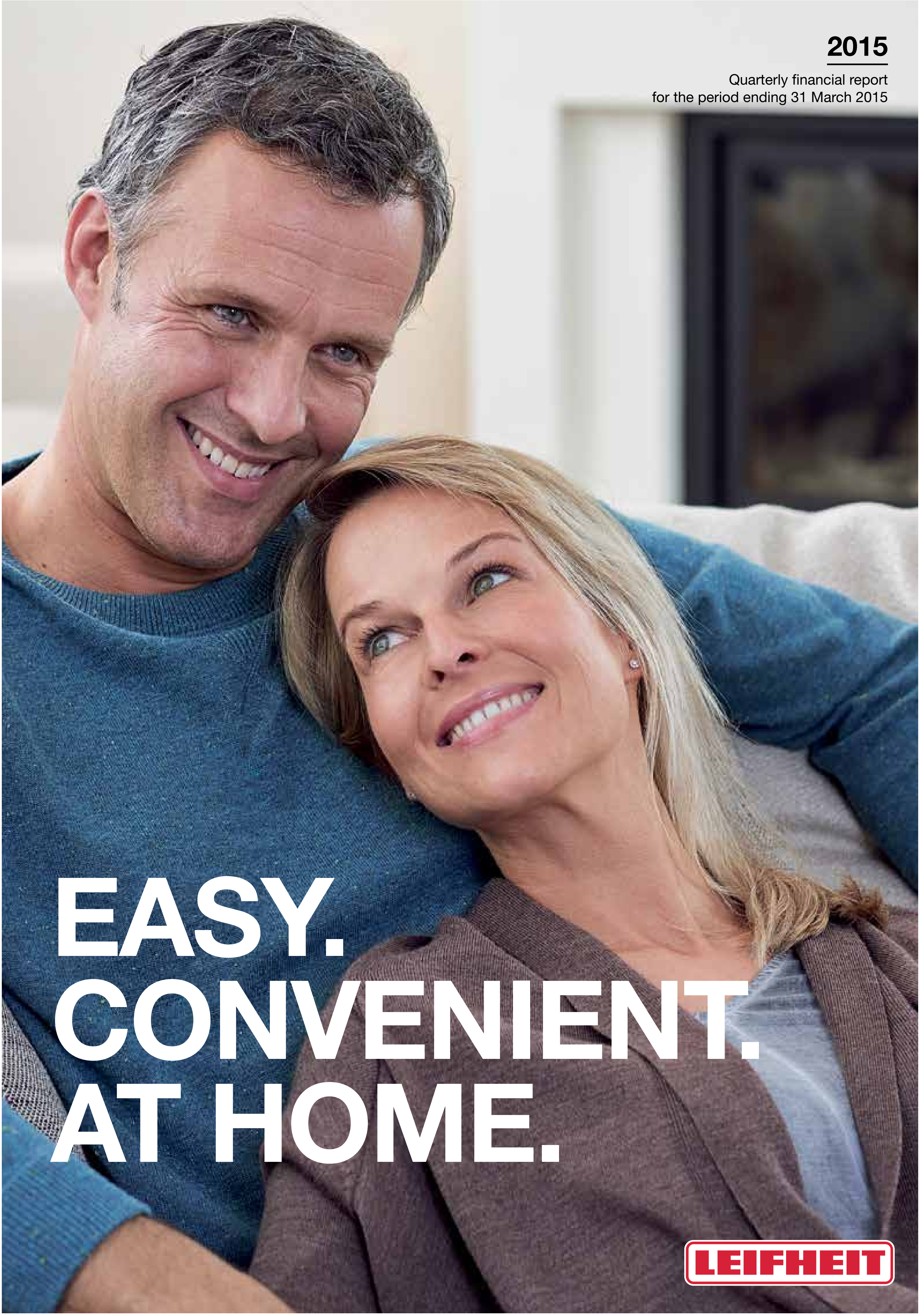
2015

Quarterly financial report
for the period ending 31 March 2015



AT A GLANCE

- Group turnover increases by 3.9% to € 58.1 million
- Brand Business achieves significant increase in turnover of 5.1%
- Gross margin rises to 47.4%
- EBIT improves to € 7.5 million, partly due to significant foreign currency effects
- Earnings forecast for total year increased

KEY FIGURES ON THE GROUP AS AT 31 MARCH

		2014	**2015**	Change
Turnover				
Group	€ m	55.9	58.1	3.9%
Brand Business	€ m	47.0	49.5	5.1%
Volume Business	€ m	8.9	8.6	-2.4%
Foreign share	%	54.6	52.3	-2.3 pps
Profitability				
Gross margin	%	47.0	47.4	0.4 pps
Cash flow from operating activities	€ m	2.2	0.7	-70.1%
Free cash flow	€ m	1.3	-0.4	>-100%
EBIT	€ m	4.0	7.5	88.7%
EBIT adjusted[1]	€ m	3.9	4.3	10.9%
EBIT margin	%	7.1	12.9	5.8 pps
EBIT margin adjusted[1]	%	7.0	7.5	0.5 pps
EBT	€ m	3.6	7.1	99.2%
Net result for the period	€ m	2.5	5.0	98.6%
Employees				
Group	persons	1,039	1,055	1.5%
Investment in tangible assets	€ m	1.0	1.1	12.7%

[1] adjusted for foreign currency results

FOREWORD

Dear shareholders,

Leifheit saw a positive start to the 2015 financial year with an increase in turnover of 3.9% to € 58.1 million. This trend continues to be driven by our Brand Business segment, where turnover increased significantly by 5.1% against the previous year to € 49.5 million. This growth occurred despite comparatively bad weather conditions in March, which affected the development of our laundry care product category. Cool temperatures led to lower demand for our rotary dryers, which are used outdoors. This trend was more than offset, however, by the cleaning category, which showed very pleasing growth of almost 20% in the first quarter of 2015. We are continuing to register high growth in this category, particularly as a result of our window vacuum cleaner range. We will also expect this from the next generation of products, which have new features and will be launched in the course of the second half of the year. The promising launch of our Xtra Clean brush system and the success of our ultralight Air ironing boards shows that we are hitting the right notes for retailers and consumers with our product innovations. The very positive feedback from our customers at the Ambiente international consumer goods trade fair in February confirmed this.

Our Brand Business developed consistently well in Germany in the first quarter of 2015. We also enjoyed successes in Italy, Belgium and Spain. In addition, we recorded very dynamic growth rates in the Czech Republic and Poland, where we have only been active for a short time. By comparison, the markets in France, Switzerland and the UK did not do quite as well. In addition, the political situation in Ukraine and Russia had a negative impact on the trends in these countries.

In our smaller segment, Volume Business, we recorded a turnover of € 8.6 million in the first quarter, which corresponds to a decrease of 2.4% on the previous year. However, the decrease in turnover in the first three months of 2015 was much less pronounced than in the previous quarters.

Our earnings showed a pleasing development. In the first quarter of 2015, we registered a strong increase in earnings before interest and taxes (EBIT) of 88.7% to € 7.5 million as compared with the previous year. This results in an EBIT margin of 12.9%. EBIT was influenced by the positive foreign currency result of € 3.2 million, which was a result of the increase in value of the US dollar. In parallel to the growth in EBIT, earnings before income taxes (EBT) also increased significantly to € 7.1 million, while the result for the period after taxes increased to € 5.0 million.

The main focus of 2015 will be the establishment of our "Leifheit 2020" strategy as presented at the end of 2014. We have initiated a wide range of strategic projects and are gradually implementing measures to secure our strategic basis for significant growth in the future. We are expecting to see an increase in Group turnover of between 2% and 3% over the course of the year. We are expecting an increase in turnover of 3% to 4% in Brand Business and a constant development in Volume Business.

In the context of EBIT development in the first quarter of 2015, we have adjusted our earnings forecast for the full financial year 2015. On the assumption of an unchanged US dollar exchange rate at the end of the year compared to 31 March 2015, we expect an EBIT about € 19 to 20 million.

After the end of the first quarter, there was a significant change in the ownership structure of our company. With the transfer of Leifheit shares from Home Beteiligungen GmbH to several noteworthy investors, a chapter of our company history that has been ongoing since 1985 came to a close, along with a trusting and successful partnership. We see, however, the successful positioning of the Home Beteiligungen block of shares as a very positive sign for the evaluation of the future of the Leifheit Group by international capital market participants. A broader circle of shareholders also supports the appeal of our shares, and we want to shore this up with consistent and target-focused management.

Kind regards

Thomas Radke   Dr Claus-O. Zacharias

THE LEIFHEIT SHARE

Capital markets achieve record levels

Germany's leading index, the DAX, showed extremely positive growth in the first three months of the current financial year. The volatile trend, that was particularly evident at the end of 2014, was succeeded by a strong upward trend. This continued until mid-March 2015, partly driven by the acquisition of bonds by the European Central Bank. On 16 March 2015, the DAX reached an all-time high of 12,168 points. In comparison with its closing price at the end of December, the DAX increased by a good 22% in the first quarter, showing the highest quarterly gains for almost 12 years. The SDAX, which is particularly relevant to the Leifheit share, experienced a similar development and also reached an all-time high on 16 March 2015 of 8,464 points. Compared with the value at the start of the year, the SDAX recorded an increase of around 17%.

Leifheit share records a significant increase in Q1

The Leifheit share (ISIN DE0006464506) was characterised by high volatility in the first quarter of 2015 but developed very positively overall. After the price gained ground in January, it ebbed slightly in February and moved sideways within a range of € 47.00 and € 50.00 until early March. Following a sharp increase, the Leifheit share reached an all-time high of € 55.28 on 20 March 2015. Our share finished the first quarter valued at € 52.26, which corresponds to an increase in value of almost 13% in the first quarter of 2015. This means that the Leifheit share was slightly down on the development of its SDAX benchmark index.

The market capitalisation of Leifheit AG was approximately € 261 million on 31 March 2015, increasing by around € 29 million as compared with the end of the 2014 financial year (31 December 2014: € 232 million). Adjusted for treasury shares, the market capitalisation amounted to around € 248 million.

Significant increase in trading volume

The average Xetra trading volume in the first quarter of 2015 was 2,133 shares per day, which corresponds to an increase of around 19% as compared with the trading volume in Q4 2014 (average trading volume in Q4 2014: 1,790 shares per day).

Positive assessment by analysts

At the start of the year, the positive trend from the previous year in terms of analyst assessments continued. There were three assessments by analysts in the first four months, which gave buy and hold recommendations and projected values between € 48.00 and € 60.00.

Significant changes in the shareholder structure

After the end of the first quarter, there was a significant change in the ownership structure of our company. Home Beteiligungen GmbH, Munich, which, until recently held 50.49% of the share capital of Leifheit AG, sold its package of Leifheit shares to institutional investors at the end of April.

In line with the information available to us and the voting rights notification we received, as at 8 May 2015 the shareholder structure is as follows:

MKV Verwaltungs GmbH, Grünwald (D)	10.03%
Joachim Loh, Haiger (D)	8.26%
Capital Income Builder, Los Angeles (USA)	5.60%
Carmignac Gestion S.A., Paris (F)	5.49%
Union Investment Privatfonds GmbH, Frankfurt (D)	4.00%
MainFirst SICAV, Senningerberg (LUX)	4.00%
Invesco Limited, Hamilton (BMU)	3.30%
Leifheit AG, Nassau (D) - Treasury Shares	4.97%
Share ownership under reporting threshold of 3%	54.35%

As at 8 May 2015, the freefloat of the Leifheit AG was by an amount of 65,54%. The calculation is done agreeing with the definition of the German stock exchange for indices. According to this, block of shares under a threshold value of 5% belong to the freefloat.

The fixed ownership includes, independent of the amount of shares, the treasury shares, which the company hold by itself (4,97%), and employee shares with a blocking period (0,11%). They are excluded in the calculation of the freefloat.

INTERIM MANAGEMENT REPORT

Foundations of the Group

The Leifheit Group is one of the leading European brand suppliers of household items. The company stands for high-quality and innovative products with great utility and pioneering design. We are active at 15 locations in over 80 countries.

Our operating business is divided into two segments:

In the Brand Business, we distribute our products under two well-known brands: Leifheit and Soehnle. The products of our Brand Business are characterised by high-quality workmanship in combination with a high degree of consumer benefit and are offered in the medium to upper 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 category, plus customer-specific product developments and their production as well as contract manufacturing for third parties.

Across both divisions, we focus on our core competences in the categories of cleaning, laundry care, kitchen goods and wellbeing.

We design our products using our own inhouse development departments. This is especially beneficial for Brand Business, which is driven by innovation. Production takes place at our own production plants in Germany, the Czech Republic and France, as well as at the facilities of external suppliers located in various countries in Europe and Asia. We primarily develop our products for the European market, but we also draw on growth opportunities outside of Europe, such as in the US, the Middle East and the Far East. Distribution takes place via traditional retail, mainly through large retail chains and wholesalers. We are also increasingly using more modern distribution channels such as home shopping and e-commerce.

Leifheit AG has been a listed stock corporation under German law since 1984. The shares of Leifheit AG are listed in the Frankfurt Stock Exchange Prime Standard trading segment and are traded in the stock markets of Xetra, Frankfurt/Main, Berlin, Düsseldorf, Hamburg, Hanover and Stuttgart under ISIN DE0006464506. As at 31 March 2015, the market capitalisation amounted to approximately € 261 million. The company has been entered in the Commercial Register of Montabaur Local Court under HRB 2857, and its headquarters and administration offices continue to be based at its founding location in Nassau/Lahn, Germany.

The main locations of Leifheit AG in Germany are Nassau (administration and production) and Zuzenhausen (logistics). In addition, there are three foreign branches that are not independent in legal terms. Leifheit AG has eleven direct or indirect subsidiaries.

Personnel changes in Group organs

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

Economic environment

Global economy set to grow further

In its latest study, conducted in April, the International Monetary Fund (IMF) still predicts global economic growth of 3.5% for 2015 as a whole. At the same time, the IMF increased its growth expectations as compared with its previous prognosis for most industrialised countries, with the exception of the USA. However, the prognosis was reduced for some emerging economies, such as China.

Recently published data from the German Institute for Economic Research (DIW) assume growth of 0.7% for the German economy in the first quarter of 2015. According to the DIW, the main causes of this growth in German economic output are extraordinary effects such as the low oil price and the expansion of pension benefits.

Consumer climate remains positive in Germany

In March 2015, the ifo Institute's economic climate index for the industrial sector in Germany increased to 107.9 points. The index thus reached its highest point since July 2014. The reasons for this increase included the decrease in value of the euro against the US dollar, which led to increased surpluses for many export-focused companies, as well as a strong domestic economy as a result of good employment levels. In addition, the continued low oil price also had positive effects on companies. Overall, the index therefore remains at a good level.

A similarly positive development could be seen in the consumer climate. According to the GfK market research institute, the consumer climate index rose to 9.7 points in March 2015. According to GfK statistics, the upward trend of the past few months looks set to continue. In addition, GfK results showed that the economic situation and income expectations improved further, as did consumer purchasing inclination. Here, too, the main reason for the increase is the stable situation of companies, which helps to ensure good employment figures. In addition, the relaxed monetary policy of the European Central Bank has led to lower savings incentives and also promotes citizens’ consumer behaviour.

The positive economic conditions and consumer outlook are also reflected in retail. The German Federal Statistical Office stated that retail turnover in February 2015 increased in real terms by 3.6%. Online and mailorder retail once again showed particularly marked increases.

Currency developments

In the first three months of the current financial year, the euro continued to lose value and the negative trend from the previous year looks set to continue. While one euro was still worth 1.21 US dollars at the start of the reporting period, by the end of the quarter it was only worth 1.07 US dollars. This corresponds to a loss in value of nearly 12% in the first quarter of 2015.

Net assets, financial position and results of operations

Business performance

Positive first quarter reinforces Group turnover

In the first quarter of 2015, the Leifheit Group achieved turnover of € 58.1 million (previous year: € 55.9 million), which equals an increase of 3.9% as compared to the previous year. This was attained in spite of the difficult market conditions in France, as well as the bad weather conditions in the first quarter as a result of a long period of frost. The turnover in the Brand Business increased substantially, in line with our targets. At the same time, we were able to significantly reduce falls in sales in Volume Business.

Germany was our biggest growth market, with an increase in turnover of 9.2% to a total of € 27.7 million (previous year: € 25.4 million). We made almost half of our Group turnover in our home market.

In Central Europe (excluding Germany), turnover for the first quarter of 2015 amounted to € 23.6 million (previous year: € 24.3 million). This is equivalent to a decrease of 2.6%. While demand in Brand Business – particularly in our key market of France – remained lower than in the previous year, turnover in Volume Business in this region was again more positive.

In Eastern Europe, turnover was approximately the same as in the previous year at € 4.3 million (previous year: € 4.4 million). The markets in this region continued to develop in very different ways. While the ongoing instabilities with regard to the political situation in Ukraine and our commitments in Russia had a negative impact on sales and expansion efforts in both countries, countries such as the Czech Republic, Poland and Slovakia showed significant growth rates.

Outside of Europe, we achieved turnover for the rest of the world amounting to € 2.5 million (previous year: € 1.8 million). An increase in large-volume contracts for the supply of individual products from our range, known as promotions and spot business, was responsible for this. We were able to achieve success in particular in Australia and the Far East here.

The distribution of the Group turnover by region is as follows: 47.7% was in Germany, 40.6% in Central Europe, 7.5% in Eastern Europe and 4.2% in the other regions of the world. At 52.3% (previous year: 54.6%), the foreign share decreased as compared with the previous year.

Strong increase in turnover for Brand Business

In the first three months of the 2015 financial year, Brand Business once again proved to be the main sales driver. Our turnover grew considerably by 5.1% to € 49.5 million (previous year: € 47.0 million). The result is impressive because turnover in the first quarter in the home improvement/DIY distribution sales channel was lower than in the previous year as a result of longer periods of cold weather. This impacted the laundry care category in particular. However, significant growth in the cleaning category was more than able to make up for this.

As a result of this positive trend, the share of Brand Business in the overall Group turnover continued to increase during the first quarter of 2015 and reached 85.2% (previous year: 84.2%). We will also continue to put the focus on Brand Business in future as part of our “Leifheit 2020” strategy. We will continue to develop business with innovative products from our Leifheit and Soehnle brands so that we can offer consumers a broader product portfolio.

In Germany, turnover from Brand Business amounted to € 26.5 million (previous year: € 24.4 million). This exceptional growth of 8.7% was partly due to the ongoing economic health of Germany and the associated stability in domestic demand.

Turnover in Central Europe for the first three months amounted to € 16.6 million (previous year: € 17.3 million), which was slightly lower than the same period last year. We recorded decreases in particular in France, Switzerland and the UK. These trends were partly offset by strong demand for our products in Italy, Belgium and Spain.

At € 4.3 million, turnover in Eastern Europe in the first quarter of 2015 was about the same level as the previous year (previous year: € 4.4 million). As was the case in 2014, the Eastern Europe region was still suffering from the consequences of the crisis in Ukraine in the first quarter of 2015. We registered two-digit decreases in Russia and Ukraine in particular. By comparison, other countries in the region continued to develop very positively, including Poland and the Czech Republic, for example. We significantly expanded our sales activities in both countries and expect to see positive sales stimulus in the future here, too.

In the other regions of the world, the cumulative turnover in our Brand Business amounted to € 2.1 million (previous year: € 0.9 million). The significant growth is the result of several attractive spot business dealings in the Far East and Australia.

Our four product categories in the Brand Business developed as follows:

In the **cleaning** product category, we achieved exceptionally high growth of 19.9% to € 18.9 million in the first three months of the year (previous year: € 15.8 million). Our home market of Germany achieved more than 85% of the increase in sales in this product category. Additional growth came from the Czech Republic, the Netherlands and the Far East. The intensification of sales measures at the POS, our so called POS Excellence initiative, started in 2014 showed results in the home improvement/DIY distribution sales channel in particular with a significant increase in demand. We also recorded growth in the discount store sales channel. On the product side, our window vacuum cleaner range continues to enjoy very high demand. The next-generation model, which has additional features and is now being manufactured inhouse, was unveiled at the industry's leading trade fair Ambiente in February, and will provide further growth impetus from the second half of the year.

Turnover in the **laundry care** product category amounted to € 20.3 million (previous year: € 20.8 million), which corresponds to a slight decrease in turnover in our biggest product category over the first three months. The primary reason for this was the lower demand for our laundry dryers. Our rotary dryers in particular experienced lower demand due to cooler weather conditions in the first quarter. The home improvement/DIY distribution sales channel suffered in particular as a result. We expect things to pick up, however, in the second quarter. By comparison, our ironing products registered attractive turnover growth. This was influenced by the successful launch last year of our Air ironing boards featuring super-light EPP coatings, for which we launched an extensive advertising campaign in the fourth quarter of 2014. We also expect to see increases in sales over the rest of the year from this product innovation. In addition, our steam ironing products also enjoyed growth in demand, especially foreign demand.

The **kitchen goods** product category achieved turnover of € 3.8 million (previous year: € 4.1 million) in the first three months of 2015. Foreign demand was more subdued. Over the first three months of 2015, France, Switzerland and Scandinavia did not reach the same turnover level as the previous year. In Germany, we registered decreases, particularly in specialist retail and department stores, while turnover stabilised in other sales channels.

Our **wellbeing** product category, which includes turnover from the Soehnle brand, increased its turnover to € 6.5 million in the first quarter of 2015 (previous year: € 6.3 million). This meant that the downward trend of past quarters came to an end. Decreased domestic turnover from bathroom scales were offset by increased foreign demand. In terms of kitchen scales, we achieved a slight increase on the domestic market, while foreign demand remained lower than the level of the previous year. In the Central Europe region in particular, this is due to more intense competition. Turnover in our Soehnle Relax range increased primarily as a result of higher foreign demand, particularly from customers in France, the Far East and Australia.

Volume Business slightly lower than the previous year

Turnover from Volume Business amounted to € 8.6 million in the first quarter of 2015 (previous year: € 8.9 million). This means that the proportion of total turnover by Volume Business decreased to 14.8% (previous year: 15.8%). In addition to our strategic focus on Brand Business, this was primarily caused by decreasing turnover in Project Business in the US. In addition, we also had to absorb the effects of the discontinuation of a major French client.

In Germany, we recorded increased turnover in Volume Business in the first quarter of 2015 as compared with the previous year, amounting to € 1.2 million (previous year: € 1.0 million), which was a result of positive developments in Project Business.

In Central Europe, turnover remained stable at € 7.0 million (previous year: € 7.0 million). Most of our turnover from Volume Business was achieved through our subsidiaries Birambeau and Herby in France. Our activities in Eastern Europe do not currently comprise products from this segment.

We recorded a significant decrease in turnover from the rest of the world, which dropped to € 0.4 million (previous year: € 0.9 million). Our turnover in this area came almost exclusively from the US, where turnover in Project Business decreased.

Details of the performance of the Volume Business product categories are set out below:

In the **cleaning** category, as expected, we achieved only low turnover of € 0.2 million in the first quarter of 2015 (previous year: € 0.0 million) from Project Business in Scandinavia.

Turnover in the **laundry care** product category increased significantly by 18.0% to € 3.5 million in the reporting period (previous year: € 3.0 million). Our turnover in this product category is primarily generated by our French subsidiary Herby. Herby recorded growth of 13.6% during the reporting period, partly due to a new listing with a well-known Dutch retail chain and the associated regional expansion of business beyond the French market. The increase was also due to higher demand from two major French distribution partners and from Project Business with steam ironing products.

Our **kitchen goods** product category remained below the previous year's level with turnover of € 4.3 million (previous year: € 5.3 million). In this product category, we also mainly achieved turnover through our French subsidiary Birambeau, whose turnover decreased by 10.0% during the reporting period. In addition to the partial discontinuation of a major French retail client, this was also due to the overall weak development of the French economy. Project Business in the US also decreased.

In the **wellbeing** product category, we did not achieve any noteworthy turnover in the first three months, as expected.

At our Czech plant in Blatná, we are carrying out **contract manufacturing**. The turnover from this almost reached the previous year's level at € 0.5 million in the reporting period (previous year: € 0.6 million).

Development of results of operations

Earnings significantly influenced by foreign currency result

In the first three months of 2015, we achieved earnings before interest and taxes (EBIT) of € 7.5 million (previous year: € 4.0 million). These earnings were significantly influenced by the foreign currency result amounting to € 3.2 million, which, compared to the same period from the previous year, increased by € 3.1 million. The reason for this was the strong fluctuation in the US dollar price, which varied by 12% in the first quarter of 2015, from 1.21 USD/€ (31 December 2014) to 1.07 USD/€ (31 March 2015). This led to significant increases in the fair value of forward foreign exchange transactions.

Adjusted for the foreign currency result, EBIT amounted to € 4.3 million in the first quarter (previous year: € 3.9 million). The main reason for the increase of € 0.4 million was the higher gross profit.

In the first three months of 2015, we achieved earnings before taxes (EBT) of € 7.1 million (previous year: € 3.6 million). The significant increase as compared to the previous year was primarily attributable to the improvement in EBIT. After taxes, the net result for the period had increased significantly for the first quarter to € 5.0 million (previous year: € 2.5 million).

Gross profit

The gross profit rose by € 1.2 million to € 27.5 million in the first quarter of 2015 (previous year: € 26.3 million). The gross profit is calculated from the turnover less cost of turnover. During the reporting period, contribution margins from increased turnover and the increase in relative gross margin contributed to the increase.

The gross margin grew from 47.0% to 47.4%. This is defined as gross profit in relation to turnover. Rationalisation measures and the continued focus on high-margin business had a particularly marked effect here.

Research and development costs
Our research and development costs mainly include personnel costs, costs for services and patent fees. They amounted to € 1.0 million, € 0.1 million above the amount for the previous year. The extra personnel in Research and Development, which was necessary 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 € 18.0 million for the reporting period, which was roughly the same as the level of the previous year (previous year: € 17.9 million).

Administrative costs
Our administrative costs increased by € 0.7 million to € 4.4 million in the first three months of the year (previous year: € 3.7 million). The personnel costs increased primarily due to higher bonuses. In addition, maintenance expenditure was also higher. 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
Other operating income remained stable during the reporting period at € 0.3 million. This primarily comprises commission and licensing income. Other operating expenses remained constant at € 0.1 million.

Foreign currency result
Our foreign currency result rose by € 3.1 million to € 3.2 million in the first three months of 2015 (previous year: € 0.1 million). This result includes income from changes in the fair value of currency forwards of € 3.2 million (previous year: € 0.2 million), foreign currency valuation expenditure of € 0.1 million (previous year: gains of € 0.2 million) and foreign exchange gains of € 0.1 million (previous year: loss of € 0.3 million).

Interest and financial result
As in the previous year, the interest and financial result amounted to € -0.4 million and consisted primarily of interest expenses from the compounding of pension obligations of € 0.4 million (previous year: € 0.5 million).

Taxes
In the first three months of 2015, income taxes amounted to € 2.1 million (previous year: € 1.1 million). Taxes increased as a result of the increase in EBT. The tax ratio was 29.8% (previous year: 29.6%). The figure reflects the relationship between income taxes and earnings before taxes.

Segment results
At € 5.8 million in the first three months of 2015, our EBIT for Brand Business was significantly higher than in the previous year (previous year: € 3.4 million). Gross margin rose by 1.3 percentage points over the previous year from 49.4% to 50.7%. Gross profit amounted to € 25.1 million, representing an increase of € 1.9 million on the previous year. The rationalisation measures and focus on high-margin business were responsible for this. The contribution margin amounted to € 20.9 million (previous year: € 19.5 million). This is defined as gross profit minus commissions and freight out. The increase in EBIT in the Brand Business was largely due to the increase in the contribution margin and the increase of the foreign currency result of € 1.4 million each.

In Volume Business, EBIT amounted to € 1.7 million (previous year: € 0.6 million). A lack of contribution margins and higher purchase prices as a result of exchange rates were overcompensated by the increase of the foreign currency result. The gross margin fell significantly by 5.7 percentage points from 34.4% in the previous year to 28.7%. Currency effects and shifts in the product mix were the major influencing factors here. In absolute terms, gross profit fell by € 0.5 million to € 2.5 million. The contribution margin amounted to € 2.1 million (previous year: € 2.7 million).

Development of the financial situation
Capital structure
As at 31 March 2015, our debt ratio was 59.1%, which was 1.6 percentage points higher as compared to 31 December 2014. This key figure is given by the ratio of debt to the sum of equity and liabilities. The increase in pension liabilities by € 7.8 million, liabilities by € 3.6 million, deferred taxes of € 2.9 million and derivative financial instruments of € 2.2 million were the main factors here.

Our liabilities largely consisted of pension obligations amounting to € 76.8 million, trade payables and other liabilities amounting to € 51.4 million and provisions with a value of € 7.7 million as at 31 March 2015. 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 40.9% (31 December 2014: 42.5%).

Development of Group liquidity

In the first three months of 2015, the liquidity of the Group decreased by € 0.4 million, and totalled € 62.4 million as at 31 March 2015. It includes cash and cash equivalents in the form of bank balances and financial assets in the form of short-term securities.

We maintain credit balances in the amount of € 58.4 million as at 31 March 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 decrease in Group liquidity of € 0.4 million to € 62.4 million as at 31 March 2015 as compared with 31 December 2014 was largely due to the financing of increased inventories and receivables.

Analysis of the Group statement of cash flow

Cash flow from operating activities amounted to € 0.7 million in the reporting period (previous year: € 2.2 million). This decrease was largely due to the significant increase in inventories and receivables in the first quarter of 2015.

Cash outflow from investment activities amounted to € 1.1 million (previous year: cash inflow of € 0.1 million) and primarily included the investments of the first quarter of € 1.1 million (previous year: € 1.0 million). In the previous year, an additional payment from securities amounting to € 1.0 million was also included.

Free cash flow

In the first three months of 2015, free cash flow amounted to € -0.4 million (previous year: € 1.3 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 reason for this decrease was largely due to the increase in inventories and receivables.

Development of net assets

Balance sheet structure as at 31 March 2015

Our total assets increased significantly from € 223.3 million to € 246.0 million as compared with 31 December 2014. This equals an increase of 10.2%.

Current assets amounted to € 168.7 million as at the balance sheet date at the end of the quarter (31 December 2014: € 154.7 million). The strong increase of € 14.0 million was primarily due to an increase of € 6.6 million in short-term derivative financial instruments, an increase of € 5.3 million in receivables and an increase of € 3.7 million in inventories. By contrast, value added tax receivables decreased by € 1.4 million.

At € 77.3 million as at the end of March, our non-current assets were significantly higher than the value as at 31 December 2014, with an increase of € 8.7 million. This was primarily due to the increase in non-current derivative financial instruments of € 7.2 million and the increase in deferred tax assets of € 1.9 million.

As a result of the stronger US dollar and HK dollar, the fair value of all derivative financial instrument assets and liabilities increased by € 11.5 million in the first three months of 2015. Of this amount, € 8.4 million were included under equity and € 3.1 million under the foreign currency result. Receivables increased on the balance sheet date as a result of the higher turnover in the first quarter of 2015 as compared with the fourth quarter of 2014. Inventories increased firstly due to seasonal business and secondly due to slower sales of seasonal items in the first quarter of the year as a result of bad weather.

Current liabilities include trade payables and other liabilities, derivative financial instruments, income tax liabilities and provisions. As compared to 31 December 2014, they had increased by € 6.2 million to € 61.0 million as at 31 March 2015. Trade payables and other liabilities increased by € 3.6 million and derivative financial instrument liabilities by € 2.2 million.

On the reporting date, non-current liabilities increased by € 10.8 million to € 84.5 million as compared to 31 December 2014. Pension obligations increased by € 7.8 million to € 76.8 million, particularly because of the further decline by 0.7 percentage points in the discount rate to 1.45%. Deferred tax liabilities increased by € 2.9 million and primarily affect the deferred taxes on derivative financial instruments.

As compared to 31 December 2014, equity increased by € 5.7 million to € 100.5 million as at 31 March 2015. This affected the positive result for the period of € 5.0 million and the positive other comprehensive income result of € 0.7 million. The equity ratio, i.e. the equity as a percentage of total assets, fell to 40.9% as a result of the sharp increase in total assets (31 December 2014: 42.5%).

Investments

In the first three months of 2015, investments amounted to € 1.1 million (previous year: € 1.0 million) and primarily concerned tools for new products, machines and streamlining investment for production equipment, as well as operating and business equipment. No significant disposals of assets occurred during the reporting period.

The investment ratio – additions to non-current assets related to the historic procurement and production costs – amounted to 0.6%. We invested € 1.0 million in Brand Business and € 0.1 million in Volume Business. Investments were offset by depreciation and amortisation in the amount of € 1.5 million (previous year: € 1.5 million).

As at 31 March 2015, there were contractual obligations to purchase non-current assets amounting to € 2.2 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 regard to the economic situation

We have had a successful start to the 2015 year. The first quarter shows that the measures we initiated in 2014 are continuing to bear fruit. However, we are still operating in a fragile market environment, particularly with regard to the flashpoints in and around Europe, as well as ongoing economic insecurity as a result of the Greek debt crisis and the economic development in France. All in all, we can be satisfied with the results of the first quarter. Growth in Brand Business of 5.1% underlines the fact that our products meet the needs of consumers and our focus on Brand Business is generating the relevant effects. At the same time, it is important that we were able to put the brakes on the downward turn in Volume Business during the first quarter. Overall, both segments are developing in line with our expectations for the 2015 financial year.

We are also well on course in terms of the earnings side. Our EBIT amounted to € 7.5 million (previous year: € 4.0 million). This results in an EBIT margin of 12.9%. With Group liquidity of € 62.4 million as at 31 March 2015 (31 December 2014: € 62.8 million), we still have a solid financial basis in order to be able to implement our “Leifheit 2020” strategy with the necessary consistency.

Non-financial performance indicators

Employees

As at 31 March 2015, 1,055 people were employed by the Leifheit Group (previous year: 1,039 people) – 786 of whom were employed in Brand Business and 269 in Volume Business.

Employees by region

Locations	**31 Mar 2015**	31 Mar 2014
Germany	403	396
Czech Republic	424	409
France	164	171
Other countries	64	63
Group	**1,055**	**1,039**

Since the beginning of the second quarter of 2014, we have produced our entire range of ironing boards inhouse at our plant in Blatná, Czech Republic. The number of employees in the Czech Republic thus rose to a total of 424 as at the reporting date, 31 March 2015.

Of our total workforce, 38.2% of our employees are located in Germany, 40.2% in the Czech Republic and 15.5% in France. The remaining 6.1% of employees are located in different countries within Europe and the USA.

Development and innovation

Innovation is 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 € 1.0 million during the reporting period (previous year: € 0.9 million) in research and development activities. Thus, the R&D ratio, i.e. development expenses as a percentage of Group turnover, was 1.7% (previous year: 1.6%).

In the first quarter of 2015, 31 employees were employed in the areas of 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 significant opportunities and risks with respect to the remaining months of the financial year occurred in the reporting period, neither with regard to the probable materialisation of such opportunities or risks nor 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.

Report on events after the balance sheet date

Since 31 March 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.

After the end of the first quarter, there was a significant change in the ownership structure of our company. Home Beteiligungen GmbH, Munich, which, until recently held 50.49% of the share capital of Leifheit AG, sold its package of Leifheit shares to institutional investors at the end of April. We expect no material impact on the net assets, financial position and results of operations due to this change.

Forecast

Strategic focus of the Group

Our strategic focus has not changed significantly since the publication of our 2014 annual financial report. We will continue to push ahead with our “Leifheit 2020” strategy during the 2015 financial year in order to set the company up for significant growth. One major aspect of this is building on our innovative prowess and improving innovation processes. In addition, we are directing our efforts towards expanding our leading market position in many European countries and developing our activities in key growth regions – particularly in Northern and Eastern Europe – in a targeted way. We also want to make sure we consistently leverage market opportunities outside of Europe. With a view to our brands and ranges, we will position Leifheit as an expert in simple, convenient cleaning and laundry care in the home. We will also continue to develop the Soehnle brand in a targeted way. We aim to tap into new price categories and target groups, as well as strengthen our market position, with a comprehensive product category approach for our major product categories. Our overarching goals remain to attain high efficiency in the value chain and continually improve operating margins that have been achieved over the long term. Our financial position gives us the strategic option of being able to make use of opportunities for external growth through acquisitions, including with little notice, provided they are financially viable.

Global economy will grow further

International Monetary Fund (IMF) growth projections for global economic output in 2015 are currently at 3.5% (previous year: 3.4%). According to the IMF, this slightly higher growth rate as compared with 2014 will be shored up by the expansive monetary policy of the US Federal Reserve and especially the European Central Bank, as well as by slightly improved growth in several industrialised countries. However, the IMF also sees risks to growth in this trend analysis. According to the IMF, the biggest instability factors for the global economy are low inflation, geopolitical risks, the ongoing high levels of sovereign debt in some countries and lower growth prospects in some emerging economies.

The IMF predicts growth of 1.5% for the Eurozone in 2015 (previous year: 0.9%). For Germany a growth of 1.6% is expected (previous year: 1.6%). For the other major European economies, the IMF forecasts significant growth and has revised its projections upwards. The IMF predicts growth of 2.5% for Spain (previous year: 1.4%). For Italy, the experts expect to see growth of 0.5% (previous year: -0.4%) and the French economy is also set to grow by 1.2% in 2015 (previous year: 0.4%).

For the US, the IMF assumes growth in gross domestic product (GDP) of 3.1% (previous year: 2.4%). The US economy will be supported in particular by a continuing increase in domestic demand, coupled with lower oil prices.

According to the IMF, a growth rate of 4.3% is forecast for the emerging economies (previous year: 4.6%). According to calculations, Russia will continue to be in recession in 2015 as a result of its economic output shrinking by 3.8%. China’s GDP is expected to grow by 6.8% (previous year: 7.4%). The growth rate will therefore continue to decrease, making it the lowest growth rate for the past 30 years.

Industry in Germany looks ahead with confidence to 2015

The signs are positive for German industry. The economic climate index published by the ifo institute in Munich increased in March 2015 for the fifth time in a row. Confidence is also increasing with regard to the coming months: as a result of the ongoing depreciation of the euro against the US dollar in the second half of 2014, we expect to see stronger growth in German exports. The HDE industry association assumes that the positive economic conditions and consumer outlooks will also affect retail, calculating growth of 1.5% for 2015. As was the case in the previous year, the industry association expects to see strong growth in the online sector in particular, and calculates growth of 12% for e-commerce in 2015.

German consumers remain positive

In addition to retail, consumers are also much more optimistic again, as reported by the GfK consumer research institute. For April, the GfK forecast an increase of the consumer climate index to 10.0 points. Assuming that the German economy will continue to develop positively in the coming months, the economic situation and income expectation improved at the same time as the consumer climate. According to the GfK, the driving factors here are primarily the low oil price, the continued devaluation of the euro and low interest rates. For the rest of the year, the GfK projects an increase in private consumer spending of 1.5%. This means that the German domestic economy will make a major contribution to the overall economic development in 2015.

Result forecast revised upwards

We still predict growth in turnover of 2% to 3% on a Group level for 2015. Our Brand Business will continue to be the focus of our activities in future and Volume Business will be conducted mainly with profitability in mind. As a result, we expect Brand Business to grow by 3% to 4% in 2015, while we anticipate constant growth for the Volume Business. We will be able to confirm our forecast over the course of the year.

In the context of EBIT development in the first quarter of 2015, we have adjusted our earnings forecast for the full financial year 2015. On the assumption of an unchanged US dollar exchange rate at the end of the year compared to 31 March 2015, we expect an EBIT about € 19 to 20 million. The primary forecast was € 16.4 million.

Overall statement on prospective development

During 2015, Leifheit expects to see solid Group-wide growth and a result on the high previous year’s level. With our “Leifheit 2020” strategy, we will consistently draw on existing opportunities in the market, improve our market position and create the strategic basis for significant growth. We will make the necessary investments guided by the necessary sense of proportion.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

Statement of profit or loss and statement of comprehensive income

k€	1 Jan to 31 Mar 2015	1 Jan to 31 Mar 2014
Turnover	58,051	55,861
Cost of turnover	-30,509	-29,602
Gross profit	**27,542**	**26,259**
Research and development costs	-1,012	-860
Distribution costs	-17,959	-17,914
Administrative costs	-4,424	-3,743
Other operating income	320	274
Other operating expenses	-129	-105
Foreign currency result	3,167	66
Earnings before interest and taxes (EBIT)	**7,505**	**3,977**
Interest income	31	78
Interest expenses	-429	-501
Net other financial result	-1	14
Earnings before taxes (EBT)	**7,106**	**3,568**
Income taxes	-2,118	-1,056
Net result for the period	**4,988**	**2,512**
Contributions that are not reclassified in future periods in the statement of profit or loss		
Actuarial gains/losses on defined benefit pension plans	-7,808	-2,083
Effect from income taxes	2,241	583
Contributions that may be reclassified in future periods in the statement of profit or loss		
Currency translation of foreign operations	224	-6
Currency translation of net investments in foreign operations	75	-43
Net result of cash flow hedges	8,374	3
Effect from income taxes	-2,425	12
Other comprehensive income	**681**	**-1,534**
Comprehensive income after taxes	**5,669**	**978**
Net result for the period attributable to		
Minority interests	–	–
Shareholders of the parent company	4,988	2,512
Net result for the period	**4,988**	**2,512**
Comprehensive income after taxes attributable to		
Minority interests	–	–
Shareholders of the parent company	5,669	978
Comprehensive income after taxes	**5,669**	**978**
Earnings per share based on net result for the period (diluted and undiluted)	**€ 1.05**	**€ 0.53**
Earnings per share based on comprehensive income after taxes (diluted and undiluted)	**€ 1.19**	**€ 0.21**

Balance sheet

k€	31 Mar 2015	31 Dec 2014
Current assets		
Cash and cash equivalents	58,402	58,808
Financial assets	4,000	4,000
Trade receivables	53,959	48,644
Inventories	39,136	35,436
Income tax receivables	1,430	951
Derivative financial instruments	9,871	3,276
Other current assets	1,894	3,579
Total current assets	**168,692**	**154,694**
Non-current assets		
Tangible assets	34,836	35,007
Intangible assets	18,350	18,535
Deferred tax assets	13,239	11,388
Income tax receivables	1,536	1,520
Derivative financial instruments	9,152	1,996
Other non-current assets	160	151
Total non-current assets	**77,273**	**68,597**
Total assets	**245,965**	**223,291**
Current liabilities		
Trade payables and other liabilities	51,384	47,820
Derivative financial instruments	2,892	661
Income tax liabilities	1,170	377
Provisions	5,567	5,959
Total current liabilities	**61,013**	**54,817**
Non-current liabilities		
Provisions	2,135	2,066
Employee benefit obligations	76,822	69,019
Deferred tax liabilities	5,391	2,454
Derivative financial instruments	11	11
Other non-current liabilities	100	100
Total non-current liabilities	**84,459**	**73,650**
Equity		
Subscribed capital	15,000	15,000
Capital surplus	16,956	16,956
Treasury shares	-7,542	-7,542
Retained earnings	89,743	84,755
Other reserves	-13,664	-14,345
Total equity	**100,493**	**94,824**
Total equity and liabilities	**245,965**	**223,291**

Statement of cash flow

k€	**1 Jan to 31 Mar 2015**	1 Jan to 31 Mar 2014
Net result for the period	4,988	2,512
Adjustments for depreciation and amortisation	1,541	1,464
Change in provisions	-329	-129
Result from disposal of fixed assets and other non-current assets	–	6
Change in inventories, trade receivables and other assets not classified as investment or financing activities	-7,694	-6,013
Change in trade payables and other liabilities not classified as investment or financing activities	4,390	4,044
Other non-cash income/expenses	-2,234	328
Cash flow from operating activities	**662**	**2,212**
Acquisition of tangible and intangible assets	-1,123	-986
Change in financial assets	–	1,001
Proceeds from the sale of tangible assets and other non-current assets	18	74
Cash flow from investment activities	**-1,105**	**89**
Cash flow from financing activities	**–**	–
Effects of exchange rate differences	**37**	**17**
Net change in cash and cash equivalents	-406	2,318
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	**58,402**	**53,271**

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
Comprehensive income after taxes	–	–	–	2,512	-1,534	978
of which net result for the period	–	–	–	2,512	–	2,512
of which actuarial gains/losses on defined benefit pension plans	–	–	–	–	-1,500	-1,500
of which currency translation of foreign operations	–	–	–	–	-6	-6
of which currency translation of net investments in foreign operations	–	–	–	–	-31	-31
of which net result of cash flow hedges	–	–	–	–	3	3
As at 31 March 2014	**15,000**	**16,934**	**-7,598**	**80,991**	**-9,629**	**95,698**
As at 1 January 2015	15,000	16,956	-7,542	84,755	-14,345	94,824
Comprehensive income after taxes	–	–	–	4,988	681	5,669
of which net result for the period	–	–	–	4,988	–	4,988
of which actuarial gains/losses on defined benefit pension plans	–	–	–	–	-5,567	-5,567
of which currency translation of foreign operations	–	–	–	–	224	224
of which currency translation of net investments in foreign operations	–	–	–	–	53	53
of which net result of cash flow hedges	–	–	–	–	5,971	5,971
As at 31 March 2015	**15,000**	**16,956**	**-7,542**	**89,743**	**-13,664**	**100,493**

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 31 March 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 the International Financial Reporting Standards (IFRS) 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.

These condensed interim consolidated financial statements 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 31 March 2015.

The Board of Management is required, in the context of the preparation of consolidated interim 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 being 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 consolidated interim 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.

Scope of consolidation

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

Segment reporting

Key figures by divisions as at 31 March 2015		Brand Business	Volume Business	Total
Turnover	€ m	49.5	8.6	58.1
Gross margin	%	50.7	28.7	47.4
Contribution margin	€ m	20.9	2.1	23.0
Segment result (EBIT)	€ m	5.8	1.7	7.5
Depreciation and amortisation	€ m	1.3	0.2	1.5
Employees on annual average	persons	786	269	1,055

Key figures by divisions as at 31 March 2014		Brand Business	Volume Business	Total
Turnover	€ m	47.0	8.9	55.9
Gross margin	%	49.4	34.4	47.0
Contribution margin	€ m	19.5	2.7	22.2
Segment result (EBIT)	€ m	3.4	0.6	4.0
Depreciation and amortisation	€ m	1.3	0.2	1.5
Employees on annual average	persons	762	277	1,039

Further information on the segments and the management thereof can be found on page 86 of our 2014 annual financial 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 31 March 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.

Annual General Meeting

The ordinary Annual General Meeting has been convened for 21 May 2015 at the company's registered office in Nassau/Lahn, Germany.

Proposal for the appropriation of the balance sheet profit

The Board of Management and Supervisory Board propose distributing the Leifheit AG balance sheet profit of € 20,673,000.00 for the financial year 2014 as follows:

Payment of a dividend of € 1.80 per no-par-value bearer share:	€ 8,552,390.40
Retained earnings:	€ 12,120,609.60

The proposal for the appropriation of the balance sheet profit includes 248,672 Leifheit AG treasury shares that were held by the Group at the time of the convocation and that are not eligible to receive dividends. Should the number of no-par-value bearer shares which are eligible to receive dividends for the financial year 2014 change in the period up to the Annual General Meeting, a correspondingly adapted draft resolution will be put to the vote, with the same dividend amount of € 1.80 per no-par-value bearer share, and a correspondingly adjusted total amount for distribution and retained earnings.

Commitments

The Group companies have not entered into any commitments.

Financial instruments

A detailed overview of the other financing 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.

Derivative financial instruments include forward foreign exchange contracts for buying and selling US dollars and HK dollars for the financial years from 2015 to 2017 measured at fair value.

The following liabilities from forward foreign exchange transactions were recorded on the balance sheet as at 31 March 2015:

	Value of liability	Foreign currency	Nominal value
Buy USD/€	k€ 98,916	kUSD 127,544	k€ 116,400
of which hedge accounting	k€ 65,162	kUSD 83,900	k€ 76,793
Sell USD/€	k€ 18,799	kUSD 23,600	k€ 21,678
Buy HKD/€	k€ 10,570	kHKD 104,695	k€ 12,085

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€ 19,023 and derivative financial liabilities in the amount of k€ 2,903 were valued at their fair values on the balance sheet as at 31 March 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:

k€	Valuation category according to IAS 39	Book value		Fair value	
		31 Mar 2015	31 Dec 2014	**31 Mar 2015**	31 Dec 2014
Financial assets					
Cash and cash equivalents	a)	58,402	58,808	58,402	58,808
Trade receivables	a)	53,959	48,644	53,959	48,644
Derivative financial assets (not designated as hedging transactions)	d)	7,381	2,153	7,381	2,153
Derivative financial assets (designated as hedging transactions)	c)	11,642	3,119	11,642	3,119
Other financial assets	a)	4,284	4,783	4,284	4,783
Financial liabilities					
Trade payables	b)	18,151	15,061	18,151	15,061
Derivative financial liabilities (not designated as hedging transactions)	d)	2,892	661	2,892	661
Derivative financial liabilities (designated as hedging transactions)	c)	11	11	11	11
Other financial liabilities	b)	17,511	18,139	17,511	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€ 8,374 (previous year: k€ 3).

As at 31 March 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€ 490 were used in the form of guarantees as at the balance sheet date (previous year: k€ 1,420). The revolving lines of credit not drawn down thus amounted to k€ 11,010 (previous year: k€ 10,080).

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€ 1,833 (previous year: k€ 2,435). The future minimum payments on the basis of lease and rental agreements without cancellation options amount to k€ 1,366 up to one year (previous year: k€ 1,949) and k€ 467 for between one and five years (previous year: k€ 486). 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 31 March 2015, purchase commitments totalled k€ 832 (previous year: k€ 1,008).

There were contractual obligations to acquire items of tangible assets in the amount of k€ 2,216 (previous year: k€ 1,821), particularly for tools and expansion investments at our Czech facilities in Blatná. Moreover, there were contractual obligations relating to marketing measures in the amount of k€ 571 (previous year: k€ 371) as well as relating to other contracts in the amount of k€ 395 (previous year: k€ 474).

Related party transactions

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

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

Nassau/Lahn, May 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 months of the financial year.

Nassau/Lahn, May 2015

Leifheit Aktiengesellschaft
The Board of Management

Thomas Radke   Dr Claus-O. Zacharias

DISCLAIMER

Forward-looking statements

This quarterly financial report 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 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 quarterly 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 quarterly financial report and the German version, the German version shall take precedence.

FINANCIAL CALENDAR

21 May 2015	Annual General Meeting, 10:30 a.m. (CEST), Leifheit AG Customer and Administrative Centre, Nassau/Lahn, Germany
12 August 2015	Financial report for the first half-year ending 30 June 2015
11 November 2015	Quarterly financial report for the period ending 30 September 2015

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