4th Annual General Meeting of TAKKT AG
Ludwigsburg, May 6, 2003

Speech held by Georg Gayer,
Board Chairman of TAKKT AG

Check against delivery

Dear shareholders,
dear shareholder and media representatives,
ladies and gentlemen,

It is my pleasure to welcome you to the 4th Annual General Meeting of TAKKT AG here at the "Ludwigsburger Forum am Schlosspark".

Outlook on 2002 – our objectives in a challenging environment

Many of you may remember that I announced a set of ambitious objectives for fiscal 2002 at the last Annual General Meeting. At the time, I said we would transfer our systems business to new regions, that we would consistently enhance our core competencies – our product ranges and our service – and that we wanted to maintain the EBITDA margin above 10 percent. Most importantly, we wanted to adopt International Accounting Standards (IAS) in order to achieve greater transparency for our investors, in particular.

The result: We were able to achieve all these objectives – and we did so despite the continued economic downturn. TAKKT AG has even increased its profitability. Not least have we been able to expand TAKKT's position as the international market leader in B-to-B mail order for plant and warehouse equipment, thus also enhancing our shareholder value.

TAKKT 2002 – changed GDP 2002 projections

Needless to say, we would have loved to report an increase in 2002 turnover, too. All economic forecasts that predicted a moderate upward trend and prompted the corporate sector to hope for an improved order situation turned out to be too optimistic, however. In the course of the year, the institutes had to downgrade their GDP projections for the industrialized countries several times, with Germany clearly being bottom of the league. While economic experts and the German government still projected GDP to grow by 0,8percent in March, they downgraded these projections to approx. 0,3 percent by the month of December.

The USA also failed to fulfil its traditional role as a "driver of the economy" as the upward trend was much weaker than had been expected. What is more, the moderate GDP growth was mostly achieved with the help of heavy discounting, for example on the part of the auto industry. So the increase was almost exclusively attributable to the private sector. Also, the monthly US Purchasing Managers' Index, an important early indicator for the development of the US economy, was below the 50-points mark for several months, pointing to a decline in the manufacturing sector. TAKKT was affected by the US situation in several ways. First, a significant percentage of our turnover is generated in the USA, which means that slow business in the USA has an immediate effect on the TAKKT Group as a whole. Second, economic development and, hence, demand in Europe has never remained unaffected by the economic situation in the USA. Moreover, the weak US dollar also impacted our figures. The effects of the changed exchange rates on Group results will be addressed in more detail later.

In view of the difficult economic situation, however, the Managing Board is satisfied with our overall business performance. We will – and must – return to our former growth rates in the medium and long term.

Turnover of the TAKKT Group down 4.9 percent

Ladies and gentlemen, as I told you before, economic activity and the weak US dollar had a negative effect on TAKKT AG’s figures. At EUR 784 million, turnover was down 4.9 percent on the previous year, with approx. 2 percent of this decline due to changes in exchange rates, which means that the currency-adjusted volume declined by roughly 3 percent. The average order volume declined, which is typical of difficult economic times. Buying frequency also decreased slightly for the same reason. At the same time, however, the number of customers increased by roughly 200,000 to 2.6 million. This renewed increase shows that our business model is successful also in difficult times.

Turnover equally distributed between North America and Europe

Let us now take a look at turnover by regions. Due to the economic situation, domestic turnover accounted for 23.4 percent of total turnover, down from 25.3 percent. The rest of Europe increased slightly to 32.2 percent. US turnover accounted for 44.4 percent of total turnover at year-end, up 0.4 percent on the previous year. This means that turnover was again distributed quite equally between Europe and North America.

Turnover – KAISER + KRAFT EUROPA remains the strongest group

The breakdown of turnover by divisions has hardly changed at all: KAISER + KRAFT EUROPA accounted for 46.9 percent of total turnover. At 10.1 percent, Topdeq’s share of total turnover remained unchanged. At 43.0 percent, K + K America’s share was similar to 2001.

EBITDA margin within target corridor of 10 to 12 percent

Because of our relatively high profit margin, a decline in turnover is also reflected in earnings figures. At EUR 85.7 million, earnings before interest, taxes, depreciation and amortization were stable, however, down only 1.1 percent on the previous year. The EBITDA margin increased to 10.9 percent despite the decline in turnover and further investments in new start-ups. As expected, the margin thus stayed within our long-term target corridor of 10 to 12 percent. Our Group's sustained profitability is not least attributable to consistent cost management and early capacity adjustments in conjunction with the further improved gross profit margin.

Gross profit margin up for structural reasons

The gross profit margin increased by 0.5 percent to 40 percent in 2002. This gratifying development is due to several factors. First, our product range is characterized by largely stable prices. Second, the extension to KAISER + KRAFT EUROPA's warehouse in Kamp-Lintfort means the company has expanded its high-margin warehouse business. And, even though you may find it hard to believe, the poor economic situation also has some positive aspects: we received hardly any large-scale orders, which normally require us to grant discounts.

At the same time, TAKKT's strategy of mixing its turnover also contributed to increased earnings and higher margins. For instance, Hubert, our US subsidiary which generates a high gross profit, focuses on the less cyclical services sector and therefore delivered an above-average performance, thus contributing to a higher gross profit margin.

Earnings after taxes up not least thanks to lower tax ratio

Ladies and gentlemen, earnings after taxes also developed favourably. While they declined to EUR 19.4 million in the previous year, we were able to boost them to EUR 24.5 million in 2002, up 26.2 percent on 2001. The margin also increased noticeably from 2.4 percent to 3.1 percent.

The slightly improved EBITDA margin is only one of the reasons for this increase. Lower interest expenses resulting from reduced liabilities and lower interest rates as well as a lower tax ratio also contributed to this result.

Dear shareholders, you will be particularly pleased to hear that earnings per share increased by approx. 26 percent over the previous year to 33 cents.

Cash flow – sustained increase testifies to high profitability

TAKKT AG has always generated extremely strong cash flows. In 2002, we were again able to optimize this important figure. At 53 EUR million, cash flow was up 9.6 percent on the previous year's EUR 48.3 million. This is second only to the TAKKT Group's record year 2000. You see that TAKKT continues to display above-average profitability even in difficult economic times. This means that we have no reason to be concerned about Basle II and the resulting stricter requirements for raising loans.

Free cash flow – debt repayment and growth finance secured

Free cash flow increased by 80 percent from EUR 24.4 million in 2001 to EUR 44.4 million in 2002. In years in which we make no acquisitions – as was the case in 2002 – a free cash flow of approx. 40 million will be normal. This puts us in a position envied by many other companies: we are able to repay our debt as scheduled, pay our shareholders a dividend and can still fund organic growth and minor acquisitions internally. We also expect to generate a high free cash flow in the current fiscal year.

Investments at normal level

The high free cash flow is not least attributable to the fact that replacement and rationalization investments stayed at an average normal level in 2002. Total investments of EUR 8.6 million mean we continued our long-term policy of investing 1 to 2 percent of our turnover in rationalization and replacement measures. A similar level of investment is planned for the current fiscal year.

Let me get one thing clear. Our home region, Swabia, is well known for the thriftiness of its people, and TAKKT is no exception. We always seek to save money, in good times and in bad times alike. But we would never cut costs where this would jeopardize the efficiency and future of TAKKT. Our systems business helps us keep investments at a low level. Our youngest subsidiary in Japan is a good example. KAISER + KRAFT Japan uses the software of KAISER + KRAFT EUROPA running on the Stuttgart-based server. Apart from some minor investments in monitors and printers, investments in expensive software and hardware were not required in Japan.

Ladies and gentlemen, when we recall what I said before, our business performance in the past fiscal year definitely gives cause for optimism. TAKKT was able to achieve a satisfactory result despite the poor economic environment. This means that the concentration on our core competencies and our consistent international growth and portfolio strategy have again proven to be an extremely solid foundation for sustained corporate success.

Mail order business wins market share

I would like to say a few words about the development of the mail order sector in general. In Germany, the mail order sector is currently extremely successful, winning market share from traditional wholesalers and retailers. In 2002, mail order companies accounted for an increased share of 6 percent of the total distribution volume. Similar trends have been reported from other countries. Customers have come to appreciate the much improved product ranges, reduced ordering costs and the clearly improved service quality. The continued strong increase in personnel costs in the traditional wholesale and retail sectors will also contribute to sustainable growth in the mail order sector going forward.

Now that I have summarized the overall performance of the Group in the past fiscal year, let's take a look at the individual TAKKT divisions.

TAKKT product portfolio – powerful brands, unique service

KAISER + KRAFT EUROPA, Topdeq and K + K America mean TAKKT AG has a unique portfolio of over 100,000 products, which is complemented by an exceptional service. Let me briefly explain the focus of the three divisions:

- KAISER + KRAFT EUROPA offers more than 30,000 products for the transport, warehouse, plant, environmental protection and office sectors. The company has a presence in 20 countries, since May 2002 also in Japan, and employed 880 full-time employees at year-end.
- Topdeq focuses on design-oriented office equipment and accessories. The company markets over 2,000 products in five countries and has 235 full-time employees.
- K + K America offers over 68,000 products for the transport, warehouse, job safety, package, food service and catering industries and has a presence in three countries, including Mexico since January 1, 2003. As of year-end 2002, the company had 772 full-time employees.

I would now like to outline the business performance of KAISER + KRAFT EUROPA, Topdeq and K + K America in the past fiscal year.

KAISER + KRAFT EUROPA – largest contribution to turnover, high profitability

As in the past, I would like to begin with KAISER + KRAFT EUROPA, which makes the largest contribution to total turnover. The division consists of KAISER + KRAFT, Gaerner, Gerdmans and KWESTO. In 2002, it contributed 46.9 percent to our total turnover. Against the background of the completely insufficient economic parameters, which mainly impacted our business in Germany, KAISER + KRAFT EUROPA was unable to maintain the previous year's turnover. At EUR 367.2 million, turnover was down by a moderate 4.2 percent on the previous year. The companies in France, Spain and Austria achieved above-average growth, while the companies in Germany, the UK, Finland and Norway reported declining turnover volumes.

EBITDA nevertheless rose to a record level of EUR 60.5 million, up 3 percent on the previous year. An EBITDA margin of 16.5 percent means KAISER + KRAFT EUROPA remained not only the largest but also the most profitable division of the TAKKT Group. This leading position is attributable to several factors:

- KAISER + KRAFT EUROPA mainly consists of well-established companies, many of which are market leaders and generate above-average margins.
- New start-ups continue to develop positively, so that the start-up years hardly weigh on the result. The Portuguese company even generated a positive result already in the past fiscal year.

- The start of KWESTO in Slovakia means the division's presence in Eastern Europe has been expanded, complementing the existing companies in the Czech Republic and Poland. The product ranges of the KEWSTO companies are targeted at small and medium-sized companies. The rapid success achieved in this fast-growing market shows that it was absolutely the right decision to establish a second company in Eastern Europe in addition to KAISER + KRAFT.
- As mentioned earlier, KAISER + KRAFT EUROPA has not least been able to optimize the gross profit margin by expanding its warehouse capacities. Strict cost management and cost savings generated additional earnings potential.

Topdeq – unable to offset weak business in Germany and Switzerland

Topdeq was affected much more strongly by the economic downturn and the very weak office furniture market than KAISER + KRAFT EUROPA. The mail order business for design-oriented office furniture and accessories reported a 4.4 percent decline in turnover to EUR 79.3 million.

This negative development is mainly due to the disappointing business situation in Germany and Switzerland. However, we had anticipated this trend and implemented cost savings as a counter measure. Despite these measures, we were unable to prevent EBITDA from declining to EUR 0.2 million.

Topdeq also reported some positive news in the past fiscal year, though. The new start-ups in France and the USA developed very favourably. Topdeq France reported above-average growth, while Topdeq USA clearly exceeded the ambitious targets against the general economic trend. Needless to say, this successful performance makes us optimistic.

Ladies and gentlemen, you may have asked yourselves why I haven't said anything about Internet-based sales yet, which are so important for our Group. I will do this now, for this fast growing distribution channel has been used particularly intensively by Topdeq customers. At Topdeq USA, online orders currently account for some 10 percent of the turnover, which makes Topdeq the leader in the TAKKT Group in terms of Internet use.

Internet – steady expansion as an additional sales channel

E-commerce has meanwhile established itself as an efficient sales channel for all three divisions of the TAKKT Group. At EUR 24 million, online business accounted for almost 3 percent of total turnover in 2002. This represents an increase of 55 percent over the previous year. While Topdeq and K + K America primarily concentrate on the Internet, KAISER + KRAFT EUROPA has also been increasingly successful at realizing joint e-procurement projects with major corporate customers. We anticipate that more and more customers will embrace the concept of "mouseclick ordering" in the future. The growth rates recorded in the first quarter of 2003 support this expectation.

K + K America – currency-related decline in reported turnover contrast with strong profitability

I would now like to report on our third division. K + K America is comprised of C&H Distributors, Avenue Industrial Supply, Conney Safety Products and Hubert. Reported in US$, K + K America's turnover held up well in the weak economic environment, with revenues remaining almost at the previous year's level at US$ 318.0 million and EBITDA increasing by 3.8 percent to US$ 30.5 million. While this result is not exactly phenomenal, it is not really bad, either. The picture looks not quite as nice following currency conversion to euros, given that the unfavourable exchange rate results in a 5.7 percent turnover decline to EUR 337.4 million. At the same time, EBITDA remained almost steady at EUR 32.3 million.

The relatively stable profitability of the US business is largely due to the performance of Hubert, the mail order company specializing on the less cyclically exposed services sector. Acquired in 2000, this company started to make inroads into the Canadian market in early 2002 and has been very successful there as well. Avenue Industrial Supply, too, continued to expand its business and was able to post a satisfactory result. Conney Safety Products saw its turnover decline slightly but nevertheless helped to stabilize the portfolio. The year was more disappointing for C&H Distributors which once again suffered from its dependence on customers in the manufacturing sector. This sector has been in a slump for quite some time, resulting in low replacement activities and first-time buys. However, past experience shows that such ordering behaviour leads to pent-up demand which will result in a boom once the economy picks up.

Human resources – capacity adjustments made

Against the background of the turnover decline, the TAKKT Group reduced its headcount slightly during the period. The already established companies were able to adjust their capacities through natural fluctuation. Jobs created at the newly established companies partly compensated for this decline in the headcount. At the bottom line, the Group employed 1,914 people worldwide on December 31, 2002.

We continue to attach the very highest priority to staff training also in difficult economic times, recognizing that our teams' professional and personal qualifications remain a key success factor for the TAKKT Group. I can tell you here and now that we will continue to invest in our human resources also in the future. This is not only because we consider this investment as vital for our Group's continued success but also because we believe that training young people for a role in working life is also part of our social obligation as a corporate citizen.

Speaking also on behalf of my fellow Board members and in the name of the members of the Supervisory Board, I would like to say a sincere thank-you to all employees of the TAKKT Group. We would not have been able to achieve our ambitious goals for 2002 without the exceptional dedication shown by our staff.

Group balance sheet – reduction in total assets

Now it is time to report on the effects which our business performance and the economic environment have had on our Group's balance sheet. Let us first have a look at the assets side:

Fixed assets declined clearly from EUR 414.6 million to EUR 358.6 million, reflecting both the exchange rate development as well as scheduled depreciation of goodwill, non-tangible assets and fixed assets. Current assets declined by 3.9 percent to EUR 154.4 million due to currency conversion reasons. As a result, total assets were down 9.9 percent to approximately EUR 540 million.

Group balance sheet – equity ratio strengthened

On the opposite side of the balance sheet there are two developments which should be noted. First, we were able to strengthen our equity to EUR 149.6 million, raising the equity ratio from 24.8 percent to 27.7 percent. Second, TAKKT AG was able to clearly reduce its debt in EUR terms. Interest-bearing liabilities amounted to EUR 291.3 million on the balance sheet date, compared to EUR 357 million on December 31 of the previous year.

Ladies and gentlemen, in the last few minutes I have provided you with a wealth of data on the business performance of the TAKKT Group in the last year. This sheer amount of information is certainly not easy to remember so please allow me to briefly summarize some of the key developments:

- The profitability of the TAKKT Group has continued to increase despite a moderate decline in turnover.
- The further improved cash flow ensures our continued independence and creates a solid foundation for continued growth.
- The structure of our balance sheet has once again improved.
- More that 200,000 newly recruited customers as well as the successful expansion into new regions prove that our B-to-B mail order business model allows for continued growth even in economically challenging times thanks to strong turnover and strong profitability.

Relocation – everything under a single roof

Dear shareholders, in a moment I will comment on the topic which is probably of greatest interest to you, namely the performance of the TAKKT share during the year. Before I come to that, I would like to provide some brief information on our relocation. In March of this year, we moved into a new building in downtown Stuttgart which now houses the head offices of TAKKT, KAISER + KRAFT EUROPA and KAISER + KRAFT GmbH. This relocation has not only improved internal cooperation between the individual units and departments but also allows for synergies which will eventually add value to the entire Group. And all this has been achieved at a highly moderate price, given that we have been able to keep the rent per square metre of office space at a stable level.

TAKKT 2002 – capital market and transparency

As I indicated a moment ago, I would now like to comment on our share price and our investor relations. As from the first quarter of 2002, TAKKT AG has reported to IAS International Accounting Standards. The figures for the previous years have been restated in order to make the periods comparable. This will make our company more transparent and a more attractive investment for international investors, in particular. Increased interest on the part of institutional investors demonstrated the effectiveness of our further improved disclosure policy already during the past year.

As a listed German company, TAKKT has committed to the German Corporate Governance Code which is designed to offer national and international investors a comprehensible summary of the principles underlying corporate governance and control in Germany. In accordance with section 161 of the German Stock Market Law, we have declared our compliance with the recommendations and suggestions provided by the code subject to the following two exceptions:

- The first exception relates to the creation of an audit committee. We see no need for our Supervisory Board to set up a separate audit committee. We firmly believe that the TAKKT Supervisory Board with its nine members is capable of performing its auditing tasks efficiently and effectively without setting up a separate committee.
- The second exception relates to the remuneration of the members of the Supervisory Board. We have drafted a resolution on a change of our corporate charter which will be put to a vote by you, our shareholders, today. We would ask you to endorse this resolution.
- However, our commitment to increased transparency is reflected not only in our adoption of IAS reporting standards and our declaration of compliance with the German Corporate Governance Code. Our completely redesigned TAKKT website, too, responds to the capital markets' heightened expectations, providing even more detailed information to all existing and potential investors as well as our creditors at the same time. In the future the so far made available printed form of the quarterly report will have to be done without, since many banks have stopped dispatching interim reports because of cost reasons. The quarterly reports will appear on our homepage and it is possible to request these at any time.

Performance of the TAKKT share reflects weak economy

The continued unfavourable stock market climate and the political and economic uncertainties impacted our share price performance in the past fiscal year. The TAKKT share began the year at EUR 6.00 and was able to isolate itself from the negative stock market trend in the first few months of the year. The price performance was in line with the company's turnover and earnings situation. In the following months, however, growing uncertainty in the equity markets and the uncertain political and economic developments put the price under pressure. The convertible bond of the AXA insurance group, which will be due for conversion in November of this year, may also have had a negative effect on the share price. In any case, the strong cash flow and the high profitability of TAKKT AG were unable to halt this negative trend. As of the balance sheet date, the share price stood at EUR 3.51, which was an unsatisfactory level. By the end of April 2003, however, the share price had increased noticeably. At EUR 4.35, the company value was up by over 24 percent.

Although earnings per share increased to 33 cents, the Managing Board and the Supervisory Board recommend that the dividend be left unchanged at 10 cents per share. Our key objectives include accelerating our growth through new start-ups and fitting acquisitions, winning market shares in established markets and repaying our debt as scheduled. A payout ratio of 30.7 percent will enable us to achieve these objectives. At the same time, we would ask you to approve the stock repurchase program.

TAKKT stock repurchase – Background, use and procedure

I would now like to explain to you what TAKKT intends to achieve with the help of the 18-month stock repurchase program for a maximum of 10 percent of our shares.

A convertible bond issued by the AXA Group for conversion into GEHE and TAKKT shares will become due in November of this year. We very much welcome conversion of the bond into TAKKT shares, which will make it possible to increase the free float by up to 10 percent.

We know from numerous meetings with institutional investors that the latter are strongly interested in TAKKT shares resulting from the conversion.

In order to balance supply and demand at a stable market price, we will actively approach interested investors in and before November in order to inform them of the possibility to buy TAKKT shares. A 7-day roadshow will take us to London, Paris, Edinburgh and Frankfurt in November.

However, experience gained in recent years has shown that the capital market is not always able to take up additional shares at the required time or to the required extent. It can therefore not be ruled out that the conversion may lead to increased selling pressure, which may impact the price of the TAKKT share even though this may not be justified by the fundamentals.

Given that the Managing Board attaches great importance to preserving the value of the TAKKT share, we want to take a pro-active approach to the conversion process. We would therefore ask you today to approve the stock repurchase program proposed under item 7 of the agenda.

Let me reiterate – it is our absolute priority to use the conversion of the AXA shares to increase the free float. Only if the capital market is unable to absorb these shares will we take action and use the shares as acquisition currency.

TAKKT 2002 – Internationalization strategy

It is the declared objective of the TAKKT Group to push ahead and expand its core business, i.e. B-to-B mail order, on the basis of a consistent internationalization and growth strategy.

Basically, we can take two approaches: acquisitions or new business start-ups, the main differences being the risk and the business volume. With the exception of the high investments in catalogues, the expenses incurred for start-ups are quite moderate, given that the business volume tends to develop relatively slowly. In the case of an acquisition, you get the volume immediately, but the risk is much higher.

We will consider an acquisition where a market is already occupied by some good mail order companies and the product range meets our requirements (equipment, price-insensitive). Also, the business model would have to be transferable to other markets and regions.

A new start-up will be considered where a thorough market analysis fails to identify a suitable acquisition target or where a given market is still in the development phase for B-to-B mail order business.

TAKKT 2002 – phased expansion programme for Japan

Our launch in Japan exemplifies a situation where it makes sense to start a company from scratch. Needless to say, we are aware that it is virtually impossible to conquer a highly developed market such as Japan "overnight". This is why we decided to bring a "learning" approach to this challenge and to implement an expansion programme consisting of three phases. Up to 2004, KAISER + KRAFT Japan will focus on developing business in the Kanto region; this is also where the capital, Tokyo, is located. The Chubu region will then be tackled in 2004 and 2005. This will be followed by a move into the Kansai region. Accounting for two thirds of Japan's economic output, these three regions are particularly attractive for our company. As KAISER + KRAFT Japan grows geographically, the local product range will also be expanded. We consider this expansion a logical step in our consistent development, all the more so as we now have achieved almost full geographic coverage of the European and North American markets for plant and warehouse equipment.

Outlook for 2003

Ladies and gentlemen, before I conclude my presentation I would like to share with you our outlook for the current year. Let me start with a look at the first quarter of 2003:

Our profitability in the first quarter was strong, with the EBITDA margin rising from 11.5 percent to 12.3 percent at Group level. In euro terms, EBITDA declined slightly to 23.5 percent (23.7); this was exclusively exchange-rate related. The pre-tax result improved by nearly 14 percent to EUR 13.1 million, compared to EUR 11.5 million for the same period last year.

KAISER + KRAFT EUROPA remained the strongest division in terms of turnover volume, posting an 1.9 percent increase in revenues and a disproportionate increase in profits. Despite good growth figures in France and the USA, the Topdeq group reported another decline in profits as a result of the unsatisfactory development of business at the German, Swiss and Dutch operations; turnover declined by 9,0 percent to EUR 19.2 million. In contrast, the K + K America group recorded increasing turnover and profits in US$ terms; turnover was up 2,1 percent to US$ 79.3 million while the EBITDA margin improved from 8.2 percent to 9.6 percent. Adjusted for currency conversion effects, first-quarter turnover was up slightly. Reported in euros, however, turnover declined by 7.2 percent.

Ladies and gentlemen,

the structure of the first quarter provides an indication for the full financial year 2003. The development of our business is very much influenced by the economic environment. However, trading conditions have not improved as originally expected. Many required reforms have been postponed and watered down not only in Germany. Confidence has declined even further and the growth rates expected for 2003 are already being corrected downwards again.

In view of this situation, which the Board believes will persist through the entire year 2003, and considering the imponderables resulting from the dollar/euro exchange rate, we feel that it would be unprofessional to present a detailed forecast at this time. Our motto has always been to put "quality before quantity", which is why we now consider zero growth – defined as organic growth adjusted for currency conversion effects – an ambitious yet realistic target. The 3 to 5 percent growth target mentioned in our annual report cannot be maintained in light of the current and expected circumstances.

The profit outlook is different and better. Even assuming zero organic growth after adjustment for currency conversion effects, we are confident that we will be able to achieve an EBITDA margin between 10 and 12 percent in 2003 – even though we will have to absorb the start-up losses in Japan and Mexico. The newly established Kwesto subsidiary in Hungary mailed its first catalogue this week, meaning that our company is well positioned to benefit from the coming EU enlargement. Topdeq USA will expand its successful business from the 24-hour radius to the 48-hour radius. While all these projects broaden the basis for future success, they initially cause the well-known start-up losses.

Now you may be wondering how TAKKT intends to meet these ambitious goals and targets. Well, I can answer to this question openly and clearly.

First, we operate a highly successful business model. Second, our companies will continue to adjust their capacities and expand their core competencies in the months ahead. This means we will continue to optimize our product ranges while enhancing what is already an outstanding level of service. In addition to our extensive customer recruitment efforts, our newly established companies will also contribute to the expansion of our customer base, allowing TAKKT to add even more value to the benefit of the company and its shareholders. So we will not have to change our business model – we merely need to take into account a change of priorities. In line with our previously mentioned motto, “quality over quantity”, the pursuit of risky growth plans is currently less important than the protection of our profitability.

And this is what we are going to work for very hard.

Thank you very much for your attention.