

Interim Management Report for the second half-year of 2008 for Herlitz AG Group pursuant to Section 37x of the Securities Trading Act

Strategic realignment – Herlitz strides ahead

In the course of the first nine months of the 2008 financial year, the Herlitz Group continued to implement strategic measures to reposition the company.

Group sales from 1 January to 30 September 2008 dropped from previous-year figures for the same period. To a large extent, the decline has been a consequence of the company's deliberate avoidance of any business not falling within the main focus of the Herlitz brand strategy.

The share of sales attributable to brand products improved between January and September 2008 – particularly in the core areas of school and office supplies for the domestic market. In addition, the company has been able to push through price increases for lower-margin products. Overall, this led to higher margins vis-à-vis the corresponding period of the previous year.

Other Operating Income for the period until 30 September of the current financial year was lower than for the same period in 2007.

Total costs for the first three quarters of 2008 were down from previous-year figures. This was partly the result of sustainable cost-cutting measures in the area of operating costs, in particular expenditure for maintenance and outside personnel.

In the time period January until September of the financial year 2008, Herlitz Group achieved a positive result before interest and taxes. The result is on the previous year's level.

On the whole, the trend in earnings described for the period until 30 September 2008 has continued throughout October as well as in the first half of November. Because of the still unforeseeable effects of the international financial crisis on consumer spending, however, no reliable overall forecast can be made for the fourth quarter of 2008. On the purchasing side, prices have remained high for certain types of raw materials, but the rate of increase has slowed.

The Group's financial and asset position has not changed significantly from the situation described in the Group Management Report for the 2007 financial year.

In October 2008, as of entry into force of the sales contract to this effect, the Herlitz Group sold its participation in Herlitz Kuvert GmbH to the Mayer-Kuvert-network group, an international leading enterprise in the envelope industry. This has given Herlitz a strong partner for the production of envelopes and mailer bags. Earnings from the sale can now be used to implement the upcoming stages of the Group's strategic realignment. As mentioned in the half-year financial report as per 30 June

2008, these measures could in turn trigger additional effects on the results of the current financial year.

As of 1 September 2008, Mr. Markus Oestmann has been appointed new Managing Director for sales and marketing.

Berlin, 14 November 2008

Herlitz Aktiengesellschaft, Berlin
The Board of Management