

Invitation to the 2007 Annual General Meeting

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



Nassau / Lahn

ISIN DE0006464506

Dear Shareholders,

Our **Annual General Meeting** will be held at **10.30 am** on **Tuesday, 3 June 2008** in the LEIFHEIT AG Customer and Administrative Centre, Leifheitstrasse, 56377 Nassau/Lahn.

Agenda

1. **Presentation of the adopted annual financial statements of LEIFHEIT AG and the consolidated financial statements and consolidated management report for the 2007 financial year with the report of the Supervisory Board and the report of the Board of Management on the information in compliance with section 289 para. 4, section 315 para. 4 of the German Commercial Code (HGB).**

The above documents can be seen on the Internet at www.leifheit.com.

2. **Appropriation of earnings**

LEIFHEIT AG earnings for the past 2007 financial year amount to € 10,000,000.00.

The Board of Management and Supervisory Board propose carrying these earnings forward.

3. **Approval of the acts of the members of the Board of Management in the 2007 financial year**

The Board of Management and Supervisory Board recommend approving the acts of the members of the Board of Management in the 2007 financial year.

4. **Approval of the acts of the members of the Supervisory Board in the 2007 financial year**

The Board of Management and Supervisory Board recommend approving the acts of the members of the Supervisory Board in the 2007 financial year.

5. **Authorisation to purchase and use treasury stock in accordance with section 71 para. 1 no. 8 of the German Stock Corporation Act (AktG).**

The General Meeting on 22 May 2007 authorised the Company to purchase its own shares in accordance with section 71 para. 1 no. 8 of the German Stock Corporation Act. The authorisation expires on 21 November 2008. The company made use of this authority and will report on this to the General Meeting.

As the authorisation resolved by the 2007 General Meeting expires in November 2008, the General Meeting should be asked to give the company a new authorisation.

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

- a) The authorisation by the General Meeting on 22 May 2007 for the company to purchase its own shares is cancelled with effect from the close of the General Meeting on 3 June 2008 and replaced by the following authorisation to purchase its own shares.

- b) The company is authorised from the close of the General meeting on 3 June 2008 until 2 December 2009 to purchase further shares of the company for purposes other than dealing in its own shares. Together with other treasury shares already purchased and still held by the company shares purchased under this authorisation may not at any time exceed 10 % of the company's capital stock. The authorisation may be exercised in whole or in part, including in tranches at different times.
- c) Purchase is subject to the principle of equal treatment (section 53a, AktG) at the option of the Board of Management through the stock exchange or a public offer to purchase directed at all shareholders or a public request to make such an offer.
- If purchase is through the stock exchange, the purchase price for the shares (not including ancillary costs) may not differ by more than 10 % in either direction from the average price of the share on the Frankfurt Stock Exchange in the last five trading days before the purchase, calculated as the arithmetic average of the closing auction price in Xetra trading (or a successor system) on these five trading days.
 - If the purchase is through a public offer to buy directed at all shareholders or a public request to make such an offer, the share price offered and paid by the company (excluding ancillary costs) may not differ by more than 10 % in either direction from the average price of the share on the Frankfurt Stock Exchange in the five trading days preceding publication of the offer or public request to make such offer, calculated as the arithmetical average of the closing auction price of the share in Xetra trading (or a successor system) on these five trading days. If there are substantial movements in the relevant price after announcement of a public purchase offer or public request for offers, the public purchase offer or public request for offers may be modified. In this event any adjustment must be based on the average price on the five trading days prior to the announcement. The public purchase offer or request for offers can include further conditions. If the offer is oversubscribed or if a request for offers is met by several equivalent offers which cannot all be accepted, acceptance must be by quota. Provision may be made for preferential acceptance of small numbers of up to 20 shares per shareholder.
- d) The Board of Management is authorised to use company shares purchased under this authorisation for any purpose allowed by statute, and specifically for the following purposes:
- aa) The shares can be offered and sold to shareholders under an offer to subscribe to all shareholders under their subscription right.
 - bb) The shares can be sold again on the stock exchange.
 - cc) The shares can also be sold other than through the stock exchange or through an offer to sell to all shareholders, provided that the shares are sold for cash at a price which is not materially lower than the average price of the company's listed shares on the Frankfurt Stock Exchange for the five trading days preceding the determination of the selling price by the Board of Management, calculated as the arithmetic average of the closing auction price in Xetra trading (or a successor system) on these five trading days.
 - dd) The shares can be offered to third parties in the course of acquiring an enterprise, parts of enterprises or equity interests in enterprises or as consideration for bringing in enterprises, parts of enterprises or equity interests in enterprises, including increasing existing holdings and in the course of mergers of companies.
- e) The shareholder subscription right is excluded if the Board of Management uses the shares for the purposes under d), cc) and dd) above. In addition the Board of Management may exclude the shareholder subscription right

for fractional amounts in the event of the sale of treasury shares under the offer for sale to the company's shareholders under d), aa) above.

- f) The above authorisations to sell treasury shares may be exercised one or more times, individually or collectively or relating to partial packets of purchased treasury shares.
- g) The Supervisory Board can determine that measures by the Board of Management under this resolution of the General Meeting may only be taken with its approval.

6. Appointment of auditors for the 2008 financial year

The Supervisory Board proposes appointing Ernst & Young AG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Eschborn/Frankfurt am Main as auditors for the 2008 financial year.

Report by the Board of Management in accordance with section 71 para. 1 no. 8 sentence 5 AktG in combination with section 186 para. 3 and para. 4 sentence 2 AktG on item 5 on the agenda:

LEIFHEIT AG in the General Meeting on 22 May 2007 resolved an authorisation to buy its own shares which is limited to 21 November 2008. Because this authorisation expires in the current financial year, it is intended to void the authorising resolution at the close of this year's General Meeting.

Besides purchase through the stock exchange the company should also have the option of purchasing its own shares through a public purchase offer directed at the company's shareholders or public request for such an offer. The principle of equality of treatment required by company law must be complied with. In the event of a public request for an offer, the target audience for the request can decide how many shares and at what price (setting a range) they wish to offer to the company. If a public purchase offer is oversubscribed or if a request for offers is met by several equivalent offers which cannot all be accepted, acceptance must be by quota. However, it should be possible to provide for preferential acceptance of small offers or small parts of offers up to at most 20 shares. This option helps avoid fractional amounts in determining the quotas to be set and small residual amounts, facilitating technical handling. The purchase price offered or limits to the offered purchase price per share (excluding ancillary costs) may not differ by more than 10 % in either direction from the average price of the share on the Frankfurt Stock Exchange on the last five trading days prior to the day of public announcement of the offer or public request to submit offers, calculated on the basis of the arithmetic average of the closing auction price of the company's share in Xetra trading (or successor system) on these five trading days. If there are substantial movements in the relevant price after announcement of a public purchase offer or public request for offers, an adjustment to the average price on the five trading days prior to the public announcement may be considered. The purchase offer or request for offers can include further conditions.

The treasury shares acquired may be used for all purposes permitted by statute, and specifically for the following:

The proposed resolution includes authorisation to sell the acquired treasury stock outside the stock exchange for cash with exclusion of subscription rights. A condition of this is that the shares are sold at a price which is not materially lower than the stock exchange price of the company's share at the time of sale. This authorisation makes use of the possibility of facilitated exclusion of subscription rights in section 71 para. 1 no. 8 AktG in corresponding application of section 186 para. 3 sentence 4 AktG. The idea of protecting shareholders against dilution is satisfied by the condition that the shares may only be sold at a price which is not materially lower than the relevant stock exchange price. The selling price for treasury shares is set shortly before sale. The Board of Management will keep any discount from the stock exchange price in accordance with the market conditions prevailing at the time of

placement as low as possible. The discount from the stock exchange price at the time of use of the authorisation will not in any event be more than 5 % of the current stock exchange price. The authorisation is subject to the condition that the total amount of shares sold with exclusion of subscription rights under section 186 para. 3 sentence 4 AktG may not exceed 10 % of the capital stock either at the time the resolution comes into effect or at the time of use of the authorisation. Shareholders have the opportunity to maintain their relative holding by purchasing LEIFHEIT shares on the stock exchange. The authorisation is in the interests of the company because it gives it greater flexibility. Specifically, it makes it possible to issue shares to partners in strategic alliances.

The shares can be offered to third parties in the course of acquiring an enterprise, parts of enterprises or equity interests in enterprises or as consideration for bringing in enterprises, parts of enterprises or equity interests in enterprises, including increasing existing holdings and in the course of mergers of companies. This enables the company to offer treasury shares directly or indirectly as consideration in company mergers or in connection with the acquisition of enterprises, parts of enterprises or equity investments in enterprises. International competition and globalisation of the economy frequently requires consideration in the form of shares in such transactions. The authorisation proposed here gives the company the necessary freedom of action to take advantage quickly and flexibly of opportunities to acquire enterprises, parts of enterprises or equity investments in enterprises in both national and international markets. This is reflected in the proposed exclusion of subscription rights. In determining the relative valuation, the Board of Management will ensure that the interests of the shareholders are appropriately protected.

The Supervisory Board can at its discretion determine that measures of the Board of Management based on the General Meeting authorisation under section 71 para. 1 no. 8 AktG may only be taken with its approval.

The Board of Management will report to the next General Meeting on the use of the authorisation.

Participation in the General Meeting

Of the total 5,000,000 shares in the company issued, 4,759,786 are entitled to participate and vote at the time the General Meeting is convened. Each share carries one vote in the General Meeting. As a result, there are 4,759,786 votes at the time the General Meeting is convened. The participation rights and the voting rights attached to the 240,214 treasury shares held by the company at the time the General Meeting is convened cannot be exercised.

Shareholders are also entitled to participate in the General Meeting and vote who submit special certification in text form of their share ownership by a licensed securities clearing and deposit bank to the company at the following address:

LEIFHEIT AG
c/o Deutsche Bank AG
- General Meetings -
60272 Frankfurt/Main

Certification of share ownership must be in German or English and refer to the start of 13 May 2008. It must be received by the company at the latest by the close of 27 May 2008 at the above address. In the event of doubt about the accuracy or genuineness of the certificate of entitlement the company is entitled to require appropriate further evidence. If there is doubt about the further evidence the company may reject the right of the shareholder to participate in and vote at the General Meeting." After receipt by the company of the special certification of share ownership, shareholders will be sent admission tickets to the General Meeting. To ensure timely receipt of admission tickets, which are combined with a corresponding proxy form, we ask shareholders to ensure that certification of share ownership is sent to the company in good time.

Proxies

Shareholders who do not wish to participate in the General Meeting personally can have their vote cast by proxies, e.g. a bank or shareholders association.

We also continue to offer our shareholders the option of being represented by proxies appointed by the company. These proxies must be given written authorisation and instructions for voting. Proxies are obliged to vote in accordance with the instructions.

Authorisations and instructions can be given to the proxies appointed by the company in writing before the General Meeting. Written authorisation to the proxies appointed by the company also requires an admission ticket to the General Meeting. The admission ticket also has a form for proxy authorisation and the shareholder's voting instructions. Shareholders should order admission tickets as soon as possible from the deposit bank for each deposit. We can only ensure proper voting procedures if the completed proxy authorisation forms for the proxies nominated by the company with the shareholders' voting instructions are received by the company by mail at the latest on Friday 30 May 2008 at the following address.

LEIFHEIT AG
P.O. Box 11 65
56371 Nassau/Lahn

Motions and nominations by shareholders in accordance with sections 126 and 127 AktG

Motions and nominations by shareholders must be addressed solely to the following address. Motions and nominations addressed elsewhere are not considered.

LEIFHEIT AG
P.O. Box 11 65
56371 Nassau/Lahn
Fax: 02604/977-340
E-mail: ir@leifheit.com

Following certification of the proposer's share ownership shareholder motions and nominations received at the above address by at the latest the close of 20 May 2008 will be made available without delay to other shareholders on the Internet at www.leifheit.com. Any management response will also be published at the above URL after 20 May 2008.

Nassau/Lahn, April 2008
LEIFHEIT AG
The Board of Management

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