
TAKKT AG



**Analyst Presentation of TAKKT AG
on 14 April 2000 in Frankfurt**

Contents

| Year 1999

| Financial Statements

| E-Commerce Strategy

TAKKT AG

Year 1999

Highlights 1999 – Re-structuring, spin-off and IPO



■ Re-structuring of the Mail Order Division

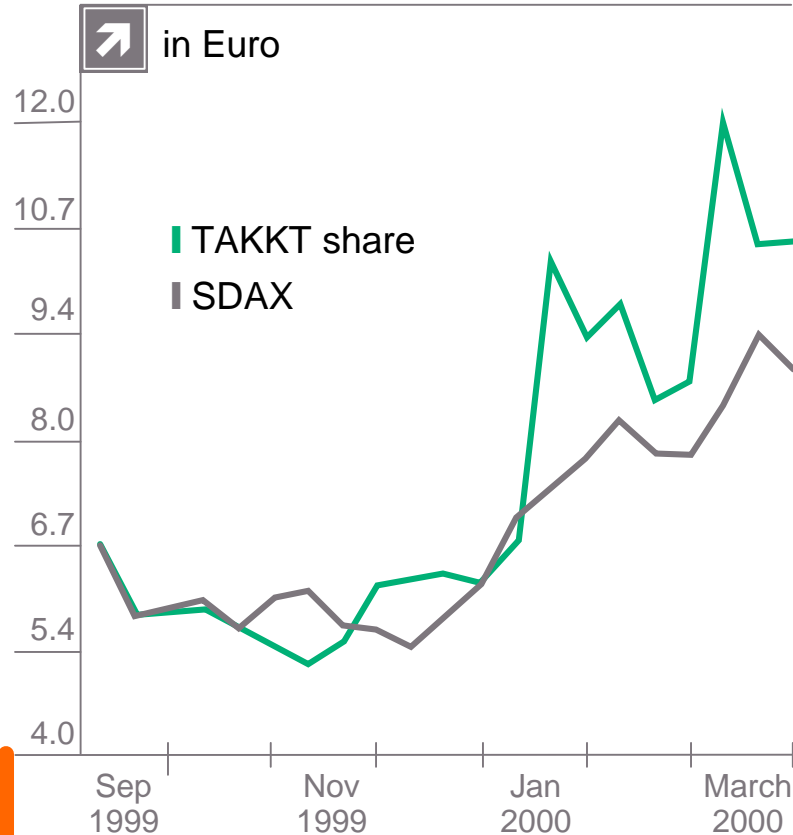
■ Foundation of TAKKT AG

■ Spin-off of the former Mail Order Division from GEHE AG to TAKKT AG

■ TAKKT AG is listed on the stock exchanges in Frankfurt and Stuttgart

The TAKKT share – Good performance and further growth potential

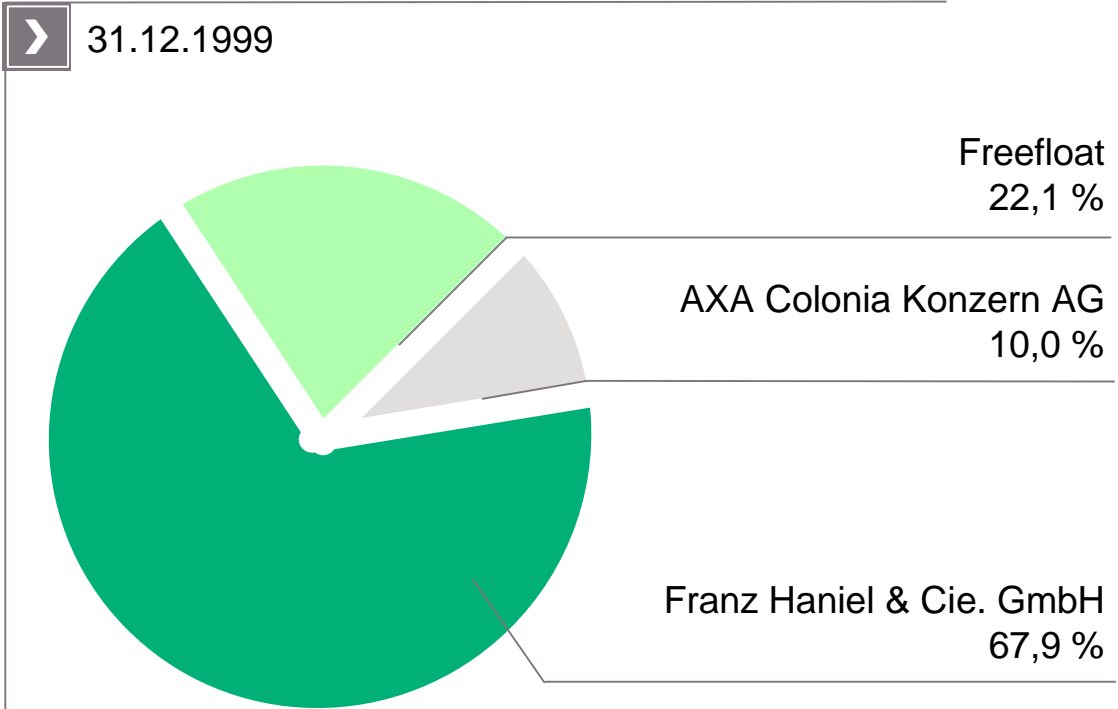
SHARE PRICE PERFORMANCE



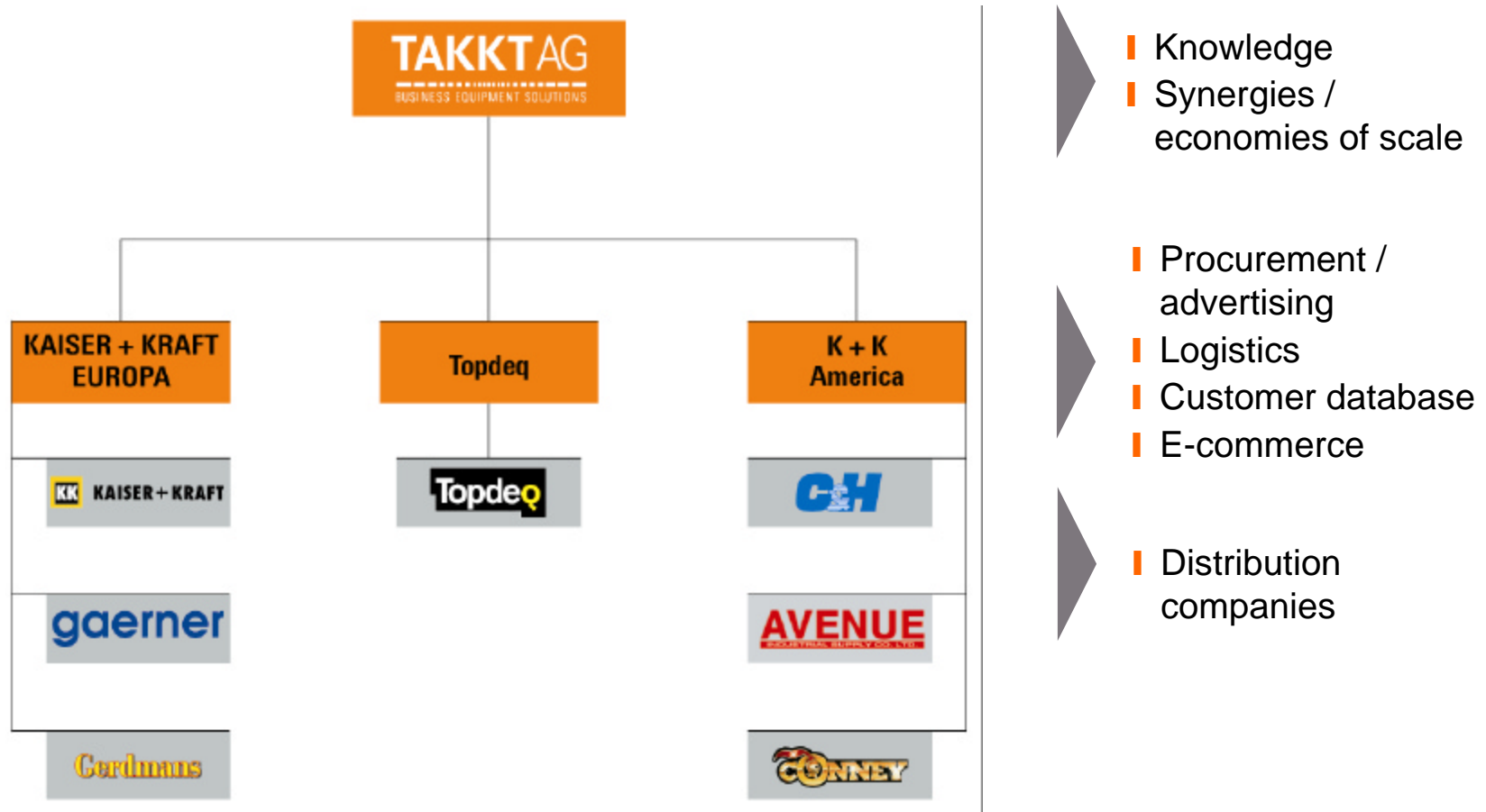
- Clearly defined growth strategy
- Focus on e-commerce
- Market leadership
- Largely independent of economic fluctuations

TAKKT has found its shareholders

Shareholder structure



The TAKKT Group – Centralised management and market proximity



Milestones – Success through expansion and integration

■ **Expansion of the mail order centre in Kamp-Lintfort, Germany**

■ **Successful integration of the Gerdmans group into the merchandise management system of KAISER + KRAFT EUROPA**

■ **Establishment of the Topdeq branch in France**

■ **Successful integration of Conney Safety into the K + K America group**

Product portfolio – Strong brands combined with a unique service

KAISER+KRAFT
E U R O P A

- | Over 30,000 articles: transport, warehouse, business, environmental and office applications

Topdeq

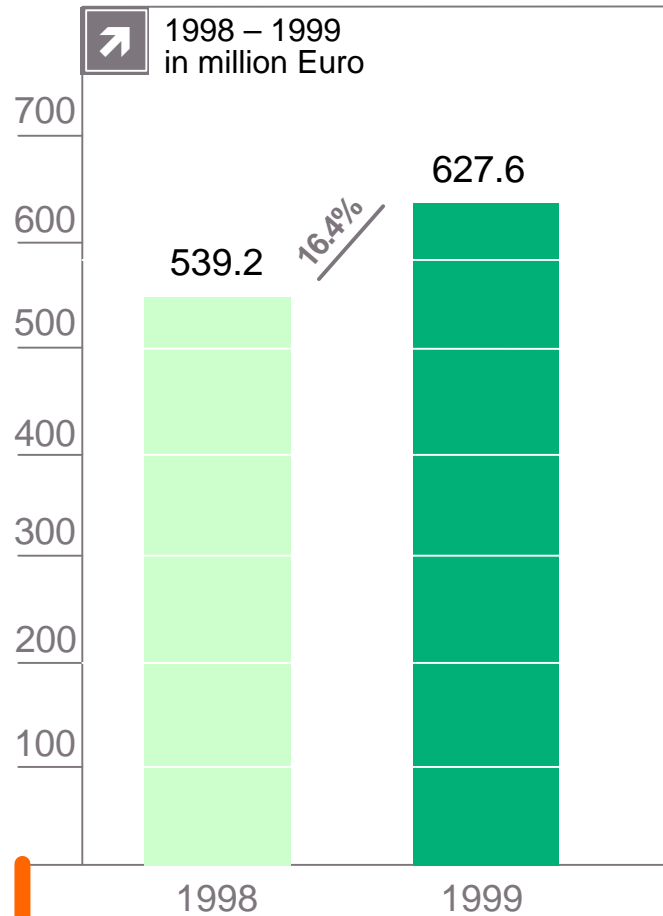
- | Over 2,000 articles: design-oriented office equipment and accessories

K+K America
Corporation

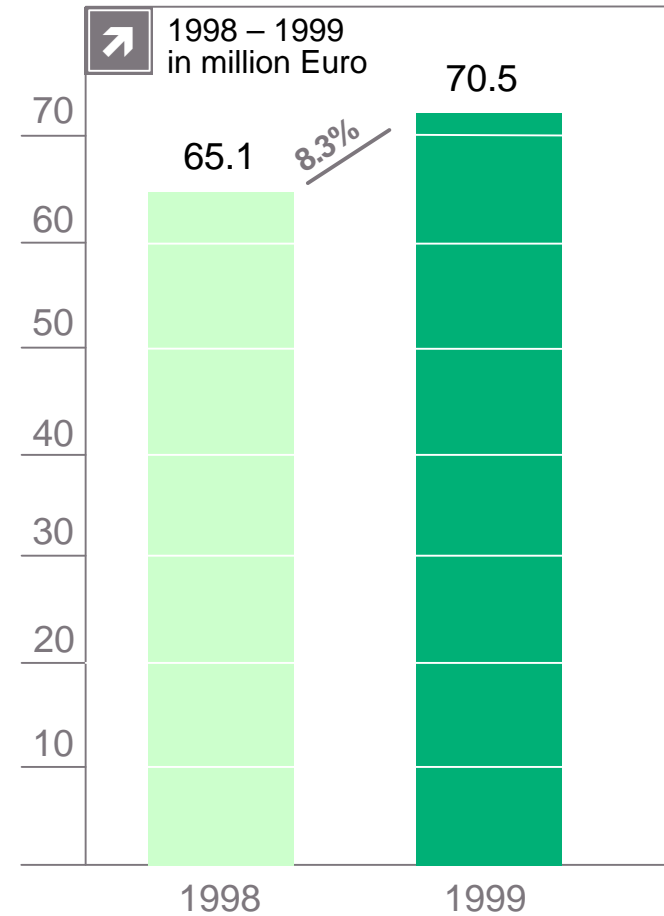
- | Over 45,000 articles: transport, warehouse, work safety, business and packaging applications

Financial year 1999 – New record figures

TURNOVER



EBITDA



E-Commerce – The next logical step

- E-commerce, e-procurement and e-payment define the future – and we are excellently prepared for **this** future!
- Our alliance partners
 - InterWorld (USA)
 - POET (Germany)
 - Stibo (Denmark)



1st quarter – Strong growth continues

■ Increase in turnover exceeds expectations

■ EBITDA is up despite further investment in e-commerce and advertising

TAKKT AG



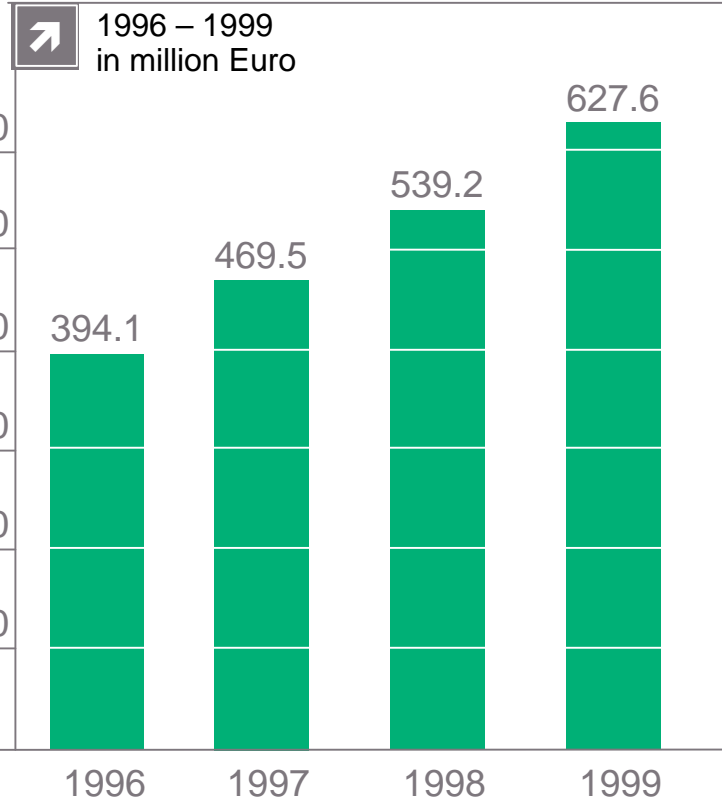
Financial Statements

Special points in the 1999 financial statements

Despite the spin-off	Profit after tax up 8.1%
Disclosure of hidden reserves	Additional depreciation and interest charges
Lower tax rate	37% instead of 49%
Spin-off at 1 July 1999	Pro-forma financial statements

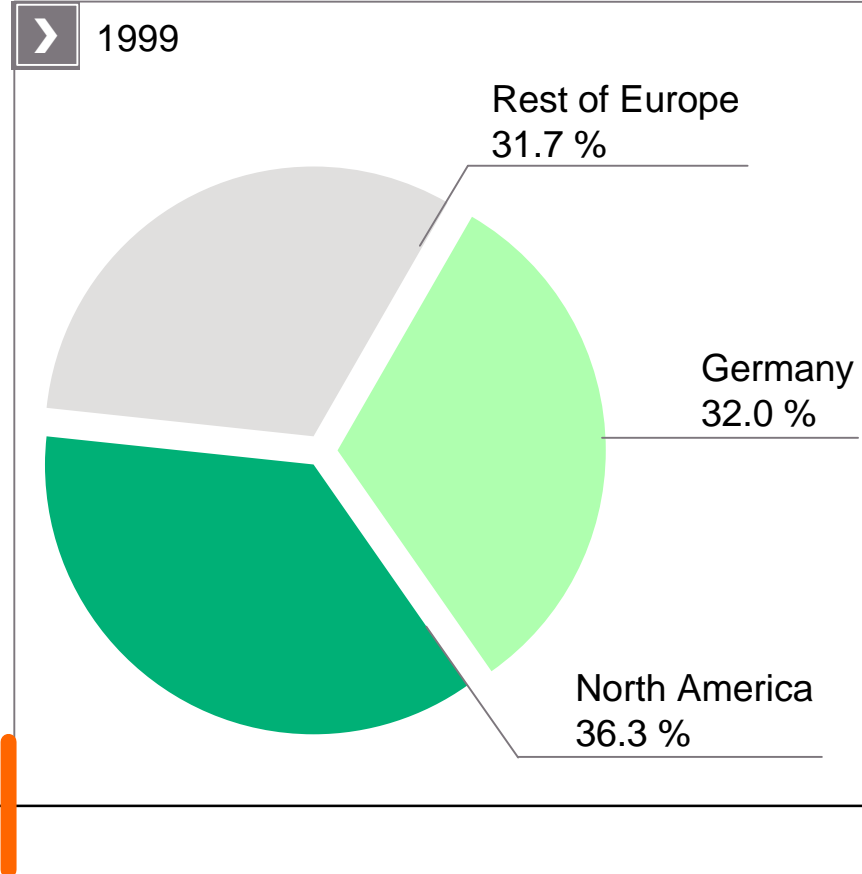
Unimpeded growth and continuous increase in turnover

TURNOVER TAKKT GROUP



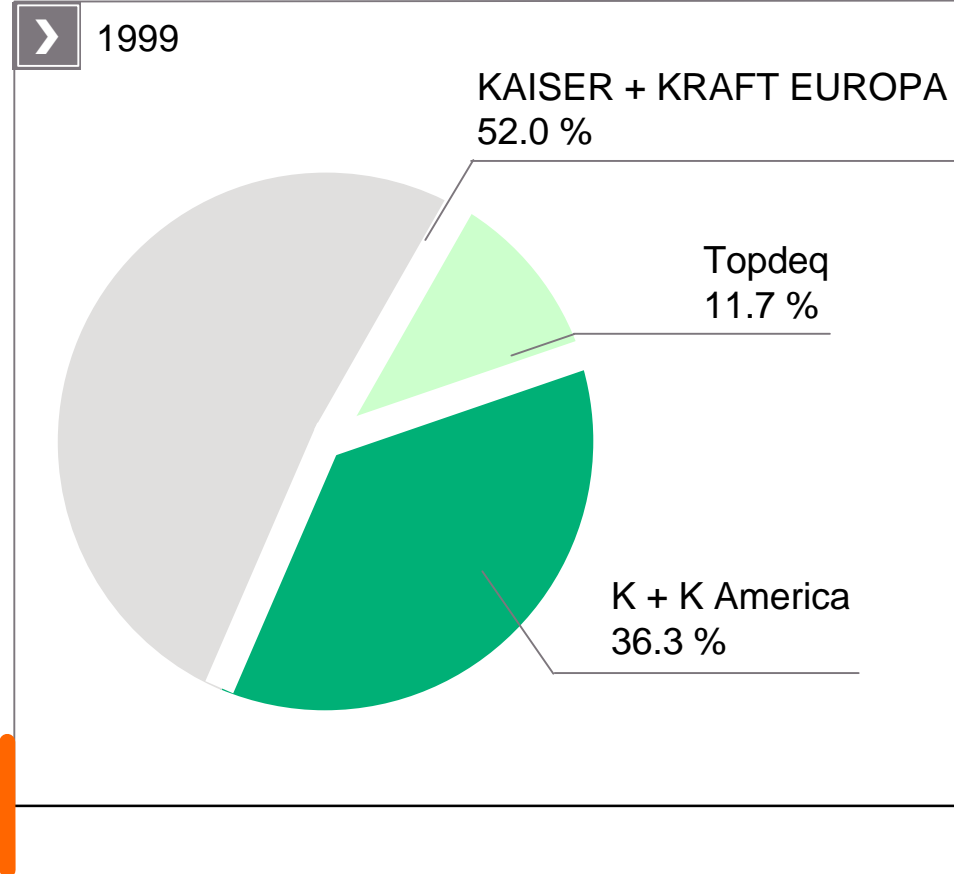
International position reduces effect of economic fluctuations

TURNOVER by region

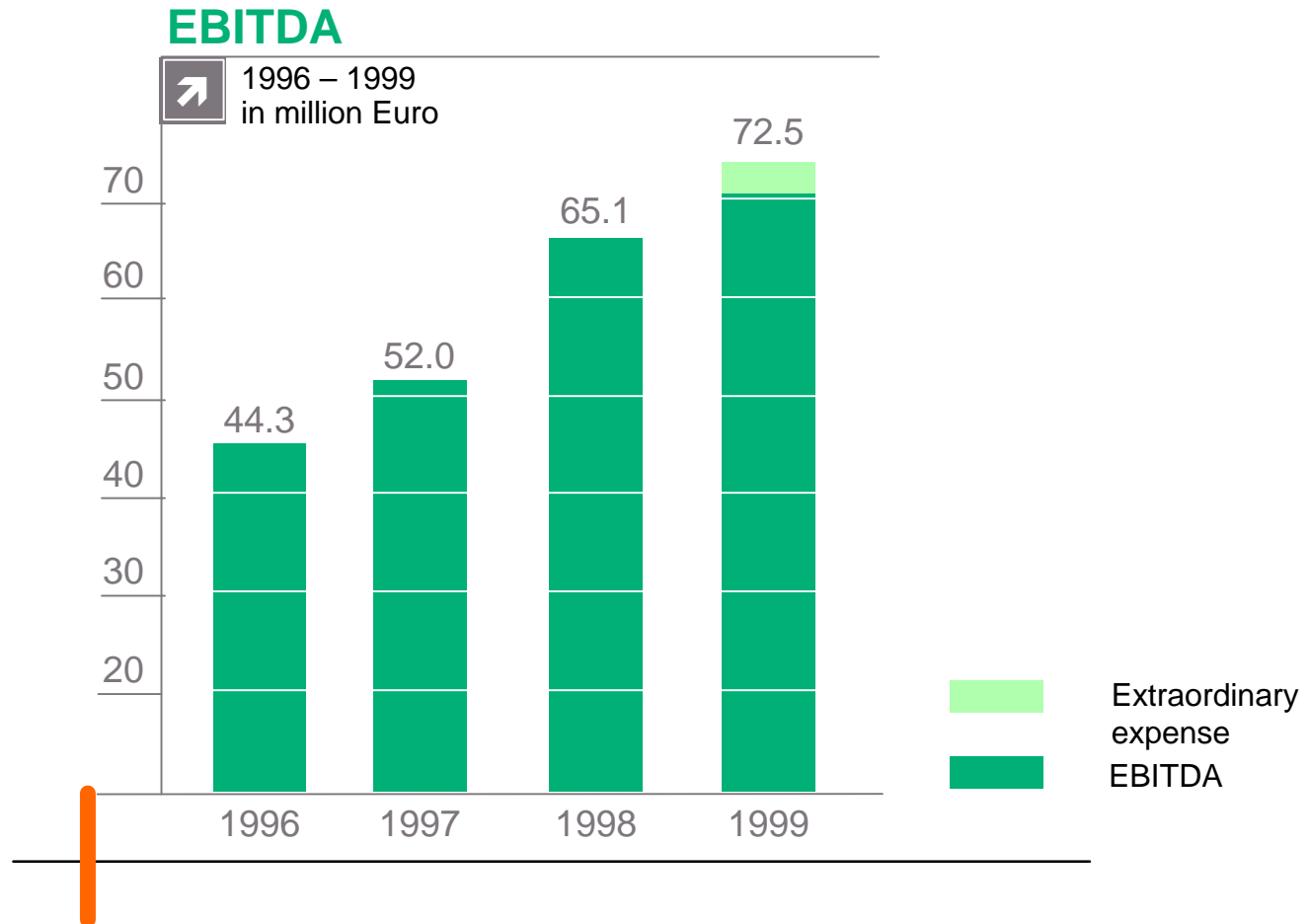


Optimal market coverage with strong brands and subsidiaries

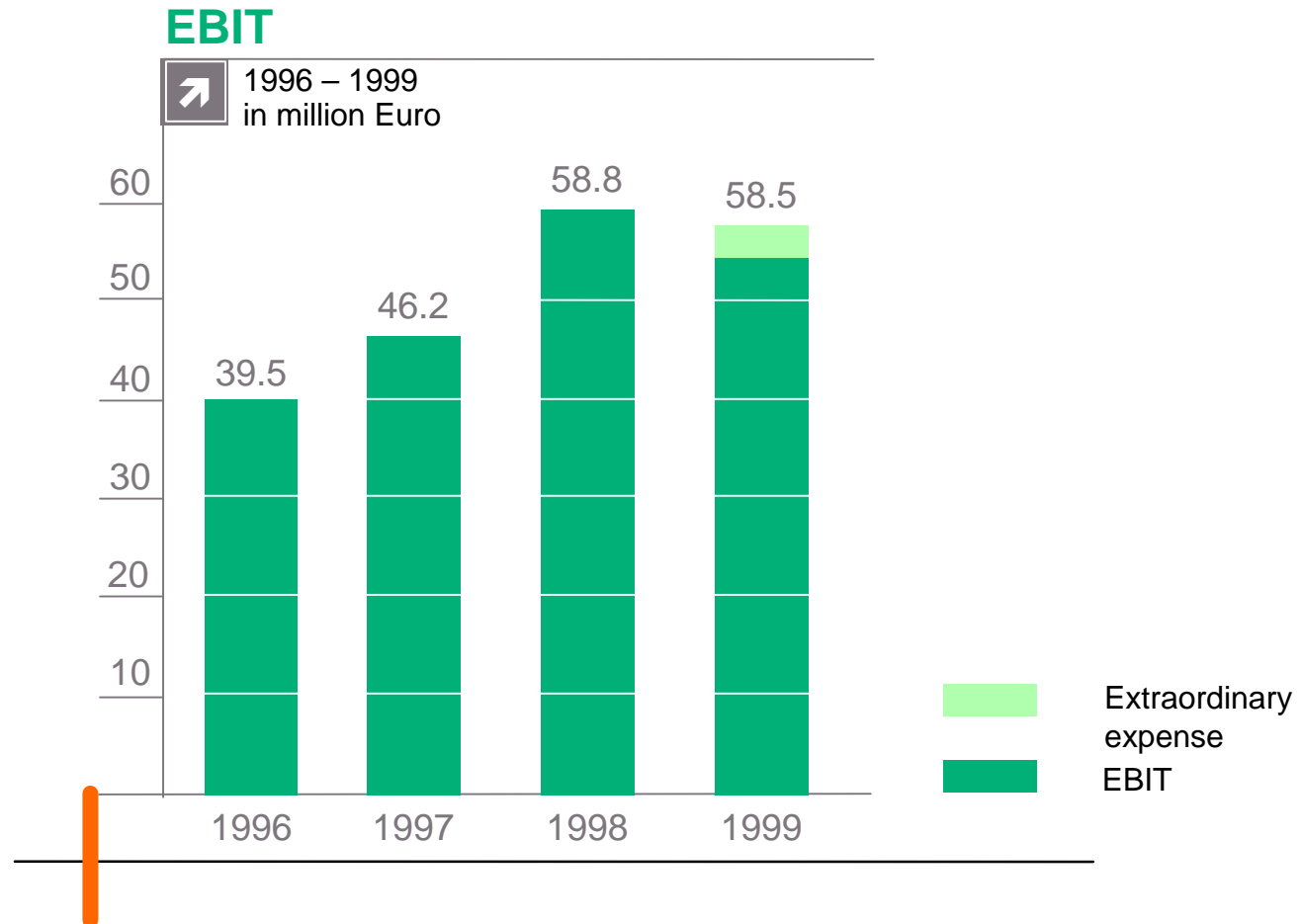
TURNOVER by division



Four-year EBITDA comparison – Continued improvement



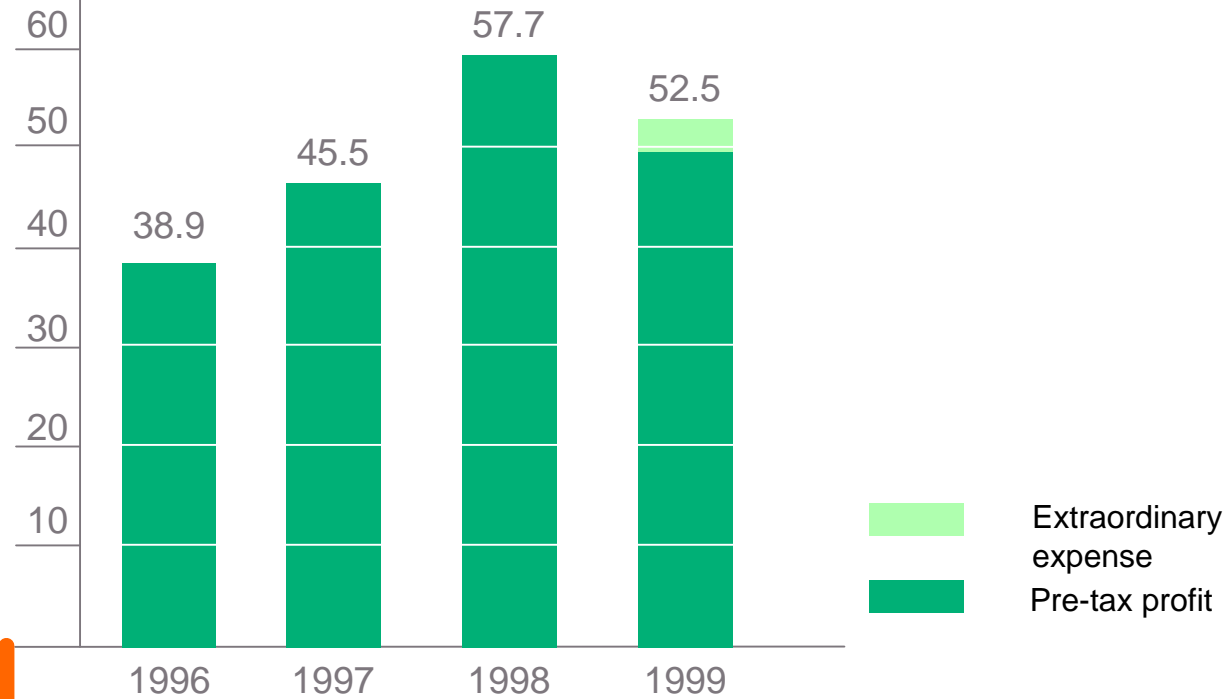
Four-year EBIT comparison – Slight burden due to depreciation



Pre-tax profit – Reflecting spin-off related expenses

PRE-TAX PROFIT

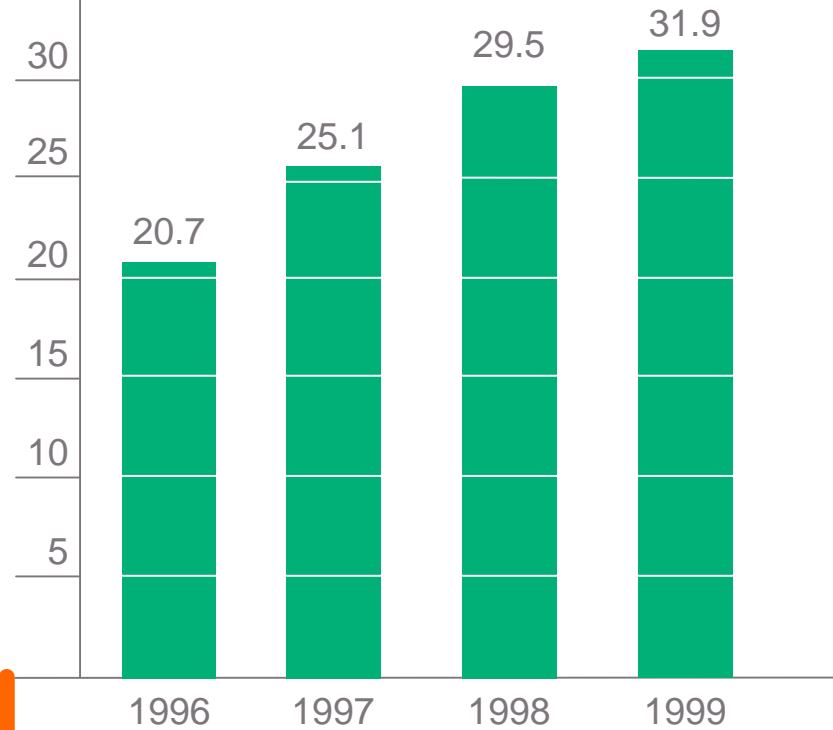
↗ 1996 – 1999
in million Euro



Profit after tax – Increase due to lower tax rate

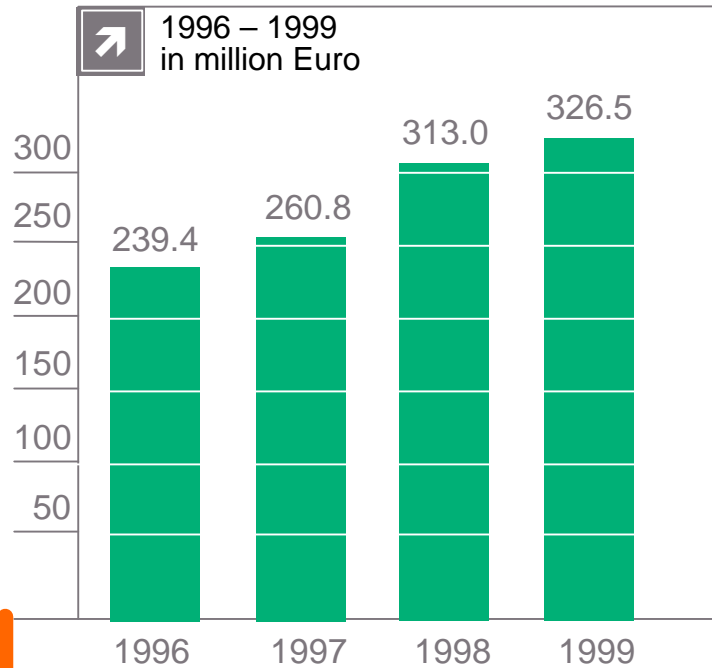
Profit after tax

↗ 1996 – 1999
in million Euro

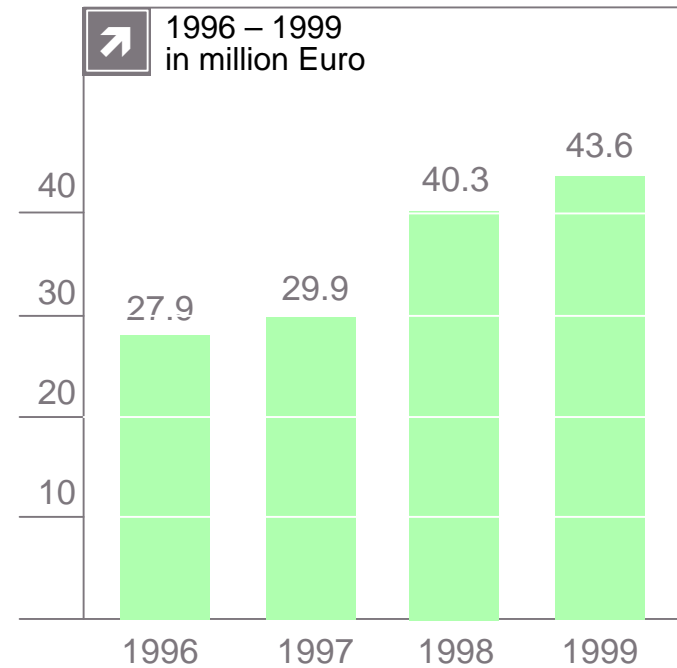


KAISER + KRAFT EUROPA – Improvement despite slower economies

Turnover

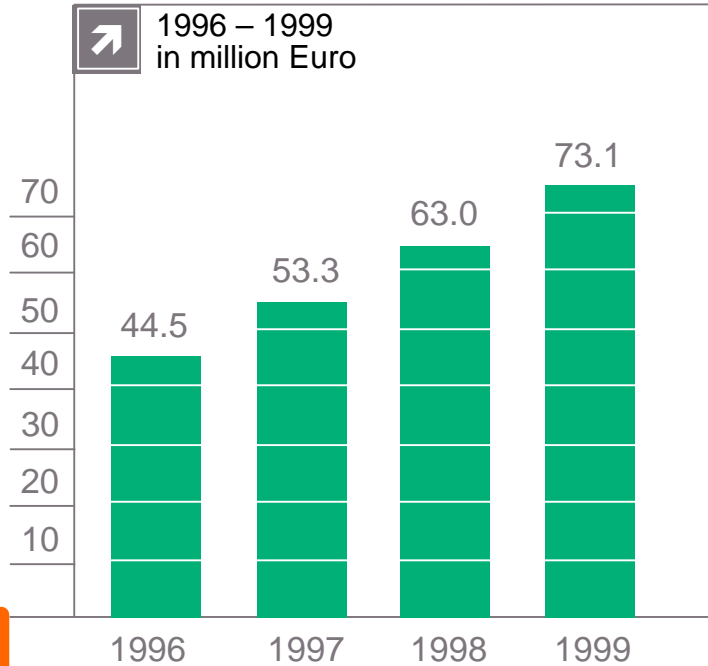


EBITDA

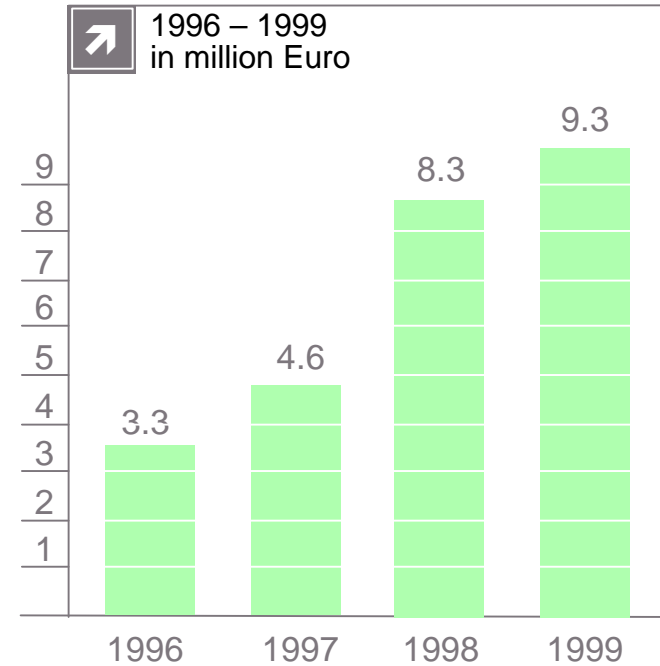


Topdeq – Positioning at the top provides further growth

Turnover

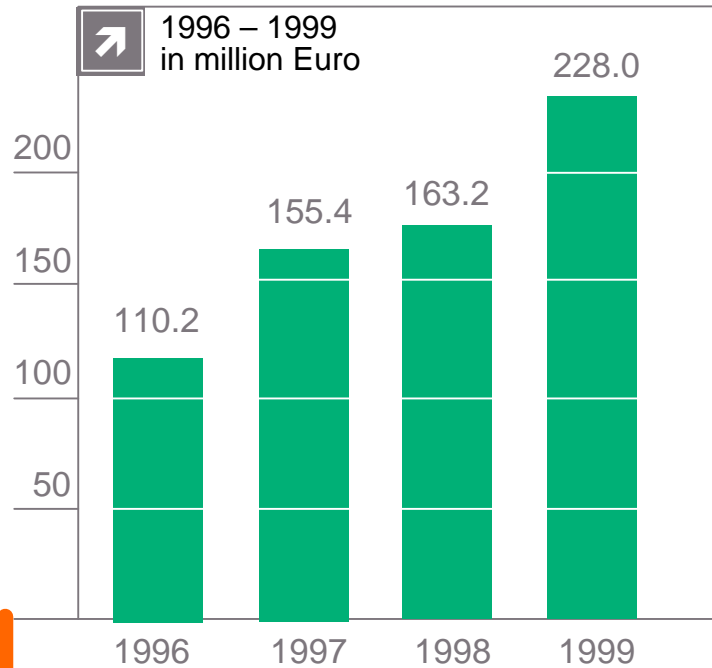


EBITDA

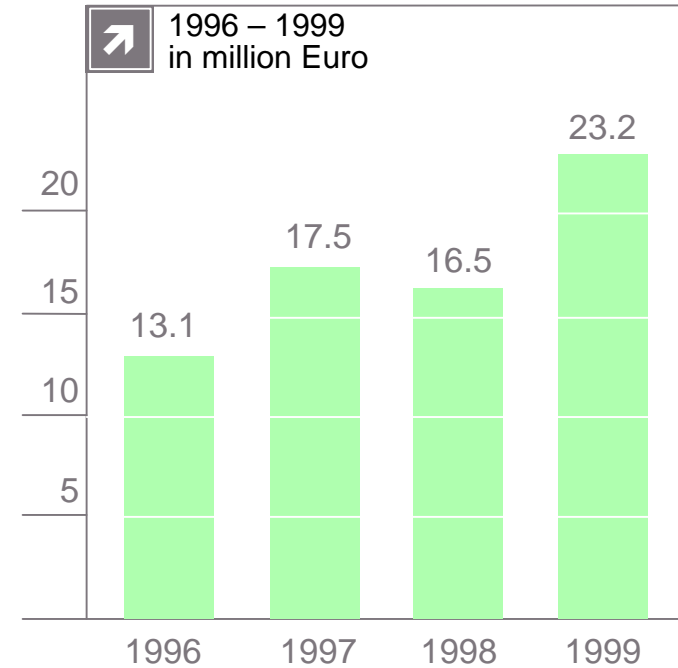


K + K America – Above-average growth due to a strong economy

Turnover



EBITDA



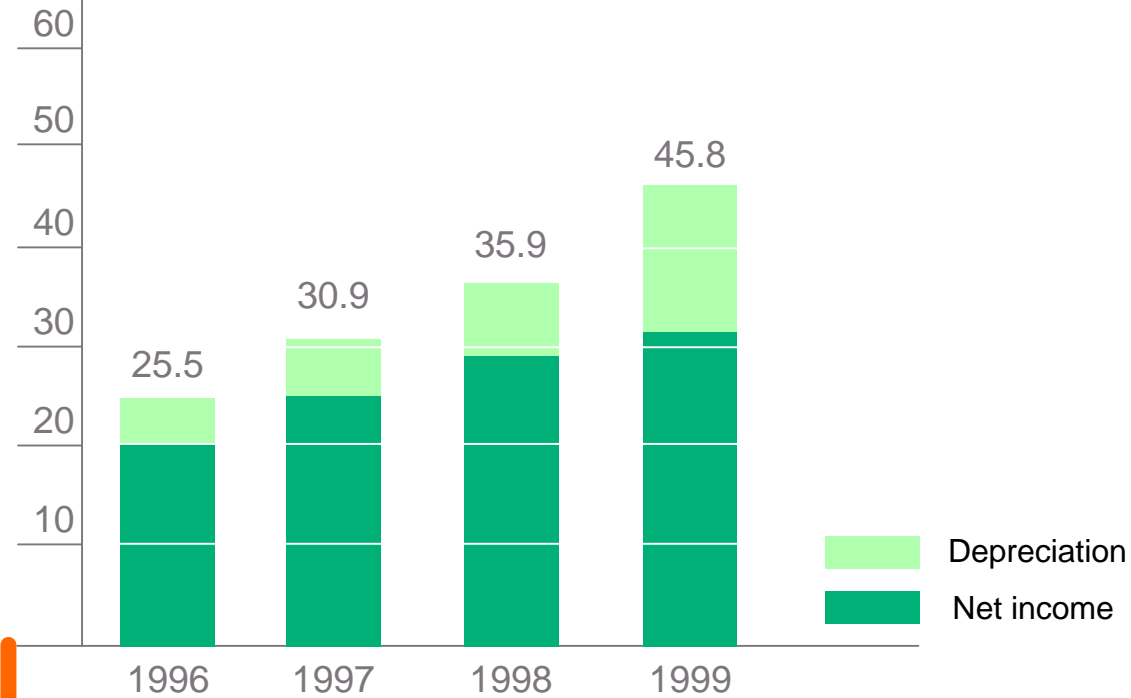
Consolidated balance sheet of TAKKT AG – Sound financial structure

> in million Euro		31.12.99	%	31.12.98	%
ASSETS					
Fixed assets		237.3	64.0	123.9	52.6
Current assets		130.4	35.2	110.0	46.6
Prepayments		3.2	0.8	1.8	0.8
		370.9	100.0	235.7	100.0
EQUITY AND LIABILITIES					
Shareholders' equity		99.1	26.7	104.5	44.3
Provisions		29.6	8.0	24.2	10.3
Liabilities		242.2	65.3	107.0	45.4
		370.9	100.0	235.7	100.0

Cash flow – Increase of more than 25% compared to 1998

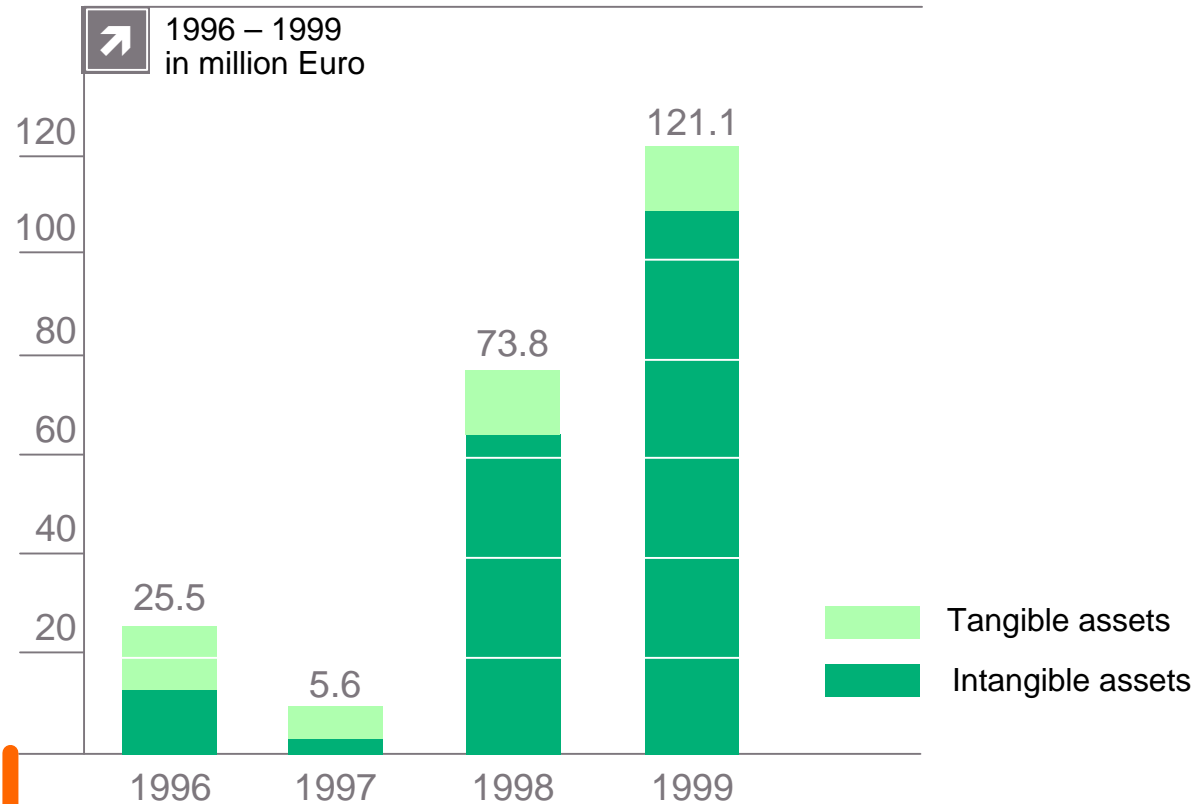
Cash flow

↗ 1996 – 1999
in million Euro



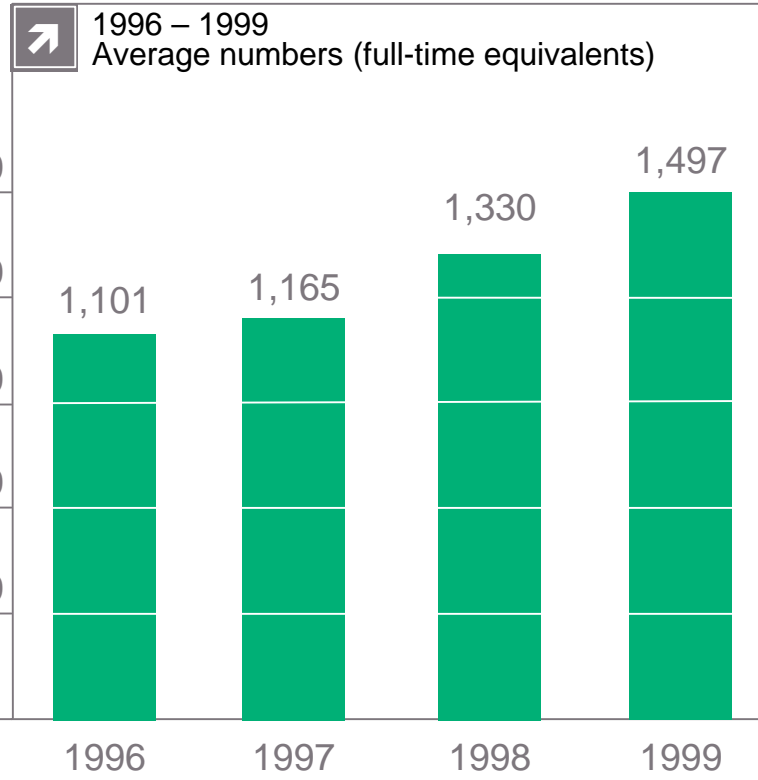
Capital expenditure 1999 – Focus on spin-off, IT and human resources

CAPITAL EXPENDITURE TAKKT GROUP



Employees – Good performance creates new jobs

EMPLOYEES



Outlook – Dynamic growth and investment in e-commerce

| TAKKT AG will continue to grow dynamically

| The Group intends to increase its global market penetration considerably

| E-commerce investment is the next logical step in the development of our business

| We are very well prepared for the challenges of the future

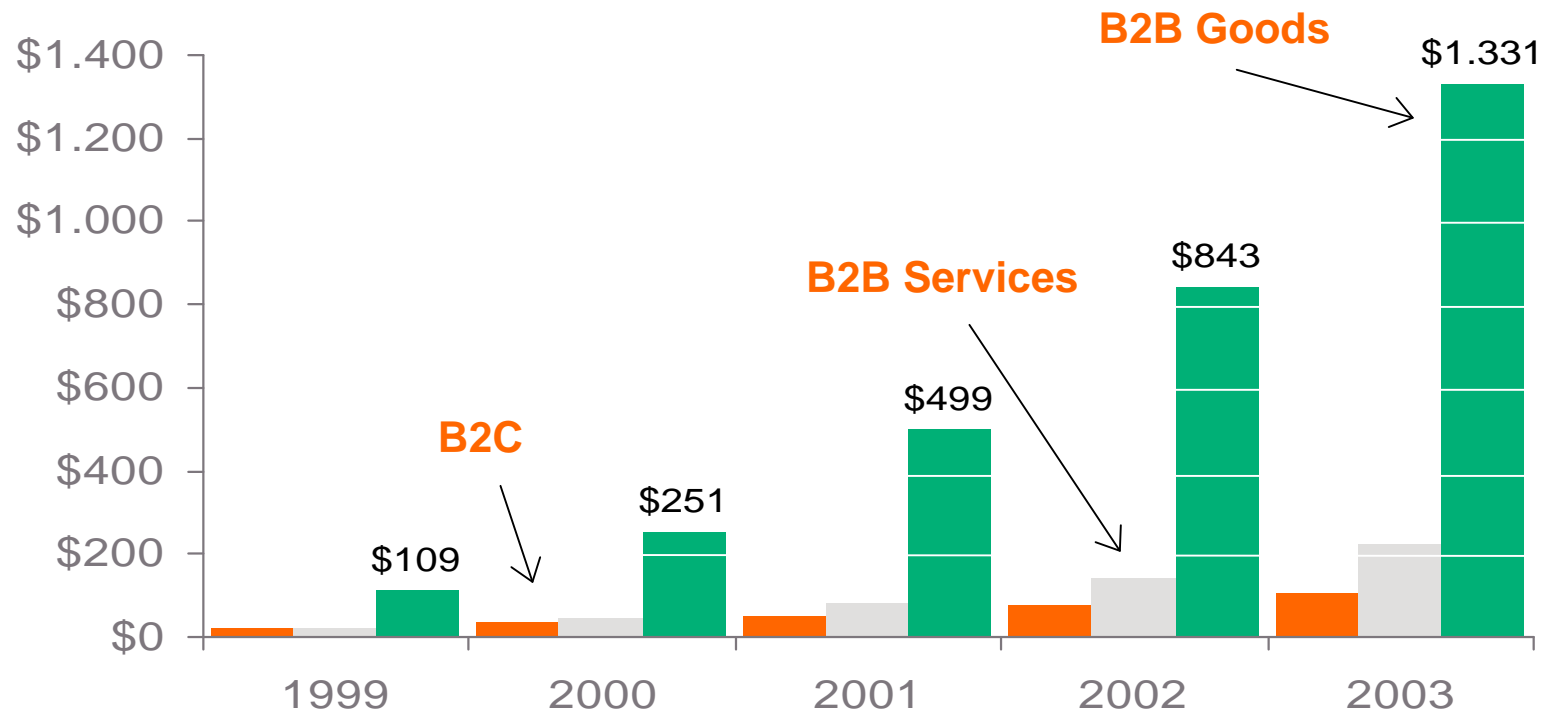
TAKKT AG



E-Commerce Strategy

B-to-B will dominate the E-commerce market in the US

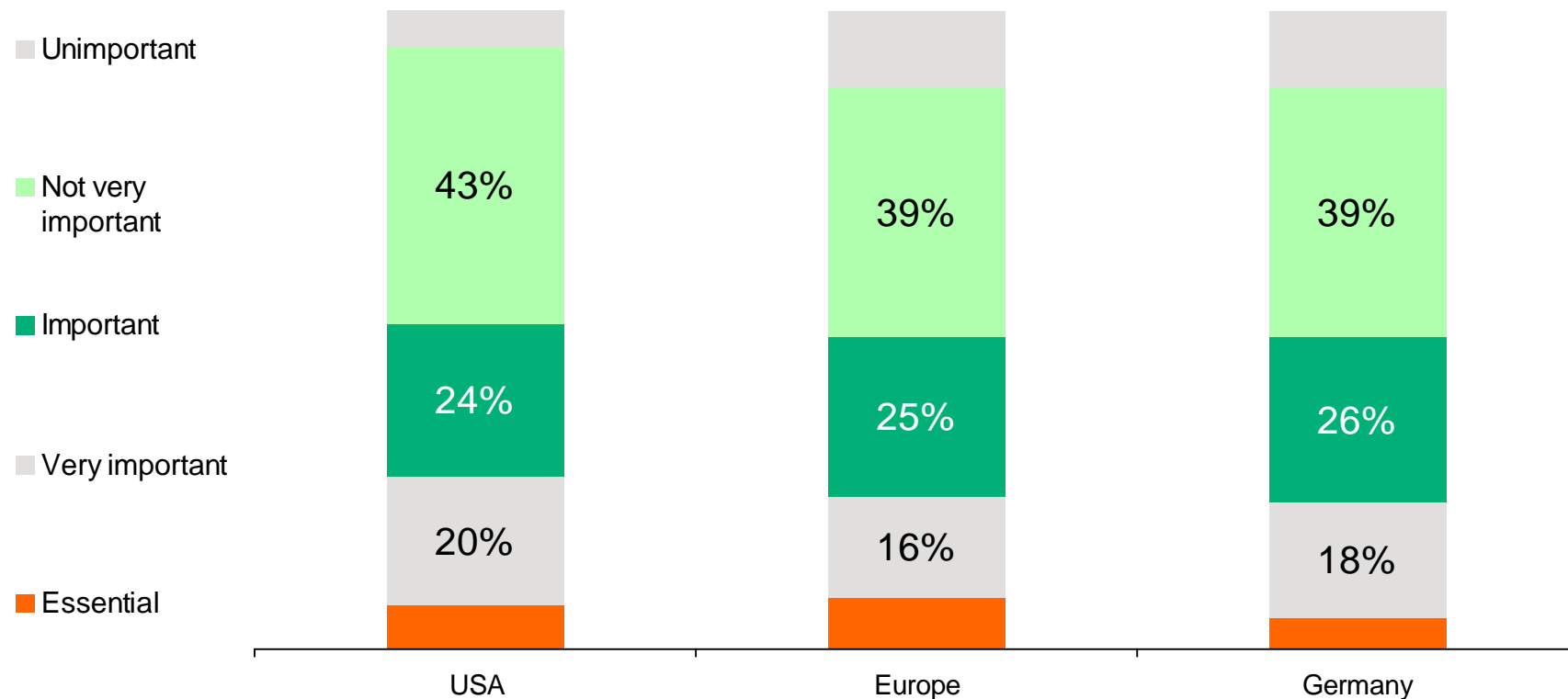
US E-Commerce (\$ billions)



Source: Forrester Research

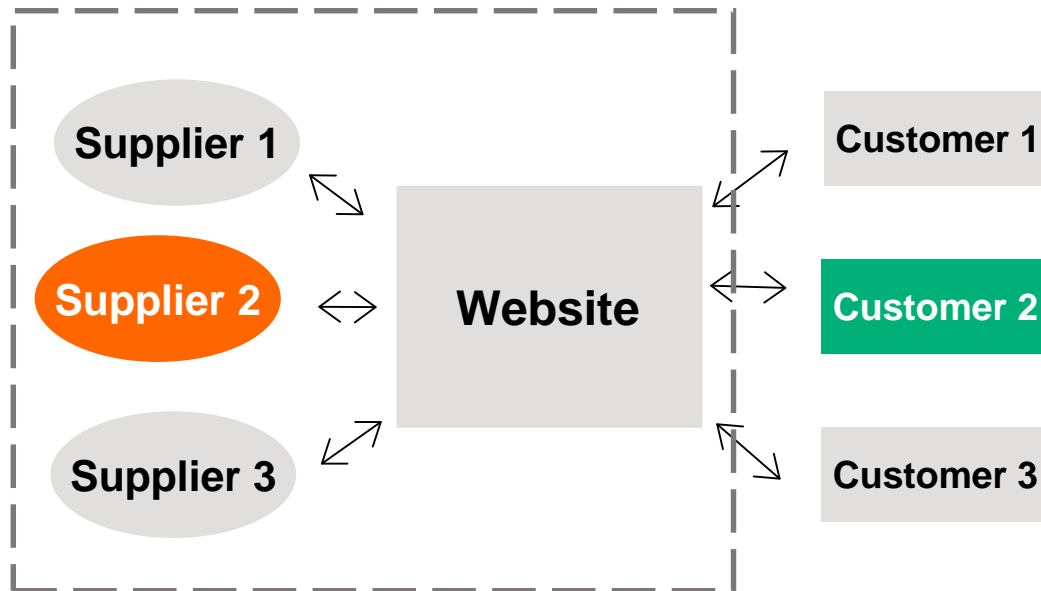
Comparable importance of Internet business in the US and Europe

How important is the Internet business for companies?



Source: Mori Research

Supplier-driven approach: Own website



----- · System boundaries

Characteristics

- | Supplier's proprietary system
- | No interfaces to customer systems
- | Not compatible with customer systems

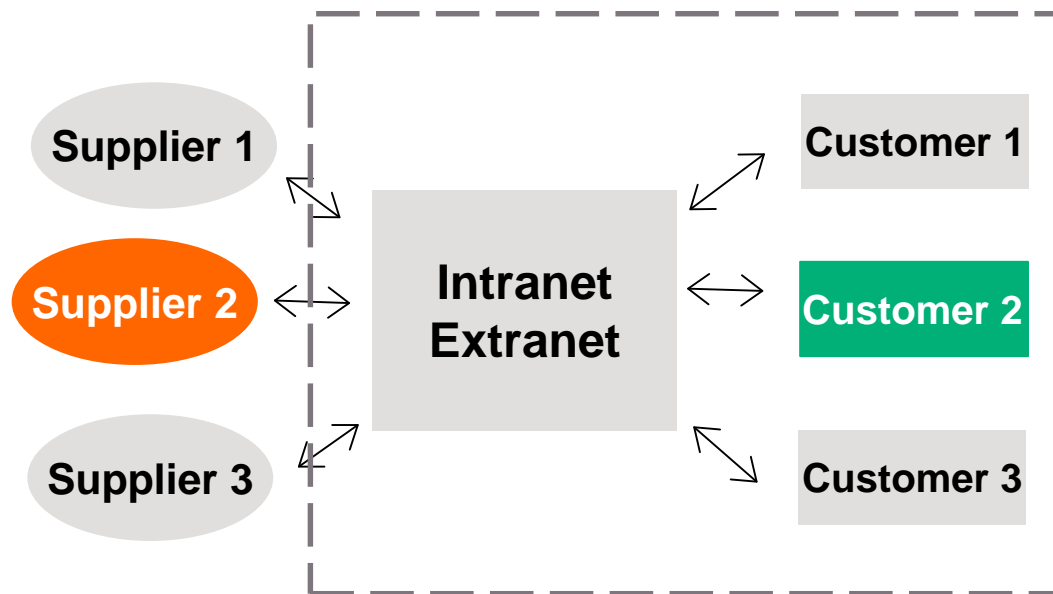
Advantages

- | Fast response time for supplier

Disadvantages

- | No reduction in customer's processing costs

Customer-driven approach: Customer networks



----- · System boundaries

Characteristics

- First step towards vertical integration
- Interfaces to customer systems
- Compatibility is required

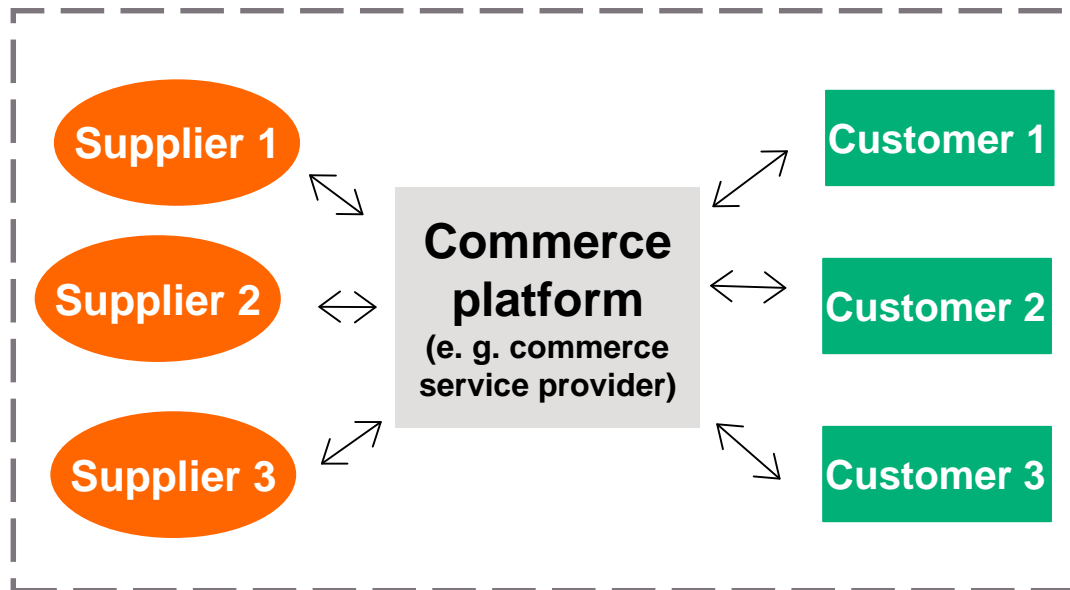
Advantages

- Customer-specific offering is possible
- Reduction of interfaces
- Reduction of information costs

Disadvantages

- Customised solution
- Limited scalability

Customer-driven approach: Transactions via an e-commerce platform



----- · System boundaries

Characteristics

- | Standardisation of processes
- | Interfaces to and compatibility with customer systems

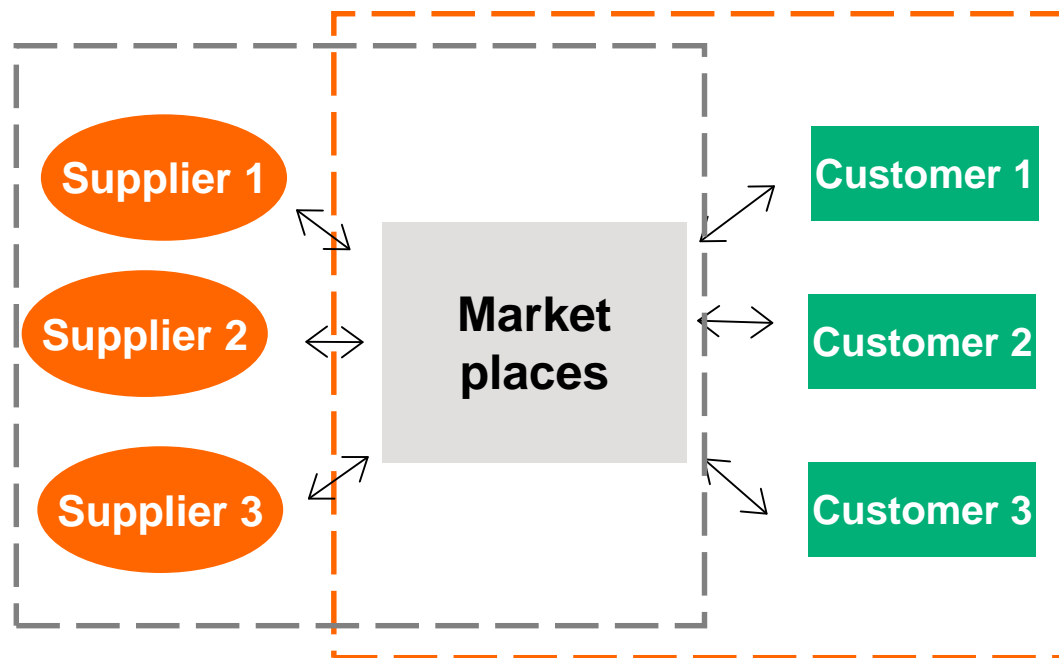
Advantages

- | Customer-specific solutions are possible
- | Reduction of interfaces and transaction costs
- | Scalable for operators of the e-commerce platform

Disadvantages

- | Limited market transparency

Supplier and customer driven approaches: Market places



----- · System boundaries

Characteristics

- Supplier and customer systems
- Interfaces to all market participants

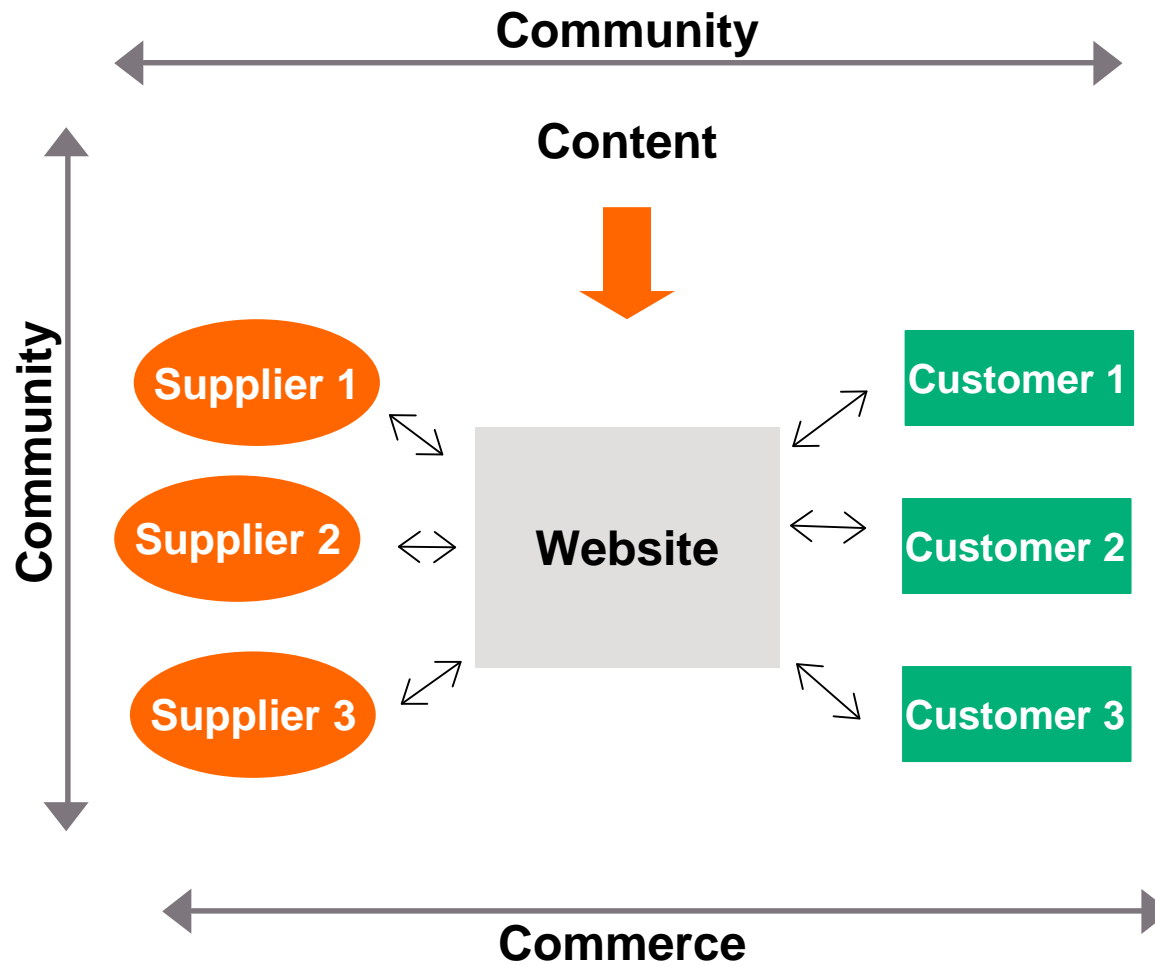
Advantages

- Unlimited scalability
- High market transparency
- High transaction efficiency

Disadvantages

- Possibly closed shops

New value and growth drivers



Content

Market position is determined by content **quantity and quality**

Commerce

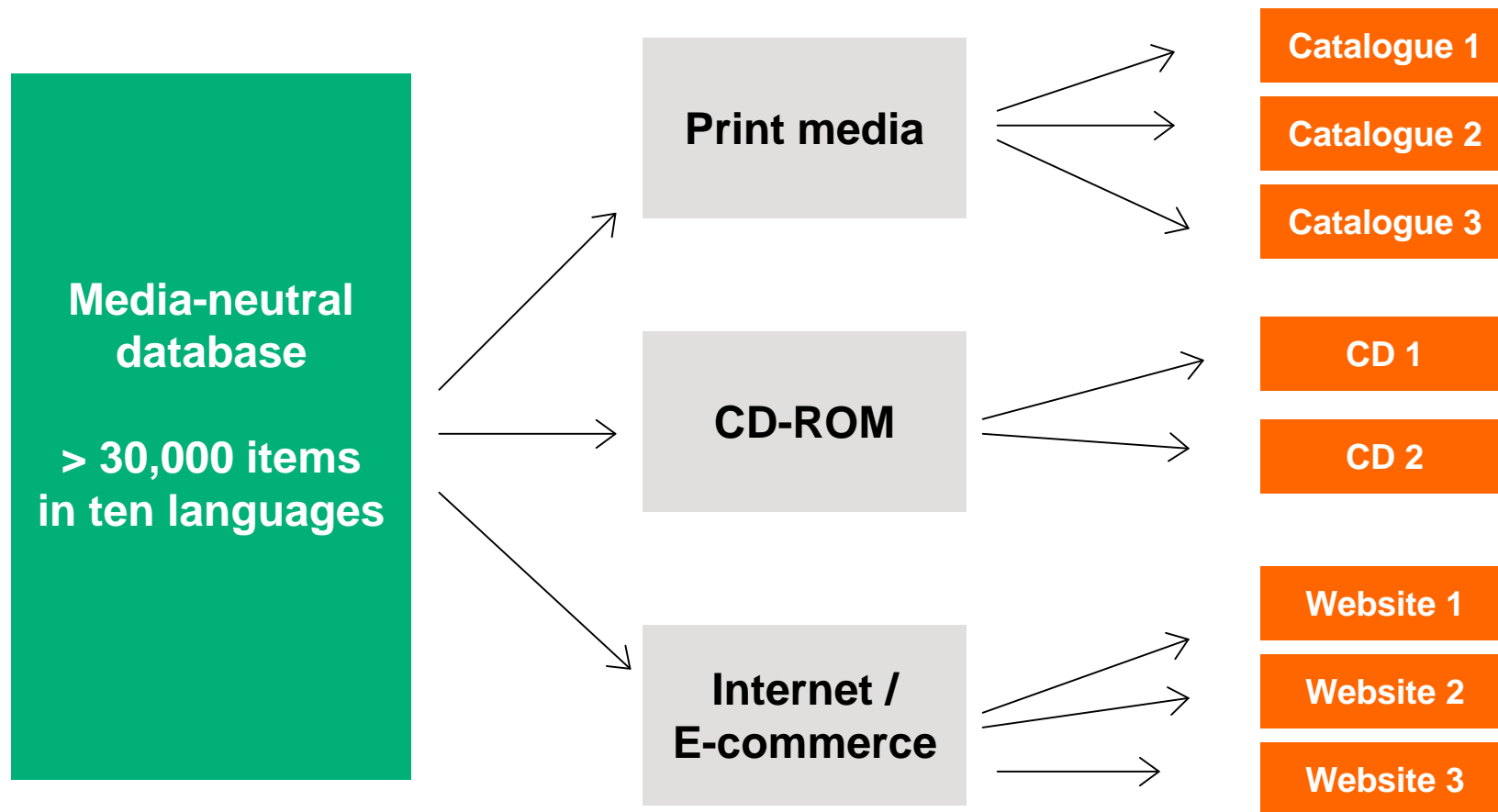
Transaction-orientated business models are defined by technology

Community

Partnerships in all stages of the value chain

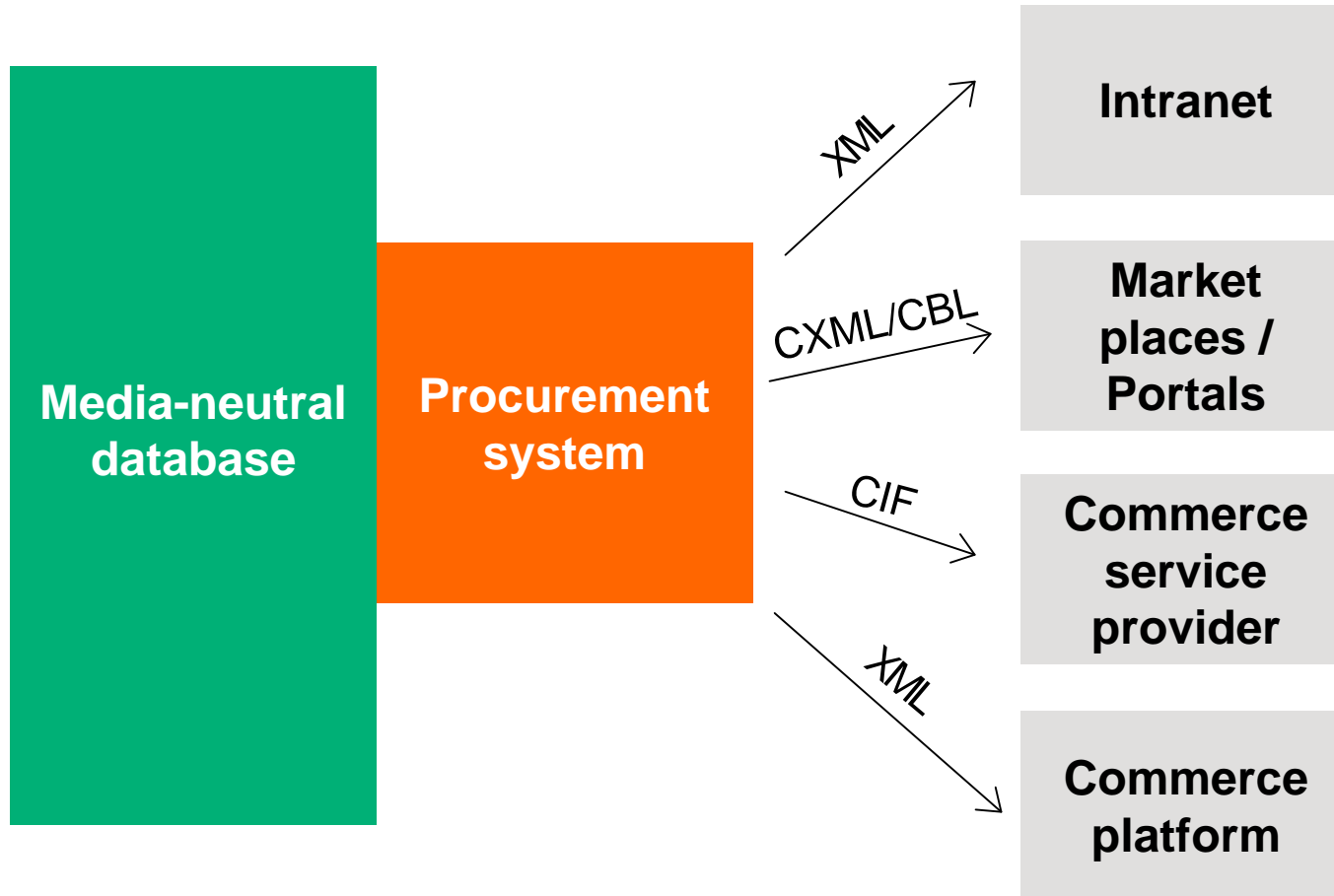
Content:

Media-neutral database



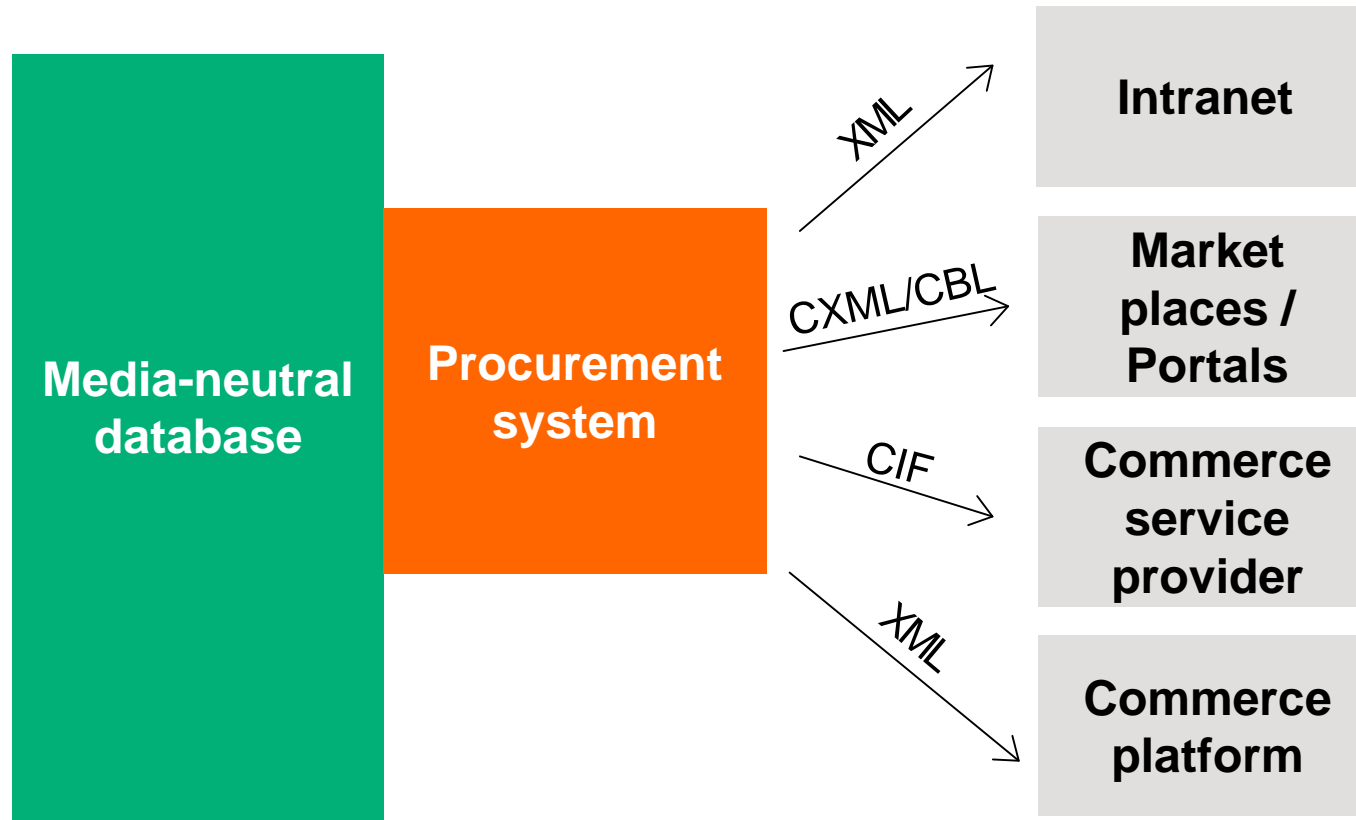
► Flexible basis for supplier-driven e-business systems

Commerce: New communication opportunities . . .



. . . create new business opportunities in customer-driven e-commerce systems

Community: Partnerships along the value chain . . .



Stibo ↑

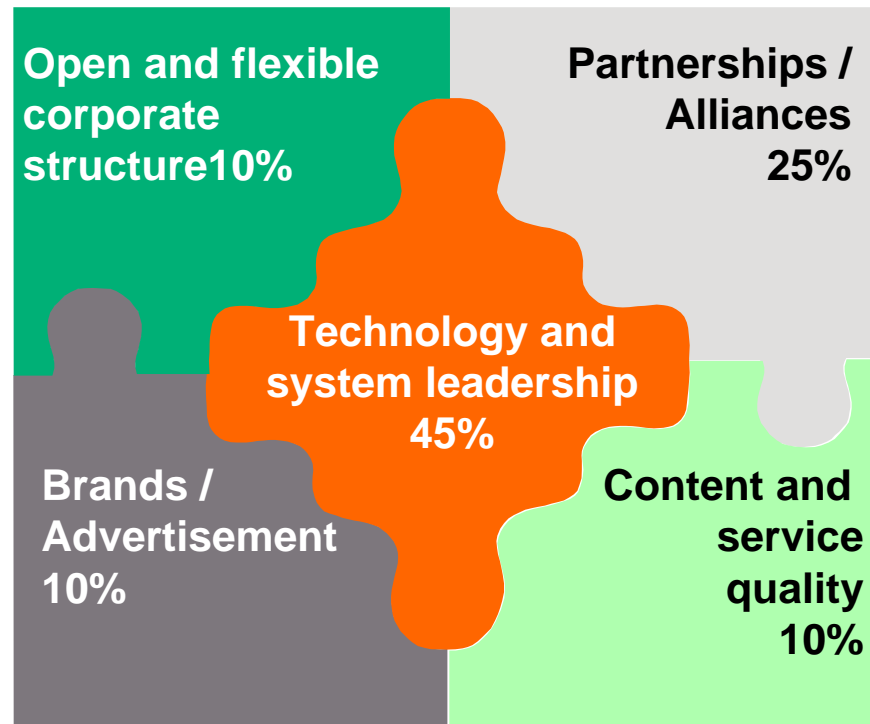
Poet ↑

InterWorld ↑

. . . provide access to these new business opportunities

Who will profit from entering the market?

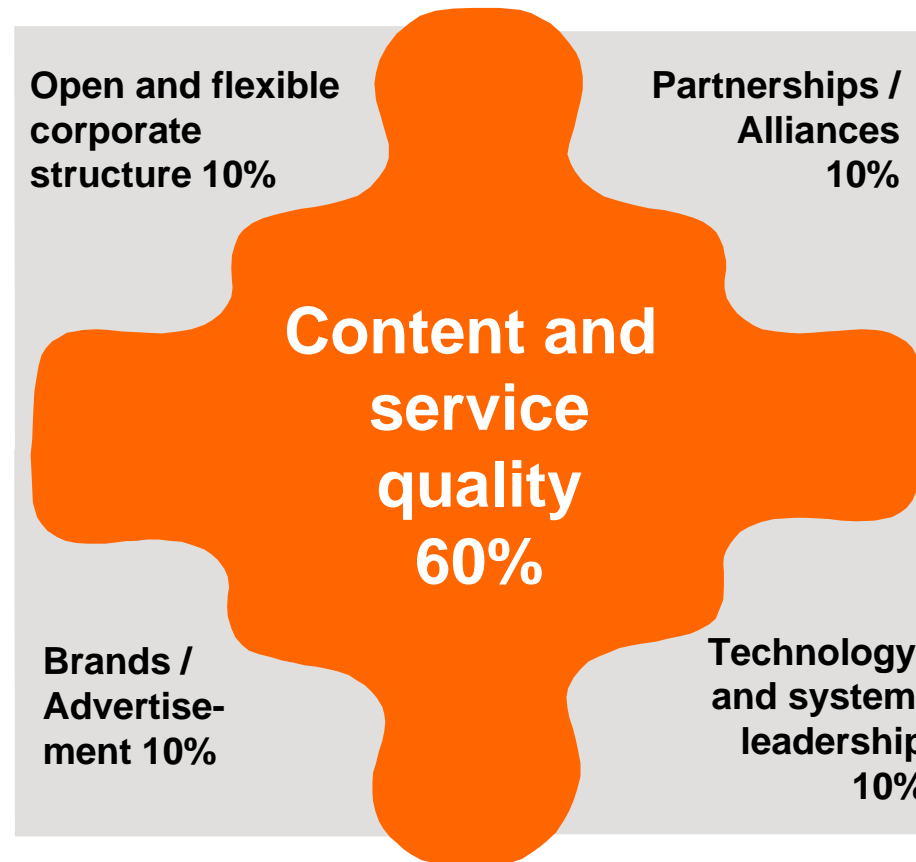
Critical success factors



$$+ \text{ TIME-TO-MARKET} \\ = \text{ First mover advantage}$$

Who will survive the competition?

Critical success factors



= Key competitive advantage!

TAKKT AG



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