Report for the first nine months of 2003

DEAR SHAREHOLDERS,

The economic environment has remained difficult in the first nine months of this year. Although the number of incoming orders was almost unchanged, turnover declined by 9.8 percent, mainly because of a lower average order value and the changes in exchange rates. The pre-tax profit performance of the TAKKT Group was also slightly lower compared to the previous year.

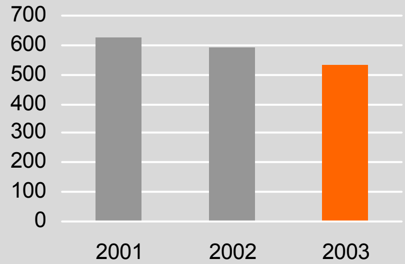
TAKKT HIGHLIGHTS IN THE FIRST NINE MONTHS OF 2003:

- Successful business start-ups in Japan, Mexico and Hungary
- Earnings margins stable as compared to the first nine months of the previous year
- Equity ratio increases to 30.5 percent
- Hubert mails its first non-food-retail catalogue in the USA
- Stock repurchase programme not used so far
- AXA reduces shareholding in TAKKT

THE TAKKT GROUP. Customers' buying behaviour has been affected by the weak economy. The restraint on the part of our regular customers could not be offset in full by new customers. However, it clearly mitigated the effects of the economic weakness. As soon as the economy recovers, TAKKT will benefit from its larger customer base.

TAKKT AG
BUSINESS EQUIPMENT SOLUTIONS

Turnover first nine months TAKKT Group in mill. Euro



» The strong changes in exchange rates, especially the weakness of the US dollar, as compared to the previous year have left their mark on the reported figures. Turnover declined by 9.8 percent to EUR 532.1 (590.2) million in the first nine months of the financial year. Adjusted for exchange rate effects, the decline would have amounted to only 1.7 percent. Given that the TAKKT companies in the individual currency areas have a similar profitability, the exchange rate fluctuations have had only a minor effect on group results.

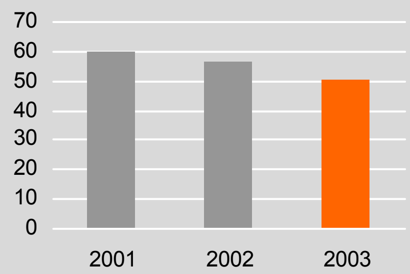
» An analysis of the value and growth drivers shows why turnover has declined; while the number of orders remained almost unchanged, the average order value declined. In Germany, for instance, the order value declined by 4.5 percent in the first nine months of 2003, whereas the number of orders was down only 0.7 percent in the same period. The fact that both the established companies and the new companies were able to win new customers had a positive effect.

» For the remaining quarter TAKKT is expecting a moderate recovery of the economy. In accordance with some macro-economic indicators, which point to a turnaround, TAKKT recorded a pick up in business at the beginning of the fourth quarter. Both, the average order size and the number of orders are evaluated positive. As a result of the already implemented adjustments of capacities, TAKKT's earnings will benefit directly at a recovery of the business development.

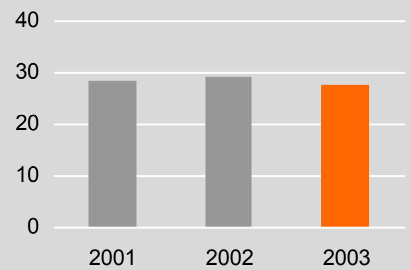
TAKKT GROUP RESULTS. At 40.5 (40.0) percent, the gross profit margin was slightly higher than in the first nine months of the previous year. This good percentage is the basis for the stable overall earnings figures of the TAKKT Group. KAISER + KRAFT EUROPA and K + K America made particularly strong contributions to the improved gross profit margin. While this is attributable to the further expansion of the warehouse business at KAISER + KRAFT EUROPA, K + K America saw turnover shares shift slightly in favour of the Hubert subsidiary, which has traditionally achieved higher gross profit margins. Also, due to the weak economy, hardly any division received discount-carrying large-scale orders.

» EBITDA (earnings before interest, taxes, depreciation and amortisation) were down 10.1 percent to EUR 57.9 (64.4) million. The absolute

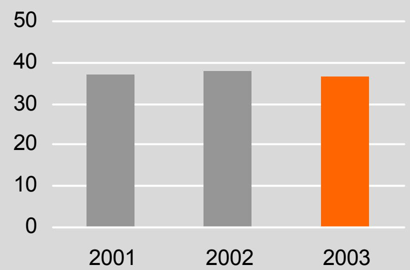
EBITA first nine months
TAKKT Group in mill. Euro



Pre-tax profit first nine months
TAKKT Group in mill. Euro



Cash flow first nine months
TAKKT Group in mill. Euro



decline is mainly attributable to the changes in exchange rates. By contrast, profitability remained unchanged. At 10.9 (10.9) percent, the EBITDA margin was on par with the same period of the previous year.

» Earnings before interest, taxes and amortisation (EBITA) decreased by 10.8 percent to EUR 50.5 (56.6) million, with a slightly diminished EBITA margin of 9.5 (9.6) percent. However, TAKKT sticks to its full-year EBITA margin target of 9 to 11 percent.

» Scheduled goodwill amortisation remained unchanged from the previous year. The changes shown are exclusively attributable to the weakness of the US dollar. Earnings before interest and income taxes (EBIT), were down 11.2 percent to EUR 38.1 (42.9) million. The margin decreased from 7.3 to 7.2 percent. At EUR 27.8 (29.2) million, the TAKKT Group's pre-tax profit could not reach the result of the previous year. However, based on a slightly lower tax rate, earnings after taxes amounted to EUR 16.8 (16.7) million.

» At EUR 36.6 (38.2) million, cash flow was lower than in the first nine months of the previous year, due to the translation-related decline in reported depreciation.

» Start-up losses for the newly established companies were more or less on par with the previous year. Expenses - especially for catalogues - were in line with expectations. As in the previous quarter, the stable earnings performance was primarily the result of the adjustment of capacities to the expected business volume, which was initiated in 2002.

» Interest expense was down EUR 3.4 million on the same period of the previous year as the group benefited from reduced indebtedness and lower interest rates in the capital market. In the translation to the reporting currency, the weaker US dollar also had a positive effect on the interest result.

BALANCE SHEET OF THE TAKKT GROUP. The balance sheet as at September 30, 2003 is characterised by a further increase in the equity ratio and a consistent reduction in financial debt. The timely management of inventories and trade receivables as well as the cash flow again made a positive contribution to the overall situation. The equity ratio rose from 27.7 percent (December 31, 2002) to 30.5 percent (September 30, 2003).

» Thanks to the good cash flow, debt was reduced by EUR 18.7 million. TAKKT expects full-year repayments to be around EUR 30 million. Net financial debt was down EUR 15.1 million compared to December 31, 2002, due to the changes in exchange rates, especially the US dollar. On September 30, 2003, it amounted to EUR 251.2 million.

» In the first nine months of the financial year, TAKKT invested EUR 7.5 (7.5) million in the maintenance and expansion of its business operations. The bulk was invested in the construction of a further high-bay racking accommodating over 2,700 pallets in the mail order centre of KAISER + KRAFT EUROPA. The extension will be completed before the end of the year, enabling KAISER + KRAFT EUROPA to supply its customers with an even wider product range directly from its warehouse starting 2004. The investment ratio of 1.4 percent is on average for maintenance and expansion.

» Contingent liabilities remained unchanged from the last balance sheet date. No major incidents have occurred since the end of the reporting period.

KAISER + KRAFT EUROPA. At EUR 264.2 (273.2) million, the nine months turnover of KAISER + KRAFT EUROPA was down on the same period of the previous year. While the average order value declined, the number of orders remained unchanged. The situation differs from country to country, though. Customers' purchasing restraint is particularly evident in Germany, the Netherlands and Great Britain. By contrast, Poland, the Czech Republic and Hungary reported a positive development. Building on its KAISER + KRAFT and KWESTO brands, the TAKKT Group is perfectly positioned to benefit from the EU accession of these countries. The good figures reported by KWESTO show that it was the right strategy to target these growth markets with a customised catalogue. The same applies to KWESTO Hungary, which was established in May of this year. KAISER + KRAFT EUROPA contributed 49.7 percent to the group's nine months turnover.

» The earnings position of KAISER + KRAFT EUROPA remains promising. The division generated EUR 40.0 (40.3) million in EBITA, so that the margin rose from 14.8 to 15.1 percent.

» Newly established KAISER + KRAFT Japan has lived up to the company's expectations. Experience gained to date shows that the B2B mail order business model also works in the Japanese market. Both new business and customers' repeat orders developed as planned; both figures are similar to those reported by other KAISER + KRAFT companies. The start-up losses of the new company have remained within budget.

TOPDEQ. The nine months turnover of the Topdeq Group declined by 9.3 percent to EUR 51.8 (57.1) million in the first nine months of the year, which means that the division contributed 9.7 percent to total group turnover. Adjusted for exchange rate effects, turnover was down only 5.5 percent. The decline was due to the continued difficult economic situation in Germany, Switzerland and the Netherlands. While the average order value dropped quite strongly in some cases, the number of incoming orders declined only moderately.

» Although turnover in the established markets declined, these Topdeq companies remain profitable. Their profits are insufficient, however, to offset the scheduled start-up losses of the new companies in France and the USA. The division's EBITA amounted to EUR -2.8 (-0.7) million.

» The inventory management software adopted from KAISER + KRAFT EUROPA in the past year had a positive effect on processes and workflows within the Topdeq Group, making inventory management more efficient without compromising on the high service quality.

» Topdeq USA again delivered a promising performance, benefiting from the extension of its delivery radius to 48 hours and its successful internet presence. Acceptance of the internet as an ordering channel is particularly high among Topdeq's US customers.

K + K AMERICA. In the first nine months of 2003, the companies of the K + K America Group generated USD 239.9 (240.4) million in turnover, down 0.2 percent on the same period of the previous year. Due to the changes in exchange rates, turnover in the reporting currency declined to EUR 216.1 (259.9) million, which means that the division contributed 40.6 percent to total group turnover. Given that the economic recovery in the USA appears to be mainly attributable to increased consumer spending, not all of the K + K America companies have benefited from this development. In the past months, however, the average order value increased slightly over the first nine months of the previous year. This trend as well as the overall economic indicators suggests that business should pick up in the course of the next six months.

» K + K America generated USD 20.8 (21.0) million in EBITA, so that the profit margin remains stable with 8.7 (8.7) percent.

» In August 2003, Hubert mailed its first catalogue to non-food retailers. The catalogue mainly contains sales promotion items. Roughly half of the products offered have been taken from the existing portfolio, while some 3,000 new articles have been added to the product range. The C&H company in Mexico continued its positive development, with the number of orders in line with our expectations.

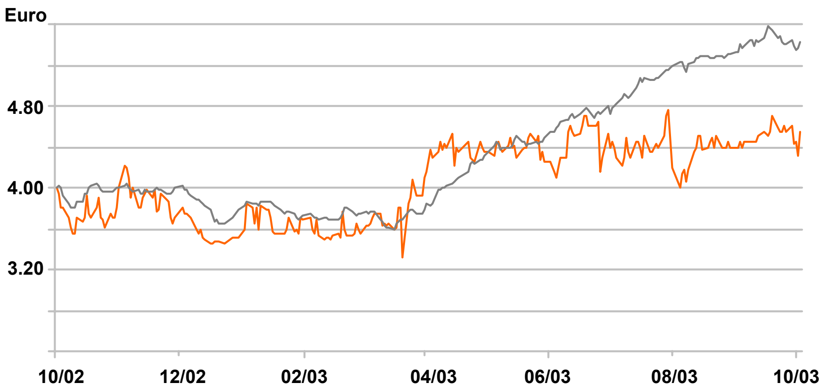
THE TAKKT SHARE. TAKKT's investor relations activities clearly intensified in recent months, not least in view of the AXA convertible bond, which will mature on November 12, 2003. As of this date, the TAKKT shares held by the AXA Group will be transferred to a large number of investors. AXA will fulfil the conditions of the convertible bond issued in March 1998. In August and September of this year, AXA already sold all TAKKT shares not required for conversion. Once the conversion has been completed, the free float will increase to 31.3 percent. AXA will then no longer hold any TAKKT shares.

» In the run-up to the conversion of the AXA bond, the TAKKT management will go on an extensive European road show targeting potential investors interested in a long-term investment in TAKKT. In this context, management will inform more than 30 investors about the current course of business and the group's strategy. So far, no share price risks have been identified for the TAKKT share in conjunction with the convertible bond.

» The 2002 dividend of EUR 0.10 per share resolved at the Annual General Meeting was paid out to the shareholders on May 7, 2003. As of September 30, 2003, no use had been made of the stock repurchase programme approved by the Annual General Meeting in conjunction with the AXA convertible bond.

» The preliminary figures for the full financial year 2003 will be published on February 17, 2004.

Performance of the TAKKT share, 52 weeks comparison



TAKKT share   SDAX (indexed)   Source: XETRA

Consolidated Profit and Loss Account

(in EUR million)

	Q3		January – September	
	01.07.2003-30.09.2003	01.07.2002 30.09.2002	01.01.2003-30.09.2003	01.01.2002-30.09.2002
Turnover	171.3	191.1	532.1	590.2
Changes in inventories of finished goods and work in progress	0.0	- 0.2	0.0	- 0.2
Own fixed assets capitalised	0.1	0.0	0.1	0.0
	171.4	**190.9**	**532.2**	**590.0**
Cost of sales	102.4	114.9	316.9	353.9
Gross profit	**69.0**	**76.0**	**215.3**	**236.1**
Other income	2.5	1.2	6.1	5.4
Personnel expenses	23.5	24.6	71.3	76.2
Amortisation of goodwill	4.1	4.4	12.4	13.7
Depreciation of other intangible and tangible assets	2.4	2.5	7.4	7.8
Other operating expenses	29.7	31.0	92.2	100.9
Financial result	- 3.2	- 4.4	- 10.3	- 13.7
Profit before tax	**8.6**	**10.3**	**27.8**	**29.2**
Income taxes	3.8	4.9	11.0	12.5
Net income before minority interest	**4.8**	**5.4**	**16.8**	**16.7**
Minority interest	0.1	0.1	0.5	0.5
Net income	**4.7**	**5.3**	**16.3**	**16.2**
Earnings per share in EUR	0.06	0.07	0.22	0.22
Number of issued shares in millions	72.9	72.9	72.9	72.9
EBITDA	18.3	21.6	57.9	64.4
EBITA	15.9	19.1	50.5	56.6
EBIT	11.8	14.7	38.1	42.9
Average no. of employees (full-time equivalent)	1,884	1,925	1,896	1,941

Segment Information

(in EUR million)

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
Profit after tax before minority interests	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 equiva-lent) at 30.09.2003	857	226	779	26	1,888

01.01. – 30.09.2002	K+K EUROPA	Topdeq	K+K America	Other	Total
Turnover	273.2	57.1	259.9	0.0	590.2
EBITDA	44.5	0.4	25.2	- 5.7	64.4
EBITA	40.3	- 0.7	22.7	- 5.7	56.6
EBIT	35.3	- 1.8	15.1	- 5.7	42.9
Profit before tax	30.5	- 2.6	6.1	- 4.8	29.2
Profit after tax before minority interests	19.7	- 3.2	3.4	- 3.2	16.7
Average no. of employees (full-time equivalent)	888	235	791	27	1,941
Employees (full-time equiva-lent) at 30.09.2002	880	236	779	26	1,921

Consolidated Statement of Changes in Shareholders' Equity

(in EUR million)

	Share capital	Capital reserves	General reserves	Other comprehensive income	Total equity
Balance at 01.01.2003	**72.9**	**0.0**	**83.9**	**- 7.2**	**149.6**
Currency translation differences	0.0	0.0	- 7.5	0.7	- 6.8
Dividend	0.0	0.0	- 7.3	0.0	- 7.3
Other changes	0.0	0.0	0.0	0.0	0.0
Net income for the period	0.0	0.0	16.3	0.0	16.3
Changes in derivative financial instruments	0.0	0.0	0.0	1.8	1.8
Balance at 30.09.2003	**72.9**	**0.0**	**85.4**	**- 4.7**	**153.6**

	Share capital	Capital reserves	General reserves	Other comprehensive income	Total equity
Balance at 01.01.2002	**72.9**	**0.0**	**80.8**	**- 5.3**	**148.4**
Currency translation differences	0.0	0.0	- 8.7	0.5	- 8.2
Dividend	0.0	0.0	- 7.3	0.0	- 7.3
Other changes	0.0	0.0	0.0	0.0	0.0
Net income for the period	0.0	0.0	16.2	0.0	16.2
Changes in derivative financial instruments	0.0	0.0	0.0	- 3.1	- 3.1
Balance at 30.09.2002	**72.9**	**0.0**	**81.0**	**- 7.9**	**146.0**

Consolidated Cash Flow Statement

(in EUR million)

	01.01.2003 - 30.09.2003	01.01.2002 - 30.09.2002
Net income (incl. minority interests)	16.8	16.7
Fixed asset depreciation	19.8	21.5
	36.6	**38.2**
Change in provisions	2.7	2.2
Other income / expenditure not affecting the movement of funds	- 0.6	- 0.7
Profit / loss on disposal of fixed assets	- 0.2	0.0
Change in stocks	1.2	- 5.6
Change in trade debtors and other assets not part of investing and financing activities	- 3.8	- 1.8
Change in trade liabilities and other liabilities not part of investing and financing activities	- 1.3	3.5
Net cash flow from operating activities	**34.6**	**35.8**
Proceeds from disposal of tangible and intangible assets	0.5	0.3
Investment in tangible and intangible assets	- 7.5	- 7.5
Net cash flow from investing activities	**- 7.0**	**- 7.2**
Change in gross borrowings	- 18.7	- 17.1
Dividends to group shareholders and minority interests	- 8.2	- 8.2
Other changes in shareholders' equity	0.2	- 0.1
Net cash flow in financing activities	**- 26.7**	**- 25.4**
Net change in funds	0.9	3.2
Effects of exchange rate changes	- 0.2	- 0.1
Funds at beginning of period	5.5	4.0
Funds at end of period	**6.2**	**7.1**

Consolidated Balance Sheet

(in EUR million)

ASSETS	30.09.2003	31.12.2002
Fixed assets		
Goodwill	249.1	276.6
Other intangible assets	5.1	6.5
Tangible assets	73.6	75.4
Financial assets	0.1	0.1
	327.9	**358.6**
Current assets		
Stocks	56.1	60.7
Trade and other debtors	90.1	88.2
Cash and cash equivalents	6.2	5.5
	152.4	**154.4**
Deferred taxes	**9.6**	**11.2**
Prepaid expenses	**14.1**	**16.2**
	504.0	**540.4**

EQUITY AND LIABILITIES	30.09.2003	31.12.2002
Shareholders' equity		
Issued capital	72.9	72.9
General reserves	69.1	60.1
Other comprehensive income	- 4.7	- 7.2
Retained earnings	16.3	23.8
	153.6	**149.6**
Minority interest	**3.2**	**3.7**
Provisions	**31.2**	**29.3**
Short and long-term borrowings	**257.4**	**291.3**
Trade and other liabilities	**58.6**	**66.5**
	504.0	**540.4**

» This quarterly report was prepared according to the International Financial Reporting Standards (IFRS). The same accounting principles as set out in the annual report 2002 (page 79 et seqq.) were applied.

Chairman of the Supervisory Board:
Günther Hülse

Management Board:
Georg Gayer (Chairman)
Alfred Michael Milanello
Franz Vogel
Dr. Felix A. Zimmermann

Headquarters: Stuttgart
HRB 19962

TAKKT AG
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