



Einhell Germany AG

FINANCIAL REPORT 31 MARCH 2014



Einhell® WELL DONE.

Dear shareholder,

The Einhell Group was able to expand its business volume in the first three months of financial year 2014 and generated revenue of EUR 105.1 million. The additional revenue generated was owed to a revenue contribution of EUR 17.8 million made by Ozito Industries Pty Ltd, which was acquired in the previous year.

Operating earnings before Purchase price allocation effects amount to EUR 2.1 million. This is equivalent to a margin of about 2% of sales. Purchase price allocation (PPA) effects squeezed earnings by EUR 1.0 million. Including PPA effects, operating earnings amount to EUR 1.1 million and the pre-tax margin is 1%.

Condensed Group Management Report of Einhell Germany AG

General economic conditions

In March 2014, the leading indicator issued by the Organisation for Economic Co-operation and Development (OECD) went up 0.1 points compared to the previous month to 100.5. In February 2014, the OECD's leading indicator had been at 100.4.

The business climate in the German economy has slightly deteriorated in March 2014. The ifo business climate index dropped from 111.3 points in February to 110.7 points in March. This trend is mainly attributed to the crisis of the emerging countries as well as to the Crimea events. Before, the business climate index had increased four times in a row. Executives are more pessimistic with regard to the coming six months; the barometer fell by nearly two points to 106.4 points.

According to the German Ministry of Economy, the upswing in Germany is losing momentum after a strong start to the year. The gross domestic product rose by 0.4% in the first quarter of 2014. This was also due to an exceptionally mild winter.

According to the European statistical authority Eurostat, the gross domestic product in the eurozone increased by 0.2% in March 2014. The growth rate was only half of what economists had projected. The pressure on the European Central Bank intensifies to provide economic incentives in June to boost the currently low inflation and weak production level.

Industrial production in the eurozone dropped in the month of March, as expected. The companies produced 0.3% less than in the previous month, as stated by the European statistical authority Eurostat. In February 2014, industrial production had still increased by

0.2%. Compared to the relevant month in the previous year, production also dropped slightly by 0.1%.

According to the Federal Statistical Office (Destatis), the order intake in the German industry dropped by 2.8% in March 2014 compared to the previous month. Adjusted for seasonal effects, domestic orders fell by 0.6% compared to the previous month, while foreign orders fell by 4.6% month-on-month. With regard to foreign orders, those from the eurozone fell by 9.4% compared to the previous month and those from non-eurozone countries dropped 1.7% month-on-month.

German foreign trade gained further momentum in the first quarter of 2014. Towards the end of the quarter, however, German exports received a damper. According to the Federal Statistical Office, exports dropped in March for the second month in a row. German companies sold 1.8% fewer goods abroad than in February. Adjusted for calendar and seasonal effects, this was the strongest decline since May 2013. In a year-on-year comparison, the trend is still positive. All in all, German companies sold goods worth EUR 96.0 billion abroad - a plus of 1.9% compared to March 2013. In the entire first quarter, German exports were 3.1% above the previous year's value at EUR 279.1 billion.

The foreign trade balance, i.e. the balance of exports to imports, closed with a surplus of EUR 16.4 billion in March 2014. One year before, this value had been EUR 18.9 billion.

The usual spring upturn brought down unemployment figures in Germany. The German Federal Labour Office stated that 3.055 million men and women were without a job in March 2014. This equals a decrease of 83,000 compared to February and a decrease of 43,000 compared to March 2013. The unemployment rate was 7.1%. Labour market researchers expect a further rise in employment figures in the coming months. Contrary to the years before, those unemployed who did not only lose their jobs for seasonal reasons, will also benefit from this trend. The current economic upswing could lead to a reduction in core unemployment.

The unemployment rate in the eurozone and the European Union remains at a high level, but has recently stopped climbing. The unemployment rate in the eurozone, adjusted for seasonal effects, was 11.8% in March 2014 and therefore stable compared to the previous month. 18.913 million employable persons were without a job in the eurozone and 25.699 million in the European Union. This is equivalent to a stable ratio of 10.5%.

Consumer prices in Germany were 1.0% higher in March 2014 than in March 2013. The inflation rate - as measured by the consumer price index - stood at +1.2% in February 2014 and at +1.3% in January 2014. This means that the upward price trend has slowed further.

As was already the case in the previous months, the decrease in inflation is due to falling mineral oil product prices.

The inflation rate is clearly below the European Central Bank's target value of just under 2%.

The harmonised index of consumer prices for Germany, which is calculated for European purposes, was 0.9% higher in March 2014 than in March 2013. Compared to the previous month, the index rose by 0.3% in March 2014.

DIY trade in Germany experienced a fall in revenue in 2013. With regard to 2014, however, the German association of DIY retailers (BHB) is optimistic. The sales volume of the total DIY market might not be sustainable because of the insolvency of the Praktiker/Max Bahr DIY store chains. Current revenue trends suggest that a large proportion of revenue from the Praktiker Group can be maintained by other companies of the sector rather than getting lost or going elsewhere. The gap left in 2013 (approx. 3%) is also expected to be caught up with in 2014. Based on a stable economic situation, a low interest level and a moderate inflation rate, the DIY sector expects some significant growth rates.

Performance report

Einhell Group revenues

From January to March 2014, the Einhell Group generated revenue of EUR 105.1 million (Q1 2013: EUR 102.1 million). This corresponds to a year-on-year increase of EUR 3.0 million and includes revenue of EUR 17.8 million generated by Ozito Industries Pty Ltd acquired in July 2013.

The core Einhell business reported a decline in revenue, as expected, which is mainly due to the Praktiker/Max Bahr insolvency. Moreover, a customer in the discounter market is no longer supplied, which also had a negative effect on revenue.

In the D/A/CH region (Germany, Austria, Switzerland), revenue decreased to EUR 43.5 million (Q1 2013: EUR 56.0 million). The share of D/A/CH business in consolidated revenue amounts to 41.4% (Q1 2013: 54.9%).

Revenue in the rest of Europe dropped to EUR 33.3 million (Q1 2013: EUR 34.2 million). Tur-

key, Italy and the UK are among the largest sales markets in this area.

In Asia, revenue amounted to EUR 4.7 million (Q1 2013: EUR 3.6 million).

The other countries and South America improved their revenue figures compared to Q1 2013 with an increase of EUR 15.2 million to EUR 23.5 million (Q1 2013: EUR 8.3 million). This is where the sales contributions of the Group companies in Australia and South America had a noticeable effect.

Segment development

In the Tools segment, revenue amounted to EUR 60.2 million in the first three months of the financial year 2014 (Q1 2013: EUR 58.2 million). The most significant sales in this segment were generated by products in the electric power tools, compressed air technology and wood processing ranges. kwb tools products are reported in the Tools segment.

In the Garden & Leisure segment, revenue came out to EUR 44.9 million (Q1 2013: EUR 43.9 million). Strong sales were mainly generated with lawn and garden care products. Products from the lawn mower, lawn scarifier and tree and shrub care ranges sold particularly well.

Earnings development

In the first three months of financial year 2014, the Einhell Group generated operating earnings of EUR 1.1 million (Q1 2013: EUR 2.1 million). The pre-tax margin is 1.0% (Q1 2013: 2.0%).

Purchase price allocation (PPA) effects took earnings down by EUR -1.0 million. Without PPA effects, operating earnings would have amounted to EUR 2.1 million and the pre-tax margin to 2.0%.

Consolidated net profit after minority interest amounts to EUR 0.8 million in the period under review (Q1 2013: EUR 1.2 million). Earnings per share amounted to EUR 0.2 (Q1 2013: EUR 0.3).

Owed to the discontinuation of business with a customer from the discounter sector, the gross margin was slightly raised year-on-year in the period under review.

Compared to the prior-year period, personnel expenses are nearly stable at EUR 13.6 million (Q1 2013: EUR 13.5 million). Adjusted for the personnel expenses related to the acquisition of Ozito, personnel expenses have fallen considerably.

Other expenses of EUR 16.2 million (Q1 2013: EUR 14.6 million) exceed the prior-year level. This is driven, amongst other factors, by the newly acquired business in Australia, which is more freight intensive, as well as higher trade fair related expenses.

Financial costs of EUR -0.4 million exceed the prior-year level. The financial result is adversely impacted by higher financial costs in countries with a high inflation rate.

Personnel and HR services

On 31 March 2014, the Einhell Group had 1,341 employees worldwide (31 March 2013: 1,291). The acquisition of Ozito Industries Pty Ltd and its affiliates in July 2013 added 106 employees to the Einhell Group.

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

Financial and assets position

The most important items in the statements of financial position as of 31 March 2014 and 31 March 2013 are as follows:

	03/2014	03/2013
	in EUR million	in EUR million
Non-current assets incl. deferred tax assets	54.5	36.8
Inventories	112.9	129.3
Receivables and other assets	111.6	135.9
Cash and cash equivalents	11.4	7.0
Equity	154.2	165.3
Liabilities to banks	51.9	81.9

Investments

In the period under review, the Einhell Group made investments amounting to EUR 0.7 million (Q1 2013: EUR 0.7 million). Most investments refer to intangible assets and property, plant and equipment.

Current assets

Goods inventories decreased to EUR 112.9 million (Q1 2013: EUR 129.3 million). Inventories at Ozito Industries Pty Ltd amounted to EUR 13.4 million at the reporting date. This means that, adjusted for the acquisition, inventories were significantly reduced thanks to a more stringent inventory management and the consolidation of warehouses across several group companies.

Trade receivables are shown after deduction of impairment for bad debts. Trade receivables decreased by EUR 17.3 million to EUR 88.0 million in the period under review (Q1 2013: EUR 105.3 million), driven by higher revenues in the regions with shorter debtor terms.

Other current assets decreased to EUR 23.6 million (Q1 2013: EUR 30.6 million).

Cash and cash equivalents amount to EUR 11.4 million on the reporting date (Q1 2013: EUR 7.0 million). Compared to the previous year, liabilities to banks were reduced considerably from EUR 81.9 million to EUR 51.9 million.

Group structure

There were no changes to the Group structure in the period under review.

Investor Relations

On 5 May 2014 Einhell Germany AG took part in the Small Cap Forum/Spring Conference in order to talk to analysts and investors. The presentation addressed the figures as at 31 December 2013 and gave an outlook for the planned development of the Group.

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.

The Einhell Group utilised the favourable interest level in financial year 2013 for refinancing. The Group concluded long-term bilateral loan agreements totalling EUR 30.0 million with several banks, securing long-term financing until 2018 on very favourable conditions.

A highly positive factor here is that the new financing did not require the provision of securities.

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 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 corresponding measures to be developed and implemented.

The internal control system comprises integrated process controls and process-independent controls.

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 estimates by World Bank, global growth will amount to 3.2% in 2014. The main reason for the optimistic forecast is the performance in the industrialised nations, which have been suffering from the financial and economic crisis in the last few years. Thus, the economic performance in the developed economies is set to grow more strongly with the corresponding positive effect on growth in the developing countries.

European growth

According to the United Nations, the end of the recession in Europe is having a positive effect on economic growth forecasts. After years of recession, the euro states can now expect 1.1% growth this year and 1.4% in 2015.

The high unemployment in Europe will only be reduced very slowly, as economic growth is too weak to trigger substantial employment effects.

Forecasts by the International Monetary Fund (IMF) state that the inflation rate in the euro zone is still falling. In 2014 and 2015, the IMF expects inflation rates of 1.1% and 1.4%, respectively. According to the projections, the European Central Bank's price stability target of 2.0% will be missed.

Low inflation rates increase the pressure on issuing banks to ease their monetary policy even further. However, the President of the Bundesbank states that we are not yet facing a risk of deflation.

Growth in Germany

Following a patchy year with extremely low economic growth of 0.4% in 2013, Germany expects to see economic growth of 1.7% in the current year and 2.0% in 2015.

According to market researchers, consumer spending will continue to contribute significantly to overall economic growth in 2014. The GfK consumer research association relates that people expect the good economic situation to bring up salaries in the current year.

Since the inflation will presumably show a moderate trend, consumers will have more money in real terms with the corresponding positive effect on spending power.

Following a surprising decline in exports in the past year, experts believe that exports will increase again in the current year. This is due to the better business prospects in the home market of Europe.

Outlook

Forecasts for developments in 2014 are still fraught with high uncertainty. The trends on the global markets remain uncertain and unpredictable. This applies to both economic changes and political developments. The forecasts of the Einhell Group with its international activities are also clearly marked by the aforementioned uncertainty.

Some markets remain relatively stable, such as the German market, although it is also showing declines in the product groups that are relevant for Einhell. It is still not possible to generate higher revenue in the southern and eastern European markets due to the difficult macroeconomic situation.

The Einhell Group does not anticipate major improvements in these two regions in the near future. Market conditions will remain challenging.

In South America, which is deemed to be one of the growth markets, the Einhell Group was able to set up a strategic positioning by establishing new subsidiaries. These have already generated significant revenue. The new subsidiaries in South America, which are still being established and are therefore burdened by high start-up costs, have not yet been able to contribute positively to the consolidated net profit.

The Einhell Group is planning to consolidate additional parts of individual subsidiaries. First warehouse locations have been merged and the Group has already implemented consolidation measures in the field of administration.

Considering the prevalent circumstances and including the revenue of kwb tools and of Ozito Industries Pty Ltd, the Einhell Group expects to increase revenue in the 2014 financial year to about EUR 430 million and a margin of about 2-3% before tax.

Landau a. d. Isar, 28 May 2014

Einhell Germany AG
The Board of Directors

Andreas Kroiss
Jan Teichert
Dr Markus Thannhuber

Consolidated statement of financial position (IFRS) as at 31 March 2014 (abbreviated)

Assets	31 March 2014 € thousand	31 March 2013 € thousand
NON-CURRENT ASSETS		
Intangible assets	27,057	10,453
Property, plant and equipment	17,935	17,856
Financial assets	367	362
Other non-current assets	2,276	2,451
Deferred tax assets	6,893	5,681
	<u>54,528</u>	<u>36,803</u>
CURRENT ASSETS		
Inventories	112,942	129,344
Trade receivables	88,015	105,328
Other assets	23,551	30,585
Cash and cash equivalents	11,408	7,024
	<u>235,916</u>	<u>272,281</u>
	<u>290,444</u>	<u>309,084</u>

Equity and liabilities	31 March 2014 € thousand	31 March 2013 € thousand
EQUITY		
Subscribed capital	9,662	9,662
Capital reserve	26,677	26,677
Retained earnings	124,616	124,449
Other reserves	-9,044	1,530
	<u>151,911</u>	<u>162,318</u>
Equity of shareholders of Einhell Germany AG	2,301	2,962
Minority interests		
	<u>154,212</u>	<u>165,280</u>
NON-CURRENT LIABILITIES		
Provisions	2,616	2,614
Financial liabilities	30,000	20,395
Deferred tax liabilities	3,926	1,187
Other liabilities	11,797	1,879
	<u>48,339</u>	<u>26,075</u>
CURRENT LIABILITIES		
Trade payables	32,989	26,080
Provisions	13,414	10,828
Financial liabilities	21,852	61,502
Other liabilities	19,638	19,319
	<u>87,893</u>	<u>117,729</u>
	<u>290,444</u>	<u>309,084</u>

Consolidated statement of comprehensive income (IFRS) for the period from 1 January to 31 March 2014

	1 January - 31 March 2014	1 January - 31 March 2013
	€ thousand	€ thousand
Revenue	105,068	102,130
Other operating income	1,320	1,686
Cost of materials	-73,972	-72,859
Personnel expenses	-13,552	-13,532
Depreciation	-1,211	-709
Other operating expenses	-16,157	-14,613
Financial result	-432	-42
Profit before income taxes	1,064	2,061
Income taxes	-449	-971
Consolidated net profit	615	1,090
Share of minority shareholders in consolidated net income/loss	-151	-118
Thereof share in consolidated net profit/loss of shareholders of Einhell Germany AG	766	1,208

Consolidated statement of cash flows (IFRS) for the period from 1 January to 31 March 2014

in € thousand	1 January - 31 March 2014	1 January - 31 March 2013
Cash flows from/used in operating activities		
Profit before taxes	1,064	2,061
+ Depreciation and amortisation of intangible assets and property, plant and equipment	1,211	709
- Interest income	-36	-62
+ Interest expenses	468	649
+/- Other non-cash expenses and income	1,995	459
Operating profit before changes in net working capital	4,702	3,816
+/- Decrease/increase in trade receivables	-24,102	-38,739
+/- Decrease/increase in inventories	-7,474	-3,616
+/- Decrease/increase in other assets	-2,439	-4,280
+/- Increase/decrease in non-current liabilities	82	-39
+/- Increase/decrease in current liabilities	2,236	4,301
+/- Increase/decrease in trade payables	-19,193	-6,987
Cash flows from operating activities	-46,188	-45,544
- Taxes paid	-965	-1,619
+ Interest received	46	32
- Interest paid	-343	-389
Net cash from operating activities	-47,450	-47,520
Cash flows from/used in investing activities		
- Payments to acquire assets	-685	-689
+ Net cash acquired from acquisitions	0	0
- Payments for capital expenditure	0	0
+ Proceeds from disposal of assets	47	1
+/- Increase/decrease in goodwill	0	0
+ Proceeds from disposal of consolidated companies	0	0
- Cash-outflow from changes to companies included in the consolidation	0	0
Net cash from/used in investing activities	-638	-688
Cash flows from/used in financing activities		
+/- Increase/decrease in financial liabilities	405	49,659
- Payments for acquisition of equity investments	0	0
+ Proceeds from minority shareholders	0	0
- Dividend payments to shareholders of Einhell Germany AG	0	0
- Dividend payments to minority shareholders	0	0
- Payments for liabilities for finance leases	-1	-2
Net cash used in financing activities	404	49,657
Changes to cash and cash equivalents due to currency exchange	86	-43
Net decrease/increase in cash and cash equivalents	-47,598	1,406
Cash and cash equivalents at beginning of reporting period	59,006	5,618
Cash and cash equivalents at end of reporting period	11,408	7,024

Selected IFRS consolidated notes of Einhell Germany AG, Landau/Isar, for the period from 1 January to 31 March 2014

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.

There were no changes to the companies included in the consolidation in the period under review.

1.2 Accounting and valuation principles

The report as at 31 March 2014 applies the same accounting and valuation principles as were used in the annual financial statements 2013.

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 27.1 million as at 31 March 2014, while property, plant and equipment amount to EUR 17.9 million.

2.2 Inventories

	March 2014	March 2013
	€ thousand	€ thousand
Raw materials and supplies (at acquisition cost)	288	307
Finished goods	109,270	128,518
Prepayments	3,384	519
Total	112,942	129,344

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 16,030 thousand. This includes non-current provisions of EUR 2,616 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 price or hedging rate as of the reporting date.

3. Notes to the consolidated statement of income

Other operating expenses

Other operating expenses amount to EUR 16,157 thousand as of 31 March 2014. This pertains primarily to expenses for the shipping of goods, warranty, customer service, 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 segmentation of the Einhell Group into the two segments Garden & Leisure and Tools reflects the Group's internal management and reporting structures.

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

4.1 Segment reporting by division

March 2014 in € thousand	Tools	Garden & Leisure	Total segments	Reconciliation	Group
Segment revenue	60,199	44,869	105,068	0	105,068
Profit from operation (EBT)	-656	1,720	1,064	0	1,064
Financial result	-390	-42	-432	0	-432
Scheduled depreciation	732	479	1,211	0	1,211
Non-cash income	-314	-227	-541	0	-541
Non-cash expenses	1,906	630	2,536	0	2,536
Inventories	67,064	45,878	112,942	0	112,942

March 2013 in € thousand	Tools	Garden & Leisure	Total segments	Reconciliation	Group
Segment revenue	58,192	43,938	102,130	0	102,130
Profit from operation (EBT)	-255	2,316	2,061	0	2,061
Financial result	-168	126	-42	0	-42
Scheduled depreciation	409	300	709	0	709
Non-cash income	-146	-93	-239	0	-239
Non-cash expenses	434	264	698	0	698
Inventories	73,422	55,922	129,344	0	129,344

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 revenues are generated. The following table shows segment reporting by region:

March 2014 in € thousand	D/A/CH region	Other Europe	Asia	South America	Other countries	Reconciliation	Group
External revenue	43,533	33,326	4,731	5,170	18,308	0	105,068
Non-current assets	15,019	13,705	567	844	17,500	0	47,635

March 2013 in € thousand	D/A/CH region	Other Europe	Asia	South America	Other countries	Reconciliation	Group
External revenue	56,029	34,249	3,564	5,891	2,397	0	102,130
Non-current assets	15,469	14,134	508	720	291	0	31,122

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 the net assets, financial position and 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, 28 May 2014

Einhell Germany AG
The Board of Directors

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