customers. According to experience, it takes some time for such repositioning measures to have a sustained effect on business. It is therefore too soon to reliably assess the success of this programme.

Overall, profitability rose further at TAKKT EUROPE. This was largely due to the increase in advertising efficiency and infrastructure utilisation at the BEG. However, the OEG also made a higher contribution to EBITDA. All in all, the division generated EBITDA of EUR 31.8 (23.2) million in the first three months of the year. At 23.8 (20.4) percent, the EBITDA margin came in well above the Group's own long-term target corridor of twelve to 15 percent.

In 2011, TAKKT EUROPE continues the expansion of the past years. Following the roll-out of Furnandi in February, preparations are under way to commence operations with additional brands in other countries. Larger logistics facilities will be needed for this sustained path of growth at TAKKT in the medium and long term. For this reason, TAKKT secured an option on an extension site directly adjacent to the European mail order centre in Kamp-Lintfort at the end of January 2011. This expansion option runs until 2015. When and to what extent TAKKT utilises the option will depend largely on how growth develops as well as on decisions regarding the prolongation of rental contracts at other sites in Europe.

TAKKT AMERICA

As a growing amount of business within TAKKT AMERICA is conducted in currencies other than the US dollar, the division's turnover figures will be reported solely in euros – and no longer in US dollars – as of this quarterly financial report. However, growth rates will still be stated organically, respectively currency-adjusted. The division, consisting of the Plant Equipment Group (PEG), the Specialties Group (SPG) and the Office Equipment Group (OEG), raised its turnover to EUR 79.9 (71.9) million in the first quarter of 2011. This is equivalent to an increase of 11.1 percent. To a large extent, this growth is attributable to the higher average order value. However, order numbers were also up on the year. In organic terms, turnover growth amounted to 9.5 percent. TAKKT AMERICA therefore contributed 37.4 (38.7) percent to consolidated turnover.

All three groups at the division performed well in the first three months of the financial year. The SPG achieved high single-digit organic growth in turnover, while growth at the PEG and OEG just reached double-digit figures.

EBITDA at TAKKT AMERICA came to EUR 7.1 (7.4) million in the first three months. This corresponds to an EBITDA margin of 8.9 (10.3) percent. This decline is mainly due to advertising expenditure being incurred earlier in the year than in 2010. This shift will be neutralised again in the third quarter of 2011. Adjusted for this effect, EBITDA was higher than in the previous year – as was the operational margin – although anticipated start-up losses at the European Hubert companies and IndustrialSupplies.com had a negative impact on earnings.

In the current year, the SPG will concentrate on further expanding the three new European companies. Furthermore, preparations are being made to launch a web-only brand within the SPG for the USA. This would give TAKKT a web-only brand in each of its five groups, as planned.

TAKKT share

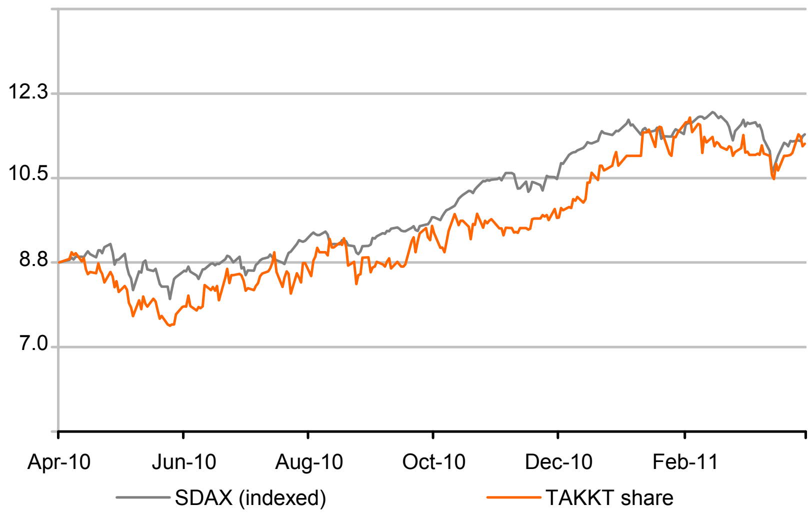
Consistent, sustainable investor relations work is crucial for TAKKT in its dealings with institutional investors, private shareholders, financial analysts and potential investors. The claim of informing all capital market operators about major developments at the Group quickly, transparently and comprehensively is also valid in 2011.

As usual, TAKKT attended the Crédit Agricole Cheuvreux capital market conference in Frankfurt in January 2011. The Group presented its complete figures for the 2010 financial year at its financial statements press conference in Stuttgart and the analysts' conference in Frankfurt/Main at the end of March. Investors were informed about current business developments, corporate strategy and growth prospects at TAKKT Group during the subsequent roadshow in London and in numerous individual discussions in Stuttgart.

TAKKT AG's dividend policy is based on continuity. It aims to grant shareholders an appropriate share in the company's profits and cash flow. At TAKKT AG's 12th Annual General Meeting on 04 May 2011, the Management and Supervisory Boards will propose an unchanged ordinary dividend of 32 cents per share but no special dividend. With payouts totalling EUR 21.0 million and a payout ratio of 61.2 percent, the Group thereby offers its shareholders an attractive share of the company's profits whilst maintaining sufficient financial scope for further acquisitions and investments at the same time.

TAKKT will publish the figures for the first half-year of 2011 on 28 July 2011.

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



Interim Financial Statements of the TAKKT Group

Consolidated income statement (in EUR million)

	01.01.2011 – 31.03.2011	01.01.2010 – 31.03.2010
Turnover	213.5	185.8
Changes in inventories of finished goods and work in progress	0.2	0.2
Own work capitalised	0.0	0.0
Gross performance	**213.7**	**186.0**
Cost of sales	120.3	106.1
Gross profit	**93.4**	**79.9**
Other income	2.6	2.1
Personnel expenses	28.0	25.7
Other operating expenses	31.4	27.6
EBITDA	**36.6**	**28.7**
Depreciation of property, plant and equipment and other intangible assets	4.2	4.8
EBITA	**32.4**	**23.9**
Impairment of goodwill	0.0	0.0
EBIT	**32.4**	**23.9**
Income from associated companies	0.0	0.0
Finance expenses	–1.9	–2.2
Other finance result	0.0	0.0
Finance result	**–1.9**	**–2.2**
Profit before tax	**30.5**	**21.7**
Income tax expense	10.2	7.3
Profit	**20.3**	**14.4**
attributable to owners of TAKKT AG	20.3	14.1
attributable to non-controlling interests	0.0	0.3
Weighted average number of issued shares in millions	65.6	65.6
Earnings per share in euros	0.31	0.21
Average no. of employees (full-time equivalent)	1,819	1,753

Consolidated statement of comprehensive income (in EUR million)

	01.01.2011 – 31.03.2011	01.01.2010 – 31.03.2010
Profit	**20.3**	**14.4**
Other comprehensive income		
Income and expenses from the subsequent measurement of cash flow hedges recognised in equity	–0.5	–2.5
Income recognised in the income statement	1.7	1.4
Subsequent measurement of cash flow hedges	**1.2**	**–1.1**
Income and expenses from the adjustment of foreign currency reserves recognised in equity	–5.0	6.4
Income recognised in the income statement	0.0	0.0
Adjustment of foreign currency reserves	**–5.0**	**6.4**
Deferred taxes on subsequent measurement of cash flow hedges	–0.4	0.4
Deferred taxes on adjustment of foreign currency reserves	0.0	0.0
Deferred taxes on other comprehensive income	**–0.4**	**0.4**
Changes to other components of equity (other comprehensive income)	**–4.2**	**5.7**
attributable to owners of TAKKT AG	–4.2	5.7
attributable to non-controlling interests	0.0	0.0
Total comprehensive income	**16.1**	**20.1**
attributable to owners of TAKKT AG	16.1	19.8
attributable to non-controlling interests	0.0	0.3

Consolidated balance sheet (in EUR million)

Assets	31.03.2011	31.12.2010
Non-current assets		
Property, plant and equipment	94.5	96.5
Goodwill	229.0	237.5
Other intangible assets	33.9	37.3
Investment in associates	0.0	0.0
Other assets	0.8	0.8
Deferred tax	4.8	5.7
	363.0	**377.8**
Current assets		
Inventories	57.7	56.3
Trade receivables	92.5	87.5
Other receivables and assets	14.6	14.9
Income tax receivables	1.1	1.3
Cash and cash equivalents	4.4	3.6
	170.3	**163.6**
Total assets	**533.3**	**541.4**

Equity and liabilities	31.03.2011	31.12.2010
Shareholders' equity		
Share capital	65.6	65.6
Retained earnings	228.3	208.0
Other components of equity	–26.1	–21.9
	267.8	**251.7**
Non-controlling interests	**0.0**	**0.0**
Total equity	**267.8**	**251.7**
Non-current liabilities		
Borrowings	78.0	110.0
Deferred tax	29.7	29.2
Provisions	22.2	21.8
	129.9	**161.0**
Current liabilities		
Borrowings	41.8	32.8
Trade payables	22.6	25.7
Other liabilities	39.1	41.2
Provisions	16.1	17.3
Income tax payables	16.0	11.7
	135.6	**128.7**
Total equity and liabilities	**533.3**	**541.4**

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

	Share capital	Retained earnings	Other components of equity	**Share-holders' 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	0.0	0.0	0.0	0.0	0.0
thereof acquisition of non-controlling interests	0.0	0.0	0.0	0.0	0.0	0.0
thereof dividends paid	0.0	0.0	0.0	0.0	0.0	0.0
Total comprehensive income	0.0	20.3	–4.2	16.1	0.0	16.1
Balance at 31.03.2011	**65.6**	**228.3**	**–26.1**	**267.8**	**0.0**	**267.8**

	Share capital	Retained earnings	Other components of equity	**Share-holders' equity**	Non-controlling interests	**Total equity**
Balance at 01.01.2010	**65.6**	**201.8**	**–28.6**	**238.8**	**3.3**	**242.1**
Transactions with owners	0.0	0.0	0.0	0.0	0.0	0.0
thereof acquisition of non-controlling interests	0.0	0.0	0.0	0.0	0.0	0.0
thereof dividends paid	0.0	0.0	0.0	0.0	0.0	0.0
Total comprehensive income	0.0	14.1	5.7	19.8	0.3	20.1
Balance at 31.03.2010	**65.6**	**215.9**	**–22.9**	**258.6**	**3.6**	**262.2**

Consolidated cash flow statement (in EUR million)

	01.01.2011 – 31.03.2011	01.01.2010 – 31.03.2010
Profit	20.3	14.4
Depreciation and impairment of non-current assets	4.2	4.8
Deferred tax affecting profit	2.0	1.3
TAKKT cash flow	**26.5**	**20.5**
Other non-cash expenses and income	0.4	0.6
Profit and loss on disposal of non-current assets and consolidated companies	–0.4	0.0
Change in inventories	–3.1	–0.5
Change in trade receivables	–7.3	–8.3
Change in other assets not included in investing and financing activities	0.5	3.5
Change in short and long-term provisions	–0.5	0.6
Change in trade payables	–2.4	5.2
Change in other liabilities not included in investing and financing activities	5.0	2.6
Cash flow from operating activities	**18.7**	**24.2**
Proceeds from disposal of non-current assets	0.7	0.1
Capital expenditure on non-current assets	–2.2	–1.1
Cash outflows for the acquisition of consolidated companies (less acquired cash and cash equivalents)	0.0	0.0
Cash flow from investing activities	**–1.5**	**–1.0**
Proceeds from borrowings	21.5	44.6
Repayments of borrowings	–37.8	–66.9
Dividends to owners of TAKKT AG and non-controlling interests	0.0	0.0
Payments for the acquisition of non-controlling interests	0.0	0.0
Other financial payments	0.0	0.0
Cash flow from financing activities	**–16.3**	**–22.3**
Net change in cash and cash equivalents	0.9	0.9
Effect of exchange rate changes	–0.1	0.1
Cash and cash equivalents at 01.01.	3.6	3.2
Cash and cash equivalents at 31.03.	**4.4**	**4.2**

Segment reporting by division (in EUR million)

01.01.2011 – 31.03.2011	TAKKT EUROPE	TAKKT AMERICA	Segments total	Others	Consolidation	Group total
Turnover to third parties	133.6	79.9	213.5	0.0	0.0	213.5
Inter-segment turnover	0.1	0.0	0.1	0.0	– 0.1	0.0
Segment turnover	133.7	79.9	213.6	0.0	– 0.1	213.5
EBITDA	31.8	7.1	38.9	– 2.3	0.0	36.6
EBITA	29.7	5.0	34.7	– 2.3	0.0	32.4
EBIT	29.7	5.0	34.7	– 2.3	0.0	32.4
Profit before tax	28.3	3.7	32.0	– 1.5	0.0	30.5
Profit	19.8	1.9	21.7	– 1.4	0.0	20.3
Average no. of employees (full-time equivalent)	974	814	1,788	31	0	1,819
Employees (full-time equivalent) at the reporting date	981	819	1,800	31	0	1,831

01.01.2010 – 31.03.2010	TAKKT EUROPE	TAKKT AMERICA	Segments total	Others	Consolidation	Group total
Turnover to third parties	113.9	71.9	185.8	0.0	0.0	185.8
Inter-segment turnover	0.1	0.0	0.1	0.0	– 0.1	0.0
Segment turnover	114.0	71.9	185.9	0.0	– 0.1	185.8
EBITDA	23.2	7.4	30.6	– 1.9	0.0	28.7
EBITA	21.0	4.8	25.8	– 1.9	0.0	23.9
EBIT	21.0	4.8	25.8	– 1.9	0.0	23.9
Profit before tax	20.0	3.3	23.3	– 1.6	0.0	21.7
Profit	13.7	1.9	15.6	– 1.2	0.0	14.4
Average no. of employees (full-time equivalent)	922	804	1,726	27	0	1,753
Employees (full-time equivalent) at the reporting date	930	804	1,734	27	0	1,761

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 2010 financial year. The interim financial statements should be read in the context of the 2010 annual report, page 78 onwards.

Scope of consolidation

Compared to the scope of consolidation as of 31 December 2010, twoe new companies were founded in the TAKKT EUROPE division and one new company was founded in the TAKKT AMERICA division.

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). Related-party transactions mainly refer to the cash management system, service contracts and processing intercompany transactions. By participating in Haniel Group's euro cash management system, TAKKT Group benefits from potential economies of scale within the eurozone. All transactions with related parties were contractually agreed and performed on terms that are customary for transactions with third parties. During the interim reporting period, there were no changes which had a material influence on the earnings, financial and assets situation.

Other disclosures

Contingent liabilities are insignificant and have remained essentially unchanged since the last balance sheet date. There were no other unusual business transactions within the meaning of IAS 34.16c.

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Management Board: Dr Felix A. Zimmermann (CEO)
Dr Florian Funck
Franz Vogel

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