Report for the first nine months 2005

DEAR SHAREHOLDERS

TAKKT AG continues to grow: turnover in the first nine months of 2005 was up by 4.9 percent on the previous year. After currency adjustment the increase was as much as 5.8 percent. TAKKT Group's earnings figures increased at a disproportionately high rate. All three divisions have contributed to this growth.

This development proves that TAKKT is well-positioned operationally and strategically.

TAKKT HIGHLIGHTS IN THE FIRST NINE MONTHS OF 2005

- Turnover up by 5.8 percent in exchange rate adjusted terms
- Profitability improves further: EBITA margin increases to 11.4 percent
- Topdeq division reports double-digit growth in turnover
- Expansion continues: KAISER + KRAFT EUROPA mails first catalogues in Turkey and Romania, Topdeq mails first catalogues in Belgium and Hubert Canada takes over sales activities in Canadian market
- KAISER + KRAFT EUROPA is granted a license to start a company in China
- TAKKT voted third in the SDAX segment in the respected Investor Relations Award presented by business magazine "Capital"
- TAKKT reporting in accordance with IFRS 3 since 1 January 2005

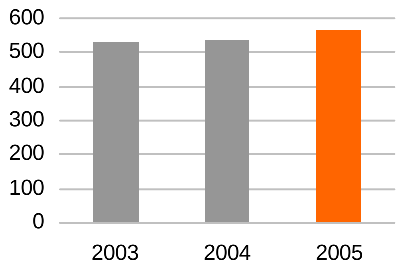
EFFECTS OF THE ADOPTION OF IFRS 3 AT TAKKT AG

- The adoption of IFRS 3 with effect from 1 January 2005 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 nine months of 2005.
- EBIT and profit before tax increase by an amount equivalent to the former goodwill amortisation.
- Deferred tax expense increase significantly as goodwill continues to be amortised for tax purposes.
- When calculating cash flow, TAKKT eliminates deferred tax as it is a non-cash item.

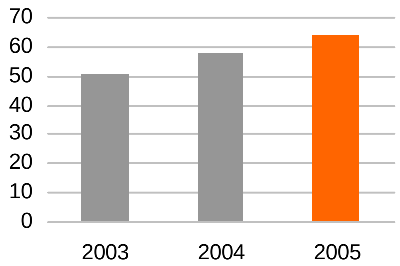
TAKKT AG

BUSINESS EQUIPMENT SOLUTIONS

Turnover January to September TAKKT Group in million Euro



EBITA January to September TAKKT Group in million Euro



THE TAKKT GROUP

In the first nine months of 2005 TAKKT generated a turnover of EUR 562.9 (2004: 536.8) million. This marks a growth of 4.9 percent. In currency-adjusted terms this is an increase of 5.8 percent.

The reason for this growth is the fact that the average order value and the number of orders have increased in all three divisions. In addition the companies in the TAKKT Group have also won a number of new customers. The "Perfect Service" quality initiative has further contributed to continually improving the company's performance.

All divisions reported good growth rates. KAISER + KRAFT EUROPA and K + K America both continued to grow despite a lack of economic stimulation. Topdeq has continued to develop very positively and reported a double-digit turnover growth in the third quarter as well as for the first nine months of the year.

Management expects to achieve currency-adjusted turnover growth of at least four percent for the full financial year.

RESULTS OF THE TAKKT GROUP

The gross profit margin rose to 41.4 (40.9) percent, benefiting from favourable purchasing terms negotiated by KAISER + KRAFT EUROPA and K + K America. In addition subsidiaries, with higher gross profit margins, accounted for a higher share of total turnover.

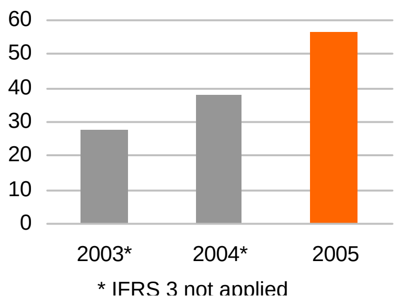
EBITDA - earnings before interest, tax, depreciation and amortisation – rose by 9.5 percent to EUR 71.2 (65.0) million. The EBITDA margin improved significantly and reached 12.6 (12.1) percent.

Earnings before interest, tax and amortisation (EBITA) increased by 10.1 percent to EUR 64.1 (58.2) million. The EBITA margin increased to 11.4 (10.8) percent. 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. The Group thus mainly mails its catalogues at the beginning and at the end of each year.

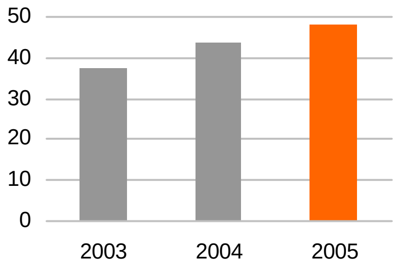
The positive results for the first nine months have met the expectations of TAKKT AG. Management is confident that despite the costs incurred for new company start-ups, the full-year EBITA margin for 2005 will again be at the top end of the long-term target band of 9 to 11 percent.

As a result of the adoption of IFRS 3 since the beginning of 2005 TAKKT Group's goodwill is no longer subject to scheduled amortisation, but has to be tested for impairment on an annual basis. There was no indication of any necessity to make an impairment charge in the first nine months of the year. As a result earnings before interest and tax (EBIT) increased sharply to EUR 64.1 (46.4) million. Last year's goodwill amortisation for the comparable period amounted to EUR 11.8 million.

Profit before tax January to September
TAKKT Group in million Euro



Cash flow January to September
TAKKT Group in million Euro



Profit before tax also rose disproportionately to EUR 56.4 (38.0) million. In addition to the effects from the adoption of IFRS 3, the reduction of borrowings and consequently lower interest expense have contributed significantly to this growth. The tax rate fell slightly to 35.3 (36.8) percent. TAKKT generated a net income before minority interest of EUR 36.5 (24.0) million.

The deferred tax expense increased as a result of the adoption of IFRS 3, because goodwill continues to be amortised for tax purposes. To eliminate the distorting effects of non-cash deferred tax, TAKKT calculates the cash flow on the basis of net income before minority interest plus depreciation and deferred tax expense. Calculated according to the new method, the cash flow for the first nine months amounted to EUR 48.2 (43.6) million, which represents a margin of 8.6 (8.1) percent.

TAKKT GROUP BALANCE SHEET

The Group's balance sheet continues to be characterised by good financial health. Good earnings and the high cash flow have provided scope to further reduce borrowings. At the same time TAKKT Group's equity ratio has increased from 39.6 percent at 31 December 2004 to 44.1 percent at 30 September 2005.

TAKKT Group's net borrowings totalled EUR 168.4 million at 30 September 2005 (EUR 182.3 million at 31 December 2004). Given that TAKKT raises finance in line with cash flows expected in the individual currencies, this item was also influenced by exchange rate changes - mainly US dollars - which led to a EUR 14.4 million increase in net borrowings. TAKKT made repayments of EUR 26.2 from its free cash flow. For 2005 management expects the Group to repay EUR 35 million.

Thanks to pro-active receivables management, trade receivables generally developed in line with turnover. The receivables collection period at 30 September 2005 was 40 days, slightly lower than last year.

In the first nine months of the year, TAKKT invested EUR 5.9 (5.6) million in rationalisation, expansion and maintenance of its business. The increase can be mainly attributed to a new IT project in which K + K America is creating a common IT platform for all companies in the division. The investment rate of 1.0 percent is in line with the longstanding investment average.

KAISER + KRAFT EUROPA

Despite weak economic conditions prevailing in Europe, KAISER + KRAFT EUROPA again increased its turnover by 5.2 percent to EUR 289.9 (275.7) million. This represents 51.5 percent of total Group turnover. Based on stable exchange rates, the increase in turnover would have been 4.9 percent. This growth is attributable to a higher average order value and to a greater number of orders. Positive stimulation was provided by a higher circulation of catalogues and mailings, which was felt especially in the second quarter. Business in individual markets during the first nine months was predominantly positive. The subsidiaries in Japan, Scandinavia, France and Belgium achieved noticeable growth rates. The development in the Netherlands and Hungary continues to be weak.

KAISER + KRAFT EUROPA's earnings position remains strong. EBITA rose by 6.6 percent to EUR 47.1 (44.2) million, which represents an EBITA margin of 16.2 (16.0) percent.

The new company in Turkey mailed its first catalogue in May as planned, while the new Romanian company KWESTO mailed its catalogues in September 2005. In October 2005 Chinese authorities granted KAISER + KRAFT EUROPA a license to establish a company in China. Its first catalogues will be mailed in the first quarter of 2006.

TOPDEQ

The Topdeq division developed very positively in the first nine months of 2005. Turnover was up by 12.8 percent to EUR 58.3 (51.7) million. Adjusted for exchange rate effects turnover would have increased by as much as 13.5 percent. Topdeq now accounts for 10.4 percent of Group turnover. This growth is attributable to a much higher average order value and to a greater number of orders. All subsidiaries have contributed to this growth. This suggests that the European office furniture market is emerging from the crisis it has been in for several years. The situation remains particularly favourable in the USA and France, the subsidiaries in Germany and Switzerland have also shown good growth.

Higher capacity utilisation, revised catalogues and mailings as well as improved processes have contributed significantly to enhancing Topdeq's profitability. The division generated an EBITA of EUR -0.4 (- 2.2) million in the first nine months of 2005. The EBITA margin reached -0.7 (- 4.3) percent.

Due to the generally stronger fourth quarter the TAKKT management expects the Topdeq Group to report a positive result for the full year.

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

K + K AMERICA

Despite the slowdown in economic growth in the US market, the companies of the K + K America division increased their turnover in the first nine months of 2005 by 5.5 percent to USD 270.7 (256.5) million.

Hubert in the USA, Avenue in Canada and C&H in Mexico continued to develop particularly well. The growth rate of C&H Distributors in the USA has slowed. The company is developing in line with indicators which point to the economy in the USA cooling down in 2005. In general all subsidiaries contributed to an increase in turnover, which means that the division remains on the growth track. These good figures are mainly based on higher average order values.

Translated into the reporting currency of euros the division's turnover amounts to EUR 214.7 (209.4) million, which is an increase of 2.5 percent. K + K America contributed 38.1 percent to the Group's total turnover. EBITA improved from

EUR 21.8 to 23.6 million and the EBITA margin correspondingly rose to 11.0 (10.4) percent.

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

THE TAKKT SHARE

On 3 May 2005, the Management and the Supervisory Boards welcomed more than 550 shareholders and guests to TAKKT AG's sixth ordinary Annual General Meeting in Ludwigsburg. A detailed statement about the meeting and the results was given in the first half-year's report.

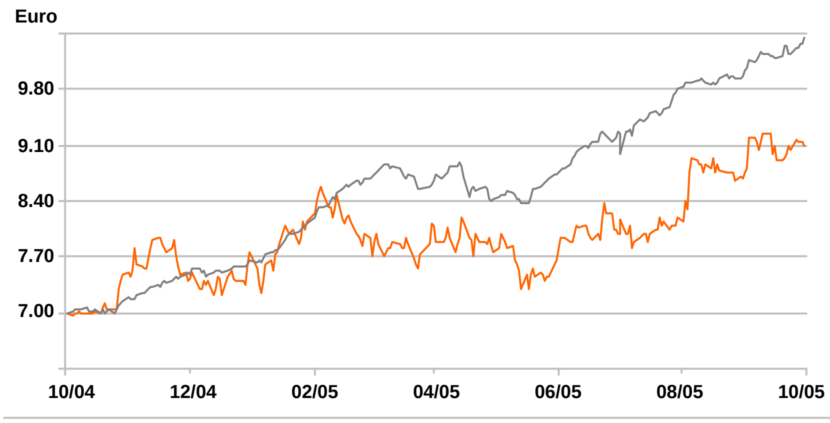
TAKKT has always been committed to intensive and ongoing investor relations, in which the company's top management is closely involved. Meetings with analysts and institutional investors in Europe's leading financial capitals are a major part of this approach. After the press and analysts conference in March 2005 road-shows visited Frankfurt, Paris, London and Edinburgh. Management used these opportunities to explain the Group's strategy as well as its profit and growth potential to investors.

In addition TAKKT attends capital market conferences to address institutional and private investors. The company attended the Cheuvreux German Corporate Conference in January 2005.

In recognition of its investor relations work the Group 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 preliminary figures for the financial year 2005 will be published on 16 February 2006.

Performance of the TAKKT share, 52 week comparison



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

NOTES

The unaudited interim report of the TAKKT Group has been prepared in accordance with the International Accounting Standard (IAS) 34.

- Accounting policies
  Generally the same accounting policies and valuation principles were applied as for the preparation of the consolidated financial statements 2004. This interim report is therefore to be seen in the context of the annual report for the year 2004, from page 67 onwards.
  Changes result from the first-time adoption of IFRS 3.
  From 1 January 2005 goodwill is no longer subject to scheduled amortisation but must be tested for impairment on an annual basis.
- Consolidated companies
  Since 31 December 2004 the list of consolidated companies has been increased by four newly founded subsidiaries. These new companies do not impair the comparability to the previous year.
- Earnings per share
  Earnings per share is calculated by dividing the net income of the period after minority interest by the weighted average number of common stock. So-called potential shares (stock options and warrants), which could have a dilutive effect on earnings per share have not been issued. As a result diluted and undiluted earnings per share are the same.
- Other information
  Contingent liabilities are not material and have only increased minimally since the last balance sheet date. The company made no use of the possibility to buy its own shares in the first nine months of 2005. There were no material events after the end of the interim report period. Extraordinary items according to IAS 34.16c did not occur.

CONSOLIDATED INCOME STATEMENT

(in EUR million)

	Q III		January to September	
	01.07.2005-30.09.2005	01.07.2004-30.09.2004	01.01.2005-30.09.2005	01.01.2004-30.09.2004
Turnover	185.4	178.4	562.9	536.8
Changes in inventories of finished goods and work in progress	0.0	0.0	0.2	0.1
Own work capitalised	0.1	0.0	0.1	0.0
Gross performance	**185.5**	**178.4**	**563.2**	**536.9**
Cost of sales	109.6	106.3	330.2	317.4
Gross profit	**75.9**	**72.1**	**233.0**	**219.5**
Other operating income	1.2	1.6	4.1	5.2
Personnel expenses	24.0	23.4	71.6	70.0
Other operating expenses	31.5	30.0	94.3	89.7
EBITDA	**21.6**	**20.3**	**71.2**	**65.0**
Depreciation of other intangible assets and property, plant and equipment	2.5	2.3	7.1	6.8
EBITA	**19.1**	**18.0**	**64.1**	**58.2**
Amortisation of goodwill	0.0	3.9	0.0	11.8
EBIT	**19.1**	**14.1**	**64.1**	**46.4**
Financial result	- 2.6	- 2.8	- 7.7	- 8.4
Profit before tax	**16.5**	**11.3**	**56.4**	**38.0**
Income taxes	5.9	4.5	19.9	14.0
Net income before minority interest	**10.6**	**6.8**	**36.5**	**24.0**
Minority interest	0.1	0.1	0.5	0.5
Net income	**10.5**	**6.7**	**36.0**	**23.5**
Number of issued shares in millions	72.9	72.9	72.9	72.9
Earnings per share in EUR	0.14	0.09	0.49	0.32
Average no. of employees (full-time equivalent)	1,850	1,853	1,841	1,852

CONSOLIDATED BALANCE SHEET

(in EUR million)		
ASSETS	30.09.2005	31.12.2004
Fixed assets		
Goodwill	225.1	211.4
Other intangible assets	7.8	6.3
Property, plant and equipment	68.3	68.1
Other financial assets	0.1	0.1
	301.3	**285.9**
Non-current assets		
Other receivables and assets	0.3	0.3
Deferred tax assets	5.9	5.1
	6.2	**5.4**
Current receivables and assets		
Inventories	63.4	56.7
Trade receivables	90.0	82.8
Other receivables and assets	19.9	21.4
Income tax assets	0.2	1.6
Cash	6.2	4.0
	179.7	**166.5**
Total assets	**487.2**	**457.8**
EQUITY AND LIABILITIES	30.09.2005	31.12.2004
Shareholders' equity		
Issued capital	72.9	72.9
General reserves	106.8	77.0
Other comprehensive income	- 0.8	- 1.3
Net income	36.0	32.4
	214.9	**181.0**
Minority interest	**2.3**	**3.0**
Total equity	**217.2**	**184.0**
Non-current liabilities		
Borrowings	153.7	164.8
Deferred tax liabilities	13.1	6.9
Provisions	11.3	10.8
	178.1	**182.5**
Current liabilities		
Borrowings	20.9	21.5
Trade payables	25.7	26.4
Other liabilities	27.3	27.1
Provisions	7.7	9.1
Income tax liabilities	10.3	7.2
	91.9	**91.3**
Total equity and liabilities	**487.2**	**457.8**

SEGMENT INFORMATION

(in EUR millions)

01.01. – 30.09.2005	K + K EUROPA	Topdeq	K + K America	Other	Group total
Turnover	289.9	58.3	214.7	0.0	562.9
EBITDA	50.7	0.9	25.6	- 6.0	71.2
EBITA	47.1	- 0.4	23.6	- 6.2	64.1
EBIT	47.1	- 0.4	23.6	- 6.2	64.1
Profit before tax	43.1	- 0.7	18.8	- 4.8	56.4
Net income before minority interest	28.4	0.0	11.4	- 3.3	36.5
Average no. of employees (full-time equivalent)	834	209	772	26	1,841
Employees (full-time) at 30.09.2005	842	205	778	27	1,852

01.01. – 30.09.2004	K + K EUROPA	Topdeq	K + K America	Other	Group total
Turnover	275.7	51.7	209.4	0.0	536.8
EBITDA	47.6	- 0.9	23.7	- 5.4	65.0
EBITA	44.2	- 2.2	21.8	- 5.6	58.2
EBIT	39.2	- 3.3	16.1	- 5.6	46.4
Profit before tax	35.4	- 3.6	11.0	- 4.8	38.0
Net income before minority interest	22.9	- 3.4	6.5	- 2.0	24.0
Average no. of employees (full-time equivalent)	837	220	770	25	1,852
Average no. of employees (full-time equivalent)	838	220	778	24	1,860

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	8.3	- 0.1	8.2	0.0	8.2
Dividends paid	0.0	- 10.9	0.0	- 10.9	-1.2	- 12.1
Net income for the period	0.0	36.0	0.0	36.0	0.5	36.5
Changes in derivative financial instruments	0.0	0.0	0.6	0.6	0.0	0.6
Balance at 30.09.2005	**72.9**	**142.8**	**- 0.8**	**214.9**	**2.3**	**217.2**

	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	1.6	- 0.1	1.5	0.0	1.5
Dividends paid	0.0	- 7.3	0.0	- 7.3	- 1.1	- 8.4
Net income for the period	0.0	23.5	0.0	23.5	0.5	24.0
Changes in derivative financial instruments	0.0	0.0	1.5	1.5	0.0	1.5
Balance at 30.09.2004	**72.9**	**105.8**	**- 2.3**	**176.4**	**2.8**	**179.2**

CONSOLIDATED CASH FLOW STATEMENT

(in EUR million)	01.01.2005-30.09.2005	01.01.2004-30.09.2004
Net income before minority interest	36.5	24.0
Depreciation and amortisation	7.1	18.6
Deferred tax expense	4.6	1.0
Cash flow	**48.2**	**43.6**
Other non-cash expenses and income	4.9	3.7
Profit and loss on disposal of fixed assets	0.0	0.0
Change in inventories	- 3.4	- 2.9
Change in trade receivables	- 4.2	- 8.4
Change in other assets not included in investing and financing activities	3.2	4.1
Change in short and long-term provisions	- 1.3	0.4
Change in trade payables	- 1.9	2.3
Change in other liabilities not included in investing and financing activities	0.8	0.8
Cash flow from operating activities	**46.3**	**43.6**
Proceeds from disposal of fixed assets	0.2	0.2
Capital expenditure on fixed assets	- 5.9	- 5.6
Cash flow from investing activities	**- 5.7**	**- 5.4**
Change in borrowings	-26.2	- 26.5
Dividends to shareholders and minority interest	- 12.1	- 8.4
Other changes in shareholders' equity	- 0.2	- 0.1
Cash flow from financing activities	**- 38.5**	**- 35.0**
Net change in cash	2.1	3.2
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	**6.2**	**7.5**

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Management Board: Georg Gayer (Chairman), Dr Florian Funck, Alfred Milanello, Franz Vogel

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