



Focus Innovation Speed

To our shareholders,

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

The condensed financial statements have not been audited or reviewed by an auditor.

GROUP DATA

January to September		2009	2008
Turnover			
domestic	€ million	87	84
foreign	€ million	116	122
total	€ million	203	206
Foreign share		57%	59%
EBIT	€ million	4.3	1.2
EBT	€ million	2.4	-0.7
Net result for the period	€ million	0.5	-3.0
Investment in tangible assets	€ million	4.7	3.2
Cash flow from operating activities	€ million	40.4	-7.9
Employees (annual average)		1,468	1,519

Interim management report

DOWNTURN BOTTOMED OUT

The majority of international economics experts agree that the global economy is now beginning to emerge from a deep recession. The state aid packages began to have an increasing impact at around the middle of the year and have led to a gradual stabilisation of the global economy, as well as to the start of a recovery. There has been a noticeable increase in demand for goods and services for some time now and the outlook for businesses is deemed to be more positive. Signs of relaxation on the financial markets have made a significant contribution, as has the brightening outlook for the global economy. The forecasts for global economic growth in 2009, which were initially very negative, have therefore since been upwardly corrected again somewhat.

The IMF (International Monetary Fund) is forecasting that the global economy will only shrink by 1.1% in 2009 and that clear growth impetus will continue to be generated by Asia (particularly by China). In contrast, the IMF is predicting a decline in economic output of 4.1% to the end of the year for the eurozone. In Germany, strong dependence on exports means that gross domestic product is set to fall by as much as 5.3% on a whole-year basis. According to statistics released by the Deutsche Bundesbank, retail sales also fell by 2.6% in real terms in August. However, so far this year private consumer spending in Germany bolstered the overall economy, due primarily to the car scrappage scheme. The German economy experienced moderate growth once again as early as during the second quarter and made a further recovery during the third quarter.

Experts still vary widely in their opinions as to whether the current development can quickly lead to a stable global upturn. There is still a general consensus that the upward trend is likely to continue at least until the first few months of 2010. The financial system which has not yet been restabilised, the threat of unemployment and growth impetus which remains modest pose a threat to the fragile upturn worldwide. In addition, the inevitable discontinuation of state aid may set economic recovery back further.

LEIFHEIT SUFFERED ONLY A SLIGHT DECLINE IN SALES DESPITE THE DIFFICULT CLIMATE

Despite the overall economic climate remaining difficult, the Leifheit Group only suffered a slight decline in sales during the third quarter: revenues were down by 4.4% year-on-year to € 66 million.

Overall, over the course of the first nine months of the current year, Leifheit achieved group sales of € 203 million (previous year: € 206 million), which were slightly down on the previous year. Domestic business developed positively, rising from € 84 million in the previous year to € 87 million. The share of the business accounted for by foreign business fell to 57% (previous year: 59%).

LEIFHEIT'S STRONGEST PILLAR, THE HOUSEHOLD PRODUCTS DIVISION, EXPANDS SALES

With sales of € 153 million in the first nine months, the Household Products division, which has traditionally been Leifheit's strongest pillar, exceeded the level achieved in the same period of the previous year (€ 151 million) and further increased its share of total sales from 73% to 76%.

Following considerable growth during the first half of the year, sales fell slightly by 3.8% to € 49 million during the third quarter (€ 51 million in Q3/2008). This change is due to two counter-developments, which were recorded as early as during the first half of the year: the Household Products division achieved pleasing sales growth once again in the areas of laundry care and cleaning in Germany and with the Birambeau and Herby brands in France.

This was countered by a drop in sales in Eastern Europe where the economic crisis has been particularly felt by end consumers.

BATHROOM FURNISHINGS DIVISION FURTHER REDUCES SALES DECLINE

Revenues generated by the Bathroom Furnishings division reached € 50 million during the first nine months of 2009 and were therefore down by 9.2% on the value for the previous year (€ 55 million).

The third quarter saw an improvement, with sales generated by the Bathroom Furnishings division only falling to € 17 million (Q3/2008: € 18 million). However, the good level of growth enjoyed by the Spirella brand in Germany, Austria and Switzerland failed to compensate for the fraught economic situation in Eastern Europe. Despite the drop in sales, the Bathroom Furnishings division again made a significant contribution to the group result.

SIGNIFICANT INCREASE IN EARNINGS DURING THE THIRD QUARTER

There was a significant EBIT upturn during the first three quarters of 2009, which improved year-on-year to € 4.3 million (previous year: € 1.2 million). Besides the very strong first quarter, with € 1.5 million, the third quarter also made a considerable contribution (Q3/2008: € 0.3 million). Above all, cost reductions achieved through process improvements and measures to optimise the structural organisation had a positive impact on earnings.

Despite the rise in procurement costs in the Far East, as of the reporting date, the gross margin rose slightly to 42.2% (previous year: 42.0%).

After a negative figure of € 3.0 million in the months January to September 2008, the Leifheit Group again generated a significant profit in the same period of 2009: the profit for the period rose to an encouraging positive figure of € 0.5 million.

ASSETS/LIABILITIES

Total assets declined significantly by € 13.4 million as against the value on the balance sheet date 31 December 2008 to € 208.0 million. Cash and cash equivalents climbed by € 25.1 million to € 31.4 million. This was offset by reductions of € 15.8 million in trade receivables and of € 19.2 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 was down by € 11.7 million. Equity declined mainly as a result of the dividend distribution by € 2.1 million to € 98.4 million. The equity ratio rose by 1.9 percentage points to 47.3%.

EMPLOYEES

The average number of employees in the Group fell by 3.4% to 1,468 (previous year: 1,519). As at 31 December 2008, the Group's headcount had been 1,530.

INVESTMENTS

Additions to tangible assets amounted to € 4.7 million in the reporting period (previous year: € 3.2 million). The investments mainly related to tools for new products, a production line, 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: ECONOMIC TURNAROUND STARTED

The global economy began to recover in the summer of 2009. Since then, the international economy has been experiencing a largely synchronised revival.

According to experts, the provision of state aid packages and the end of inventory run downs served to stimulate global production and world trade during the second half of the year. Forecasts by the IMF lead one to believe that, over the next few years, the recession will give way to a global economic upturn, which is expected to stabilise in the following year, 2011, and impact all areas of the world. Following a decline in global economic output in 2009 by approximately 1.1%, the global economy is expected to return to growth of 3.1% in 2010. This is likely to result in a global economic upturn, with the exception of a few countries in Eastern Europe. Those developing countries and emerging nations in Africa and Asia with the highest growth rates are likely to act as an economic driving force. For example, the IMF is anticipating growth of 9.0% once again in 2010 in China, the Indian economy is expected to grow by 6.4% and the Brazilian economy is expected to shine with growth of 3.5%. In contrast, the national economies of the developed nations (eurozone, USA and Japan) are only expected to grow by an average of 1.3%.

For Germany, the IMF is forecasting only slight growth of 0.3%, which corresponds to the average expected growth in the eurozone. Germany's five leading economic institutes are now even assuming growth exceeding 1%. As far as Japan is concerned, which, unlike the majority of other developed nations, entered into recession back in 2008, the IMF is again anticipating economic growth of 1.7% for 2010 after -5.7% in 2009.

LEIFHEIT: PREPARED FOR THE END OF THE RECESSION

During the first three quarters of 2009, Leifheit was back on the road to achieving stable income. This is due not least to having focused on the core competences and having optimised the structural organisation, as well as having successfully implemented measures to increase efficiency. Nonetheless, no company operating in the consumer goods sector can completely escape the general

market trends, in particular consumer spending propensity. Leifheit is therefore set to benefit from an upturn in the economy over the coming year.

At this point, which will de facto draw to a close in a few weeks time with the arrival of Christmas, we are able to provide a reliable profit forecast for the 2009 financial year. Provided that no dramatic events occur over the next few weeks, which negatively impact the development of profits, we expect consolidated profits (EBIT) of significantly more than € 6 million (previous year: € 5.2 million).

EVENTS AFTER THE END OF THE REPORTING PERIOD

There were no events after the end of the reporting period on 30 September 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 July to 30 Sept. 2009	1 July to 30 Sept. 2008	1 January to 30 Sept. 2009	1 January to 30 Sept. 2008
Turnover	65,706	68,761	202,951	205,709
Cost of sales	-37,312	-40,552	-117,278	-119,401
Gross profit	28,394	28,209	85,673	86,308
Research and development costs	-1,692	-1,873	-4,990	-5,515
Distribution costs	-20,047	-20,555	-62,083	-64,254
Administrative costs	-4,381	-4,764	-13,577	-13,387
Other operating income, expenses and foreign currency results	-672	-667	-499	-1,942
Profit before result from joint ventures and investments	1,602	350	4,524	1,210
Result from joint ventures	-84	–	-187	–
EBIT	1,518	350	4,337	1,210
Net interest income	-657	-723	-1,900	-1,902
EBT	861	-373	2,437	-692
Income taxes	-795	-868	-1,925	-2,278
Net result for the period	66	-1,241	512	-2,970
Of which minority interests	11	18	-1	6
Of which parent Company shareholders	55	-1,259	513	-2,976
Earnings per share (diluted and undiluted)	€ 0.01	€ -0.26	€ 0.11	€ -0.63

CONSOLIDATED BALANCE SHEET

€ 000	30 Sept. 2009	31 Dec. 2008
ASSETS		
Current assets		
Cash and cash equivalents	31,351	6,208
Trade receivables	54,313	70,077
Inventories	42,106	61,300
Income tax receivables	677	760
Other current assets	2,042	3,373
Total current assets	130,489	141,718
Noncurrent assets		
Financial assets	601	599
Shares in joint ventures	852	908
Tangible assets	47,275	47,767
Intangible assets	19,203	20,026
Deferred tax assets	4,739	4,959
Other noncurrent assets	4,794	5,388
Total noncurrent assets	77,464	79,647
Total assets	207,953	221,365
EQUITY AND LIABILITIES		
Short-term debt		
Trade accounts payable and other liabilities	49,961	52,093
Derivative financial instruments	503	532
Income tax liabilities	4	777
Provisions	3,601	4,839
Short-term borrowing	108	7,672
Total short-term debt	54,177	65,913
Long-term debt		
Provisions	3,407	3,482
Employee benefit obligations	43,770	43,141
Deferred tax liabilities	2,949	3,113
Other long-term debt	5,245	5,166
Total long-term debt	55,371	54,902
Equity		
Subscribed capital	15,000	15,000
Capital surplus	16,934	16,934
Treasury shares	-7,685	-7,686
Appropriated surplus	70,658	72,996
Translation reserve	3,404	3,211
Minority interests	94	95
Total equity	98,405	100,550
Total equity and liabilities	207,953	221,365

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
As at 1 January 2008	15,000	16,934	-7,618	72,577	1,571	98,464
Change in consolidated companies	–	–	–	–	–	–
Net result for the period	–	–	–	-2,976	–	-2,976
Differences from foreign currency translation	–	–	–	–	1,801	1,801
As at 30 September 2008	15,000	16,934	-7,618	69,601	3,372	97,289
As at 1 January 2009	15,000	16,934	-7,686	72,996	3,211	100,455
Dividends	–	–	–	-2,850	–	-2,850
Issue of treasury shares	–	–	1	–	–	1
Net result for the period	–	–	–	512	–	512
Differences from foreign currency translation	–	–	–	–	193	193
As at 30 September 2009	15,000	16,934	-7,685	70,658	3,404	98,311

The changes in Group equity were as per the following table.

Due to the regulations stipulated in the purchase agreement to acquire the remaining shares in Herby, the acquisition, which took place in the previous year, has now been entered in the balance sheet as if 100% of shares had been acquired at the time of acquisition. The disclosure of minority interests was adjusted accordingly during the previous year.

€ 000	Parent Company shareholders	Minority interests	Total equity
As at 1 January 2008	98,464	70	98,534
Change in consolidated companies	–	–	–
Net result for the period	-2,976	6	-2,970
Differences from foreign currency translation	1,801	–	1,801
As at 30 September 2008	97,289	76	97,365
As at 1 January 2009	100,455	95	100,550
Dividends	-2,850	–	-2,850
Issue of treasury shares	1	–	1
Net result for the period	512	-1	511
Differences from foreign currency translation	193	–	193
As at 30 September 2009	98,311	94	98,405

GROUP SEGMENT REPORTING

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

Key figures by division as at 30 September 2009		Household Products	Bathroom Furnishings	Non- allocable	Total
Turnover	€ million	153	50	–	203
EBIT	€ million	3.5	3.1	-2.3	4.3
Investments	€ million	4.5	0.6	–	5.1
Depreciation and amortisation	€ million	5.4	1.0	–	6.4
Employees (annual average)		1,144	324	–	1,468

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

Key figures by division as at 30 September 2008		Household Products	Bathroom Furnishings	Non- allocable	Total
Turnover	€ million	151	55	–	206
EBIT	€ million	0.1	3.7	-2.6	1.2
Investments	€ million	2.7	0.8	–	3.5
Depreciation and amortisation	€ million	4.8	1.1	–	5.9
Employees (annual average)		1,195	324	–	1,519

CONSOLIDATED STATEMENT OF CASH FLOW

€ 000	1 January to 30 Sept. 2009	1 January to 30 Sept. 2008
Net result for the period	512	-2,970
Adjustments for		
expense for the issue of employee shares	1	–
depreciation and amortisation	6,355	5,862
Decrease/increase in provisions	-684	441
Profit from disposal of noncurrent assets	-21	-10
Decrease/increase in inventories, trade receivables and other assets not classified as investment or financial activities	37,186	-10,240
Decrease in trade payables and other liabilities not classified as investment or financial activities	-2,990	-994
Cash flow from operating activities	40,359	-7,911
Acquisition of consolidated companies less cash and cash equivalents taken over (including prepayments)	–	-6,021
Acquisition of tangible and intangible assets	-5,057	-3,425
Investments in financial assets	-2	–
Proceeds from the disposal of noncurrent assets	504	129
Cash flow from investment activities	-4,555	-9,317
Cash flow from financing activities	-10,443	10,653
Effects of exchange rate differences	-218	645
Net change in cash and cash equivalents	25,143	-5,930
Current funds at the start of the period under review	6,208	10,138
Current funds at the end of the period under review	31,351	4,208

Notes (summary)

The quarterly financial report for the period ending 30 September 2009 was prepared in line with the provisions of IAS 34. The same accounting methods were applied as in the consolidated financial statements as at 31 December 2008.

CHANGE IN CONSOLIDATED COMPANIES

Soehnle Italia was deconsolidated as of 30 September 2009. In the previous year, Herby Industrie S.A. and Tunifil S. A. were consolidated for the first time as of 1 July.

NOTES ON THE INCOME STATEMENT AND THE BALANCE SHEET

POSITIVE NET RESULT FOR THE PERIOD ALSO IN Q3

During the third quarter, turnover was 4.4% below that of the same quarter of the previous year. However, the gross margin rose significantly to 43.2% during the third quarter (previous year: 41.0%) and therefore more than compensated for the lack of contribution margins due to the drop in sales.

During the first three quarters, research and development costs were down by € 0.5 million year-on-year to € 5.0 million. Distribution costs fell by € 2.2 million to € 62.1 million. Administrative costs rose slightly by € 0.2 million, particularly on account of consulting projects.

Other operating expenses fell by € 0.8 million to € 1.3 million. Foreign currency losses fell by € 0.6 million to € 0.2 million.

EBIT rose from € 1.2 million to € 4.3 million. The net result for the period was also positive in the third quarter and amounted to € 0.5 million during the reporting period, whilst a negative net result for the period of € 3.0 million was incurred in the previous year.

SIGNIFICANT REDUCTION IN WORKING CAPITAL

Working capital was down by € 32.9 million as against the balance sheet date of 31 December 2008. The cash flow from operating activities was € 40.4 million.

Cash and cash equivalents therefore climbed by € 25.1 million to € 31.4 million. At the same time, liabilities to banks were reduced by € 7.6 million, which means that they have almost been completely repaid.

Trade receivables declined by € 15.8 million. Inventories were reduced by € 19.2 million, however trade payables fell by only € 2.1 million.

Equity declined by almost € 2.9 million to € 98.4 million, largely as a result of dividend distribution in June. On account of the drop in total assets, essentially as a result of the reduction in working capital and liabilities to banks, the equity ratio rose by 1.9 percentage points to 47.3%.

DIVIDEND PAID

Leifheit AG's net profit for the 2008 financial year amounted to € 13,000,000.

On 18 June 2009, Leifheit AG paid a dividend of € 0.60 per no-par-value share – of which there are 4,749,856 – totalling € 2,849,913.60 to the shareholders from its net profit for the 2008 financial year.

TREASURY SHARES

Leifheit did not acquire any treasury shares in the reporting period. Ten shares were issued to staff as long-service bonuses in the period under review.

Including the treasury shares acquired and issued in previous years, we therefore held 250,144 shares (5.0% of the share capital) with a value of € 7,685,000 on 30 September 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 lease agreements for business premises, IT and telephone equipment, vehicles and similar assets and licensing agreements with a remaining expense for 2009 of around € 0.8 million. These obligations total approximately € 2.4 million during the non-cancellable remaining terms until 2013. As at 30 September 2009, there were purchase commitments totalling € 1.1 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 28.0 million (or € 19.8 million) with a fair value on the balance sheet date of € 19.1 million.

There are also obligations from currency forwards to hedge exchange rates of CZK 40.0 million (or € 1.4 million) with a fair value on the balance sheet date of € 1.6 million.

PERSONNEL CHANGES IN GROUP ORGANS

Denis Schrey left the Leifheit AG Board of Management AG as at 30 September 2009.

The Supervisory Board appointed Georg Thaller as the new Chairman of the Board of Management. Mr. Thaller assumed his position in November 2009.

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 for interim reporting, the interim financial statements give a true and fair view of the assets, earnings and financial position of the Group, and the 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 for the remaining months of the financial year.

Nassau/Lahn, November 2009

Leifheit Aktiengesellschaft
The Board of Management



Georg Thaller



Ernst Kraft



Dr. Claus-O. Zacharias

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 forward-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.

Key dates 2010

■ 11 February 2010

Press conference on the Ambiente
International Frankfurt Fair, Frankfurt am Main

■ 14 April 2010

Annual financial reports 2009

■ 14 April 2010

DVFA Analysts Conference Frankfurt am Main

■ 11 May 2010

Quarterly financial report for the period
ending 31 March 2010

■ 9 June 2010

Annual General Meeting, 10:30 a.m.,
Leifheit AG Customer and Administrative Centre,
Nassau/Lahn

■ 12 August 2010

Financial report for the first half year
ending 30 June 2010

■ 11 November 2010

Quarterly financial report for the period
ending 30 September 2010



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