Financial report for the first half year
ending 30 June 2010

Creating sustainable value

Economic growth
Unspoiled environment
Social responsibility

LEIFHEIT
Aktiengesellschaft

At a glance

- Continued focus due to sale of Bathroom Furnishings division
- New segments “Brand Business” and “Volume Business”
- EBIT from continuing operations significantly up at € 7.7 million
- Consolidated turnover rises to € 105 million
- Outlook: 2010 annual results tend towards previous year’s level despite sale of Bathroom Furnishing division

Group data

January to June			2010	2009
Turnover	– Group	€ million	**105**	104
	– Brand Business	€ million	**90**	90
	– Volume Business	€ million	**15**	14
Foreign share			**56.3%**	55.8%
Gross profit			**43.6%**	40.0%
EBIT from continuing operations		€ million	**7.7**	0.9
EBIT from continuing operations adjustet for unrealised foreign exchange gains		€ million	**5.6**	0.9
Earnings before income taxes (EBT) from continuing operations		€ million	**6.6**	-0.1
Net result for the period from continuing operations		€ million	**5.5**	-0.9
Net result for the period including discontinued operations		€ million	**15.6**	0,4
Investment in tangible assets		€ million	**2.2**	2.5
Cash flow from operating activities		€ million	**0.2**	28.5
Annual average of employees			**1,140**	1,140

Due to the sale of the Bathroom Furnishings division in the second quarter of 2010, this is classified as “discontinued operations”. In accordance with IFRS 5, the results for this division are now shown separately in the income statement in one line. As a result, the income statement shows details only for the continuing operations, comprising the former Household Products division and the non-allocatable items (group functions). The figures for the previous year were adjusted accordingly.

The statement of financial position for the period ending 30 June 2010 no longer includes the deconsolidated Bathroom Furnishings division. The Bathroom Furnishings division is, however, still included in the statement of financial position for the period ending 31 December 2009.

To our shareholders,

In this report we will inform you of the development of business at Leifheit in the first six months of the 2010 financial year.

This financial report for the half-year ended 30 June 2010 was prepared in accordance with the International Financial Standards (IFRS) formulated by the International Accounting Standards Board (IASB), in particular in accordance with the provisions of IAS 34.

The same accounting methods were applied as in the consolidated financial statements as at 31 December 2009 in addition to the standards and interpretations of the IASB and IFRIC relevant to Leifheit that are mandatory from financial year 2010. This application had no significant impact.

Neither the condensed financial statements nor the interim management report were reviewed by an auditor.

Leifheit sharpens its image as a manufacturer of household goods

We decided to spin off our Bathroom Furnishings division completely in order to sharpen further Leifheit's image with four core business areas of cleaning, laundry care, kitchen goods and scales. In doing so, we are concentrating on our household goods business, which promises more attractive returns in the long term.

In a first step, we sold the Spirella brand from our Bathroom Furnishings division to Swiss investment company Cross, Zurich at the beginning of June. This was followed by the sale of Kleine Wolke and Meusch to Possehl Mittelstandsbeteiligungen GmbH & Co. KG, Lübeck at the end of June. In the interests of the staff, from the very beginning we looked for buyers who intended to continue and further expand the business so that the jobs of the staff affected are preserved. We also accomplished this goal with the new owners we found.

This sale has helped Leifheit consistently realise two strategic goals:

- Our complete discontinuation of our Bathroom Furnishings division is a successful step for Leifheit towards focusing on its four core business areas.
- Leifheit will use the financial resources and capacities this frees up to strengthen its household brands. This also includes growth-driving measures by means of strategically suitable additions in Germany and abroad, which Leifheit had already announced at the beginning of this year.

With the clear positioning of its brands, the Leifheit Group is now a focused company in the household goods sector again.

We now have free rein to use our strength and financial resources to develop further the Leifheit, Dr. Oetker Bakeware, Soehnle, Birambeau and Herby brands. This gives our brands a sharper profile, which ultimately will lead to greater attention from our customers and therefore also contribute to higher turnover. We are striving for top market positions in both the Southern and Eastern European markets, so additions in these markets in future are a logical continuation of this strategy.

The four core business areas of cleaning, laundry care, kitchen goods and scales have generated the greatest successes for our Company thus far and they continue to promise a very successful future as well. Strong brands take our Company forward, which ultimately benefits all those involved – from the shareholders to the employees.

New segments:
"Brand Business" and "Volume Business"
We are also taking account of this change in segment reporting starting immediately. From now on, the various market cultivation strategies form the categorising element of the individual segments:

- Our **Brand Business** encompasses the Leifheit, Dr. Oetker Bakeware and Soehnle brands and includes all four core business categories of cleaning, laundry care, kitchen goods and scales. This segment represents high-quality and innovative products. Consistent brand management in connection with the corresponding processes for innovation and market launch underscore the quality aspect. We use end-user communication and key account management to generate attractive turnover and expand our position in terms of retailers and end customers.

- Our **Volume Business** encompasses Birambeau's and Herby's business in the core categories of kitchen goods and laundry care. These categories have products with entry prices that we sell in our private label and volume business with a strong service component for this segment.

Interim management report and selected explanatory notes

Global recovery gained momentum
The strong global economic recovery is currently surprising even the experts. The International Monetary Fund (IMF) recently increased its forecast to 4.6% economic growth in 2010. This figure still includes large differences between as well as within highly developed economic systems, emerging countries and developing countries. Emerging countries, especially in Asia, continue to lead in economic performance.

This boom is also having a positive effect on export nations such as Germany, which is also benefiting from the current weak euro. With its growth rate now expected to be 1.4%, Germany is currently considered the economic engine of the euro zone. This is also reflected in stable consumer sentiment: consumer spending there has recently risen to its highest point since September 2009 even despite falling earnings expectations.

Group: Half-year results up on previous year

The Leifheit Group (excluding the sold Bathroom Furnishings division) ended the first half of 2010 with improved turnover and results far above the prior-year figure. Group turnover climbed by 1% to € 105 million – the corresponding segments generated € 104 million in the previous year period.

Second quarter turnover was down just slightly year-on-year: Group turnover fell slightly from € 52 million (proceeds from the Household Products division in the second quarter of 2009) to € 50 million. The foreign share of proceeds fell year-on-year to 57%.

Brand Business carries the Group

Our strong Leifheit, Dr. Oetker Bakeware and Soehnle brands remain the mainstays of Group success in the first half of 2010: turnover of these brands amounted to € 90 million like the prior-year. The previous year's figure still included roughly € 6 million in turnover from the ladder division, which has been sold. The brands segment's portion of Group turnover thus remained constant at 86%.

The Brand Business contributed € 7.3 million to Group EBIT as at 30 June 2010, a significant improvement year-on-year. Adjusted for unrealised foreign exchanges gains EBIT of the Brand Business was € 5.2 million (previous year: € 1.1 million).

Our premium brands are successful not only in Germany, but abroad as well: 49% of half-year turnover was generated from outside Germany. Turnover in Austria and the USA was especially pleasing with high growth rates at a good level. In contrast, there was still no notable recovery from the economic crisis in Eastern Europe.

The cleaning business area benefited with an increase of 13% from the continued great success of the TV campaign for the Twist system, the visibility of which also had a positive impact on the other products in the business area. The laundry care category gained 7%, benefiting mainly from additional campaigns in Germany. Development of Leifheit's kitchen items in Austria, Belgium, France and Switzerland more than offset falling sales in Italy. The kitchen goods category grew 14% overall. The Soehnle scales division was negatively impacted by decreased price levels of the market. In addition, a conscious decision was made to forego unprofitable campaigns.

After strong growth in the first quarter, Brand Business turnover exhibited weaker development in the second quarter: At € 42 million, turnover was somewhat below the prior-year level (Q2/2009: € 44 million). The previous year's figure included € 2 million from the ladder division, which has since been sold.

Solid Volume Business

The Volume Business is made up of products sold by Birambeau (kitchen) and Herby (laundry care) outside Germany only and increased its turnover by almost 4% year-on-year to € 15 million (previous year: € 14 million). The segment's portion of Group turnover thus remained stable at 14%. It contributed € 1.8 million to Group EBIT as at 30 June 2010, a significant improvement year-on-year (previous year: € 1.4 million).

Sales of Birambeau's kitchen gadgets in the first six months of 2010 compensated for not running a campaign in France last year. However, a lack of private label transactions in Spain diminished this positive effect.

Herby further expanded its listing and campaign business in the area of laundry care in France, thereby generating 10% growth.

Second quarter turnover in the Volume Business was stable at the previous year's level of € 8 million.

Notes to the statement of comprehensive income: Results significantly above expectations

Group EBIT from continuing operations amounted to € 7.7 million. It includes unrealised price gains from the measurement of forward foreign exchange contracts of € 2.1 million, measured at the closing date price (1.22 USD/€). Of this amount, € 1.5 million alone relates to unrealised price gains from forward foreign exchange contracts for 2011. Therefore adjusted EBIT amounted to € 5.6 million, significantly above the comparable prior-year figure (previous year: € 0.9 million) as well as the prior-year figure including the surrendered Bathroom Furnishings division (previous year: € 2.8 million). This positive development is due in particular to development in the Brands Business with a qualitative improvement in the gross margin.

Earnings before taxes (EBT) from continuing operations increased to € 6.6 million as at 30 June 2010 (previous year: € -0.1 million). Earnings after taxes from continuing operations amounted to € 5.5 million (previous year: € -0.9 million), while the figure from discontinued operations was € 10.1 million, which includes the results of operating activities in 2010 of the sold businesses of the Bathroom Furnishings division up to the deconsolidation (disposal) of each of them and in particular one-off effects from the sale of the Bathroom Furnishings division. Profit/loss for the period was € 15.6 million (previous year: € 0.4 million).

Notes to the balance sheet

Due to deconsolidation, total assets as at 30 June 2010 no longer contain the sold businesses of the Bathroom Furnishings division. Therefore total assets as at 30 June 2010 are only limited comparable to total assets as at 31 December 2009.

Total assets fell by € 22.0 million to € 200.8 million compared with 31 December 2009 which mainly results from the deconsolidation of the Bathroom Furnishings division and the paid out dividend.

Due to positive comprehensive income, equity increased by € 0.9 million to € 101.8 million. The dividend paid out in June of € 14.3 million was overcompensated in the equity by the positive comprehensive income of € 15.2 million. The equity ratio climbed to 50.7%.

Cash flow from operating activities amounted to € 0.2 million, and now includes the changes in trade receivables and trade accounts payable of the sold businesses of the Bathroom Furnishings division. The cash flow from investment activities contains the so far paid purchase prices of the disposal of the Bathroom Furnishings division.

Employees

In the first half year of 2010 on average 1,140 employees were employed at the Leifheit Group (as at previous year).

Investments

Total additions to non-current assets amounted to € 2.9 million in the reporting period (previous year: € 2.7 million), of which € 2.2 million was attributable to tangible assets and € 0.7 million to intangible assets.

The investment ratio based on the historic cost of tangible assets was therefore 1.6%. This was offset by depreciation of tangible assets in the amount of € 2.5 million and amortisation of intangible assets in the amount of € 1.5 million.

In the Brand Business, we invested € 1.9 million in tangible assets (previous year: € 2.3 million), primarily in tools, operating equipment and office equipment. Investments in tangible assets in the Volume Business totalled € 0.3 million (previous year: € 0.2 million).

Discontinued operations

Due to the disposal of the Bathroom Furnishings division, the after tax results of the corresponding companies up to the time of disposal is presented in the statement of comprehensive income in a line called “Earnings after taxes from discontinued operations”, which also includes the respective disposal gains/losses.

Earnings after taxes from discontinued operations amounted to € 10.1 million (previous year: € 1.3 million).

The results from discontinued operations are as follows:

€ million	30 June 2010	30 June 2009
Income	43.3	34.3
Expense	-32.0	-32.4
Earnings before interest and taxes/EBIT	11.3	1.9
Net interest income or expense and income taxes	-1.2	-0.6
Earnings after taxes from discontinued operations	10.1	1.3

Net cash flow from discontinued operations as at 30 June 2010 is as follows:

€ million	30 June 2010
Cash flow from operating activities	-0.9
Cash flow from investment activities	-0.3
Effects of exchange rate differences	0.8
Net change in cash and cash equivalents	-0.4

Events after the end of the reporting period

On 16 July 2010, Leifheit France S.A.S. acquired the outstanding 40% of the shares with voting rights in non-listed company Herby Industrie S.A.S., France. The Leifheit Group now holds 100% of the shares in Herby Industrie S.A.S.

There were no other events after the end of the reporting period ended 30 June 2010 of particular importance for assessing the assets, financial situation and earnings of the Leifheit Group.

Opportunities and risks

For information on the opportunities and risks at Leifheit, please see the detailed description in the consolidated management report as at 31 December 2009. There were no material changes in the reporting period. In addition, we do not expect any individual or combined risks to threaten the Company’s continued existence as a going concern.

Forecast:
Global economic recovery entails increasing risk

The recovery of the global economy is accompanied by increasing risk: the risk of state budgets with excessive debts such as Greece not only threatens the stability of the euro zone, but also triggered another crisis of confidence in the financial markets. As such, governments are again called on to calm the financial markets with stabilisation measures, but only the consistent and long-term consolidation of government budgets can make a major contribution to this – with measures that improve opportunities for growth in the medium term. The global imbalance of trade surpluses and deficits is another serious threat to economic recovery.

Although current economic development is positive overall, the IMF expects reduced demand from the private sector and therefore slower growth rates in the second half of the year. Regardless of positive experience and forecasts, German consumers remain cautious while also anticipating falling income and increasing expense from government savings packages. For this reason, the continued economic cycle will depend primarily on how stable the currently positive economic development and labour markets remain and how successful world governments are in establishing planning security for companies and consumers.

Moderate growth in the second half of the year

Consumers have always placed a great deal of trust in our brands. We know that our brands and our ideas are our capital. Their growth potential must be utilised to the fullest. The Leifheit Group's focus on its household brands opens new opportunities to do this. We will now use all of our resources to grow our Company organically.

This is why we are expanding our core competencies further and strengthening our brands with numerous top innovations. For example, we will launch the new “Relax” series by Soehnle in late summer. We are optimising and intensifying our communication to solidify our good relations with our customers and tap new buyer segments. And lastly, we intend to continue expanding in foreign growth markets such as France, Spain, and Italy, but also Eastern Europe.

We anticipate that our turnover by the end of the year will be slightly above turnover from the comparable segments in 2009. Earnings growth will be rather moderate compared to growth in the first six months because they contained currency effects and one-off effects from the sale of the Bathroom Furnishings division. However, we are confident that our earnings will tend towards previous year's level despite the sale of Bathroom Furnishings division. On a comparable basis (continuing operations excluding the sold Bathroom Furnishings division), we will achieve increased earnings in 2010 that substantiates our growth path in our core areas.

Change in consolidated companies

The following companies were deconsolidated due to the disposal of the Bathroom Furnishings division in the second quarter:

- Kleine Wolke AG, Berikon (Switzerland)
- Kleine Wolke Textilgesellschaft mbH & Co. KG, Bremen (Germany)
- Spirella S.A., Embrach (Switzerland)
- Spirella France s.a.r.l., Toulouse (France)
- Spirella GmbH, Nassau (Germany)

There were no other changes in consolidated companies in the first half of 2010.

Paid dividends
Leifheit AG recorded a balance sheet profit of € 17,461,004.13 in financial year 2009.

A dividend of € 0.60 and an additional special dividend of € 2.40, therefore a total of € 3.00 per no-par-value share eligible to receive dividends, were paid out on 10 June 2010 from the balance sheet profit for financial year 2009. Based on a total of 4,749,876 no-par-value shares eligible to receive dividends, the dividend distribution to shareholders totalled € 14,249,628.00.

Treasury shares
Leifheit did not purchase or utilise any treasury shares in the reporting period.

Including the treasury shares acquired and issued in previous years, we therefore held 250,124 shares (5.0% of the share capital) with a value of k€ 7,685 as at 30 June 2010.

There are no subscription rights for members of the executive bodies and employees in accordance with Section 160 Para. 1 No. 5 AktG.

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

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

Other financial liabilities
There are lease agreements for business premises, IT and telephone equipment, vehicles and similar assets and licensing agreements with a remaining expense for 2010 of around € 1.3 million. These obligations total approximately € 3.9 million during the non-cancellable remaining terms until 2014. As at 30 June 2010, there were purchase commitments totalling € 1.1 million. The lease agreements constitute operating leases as defined by IAS 17.

There are obligations under agreements for the purchase of tangible assets totalling € 1.4 million, especially for tools, as well as other financial obligations in the amount of € 0.5 million.

In addition, there were payment obligations from forward foreign exchange contracts for currency hedging totalling € 20.7 million offset by contractual payment receivables of USD 27.9 million (the nominal value of which was € 22.7 million as at 30 June 2010), as well as payment obligations of € 2.9 million offset by contractual payment receivables of CZK 75.0 million (the nominal value of which was € 2.9 million as at 30 June 2010).

Personnel changes in Group organs
Ernst Kraft left Leifheit AG's Board of Management on 1 June 2010. He had belonged to the Board since 2006.

Following the sale of the Bathroom Furnishings division, Mr Kraft continues to manage Spirella S.A. in Embrach. He has been part of the management team there since 1988.

Interim financial statements (summary)

Consolidated statement of comprehensive income

€ 000	1 April to 30 June 2010	1 April to 30 June 2009	1 January to 30 June 2010	1 January to 30 June 2009
Turnover	50,030	51,690	105,044	104,448
Cost of sales	-27,882	-31,098	-59,233	-62,633
Gross profit	**22,148**	**20,592**	**45,811**	**41,815**
Research and development costs	-1,488	-1,517	-3,026	-3,097
Distribution costs	-15,622	-14,673	-31,827	-29,595
Administrative costs	-3,479	-3,356	-6,923	-6,896
Other operating income, expenses	845	-369	550	-938
Foreign currency gains/losses	2,350	-982	3,095	-283
Profit from continuing operations before result from joint ventures and investments	**4,754**	**-305**	**7,680**	**1,006**
Result from joint ventures recognised at equity	–	-106	–	-103
Earnings before interests and taxes / EBIT from continuing operations	**4,754**	**-411**	**7,680**	**903**
Net interest income or expense	-539	-509	-1,091	-978
Earnings before income taxes / EBT from continuing operations	**4,215**	**-920**	**6,589**	**-75**
Income taxes	-512	-473	-1,058	-812
Net result for the period from continuing operations	**3,703**	**-1,393**	**5,531**	**-887**
Net result for the period from discontinued operations	8,852	392	10,098	1,333
Net result for the period	**12,555**	**-1,001**	**15,629**	**446**
Components of comprehensive income after taxes taken directly to equity				
Currency translation of foreign operations	-1,787	199	-974	-95
Currency translation of net investments in foreign operations	166	349	507	-167
Comprehensive income after taxes	**10,934**	**-453**	**15,162**	**184**
Net result for the period attributable to				
Minority interests	-2	-1	-1	-12
Shareholders of the parent company	12,557	-1,000	15,630	458
Net result for the period	**12,555**	**-1,001**	**15,629**	**446**
Comprehensive income attributable to				
Minority interests	-2	-1	-1	-12
Shareholders of the parent company	10,936	-452	15,163	196
Comprehensive income after taxes	**10,934**	**-453**	**15,162**	**184**
Earnings per share (diluted and undiluted)	**€ 2.64**	**€ -0.21**	**€ 3.29**	**€ 0.10**

Consolidated balance sheet

€ 000	30 June 2010	31 Dec 2009
Current assets		
Cash and cash equivalents	35,994	32,730
Trade receivables	43,768	56,953
Inventories	36,360	51,231
Income tax receivables	1,261	624
Derivative financial instruments	2,087	–
Other current assets	14,837	5,093
Total current assets	**134,307**	**146,631**
Noncurrent assets		
Financial assets	731	601
Tangible assets	36,600	44,265
Intangible assets	20,801	21,717
Deferred tax assets	3,367	4,773
Income tax receivables	4,727	4,597
Other noncurrent assets	261	260
Total noncurrent assets	**66,487**	**76,213**
Total assets	**200,794**	**222,844**

Short-term debt		
Trade accounts payable and other liabilities	42,886	58,777
Derivative financial instruments	–	95
Income tax liabilities	508	385
Provisions	3,695	5,002
Short-term borrowing	33	–
Other short-term debt	6,392	3,694
Total short-term debt	**53,514**	**67,953**
Long-term debt		
Provisions	3,420	3,805
Employee benefit obligations	40,495	44,077
Deferred tax liabilities	1,377	2,476
Other long-term debt	147	3,604
Total long-term debt	**45,439**	**53,962**
Equity		
Subscribed capital	15,000	15,000
Capital surplus	16,934	16,934
Treasury shares	-7,685	-7,685
Appropriated surplus	74,573	73,193
Translation reserve	2,937	3,404
Minority interests	82	83
Total equity	**101,841**	**100,929**
Total equity and liablilities	**200,794**	**222,844**

Changes in Group equity

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

€ 000	Subscribed capital	Capital reserve	Treasury shares	Appropri-ated surplus	Translation reserve	Total
As at 1 January 2009	**15,000**	**16,934**	**-7,686**	**72,996**	**3,211**	**100,455**
Dividends	–	–	–	-2,850	–	-2,850
Purchase/issue of treasury shares	–	–	1	–	–	1
Comprehensive income	–	–	–	458	-262	196
of which net result for the period	–	–	–	458	–	458
of which currency translation of foreign operations	–	–	–	–	-95	-95
of which currency translation of net investments in foreign operations	–	–	–	–	-167	-167
As at 30 June 2009	**15,000**	**16,934**	**-7,685**	**70,604**	**2,949**	**97,802**
As at 1 January 2010	**15,000**	**16,934**	**-7,685**	**73,193**	**3,404**	**100,846**
Dividends	–	–	–	-14,250	–	-14,250
Purchase/issue of treasury shares	–	–	–	–	–	–
Comprehensive income	–	–	–	15,630	-467	15,163
of which net result for the period	–	–	–	15,630	–	15,630
of which currency translation of foreign operations	–	–	–	–	-974	-974
of which currency translation of net investments in foreign operations	–	–	–	–	507	507
As at 30 June 2010	**15,000**	**16,934**	**-7.685**	**74,573**	**2,937**	**101,759**

The changes in Group equity were as follows:

€ 000	Shareholders of the parent Company	Minority interests	Total equity
As at 1 January 2009	**100,455**	**95**	**100,550**
Dividends	-2,850	–	-2,850
Purchase/issue of treasury shares	1	–	1
Comprehensive income	196	-12	184
of which net result for the period	458	-12	446
of which currency translation of foreign operations	-95	–	-95
of which currency translation of net investments in foreign operations	-167	–	-167
As at 30 June 2009	**97,802**	**83**	**97,885**
As at 1 January 2010	**100,846**	**83**	**100,929**
Dividends	-14,250	–	-14,250
Purchase/issue of treasury shares	–	–	–
Comprehensive income	15,163	-1	15,162
of which net result for the period	15,630	-1	15,629
of which currency translation of foreign operations	-974	–	-974
of which currency translation of net investments in foreign operations	507	–	507
As at 30 June 2010	**101,759**	**82**	**101,841**

Group segment reporting

Key figures by division as at 30 June 2010		Brand Business	Volume Business	Non-allocable	Eliminations	Total
Turnover	€ m	90	15	–	–	105
EBIT	€ m	7.3	1.8	-1.4	–	7.7
Investments	€ m	2.6	0.3	–	–	2.9
Depreciation and amortisation	€ m	3.4	0.6	–	–	4.0
Employees (annual average)		927	213	–	–	1,140

Key figures of the previous year by division as at 30 June 2009		Brand Business	Volume Business	Non-allocable	Eliminations	Total
Turnover	€ m	90	14	–	–	104
EBIT	€ m	1.1	1.4	-1.6	–	0.9
Investments	€ m	2.5	0.2	–	–	2.7
Depreciation and amortisation	€ m	2.9	0.6	–	–	3.5
Employees (annual average)		915	225	–	–	1,140

Consolidated statement of cash flow

€ 000	1 January to 30 June 2010	1 January to 30 June 2009
Net result for the period from continuing operations	5,532	446
Adjustments for		
expense for the issue of employee shares	–	1
depreciation and amortisation	3,996	4,151
Decrease in provisions	-495	-847
Gain on disposal of noncurrent assets	-11	-3
Decrease in inventories, trade receivables and other assets not classified as investment or financing activities	3,366	28,495
Decrease in trade payables and other liabilities not classified as investment or financing activities	-12,193	-3,695
Cash flow from operating activities	**195**	**28,548**
Sale of a Company division	22,936	–
Acquisition of tangible and intangible assets	-3,192	-3,178
Investments in financial assets	-201	-2
Proceeds from the disposal of noncurrent assets	783	433
Cash flow from investment activities	**20,326**	**-2,747**
Dividends paid to the shareholders of the parent Company	-14,250	-2,850
Bank borrowings	–	-7,697
Cash flow from financing activities	**-14,250**	**-10,547**
Effects of exchange rate differences	**-1,304**	**-392**
Net change in cash and cash equivalents	4,967	14,862
Current funds at the start of the period under review	32,730	6,208
Current funds at the end of the period under review (including discontinued operations)	37,697	21,070
Cash and cash equivalents of sold Company division	-1,703	–
Current funds at the end of the period under review	**35,994**	**21,070**

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, August 2010

Leifheit Aktiengesellschaft
The Board of Management

Georg Thaller

Dr. Claus-O. Zacharias

Disclaimer

Forward-looking statements

This financial report for the first half year contains forward-looking statements which are based on the 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 financial report for the first half year 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 financial report for the first half year and the German version, the German version takes priority over the English translation.

Key dates 2010

- 11 November 2010
  Quarterly financial report for the period ending
  30 September 2010
- 22 November 2010
  Investor and analyst conference
  Deutsches Eigenkapitalforum, Frankfurt/Main

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