

# Invitation to the 2009 Annual General Meeting

(English translation - the German version  
is the only legally binding version)



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**Focus  
Innovation  
Speed**

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Aktiengesellschaft  
Nassau/Lahn

ISIN DE 000 646 4506

Dear Shareholders,

Our **Annual General Meeting** will take place on  
**Wednesday, 17 June 2009 at 10:30 a.m.**, at Leifheit AG  
Customer and Administrative Centre, Leifheitstrasse,  
56377 Nassau/Lahn, Germany.

**AGENDA**

- 1. Presentation of the following: 1) Leifheit AG's official annual financial statements and management report for 2008. 2) The Group's approved, consolidated financial statements and management report for 2008. 3) The Supervisory Board's report. 4) The Board of Management's explanatory report on the disclosures mandated by Section 289, Para. 4 and Section 315, Para. 4 of the German Commercial Code (HGB).**

The aforementioned documents may be accessed on the internet at [www.leifheit.com](http://www.leifheit.com).

**2. Allocation of balance sheet profit**

The dividend by Leifheit AG (ISIN DE 0006464506) are based on the balance sheet profit stated in the Company's official annual financial statements as prepared in compliance with commercial law.

For the elapsed financial year 2008, Leifheit AG's balance sheet profit amounted to EUR 13 million. Leifheit currently holds 250,144 of its own treasury shares, which are not eligible to receive dividends. Between now and the date of the Annual General Meeting, it is possible that the number of shares entitled to receive dividends may increase or decrease. In this case, the total dividend payout (profit allocation) proposed to the Annual General Meeting will be adjusted accordingly, while the per-share payout (EUR 0.60 per no-per-value share eligible to receive dividends) will remain unchanged.

The Board of Management and Supervisory Board propose the following resolution:

A dividend of EUR 0.60 per no-per-value share eligible to receive dividends shall be paid out of the Company's balance sheet profit for financial year 2008 (EUR 13 million). Given a total of 4,749,856 no-par-value shares outstanding, the total payout to investors shall amount to EUR 2,849,913.60. The balance of EUR 10,150,086.40 shall be carried forward to the following financial year.

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### **3. Discharge granted to Board of Management Members for financial year 2008**

The Board of Management and Supervisory Board propose that the Board of Management Members be discharged of any liability for their official duties during financial year 2008.

### **4. Discharge granted to Supervisory Board Members for financial year 2008**

The Board of Management and Supervisory Board propose that the Supervisory Board Members be discharged of any liability for their official duties during financial year 2008.

### **5. Elections for the Supervisory Board**

The present Supervisory Board was appointed for the period ending with the completion of the upcoming Annual General Meeting, which is to officially discharge the Supervisory Board of any liability for financial year 2008. (The financial year ends on 31 December 2008.) It will therefore be necessary to appoint a new Supervisory Board. The Supervisory Board must consist of four shareholder representatives and two employee representatives, in accordance with the following legislation: Section 96, Para. 1 (alternatively Section 101, Para. 1) of the German Stock Act (AktG); Section 1, Para. 1, No. 1 and Section 4, Para. 1 of the DrittelbG (Law on 1/3 Participation by Employees), in conjunction with Art. 8, Para. 1 of the Company article of incorporation.

The Supervisory Board proposes the following resolution:

The persons named below shall be appointed to the Supervisory Board:

1. Karsten Schmidt, (Penzberg, Germany)  
Board of Management Spokesman of Ravensburger AG  
Legally domiciled in Ravensburg, Germany.
2. Dr. Robert Schuler-Voith, (Munich, Germany)  
Supervisory Board Chairman of Schuler AG.  
Legally domiciled in Göppingen, Germany.

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3. Dr. Friedrich M. Thomée, (Munich, Germany)  
Managing Partner of  
Thomée Vermögensverwaltung GmbH & Co. KG  
Legally domiciled in Munich, Germany.
  4. Helmut Zahn, (Starnberg, Germany)  
Managing Director of Schuler-Beteiligungen GmbH  
Legally domiciled in Göppingen, Germany.

The above appointees shall serve for a period of four financial years (not including the financial year in which appointment occurs), more specifically until the completion of the Annual General Meeting in which they are discharged of liability for the fourth and final financial year.

The Annual General Meeting is not obligated to accept any of the proposed candidates.

As of the convocation of the upcoming Annual General Meeting, Dr. Friedrich M. Thomée was not a member of any legally mandated Supervisory Board and/or comparable domestic or foreign oversight committee(s). As of the convocation of the upcoming Annual General Meeting, Messrs. Karsten Schmidt, Dr. Robert Schuler-Voith and Helmut Zahn were members of the following legally mandated Supervisory Boards and/or comparable domestic or foreign oversight committee(s):

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#### Karsten Schmidt

Ravensburger Spieleland AG, Ravensburg, Germany	Supervisory Board Chairman
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#### Dr. Robert Schuler-Voith

Schuler AG, Göppingen, Germany	Supervisory Board Chairman
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#### Helmut Zahn

Schuler AG, Göppingen, Germany	Supervisory Board Member
Flossbach & von Storch Vermögensmanagement AG, Cologne, Germany	Supervisory Board Member
Müller Weingarten AG, Weingarten, Germany	Supervisory Board Chairman

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## **6. Authorisation to repurchase and utilise own shares as per Section 71, Para. 1, No. 8 of the German Stock Act (AktG)**

The Annual General Meeting of 3 June 2008 authorised the Company to buy back and utilise own shares as per Section 71, Para. 1, No. 8 of the German Stock Act (AktG), with effect until 2 December 2009. The Company has since made use of this right and will make a report on its activities in this regard during the upcoming Annual General Meeting.

Since the authorisation granted by the 2008 Annual General Meeting will expire on 2 December 2009, a proposal is to be submitted to the Annual General Meeting with regard to renewing said authorisation.

The Board of Management and Supervisory Board propose the following resolution:

- a) The authorisation to repurchase and utilise own shares granted by the Annual General Meeting of 3 June 2008 shall lapse upon completion of the Annual General Meeting of 17 June 2009, and shall be replaced by a new authorisation as set forth below.
- b) Upon completion of the Annual General Meeting of 17 June 2009, the Company shall be authorised, with effect until 16 December 2010, to repurchase its own shares, for purposes other than trading in such shares. The sum of the shares repurchased pursuant to this authorisation, plus any Company shares repurchased previously (and still held) may not at any time exceed 10% of the Company's equity capital. This authorisation may be exercised, in whole or in part, at one time or several times (insofar as separate tranches of repurchased shares are involved).

- c) The repurchase of shares shall be performed in compliance with the equal-treatment provision of the German Stock Act (Section 53a AktG). At the discretion of the Board of Management, repurchasing shall occur via a financial exchange or a public purchase offer presented to all shareholders (and/or a public solicitation for a sales offer).
- Insofar as repurchasing is performed via a financial exchange, the per-share acquisition price (not including acquisition costs) may not deviate more than +/- 10% from the average Company share price as quoted on the Frankfurt Stock Exchange during the five trading days before the repurchase date (based on the arithmetic mean of closing prices quoted by XETRA or some successor system).
  - Insofar as repurchasing is performed via a public purchase offer presented to all shareholders (and/or a public solicitation for a sales offer), the per-share price offered and paid by the Company (not including acquisition costs) may not deviate more than +/- 10% from the average Company share price as quoted on the Frankfurt Stock Exchange during the five trading days before the release date of the public purchase offer and/or public solicitation for a sales offer (based on the arithmetic mean of closing prices quoted by XETRA or some successor system).

Insofar as significant deviations from the benchmark average share price occur after the release of a public purchase offer (and/or solicitation of a sales offer), the offer to purchase (and/or solicitation for a sales offer) may be adjusted accordingly.

In this case, the adjustment shall reflect the average Company share price as quoted on the Frankfurt Stock Exchange during the five trading days before the announcement of said adjustment (based on the arithmetic mean of closing prices during as quoted



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by XETRA or some successor system). A public offer to purchase (and/or public solicitation for a sales offer) may also provide for additional terms and conditions.

Insofar as a purchase offer is oversubscribed or insofar as not all offers to sell are accepted (assuming equivalent offers to sell), acceptance must be performed pro-rata. However, priority may be assigned to the repurchase of small numbers of shares, e.g. 20 shares per shareholder.

- d) The Board of Management shall be authorised to use shares repurchased pursuant to this resolution for any and all purposes permissible under the law, including the following:
  - aa) Repurchased shares may be offered and sold to shareholders as part of a subscription offer in compliance with shareholder subscription rights.
  - bb) Repurchased shares may be resold via a financial exchange.
  - cc) Repurchased shares may be resold to shareholders off-exchange or outside the context of a subscription offer. However, such shares must be sold for cash at a price not significantly lower than the average Company share price as quoted on the Frankfurt Stock Exchange during the five trading days before the date on which the selling price is fixed (based on the arithmetic mean of closing prices as quoted by XETRA or some successor system).
  - dd) Repurchased shares may be sold to third parties for the following purposes: 1) To implement the acquisition of a company, company segment or company shareholding. 2) As consideration for the transfer of a company, company segment, or company shareholding (including increases in existing shareholdings). 3) To implement a company merger.

- e) The subscription rights of shareholders shall be waived insofar as the Board of Management intends to use repurchased shares for any of the purposes set forth under d), cc) to dd). The Board of Management may also waive the subscription rights of shareholders with regard to odd lots when reselling repurchased shares as part of a subscription offer as per d), aa).
- f) The foregoing right to resell repurchased shares may be exercised once or more than once, and with regard to single repurchased shares, all repurchased shares collectively, or partial quantities thereof.
- g) The Supervisory Board shall be entitled to require that the Board of Management seek its prior approval before taking any measures pursuant to this resolution of the Annual General Meeting.

## **7. Resolution on the addition of a new Para. 3 to Article 3 of the articles of incorporation**

In accordance with Section 1, No. 4 of the Risk-Limitation Act (Risikobegrenzungs-gesetz) of 12 August 2008, a new Section 27a was inserted into the Securities Trading Act (WpHG) with effect as of 31 May 2009. Para. 1 of this new section spells out the reporting obligations of large shareholders vis-à-vis issuing entities based in the Federal Republic of Germany. Moreover, Para. 2 sets forth these issuing entities' obligations to disclose such reported information. According to Section 27a, Para. 3 of the new version of the Securities Trading Act (WpGH), the articles of incorporation of a domestically based issuer may call for Section 27a, Para. 1 WpGH (new version) be waived. The Company intends to make use of this option.

The Board of Management and Supervisory Board propose the following resolution:

A new Para. 3 shall be added to Article 3 of the articles of incorporation, and shall read as follows:

“Section 27a, Para. 1 of the Securities Trading Act (WpHG) shall be waived.”

## **8. Election of the auditors for financial year 2009**

The Supervisory Board proposes that Ernst & Young AG Wirtschaftsprüfungsgesellschaft / Steuerberatungsgesellschaft, based in Eschborn, Frankfurt am Main, be elected as auditors of the financial statements of both the Company and the consolidated Group for financial year 2009.

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**BOARD OF MANAGEMENT REPORT ON AGENDA ITEM 6, IN COMPLIANCE WITH SECTION 71, PARA. 1, NO. 8, LINE 5 OF THE GERMAN STOCK ACT (ATKG) IN CONJUNCTION WITH SECTION 186, PARA. 3 AND PARA. 4, LINE 2 AKTG**

In its Annual General Meeting of 3 June 2008, Leifheit AG adopted a resolution authorising the Company to repurchase own shares, with effect until 2 December 2009. Given that this authorisation will expire in the present financial year, it is to be rescinded upon completion of this year's Annual General Meeting.

Besides repurchasing own shares on a financial exchange, the Company will also be given the option to repurchase shares via a public purchase offer to all shareholders, and/or via a public solicitation for an offer to sell. Shareholders' legal subscription rights are to be complied with in the process. In case of a public solicitation for an offer to sell shares, the solicited shareholders will be able to decide how many shares to offer to the Company and at what price (within a pre-determined price range).

Insofar as an offer is oversubscribed or insofar as not all offers to sell can be accepted (assuming equivalent offers to sell), acceptance must be performed on a pro-rata basis. However, priority may be assigned to the repurchase of small-scale offers or small portions thereof, e.g. 20 shares. This provision allows for the elimination of odd lots or small remainders when determining the pro-rata volume of shares to be accepted, while also facilitating the technical settlement process.

The offered per-share purchase price (not including acquisition costs) or the offered price range may be adjusted to the average Company share price as quoted on the Frankfurt Stock Exchange during the five trading days before the date on the public purchase offer is made (based on the arithmetic mean of closing prices as quoted by XETRA or some successor system), insofar as such an adjustment would prevent a deviation of more than 10%.

Insofar as significant deviations from the benchmark average share price occur after the release of a public purchase offer (and/or solicitation of a sales offer), the offer to purchase (and/or

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solicitation for a sales offer) may be adjusted accordingly. A public offer to purchase (and/or solicitation for an offer to sell) may also provide for additional terms and conditions.

The Company will be authorised to use repurchased shares for any and all purposes permissible under the law, including the following:

The resolution grants authorisation for the off-exchange resale of repurchased shares under a waiver of shareholders' legal subscription rights, provided the shares in question are sold for cash at a price not significantly lower than the Company share price as of the selling date. Under this authorisation, the Company will also be given the option of an expedited waiver of shareholder subscription rights, as provided for by Section 71, Para. 1, No. 8 of the German Stock Act (AktG), in conjunction with Section 186, Para. 3, Line 4 AktG.

Due consideration will be given to protecting shareholders against dilution of their shares, in that repurchased shares will not be resold for a price significantly lower than the exchange-quoted benchmark price. The resale price of repurchased shares will be determined shortly before the sale. The Board of Management will ensure that any discount below the exchange-quoted price is as small as possible, subject to the market conditions prevailing after the placement date.

Any discount below the exchange-quoted price may not amount to more than 5% as of the exercise date of the authorisation. This authorisation shall be subject to the proviso that the total volume of repurchased shares resold under a waiver of shareholder subscription as per Section 186, Para. 3, Line 4 of the German Stock Act (AktG) may not exceed 10% of the Company's registered equity capital. This condition must be fulfilled both on the effective date of the resolution as well as on any date of exercise of said resolution.

As a rule, shareholders will have the option of maintaining their shareholding ratios by purchasing Leifheit shares via a financial exchange. The authorisation lies in the interest of the Company, since it provides greater flexibility. For example, it allows the Company to transfer shares to collaboration partners in a targeted fashion.

Shareholder subscription rights may also be waived insofar as repurchased shares are offered/sold to third parties for the following purposes: 1) To implement the acquisition of a company, company segment or company shareholding. 2) As consideration for the transfer of a company, company segment, or company shareholding (including increases in existing shareholdings). 3) To implement a company merger.

This will allow the Company to offer own shares as direct or indirect consideration in transactions involving company mergers and/or the acquisition of companies, company segments or company shareholdings. In an environment of international competition and globalisation, it is often necessary to use shares as consideration in the context of such deals. The proposed authorisation will give the Company the necessary leeway to respond quickly and flexibly to opportunities involving the acquisition of companies, company segments or company participations, both on domestic as well as international markets. The proposed waiver of shareholder subscription rights also serves this purpose. When determining valuation ratios, the Board of Management shall take care to ensure that shareholder interests are adequately protected.

In the context of its due exercise of discretion, the Supervisory Board may require that the Board of Management seek its prior approval before taking any measures pursuant to resolution adopted by the Annual General Meeting in accordance with Section 71, Para. 1, No. 8 of the German Stock Act (AktG).

At the next Annual General Meeting, the Board of Management will make a report regarding the actual exercise/use of the authorisation.

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## **PARTICIPATION IN THE ANNUAL GENERAL MEETING**

As of the date of convocation of the upcoming Annual General Meeting, 4,749,856 shares of the 5 million, no-par Company shares outstanding entailed the right to participate and vote at the Annual General Meeting. Each of these no-par shares give the holder one (1) vote at the Annual General Meeting. Thus, there were 4,749,856 voting rights outstanding as of the convocation of the upcoming Annual General Meeting. The 250,144 own shares held by the Company at the time of convocation of the upcoming Annual General Meeting do not confer any right to participate or vote.

As a further precondition for attending and voting at the Annual General Meeting, a shareholder must provide the Company with documentation of his shareholding. Said documentation must be in text form, must be prepared by a certified securities custodian institution, and must be sent to the following address:

LEIFHEIT AG  
c/o Deutsche Bank AG  
General Meetings  
Postfach 20 01 07  
60605 Frankfurt am Main  
Germany

The documentary proof of shareholding must be in German or English, must be based on the key reporting date of 27 May 2009, and must be received by the Company at the above address by no later than 10 June 2009. Insofar as the Company has doubts as to the accuracy or validity of documentation received, it is entitled to demand appropriate additional proofs. If these, too, prove to be questionable, the Company may deny the affected shareholder the right to attend and vote at the Annual General Meeting.

Once the Company has received the required proofs of shareholdings, it will send out tickets of admission for the Annual General Meeting to the shareholders. In order to ensure timely receipt of these admissions tickets, along with their accompanying/ attached power-of-attorney forms, we urge all shareholders to provide the Company with proof of their shareholdings well in advance of the Annual General Meeting.

## **VOTING BY PROXY**

Shareholders who do not wish to be physically present at the Annual General Meeting may have their votes cast by a proxy, e.g. by a bank or shareholders' association. Insofar as the proxy is to be neither a bank, a shareholders' association or one of the other persons/entities spelled out under Section 135, Para. 9 of the German Stock Act (AktG), the necessary power-of-attorney must be given in writing. Banks, shareholders' associations or any of the other persons/entities spelled out under Section 135, Para. 9 of the German Stock Act (AktG) may set forth deviating terms and conditions.

In addition, our shareholders will continue to have the option to have their votes cast by proxies designated by the Company. Such proxies must be given a relevant power-of-attorney as well as specific voting instructions. Both these items must be provided in writing or via an electronic medium (E-mail). Banks, shareholders' associations or any of the other persons/entities spelled out under Section 135, Para. 9 of the German Stock Act (AktG) may set forth deviating terms and conditions. All proxies are obligated to vote in accordance with their instructions.

An admission ticket will also be required for a proxy designated by the Company. The admission ticket will double as a form containing the proxy's power-of-attorney and voting instructions. Shareholders should order their admission tickets for each securities account from the corresponding custodian institution. The duly completed power-of-attorney forms for proxies to be designated by the Company must be received by us no later than Friday, 12 June 2009 at the address below:

Leifheit AG  
Postfach 11 65  
56371 Nassau/Lahn  
Germany

Or via E-mail at: [ir@leifheit.com](mailto:ir@leifheit.com)



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**PROPOSAL OF MOTIONS AND NOMINATIONS BY SHAREHOLDERS AS PER SECTION 126 AND SECTION 127 OF THE GERMAN STOCK ACT (ATKG)**

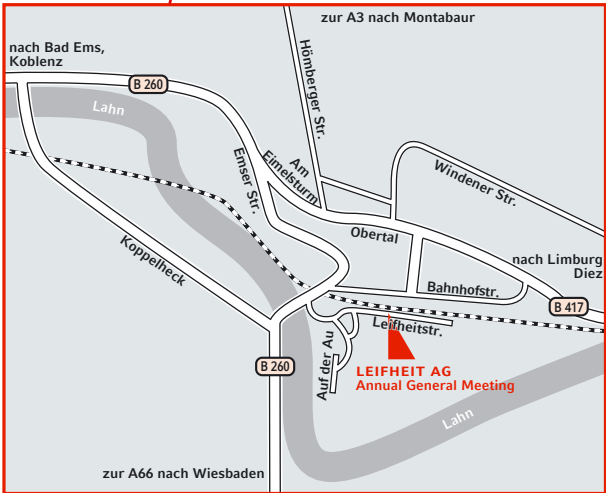
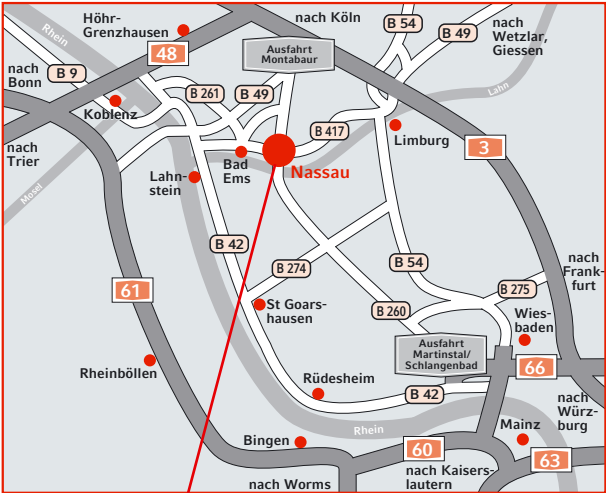
Shareholders must submit any motions and/or nominations to the address below. Any incorrectly addressed motions and nominations shall not be considered.

Leifheit AG  
Postfach 11 65  
56371 Nassau/Lahn  
Germany  
Telefax: ++49-2604-977-340  
E-mail: [ir@leifheit.com](mailto:ir@leifheit.com)

All proposed motions and nominations (assuming they can be matched to bona fide shareholders) must be received by 3 June 2009 at the latest and shall be made accessible online to each shareholder under [www.leifheit.com](http://www.leifheit.com) in a timely manner. Any statements of position by the Management will also be made accessible online at the above internet address by 3 June 2009.

Nassau/Lahn, Germany in May 2009  
Leifheit AG  
The Board of Management

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Aktiengesellschaft

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