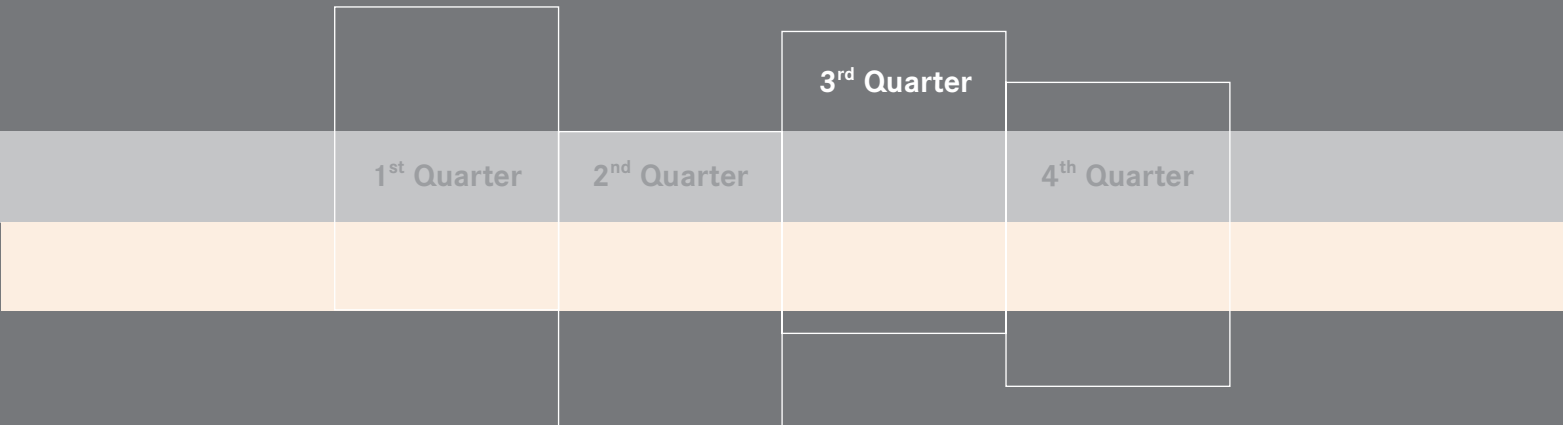


Interim Report
to September 30, 2003



**KARSTADT QUELLE INCREASES 9-MONTHS' GROUP EARNINGS –
SUMMER OF THE CENTURY SLOWS BUSINESS PERFORMANCE
IN THE THIRD QUARTER**

- ➔ **Group sales after nine months 2% below previous year's level**
 - Over-the-counter retail and mail order affected by deteriorated market environment and heat wave
 - Services and Real estate achieve marked increases in sales
 - E-commerce continues to grow strongly – online demand already makes up 19% of mail-order sales
- ➔ **Group earnings (EBTA) in the first nine months risen by 118 mill. € – Non-recurring effects positive**
 - Earnings per share improved to minus 0.85 € (previous year: minus 1.42 €)
 - EBTA for third quarter decreased owing to poor earnings at Thomas Cook and restrained mail-order business
- ➔ **“Besser Karstadt” brand campaign very well received by customers**
- ➔ **Share of mail-order sales abroad risen to nearly 25% – Quelle and Neckermann expand in Central Eastern Europe**
- ➔ **New services are developing better than planned**
- ➔ **KarstadtQuelle well prepared for Christmas business – Short-term expectations of the market environment are muted**
- ➔ **Further increase in earnings expected for 2003 business year – Operating earnings target can no longer be attained due to unexpectedly high loss Thomas Cook**

| | | | 30.09.2003 | 30.09.2002 | Change in % |
|---------------------------------|--|------------|-----------------|-------------------|----------------|
| Sales | Over-the-counter retail | mill. € | 4,801.0 | 5,006.3 * | -4.1 |
| | Mail order | mill. € | 5,747.9 | 5,819.8 | -1.2 |
| | Services | mill. € | 1,023.9 | 871.4 | 17.5 |
| | Real estate | mill. € | 422.5 | 354.7 | 19.1 |
| | Reconciliation account | mill. € | -1,269.5 | -1,105.8 | - |
| | Group sales | mill. € | 10,725.8 | 10,946.4 * | -2.0 |
| Earnings | Earnings from ordinary activities | mill. € | 505.3 | 374.2 | 35.0 |
| | EBIT | mill. € | -3.4 | -87.5 | 96.2 |
| | EBTA | mill. € | -128.0 | -246.0 | 48.0 |
| | EBT | mill. € | -175.7 | -293.4 | 40.1 |
| Other information | Staff (30.09.) | number | 100,922 | 104,875 | -3.8 |
| | Full-time staff on average (01.01.-30.09.) | number | 79,726 | 84,044 | -5.1 |
| | Sales space in over-the-counter retail | th. sq. m. | 2,620.4 | 2,632.4 | -0.5 |
| | Branches | | | | |
| | Department stores | number | 187 | 190 | - |
| | Specialty stores | number | 304 | 289 | - |
| | Over-the-counter retail | number | 491 | 479 | - |
| | Investments | mill. € | 312.3 | 364.8 | -14.4 |
| KARSTADT QUELLE AG share | Share price (30.09.) | € | 21.92 | 16.60 | 32.0 |
| | Highest price (01.01.-30.09.) | € | 25.90 | 45.45 | - |
| | Lowest price (01.01.-30.09.) | € | 10.17 | 16.60 | - |

*) Figures for previous year adjusted

CALENDAR:

Trading Statement 2003 January 9, 2004

**Balance sheet
press conference/
Analysts' meeting** March 23, 2004

Annual General Meeting May 4, 2004

PUBLISHER:

KARSTADT QUELLE AG®

Theodor-Althoff-Str. 2, 45133 Essen
www.karstadtquelle.com

CONTACT DATA:

Investor Relations

Phone: +49 (0) 201/7 27 – 9816
Telefax: +49 (0) 201/7 27 – 9854
E-mail: investors@karstadtquelle.com

Corporate Communications

Phone: +49 (0) 201/7 27 – 2031
Telefax: +49 (0) 201/7 27 – 3709
E-mail: konzernkommunikation@karstadtquelle.com

German retail trade burdened in third quarter by restrained mood of consumption and exceptional heat wave

After retail trade sales in the first half-year showed a trend towards stabilisation, consumers again exercised marked restraint in the third quarter of 2003. According to provisional figures sales in the “true” retail trade decreased by 2.5%. Cumulatively to the end of September sales decrease thus amounts to a nominal 0.9%.

Because of continuing high unemployment and increased uncertainty about the future of the social security systems consumers are continuing to husband their resources. The planned earlier introduction of the third stage of the tax reform has not yet had a stimulating effect on people’s shopping behaviour. Rather, at present discussion is taken up with counter-financing and the additional burden upon the consumers bound up with it. This is further unsettling consumers. A further extraordinary burdening factor was the weeks-long summer heat wave. The retail trade in Germany recorded marked decreases during this period. Virtually all trade segments were negatively affected.

Group sales decreased by 2%

KarstadtQuelle could not avoid being affected by the trend in the poor market environment. Cumulatively to the end of September sales in the KarstadtQuelle Group came to 10.73 bill. € (previous year: 10.95 bill. €). This represents a decrease by 2% and highlights the still difficult situation of the retail trade in Germany.

The sales performance in the third quarter did not come up to our expectations. Because of the summer of the century and concentrated holiday planning in the German federal states sales in July and August were extremely sluggish. In September

a slight growth was achieved. Quarterly sales reached 3.41 bill. € (previous year: 3.64 bill. €). This represents a decrease of 6.1%. While the two Over-the-counter retail and Mail-order segments show falling sales, the Services and Real-estate divisions markedly increased their sales.

E-commerce sales continued to develop positively. Online demand rose in the third quarter 2003 by 38%. Thus, the value of online-orders reached 1.13 bill. € during the current year. This represents a growth of 38% too. In mail order the online demand already makes up 19% of sales.

Group profit risen – positive non-recurring effects

Group earnings before tax and amortisation of goodwill (EBTA) improved by 118 mill. € to minus 128 mill. € in the first nine months of the 2003 financial year (previous year: minus 246 mill. €). As in preceding quarters, the seasonality of Over-the-counter retail and Tourism resulted in a loss during the year. When comparing earnings non-recurring effects should be taken into account. These include mainly extraordinary flexibilisation costs as well as the CTA programme for group-wide reorganisation of the old-age pension provision. Operationally (after adjustment for non-recurring effects) earnings fell by 99 mill. € to minus 320 mill. €.

Earnings (EBTA) in the third quarter amounted to minus 31 mill. € (previous year: 70 mill. €). This represents a decrease by 101 mill. €. After adjustment for non-recurring effects earnings decreased by 119 mill. €. The decisive factors were mainly low earnings in the Thomas Cook tourism group and the restrained mail-order business.

Earnings per share at the end of the third quarter amount to minus 0.85 € (previous year: minus 1.42 €).

**KarstadtQuelle well prepared for
Christmas business – expectations of the
market environment muted**

The important Christmas period is approaching. In the KarstadtQuelle Group we have prepared ourselves well for it and are convinced that we can win customers for our attractive ranges. At the same time we are supported by increasingly more efficient structures, more effective systems and successful marketing.

Our expectations of the market environment are muted. A rise in readiness to consume is unlikely in the short term because of continuing uncertainty about economic developments. The positive impulses from a possible early introduction of the third stage of the tax reform are not expected to stimulate the retail trade in the current year, as was originally hoped, but in 2004.

**Rise in earnings still expected –
2003 operating earnings target no longer
attainable due to unexpectedly high loss
at Thomas Cook**

We have lowered our earnings expectations for the 2003 financial year. The decisive factor is the substantially worse than expected business performance at Thomas Cook AG. According to the current information, during 2002/2003 as a whole the tourism group will not be able to make up as planned the earnings shortfall recorded after the third quarter. Moreover, the unexpectedly weak summer business in the retail trade set us back.

We still expect a rise in earnings (294 mill. € EBTA the previous year) for the financial year. We do not, however, expect the operating earnings (after adjustment for non-recurring effects) to reach the planned minimum of 250 mill. €. Our expectation is based on the Christmas business to be at about the same level as the previous year.

Essen, November 2003

The Management Board

**PERFORMANCE IN QUARTER I (01.01.-31.03.), QUARTER II (01.04.-30.06.)
AND QUARTER III (01.07.-30.09.)**

Sales

| | Quarter I | | | Quarter II | | | Quarter III | | |
|---------------------------|-----------------|-----------------|----------------|-----------------|-----------------|----------------|-----------------|-----------------|----------------|
| | 2003 mill. € | 2002 mill. € | Change in % | 2003 mill. € | 2002 mill. € | Change in % | 2003 mill. € | 2002 mill. € | Change in % |
| Over-the-counter retail | 1,602.9 | 1,724.6* | -7.1 | 1,602.6 | 1,583.2* | 1.2 | 1,595.5 | 1,698.5* | -6.1 |
| thereof department stores | 1,403.8 | 1,469.9* | -4.5 | 1,358.1 | 1,341.7* | 1.2 | 1,384.5 | 1,480.9* | -6.5 |
| Mail order | 2,021.3 | 1,960.1 | 3.1 | 1,971.4 | 1,971.7 | 0.0 | 1,755.2 | 1,888.0 | -7.0 |
| Services | 324.2 | 259.0 | 25.2 | 337.6 | 302.9 | 11.5 | 362.1 | 309.5 | 17.0 |
| Real Estate | 140.1 | 117.1 | 19.6 | 140.4 | 118.9 | 18.1 | 142.1 | 118.7 | 19.7 |
| Reconciliation account | -405.4 | -335.7 | - | -422.9 | -390.9 | - | 441.3 | -379.1 | - |
| | 3,683.1 | 3,725.1* | -1.1 | 3,629.1 | 3,585.8* | 1.2 | 3,413.6 | 3,635.6* | -6.1 |

*) Figures for previous year adjusted

Earnings before tax and amortisation of goodwill (EBTA)

| | Quarter I | | | Quarter II | | | Quarter III | | |
|---------------------------|-----------------|-----------------|----------------|-----------------|-----------------|----------------|-----------------|-----------------|----------------|
| | 2003 mill. € | 2002 mill. € | Change in % | 2003 mill. € | 2002 mill. € | Change in % | 2003 mill. € | 2002 mill. € | Change in % |
| Over-the-counter retail | -104.2 | -46.6 | -123.7 | -76.7 | -156.9 | 51.1 | -88.6 | -62.7 | -41.3 |
| thereof department stores | -60.8 | -10.0 | - | -60.1 | -119.3 | 49.6 | -63.7 | -33.8 | -88.5 |
| Mail order | 5.1 | 23.2 | -77.8 | -29.6 | -35.2 | 16.1 | -35.4 | 24.6 | - |
| Services | -107.3 | -92.3 | -16.3 | -70.1 | -61.6 | -13.8 | 58.0 | 97.3 | -40.4 |
| thereof Thomas Cook | -117.4 | -108.0 | -8.7 | -78.9 | -64.9 | -21.7 | 52.1 | 85.2 | -38.8 |
| Real Estate | 54.5 | 53.7 | 1.5 | 54.7 | 68.4 | -20.1 | 61.4 | 49.7 | 23.5 |
| Holding | 115.7 | -42.9 | - | 58.8 | -27.6 | - | -27.0 | -38.9 | 30.6 |
| Reconciliation account | 0.9 | 0.8 | - | 0.9 | 0.9 | - | 0.9 | 0.1 | - |
| | -35.3 | -104.1 | 66.1 | -62.0 | -212.0 | 70.8 | -30.7 | 70.1 | -143.8 |

Earnings before tax (EBT)

| | Quarter I | | | Quarter II | | | Quarter III | | |
|---------------------------|-----------------|-----------------|----------------|-----------------|-----------------|----------------|-----------------|-----------------|----------------|
| | 2003 mill. € | 2002 mill. € | Change in % | 2003 mill. € | 2002 mill. € | Change in % | 2003 mill. € | 2002 mill. € | Change in % |
| Over-the-counter retail | -105.3 | -47.4 | -122.2 | -77.8 | -157.7 | 50.7 | -89.7 | -63.6 | -41.0 |
| thereof department stores | -60.8 | -10.1 | - | -60.1 | -119.4 | 49.7 | -63.7 | -33.9 | -87.9 |
| Mail order | 1.5 | 19.8 | -92.2 | -33.2 | -38.6 | 14.1 | -39.0 | 20.8 | - |
| Services | -118.9 | -103.7 | -14.7 | -81.2 | -73.1 | -11.0 | 47.2 | 85.9 | -45.1 |
| thereof Thomas Cook | -128.7 | -119.4 | -7.7 | -89.6 | -76.4 | -17.3 | 41.7 | 73.9 | -43.6 |
| Real Estate | 54.5 | 53.7 | 1.5 | 54.5 | 68.4 | -20.4 | 61.4 | 49.7 | 23.5 |
| Holding | 115.7 | -42.9 | - | 58.8 | -27.6 | - | -27.0 | -38.9 | 30.6 |
| Reconciliation account | 0.9 | 0.7 | - | 0.9 | 0.9 | - | 0.6 | 0.2 | - |
| | -51.6 | -119.8 | 56.9 | -78.0 | -227.7 | 65.8 | -46.1 | 54.1 | -185.2 |

OVER-THE-COUNTER RETAIL

| | | 01.01.-30.09. 2003 | 01.01.-30.09. 2002 | Change in % | Quarter III 2003 | Quarter III 2002 | Change in % |
|---------------------------|---------|-----------------------|-----------------------|----------------|---------------------|-----------------------|----------------|
| Sales | mill. € | 4,801.0 | 5,006.3 ¹⁾ | -4.1 | 1,595.5 | 1,698.5 ¹⁾ | -6.1 |
| thereof department stores | mill. € | 4,146.4 | 4,292.5 ¹⁾ | -3.4 | 1,384.4 | 1,480.9 ¹⁾ | -6.5 |
| EBTA | mill. € | -269.4 | -266.2 | -1.2 | -88.6 | -62.7 | -41.3 |
| thereof department stores | mill. € | -184.6 | -163.1 | -13.2 | -63.7 | -33.8 | -88.5 |
| EBT | mill. € | -272.7 | -268.7 | -1.5 | -89.7 | -63.6 | -41.0 |
| thereof department stores | mill. € | -184.6 | -163.4 | -13.0 | -63.7 | -33.9 | -87.9 |
| Staff (30.09.) | number | 58,359 | 63,142 | -7.6 | 58,359 | 63,142 | -7.6 |
| Segment assets | mill. € | 2,433.7 | 2,435.8* | -0.1 | 2,433.7 | 2,435.8* | -0.1 |
| Segment liabilities | mill. € | 2,647.3 | 2,353.7* | 12.5 | 2,647.3 | 2,353.7* | 12.5 |

*) Figures for previous year, as of 31.12.2002

¹⁾ Figures for previous year adjusted

Heat wave burdens sales in third quarter – longer Saturdays and the “Better Karstadt” marketing campaign have stabilising effect

The sales performance in Over-the-counter retail in the third quarter of the current year was restrained. Consumers' continuing great reluctance to spend and the exceptional heat wave in particular diminished consumption in German city centres. Our department and specialty stores show a decrease by 6.1% with sales of 1.60 bill. € in the third quarter of 2003 (previous year: 1.70 bill. €).

Cumulatively to the end of September 2003 sales in Over-the-counter retail came to 4.80 bill. € (previous year: 5.01 bill. €). This represents a decrease by 4.1%.

Despite decreasing sales earnings are, at minus 269.4 mill. €, only slightly below the previous year's level of minus 266.2 mill. €. The weakness in the market was nearly set off by two factors: on the one hand, the trade margin – despite the continuing aggressive price competition – was increased by 0.4 percentage points to 42.7% of sales; on the other, the share of sales accounted for by staff costs fell by 1.2 percentage points to 24.9%.

Longer Saturday opening times had a positive effect on sales. Customers are taking extensive advantage of the increased shopping opportunities. Since extended opening times were introduced sales at our department stores on most Saturdays have been rising in double figures.

The 187 Karstadt **department stores** achieved sales amounting to 4.15 bill. € in the first nine months (previous year: 4.29 bill. €). This represents a decrease by 3.4%. Earnings (EBTA) amounted to minus 184.6 mill. €, after minus 163.1 mill. € the previous year. Here it should be borne in mind that future investment in the “Better Karstadt” brand campaign is burdening earnings in the current year.

With its “Besser Karstadt” campaign (Better Karstadt) Karstadt Warenhaus AG launched a new, holistic brand strategy on August 16. “Besser Karstadt” focuses consistently on customer wants, is being well received by the customers and is having a positive effect on sales. Karstadt will in future be using the new brand strategy to increase the emotional appeal and intensity of its customer relations and will consistently continue the customer and growth campaign begun the previous year. “Besser Karstadt” is an investment in the value of the brand. The marketing budget was therefore markedly stepped up.

The 304 **Specialty stores** with the SinnLeffers and Wehmeyer (fashion), Runners Point and Golf House (sports), Schaulandt and World of Music (multimedia) as well as LeBuffet (system gastronomy) brands achieved sales worth 728.9 mill. € (768.2 mill. € the previous year). This represents a decrease in sales by 5.1%. The Sports segment performed better, while sales in Fashion and Multimedia decreased. The current year’s loss (EBTA) decreased by 18.1 mill. € to minus 84.8 mill. € (minus 102.9 mill. € the previous year). Especially SinnLeffers improved its earnings. Here an increased trade margin had a positive effect.

MAIL ORDER

| | | 01.01.-30.09. 2003 | 01.01.-30.09. 2002 | Change in % | Quarter III 2003 | Quarter III 2002 | Change in % |
|---------------------|---------|-----------------------|-----------------------|----------------|---------------------|---------------------|----------------|
| Sales | mill. € | 5,747.9 | 5,819.8 | -1.2 | 1,755.2 | 1,888.0 | -7.0 |
| EBTA | mill. € | -59.8 | 12.6 | - | -35.4 | 24.6 | - |
| EBT | mill. € | -70.6 | 2.0 | - | -39.0 | 20.8 | - |
| Staff (30.09.) | number | 36,260 | 36,987 | -2.0 | 36,260 | 36,987 | -2.0 |
| Segment assets | mill. € | 3,902.6 | 3,965.4* | -1.6 | 3,902.6 | 3,965.4* | -1.6 |
| Segment liabilities | mill. € | 4,358.7 | 3,837.6* | 13.6 | 4,358.7 | 3,837.6* | 13.6 |

*) Figures for previous year, as of 31.12.2002

**High sales of the Quelle anniversary year
not quite equalled – continued high growth rates
abroad and in specialty mail order**

Mail order in Germany generally recorded substantially decreased sales in the third quarter of 2003. Following publication of the new winter catalogues customers were widely deterred from placing orders for autumn goods in July and August by the weather. Although our mail-order suppliers Quelle and Neckermann outperformed the comparable market, they could not escape the general trend. Germany's leading mail-order group in the third quarter achieved sales amounting to 1.76 bill. €, as against 1.89 bill. € in 2002. This represents a sales decrease by 7.0%.

Cumulatively to the end of September 2003 KarstadtQuelle mail-order suppliers achieved sales of 5.75 bill. €. Compared with the level of 5.82 bill. € achieved the previous year this amounts to a decrease by 1.2%. Besides the performance of the market as a whole, it should be borne in mind that because of Quelle's 75th anniversary the mail-order suppliers the previous year had a strong sales basis for comparison. After adjustment for the anniversary effect sales rose slightly.

While universal mail order shows a decrease in sales, the special mail-order suppliers held their growth course with a rise by 7.5%.

We expect a revival of sales in the fourth quarter and sales for the whole year in the Mail-order segment to be at the same level as the previous year.

Earnings (EBTA) amounted to minus 59.8 mill. € (previous year: 12.6 mill. €). Here it should be borne in mind that the transfer of the real estate into a separate company burdened earnings by minus 23.5 mill. € in a year-on-year comparison. Moreover, non-recurring effects on balance negatively affected a year-on-year comparison by 18 mill. €.

Strong growth abroad, which together with expansion in specialty mail order is one of the KarstadtQuelle mail-order suppliers' strategic emphases, is progressing to schedule. Quelle and Neckermann with their foreign subsidiaries turned over 8.3% more outside Germany in the first nine months. Thus the foreign contribution increased to 24.7% (22.5% previous year). Expansion in the important future markets of Central Eastern Europe is a core area of the internationalisation strategy. Quelle and Neckermann aim to double their sales in these countries within the next five

years. The dominating market positions in Central Eastern Europe are thus being further expanded. Quelle or Neckermann are already market leaders in seven countries of the region. Sales (including export operations) rose during the 2002 financial year by 18 % to 139 mill. €. Growth of about 30 per cent is anticipated for 2003. The KarstadtQuelle mail-order companies will also further expand their operations in the Baltic States, South-Eastern Europe and in the Russian Federation in the years to

come. The strategic aim is essentially area-wide representation of the universal mail-order suppliers Quelle and Neckermann in the entire Central and Eastern European region. At present preparations are being made to set up foreign subsidiaries in Latvia, Lithuania, Romania and Ukraine.

SERVICES

| | | 01.01.-30.09. 2003 | 01.01.-30.09. 2002 | Change in % | Quarter III 2003 | Quarter III 2002 | Change in % |
|------------------------------|---------|-----------------------|-----------------------|----------------|---------------------|---------------------|----------------|
| Sales ¹⁾ | mill. € | 1,023.9 | 871.4 | 17.5 | 362.1 | 309.5 | 17.0 |
| EBTA | mill. € | -119.3 | -56.6 | -110.9 | 58.0 | 97.3 | -40.4 |
| thereof Thomas Cook | mill. € | -144.3 | -87.7 | -64.6 | 52.1 | 85.2 | -38.8 |
| EBT | mill. € | -152.8 | -90.9 | -68.2 | 47.2 | 85.9 | -45.1 |
| thereof Thomas Cook | mill. € | -176.6 | -121.9 | -44.9 | 41.7 | 73.9 | -43.6 |
| Staff (30.09.) ¹⁾ | number | 6,021 | 4,518 | 33.3 | 6,021 | 4,518 | 33.3 |
| Segment assets | mill. € | 907.6 | 1,042.2* | -12.9 | 907.6 | 1,042.2* | -12.9 |
| Segment liabilities | mill. € | 484.9 | 507.3* | -4.4 | 484.9 | 507.3* | -4.4 |

*) Figures for previous year, as of 31.12.2002

¹⁾ not including Thomas Cook Group

Thomas Cook loss rises sharply – new services are developing better than planned

The Services segment comprises the areas B2B services (information services, E- and TV-Commerce, logistics, purchasing and IT) and B2C services (tourism, financial services and loyalty card programmes). During the first nine months of the 2003 financial year sales (not including Thomas Cook AG) rose by 17.5% to 1.02 bill. € (previous year: 871.4 mill. €).

Earnings (EBTA) in the first nine months amounted to minus 119.3 mill. €, after minus 56.6 mill. € the same period the previous year. The increase in loss by 62.7 mill. € is due mainly to Thomas Cook AG.

The tourism group (consolidated at equity) shows a proportional deficit (EBTA) of minus 144.3 mill. € for the period November 1, 2002, to July 31, 2003, (previous year: minus 87.7 mill. €). This represents an increase in loss by 56.6 mill. €.

In the third quarter of the tourism financial year (May 1 to July 31, 2003) the effects of the war in Iraq and the SARS lung disease affected holiday habits even more. Due to the still difficult general economic situation in the main sales markets, the unfavourable summer holiday arrangements in Germany (they began not earlier than in August in the three most populous German states) and the unusually hot summer the number of passengers carried in the Thomas Cook Group decreased by 9%. Moreover, May and June were marked by strong price and margin pressure. The massive efforts to reduce costs could not compensate for these burdening factors.

Proportional earnings (EBTA) decreased in the third quarter by 33.1 mill. € to 52.1 mill. € compared with the previous year.

The other services areas achieved EBTA of 24.9 mill. € (31.1 mill. € the previous year). Performance in the new Services sectors is positive. The Information services segment exceeded the sales and earnings targets. Our integrated ranges of solutions relating to customer relations management are being very well received on the market. In the Financial services segment (joint venture with ERGO Versicherungsgruppe) 1.3 mill. agreements have been mediated. The scheduled level has thus been exceeded. The expansion of Over-the-counter sales is also progressing successfully. At the end of the year there are already 100 consultants in 30 financial service centres providing department store customers with attractive financial services. The KarstadtQuelle Bank rapidly developed into a big player in the German credit card market. The number of MasterCard customers will soon exceed the one million mark.

A communications campaign in the Loyalty card programmes segment with “HappyDigits” (joint venture with Deutsche Telekom AG) lastingly strengthened multi-partner positioning and increased the familiarity of the bonus programme in the third quarter. There are now more than 17 mill. “HappyDigits” loyalty cards on the German market.

Since May we have held a share of 40.5 % in the television channel DSF (Deutsches Sport Fernsehen). The sports channel has meanwhile developed exceptionally well on the basis of the new strategic orientation. Thus peak viewer ratings of over four million were achieved through the acquisition of the rights to televise Sunday matches in the 1st national football league. The market share in the core target group rose by over 20% with a correspondingly positive effect on advertising revenue. Sales of over 90 mill. € are planned for the sports channel for the current financial year. The break-even point will already be reached during the next year.

KarstadtCoffee GmbH is rapidly continuing its expansion with Starbucks Coffee Houses. Starbucks already has over 26 branches at top locations in the Berlin, North Rhine-Westphalia and Rhine-Main conurbations. The service-oriented Starbucks concept has meanwhile become very popular in Germany too.

REAL ESTATE

| | | 01.01.-30.09. 2003 | 01.01.-30.09. 2002 | Change in % | Quarter III 2003 | Quarter III 2002 | Change in % |
|---------------------|---------|-----------------------|-----------------------|----------------|---------------------|---------------------|----------------|
| Sales | mill. € | 422.5 | 354.7 | 19.1 | 142.1 | 118.7 | 19.7 |
| EBTA | mill. € | 170.6 | 171.8 | -0.7 | 61.4 | 49.7 | 23.5 |
| EBT | mill. € | 170.4 | 171.8 | -0.8 | 61.4 | 49.7 | 23.5 |
| Staff (30.09.) | number | 100 | 72 | 38.9 | 100 | 72 | 38.9 |
| Segment assets | mill. € | 4,950.5 | 4,822.8* | 2.6 | 4,950.5 | 4,822.8* | 2.6 |
| Segment liabilities | mill. € | 2,448.0 | 1,916.6* | 27.7 | 2,448.0 | 1,916.6* | 27.7 |

*) Figures for previous year, as of 31.12.2002

Continuously positive performance

The Real estate segment with its Property (department stores at top city centre locations) and Real estate services and Financing subsegments achieved gross rental income amounting to 422.5 mill. € (354.7 mill. € the previous year). This represents a rise by 19.1% and is due to the inclusion of SinnLeffers real estate and from mail order. After deduction of third-party rents net income from rents amounts to 328.9 mill. €.

Earnings (EBTA) decreased by 1.2 mill. € to 170.6 mill. €. Decisive here are decreasing profits from the sales of real-estate. These amounted in the period under review to 8.5 mill. € against 20.8 mill. € the previous year. At the same time earnings effects from real estate companies which were transferred to the CTA programme ceased to operate. The newly included other group real estate contributed positively to earnings.

KARSTADT Hypothekenbank has so far placed mortgage bonds amounting to 1.3 bill. €. This strengthened the group's long-term financing.

HOLDING

| | | 01.01.-30.09. 2003 | 01.01.-30.09. 2002 | Change in % | Quarter III 2003 | Quarter III 2002 | Change in % |
|---------------------|---------|-----------------------|-----------------------|----------------|---------------------|---------------------|----------------|
| EBTA | mill. € | 147.6 | -109.4 | - | -27.0 | -38.9 | 30.6 |
| EBT | mill. € | 147.6 | -109.4 | - | -27.0 | -38.9 | 30.6 |
| Staff (30.09.) | number | 182 | 156 | 16.7 | 182 | 156 | 16.7 |
| Segment assets | mill. € | 4,082.3 | 2,757.3* | 48.1 | 4,082.3 | 2,757.3* | 48.1 |
| Segment liabilities | mill. € | 4,586.1 | 4,395.5* | 4.3 | 4,586.1 | 4,395.5* | 4.3 |

*) Figures for previous year, as of 31.12.2002

**Reorganisation of old age pension provision
boosts earnings**

The Holding segment is dominated by Karstadt-Quelle AG operating as a strategic management and investment holding company. Important earnings factors are expenditure for pensions and financing and other long-term investments.

Earnings (EBTA) amount to 147.6 mill. €, after minus 109.4 mill. € the previous year. This represents an improvement by 257 mill. €. The decisive factor was mainly the reorganisation of the old-age pension provision as part of the CTA programme.

Group profit and loss account

for the period from January 1 to September 30, 2003

| | 01.01.-30.09. 2003 th. € | 01.01.-30.09. 2002 th. € | Change in % | Quarter III 2003 th. € | Quarter III 2002 th. € | Change in % |
|---|--------------------------------|--------------------------------|----------------|------------------------------|--------------------------------|----------------|
| Sales | 10,725,778 | 10,946,414 ¹⁾ | -2.0 | 3,413,625 | 3,635,559 ¹⁾ | -6.1 |
| Cost of sales | -5,738,041 | -5,871,544 ¹⁾ | 2.3 | -1,835,553 | -1,920,777 ¹⁾ | 4.4 |
| Gross income | 4,987,737 | 5,074,870 ¹⁾ | -1.7 | 1,578,072 | 1,714,782 ¹⁾ | -8.0 |
| Other capitalised own work | 66,987 | 11,127 | - | 33,470 | 4,732 | - |
| Operating income | 638,348 | 421,984 ¹⁾ | 51.3 | 125,818 | 106,730 ¹⁾ | 17.9 |
| Staff costs | -2,202,098 | -2,308,097 | 4.6 | -723,500 | -743,172 | 2.6 |
| Operating costs | -2,960,828 | -2,802,970 | -5.6 | -932,723 | -901,509 | -3.5 |
| Other taxes | -24,818 | -22,733 | -9.2 | -8,497 | -7,739 | -9.8 |
| Earnings from ordinary activities | 505,328 | 374,181 | 35.0 | 72,640 | 173,824 | -58.2 |
| Income from investments | -142,347 | -79,360 | -79.4 | 48,509 | 86,679 | -44.0 |
| thereof from associated companies | -154,675 | -89,735 | -72.4 | 45,069 | 84,710 | -46.8 |
| Earnings before interest, tax and depreciation and amortisation (EBITDA) | 362,981 | 294,821 | 23.1 | 121,149 | 260,503 | -53.5 |
| Depreciation and amortisation (not including goodwill) | -318,612 | -334,956 | 4.9 | -97,427 | -119,859 | 18.7 |
| Earnings before interest, tax and amortisation of goodwill (EBITA) | 44,369 | -40,135 | - | 23,722 | 140,644 | -83.1 |
| Amortisation of goodwill | -47,726 | -47,377 | -0.7 | -15,465 | -15,999 | 3.3 |
| Earnings before interest and tax (EBIT) | -3,357 | -87,512 | 96.2 | 8,257 | 124,645 | -93.4 |
| Net interest income | -169,677 | -208,048 | 18.4 | -52,057 | -71,738 | 27.4 |
| Other financial income | -2,713 | 2,200 | - | -2,364 | 1,204 | - |
| Earnings before tax (EBT) | -175,747 | -293,360 | 40.1 | -46,164 | 54,111 | -185.3 |
| Taxes on income | 85,855 | 126,956 | -32.4 | 8,791 | -16,510 | 153.2 |
| Net income before minority shareholdings | -89,892 | -166,404 | 46.0 | -37,373 | 37,601 | -199.4 |
| Profit/loss due to minority shareholders | -352 | -462 | 23.8 | 238 | -971 | 124.5 |
| Net income after minority shareholdings | -90,244 | -166,866 | 45.9 | -37,135 | 36,630 | - |
| Earnings per share in € | -0.85 | -1.42 | 40.1 | -0.35 | 0.30 | - |

¹⁾ Figures for previous year adjusted

Group balance sheet

as at September 30, 2003

| ASSETS | 30.09.2003 th. € | 30.09.2002 th. € | Change in % | 31.12.2002 th. € |
|--------------------------------|----------------------------|----------------------------|-----------------------|----------------------------|
| Fixed assets | | | | |
| Intangible assets | 532,853 | 454,367 | 17.3 | 500,709 |
| Tangible assets | 3,527,432 | 4,090,175 | -13.8 | 3,876,983 |
| Financial assets | 647,632 | 849,865 | -23.8 | 883,730 |
| | 4,707,917 | 5,394,407 | -12.7 | 5,261,422 |
| Current assets | | | | |
| Inventories | 2,677,563 | 2,710,766 | -1.2 | 2,502,391 |
| Receivables and other assets | 2,283,068 | 2,054,383 | 11.1 | 2,236,258 |
| Securities | 24,653 | 24,695 | -0.2 | 25,441 |
| Liquid funds | 138,309 | 217,485 | -36.4 | 144,352 |
| | 5,123,593 | 5,007,329 | 2.3 | 4,908,442 |
| Deferred taxes | 14,293 | 44,666 | -68.0 | 10,030 |
| Prepayments and accrued income | 48,769 | 40,830 | 19.4 | 35,849 |
| Balance sheet total | 9,894,572 | 10,487,232 | -5.7 | 10,215,743 |

EQUITY AND LIABILITIES

| | | | | |
|---|------------------|-------------------|-------------|-------------------|
| Equity | 1,467,476 | 1,429,785 | 2.6 | 1,676,407 |
| Minority shareholdings | 68,369 | 61,661 | 10.9 | 69,820 |
| Long-term liabilities | | | | |
| Long-term financial liabilities | 2,169,751 | 1,411,889 | 53.7 | 1,594,870 |
| Other long-term liabilities | 49,440 | 51,490 | -4.0 | 56,842 |
| Pension provisions | 1,498,610 | 2,618,062 | -42.8 | 2,128,364 |
| Other long-term provisions for liabilities and charges | 236,332 | 234,479 | 0.8 | 246,559 |
| | 3,954,133 | 4,315,920 | -8.4 | 4,026,635 |
| Short-term liabilities | | | | |
| Short-term financial liabilities | 2,161,441 | 2,436,416 | -11.3 | 1,952,724 |
| Trade payables | 829,564 | 751,834 | 10.3 | 899,145 |
| Other long-term liabilities | 977,313 | 964,216 | 1.4 | 1,066,819 |
| Short-term provisions for liabilities and charges | 285,139 | 326,515 | -12.7 | 314,683 |
| | 4,253,457 | 4,478,981 | -5.0 | 4,233,371 |
| Deferred taxes | 144,692 | 197,033 | -26.6 | 206,269 |
| Accrued expenses and deferred income | 6,445 | 3,852 | 67.3 | 3,241 |
| Balance sheet total | 9,894,572 | 10,487,232 | -5.7 | 10,215,743 |

Changes in group equity and minority shareholdings

| | Subscribed capital | Capital reserve | Revenue reserves | Revaluation reserve | Adjustments foreign currency translation | Total group equity | Minority shareholdings | Total |
|--|--------------------|-----------------|------------------|---------------------|--|--------------------|------------------------|-----------|
| 01.01. - 30.09.2003 | th. € | th. € | th. € | th. € | th. € | th. € | th. € | th. € |
| Opening balance at 01.01.2003 | 277,855 | 343,289 | 1,103,715 | -49,253 | 801 | 1,676,407 | 69,820 | 1,746,227 |
| From the purchase of shares | -5,643 | -25,818 | - | - | - | -31,461 | - | -31,461 |
| Dividends | - | - | -75,496 | - | - | -75,496 | -1,036 | -76,532 |
| Generated capital/ group earnings | - | - | -90,244 | - | - | -90,244 | 352 | -89,892 |
| Differences from foreign currency translation | - | - | - | - | -2,185 | -2,185 | -774 | -2,959 |
| Change due to valuation of original and derivative financial instruments | - | - | - | -9,126 | - | -9,126 | 55 | -9,071 |
| Due to changes in consolidated companies | - | - | -419 | - | - | -419 | -48 | -467 |
| Closing balance at 30.09.2003 | 272,212 | 317,471 | 937,556 | -58,379 | -1,384 | 1,467,476 | 68,369 | 1,535,845 |

| | Subscribed capital | Capital reserve | Revenue reserves | Revaluation reserve | Adjustments foreign currency translation | Total group equity | Minority shareholdings | Total |
|--|--------------------|-----------------|------------------|---------------------|--|--------------------|------------------------|-----------|
| 01.01. - 30.09.2002 | th. € | th. € | th. € | th. € | th. € | th. € | th. € | th. € |
| Opening balance at 01.01.2002 | 301,460 | 488,521 | 1,025,078 | -12,384 | 711 | 1,803,386 | 59,523 | 1,862,909 |
| From the purchase of shares | -11,443 | -82,211 | - | - | - | -93,654 | -1,088 | -94,742 |
| Dividends | - | - | -83,608 | - | - | -83,608 | - | -83,608 |
| Generated capital/ group earnings | - | - | -166,866 | - | - | -166,866 | 462 | -166,404 |
| Differences from foreign currency translation | - | - | - | - | -182 | -182 | 60 | -122 |
| Change due to valuation of original and derivative financial instruments | - | - | - | -29,291 | - | -29,291 | - | -29,291 |
| Due to changes in consolidated companies | - | - | - | - | - | - | 2,169 | 2,169 |
| Other equity changes without effect for income | - | - | - | - | - | - | 535 | 535 |
| Closing balance at 30.09.2002 | 290,017 | 406,310 | 774,604 | -41,675 | 529 | 1,429,785 | 61,661 | 1,491,446 |

Group cash flow statement

| | 30.09.2003 th. € | 30.09.2002 th. € |
|---|---------------------|---------------------|
| Earnings for the period (including shares of earnings of minority shareholdings) before taxes on income and extraordinary items | -175,747 | -293,360 |
| Depreciation and amortisation/revaluations fixed assets | 358,886 | 381,674 |
| Earnings/loss from disposal of assets | -5,216 | -79,595 |
| Profit/loss from foreign currency | -126 | 737 |
| Earnings/losses absorbed from participating interests | 142,125 | 79,360 |
| Interest income/expenses | 95,235 | 104,673 |
| Increase/decrease long-term provisions for liabilities and charges (not including tax provisions) | -26,483 | 76,778 |
| Other costs/earnings not affecting cash flow | -92,575 | 101,630 |
| Gross cash flow | 296,099 | 371,897 |
| Increase/decrease of inventories, trade receivables and other assets, not attributable to investment or financing activities | -402,921 | -487,445 |
| Increase/decrease of trade payables and other liabilities not attributable to investment or financing activities | -192,295 | -245,382 |
| Cash flow from current business | -299,117 | -360,930 |
| Dividends received | 12,550 | 10,375 |
| Interest received | 49,986 | 52,926 |
| Interest paid | -162,596 | -141,759 |
| Payments/refunds of taxes on income | -17,738 | -30,064 |
| Cash flow from current business activities | -416,915 | -469,452 |
| Cash flow from acquisitions/disinvestment of subsidiaries | - | 48,746 |
| Amounts paid out for acquisition of tangible fixed, intangible fixed and long-term assets | -255,871 | -240,216 |
| Amounts paid for investment in financial assets | -12,811 | -91,572 |
| Amounts paid in from sale of tangible fixed, intangible fixed and long-term assets | 36,434 | 44,942 |
| Amounts paid in from sale of financial assets | 16,332 | 5,923 |
| Cash flow from investment activities | -215,916 | -232,177 |
| Amounts paid out to/paid in for dividends, capital increase and share repurchase programme | -106,957 | -177,262 |
| Amounts paid in/paid under mortgage bond programme and for (finance) loans | 821,689 | 763,553 |
| Payments for liabilities under finance leases | -40,627 | -6,308 |
| Cash flow from financing activities | 674,105 | 579,983 |
| Changes in cash and cash equivalents affecting cash flow | 41,274 | -121,646 |
| Changes in cash and cash equivalents due to changes in exchange rates and consolidated companies | -48,111 | -15,553 |
| Cash and cash equivalents at the beginning of the period | 168,813 | 378,345 |
| Cash and cash equivalents at the end of the period | 161,976 | 241,146 |

Key figures – KARSTADT QUELLE Group

| | KARSTADT QUELLE Group | | Reconciliation account | | Holding | |
|---|------------------------------|-------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| | Quarter III 2003 th. € | Quarter III 2002 th. € | Quarter III 2003 th. € | Quarter III 2002 th. € | Quarter III 2003 th. € | Quarter III 2002 th. € |
| Sales | 4,035,595 | 4,194,085 ¹⁾ | - | - | - | - |
| Interest from credit operations | 49,477 | 53,784 | - | - | - | - |
| Internal sales | -671,447 | -612,310 | -441,253 | -379,290 | - | - |
| Group sales | 3,413,625 | 3,635,559¹⁾ | -441,253 | -379,290 | - | - |
| Cost of sales | -1,835,553 | -1,920,777 ¹⁾ | 183,697 | 152,425 | - | - |
| Gross income | 1,578,072 | 1,714,782¹⁾ | -257,556 | -226,865 | - | - |
| Other capitalised own work | 33,470 | 4,732 | 26,546 | - | - | - |
| Operating income and expenditure | -806,905 | -794,779 ¹⁾ | 231,327 | 227,444 | -4,599 | -8,392 |
| Staff costs | -723,500 | -743,172 | -324 | 36 | -5,224 | -4,010 |
| Other taxes | -8,497 | -7,739 | - | - | -9 | 9 |
| Earnings from ordinary activities | 72,640 | 173,824 | -7 | 615 | -9,832 | -12,393 |
| Income from investments | 48,509 | 86,679 | - | - | - | - |
| EBITDA | 121,149 | 260,503 | -7 | 615 | -9,832 | -12,393 |
| Depreciation and amortisation (not including goodwill) | -97,427 | -119,859 | 829 | -266 | -197 | -428 |
| EBITA | 23,722 | 140,644 | 822 | 349 | -10,029 | -12,821 |
| Amortisation of goodwill | -15,465 | -15,999 | - | - | - | - |
| EBIT | 8,257 | 124,645 | 822 | 349 | -10,029 | -12,821 |
| Net interest income | -52,057 | -71,738 | 73 | -40 | -16,032 | -26,708 |
| Other financial income | -2,364 | 1,204 | -43 | 51 | -938 | 605 |
| EBT | -46,164 | 54,111 | 852 | 360 | -26,999 | -38,924 |
| EBIT margin in % | 0.2 | 3.4 | - | - | - | - |
| EBT margin in % | -1.4 | 1.5 | - | - | - | - |
| EBTA | -30,699 | 70,110 | 852 | 360 | -26,999 | -38,924 |
| EBTA margin in % | -0.9 | 1.9 | - | - | - | - |
| Investments | 134,765 | 91,048 | - | - | 326 | 2,981 |

¹⁾ Figures for previous year adapted

Key figures – KARSTADT QUELLE Group

| | Over-the-counter retail | | Mail order | |
|---|------------------------------|--------------------------------|------------------------------|------------------------------|
| | Quarter III 2003 th. € | Quarter III 2002 th. € | Quarter III 2003 th. € | Quarter III 2002 th. € |
| Sales | 1,627,859 | 1,744,428 ¹⁾ | 1,891,423 | 2,015,552 |
| Interest from credit operations | - | - | 49,477 | 53,784 |
| Internal sales | -32,367 | -45,856 | -185,708 | -181,355 |
| Group sales | 1,595,492 | 1,698,572 ¹⁾ | 1,755,192 | 1,887,981 |
| Cost of sales | -898,983 | -947,364 ¹⁾ | -890,002 | -952,951 |
| Gross income | 696,509 | 751,208 ¹⁾ | 865,190 | 935,030 |
| Other capitalised own work | 3,973 | 2,581 | 83 | 739 |
| Operating income and expenditure | -350,982 | -338,541 ¹⁾ | -589,221 | -581,339 |
| Staff costs | -388,747 | -419,114 | -262,788 | -269,820 |
| Other taxes | -101 | -391 | -3,342 | -2,714 |
| Earnings from ordinary activities | -39,348 | -4,257 | 9,922 | 81,896 |
| Income from investments | 45 | 85 | -2,315 | -1,910 |
| EBITDA | -39,303 | -4,172 | 7,607 | 79,986 |
| Depreciation and amortisation (not including goodwill) | -36,578 | -44,923 | -26,649 | -34,062 |
| EBITA | -75,881 | -49,095 | -19,042 | 45,924 |
| Amortisation of goodwill | -1,087 | -814 | -3,587 | -3,860 |
| EBIT | -76,968 | -49,909 | -22,629 | 42,064 |
| Net interest income | -12,598 | -13,669 | -16,469 | -22,316 |
| Other financial income | -125 | -76 | 109 | 1,029 |
| EBT | -89,691 | -63,654 | -38,989 | 20,777 |
| EBIT margin in % | -4.8 | -2.9 | -1.3 | 2.2 |
| EBT margin in % | -5.6 | -3.7 | -2.2 | 1.1 |
| EBTA | -88,604 | -62,840 | -35,402 | 24,637 |
| EBTA margin in % | -5.6 | -3.7 | -2.0 | 1.3 |
| Investments | 55,765 | 40,314 | 38,192 | 35,119 |

¹⁾ Figures for previous year adapted

Key figures – KARSTADT QUELLE Group

| | Services | | Real estate | |
|---|------------------------------|------------------------------|------------------------------|------------------------------|
| | Quarter III 2003 th. € | Quarter III 2002 th. € | Quarter III 2003 th. € | Quarter III 2002 th. € |
| Sales | 374,229 | 315,417 | 142,084 | 118,688 |
| Interest from credit operations | - | - | - | - |
| Internal sales | -12,119 | -5,809 | - | - |
| Group sales | 362,110 | 309,608 | 142,084 | 118,688 |
| Cost of sales | -230,265 | -172,887 | - | - |
| Gross income | 131,845 | 136,721 | 142,084 | 118,688 |
| Other capitalised own work | 2,868 | 1,412 | - | - |
| Operating income and expenditure | -50,236 | -69,085 | -43,194 | -24,866 |
| Staff costs | -64,686 | -48,719 | -1,731 | -1,545 |
| Other taxes | -2 | 3 | -5,043 | -4,646 |
| Earnings from ordinary activities | 19,789 | 20,332 | 92,116 | 87,631 |
| Income from investments | 50,779 | 88,504 | - | - |
| EBITDA | 70,568 | 108,836 | 92,116 | 87,631 |
| Depreciation and amortisation (not including goodwill) | -11,464 | -10,343 | -23,368 | -29,837 |
| EBITA | 59,104 | 98,493 | 68,748 | 57,794 |
| Amortisation of goodwill | -10,791 | -11,321 | - | -4 |
| EBIT | 48,313 | 87,172 | 68,748 | 57,790 |
| Net interest income | -1,079 | -1,239 | -5,952 | -7,766 |
| Other financial income | - | - | -1,367 | -405 |
| EBT | 47,234 | 85,933 | 61,429 | 49,619 |
| EBIT margin in % | 13.3 | 28.2 | 48.4 | 48.7 |
| EBT margin in % | 13.0 | 27.8 | 43.2 | 41.8 |
| EBTA | 58,025 | 97,254 | 61,429 | 49,623 |
| EBTA margin in % | 16.0 | 31.4 | 43.2 | 41.8 |
| Investments | 7,329 | 9,900 | 33,153 | 2,734 |

Key figures – KARSTADT QUELLE Group

| | KARSTADT QUELLE Group | | Reconciliation account | | Holding | | |
|---|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|-----|
| | 01.01.-30.09. 2003 th. € | 01.01.-30.09. 2002 th. € | 01.01.-30.09. 2003 th. € | 01.01.-30.09. 2002 th. € | 01.01.-30.09. 2003 th. € | 01.01.-30.09. 2002 th. € | |
| Sales | 12,574,087 | 12,552,062 ¹⁾ | - | - | - | - | |
| Interest from credit operations | 152,385 | 158,656 | - | - | - | - | |
| Internal sales | -2,000,694 | -1,764,304 | -1,269,562 | -1,105,840 | - | - | |
| Group sales | 10,725,778 | 10,946,414¹⁾ | -1,269,562 | -1,105,840 | - | - | |
| Cost of sales | -5,738,041 | -5,871,544 ¹⁾ | 538,298 | 477,249 | - | - | |
| Gross income | 4,987,737 | 5,074,870¹⁾ | -731,264 | -628,591 | - | - | |
| Other capitalised own work | 66,987 | 11,127 | 50,340 | - | - | - | |
| Operating income and expenditure | -2,322,480 | -2,380,986 ¹⁾ | 679,885 | 628,141 | 221,155 | -22,717 | |
| Staff costs | -2,202,098 | -2,308,097 | 1,024 | 342 | -17,230 | -12,582 | |
| Other taxes | -24,818 | -22,733 | - | 1 | -26 | 28 | |
| Earnings from ordinary activities | 505,328 | 374,181 | -15 | -107 | 203,899 | -35,271 | |
| Income from investments | -142,347 | -79,360 | - | - | 1,391 | 719 | |
| EBITDA | 362,981 | 294,821 | -15 | -107 | 205,290 | -34,552 | |
| Depreciation and amortisation (not including goodwill) | -318,612 | -334,956 | 2,361 | 1,914 | -499 | -1,269 | |
| EBITA | 44,369 | -40,135 | 2,346 | 1,807 | 204,791 | -35,821 | |
| Amortisation of goodwill | -47,726 | -47,377 | - | - | - | - | |
| EBIT | -3,357 | -87,512 | 2,346 | 1,807 | 204,791 | -35,821 | |
| Net interest income | -169,677 | -208,048 | 255 | 443 | -57,333 | -74,637 | |
| Other financial income | -2,713 | 2,200 | -196 | -412 | 107 | 1,087 | |
| EBT | -175,747 | -293,360 | 2,405 | 1,838 | 147,565 | -109,371 | |
| EBIT margin in % | 0.0 | -0.8 | - | - | - | - | |
| EBT margin in % | -1.6 | -2.7 | - | - | - | - | |
| EBTA | -128,021 | -245,983 | 2,405 | 1,838 | 147,565 | -109,371 | |
| EBTA margin in % | -1.2 | -2.2 | - | - | - | - | |
| Segment assets | 9,880,279 | 10,205,713* | -6,396,424 | -4,817,727* | 4,082,283 | 2,757,282* | |
| Segment liabilities | 8,282,404 | 8,333,067* | -6,242,566 | -4,677,808* | 4,586,053 | 4,395,549* | |
| Investments | 312,312 | 364,827 | - | - | 4,627 | 3,125 | |
| Full-time staff (average 01.01.-30.09.) | number | 79,726 | 84,044 | - | - | 168 | 141 |

* Figures for previous year, as of 31.12.2002

¹⁾ Figures for previous year adjusted

Key figures – KARSTADT QUELLE Group

| | Over-the-counter retail | | Mail order | | |
|---|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------|
| | 01.01.-30.09. 2003 th. € | 01.01.-30.09. 2002 th. € | 01.01.-30.09. 2003 th. € | 01.01.-30.09. 2002 th. € | |
| Sales | 4,904,739 | 5,091,490 ¹⁾ | 6,188,320 | 6,215,968 | |
| Interest from credit operations | - | - | 152,385 | 158,656 | |
| Internal sales | -103,701 | -85,162 | -592,805 | -554,870 | |
| Group sales | 4,801,038 | 5,006,328¹⁾ | 5,747,900 | 5,819,754 | |
| Cost of sales | -2,749,255 | -2,888,346 ¹⁾ | -2,907,889 | -2,936,200 | |
| Gross income | 2,051,783 | 2,117,982¹⁾ | 2,840,011 | 2,883,554 | |
| Other capitalised own work | 8,003 | 5,248 | 809 | 1,654 | |
| Operating income and expenditure | -978,564 | -924,722 ¹⁾ | -1,959,819 | -1,875,941 | |
| Staff costs | -1,193,462 | -1,302,633 | -800,857 | -833,491 | |
| Other taxes | -429 | -1,107 | -8,506 | -7,623 | |
| Earnings from ordinary activities | -112,669 | -105,232 | 71,638 | 168,153 | |
| Income from investments | 617 | 880 | -3,181 | 1,132 | |
| EBITDA | -112,052 | -104,352 | 68,457 | 169,285 | |
| Depreciation and amortisation (not including goodwill) | -120,397 | -119,675 | -78,227 | -96,846 | |
| EBITA | -232,449 | -224,027 | -9,770 | 72,439 | |
| Amortisation of goodwill | -3,266 | -2,439 | -10,771 | -10,644 | |
| EBIT | -235,715 | -226,466 | -20,541 | 61,795 | |
| Net interest income | -36,611 | -42,001 | -50,568 | -62,225 | |
| Other financial income | -377 | -220 | 509 | 2,397 | |
| EBT | -272,703 | -268,687 | -70,600 | 1,967 | |
| EBIT margin in % | -4.9 | -4.5 | -0.4 | 1.1 | |
| EBT margin in % | -5.7 | -5.4 | -1.2 | 0,0 | |
| EBTA | -269,437 | -266,248 | -59,829 | 12,611 | |
| EBTA margin in % | -5.6 | -5.3 | -1.0 | 0.2 | |
| Segment assets | 2,433,681 | 2,435,846* | 3,902,570 | 3,965,386* | |
| Segment liabilities | 2,647,305 | 2,353,723* | 4,358,688 | 3,837,641* | |
| Investments | 120,009 | 98,540 | 96,749 | 145,621 | |
| Full-time staff (average 01.01.-30.09.) | number | 45,580 | 50,107 | 28,300 | 29,646 |

*) Figures for previous year, as of 31.12.2002

¹⁾ Figures for previous year adjusted

Key figures – KARSTADT QUELLE Group

| | Services | | Real estate | | |
|---|--------------------------------|--------------------------------|--------------------------------|--------------------------------|----|
| | 01.01.-30.09. 2003 th. € | 01.01.-30.09. 2002 th. € | 01.01.-30.09. 2003 th. € | 01.01.-30.09. 2002 th. € | |
| Sales | 1,058,516 | 889,860 | 422,512 | 354,744 | |
| Interest from credit operations | - | - | - | - | |
| Internal sales | -34,626 | -18,432 | - | - | |
| Group sales | 1,023,890 | 871,428 | 422,512 | 354,744 | |
| Cost of sales | -619,195 | -524,247 | - | - | |
| Gross income | 404,695 | 347,181 | 422,512 | 354,744 | |
| Other capitalised own work | 7,835 | 4,225 | - | - | |
| Operating income and expenditure | -164,705 | -137,152 | -120,432 | -48,595 | |
| Staff costs | -187,001 | -155,612 | -4,572 | -4,121 | |
| Other taxes | -13 | -3 | -15,844 | -14,029 | |
| Earnings from ordinary activities | 60,811 | 58,639 | 281,664 | 287,999 | |
| Income from investments | -141,174 | -82,091 | - | - | |
| EBITDA | -80,363 | -23,452 | 281,664 | 287,999 | |
| Depreciation and amortisation (not including goodwill) | -33,668 | -28,850 | -88,182 | -90,230 | |
| EBITA | -114,031 | -52,302 | 193,482 | 197,769 | |
| Amortisation of goodwill | -33,477 | -34,282 | -212 | -12 | |
| EBIT | -147,508 | -86,584 | 193,270 | 197,757 | |
| Net interest income | -5,303 | -4,278 | -20,117 | -25,350 | |
| Other financial income | - | - | -2,756 | -652 | |
| EBT | -152,811 | -90,862 | 170,397 | 171,755 | |
| EBIT margin in % | -14.4 | -9.9 | 45.7 | 55.7 | |
| EBT margin in % | -14.9 | -10.4 | 40.3 | 48.4 | |
| EBTA | -119,334 | -56,580 | 170,609 | 171,767 | |
| EBTA margin in % | -11.7 | -6.5 | 40.4 | 48.4 | |
| Segment assets | 907,627 | 1,042,170* | 4,950,542 | 4,822,756* | |
| Segment liabilities | 484,916 | 507,323* | 2,448,008 | 1,916,639* | |
| Investments | 45,504 | 112,427 | 45,423 | 5,114 | |
| Full-time staff (average 01.01.-30.09.) | number | 5,596 | 4,084 | 82 | 66 |

*) Figures for previous year, as of 31.12.2002

Accounting and Measurement principles

The accounting and measurement principles are identical to those applied in the last annual account. Since earnings generated by so-called concession shops are no longer included in Earnings, the profit and loss account of the previous year has been adapted for better comparability. This resulted in a decrease in sales by 68.8 mill. € and in cost of sales by 49 mill. €, whereas operating income rose by 19.8 mill. €

The structure of the balance sheet and the profit and loss account contains the most important items also shown in the annual account.

An examination of the interim account in accordance with IAS to 30 September 2003 has been carried out.

Consolidated companies

The number of consolidated companies changed only insignificantly during the quarter ended.

Contingent liabilities

Contingent liabilities rose by a nominal 7 mill. € due to rental guarantee commitments.