LEIFHEIT

Quarterly statement

for the period ending 31 March 2016

At a glance

GROUP TURNOVER
with strong growth

BRAND BUSINESS
with a significant increase

EBIT
reaches € 6.5 million

ANNUAL FORECAST 2016
confirmed

Key figures of the Group as at 31 March

		2015	**2016**	Change
Turnover				
Group	€m	58.1	64.7	11.5%
Brand Business	€m	49.5	55.2	11.6%
Volume Business	€m	8.6	9.5	10.5%
Foreign share	%	52.3	56.9	4.6 pps
Profitability				
Gross margin	%	47.4	47.8	0.4 pps
Cash flow from operating activities	€m	0.7	–4.5	> –100%
Free cash flow	€m	–0.4	–5.9	> –100%
Foreign currency result	€m	3.2	–1.4	> –100%
EBIT	€m	7.5	6.5	–13.6%
EBIT margin	%	12.9	10.0	–2.9 pps
EBT	€m	7.1	6.1	–14.0%
Net result for the period	€m	5.0	4.3	–14.1%
Investments in tangible assets	€m	1.1	1.2	9.5%

Foreword

Dear Shareholders,

Leifheit experienced double-digit growth in the first quarter. Turnover at the Group rose to € 64.7 million – that is a strong increase of 11.5%. Fortunately, both segments contributed to this growth.

The drivers of growth in our strategically important Brand Business were primarily the expansion of our foreign markets, the products of the Leifheit brand and the dynamic development of our e-commerce sales channel. Brand Business turnover rose by 11.6% year-on-year to € 55.2 million. In Volume Business, we benefited from a new retail partner in France, who we have been supplying since the third quarter of 2015. We achieved growth of 10.5% in this segment with turnover of € 9.5 million.

Earnings before interest and taxes (EBIT) stood at € 6.5 million – after reaching € 7.5 million during the first quarter of 2015. This was caused by a negative foreign currency result totalling € 1.4 million due to the performance of the US dollar and HK dollar at the end of the quarter. During the first quarter of 2015, we achieved a positive foreign currency result of € 3.2 million. Adjusted for this effect, the result rose in the first quarter by € 3.6 million to € 7.9 million.

Proceeding from an efficient basis, solid profit margins and our streamlined profile, we intend to remain clearly on course for growth in future, and we have laid the foundation for doing so with our “Leifheit 2020” strategy. This includes the expansion of our geographic reach as well. Apart from Central Europe, the growth markets in Eastern Europe a one of our key target region. During the first quarter, we succeeded in achieving excellent growth of 38.0% in these markets. The Czech Republic, Slovakia and Poland showed very strong development.

Another pillar of our growth strategy is the expansion of our product range and the strengthening of product design. Our “Innovation Factory” places the focus squarely on users. We integrate consumers into our innovation and development processes. We strive to come up with trendsetting and attractive solutions geared towards the needs of our customers, and which make their everyday life at home more easy and convenient. In the past financial year, we reworked the design idiom of the Soehnle brand. We will complete the overhaul of Leifheit’s brand look by the end of 2016.

For us, growth is not an end in itself. You, as shareholders, should also partake in the growing returns. In recent years, we have been able to raise the dividend six times in a row. At the end of March, we adopted a proposal together with the Supervisory Board to expand the dividend policy. As before, approximately 75% of the profit or the free cash flow for a year is to be distributed as the ordinary dividend. In addition, the distribution of a special dividend will be considered in future if the available liquidity exceeds the expected need for potential M&A activities, seasonal fluctuations in working capital and the payment of the ordinary dividend.

There was no material change during the first quarter in the basic economic conditions underlying our forecast for the financial year 2016. While the growth expectations for several of our target markets were scaled back slightly, higher growth rates are anticipated in Eastern Europe, for example. Consumption remains a key driver of growth in Europe, and the business climate in the retail sector is intact. We therefore continue to expect growth in turnover at the Group of 3 to 4% – with an increase of 4 to 5% in Brand Business – and earnings before interest and taxes of € 22 million to € 23 million. At the same time, we anticipate a positive foreign currency result of around € 1 million.

Leifheit Aktiengesellschaft
The Board of Management

Thomas Radke Dr Claus-O. Zacharias

Quarterly statement for the period ending 31 March 2016

Business performance

Group turnover sees strong growth

During the first quarter of the financial year 2016, the Leifheit Group generated turnover of € 64.7 million. That corresponds to a year-on-year increase of € 6.6 million, or 11.5%. Both segments – Brand Business and Volume Business – contributed to growth. In the strategically important Brand Business, growth was fuelled primarily by the expansion of business in the Central Europe region, the Leifheit brand and the dynamic development of the e-commerce sales channel.

We succeeded in increasing Group turnover outside of Germany in the first quarter of 2016 by 21.4% to € 36.8 million (2015: € 30.4 million). The fact that a mail-order company of importance to us rearranged the delivery set-up so that turnover volume shifted from Germany to Luxembourg contributed to the year-on-year growth of foreign turnover. Against this backdrop, the turnover in Germany, our largest individual market, remained virtually unchanged at € 27.9 million, despite comparatively higher promotion volumes (2015: € 27.7 million). As a result, the share of foreign turnover rose to 56.9% (2015: 52.3%).

The region of Central Europe (excluding Germany) had a decisive impact on the development of foreign turnover, which increased by 20.1% to € 28.3 million (2015: € 23.6 million). The markets in Italy, France, Switzerland and Austria, for example, posted strong growth, while the growth rates in Scandinavia and the Netherlands were somewhat more moderate. In Spain, we experienced a year-on-year decline.

We succeeded in significantly expanding our business in the region of Eastern Europe. Turnover in this region rose during the first quarter by 38.0% to € 6.0 million (2015: € 4.3 million). The Czech Republic and Slovakia, where we generated additional turnover effects with TV campaigns, saw strong development, as did Poland. We even managed to achieve slight year-on-year growth again in Russia and Ukraine. The only considerable drop was in Hungary.

As in the same quarter in 2015, turnover in the markets outside of Europe remained stable at € 2.5 million. Turnover declined in Australia, the Middle East and the Far East. In contrast, we succeeded in achieving considerable growth in the USA once again after a long period of time, particularly in the project business.

Altogether, the regional breakdown of turnover for the first quarter of 2016 is as follows: 43.1% (2015: 47.7%) of Group turnover was generated in Germany, 43.8% (2015: 40.6%) in Central Europe excluding Germany, 9.3% (2015: 7.5%) in Eastern Europe, and 3.8% (2015: 4.2%) was generated in markets outside of Europe.

Brand Business sees strong increase in cleaning category

Brand Business is the larger of the two segments at the Leifheit Group. It is at the heart of the “Leifheit 2020” growth strategy. During the first quarter of 2016, we succeeded in increasing turnover in Brand Business to € 55.2 million (2015: € 49.5 million). This corresponds to year-on-year turnover growth of 11.6%. The share of Group turnover attributable to Brand Business remained virtually unchanged at 85.3% (2015: 85.2%).

An important factor in the sustained growth was the double-digit growth experienced by Leifheit brand products in the cleaning category. Particularly worthy of mention here are our floor cleaning product range and the Leifheit window vacuum cleaner, which was especially successful in various foreign markets. We also achieved considerable growth in the kitchen goods and laundry care product categories. With stable turnover performance, the Soehnle brand was on par with the first quarter of 2015 with a growing proportion of kitchen scales. A key driver of growth during the first quarter was also the performance posted by the e-commerce sales channel, which saw an increase in turnover of around 47%.

As a result of shifting turnover from a mail-order company, which is a major customer of the Group, to Luxembourg, growth in Germany stood at 3.7%. Growth rates above the segment’s average were seen in Italy, France, Austria, Switzerland and Scandinavia, among others. However, we recorded a year-on-year decline in Spain. We saw substantial growth in our Eastern European growth markets, particularly the Czech Republic, Poland and Slovakia, while turnover decreased in Hungary. Turnover also went down in Australia, the Middle East and the Far East.

Volume Business sees strong growth in France

The intention with our Volume Business is to support our brands, and we manage this segment with a focus on profitability. Our primary goal is to stabilise the turnover development of this considerably smaller segment. During the first quarter of 2016, we generated turnover in Volume Business of € 9.5 million (2015: € 8.6 million). Compared to the first quarter of 2015, this corresponds to an increase of 10.5%.

The segment benefited from a new customer for the kitchen products of Birambeau in France, which it has been supplying since the third quarter of 2015. Turnover at our French subsidiary Herby, however, was slightly down year-on-year. We also succeeded in expanding the project business in the USA. As a result of the strong growth, the share of Group turnover attributable to Volume Business remained largely unchanged at 14.7% (2015: 14.8%).

Net assets, financial position and results of operations

Development of results of operations

Earnings considerably influenced by foreign currency result

In the first three months of 2016, we generated earnings before interest and taxes (EBIT) of € 6.5 million (2015: € 7.5 million). As in 2015, EBIT was significantly influenced by the foreign currency result of € –1.4 million, which fell by € 4.6 million year-on-year. While the euro depreciated against the US dollar in the first quarter of 2015 by 11.7%, the euro appreciated in the first three months of the current year by 4.6%. In the previous-year period, this led to a considerable appreciation of the fair value of forward exchange contracts concluded, while a corresponding devaluation occurred in the reporting period.

Adjusted for the foreign currency result, EBIT in the first quarter stood at € 7.9 million (2015: € 4.3 million), which is an increase of € 3.6 million. The rise was chiefly due to contribution margins from the increased turnover as well as the slightly higher margin.

In the first three months of 2016, we generated earnings before taxes (EBT) of € 6.1 million (2015: € 7.1 million). After tax, the net result for the period amounted to € 4.3 million in the first quarter (2015: € 5.0 million).

Gross profit

Gross profit rose during the first quarter of 2016 by € 3.5 million to € 31.0 million (2015: € 27.5 million). Gross profit is calculated from turnover less the cost of turnover. During the reporting period, contribution margins from the increased turnover and the rise in the relative gross margin contributed to gross profit.

The gross margin increased from 47.4 to 47.8%. It is defined as gross profit in relation to turnover. Rationalisation measures and a continued focus on high-margin business activities contributed to this development in particular.

Research and development costs

Our research and development costs mainly include personnel costs, costs for services and patent fees. At € 1.1 million, they were up on the year by € 0.1 million. New recruitment in research and development, which is related to the strategic aim of enhancing the Group's innovative strength, and additional external services resulted in this increase.

Distribution costs

Distribution costs, which include freight out and shipping costs, in addition to advertising and marketing expenses, decreased during the reporting period by € 0.4 million to € 17.6 million (2015: € 18.0 million). An extraordinary effect relating to commissions contributed to this development.

Administrative costs

Our administrative costs rose during the first three months by € 0.2 million to € 4.6 million (2015: € 4.4 million). Personnel costs rose primarily due to higher bonuses. Apart from personnel costs and services, administrative costs also include those expenses related to the support of our financial and administrative functions.

Foreign currency result

Our foreign currency result decreased in the first three months of 2016 by € 4.6 million to € –1.4 million (2015: € 3.2 million). It included expenses resulting from changes to the fair value of forward exchange transactions in the amount of € 1.7 million (2015: income of € 3.2 million), expenses from foreign currency valuations in the amount of € 0.1 million (2015: € 0.1 million) and foreign currency gains totalling € 0.4 million (2015: € 0.1 million).

Interest and financial result

As in 2015, the interest and financial result was € –0.4 million and primarily included interest expenses from the compounding of pension obligations in the amount of € 0.4 million (2015: € 0.4 million).

Taxes

In the first three months of 2016, taxes from income and earnings amounted to € 1.8 million (2015: € 2.1 million). Taxes went down due to lower EBT. The tax ratio was 29.9% (2015: 29.8%). This ratio is the relationship of taxes from income and earnings to earnings before taxes.

Segment results

In Brand Business, we achieved EBIT of € 6.0 million in the first three months of 2016 (2015: € 5.8 million). Adjusted for the foreign currency result, EBIT rose by € 2.5 million to € 6.9 million. Due to currency movements, the gross margin fell by 0.6 percentage points from 50.7% in 2015 to 50.1%. Gross profit stood at € 27.7 million, up by € 2.6 million year-on-year. The margins of the increased turnover were responsible for this development. The contribution margin amounted to € 24.0 million (2015: € 20.9 million). The contribution margin is defined as gross profit less commissions and freight out. The EBIT increase in Brand Business by € 0.2 million was primarily the result of the rise in the contribution margin by € 3.1 million paired with a drop of € 2.4 million in the foreign currency result.

In Volume Business, EBIT totalled € 0.5 million (2015: € 1.7 million). The € 0.8 million increase in the contribution margin was more than offset by a decline of € 2.2 million in the foreign currency result. The gross margin rose by 6.0 percentage points from 28.7% in 2015 to 34.7%. Gross profit increased by € 0.8 million to € 3.3 million. The contribution margin stood at € 2.9 million (2015: € 2.1 million).

Development of the financial situation

Capital structure

The equity ratio, which is the proportion of equity to total assets, was 44.3% (31 December 2015: 44.9%).

As at 31 March 2016, our debt level stood at 55.7%, up 0.6 percentage points compared to 31 December 2015. The key figure is the result of the ratio of debt to the sum of equity and liabilities. The € 3.6 million increase in pension obligations was a significant factor in this development.

As at 31 March 2016, our liabilities mainly consisted of pension obligations in the amount of € 70.1 million, trade payables and other liabilities of € 48.2 million and provisions of € 8.2 million. As in the previous year, we had no liabilities to banks.

Analysis of Group liquidity

Group liquidity decreased in the first three months of 2016 by € 6.0 million, amounting to € 62.2 million as at 31 March 2016. The decline was due primarily to the financing of increased receivables as driven by turnover in the amount of € 12.7 million.

Group liquidity includes cash and cash equivalents in the form of credit balances at banks, as well as financial assets in the form of current securities.

Our credit balances at banks amounted to € 58.2 million as at 31 March 2016. They comprised demand deposits and fixed deposits which may be terminated within three months. Financial assets included an investment in the form of a registered bond in the amount of € 4.0 million.

Analysis of the Group statement of cash flow

Cash flow from operating activities amounted to € –4.5 million during the reporting period (2015: € 0.7 million). The decline was primarily the result of receivables that saw a stronger increase in the first quarter of 2016 and the decrease of liabilities.

Cash flow from investment activities came to € –1.4 million (2015: € –1.1 million) and primarily included investments from the first quarter of € 1.5 million (2015: € 1.1 million).

Free cash flow

In the first three months of 2016, free cash flow amounted to € –5.9 million (2015: € –0.4 million). The key figure indicates how much liquidity is available for the repayment of debt financing or for the distribution of dividends to shareholders. Free cash flow is the total of cash flow from operating activities and cash flow from investment activities, adjusted for incoming and outgoing payments in financial assets as well as from the divestiture of business divisions. The primary reasons for the decrease were the rise in receivables and the decrease of liabilities.

Development of net assets

Balance sheet structure as at 31 March 2016

Our balance sheet structure remained virtually the same at € 237.8 million (31 December 2015: € 237.9 million).

Current assets stood at € 169.0 million as at the reporting date at the end of the quarter (31 December 2015: € 167.6 million). The primary reason for the € 1.4 million increase was the turnover-driven increase in receivables by € 12.7 million. In contrast, cash went down by € 6.0 million, VAT receivables dropped by € 2.1 million and current derivative financial instruments decreased by € 1.9 million.

At € 68.7 million, our non-current assets as at the end of March were down on the figure for 31 December 2015 by € 1.6 million. This development was primarily the result of the € 2.6 million decline in non-current derivative financial instruments, while deferred tax assets rose by € 1.0 million.

Due to the weaker US dollar and HK dollar, the fair values of all derivative financial instrument assets and liabilities fell in the first three months of 2016 by € 5.9 million. Of that amount, € 4.2 million were recognised in equity and € 1.7 million in the foreign currency result.

As at 31 March 2016, current liabilities were down by € 2.2 million on the figure from 31 December 2015 to € 56.1 million. Trade payables and other liabilities decreased by € 2.7 million to € 48.2 million.

Non-current liabilities rose as at the reporting date by € 3.3 million to € 76.2 million compared to 31 December 2015. Pension obligations went up by € 3.6 million to € 70.1 million, in particular due to the decline in the discount rate by 0.35 percentage points to 1.95%. Deferred tax liabilities fell by € 1.3 million to € 3.0 million and primarily concern the deferred taxes on the derivative financial instruments.

Compared to 31 December 2015, equity was down by € 1.3 million as at 31 March 2016 to € 105.4 million. At the same time, the positive net result for the period of € 4.3 million was more than offset by the negative result of other comprehensive income of € 5.5 million. The equity ratio fell to 44.3% due to the decline in comprehensive income (31 December 2015: 44.9%).

Investments

In the first three months of 2016, we invested € 1.5 million (2015: € 1.1 million) – primarily in tools for new products, machinery, rationalisation measures for production facilities, and operating and office equipment.

The investment ratio – additions to assets related to the historic procurement and production costs – amounted to 0.8%. In Brand Business, we invested € 1.2 million, while the investment amount for Volume Business totalled € 0.3 million. Investments were offset by depreciation and amortisation in the amount of € 1.5 million (2015: € 1.5 million).

On 31 March 2016, there were contractual obligations to acquire items of tangible assets in the amount of € 1.4 million, which will be financed by cash and cash equivalents.

Forecast of anticipated development

The detailed forecast for the current financial year can be found in the most recently published annual financial report for the Leifheit Group for the financial year 2015. Please also refer to this report for explanations about the company's strategic orientation as well as opportunities and risks. It is available on our website at financial-reports.leifheit-group.com.

Moderate growth with increasing risks for economic development

The world continues to see a global upward trend, though with dwindling growth rates and higher risks, according to the International Monetary Fund (IMF) in its forecast from April. The IMF revised its expectations for global economic growth in 2016 and 2017 downwards. It now expects growth of 3.2% for 2016, though in January, that figure still stood at 3.4%. The forecast for global economic growth in 2017 is now 3.5%, while the estimate in January was still 3.6%.

The IMF shaved 0.2 percentage points off its forecast for almost all developed economies for the current year. On the other hand, it raised its expectations for Eastern Europe by 0.4 percentage points to 3.5%. Experts now believe the Chinese economy will grow by 6.5% (previous forecast: 6.3%). From the perspective of the IMF, the recession in Russia will continue to worsen, however. A 1.8% decline in the country's economic performance is expected in 2016 (previous forecast: –1.0%).

Despite the weak international environment, the ifo (Munich), Insee (Paris) and Istat (Rome) economic research institutes anticipate growth of 1.4% for the Eurozone in 2016, according to their forecast from April. The institutes believe that, above all, domestic demand resulting from increased levels of private consumption will be the driver of this growth. They expect additional positive stimulus in Germany thanks to increased government spending in connection with the influx of refugees. The European Commission most recently forecast growth of 1.7% in the Eurozone for 2016.

In their joint forecast from April, the German economic research institutes believe the country's economy will experience a moderate upswing. They expect gross domestic product to grow by 1.6% in the current year, while their forecast for 2017 places growth at 1.5%. According to its annual forecast published in January, the German federal government anticipates economic growth of 1.7%.

Economic sentiment improves

The Business Climate Index for the industrial sector in Germany, which is calculated by the ifo Institute in Munich on a monthly basis, went up again in March following three months in a row of sustained decline. Coming in at 106.7 points, however, it was not completely on par with the level seen at the beginning of the year (107.3 points). In retail, the business climate improved considerably. Following a drop in February, the European Commission's Business Climate Indicator for the Eurozone staged a slight recovery in March.

Consumer confidence curbed

The Consumer Confidence Index, calculated for Germany on a regular basis by the GfK market research institute, fell slightly in March. The forecast of 9.4 points for April (down by 0.1 points on the forecast for the previous month) is on par with the level from February 2016. All three of the underlying criteria (economic expectations, income expectations and propensity to buy) had to accept slight losses. The Consumer Confidence Indicator calculated by the European Commission also took a minor tumble in March. The curbed expectations of consumers were reflected in the Eurozone countries (–0.9 points) as well as the European Union as a whole (–0.7 points).

US dollar rate largely stable

In January, one euro traded for US dollar 1.09 on average. By mid-February, the exchange rate had climbed to US dollar 1.12. Even though the European Central Bank once again extended its expansionary monetary policy at the beginning of March, the exchange rate of the euro stood at US dollar 1.14 at the end of the first quarter. In mid-April, it was trading again at US dollar 1.12. The average exchange rate forecast of more than 50 banks surveyed by Reuters in a forex poll in March is US dollar 1.07 for the turn of the year 2016/2017.

Turnover and earnings forecast for the current financial year

In our forecast for the current financial year, we expect moderate economic growth in our key target markets and see a number of uncertainties, such as the conflicts in Eastern Europe and the Middle East. By comparison, the general economic situation experienced no significant changes during the first quarter.

In the first three months, we succeeded in increasing turnover at the Group by 11.5% year-on-year to € 64.7 million. In our Brand Business, we achieved an 11.6% increase in turnover. Turnover in Volume Business also increased by 10.5%. Despite existing uncertainties regarding further macroeconomic development, we believe we are well on our way to achieving the growth that we expect to see in the current financial year.

For the financial year 2016, we continue to anticipate 3 to 4% growth of Group turnover. In Brand Business, which is at the heart of our growth strategy, we expect an increase in turnover of 4 to 5%, while we expect turnover in Volume Business to be on par with 2015. Our earnings forecast also remains the same. Based on higher contribution margins as a result of an increase in turnover and the positive effect on earnings that our new distribution centre in the Czech Republic will have, we expect earnings before interest and taxes (EBIT) in the amount of € 22 million to € 23 million for the financial year 2016. At the same time, our forecast also assumes a positive foreign currency result of around € 1 million as part of the expected EBIT.

Statement of profit or loss and statement of comprehensive income

k€	1 Jan to 31 Mar 2015	**1 Jan to 31 Mar 2016**
Turnover	58,051	64,705
Cost of turnover	–30,509	–33,752
Gross profit	**27,542**	**30,953**
Research and development costs	–1,012	–1,147
Distribution costs	–17,959	–17,589
Administrative costs	–4,424	–4,636
Other operating income	320	327
Other operating expenses	–129	–48
Foreign currency result	3,167	–1,378
Earnings before interest and taxes (EBIT)	**7,505**	**6,482**
Interest income	31	20
Interest expenses	–429	–392
Net other financial result	–1	–
Earnings before taxes (EBT)	**7,106**	**6,110**
Income taxes	–2,118	–1,827
Net result for the period	**4,988**	**4,283**
Contributions that are not reclassified in future periods in the statement of profit or loss		
Actuarial gains/losses on defined benefit pension plans	–7,808	–3,636
Effect from income taxes	2,241	1,058
Contributions that may be reclassified in future periods in the statement of profit or loss		
Currency translation of foreign operations	224	–75
Currency translation of net investments in foreign operations	75	–13
Net result of cash flow hedges	8,374	–4,082
Effect from income taxes	–2,425	1,208
Other comprehensive income	**681**	**–5,540**
Comprehensive income after taxes	**5,669**	**–1,257**
Earnings per share based on net result for the period (diluted and undiluted)	**€ 1.05**	**€ 0.90**
Earnings per share based on comprehensive income after taxes (diluted and undiluted)	**€ 1.19**	**€ 0.26**

Balance sheet

k€	31 Dec 2015	31 Mar 2016
Current assets		
Cash and cash equivalents	64,200	58,220
Financial assets	4,000	4,000
Trade receivables	46,063	58,757
Inventories	42,985	42,440
Income tax receivables	224	235
Derivative financial instruments	5,639	3,732
Other current assets	4,441	1,647
Total current assets	**167,552**	**169,031**
Non-current assets		
Tangible assets	36,086	35,827
Intangible assets	18,738	18,907
Deferred tax assets	9,837	10,875
Income tax receivables	762	777
Derivative financial instruments	4,773	2,205
Other non-current assets	156	150
Total non-current assets	**70,352**	**68,741**
Total assets	**237,904**	**237,772**
Current liabilities		
Trade payables and other liabilities	50,816	48,163
Derivative financial instruments	11	406
Income tax liabilities	947	1,398
Provisions	6,540	6,155
Total current liabilities	**58,314**	**56,122**
Non-current liabilities		
Provisions	2,075	2,084
Employee benefit obligations	66,448	70,059
Deferred tax liabilities	4,262	2,980
Derivative financial instruments	3	995
Other non-current liabilities	100	100
Total non-current liabilities	**72,888**	**76,218**
Equity		
Subscribed capital	15,000	15,000
Capital surplus	16,984	16,984
Treasury shares	–7,493	–7,493
Retained earnings	90,536	94,806
Other reserves	–8,325	–13,865
Total equity	**106,702**	**105,432**
Total equity and liabilities	**237,904**	**237,772**

Statement of cash flow

k€	1 Jan to 31 Mar 2015	**1 Jan to 31 Mar 2016**
Net result for the period	4,988	4,283
Adjustments for depreciation and amortisation	1,541	1,518
Change in provisions	–329	–400
Result from disposal of fixed assets and other non-current assets	–	–1
Change in inventories, trade receivables and other assets not classified as investment or financing activities	–7,694	–9,399
Change in trade payables and other liabilities not classified as investment or financing activities	4,390	–2,213
Other non-cash income/expenses	–2,234	1,724
Cash flow from operating activities	**662**	**–4,488**
Acquisition of tangible and intangible assets	–1,123	–1,489
Proceeds from the sale of tangible assets and other non-current assets	18	46
Cash flow from investment activities	**–1,105**	**–1,443**
Cash flow from financing activities	**–**	**–**
Effects of exchange rate differences	**37**	**–49**
Net change in cash and cash equivalents	–406	–5,980
Cash and cash equivalents at the start of the reporting period	58,808	64,200
Cash and cash equivalents at the end of the reporting period	**58,402**	**58,220**

Segment reporting

Key figures by divisions as at 31 March 2016		Brand Business	Volume Business	**Total**
Turnover	€m	55.2	9.5	64.7
Gross margin	%	50.1	34.7	47.8
Contribution margin	€m	24.0	2.9	26.9
Segment result (EBIT)	€m	6.0	0.5	6.5
Depreciation and amortisation	€m	1.3	0.2	1.5

Key figures by divisions as at 31 March 2015		Brand Business	Volume Business	Total
Turnover	€m	49.5	8.6	58.1
Gross margin	%	50.7	28.7	47.4
Contribution margin	€m	20.9	2.1	23.0
Segment result (EBIT)	€m	5.8	1.7	7.5
Depreciation and amortisation	€m	1.3	0.2	1.5

Information about the segments and their management is available in the 2015 annual financial report.

Additional information

This quarterly statement was neither audited by an auditor, nor was it subject to an audit review. The results of the current reporting quarter do not necessarily make it possible to draw conclusions regarding the development of future results.

With the exception of accounting regulations to be applied potentially for the first time, the accounting and valuation principles used by Leifheit correspond to those of the most recently published consolidated financial statements as at the end of the past financial year. A detailed description can be found in the notes to the 2015 annual financial report of the Leifheit Group, which is available at financial-reports.leifheit-group.com on our website.

Effective 1 January 2016, Leifheit Aktiengesellschaft acquired from the minority shareholder the remaining 29% of the shares of Leifheit CZ a.s., Hostivice, Czech Republic, which is already controlled and fully consolidated. There were no other changes in the scope of consolidation or major changes in the organisational structure or business model during the reporting period.

Disclaimer

Forward-looking statements

This quarterly statement contains forward-looking statements which are based on the management's current estimates with regard to 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 or other uncertain or unforeseeable factors occur 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 does it accept any specific obligation to, update forward-looking statements to reflect events or developments after the date of this statement.

In the event of any discrepancies between this English translation of the quarterly statement and the German version, the German version shall take precedence.

Financial calendar

25 MAY 2016

ANNUAL GENERAL MEETING
10:30 a.m. (CEST), Deutsche Nationalbibliothek,
Frankfurt/Main, Germany

11 AUGUST 2016

FINANCIAL REPORT FOR THE FIRST HALF-YEAR
ending 30 June 2016

10 NOVEMBER 2016

QUARTERLY STATEMENT
for the period ending 30 September 2016

21 – 23 NOVEMBER 2016

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