
TAKKT AG

BUSINESS EQUIPMENT SOLUTIONS

Road Show Presentation

Spring 2006

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- strategic success factors

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BUSINESS EQUIPMENT SOLUTIONS

TAKKT at a glance

TAKKT: business overview

business activity	<ul style="list-style-type: none">sales channel: B2B mail orderproducts: durables/specialties
geographic balance	<ul style="list-style-type: none">regional diversification: more than 25 countriesturnover by region: ~ 60% Europe/ ~ 40% North America
key facts	<ul style="list-style-type: none">number of customers: > 2madvertising media sent out per year: ~ 55mnumber of employees (fte): ~ 2,000
financials	<ul style="list-style-type: none">turnover 2005: € 773mturnover growth (CAGR 1985 – 2005) 12% p.a.EBITDA margin (1985 – 2005) > 10%

TAKKT: broad product range based on four pillars

business equipment



office equipment



occupational safety



foodservice equipment

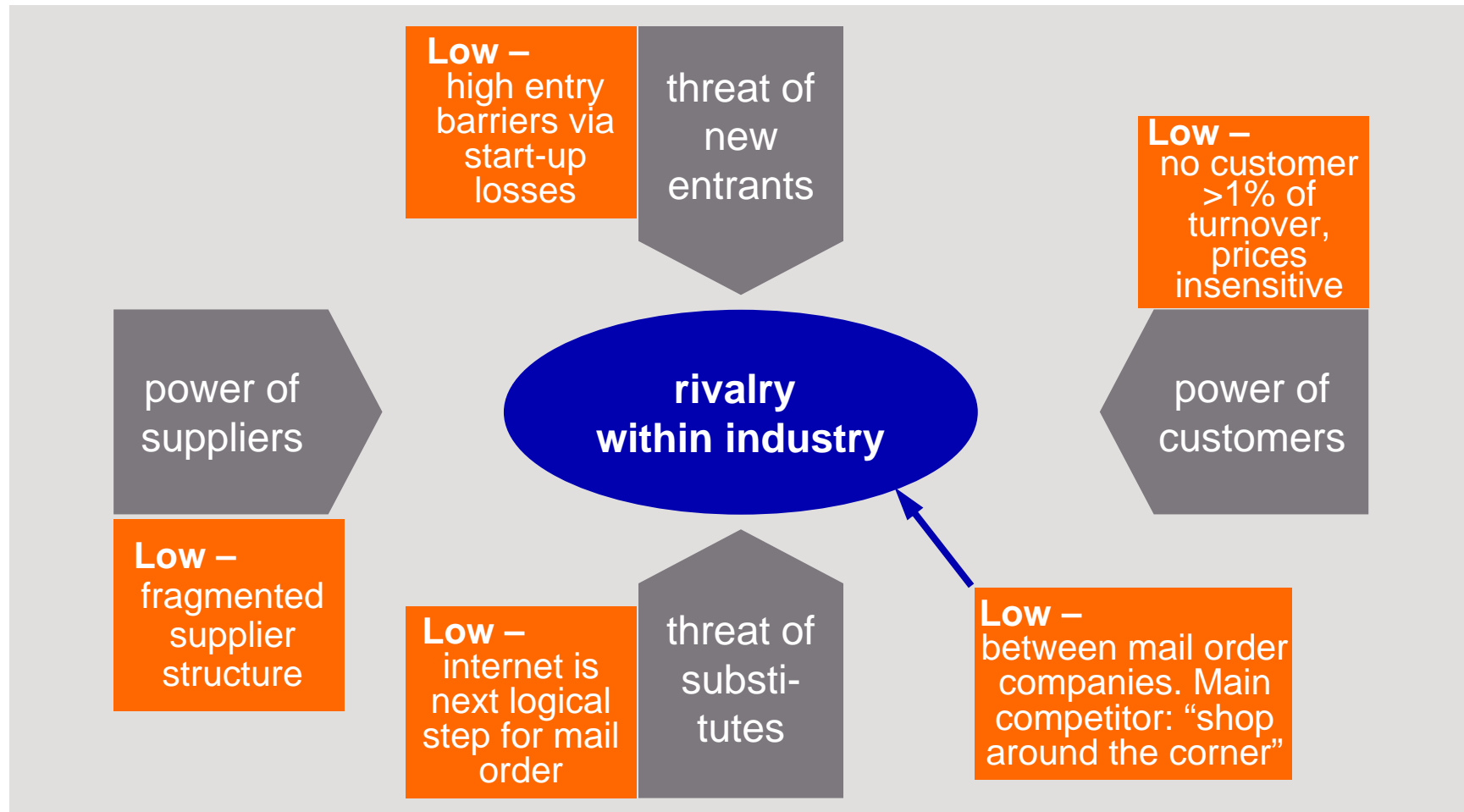


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strategic success factors

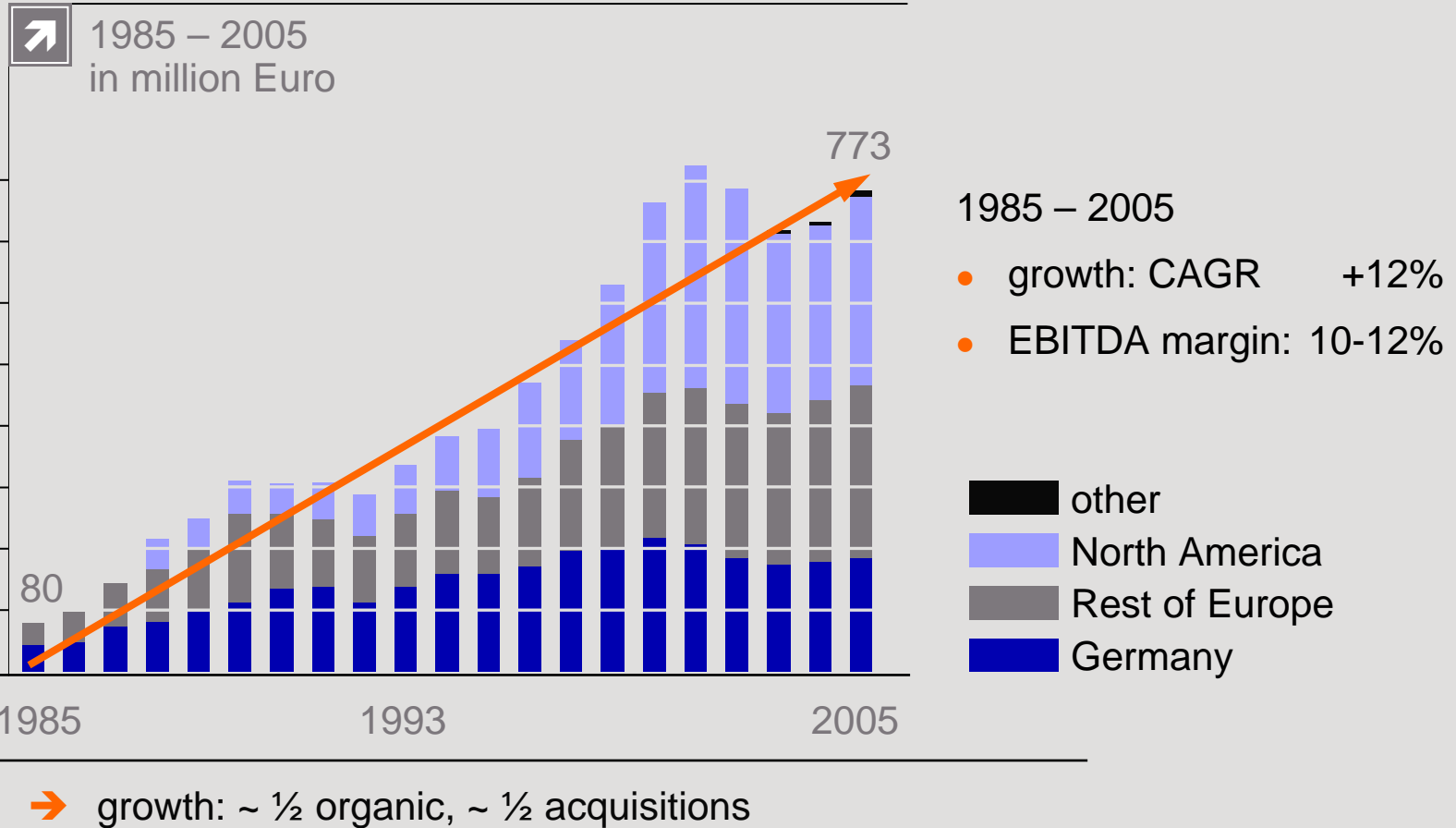
TAKKT: competes in a very attractive industry



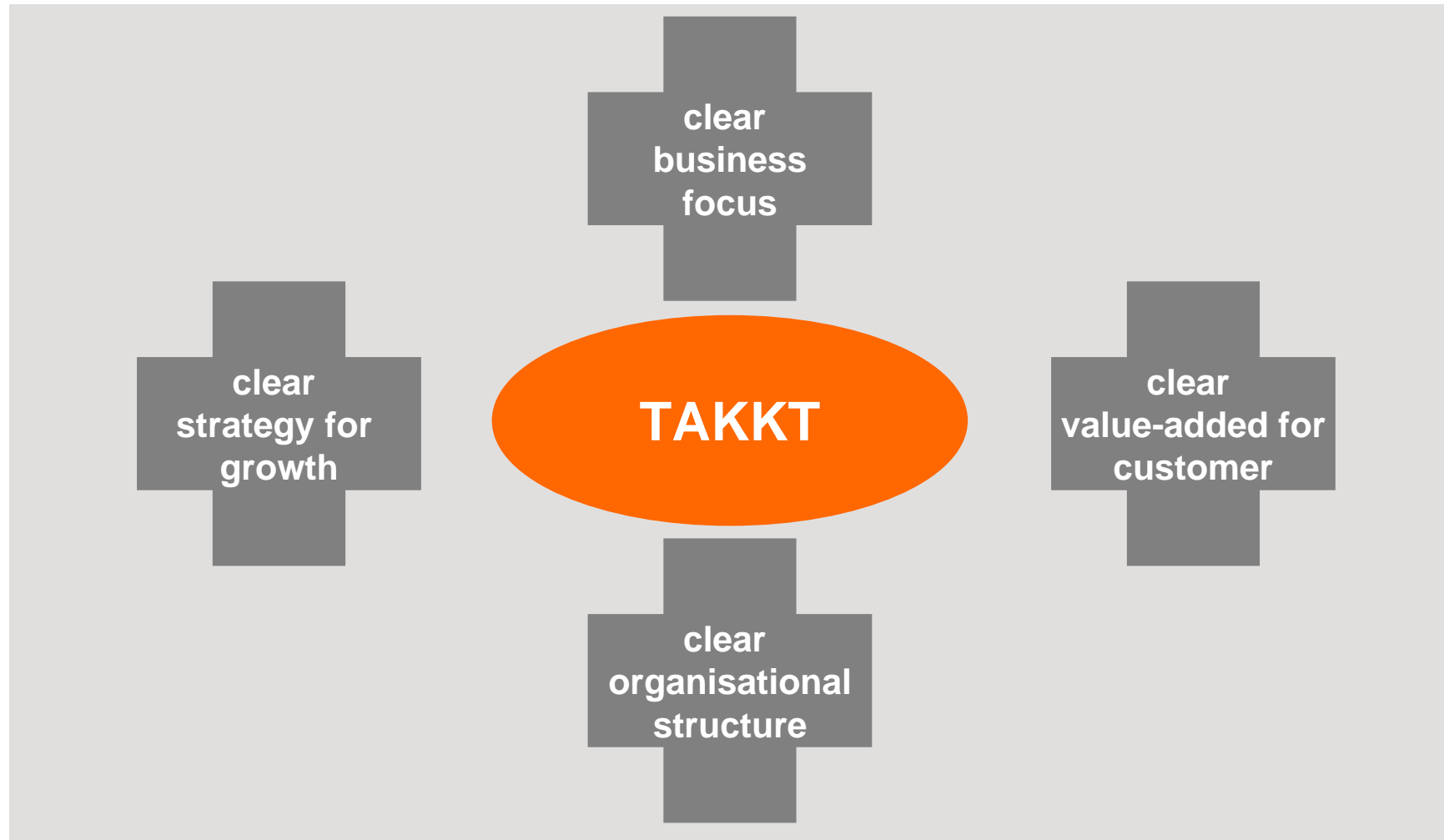
→ which should not change in near future

TAKKT: long-term growth path

TURNOVER TAKKT GROUP



TAKKT: strategic success factors



TAKKT's success factors: clear business focus

focus 1
mail order

- no shops / outlets
- no sales force on the street

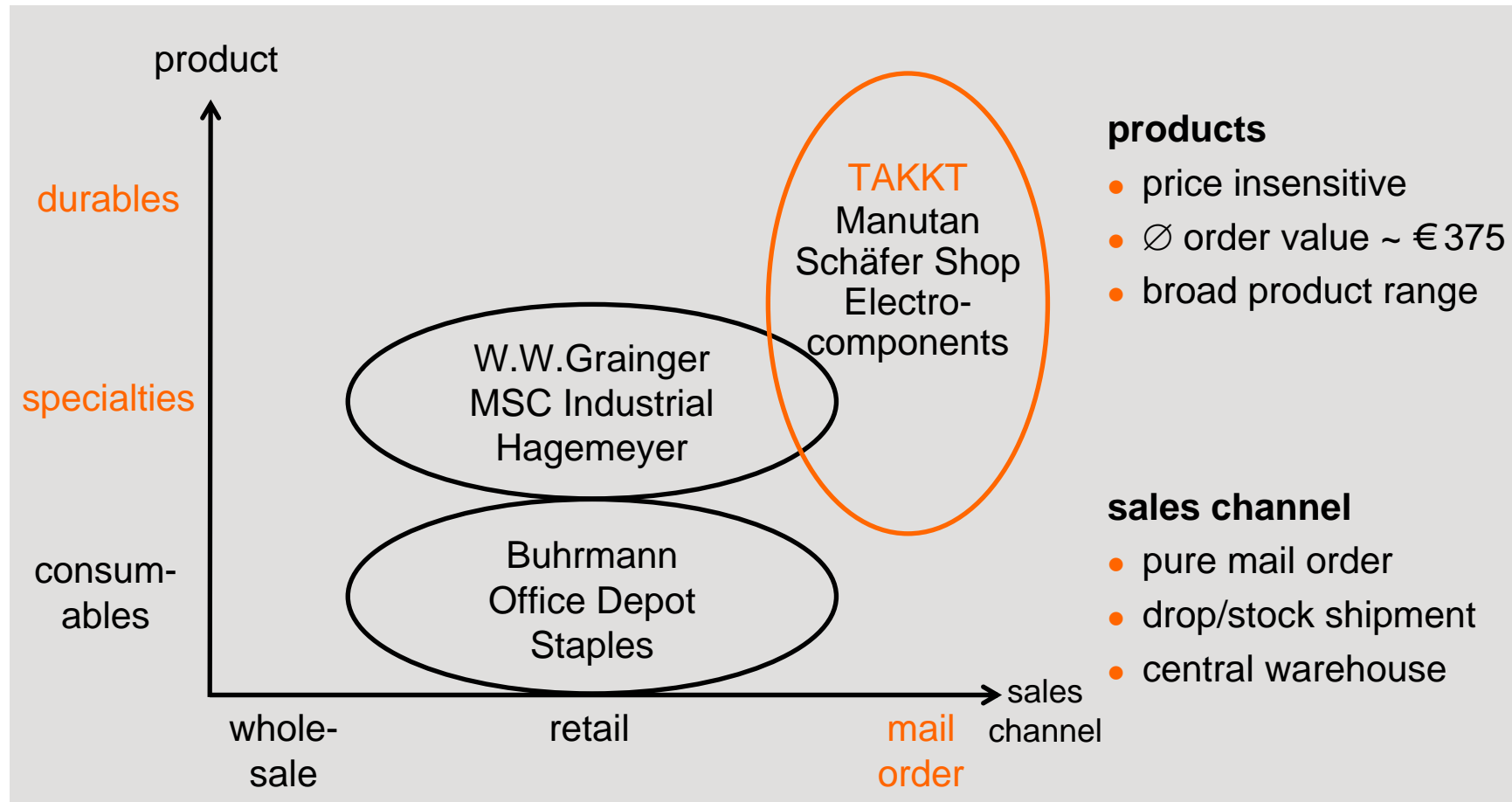
focus 2
B2B customers

- no consumers

focus 3
durables + specialties

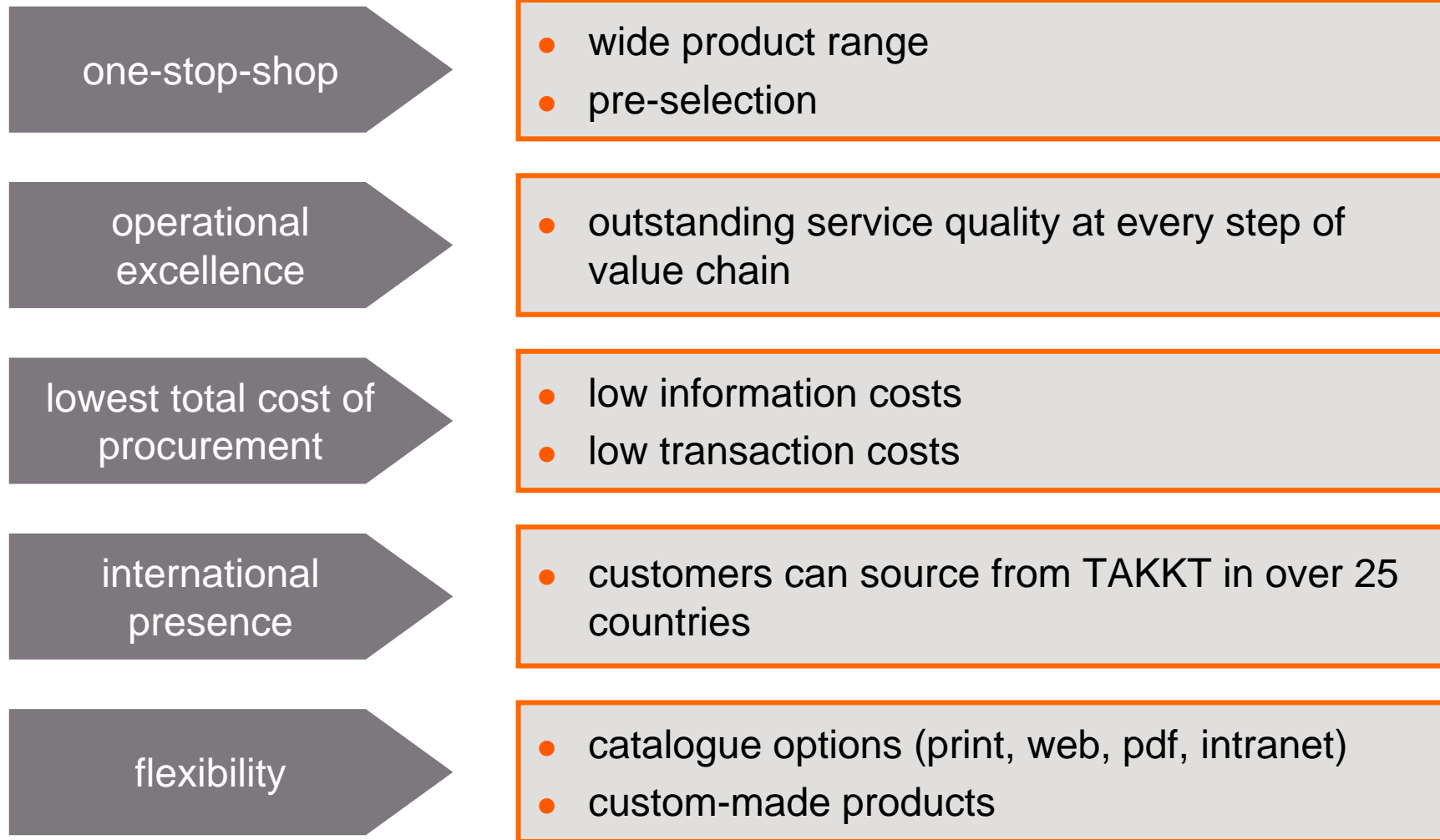
- no consumables
- no price sensitive products

TAKKT's success factors: business model and market overview

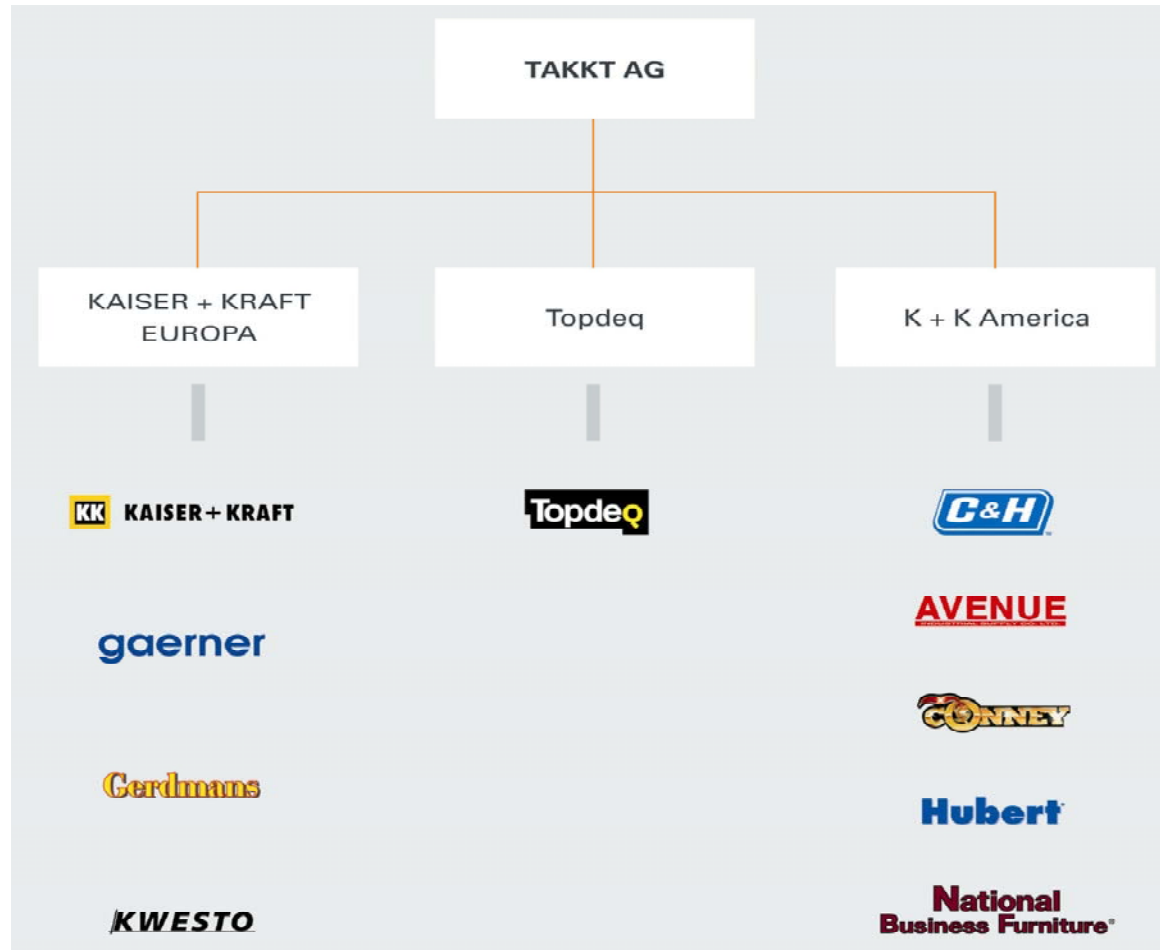


→ system business with stable gross profit margin

TAKKT's success factors: clear value-added for customer



TAKKT's success factors: clear organisational structure



- ▶
 - knowledge
 - synergies / economies of scale
- ▶
 - procurement / advertising
 - logistics
 - customer database
 - e-commerce
- ▶
 - distribution companies

➔ allows centralised management and market proximity

TAKKT's success factors: clear strategy for growth

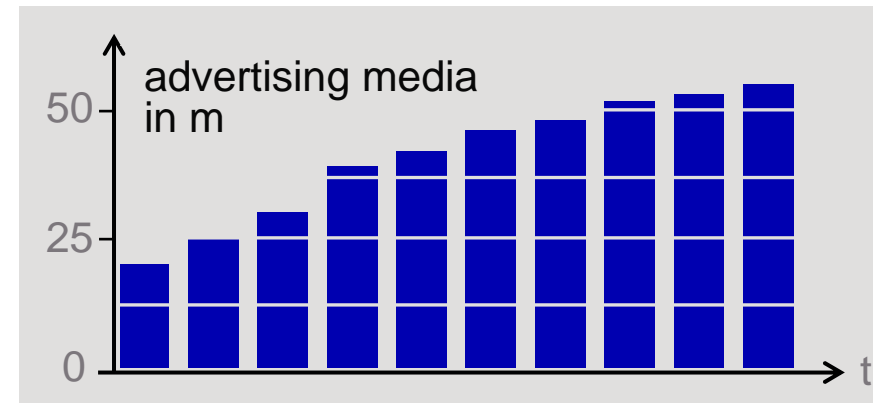
1. acquisitions (platform)

▪ Topdeq	1994
▪ Gerdmans / Conney	1998
▪ Hubert	2000
▪ NBF	2006

2. new foundations (roll out)

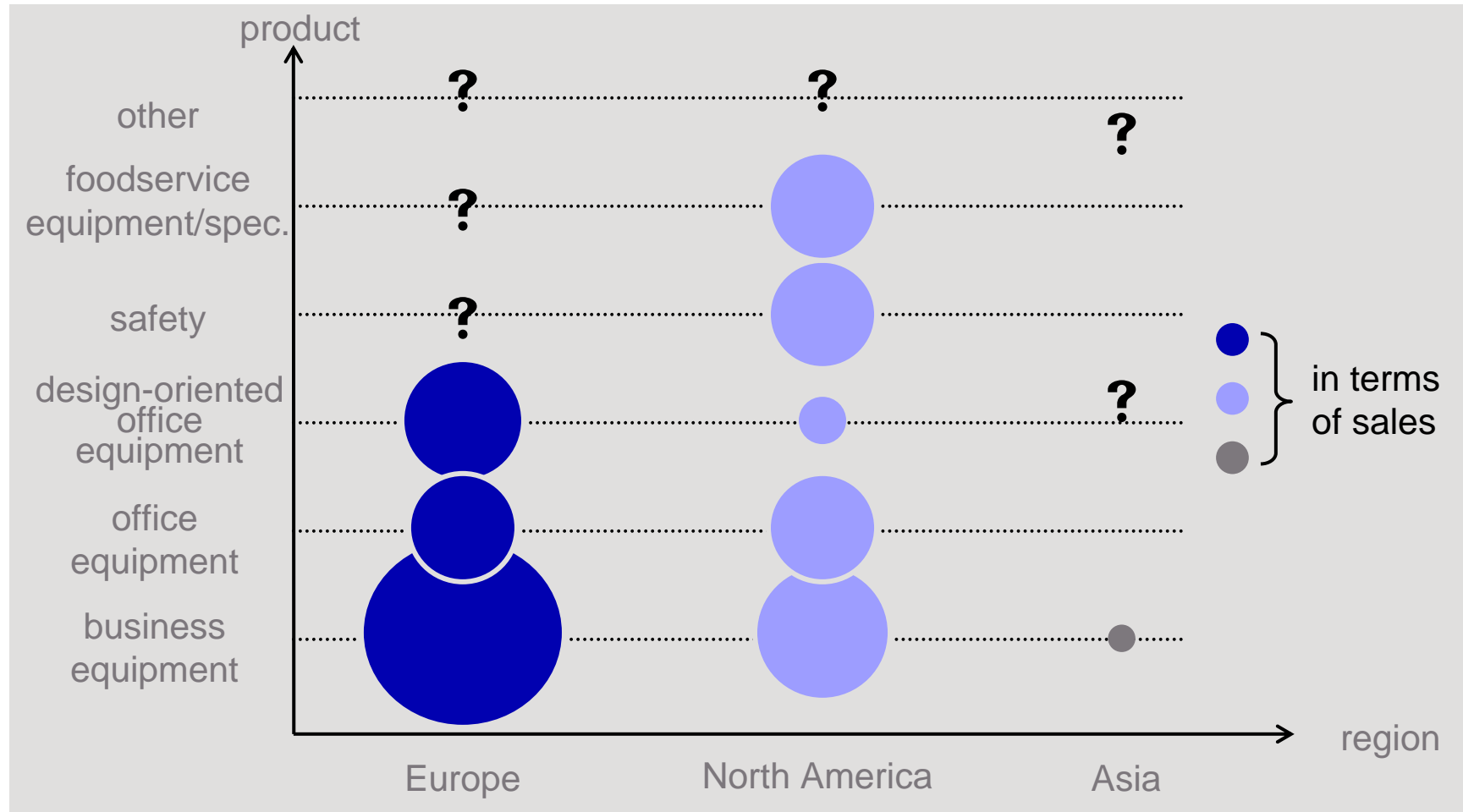
▪ e.g. Topdeq USA	2000
▪ e.g. KAISER + KRAFT Japan	2002
▪ e.g. KWESTO Romania	2005

3. increase of advertising media circulation and broader product range (market penetration)



→ in the past 15 years: at least 1 foundation or acquisition per year

TAKKT's success factors: clear growth potential for TAKKT



→ objective: diversified product portfolio via duplication of system business

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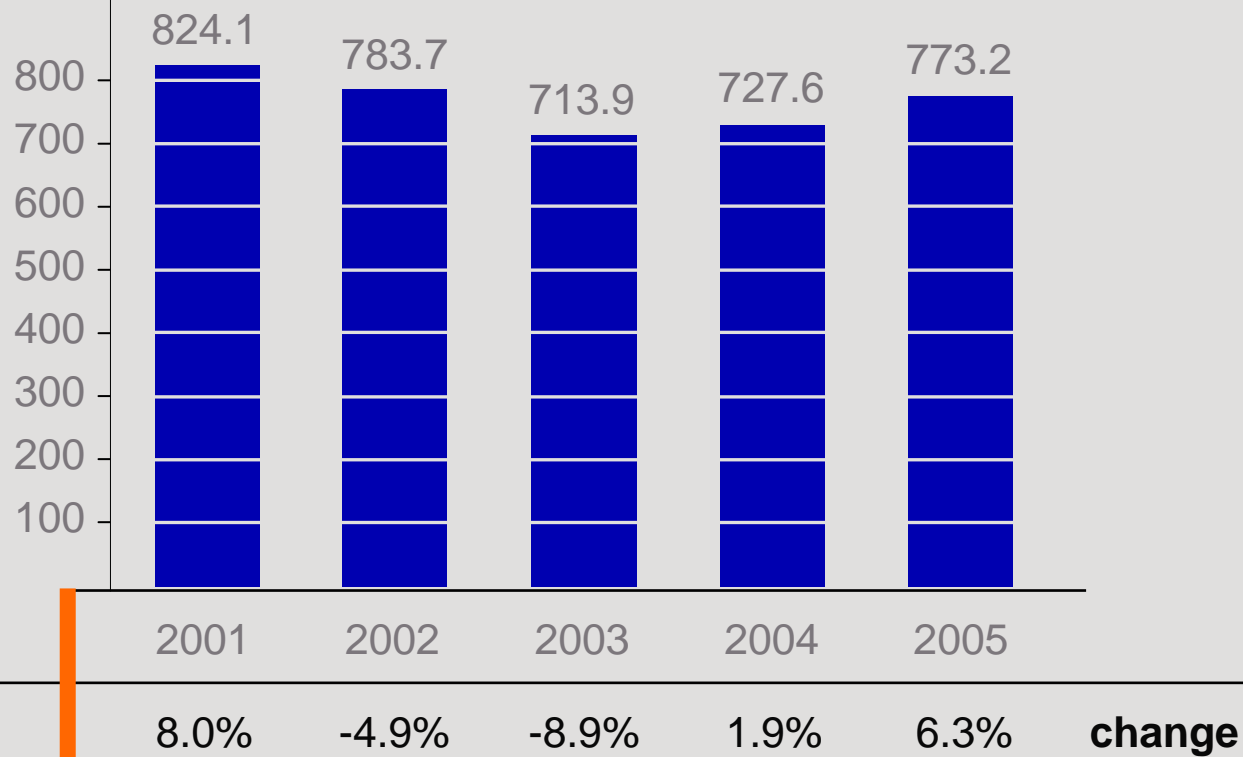

BUSINESS EQUIPMENT SOLUTIONS

financial statements 2005

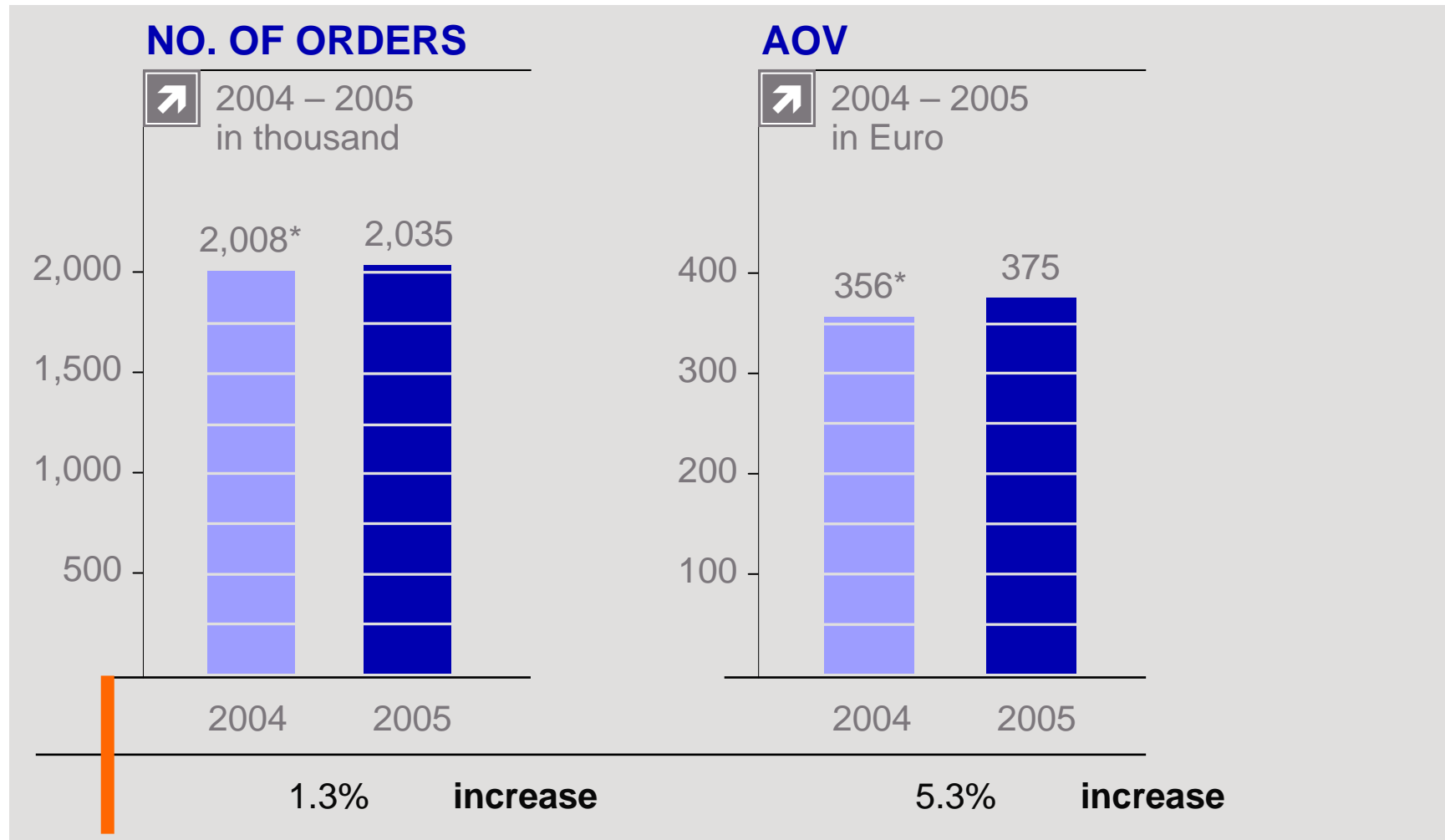
Turnover: currency adjusted organic growth by 5.9 percent

TURNOVER TAKKT GROUP

↗ 2001 – 2005
in million Euro



Turnover: increase due to higher number of orders and AOV

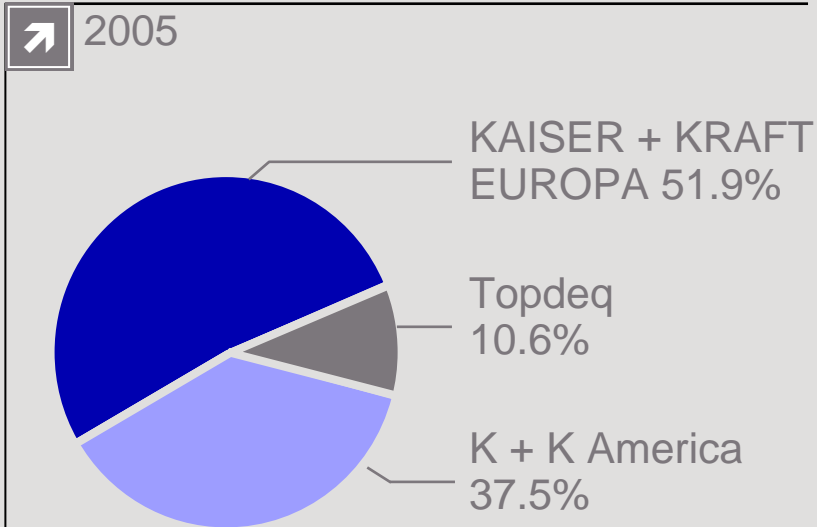


TAKKTAG

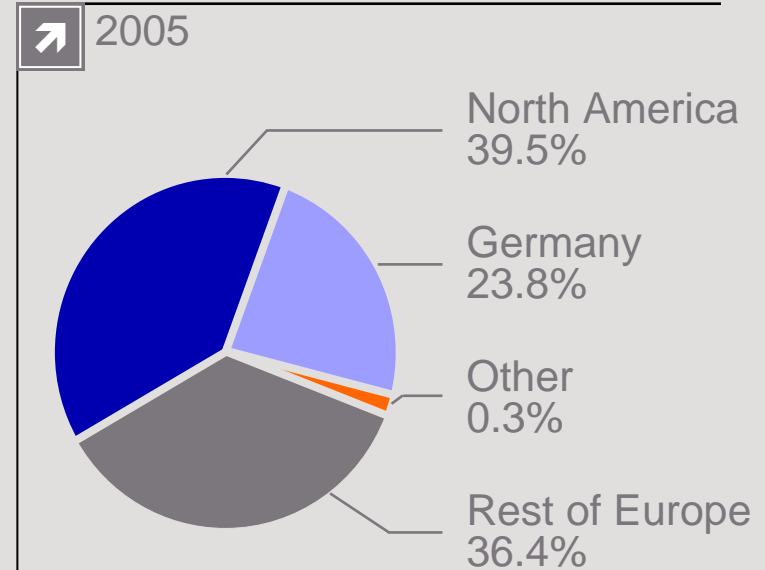
* technical change in counting method

Turnover: diversified portfolio

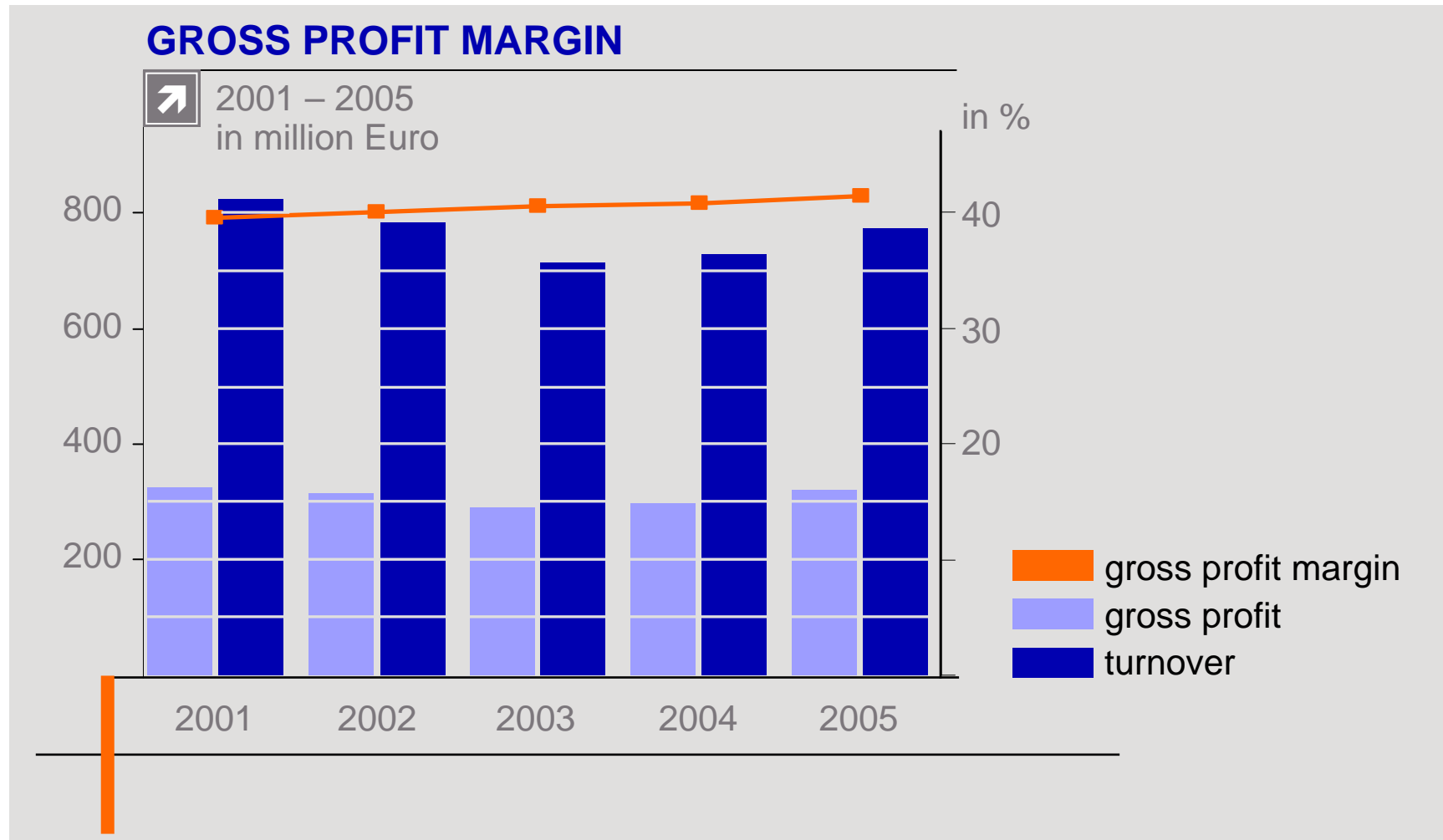
TURNOVER by division



TURNOVER by region

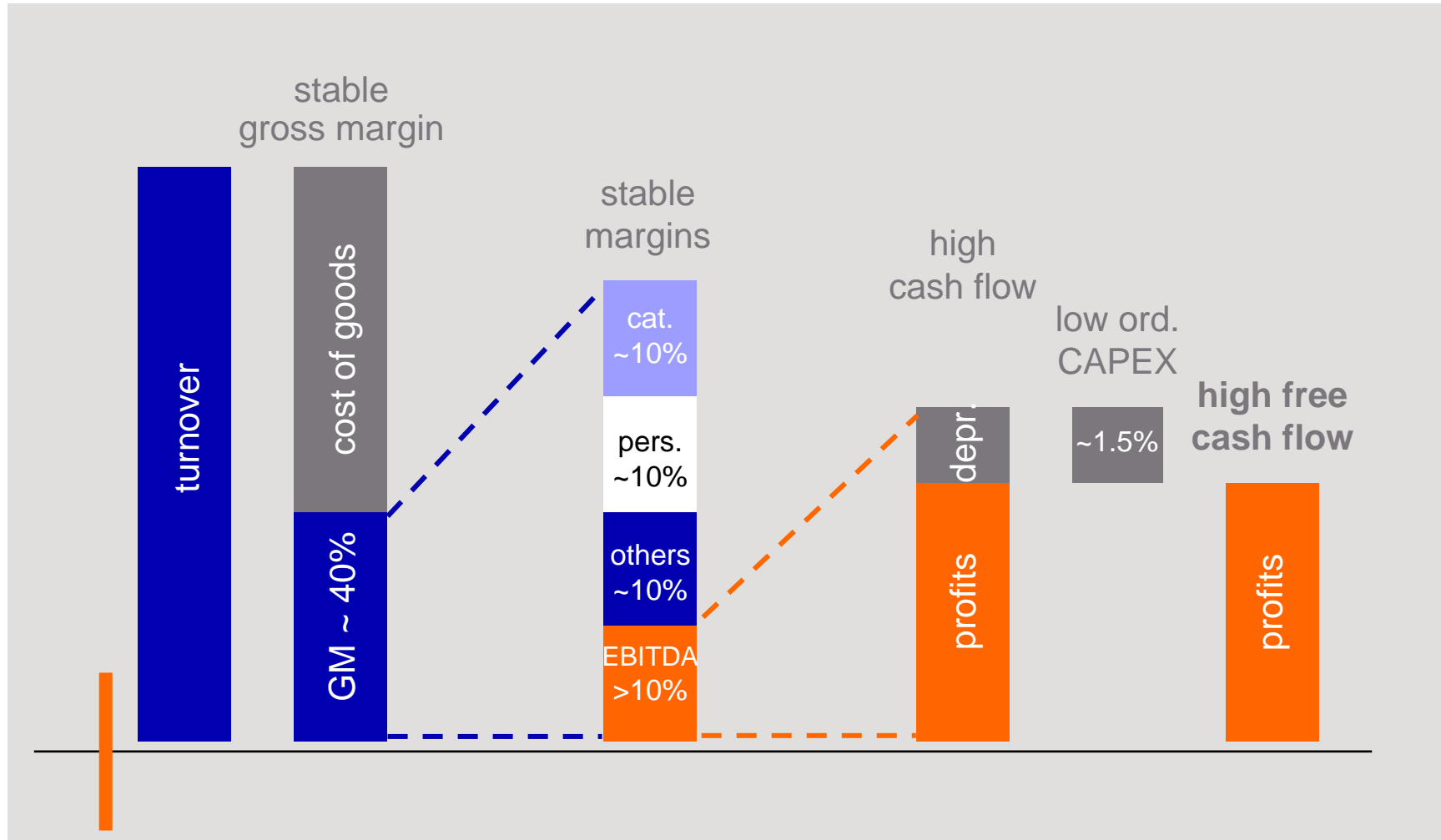


Gross profit: increase of margin to 41.4 percent

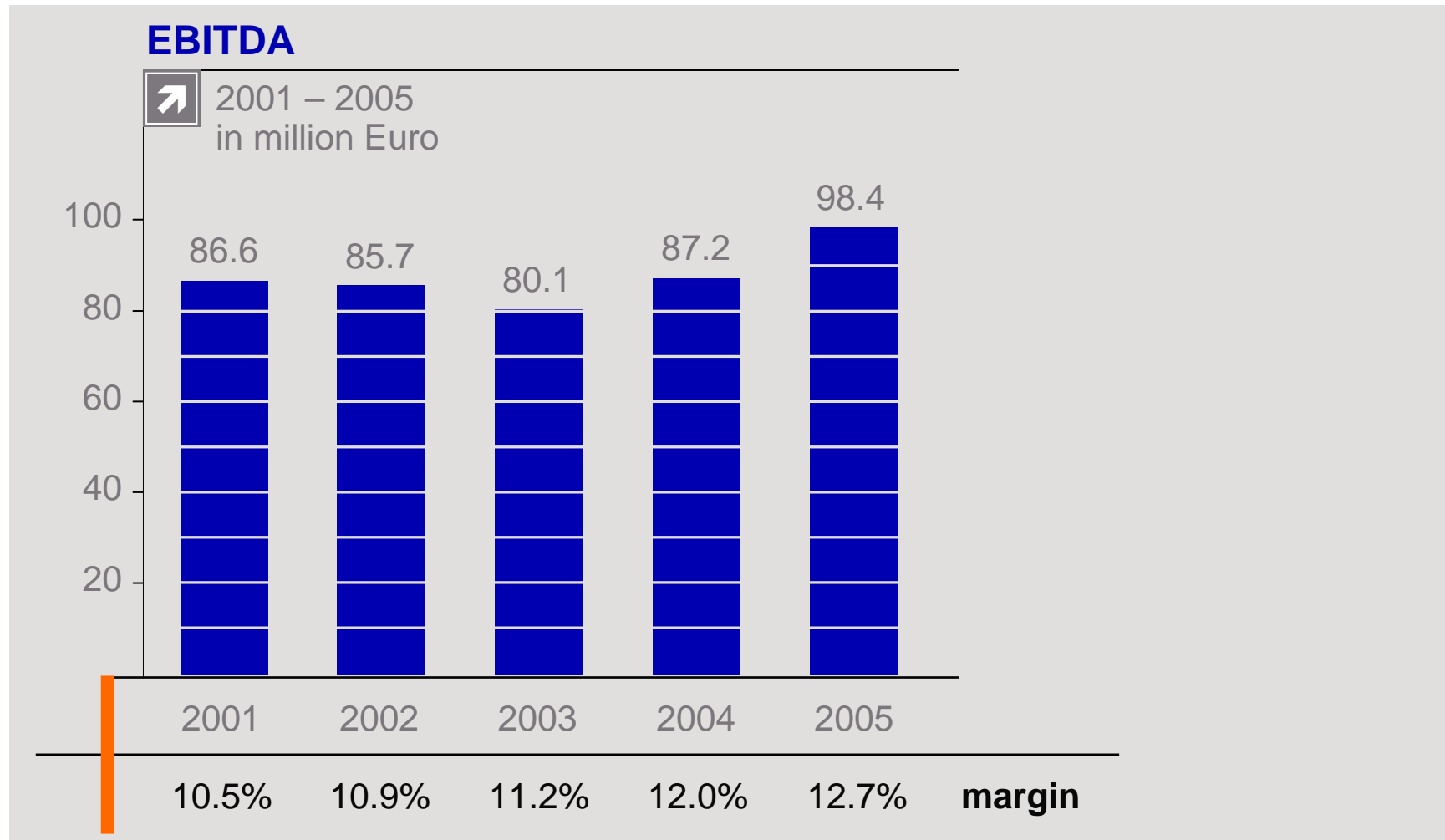


Cost structures: stable on average

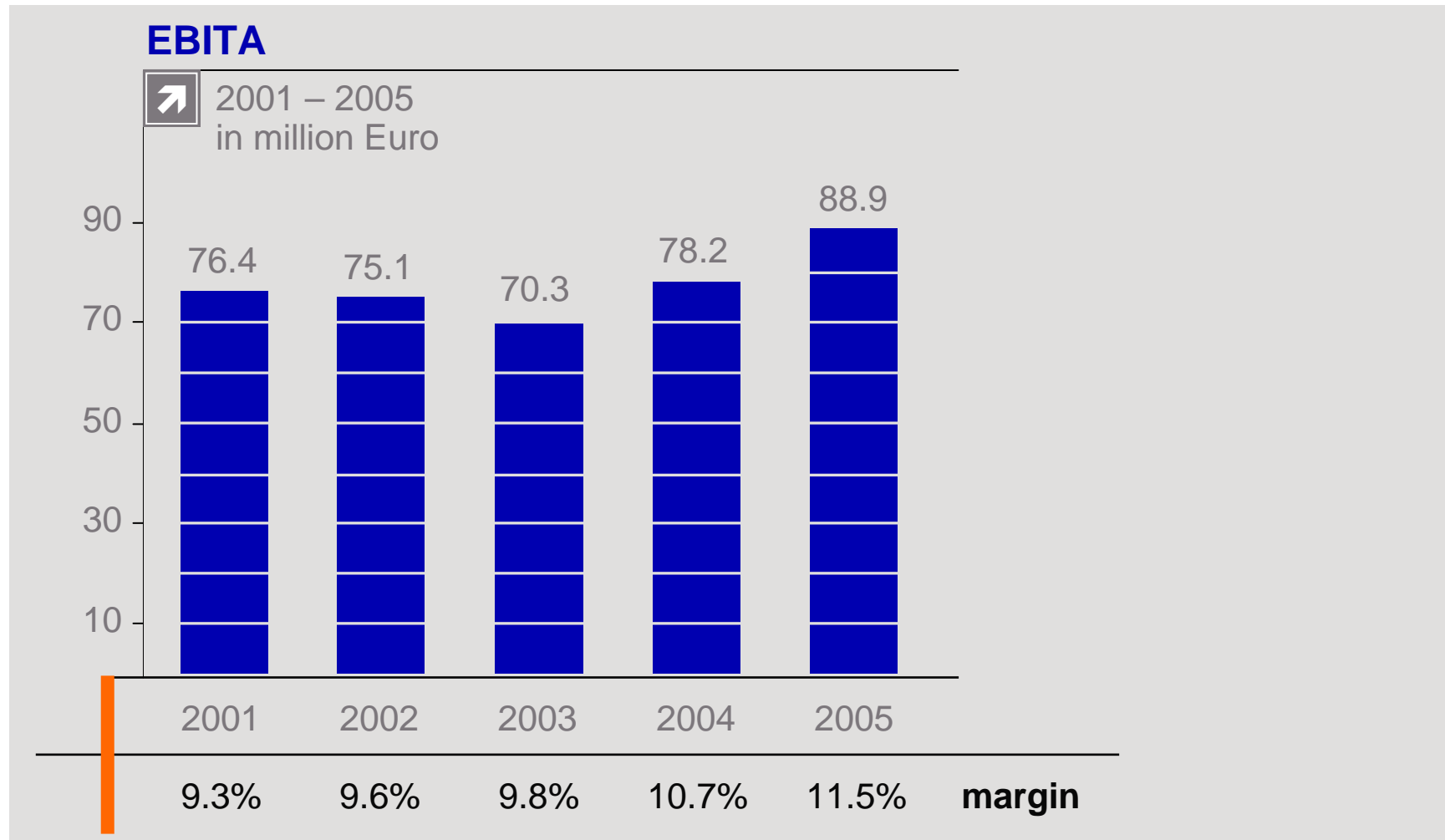
Business model generates high free cash flow



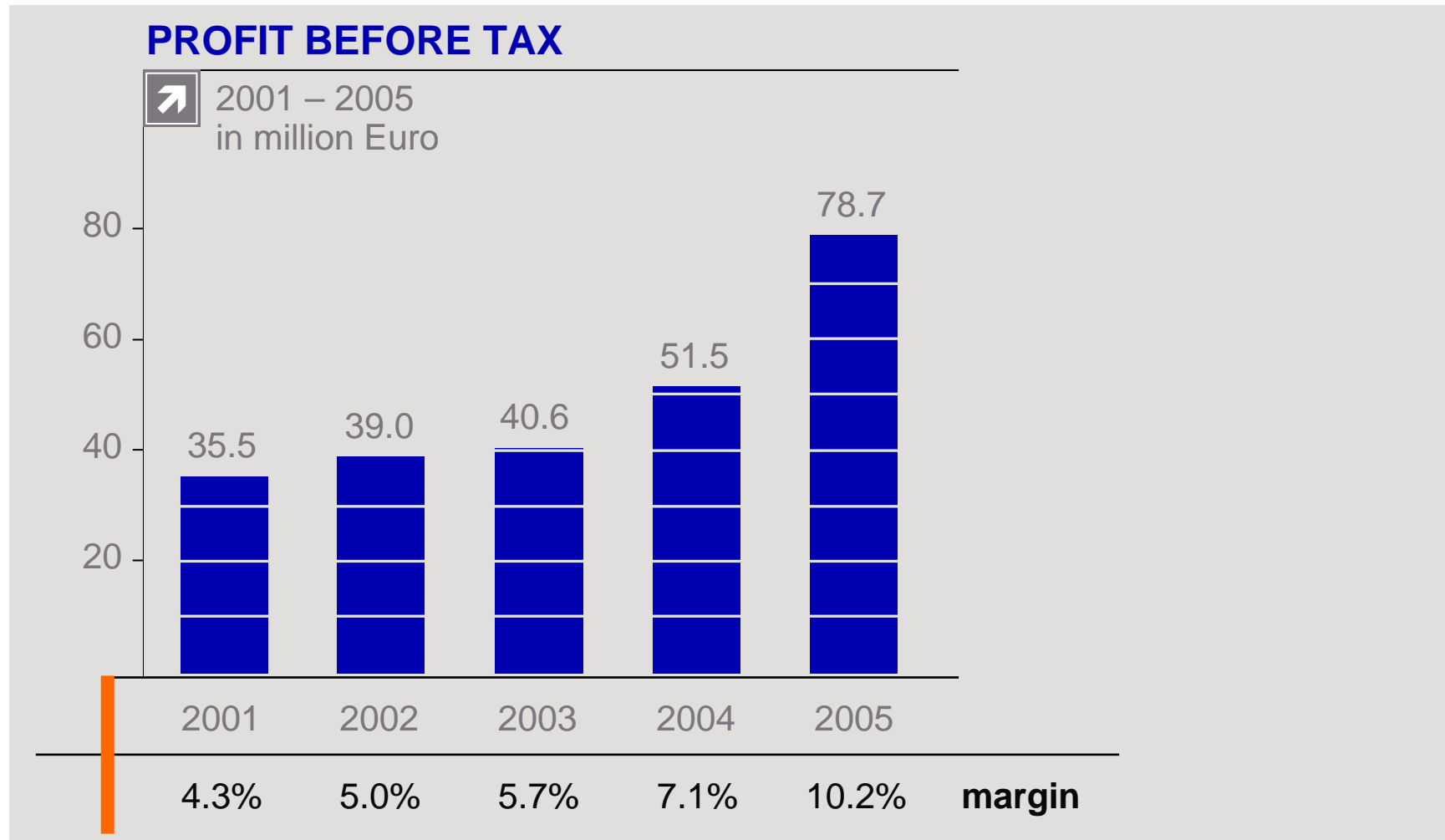
EBITDA: increased margin despite new foundations



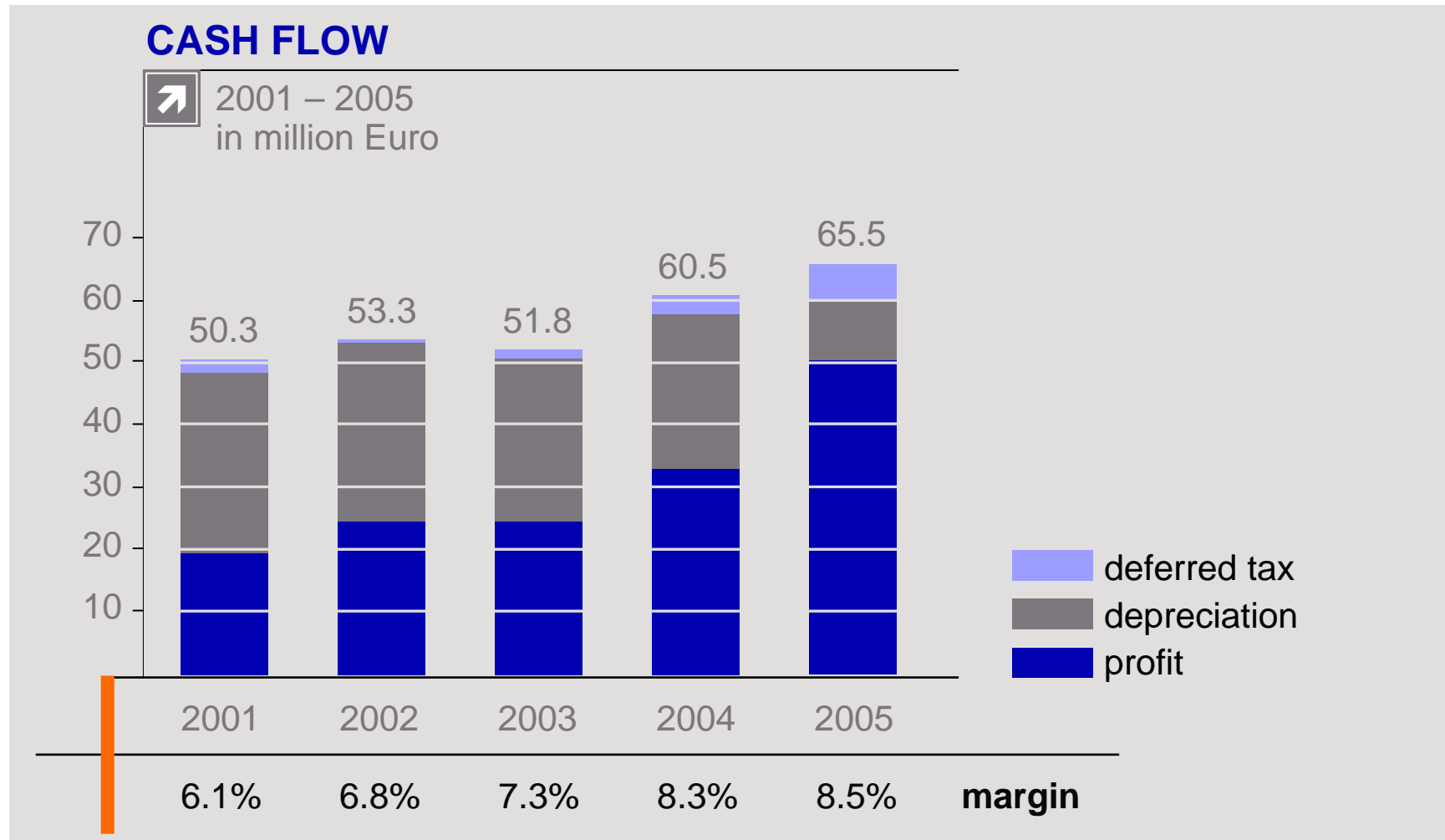
EBITA: margin above target corridor of 9 to 11 percent



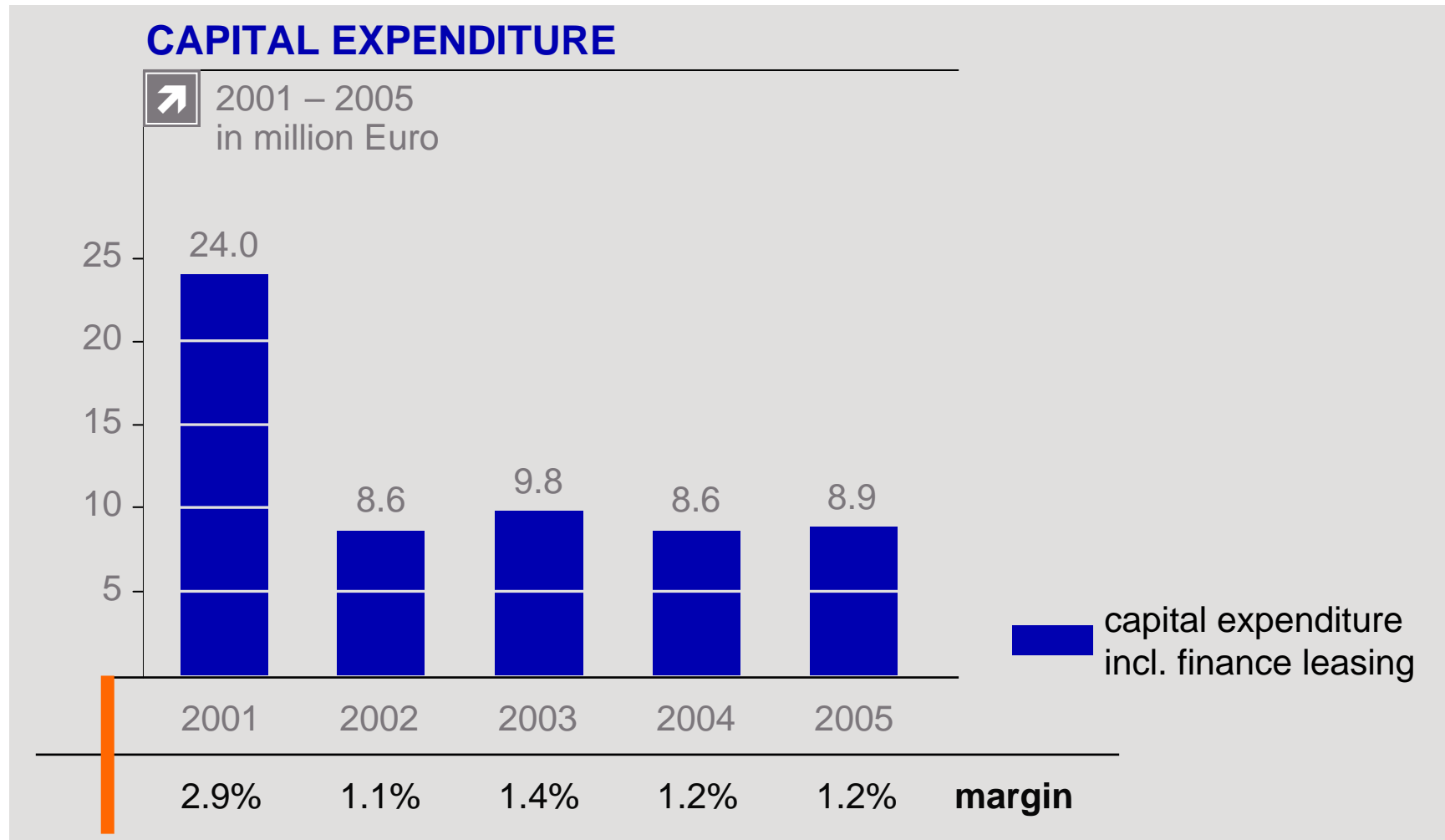
Profit before tax: significant increase also due to IFRS 3



Cash flow: high level proves profitability



Capital expenditure: as planned slightly higher and within target range



Balance sheet: organic growth and currency effects extend total assets

ASSETS

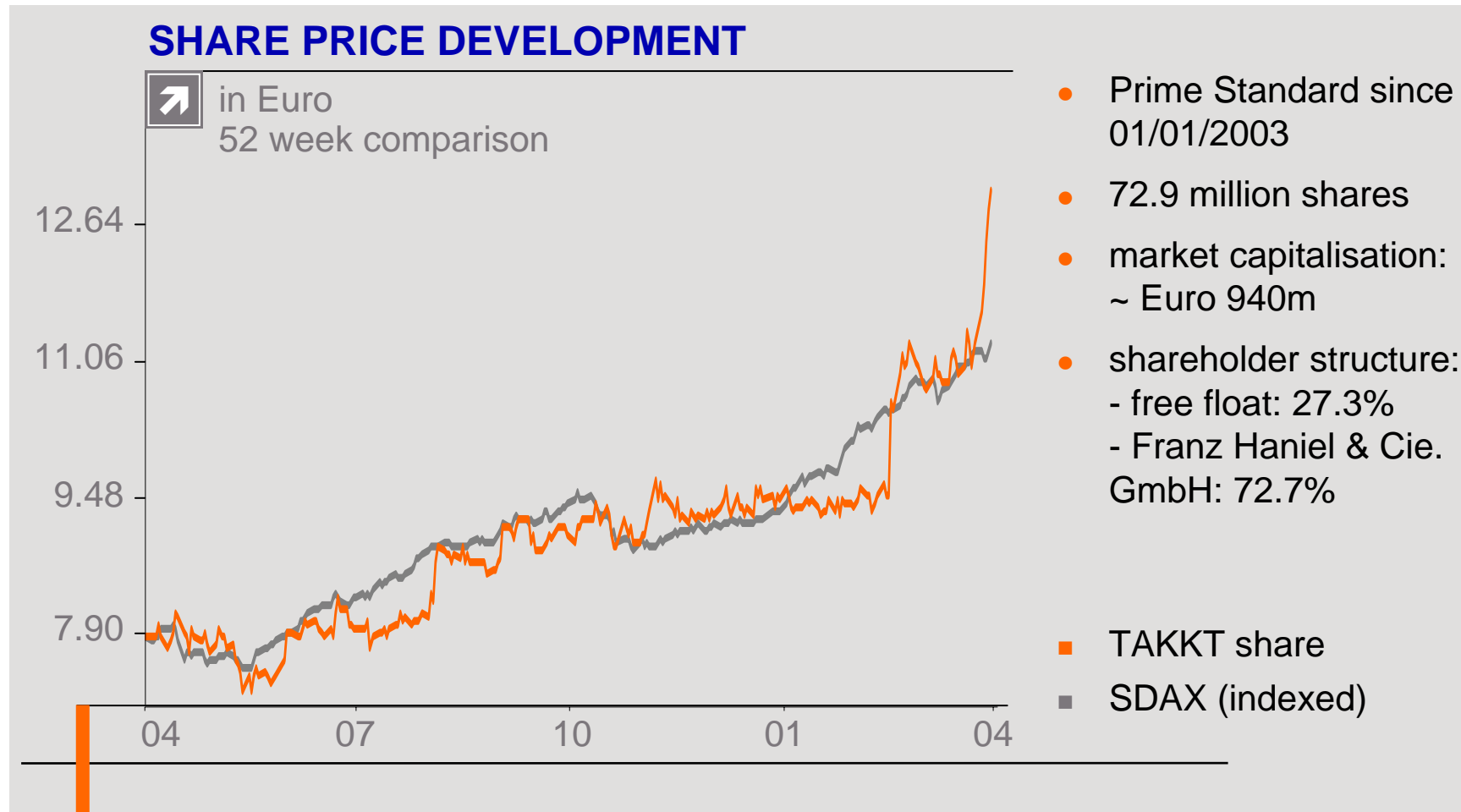
↗ in million Euro	on 31/12/05	%	on 31/12/04	%
non-current assets				
property, plant and equipment	68.0	13.6	68.0	14.8
goodwill	227.5	45.5	211.4	46.2
other intangible assets	9.3	1.9	6.3	1.4
other	0.4	0.1	0.4	0.1
deferred tax	5.1	1.0	5.1	1.1
current assets				
inventories	66.0	13.2	56.7	12.4
trade receivables	95.9	19.2	82.8	18.1
other	27.7	5.5	27.1	5.9
	499.9	100.0	457.8	100.0

Balance sheet: strengthened equity ratio* of 46.1 percent

EQUITY AND LIABILITIES

↗ in million Euro	on 31/12/05	%	on 31/12/04	%
total equity				
shareholders' equity	230.6	46.1	181.0	39.6
minority interest	2.4	0.5	3.0	0.6
pension provisions	9.9	2.0	9.3	2.0
other provisions	12.9	2.6	10.6	2.3
borrowings	162.2	32.5	186.3	40.7
trade payables	28.2	5.6	26.4	5.8
other liabilities	53.7	10.7	41.2	9.0
	499.9	100.0	457.8	100.0

TAKKT share: price advance reflects potential



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BUSINESS EQUIPMENT SOLUTIONS

NBF acquisition

NBF: business overview

National Business Furniture

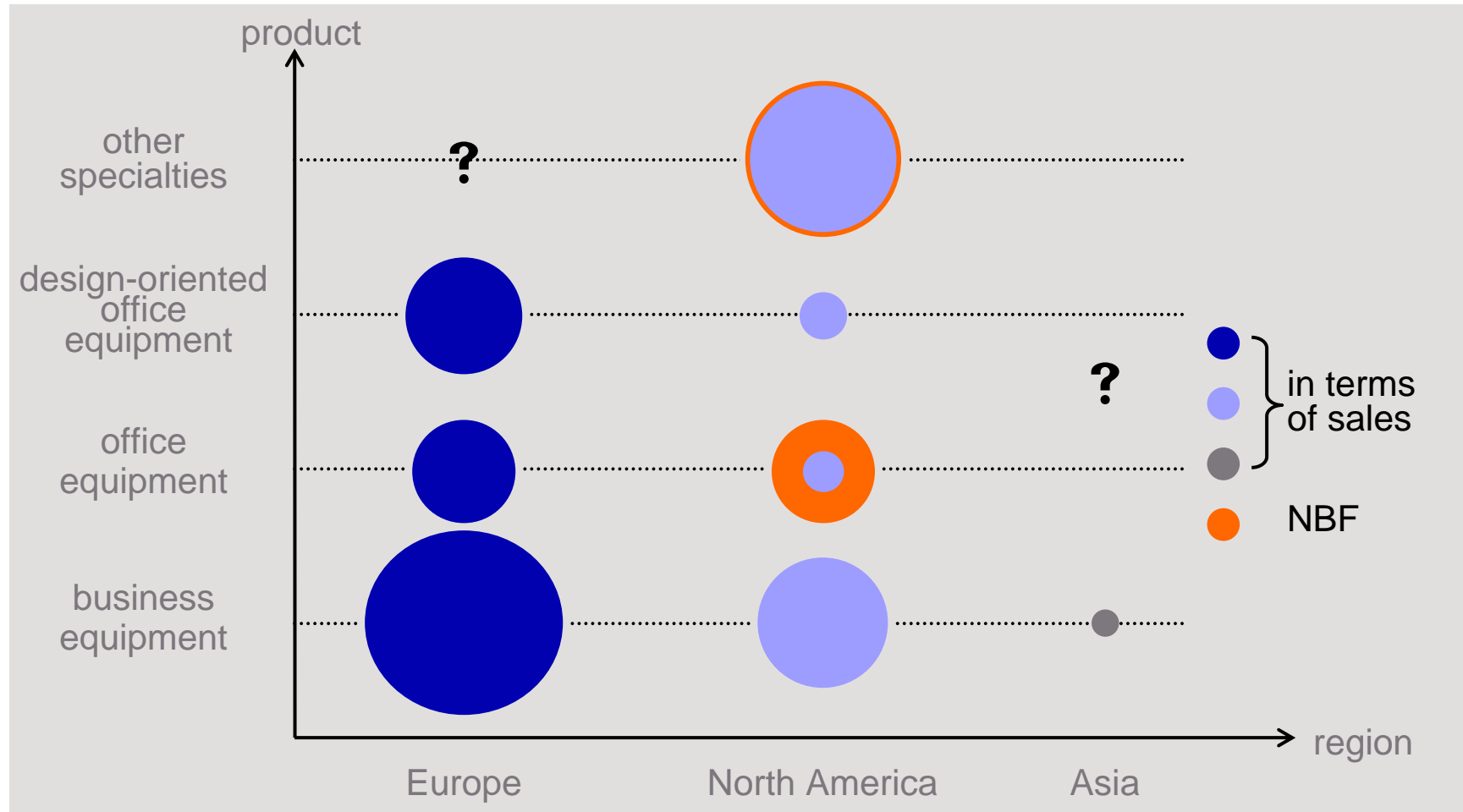


- US market leader in B2B mail order for office equipment

- headquarters in Milwaukee, Wisconsin
- founded 1975 by George (66) and Julie Mosher (61)
- five brands

- turnover 2004 / 2005e: USD 114m / 125m
- EBITA margin 2004 / 2005e: 4 / 5%
- product range: > 11,000
- number of employees: 120

NBF: logical development of TAKKT portfolio



Why NBF?

- NBF fits to TAKKT business model
 - B2B mail order
 - duplicable to other countries
 - fragmented customer and supplier structure
 - price insensitive durables

- NBF strengthens strategic position of TAKKT
 - international diversification
 - less dependent on manufacturing sector
 - extension of customer base in service sector which shows above average growth
 - synergy effects particularly in purchase (services in transport, telecommunication and printing)

NBF: purchase price allocation (indication)

- treatment under US tax laws
 - taxable intangibles USD 78.6m
 - depreciation period 15 years
 - annual depreciation USD 5.2m

- identifiable intangible assets (IFRS 3)
 - customer base + list
 - catalogues
 - website, databases, domain names
 - trade names

- annual depreciation due to purchase price allocation (IFRS 3)
 - year 1 - 3 ~ USD 4.7m
 - year 4 – 5 ~ USD 2.8m
 - year 5 – 10 ~ USD 0.5m

Reporting: EBITDA as future key figure for profitability

- change from EBITA to EBITDA due to IFRS 3
- goodwill accounted for in the course of a business combination now has to be allocated to intangible assets as far as possible and depreciated (e.g. customer lists)
- only to be applied to new acquisitions
→ comparison with existing companies on EBITA level difficult
- transitional reporting of EBITA margin development
- long-term target corridor for EBITDA margin is 10 to 12 percent

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BUSINESS EQUIPMENT SOLUTIONS

outlook

Outlook: basic economic conditions

GDP growth in %	2005	2006	2007
Europe	1.3	1.8	1.8
Germany	0.6	1.5	1.0
USA	3.6	3.3	2.5

- economy in Europe only to improve slightly

- economy in Germany positively impacted by increased domestic demand in run up to planned VAT increase

- forecasted decline in 2007 in USA due to effect of recent interest rate increases and expected normalisation in real estate market

Outlook 2006: initiatives for growth

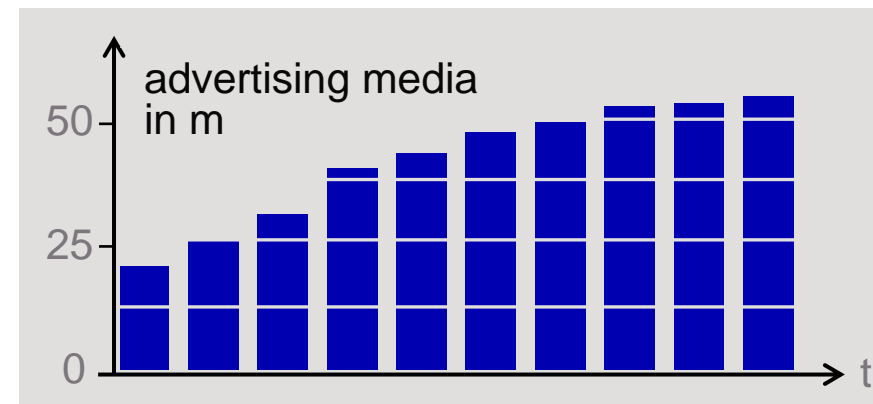
1. acquisitions (platform)

▪ NBF	2006
▪ ...	?

2. new foundations (roll out)

▪ KAISER + KRAFT China	2006
▪ Gaerner France	2006
▪ Topdeq Austria	2006

3. increase of advertising media circulation and broader product range (market penetration)



→ action plan for long-term growth in place

Outlook 2006: TAKKT key figures

- currency adjusted organic growth of 4 to 5 percent

- turnover increase incl. NBF by at least 18 percent

- start-ups and NBF will affect profitability

- gross profit margin remains above 40 percent

- EBITDA margin in upper range of target corridor of 10 to 12 percent

That's why invest in TAKKT

balanced
risk portfolio

- product diversification
- independence from customers and suppliers
- regional diversification

sustainable
growth potential

- duplicable system business
- entering new markets / product groups
- expansion / penetration of established markets

high + stable
profitability

- stable gross profit margin
- stable EBITDA margin
- high (free) cash flow

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appendix

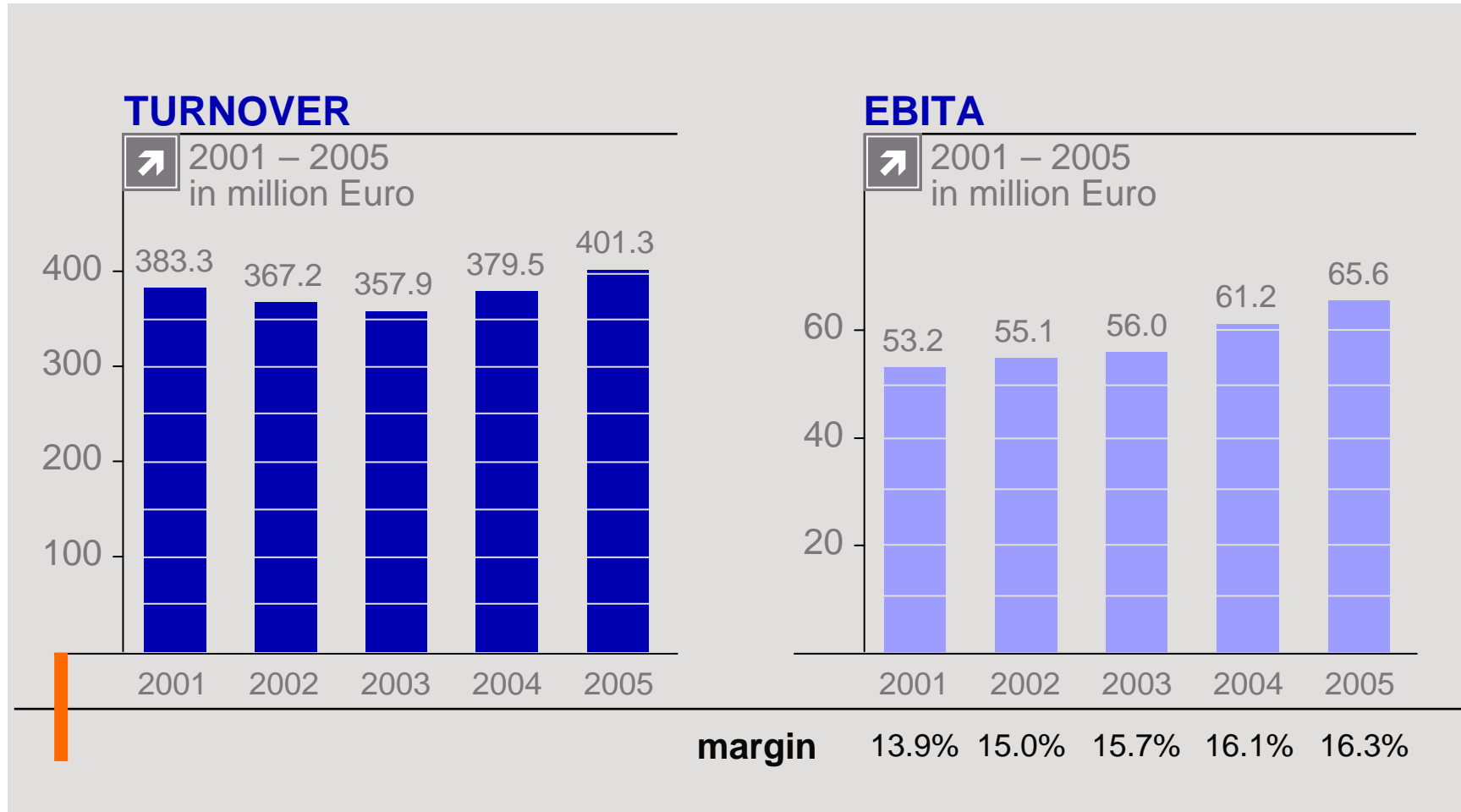
NBF: theoretical impact on equity and liabilities of TAKKT in 2005

EQUITY AND LIABILITIES

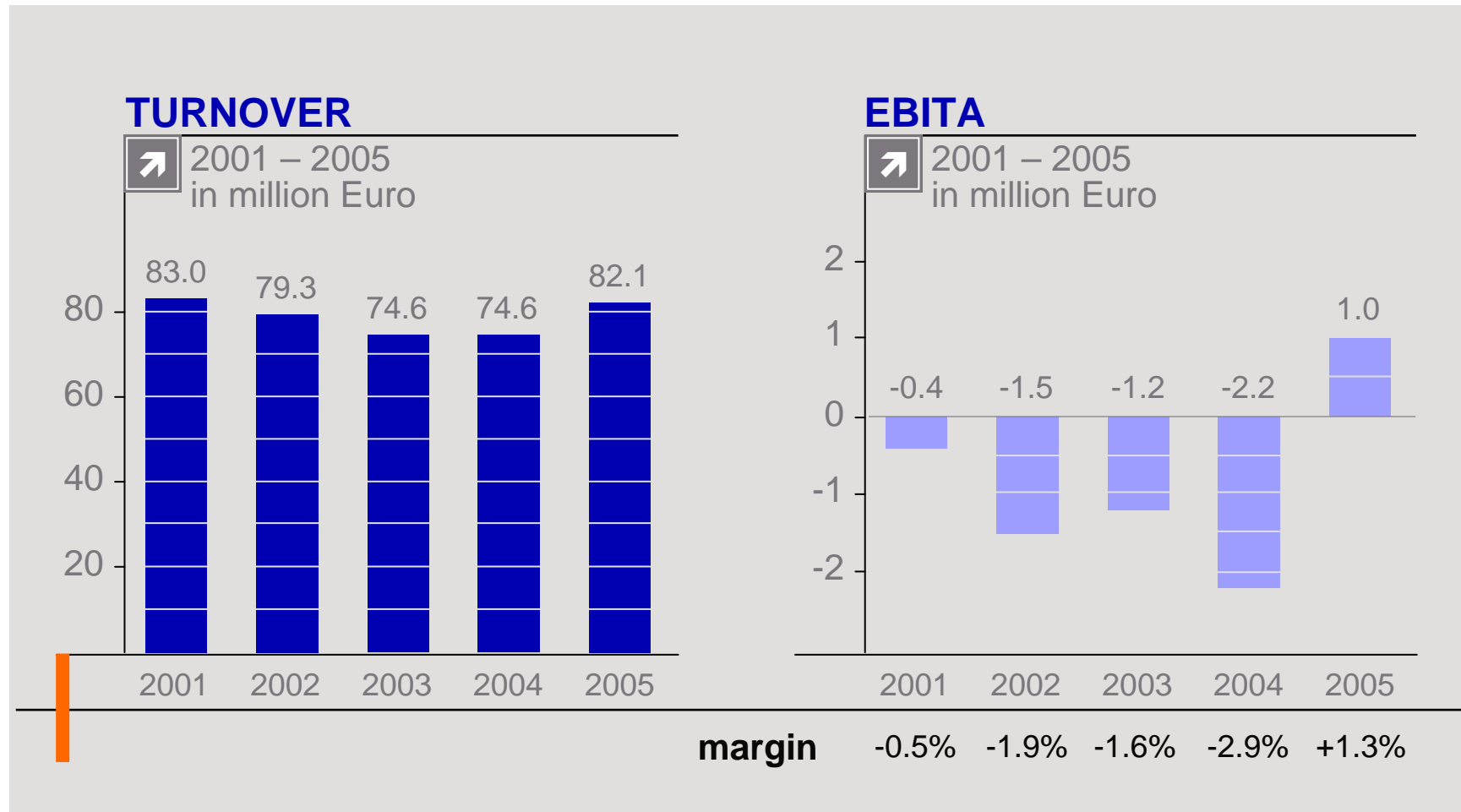
↗ in million Euro	31/12/2005			31/12/04
	actual	NBF	pro forma	actual
total equity	233.0	0.0	233.0	184.0
borrowings	162.2	76.5	238.7	186.3
other liabilities	104.7	3.6	108.3	87.5
total equity and liabilities	499.9	80.1	580.0	457.8
total equity ratio	46.6%	-	40.2%	40.2%
gearing	0.7	-	1.0	1.0

- identical financial structure as at year-end 2004
- Management and Supervisory Boards propose identical dividend for 2005

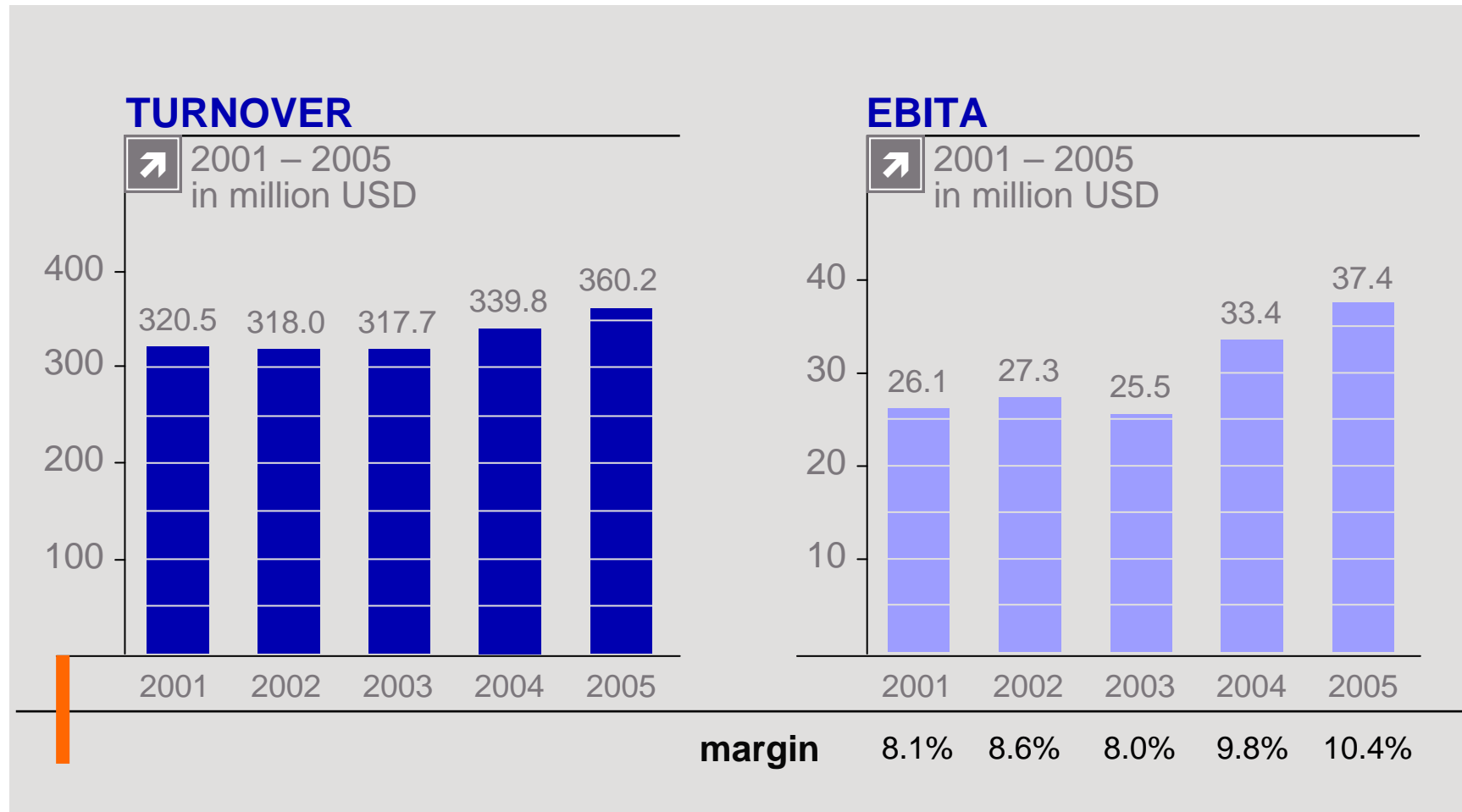
KAISER + KRAFT EUROPA: main contributor to turnover, high profitability



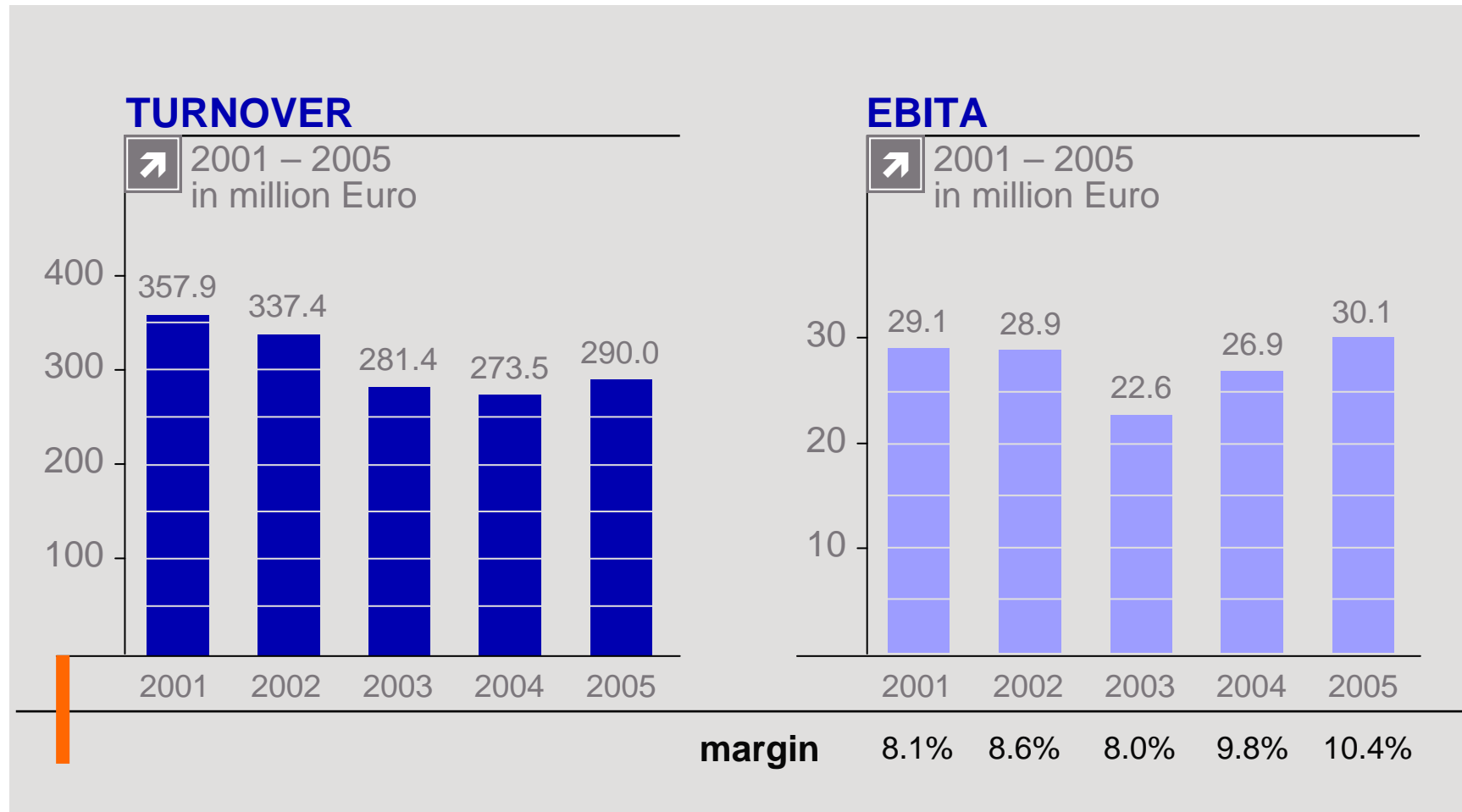
Topdeq: successful redirection brings turnaround with double-digit growth



K + K America in USD: sound increase in turnover and profitability




K + K America: hardly any currency effects




Key figures

P&L

 in million Euro	2001	2002	2003	2004	2005
turnover	824.1	783.7	713.9	727.6	773.2
EBITDA	86.6	85.7	80.1	87.2	98.4
EBITA	76.4	75.1	70.3	78.2	88.9
EBIT	57.7	57.0	53.9	62.5	88.9
profit before tax	35.5	39.0	40.6	51.5	78.7
profit	19.4	24.5	24.4	33.0	50.4
cash flow	50.3	53.3	51.8	60.5	65.5
free cash flow	26.3	44.7	42.0	51.9	56.6
EPS (in EUR)	0.26	0.33	0.33	0.44	0.68
CEPS / CFPS (in EUR)	0.69	0.73	0.71	0.83	0.90
dividend rate (in %)	39.0	30.7	30.8	33.8	22.0


Key figures

balance sheet / covenants

 in million Euro / other	2001	2002	2003	2004	2005
Ø net borrowings	-363.3	-321.7	-260.4	-211.8	-170.2
net borrowings (ye)	-353.0	-285.7	-234.3	-182.3	-156.5
CAPEX	24.0	8.6	9.8	8.6	8.9
change in working capital	-13.6	-0.3	7.8	2.8	11.5
gearing	2.4	1.9	1.5	1.0	0.7
interest cover	3.4	4.2	5.3	7.2	8.6
debt repayment period (y)	7.2	6.0	5.0	3.5	2.6
equity ratio in % *	24.8	27.7	32.8	39.6	46.1

Key figures

personnel

 in thousand Euro / other	2001	2002	2003	2004	2005
employees (full-time Ø)	1,973	1,932	1,888	1,851	1,848
turnover per employee	418	406	378	393	418
personnel costs per empl.	50.8	52.3	50.3	51.7	53.3
cash flow per employee	25.5	27.6	27.5	32.7	35.5
employees (f.-time at 31/12)	1,964	1,914	1,860	1,840	1,868

Financial calendar 2006

- 16/01/2006 Cheuvreux German Corporate Conference
- 16/02/2006 preliminary results 2005
- 23/03/2006 financial statements press conference + DVFA analyst presentation
- **March/April road shows Edinburgh, London, Paris**
- 04/05/2006 interim report for the first quarter 2006
- 31/05/2006 annual general meeting, Ludwigsburg
- 03/08/2006 interim report for the first half year 2006
- 02/11/2006 interim report for the first nine months 2006
- November autumn road shows

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