

TA TRIUMPH-ADLER AG

FINANCIAL STATEMENTS 2006

Management Report of TA Triumph-Adler AG, Nuremberg, for the fiscal year 2006

In terms of both structure and content, the Management Report has been adapted to meet the requirements and aims of German Accounting Standard 15. It differs from earlier Management Reports as a consequence. We intend to continue with this reporting format in the future. Our aim continues to be to provide our investors with the information they require to make investment decisions. As far as possible, we aim to provide information that can be compared with previous years' published information, and with information that we intend to publish in the future. We clarify any divergences in the notes to the consolidated accounts.

1. The business and its environment

TA Triumph-Adler AG's Articles of Incorporation allow either it or its subsidiaries to manufacture and sell copiers, wordprocessing systems, computers, office machinery, and office supplies. This also includes providing consultancy and training services relating to office organization and data processing, as well as the manufacturing and sale of IT software.

In particular, the company is authorized to found companies, enter into shareholding investments, conclude corporate agreements, form communities of interests, establish branches both in Germany and abroad, and operate other relevant businesses appropriate to furthering the company's business.

THE GROUP: STRUCTURE AND BUSINESS

TA Triumph-Adler AG acts as the parent company of the TA Triumph-Adler Group. The core of the Group is comprised of the operating companies in Germany and abroad. Outside Germany, companies are located in the Netherlands, Austria, Switzerland, Slovakia, and the Czech Republic.

Control and profit-transfer agreements existed with all German subsidiaries in the 2006 financial year, with the exception of TA Triumph-Adler AdmEx GmbH, with which such an agreement will be concluded in 2007. Income from these agreements comprises the main source of revenue for the parent company. The parent company provides central services for its subsidiaries. These include, for example, services from the areas of financing, administration, IT, and personnel management.

Following the conclusion of the Group restructuring between 2001 and 2005, the business purpose of nearly all of these companies is the Document Business. These companies analyze and provide consultancy services to corporate customers on an individual basis, and implement efficient document workflows both in paper and electronic form, as well as providing subsequent service.

The revenue of the parent company derives mainly from profits transferred from the operating subsidiaries. The success of the subsidiaries' business in the Document Business depends on several factors, including primarily

- economic developments, in particularly the propensity of our existing and target customers to invest,
- the extent to which we offer competitive services and equipment, as well as
- a sales strategy that efficiently implements our competitive advantages and meets the requirements of target customers.

The profitability of the parent company, on the other hand, depends mainly on our internal cost management, implementation of ongoing Group-wide efficiency improvements, and the focus on the management of the entire Group of companies.

THE ECONOMIC ENVIRONMENT

As noted by the German Council of Economic Experts in its 2006/2007 annual survey of macroeconomic developments, the upturn in investments in plant and machinery continued during 2006. According to this report, quarter-on-quarter growth in the first two quarters of the year was almost three percent.

The ifo Institute for Economic Research in its autumn 2006 investment survey comes to the conclusion that this positive investment climate is continuing, and is forecasting investment growth in the processing industry of about 9%. According to this forecast, investments in expansion are set to grow faster than purchases made for replacements or rationalization.

The German Association of Cities explained in its municipal finance forecast for 2005 to 2007 that spending on fixed assets by cities and local authorities rose by 1.3% in 2006, and is expected to grow by a further 3.7% in 2007.

The data we have cited here are evidence of a German economy that has shown strength beyond expectations and that also exerts a positive effect on our business. It is true to say that the propensity towards spending on fixed assets, as well as the investment activity on the part of the public sector, encompasses a broader segment of the national economy than that addressed directly by the product range of the TA Triumph-Adler Group. However, experience demonstrates that these data also serve as an indicator for developments in our area of the Document Business. The future growth

expressed in the forecasts is normally associated with growing requirements for administrative activities, information processing, and documentation, which are subsequently reflected as demand in our business areas.

As the result of its competitive advantages, the Group extracted greater benefits from the recovery in demand than its competitors, and gained market share.

SERVICES AND MACHINES

We offer our customers significant efficiency improvements in their Document Business. We summarize customer benefit in the following formula: consulting + realization = efficiency. Consultancy services are playing a growing role in this respect. As part of consultancy services our employees analyze client companies' document-related processes, and prepare organizational and management consultancy concepts to raise their efficiency. This range of services represents a significant competitive advantage both from our own perspective as well as from that of our customers.

Machines installed as part of the realization process are sourced predominantly from our strategic partner Kyocera Mita.

The strategic alliance with Kyocera Mita Corporation, Osaka, Japan is of major importance for the further development of the TA Triumph-Adler Group. The basis of the business cooperation is a Commercial Alliance Agreement with the Kyocera Mita Corporation that was extended until June 30, 2010 in the first quarter of the 2007 financial year. This agreement does not constitute an exclusive arrangement between the partners. It contains a change of control clause that entitles Kyocera Mita Corporation to give notice of termination in the instance of a change of control.

Kyocera Mita Corporation continues to hold 29.9% of the issued share capital of TA Triumph-Adler AG. Anticipated future attendances at shareholders' general meetings lead TA Triumph-Adler AG to assume that the Kyocera Mita Corporation will be in a position to exercise a controlling influence at future shareholders' general meetings. This means that, according to § 17 Paragraph 1 of the German Stock Corporation Act (AktG), TA Triumph-Adler AG qualifies as a company dependent on the Kyocera Mita Corporation. Since no management control agreement exists between the two companies, according to § 312 Paragraph 1 of the German Stock Corporation Act (AktG), TA Triumph-Adler AG is obligated to prepare a dependent company report and to include its concluding declaration in the Management Report (§ 312 Paragraph 3 Clause 3 of the German Stock Corporation Act [AktG]). In this report, the Management Board states: „In the case of legal transactions listed in the report concerning relations to associated companies, TA Triumph-Adler AG received an appropriate consideration for each legal transaction mentioned in the Report on relationships to affiliated companies, based on the circumstances that were known to us at the time when the legal transactions were performed.“

Within the scope of our strategic business relationship, Kyocera Mita supports our sales and marketing activities, with the aim of assisting us to raise the share of business that we generate with own brands. The related revenue is reported as part of the other operating income of the parent company.

Kyocera Mita's products are distinguished from those of the competition through the implementation of a patented and particularly long-life and maintenance-friendly ceramic drum technology. Our companies also distribute third-party equipment to cater for instances where customers have particular requirements, or for instances where customers request specific third-party equipment.

All machines are either delivered to the qualified specialist trade (in the Distribution segment managed by our subsidiary UTAX GmbH) or leased to corporate customers as part of mostly multi-year lease agreements (in the Direct Sales segment managed by TA Triumph-Adler regional companies). These services allow us to address our customers' paper-based document flows. We intend to an increasing degree to supplement the services through consulting services, concepts, and products designed to improve the flow of electronic documents.

MARKET POSITION AND STRATEGY

With over 150,000 managed machines meanwhile installed at our customers, we are the market leader in this business in Germany. In the 2006 financial year, we have again grown faster than the market and have won further market share. Our aim is to further expand this position of leadership, both this year and in coming years. In doing so, we are pursuing a strategy with four balanced growth areas:

- Expansion of the high-volume business with major customers,
- Expansion of the high margin business with medium-size companies,
- Growth in the export area and
- through acquisitions.

Important levers of our growth strategy comprise our outstanding managerial consulting expertise in the Document Business, innovative color technologies that we are now offering more vigorously, and our significant market potential in the printers area that we are only just beginning to exploit.

In order to effect a powerful implementation of this strategy in the consulting and realization business for major customers, we are building on both our well-founded management consulting know-how and the comprehensive geographic presence of our service organization, which enables us to also handle large multi-site companies on a one-stop shop basis and with short response times.

We are registering particular successes in our business with clinics, and we are also winning an increasing number of major customers from the financial services sector. In 2006, we enjoyed success with positioning our sales on the basis of specialist sector know-how.

We shall intensify our efforts to continue this concept in the sectors we are already covering, and extend it to further sectors. In 2007 we are initially addressing the logistics service providers sector.

An important indicator of customer satisfaction in the Distribution segment is the annual survey of the specialist trade conducted by the sector trade publication „markt intern“. UTAX GmbH, which is responsible within the TA Triumph-Adler Group for the distribution of photocopiers, fax machines, printers, and multifunction products to the specialist trade both in Germany and abroad, came in among the top three suppliers in all product categories in 2006. UTAX took first place in the photocopier segment, second for fax devices, and third place for printers.

We are pursuing international expansion in the Direct Sales business through the acquisition of appropriate companies and, where this is not possible or does not make sense, through the founding of our own subsidiaries. In Distribution, we are expanding the number of international distribution partners or we are attempting to expand turnover with existing partners. In the 2006 financial year, Triumph-Adler Benelux B.V., which is based in Hengelo (Netherlands) commenced business as a subsidiary of Triumph-Adler Rheinland GmbH, and Triumph-Adler SüdOst GmbH acquired Schuss Office Systems GmbH in Vienna. In the course of the business year, both companies have fulfilled expectations: small start-up losses incurred by Triumph-Adler Benelux B.V. were within budget, and Schuss Office Systems GmbH generated a net profit for the year.

EFFICIENCY IMPROVEMENT

We continue to work on improving efficiency within the Group.

Under the heading TA 3, we have set up a program that is well founded from a management perspective and is cohesive in operating terms. It defines targets for the three-year period up to 2008 and provides controllable measures to reach these targets. It entails three optimization projects that are closely related.

First, we are boosting sales, as already mentioned, through concentrating our resources on sub-markets and customer segments that offer high volumes and margins.

Second, we are reducing costs through optimization in sales, service, and administration.

At the same time, we continue to work, as mentioned, on optimizing the Group structure and administrative structures through the introduction of a shared service organization.

The TA 3 program has made a key contribution to TA Triumph-Adler's first reported consolidated net profit for the years since 2001.

In the context of our optimizing the corporate structure of the Group we are aiming at further reducing the number of legally independent subsidiaries. Now that we are maintaining six large regional companies, we have already achieved the target structure we were aiming for in West Germany. In East Germany, we aim in the medium term to concentrate our group of subsidiaries to three or four large regional companies through targeted mergers. We shall exploit the related cost reduction potential without sacrificing geographic presence and proximity to the customer.

In the 2006 financial year, we completed the following key modifications to our portfolio of subsidiaries as part of this strategy:

In the second quarter, Triumph-Adler Chemnitz GmbH was merged into the new TA Triumph-Adler GmbH, Chemnitz Gera Jena Zwickau, and in the third quarter Triumph Adler Dresden GmbH was merged into TA Triumph Adler Mitteldeutschland GmbH. Proceeds resulting from this transaction which were received by Triumph-Adler SüdOst GmbH increased the profits transferred to the company. Also with a view to higher internal efficiency, in the third quarter we also merged our Swiss subsidiary Visinfo AG with TA Triumph-Adler Schweiz AG to become TA Triumph-Adler Visinfo AG.

The branch office in Regensburg of TA Triumph-Adler Bayern GmbH was sold to a management buyout in the fourth quarter of 2006. The company that has been spun off continues to be active in our business as a specialist dealer for UTAX GmbH.

At the same time, we have also started to centralize further administration activities of the subsidiaries and to provide them as a service. For this purpose, we located TA Triumph-Adler AdmEx GmbH at the headquarters of TA Triumph-Adler Baden-Württemberg GmbH. TA Triumph-Adler AdmEx GmbH will perform administration tasks for the other companies.

GROUP MANAGEMENT

After the conclusion of the restructuring of the TA Triumph-Adler Group from a holding group to an operating company, CFO Heiko Arnold departed from the company following the Shareholders' General Meeting on May 30, 2006. Dr. Bernd Köhler was appointed to the Board of Management with effect from March 1, 2006. Since April 30, 2006, he has been CFO.

There were no other changes within the Management Board. As at December 31, 2006, the Management Board was thus composed of Robert Feldmeier (Spokesman of the Management Board), Dr. Bernd Köhler and Masahiro Watashi.

No compensation agreements have been made with any member of the Management Board or Group employees relating to the event of a takeover offer. A special right to give notice of termination was granted to Dr. Bernd Köhler for the event that a shareholder were to acquire more than 50% of the shares of the company.

The appointment to, and recall from, office of members of the Management Board is regulated according to the provisions of §§ 84 ff of the German Stock Corporation Act (AktG). This means that members of the Management Board are appointed to, and recalled from, office by the Supervisory Board. In instances of urgency, the court is authorized to appoint members to the Management Board. The Supervisory Board appoints members of the Management Board for a maximum period of five years. If several persons are appointed as members of the Management Board, the Supervisory Board is entitled to nominate a member to be the Chairperson of the Management Board.

The Articles of Association of TA Triumph-Adler AG do not contain any provisions that diverge from the above. The code of procedure of the Supervisory Board determines that initial appointments to the Management Board should be for periods of less than five years.

Modifications to the Articles of Association can be carried out only in accordance with the provisions of §§ 179 ff of the German Stock Corporation Act (AktG). § 17 at the Articles of Association of TA Triumph-Adler AG authorizes the Supervisory Board to pass resolutions concerning adaptations to, and supplements of, the Articles of Incorporation with respect to their wording. This particularly applies to modifications resulting from carrying out capital increases from approved or conditional capital.

CORPORATE GOVERNANCE

The Management Board and Supervisory Board of TA Triumph-Adler AG regard it as their duty to perform efficient and comprehensive corporate governance. According to § 161 of the German Stock Corporation Act (AktG), management boards and supervisory boards of stock exchange listed stock corporations must issue an annual declaration of conformity relating whether, and to what extent, they adhere to the requirements of the German Corporate Governance Code, or to what extent they diverge from these requirements. The Management Board and the Supervisory Board have issued this declaration and have made it accessible to shareholders. We draw your attention also to the separate Corporate Governance Report that is being published in the 2006 Annual Report and on our website. The declaration of compliance has been available on our website since December 2006.

2. Earnings

In the fiscal year 2006, our subsidiaries succeeded in bundling our competitive advantages in the direct sales area with a repositioning of the TA Triumph-Adler brand as well as with a focused new sales approach. Those subsidiaries active in the distribution segment experienced a slight sales downturn in the first half of the year due to the shortfall of two distribution partners in Southern Europe. The ensuing dent in revenues was smoothed out in the second half of the year.

The successful course of business resulted in a marked increase of profits transferred to the company. As our ongoing efficiency improvement programs at the same time yielded the planned cost reductions TA Triumph-Adler AG for the first time since the fiscal year 2000 is in the position to report net earnings. The Management Board will propose to the general shareholders' meeting to carry these earnings forward.

PROFIT TRANSFER

Thanks to the pleasing development of business in the 2006 financial year, profits transferred from the subsidiaries to TA Triumph-Adler AG reached €28.7 million (2005: €18.7 million). Offsetting this, losses from subsidiaries transferred as part of the profit transfer arrangements amounted to €0.7 million (2005: €3.9 million). The transferred losses concerned primarily Triumph-Adler Output Solutions GmbH, where an extraordinary write-down was performed to a trademark right.

Other operating income in 2006 amounted to €13.0 million (2005: €21.9 million). This amount includes the abovementioned sales support provided by Kyocera Mita, amounting to €6.0 million. Service charges were received from the subsidiaries amounting to €5.1 million; a further €0.6 million derive from the release of provisions.

COSTS

Strict cost management and a variety of efficiency improvements related to the TA 3 Program once again led to a further significant reduction in of costs for the parent company compared with the previous year.

For instance, personnel expenditure in 2006 totaled €13.3 million (2005: €16.1 million). This amount includes social contributions and pension contributions of €6.9 million (2005: €6.4 million). Expenses for wages and salaries fell from €9.7 million in 2005 to €6.4 million in 2006. One-off effects amounting to €2 million were included in the 2005 personnel expenses.

During the reporting year, the company employed 49 members of staff (2005: 48).

Personnel expenses include remuneration for the Management Board of €1.6 million. Besides this, remuneration of €1.9 million was granted to former members of the Management Board and their surviving dependants. For more detailed disclosures concerning remuneration for the Management Board and the Supervisory Board, please refer to the Remuneration Report for both the Management Board and the Supervisory Board below.

We also achieved a marked reduction in other operating expenses. After spending €19.7 million in 2005 on office rental expenses, sales, administration, IT, and consultancy services, this amount was substantially reduced to €14.5 million in 2006.

We had no expenses for research and development.

The net financial result amounted to -€8.9 million (2005: -€6.6 million). The higher interest expense is attributable mainly to the drawdown at the end of 2005 of the final tranche of a mezzanine loan taken out in 2004.

NET FINANCIAL RESULT

As a consequence, the result from ordinary operations was boosted significantly in the 2006 financial year to €4.0 million, following a loss of €10.7 million in the previous year. This amount includes extraordinary expenses of -€6.0 million (2005: -€14 million). These extraordinary expenses resulted primarily from the following factors: the write-down of a receivable due from a guarantee insurer (€1.9 million), settlement payments to employees and managers who have left the company (€0.5 million), as well as consultancy payments (€2.7 million) related to the conclusion of the restructuring of the Group.

The tax expense in 2006 was €0.3 million (2005: €0.4 million).

As a consequence, TA Triumph-Adler AG generated net profit for 2006 of €3.6 million, representing an improvement of €14.7 million on the result achieved in 2005 (-€11.1 million).

3. Assets

As of December 31, 2006, total assets amounted to €313.9 million, 2.1% above the level on the same date in 2005 (€307.4 million). The increase in total assets is primarily attributable to acquisition activity.

The company's largest asset comprises shares in subsidiaries, at over 76% of total assets. As of the reporting date, these assets amounted to €237.9 million, €6.2 million higher than the previous year (December 31, 2005: €231.7 million).

Other assets fell from €15.1 million to €4.0 million. The decline in other current receivables of €7 million reflected in this figure is primarily related to an agreement with a guarantee insurer in the 2006 financial year. This agreement rendered proceeds of €7 million for the company.

As of December 31, 2006, receivables due from subsidiaries totaled €45.9 million (2005: €43.4 million). The financial position of the subsidiaries forms part of ongoing reporting. The company has only negligible receivables due from debtors outside the Group. For this reason, we envisage no receivable default risks for the company.

Cash and cash equivalents and amounted to €23.2 million as of December 31, 2006, following €8.0 million in the previous year. The increase is primarily due to the early collection of cash amounts from customers made by some subsidiaries, and a high refinancing rate. The cash and cash equivalents are held exclusively in bank accounts.

4. Information on Equity

As a result of the net profit generated for the 2006 financial year, the equity of TA Triumph-Adler AG totaled €64.2 million (2005: €60.6 million). This allowed the equity ratio to rise to 20.5% (2005: 19.7%). As in the previous year, the share capital of the company is composed of a 40,483,375 ordinary bearer shares, each with an arithmetic nominal value of €2.56, and totaling €103,637,440.

Kyocera Mita Corporation, Osaka, Japan, continues to hold a 29.9% share in the company. No further shareholdings exceeding 10% have been announced. There are currently no restrictions in place concerning the exercise of voting rights or the transfer of shares and there are no special rights of voting and no voting right controls resulting from employee participation.

Various shareholders general meeting resolutions granted the Management Board the following authorizations to issue new shares, or repurchase existing shares, which are reflected in the Articles of Association.

AUTHORIZED CAPITAL I (§ 4 PARAGRAPH 2 OF THE ARTICLES OF ASSOCIATION):

The Management Board is authorized, with the approval of the Supervisory Board, to increase the issued share capital of the company in the period up to June 14, 2009 through the issue of new shares for cash contribution and/or contribution in kind, either once or in several tranches, to a total amount of €41,454,976 (split into 16,193,350 ordinary shares each with an arithmetic nominal value of €2.56).

AUTHORIZED CAPITAL II (§ 4 PARAGRAPH 3 OF THE ARTICLES OF ASSOCIATION):

The Management Board is authorized, with the approval of the Supervisory Board, to increase the issued share capital of the company in the period up to June 14, 2009 through the issue of new shares for cash contribution, either once or in several tranches, to a total amount of €10,363,742.72 (split into 4,048,337 ordinary shares each with an arithmetic nominal value of €2.56).

CONDITIONAL CAPITAL I (§ 4 PARAGRAPH 4 OF THE ARTICLES OF ASSOCIATION):

The issued share capital is increased conditionally by the issue of new shares up to an amount of €962,560.00, split into 376,000 ordinary bearer shares with an arithmetic nominal value of €2.56.

CONDITIONAL CAPITAL II (§ 4 PARAGRAPH 5 OF THE ARTICLES OF ASSOCIATION):

The issued share capital is increased conditionally by the issue of new shares up to an amount of €38,333,440.00, with each share having an arithmetic nominal value of €2.56.

CONDITIONAL CAPITAL III (§ 4 PARAGRAPH 6 OF THE ARTICLES OF ASSOCIATION):

The issued share capital is increased conditionally up to an amount of €5,120,000.00 by the issue of 2,000,000 new ordinary bearer shares each with an arithmetic nominal value of €2.56.

OWN SHARES:

At the Shareholders' General Meeting of May 30, 2006, the company was authorized to acquire its own shares. The authorization is restricted to the acquisition of own shares to a total limit of up to 10% of the current issued share capital. The authorization is valid until November 29, 2007.

None of these authorizations was utilized in the 2006 financial year.

5. Financial position

The non-current liabilities of TA Triumph-Adler AG comprise the following items: pension provisions of €106.9 million (2005: €110.6 million), a bank financing facility for the entire TA Triumph-Adler Group that was restructured in 2004 into a long-term and centralized financing facility, and the mezzanine borrowings related to this financing facility. As of December 31, 2006, a total of €78.3 million of these financing lines were utilized (2005: €84.0 million).

This means that the ratio of long-term and medium-term capital to total liabilities and equity is 73.8% (2005: 78.2%).

We utilize interest-rate swaps to hedge against the risks from changes in interest rates pertaining to the variable interest rate loans that were taken out in the 2005 financial year. In this respect, please refer to section B.6 in the notes to these financial statements.

Bank borrowings have been reduced by €7.7 million to €44.9 million.

At €43.1 million, other liabilities were €4.7 million higher than at December 31, 2005. The change is primarily due to the scheduled increase in the mezzanine loan. Besides this, value added tax liabilities were almost €2 million higher due to factors relating to the reporting cut-off date.

As in 2006, interest payments, redemptions, and special redemptions agreed for the 2007 financial year can be serviced from cash and cash equivalents or from incoming cash flows relating to profit transfers from subsidiaries. We currently foresee no direct financial risks emerging from our current financing arrangements. For further comments concerning contractual and other risks, please refer to the Risk Report below.

As of December 31, 2006, other provisions of €3.1 million were €4.5 million lower than at the previous year's reporting date. The decline relates particularly to the provisions formed with respect to the court case with the guarantee insurer, and to provisions formed for the planned changes in the subsidiary structure that were carried out in 2006.

Liabilities due from subsidiaries amounted to €49.2 million as of December 31, 2006, following €34.4 million in the previous year. This increase is mainly due to the higher utilization of the cash pooling within the Group.

6. Events subsequent to the reporting date

As previously mentioned, our cooperation with our strategic partner Kyocera Mita Corporation enjoys a special significance. The Commercial Alliance Agreement between our two companies was extended in the course of the first quarter of the 2007 financial year up to June 30, 2010.

As part of our efforts to exploit external growth options, TA Triumph-Adler AG, via its direct subsidiary Triumph-Adler Rheinland GmbH, acquired, with effect from January 1, 2007, employees, active customer base, outstanding contracts, as well as the operating business assets of the well-known specialist trading company Unicopie Service GmbH, Düsseldorf. This step allows us to further expand our position of market leadership in the Rhineland. In the meantime, we have already started to realize synergy benefits identified in this acquisition with the focused integration of both organizational units.

For the 2007 financial year, TA Triumph Adler is planning to completely redeem its existing financing arrangements through the introduction of a portfolio of borrowing instruments, as well as through a capital increase of approximately €20 million. This will create the basis for a higher level of growth.

This project aims particularly at securing a significant reduction in interest costs and a major increase in strategic flexibility with respect to additional acquisitions in the core business. The targeted refinancing is also intended to augment the Company's equity base in order to counterbalance the risk of a devaluation of deferred tax assets arising from the planned reform of corporate taxation.

The Supervisory Board as of March 6, 2007, agreed to this undertaking after Kyocera Mita Corporation, Osaka, Japan declared its preparedness to participate in the capital increase.

Above and beyond this, between December 31, 2006 and the conclusion of the auditing of this report, there were no events of material significance.

7. Risk report

A comprehensive risk management system has been installed in our Group. The risk management system aims to identify potential risks at an early stage and, if required, introduce timely corresponding countermeasures. A risk manager is appointed for each company, who makes a quarterly report to the central risk management committee. Risk management is an integral and proven component of the corporate management and controlling function exercised by the management and supervisory boards.

Due to the existing structure of TA Triumph-Adler AG, which entails a high, fixed bloc of central costs due to the pension payments we are required to make, ongoing Group-wide measures to raise efficiency, productivity, and profitability are aimed at covering these central costs and generating a satisfactory return. In order to mitigate this risk, we started in the financial years 2004 and 2005, in cooperation with a well-known German management consultant firm, to introduce extensive cost reduction and sales-enhancing measures, which were as far as possible implemented in the 2006 financial year. We shall realize the full earnings effects in the financial years ahead. The restructuring program leads into our TA 3 program that is designed to bring about ongoing efficiency improvements across the entire Group.

The operating risks at the individual Group companies have not changed significantly compared with the previous year. They comprise mainly markets and competitive developments that might negatively affect the requisite further improvement in earnings. Besides this, risks derive from a potential dependence on individual service providers, in particular in the sales and inventory management areas, with respect to defaults in trade receivables and, to a lesser extent, currency risks.

On the procurement side, the by far greatest portion of our procurement volume of new machines is sourced from the Kyocera Mita Corporation. The reasons for the preference for this strategic cooperation partner are, as mentioned, the superior technology, fair purchasing terms, and the clear margin advantages for consumables and replacement parts. If, and to the extent that, machines from Kyocera Mita were found to be uncompetitive, or if supply bottlenecks were to occur at the Kyocera Mita Corporation, this would have a direct impact on the sales and earnings position of the TA Triumph-Adler Group. We counter this risk through intensive communications, as well as a detailed procurement planning system.

The advantage of having a high level of end-customers tied in through long-running customer agreements runs in parallel with the requirement to refinance these lease or all-in agreements.

This means that having sufficient refinancing capacity for the TA Triumph-Adler Group's liquidity position continues to be of great importance. In this respect, the TA Triumph-Adler Group pursues a strategy, along with the optimization of the interest burden related to the refinancing, of bundling the requisite refinancing volume among a manageable number of partners.

This entails the constant monitoring of refinancing modalities, terms, and volumes, and the pursuit of the number of projects designed to secure a sufficient financing ratio.

As part of the financing agreements (syndicated loan agreement, mezzanine loan agreement), TA Triumph-Adler AG has obligated itself to adhere to certain financial ratios (so-called covenants), which are usual with these types of financing concepts, relating to our assets and earnings. These financial ratios are derived from the corporate model according to the restructuring concept. This means that our future operating development has a particular importance not only for the direct development of liquidity but also for the above-mentioned contractual arrangements. The future development of interest rates additionally has a great significance for the earnings position of TA Triumph-Adler AG, as a result of the variable interest-rate aspect of these loans, which is typical for this type of loan agreement. As mentioned, we counter this potential risk using corresponding long-term interest-rate hedging.

The deferred tax assets in the consolidated balance sheet contain tax loss carryforwards in an amount of €109.5 million. Given the backdrop of the reform of corporate taxation due to take place in 2007 according to the Federal Government, negative effects on this balance sheet position due to the reduction of income tax are being anticipated.

In the financial statements of TA Triumph-Adler AG, which is the legally relevant parent company, the deferred tax assets relating to the tax loss carry forwards are not capitalized. In this respect, the potential reform of corporate taxation will for this reason not have an effect on the financial statements of TA Triumph-Adler AG.

8. Forecast

OVERALL STATEMENT CONCERNING THE GROUP'S ECONOMIC POSITION

Business developments in the third and fourth quarters of 2006 confirmed statements we have made at earlier junctures: with its two brands, its comprehensive geographical presence, customer-oriented sales initiatives, and leading technologies, the Group is in an outstanding position to derive special benefit from the firm economy.

While the overall market experienced hardly any growth in 2006, Group sales grew by a double-digit rate and we have further improved our position in the market. This resulted in significantly higher earnings for the company.

Thanks to our restructuring efforts and the efficiency improvement program that is now underway, we also reduced costs further and reported a net profit for the year for the first time in five years. We intend to carry this net profit forward to the new financial year's account in order to strengthen our equity base.

We regard both the position of, and the outlook for, the Group as favorable, and we are assuming positive future developments for business. While we do not anticipate that we can match the high organic growth rate that we reached in the 2006 financial year, we nevertheless plan to achieve an increase in operating results that outstrips revenue growth, and net earnings before tax for the year just within the double digit million range. We are currently anticipating a linear continuation of this development for the subsequent 2008 financial year. By 2010 at the latest, we aim to generate Group revenue of over €500 million with an Group EBIT return on sales of 9%.

ASSUMPTIONS CONCERNING FURTHER DEVELOPMENTS

These targets are based on the assumptions

- that the economy, and, in particular, the propensity to invest, does not weaken significantly in the current year and in coming years,
- that the technological advantage of the machines we offer is retained, and that together with our partner Kyocera Mita, we can ensure the availability of the requisite products,
- that the average rate of fall in prices in our markets does not intensify further, and
- that we are able to implement the planned TA 3 program measures in their entirety, including particularly: the further streamlining of the Group structure, accompanied by a proximity to customers that is unchanged, as well as further centralization of service activities, and improvements in the management of receivables and liabilities.

SPECIAL OPPORTUNITIES FOR GROWTH

Special opportunities present themselves to us in the strongest growing market segments, those for color photocopiers and hybrid machines (photocopiers with color option). In this respect, we have extremely competitive products, and with TOM we have a consultancy concept that delivers above-average benefits for the customer. A large portion of new business is already being generated today using the TOM approach.

We continue to see significant potential for printers. There are currently around 50,000 printers already installed with our customers (machines in field) and this number is rising at an above-average rate. Over the next few years, we believe that a market presence of up to 300,000 units is achievable.

The market for the efficiency improvement of electronic document flows offers significant growth opportunities for the foreseeable future. We have competitive technologies in this area. We shall further intensify sales activities in the current business year under the DIDO brand (Digital Document Organization), in order to create a favorable starting position for ourselves in this new market.

In the Distribution area we intend in 2007 above all to continue our growth path in exports, and further raise the share of sales generated abroad.

We shall take the opportunity to acquire companies that fit our business model, as long as they are attractively valued, have sound businesses, and can be integrated rapidly and smoothly into our Group. We have many years of experience in the valuation, acquisition, and successful integration of acquisition targets in the core business. For this reason the intensive continuation of the acquisition activity of the past few years, offers additional opportunities to further develop our Group.

The measures so far introduced to further improve Group profitability have already resulted in the 2006 financial year in the operating EBIT return improvements already mentioned, a high level of positive cash flow, an improvement in the earnings for the year of €14 million, and the reporting of net profit for the year of €3.6 million. For this reason, we shall continue to implement the TA 3 program in its entirety.

9. Report on remuneration paid to the Management Board and Supervisory Board

BACKGROUND

This Remuneration Report summarizes the principles applied in determining the remuneration paid to the Management Board of TA Triumph-Adler Aktiengesellschaft and goes on to explain the level and structure of payments to Board members. Also included is a description of the principles and level of remuneration paid to the Supervisory Board, together with details of the shareholdings of Management Board and Supervisory Board members.

The Remuneration Report follows the recommendations of the German Corporate Governance Code and contains information which in accordance with the requirements of German commercial law, amplified by the Executive Compensation Disclosure Act (VorstOG), is a constituent part of the Notes pursuant to § 314 and the Management Report pursuant to § 315 of the German Commercial Code (HGB).

MANAGEMENT BOARD REMUNERATION

Responsibility for determining the level and structure of remuneration paid to the Management Board lies with the Supervisory Board Personnel Committee, membership of which is comprised of the Chairman of the Supervisory Board, Dr. Wolfram Nolte, the Deputy Chair of the Supervisory Board, Anja Neumann, and Supervisory Board member Norbert Massfeller.

The object of the Management Board remuneration system is to compensate the management on a scale comparable with national and in some respect international standards in adequate recognition of their areas of activity and responsibility. Consideration is thereby given to the personal performance of each individual Management Board member, to the performance of the Board as a whole and to the successful development of the group. Accordingly a fixed salary is paid together with a variable element of compensation which is dependent on the one hand on the results achieved by the company and on the other on the contributions made by the business areas headed by individual Management Board members.

The overall remuneration granted to the Management Board is calculated as the sum total of compensation received in cash and payments in kind expressed in money's worth. Overall some € 762,352 was paid in fixed remuneration, € 48,243 in ancillary benefits, € 473,340 in performance-related components and € 280,000 in settlements. This amounted to a total in financial year 2006 of € 1,563,935 (total for 2005: € 1,533,327). In 2006, as in the preceding years 2005 and 2004, no share options were granted to Management Board members since the company's previous share option programme has expired and no new programme has been set up. Nor were any share options granted in previous years under the Stock Option Plan 2000 exercised by Management Board members in the year 2006. Of the share options allocated to the Management Board in 2002, Mr. Feldmeier as a member of the Board is still entitled to 10,000 options (reference price € 2.87), as well as to 15,000 options allocated in 2003 (reference price € 1.51). The share purchase price is comprised of the reference price as stated, plus a 20 % issue surcharge. The company will refund the issue surcharge paid at the time the option is exercised provided that the average closing price for the stock on the last 10 stock market trading days prior to the option being exercised is a minimum of 20 % higher than the reference price. No share options were granted to other members of the Management Board.

Of the three convertible bonds issues granted in the years 1997 to 1999, Mr. Feldmeier as a member of the Management Board holds 40 convertible bonds with a nominal value of DM 40,000.00 (exercise hurdle € 14.02) from the 1997 tranche and a further 40 convertible bonds with a nominal value of DM 40,000.00 (exercise hurdle € 10.88) from the 1998 tranche. The conditions for the exercise of these bonds are not however currently met, as the hurdles (the price per TA share) have not been achieved, nor are they likely to be achieved in the foreseeable future. The other members of the Management Board hold no convertible bonds.

The individual remuneration components for Management Board members comprise fixed and variable elements. The level of fixed remuneration is determined on the one hand by the degree of difficulty inherent in the positions assigned to Board members and the direct impact on results, and on the other by external market factors. The variable compensation is comprised of three components, being 1.) a relative performance-related payment (achievement of EBT targets), 2.) an absolute performance-related payment (return on equity) and 3.) a payment based on personal targets / projects (personal contribution).

In detail the remuneration for the year 2006 was as follows:

in €	Fixed salary	Ancillary benefits/ payments in kind	Perf.-related payment	Settlement	Total
Robert Feldmeier	281,000	13,292	296,840	0	591,132
Dr. Bernd Köhler (from 01.03.2006)	211,500	9,043	176,000	0	397,043
Masahiro Watashi	152,977	17,617	0	0	170,594
Heiko Arnold (to 30.05.2006)	116,875	8,291	0	280,000	405,166
Total	762,352	48,243	473,340	280,000	1,563,935

In addition payments totaling € 1,920,294.33 were made in 2006 (previous year € 3,160,616) to former Management Board members and their surviving dependants. Provisions for pension commitments to former Management Board members and their dependants totaled € 21,669,580 (previous year € 21,932,370). The contracts of employment with current members of the Management Board make no provision for pension entitlements funded by the company. In the event that their employment is ended, no pension entitlements or other benefit commitments will accrue to Management Board members. No agreements have been entered into with the Management Board or Group employees regarding compensation in the event of a takeover. A special right has been granted to Dr. Bernd Köhler to give notice of termination in the event that a shareholder should acquire a stake of more than 50 % in the company.

Members of the Management Board wishing to take up ancillary employment must obtain the approval of the Supervisory Board. At this time no such approvals have been given. No separate remuneration is paid for the acceptance of board or committee posts at Group companies.

SUPERVISORY BOARD REMUNERATION

The remuneration paid to the Supervisory Board is determined by the company's shareholders general meeting. Under the current arrangement, in addition to the reimbursement of expenses and an attendance allowance of € 178.95 per meeting, members of the Supervisory Board receive fixed compensation in the amount of € 10,000 p.a. (in each case plus turnover tax at the statutory rate). The Chairman of the Supervisory Board receives double the fixed compensation and the Deputy Chair receives one and one half times the amount. Members of committees who do not hold the position of either Chair or Deputy Chair of the Supervisory Board likewise receive one and one half times the fixed compensation. No remuneration was paid for legal services in 2006 (previous year € 21,285.84 gross). The Supervisory Board remuneration does not include payments due to employee representatives under their contracts of employment. On this basis compensation for the activities of members of the Supervisory Board as a whole in 2006 amounted to € 171,768.67 (previous year € 186,592.65).

No loans or advances to members of the Management Board or Supervisory Board of the company existed in 2006.

As of December 31, 2006, no member of the Supervisory Board or Management Board disposed over more than 1 % of company stock. In total on December 31, 2006, the members of the Management Board held 25,000 share options. Members of the Supervisory Board have no company share options.

No securities transactions involving company instruments were conducted in financial year 2006 either by members of the Management Board or Supervisory Board or by managers who have regular access to insider information and are authorized to make material corporate decisions. In particular, no company shares were sold by members of the Supervisory Board or Management Board. The company discloses such transactions immediately following notification to the company. These may be viewed at any time on the company web site.

Nuremberg, March 14, 2007

Robert Feldmeier
Dr. Bernd Köhler
Masahiro Watashi

Income Statement for the 2006 financial year

in €	2006	2005
1. Sales	0.00	1,497,476.25
2. Income from profit transfer agreements	28,712,706.81	18,681,139.35
3. Expenses from assumption of losses	-666,606.86	-3,878,023.54
4. Income from participations (of which from associated companies € 0.00; 2005: € 1,319,204.49)	44,312.43	1,381,273.14
5. Other operating income	12,978,666.43	21,909,578.66
6. Cost of materials		
a) Cost of raw materials, goods and supplies, and of purchase material	0.00	-1,743,900.63
7. Personnel expenses		
a) Salaries and wages	-6,417,495.86	-9,689,069.21
b) Social security and expenses for pensions (of which for pensions € 6,327,568.97; 2005: € 5,914,619.69)	-6,866,397.01	-6,375,130.44
8. Amortization of intangible assets and depreciation of intangible assets	-373,748.26	-1,795,508.11
9. Other operating expenses	-14,485,760.58	-19,680,931.31
10. Income from other long-term securities and loans (of which from associated companies € 0.00; 2005: € 0.00)	0.00	6,671.04
11. Other interest and similar income (of which from associated companies € 1,820,086.13; 2005: € 3,081,069.10)	2,138,271.95	3,126,877.71
12. Write-downs to financial assets and securities held as current assets	0.00	-4,473,177.74
13. Interest in similar expenses (of which to associated companies € 1,392,632.93; 2005: € 1,301,911.07)	-11,080,813.39	-9,701,382.20
14. Results from ordinary operations	3,983,135.66	-10,734,107.03
15. Income tax revenue (previous year: income tax expenses)	57,058.64	-360,894.51
16. Other tax	-402,034.77	-51,356.30
17. Net profit for the year (2005: net loss for the year)	3,638,159.53	-11,146,357.84
18. Loss carried forward from previous year	-83,480,540.86	-72,334,183.02
19. Accumulated loss	-79,842,381.33	-83,480,540.86

Balance sheet

as of December 31, 2006

Assets	31.12.2006	31.12.2005
in €		
A. Fixed assets		
I. Intangible fixed assets		
1. Concessions, industrial property rights and assets and licenses for such rights and assets	206,445.32	153,868.06
2. Prepayments rendered	250,000.00	0.00
	456,445.32	153,868.06
II. Tangible assets		
1. Other equipment, operating and office equipment	624,129.79	62,027.23
	624,129.79	62,027.23
III. Financial investments		
1. Shares in associated companies	237,886,126.31	231,734,816.67
2. Investments	65,430.35	65,430.35
3. Long-term securities	306,775.08	306,775.08
	238,258,331.74	232,107,022.10
	239,338,906.85	232,322,917.39
B. Current assets		
I. Inventories		
1. Finished goods and merchandise	0.00	84,879.08
	0.00	84,879.08
II. Receivables and other assets		
1. Trade receivables	1,469.40	306,991.64
2. Receivables due from associated companies	45,943,626.83	43,414,691.38
3. Receivables due from companies in which an investment is held	1,021,093.40	7,940,454.10
4. Other assets	4,013,289.06	15,140,938.48
	50,979,478.69	66,803,075.60
III. Cash and cash equivalents	23,246,820.05	7,958,363.65
	74,226,298.74	74,846,318.33
C. Deferred income	367,167.78	215,836.44
Total assets	313,932,373.37	307,385,072.16

Liabilities

	31.12.2006	31.12.2005
in €		
A. Equity		
I. Subscribed capital		
Conditional capital € 44,416,000.00		
(2005: € 44,416,000.00)	103,637,440.00	103,637,440.00
II. Capital reserve	38,382,289.98	38,382,289.98
III. Revenue reserve		
1. Legal reserve	2,045,167.52	2,045,167.52
IV. Accumulated loss	-79,842,381.33	-83,480,540.86
	64,222,516.17	60,584,356.64
B. Provisions		
1. Pensions and provisions and similar obligations	106,942,092.00	110,630,364.00
2. Tax provisions	898,629.19	881,616.37
3. Other provisions	3,094,735.00	7,634,274.00
	110,935,456.19	119,146,254.37
C. Liabilities		
1. Bonds		
(of which convertible € 112,484.21; 2005: € 153,387.56)	877,611.92	938,972.61
2. Bank borrowings	44,946,862.20	52,647,681.21
3. Trade payables	708,852.85	1,250,242.79
4. Liabilities due to associated companies	49,177,507.97	34,391,614.86
5. Other liabilities		
(of which tax € 3,399,504.44; 2005: € 1,244,911.51;		
of which as part of social security € 1,653.00; 2005: € 82,150.44)	43,063,566.07	38,423,374.48
	138,774,401.01	127,651,885.95
D. Prepaid expenses	0.00	2,575.20
Total liabilities	313,932,373.37	307,385,072.16

Changes in assets in the course of fiscal year 2006

in €	Cumulative acquisition or production costs				Dec. 31, 2006
	Jan. 01, 2006	Additions	Addition acquisition TSS leasing	Disposals	
Intangible assets					
1. Patents, licenses and similar rights	1,270,829.23	186,204.80	17,100.00	591.98	1,473,542.05
2. Goodwill	2,556,459.40	0.00	0.00	0.00	2,556,459.40
3. Prepayments on intangible assets	0.00	250,000.00	0.00	0.00	250,000.00
	3,827,288.63	436,204.80	17,100.00	591.98	4,280,001.45
Fixed assets					
1. Land, property rights and buildings	122,437.56	0.00	0.00	0.00	122,437.56
2. Technical equipment and machinery	0.00	0.00	0.00	0.00	0.00
3. Office and operating equipment	1,343,996.86	507,161.49	733,251.80	158,382.77	2,426,027.38
	1,466,434.42	507,161.49	733,251.80	158,382.77	2,548,464.94
Financial assets					
1. Shares in associated companies	319,996,528.84	6,151,309.64	0.00	0.00	326,147,838.48
2. Participations	3,538,608.09	0.00	0.00	0.00	3,538,608.09
3. Securities	306,775.08	0.00	0.00	0.00	306,775.08
	323,841,912.01	6,151,309.64	0.00	0.00	329,993,221.65
	329,135,635.06	7,094,675.93	750,351.80	158,974.75	336,821,688.04

Jan. 1, 2006	Additions	Cumulative depreciation		Disposals	Dec. 31, 2006	Book value		Dec. 31, 2005
			Addition acquisition TSS leasing			Dec. 31, 2006	Dec. 31, 2006	
1,116,961.17	140,087.54		10,640.00	591.98	1,267,096.73	206,445.32		153,868.06
2,556,459.40	0.00		0.00	0.00	2,556,459.40	0.00		0.00
0.00	0.00		0.00	0.00	0.00	250,000.00		0.00
3,673,420.57	140,087.54		10,640.00	591.98	3,823,556.13	456,445.32		153,868.06
122,437.56	0.00		0.00	0.00	122,437.56	0.00		0.00
0.00	0.00		0.00	0.00	0.00	0.00		0.00
1,281,969.63	233,660.72		437,092.00	150,824.76	1,801,897.59	624,129.79		62,027.23
1,404,407.19	233,660.72		437,092.00	150,824.76	1,924,335.15	624,129.79		62,027.23
88,261,712.17	0.00		0.00	0.00	88,261,712.17	237,886,126.31		231,734,816.67
3,473,177.74	0.00		0.00	0.00	3,473,177.74	65,430.35		65,430.35
0.00	0.00		0.00	0.00	0.00	306,775.08		306,775.08
91,734,889.91	0.00		0.00	0.00	91,734,889.91	238,258,331.74		232,107,022.10
96,812,717.67	373,748.26		447,732.00	151,416.74	97,482,781.19	239,338,906.85		232,322,917.39

Notes to the financial statements of TA Triumph-Adler AG, Nuremberg for the 2006 financial year

A. General information

1. ACCOUNTING POLICIES

ACCOUNTING POLICIES

The accounting policies are unchanged compared with those applied in the previous year.

INTANGIBLE ASSETS

Intangible assets acquired for cash are capitalized at acquisition cost and amortized straight-line over a useful life of three years in accordance with the relevant fiscal depreciation tables. As a result of the discontinuation of the typewriter business in 2005, capitalized goodwill has been amortized completely.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is valued at acquisition or production costs minus scheduled depreciation. Movable assets are depreciated straight-line in accordance with the relevant fiscal depreciation tables.

SHAREHOLDINGS IN ASSOCIATED COMPANIES

Shareholdings in associated companies are recognized at the lower of either acquisition costs plus ancillary costs or going-concern value.

OTHER FINANCIAL INVESTMENTS

Other financial investments are recognized in the lower of either nominal value or going-concern value.

RAW MATERIALS, CONSUMABLES, AND SUPPLIES

Raw materials, consumables, and supplies are valued at acquisition cost plus ancillary costs. Items of reduced marketability are written down to fair value.

RECEIVABLES AND OTHER ASSETS

Receivables and other assets are recognized at nominal value, as matter of principle. Trade receivables are subjected to appropriate specific and general write-downs.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents are entered in the balance sheet at nominal value.

PREPAYMENT

A prepayment item is formed on the asset side of the balance sheet for payments made during the financial year relating to expenses that will be incurred at a certain point following the reporting date.

PENSION PROVISIONS

Pension provisions are calculated according to actuarial principles using the discount value method and based on an interest rate of 6.0%.

TAX PROVISIONS AND OTHER PROVISIONS

Tax provisions and other provisions reflect all identifiable risks and uncertain liabilities on the basis of prudent business assessment.

LIABILITIES

Liabilities are recognized at repayment amount.

INCOME

Income from profit-transfer agreements and expenses relating to the transfer of losses are reported in the year in which the subsidiaries' gains and losses are realized. Income from profit-transfer agreements also includes anticipated payments to subsidiaries' minority shareholders.

2. BASIS OF FOREIGN CURRENCY TRANSLATION

Foreign currency liabilities and receivables are converted using the exchange rate on the day of the business transaction.

Losses from changes in exchange rates are reflected through revaluation on the reporting date.

B. Notes to the balance sheet

1. NON-CURRENT ASSETS

The development of non-current assets during the financial year can be seen from the attached schedule of movements in fixed assets.

A schedule of the company's shareholdings is attached as a further annex to the annual financial statements.

2. RECEIVABLES AND OTHER ASSETS

Receivables due from associated companies contain trade receivables amounting to TEUR 269 (2005: TEUR 925). TEUR 3,259 (2005: TEUR 2,180) comprises the amount of receivables due from associated companies with durations extending beyond one year.

Other assets contain mainly receivables from pension obligations assumed, amounting to TEUR 2,418, and receivables due from Corona V1 Beteiligungs GmbH amounting to TEUR 883.

Other assets amounting to TEUR 2,077 (2005: TEUR 2,180) have durations of over one year.

3. EQUITY

A) SUBSCRIBED CAPITAL

The company's subscribed capital was € 103,637,440. The subscribed capital is divided into 40,483,375 bearer shares with an arithmetic value of € 2.56 per share.

B) CAPITAL RESERVE

The capital reserve contains the premium from capital increases.

C) LEGAL RESERVE

The Legal reserve remains unchanged at € 2,045,167.52. Taking into account the existing capital reserve, this fulfills the requirement of § 150 AktG (German Stock Corporation Act)

D) APPROVED CAPITAL I

According to § 4 Paragraph 2 of the Articles of Association, the Management Board is authorized, with the agreement of the Supervisory Board, to increase the issued share capital of the company in the period up to June 14, 2010 through the issue of new shares for cash and payment in kind, either once or in several tranches, to a total of € 41,454,976 (split into 60,193,350 ordinary shares, each with a nominal value of € 2.56). With the agreement of the Supervisory Board, the Management Board is authorized, (a) to exclude residual amounts from the subscription right, and (b) to exclude shareholders from the subscription right if the new shares are issued against payment in kind for the acquisition of companies or shareholdings in companies. The timing, extent, and other conditions relating to capital increases are determined by the Management Board with the approval of the Supervisory Board.

E) APPROVED CAPITAL II

According to § 4 Paragraph 2 of the Articles of Association, the Management Board is authorized, with the agreement of the Supervisory Board, to increase the issued share capital of the company in the period up until June 14, 2010 through the issue of new shares for cash, either once or in several tranches, up to a total of €10,363,742.72 (split into 4,048,337 ordinary shares, each with a nominal value of €2.56). With the approval of the Supervisory Board, the Management Board is entitled to exclude shareholders from the subscription right, in order to issue the new shares for an issue amount that is not materially less than the stock exchange price of the stock exchange listed shares of the company at the time when the issue amount is fixed; to the extent that the Management Board does not utilize the above-mentioned authorization, the subscription right of the shareholders can be excluded only for residual amounts. The timing, extent, and other terms of capital increases are determined by the Management Board with the approval of the Supervisory Board.

F) CONDITIONAL CAPITAL I

According to § 4 Paragraph 4 of the Articles of Association, the issued share capital is conditionally increased through the issue of new shares by up to €962,560, split into up to 376,000 ordinary bearer shares, each with a nominal value of €2.56. The new shares enjoy the same rights, in terms of the Articles of Association, as shares issued to date; they are entitled to participate in earnings from the start of the financial year in which they are being subscribed to.

G) CONDITIONAL CAPITAL II

The issued share capital can be increased conditionally by up to €38,333,440 through the issue of 14,974,000 new ordinary bearer shares, each with a nominal value of €2.56. The conditional capital increase is performed only to the extent that the owners of convertible and option bonds issued by June 14, 2009 on the basis of the authorization of the Shareholders' General Meeting of June 15, 2004 by TA Triumph-Adler AG, or by companies in which TA Triumph-Adler AG has either direct or indirect majority shareholdings, utilize their conversion and option rights, or to the extent that this is required to satisfy conversion obligations, and the company's own shares cannot be used to service this requirement. The issue of new shares is performed according to the authorization resolution described above and at conversion and option prices to be determined in each case. Company shares arising from the exercise of conversion and option rights, or from the satisfaction of the conversion obligation, are dividend-entitled for the entire year in which they come into existence. The Management Board is authorized, with the approval of the Supervisory Board, to determine further details required to perform the conditional capital increase.

In the years 1997 to 1999, three convertible bonds were issued to employees and the Management Board. In each case, the right to conversion comes into force after one year of maturity. The conversion rights lapse if the employee leaves the TA Triumph-Adler Group. Employees who have left the Group have the opportunity to sell their convertible bonds back to the Group at market price.

By year-end 2006, 54 employees and members of the Management Board have sold bonds with a total nominal value of €994,266. The conversion rights for these convertible bonds have been cancelled.

H) CONDITIONAL CAPITAL III

According to § 4 Paragraph 5 of the Articles of Association, the issued share capital can be increased through the issue of new shares by up to €5,120,000, split into up to 2,000,000 ordinary bearer shares. The conditional capital increase will be performed only to the extent that owners of equity options issued on the basis of the authorization of June 21, 2000 concerning the company's stock option plan utilize their subscription rights, and the company does not utilize its own shares to satisfy the option rights. The new shares of the company arising from the exercise of these subscription rights participate in the company's earnings from the start of the financial year in which they are being subscribed to.

Convertible bonds

		Nominal amount (in €)		Conversion rights to TA shares (Number)	Exercise hurdle (in €)	Conversion price (per share in €)
TA Triumph-Adler AG Mgt Board	98/07	51,129	98/07	20,000	14.02	10.79
	98/08	40,903	98/08	16,000	10.88	8.36
	99/09	0	99/09	0	9.61	7.39
		92,032		36,000		
Other employees	98/07	96,123	98/07	37,600	14.02	10.79
	98/08	51,129	98/08	20,000	10.88	8.36
	99/09	32,768	99/09	12,800	9.61	7.39
		180,020		70,400		
Sal. Oppenheim		605,550		Conversion rights have been cancelled		
Sub-total		877,612				
Repurchases TA AG		388,706		Conversion rights have been cancelled		
Total		1,266,318		106,400		

As part of the stock option program, 392,600 stock options were issued in 2000, 384,000 stock options were issued in 2001, 240,200 stock options were issued in 2002, and 224,400 stock options were issued in 2003. Of these, relevant members of the Management Board of the company received 60,000, 60,000, 40,000, and 60,000 stock options in 2003. No stock options were issued in the years 2004 to 2006.

The purchase price of the shares is composed of reference prices of €9.69 (2000), €9.55 (2001), €2.87 (2002) and €1.51 (2003) and a 20% issue premium. In other words, the reference price amounts to €11.60 (2000), €11.46 (2001), €3.44 (2002), and €1.81 (2003). The company reimburses the issue premium paid with the exercise of the option, as long as the average of the closing prices of the company's share on the last 10 stock exchange days before the date of exercise lies at least 20% above the reference price. The period that must be allowed to elapse before the exercise the option rights is two years for one third of the exercise, three years for up to two thirds of the exercise, and four years for the exercise of the remaining option rights granted in one tranche. In fiscal year 2006, no potential gains and losses with relation to the stock option program were booked.

J) OWN SHARES

At the Shareholders' General Meeting of May 30, 2006, the company was authorized to acquire its own shares. The authorization is restricted to the acquisition of own shares to a total limit of up to 10% of the current issued share capital. The authorization is valid until November 29, 2007.

J) ACCUMULATED LOSS

The accumulated loss developed as follows in the 2006 financial year:

	in €
Net profit for 2006	3,638,159.53
Loss carried forward	-83,480,540.86
Accumulated loss as of Dec. 31, 2006	79,842,381.33

4. PROVISIONS

The extent of pension provisions is derived from an actuarial valuation.

In December 2002, the pension obligations were transferred with fiscal effect to the TA Unterstützungsverein. This transformed the direct obligation into an indirect obligation. The transaction had no effect on the extent of the provision.

Other provisions comprised mainly uncertain liabilities and obligations arising from the further restructuring of the corporate Group amounting to TEUR 850, bonuses of TEUR 505, costs associated with the preparation of the annual financial statements and annual reports amounting to TEUR 316, outstanding supplier invoices amounting to TEUR 23, and holiday expenses outstanding of TEUR 16.

5. LIABILITIES

Schedule of liabilities as of December 31, 2006

	Residual term up to one year €	Residual term between one and five years €	Residual term greater than five years €	Total amount €
1. Bonds of which convertible: € 112,484.21 (2005: € 153,387.56)	0	877,612	0	877,612
2. Bank borrowings	10,246,862	34,700,000	0	44,946
3. Trade payables	708,853	0	0	708,853
4. Borrowings from associated companies	49,177,508	0	0	49,177,508
5. Other liabilities	8,687,931	34,375,635	0	43,063,566
Total	68,821,154	69,953,247	0	138,774,401

Schedule of liabilities as of December 31, 2005

	Residual term up to one year €	Residual term between one and five years €	Residual term greater than five years €	Total amount €
1. Bonds	0	938,973	0	938,973
2. Bank borrowings	6,000,000	46,647,681	0	52,647,681
3. Trade payables	1,250,243	0	0	1,250,243
4. Borrowings from associated companies	34,391,615	0	0	34,391,615
5. Other liabilities	7,523,374	30,900,000	0	38,423,374
Total	49,165,232	78,486,654	0	127,651,886

Liabilities due to associated companies contain trade payables amounting to TEUR 1,096 (2005: TEUR 689).

Bank borrowings to an amount of TEUR 44,947 are collateralized through the pledging of shares in businesses, assignment of rights of indemnity related to ensure obligations, the pledging of trademarks, and the pledging of bank deposits.

6. DISCLOSURES CONCERNING FINANCIAL INSTRUMENTS

The interest-rate risks from long-term bank borrowings and mezzanine loans that carry variable rates of interest are hedged using interest-rate swaps. The loan agreements for both the syndicated loan and the mezzanine loan require that we perform interest-rate hedging. We realized hedging for at least 75% of the related loan volume using corresponding interest-rate swaps in February 2005.

The positive market values of the interest-rate swaps have not been recognized in the balance sheet, and correspondingly have no book value. The interest-rate swaps are as follows:

				Fair value T€
€ 9.3 million	Swap at 3.185 %	Against 3-month Euribor	Duration to 30.03.2008	50
€ 15.0 million	Swap at 3.750 %	Against 6-month Euribor	Duration to 04.11.2009	106
€ 20.0 million	Swap at 3.820 %	Against 3-month Euribor	Duration to 30.06.2012	158
€ 15.0 million	Swap at 3.590 %	Against 6-month Euribor	Duration to 04.11.2009	173

C. Notes on the income statement

The income statement has been prepared according to the cost of production method.

SALES

No sales were reported in 2006 due to the fact that the typewriter business was discontinued in 2005.

INCOME FROM PROFIT TRANSFERS

Income from profit transfer arrangements derives mainly from UTAX GmbH with TEUR 8,472, TA Süd-Ost GmbH with TEUR 6,161, TA Rheinland with TEUR 4,066, TA Norddeutschland with TEUR 2,511 and TA Leasing GmbH with an amount of TEUR 1,837.

EXPENSES RELATED TO THE TRANSFER OF LOSSES

Expenses related to the transfer of losses (TEUR 667) concern primarily TA Output Solutions GmbH.

INCOME FROM INVESTMENTS

Income from investments derives from the shareholding in BFL Leasing amounting to TEUR 42, and the shareholding in Alpha Büromaschinen-Handels GmbH & Co. Juno KG amounting to TEUR 2.

OTHER OPERATING INCOME

Other operating income comprises primarily income from advertising subsidies amounting to TEUR 5,950. It also comprises management charges of TEUR 2,784, transferred income from IT costs of TEUR 2,360, and aperiodic income from the release of provisions of TEUR 633 (2005: TEUR 6,499).

OTHER OPERATING EXPENSES

Other operating expenses reflects mainly administrative costs of TEUR 1,935, consultancy costs of TEUR 4,130, management charges of TEUR 1,173, sales costs of TEUR 1,096, charges for premises of TEUR 1,223, and IT costs of TEUR 964.

Of the other operating expenses, a total of TEUR 6,001 (2005: TEUR 7,885) are one-off charges.

Other operating expenses include aperiodic expenses of TEUR 1,858 (2005: TEUR 146).

The consultancy expenses contain fees for the independent auditors of the financial statements as follows:

	T€
a) for the audit of the financial statements	244
b) for other certification and evaluation services	17
c) for tax consultancy services	0
d) for other services	0

INCOME TAX

Income tax revenue concerns mainly reimbursed corporation tax (TEUR 134) as well as an addition to the provision for trade tax (TEUR 70).

D. Other disclosures

1. CONTINGENT LIABILITIES AND OTHER FINANCIAL OBLIGATIONS

In accordance with § 251 and § 268 Paragraph 7 of the German Commercial Code (HGB), we are required to make the following disclosures of liability:

	T€
Liabilities from guarantees,	
Guarantees relating to bills of exchange and checks	4,752
of which relating to associated companies: T€ 3.399	
Liabilities arising from warranty agreements	0
Total	4,752

OTHER SIGNIFICANT FINANCIAL OBLIGATIONS (The disclosures relate to the entire duration of the agreements)

	T€
Obligations from lease agreements	876
of which relating to associated companies: T€248	
Obligations from long-term lease agreements	292
of which relating to associated companies: T€ 0	
Total	1,168

Prospectively TEUR 546 of the other financial obligations relate to 2007 financial year.

2. EMPLOYEES

The average number of employees is split among the following groups:

	2006	2005
Administration	47	46
Technology	3	2
Sales	3	0

In the 2006 financial year, an average of 53 members of staff was employed in the company (2005: 48 employees).

3. DECLARATION OF CONFORMITY TO THE GERMAN CORPORATE GOVERNANCE CODE

In December 2006, the Management Board and the Supervisory Board of TA Triumph-Adler AG issued a declaration of conformity to the German Corporate Governance Code in the version of June 12, 2005 in the sense of § 161 of the German Stock Corporation Act (AktG), and made available it permanently available to shareholders on TA Triumph-Adler AG's website.

4. MANDATORY ANNOUNCEMENTS BY SHAREHOLDERS

In accordance with § 21 Paragraph 1 of the Securities Trading Act (WpHG), Kyocera Mita Corporation on December 8, 2003 announced that the share of voting rights of Kyocera Mita Corporation in TA Triumph-Adler Aktiengesellschaft on December 4, 2003 breached the 5% threshold and, as of December 8, 2003, had reached 25.0029%.

As of December 31, 2006, the shareholding of Kyocera Mita Corporation in TA Triumph-Adler Aktiengesellschaft amounts to 29.9%.

In accordance with § 21 Paragraph 1 in combination with § 24 of the Securities Trading Act (WpHG), WestLB AG on behalf of its 100% subsidiary WestTA Beteiligungsgesellschaft mbH, Düsseldorf, announced on February 16, 2006 that its share of the voting rights of TA Triumph-Adler AG, Nuremberg, on February 15, 2006 fell below the threshold of 10% and, as of February 16, 2006, amounted to 9.95%. In accordance with §22 Paragraph 1 Section 1 of the Securities Trading Act (WpHG), these voting rights shares are attributable to WestLB AG.

5. THE COMPANY'S BOARDS

MANAGEMENT BOARD AND SUPERVISORY BOARD

MANAGEMENT BOARD

Robert Feldmeier, Lorsch,
Member of the Management Board
responsible for Sales,
Spokesman of the Management Board
(from October 1, 2005)

Heiko Arnold, Grünwald,
Chief Financial Officer (until May 30, 2006)

Masahiro Watashi, Hamburg,
Member of the Management Board
responsible for product technology

Dr. Bernd Köhler, Ubstadt,
(from March 1, 2006 - Chief Financial Officer from
April 30, 2006)

The overall remuneration granted to the Management Board for activities carried out on behalf of the parent company or of the subsidiaries amounted to a total in financial year 2006 of € 1,563,935 (total for 2005: € 1,533,327). For more details we make reference to the remuneration report which is part of the management report.

The contracts of employment with current members of the Management Board make no provision for pension entitlements funded by the company.

Payments totaling € 1,920,294 were made in 2006 (previous year € 3,160,616) to former Management Board members and their surviving dependants.

Provisions for pension commitments to former Management Board members and their dependants totaled € 21,669,580 (previous year € 21,992,370).

DISCLOSURES CONCERNING SUPERVISORY BOARD MANDATES OF MEMBERS OF THE MANAGEMENT BOARD

None.

MEMBERS OF THE SUPERVISORY BOARD

Dr. Wolfram Nolte, Cologne,
Business Executive - Chairperson

Anja Neumann, Schwerin,
Order processing team leader, warehousing and logistics, - Deputy Chairperson

Ulrich T. Grabowski, Munich,
member of the Management Board of cash.life AG,
Pullach

Katsumi Komaguchi, Japan - Osaka,
Kyocera Mita Corporation, Business Executive

Takashi Kuki, NL - Amsterdam,
Kyocera Mita Europe B.V., Business Executive

Reinhard Pöllath, Munich, Lawyer
(until August 20, 2006)

Sabine Scharf, Norderstedt,
Assistant to the Head of Service

Andreas Wiegand, Norderstedt,
Product Manager

Norbert Massfeller, Lehre,
Business Executive (from 23.02.2006)

Ryuichi Yamada, NL - Bloemendaal,
Kyocera Mita Europe B.V., General Manager Corporate
Legal Affairs (from September 6, 2006)

Compensation for the activities of members of the
Supervisory Board as a whole in 2006 amounted to ap-
proximately € 172,000 (previous year approximately
€ 187,000).

DISCLOSURES CONCERNING ADDITIONAL MANDATES OF MEMBERS OF THE SUPERVISORY BOARD

Norbert Massfeller

Cloppenburg Automobil AG (CAAG)*, BHW Holding
AG* (until 30.09.2006), BHW Bausparkasse AG* (until
30.09.2006), Projekt Region Braunschweig GmbH **
(Vorsitzender), BGAG Beteiligungsgesellschaft der
Gewerkschaften GmbH** (from 15.11.2006)

Reinhard Pöllath

Tchibo Holding AG* (Chairperson) retired), Tchibo
GmbH**, Verwaltungsgesellschaft Otto Versand
GmbH**, SinnerSchrader AG* (Chairperson),
Beiersdorf AG*, Deutsche Woolworth GmbH & Co.
OHG** (Chairperson), Feri AG* (until 19.10.2006),
Euvestor Investments** (since 25.09.2006)

Katsumi Komaguchi

Kyocera Mita Japan Corporation ***, Daiken Company
Ltd. ***, Kyocera Mita Europe B.V. ***, Kyocera Technol-
ogydevelopment Europe GmbH ***, Kyocera Mita Dan-
mark A/S***, Kyocera Mita America, INC. ***, Kyocera
Mita Canada, Ltd. ***, Kyocera Mita Mexico, S.A. DE
C.V. ***, Kyocera Mita Australia Pty. Ltd. ***, Kyocera
Mita New Zealand Ltd. ***, Kyocera Mita Singapore PTE
Ltd ***, Kyocera Mita Hong Kong Ltd. ***, Kyocera Mita
Office Equipment (Dong Guan) Co., Ltd.***, Kyocera
MitaTaiwan Corporation ***

Takashi Kuki

Kyocera Mita Corporation***, Kyocera Mita Europe
B.V.***, Kyocera Mita (U.K.) LTD.***, Kyocera Mita Italia
S.P.A.***, Kyocera Mita Belgium N.V. ***, S.A. Kyocera
Mita Belgium N.V. ***, Kyocera Mita Austria GmbH ***,
Kyocera Mita Denmark A/S ***, Kyocera Mita Espana
S.A. ***, Kyocera Mita France S.A. ***, Kyocera Mita
Finland Oy ***, Kyocera Mita Deutschland GmbH ***,
Kyocera Mita Nederland B.V. ***, Kyocera Mita South
Africa (PTY) LTD. ***, Kyocera Mita Svenska AB ***,
Kyocera Mita Portugal LDA. ***, Kyocera Technology-
development Europe GmbH ***

Nuremberg, March 14, 2007

The Management Board

*) Membership in other legally created Supervisory Boards

**) Membership in comparable German and foreign controlling bodies of
commercial companies

***) Group mandates in the sense of § 100 Paragraph 2 of the German Share Act (AG)

Audit certificate

We have audited the financial statements drawn up by TA Triumph-Adler Aktiengesellschaft, Nuremberg, comprising the balance sheet, income statement, and notes to the financial statements together with the accounting as well as the management report for the financial year from January 1 to December 31, 2006. The accounting as well as the preparation of the financial statements and management report in accordance with the German Commercial Code (HGB) are the responsibility of the company's Management Board. Our responsibility is to express an opinion on the financial statements and on the management report based on our audit.

We have conducted our audit of the financial statements in accordance with § 317 of the German Commercial Code (HGB) and German generally accepted auditing standards promulgated by the Institut der Wirtschaftsprüfer (IDW). Those standards require the audit to be planned and conducted in such manner as to detect with adequate certainty any inaccuracies or infringements which may significantly impact on the presentation of the net assets, financial position, and results of operations as conveyed by the financial statements in accordance with the applicable accounting standards, and by the management report. In determining the actions to be taken as part of the auditing procedure, knowledge of the business activities of the company and its economic and legal environment, as well as expectations as to possible misstatements were taken into account. In the course of the audit the effectiveness of the internal accounting control system and evidence supporting the disclosures contained in the financial statements and management report were assessed on the basis of random samples. The audit encompasses an appraisal of the accounting principles applied, and the significant estimates made by the Management Board, as well as an evaluation of the overall

presentation of the financial statements and management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has led to no reservations.

In our opinion based on the findings of our audit, the financial statements are in accordance with the legal requirements and provide in observation of the applicable accounting standards a true and fair view of the net assets, financial position, and results of operations of the company. The management report is consistent with the financial statements and, as a whole, provides an appropriate view of the company's position and suitably presents the opportunities and risks of future development.

Munich, March 14, 2007

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Mulas
German Public Auditor

Kunz
German Public Auditor

List of subsidiaries and associates

Status: 31.12.2006

Ref. no.		Issued share capital	Parent company ref. no.	% of shares held by parent	% held by TA Triumph-Adler AG
1000	TA Triumph-Adler Aktiengesellschaft, Nuremberg	€ 103,637,440.00			
2101	TA Triumph-Adler Baden-Württemberg GmbH, Fellbach	€ 767,500.00	1000	100.00	100.00
2102	TA Triumph-Adler Bayern GmbH, Memmingen	€ 256,200.00	1000	100.00	100.00
2103	TA Triumph-Adler Frankfurt GmbH, Frankfurt/Main	€ 30,100.00	1000	100.00	100.00
2104	TA Triumph-Adler Visinfo AG, Embrach (CH)	CHF 200,000.00	1000	100.00	100.00
2105	Bieri Repro AG, Beromünster (CH)	CHF 300,000.00	2104	100.00	100.00
2201	Triumph-Adler Rheinland GmbH, Bonn	€ 614,200.00	1000	100.00	100.00
2202	Triumph-Adler Benelux B.V., Hengelo (NL)	€ 18,000.00	2201	100.00	100.00
2203	TA Triumph-Adler Consulting GmbH, Bonn	€ 26,000.00	2201	100.00	100.00
2204	FQ Telekopie GmbH, München (future: TA Triumph-Adler AdmEx GmbH, Fellbach Schmidlen) *	€ 25,000.00	1000	100.00	100.00
2205	TA Triumph-Adler Westfalen GmbH, Dortmund	DM 1,300,000.00	1000	100.00	100.00
2206	TA Triumph-Adler Norddeutschland GmbH, Bremen	€ 522,200.00	1000	100.00	100.00
2207	TA Triumph-Adler Mecklenburg-Vorpommern GmbH, Stralsund	€ 103,050.00	1000	100.00	100.00
2301	TA Triumph-Adler Berlin-Brandenburg GmbH, Teltow	€ 73,350.00	1000	92.50	92.50
2302	Kopiersysteme Vertriebs GmbH Dessau, Dessau	€ 52,000.00	1000	90.00	90.00
2303	TA Triumph-Adler Mitteldeutschland GmbH, Leipzig*	€ 423,600.00	1000	94.50	94.50
2304	TA Triumph-Adler Nordhausen GmbH, Nordhausen	€ 104,000.00	1000	75.00	75.00
2305	Triumph-Adler Sachsen-Anhalt GmbH, Magdeburg	€ 52,000.00	1000	90.00	90.00
2400	Triumph-Adler SüdOst GmbH, Fellbach	€ 517,000.00	1000	100.00	100.00
2401	TA Triumph-Adler Lausitz-Oderland GmbH, Hoyerswerda	€ 251,500.00	2400	94.00	94.00
2402	TA Triumph-Adler Westthüringen GmbH, Erfurt	€ 130,000.00	2400	96.50	96.50
2403	TA Triumph-Adler GmbH, Chemnitz Gera Jena Zwickau	€ 57,200.00	2400	100.00	100.00
2404	Kopier Saalfeld GmbH, Saalfeld	€ 52,000.00	2400	85.00	85.00
2405	Schuss Office Systems GmbH, Wien (A)	€ 38,888.89	2400	100.00	100.00
2406	CHC Copia Holding CSFR GmbH, Fellbach	€ 103,000.00	2400	100.00	100.00
2407	COPI A Kancelarska technika CR, spol. s.r.o. (GmbH), Prag (CRC)	ZK 95,300,000.00	2406	100.00	100.00
2408	COPI A Slovákia spol s.r.o. (GmbH), Baska Bystrica (SR)	SK 1,950,000.00	2406	100.00	100.00
2409	TA Triumph-Adler Ceská republika, spol. s.r.o. (GmbH), Prag (CR)	CZK 200,000.00	2406	100.00	100.00
2500	UTAX GmbH, Norderstedt	€ 15,851,200.00	1000	100.00	100.00
2501	UT AX (U.K.) Ltd., Newbury (GB)	GBP 1,500,002.00	2500	100.00	100.00
2502	I.T.S.T. Independent Training & Support Team GmbH, Norderstedt	€ 26,000.00	2500	100.00	100.00
2503	UTAX Bürosysteme s.r.o., Prag (CR)	CZK 40,211,000.00	2500	58.18	58.18
2504	Bürosysteme Slovakia s.r.o., Bratislava (SR)	SK 200,000	2503	80.00	46.54
2505	UTAX DocForms GmbH, Dortmund	€ 25,600.00	2500	100.00	100.00
2610	TA Leasing GmbH, Fellbach	€ 779,000.00	1000	100.00	100.00
2620	Triumph-Adler Output Solutions GmbH, Nuremberg	DM 41,250,000.00	1000	100.00	100.00
2630	TS Technical Service & Support GmbH, Schwerin	€ 128,000.00	1000	100.00	100.00
2650	Willmy Bürofachversand GmbH, Nuremberg	€ 25,600.00	1000	100.00	100.00
2680	Kopier Holding Ost GmbH, Nuremberg	€ 255,650.00	1000	100.00	100.00
2730	PE Presentation Products Europe U. K. Ltd., Mildenhall (GB)	GBP 1.00	1000	100.00	100.00
4000	Consulta Bürotechnik spol. s.r.o., Vyskov (CR)	** CZK 2,400,000.00	1000	49.00	49.00

* Change of Articles of Incorporation not yet entered in the Commercial Register ** At equity consolidation

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