



**Leica Camera Aktiengesellschaft, Solms
ISIN DE000A0EPU98**

Interim announcement as at June 30, 2009

Solms, August 17, 2009

First quarter of fiscal year 2009/2010

The Group led by Leica Camera AG (ISIN DE000A0EPU98) closed the first quarter with sales in the amount of EUR 29,096k (previous year: EUR 26,999k). The higher sales result from additional sales in the M-Systems and digital compact camera range.

The Group result for the period under review deteriorated by EUR 2,973k to a Group net loss of EUR –6,823k as compared to the corresponding previous year reporting period (previous year: EUR –3,850k). The change is to be attributed to lower contribution margins as well as to increased personnel expenses. The number of employees in the Group increased to 1,068 as compared to the prior year figure (1,020).

In the first quarter of the fiscal year research and development costs amounting to EUR 2,515k (previous year: EUR 4,668k) accrued.

Total assets increased by 3.4 % as compared to the first quarter of the previous year, primarily as a result of an increase in tangible assets due to the commenced new construction of a factory building in Portugal and the capitalisation of development costs. On the asset side a counter-effect was achieved by a reduction of inventories. In particular due to the capital increase amounting to EUR 9.500k in March, there has been an increase on the liabilities side.

In addition, the Company has entered into a general agreement, dated June 25, 2009, with ACM Projektentwicklung GmbH on the remission of debt with a debtor warrant. According to the agreement ACM Projektentwicklung GmbH in a first tranche will waive bond claims against Leica Camera AG amounting to EUR 8,000k. The equity ratio as at June 30, 2009 is 25.5 % (previous year: 18.2 %).



Considering the general framework of the global economy, a well-founded results forecast for fiscal year 2009/2010 is hardly possible. The Board of Management therefore expects a slightly negative EBIT. The same applies to the separate financial statement of Leica Camera AG.

The Board of Management counteracts risks by implementing an integrated restructuring concept. The measures include cost savings, optimisation of the supply chain, reduction of labour cost, reorientation of research and development projects, improvement of the sales concept, acceleration of the introduction of new products, as well as improvements in communications and leadership. In the first quarter of fiscal year 2009/2010 the first effects on income resulting from the restructuring project could be achieved.

In the camera product line the Leica Camera Group has seized the opportunity for profitable growth by an extensive extension of the portfolio of new digital system cameras – among them the Leica S2 model presented at last year's photokina trade fair. In the lenses range the Company has already marketed new products and has further products in the planning stage. In the Sports optics product group the existing products will be renewed and additional product lines introduced. More than eight new products are scheduled for market introduction in fiscal year 2009/2010.

Effective June 19, 2009 Wulf Matthias resigned from the Supervisory Board. He was replaced by Dr. Andreas Kaufmann, managing director of ACM Projektentwicklung GmbH, Salzburg.

Contact for your editorial team

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