

3rd Annual General Meeting of TAKKT AG 7 May 2002 in Ludwigsburg

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

Only the spoken word applies

Dear shareholders,
Dear shareholder representatives and representatives of the press,
Ladies and gentlemen,

I would like to welcome you warmly to the third Annual General Meeting of TAKKT AG here in Ludwigsburg.

After an absolutely record-breaking year in 2000 in which we were able to grow at an above-average rate in all areas, from turnover to earnings, the business development of the TAKKT group was negatively affected by the world-wide economic situation in 2001.

It was clear that the year 2001 was going to be difficult. But it was impossible to predict the severity of the economic downturn. Despite the negative environment, however, we were able to assert ourselves well and further strengthen our position in the markets.

Performance in a difficult market environment

Five points demonstrate this clearly:

Firstly: Our group turnover rose by 8 percent to EUR 824.1 million.

Secondly: At 10.2 percent, the EBITDA margin was in our long-term target corridor of 10 to 12 percent and therefore remained relatively stable.

Thirdly: Through our improved and increased advertising, we were able to acquire around 250,000 new customers in 2001.

Fourthly: We replicated our successful business model in new regions, thus laying the foundation for further growth.

Fifthly: We were able to strengthen our equity ratio considerably in the year under review. In light of the weak economy, the negative organic growth of 3.7 percent - adjusted for currency effects and the acquisition of Hubert - was still respectable. Compared to the record growth rate of the year 2000, however, it is somewhat disappointing.

The decrease corresponds closely to the overall development of the economy.

After the economic situation in the USA had become increasingly overcast in the fourth quarter of 2000, the government, economic institutions and we ourselves expected a soft landing to the boom phase that had lasted for years.

At this time last year, we still expected to be able to compensate for the dent in the US economy through our business in Europe, which had been developing well up to that point, and to achieve a double-digit growth in turnover.

The fact that we fell just short of fulfilling our prognosis can be attributed primarily to the extent of the economic decline, which could not have been foreseen and which was even misjudged by economists.

Change in the estimated GDP 2001

You may remember that the economic institutes repeatedly scaled down their forecast gross domestic product for Germany, the euro countries and the USA.

The events of September 11 aggravated the situation. Economic recovery was delayed. Because of this, the USA achieved real growth of only around 1.1 percent in 2001. In the year 2000, this figure was 4.1 percent.

The global economy could not escape the effects of the downward trend of the weak US economy. Europe, and Germany in particular, was affected by this negative trend more quickly than anticipated. Normally, economic phases move from the USA to Europe with a certain delay. This was not the case in 2001. On the contrary: for the first time, there was nearly parallel development.

This was a decisive factor for our business. This exceptionally short 'time lag' made it difficult for us to compensate completely for the downturn in the USA, despite our numerous regional pillars of support. In Europe, the GDP declined from 3.4 percent in the year 2000 to around 1.5 percent; in Germany, it declined from 3.0 percent to 0.6 percent.

Because the processing industry was hit particularly hard by the economic slump in both the USA and Europe, this effect also impacted us, as we generate around 50 percent of our turnover with the processing industry in North America and Europe.

Effects of the economy

Allow me to explain briefly how economic development affects our value and growth drivers.

Our value and growth drivers include the average order value, the purchasing frequency of our customers and our successful acquisition of new customers. Average order values and purchasing frequency generally decline in a slowing economy. Analogue to this, order values and purchasing frequency increase again in positive economic phases.

This is not the case with gross profit, however. Our concentration on stable products in a fragmented supplier market allows our gross profit margin to remain relatively stable. A lack of large orders, which are usually accompanied by discounts, can therefore actually lead to an increase in the gross profit margin.

Relatively independently of the economy, we acquire new customers every day and thus lay the foundation for future success. In good phases, we can interest more customers in the mail-order business than we can in bad phases. Thanks to improved advertising, greater circulation and an optimised product palette, we were able to increase our market share in the past financial year and acquire around 250,000 new customers. Our customer base currently comprises 2.4 million customers.

Now that I have discussed these economic effects on our value drivers, I would like to explain the TAKKT group figures in more detail.

Growth through Hubert

Declining demand - measured by decreasing order values and quantities of items sold - together with the first full-year's consolidation of Hubert brought about a below-average increase in turnover. Group turnover rose by 8.0 percent to EUR 824.1 million, after reaching EUR 762.8 million in the year 2000. However, we did not attain our long-standing average growth rate of 15 percent.

Turnover by regions

Our regional distribution of turnover and the distribution of turnover across the three divisions did not change fundamentally in 2001:

Germany contributed 25.3 percent to overall turnover, after accounting for 28.6 percent in the year 2000. The rest of Europe remained nearly constant with 30.7 percent. Despite the recessionary phase in the USA, we were able to increase the share of turnover in North America by 3.5 percent to 44.0 percent, thanks to Hubert.

Turnover by divisions

Turnover was distributed across the individual divisions as follows: KAISER + KRAFT EUROPA accounted for 46.5 percent of turnover. The Topdeq group contributed 10.1 percent. K + K America increased its share to over 43 percent. The negative organic growth of the established US companies was more than compensated for by the first-time consolidation of a complete year's results of Hubert.

Turnover by product groups

The share of turnover attributed to business equipment was further reduced by Hubert. Our medium-term goal here is to achieve a turnover share of around 50 percent with the other product groups in order to reduce our dependence on the processing industry.

However, this does not mean that we are going to withdraw entirely from the 'business equipment' product group. We still see enormous opportunities for the mail-order business in this area. But it is apparent that the service industry is becoming increasingly important both in western Europe and North America. We have already reacted to this with the acquisition of Topdeq and Hubert. The accelerated expansion of the 'office equipment' product line will give us additional support in the achievement of our goal.

EBITDA: Positive margin despite new companies and weak economy

With our high gross profit margin, the weaker growth in turnover had a significant effect on our earnings figures.

The EBITDA (earnings before interest, taxes, depreciation and amortisation) fell slightly for the first time in many years, from EUR 87.6 to 84.0 million. This decline was influenced by various factors:

On one hand, the EBITDA was affected by the planned start-up losses for the newly established Topdeq USA, KAISER + KRAFT Portugal and KWESTO Poland, the distribution of the new office catalogue from C&H Distributors in the USA and the cost of mailing the first Hubert catalogue in Canada and KAISER + KRAFT catalogue in Ireland.

At the same time, the decline in the turnover of some of the established companies had a negative effect on the EBITDA.

Cost-cutting measures and an increase in the gross profit margin could not completely compensate for these effects. Nonetheless, at 10.2 percent, the EBITDA margin remained in our long-term target corridor of 10 to 12 percent, as expected.

The decrease in the EBITDA was therefore caused by the decline in organic growth and by our consistent growth policy, to which we remained true in the year 2001.

For years, we have consistently and logically applied our duplicable systems approach with an increasingly diversified product palette to new regions, as well as selected new market and customer segments.

EBIT and earnings before taxes

It is difficult to compare the development of the EBIT (earnings before interest and taxes) and the earnings before taxes in this time period.

Spin-off related interest expenses and the amortisation of goodwill have affected our figures since the middle of 1999. In the year 2001, the planned amortisation of Hubert's goodwill and interest charges arising from the acquisition also impacted the EBIT and the earnings before taxes.

The slowdown in business in the USA and for Topdeq Germany also negatively affected the EBIT and the earnings before taxes.

Profits after tax

The effects mentioned, together with a slight increase in the taxation ratio due to the non-deductible start-up losses for the new companies, caused profits after tax to decline from EUR 33.6 million in the previous year to EUR 18.9 million in the year under review.

The earnings per share decreased from 46 cents in the year 2000 to 26 cents in the year under review.

Ladies and gentlemen, we are not satisfied with the result for 2001.

However, I can assure you that our business model continues to function well and that the newly established companies, the acquisition of Hubert and the continual improvement of our product range and service offers will enable us to report better figures in the near future. Recessionary phases in past decades have shown this to be true.

Share: Reflecting the weakness of the economy

The rough climate on the stock market and the weakness of the economy, primarily in the USA, also affected our share price last year. As of the balance sheet date, our share was listed at EUR 5.85. The opening price of 2001 was EUR 9.50.

Our activities in the US were undoubtedly a key factor in the restraint of investors. The events of September 11 reinforced investors' avoidance of

American shares and companies with an appreciable amount of business activity in the USA - such as ourselves.

Although the economic repercussions of the terrorist attacks had only a limited effect on the TAKKT group, some investors were clearly worried. The economy in Europe, which has been slowing down since the middle of 2001, is counteracting the trend towards recovery in the USA that has been apparent for several weeks, and this has prevented our share from rebounding more strongly.

However, with yesterday's opening price of EUR 6.65, we have managed to perform better than the S-DAX since our IPO in September 1999. This is, among other things, the result of our intensive investor relations work and our prompt and open information policy.

For example, last year we pointed out the negative development of business in the USA early on and we openly reported on the economic slowdown in Europe. As mentioned earlier, only the intensity of the downturn caught us somewhat by surprise.

With a market capitalisation of around EUR 485 million, we remain a heavyweight in the SMAX quality segment.

Despite the unsatisfactory result, the management board and supervisory board propose to pay an unchanged dividend of 10 cents per no-par value share. The dividend rate therefore amounts to 38.5 percent. We will use the unappropriated retained earnings to strengthen our equity and invest in the further expansion of our business.

After this overview of the turnover and results of the TAKKT group, I would now like to discuss the development of the individual divisions in more detail.

KAISER + KRAFT EUROPA

First of all, let us look at KAISER + KRAFT EUROPA: Despite the overcast economy in the second half of 2001, KAISER + KRAFT EUROPA once again achieved the greatest share of turnover, with 46.5 percent. Turnover increased by 4.6 percent to EUR 383.3 (366.4) million.

The individual groups - KAISER + KRAFT, Gaerner, Gerdmans and KWESTO - were therefore able to consolidate their already strong position in the B2B mail-order market for office, business and warehouse equipment. Through an improved product palette and expanded service - the result of the commissioning of the expansion of our European central warehouse in Kamp-Lintfort - we were able to prove our competence and acquire new customers.

The companies in Switzerland, Italy, France and Hungary contributed the most to the increase in turnover.

Besides doubling the warehouse capacity in Kamp-Lintfort, other highlights of the year 2001 included the establishment of KWESTO Poland and KAISER + KRAFT Portugal.

The products of KWESTO Poland and KWESTO Czech Republic are aimed primarily at the market requirements of small and mid-sized companies in eastern Europe. Both KWESTO Czech Republic, which was established in the year 2000, and KWESTO Poland completely fulfilled our expectations in the year under review.

With the establishment of KAISER + KRAFT Portugal, we will now be able to offer our Portuguese customers an even better and more effective service. These customers, who were served from Spain until the middle of 2001, are already rewarding our efforts. We expect at least a balanced result for the year 2002.

In addition to these newly established companies, KAISER + KRAFT products have also been available to companies in Ireland since the middle of 2001. In the past financial year, KAISER + KRAFT Great Britain sent catalogues to Irish companies for the first time. Here, too, the initial reactions have been very positive.

The excellent quality of the results from previous years was increased again in the year under review. Thanks to an improved gross profit margin and stable distribution and administration costs, the EBITDA grew at an above-average rate compared to the increase in turnover. With an EBITDA margin of 14.5 percent, the group achieved its highest level to date. Net income increased by 12.0 percent, from EUR 22.3 to 25.0 million.

Topdeq: Special effects and economic strain

For the first time in the company's history, the Topdeq division recorded a decrease in turnover.

Turnover fell by 4.8 percent from EUR 87.1 to 82.9 million. The EBITDA shrank from EUR 8.4 to 0.4 million. There were various reasons for this:

Firstly: In the past, many young companies - particularly those in the 'New Economy' - showed a great demand for the design-oriented products from Topdeq. The logical consequence of the weak performance of these companies was a decrease in order volume for Topdeq.

Secondly: The comparison year 2000 was exceptionally good thanks to the 10-year anniversary of Topdeq, which was accompanied by special marketing and sales activities. The high additional turnover that was achieved in this way could not be upheld in 2001.

Thirdly: In addition to weak growth overall, Topdeq Germany was also faced with increased competition compared to the year before as other companies in the field tried to copy Topdeq's successful business model.

Fourthly: On account of the economic situation, considerably fewer new companies were established.

These circumstances led to weak economic development, particularly in Germany and Switzerland, and therefore to a decline in the EBITDA. Together with the planned start-up losses for Topdeq USA, the EBITDA fell by EUR 8 million.

There is good news regarding the newly established companies:

In its first operative financial year, Topdeq USA was able to perform well from the start, despite the economic slump. The European office design met with a great response from our American customers. Topdeq USA was able to maintain this good development in the first months of 2002. Topdeq France, which was launched in the year 2000, also continued to develop as expected.

Due to the large increase in turnover from 1998 to 2000, warehouse capacity in Pfungstadt was completely exhausted and we were forced to rent additional storage space. Therefore, in 2001, work commenced on the expansion of the Topdeq central warehouse in Pfungstadt. With this investment, we have ensured that we will continue to be able offer Topdeq products to our customers with the

high level of service to which they are accustomed. At the same time, the enlarged warehouse will strengthen our starting position for further expansion. We will invest around EUR 11 million in warehouse equipment and new software. The building itself will be rented. The expansion will be completed in autumn of this year.

In the current and coming year, Topdeq will offer new, high-quality design products and will continually expand its already high level of service, which will enable it to further distinguish itself from competitors, particularly in Germany.

We will further strengthen our position on the market with an improved product range, an attractive catalogue and our new, customer-friendly website, which we developed in 2001 and which went live in the USA in March of this year. With its interactive 'Find - Look - Buy - Mix' offer, the new website makes it considerably easier for customers to make purchases. In 2001, the Topdeq website received an award for the third time. At the New York Festivals, the most important international communications competitions, the site won the gold medal in the 'Product Advertising' category. A total of 6,400 works from 64 countries took part in the competitions.

As mentioned earlier, the net income reflected the negative business performance of Topdeq Germany and the planned start-up losses for Topdeq USA and Topdeq France. Without these start-up losses, the Topdeq group would have achieved a positive net income.

K + K America

Now to our third division: K + K America. Due to the first full-year's consolidation of Hubert, K + K America increased its turnover by 15.7 percent compared to the year before. Turnover rose from EUR 309.3 to 357.9 million. Without Hubert, turnover would have amounted to EUR 255.5 million. Adjusted for Hubert and price effects, organic growth came to minus 14.1 percent.

Hubert, the mail-order company offering equipment and supplies to food service retailers and the food service industry, was acquired in October 2000 and has since been integrated successfully in the group. In the year under review, the company achieved good results and was able to distance itself largely from the downward trend on the US economy.

The other K + K America companies were affected by the difficult economic environment to a varying extent. Conney Safety Products and Avenue Industrial Supply were able to escape the negative trend in part, while the largest company, C&H Distributors, was hit the hardest. With around two-thirds of its customers coming from the processing industry, the economically determined problems of this customer group were evident in the business performance of C&H.

The two new K + K America projects fulfilled our expectations to varying degrees:

The new office catalogue from C&H, which offers traditional office furniture with a swift delivery service, has not yet entirely lived up to our expectations. Due to the recessionary phase in the economy, the new customers that C&H aimed to attract were very restrained in their purchasing behaviour.

On the other hand, the first Hubert catalogue mailed to Canada was a complete success. We will therefore intensify our advertising activities there in 2002.

Our business involvement in North America left a definite mark on our financial statements in 2001. Nonetheless, we are firmly convinced that our international position is a good foundation for our future success. In the medium and long term, we intend to strengthen our position on the entire North American continent. This will include an expansion of our activities in Mexico.

Despite the unsatisfactory development of our established US business, we were able to maintain a nearly stable EBITDA thanks to Hubert. Due to the amortisation of Hubert's goodwill and the first-time full-year's interest charges in connection with the acquisition, profits after tax decreased to EUR 0.3 million. After record growth of over 34 percent in the year 2000, this is a significant decline.

However, what I said at the start regarding the entire group - 'Our business model is correct and sustainable' - also applies to the K + K America group in particular.

Through this recessionary phase, we have recorded a temporary decrease in turnover, but our business structures are still correct. By keeping our advertising efforts at a high level - and even increasing them - we are laying the basis for future growth with newly acquired customers and our existing customer base.

Cash flow: A solid figure and the strength of TAKKT

After this overview of the divisions, I would like to turn your attention back to the group.

For years, the earning power of our group has been characterized by a high cash flow. This was also the case in 2001. Despite the weakness of the economy, we achieved a solid figure of EUR 49.1 million. After a record year in 2000, when we attained a cash flow of EUR 55.1 million, this is still the second-highest cash flow in the history of the company.

Free cash flow: Positive again after years of high capital spending

Due to our continual investment in maintenance and rationalisation and the relatively low need for investment in our newly established companies, we achieved a high, positive free cash flow in 2001 of EUR 36.7 million. We therefore have sufficient liquidity to amortise debts as planned and finance the desired organic growth from earnings.

Capital expenditure normal

After the high capital spending of the past three years, which in 1999 was due primarily to the spin-off, spending in the year under review was back at a normal level. We invested a total of EUR 12.4 million. EUR 9.8 million was invested in tangible assets and EUR 2.6 million went to intangible assets.

Consolidated balance sheet: Strengthened equity

As mentioned earlier, we were able to strengthen our equity ratio. Our total assets decreased from EUR 569.3 million in the year 2000 to EUR 544.6 million in the year under review. This was due in part to planned depreciation and amortisation - primarily the amortisation of goodwill - and also to the decrease in trade debtors as a result of the economic situation.

Our provisions remained nearly unchanged. On the other hand, we were able to reduce our liabilities by over EUR 36 million.

Equity increased from EUR 128.1 million to EUR 139.5 million as of 31 December 2001. The equity ratio therefore rose from 22.5 to 25.6 percent in the year under review.

Employees: Increase through warehouse expansion and new companies

Analogue to our business development, we only marginally increased our personnel capacity. New employees were hired primarily for the newly established companies and our warehouse expansion in Kamp-Lintfort.

As of 31 December 2001, the TAKKT group had 1,964 full-time employees. There were 1,931 employees as of 31 December 2000. This is an increase of 1.7 percent.

Our employees are an important value driver in the TAKKT group. We therefore invested nearly EUR 1 million in the training and further education of our staff in the year under review. These measures included seminars for managers and specialised seminars for our employees in sales and information technology. In addition to training our own staff, the TAKKT companies also train young people for professions as wholesale and export merchants or industrial mechanics in the area of industrial engineering. TAKKT also works together with the Berufsakademie (an institution combining teaching and on-the-job training) to train qualified business administrators in the area of trade.

Our business success is largely determined by well-trained and motivated employees. Therefore, we will continue to invest large amounts in this area in the coming years.

At this point, on behalf of the entire management board and supervisory board, I would like to thank all of our employees for their commitment to TAKKT.

Risk management and corporate governance

Allow me to say a few words about risk management and corporate governance.

For many years now, risk management has been an important part of our day-to-day work in the TAKKT group. It is also an important focal point for the examination of our long-term strategic goals. Changes due to the effects of economic policies or the activities of our competitors are always thoroughly analysed and evaluated.

Through regular audits during the financial year which are carried out by our local auditors - and also by the group auditors for particularly important or new companies - and through internal audits, we ensure that potentially undesirable developments are recognised quickly and remedied.

We are committed to the corporate governance code recently established by the government commission. It has enjoyed a high level of acceptance in both the supervisory board and the management board.

TAKKT strategy: Unchanged and sustainable

The current situation is unsatisfactory. However, it cannot and will not lead us to make hasty decisions.

We have naturally analysed our medium and long-term goals and examined the strategy we have presented to you in the past two years. After this detailed examination, we see no need to change our business model. Our strategy is correct and sustainable:

Newly established companies

We want to continue to expand our existing successful business by establishing new companies. We plan to implement two projects this year.

Firstly: With the KWESTO group, which currently consists of KWESTO Czech Republic and KWESTO Poland, we will now offer KWESTO products to a third country: Slovakia.

The potential in Slovakia is relatively small, but the existing structures of the former Czechoslovakia will keep our investments and start-up losses within a reasonable range.

Secondly: The second project is much more significant all around. KAISER + KRAFT will begin activities in Japan. Many of you will not be surprised by this, as we never ruled out such a move in the past.

After more than two years of preparation time, we plan to introduce the first catalogue to the Japanese market at the start of 2003. We will achieve this by our own efforts and with our own know-how, as we have done so often in the past. As a result of our research and numerous negative examples, an acquisition or a joint venture was out of the question for us.

We are fully aware that this will be a more difficult project, particularly as the language and culture of Japan differ considerably from that found in European countries. We will therefore enter the market with a selected range of products. In doing so, we will limit our risk and make it possible to guarantee the necessary high level of service right from the start. We find it promising that mail-order business is steadily increasing in popularity in Japan, both for consumers and in the area of B2B, and that new market participants are entering the mail-order business successfully. Traditional distribution structures are gradually opening up in Japan right now. We see a good opportunity for our business model here.

The potential for our range of products in Japan is twice as large as that in Germany. This is yet another argument in favour of making the leap to Japan.

Acquisitions

In addition to these two concrete projects, we are not ruling out further acquisitions in the future. We will not rush into anything, of course, but instead carefully examine and select concrete opportunities.

Advertising / Product range

The catalogue, with its well-developed and competent range of products, is our big seller. In addition to expanding our address files, we will update and improve our catalogues with the intent of becoming even more successful and profitable.

E-Commerce

E-commerce has now established itself as an additional distribution channel in all three divisions.

Topdeq and K + K America are increasingly concentrating on the Internet, and KAISER + KRAFT EUROPA has additionally realised a number of very successful e-procurement projects with large customers and groups of companies.

We expect turnover of around EUR 30 to 35 million in the area of e-commerce in 2002. The share of turnover here will amount to nearly 4 percent.

Service

The mail-order business traditionally grows more strongly than the overall market. In addition to the value drivers already mentioned, service is another important value driver in our business. While our suppliers concentrate on developing and manufacturing products, our focus lies entirely on service.

We work continually to increase our customers' loyalty to us by offering them even better service. Regular customer surveys and our quality management systems give us important insight into the needs of our customers.

New accounting standards: Changeover to IAS

Before I reach the end of my comments, I would like to inform you of the effects of the change in our accounting practices from the German Commercial Code (HGB) to International Accounting Standards (IAS).

For companies listed in the DAX, the changeover to IAS must be made by the year 2005 at the latest. For companies listed in the SMAX quality segment, however, the changeover is required to take place as of the year 2003. The first quarterly report for the year 2002 prepared in accordance with IAS was published on May 3. For better comparability, the figures from the previous year were also adjusted to meet the new accounting standards.

Due to the nature of our business, this changeover from accounting in accordance with HGB only substantially affects our annual figures. Up to now, advertising expenses had to be posted to expenses on the day the catalogue was sent out. IAS, however, stipulates the 'matching principle'. This means that advertising expenses must be reported in the accounting period in which the revenue from the advertising is earned. From the reports of past years, you could see that despite a relatively even turnover per quarter, the results differed greatly. This was caused by the high advertising expenses in the first quarter and the relatively low expenses in the last quarter of a year.

In comparison with this, the other changes are marginal, particularly since the spin-off and the nature of our acquisitions - primarily asset deals - mean that we are not significantly affected by the requirement to disclose the amortisation of goodwill in the profit and loss account.

If you have any questions on this change in reporting, please feel free to ask them afterwards. You can also find further details about the changeover and its effects on our website.

To bring my comments to a close, I would like to address the outlook for the year 2002.

1st quarter of 2002 and outlook for 2002

By and large, the year 2002 began as we expected and as we had informed you it probably would:

The economic downturn continued in Europe, and in all probability the low point was reached in the USA in the first quarter. Both factors together had a noticeable impact on our business development. In addition to the negative economic environment, it should also be noted that the first quarter of 2002 had two fewer working days than the year before, which put an additional 3 percent burden on the turnover of the quarter.

Turnover in the TAKKT group decreased by 8.4 percent to EUR 206.0 million. The KAISER + KRAFT EUROPA group was affected most strongly by this, with an 11.5 percent decline in turnover. Thanks to the good development of Topdeq USA and the satisfactory development of Topdeq France, the turnover decline in Germany and Switzerland was partially counterbalanced. With a 2.6 percent overall decline in the turnover of the Topdeq group, however, our expectations were not completely fulfilled. Although the K + K America group is still experiencing negative growth, as expected, its performance has improved as compared to the second half of 2001. The 10.9 percent decrease in turnover on a dollar basis corresponded to our plans.

Despite the cost-cutting measures introduced in 2001, the lack of gross profit due to the decline in turnover could not be counterbalanced, particularly since we expanded our advertising activities once again. Our earnings figures declined correspondingly, particularly for KAISER + KRAFT EUROPA and K + K America.

We estimate that business will develop as follows: An increasing number of indicators in the USA are pointing to economic recovery. We have felt this ourselves for several weeks. We are therefore certain that we will once again achieve positive growth rates in the second half of the year. Whether this will lead to growth for the entire year depends on the intensity of the economic rebound.

For Europe, the outlook is somewhat different:

Here, we anticipate a delay in the improvement of the economic situation, particularly in Germany. In accordance with this, we expect the second and third quarters to still be somewhat unsatisfactory from our point of view.

On the basis of last year's experience - I am referring to my comments on the prognosis for economic development in the year 2001 - we are not acting on the assumption that the world economy will suddenly make a strong recovery.

We cannot give credence to reports that the trend has already reversed in Germany, particularly as a long-lasting strike in the metal industry will further delay an upswing in the economy. On the basis of development in the first quarter of 2002 and the anticipated moderate recovery in the second half of the year, we have oriented our operative business policy towards zero-growth and adjusted our savings goals in the area of overhead costs to fit the current situation.

Even if business development stagnates, we expect the EBITDA and all other earnings figures to show a slight improvement over financial year 2001.

If the recovery comes somewhat later than economists are currently predicting, we will achieve significantly better results in the year 2003.

In the mean time, we will implement all possible measures to increase our earnings and improve our market position.

We are looking towards the future with great optimism.

Thank you for your attention.

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