

Group management interim report within the second six months of 2009 for Herlitz AG pursuant to sec. 37x WpHG (Securities Trade Act)

Herlitz holds its own in the economic crisis

In the first nine months of the 2009 financial year, Herlitz Group implemented a number of measures in response to the challenges of the global financial and economic crisis.

Its sales revenues for the period between 1 January and 30 September of the current financial year were down on those from the previous year. This was mainly due to the crisis-related fall in demand, which had a particularly negative effect on business in Eastern Europe and commercial office supplies retailing in Western Europe.

The sales revenues share of brand products increased further during the 2009 reporting period. The gross yield decreased overall, as products which had been produced by the former subsidiary proOFFICE s.r.o., now have to be procured from third parties. However, this structural change in turn reduced costs compared to the previous year. Other savings were achieved by implementing a number of projects, particularly in Eastern Europe, which were launched in response to decreasing revenues caused by the economic crisis. Costs were driven up by provisions for restructuring measures and implementing marketing measures as part of the Herlitz brand strategy. Total costs were down on the figures in the first nine months of the previous year. The sale of proOFFICE s.r.o. at the beginning of 2009 was the main reason for the rise in other operating income compared to the previous year.

In the period from January to September 2009, Herlitz Group achieved positive EBIT, which was up on the previous year's figures. Unlike in the first nine months of 2008, which closed in the red, the Group generated a slight profit after interest and taxes in the nine months period 2009, due in part to the improved financial result.

A glance at the figures generated by Herlitz Group reveals that the economic and financial crisis has not significantly worsened since 30 June this year. Back-to-school-business developed steadily compared to the 2008 financial year. It is difficult to predict how demand in the relevant markets will develop in the fourth quarter of 2009. It is therefore impossible to provide definite figures yet.

The above-mentioned development of sales revenues up to 30 September 2009 has largely continued in October and the first half of November.

The financial and assets position of Herlitz Group improved compared to the position at the end of 2008, and particularly compared to 30 September 2008, as liabilities were reduced significantly.

On 6 November 2009, Advent International entered into agreements with Pelikan International Berhad to sell its 66% share in Herlitz. The transaction is subject to conditions such as the agreement of the monopolies commission (antitrust authorities).

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The Management Board