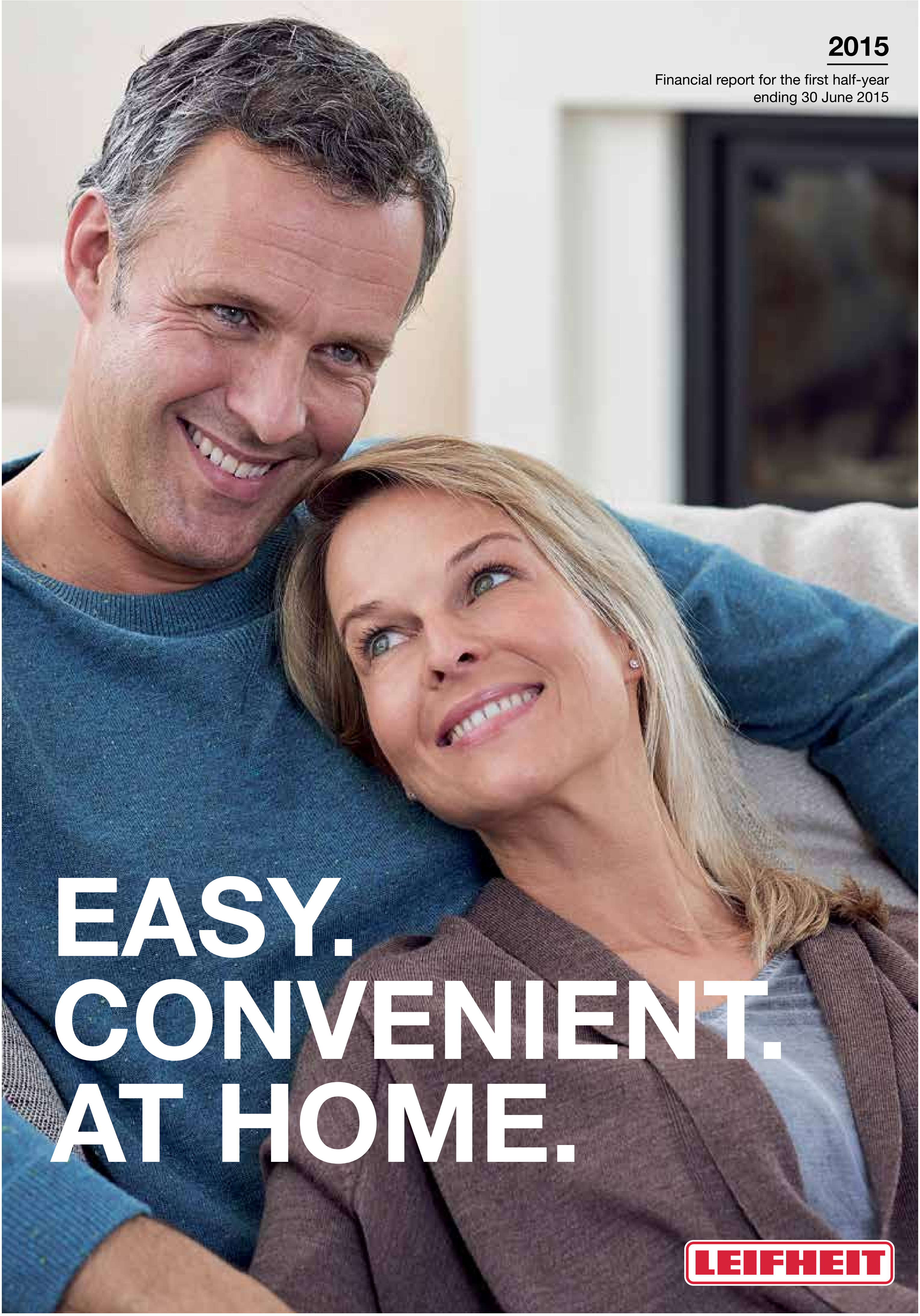

2015

Financial report for the first half-year
ending 30 June 2015

EASY.
CONVENIENT.
AT HOME.

LEIFHEIT

AT A GLANCE

- Group turnover increases by 4.5% to € 113.2 million
- Strong growth in Brand Business: +6.1%
- EBIT improved by € 2.3 million to € 10.4 million
- Outlook for 2015: turnover expectations slightly up, earnings at the top end of the forecast range

KEY FIGURES OF THE GROUP AS AT 30 JUNE

		2014	**2015**	Change
Turnover				
Group	€ m	108.3	113.2	4.5%
Brand Business	€ m	90.4	95.9	6.1%
Volume Business	€ m	17.9	17.3	-3.4%
Foreign share	%	54.2	52.3	-1.9 pps
Profitability				
Gross margin	%	47.4	46.1	-1.3 pps
Cash flow from operating activities	€ m	10.6	7.4	-30.7%
Free cash flow	€ m	8.8	4.8	-45.4%
Foreign currency result	€ m	0.5	1.9	>100%
EBIT	€ m	8.1	10.4	28.0%
EBIT margin	%	7.5	9.2	1.7 pps
EBT	€ m	7.4	9.6	31.2%
Net result for the period	€ m	5.2	6.8	30.7%
Employees				
Group (average)	persons	1,035	1,053	1.7%
Investments in tangible assets	€ m	1.8	2.6	40.4%

FOREWORD

Dear shareholders,

The Leifheit Group has finished the first half of the current financial year with clear improvements to its results. For the Group as a whole, we achieved a turnover of € 113.2 million – compared with the same period last year, this corresponds to an increase of 4.5%. In view of the growth forecast ranges for this year, we are therefore rather satisfied with the progress made in the first six months of the year.

This development was pushed forwards by a dynamic performance in Brand Business. In this segment we achieved growth in turnover of 6.1% to € 95.9 million. The cleaning and laundry care categories in particular showed very positive development. By comparison, turnover in our smaller segment of Volume Business decreased slightly. For the first half of 2015, we registered turnover of € 17.3 million, which was 3.4% lower than in the same period last year. Although this development must be considered in the context of our strategic focus on Brand Business, however, we are still working towards stabilising this segment.

We also registered a significant improvement in earnings as compared with the first half of 2014. EBIT amounted to € 10.4 million, € 2.3 million more than in the same period last year. The Group benefited from increased contribution margins generated by the growth in turnover as well as from a positive foreign currency result. As a result, the EBIT margin increased significantly to 9.2%.

At the same time as implementing concrete measures to increase turnover, we also started tackling other targets in year one of our comprehensive “Leifheit 2020” strategy. One example is the groundbreaking ceremony for the new logistics centre at our Czech facility in Blatná. As announced in our 2014 annual financial report, this new build will boost the efficiency of our distribution to the Eastern Europe growth region.

Another milestone was the successful implementation of a new SAP warehouse management system at our central logistics hub in Zuzenhausen, which is helping us to be able to serve customer requirements with more flexibility.

This financial year, the economic instability in Greece, Russia and Ukraine looks likely to continue, along with lower growth expectations in the US – all influencing consumer confidence.

Despite this, we are actually increasing our existing turnover projections made earlier this year with the presentation of these half-year results. We are currently expecting to see growth in Group turnover of between 3% and 4% for 2015 as a whole and EBIT towards the top of the forecast range at between € 19 and € 20 million, provided that the US dollar rate remains similar to its value on 31 March 2015 by the end of the year, i.e. around USD 1.07 per euro.

Leifheit Aktiengesellschaft
The Board of Management

Thomas Radke Dr Claus-O. Zacharias

THE LEIFHEIT SHARE

Capital markets positive in the first half

The SDAX, which is the reference index to the Leifheit share, continued to rise until mid-April, when it reached a high of 8,877 points before becoming more volatile for the rest of the first half of the year. The SDAX finished the second quarter at 8,577 points. Compared with the start of the year, this corresponds to growth of 19.4% in the first half of 2015.

Leifheit share reached a new record high in April

The Leifheit share (ISIN DE0006464506) was characterised by high volatility in the first half of the year. The share price started the year with very positive development, attaining an all-time high of € 59.66 on 21 April 2015. Following the shifting of shares previously belonging to the former anchor shareholder Home Beteiligungen GmbH at the end of April, coupled with the general instability of the stock markets due to the crisis in Greece in June, our share fell from its record high and stabilised at roughly the same level as it was in mid-2014. Our share finished the second quarter valued at € 42.75. Leifheit AG market capitalisation amounted to approximately € 214 million on 30 June 2015.

Significant increase in trading volume

The average Xetra trading volume in Q2 2015 was around 12,984 shares per day, six times higher than in Q1 2015 (average trading volume in Q1 2015: 2,133 shares per day). The main reason for this disproportionately high trading volume was the shifting of shares previously owned by Home Beteiligungen GmbH to new investors at the end of April 2015.

Analyst assessments still positive

A total of six analyst reports were made for the Leifheit share in the second quarter of 2015. The majority gave a recommendation to buy, with price targets between € 50.00 and € 60.00 for the next 12 months.

Shareholder structure

Our shareholder structure changed significantly after the share package belonging to Home Beteiligungen GmbH was shifted. According to the definition of the German stock exchange for indices, Leifheit AG had a free float of around 76% as at 30 June 2015.

MKV Verwaltungs GmbH, Grünwald (D)	10.03%
Joachim Loh, Haiger (D)	8.26%
Leifheit AG, Nassau (D) – treasury shares	4.97%
Restricted employee shares	0.11%
Free float	76.63%

INTERIM MANAGEMENT REPORT AS AT 30 JUNE

Foundations of the Group

The foundations of the Group did not change significantly in the first half of 2015. For more information, please refer to the statements made in the 2014 annual financial report.

Personnel changes in Group organs

There were no additional personnel changes in the organs of Leifheit AG during the reporting period.

Economic environment

Global economy continues to grow

The economic prospects in our European sales regions changed only slightly during the second quarter of 2015. As compared to its last forecast from April, the International Monetary Fund (IMF) expects to see increases in growth for Spain and Italy in particular, with predictions of 0.6 and 0.2 percentage points respectively. Overall, the Eurozone with our core market of Germany should undergo steady development. The outlook for the Russian economy was once again revised upwards by 0.4 percentage points in the second quarter. By contrast, the IMF revised its forecast for the US economy downwards by 0.6 percentage points.

German consumer confidence decreased slightly

After three consecutive increases, the ifo institute's economic climate index for the industrial sector in Germany once again decreased in June 2015. One of the reasons listed for this was the increasing uncertainty due to the emerging crisis in Greece.

Consumer confidence also decreased slightly. According to statistics from the GfK market research institute, the consumer confidence index decreased to 10.1 points in June after reaching 10.2 points the previous month. A similar development was observed in the consumption forecast and the consumer purchasing inclination. Only consumer income forecasts continued to rise in the first half of the year. One reason for this is the positive situation on the employment market as a result of the strong domestic economy in Germany.

Currency developments

While the euro significantly decreased in value in the first three months of the current financial year, it started to become stronger again during the second quarter. At the end of the second quarter of 2015, one euro was worth 1.11 US dollars (31 March 2015: USD 1.07/€).

Net assets, financial position and results of operations

Business performance

Significant gains in Group-wide growth

In the first half, the Leifheit Group increased its turnover by 4.5% to € 113.2 million (previous year: € 108.3 million). This growth was exclusively due to Brand Business. We benefitted in particular from strong demand for our cleaning products. By contrast, Volume Business remained slightly below expectations.

We achieved the highest growth once again in our domestic market Germany. Here, turnover increased by 8.8% to € 54.0 million (previous year: € 49.6 million), meaning Germany is still the biggest individual market for our products.

In the region of Central Europe (excluding Germany), we achieved turnover of € 45.5 million at the previous year's level (€ 45.5 million). Satisfactory growth in Austria and Scandinavia was countered by decreases in turnover in France and the Netherlands.

Demand in the Eastern European markets continued to grow, despite the ongoing instability in Russia. Overall, turnover for the Eastern European region increased by 2.7% to € 8.6 million (previous year: € 8.4 million). The Czech Republic once again experienced notable growth, as did Poland and Slovakia. In line with expectations, turnover in Russia and Ukraine remained below the previous year's values.

Beyond our European sales markets, we made further progress in the first half of 2015, achieving growth of 6.1% amounting to € 5.1 million (previous year: € 4.8 million).

Overall, the distribution of turnover by region reveals our strong presence in the European household products market. In the first half of 2015, we achieved 47.7% of our turnover in Germany, followed by Central Europe with 40.1% and Eastern Europe with 7.6%. Our overseas markets contributed 4.6% of Group turnover in the first six months of the year. At 52.3%, we sold slightly fewer products abroad in the first half of 2015 than we did in the same period last year (previous year: 54.2%).

Turnover from Brand Business continues to grow

As was the case for the first quarter, we once again experienced strong growth in turnover from our Brand Business in the second quarter of the financial year. Turnover in this segment increased by 6.1% to € 95.9 million (previous year: € 90.4 million). This high increase is primarily due to the increased demand for our cleaning and laundry care products.

On a country-by-country basis, we recorded the highest levels of growth in Brand Business in Germany, Austria and the Czech Republic. However, we suffered some decreases in France and the Netherlands. With the expansion of our business as a listed supplier, we will counteract this development with the aim of getting both these countries back on track for growth in the second half of the year.

Overall, our Brand Business will remain the focus of our efforts. With the “Leifheit 2020” strategy, we will focus on developing this segment in order to accelerate growth. The positive growth in turnover in the first half of 2015 increased the proportion of Brand Business in total Group-wide turnover by 1.3 percentage points to 84.8%.

US business affecting Volume Business

Volume Business decreased slightly in the first six months of 2015. Turnover amounted to € 17.3 million (previous year: € 17.9 million), 3.4% lower than in the same period last year.

In this segment, we achieved growth in the laundry care category during the reporting period, largely accounted by our French subsidiary Herby. We also made progress in the cleaning category. These increases, however, were countered by decreases in our kitchen goods category. Although our subsidiary Birambeau was partly able to compensate for the partial delisting of our products by a major French retail client, project business with kitchen goods still shrank significantly in the US.

Development of results of operations

Earnings still significantly influenced by foreign currency result

In the first half of 2015, we achieved earnings before interest and taxes (EBIT) of € 10.4 million (previous year: € 8.1 million). The contribution margin from higher turnover and the increased foreign currency result led to the growth in comparison to the same period last year.

Adjusted for the foreign currency result, EBIT in the first half of the year amounted to € 8.5 million (previous year: € 7.6 million). The main reason for the increase of € 0.9 million was the contribution margin from increased turnover.

In the first six months of 2015, we achieved earnings before taxes (EBT) of € 9.6 million (previous year: € 7.4 million), which developed in line with EBIT. After deducting taxes, this amounted to a net result for the first half-year of € 6.8 million (previous year: € 5.2 million).

Gross profit

Gross profit rose by € 0.8 million to € 52.2 million in the first half of 2015 (previous year: € 51.4 million). The gross profit is calculated from the turnover less cost of turnover. This increase within the reporting period was partly due to the contribution margin from higher turnover.

The gross margin decreased from 47.4% to 46.1%. This is defined as gross profit in relation to turnover. The 1.3 percentage point decrease in the gross margin was largely due to higher purchase prices for goods in US dollar as a result of exchange rates. This effect could be compensated partly by currency forwards in the foreign currency result.

Research and development costs

Our research and development costs mainly include personnel costs, costs for services and patent fees. They amounted to € 2.2 million, € 0.4 million above the amount for the previous year. The extra personnel in research and development and external services, required as a result of the strategic focus on the innovative prowess of the company, led to this increase.

Distribution costs

The distribution costs, which also include advertising and marketing costs, as well as freight out and shipping charges, amounted to € 34.5 million for the reporting period, which was roughly the same as the level of the previous year (previous year: € 34.3 million).

Administrative costs

Our administrative costs decreased by € 0.4 million to € 7.6 million in the first six months of the year (previous year: € 8.0 million). This decrease was primarily due to the one-off adjustment of the provision for a longer-term bonus in the previous year. In addition to the personnel costs and costs for services, administrative costs also include the expenditures for supporting our financial and administrative functions.

Other operating income and expenses

The increase in other operating income by € 0.3 million to € 0.8 million in the reporting period was largely due to income from the sale of a warehouse. In addition, this item primarily comprises commission and licensing income. Other operating expenses remained constant at € 0.2 million.

Foreign currency result

Our foreign currency result rose by € 1.4 million to reach € 1.9 million in the first half of 2015 (previous year: € 0.5 million). This result included income from changes in the fair value of currency forwards of € 1.0 million (previous year: € 0.8 million), foreign currency valuation expenditure of € 0.3 million (previous year: income of € 0.2 million) and foreign exchange gains of € 1.2 million (previous year: losses of € 0.5 million).

Interest and financial result

At € -0.7 million, the interest and financial result was around the same level as the previous year (previous year: € -0.8 million) and consisted primarily of interest expenses from the compounding of pension obligations of € 0.7 million (previous year: € 1.0 million).

Taxes

In the first half of 2015, income taxes amounted to € 2.9 million (previous year: € 2.2 million). Taxes increased as a result of the rise in EBT. The tax ratio was 29.9% (previous year: 29.6%). The figure reflects the relationship between income taxes and earnings before taxes.

Segment results

In Brand Business, we achieved a much higher EBIT of € 9.1 million in the first half of 2015 than we did in the same period last year (previous year: € 6.9 million). This rise was largely due to the increased contribution margin resulting from higher turnover and due to the increased foreign currency result. At 49.1%, the gross margin was slightly lower than last year's value of 50.1%. As a result of the increase in turnover, gross profit reached € 47.1 million – an increase of € 1.8 million. In the first six months of the current financial year, the contribution margin was € 39.3 million (previous year: € 38.1 million). This is defined as gross profit minus commissions and freight out.

In Volume Business, EBIT amounted to € 1.3 million (previous year: € 1.2 million). The lack of contribution margins due to the fall in turnover and higher purchase prices as a result of exchange rates were overcompensated by the increase in the foreign currency result. The gross margin fell significantly by 4.3 percentage points from 34.0% in the first half of 2014 to 29.7%. Currency effects and shifts in the product mix were the major influencing factors here. In absolute terms, gross profit decreased by € 1.0 million to € 5.1 million. The contribution margin amounted to € 4.4 million (previous year: € 5.5 million).

Development of the financial situation

Capital structure

As at 30 June 2015, our debt ratio was 55.9%, which was 1.6 percentage points lower as compared to 31 December 2014. This key figure is given by the ratio of debt to the sum of equity and liabilities. The decrease in pension obligations of € 3.2 million and the decrease in trade payables and other liabilities of € 1.9 million were significant contributors to this.

As at 30 June 2015, our liabilities largely consisted of pension obligations amounting to € 65.9 million, trade payables and other liabilities amounting to € 46.0 million and provisions with a value of € 7.6 million. As in the previous year, we had no liabilities to credit institutions.

The equity ratio, i.e. the equity as a percentage of total equity and liabilities, amounted to 44.1% (31 December 2014: 42.5%).

Development of Group liquidity

In the first six months of 2015, the liquidity of the Group decreased by € 3.9 million, and totalled € 58.9 million as at 30 June 2015. It includes cash and cash equivalents in the form of bank balances, and financial assets in the form of short-term securities.

We maintained credit balances in the amount of € 54.9 million as at 30 June 2015. This comprised demand deposits and fixed deposits which may be terminated within three months. The financial assets comprised an investment in the form of a registered bond valued at € 4.0 million.

The € 3.9 million decrease in Group liquidity as at 30 June 2015 as compared with 31 December 2014 largely resulted from the payment of dividends, the financing of increased inventories and investments, as well as the reduction in liabilities that were not overcompensated for by other cash flows.

Analysis of the Group statement of cash flow

Cash flow from operating activities amounted to € 7.4 million in the reporting period (previous year: € 10.6 million). The decrease was primarily due to the sharper rise in inventories and sharper decrease in trade payables and other liabilities in the first half of 2015.

Cash flow from investment activities amounted to € 2.6 million (previous year: € 0.8 million) and primarily included the investments of the first half of the year amounting to € 3.0 million (previous year: € 1.9 million). In 2014, an additional payment from securities amounting to € 1.0 million was also included.

Free cash flow

In the first six months of 2015, free cash flow amounted to € 4.8 million (previous year: € 8.8 million). This key figure indicates how much liquidity was available for the expulsion 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 principal reason for this decrease was the increase in inventories and investments and the reduction in liabilities.

Development of net assets

Balance sheet structure as at 30 June 2015

Our total assets only increased slightly by € 2.0 million as compared with 31 December 2014, rising from € 223.3 million to € 225.3 million.

As of the balance sheet date at the end of the first half, current assets amounted to € 155.1 million, which is roughly the same level as on the balance sheet date in 2014 (31 December 2014: € 154.7 million). Although inventories rose by € 6.8 million and short-term derivative financial instruments increased by € 3.4 million, trade receivables decreased by € 4.3 million, cash decreased by € 3.9 million and other current assets decreased by € 1.7 million.

As at the end of June, our non-current assets at € 70.2 million were € 1.6 million above the value on 31 December 2014. This was primarily due to the increase in non-current derivative financial instruments by € 3.2 million to € 5.2 million, and the decrease in deferred tax assets of € 1.4 million.

As a result of the strong US dollar and HK dollar, the fair value of all derivative financial instrument assets and liabilities increased by € 6.1 million to € 10.7 million in the first six months of 2015. Of this amount, € 5.1 million were included under equity and € 1.0 million under the foreign currency result.

For seasonal reasons, inventories rose to € 42.3 million. In comparison to the balance sheet date on 31 December 2014, receivables decreased in the second quarter of 2015 as a result of the lower turnover. Other current assets decreased primarily due to lower value added tax receivables. Deferred tax assets decreased largely due to the drop in actuarial losses in pension obligations as a result of the increase in discount rates.

As compared to 31 December 2014, current liabilities had decreased by € 1.2 million to € 53.6 million as at 30 June 2015. Trade payables and other liabilities decreased by € 1.9 million on the balance sheet date, while income tax liabilities increased by € 0.7 million.

On the reporting date, non-current liabilities decreased by € 1.3 million to € 72.3 million as compared to 31 December 2014. Pension obligations decreased by € 3.2 million to € 65.9 million, particularly because of the steep increase in discount rates by one percentage point to 2.45% in the second quarter. Deferred tax liabilities increased by € 1.8 million. This increase primarily affected deferred taxes on derivative financial instruments.

As compared to 31 December 2014, equity increased by € 4.5 million to € 99.3 million as at 30 June 2015. This was due to the positive net result for the period of € 6.8 million, positive other comprehensive income of € 6.3 million and dividends paid of € 8.6 million.

Investments

In the first six months of 2015, investments amounted to € 3.0 million (previous year: € 1.9 million) and primarily concerned essential tools for new products, machines, streamlining investments for production equipment, operating and business equipment. The increase of € 1.1 million as compared with the same period last year largely resulted from the expansion of our logistics capacities at our Czech facility, and the introduction of a new warehouse management system at the German logistics hub in Zuzenhausen. No significant disposals of assets occurred during the reporting period.

The investment ratio – additions to non-current assets related to historic procurement and production costs – amounted to 1.7%. We invested € 2.7 million in Brand Business and € 0.3 million in Volume Business. Investments were offset by depreciation and amortisation in the amount of € 3.0 million (previous year: € 2.9 million).

As at 30 June 2015, there were contractual obligations to purchase non-current assets amounting to € 1.7 million that will be financed from cash and cash equivalents.

Off-balance sheet assets and off-balance sheet financing instruments

In addition to the assets reported in the consolidated balance sheet, we also used to a lesser extent assets which are not capable of being accounted. This largely concerns leased and rented goods. As in previous years, no off-balance sheet financial instruments were used.

Overall assessment of management in regards to the economic situation

We were able to further accelerate Group-wide growth in the first six months of the 2015 financial year. With an increase in Group turnover of 4.5%, we are progressing as stated in our growth forecast. Despite this, we still view the situation in Greece and the conflict between Ukraine and Russia with concern. The effects resulting from this will continue to influence our business in the second half of the year.

The pleasing development in Brand Business reflects our efforts to strengthen this segment further. Although Volume Business has continued to lag behind expectations, positive signals such as the growth of our French subsidiary Herby are providing optimism that the segment is stabilising.

Our income developed very positively in the first half-year. In the first six months, we achieved an EBIT of € 10.4 million. With regard to turnover, this gives an EBIT margin of 9.2%. Our finances remain very solid. At the end of the reporting period, we had at our disposal € 58.9 million in liquid assets (31 December 2014: € 62.8 million). This means we are in a good position to be able to implement the measures involved in the “Leifheit 2020” strategy to promote organic and non-organic growth with a consistent approach.

Non-financial performance indicators

Employees

In the first six months of 2015, the Leifheit Group employed an average of 1,053 people (previous year: 1,035), of which 786 employees in Brand Business and 267 in Volume Business.

Of our total workforce, 38.6% of our employees are located in Germany, 39.4% in the Czech Republic and 15.8% in France. The remaining 6.2% of employees are located in different countries within Europe and the US.

Employees by region (average)

Locations	**1 Jan to 30 Jun 2015**	1 Jan to 30 Jun 2014
Germany	406	395
Czech Republic	415	405
France	166	172
Other countries	66	63
Group	**1,053**	**1,035**

In our Nassau headquarters, we have boosted staff numbers in the areas of product development and innovation, as well as in marketing, as part of our “Leifheit 2020” innovation and growth strategy. As a result, the number of employees in Germany increased to 406 people.

Since the second quarter of 2014, we have produced our entire range of ironing boards in-house at our plant in Blatná, Czech Republic. The number of employees in the Czech Republic thus rose to a total of 415 people.

Development and innovation

Innovation is of high importance for our market position and for achieving our growth and earnings targets. We see expenditures in research and development as investments in the success potential of our company. Leifheit invested € 2.2 million during the reporting period (previous year: € 1.8 million) in research and development activities. Thus, the R&D ratio, i.e. development expenses as a percentage of Group turnover, was 1.9% (previous year: 1.6%).

In the first half of 2015, an average of 32 people were employed in the areas of product development and patents.

Opportunities and risks report

For information on the opportunities and risks at Leifheit, please see the detailed description on pages 52 to 61 of the consolidated management report as at 31 December 2014. No material changes to our major opportunities and risks with respect to the remaining months of the financial year occurred during the reporting period, either with regard to the probable materialisation of such opportunities or risks, or with regard to any possible positive or negative effects therefrom. Furthermore, we do not expect any individual or aggregate risks that threaten the company as a going concern.

Related party transactions

Details are presented in the Notes.

Report on events after the balance sheet date

Since 30 June 2015, there were no events of special significance that would have a material impact on the net assets, financial position and results of operations of the Leifheit Group.

Forecast

Strategic focus of the Group

For an explanation of our strategy, please see the statements made in the 2014 annual financial report.

Stable economic environment

Growth projections for 2015 as a whole in Leifheit's core sales regions remain stable and have not changed significantly with regard to the statements made in the 2014 annual financial report. A growth of 1.5% is still projected for Europe. Of the major economies in the region, only the prospects for Spain and Italy have changed. The IMF expects to see higher growth rates of 3.1% and 0.7% respectively. For Russia, a decrease in economic output of 3.4% is expected for the year as a whole, which still corresponds to an improvement of 0.4 percentage points as compared with projections made in the spring. The IMF forecasts slightly lower economic growth for the US. Here, experts now expect to see an increase in GDP of 2.5% in 2015.

Instability affecting business climate in Germany

The ifo institute's business climate index is looking slightly less positive as of the end of the first half of 2015. This is primarily due to the increasing economic instability resulting from the crisis in Greece and its potential effects on the macroeconomic situation in the major national economies of the region. According to the ifo institute's statistics, the outlook for retail will also be slightly less promising than before.

Further appreciation of the US dollar against the euro expected

Further appreciation of the US dollar against the euro is expected in the second half of 2015. It is assumed that the American currency will reach a level of around USD 1.05 per euro by the end of 2015. We maintain our outlook and expect to see the US dollar valued at around the same level as on 31 March 2015 by year-end, i.e. at around USD 1.07 per euro.

Turnover expectations slightly up

Following on from the progress made in the first six months, we have revised our turnover expectations upwards slightly for the 2015 financial year. We currently expect to see Group-wide growth of 3% to 4% (previous projection: 2% to 3%). Brand Business will continue to be the focus of our activities. We expect to see growth in turnover in this segment of between 4% and 5% (previous projection: 3% to 4%). In Volume Business, we are expecting a consistent development for the 2015 financial year.

We adjusted our earnings forecast in April 2015. On the assumption of an unchanged US dollar exchange rate at the end of the year as compared to 31 March 2015, we forecast an EBIT of about € 19 to € 20 million. This revised projection remains valid and we expect to see earnings towards the top of the forecast range.

Overall statement on prospective development

For 2015 as a whole, we are expecting to see solid Group development with regard to our turnover growth and earnings. With the implementation of our "Leifheit 2020" strategy, we are consistently making the most of existing market opportunities. In this way, we are able to improve our market position and create the strategic basis for significant future growth.

UNAUDITED, CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 JUNE

Statement of profit or loss and statement of comprehensive income

k€	1 Apr to 30 Jun 2015	1 Apr to 30 Jun 2014	1 Jan to 30 Jun 2015	1 Jan to 30 Jun 2014
Turnover	55,100	52,390	113,151	108,251
Cost of turnover	-30,436	-27,297	-60,945	-56,899
Gross profit	**24,664**	**25,093**	**52,206**	**51,352**
Research and development costs	-1,179	-896	-2,191	-1,756
Distribution costs	-16,551	-16,397	-34,510	-34,311
Administrative costs	-3,133	-4,222	-7,557	-7,965
Other operating income	441	229	761	503
Other operating expenses	-55	-80	-184	-185
Foreign currency result	-1,307	412	1,860	478
Earnings before interest and taxes (EBIT)	**2,880**	**4,139**	**10,385**	**8,116**
Interest income	31	143	62	221
Interest expenses	-370	-503	-799	-1,004
Net other financial result	–	5	-1	19
Earnings before taxes (EBT)	**2,541**	**3,784**	**9,647**	**7,352**
Income taxes	-766	-1,120	-2,884	-2,176
Net result for the period	**1,775**	**2,664**	**6,763**	**5,176**
Contributions that are not reclassified in future periods in the statement of profit or loss				
Actuarial gains/losses on defined benefit pension plans	10,958	-2,500	3,150	-4,583
Effect from income taxes	-3,056	700	-815	1,283
Contributions that may be reclassified in future periods in the statement of profit or loss				
Currency translation of foreign operations	-6	4	218	-2
Currency translation of net investments in foreign operations	126	-10	201	-53
Net result of cash flow hedges	-3,308	176	5,066	179
Effect from income taxes	874	-49	-1,551	-37
Other comprehensive income	**5,588**	**-1,679**	**6,269**	**-3,213**
Comprehensive income after taxes	**7,363**	**985**	**13,032**	**1,963**
Net result for the period attributable to				
Minority interests	–	–	–	–
Shareholders of the parent company	1,775	2,664	6,763	5,176
Net result for the period	**1,775**	**2,664**	**6,763**	**5,176**
Comprehensive income after taxes attributable to				
Minority interests	–	–	–	–
Shareholders of the parent company	7,363	985	13,032	1,963
Comprehensive income after taxes	**7,363**	**985**	**13,032**	**1,963**
Earnings per share based on net result for the period (diluted and undiluted)	**€ 0.37**	**€ 0.56**	**€ 1.42**	**€ 1.09**
Earnings per share based on comprehensive income after taxes (diluted and undiluted)	**€ 1.55**	**€ 0.21**	**€ 2.74**	**€ 0.41**

Balance sheet

k€	30 Jun 2015	31 Dec 2014
Current assets		
Cash and cash equivalents	54,913	58,808
Financial assets	4,000	4,000
Trade receivables	44,368	48,644
Inventories	42,261	35,436
Income tax receivables	1,009	951
Derivative financial instruments	6,654	3,276
Other current assets	1,858	3,579
Total current assets	**155,063**	**154,694**
Non-current assets		
Tangible assets	34,931	35,007
Intangible assets	18,446	18,535
Deferred tax assets	9,950	11,388
Income tax receivables	1,552	1,520
Derivative financial instruments	5,153	1,996
Other non-current assets	158	151
Total non-current assets	**70,190**	**68,597**
Total assets	**225,253**	**223,291**
Current liabilities		
Trade payables and other liabilities	45,968	47,820
Derivative financial instruments	1,089	661
Income tax liabilities	1,070	377
Provisions	5,493	5,959
Total current liabilities	**53,620**	**54,817**
Non-current liabilities		
Provisions	2,151	2,066
Employee benefit obligations	65,858	69,019
Deferred tax liabilities	4,215	2,454
Derivative financial instruments	5	11
Other non-current liabilities	100	100
Total non-current liabilities	**72,329**	**73,650**
Equity		
Subscribed capital	15,000	15,000
Capital surplus	16,956	16,956
Treasury shares	-7,542	-7,542
Retained earnings	82,966	84,755
Other reserves	-8,076	-14,345
Total equity	**99,304**	**94,824**
Total equity and liabilities	**225,253**	**223,291**

Statement of cash flow

k€	**1 Jan to 30 Jun 2015**	1 Jan to 30 Jun 2014
Net result for the period	6,763	5,176
Adjustments for depreciation and amortisation	3,029	2,926
Change in provisions	-395	-581
Result from disposal of fixed assets and other non-current assets	-105	12
Change in inventories, trade receivables and other assets not classified as investment or financing activities	-716	846
Change in trade payables and other liabilities not classified as investment or financing activities	-1,017	2,157
Other non-cash expenses/income	-205	72
Cash flow from operating activities	**7,354**	**10,608**
Acquisition of tangible and intangible assets	-2,958	-1,937
Change in financial assets	–	1,001
Proceeds from the sale of tangible assets and other non-current assets	400	119
Cash flow from investment activities	**-2,558**	**-817**
Cash flow from financing activities	**-8,552**	**-7,837**
Effects of exchange rate differences	**-139**	**26**
Net change in cash and cash equivalents	-3,895	1,980
Cash and cash equivalents at the start of the reporting period	58,808	50,953
Cash and cash equivalents at the end of the reporting period	**54,913**	**52,933**

Statement of changes in equity

k€	Subscribed capital	Capital surplus	Treasury shares	Retained earnings	Other reserves	**Total**
As at 1 January 2014	15,000	16,934	-7,598	78,479	-8,095	94,720
Dividends	–	–	–	-7,837	–	-7,837
Comprehensive income after taxes	–	–	–	5,176	-3,213	1,963
of which net result for the period	–	–	–	5,176	–	5,176
of which actuarial gains/losses on defined benefit pension plans	–	–	–	–	-3,300	-3,300
of which currency translation of foreign operations	–	–	–	–	-2	-2
of which currency translation of net investments in foreign operations	–	–	–	–	-39	-39
of which net result of cash flow hedges	–	–	–	–	128	128
As at 30 June 2014	**15,000**	**16,934**	**-7,598**	**75,818**	**-11,308**	**88,846**
As at 1 January 2015	15,000	16,956	-7,542	84,755	-14,345	94,824
Dividends	–	–	–	-8,552	–	-8,552
Comprehensive income after taxes	–	–	–	6,763	6,269	13,032
of which net result for the period	–	–	–	6,763	–	6,763
of which actuarial gains/losses on defined benefit pension plans	–	–	–	–	2,335	2,335
of which currency translation of foreign operations	–	–	–	–	218	218
of which currency translation of net investments in foreign operations	–	–	–	–	136	136
of which net result of cash flow hedges	–	–	–	–	3,580	3,580
As at 30 June 2015	**15,000**	**16,956**	**-7,542**	**82,966**	**-8,076**	**99,304**

Selected explanatory notes

Information on the company

Leifheit AG is a publicly listed stock corporation with registered offices in Nassau/Lahn, Germany. These condensed interim consolidated financial statements of Leifheit AG and its subsidiaries relate to the period from 1 January 2015 to 30 June 2015.

Reporting principles

These condensed interim consolidated financial statements have been prepared for interim reporting purposes according to section 37x para. 3 of the German securities trading act (WpHG) and in line with International Financial Reporting Standards (IFRS), particularly according to IAS 34 and the related interpretations of the International Accounting Standards Board (IASB), as these are applicable in the European Union. These financial statements forming part of the interim financial report therefore do not contain all of the information and notes to be included in accordance with IFRS in consolidated financial statements prepared at the end of a financial year, and therefore must be read in conjunction with the consolidated financial statements as at 31 December 2014.

These condensed interim consolidated financial statements and the interim management report have been neither audited nor subjected to review by an auditor. In the view of the Board of Management, the financial statements include any necessary adjustments to ensure that they provide an accurate depiction of the actual results of operations on an interim basis. No conclusions as to future results can necessarily be drawn on the basis of the results for the reporting period ended on 30 June 2015.

The Board of Management is required, in the context of the preparation of interim consolidated financial statements in line with IAS 34, to make assessments and estimates and also to adopt assumptions which could affect the application of accounting principles in the Group and the reporting of assets and liabilities or income and expenses. The actual amounts of such items may diverge from these estimates.

The accounting and valuation principles applied in the condensed interim consolidated financial statements are, with the exception of those accounting standards to be applied for the first time, in line with those applied in the most recent consolidated financial statements as at the end of the financial year. A detailed description of the accounting principles is published in the notes to the consolidated financial statements included in our 2014 annual financial report.

The IASB has published no standards or interpretations relevant to Leifheit that have been endorsed by the EU in the process of comitology and are to be mandatorily applied for the first time in the financial year 2015. The standards and interpretations published by the IASB that are not yet to be mandatorily applied during the 2015 financial year, have not been applied.

In the interim consolidated financial statements, income taxes are recognised on the basis of the best estimate of the income tax rate expected for the entire financial year.

Cyclical and seasonal factors are described, where essential, in the “Business performance” section.

Segment reporting

Key figures by divisions		As at 30 Jun 2015			As at 30 Jun 2014		
		Brand Business	Volume Business	**Total**	Brand Business	Volume Business	**Total**
Turnover	€ m	95.9	17.3	113.2	90.4	17.9	108.3
Gross margin	%	49.1	29.7	46.1	50.1	34.0	47.4
Contribution margin	€ m	39.3	4.4	43.7	38.1	5.5	43.6
Segment result (EBIT)	€ m	9.1	1.3	10.4	6.9	1.2	8.1
Depreciation and amortisation	€ m	2.7	0.3	3.0	2.5	0.4	2.9
Employees (average)	persons	786	267	1,053	757	278	1,035

Further information on the segments and the management thereof can be found on page 86 of our 2014 annual financial report.

Scope of consolidation
The 100% subsidiary Soehnle GmbH (under incorporation), headquartered in Nassau, was established in the second quarter of 2015. The company has not yet started operations.

There were no additional changes in the scope of consolidation or major changes in the organisational structure or the business model in the reporting period.

Notes to the balance sheet and the statement of profit or loss
Notes on the major changes to items in the balance sheet and the statement of profit or loss as compared with the figures for the previous year, as well as developments in the reporting period, are presented in the interim management report.

Treasury shares
No treasury shares were acquired or used in the current reporting period or in the reporting period of the previous year.

Including the treasury shares acquired and issued in previous years, Leifheit held 248,672 treasury shares on 30 June 2015. This corresponds to 4.97% of the share capital. The amount of share capital attributable was k€ 746. An amount of k€ 7,542 was expended for this.

There are no subscription rights for members of Group organs and employees in accordance with section 160, para. 1, no. 5 AktG.

Dividend paid

Resolution of the Annual General Meeting on	**21 May 2015**	23 May 2014
Dividends per no-par-value bearer share	€ 1.80	€ 1.65
Balance sheet profit	k€ 20,673	k€ 17,370
Distribution of dividends	k€ 8,552	k€ 7,837
Retained earnings	k€ 12,121	k€ 9,533

Commitments
The Group companies have not entered into any commitments.

Financial instruments
A detailed overview of the other financial instruments, the financial risk factors and the management of financial risks is provided under note 34 on pages 100 to 103 of our 2014 annual financial report. No material changes in our financial risk profile have occurred since 31 December 2014.

Cash flow hedges
Derivative financial instruments include forward foreign exchange contracts for buying and selling US dollars and HK dollars for the financial years from 2015 to 2018 measured at fair value.

The following liabilities from forward foreign exchange transactions were recorded on the balance sheet as at 30 June 2015:

	Value of liability	Foreign currency	Nominal value
Buy USD/€	k€ 89,372	kUSD 114,144	k€ 92,106
of which hedge accounting	k€ 64,335	kUSD 82,300	k€ 65,584
Sell USD/€	k€ 10,358	kUSD 13,000	k€ 9,305
Buy HKD/€	k€ 17,243	kHKD 160,125	k€ 17,969
of which hedge accounting	k€ 6,695	kHKD 60,000	k€ 6,751

Hedging a net investment in foreign operations
As of 30 June 2015, there were loans of kCZK 316, designated as hedges of the net investment in the subsidiaries of Leifheit s.r.o. and Leifheit CZ a.s., whose functional currency is the Czech koruna. In the first half of 2015, a profit of k€ 201 was recorded from the translation of this loan under other comprehensive income.

Financial assets and financial liabilities
The book values of the derivative financial assets and financial liabilities correspond to their fair values. The other book values all correspond to amortised costs.

Derivative financial assets in the amount of k€ 11,807 and derivative financial liabilities in the amount of k€ 1,094 were valued at their fair values on the balance sheet as at 30 June 2015.

All financial instruments recorded at fair value are classified into three categories defined as follows:

Level 1: quoted market prices
Level 2: assessment procedure (input parameters observed on the market)
Level 3: assessment procedure (input parameters not observed on the market)

All financial assets and liabilities to be measured at fair value are assigned to level 2. There was no reclassification among the levels in the reporting period.

The following table shows the book values and fair values of the main financial instruments reported in the consolidated financial statements:

		Book value		Fair value	
k€	Valuation category according to IAS 39	**30 Jun 2015**	31 Dec 2014	**30 Jun 2015**	31 Dec 2014
Financial assets					
Cash and cash equivalents	a)	54,913	58,808	54,913	58,808
Trade receivables	a)	44,368	48,644	44,368	48,644
Derivative financial assets (not designated as hedging transactions)	d)	3,594	2,153	3,594	2,153
Derivative financial assets (designated as hedging transactions)	c)	8,213	3,119	8,213	3,119
Other financial assets	a)	4,665	4,783	4,665	4,783
Financial liabilities					
Trade payables	b)	17,037	15,061	17,037	15,061
Derivative financial liabilities (not designated as hedging transactions)	d)	1,083	661	1,083	661
Derivative financial liabilities (designated as hedging transactions)	c)	11	11	11	11
Other financial liabilities	b)	18,669	18,139	18,669	18,139

a) loans and receivables not quoted on an active market
b) financial liabilities carried at amortised cost
c) financial assets and liabilities measured at fair value without effects on net result for the period
d) financial assets and liabilities measured at fair value with effects on net result for the period

In the case of the current assets and liabilities, the book value represents an appropriate approximate value for the fair value. No allocation to levels 1 to 3 in accordance with IFRS 7 was therefore carried out.

Furthermore, the currency translation expenses for derivative assets and liabilities recognised in other comprehensive income amounted to k€ 5,066 (previous year: k€ 179).

As at 30 June 2015, short-term revolving lines of credit in the amount of k€ 11,500 (previous year: k€ 11,500) were available. Of this amount, k€ 440 were used in the form of guarantees as at the balance sheet date (previous year: k€ 1,207). The revolving lines of credit not drawn down thus amounted to k€ 11,060 (previous year: k€ 10,293).

Contingencies and other financial liabilities

There were rental and leasing agreements for business premises, IT and telephone equipment, vehicles and similar assets, and licensing agreements in the amount of k€ 1,319 (previous year: k€ 1,623). The future minimum payments on the basis of lease and rental agreements without cancellation option amount to k€ 910 up to one year (previous year: k€ 1,299), and k€ 409 between one and five years (previous year: k€ 324). As in the previous year, there were no corresponding payment obligations for more than five years. The leases constitute operating leases in the definition of IAS 17.

As at 30 June 2015, purchase commitments totalled k€ 722 (previous year: k€ 561).

There were contractual obligations to acquire items of tangible assets in the amount of k€ 1,531 (previous year: k€ 739), particularly for tools and expansion investments at our Czech facility in Blatná. Moreover, there were contractual obligations arising out of contracts relating to marketing measures in the amount of k€ 625 (previous year: k€ 530) and other agreements in the amount of k€ 428 (previous year: k€ 117).

There are no material contingent liabilities.

Related party transactions

There were no transactions with related parties outside the Group in the reporting period.

Nassau/Lahn, August 2015

Leifheit Aktiengesellschaft
The Board of Management

Thomas Radke Dr Claus-O. Zacharias

RESPONSIBILITY STATEMENT

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 consolidated financial statements give a true and fair view of the net assets, financial position and results of operations of the Group, in compliance with generally accepted accounting principles, and the interim consolidated management report presents a true and fair view of the business and situation of the Group, together with the principal opportunities and risks associated with the expected development of the Group for the remaining month of the financial year.

Nassau/Lahn, August 2015

Leifheit Aktiengesellschaft
The Board of Management

Thomas Radke 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 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 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 does it accept any specific obligation to, update forward-looking statements to reflect 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 contained in this financial report for the half-year and those submitted to the Federal Gazette (Bundesanzeiger). In this case, the version submitted to the Federal Gazette is binding.

In the event of any discrepancies between this English translation of the half-year financial report and the German version, the German version shall takes precedence.

FINANCIAL CALENDAR

11 November 2015	Quarterly financial report for the period ending 30 September 2015
23 – 25 November 2015	Presentation at the German Equity Forum, Frankfurt/Main, Germany

CONTACTS

Leifheit AG
PO Box 11 65
56371 Nassau/Lahn, Germany

Investor Relations:
Telephone: +49 2604 977-218
Telefax: +49 2604 977-340

Leifheit on the Internet:
www.leifheit-group.com
email: ir@leifheit.com

Aktiengesellschaft

PO Box 11 65
56371 Nassau/Lahn
Germany
Telephone: +49 2604 977-0
Telefax: +49 2604 977-300
www.leifheit-group.com
ir@leifheit.com