

I trust in Leifheit



At a glance

- EBIT increases by 51.9%
- Group turnover down slightly from previous year
- 2012 earnings forecast confirmed

Group data

January to June		2012	2011	Change	
Turnover	– Group	€ million	110.5	111.4	-0.9%
	– Brand Business	€ million	90.0	88.6	1.6%
	– Volume Business	€ million	20.5	22.8	-10.4%
Foreign share			55.2%	54.3%	0.9 PP
Gross margin			44.5%	43.0%	1.5 PP
EBIT adjusted*		€ million	5.1	3.9	33.4%
EBIT		€ million	5.1	3.4	51.9%
Earnings before income taxes (EBT)		€ million	4.3	2.5	68.2%
Net result for the period		€ million	3.5	1.7	> 100%
Investments in tangible assets		€ million	4.8	1.6	> 100%
Cash flow from operating activities		€ million	2.2	-5.5	> 100%
Employees (annual average)			1,024	1,117	-8.3%

* in 2011, adjusted for unrealised currency losses from the measurement of forward foreign exchange contracts

Foreword

To our shareholders,

The goal of our “Leifheit Go!” business strategy is sustainable, profitable growth. We pursued this strategy further in the first half year of 2012 and therefore generated significantly increased earnings. With EBIT growth of 51.9%, we achieved € 5.1 million (previous year: € 3.4 million).

Our Group turnover after the first six months was € 110.5 million, slightly below the prior year level of € 111.4 million. We could not fully offset the effects of rainy summer weather and especially consumer restraint in southern European countries, despite extremely favourable development in some of our other defined focus markets such as France, Austria, Russia and the Netherlands.

Our Brand Business generated a slight increase of 1.6%, but the Volume Business suffered a decline of 10.4%. This is due mainly to our Project Business in the US.

We will therefore rework our “Leifheit Go!” strategy, adjust it to the current economic situation and especially redefine our focus markets. We will address the markets in Eastern Europe and Asia more strongly from the second half of 2012 because we see excellent growth opportunities there.

Due to the deterioration of market conditions, we are proceeding on the premise that the further effects on our main sales markets in the second half of 2012 will be moderate: a turnover increase of around 2% for the whole of 2012. We also forecast a continued, higher-than-average increase in earnings (in relation to adjusted EBIT) in the double digits.

Our share price performance also remained favourable in the first half of 2012. Thus our share price again outperformed the SDAX. We are pleased about the confidence of our investors and we will do our utmost to live up to this in the second half of the year as well.

The Leifheit share

Financial markets on a declining path

In the second quarter of 2012, the stock markets were down from the previous quarter, partly due to the continuing uncertainty from the still unclear development in Europe. The SDAX fell by around 8% in this period to close the quarter at 4,804 points.

Leifheit shares move with the market

The Leifheit share price has climbed by almost 15% since the beginning of the year. In the second quarter, the share price fell slightly in line with the movement of the market, but again put in a better performance than its benchmark index, the SDAX.

Starting from a price of € 24.56 at the beginning of April, the share reached its highest level of € 25.50 in May. The share closed on 30 June at € 23.45. This represents a decline of about 5% compared with the share price at the beginning of the second quarter. This was primarily due to the dividend discount following the Annual General Meeting, profit taking by the shareholders and the slowing capital market environment.

Trading volume increases

The trading volume of the Leifheit share rose slightly to an average of 2,206 shares per trading day in the second quarter of 2012 (Q1 2012: 2,137 shares). As of the end of the second quarter, Leifheit AG's market capitalisation amounted to approximately € 117.3 million and therefore higher than the previous year's figure of € 101.8 million.

Analysts have positive valuations

Current analyst valuations were published in the second quarter of 2012. All of their studies had buy recommendations with price targets of up to € 30.00 over a time horizon of 12 months.

No changes in the shareholder structure

The following shareholders each hold more than 5% of our company's share capital:

Home Beteiligungen, Munich	48.34%
MKV Verwaltungs GmbH, Munich	10.03%
Joachim Loh, Haiger	6.62%
Leifheit AG, Nassau	5.08%
Free float	29.93%

Interim management report and selected explanatory notes

This financial report for the first half year ending 30 June 2012 was prepared in accordance with the International Financial Reporting Standards (IFRS) formulated by the International Accounting Standards Board (IASB), in particular in accordance with the provisions of IAS 34.

The same accounting methods were applied as in the consolidated financial statements as at 31 December 2011 in addition to the standards and interpretations of the IASB and IFRIC relevant to Leifheit that are mandatory from financial year 2012. This application had no significant impact.

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

Group structure and business activities

The Leifheit Group is one of the leading European brand suppliers of household items. Our operating business is divided into two segments: Brand Business and Volume Business.

In the Brand Business, we distribute our products under three well-known brands: Leifheit, Dr. Oetker Bakeware and Soehnle. Our brand products are characterised by high-quality workmanship with a high degree of consumer benefit and are offered in the medium to high price sector.

The Volume Business of the Leifheit Group includes the French subsidiaries Birambeau and Herby as well as the Project Business. Here we offer product ranges in the medium price range plus customer-specific product developments and their manufacture as well as contract manufacturing for third parties.

Across both divisions, we distribute products in the categories of cleaning, laundry care, kitchen goods and wellbeing.

Consolidated companies

There were no changes in the consolidated companies during the reporting period.

Economic environment

Weak economic dynamic

According to the International Monetary Fund (IMF), the positive performance from the first few months of this year was continued at an only moderately positive level in the second quarter of 2012. Western Europe and North America showed at most a minimal improvement in the first six months of 2012. The current economic situation improved slightly in Asia.

The intensifying sovereign debt crisis – especially in southern European countries – also affected German economic growth. For example, the gross domestic product in Germany grew just 0.2% in the second quarter of 2012 according to the German Institute for Economic Research (DIW). In the first quarter this figure was still at 0.5%.

The inflation rate fell in the euro zone from 2.6% in the first quarter to 2.4% in the second quarter of 2012. In Germany, the inflation rate was just 1.7% at the end of June and thus the lowest rate since the end of 2010. The main reason for this easing in Germany was declining oil and petrol prices.

Euro crisis curbs economic optimism

Business sentiment varies considerably in some cases between the different countries of Europe. According to the ifo expert survey, residents of Germany and Estonia still assess the current economic situation as “good”, although the economic situation in most other EU countries is still not satisfactory – despite a slight improvement compared to the first quarter of 2012. As in the last quarter, Greece, Portugal, Italy, Spain and Cyprus were again bringing up the rear.

Consumer climate promotes high-value acquisitions

In contrast to the deteriorating economic data, Germans' income expectations improved significantly as at the end of the second quarter according to the GfK and at the same time led to a slight increase in consumption. However, due to the euro crisis and the related lack of confidence in the financial markets, consumers tended towards larger and higher value acquisitions. As in the first quarter of 2012, the domestic economy was the main pillar of economic performance in Germany.

Results of operations

Group turnover down slightly from previous year

The Leifheit Group's turnover in the first half year of 2012 was down slightly year-on-year. Group turnover decreased slightly by 0.9% to € 110.5 million (previous year: € 111.4 million).

At 49.5%, Europe excluding Germany was the largest sales market for Leifheit in the first half of 2012, followed by Germany with 44.8% and other regions with 5.7% of Group turnover. The highest growth rates were reported in Europe excluding Germany with an increase of 4.0% to € 54.7 million. Turnover in Germany decreased by 2.8% to € 49.5 million. In particular, poor weather in the spring months had a negative influence on business with rotary driers. The other regions also recorded weaker performance of € 6.3 million (previous year: € 7.9 million).

In the second quarter, the Group turnover from operating activities amounted to € 51.0 million (previous year: € 52.7 million).

Slight increase in the Brand Business

The Brand Business with our Leifheit, Dr. Oetker Bakeware and Soehnle brands was a pillar of Group turnover development in the past half year as well. This division generated a total of € 90.0 million (previous year: € 88.6 million) in turnover, corresponding to year-on-year growth of 1.6%.

This result allowed the Brand Business to further expand its share of Group turnover and achieved a figure of 81.4% – 1.9 percentage points more than the corresponding comparative period. This development is proof of our consistent application of our business strategy, which aims to strengthen the Brand Business and continue our results-oriented distribution work.

Our Brand Business posted particularly high growth in the regions of Central and Eastern Europe. In Central Europe, turnover rose to € 31.8 million (previous year: € 30.5 million). Many of our focus countries, including the markets of France, the Netherlands and Austria, which are important to our business, developed positively. Sales in Switzerland increased despite the continued strength of the Swiss franc and generated double-digit growth rates.

As expected, the tense economic situation meant decreases in turnover, especially in the sales regions of Southern Europe. The ongoing euro crisis significantly slowed turnover growth in the countries of Greece, Italy and Spain.

In Eastern Europe, turnover rose to € 8.2 million (previous year: € 7.0 million). Growth in Eastern Europe benefited in particular from high demand from Russia, the Czech Republic and the Ukraine, all of which generated good double-digit growth. This more than offset declines in Poland and Romania.

With a decrease to € 46.2 million (previous year: € 47.3 million), domestic turnover in the Brand Business was weaker than in the previous year.

The overseas region remained stable at a low level and contributed € 3.8 million (same as previous year) to Group turnover. While our turnover figures in the regions of Africa, Australia, the Far East or South America were positive, we suffered relatively high losses in turnover in the Middle East and US in particular.

In the second quarter, turnover from the Brand Business fell by 1.9% to € 40.6 million (previous year: € 41.4 million).

In detail, the development of the categories in the Brand Business was as follows:

- Our **cleaning** category put in a stable performance. As in the prior year period, we generated turnover of € 23.2 million. In this category, a reduced order volume in Germany became apparent, because most of the product innovations we introduced at the spring trade fairs will be delivered in the second half of 2012. This related mainly to the DIY market, cash and carry market and hypermarket distribution channels, whereas Internet retail improved again. Sales in Eastern Europe including Russia, Slovakia, but also France and Austria were also positive.
- At € 40.7 million (previous year: € 40.4 million), our turnover posted a slight increase in the largest category, **laundry care**. Following a good growth rate in the prior year period, the category was influenced in the first half of 2012 primarily by bad weather, which caused turnover from business with rotary driers to fall by € 1.6 million. This was reflected in particular in declining turnover in Germany in the distribution channels of DIY markets and hypermarkets. In contrast, sales development in Europe excluding Germany was pleasing. We increased turnover in each of the following countries: Czech Republic, France and the Netherlands.
- Following the realignment, the **kitchen goods** category also slightly improved its turnover in the first half of 2012 to € 12.2 million (previous year: € 12.0 million). The positive performance of our Dr. Oetker Bakeware brand in particular contributed to this increase in turnover. Growth was generated mainly in Germany, while foreign turnover was again deteriorating, especially in Southern Europe.
- After an extremely positive first half of 2011, the **wellbeing** category also put in a solid performance again as at 30 June 2012. Turnover rose slightly to € 13.5 million (previous year: € 13.3 million). Whereas our turnover with bathroom scales and relax products improved again further, business with kitchen scales remained slightly behind the previous year's level.

Weak development in the Volume Business

As in the first quarter, the Volume Business again reported a curbed performance after the first six months of 2012. Turnover decreased by 10.4% to € 20.5 million (previous year: € 22.8 million). Volume Business' share of Group turnover accordingly decreased by 1.9 percentage points year-on-year to 18.6%.

In Germany, turnover from the Volume Business fell to € 3.3 million (previous year: € 3.6 million). Turnover from the US was also weak, reaching € 2.5 million (previous year: € 4.1 million). This development was mainly due to a decline in Project Business with a US customer. Performance in the region of Central Europe was also down slightly, influenced mainly by turnover within France. Turnover fell to € 14.7 million (previous year: € 15.1 million).

In the second quarter, turnover from the Volume Business fell by 8.1% to € 10.4 million (previous year: € 11.3 million).

In detail, the development of the categories in the Volume Business was as follows:

- In line with planning, the **cleaning** category did not generate any material turnover in Volume Business in the first six months of 2012.
- Turnover from the **laundry care** category amounted to € 6.0 million (previous year: € 6.3 million). The decrease was related mainly to our subsidiary Herby in France, where a lack of sales promotions with trading partners was not fully offset.
- At 62.0%, the **kitchen goods** category still has the highest portion of turnover in the Volume Business. Turnover fell in the first half of the year to € 12.7 million (previous year: € 14.6 million) due mainly to the weaker Project Business with a US customer. This customer's high inventories at the end of 2011 resulted in a low level of new orders in the first half of 2012. Turnover development was also burdened by the deteriorating economic situation with consumer goods, especially in the US. Aside from our Project Business, our subsidiary Birambeau generated stable turnover at € 10.4 million (previous year: € 10.5 million) compared with the prior year period. However, slow sales of seasonal items due to bad weather in spring of 2012 negatively impacted development.
- As scheduled, the **wellbeing** category did not generate any material turnover in Volume Business in the first six months of 2012.
- **Contract manufacturing** at the plant in Blatná, Czech Republic, generated turnover of € 1.3 million (previous year: € 1.7 million), thus its share of the Volume Business decreased to 6.3%.

Positive development in the Group's gross margin

Contrary to the change in turnover, the Leifheit Group further improved its earnings situation in the first half of 2012. The gross margin in the Leifheit Group increased significantly by 1.5 percentage points to 44.5% (previous year: 43.0%). Price effects, innovations, product range overhauls and deliberate avoidance of low-margin business came to bear in a 1.8 percentage point increase in the gross margin of the Brand Business. The increase was offset by currency-related higher purchase prices for goods in US dollars. In contrast to the positive development in the Brand Business, the gross margin of the Volume Business fell slightly by 0.7 percentage points.

As part of our "Leifheit Go!" strategy, we generated further rationalisation successes and process optimisations in the first half of 2012, which among other things relieved the expense burden on the Group. This was offset by higher marketing expenses in the reporting period in order to drive out umbrella brand strategy and intensify our distribution activities.

Significant increase in consolidated earnings

Group EBIT rose by 51.9% to € 5.1 million in the first six months (previous year: € 3.4 million). Unrealised currency effects from the measurement of forward foreign exchange contracts totalling € 0.5 million had a negative impact on EBIT in the same period of the previous year. Adjusted for this effect, the comparable figure for the previous year was € 3.9 million.

A breakdown by division shows an increase in EBIT to € 4.0 million for Brand Business (previous year: € 1.8 million). The effects of our "Leifheit GO!" strategy are particularly clear in this division. The Volume Business is a different story. We suffered an EBIT decrease to € 1.1 million (previous year: € 1.6 million) in this area. The reasons for this were the considerable increase in purchase prices as well as the abovementioned lower turnover in particular.

We also posted a positive development in our Group EBT, which rose significantly to € 4.3 million (previous year: € 2.5 million). The net result for the period also increased by € 1.8 million to € 3.5 million (previous year: € 1.7 million).

Financial position and net assets

Liquidity

Cash flow from operating activities amounted to € 2.2 million (previous year: € -5.5 million). This was attributable to the net result for the period of € 3.5 million (previous year: € 1.7 million), depreciation and amortisation totalling € 3.2 million (previous year: € 3.3 million), the decrease in debts and other liabilities of € 1.5 million (previous year: € 6.5 million) and in particular the seasonal increase in receivables and other assets of € 2.9 million (previous year: € 4.3 million).

Cash flow from investment activities increased to € 5.8 million (previous year: € -2.3 million). Outflows for investments jumped by € 3.1 million to € 4.8 million. This was in contrast to proceeds of € 4.0 million from a purchase price receivable due to the sale of the Bathroom Furnishings division in 2010 as well as proceeds of € 6.6 million (previous year: € 0.0 million) from financial assets from the sale of promissory note loans of € 10.0 million and the purchase of a bearer bond of € 3.4 million.

Cash flow from financing activities contained mostly the paid dividend and amounted to € -6.1 million (previous year: € -14.4 million).

Investments

Additions to tangible assets amounted to € 4.8 million (previous year: € 1.6 million) and related to expansion of the production plant in the Czech Republic, tools for new products, machinery, rationalisation investments for production plants, display stands as well as tools and equipment. Additions to intangible assets were € 0.1 million (previous year: € 0.1 million).

The investment ratio amounted to 2.9% of the historic cost of the assets. We invested € 4.5 million in Brand Business and € 0.3 million in Volume Business. Investments were offset by depreciation of tangible assets amounting to € 2.5 million and amortisation of intangible assets to € 0.7 million.

Balance sheet structure

Total assets decreased by € 4.1 million, from € 198.9 million on 31 December 2011 to € 194.8 million. Cash and cash equivalents climbed by € 1.8 million to € 31.3 million, whereas financial assets decreased by € 6.6 million to € 3.4 million owing to an investment in the form of a bearer bond and inflows from promissory note loans.

Trade receivables fell by € 2.4 million to € 43.6 million as against 31 December 2011, while inventories increased by € 5.7 million to € 44.1 million due to turnover. Other current assets fell by € 5.0 million to € 2.2 million. This related mainly to the remaining considerations of € 4.0 million from the sale of the Bathroom Furnishings division as well as the decrease in VAT receivables.

Trade payables decreased by € 1.4 million to € 45.5 million as against 31 December 2011.

Equity fell from € 98.9 million as at 31 December 2011 to € 96.5 million. This was chiefly attributable to the payment of the dividend of € 6.2 million. The net result for the first half year of 2012 of € 3.5 million offset this figure. The equity ratio was 49.5%

Treasury shares

In the period under review, Leifheit used 3,646 treasury shares to issue employee shares. This corresponded to 0.07% of the share capital. The corresponding interest in the share capital was k€ 11. No treasury shares were purchased in the first half year of 2012. Including the treasury shares purchased and issued in previous years, we held 253,954 shares (5.08% of the share capital) with a value of k€ 7,750 as at 30 June 2012.

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

Other financial liabilities

There are rental and leasing agreements for business premises, IT and telephone equipment, vehicles and similar assets and licensing agreements in the amount of € 4.5 million (previous year: € 5.2 million). The minimum lease payments under uncancellable operating leases amount to € 1.4 million up to one year (previous year: € 1.5 million), € 2.7 million between one and five years (previous year: € 3.2 million) and € 0.4 million for more than five years (previous year: € 0.5 million). The leases constitute operating leases within the meaning of IAS 17.

As at 30 June 2012, there were purchase commitments totalling € 1.3 million (previous year: € 1.0 million).

There are contractual obligations to acquire items of tangible assets amounting to € 2.6 million relating to tools in particular.

In addition, there are payment obligations from forward foreign exchange contracts for currency hedging in USD totalling € 15.3 million offset by contractual payment receivables of USD 20.0 million (nominal value on 30 June 2012: € 15.8 million), as well as payment obligations of USD 27.7 million offset by contractual payment receivables of € 21.1 million (nominal value on 30 June 2012: € 21.8 million).

Contingent liabilities

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

Overall statement

After a successful 2011, we are looking back on a weaker first half of 2012 in terms of turnover development. Poor weather in the spring months had a negative influence on business with rotary driers, especially in Germany. The purchasing restraint of consumers due to the sovereign debt crisis put a significant damper on our business development, especially in the regions of Southern Europe. Business was further impaired because second quarter trade from repeat orders was held back due to the innovations presented at the spring trade fairs. However, the launch in the coming months will bring positive turnover development.

Whereas development on the earnings front gives us confidence. The key ratios here have significantly improved. The positive margin development also showed that our strategy of focussing on increasing earnings is successful.

Employees

In the first six months, the Leifheit Group employed an average of 1,024 people (previous year: 1,117) – consisting of 725 employees in Brand Business and 299 employees in Volume Business.

Locations	1 January to 30 June 2012	1 January to 30 June 2011
Germany	405	413
Czech Republic	378	431
France	176	186
Other countries	65	87
Group	1,024	1,117

The 8.3% decrease in staff mainly related to Volume Business and was due to two effects: the decline in contract manufacturing for third parties at the plant in the Czech Republic and the closing of the production plant in Tunisia in 2011. Both took place as part of our business strategy.

At 39.6%, the largest portion of our employees is in Germany, followed by 36.9% in the Czech Republic and 17.2% in France. The remaining 6.3% are spread out in different European countries and the US.

Personnel changes in Group organs

There were no personnel changes in Group organs in the reporting period in 2012.

Opportunities and risks

For information on the opportunities and risks at Leifheit, please see the detailed description in the consolidated management report as at 31 December 2011. There were no material changes in the reporting period.

In addition, we do not expect any individual or combined risks to threaten the company's continued existence as a going concern.

Related party transactions

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

The parent company in whose consolidated financial statements Leifheit AG is included in is Home Beteiligungen GmbH, Munich.

Events after the end of the reporting period

Since 30 June 2012, there have been no events of particular importance that are expected to have a significant influence on the assets, financial situation and earnings of the Leifheit Group.

Dividend paid

On 25 May 2012, a dividend of € 1.30 per no-par-value bearer share eligible to receive dividends – this is a total of € 6,169,859.80 due to 4,746,046 no-par-value bearer shares – was paid to the shareholders from the balance sheet profit of the company for financial year 2011.

Forecast

Global economic momentum wanes

For 2012, the International Monetary Fund (IMF) adjusted its second quarter forecast downward slightly. It predicts global gross domestic product (GDP) will rise by 3.5%. The IMF also still forecasts the emerging economies will continue to be the driving force with an assumed growth rate of 5.6%. The economy in the US has also recovered slightly: growth of 2.0% for 2012 as a whole is expected there. For Europe, however, the IMF continues to forecast a 0.3% decline in economic performance. GDP growth of 1.0% for 2012 is expected for Germany.

European consumer confidence deteriorates further

Economic worries are influencing consumer confidence in Europe. Especially in the countries that are hit hard by the sovereign debt crisis, this is resulting in a worsening consumer mood and also lower retail turnover. Consumers in Greece, Spain, Italy and Portugal are particularly pessimistic with regard to the future, which has a corresponding effect on consumption trends there. In contrast to this, sentiment in France is cautiously positive.

In Germany, the sentiment is mixed. Even though GfK shows the propensity to buy will remain positive for private households, many Germans are increasingly worrying about economic development. Sentiment is similar in specialised trade. According to a survey of specialist dealers regarding turnover expectation in the next six months, 75% of them assessed in April that their turnover would remain about the same. 21% of the companies are expecting a decline in turnover, while only 4% of those questioned expect a positive development in turnover.

Forecast for the second half of the year for the Leifheit Group

The economic outlook for our business has further deteriorated in the first half of the year. In light of the continued uncertain economic development, we still consider ourselves to be well positioned. However, we cannot escape increasing consumer restraint, which is due in large part to the ongoing sovereign debt crisis in Europe. That is why we will rework our “Leifheit Go!” strategy and adjust it to the changed framework conditions. We will redefine our focus markets in particular. We will address the markets in Eastern Europe and Asia more strongly from the second half of 2012 because we see excellent growth opportunities there.

We will also adjust our expected turnover for 2012 as a whole. On the premise that the further effects on our main sales markets in the second half of 2012 will be moderate, we are expecting a turnover increase of around 2% for the whole of 2012.

Provided that the USD/EUR exchange rate improves, we still expect a higher-than-average increase in earnings (in relation to adjusted EBIT) of at least 10%. Growth is planned in Brand Business only, while the development in Volume Business is expected to remain constant at most.

Despite challenging market conditions, we are essentially confirming our earnings forecast for 2012 as a whole. The following reasons give us confidence that we will continue to reach this goal:

- Our “Leifheit Go!” strategy is demonstrating positive momentum. We assume that the effects will continue to grow in the second half of the year and we will be able to further increase our profitability.
- Growth-promoting investments totalling € 9.4 million are planned from own funds for 2012 as a whole.
- We are strengthening our position in the competitive environment by launching further product innovations in the second half of 2012. The retail market is already awaiting them.

We are continuing to work on achieving sustainable growth in turnover and earnings and increasing our profitability in the long term.

Interim financial statements (summary)

Consolidated statement of comprehensive income

k€	1 April to 30 June 2012	1 April to 30 June 2011	1 January to 30 June 2012	1 January to 30 June 2011
Turnover	51,048	52,757	110,465	111,425
Cost of sales	-28,329	-30,003	-61,255	-63,485
Gross profit	22,719	22,754	49,210	47,940
Research and development costs	-814	-917	-1,624	-1,797
Distribution costs	-17,151	-16,568	-36,098	-35,374
Administrative costs	-2,955	-3,358	-6,388	-6,405
Other operating income	916	676	1,075	1,021
Other operating expenses	-310	-174	-805	-428
Foreign currency losses	-53	-549	-232	-1,574
Earnings before interest and taxes (EBIT)	2,352	1,864	5,138	3,383
Net interest result	-388	-449	-867	-843
Earnings before income taxes (EBT)	1,964	1,415	4,271	2,540
Income taxes	-264	-361	-795	-854
Net result for the period	1,700	1,054	3,476	1,686
Components of comprehensive income after taxes taken directly to equity				
Currency translation of foreign operations	-80	28	70	71
Currency translation of net investments in foreign operations	-238	103	84	338
Comprehensive income after taxes	1,382	1,185	3,630	2,095
Net result for the period attributable to				
Minority interests	-13	-3	-16	-2
Shareholders of the parent company	1,713	1,057	3,492	1,688
Net result for the period	1,700	1,054	3,476	1,686
Comprehensive income attributable to				
Minority interests	-17	-3	-18	-2
Shareholders of the parent company	1,399	1,188	3,648	2,097
Comprehensive income after taxes	1,382	1,185	3,630	2,095
Earnings per share (diluted and undiluted)	€ 0.36	€ 0.22	€ 0.73	€ 0.36

Consolidated balance sheet

k€	30 June 2012	31 Dec 2011
Current assets		
Cash and cash equivalents	31,289	29,511
Financial assets	3,378	10,000
Trade receivables	43,636	46,067
Inventories	44,108	38,382
Income tax receivables	697	433
Derivative financial instruments	584	46
Other current assets	2,219	7,183
Total current assets	125,911	131,622
Non-current assets		
Financial assets	5	5
Tangible assets	37,538	35,175
Intangible assets	19,784	20,398
Deferred tax assets	7,804	8,031
Income tax receivables	3,554	3,465
Other non-current assets	183	184
Total non-current assets	68,868	67,258
Total assets	194,779	198,880
Current liabilities		
Trade payables and other liabilities	45,511	46,910
Derivative financial instruments	783	585
Income tax liabilities	158	241
Provisions	4,726	5,061
Other current liabilities	14	31
Total current liabilities	51,192	52,828
Non-current liabilities		
Provisions	2,385	2,524
Employee benefit obligations	42,585	42,274
Deferred tax liabilities	2,066	2,228
Other non-current liabilities	87	85
Total non-current liabilities	47,123	47,111
Equity		
Subscribed capital	15,000	15,000
Capital surplus	16,934	16,934
Treasury shares	-7,750	-7,813
Appropriated surplus	69,534	72,212
Translation reserve	2,677	2,521
Minority interests	69	87
Total equity	96,464	98,941
Total equity and liabilities	194,779	198,880

Changes in Group equity

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

k€	Subscribed capital	Capital surplus	Treasury shares	Appropriated surplus	Translation reserve	Total
As at 1 January 2011	15,000	16,934	-7,685	74,364	2,813	101,426
Purchase of treasury shares	-	-	-128	-	-	-128
Dividends	-	-	-	-14,227	-	-14,227
Comprehensive income	-	-	-	1,688	409	2,097
of which net result for the period	-	-	-	1,688	-	1,688
of which currency translation of foreign operations	-	-	-	-	71	71
of which currency translation of net investments in foreign operations	-	-	-	-	338	338
As at 30 June 2011	15,000	16,934	-7,813	61,825	3,222	89,168
As at 1 January 2012	15,000	16,934	-7,813	72,212	2,521	98,854
Issue of treasury shares	-	-	63	-	-	63
Dividends	-	-	-	-6,170	-	-6,170
Comprehensive income	-	-	-	3,492	156	3,648
of which net result for the period	-	-	-	3,492	-	3,492
of which currency translation of foreign operations	-	-	-	-	72	72
of which currency translation of net investments in foreign operations	-	-	-	-	84	84
As at 30 June 2012	15,000	16,934	-7,750	69,534	2,677	96,395

The changes in Group equity were as follows:

k€	Shareholders of the parent company	Minority interests	Total equity
As at 1 January 2011	101,426	90	101,516
Purchase of treasury shares	-128	-	-128
Dividends	-14,227	-	-14,227
Comprehensive income	2,097	-2	2,095
of which net result for the period	1,688	-2	1,686
of which currency translation of foreign operations	71	-	71
of which currency translation of net investments in foreign operations	338	-	338
As at 30 June 2011	89,168	88	89,256
As at 1 January 2012	98,854	87	98,941
Issue of treasury shares	63	-	63
Dividends	-6,170	-	-6,170
Comprehensive income	3,648	-18	3,630
of which net result for the period	3,492	-16	3,476
of which currency translation of foreign operations	72	-2	70
of which currency translation of net investments in foreign operations	84	-	84
As at 30 June 2012	96,395	69	96,464

Consolidated statement of cash flow

k€	1 January to 30 June 2012	1 January to 30 June 2011
Net result for the period	3,476	1,686
Adjustments for depreciation and amortisation	3,215	3,345
Decrease/increase in provisions	-163	193
Profit/loss on disposal of non-current assets	-9	38
Increase in inventories, trade receivables and other assets not classified as investment or financing activities	-2,862	-4,324
Decrease in trade payables and other liabilities not classified as investment or financing activities	-1,507	-6,475
Cash flow from operating activities	2,150	-5,537
Proceeds from the sale of a division	4,000	-
Acquisition of tangible and intangible assets	-4,847	-1,703
Investments in financial assets	-	-678
Proceeds from financial assets	6,622	-
Proceeds from the disposal of non-current assets	30	48
Cash flow from investment activities	5,805	-2,333
Issue/purchase of treasury shares	63	-128
Dividends paid to the shareholders of the parent company	-6,170	-14,227
Cash flow from financing activities	-6,107	-14,355
Effects of exchange rate differences	-70	6
Net change in cash and cash equivalents	1,778	-22,219
Current funds at the start of the period under review	29,511	26,256
Current funds at the end of the period under review	31,289	4,037

Group segment reporting

Key figures by division as at 30 June 2012		Brand Business	Volume Business	Total
Turnover	€ million	90.0	20.5	110.5
Gross margin	€ million	42.0	7.2	49.2
Contribution margin	€ million	34.1	6.4	40.5
EBIT	€ million	4.0	1.1	5.1
Depreciation and amortisation	€ million	2.5	0.7	3.2
Employees (annual average)		725	299	1,024

Key figures by division as at 30 June 2011		Brand Business	Volume Business	Total
Turnover	€ million	88.6	22.8	111.4
Gross margin	€ million	39.8	8.2	48.0
Contribution margin	€ million	31.9	7.3	39.2
EBIT adjusted*	€ million	2.3	1.6	3.9
EBIT	€ million	1.8	1.6	3.4
Depreciation and amortisation	€ million	2.7	0.6	3.3
Employees (annual average)		743	374	1,117

* adjusted for unrealised currency gains and losses from the measurement of forward foreign exchange contracts

Report of the Board of Management

The Board of Management declares that, to the best of its knowledge, and in accordance with the applicable reporting principles for interim reporting, the interim financial statements give a true and fair view of the assets, earnings and financial position of the Group, and the interim management report presents a true and fair view of the business and situation of the Group, together with the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Nassau/Lahn, August 2012

Leifheit Aktiengesellschaft
The Board of Management



Georg Thaller



Dr Claus-O. Zacharias

Disclaimer

Forward-looking statements

This half year financial report contains forward-looking statements that are based on the management's current estimates regarding future developments. Such statements are subject to risks and uncertainties which are beyond Leifheit's ability to control or estimate precisely, such as statements on the future market environment and economic conditions, the behaviour of other market participants and government measures. If one of these uncertain or unforeseeable factors occurs or the assumptions on which these statements are based prove inaccurate, actual results could differ materially from the results cited explicitly or contained implicitly in these statements. Leifheit neither intends to, nor 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 in this half year financial report 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 take precedence.

Key dates

- **8 November 2012**
Quarterly financial report for the period ending 30 September 2012

- **13 November 2012**
Presentation at the German Equity Forum, Frankfurt/Main



Aktiengesellschaft

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