

**7th Annual General Meeting of TAKKT AG
Ludwigsburg, 31 May 2006,**

**Speech held by Georg Gayer,
Chairman of the Management Board of TAKKT AG**

Only the spoken word applies

Dear Shareholders,

Dear Shareholder Representatives and Members of the Press,

Ladies and Gentlemen,

I would like to welcome you to the 7th Annual General Meeting of TAKKT AG on behalf of the Management Board. At the beginning I would like to summarise what you can expect today. To start with, we would like to inform you about how the business of TAKKT AG developed last year. I will then go on to present the figures of the first quarter and our forecast for the rest of the year. In addition to that I would also like to inform you about three key topics in more detail:

- our entry into new markets
- taking over the NBF Group
- TAKKT AG's strategic success factors

TAKKT 2005: exceeded expectations

Let's start with business development in 2005. In short I can say the following: we significantly exceeded our targets. Turnover did not increase by three percent in currency adjusted terms as expected, but by almost twice that figure.

Our earnings key figures also increased significantly in 2005 and our profitability improved once again. The EBITA margin is above our long-term target corridor of between nine to eleven percent. This is the case despite the fact that new companies were founded and – as expected – higher start-up costs were incurred than in the preceding year.

Thanks to the high earnings key figures we were able to reduce our borrowings by around EUR 41.6 million. This in turn strengthened our equity ratio.

TAKKT 2005: highlights

So much for the numbers. But behind these sober figures are exciting events which proved that TAKKT is far ahead of its competitors. Let's take the example of Vink Lisse, the Dutch subsidiary of KAISER + KRAFT EUROPA. Last year it was awarded with the entrepreneur's award "Sterkster Schakel 2005". It was commended by companies for its excellent service. This prize is the best proof that TAKKT continues to improve its service levels is paying off. We are going to continue sticking to this track in the future.

Another important highlight in 2005 was successfully changing the catalogue strategy at KAISER + KRAFT EUROPA. Instead of mailing catalogues twice a year these will now be mailed three times a year. On top of creating an additional impulse, we are also able to place new products more quickly and adapt sales prices to market conditions.

Here you can see the highest TV tower in Asia: the Oriental Pearl Tower. It is right in the centre of Pudong, the commercial and high-tech quarter of Shanghai. You are probably asking yourself why I am showing you this picture. Well, TAKKT has a new base in Shanghai since 2005.

Our division KAISER + KRAFT EUROPA ventured the step over to China last year. A country in which many of our customers from Europe and North America are investing and therefore holds so much potential for TAKKT. In October 2005 we were granted approval to establish a company in Shanghai. This made us the first western company in B2B mail order to receive a licence to sell office and business equipment throughout China. We are extremely proud of this privilege. In February 2006 the first catalogue was distributed in greater Shanghai. The response exceeded our expectations.

But KAISER + KRAFT EUROPA has also increased its commitment in Europe and transferred its business model into new promising markets. Back in May last year the newly founded company in Turkey started operations. Based in the metropolis of Istanbul KAISER + KRAFT EUROPA is now serving the economically vibrant region around Istanbul, Izmir and Ankara.

The Eastern European KAISER + KRAFT EUROPA Group KWESTO continued its expansion in 2005. Customers in Romania have been able to order their office, business and warehouse equipment from the new mail order company. The number of orders is exceeding our expectations.

Topdeq also expanded successfully. Since May 2005 the division has been operating a company in Belgium. This newly founded company has increased capacity utilisation at our mail order centre in Pfungstadt, as Belgian customers are being supplied from Germany. The start in Belgium was a great success for Topdeq and TAKKT. But, ladies and gentlemen, the news which is an even more significant is that after slow business in the last years our specialists for top-end designer furniture and accessories managed the turnaround in 2005. Topdeq saw double-digit growth of 10 percent!

Our third division K + K America chose to expand successfully in two directions in 2005. Firstly, by founding a new company and secondly by making an acquisition.

In June the new Hubert Company in Canada took over sales activities for the Canadian market. These were previously in the hands of Hubert in the USA. After founding this company, November saw an important acquisition. TAKKT signed the contract to acquire the US company National Business Furniture, NBF in short. It has been part of our division K + K America since 2 January 2006. I will be introducing you to NBF in greater detail later.

Highlights in 2005 were by no means limited to our divisions but also experienced by the holding company. The examples I would like to share with you now are proof that we focus on your interests, that is the interests of our shareholders. This naturally includes our recommendation of increasing the dividend by 50 percent at last years AGM.

Our focus is not limited to ensuring that you participate appropriately in the success of the company, but equally in ensuring that we inform you about the business development quickly and professionally. In many conversations with shareholders I have learned that they value our financial communications. Our investor relations work was also rated positively from another quarter. Last year TAKKT came in third in the renowned investor relations award presented by the business magazine "Capital". Of course we won't start resting on our laurels after

this success; on the contrary, this prize is motivation to continue to improve our work in your interests.

New companies: a detailed analysis

Ladies and Gentlemen,

Belgium, China, Canada, Romania and Turkey - as you have just heard, last year saw us make significant headway in internationalising the Group. And this leads us to the first part of my speech: founding new companies to enter new markets.

What is the advantage of this strategy?

I am not sharing a secret if I tell you that expansion is the best option to expand business success. We are ideally placed for this as our systems business can be rolled out into new markets at relatively low risk. Costs are manageable as we generally only have to adapt our catalogues slightly and can fall back on existing structures.

And this pays off as the companies founded in the past 5 years generated turnovers of around EUR 13 million in 2005.

Of course we had to invest initially before these figures were achieved. In the case of TAKKT, investments into catalogues are the main factor as they are the tools we use to address potential customers and expand our customer base step by step.

In 2005, start-up losses of around EUR 3.0 million were recorded. Cumulative total losses of these companies amount to EUR 6.6 million. Regardless of these losses the advantages of establishing new companies are obvious:

- New companies can use an existing central infrastructure.
- We have the guarantee that business in new markets is established in full compliance with our standards.
- Every new company also improves our bargaining power in buying and overheads are spread across a broader base.

This confirms that we will continue to tap potential and to drive our success by founding new companies.

Turnover: currency adjusted growth by 5.9 percent

Investing in newly founded companies has a positive impact on our turnover in the long-run. In the year under review, 2005, we achieved sales of EUR 773.2 million.

Adjusted for only slight currency impacts in this year this is an increase of 5.9 percent against the previous year. This growth was possible because the number of orders increased as did average order values. In addition we were successful in expanding our customer-base significantly.

The increase in turnover is especially pleasing as it was generated against a backdrop of softening economic developments in our core markets. Economic growth both in North America and Europe was down against 2004. The fact that we grew against the economic trend can be mainly attributed to three factors, in addition to the newly founded companies just mentioned:

Firstly, our product range, which we continued to optimise in 2005. Secondly, we were able to increase the number of people placing orders from one customer address. This means that at a given company there are more members of staff issuing orders. We have therefore significantly increased the value of individual addresses. Thirdly, we have continued to improve our service levels - as mentioned earlier.

Turnover: diversified portfolio

What makes us so successful? The greatest advantage is certainly that we are based on such a broad footing. Our three divisions focus on customers from different industries. By being based in more than 25 countries we are able to compensate for swings in economic cycles in individual markets more easily.

We generated 23.8 percent of our turnover in our home market of Germany last year. The remaining European countries accounted for 36.4 percent of turnover, while companies in North America saw a slight increase, contributing 39.5 percent. The greatest growth potential is in companies based in Japan and Mexico, which are included on the slide as "others". In 2005, they contributed 0.3 percent to turnover, which doesn't sound very much. But if you consider that their share was 0.1 percent in 2004, the direction is clear. Asia and Central America are the regions in which we will be seeing higher than average growth in the future.

E-business at TAKKT: continuous increasing impact

We are generating an increasing proportion of our turnover via online orders. In the last five years the proportion has increased by on average 30 percent. In 2005, we generated about 9 percent of our earnings via the internet, which corresponds to about EUR 70 million and the trend will increase.

E-business at TAKKT: continuous increasing impact

The offer currently includes online shops, i.e. the option to offer directly via the website. In addition to that we are also offering e-procurement solutions. TAKKT can integrate a tailored online catalogue into the customer's intranet.

Many of our customers are extremely taken by the electronic catalogues. In a bid to ensure that more people find out about it we are going to be stepping up our marketing. For the current year we are planning to intensify ads in well-known search engines such as Google.

Advertising alone is of course not sufficient. It is just as important to tune our online service to customer needs. This is why the website www.eproczone.com will go online this year. Simply put, it is a basic version of e-procurement, an internet platform, which we developed especially for small and medium sized companies. Customers needn't buy expensive procurement platforms to map purchasing processes and respective approvals within the company. We provide all this on eproczone as single source and free of charge.

EBITA: margin above target corridor of nine to eleven percent

Dear Ladies and Gentlemen,

Let's now take a look at the development of TAKKT AG's profitability. EBITA, i.e. earnings before interest, tax and amortisation, reached record levels in 2005 despite investment in newly founded companies. At 11.5 percent the EBITA margin exceeded our long-term target corridor of between nine and eleven percent for the first time. This success is based on the gross profit margin which increased from 40.8 to 41.4 percent as a result of optimisation undertaken in purchasing. In addition infrastructure capacity utilisation is higher while, order handling costs have been further reduced.

Profits: increase at stable tax rate

The factors just described also effect TAKKT AG's profits. Additional positive effects can be attributed to improved operative performance and the fact that TAKKT reduced its borrowings and therefore improved its interest result.

The first-time adoption of international financial reporting standard IFRS 3 in 2005 is also another reason for earnings improving. According to this standard, scheduled amortisation on goodwill is no longer permissible. In the previous year this amounted to EUR 15.7m.

Instead of scheduled amortisation, goodwill now has to be tested annually for impairment. As a result of TAKKT's robust cash flow no such an impairment was required in 2005.

The tax rate was stable at 36 percent. This all contributed to us generating the highest ever profits at EUR 50.4 million!

Cash flow: high level proves profitability

But we have other records to share. Our cash flow is also higher than ever. It came in at EUR 65.5 million which corresponds to 8.5 percent of Group turnover.

We used this cash flow to invest in further growth, to reduce our borrowings and of course to distribute a significantly higher dividend to you, our shareholders. Capital expenditure of EUR 8.9 million were within our long-term corridor of one to two percent of our turnover.

Motivated employees allow for gain in profitability

I would like to draw attention to those who are mainly responsible for the success of TAKKT: our many skilled and motivated staff members. Thanks to their efforts TAKKT once again increased its productivity in 2005. I would like to thank our staff members very much for their commitment.

In order to be able to master future challenges we need more motivated members of staff. We therefore already increased the number of full-time employees to 1,868 at the end of 2005. 23 members of staff were employed at newly founded companies.

In Germany we employed 629 members of staff at 31 December 2005, 6 less than one year before. As a result of the positive business development in the first quarter of 2006 17 members of staff were employed additionally, of which 7 were hired in German companies. These figures do not include NBF.

Let's leave the figures and focus on the people. I would like to introduce to you two people on behalf of the many dedicated members of staff who have left a mark on TAKKT.

The first example is Gabriele Feldweg. She started at TAKKT AG 41 years ago. She was the personal assistant to almost all Management Board Chairmen – from Helmut Kraft right down to me. I think this shows an exceptional degree of flexibility given that every Member of the Management Board has their own way of doing things. After this varied and I am sure often demanding time, Ms Feldweg is taking her well deserved retirement at the beginning of next year. I would like to wish her the very best! And I would like to thank her for her outstanding support.

Alfred Milanello, our CIO, is retiring on 30 June. His work will continue to have an impact on TAKKT for a long time.

Alfred Milanello not only has exceptional know-how of IT, but is also an ace in business. His solutions facilitated TAKKT Group being able to steadily perfect its business model. His IT solutions allow us to quickly and cost-efficiently roll-out our business model in other regions.

Alfred Milanello was a member of the Management Board who recognised the signs of the times and took up new opportunities. It is thanks to his efforts that we were the first B2B mail order company in Europe to have an electronic catalogue on CD or in internet.

Using the internet as a sales channel is one thing. Using the structures and data transmission possibilities of the internet to network with our suppliers, freight forwarders and customers is just as big an advantage for TAKKT.

Again, it is thanks to Alfred Milanello's expertise and ideas that we are a trendsetter.

Alfred Milanello has actively shaped TAKKT Group and we owe him a great deal.

With Gabriele Feldweg and Alfred Milanello two people are leaving, who I held in great esteem personally. But nonetheless I am not concerned about the future, because we can offer excellent professional opportunities. We will continue to retain skilled members of staff and managers. We are on the right track: TAKKT AG employed more apprentices last year than in 2004. Even if we have a successful business model, which we have continued to perfect thanks to Alfred Milanello, people are our greatest asset. Emerging leaders and well-trained members of staff are at the centre of our efforts.

Balance sheet: organic growth and currency effects extend total assets

Let's now move on to the consolidated balance sheet: all key figures continued to improve in the financial year 2005. Please note that the NBF Group is not included in our balance sheet as we only took over operative business on 2 January 2006.

On the reporting date of 31 December 2005 we held assets of around EUR 500 million, the strong dollar having a significant impact here. Long-term assets accounted for EUR 310.3 million. The largest item in these assets is goodwill at EUR 227.5 million, which increased as a result of currency effects.

Inventories also increased as a result of currency effects. But we have also raised inventory levels in order to keep our delivery service level at the same level amid increased turnover.

There were no material changes to current receivables and assets apart from currency effects. Trade receivables increased as a result of high turnover in the last quarter of 2005. Customers' payment behaviour remained stable with the collection period remaining at around 40 days on average, as in the previous year.

Balance sheet: strengthened shareholders' equity ratio of 46.1 percent

We are also very pleased with the liability figures and have significantly increased our equity and reduced our borrowings. On 31 December 2005, they were reported with EUR 162.2 million in contrast to EUR 186.3 million in 2004. In 2005, currency effects, especially the US-dollar, increased borrowings by EUR 17.2 million. We undertook repayments of EUR 41.6 million from our cash flow.

Key figures per share: good development

The positive business development of TAKKT AG has had a positive effect on per share key figures. Cash flow per share is 90 cent and is 8.4 percent higher than the record level in 2004. Earnings per share are extremely positive at 68 cent per share.

Last year we increased the dividend by 50 percent to 15 cent per share. This is the figure we are going to propose again today. Ladies and gentlemen, this would let you participate in the success of TAKKT AG appropriately. Some of you may be asking why we are not increasing the dividend once again. In my opinion there are good reasons for this decision.

NBF: impact on equity and liabilities of TAKKT in 2005

As the NBF Group was taken over on 2 January 2006 there is no impact on the balance sheet at 31 December 2005. Nonetheless, the acquisition does of course have an impact on our dividend decision requires funding. To highlight what we mean, we have thought-through a theoretical model assuming that NBF Group had already been acquired effective end 2005. As you can see our equity ratio would have slipped from 46.6 percent to 40.2 percent. This would be the same value as on the reporting date in 2004. We have therefore decided to propose a dividend which is at the same level as the previous year.

Planned acquisitions are a further reason for not increasing the dividend at this point. We would like to provide you with more detailed information in the course of this year. Let me share this much now: funding is secured, but our borrowings are going to increase. We therefore recommend maintaining the dividend amount.

TAKKT: divisions

Dear Ladies and Gentlemen,

I would like to use this slide to briefly remind you of the three pillars the business of TAKKT rests upon. These are the divisions KAISER + KRAFT EUROPA, Topdeq and K + K America.

Let us now have a look to which extent the divisions contributed to TAKKT AG's turnover and earnings.

KAISER + KRAFT EUROPA: main contributor to turnover, high profitability

KAISER + KRAFT EUROPA contributed the highest proportion of turnover with EUR 401.3 million. The division saw turnover increase by 5.7 percent, 5.5 percent in currency-adjusted terms. Subsidiaries in Japan, France and Scandinavia developed particularly positively. But its German operations also improved in year-on-year terms and met expectations. This was mainly driven by the new three catalogue strategy which I introduced at the beginning of my speech.

The profitability of KAISER + KRAFT EUROPA, already at a high level, saw another slight increase. As you can see on this slide EBITA improved from EUR 61.2 to EUR 65.6 million. The EBITA margin increased from 16.1 to 16.3 percent. This increase is based on the improved gross profit margin. As a result, we were able to more than compensate for our increased advertising expenditure.

Increasing advertising expenditure has two causes. Firstly, KAISER + KRAFT EUROPA has increased the number of catalogues it prints in established markets over-proportionately. Secondly, planned start-up costs for our newly founded companies in China, Romania and Turkey had to be borne. The start-up expenses incurred relate mainly to catalogue costs to build a customer base.

Topdeq: successful redirection brings turnaround with double-digit growth

In 2005 the division Topdeq exceeded the turnover mark of EUR 80 million for the first time in four years. In a year-on-year comparison this is an increase of ten percent. All Topdeq companies, with the exception of Topdeq Germany, contributed to this extraordinary success. The division's profitability also increased. The EBITDA margin improved from minus 2.9 to plus 1.3 percent.

How did Topdeq manage this turnaround? To start with, all units concentrated on their core competencies. The headquarters in Pfungstadt provides the necessary infrastructure for all companies. It administrates IT applications, compiles catalogues or maintains internet platforms. Companies can therefore focus on their customers.

In addition we have continued to optimise the product range. Our target continues to be able to offer attractive products. However, a greater emphasis is now put on ensuring that all products comply with criteria such as good design, perfect operability and high quality when compiling the product range. In line with the famed design principle "form follows function".

The results of this new focus were soon to take effect. Average order values were up, while return shipments were down. As less small orders had to be processed and efforts put into handling complaints were down, headcount could be reduced by 5 percent. At the same time turnover saw an increase of 10 percent. The logical consequence of this is the positive earnings effect.

K + K America in US-dollar: sound increase in turnover and profitability

K + K America continues to be on a success track. Despite economic momentum slowing in the US, turnover was up by six percent. All subsidiaries contributed to this increase. Especially Hubert in the USA, Avenue in Canada and C&H in Mexico recorded clear increases. Business was less satisfactory at Conney, where we are working on a repositioning. This relates to its product range and customer service as well as its catalogue and warehouse strategy. By taking these measures we would like to ensure that Conney catches up with the other companies in terms of profitability and growth. In the financial year 2005 K + K America was particularly profitable: EBITA reached EUR 30.1 million and was about twelve percent higher than the previous year value. This can be mainly attributed to the gross profit margin. The division was able to benefit from a structural effect as the Hubert subsidiary generated the highest gross profit margin within K + K America and saw considerable growth as already indicated.

TAKKT share: increase in share price

Dear Ladies and Gentlemen,

The development of the TAKKT share is a key indicator of our work – at least it should be. Even if the share price of the TAKKT share increased by very satisfactory 22 percent, the capital market seemed to be of the opinion that other SDAX companies were doing a better job than TAKKT: This opinion has, might I say justifiably, not been sustained in the last months.

In the meantime the impression has been corrected as far as I am concerned. The TAKKT share price has increased by around 30 percent since the beginning of the year and TAKKT has developed better in the past months than the SDAX as a reference index.

The total number of shares has remained unchanged at 72.9 million. The shareholder structure has not changed either. Franz Haniel & Cie. GmbH continues to hold 72.7 percent of the shares. The remaining 27.3 percent are broadly spread internationally across institutional and private investors. On 31 December 2005 TAKKT AG was worth around EUR 693 million. In the course of May market capitalisation rose over the one billion euro mark. At present TAKKT's market capitalisation is about EUR 900 million.

TAKKT 2005: Corporate Governance

As TAKKT shareholders you are bound to check the development of the share in the stocks section of your newspaper on a daily basis. You can of course also obtain information about the business development of TAKKT AG directly from us. We guarantee that our communications are as quick and as transparent as possible, as we have always been dedicated to protecting the interests of our shareholders. This is the reason why the Management and Supervisory Boards once again issued a Declaration of Conformity on 31 December 2005 to the recommendations of the governmental commission German Corporate Governance Code. We fully comply with the rules of the codex with two justifiable exceptions.

The first exception is that TAKKT does not publish any details about the compensation of individual members of the Management and Supervisory Boards. We are already publishing the total compensation for the Management and Supervisory Boards. Personalised information would hardly provide any additional information but be an invasion of the privacy of individual members of these Boards. The Management fully supports the motion put forward by the majority shareholder Franz Haniel & Cie. GmbH.

The second exception is that we have not installed an audit committee for the Supervisory Board. I can't see any disadvantage here as this body only has nine members, which is comparatively small.

Ladies and Gentlemen,

Let me elaborate a little on the agenda of today's meeting.

Point one on the agenda, presenting the final financial statements, was covered in my speech.

Point two on the agenda, using the retained earnings.

Our proposal of distributing an unchanged dividend of 15 cents per share is based on four arguments:

Firstly, we would like to operate a predictable, sustained dividend policy.

Secondly, we are not a dividend share and not a bank.

Thirdly, our aim is to balance goodwill on the assets side of the balance sheet and group equity.

And fourthly, we would like to use our enhanced equity to found further new companies and for acquisitions.

If you agree to this proposal the dividend will be deducted from the retained earnings of around EUR 23 million leaving around EUR 12,411,591.10.

Let me add a comment to agenda points 3 and 4, ratifying the actions of the Management and Supervisory Boards: the figures presented and the market position of TAKKT speak for themselves and the TAKKT boards.

The motion of the Supervisory Board, agenda point 5, to reappoint Dr Ebner, Dr Stolz & Partner to audit the financial statements and the group financial statements of the company in the financial year 2006 is fully supported by the Management Board.

Now on to agenda point 6, appointing a new member of the Supervisory Board. As Professor Dr Theo Siegert is withdrawing from the Supervisory Board at the end of this meeting a new Supervisory Board member has to be appointed.

The Supervisory Board proposes to appoint Dr Eckhard Cordes, Chairman of the Management Board of Franz Haniel & Cie. GmbH, Duisburg, to the Supervisory Board. The Management Board supports this proposal and would like to ask for your approval.

In the name of the entire Management Board I would like to thank you, Professor Siegert, for your work on the Supervisory Board.

Dear Shareholders,

The Management and Supervisory Boards would also like to ask you to agree to point 7 on the agenda, buying back own shares according to section 71, paragraph 1, no. 8 of the German Stock Corporation Act.

The idea behind buying back own shares is to facilitate possible purchases of companies, company shares or participations. It gives us financial flexibility which may save us more expensive approaches. We still do not have the intention of using the programme to withdraw shares. It is also not to serve the purpose of a stock option programme.

We would like to have this resolution passed to replace the expiring resolution for another 18 months; the components of the resolution are basically the same as last year's.

Agenda point 8:

TAKKT has stated the objective to be lean and fast. TAKKT also has a clear strategy and a successful business model, which needn't be changed every couple of months. These are all good reasons to streamline the Supervisory Board. As a result, the Management and Supervisory Boards are proposing to limit the number of members on the Supervisory Board to six. In our opinion this number is sufficient to safeguard the effective supervision of the Management Board. We would also like to ask you to agree to this motion.

Please allow me to add a comment: according to the articles of association and the resolution passed by last year's Annual General Meeting the new Supervisory Board is only up for appointment next year.

Agenda points 9 and 10 refer to adjustments according to changes in legislation or changes which are to contribute to improving the Annual General Meeting and it being conducted more efficiently. We would also like to ask for your approval.

Finally, over to the last point, agenda point 11: majority shareholder Franz Haniel & Cie. GmbH has put forward the following motion in due time:

The details outlined in section 285, sentence 1, no.9, and section 314, paragraph 1, no. 6, letter a, sentence 5 to 9 of the German Commercial Code are not being published for five years.

This refers to individually publishing the compensation of Members of the Management Board. We believe the reason given in your invitation to be correct and expressly support this motion.

Recently a lot has been written and discussed about this topic. There are many arguments for and against publishing these details. This is why the legislator has decided that this decision should rest in the hands of the Annual General Meeting. As far as TAKKT is concerned I am unable to see any reason for criticising the amount of the Management Board's compensation or the way it is paid. You decide. We would like to concentrate on our tasks.

NBF: logical development of TAKKT portfolio

Ladies and Gentlemen,

If I had to choose an event which was decisive for TAKKT last year I would say it was the acquisition of NBF. This leads me to my second key topic.

Let me give you an impression of the new TAKKT company. NBF employs 120 members of staff and is the US market leader in office furniture B2B mail order. NBF operates five brands, which together sell more than 11,000 items.

- The lead brand National Business Furniture sells traditional US office furniture to a broad range of companies.
- The brands Alfax and Dallas Midwest direct their range at non-profit organisations such as schools, universities and public authorities.
- The brands OfficeFurniture.com and FurnitureOnline.com, which also belong to the NBF Group, sell their goods only via the internet.

NBF fits to our business model perfectly. It is a B2B mail order Group for durable goods which are not sensitive to price swings and has a fragmented customer and supplier base. The National Business Furniture business model is ideal for duplication in other markets.

Acquiring NBF Group was not only a great strategic success for TAKKT because of these reasons. In addition we can continue to develop our portfolio. Firstly, we are increasing our customer base, which makes us less susceptible to economic downturns. NBF has numerous customers in the service sector which is growing dynamically in the USA. Secondly, we are enhancing our product range in the field of office equipment in North America. Until now K + K America was

comparatively weakly positioned in this segment. Thirdly, by acquiring NBF Group we are balancing our regional business distribution. As a result of the takeover, K + K America will be turning over almost as much as KAISER + KRAFT EUROPA. A further advantage is that NBF and C&H are both based in Milwaukee. This saves time and makes integration a home game for both parties.

As yet the EBITA margin of NBF is comparatively low at around 5 percent. We are going to change this and have identified a number of areas:

Firstly, we see opportunities in logistics by introducing the warehouse business. Secondly, we are confident that we will be able to increase the efficiency of catalogues in marketing. Thirdly, there are a range of synergies, such as in the field of shipping, printing or paper procurement for our catalogues.

TAKKT: strategic success factors

NBF is a B2B mail order company and its business is subject to the same rules as TAKKT's. This leads me to my third key topic: the strategic success factors of B2B mail order TAKKT-style.

TAKKT: competes in a very attractive industry

If you take a birds-eye view of this business you can see that we are operating in a highly attractive industry.

To start off with, we have the great advantage that the barriers to entry are extremely high for new competitors. Establishing a customer base requires a lot of time and money. In addition, it is extremely costly to set up central infrastructure. And of course, typically the know-how is lacking to operate the systems business B2B mail order across several regions. Mail order is a distance business, in theory a business without any boundaries. The challenge is to conduct business across great distances, while being as close as possible to your customers.

We don't have to worry about our business models turning obsolete. On the contrary: the option of buying business equipment easily and quickly via a catalogue is gaining increasing popularity among customers. With the forward-looking medium internet we can offer our customers another method to purchase goods. The prospects for our comparatively young company are excellent.

We are addressing a great number of customers from a range of different industries with our multi-faceted product range. This has two advantages. Firstly, our business is not based on the orders of individual high-volume customers. Secondly, we can compensate economic downturns in individual industries much more easily.

Suppliers are important partners for us. Thanks to the fragmented supplier market we are not dependent on individual manufacturers. TAKKT procures more than 100,000 products from several hundred producers. If necessary we can shift from one manufacturer to another. We know this is the case, as do our suppliers.

But we understand our suppliers as partners, because only with their high-quality products can we be a success with our customers. Suppliers in a business relationship with TAKKT have the advantage that they are included in our catalogues in many countries with only limited input from their side. Calling this a true win-win situation is certainly justified here.

TAKKT: long-term growth path

The following slide clearly shows that TAKKT has made use of the opportunities the industry has to offer in the past. In the last 20 years we have grown on average by 12 percent annually. About the half of this growth can be attributed to acquisitions, the other half being attributable to organic growth. We have always managed to generate double-digit operating profitability.

And this is the benchmark we are confidently taking into the future.

TAKKT success factors: clear business focus

Ladies and Gentlemen,

Our excellent figures are not a coincidence but based on a system. They are the results of a carefully implemented and perfected business strategy, which is based on the following success factors:

- clear business focus
- clear added value for customers
- clear organisational structure
- clear growth strategy

The business activities of TAKKT AG are clearly defined: we are a mail order Group and not an operator of shops. We do our business with companies and entrepreneurs but not with consumers. We only sell equipment such as pushcarts or desks, but we don't sell low-margin consumables such as printer cartridges and copy paper.

The business model is not a success because it is clearly defined and focussed, but because it provides our corporate customers with a clear added value.

True to our slogan "Everything for the Company" we are a well-stocked one-stop-shop for equipment. Our catalogues offer a wide range of products blended with a targeted pre-selection. This saves time when looking for the right items. And, as you know, ladies and gentlemen, time is money.

On top of that, customers quickly come to realise that they are treated like kings. They can not only order our goods in Germany and Europe, but in more than 25 countries around the world, in reliable TAKKT quality. Customers can decide if they would like to order by phone, on the internet, by fax or by sending a letter. Thanks to our close relationship with suppliers we can have products adapted to customer needs if required.

Excellent service quality at every point of the value chain helps us to break down the otherwise typical distance between mail order supplier and customer in the mail order business. This increases customer loyalty.

Organisational structure

The larger TAKKT gets, the more important it becomes to have a clear organisational structure and clear responsibilities, which takes me to our third success factor.

The sales companies have one sole task: serving customers. All other tasks such as central purchasing, compiling and printing catalogues are taken care of at the level of the respective intermediate holding. This enables us to pay tribute to particularities of markets, without losing the scale advantage in producing catalogues as well as in purchasing goods and services.

Historic growth of about 12 percent annually is the result of a clear growth strategy pushing in three directions:

- growth by acquisition
- growth by rolling-out the business model
- growth by continually increasing market penetration

We will continue to drive in all three directions in the future.

Acquisitions are an appropriate tool to move into new markets with existing product lines. We can also enhance the portfolio in existing markets with new product lines. And finally, acquisitions are a good way to drive a two-brand strategy in existing markets.

TAKKT Group is going to continue rolling out the business model into new regions to drive growth. This is one of TAKKT AG's core competencies which we are going to substantiate this year with operations starting off in China, France and Austria.

As our market share is still very limited despite our significant growth we have the potential to continue growing in our existing markets by improving our product range and service levels and by increasing the volume and efficiency of our catalogues. This option remains a key component of our clear growth strategy.

If I may just summarise:

- a crisis resistant business model
- an efficient growth strategy
- a clear organisational structure
- satisfied customers

These factors make TAKKT AG a successful and sustainable company. Our first quarter figures are the best proof of this.

TAKKT: first quarter figures

From January to the end of March TAKKT saw turnover increase by 30 percent. Adjusted for currency effects, this still amounts to 24.9 percent. This figure includes the first-time consolidated NBF Group. Even adjusting for currency and acquisition effects, TAKKT AG once again saw strong growth of 12.2 percent.

When looking at these excellent results we have to consider that there were more working days in this quarter than in the previous year as Easter and the corresponding public holidays were in April this year.

All in all we had an excellent start to the year 2006, to which all divisions contributed. KAISER + KRAFT EUROPA and Topdeq generated currency-adjusted growth of 15.5 percent and 8.3 percent respectively. The division K + K America was able to increase its turnover in US-dollars by 44.4 percent. Translated into the reporting currency euro, the increase is 57.4 percent. Adjusted for the consolidation of NBF Group organic growth amounted to 9.2 percent.

Earnings before interest, tax, depreciation and amortisation, EBITDA, increased over-proportionately by EUR 8.5 million to EUR 34.6 million. This is an increase of 32.6 percent. The EBITDA margin improved from 13.7 to 14 percent. Without the consolidation of NBF Group the margin generated by TAKKT Group would have even reached 15 percent.

Dear Shareholders,

Before I move on to the outlook for 2006 I would like to give you some important information regarding the management board:

I informed you that Alfred Milanello is retiring on 30 June this year and I also mentioned that he is hard to replace.

We therefore started staffing the IT units more than two years ago.

We hired a vice president of IT at K + K America in the USA and Peter Langhammer took over the IT unit at KAISER +KRAFT EUROPA from Alfred Milanello as managing director last autumn. At the beginning of this year we also hired in our logistic unit.

This means that all specialist units in all divisions are staffed.

TAKKT: new Management Board

In order to strengthen Topdeq and K + K America we have decided that every division should be represented on the Management Board by a board member. We are hoping this new structure will further improve the performance of Topdeq and K + K America.

The Supervisory Board in a meeting this morning appointed Didier Nulens (Topdeq division) and Thomas Loos (K + K America division) as of 1 July 2006 to the Management Board for three years.

Both gentlemen will more than compensate Alfred Milanello leaving after 19 years of service. Didier Nulens and Thomas Loos both can look back on a total of more than 45 years mail order experience at TAKKT. In addition to experience, we felt it was a priority that the Management Board reflects the international reach of TAKKT Group, which will be generating 80 percent of its turnover outside Germany this year.

With Florian Funk and myself, the five-strong Management Board now includes two Germans, Franz Vogel is Swiss, Didier Nulens is a Belgian and Thomas Loos comes from the US.

I am certain that the structure and the international composition of the Management Board are going to drive TAKKT's business.

Outlook 2006: economic conditions

Dear Ladies and Gentlemen,

Even if we will be unable to match the first three months in the second quarter because of having fewer working days, we are very confident: TAKKT is going to grow in 2006 despite unsettled economic conditions. Economic pundits are painting an unequal picture with their forecasts for Europe and North America. The European economy is expected to see slight growth in 2006, while the increase in growth in Germany is expected to be a little stronger. The football World Cup and rising domestic demand ahead of the planned VAT increase could have positive impacts this year. We are of the opinion that this cautious optimism is justified.

In the USA in contrast experts forecast growth rates to continue to decrease in the coming years. This negative forecast is driven by key interest rate increases in the last months and the US real estate market cooling down, which in turn is going to hit manufacturers through lower US consumer spending.

Outlook 2006: TAKKT key figures

How is the economic development going to impact TAKKT AG's figures? I would like to present our sales and earnings forecasts for 2006:

TAKKT AG is going to grow by at least four to five percent without considering the NBF acquisition and currency effects. By giving this forecast we are sticking to our target of outgrowing the economies in which we operate by at least one to two percent. In total we are expecting turnover to increase by 18 percent.

The NBF acquisition and the start-up expenses for new companies will impact our profitability in 2006. But I can assure you that TAKKT is going to continue to generate a gross profit margin above 40 percent. Our EBITDA margin is again going to be within our target corridor of ten to twelve percent. More precisely we are planning a figure at the upper end of the target corridor, i.e. between 11.5 and 12.0 percent. Without NBF and the start-up costs for newly founded companies the EBITDA margin would exceed the excellent 2005 figure.

As you can see, after an extremely successful year 2005, the year 2006 is also going to be a good year for TAKKT AG, setting new records for turnover and earnings! I can't think of a better note on which to close my speech.

Ladies and Gentlemen,
Thank you very much for your attention!