



// FINANCIAL REPORT

30 June 2017



Dear shareholder,

The financial report of the Einhell Group as at 30 June 2017 meets the requirements under the Securities Trading Act (WpHG) for preparing interim reports. It includes abbreviated Group interim statements, a condensed Group management report and a statement of responsibility by the legal representatives. The financial statements are consistent with the International Financial Reporting Standards (IFRS) and their interpretations, as published by the International Accounting Standards Board (IASB) and applicable in the European Union.

There may be minor deviations in this report and in other reports due to rounding of totals and the calculation of percentage figures.

Key data for January to June 2017

Revenue			
Q2 2017	280.461		+12,7%
Q2 2016	248.826		
Profit before income taxes (before PPA)*			
Q2 2017	20.092		+70,6%
Q2 2016	11.778		
Profit before income taxes (after PPA)*			
Q2 2017	19.188		+76,8%
Q2 2016	10.855		
Equity ratio			
Q2 2017	49,8%		-6,0%
Q2 2016	53,0%		
Net debt			
Q2 2017	27.881		-36,9%
Q2 2016	44.180		
Staff			
Q2 2017	1.455		+7,7%
Q2 2016	1.351		

* PPA = Purchase Price Allocation

Condensed Group Management Report of Einhell Germany AG

Overview of January - June 2017

The Einhell Group was able to significantly increase its business volume in the first half of financial year 2017 and generated revenue of EUR 280.5 million.

Profit before income taxes and PPA effects amounts to EUR 20.1 million. This is equivalent to an operating margin of about 7.2% (previous year: 4.7%). Purchase price allocation (PPA) effects squeezed earnings by EUR 0.9 million. Adjusted for PPA effects, profit before income taxes amounts to EUR 19.2 million, and the pre-tax margin is roughly 6.8% (previous year: 4.4%).

General economic conditions

The Ifo business climate index for the industrial sector increased to 115.1 points in June 2017, compared to 114.6 points in the previous month of May. German businesses once again perceived their current situation to have improved significantly, and they expect this positive trend to continue.

The German economy keeps on growing. The gross domestic product adjusted for price, seasonal and calendar effects grew by 0.6% in Q2 2017. Growth in the first quarter had amounted to 0.7%. In contrast to the previous quarter, growth was driven by the domestic business. Both public and private spending increased considerably.

According to the European statistical authority Eurostat, the gross domestic product in the eurozone climbed by 0.6% in the second quarter of 2017. In the first quarter, growth had still been at a slightly lower level of 0.5%. The gross domestic product in the Netherlands (1.5%) and in Latvia (1.3%) showed particularly strong growth, but also Spain, Austria and Cyprus performed above average at 0.9% each.

Contrary to expectations and following several strong months, industrial production in the eurozone suddenly dropped in June 2017, taking production down 0.6% compared to the previous month. In May, industrial production had still increased by 1.2% compared to the previous month.

Following many months of growth, incoming orders in the German industry decreased in June 2017. The Federal Statistical Office states that overall production in the manufacturing sector dropped by 1.1% in June 2017 compared to the previous month. Before this decrease in June, the production in German companies had risen for five months in a row.

In June 2017, Germany exported goods worth EUR 107.2 billion and imported goods in the amount of EUR 84.9 billion. According to the Federal Statistical Office, German exports were thus 0.7% and imports 3.6% higher in June 2017 than in the previous year.

The foreign trade balance, i.e. the balance of exports to imports, adjusted for calendar and seasonal effects closed with a surplus of EUR 21.2 billion in June 2017.

Registered unemployment in Germany dropped to the lowest figure since mid-1991, and the employment market remained robust in June. 2.473 million people were out of work in June 2017, 142,000 persons less than one year before. The unemployment rate declined to 5.5% in June.

The unemployment rate in the eurozone fell to the lowest figure in more than eight years and, according to the European statistical authority Eurostat, amounted to 9.1% in June 2017. All in all, 14.718 million people were out of work, 148,000 less than in the previous month of May. For the entire European Union, Eurostat reports an unemployment figure in June that is far lower than the rate of the eurozone, amounting to 7.7% (unchanged from the previous month of May).

The lowest unemployment rates among the member states were reported by Germany (3.8%) and Malta (4.1%) in June 2017. The highest rates were reported by Greece (21.7%) and Spain (17.1%).

The inflation rate in Germany rose slightly in June 2017 compared to the previous month to 1.6%. Higher prices for food and holiday travel took the German inflation rate up moderately in June.

The annual inflation rate in the eurozone was 1.3% in June 2017, compared to 1.4% in May. In the previous year, it had been 0.1%. The annual inflation rate in the European Union was 1.4% in June 2017, compared to 1.6% in May. In the previous year, it had been 0.1%.

As such, the inflation rate is still below the target value for price stability issued by the European Central Bank (ECB). The target value is just under 2% in the medium term.

The harmonised index of consumer prices (HICP) for Germany, which is calculated for European purposes, was 1.5% higher in June 2017 than in June 2016. Compared to the previous month of May, the index rose by 0.2%.

DIY trade in Germany saw a successful start to financial year 2017. In the first three months of 2017, the German DIY trade generated total gross revenue of EUR 4.04 billion, thus growing by 5.4% compared to the prior-year period. On a like-for-like basis, the sector also achieved revenue growth of 5.3%. The positive

sentiment in the industry remains intact, despite rather subdued customer demand in April and the beginning of May due to poor weather. The German association of DIY retailers (BHB) confirmed its forecast for the year, expecting revenue growth of 1.3%.

Performance report

Einhell Group revenue

From January to June 2017, the Einhell Group generated revenue of EUR 280.5 million (previous year: EUR 248.8 million). Revenue is thus considerably above the prior-year level, with increases in nearly all the regions in which the Einhell Group is active.

In the D/A/CH region (Germany, Austria, Switzerland), revenue increased to EUR 116.5 million (previous year: EUR 110.2 million). The share in consolidated revenue amounts to 41.5% (previous year: 44.3%).

Revenue in the Rest of Europe rose to EUR 97.3 million (previous year: EUR 84.6 million). France, Italy and the UK are among the largest sales markets here.

Oceania saw significant revenue growth from EUR 38.1 million to EUR 48.8 million. Revenues in this region are mainly generated by Ozito Industries.

South America also managed to achieve revenue growth to EUR 14.8 million (previous year: EUR 11.6 million).

In the Other Countries including Asia, revenue performance showed a slight decline year-on-year at EUR 3.1 million (previous year: EUR 4.3 million).

Performance by segment

In the Tools segment, revenue amounted to EUR 162.6 million in the first six months of the 2017 financial year (previous year: EUR 138.5 million). The most significant sales in this segment were generated by products in the electric power tools, compressed air technology and wood processing ranges. Products by kwb Germany GmbH are reported in the Tools segment.

In the Garden & Leisure segment, revenue came out to EUR 117.9 million (previous year: EUR 110.3 million). High revenues were mainly generated with lawn and garden care products. Lawn mowers, lawn scarifiers, products from the tree and shrub care ranges as well as products related to water technology sold particularly well.

Earnings development

From January to June 2017, the Einhell Group generated profit before income taxes of EUR 19.2 million (previous year: EUR 10.9 million). The pre-tax margin amounts to 6.8% (previous year: 4.4%).

Purchase price allocation (PPA) effects took earnings down by EUR 0.9 million. Without PPA effects, profit before income taxes would have amounted to EUR 20.1 million and the pre-tax margin to 7.2% (previous year: 4.7%).

The earnings situation has thus improved again compared to the prior-year period.

Consolidated net profit after minority interest amounts to EUR 12.4 million in the period under review (previous year: EUR 7.2 million). Earnings per share amount to EUR 3.3 (previous year: EUR 1.9 per share).

With continuous product innovations and the high quality of its products, Einhell managed to keep the gross profit margin stable despite the significant increase in revenue.

Compared to the prior-year period, personnel expenses increased, now amounting to EUR 33.7 million (previous year: EUR 30.1 million).

Other expenses of EUR 40.2 million exceed the prior-year level (previous year: EUR 33.8 million) because of the increase in revenue.

The financial result of EUR -1.7 million (previous year: EUR -2.2 million) is slightly above the previous year. This includes financial income amounting to EUR 2.4 million and financial costs in the amount of EUR 4.1 million. Financial costs include high refinancing costs in some countries with high interest rates.

Personnel and HR services

On 30 June 2017, the Einhell Group had 1,455 employees worldwide (previous year: 1,351).

The Board of Directors would like to take this opportunity to thank all employees for their personal commitment and excellent work.

Financial performance and net assets

The key line items in the statement of financial position as at 30 June 2017 and 30 June 2016 are as follows:

	06/2017	06/2016
	in EUR million	in EUR million
Non-current assets incl. deferred tax assets	47.2	47.8
Inventories	148.2	133.1
Receivables and other assets	134.0	116.3
Cash and cash equivalents	12.5	10.9
Equity	170.3	163.3
Liabilities to banks	40.3	55.0

Investments

In the reporting period, the Einhell Group made investments amounting to EUR 3.5 million (previous year: EUR 1.6 million). Most investments refer to intangible assets and property, plant and equipment.

Current assets

Based on the revenue increase, goods inventories increased as against the prior-year period to EUR 148.2 million (previous year: EUR 133.1 million).

Trade receivables are shown after deduction of impairment for bad debts. Mainly driven by the revenue increase, trade receivables climbed by EUR 7.6 million year-on-year to EUR 100.0 million in the period under review (previous year: EUR 92.4 million).

Other current assets increased to EUR 32.4 million, up from EUR 23.9 million in the prior-year period. Value added tax claims have risen because of the increase in the cost of goods sold. In addition, value added tax refunds for Einhell China have been delayed.

In 2016, the management of the Einhell Group had resolved to dispose of the Einhell Brasil Com. Distr. subsidiary. Therefore, Einhell Brazil is recognised as a held-for-sale disposal group.

Cash and cash equivalents amount to EUR 12.5 million on the reporting date (previous year: EUR 10.9 million). Compared to the previous year, liabilities to banks decreased from EUR 55.0 million to EUR 40.3 million due to the favourable earnings situation.

Group structure

The corporate structure of the Einhell Group did not change in the period under review.

Investor Relations

On 10 May 2017 Einhell Germany AG took part in the German Association for Financial Analysis and Asset Management (DVFA) Spring Conference in Frankfurt am Main in order to talk to analysts and investors. The Group presented its figures as at 31 December 2016 at the conference and also gave an outlook for its planned development.

Financing

The financial requirements of the Einhell Group are driven in particular by the level of inventories and trade receivables. Stock turnover rates of inventories and the maturities of trade receivables play a major role here and have a significant impact on the financial requirements.

Based on its solid financial standing, the Einhell Group decided to prematurely repay the five-year loans signed in 2013. EUR 20 million were repaid in June 2017 and the remaining EUR 10 million in July. The repayments were made using the credit lines provided by the banks. These restructuring measures resulted in a positive interest effect. The Einhell Group will continue to closely observe the interest trend and use the continuing low interest rate level for long-term financing whenever an opportunity arises.

In the shorter term, the Group also has access to sufficient credit facilities to finance further revenue growth.

Note to the financial report

The financial report was subjected to neither a review pursuant to Section 317 of the German Commercial Code (HGB) nor an audit.

Corporate Governance Code

The current Declaration of the Board of Directors and the Supervisory Board of Einhell Germany AG on the German Corporate Governance Code pursuant to section 161 of the Stock Corporation Act (AktG) is permanently available on the Company's website at www.einhell.com.

Risk report

As part of its international operations, Einhell is subject to numerous risks that are inherent in all entrepreneurial activities.

The risk management process in the Einhell Group is split into two stages. The first stage is the decentralised

recognition of risks in subsidiaries and the various departments of Einhell Germany AG by the risk officers appointed by the Board of Directors.

They are responsible for risk identification and evaluation. The critical aspect here for the Einhell Group is identification, since no risk planning can be undertaken for risks that have not yet been identified.

The internal control system comprises integrated process controls and internal control systems.

The domestic controlling, investment controlling, finance, Group accounting and legal departments constitute the internal management system of the Einhell Group.

The Einhell Group companies make a forecast in the relevant financial year to budget the following financial year. Based on differentiated revenue planning, the corresponding costs of sales and other costs are budgeted. These projected figures are collated for the Group into a budgetary statement of income.

The actual figures from the individual companies are processed on a monthly basis. As a result, a complete consolidated statement of income is devised that compares the budgeted and actual figures and allows for their analysis. The development of order intake, margins etc. is also reported for all companies on a monthly basis. The comparison is discussed with the members of the Board of Directors and with the managers of the separate divisions and companies. The analysis of the budgeted and actual figures permits relevant measures to be developed and implemented.

The internal monitoring system is comprised of measures that are integrated into the processes and measures that are independent of the processes.

In addition to automated IT process controls, manual controls also form an important part of integrated process measures which are, for example, also carried out by the internal audit department. The Supervisory Board, the Group auditors and other audit bodies are involved in carrying out process-independent controls within the Einhell Group.

The audit of the consolidated financial statements by the Group auditors in particular is the main process-independent control measure with respect to Group accounting processes.

The Einhell Group operates internationally and is thus exposed to market risks from changes to interest rates and exchange rates.

The Group uses derivative financial instruments to manage these risks. The guidelines used for managing the associated risks are implemented with the approval of the Board of Directors by a central treasury department working in close cooperation with the Group companies.

In conclusion, there are no risks that endanger the future of the Group as a going concern according to the Board of Directors' assessment.

Forecast

Global economic development

According to the International Monetary Fund (IMF), the global economy will grow by 3.5% in 2017, the eurozone being one of the drivers of the upswing.

Despite global economic growth, global unemployment will presumably continue to increase. The International Labour Organization (ILO) predicts that the global number of unemployed people will rise by 3.4 million to more than 200 million.

Development in Europe

According to the International Monetary Fund (IMF) forecast, the economy in the eurozone will grow by 1.9% in the current year. At the beginning of the year, the IMF had still forecast 1.7%.

The EU Commission predicts an inflation rate of 1.9% in the current financial year, which is five times as high as in 2016. This forecast is still below the inflation rate of 2% targeted by the ECB for the medium term.

Development in Germany

The International Monetary Fund (IMF) forecasts the German economy to grow by 1.8% in 2017.

It believes that the performance in Europe's largest economy is driven not only by domestic demand but also the recovery of the global economy benefiting German exports.

In 2017, the German Federal Labour Office expects 760,000 more persons to be employed subject to social insurance on annual average than in the previous year. This forecast, however, is subject to the assumption that the current favourable overall conditions do not change.

The German Bundesbank anticipates an inflation rate of 1.5% for Germany in the full 2017 financial year.

Outlook

The Board of Directors' assumptions and forecasts are based on the information currently available. The future business development depends on numerous factors, especially on the developments in the crisis regions and the trends on the currency markets.

The domestic market of Germany performed very well in the first half of 2017. The parent company Einhell Germany AG was able to further increase its revenue and earnings. The losses generated by kwb Germany GmbH in the previous year were reduced. This company had suffered from the unsatisfactory implementation of a logistics project in 2015, which led to non-deliveries and increased costs, the consequences of which are still palpable in 2017.

On the important Australian market, the Einhell Group also continues to be well on track thanks to its Ozito Industries Pty Ltd subsidiary acquired in July 2013. Here, the Einhell Group expects the positive trend seen in the first half of 2017 to continue in the next few months.

The subsidiaries in the Southern and Eastern Europe region also generated excellent revenue and earnings in the first half of 2017. Most companies within this region were able to increase or improve their revenue and earnings. The various companies of the Einhell Group in Western Europe also made an excellent contribution to earnings. Group management expects that the business performance in the European economic region will remain stable until the end of the year.

The South American subsidiaries generated a balanced result overall. Revenue in Argentina increased on the previous year in 2017, although high financing costs and the weak currency are weighing on the generally positive result of the subsidiary.

In 2016, the management of the Einhell Group had resolved to dispose of the Einhell Brasil Com. Distr. subsidiary. The sales process has not been completed to date. The buyer signed a contract containing several obligations that have not yet been met by the buyer, which is why the company has not been transferred. The Einhell Group is currently searching for a solution and has sued the buyer for contract performance and compensation of damages.

In summary, a highly positive business performance is expected for the remainder of the financial year. Nevertheless, the political uncertainties in various countries call for a cautious forecast. From today's point of view, the Group will generate revenue growth of about 8% to 10% year-on-year in 2017. The forecast for the operating margin before taxes and PPA effects (approx. EUR 1.8 million) is lifted to approx. 6.0%.

Landau a. d. Isar, 29 August 2017

Einhell Germany AG
The Board of Directors

Andreas Kroiss
Jan Teichert
Dr Markus Thannhuber

Consolidated statement of financial position (IFRS) as at 30 June 2017 (abbreviated)

Assets	30.06.2017 EURk	30.06.2016 EURk
NON-CURRENT ASSETS		
Intangible assets	18,737	20,917
Property, plant and equipment	20,552	19,416
Non-current financial assets	388	380
Other non-current assets	396	1,485
Deferred tax assets	7,167	5,625
	47,240	47,823
CURRENT ASSETS		
Inventories	148,187	133,072
Trade receivables	99,994	92,428
Other assets	32,387	23,892
Assets held for sale	1,583	0
Cash and cash equivalents	12,467	10,864
	294,618	260,256
	<u>341,858</u>	<u>308,079</u>

Equity and liabilities	30.06.2017 EURk	30.06.2016 EURk
EQUITY		
Subscribed capital	9,662	9,662
Capital reserve	26,677	26,677
Retained earnings	142,399	133,591
Other reserves	-10,558	-8,513
Equity of shareholders of Einhell Germany AG	168,180	161,417
Non-controlling interest	2,106	1,859
	170,286	163,276
NON-CURRENT LIABILITIES		
Provisions	4,221	3,845
Liabilities from debt capital	0	30,038
Deferred tax liabilities	2,761	2,624
Other liabilities	28	4,226
	7,010	40,733
CURRENT LIABILITIES		
Trade payables	65,058	37,777
Provisions	32,004	19,750
Liabilities from debt capital	40,348	25,006
Other liabilities	26,930	21,537
Liabilities in connection with assets held for sale	222	0
	164,562	104,070
	<u>341,858</u>	<u>308,079</u>

Consolidated statement of comprehensive income (IFRS) for the period from 1 January to 30 June 2017

	01.01. – 30.06.2017	01.01. – 30.06.2016
	EURk	EURk
Revenue	280,461	248,826
Other operating income	3,085	1,821
Cost of materials	-186,242	-170,819
Personnel expenses	-33,676	-30,134
Depreciation	-2,491	-2,793
Other operating expenses	-40,208	-33,847
Financial result	-1,741	-2,199
Profit before income taxes	19,188	10,855
Income taxes	-6,609	-3,382
Consolidated net profit	12,579	7,473
Thereof share of minority shareholders in consolidated net profit/loss	190	227
Thereof share of shareholders of Einhell Germany AG in consolidated net profit/loss	12,389	7,246

Consolidated statement of cash flows (IFRS) for the period from 1 January to 30 June 2017

in EURk	01.01. – 30.06.2017	01.01. – 30.06.2016
Cash flows from/used in operating activities		
Profit before taxes	19,188	10,855
+ Depreciation and amortisation of intangible assets and property, plant and equipment	2,491	2,793
- Interest income	-127	-58
+ Interest expenses	1,071	1,273
+/- Other non-cash expenses and income	-25	16
Operating profit before changes in net working capital	22,598	14,879
+/- Decrease/increase in trade receivables	-33,380	-29,732
+/- Decrease/increase in inventories	-21,555	5,543
+/- Decrease/increase in other assets	-11,643	-53
+/- Decrease/increase in assets held for sale	399	0
+/- Increase/decrease in non-current liabilities	-517	169
+/- Increase/decrease in current liabilities	9,360	6,649
+/- Increase/decrease in trade payables	-2,493	-23,566
+/- Increase/decrease in liabilities in connection with assets held for sale	-136	0
Cash flows from/used in operating activities	-37,367	-26,111
- Taxes paid	-4,572	-4,040
+ Interest received	127	58
- Interest paid	-670	-1,118
Net cash from/used in operating activities	-42,482	-31,211
Cash flows from/used in investing activities		
- Payments to acquire assets	-3,456	-1,575
- Payments for acquisition of consolidated companies	0	0
+ Proceeds from disposal of assets	85	55
+/- Increase/decrease in goodwill	0	-315
+ Proceeds from disposal of consolidated companies	0	0
- Cash-outflow from changes to companies included in the consolidation	0	0
Net cash used in investing activities	-3,371	-1,835
Cash flows from/used in financing activities		
+/- Increase/decrease in financial liabilities	7,418	22,817
- Payments for acquisition of equity investments	-523	-418
+ Proceeds from non-controlling interest	0	0
- Dividend payments to shareholders of Einhell Germany AG	-2,894	-2,139
- Dividend payments to non-controlling interest	0	0
- Payments for liabilities for finance leases	0	0
Net cash used in financing activities	4,001	20,260
Changes to cash and cash equivalents due to currency exchange	-385	-656
Net decrease/increase in cash and cash equivalents	-42,237	-13,442
Cash and cash equivalents at beginning of reporting period	54,704	24,306
Cash and cash equivalents at end of reporting period	12,467	10,864

Selected IFRS consolidated notes of Einhell Germany AG, Landau/Isar, for the period from 1 January to 30 June 2017

1. Principles and methods used in preparing the consolidated financial statements

1.1 Basis of consolidation

The consolidated financial statements comprise Einhell Germany AG and the companies it controls. IAS 27 defines control as the power to govern the financial and operating policies so as to obtain benefits from a company's activities. If the Group holds more than 50% of the voting rights of a company, either directly or indirectly, it is deemed to control such company, unless such assumption is refuted. Companies that are acquired or sold during the course of a financial year are included in the consolidated financial statements as from the date of acquisition until the date of sale.

The group of companies included in the consolidation of the Einhell Group did not change in the period under review.

1.2 Accounting and valuation principles

The report as at 30 June 2017 applies the same accounting and valuation principles as were used in the annual financial statements 2016.

2. Notes to statement of financial position

2.1 Non-current assets

Intangible assets and property, plant and equipment are valued at acquisition or manufacturing cost and are recognised in the statement of financial position less accumulated depreciation.

Intangible assets amount to EUR 18.7 million as at 30 June 2017, while property, plant and equipment amount to EUR 20.6 million.

2.2 Inventories

	June 2017	June 2016
	EURk	EURk
Raw materials and supplies (at acquisition cost)	315	321
Finished goods	146,907	131,801
Advance payments	965	950
Total	148,187	133,072

Inventories are valued at the lower of acquisition or manufacturing cost or net realisable value.

2.3 Cash and cash equivalents

Cash and cash equivalents include bank balances, cheques and cash in hand.

2.4 Provisions

Provisions total EUR 36,225 thousand. This includes non-current provisions of EUR 4,221 thousand.

Provisions refer in particular to provisions for warranty.

2.5 Liabilities

Upon addition, liabilities are valued at fair value of the consideration received; subsequent valuation is performed at amortised cost. Liabilities in foreign currencies are recognised at the reporting date rate or hedging rate as at the reporting date.

3. Notes to the consolidated statement of income

Other operating expenses

Other operating expenses amount to EUR 40,208 thousand as at 30 June 2017. This pertains primarily to expenses for the transport of goods, warranty, customer services, impairment, advertising and product design.

4. Segment reporting

The identification of reportable operating segments pursuant to IFRS 8 is based on the so-called management approach concept. The division of the Einhell Group into two segments reflects a representation of business areas as well as the Group's internal management and reporting structures. The segments are "Tools" and "Garden & Leisure".

Income and expenses that cannot be directly allocated to the individual segments are shown in the reconciliation item.

4.1 Segment reporting by division

June 2017 in EURk	Tools	Garden & Leisure	Total segments	Reconciliation	Group
Segment revenue	162,544	117,917	280,461	0	280,461
Operating earnings for the segment	9,462	9,726	19,188	0	19,188
Financial result	-1,438	-303	-1,741	0	-1,741
Interest income	56	71	127	0	127
Interest expenses	-727	-344	-1,071	0	-1,071
Depreciation	1,566	925	2,491	0	2,491
Non-cash income	-204	-64	-268	0	-268
Non-cash expenses	101	142	243	0	243
Inventories	89,631	58,556	148,187	0	148,187
Depreciation of inventories	1,177	579	1,756	0	1,756

June 2016 in EURk	Tools	Garden & Leisure	Total segments	Reconciliation	Group
Segment revenue	138,467	110,359	248,826	0	248,826
Operating earnings for the segment	4,639	6,216	10,855	0	10,855
Financial result	-1,869	-330	-2,199	0	-2,199
Interest income	25	33	58	0	58
Interest expenses	-896	-377	-1,273	0	-1,273
Depreciation	1,862	931	2,793	0	2,793
Non-cash income	-263	-251	-514	0	-514
Non-cash expenses	406	124	530	0	530
Inventories	85,254	47,818	133,072	0	133,072
Depreciation of inventories	769	614	1,383	0	1,383

The Tools segment includes electronic hand tools and stationary tools as well as hand-held tools and general electronic tools accessories. Garden & Leisure comprises garden and water technology as well as cooling and heating technology.

4.2 Segment reporting by region

The geographic allocation of revenue is based on the registered office of the invoice recipient. The decisive factor is the market where the revenue is generated. The following table shows segment reporting by region:

June 2017 in EURk	D/A/CH region	Other Europe	Oceania	South America	Other countries	Group
External revenue	116,514	97,209	48,810	14,817	3,111	280,461
Non-current assets	14,408	11,748	11,560	748	1,609	40,073

June 2016 in EURk	D/A/CH region	Other Europe	Oceania	South America	Other countries	Group
External revenue	110,244	84,557	38,078	11,622	4,325	248,826
Non-current assets	15,173	12,222	13,257	855	691	42,198

5. Statement of responsibility

To the best of our knowledge, we assure that the interim consolidated financial statements give a true and fair view of financial position and performance as well as the earnings situation of the Group and that the interim Group management report accurately reflects the actual development and performance of the business and the position of the Group and describes the principal risks and opportunities associated with the Group's expected development in the remaining months of the financial year.

Landau a. d. Isar, 29 August 2017

Einhell Germany AG
The Board of Directors

Andreas Kroiss
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