Report for the first half-year 2005

DEAR SHAREHOLDERS

TAKKT AG is reporting good turnover and earnings figures for the first six months of 2005 – and that despite a lack of economic stimulation in Europe and North America. Turnover was up 5.3 percent on the previous year. In currency-adjusted terms, the increase would have been 6.8 percent. All divisions have contributed to this growth. The TAKKT Group's earnings figures rose at an over-proportional rate.

These figures confirm that the TAKKT Group is well-positioned worldwide both strategically and operationally.

TAKKT HIGHLIGHTS IN THE FIRST HALF-YEAR 2005

- Turnover up 6.8 percent in exchange rate adjusted terms
- Topdeq division reports double-digit turnover growth
- KAISER + KRAFT EUROPA expands into Turkey in May
- Topdeq mails first catalogue in Belgium in May
- Annual General Meeting decides to increase dividend by 50 percent to EUR 0.15 per share
- Dutch subsidiary Vink wins regional "Sterkste Schakel 2005" award for best service
- TAKKT adopts IFRS 3 with effect from 1 January 2005

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 but must be tested for impairment on an annual basis. There was no indication of any necessity to make an impairment charge in the first half-year 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 now eliminates the deferred taxes as this is a non-cash item.

TAKKT AG
BUSINESS EQUIPMENT SOLUTIONS

THE TAKKT GROUP

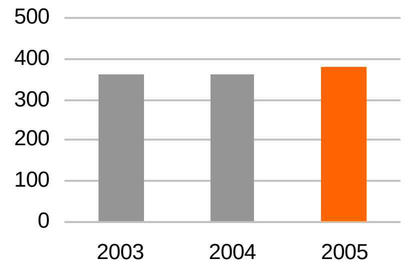
In the first six months of 2005, TAKKT increased its turnover to EUR 377.5 (2004: 358.4) million, up 5.3 percent on the same period of the previous year. In currency-adjusted terms, the increase would have been 6.8 percent. This growth is attributable to a higher number of orders and to a higher average order value in all three divisions. Moreover, the company won a large number of new customers. The “Perfect Service“ quality initiative also helped to improve the company’s performance.

All divisions reported good growth rates. Both KAISER + KRAFT EUROPA and K + K America continued to grow despite a lack of economic stimulation. Topdeq was able to exceed the positive performance of the first three months in the second quarter and thus reports high double-digit turnover growth for the first six months of 2005.

At the present stage it is impossible to say if and to what extent the positive overall performance of the first six months will be sustained. Several indicators point to an ongoing weak development of the economy and the business climate. The TAKKT AG management is nevertheless confident that potential adverse effects will be offset by the company’s strong international presence and further updated catalogues and mailings.

Against the background of the good development in the first six months, TAKKT now expects to achieve currency-adjusted turnover growth of at least four percent for the full financial year.

Turnover January to June
TAKKT Group in million Euro



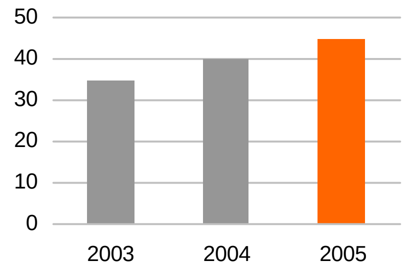
RESULTS OF THE TAKKT GROUP

The gross profit margin rose to 41.6 (41.1) percent, benefiting from favourable purchasing terms negotiated by KAISER + KRAFT EUROPA and K + K America. Also, subsidiaries generating higher gross profit margins accounted for a slightly higher share of total turnover.

EBITDA – earnings before interest, tax, depreciation and amortisation - rose by 11.0 percent to EUR 49.6 (44.7) million. The EBITDA margin climbed to 13.1 (12.5) percent.

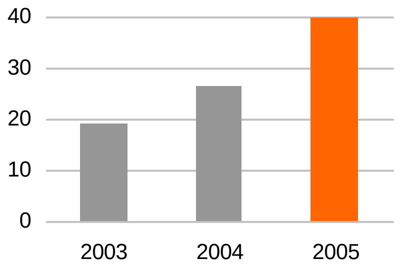
Earnings before interest, tax and amortisation (EBITA) reached EUR 45.0 (40.2) million, which represents an 11.9 percent increase. Accordingly, the EBITA margin reached 11.9 (11.2) percent. Apart from the improved gross profit margin, this increase is also attributable to optimised processes and better capacity utilisation. The results of the first six months thus fully met the company’s own expectations. 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. Hence, the Group mails its catalogues mainly at the beginning and the end of a year.

EBITA January to June
TAKKT Group in million Euro

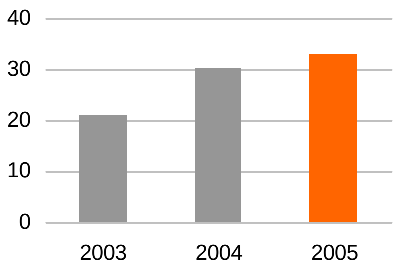


Due to the positive performance in the first half-year, TAKKT is confident that, despite the expenses incurred for the new business start-ups, the full-year EBITA margin will be again in the upper half of the long-term target corridor of 9 to 11 percent.

Profit before tax January to June
TAKKT Group in million Euro



Cash flow January to June
TAKKT Group in million Euro



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 45.0 (32.3) million. Last year's goodwill amortisation for the comparable period amounted to EUR 7.9 million.

Profit before tax rose over-proportionally to EUR 39.9 (26.7) million. Besides the effects of the adoption of IFRS 3, this strong growth was attributable to other factors such as a further increase in operational profitability and a decline in interest expense resulting from the continuous reduction of total liabilities. The change in exchange rates also had a positive effect on the interest result. At 35.1 (35.6) percent, the tax ratio was slightly lower. Net income before minority interests increased to EUR 25.9 (17.2) million.

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 taxes. Calculated according to the new method, first-half cash flow amounted to EUR 33.2 (30.4) million, which represents a margin of 8.8 (8.5) percent.

BALANCE SHEET OF THE TAKKT GROUP

Balance sheet ratios continued to improve in the first six 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 41.9 percent at 30 June 2005. This figure reflects the dividend paid out for 2004.

The strong cash flow allowed borrowings to be reduced by EUR 12.7 million. At 30 June 2005, net borrowings totalled EUR 181.6 million (EUR 182.3 million at 31 December 2004). Given that TAKKT usually 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 13.9 million increase in net borrowings.

The active management of trade receivables continues to be very important. Trade receivables developed largely in line with turnover. The receivables collection period remained unchanged with 38 days at 30 June 2005.

In the first six months of the year, TAKKT invested EUR 4.2 (4.2) million in the rationalisation, expansion and maintenance of its business. At 1.1 percent, capital expenditure was in line with the long-term average.

Contingent liabilities are not material and have remained unchanged since 31 December 2004. The company made no use of the possibility to buy its own shares in the first six months of 2005. No major events have occurred since the end of the reporting period.

KAISER + KRAFT EUROPA

Despite the unfavourable economic conditions prevailing in Europe, KAISER + KRAFT EUROPA again increased its turnover by 6.5 percent to EUR 198.7 (186.5) million. This represents 52.6 percent of total Group turnover. Based on stable exchange rates, the increase would have been 6.2 percent. This growth is attributable to a higher average order value and to a higher number of orders. Positive stimulation was provided by a higher circulation of catalogues and mailings, which was felt especially in the second quarter. Although the economy weakened in nearly all markets, the business performance in the first half of 2005 was mostly positive. Following a weak start in the first quarter, the situation improved in the Netherlands and Italy. Particularly positive figures were reported by the subsidiaries in Japan, the Slovak Republic, France, Austria, Belgium, Scandinavia and Switzerland.

KAISER + KRAFT EUROPA's earnings position remains strong. EBITA rose by 10.0 percent to EUR 34.1 (31.0) million, which represents an EBITA margin of 17.2 (16.6) percent.

While the new company in Turkey started as planned by mailing its first catalogue in May, the new Romanian subsidiary postponed the mailing of its first catalogue until September 2005. This is due to the imminent currency reform and the resulting need to list two prices when mailing the catalogue earlier. The foundation and the start of operations of the new company in China are dependent on the respective license from the Chinese authorities, which is expected to be granted in autumn 2005. Before the first catalogues are mailed, the new start-ups 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

The Topdeq division developed very positively in the first six months of 2005. Turnover was up 13.8 percent to EUR 39.6 (34.8) million. Adjusted for exchange rate effects, turnover would have grown by as much as 14.9 percent. Topdeq now accounts for 10.5 percent of total Group turnover. This growth is attributable to a much higher average order value and to a higher number of orders. In the first half of the year, all subsidiaries contributed to the division's growth, which suggests that the European office furniture market is about to emerge from its crisis of several years. The situation remains particularly favourable in the USA and France. But the subsidiaries in Germany and Switzerland have also shown positive growth.

Higher capacity utilisation, the successful revision of catalogues and mailings and optimised processes helped to further enhance the profitability of the Topdeq Group. The division generated an EBITA of EUR 0.4 (- 0.8) million in the first six months of 2005. The EBITA margin reached 1.0 (- 2.3) percent.

The new subsidiary in Belgium started operations by mailing its first catalogue in May 2005. The company will help to further increase the capacity utilisation of the Topdeq mail order centre in Pfungstadt.

K + K AMERICA

In the first six months of 2005, the companies of the K + K America division increased their turnover by 6.2 percent to USD 178.6 (168.1) million. The division thus remains on the growth path. All subsidiaries contributed to the increase in first-half turnover. The good figures are based especially on higher average order values at all companies.

Growth at C&H Distributors has slowed down in line with economic indicators pointing to a general slowdown in the US market.

Translated into euros, the division’s turnover amounted to EUR 139.2 (137.1) million, which still represents an increase by 1.5 percent. K + K America contributed 36.9 percent to total Group turnover. EBITA improved from EUR 13.7 to 14.8 million. Accordingly, the EBITA margin climbed to 10.6 (10.0) percent.

The start of the new Hubert company in Canada went according to plan. Since July, the company has performed all sales and marketing tasks for the Canadian market previously performed by Hubert USA.

THE TAKKT SHARE

On 3 May 2005, the Management and Supervisory Boards welcomed more than 550 shareholders and guests to TAKKT AG‘s sixth ordinary Annual General Meeting in Ludwigsburg. A vast majority of the shareholders approved the proposals submitted for decision by the Management and Supervisory Boards. Among other things, they decided to increase the dividend by 50 percent to EUR 0.15 per share. A total amount of EUR 10.9 million was paid out to the shareholders, which represents a payout ratio of 33.8 percent of net income. The shareholders also authorised the company to buy TAKKT AG shares of up to ten percent of the existing share capital and to increase the share capital by up to EUR 36.45 million through the issue of new shares. These approvals replace the previous authorisations. Professor Dr Theo Siegert was appointed to the Supervisory Board as a successor to Günther Hülse, who died last year. All other members were re-elected.

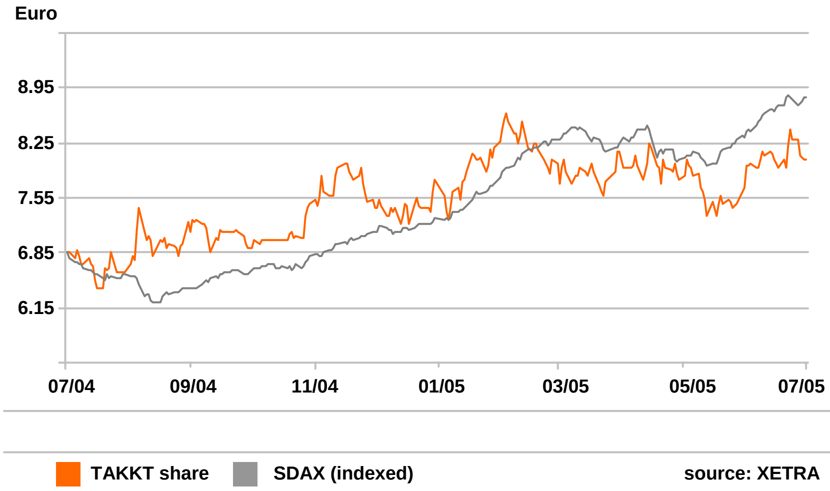
In January 2005, TAKKT attended an international capital market conference to inform analysts and potential investors of the advantages of the B2B mail order business. Since the financial statements press and analysts conference in late March, the TAKKT management team has visited a large number of institutional investors on road shows to Frankfurt, Paris, London and Edinburgh where it outlined the Group’s strategy as well as its growth and profit prospects.

TAKKT has always been committed to intensive and ongoing investor relations, in which the company’s top management is closely involved. In recognition of this commitment, the company won an award from “Capital“ magazine on 6 July 2005. TAKKT was ranked third in the SDAX segment in the magazine’s renowned Investor Relations Award. This award confirms the success of the

TAKKT strategy of informing shareholders, analysts and potential investors of the company's current performance and future business outlook in a comprehensive and timely manner.

The report on the first nine months of the financial year 2005 will be published on 3 November 2005.

Performance of the TAKKT share, 52 week comparison



source: XETRA

CONSOLIDATED INCOME STATEMENT

(in EUR million)

	Q II		January to June	
	01.04.2005-30.06.2005	01.04.2004-30.06.2004	01.01.2005-30.06.2005	01.01.2004-30.06.2004
Turnover	187.0	174.0	377.5	358.4
Changes in inventories of finished goods and work in progress	0.1	0.2	0.2	0.1
Own work capitalised	0.0	0.0	0.0	0.0
Gross performance	**187.1**	**174.2**	**377.7**	**358.5**
Cost of sales	109.3	102.8	220.6	211.1
Gross profit	**77.8**	**71.4**	**157.1**	**147.4**
Other operating income	1.6	1.7	2.9	3.6
Personnel expenses	23.9	23.2	47.6	46.6
Other operating expenses	32.0	29.8	62.8	59.7
EBITDA	**23.5**	**20.1**	**49.6**	**44.7**
Depreciation of other intangible assets and property, plant and equipment	2.4	2.4	4.6	4.5
EBITA	**21.1**	**17.7**	**45.0**	**40.2**
Amortisation of goodwill	0.0	4.0	0.0	7.9
EBIT	**21.1**	**13.7**	**45.0**	**32.3**
Financial result	- 2.6	- 2.8	- 5.1	- 5.6
Profit before tax	**18.5**	**10.9**	**39.9**	**26.7**
Income taxes	6.4	3.9	14.0	9.5
Net income before minority interest	**12.1**	**7.0**	**25.9**	**17.2**
Minority interest	0.2	0.2	0.4	0.4
Net income	**11.9**	**6.8**	**25.5**	**16.8**
Number of issued shares in millions	72.9	72.9	72.9	72.9
Earnings per share in EUR	0.16	0.09	0.35	0.23
Average no. of employees (full-time equivalent)	1,832	1,847	1,836	1,851

This 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	30.06.2005	31.12.2004
Fixed assets		
Goodwill	224.5	211.4
Other intangible assets	7.7	6.3
Property, plant and equipment	69.1	68.1
Other financial assets	0.1	0.1
	301.4	**285.9**
Non-current assets		
Other receivables and assets	0.3	0.3
Deferred tax assets	6.1	5.1
	6.4	**5.4**
Current receivables and assets		
Inventories	64.9	56.7
Trade receivables	89.5	82.8
Other receivables and assets	17.7	21.4
Income tax assets	0.1	1.6
Cash	6.0	4.0
	178.2	**166.5**
Total assets	**486.0**	**457.8**
EQUITY AND LIABILITIES	30.06.2005	31.12.2004
Shareholders' equity		
Issued capital	72.9	72.9
General reserves	106.2	77.0
Other comprehensive income	- 1.2	- 1.3
Net income	25.5	32.4
	203.4	**181.0**
Minority interest	**3.4**	**3.0**
Total equity	**206.8**	**184.0**
Non-current liabilities		
Borrowings	158.3	164.8
Deferred tax liabilities	11.2	6.9
Provisions	11.1	10.8
	180.6	**182.5**
Current liabilities		
Borrowings	29.3	21.5
Trade payables	24.3	26.4
Other liabilities	28.1	27.1
Provisions	6.9	9.1
Income tax liabilities	10.0	7.2
	98.6	**91.3**
Total equity and liabilities	**486.0**	**457.8**

SEGMENT INFORMATION

(in EUR million)

01.01. – 30.06.2005	K + K EUROPA	Topdeq	K + K America	Other	Group total
Turnover	198.7	39.6	139.2	0.0	377.5
EBITDA	36.4	1.2	16.1	- 4.1	49.6
EBITA	34.1	0.4	14.8	- 4.3	45.0
EBIT	34.1	0.4	14.8	- 4.3	45.0
Profit before tax	31.3	0.2	11.7	- 3.3	39.9
Net income before minority interest	20.6	0.7	7.1	- 2.5	25.9
Average no. of employees (full-time equivalent)	834	209	767	26	1,836
Employees (full-time equivalent) at 30.06.2005	834	205	773	27	1,839

01.01. – 30.06.2004	K + K EUROPA	Topdeq	K + K America	Other	Group total
Turnover	186.5	34.8	137.1	0.0	358.4
EBITDA	33.3	0.1	14.9	- 3.6	44.7
EBITA	31.0	- 0.8	13.7	- 3.7	40.2
EBIT	27.7	- 1.5	9.8	- 3.7	32.3
Profit before tax	25.0	- 1.7	6.5	- 3.1	26.7
Net income before minority interest	16.3	- 1.8	3.9	- 1.2	17.2
Average no. of employees (full-time equivalent)	837	222	766	26	1,851
Employees (full-time equivalent) at 30.06.2004	838	220	768	25	1,851

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	7.7	- 0.1	7.6	0.0	7.6
Dividends paid	0.0	- 10.9	0.0	- 10.9	0.0	- 10.9
Net income for the period	0.0	25.5	0.0	25.5	0.4	25.9
Changes in derivative financial instruments	0.0	0.0	0.2	0.2	0.0	0.2
Balance at 30.06.2005	**72.9**	**131.7**	**- 1.2**	**203.4**	**3.4**	**206.8**

	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	2.7	- 0.2	2.5	0.0	2.5
Dividends paid	0.0	- 7.3	0.0	- 7.3	0.0	- 7.3
Net income for the period	0.0	16.8	0.0	16.8	0.4	17.2
Changes in derivative financial instruments	0.0	0.0	1.2	1.2	0.0	1.2
Balance at 30.06.2004	**72.9**	**100.2**	**- 2.7**	**170.4**	**3.8**	**174.2**

CONSOLIDATED CASH FLOW STATEMENT

(in EUR million)

	01.01.2005-30.06.2005	01.01.2004-30.06.2004
Net income before minority interest	25.9	17.2
Depreciation and amortisation	4.6	12.4
Deferred taxes affecting net income	2.7	0.8
Cash flow	**33.2**	**30.4**
Other non-cash expenses and income	6.3	3.5
Profit and loss on disposal of fixed assets	0.0	- 0.1
Change in inventories	- 4.7	- 3.4
Change in trade receivables	- 3.7	- 5.2
Change in other assets not included in investing and financing activities	4.2	3.0
Change in short- and long-term provisions	- 2.3	- 0.8
Change in trade payables	- 3.1	1.7
Change in other liabilities not included in investing and financing activities	- 0.4	- 1.1
Cash flow from operating activities	**29.5**	**28.0**
Proceeds from disposal of fixed assets	0.2	0.2
Capital expenditure on fixed assets	- 4.2	- 4.2
Cash flow from investing activities	**- 4.0**	**- 4.0**
Change in borrowings	- 12.7	- 12.2
Dividends to shareholders and minority interest	- 10.9	- 7.3
Other changes in shareholders' equity	0.0	- 0.1
Cash flow from financing activities	**- 23.6**	**- 19.6**
Net change in cash	1.9	4.4
Effect of exchange rate changes on cash	0.1	0.1
Cash at beginning of period	4.0	4.2
Cash at end of period	**6.0**	**8.7**

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