

---

# TAKKT AG

  
BUSINESS EQUIPMENT SOLUTIONS

**Company Presentation**

**Summer 2006**

---

## Contents

---

- TAKKT at a glance

- strategic success factors

- financial statements 2005

- NBF acquisition

- outlook

- appendix

---

# TAKKT AG

BUSINESS EQUIPMENT SOLUTIONS

**TAKKT at a glance**

---

## TAKKT: business overview

---

business activity	<ul style="list-style-type: none"><li>sales channel: B2B mail order</li><li>products: durables/specialties</li></ul>
geographic balance	<ul style="list-style-type: none"><li>regional diversification: more than 25 countries</li><li>turnover by region: ~ 50% Europe/ ~ 50% North America</li></ul>
key facts	<ul style="list-style-type: none"><li>number of customers: &gt; 2m</li><li>advertising media sent out per year: ~ 65m</li><li>number of employees (fte): ~ 2,000</li></ul>
financials	<ul style="list-style-type: none"><li>turnover 2005: € 773m</li><li>turnover growth (CAGR 1985 – 2005) 12% p.a.</li><li>EBITDA margin (1985 – 2005) &gt; 10%</li></ul>

# TAKKT: broad product range based on four pillars

---

business equipment



office equipment



occupational safety



foodservice equipment



---

# TAKKT AG

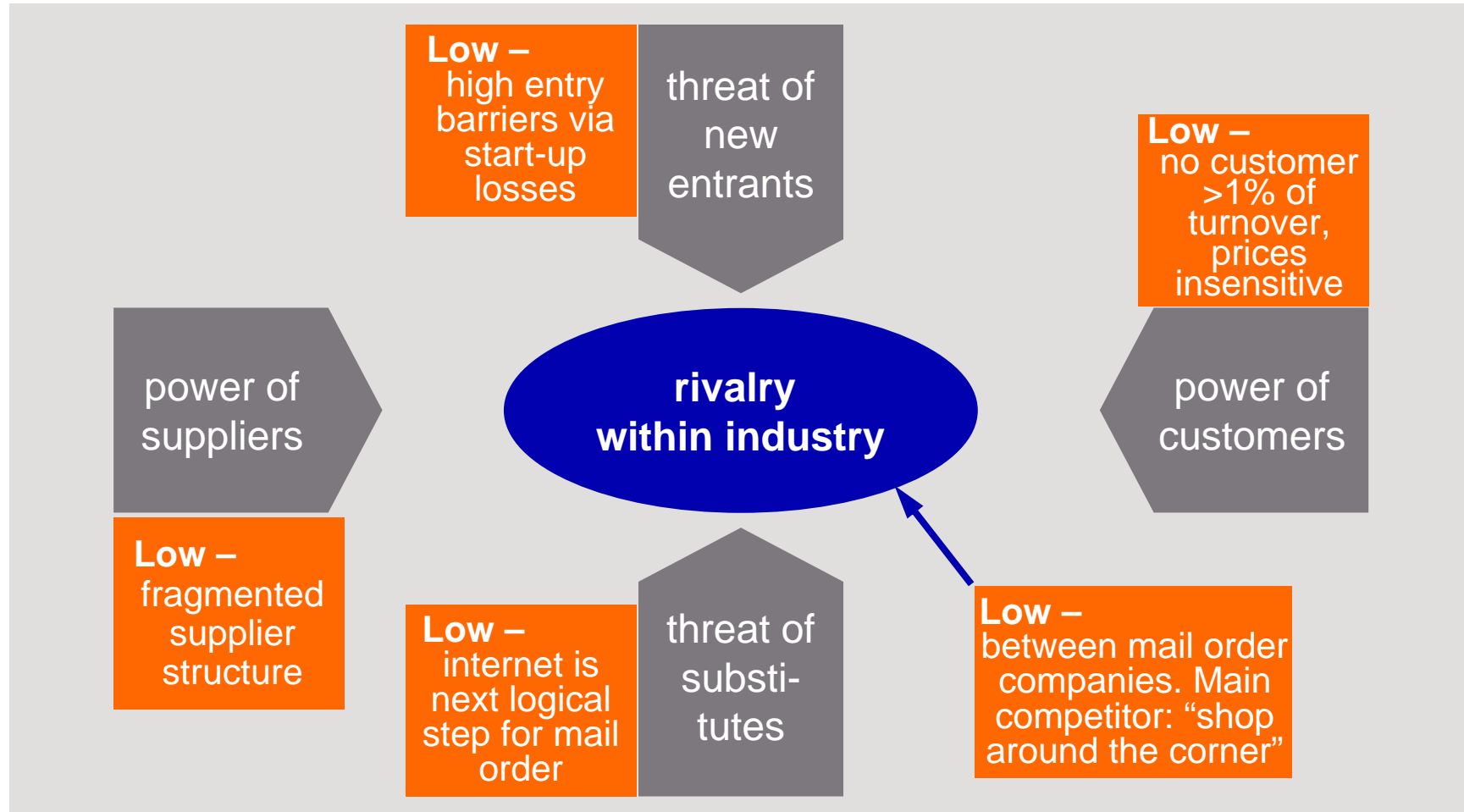
BUSINESS EQUIPMENT SOLUTIONS

**strategic success factors**

---

## TAKKT: competes in a very attractive industry

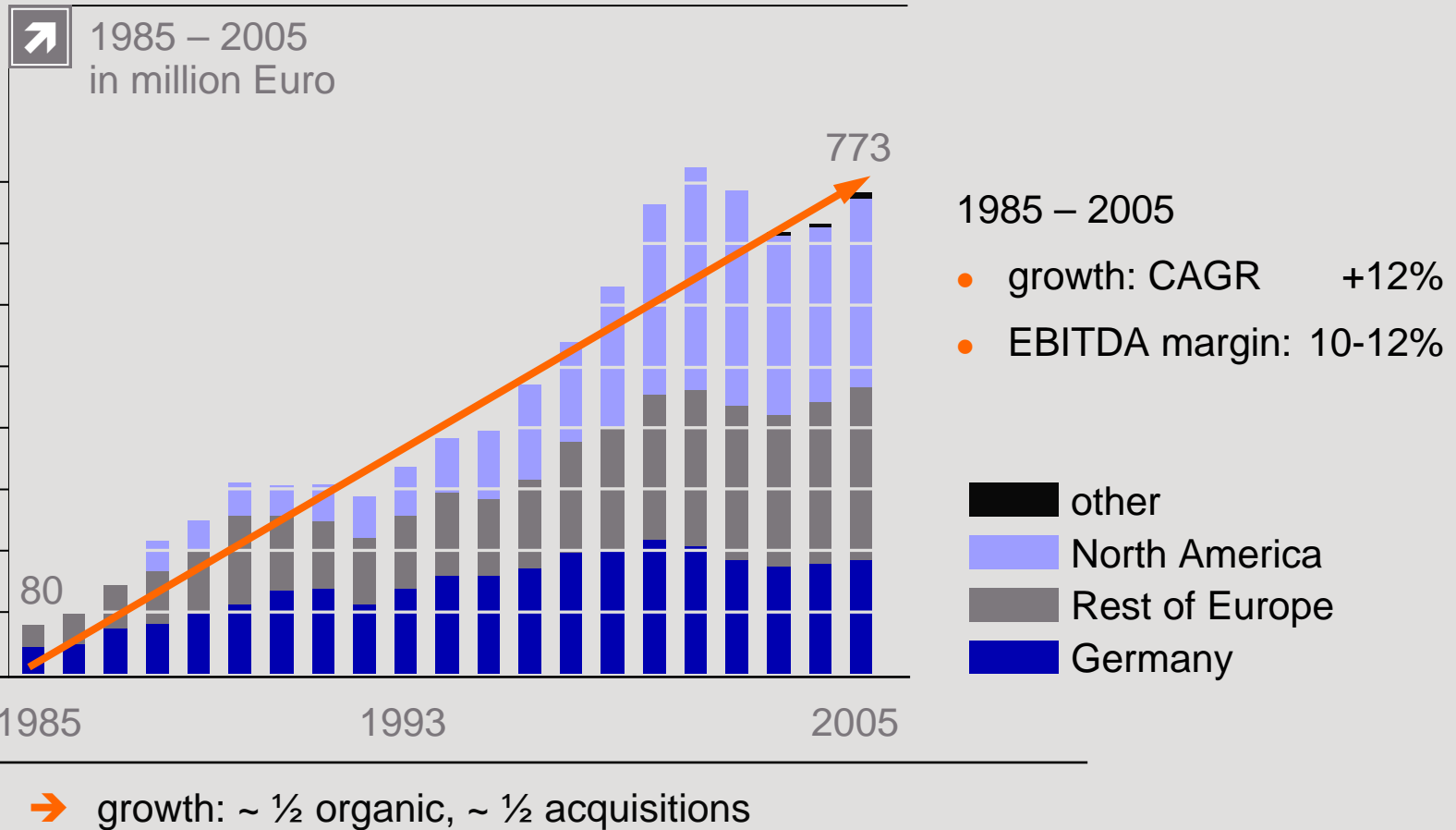
---



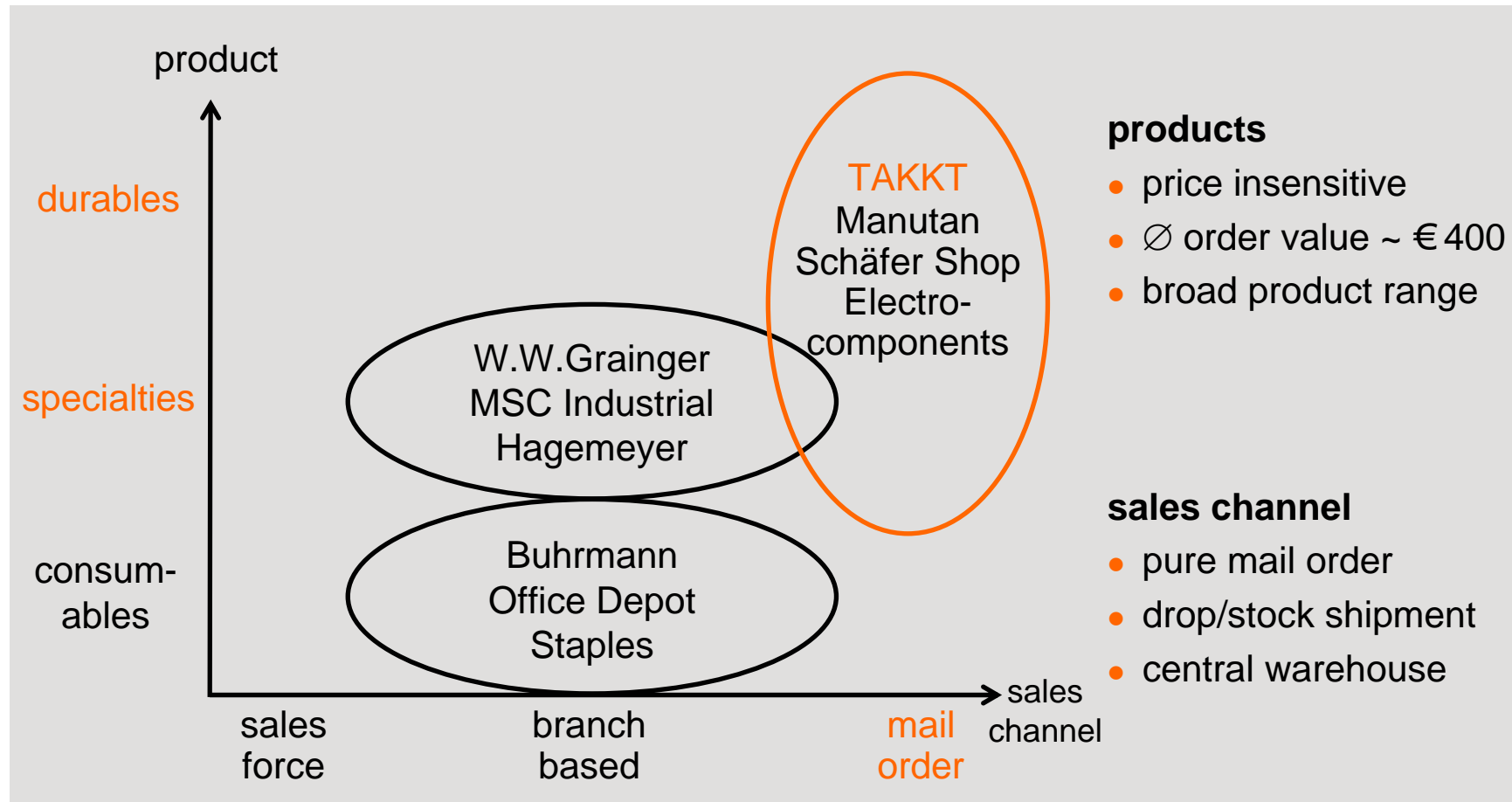
→ which should not change in near future

# TAKKT: long-term growth path

## TURNOVER TAKKT GROUP



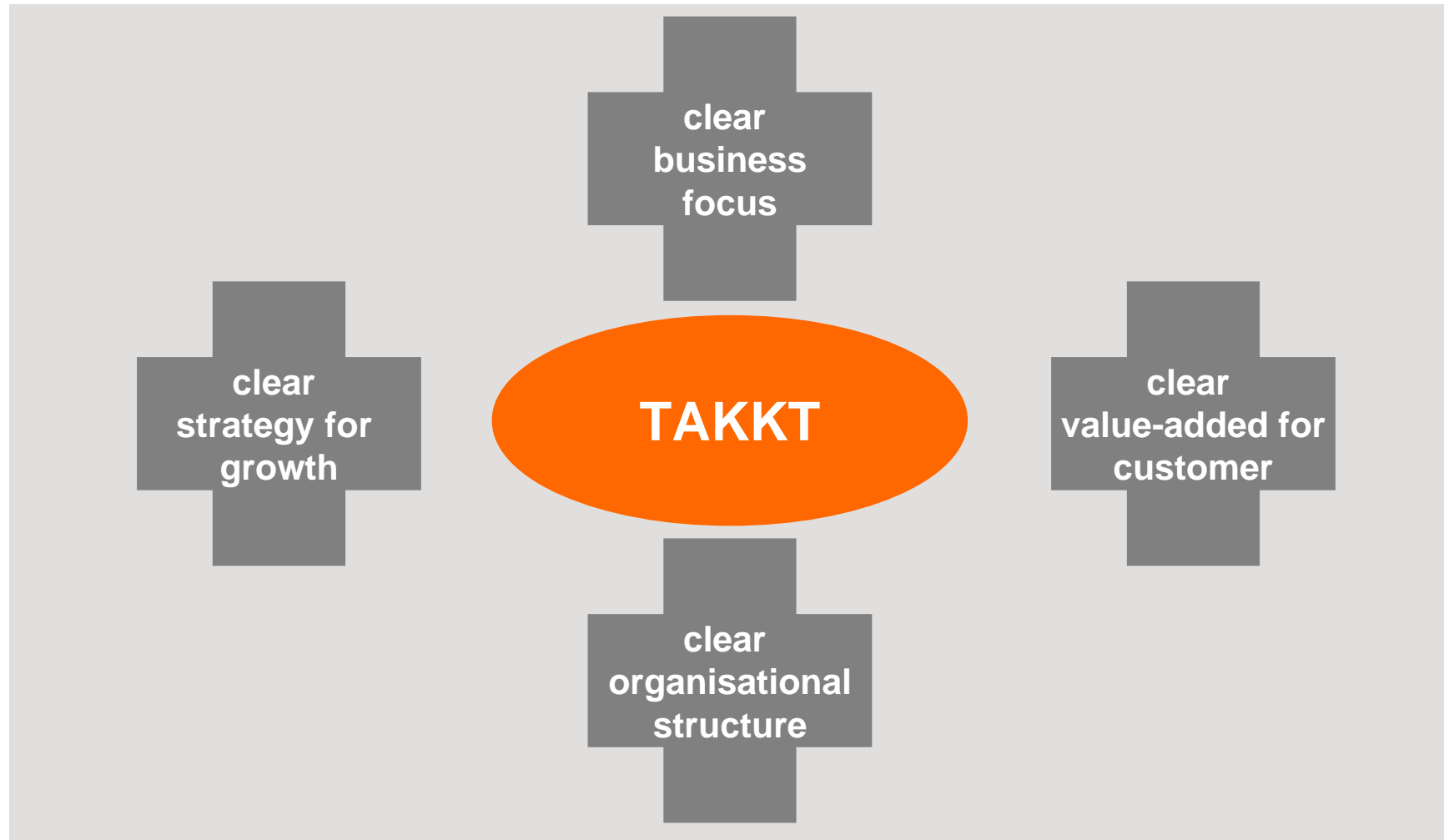
# TAKKT: business model and market overview



→ system business with stable gross profit margin

## 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

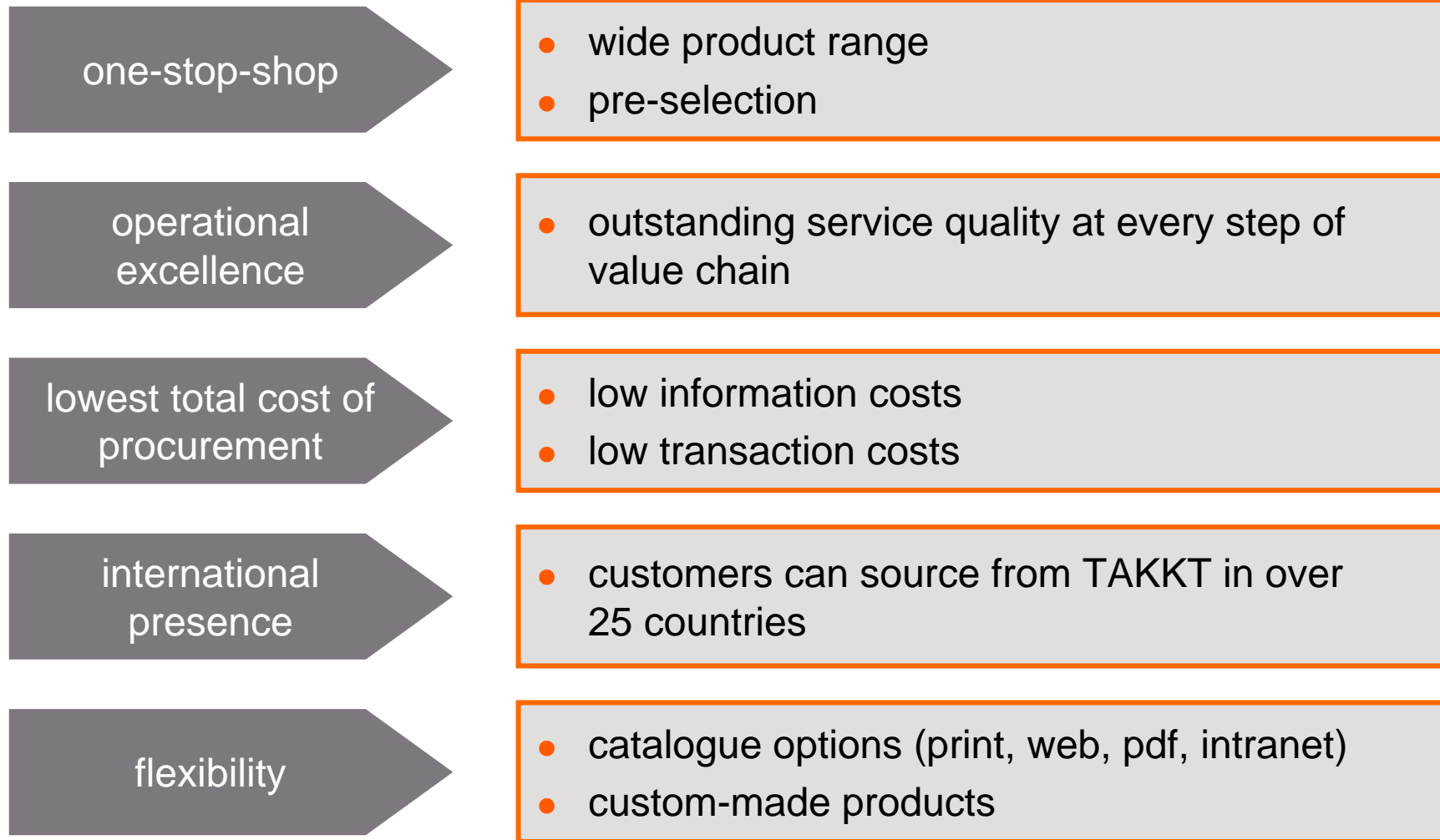
- no consumers

focus 3  
durables + specialties

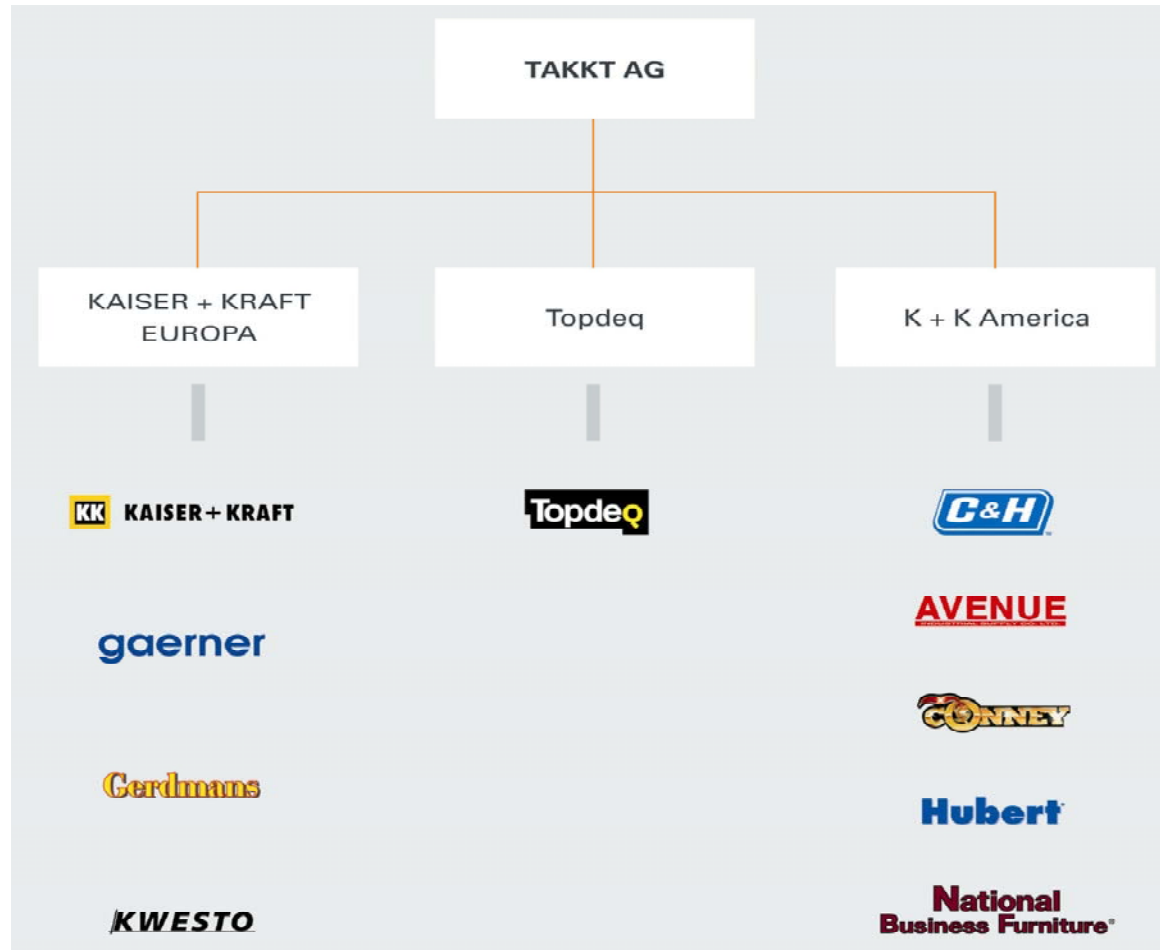
- no consumables
- no price sensitive products

## TAKKT's success factors: 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

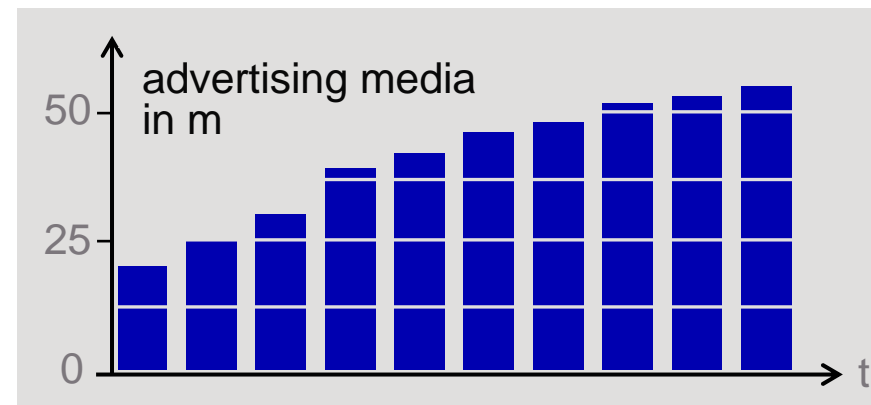
1. acquisitions (platform)

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

2. new foundations (roll out)

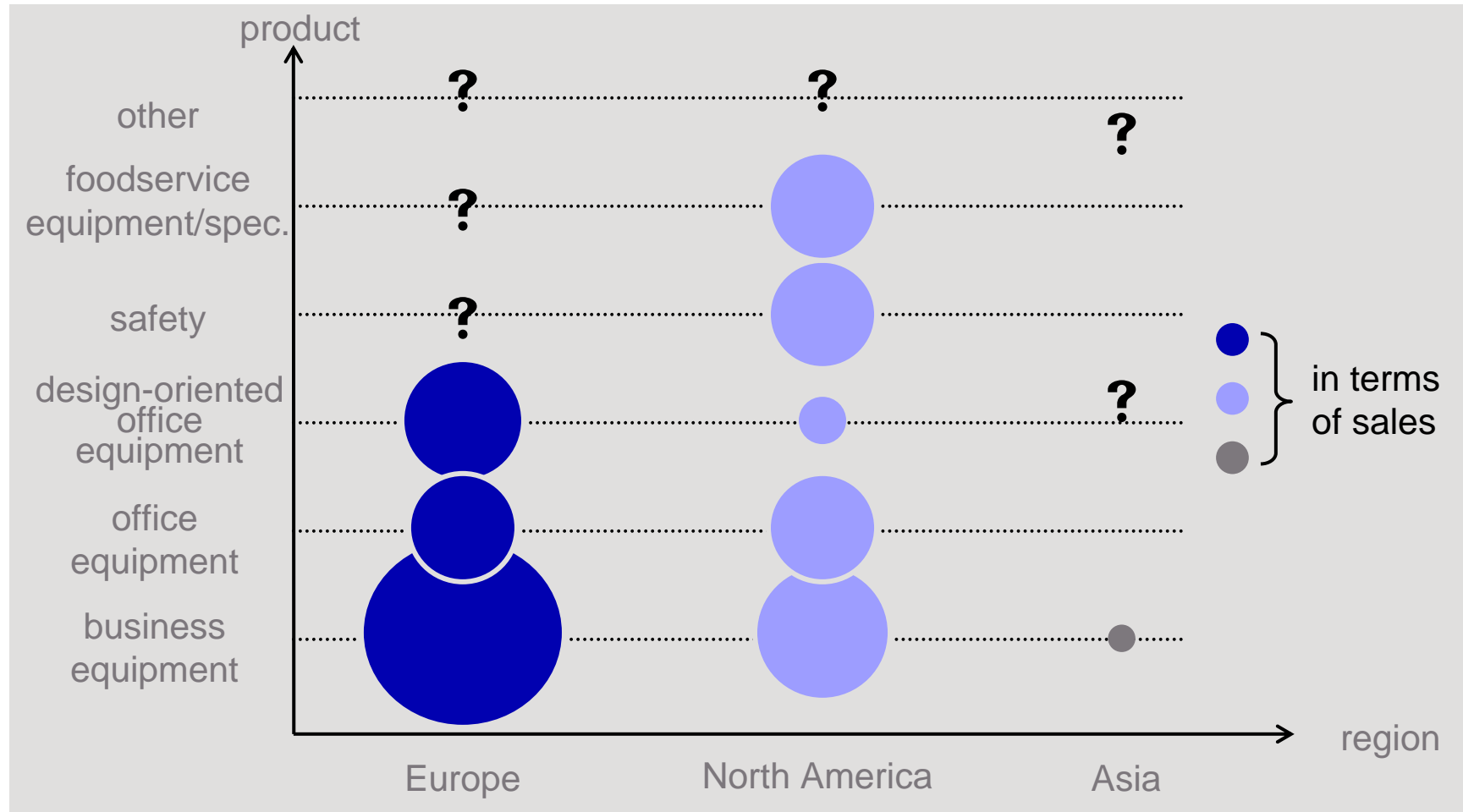
▪ e.g. Topdeq USA	2000
▪ e.g. KAISER + KRAFT Japan	2002
▪ e.g. KWESTO Romania	2005

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

---

# TAKKT AG

  
BUSINESS EQUIPMENT SOLUTIONS

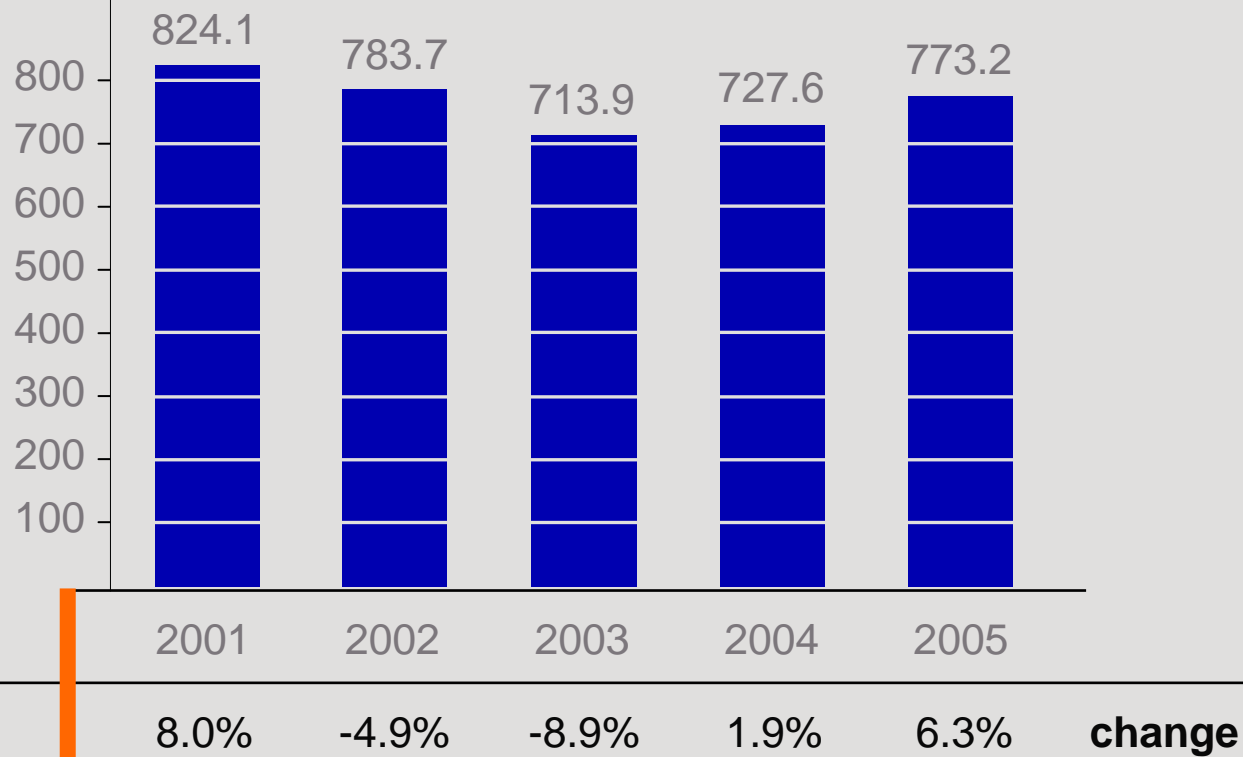
**financial statements 2005**

---

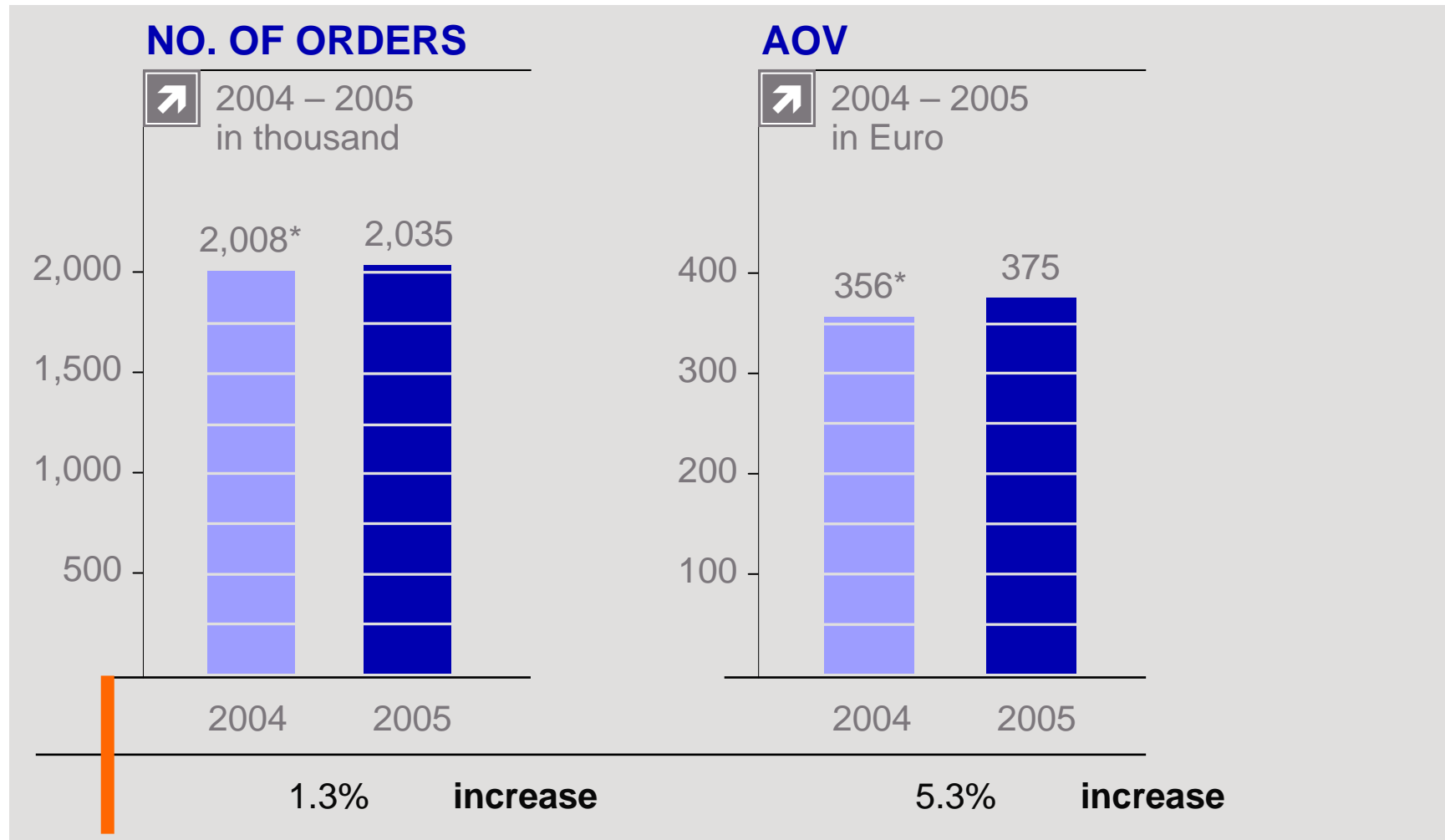
## Turnover: currency adjusted organic growth by 5.9 percent

### TURNOVER TAKKT GROUP

↗ 2001 – 2005  
in million Euro



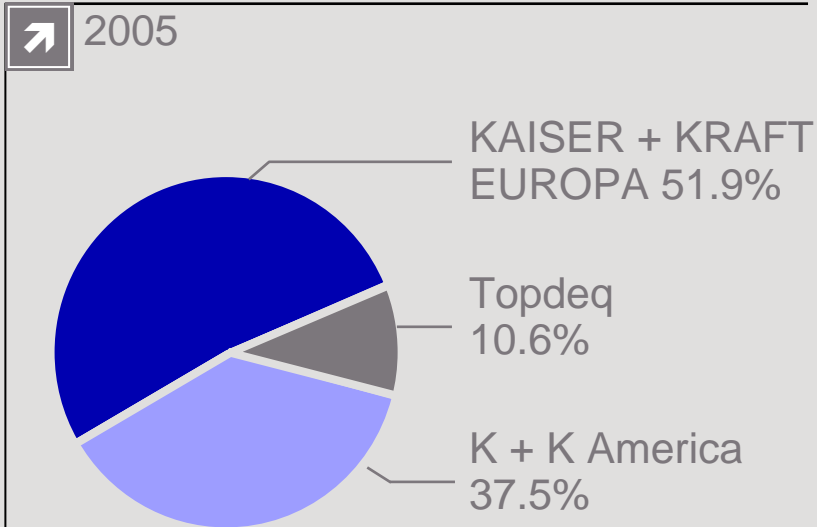
## Turnover: increase due to higher number of orders and AOV



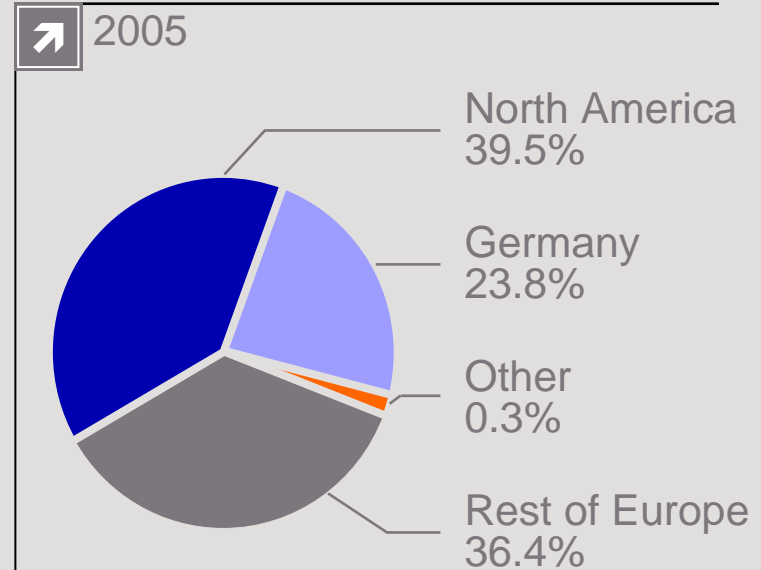
# Turnover: diversified portfolio

---

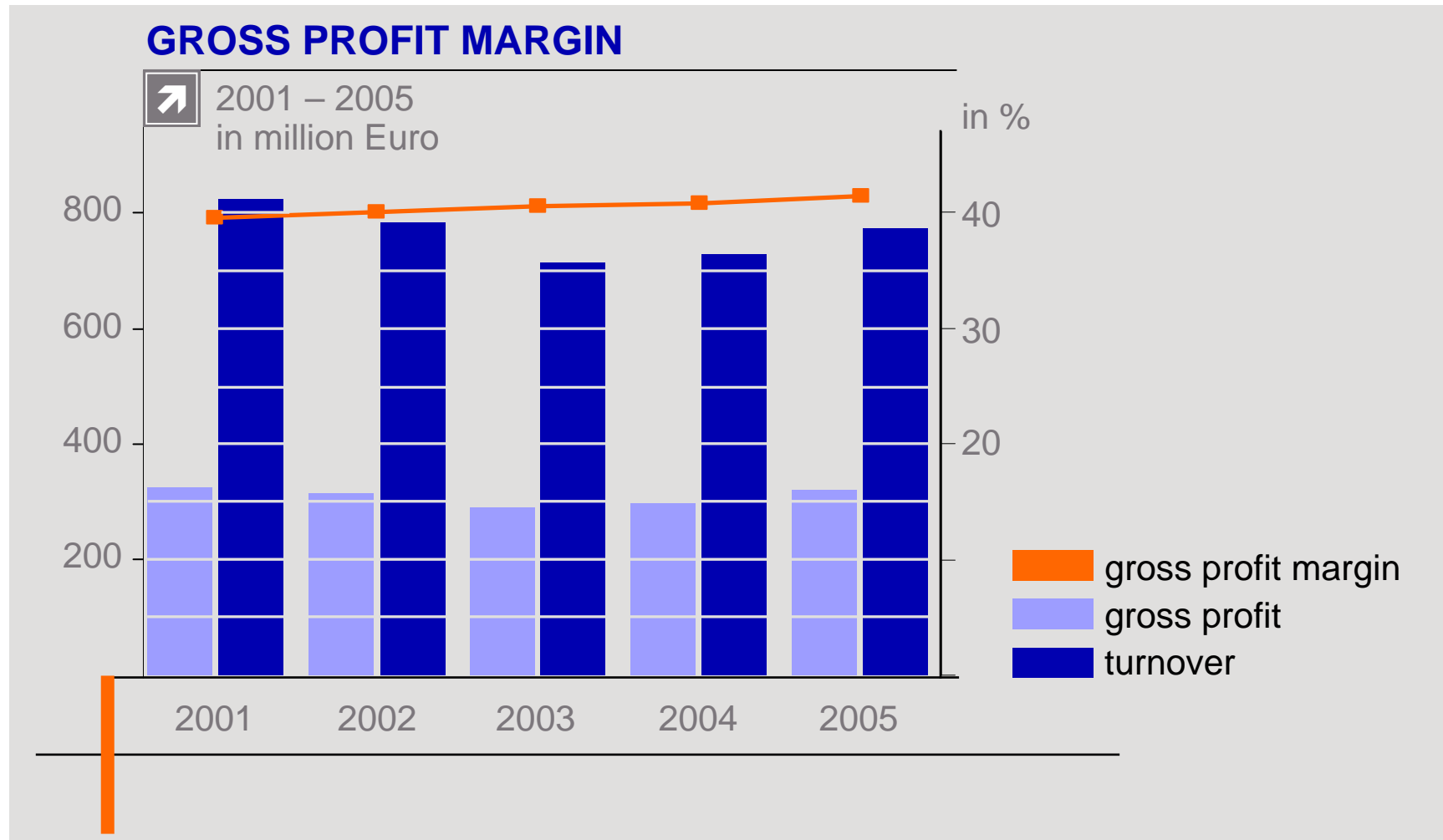
## TURNOVER by division



## TURNOVER by region

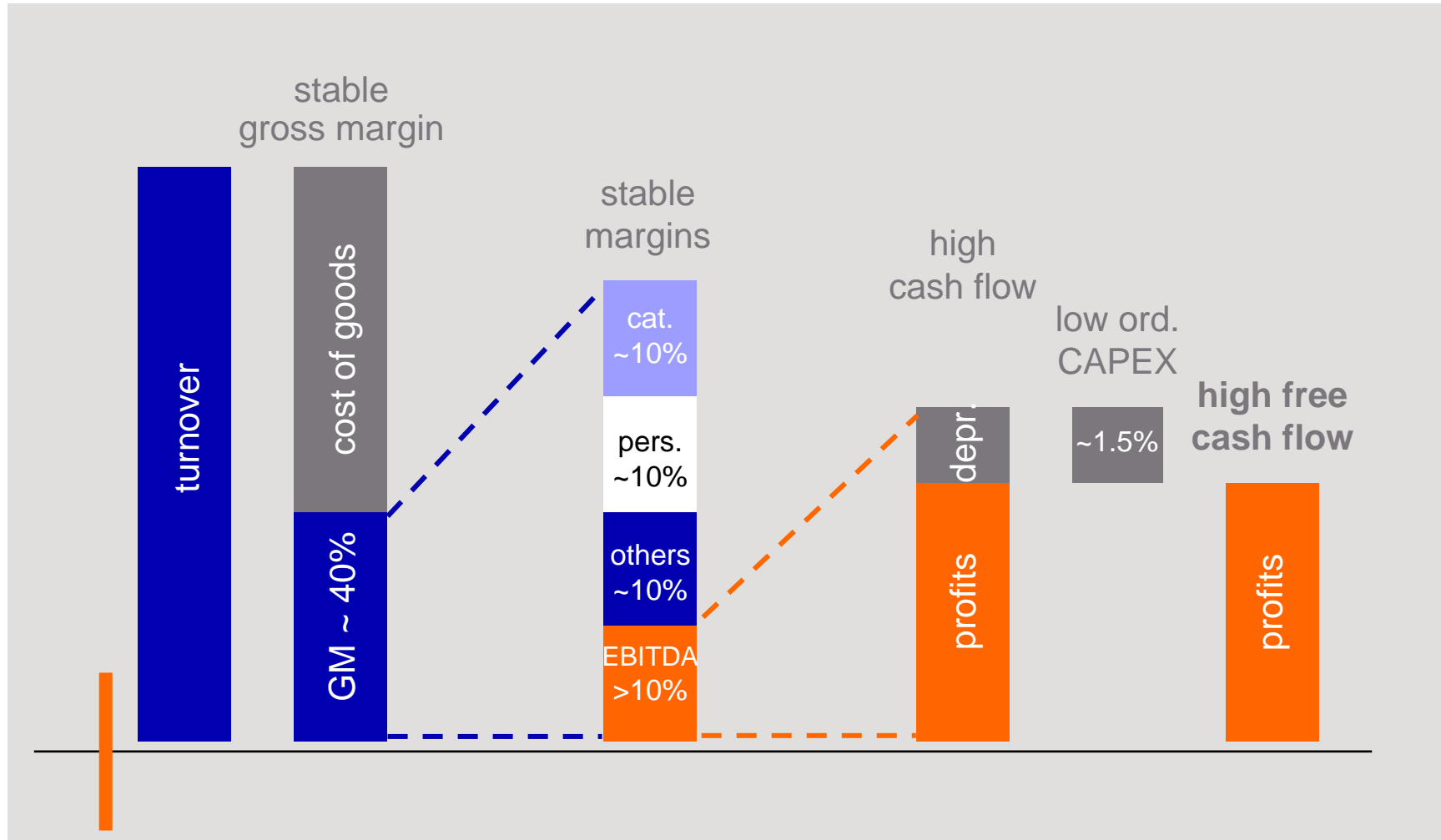


## Gross profit: increase of margin to 41.4 percent



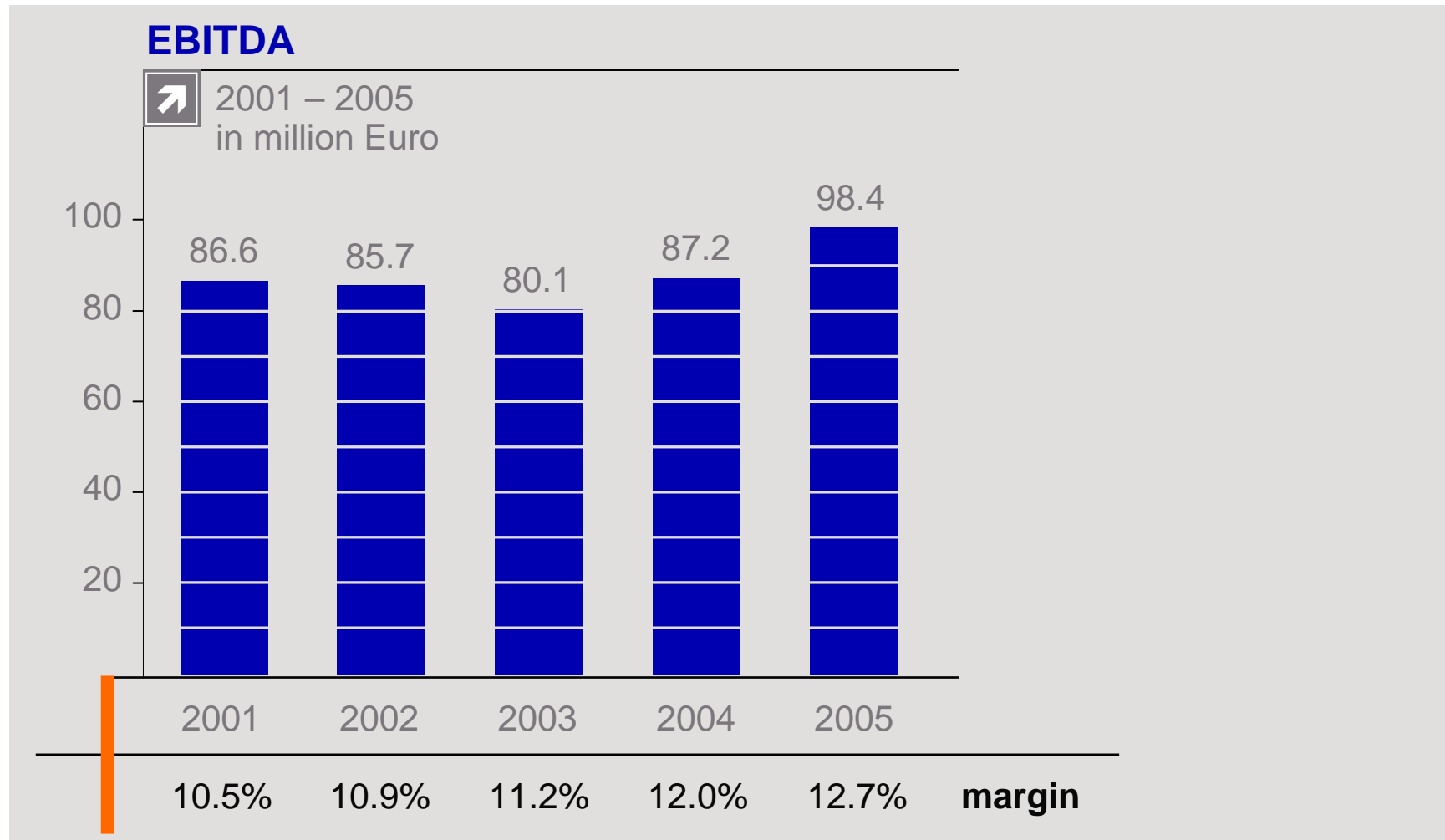
# Cost structures: stable on average

Business model generates high free cash flow

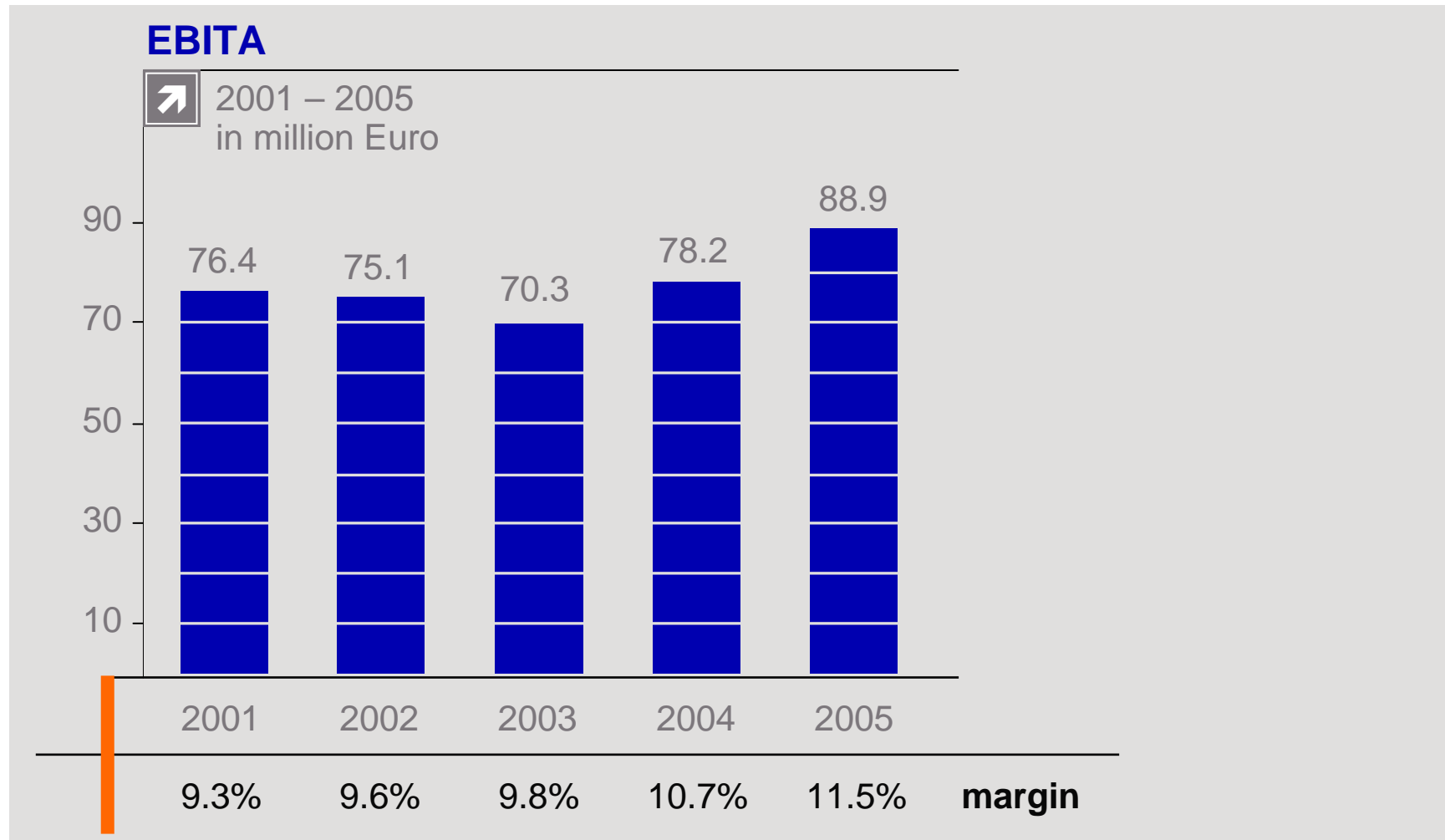


## EBITDA: increased margin despite new foundations

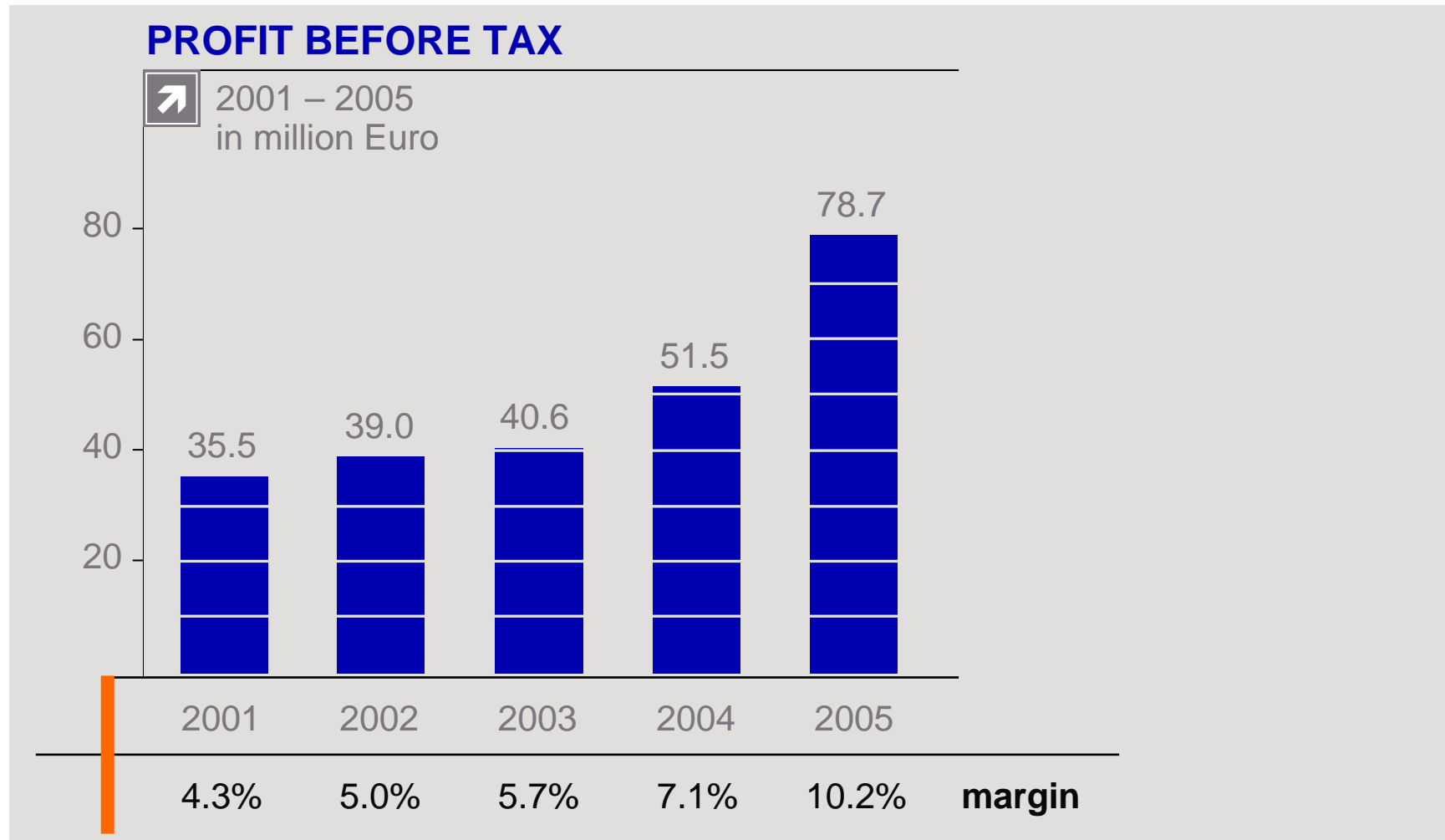
---



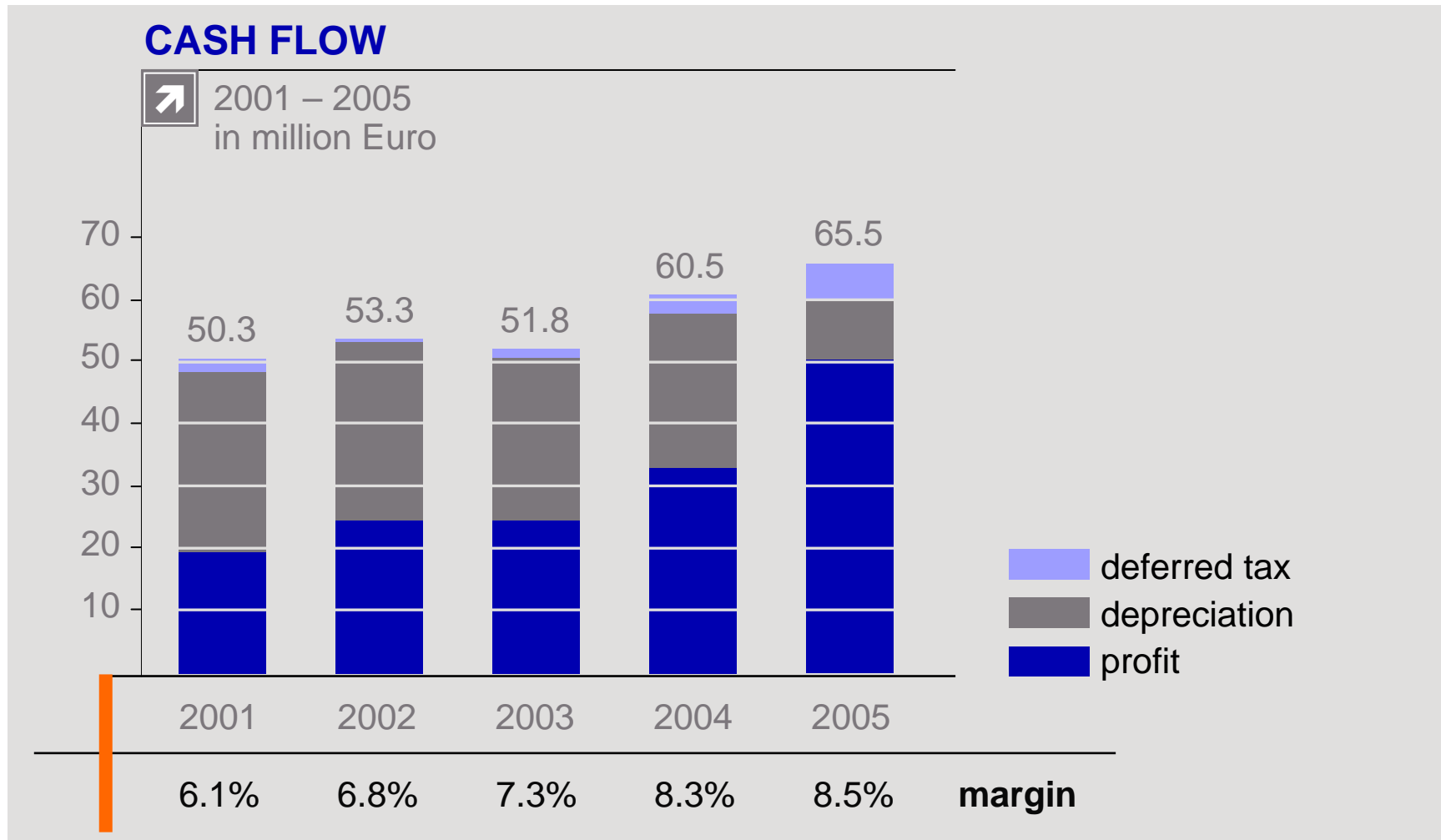
## EBITA: margin above target corridor of 9 to 11 percent



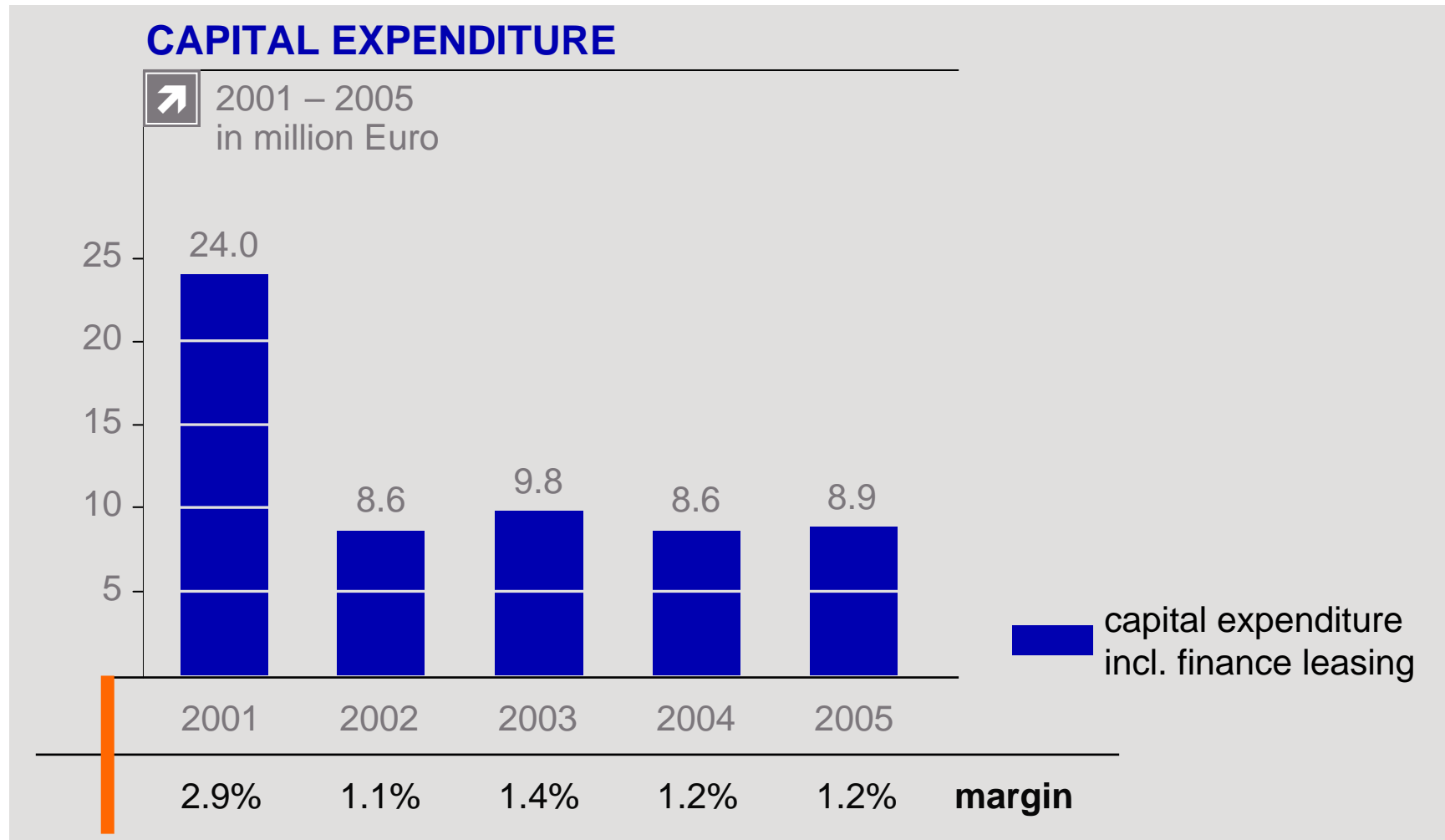
## Profit before tax: significant increase also due to IFRS 3



# 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	%
<b>non-current assets</b>				
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
<b>current assets</b>				
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
	<b>499.9</b>	<b>100.0</b>	<b>457.8</b>	<b>100.0</b>

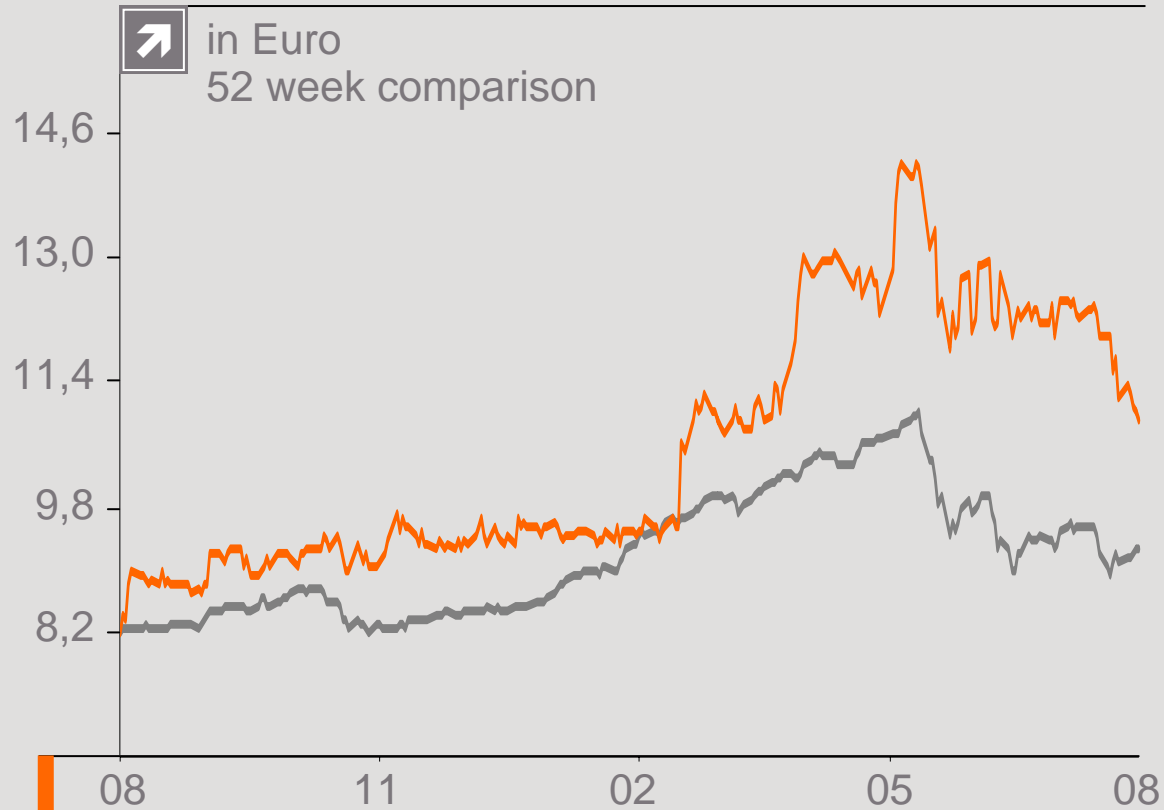
## Balance sheet: strengthened equity ratio\* of 46.1 percent

### EQUITY AND LIABILITIES

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

## TAKKT share: beats SDAX

### SHARE PRICE DEVELOPMENT



- Prime Standard since 01/01/2003
- 72.9 million shares
- market capitalisation: ~ Euro 800m
- shareholder structure:
  - free float: 27.3%
  - Franz Haniel & Cie. GmbH: 72.7%

- TAKKT share
- SDAX (indexed)

---

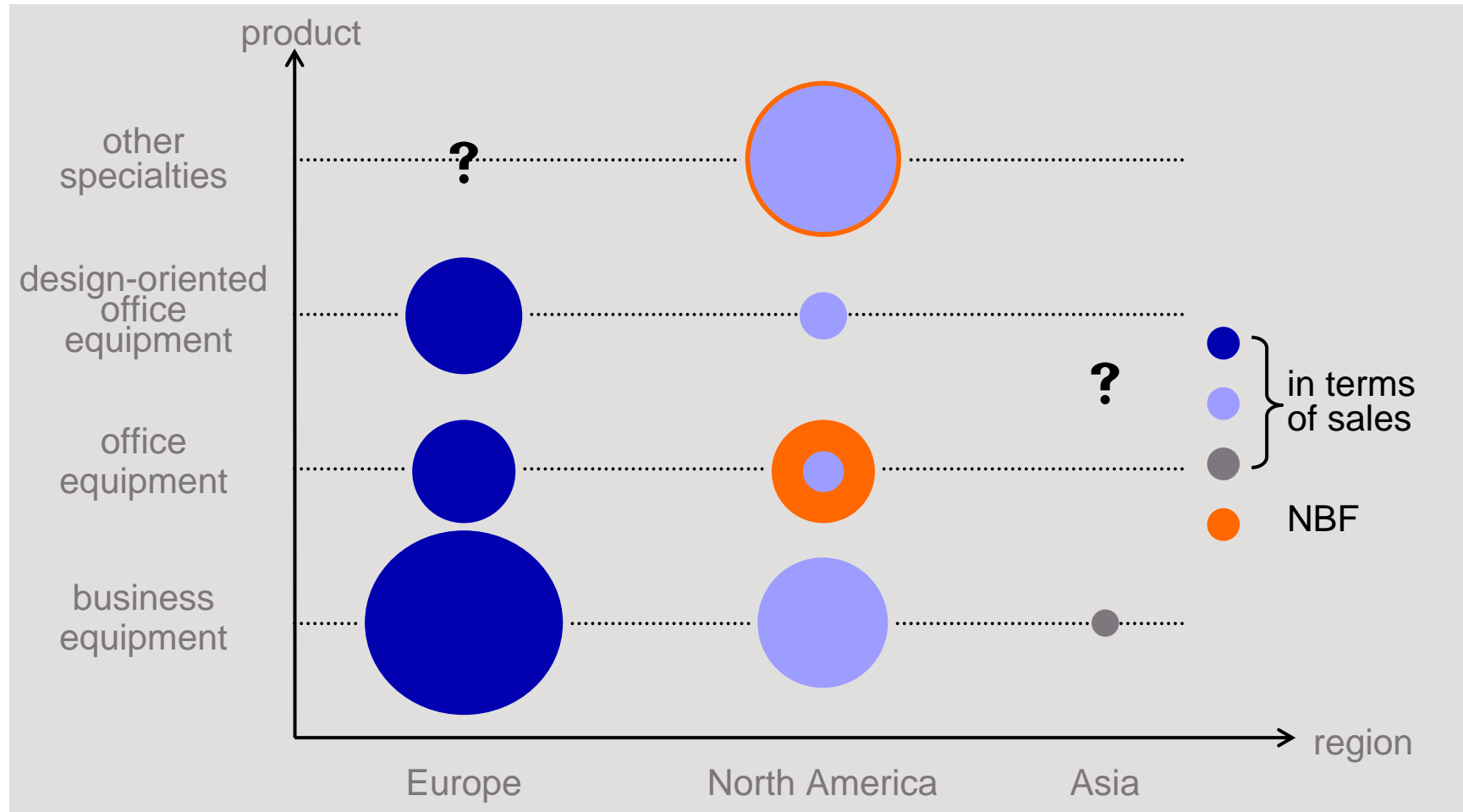
# TAKKT AG

BUSINESS EQUIPMENT SOLUTIONS

**NBF acquisition**

---

# NBF: logical development of TAKKT portfolio



# NBF: business overview

**National Business Furniture**



- US market leader in B2B mail order for office equipment

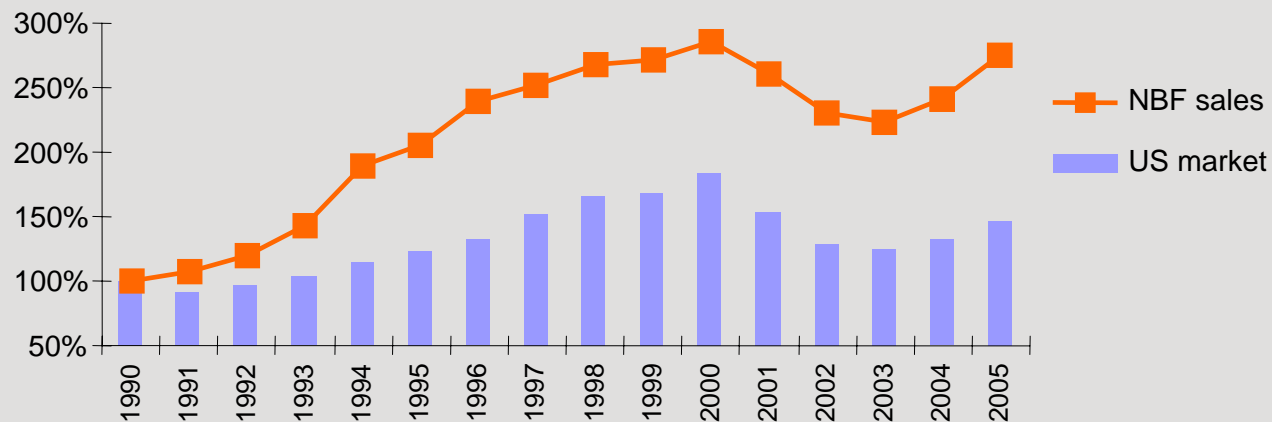
- headquarters in Milwaukee, Wisconsin
- founded 1975 by George (66) and Julie Mosher (61)
- five brands

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

## US office furniture market

- size of B2B office furniture market in USA: > USD 10 billion
- market growth 1990 – 2005: 3% CAGR
- organic growth of NBF 1990 – 2005: > 5% CAGR
- US depression 2001 – 2003 reflected in development of segment and company

Development of B2B office furniture market in US vs. NBF sales



## 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 78.5m
  - 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

---

# TAKKT AG

BUSINESS EQUIPMENT SOLUTIONS

**outlook**

---

## Outlook: basic economic conditions

---

<b>GDP growth in %</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
Europe	1.3	2.3	1.8
Germany	1.0	1.5	1.0
USA	3.5	3.5	2.3

- 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

---

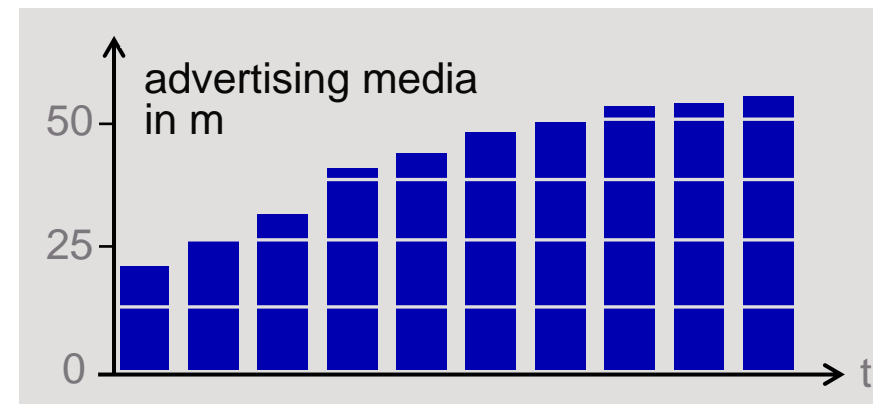
1. acquisitions (platform)

▪ 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

---

- turnover increase incl. NBF of about 20 percent
- currency adjusted organic growth of about 6 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

---

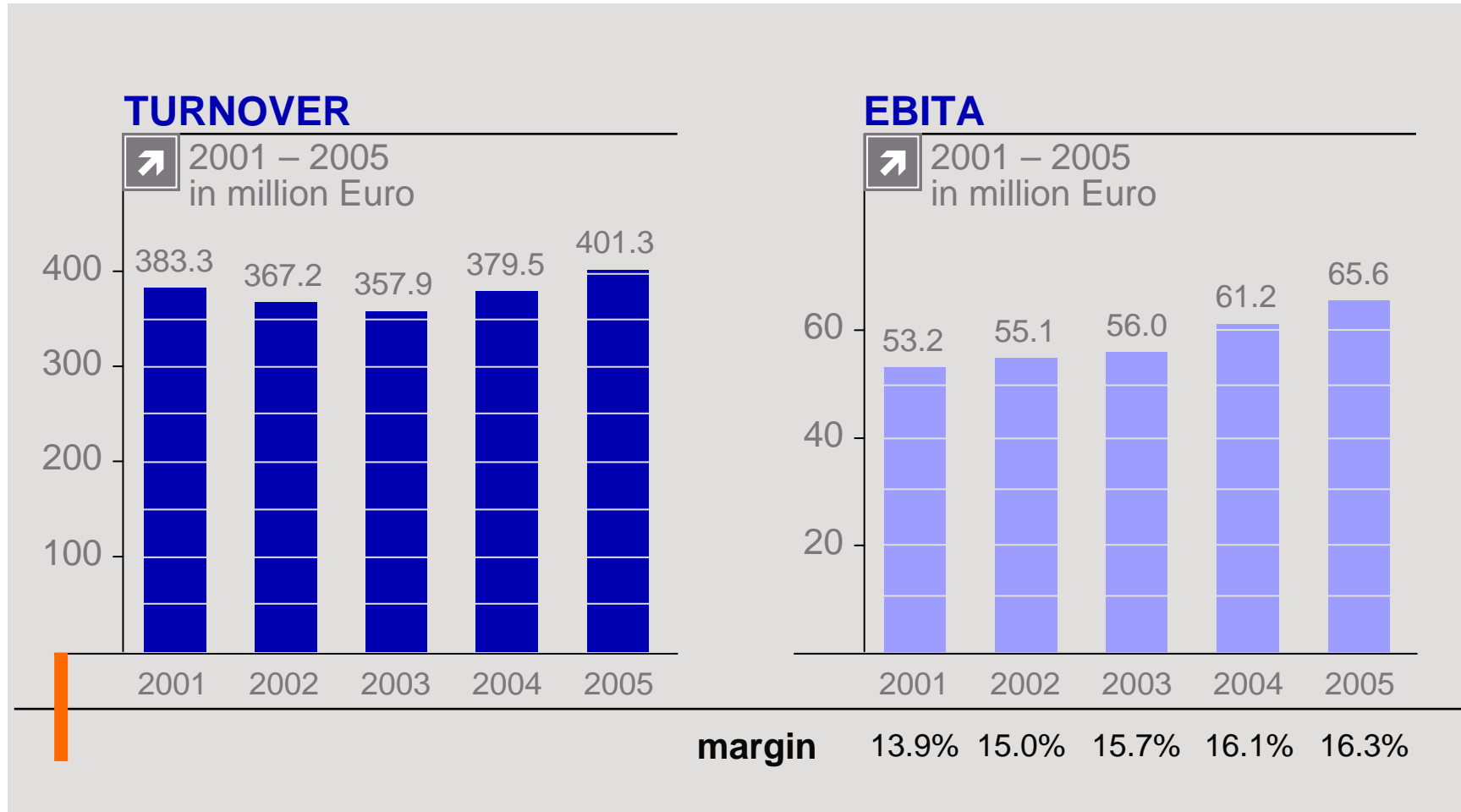
# TAKKT AG

BUSINESS EQUIPMENT SOLUTIONS

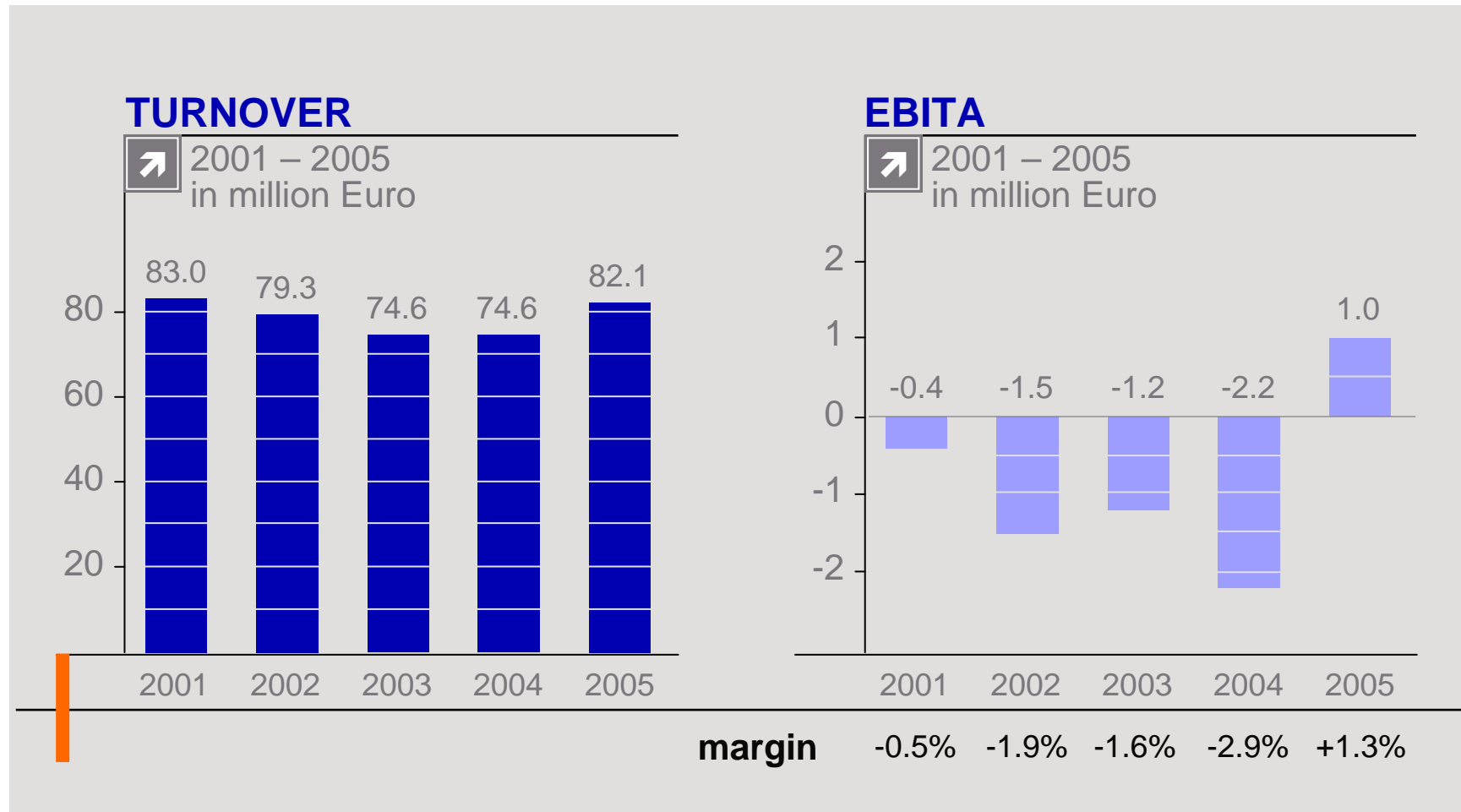
**appendix**

---

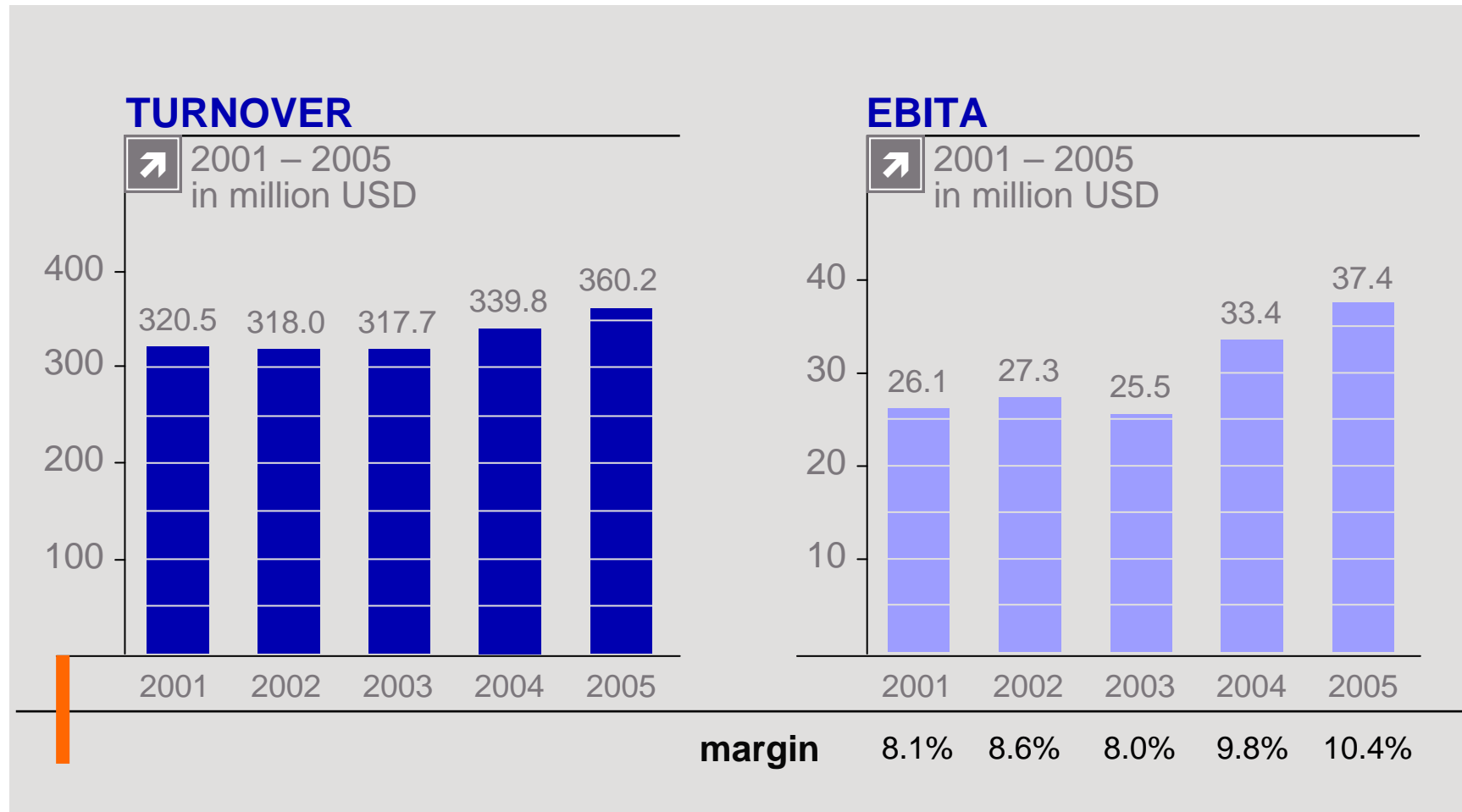
# KAISER + KRAFT EUROPA: main contributor to turnover, high profitability



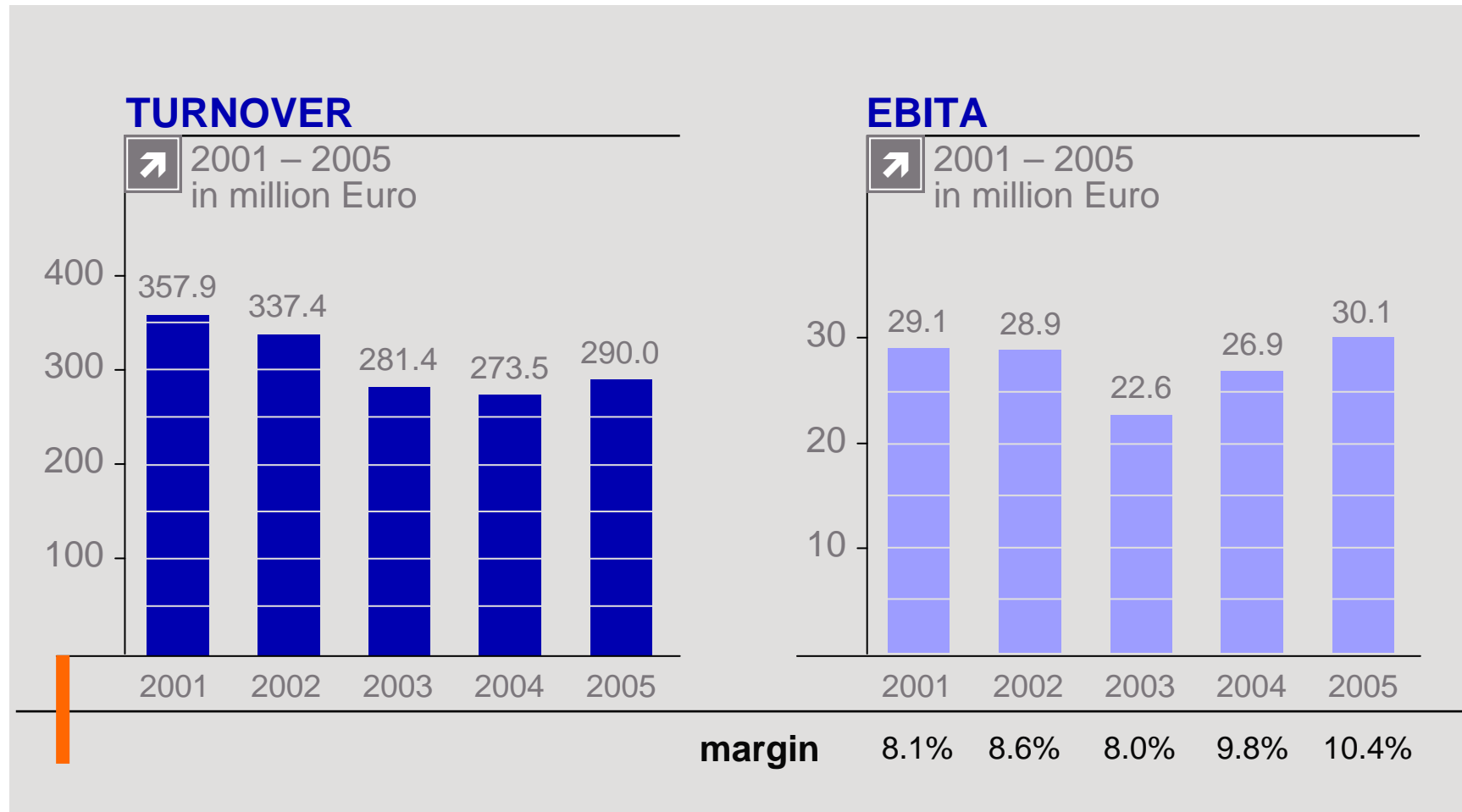
# Topdeq: successful redirection brings turnaround with double-digit growth



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




## K + K America: 2005 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

---

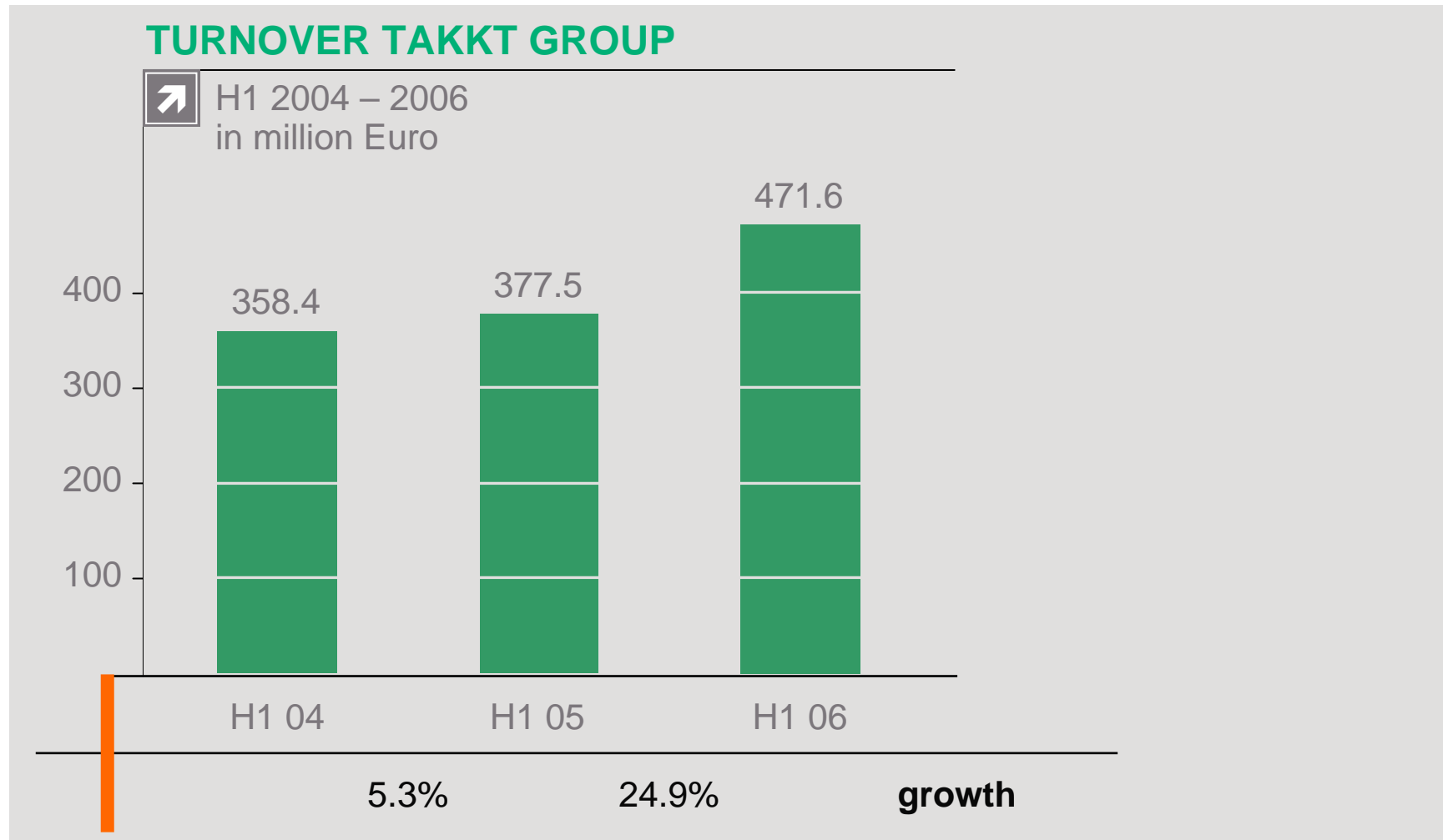
# TAKKT AG

  
BUSINESS EQUIPMENT SOLUTIONS

**H1 2006**

---

# H1 turnover: currency adjusted growth by 22.2 percent

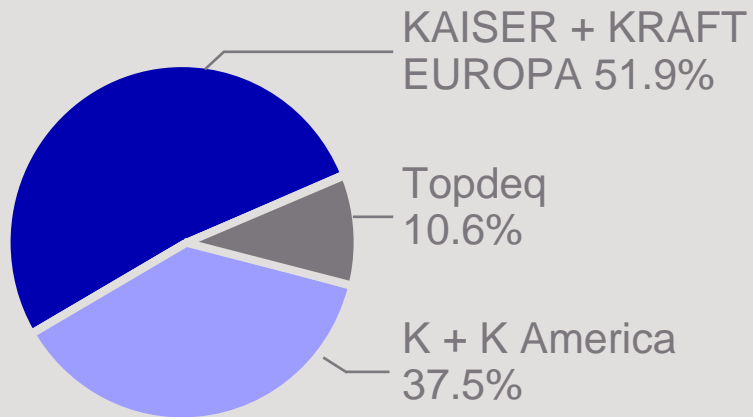


# Turnover: diversified portfolio

---

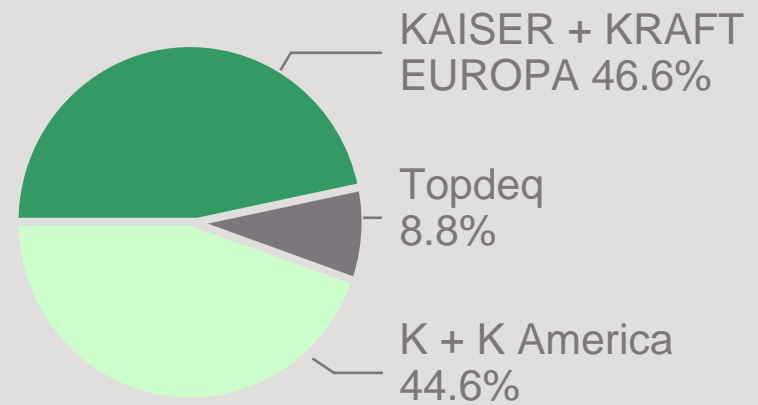
## TURNOVER division

↗ 2005

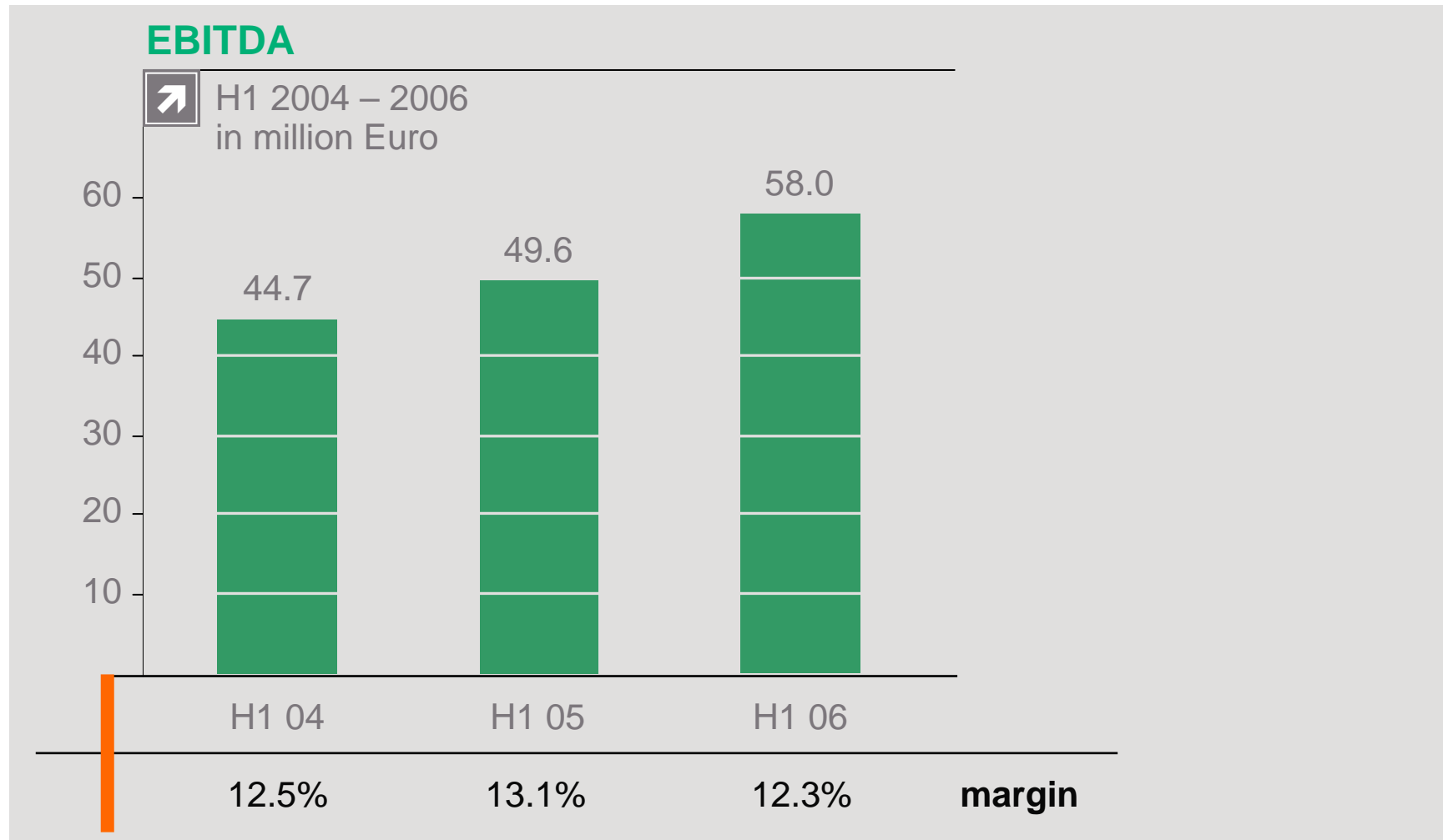


## TURNOVER division

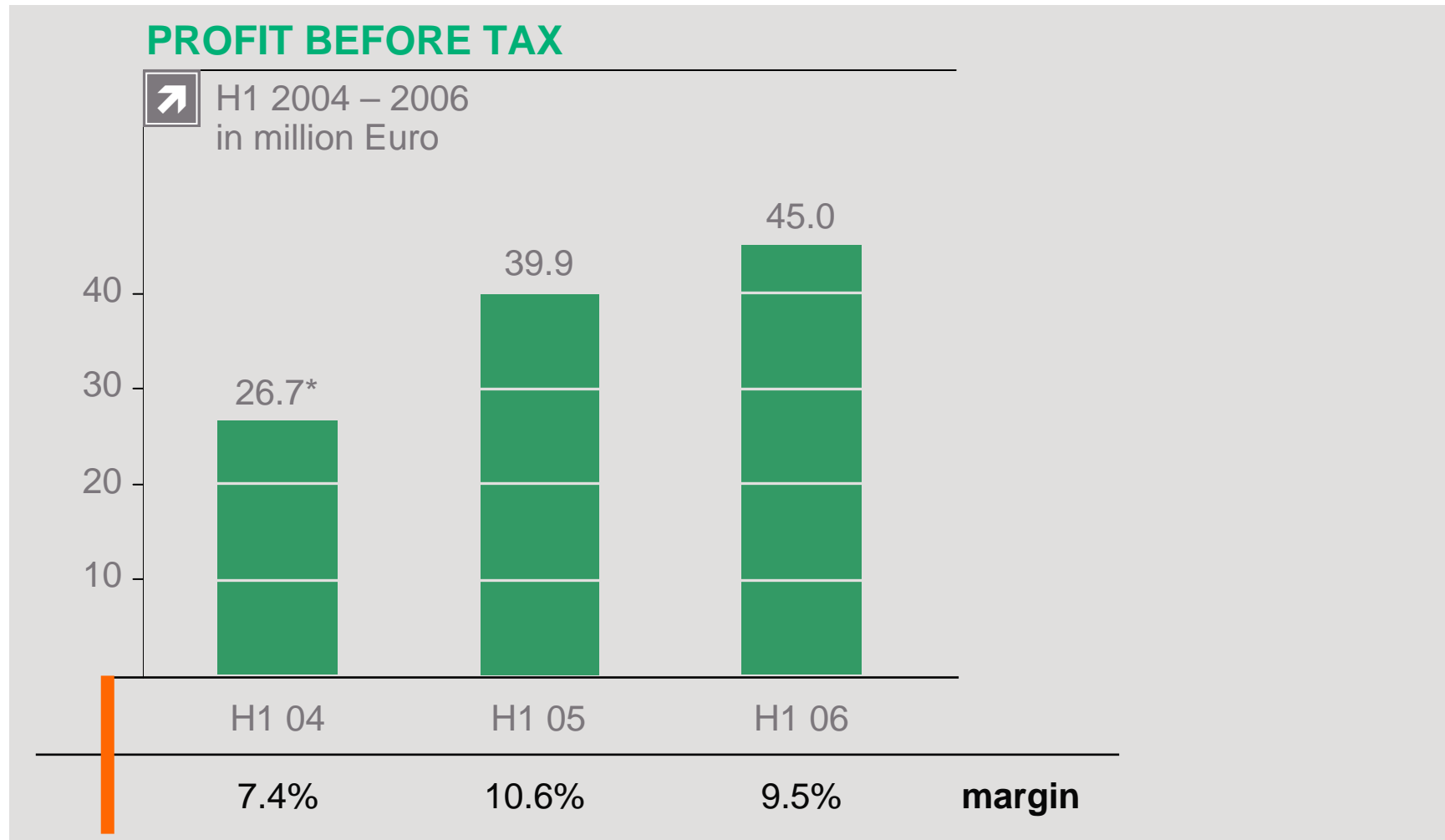
↗ H1 2006



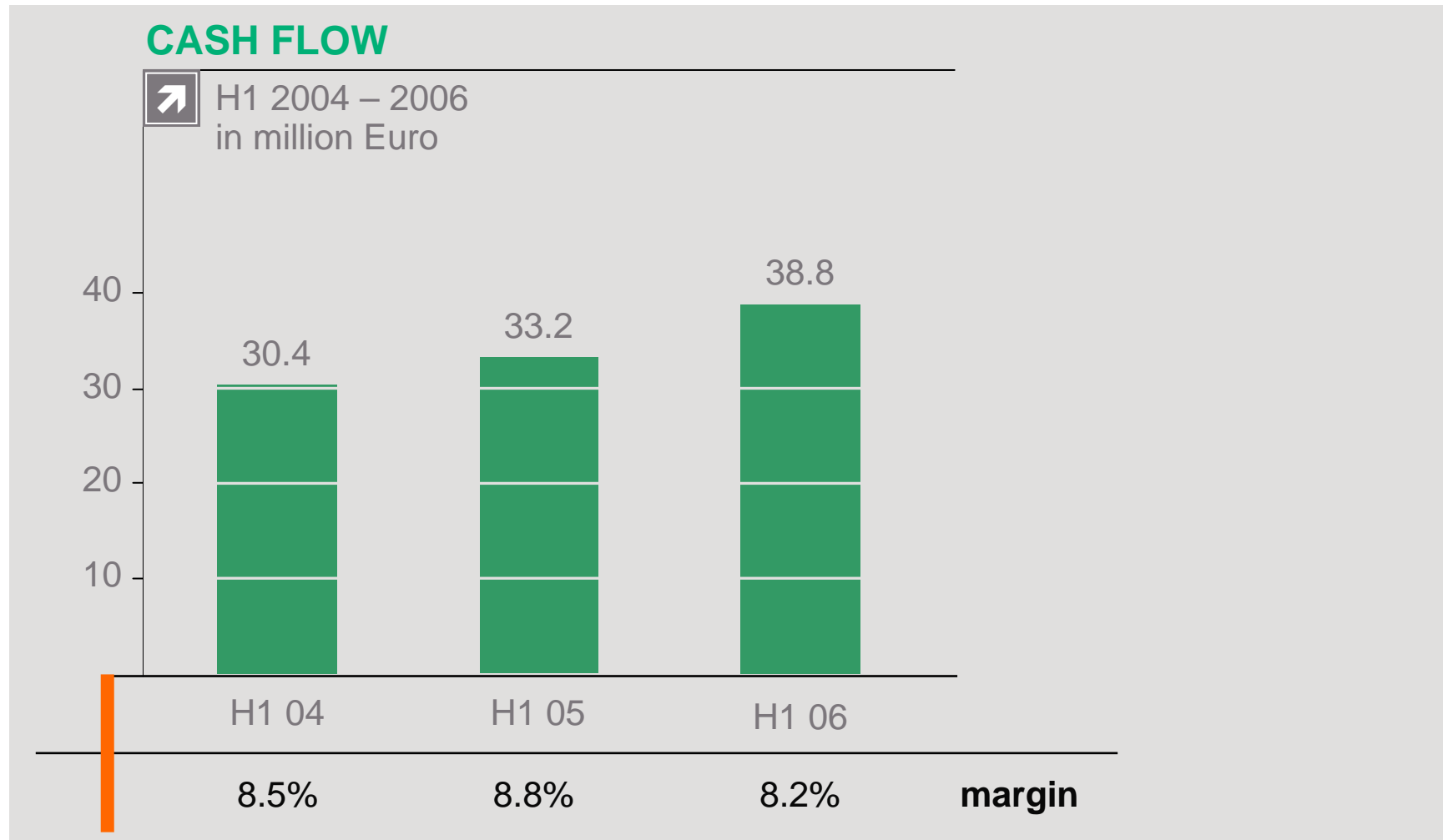
# H1 EBITDA: margin at 13.2 percent excluding NBF



# H1 profit before tax: positive development



# H1 cash flow: high level proves profitability



## H1 balance sheet: effect of NBF consolidation visible

### ASSETS

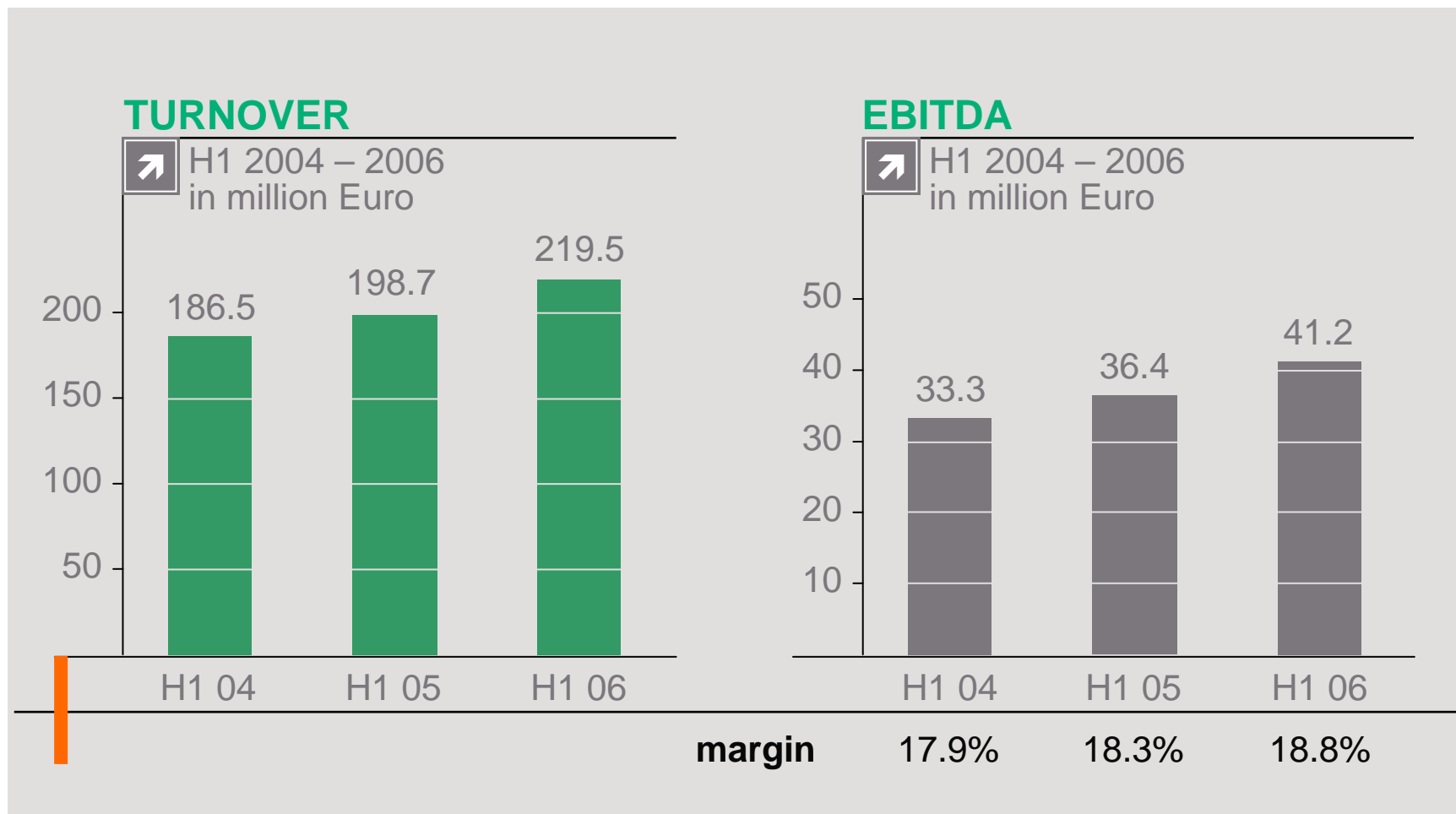
↗ in million Euro	on 30/06/06	%	on 31/12/05	%
<b>non-current assets</b>				
property, plant and equipment	67.5	11.9	68.0	13.6
goodwill	255.5	45.3	227.5	45.5
other intangible assets	33.6	6.0	9.3	1.9
other financial assets	0.4	0.1	0.4	0.1
deferred tax	5.1	0.9	5.1	1.0
<b>current assets</b>				
inventories	65.7	11.6	66.0	13.2
trade receivables	103.7	18.4	95.9	19.2
other	32.5	5.8	27.7	5.5
	<b>564.0</b>	<b>100.0</b>	<b>499.9</b>	<b>100.0</b>

## H1 balance sheet: healthy financing structure

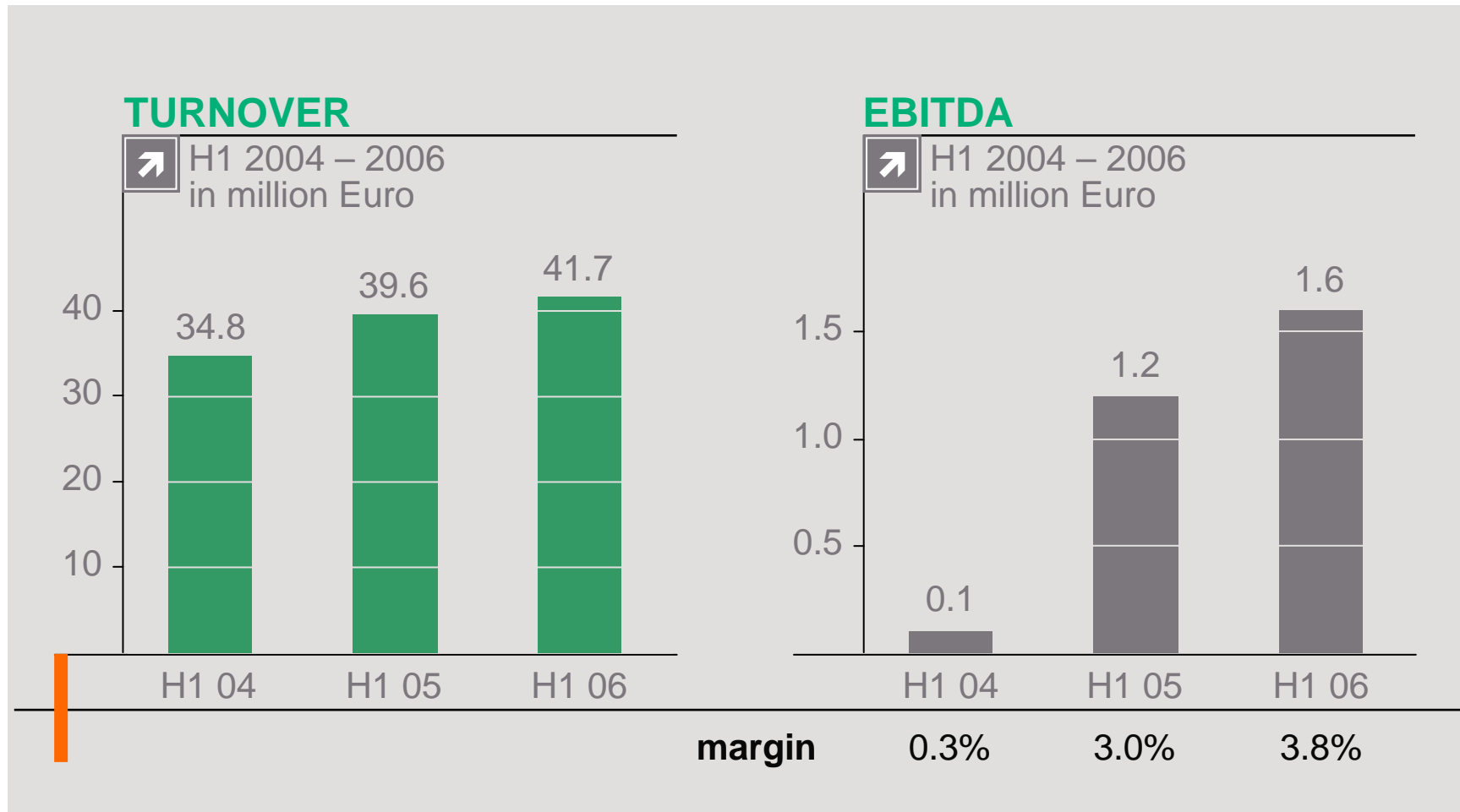
### EQUITY AND LIABILITIES

↗ in million Euro	on 30/06/06	%	on 31/12/05	%
<b>total equity</b>				
shareholders' equity	244.4	43.3	230.6	46.1
minority interest	2.9	0.5	2.4	0.5
<b>borrowings</b>	207.1	36.7	162.2	32.5
<b>provisions</b>	22.6	4.0	22.9	4.6
<b>trade payables</b>	29.7	5.3	28.2	5.6
<b>other liabilities</b>	57.3	10.2	53.6	10.7
	<b>564.0</b>	<b>100.0</b>	<b>499.9</b>	<b>100.0</b>

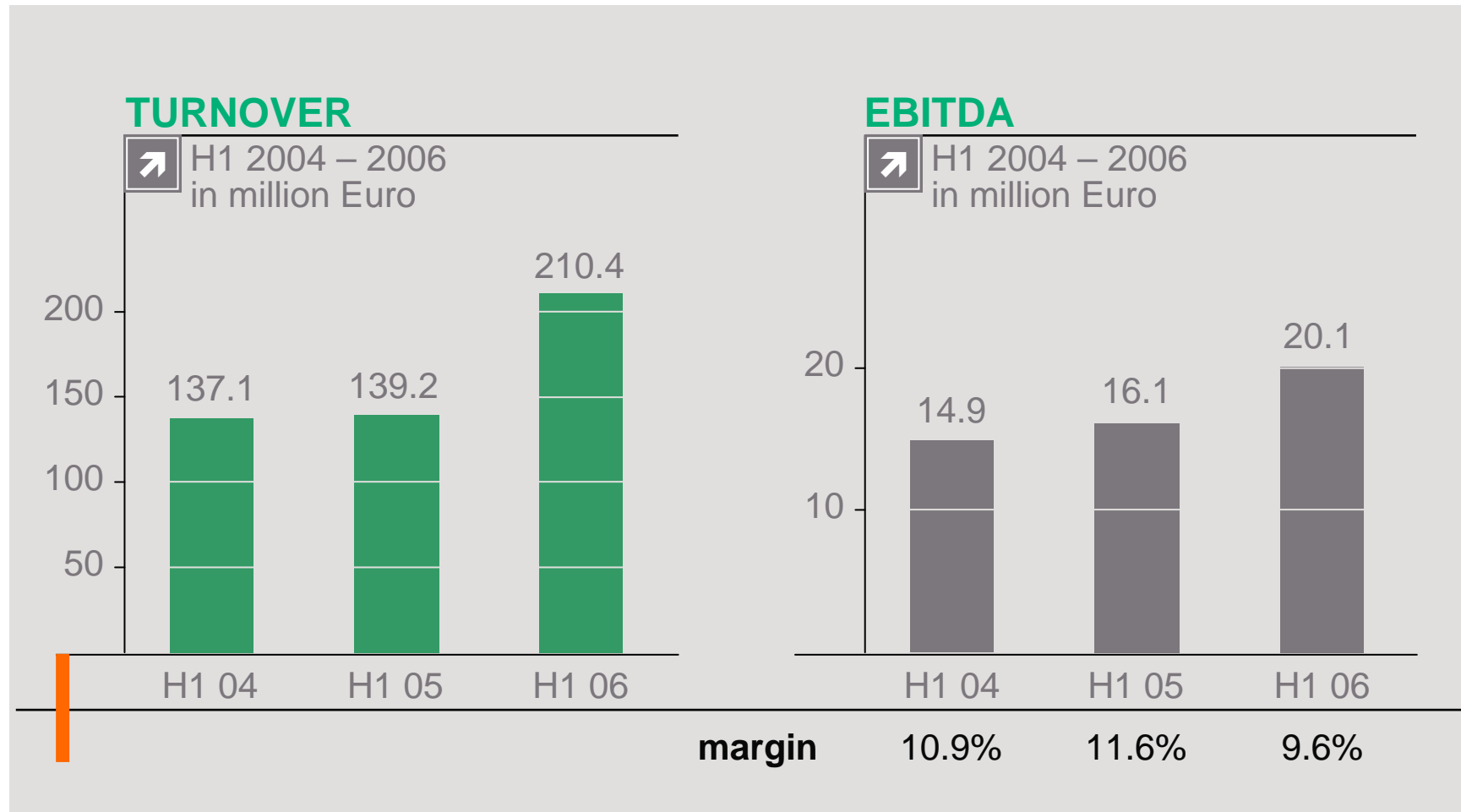
# KAISER + KRAFT EUROPA: H1 development



# Topdeq: H1 development



## K + K America: H1 development



## Financial calendar 2006

---

- 23/03/2006 financial statements press conference + 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
- 01/06/2006 Deutsche Bank German Corporate Conference
- 06/06/2006 DrKW German MidCap Investor Day
- 27/07/2006 road show Milan
- 03/08/2006 interim report for the first half year 2006
- 10/08/2006 road show Brussels
- **02/11/2006 interim report for the first nine months 2006**
- November autumn road shows
- 27/11/2006 Deutsche Börse Deutsches Eigenkapitalforum

## Contact

---

TAKKT AG

Presselstrasse 12

70191 Stuttgart

Germany

Phone: +49 711 34658-0

Fax: +49 711 34658-100

e-mail: [service@takkt.de](mailto:service@takkt.de)

[www.takkt.de](http://www.takkt.de)

Corp. Finance/Investor Relations

Mr Joachim Eschke

Phone: +49 711 34658-222

Fax: +49 711 34658-104

e-mail: [joachim.eschke@takkt.de](mailto:joachim.eschke@takkt.de)

[www.takkt.de](http://www.takkt.de)