



## Focus Innovation Speed

## To our shareholders,

In this report we will inform you of the development of business at Leifheit in the first three months of the 2009 financial year.

### GROUP DATA

January to March		2009	2008
Turnover			
domestic	€ m	31	31
foreign	€ m	39	39
total	€ m	70	70
Foreign share		56%	56%
EBIT	€ m	2.6	0.0
EBT	€ m	2.0	-0.6
Net result for the period	€ m	1.4	-1.1
Investment in tangible assets	€ m	1.2	1.1
Cash flow from operating activities	€ m	8,7	-6,7
Employees (annual average)		1,473	1,398

## Interim management report

### GLOBAL ECONOMIC DOWNTURN

The global economy is now in deep decline. The IMF is forecasting a decline in gross domestic product in Europe of 4.0% in 2009 and a slump of 5.6% in Germany. This is the most dramatic crash since the end of Second World War. The growth markets of Eastern Europe, Asia and South America that had previously escaped relatively unscathed are now posting only very minor growth rates.

The financial market crisis has arrived in the real economy and its reach has now also spread to consumer sentiment. Experts are not anticipating a turnaround in growth rate developments around the world until 2010 at the earliest.

#### **LEIFHEIT GETS OFF TO A SUCCESSFUL START IN ITS JUBILEE YEAR**

In spite of the economic downswing and the weaker consumer climate in Europe, Leifheit has further improved its performance: for the fourth time in a row, Leifheit has posted quarterly results with growth in turnover and income. Consolidated turnover rose by 0.6% in the first quarter of 2009 to around € 70 million. As in the previous year, foreign business accounted for 56% of this figure.

#### **STEADY GROWTH IN HOUSEHOLD PRODUCTS DIVISION**

In the reporting period, growth impetus was generated by the Household Products division, which increased its turnover by 4.4% to around € 53 million (previous year: € 51 million). This boost was mainly generated in Germany as well as the Netherlands and France.

The Household Products division contributed € 2.3 million (previous year: € -0.3 million) to results.

The Group's strategy of on the one hand focusing the Household Products division on the core categories of laundry care, cleaning, kitchen goods and scales while driving ahead business in Central, Southern and Eastern Europe on the other is therefore bearing fruit.

#### **BATHROOM FURNISHINGS DIVISION**

The growth curve in the Bathroom Furnishings division has recently evened out: in the first quarter of 2009, turnover decreased by 9.2% to € 17 million. The main reason for this development lies in the declines in France and Russia. The Bathroom Furnishing division's contribution to consolidated turnover therefore amounted to 25% in the first quarter of 2009.

Despite the drop in sales, EBIT in the Bathroom Furnishing division was € 1.3 million, slightly up on the previous year's € 1.2 million.

#### **EARNINGS BENEFIT FROM CURRENCY EFFECTS**

As against the same period of the previous year, in which the Leifheit Group merely broke even, EBIT rose significantly to € 2.6 million. In addition to improved management, currency effects also contributed to this positive performance.

Accordingly, the net profit for the period was up to € 1.4 million (previous year: net loss of € 1.1 million).

#### **ASSETS/LIABILITIES**

Total assets declined by € 6.6 million as against the value on the balance sheet date 31 December 2008 to € 214.7 million.

Cash and cash equivalents climbed by € 4.5 million to € 10.7 million. This was offset by considerable reductions of € 3.7 million in trade receivables and of € 6.1 million in inventories. Thus, the measures initiated at the start of the year to reduce working capital have clearly had an effect.

Short-term debt were down by € 7.4 million. Equity increased mainly as a result of the positive net result for the period by € 0.6 million to € 101.2 million.

The equity ratio was 47.1%.

#### **EMPLOYEES**

The average number of employees in the Group rose by 5.4% to 1,473 (previous year: 1,398). As at 31 December 2008, the Group's headcount had been 1,530.

The rise is essentially due to the acquisition of the Herby companies that were included in consolidation for the first time as at 1 July of the previous year.

#### INVESTMENTS

Additions to tangible assets amounted to € 1.2 million in the reporting period (previous year: € 1.1 million).

The investments are mainly related to tools for new products, logistical infrastructure and software.

#### RISKS AND OPPORTUNITIES

For information on the risks and opportunities at Leifheit, please see the detailed description in the consolidated management report as at 31 December 2008. There were no material changes in the reporting period. There are still no identifiable risks to the Company as a going concern.

#### RELATED PARTY TRANSACTIONS

There were no related party transactions or changes to related party transactions in the reporting period.

#### FORECAST: SIGNS OF HOPE – BUT NO ALL-CLEAR

In the consensus opinion of industry experts, the further development of the global real economy will depend on whether and how quickly worldwide efforts to stabilise and reorganise the international financial systems will lead to success. The success of the many aid packages to bolster the real economy is also yet to be seen and the main task in hand must be to keep the inevitable rise in unemployment figures in check.

The leading economic indicators for Germany point to the downturn continuing until the middle of the year, though a slowdown in the decline is already possible. The signs of stabilisation discerned by some sentiment indicators (ifo, Purchasing Manager Index) should not obscure the fact that all indices are at a very low level and therefore participants would be well advised to remain cautious.

#### LEIFHEIT: STRONG GOING FORWARD

In the first half of 2009, the Leifheit Group will implement the last of the measures to optimise its structural organisation. These will centre on clearly separating the individual business areas so that they can make a significant contribution to the Group's efficiency enhancement with their own commercial decisions. This way, Leifheit can focus even more strongly on its core competences and increase its speed to market. In turn, this will further raise the potential to extend revenue and income.

Nonetheless, these developments are also largely dependent on how consumer sentiment progresses. Responsible forecasts on this are not yet possible at this time. Therefore, Leifheit is also reinforcing its brands with innovations relevant to consumers and is using its 50-year anniversary this year for a number of sales promotions and marketing activities.

#### EVENTS AFTER THE END OF THE REPORTING PERIOD

There were no events after the end of the reporting period on 31 March 2009 of particular importance for assessing the assets, financial situation and earnings of the Leifheit Group.

## Interim financial statements (summary)

### Consolidated income statement

€ 000	1 January to 31 March 2009	1 January to 31 March 2008
Turnover	70,337	69,931
Cost of sales	-40,936	-40,854
<b>Gross profit</b>	<b>29,401</b>	<b>29,077</b>
Research and development costs	-1,681	-1,876
Distribution costs	-21,452	-21,666
Administrative costs	-4,735	-4,209
Other operating income, expenses and foreign currency results	1,098	-1,287
<b>Profit before result from joint ventures and investments</b>	<b>2,631</b>	<b>39</b>
Result from joint ventures	3	–
<b>EBIT</b>	<b>2,634</b>	<b>39</b>
Net interest income or expense	-614	-633
<b>EBT</b>	<b>2,020</b>	<b>-594</b>
Income taxes	-573	-484
<b>Net result for the period</b>	<b>1,447</b>	<b>-1,078</b>
Of which minority interests	-11	-23
Of which parent Company shareholders	<b>1,458</b>	<b>-1,055</b>
<b>Earnings per share (diluted and undiluted)</b>	<b>€ 0.31</b>	<b>€ -0.22</b>

## Consolidated balance sheet

€ 000	31 March 2009	31 Dec. 2008
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	10,736	6,208
Trade receivables	66,372	70,077
Inventories	55,160	61,300
Income tax receivables	936	760
Other current assets	3,320	3,373
<b>Total current assets</b>	<b>136,524</b>	<b>141,718</b>
<b>Noncurrent assets</b>		
Financial assets	601	599
Shares in joint ventures	907	908
Tangible assets	46,550	47,767
Intangible assets	19,996	20,026
Deferred tax assets	4,715	4,959
Other noncurrent assets	5,453	5,388
<b>Total noncurrent assets</b>	<b>78,222</b>	<b>79,647</b>
<b>Total assets</b>	<b>214,746</b>	<b>221,365</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Short-term debt</b>		
Trade accounts payable and other liabilities	48,777	52,093
Derivative financial instruments	428	532
Income tax liabilities	414	777
Provisions	3,755	4,839
Short-term borrowing	5,131	7,672
<b>Total short-term debt</b>	<b>58,505</b>	<b>65,913</b>
<b>Long-term debt</b>		
Provisions	3,469	3,482
Employee benefit obligations	43,362	43,141
Deferred tax liabilities	3,039	3,113
Other long-term debt	5,184	5,166
<b>Total long-term debt</b>	<b>55,054</b>	<b>54,902</b>
<b>Equity</b>		
Subscribed capital	15,000	15,000
Capital surplus	16,934	16,934
Treasury shares	-7,686	-7,686
Appropriated surplus	74,454	72,996
Translation reserve	2,401	3,211
Minority interests	84	95
<b>Total equity</b>	<b>101,187</b>	<b>100,550</b>
<b>Total equity and liabilities</b>	<b>214,746</b>	<b>221,365</b>

## Changes in Group equity

The changes in equity attributable to the parent Company shareholders were as follows:

€ 000	Subscribed capital	Capital surplus	Treasury shares	Appropriated surplus	Translation reserve	Total
<b>As at 1 January 2008</b>	<b>15,000</b>	<b>16,934</b>	<b>-7,618</b>	<b>72,577</b>	<b>1,571</b>	<b>98,464</b>
Net result for the period	-	-	-	-1,055	-	-1,055
Differences from foreign currency translation	-	-	-	-	777	777
<b>As at 31 March 2008</b>	<b>15,000</b>	<b>16,934</b>	<b>-7,618</b>	<b>71,522</b>	<b>2,348</b>	<b>98,186</b>
<b>As at 1 January 2009</b>	<b>15,000</b>	<b>16,934</b>	<b>-7,686</b>	<b>72,996</b>	<b>3,211</b>	<b>100,455</b>
Net result for the period	-	-	-	1,458	-	1,458
Differences from foreign currency translation	-	-	-	-	-810	-810
<b>As at 31 March 2009</b>	<b>15,000</b>	<b>16,934</b>	<b>-7,686</b>	<b>74,454</b>	<b>2,401</b>	<b>101,103</b>

The changes in Group equity were as follows:

€ 000	Parent Company shareholders	Minority interests	Total equity
<b>As at 1 January 2008</b>	<b>98,464</b>	<b>70</b>	<b>98,534</b>
Net result for the period	-1,055	-23	-1,078
Differences from foreign currency translation	777	-	777
<b>As at 31 March 2008</b>	<b>98,186</b>	<b>47</b>	<b>98,233</b>
<b>As at 1 January 2009</b>	<b>100,455</b>	<b>95</b>	<b>100,550</b>
Net result for the period	1,458	-11	1,447
Differences from foreign currency translation	-810	-	-810
<b>As at 31 March 2009</b>	<b>101,103</b>	<b>84</b>	<b>101,187</b>

## Group segment reporting

The key figures by division in the reporting period were as follows:

Key figures by division as at 31 March 2009		Household Products	Bathroom Furnishings	Non- allocable	Total
Turnover	€ m	53	17	–	70
EBIT	€ m	2.3	1.3	-1.0	2.6
Investments	€ m	0.9	0.3	–	1.2
Depreciation and amortisation	€ m	1.7	0.3	–	2.0
Employees (annual average)		1,142	331	–	1,473

The figures for the same period of the previous year were as follows:

Key figures by division as at 31 March 2008		Household Products	Bathroom Furnishings	Non- allocable	Total
Turnover	€ m	51	19	–	70
EBIT	€ m	-0.3	1.2	-0.9	0.0
Investments	€ m	0.8	0.3	–	1.1
Depreciation and amortisation	€ m	1.5	0.4	–	1.9
Employees (annual average)		1,080	318	–	1,398

## Consolidated statement of cash flow

€ 000	1 January to 31 March 2009	1 January to 31 March 2008
Net result for the period	1,447	-1,078
Adjustments for		
expense for the issue employee shares	–	–
depreciation and amortisation	2,003	1,891
Decrease/increase in provisions	-875	25
Loss on disposal of noncurrent assets	4	8
Decrease/increase in inventories, trade receivables and other assets not classified as investment or financial activities	9,901	-4,399
Decrease in trade payables and other liabilities not classified as investment or financial activities	-3,807	-3,141
<b>Cash flow from operating activities</b>	<b>8,673</b>	<b>-6,694</b>
Acquisition of tangible and intangible assets	-1,240	-1,040
Investments in financial assets	-2	–
Proceeds from the disposal of noncurrent assets	22	44
<b>Cash flow from investment activities</b>	<b>-1,220</b>	<b>-996</b>
<b>Cash flow from financing activities</b>	<b>-2,573</b>	<b>1,495</b>
<b>Effects of exchange rate differences</b>	<b>-351</b>	<b>-114</b>
<b>Net change in cash and cash equivalents</b>	<b>4,529</b>	<b>-6,309</b>
<b>Current funds at the start of the period under review</b>	<b>6,208</b>	<b>10,138</b>
<b>Current funds at the end of the period under review</b>	<b>10,737</b>	<b>3,829</b>



## Notes (summary)

The quarterly financial report as at 31 March 2009 were prepared in accordance with the International Financial Reporting Standards (IFRS). The same accounting methods were applied as in the consolidated financial statements as at 31 December 2008.

This quarterly financial report has not been reviewed by an auditor.

### CHANGE IN CONSOLIDATED COMPANIES

There were no changes in the Group of consolidated companies in the first quarter of 2009.

### NOTES ON THE INCOME STATEMENT AND THE BALANCE SHEET

The Herby companies were acquired as at 1 July 2008 and therefore were not included in the comparative prior-year figures of the income statement.

In the first quarter of 2009, the gross margin remained stable year-on-year at 41.8%.

Development and distribution costs declined by € 0.4 million. Administrative expenses rose by € 0.5 million on account of consulting projects in particular.

While balanced foreign currency losses of € 1.2 million were incurred in the same period of the previous year, balanced foreign currency gains of € 1.2 million were reported in the first quarter of 2009. Among other things, this is due to the measurement of currency forwards.

Particularly as a result of the reduction in working capital, cash and cash equivalents rose by € 4.5 million as against 31 December 2008 to € 10.7 million. Inventories were reduced by € 6.1 million, trade receivables by € 3.7 million.

Short-term debt decreased by € 7.4 million, essentially as a result of the payment of annual customer reimbursement in the first quarter. Short-term borrowing was down by € 2.5 million.

Equity climbed by € 0.6 million to € 101.2 million with an equity ratio of 47.1%.

### PROPOSAL FOR THE APPROPRIATION OF EARNINGS

The Leifheit AG dividend (ISIN DE 0006464506) is based on the net profit shown in the Leifheit AG annual financial statements prepared in accordance with German GAAP.

The Leifheit AG net profit for the 2008 financial year amounts to € 13,000,000.

The Board of Management and Supervisory Board propose the following resolution to the Annual General Meeting on 17 June 2009:

A dividend of € 0.60 per eligible no-par-value share – for a total of 4,749,856 no-par-value shares – representing a total distribution of € 2,849,913.60 which will be distributed to shareholders out of the net profit for the 2008 financial year of € 13,000,000. The remaining amount of € 10,150,086.40 will be carried forward to new account.

### ANNUAL GENERAL MEETING

The Annual General Meeting has been convened for 17 June 2009 at the Company's registered office in Nassau/Lahn.

**TREASURY SHARES**

Leifheit did not acquire or use any treasury shares in the reporting period. Including the treasury shares acquired and issued in previous years, we therefore held 250,154 shares (5.0% of the share capital) with a value of € 7,686 thousand on 31 March 2009. There are no subscription rights for members of the executive bodies and employees in accordance with section 160 para 1 no. 2 of the German Stock Corp Act (AktG).

**CONTINGENT LIABILITIES**

The companies of the Group have not entered into any contingent liabilities.

**OTHER FINANCIAL OBLIGATIONS**

There are leasing agreements for business premises, IT and telephone equipment, vehicles and similar assets and licensing agreements with a remaining

expense for 2009 of around € 2.3 million. These obligations total approximately € 4.0 million during the non-cancellable remaining terms until 2013. As at 31 March 2009, there were purchase commitments totalling € 1.7 million. The lease agreements constitute operating leases as defined by IAS 17.

Furthermore, there are obligations from currency forwards to hedge exchange rates of USD 27.1 million (or € 20.0 million) with a fair value on the balance sheet date of € 20.3 million. There are also obligations from currency forwards to hedge exchange rates of CZK 176.0 million (or € 6.3 million) with a fair value on the balance sheet date of € 6.4 million.

**PERSONNEL CHANGES IN GROUP ORGANS**

There were no personnel changes in the Group's organs in the first quarter of 2009.

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## Report of the Board of Management

The Board of Management declares that, to the best of its knowledge, and in accordance with the applicable reporting principles, the interim financial statements give a true and fair view of the assets, earnings and financial position of the Group, and the

summarized interim management report presents a true and fair view of the business and situation of the Group, together with the principal risks and opportunities associated with the expected development of the Group.

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## Disclaimer

### FORWARD-LOOKING STATEMENTS

This quarterly financial report contains forward-looking statements which are based on management's current estimates regarding future developments. Such statements are subject to risks and uncertainties which are beyond Leifheit's ability to control or estimate precisely, such as statements on the future market environment and economic conditions, the behaviour of other market participants and government measures. If one of these uncertain or unforeseeable factors occurs or the assumptions on which these statements are based prove inaccurate, actual results could differ materially from the results cited explicitly or contained implicitly in these statements. Leifheit neither intends to nor accepts any specific obligation to update for-

ward-looking statements in line with events or developments after the date of this report.

### DISCREPANCIES DUE TO TECHNICAL FACTORS

Technical factors (e. g. conversion of electronic formats) may lead to discrepancies between the financial statements in this quarterly financial report and those submitted to the electronic Federal Gazette. In this case the version submitted to the electronic Federal Gazette is binding.

In the event of any discrepancies between this English translation of the quarterly financial report and the German version, the German version takes priority over the English translation.

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## Key dates 2009

- Annual General Meeting  
17 June 2009, 10:30 a.m., Leifheit AG  
Customer and Administrative Centre,  
Nassau/Lahn
- Financial report for  
the first half-year ending 30 June 2009  
14 August 2009
- Quarterly financial report for  
the period ending 30 September 2009  
13 November 2009



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