



**KARSTADT QUELLE<sup>AG</sup>**

**Interim Report**  
to September 30, 2002

			30.09.2002	30.09.2001	Change in %
<b>Sales</b>	Over-the-counter retail	mill. €	5,075.1	5,533.3	- 8.3
	Mail order	mill. €	5,819.8	5,562.0	4.6
	Services	mill. €	871.4	765.6	13.8
	Real estate	mill. €	354.7	365.7	- 3.0
	Transitional account	mill. €	- 1,105.8	- 983.9	-
	<b>Group sales</b>	mill. €	<b>11,015.2</b>	<b>11,242.7</b>	<b>- 2.0</b>
<b>Earnings</b>	Earnings from ordinary activities	mill. €	374.2	472.6	- 20.8
	EBIT	mill. €	- 87.5	125.0	-
	EBTA	mill. €	- 246.0	- 67.3	- 265.7
	EBT	mill. €	- 293.4	- 99.0	- 196.3
<b>Other information</b>	Employees (30.09.)	number	104,875	111,398	- 5.9
	Full-time staff on average (01.01.-30.09.)	number	84,044	89,274	- 5.9
	Sales space in over-the-counter retail	th. m <sup>2</sup>	2,632.4	2,604.9	1.1
	Branches				
	Department stores	number	190	187	-
	Specialty stores	number	289	255	-
	<b>Over-the-counter retail</b>	number	<b>479</b>	<b>442</b>	<b>-</b>
	Investments	mill. €	364.8	675.5	- 46.0
<b>KarstadtQuelle AG share</b>	Share price (30.09.)	€	16.60	32.90	- 49.5
	Highest price (01.01.-30.09.)	€	45.45	40.00	-
	Lowest price (01.01.-30.09.)	€	16.60	30.15	-

## CALENDAR 2003

Interim report 1 <sup>st</sup> quarter	May 15
Annual General Meeting	May 28

## CONTACT DATA

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**Shoppers price-conscious –  
marketing campaigns stimulate**

The 3<sup>rd</sup> quarter of the 2002 financial year in Germany was likewise marked by consumer restraint. Accordingly, in the first 9 months of the 2002 financial year sales in the “true” sense decreased nominally by 2.4%. Consumers remained uncertain because of the difficult economic environment. The dying “Teuro” debate about the “pricy euro”, on the other hand, had a positive effect. The trend towards price-conscious shopping continued. At the same time customers responded more intensively to marketing campaigns.

**Group sales up slightly by 0.3% in the 3<sup>rd</sup> quarter**

The KarstadtQuelle Group shows a sales increase of 0.3% for the 3<sup>rd</sup> quarter. The decline in sales which marked the 1<sup>st</sup> half year was thus stopped.

Mail order performed gratifyingly with an increase of 7.5% in sales. Over-the-counter retail shows a decrease of 6.3%, but nevertheless performed better than in the previous quarters.

The KarstadtQuelle Group achieved sales turnover amounting to 11.02 bill. € in the first 9 months of 2002 (previous year: 11.24 bill. €). This represents a decrease by 2.0% (- 3.1% as at June 30).

**Earnings in the 3<sup>rd</sup> quarter above previous year**

Earnings before tax (EBT) in the 3<sup>rd</sup> quarter were, at 54.1 mill. €, higher than in the previous year (50 mill. € as at 30.09.2001). It must be borne in mind, however, that extraordinary burdens in the form of flexibilisation costs (payments for settlements and part-time work for retiring staff) of 12 mill. € are included in the current year. While Mail order and the Services segment – here the Thomas Cook travel group in particular performed better – show a rise in earnings, earnings in Over-the-counter retail remained under those for the same quarter the previous year.

**Weak year for the retail trade, seasonality and  
extraordinary effects hold back earnings**

Group earnings (EBT) came to - 293.4 mill. € after 9 months (- 99 mill. € over the same period the previous year). As well as the generally weak retail business in the inner cities earnings were affected by seasonality in Over-the-counter retail and travel; here the seasonal effect was compounded by the acquisition of Thomas Cook UK. Both segments show losses in the first 9 months and earn their profits in the 4<sup>th</sup> quarter. Earnings for the current year were, furthermore, burdened by extraordinary flexibilisation costs of 94 mill. €.

**Sales rise in October**

The revival in sales recorded in the 3<sup>rd</sup> quarter in the KarstadtQuelle Group continued in October. KarstadtQuelle is well prepared for the decisive Christmas business in all segments and has taken measures to stimulate growth. As well as the established department and specialty stores, Over-the-counter retail is well positioned with the new shopping centre concepts, the attractive sports stores and the thematically reoriented SinnLeffers stores. Mail order is gaining in popularity amongst consumers, is currently very much in vogue and appeals by its well-balanced price-performance ratio. The KarstadtQuelle Group is looking forward to Christmas business with cautious optimism.

**Sales forecast for the year as a whole unchanged minus 3%, profit markedly lower than previous year**

Despite the slightly improved sales performance in the 3<sup>rd</sup> quarter and October a sales shortfall of 3% is once again expected for the year as a whole because of customers' uncertainty.

Additional extraordinary restructuring and flexibilisation costs for the next years, higher marketing costs and lower earnings at Thomas Cook will result in markedly lower overall earnings than in the previous year. Earnings (EBTA) of approx. 250 mill. € (previous year: 382.3 mill. €) are anticipated for the year as a whole.

The forecast assumes that the climate of consumption will not be further burdened by political decisions, negative economic forecasts or general developments in international politics.

Essen, November 2002

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		
	2002 mill. €	2001 mill. €	Change in %	2002 mill. €	2001 mill. €	Change in %	2002 mill. €	2001 mill. €	Change in %
Over-the-counter retail	1,748.5	1,895.0	-7.7	1,605.2	1,802.0	-10.9	1,721.4	1,836.3	-6.3
thereof department stores	1,493.8	1,626.2	-8.1	1,363.7	1,530.1	-10.9	1,503.7	1,563.6	-3.8
Mail order	1,960.1	1,994.6	-1.7	1,971.7	1,810.3	8.9	1,888.0	1,757.1	7.5
Services	259.0	246.3	5.2	302.9	256.4	18.1	309.5	262.9	17.7
Real estate	117.1	121.2	-3.3	118.9	121.1	-1.8	118.7	123.4	-3.8
Transitional account	-335.7	-324.5	-	-390.9	-328.8	-	-379.2	-330.6	-
	<b>3,749.0</b>	<b>3,932.6</b>	<b>-4.7</b>	<b>3,607.8</b>	<b>3,661.0</b>	<b>-1.5</b>	<b>3,658.4</b>	<b>3,649.1</b>	<b>0.3</b>

**Earnings before taxes and amortisation of goodwill (EBTA)**

	Quarter I			Quarter II			Quarter III		
	2002 mill. €	2001 mill. €	Change in %	2002 mill. €	2001 mill. €	Change in %	2002 mill. €	2001 mill. €	Change in %
Over-the-counter retail	-46.6	-42.3	-10.0	-156.9	-57.8	-171.3	-62.7	-34.9	-80.5
thereof department stores	-10.0	-24.3	58.8	-119.3	-51.7	-130.7	-33.8	-18.6	-81.9
Mail order	23.2	-2.4	-	-35.2	-19.6	-80.2	24.6	-0.5	-
Services	-92.3	-45.9	-101.2	-61.6	-28.2	-118.6	97.3	84.9	14.6
thereof Thomas Cook	-108.0	-53.9	-100.4	-64.9	-31.2	-107.6	85.2	74.6	14.2
Real estate	53.7	55.8	-3.8	68.4	72.8	-6.0	49.7	61.0	-18.7
Holding	-42.9	-37.8	-13.3	-27.6	-28.7	3.8	-38.9	-45.4	14.4
Transitional account	0.8	0.6	-	0.9	0.4	-	0.1	0.7	-
	<b>-104.1</b>	<b>-72.0</b>	<b>-44.7</b>	<b>-212.0</b>	<b>-61.1</b>	<b>-246.7</b>	<b>70.1</b>	<b>65.8</b>	<b>6.5</b>

**Earnings before taxes (EBT)**

	Quarter I			Quarter II			Quarter III		
	2002 mill. €	2001 mill. €	Change in %	2002 mill. €	2001 mill. €	Change in %	2002 mill. €	2001 mill. €	Change in %
Over-the-counter retail	-47.4	-43.3	-9.4	-157.7	-58.8	-168.3	-63.6	-35.8	-77.9
thereof department stores	-10.1	-24.3	58.4	-119.4	-51.7	-130.8	-33.9	-18.6	-82.3
Mail order	19.8	-5.2	-	-38.6	-22.4	-72.6	20.8	-3.0	-
Services	-103.7	-49.7	-108.8	-73.1	-31.8	-130.2	85.9	72.4	18.7
thereof Thomas Cook	-119.4	-57.7	-107.0	-76.4	-34.9	-119.2	73.9	62.2	18.9
Real estate	53.7	55.5	-3.3	68.4	72.5	-5.5	49.7	60.8	-18.4
Holding	-42.9	-37.8	-13.3	-27.6	-28.7	3.8	-38.9	-45.4	14.4
Transitional account	0.7	0.7	-	0.9	0.3	-	0.2	0.7	-
	<b>-119.8</b>	<b>-79.8</b>	<b>-50.1</b>	<b>-227.7</b>	<b>-68.9</b>	<b>-230.6</b>	<b>54.1</b>	<b>49.7</b>	<b>9.0</b>

## OVER-THE-COUNTER RETAIL

		01.01.-30.09. 2002	01.01.-30.09. 2001	Change in %	Quarter III 2002	Quarter III 2001	Change in %
Sales	mill. €	5,075.1	5,533.3	- 8.3	1,721.4	1,836.3	- 6.3
thereof department stores	mill. €	4,361.2	4,719.9	- 7.6	1,503.7	1,563.6	- 3.8
EBTA	mill. €	- 266.2	- 135.0	- 97.3	- 62.7	- 34.9	- 80.5
thereof department stores	mill. €	- 163.1	- 94.6	- 72.4	- 33.8	- 18.6	- 81.9
EBT	mill. €	- 268.7	- 137.9	- 94.9	- 63.6	- 35.8	- 77.9
thereof department stores	mill. €	- 163.4	- 94.6	- 72.6	- 33.9	- 18.6	- 82.3
Employees (30.09.)	number	63,142	70,265	- 10.1	63,142	70,265	- 10.1
Segment assets	mill. €	3,542.6	3,171.4 <sup>*</sup>	11.7	3,542.6	3,171.4 <sup>*</sup>	11.7
Segment liabilities	mill. €	3,196.1	2,516.6 <sup>*</sup>	27.0	3,196.1	2,516.6 <sup>*</sup>	27.0

<sup>\*)</sup> Figures for previous year: as of 31.12.2001

#### Slight easing in sales

Sales in **Over-the-counter retail** came to 1.72 bill. € in the 3<sup>rd</sup> quarter (previous year: 1.84 bill. €) and once more progressed unsatisfactorily. Although there was an improvement on previous months, the 6.3% decrease in sales shows that the situation for the retail trade in the German inner cities is still difficult. While the department stores were able to limit their sales deficit to 3.8%, sales in the specialty stores decreased markedly by 7.8%.

Cumulatively to the end of September Over-the-counter retail turned over 5.08 bill. € (previous year: 5.53 bill. €). This represents a decrease of 8.3% in sales (-9.3% at the end of the 2<sup>nd</sup> quarter). Sales of 4.36 bill. € (previous year: 4.72 bill. €) were achieved in 190 **department stores** -7.6% less than the previous year. The 289 **specialty stores** with the brands SinnLeffers and Wehmeyer (Fashion), Runners Point and Golf House (Sports), Schaulandt and WOM World of Music (Multi-media) as well as Le Buffet (system gastronomy) turned over 768.2 mill. € (previous year: 817.9 mill. €). This represents a sales decrease of 6.1%.

Earnings (EBT) stood at -268.7 mill. € (previous year: -137,9 mill. €). The seasonal deficit inherent in our over-the-counter trade increased during the current year as a result of the sluggish sales performance, intense price competition and extraordinary costs of flexibilisation. To reduce the future fixed costs burden, staffing levels were adjusted to accommodate the weaker sales performance as part of optimised processes and systems. 58 mill. € were invested in settlements and the staged transition to retirement (part-time work for older employees).

Earnings (EBT) in the department store segment came to -163.4 mill. € (previous year: -94.6 mill. €). The reduction in gross earnings of 183.1 mill. € at Karstadt Warenhaus AG due to sales and margins were partly set off by restructuring effects under the 10-Step Value Enhancement Programme.

## MAIL ORDER

		01.01.-30.09. 2002	01.01.-30.09. 2001	Change in %	Quarter III 2002	Quarter III 2001	Change in %
Sales	mill. €	5,819.8	5,562.0	4.6	1,888.0	1,757.1	7.5
EBTA	mill. €	12.6	-22.5	156.1	24.6	-0.5	-
EBT	mill. €	2.0	-30.6	106.4	20.8	-3.0	-
Employees (30.09.)	number	36,987	36,811	0.5	36,987	36,811	0.5
Segment assets	mill. €	4,543.7	4,125.8 <sup>*)</sup>	10.1	4,543.7	4,125.8 <sup>*)</sup>	10.1
Segment liabilities	mill. €	3,907.4	3,435.5 <sup>*)</sup>	13.7	3,907.4	3,435.5 <sup>*)</sup>	13.7

<sup>\*)</sup> Figures for previous year: as of 31.12.2001

### Sales and earnings markedly improved

Germany's leading mail-order company group with the core Quelle and Neckermann brands increased their sales in the 3<sup>rd</sup> quarter by 7.5%. After 9 months of the current financial year sales come to 5.82 bill. € (previous year: 5.56 bill. €). This represents an increase of 4.6%. The leading position in the German market was further expanded. Universal mail-order increased 4.9%, while specialist catalogues achieved a rise of 6.7%.

Quelle and Neckermann appeal to their customers with attractive catalogue and online ranges as well as a product and pricing policy consistently tailored to customer requirements. Comfortable shopping in a pleasant living room atmosphere, plus round-the-clock opening times, seven days a week, also contribute substantially to

the success of the mail-order business. The effective and emotive advertising measures for the 75<sup>th</sup> Quelle anniversary were very well received by regular customers and also reached a large number of new customers.

Earnings (EBT) rose in the 3<sup>rd</sup> quarter by 23.8 mill. € and came to 20.8 mill. €. Cumulatively to September 30 earnings come to 2 mill. € (previous year: - 30.6 mill. €). The good sales performance was accompanied by a margin rise of 0.4% points to 49.55%. In extraordinary earnings the flexibilisation costs of 36 mill. € and the profit from the sale of 30% of KarstadtQuelle Financial Services GmbH cancelled each other out.

## SERVICES

		01.01.-30.09. 2002	01.01.-30.09. 2001	Change in %	Quarter III 2002	Quarter III 2001	Change in %
Sales <sup>1</sup>	mill. €	871.4	765.6	13.8	309.5	262.9	17.7
EBTA	mill. €	-56.6	10.8	-	97.3	84.9	14.6
thereof Thomas Cook	mill. €	-87.7	-10.5	-	85.2	74.6	14.2
EBT	mill. €	-90.9	-9.1	-	85.9	72.4	18.7
thereof Thomas Cook	mill. €	-121.9	-30.4	-	73.9	62.2	18.9
Employees (30.09.) <sup>1</sup>	number	4,518	4,158	8.7	4,518	4,158	8.7
Segment assets	mill. €	964.4	1,195.2 <sup>*</sup>	-19.3	964.4	1,195.2 <sup>*</sup>	-19.3
Segment liabilities	mill. €	457.5	624.6 <sup>*</sup>	-26.8	457.5	624.6 <sup>*</sup>	-26.8

<sup>\*</sup>) Figures for previous year: as of 31.12.2001

<sup>1)</sup> Not including the Thomas Cook Group

### Demand risen

The Services segment comprises the B2C (financial services, loyalty cards, travel) and B2B (information services, logistics, purchasing, IT) sectors.

Sales (not including Thomas Cook) came to 871.4 mill. € (previous year: 765.5 mill. €). This represents an increase of 13.8%. Decisive is the risen demand for services, particularly in the logistics and IT sectors.

Earnings, which were marked decisively by the in-year loss at Thomas Cook (consolidated at equity at 50%), amount to -90.9 mill. € (previous year: -9.1 mill. €). The services formats, not including Thomas Cook, achieved earnings of 31 mill. € (previous year: 21.3 mill. €).

Pro-rata earnings (EBT) at the Thomas Cook travel group rose to 73.9 mill. € (previous year: 62.2 mill. €) during its 3<sup>rd</sup> quarter (May 1 to July 31). The travel business showed the first signs of a recovery, although the demand for travel products in all important sales markets continued sluggish. The measures initiated to optimise costs contributed essentially to the improvement of the gross earnings margin and to the reduction of costs.

The management board of Thomas Cook AG anticipates a positive operational result, less non-recurring costs from capacity adjustments of around 50 mill. € for the year ended October 31. On this basis the share of earnings (EBTA) for KarstadtQuelle AG will amount to -20 mill. €. Prorata amortisation of goodwill comes to 53 mill. €.

## REAL ESTATE

		01.01.-30.09. 2002	01.01.-30.09. 2001	Change in %	Quarter III 2002	Quarter III 2001	Change in %
Sales	mill. €	354.7	365.7	- 3.0	118.7	123.4	- 3.8
EBTA	mill. €	171.8	189.6	- 9.4	49.7	61.0	- 18.7
EBT	mill. €	171.8	188.8	- 9.0	49.7	60.8	- 18.4
Employees (30.09.)	number	72	25	188.0	72	25	188.0
Segment assets	mill. €	3,981.4	3,559.0 *	11.9	3,981.4	3,559.0 *	11.9
Segment liabilities	mill. €	1,709.4	1,184.0 *	44.4	1,709.4	1,184.0 *	44.4

\*) Figures for previous year: as of 31.12.2001

### Profits from sales falling

The **Real estate** segment comprises the Property and Development and Financing sectors. Gross earnings from rents came to 354.7 mill. € (previous year: 365.7 mill. €). After deduction of third-party rents earnings from rents come to 303.4 mill. €.

EBT came to 171.8 mill. € (previous year: 188.8 mill. €). Decisive for the decrease in earnings are falling profits from the sale of real estate, which came to 21 mill. € (previous year: 40 mill. €). Net interest income was increased.

## HOLDING

		01.01.-30.09. 2002	01.01.-30.09. 2001	Change in %	Quarter III 2002	Quarter III 2001	Change in %
EBTA	mill. €	- 109.4	- 111.9	2.3	- 38.9	- 45.4	14.4
EBT	mill. €	- 109.4	- 111.9	2.3	- 38.9	- 45.4	14.4
Employees (30.09.)	number	156	139	12.2	156	139	12.2
Segment assets	mill. €	2,805.3	1,791.8 *	56.6	2,805.3	1,791.8 *	56.6
Segment liabilities	mill. €	4,913.9	3,955.0 *	24.2	4,913.9	3,955.0 *	24.2

\*) Figures for previous year: as of 31.12.2001

### Earnings stable

The **Holding** segment comprises mainly Karstadt-Quelle AG, which operates as a strategic management and investment holding company. Earnings (EBT) amount to -109.4 mill. € (previous year: -111.9 mill. €). Important earnings components are expenditure for pensions and financing and other participations.

### **Customer campaign in the 3<sup>rd</sup> quarter of 2002**

A large-scale customer campaign was launched in all sectors during the 3<sup>rd</sup> quarter.

**Over-the-counter retail** opened 12 reoriented department and specialty stores within a few weeks. In Mülheim/Ruhr Karstadt created a shopping centre with 40,000 sq. m of space and for the first time realised a mall concept with partners and specialty stores in the fashion sector. The department stores in Bremen and Düsseldorf were redesigned, while in Frankfurt/Main and Dortmund the first conversion stages were completed. For the redesigned Freiburg Karstadt branch the Swiss Migros group is our partner in the fresh-food market sector. We expanded our market leadership in the fashion sector to include 2 newly planned SinnLeffers fashion stores in Magdeburg and Dresden as well as the implementation of the "Fashion & More" concept at the Essen store.

KarstadtSport is underlining its expansion strategy by opening further large-scale, innovative outlets. In Dortmund the largest Karstadt sports store with 7,400 sq. m of sales space was created at a tiptop location. Including the stores opened in Leipzig, Augsburg and Celle during the course of the year, KarstadtSport now operates over 30 sports stores. A new specialist sports market was opened on 3,200 sq. m of sales space in St. Augustin. It is the second of its kind after Frankfurt/Oder.

In the **Mail-order** segment, Quelle launched an autumn campaign in its anniversary year. Through an additional catalogue in an impression of 6 million and a direct appeal to 17 million households selected branded goods were offered at half-price.

In the **Services** segment KarstadtQuelle Financial Services GmbH opened – parallel to the core business of direct marketing – the first financial service centre in the Karstadt store in Bremen. Plans are to open 20 such centres by the end of 2003. As part of the "HappyDigits" joint venture with Deutsche Telekom AG loyalty cards were issued to 8 million customers of the KarstadtQuelle Group. Since July 2002 consumers have also been able to use the loyalty card as a credit card without additional cost.

The partnership with the American coffee house chain Starbucks is progressing well. 6 coffee houses have now been opened, 5 of them in Berlin and the first Starbucks coffee house inside a Karstadt department store in Mülheim/Ruhr.

**E-business** continues to grow strongly. In the first 9 months online demand rose to 815 mill. € (previous year: 550 mill. €).

Group profit and loss account

Group balance sheet  
Changes in group equity  
Group cash flow account  
Segment information Quarter III  
Notes to the group account  
Certificate of inspection

## Group profit and loss account

for the period from January 1 to September 30, 2002 / Quarter III, 2002

	01.01.-30.09. 2002 th. €	01.01.-30.09. 2001 th. €	Quarter III 2002 th. €	Quarter III 2001 th. €
Sales	11,015,194	11,242,733	3,658,355	3,649,142
Cost of sales	-5,920,522	-6,086,115	-1,937,010	-1,964,283
<b>Gross earnings</b>	<b>5,094,672</b>	<b>5,156,618</b>	<b>1,721,345</b>	<b>1,684,859</b>
Other capitalised own work	11,127	2,718	4,732	2,342
Operational income	402,182	382,777	100,167	94,447
Staff costs	-2,308,097	-2,338,761	-743,172	-768,437
Operational costs	-2,802,970	-2,705,789	-901,509	-836,196
Other taxes	-22,733	-24,941	-7,739	-9,404
<b>Earnings from ordinary activities</b>	<b>374,181</b>	<b>472,622</b>	<b>173,824</b>	<b>167,611</b>
Income from investments	-79,360	17,389	86,679	77,828
thereof from associated companies	-89,735	-6,253	84,710	75,773
<b>Earnings before interest, taxes and depreciation and amortisation (EBITDA)</b>	<b>294,821</b>	<b>490,011</b>	<b>260,503</b>	<b>245,439</b>
Depreciation and amortisation (not including goodwill)	-334,956	-333,233	-119,859	-109,124
<b>Earnings before interest, taxes and amortisation of goodwill (EBITA)</b>	<b>-40,135</b>	<b>156,778</b>	<b>140,644</b>	<b>136,315</b>
Amortisation of goodwill	-47,377	-31,747	-15,999	-16,207
<b>Earnings before interest and taxes (EBIT)</b>	<b>-87,512</b>	<b>125,031</b>	<b>124,645</b>	<b>120,108</b>
Net interest income	-208,048	-226,876	-71,738	-73,922
Other financial income	2,200	2,839	1,204	3,467
<b>Earnings before taxes (EBT)</b>	<b>-293,360</b>	<b>-99,006</b>	<b>54,111</b>	<b>49,653</b>
Taxes on income	126,956	54,605	-16,510	-5,709
<b>Net income before minority shareholdings</b>	<b>-166,404</b>	<b>-44,401</b>	<b>37,601</b>	<b>43,944</b>
Profit/loss due to other shareholders	-462	-4,632	-971	-1,908
<b>Net income after minority shareholdings</b>	<b>-166,866</b>	<b>-49,033</b>	<b>36,630</b>	<b>42,036</b>
<b>Earnings per share in €</b>	<b>-1.42</b>	<b>-0.42</b>	<b>0.31</b>	<b>0.35</b>

## Group balance sheet

as at September 30, 2002

<b>ASSETS</b>	<b>30.09.2002</b> th. €	<b>31.12.2001</b> th. €
<b>Fixed assets</b>		
Intangible assets	454,367	427,244
Tangible assets	4,090,175	4,204,471
Financial assets	849,865	818,985
	<b>5,394,407</b>	<b>5,450,700</b>
<b>Current assets</b>		
Stocks	2,710,766	2,524,236
Receivables and other assets	2,054,383	2,097,082
Securities	24,695	36,054
Liquid funds	217,485	343,206
	<b>5,007,329</b>	<b>5,000,578</b>
Deferred taxes	44,666	25,220
Prepayments and accrued income	40,830	33,549
<b>Balance sheet total</b>	<b>10,487,232</b>	<b>10,510,047</b>

## EQUITY AND LIABILITIES

	<b>30.09.2002</b> th. €	<b>31.12.2001</b> th. €
<b>Equity</b>	<b>1,429,785</b>	<b>1,803,386</b>
Minority shareholdings	61,661	59,523
<b>Long-term liabilities</b>		
Long-term financial liabilities	1,411,889	1,424,516
Other long-term liabilities	51,490	105,817
Pension provisions	2,618,062	2,583,747
Other long-term provisions for liabilities and charges	234,479	224,062
	<b>4,315,920</b>	<b>4,338,142</b>
<b>Short-term liabilities</b>		
Short-term financial liabilities	2,436,416	1,720,245
Trade payables	751,834	929,745
Other long-term liabilities	964,216	1,006,546
Short-term liabilities	326,515	312,984
	<b>4,478,981</b>	<b>3,969,520</b>
Deferred taxes	197,033	323,810
Accruals and deferred income	3,852	15,666
<b>Balance sheet total</b>	<b>10,487,232</b>	<b>10,510,047</b>

## Changes in group equity and minority shareholdings

	Issued capital	Capital reserve	Revenue reserves	Revaluation reserve	Adjustments foreign currency translation	Total group equity	Minority share- holdings	Total
	th. €	th. €	th. €	th. €	th. €	th. €	th. €	th. €
<b>01.01. - 30.09.2002</b>								
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	-	-	- 82,608	-	- 82,608
Generated capital / group earnings	-	-	- 166,866	-	-	- 166,866	464	- 166,402
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	-	-	-	-	-	-	533	533
Closing balance at 30.09.2002	290,017	406,310	774,604	- 41,675	529	1,430,785	61,661	1,492,446

	Issued capital	Capital reserve	Revenue reserves	Revaluation reserve	Adjustments foreign currency translation	Total group equity	Minority share- holdings	Total
	th. €	th. €	th. €	th. €	th. €	th. €	th. €	th. €
<b>01.01. - 30.09.2001</b>								
Opening balance at 01.01.2001	300,929	482,031	870,104	-	148	1,653,212	45,477	1,698,689
Adjustment for first-time application of IAS 39	-	-	-	- 7,731	-	- 7,731	-	- 7,731
From the purchase of shares	-	-	-	-	-	-	- 5,541	- 5,541
Dividends	-	-	- 78,758	-	-	- 78,758	- 1,134	- 79,892
Generated capital / group earnings	-	-	- 49,033	-	-	- 49,033	4,632	- 44,401
Differences from foreign currency translation	-	-	-	-	- 126	- 126	- 357	- 483
Change due to valuation of original and derivative financial instruments	-	-	-	- 19,444	-	- 19,444	-	- 19,444
Due to changes in consolidated companies	-	-	-	-	-	-	16,814	16,814
Other equity changes without effect for income	-	-	-	-	-	-	2	2
Closing balance at 30.09.2001	300,929	482,031	742,313	- 27,175	22	1,498,120	59,893	1,558,013

## Group cash flow account

	30.09.2002 th. €	30.09.2001 th. €
Earnings for the period (including shares of earnings of minority shareholdings) before taxes on income and extraordinary items	-293,360	-99,006
Depreciation and amortisation/revaluations fixed assets	381,674	364,980
Earnings/Loss from disposal of assets	-79,595	-20,168
Profit/Loss from foreign currency	737	-
Earnings/Losses absorbed from participating interests	79,360	-17,389
Interest income/expenses	104,673	118,171
Increase/Decrease long-term provisions for liabilities and charges (not including tax provisions)	76,778	74,071
Other costs/earnings not affecting cash flow	101,630	101,083
<b>Gross cash flow</b>	<b>371,897</b>	<b>521,742</b>
Increase/Decrease of stocks, trade receivables and other assets, not attributable to investment or financing activities	-487,445	-391,288
Increase/Decrease of trade payables and other liabilities not attributable to investment or financing activities	-245,382	-273,466
<b>Cash flow from current business activities</b>	<b>-360,930</b>	<b>-143,012</b>
Dividends received	10,375	23,642
Interest received	52,926	62,065
Interest paid	-141,759	-165,962
Payments/Refunds of taxes on income	-30,064	-27,860
<b>Cash flow from current business activities</b>	<b>-469,452</b>	<b>-251,127</b>
Cash flow from acquisitions/disinvestment of subsidiaries	48,746	-167,240
Amounts paid out for acquisition of tangible fixed, intangible fixed and long-term assets	-240,216	-355,767
Amounts paid for investment in financial assets	-91,572	-257,954
Amounts paid in from sale of tangible fixed, intangible fixed and long-term assets	44,942	54,504
Amounts paid in from sale of financial assets	5,923	6,729
<b>Cash flow from investment activities</b>	<b>-232,177</b>	<b>-719,728</b>
Amounts paid out to/paid in from company owners and minority shareholders	-177,262	-78,759
Amounts paid in/paid for the issuance of bonds and for (finance) loans	763,553	1,034,872
Payments for liabilities under finance leases	-6,308	-6,307
<b>Cash flow from financing activities</b>	<b>579,983</b>	<b>949,806</b>
<b>Changes in cash and cash equivalents affecting cash flow</b>	<b>-121,646</b>	<b>-21,049</b>
Changes in cash and cash equivalents due to changes in exchange rates, consolidated companies and valuation	-15,553	38,211
Cash and cash equivalents at the beginning of the period	378,345	261,489
<b>Cash and cash equivalents at the end of the period</b>	<b>241,146</b>	<b>278,651</b>

## Key figures KARSTADT QUELLE Group

	KARSTADT QUELLE Group		Transitional account		Holding	
	Quarter III 2002 th. €	Quarter III 2001 th. €	Quarter III 2002 th. €	Quarter III 2001 th. €	Quarter III 2002 th. €	Quarter III 2001 th. €
Sales	4,216,881	4,148,052	-	-	-	-
Interest from credit operations	53,784	48,720	-	-	-	-
Internal sales	- 612,310	- 547,630	- 379,290	- 330,499	-	-
<b>Group sales</b>	<b>3,658,355</b>	<b>3,649,142</b>	<b>- 379,290</b>	<b>- 330,499</b>	<b>-</b>	<b>-</b>
Cost of sales	- 1,937,010	- 1,964,283	152,425	144,899	-	-
<b>Gross earnings</b>	<b>1,721,345</b>	<b>1,684,859</b>	<b>- 226,865</b>	<b>- 185,600</b>	<b>-</b>	<b>-</b>
Other capitalised own work	4,732	2,342	-	-	-	-
Operational income and expenditure	- 801,342	- 741,749	227,444	185,642	- 8,392	- 11,686
Staff costs	- 743,172	- 768,437	36	39	- 4,010	- 5,505
Other taxes	- 7,739	- 9,404	-	-	9	3
<b>Earnings from ordinary activities</b>	<b>173,824</b>	<b>167,611</b>	<b>615</b>	<b>81</b>	<b>- 12,393</b>	<b>- 17,188</b>
Income from investments	86,679	77,828	-	-	-	-
<b>EBITDA</b>	<b>260,503</b>	<b>245,439</b>	<b>615</b>	<b>81</b>	<b>- 12,393</b>	<b>- 17,188</b>
Depreciation and amortisation (not including goodwill)	- 119,859	- 109,124	- 266	435	- 428	- 105
<b>EBITA</b>	<b>140,644</b>	<b>136,315</b>	<b>349</b>	<b>516</b>	<b>- 12,821</b>	<b>- 17,293</b>
Amortisation of goodwill	- 15,999	- 16,207	-	-	-	-
<b>EBIT</b>	<b>124,645</b>	<b>120,108</b>	<b>349</b>	<b>516</b>	<b>- 12,821</b>	<b>- 17,293</b>
Net interest income	- 71,738	- 73,922	- 40	500	- 26,708	- 31,791
Other financial income	1,204	3,467	51	- 268	605	3,638
<b>EBT</b>	<b>54,111</b>	<b>49,653</b>	<b>360</b>	<b>748</b>	<b>- 38,924</b>	<b>- 45,446</b>
EBIT margin in %	3.4	3.3	-	-	-	-
EBT margin in %	1.5	1.4	-	-	-	-
Investments	91,048	80,657	-	-	2,981	921

## Key figures KARSTADT QUELLE Group

	Over-the-counter retail		Mail order	
	Quarter III 2002 th. €	Quarter III 2001 th. €	Quarter III 2002 th. €	Quarter III 2001 th. €
Sales	1,767,224	1,851,877	2,015,552	1,905,316
Interest from credit operations	-	-	53,784	48,720
Internal sales	- 45,856	- 15,648	- 181,355	- 196,979
<b>Group sales</b>	<b>1,721,368</b>	<b>1,836,229</b>	<b>1,887,981</b>	<b>1,757,057</b>
Cost of sales	-963,597	- 1,044,990	-952,951	- 890,117
<b>Gross earnings</b>	<b>757,771</b>	<b>791,239</b>	<b>935,030</b>	<b>866,940</b>
Other capitalised own work	2,581	2,319	739	23
Operational income and expenditure	- 345,104	- 317,254	- 581,339	- 556,515
Staff costs	- 419,114	- 461,168	- 269,820	- 252,931
Other taxes	- 391	- 358	- 2,714	- 4,376
<b>Earnings from ordinary activities</b>	<b>- 4,257</b>	<b>14,778</b>	<b>81,896</b>	<b>53,141</b>
Income from investments	85	-	- 1,910	2,105
<b>EBITDA</b>	<b>- 4,172</b>	<b>14,778</b>	<b>79,986</b>	<b>55,246</b>
Depreciation and amortisation (not including goodwill)	- 44,923	- 37,430	- 34,062	- 31,265
<b>EBITA</b>	<b>- 49,095</b>	<b>- 22,652</b>	<b>45,924</b>	<b>23,981</b>
Amortisation of goodwill	- 814	- 965	- 3,860	- 2,542
<b>EBIT</b>	<b>- 49,909</b>	<b>- 23,617</b>	<b>42,064</b>	<b>21,439</b>
Net interest income	- 13,669	- 12,091	- 22,316	- 24,602
Other financial income	- 76	- 76	1,029	127
<b>EBT</b>	<b>- 63,654</b>	<b>- 35,784</b>	<b>20,777</b>	<b>- 3,036</b>
EBIT margin in %	- 2.9	- 1.3	2.2	1.2
EBT margin in %	- 3.7	- 1.9	1.1	- 0.2
Investments	40,314	18,571	35,119	48,559

## Key figures KARSTADT QUELLE Group

	Services		Real estate	
	Quarter III 2002 th. €	Quarter III 2001 th. €	Quarter III 2002 th. €	Quarter III 2001 th. €
Sales	315,417	267,500	118,688	123,359
Interest from credit operations	-	-	-	-
Internal sales	- 5,809	- 4,504	-	-
<b>Group sales</b>	<b>309,608</b>	<b>262,996</b>	<b>118,688</b>	<b>123,359</b>
Cost of sales	- 172,887	- 173,737	-	- 338
<b>Gross earnings</b>	<b>136,721</b>	<b>89,259</b>	<b>118,688</b>	<b>123,021</b>
Other capitalised own work	1,412	-	-	-
Operational income and expenditure	- 69,085	- 22,317	- 24,866	- 19,619
Staff costs	- 48,719	- 48,441	- 1,545	- 431
Other taxes	3	1	- 4,646	- 4,674
<b>Earnings from ordinary activities</b>	<b>20,332</b>	<b>18,502</b>	<b>87,631</b>	<b>98,297</b>
Income from investments	88,504	75,723	-	-
<b>EBITDA</b>	<b>108,836</b>	<b>94,225</b>	<b>87,631</b>	<b>98,297</b>
Depreciation and amortisation (not including goodwill)	- 10,343	- 9,583	- 29,837	- 31,176
<b>EBITA</b>	<b>98,493</b>	<b>84,642</b>	<b>57,794</b>	<b>67,121</b>
Amortisation of goodwill	- 11,321	- 12,472	- 4	- 228
<b>EBIT</b>	<b>87,172</b>	<b>72,170</b>	<b>57,790</b>	<b>66,893</b>
Net interest income	- 1,239	214	- 7,766	- 6,152
Other financial income	-	-	- 405	46
<b>EBT</b>	<b>85,933</b>	<b>72,384</b>	<b>49,619</b>	<b>60,787</b>
EBIT margin in %	28.2	27.4	48.7	54.2
EBT margin in %	27.8	27.5	41.8	49.3
Investments	9,900	10,163	2,734	2,443

## Key figures KARSTADT QUELLE Group

	KARSTADT QUELLE Group		Transitional account		Holding	
	01.01.-30.09. 2002 th. €	01.01.-30.09. 2001 th. €	01.01.-30.09. 2002 th. €	01.01.-30.09. 2001 th. €	01.01.-30.09. 2002 th. €	01.01.-30.09. 2001 th. €
Sales	12,620,842	12,639,776	-	-	-	-
Interest from credit operations	158,656	142,711	-	-	-	-
Internal sales	-1,764,304	-1,539,754	-1,105,840	-983,790	-	-
<b>Group sales</b>	<b>11,015,194</b>	<b>11,242,733</b>	<b>-1,105,840</b>	<b>-983,790</b>	-	-
Cost of sales	-5,920,522	-6,086,115	477,249	417,912	-	-
<b>Gross earnings</b>	<b>5,094,672</b>	<b>5,156,618</b>	<b>-628,591</b>	<b>-565,878</b>	-	-
Other capitalised own work	11,127	2,718	-	-	-	-
Operational income and expenditure	-2,400,788	-2,323,012	628,141	566,194	-22,717	-12,604
Staff costs	-2,308,097	-2,338,761	342	39	-12,582	-13,152
Other taxes	-22,733	-24,941	1	-	28	-
<b>Earnings from ordinary activities</b>	<b>374,181</b>	<b>472,622</b>	<b>-107</b>	<b>355</b>	<b>-35,271</b>	<b>-25,756</b>
Income from investments	-79,360	17,389	-	-	719	-
<b>EBITDA</b>	<b>294,821</b>	<b>490,011</b>	<b>-107</b>	<b>355</b>	<b>-34,552</b>	<b>-25,756</b>
Depreciation and amortisation (not including goodwill)	-334,956	-333,233	1,914	1,302	-1,269	-1,732
<b>EBITA</b>	<b>-40,135</b>	<b>156,778</b>	<b>1,807</b>	<b>1,657</b>	<b>-35,821</b>	<b>-27,488</b>
Amortisation of goodwill	-47,377	-31,747	-	-	-	-
<b>EBIT</b>	<b>-87,512</b>	<b>125,031</b>	<b>1,807</b>	<b>1,657</b>	<b>-35,821</b>	<b>-27,488</b>
Net interest income	-208,048	-226,876	443	713	-74,637	-88,210
Other financial income	2,200	2,839	-412	-733	1,087	3,757
<b>EBT</b>	<b>-293,360</b>	<b>-99,006</b>	<b>1,838</b>	<b>1,637</b>	<b>-109,371</b>	<b>-111,941</b>
EBIT margin in %	-0.8	1.1	-	-	-	-
EBT margin in %	-2.7	-0.9	-	-	-	-
Segment assets	10,442,566	10,484,827 *	-5,394,740	-3,358,460 *	2,805,269	1,791,835 *
Segment liabilities	8,860,414	8,382,851 *	-5,323,847	-3,333,013 *	4,913,908	3,955,046 *
Investments	364,827	-	-	-	3,125	-
Full-time employees (average 01.01.-30.09.)	84,044	-	-	-	141	-

\*) Figures for previous year: as of 31.12.2001

## Key figures KARSTADT QUELLE Group

	Over-the-counter retail		Mail order	
	01.01.-30.09. 2002 th. €	01.01.-30.09. 2001 th. €	01.01.-30.09. 2002 th. €	01.01.-30.09. 2001 th. €
Sales	5,160,270	5,569,961	6,215,968	5,924,008
Interest from credit operations	-	-	158,656	142,711
Internal sales	- 85,162	- 36,660	- 554,870	- 504,769
<b>Group sales</b>	<b>5,075,108</b>	<b>5,533,301</b>	<b>5,819,754</b>	<b>5,561,950</b>
Cost of sales	- 2,937,324	- 3,179,651	- 2,936,200	- 2,827,773
<b>Gross earnings</b>	<b>2,137,784</b>	<b>2,353,650</b>	<b>2,883,554</b>	<b>2,734,177</b>
Other capitalised own work	5,248	2,319	1,654	399
Operational income and expenditure	- 944,524	- 942,185	- 1,875,941	- 1,798,273
Staff costs	- 1,302,633	- 1,400,945	- 833,491	- 785,960
Other taxes	- 1,107	- 1,278	- 7,623	- 11,115
<b>Earnings from ordinary activities</b>	<b>- 105,232</b>	<b>11,561</b>	<b>168,153</b>	<b>139,228</b>
Income from investments	880	864	1,132	6,567
<b>EBITDA</b>	<b>- 104,352</b>	<b>12,425</b>	<b>169,285</b>	<b>145,795</b>
Depreciation and amortisation (not including goodwill)	- 119,675	- 116,897	- 96,846	- 91,940
<b>EBITA</b>	<b>- 224,027</b>	<b>- 104,472</b>	<b>72,439</b>	<b>53,855</b>
Amortisation of goodwill	- 2,439	- 2,896	- 10,644	- 8,108
<b>EBIT</b>	<b>- 226,466</b>	<b>- 107,368</b>	<b>61,795</b>	<b>45,747</b>
Net interest income	- 42,001	- 30,263	- 62,225	- 76,211
Other financial income	- 220	- 230	2,397	- 105
<b>EBT</b>	<b>- 268,687</b>	<b>- 137,861</b>	<b>1,967</b>	<b>- 30,569</b>
EBIT margin in %	- 4.5	- 1.9	1.1	0.8
EBT margin in %	- 5.3	- 2.5	-	- 0.5
Segment assets	3,542,641	3,171,430 *	4,543,695	4,125,778 *
Segment liabilities	3,196,075	2,516,635 *	3,907,400	3,435,535 *
Investments	98,540	-	145,621	-
Full-time employees (average 01.01.-30.09.)	50,107	-	29,646	-

\*) Figures for previous year: as of 31.12.2001

## Key figures KARSTADT QUELLE Group

	Services		Real estate	
	01.01.-30.09. 2002 th. €	01.01.-30.09. 2001 th. €	01.01.-30.09. 2002 th. €	01.01.-30.09. 2001 th. €
Sales	889,860	780,153	354,744	365,654
Interest from credit operations	-	-	-	-
Internal sales	- 18,432	- 14,535	-	-
<b>Group sales</b>	<b>871,428</b>	<b>765,618</b>	<b>354,744</b>	<b>365,654</b>
Cost of sales	- 524,247	- 495,526	-	- 1,077
<b>Gross earnings</b>	<b>347,181</b>	<b>270,092</b>	<b>354,744</b>	<b>364,577</b>
Other capitalised own work	4,225	-	-	-
Operational income and expenditure	- 137,152	- 86,609	- 48,595	- 49,535
Staff costs	- 155,612	- 137,761	- 4,121	- 982
Other taxes	- 3	- 8	- 14,029	- 12,540
<b>Earnings from ordinary activities</b>	<b>58,639</b>	<b>45,714</b>	<b>287,999</b>	<b>301,520</b>
Income from investments	- 82,091	- 5,858	-	15,816
<b>EBITDA</b>	<b>- 23,452</b>	<b>39,856</b>	<b>287,999</b>	<b>317,336</b>
Depreciation and amortisation (not including goodwill)	- 28,850	- 31,822	- 90,230	- 92,144
<b>EBITA</b>	<b>- 52,302</b>	<b>8,034</b>	<b>197,769</b>	<b>225,192</b>
Amortisation of goodwill	- 34,282	- 19,885	- 12	- 858
<b>EBIT</b>	<b>- 86,584</b>	<b>- 11,851</b>	<b>197,757</b>	<b>224,334</b>
Net interest income	- 4,278	2,801	- 25,350	- 35,706
Other financial income	-	-	- 652	150
<b>EBT</b>	<b>- 90,862</b>	<b>- 9,050</b>	<b>171,755</b>	<b>188,778</b>
EBIT margin in %	- 9.9	- 1.5	55.7	61.4
EBT margin in %	- 10.4	- 1.2	48.4	51.6
Segment assets	964,351	1,195,205 *	3,981,350	3,559,039 *
Segment liabilities	457,521	624,610 *	1,709,357	1,184,038 *
Investments	112,427	207,515	5,114	43,800
Full-time employees (average 01.01.-30.09.)	4,084	3,769	66	25

\*) Figures for previous year: as of 31.12.2001

## Notes to the group account

### Accounting and evaluation methods

The accounting and evaluation methods are identical to those of the last annual account and the account for the 1<sup>st</sup> half year of 2002.

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

During the period from mid-July to the end of September 2002 KARSTADT QUELLE AG acquired just on 4.5 million of its own shares. The acquisition was effected in accordance with a resolution of the general meeting of shareholders on 11.07.2002. On the balance sheet the authorised capital and capital reserve are shown less the reductions resulting from these acquisition transactions.

### Consolidated group

The consolidated group in the period under review mainly comprises the companies also shown in the annual account for the period to December 31, 2001 and the interim account for the 1<sup>st</sup> half year of 2002.

The following companies are included for the first time in the consolidated group in the 3<sup>rd</sup> quarter of 2002:

#### in the Over-the-counter retail segment

- Karstadt GmbH, Essen

#### in the Mail-order segment

- NeBus Loyalty B.V., Hulst, Netherlands
- Simon Jersey Group Ltd., Altham Accrington, Great Britain (incl. subsidiaries)

Earnings before tax (EBT) have been affected by these companies by +0.5 mill. €.

### Events of particular importance

50% of the shares in KARSTADT QUELLE Financial Services GmbH were sold in the 1<sup>st</sup> quarter of 2002. Accordingly, this company was finally consolidated on changeover to equity valuation. KARSTADT QUELLE Bank GmbH, whose shares are wholly held by KARSTADT QUELLE Financial Services GmbH, has likewise been finally consolidated under this measure.

In September 2002 the management board and supervisory board of KARSTADT QUELLE AG resolved a comprehensive restructure by which the division into the four company segments Over-the-counter retail, Mail order, Services and Real estate was legally consummated by the creation of four intermediate holding companies.

In the Over-the-counter retail segment Karstadt GmbH holds participations in Karstadt Warenhaus AG (department store sector) and M + T Mode- und Textilhaus-Beteiligungs Gesellschaft m.b.H. (textile specialist market operations).

In the Mail order segment the newly set up KARSTADT QUELLE Versand GmbH holds the shares in Quelle AG and Neckermann Versand AG.

The two universal mail-order suppliers each hold a 50% participation in Quelle Spezialversand Beteiligungs GmbH, which combines the extensive foreign and domestic special mail-order operations of the two companies.

The participations of the KARSTADT QUELLE Group in the Services segment are held by two companies which are under the control of KARSTADT QUELLE Service GmbH. In this segment are grouped a number of subsidiary companies which for historical reasons were formerly assigned to other group companies. The companies operating in the B2B sector are now participations of KARSTADT QUELLE Business Services GmbH, while companies of the B2C sector belong to KARSTADT QUELLE Kunden-Service GmbH.

The legal restructuring will neither have an effect on earnings at a group level nor will it have any significant effects on the asset structure in the Over-the-counter retail, Mail order and Services segments. Only in the Real estate segment will there be a significant effect on the assets side, but this could not yet be included in this quarterly account.

**Contingent liabilities, Other financial commitments**

Contingent liabilities and Other financial obligations did not change materially during the first 9 months of the 2002 financial year.

## Certificate of inspection of the interim account to September 30, 2002, in accordance with IAS

### To the Management Board of KARSTADT QUELLE AG

As instructed, we have inspected the interim account prepared by KARSTADT QUELLE AG, comprising the group profit and loss account, group balance sheet, equity change account and group cash flow account for the period from January 1, 2002, to September 30, 2002. The preparation of the interim account in accordance with International Accounting Standards is the responsibility of the management board of the company. Our task is to issue a certificate for the interim account on the basis of our inspection.

We have inspected the interim account in accordance with the principles laid down by the German Institute of Accountants (IDW) for the

inspection of accounts. According to these the inspection must be planned and performed in such a way as to enable us to ascertain by critical assessment and with sufficient certainty that the interim account has been prepared materially in compliance with International Accounting Standards. An inspection is restricted in the first instance to the examination of company employees and to analytical assessments and does not therefore offer the same degree of certainty attainable by an audit. Since, as instructed, we have not performed an audit, we cannot give an auditor's opinion.

On the basis of our inspection we have not become aware of any facts which could lead us to believe that the interim account does not materially comply with International Accounting Standards.

Düsseldorf, November 2002

BDO Deutsche Warentreuhand Aktiengesellschaft  
Wirtschaftsprüfungsgesellschaft  
(A public auditing company)

Dyckerhoff  
Public auditor

Horn  
Public auditor