

I trust in Leifheit



German Equity Forum
November 2012

Georg Thaller (CEO)
Dr Claus-O. Zacharias (CFO)

ORG02MA

Company profile

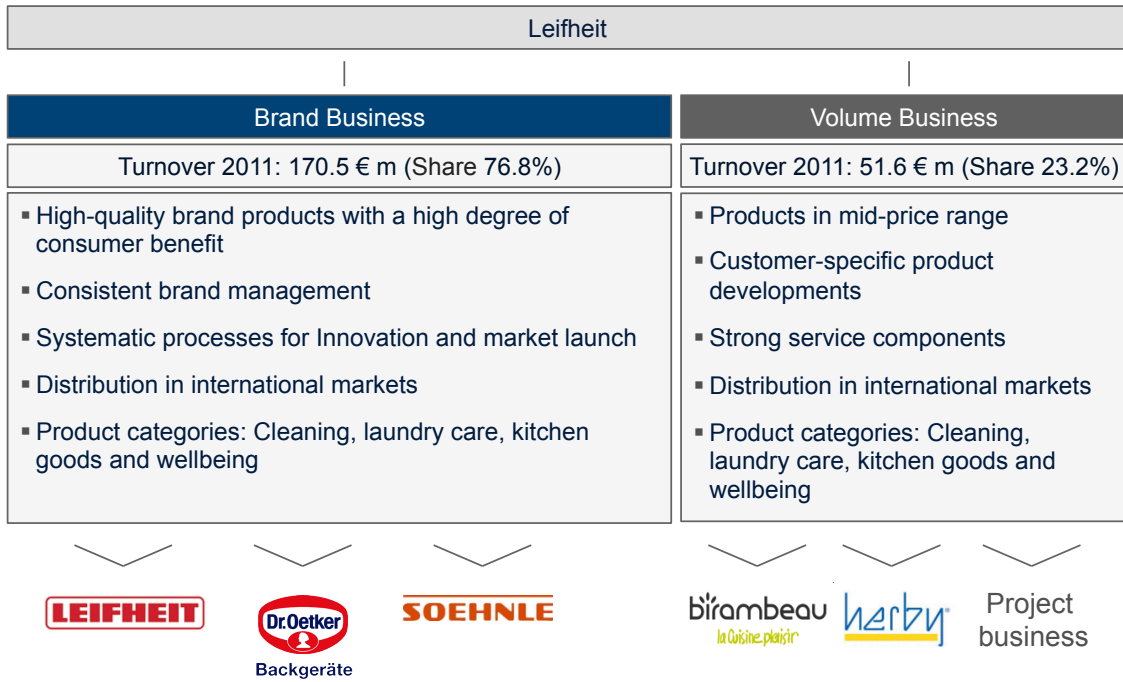
Mission Statement



Leifheit-Group is a European developer and manufacturer of branded products for selected household areas.

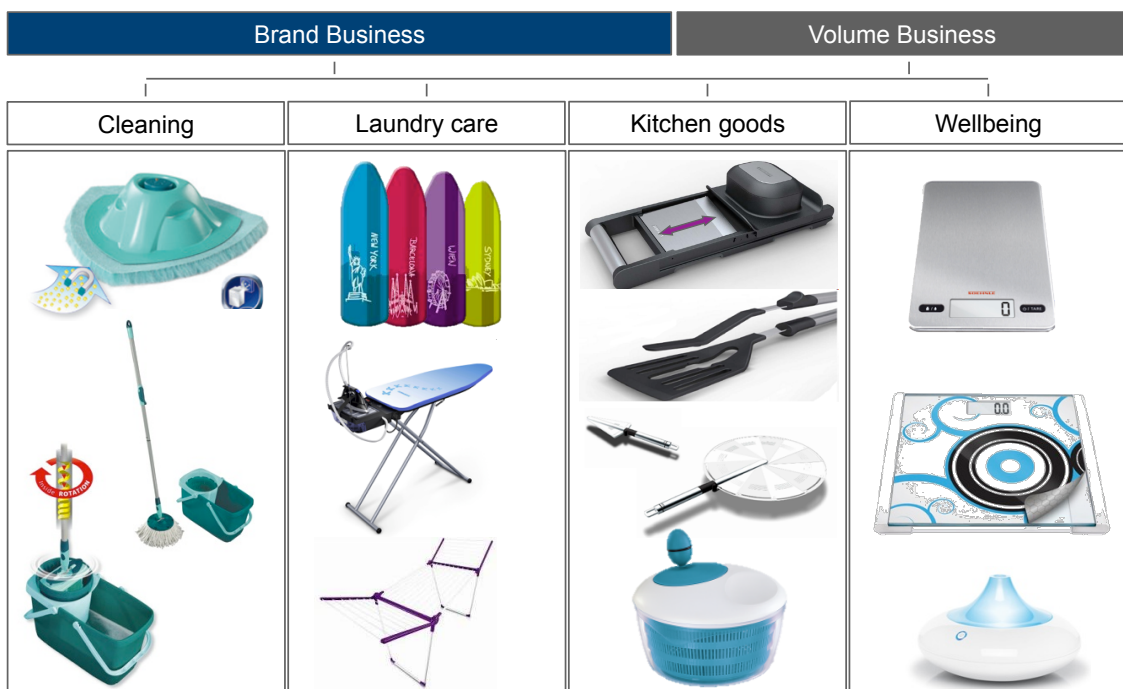
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Transparent corporate structure



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Four product categories cluster our product portfolio



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Brand manufacturer with global presence



14 locations

production facilities in Germany, France and Czech Republic

80 distribution partners worldwide

from Argentina to the USA

1,018 employees

thereof 400 in Germany

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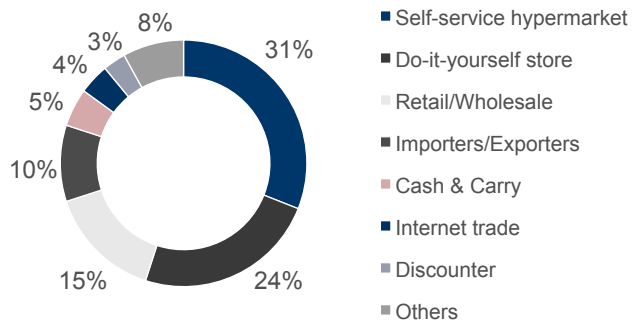
European allocation through all important distribution channels

TOP-10 clients



Turnover split

by distribution channels 2011/in percent



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Group development

for the period ending 30 September 2012

ORGA201A

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Group development

Revenue meets expectations, Earnings in line with estimates

Guidance vs. Performance

	Guidance as of 19 March 2012	Guidance as of 9 August 2012	Performance as of 30 September 2012	Forecast 2012
Turnover	Growth 3-5 %	Growth 2%	↓ - 0.5%	Growth > previous year
EBIT*	Growth at least 10%	Growth at least 10%	→ 9.4%	Growth > 10%
Brand Business	Growth in all categories	Growth in all categories	→ Turnover increased slightly: 2.1%	Growth > 3%
Volume Business	Maintain turnover of previous year level	Maintain turnover of previous year level	↓ Drop in turnover: - 10.1%	Drop in turnover: - 10%

ORGA201A

* EBIT 2011 adjusted for the one-off positive special effect of 2.5 € m from the acquisition of a controlling interest in Leifheit CZ a.s.

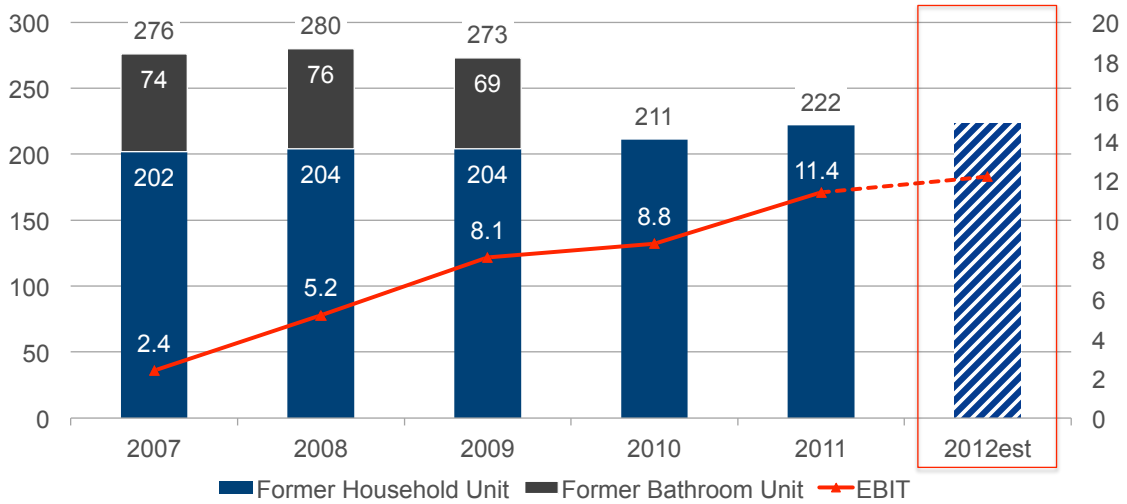
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Group development

Profit increased disproportionately on disposal of bathroom unit

Development of turnover/adj. EBIT Group

divided into former household products division/former bathroom furnishings division/in € m



* EBIT 2011 adjusted for the one-off positive special effect of 2.5 € m from the acquisition of a controlling interest in Leifheit CZ a.s.

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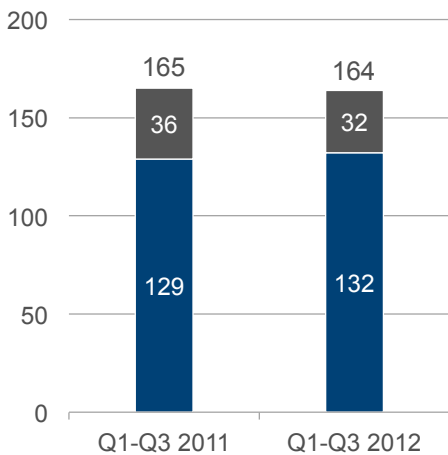
ORGA2014

Group development

Total turnover decreased slightly on weaker Volume Business; Brand Business continues to grow

Group turnover

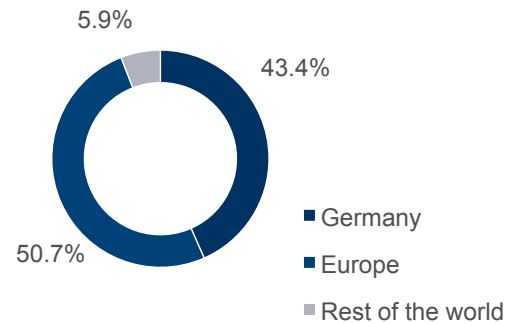
divided by units/in € m



■ Brand business ■ Volume business

Group turnover

1 Jan to 30 Sep 2012/divided by regions



- Group turnover: - 0.5%
- Brand Business: 2.1%
- Germany: - 1.1%

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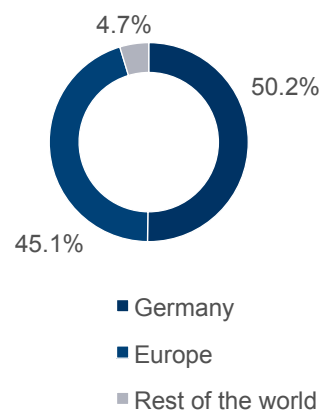
ORGA2014

Brand Business gains positive momentum in the third quarter 2012

€ m	1 Jan to 30 Sep 2012	1 Jan to 30 Sep 2011	+/- %
Turnover Brand Business	132.0	129.3	2.1
▪ Cleaning	36.2	35.0	3.3
▪ Laundry care	56.8	56.1	0.9
▪ Kitchen goods	17.4	18.2	- 4.3
▪ Wellbeing	21.0	20.3	3.7
EBIT Brand Business	5.7	4.3	30.6

Turnover Brand Business 1 Jan to 30 Sep 2012

divided by regions/in percentage



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Brand Business: Different development in the markets depending on the respective economic situation

€ m	1 Jan to 30 Sep 2012	1 Jan to 30 Sep 2011	+/- %
Turnover Brand Business	132.0	129.3	2.1
▪ Germany	66.3	66.9	- 0.9
▪ Central Europe	46.8	46.3	1.0
▪ Eastern Europe	12.7	10.3	23.1
▪ Rest of world	6.2	5.8	8.1

Development in selected Central European markets:

- France, Austria, Switzerland, Benelux: 3.7%
- UK, Scandinavia: 7.9%
- Greece, Italy, Portugal, Spain: - 16.7%

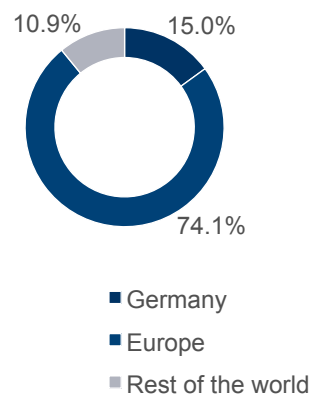
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Volume business: Declining tendencies in kitchen and laundry-care units

€ m	1 Jan to 30 Sep 2012	1 Jan to 30 Sep 2011	+/- %
Turnover Volume Business	32.0	35.5	- 10.1
▪ Cleaning	0.1	0.2	- 77.9
▪ Laundry care	9.9	10.6	- 6.4
▪ Kitchen	19.6	22.6	- 13.1
▪ Wellbeing	0.7	0	n/a
▪ Contract manufacturing	1.7	2.1	- 20.5
EBIT Volume Business	2.0	2.8	- 28.8

Turnover Volume Business 1 Jan to 30 Sep 2012

divided by regions/in percentage

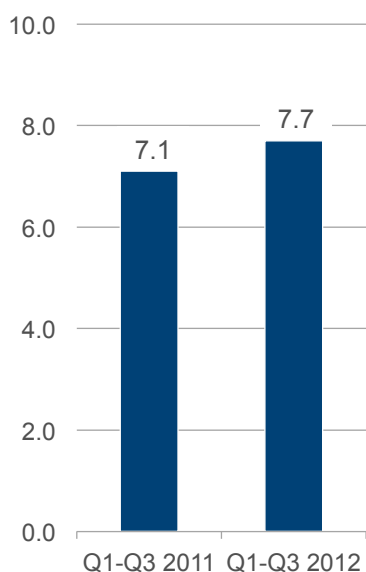


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Leifheit EBIT follows growth path

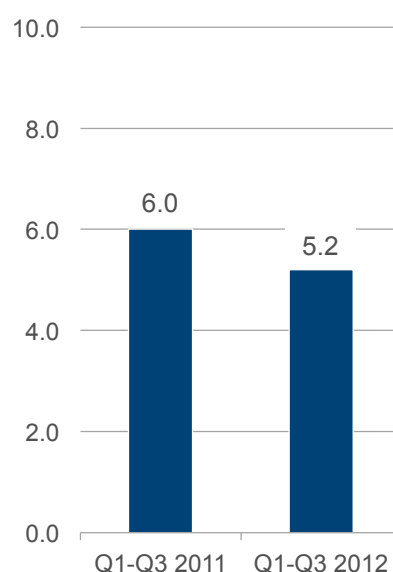
EBIT

in € m



Net results for the period

in € m



- Focus on our growth strategy Leifheit GO!
- Higher EBIT due to efficiency improvements and strict cost discipline
- Increased tax rate affected net results

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Rising EBIT margin amid growth and optimization measures

		1 Jan to 30 Sep 2012	1 Jan to 30 Sep 2011	+/- PP
Gross margin	%	44.0	42.5	1.5
EBIT margin	%	4.7	4.3	0.4
Return on equity*	%	7.9	7.1	0.8
Return on capital*	%	4.0	3.5	0.5

* Calculated on EBIT basis

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Slowdown of cash flow due to increased inventories, trade receivables and other assets

in € m	1 Jan to 30 Sep 2012	1 Jan to 30 Sep 2011
Cash flow from operating activities	1.0	4.5
Cash flow from investing activities	4.0	11.7
Cash flow from financing activities excluding financial assets	- 6.1	- 14.4
Effects from exchange rate differences	- 0.2	0.0
Change in cash and cash equivalents	- 1.2	1.8
Current funds at the end of the period	28.3	28.1

- Lower cash flow from operating activities due to an increase in inventories, trade receivables and other assets not classified as investment or financing activities of 4.9 € m
- Cash flow from investing activities reduced because of high cash inflow from financial assets in 2011

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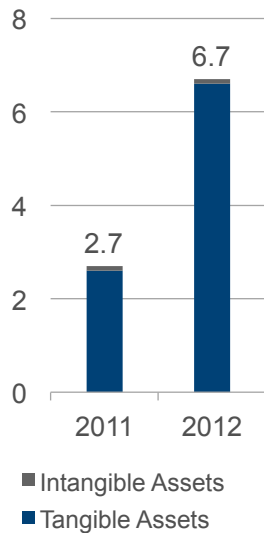
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Group development

Expansion of the production site in Czech Republic and further automatization of our warehouse

Investments

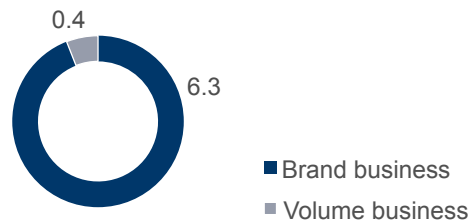
divided by assets/in € m



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Investments

divided by business segments/in € m



1 Jan – 30 Sep		2012	2011
Investment quota*	%	4.0	1.6
Depreciation of property, plant and equipment	€ m	3.8	3.9

* refers to historical production costs of tangible assets

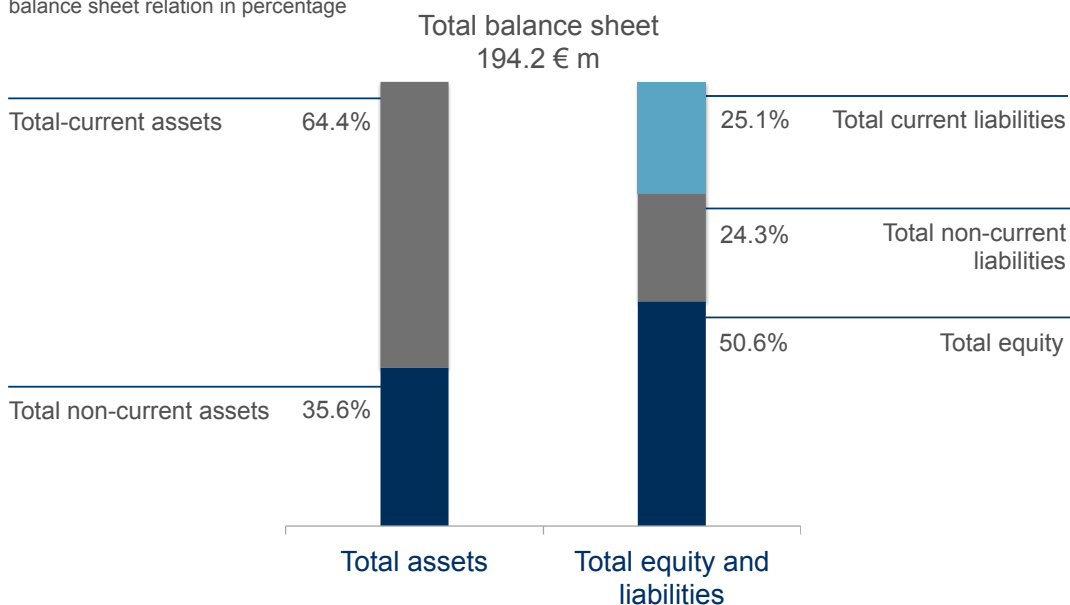
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Group development

Leifheit is well-equipped for the future with an equity ratio of 50.6%

Balance sheet

balance sheet relation in percentage



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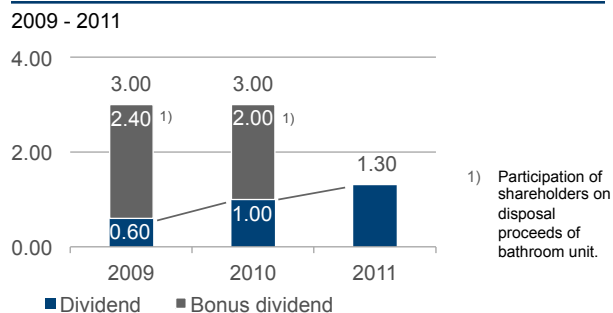
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Leifheit-Share: a dividend-paying share

Suggestion for profit allocation

Number of shares ¹⁾	4.746 k
Balance sheet profit Leifheit AG	14.650 k €
Dividend for financial year 2011	1.30 €
Dividend distribution:	6.169 k €

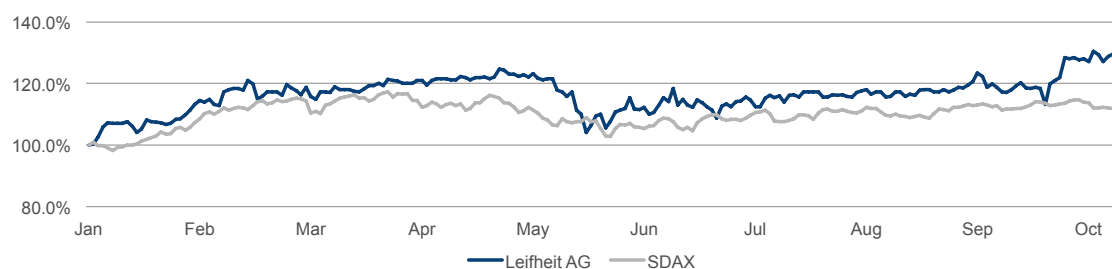
Development of dividend



¹⁾ Exclud. Share buy-backs

Share price performance

1 Jan 2012 – 30 Oct 2012



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2012 / 2013

Strategy and outlook

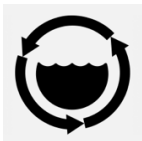
Trends in consumer good industry



- **Increasing number of households** in Germany till the end of 2014. Especially the number of households with one to two persons is growing.



- Younger consumers are fundamentally **shifting their attitudes towards quality** while demanding products of higher value. That's why we will concentrate more on this target group in the future.



- Consumers increasingly ask for **products that are produced sustainably** and made by corporations which value resources, society and employees.



- **Desire for deceleration:** Consumer behavior will be influenced in the future because many people feel overworked and experience high exposure to stress at work and in their daily lives.

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Quelle: GfK

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Leifheit GO at a glance



Overall goal:

Profitable turnover growth for the group of 3–5%

Strategies:

International sales strategy

- Systematic approach towards marketing to boost growth in our international core markets
- Clear focus on international markets that promise potential and are easy to access.
- **Update market focus:**
- Crisis countries are planned on a lower level
- Structural optimization in selected branches
- Focus on new markets in Eastern Europe and selected countries in Asia
- E-Commerce
- M&A

Brand and communication strategy

- **All brands:**
- Focus on innovation
- New organization in marketing and product development
- POS-Excellence
- **Brand Leifheit:**
- Consistent implementation of single-brand strategy with optimized marketing mix
- **Brand Soehnle:**
- Completion of product portfolio „Relax“ with innovative products
- Strengthening position as leader in core markets

Improving efficiency

- Efficient organization and processes to yield earnings growth
- Investing in technology and logistics additionally to insourcing selected products from the Far East.
- Efficient cost management

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Rigorous continuation of our growth strategy

Group target 2012

Slight increase in consolidated turnover
Double-digit earnings* by at least 10%

Brand Business

Sustainable growth rate of 3–5%

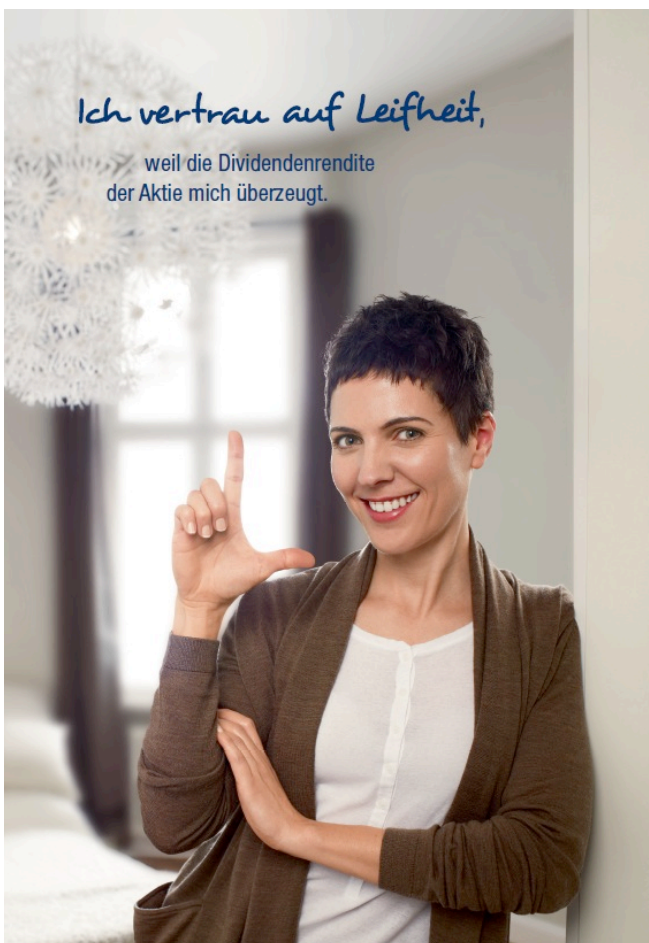
Volume Business

Remained below our expectations

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* EBIT 2011 adjusted for the one-off positive special effect of 2.5 € m from the acquisition of a controlling interest in Leifheit CZ a.s.

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Leifheit share: a dividend-bearing share

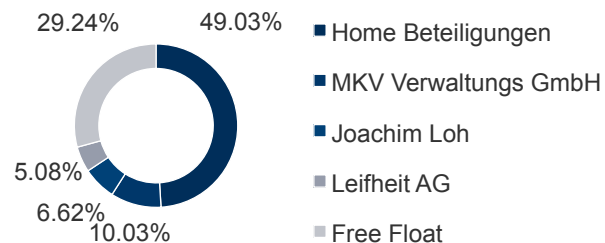
Key share data

As at 30 Sept 2012

ISIN:	DE0006464506
Ticker:	LEI
Trading segment:	Prime Standard
Share capital:	15,000,000,- €
Number of Shares:	5,000,000 no-par-value shares
IPO:	3 October 1984
Designated Sponsor:	Close Brothers Seydler

Shareholder structure

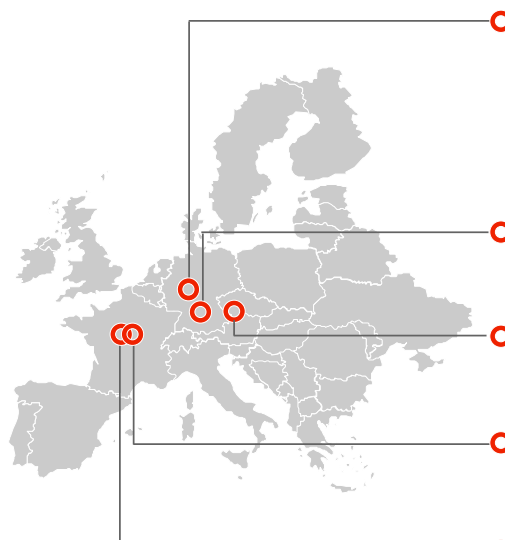
As at 30 Sept 2012/in percentage



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Important locations in Europe

Location	Description
 Nassau (Leifheit)	<ul style="list-style-type: none"> Approx. 300 employees Marketing, Distribution, Research and Development, Quality control, head office Production of rotary dryers, isolate cans, roll holders, floor wiper and more
Zuzenhausen (Leifheit)	<ul style="list-style-type: none"> Approx. 100 employees Central logistics center
Blatná/CZ (Leifheit)	<ul style="list-style-type: none"> Approx. 360 employees Production of classic dryer racks and wall dryers among others
Paris/F (Leifheit/ Birambeau)	<ul style="list-style-type: none"> Approx. 110 employees Marketing, Distribution and Administration
La Loupe/F (Herby)	<ul style="list-style-type: none"> Approx. 70 employees Production of tower dryers as well as classic dryer racks and wall dryers

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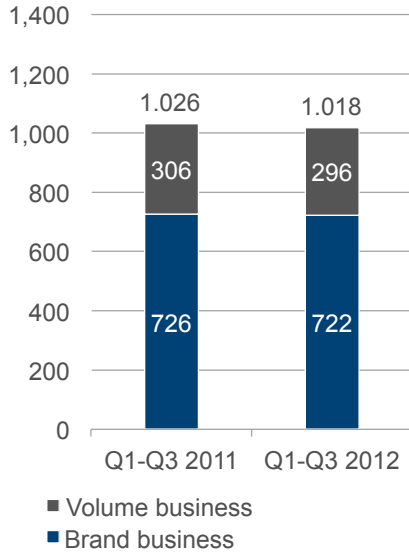
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Annex

Dropping number of employees amid investments into production

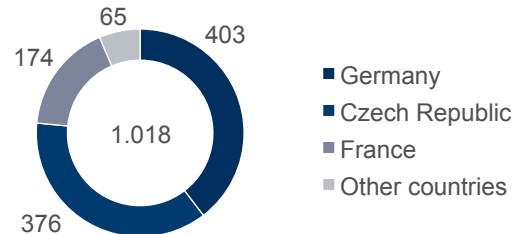
Employee development

as at 30 Sept 2011/2012



Employees

as at 30 Sept 2012/divided by regions



- Leifheit was honoured as a 'Top employer 2012' (CRF Institute)



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Annex

High brand recognition

- Brand recognition of 89%: Leifheit is one of the best-known brands in Germany
- Soehnle also reaches a brand visibility of 82%
- While exceeding 90% the satisfaction value is exceptionally high proving the quality of Leifheit and Soehnle products

Brand recognition

89%



82%



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Highest demands to quality and innovation

Awards received by Leifheit Group (examples)



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Contacts and events



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Financial calendar 2013

Annual report 2012	9 April 2013
Interim report as at 31 March 2013	14 May 2013
Interim report as at 30 Juni 2013	13 August 2013
Interim report as at 30 September 2013	11 November 2013
Annual General Meeting	6 June 2013

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