



Einhell Germany AG

FINANCIAL REPORT 30 SEPTEMBER 2014



Einhell® WELL DONE.

Dear shareholder,

The financial report of the Einhell Group as at 30 September 2014 meets the requirements under the Securities Trading Act (WpHG) for preparing interim financial statements. 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 might 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 September 2014

Revenue			
09.2014	325.372		-1,0%
09.2013	328.741		
Profit before income taxes (before PPA)*			
09.2014	9.020		8,3%
09.2013	8.329		
Profit before income taxes (after PPA)*			
09.2014	6.501		-11,2%
09.2013	7.320		
Equity ratio			
09.2014	57,1%		4,0%
09.2013	54,9%		
Net debt			
09.2014	27.568		-30,0%
09.2013	39.398		
Staff			
09.2014	1.332		-4,4%
09.2013	1.393		

* PPA = Purchase Price Allocation

Condensed Group Management Report of Einhell Germany AG

Overview of January - September 2014

While the Einhell Group did not manage to increase business volume in the first nine months of financial year 2014, it still generated revenue of EUR 325.4 million. The acquisition of Ozito Industries Pty Ltd almost entirely offset the loss of revenue from Praktiker and Max Bahr as well as the discontinuation of the cooperation with a discounter.

Operating earnings before PPA effects amount to EUR 9.0 million. This is equivalent to a return on revenue of about 2.8%. Purchase price allocation (PPA) reduces earnings by EUR 2.5 million. Adjusted for PPA effects, operating earnings amount to EUR 6.5 million and the pre-tax margin is roughly 2.0%.

General economic conditions

Economic prospects for the eurozone continue to be dim. The early indicator of the Organisation for Economic Co-operation and Development (OECD) is at 100.7 points, which is the same level as in August 2014; this indicates sustained weak growth in the monetary union.

The Ifo business climate index for the German industrial sector dropped to 104.7 in September 2014, compared to 106.3 points in the previous month of August. The assessment of the current business environment deteriorated again and expectations concerning the future business development have also become more restrained. Expectations for the coming six months dropped to the lowest level since December 2012.

In the time period from July to September, the German economy proved to be stable in a difficult global economy. The gross domestic product adjusted for price, seasonal and calendar effects was 0.1% up on the previous quarter in Q3 2014. According to the most recent calculations, the economic performance in Germany fell marginally by 0.1% in the second quarter.

The gross domestic product in the eurozone increased by 0.2% in the third quarter. The second quarter had not seen positive growth. Greece achieved the strongest economic growth in the eurozone with +0.7%.

Industrial production in the eurozone did not recover as strongly as the experts had anticipated. Industrial production was up 0.6% on the previous month in

September. Experts had expected an increase of 0.7%. Compared to the previous year's period, production increased by 0.6% in September.

According to the Federal Statistical Office (Destatis), the order intake of the German industry adjusted for price, seasonal and calendar effects climbed by 0.8% compared to the previous month in September 2014. The number of large-scale orders was exceptionally high in September. The additional orders were largely generated outside of the eurozone. Domestic and eurozone demand continued its weak trend with demand still shrinking.

In August, German exports had still experienced the strongest decline since the beginning of 2009 on account of the summer holidays starting so late in the year, while in September German exports grew by 5.5% compared to the previous month. This took exports up to a new record level of EUR 102.5 billion. Compared to the prior-year month, exports also increased by 8.5%. Imports were up 5.4% on the previous month in September 2014. According to the Federal Statistical Office, imports increased by 8.4% compared to 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 18.5 billion in September 2014.

The number of unemployed persons in Germany dropped by 94,000 to 2,808,000 in September. According to the German Federal Labour Office, this corresponds to a decrease of 41,000 persons compared to the prior-year period. The unemployment rate decreased by 0.2% to 6.5%. The drop in unemployment figures in September is due to the typical autumn revival. Adjusted for seasonal effects, however, the unemployment figure increased by 12,000 to 2,918,000 persons.

The unemployment rate in the eurozone and the European Union continues to fall. Adjusted for seasonal effects, the unemployment rate in the eurozone was 11.5% in September 2014 and therefore below the prior-year level of 12.0%. The unemployment rate in the European Union decreased to 10.1% in September, compared to 10.8% in September 2013.

The lowest unemployment rates among the member states were reported by Germany (5.0%) and Austria (5.1%). Rates continued to be the highest in Greece (26.4%) and Spain (24.0%).

Consumer prices in Germany were stable compared to the previous month of August 2014. The inflation rate in July and August 2014 had also been 0.8%. In a year-on-year comparison, consumer prices were up 0.8% on September 2013. A lower inflation rate was last recorded in February 2010 at 0.5%.

The inflation in the eurozone continues to decrease. In September 2014, prices only increased by 0.3% compared to the previous year. This is the lowest level since October 2009.

The European Central Bank targets an inflation rate of 2.0% for the entire currency region. The inflation rate is clearly below the target value.

The harmonised index of consumer prices (HICP) for Germany, which is calculated for European purposes, was 0.8% higher in September 2014 than in September 2013. Compared to the previous month, the index was unchanged in September 2014.

Total gross revenue of the DIY trade in Germany amounted to EUR 9.19 billion in the first half year of 2014. This is equivalent to a nominal fall in revenue of 3.7% compared to the prior-year period. On a like-for-like basis, German construction and DIY stores generated revenue growth of 11.8% year-on-year. After Praktiker and Max Bahr left the market with the corresponding loss of revenue, the association and the industry overall were content with the current market figures. The total performance of companies without the Praktiker Group corresponded to a plus of 14.1% compared to the first six months of the previous year. The industry is optimistic with regard to the further development of the 2014 financial year. A favourable environment for consumer spending due to a stable economy and moderate inflation suggests a positive earnings development in 2014 according to the German association of DIY retailers (BHB).

Performance report

Einhell Group revenue

From January to September 2014, the Einhell Group generated revenue of EUR 325.4 million (previous year: EUR 328.7 million). Revenue is thus slightly below the previous year's level.

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. Revenue of EUR 52.9 million generated by Ozito Industries Pty Ltd acquired last year offset the decline.

In the D/A/CH region (Germany, Austria, Switzerland), revenue dropped to EUR 131.2 million (previous year: EUR 173.0 million). The share of D/A/CH business in consolidated revenue amounts to 40.3% (previous year: 52.6%). The decline in the D/A/CH region was caused by the Praktiker/Max Bahr insolvency. In addition, the Group discontinued business relations with a customer in the discount sector.

Revenue in the rest of Europe rose to EUR 105.4 million (previous year: EUR 96.0 million). Turkey, Italy and the UK are among the largest sales markets in this area.

In Asia, revenue amounts to EUR 12.3 million (previous year: EUR 11.9 million).

The other countries and South America improved their revenue figures compared to the previous year with a EUR 28.7 million increase to EUR 76.5 million (previous year: EUR 47.8 million). This includes revenue of Ozito Industries Pty Ltd.

Segment development

In the Tools segment, revenue amounts to EUR 191.0 million in the first nine months of the 2014 financial year (previous year: EUR 198.9 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 134.4 million (previous year: EUR 129.8 million). Strong sales were mainly generated with lawn and garden care products. Lawn mowers, products from the tree and shrub care ranges as well as products related to water technology sold particularly well.

Earnings development

From January to September 2014, the Einhell Group generated operating earnings of EUR 6.5 million (previous year: EUR 7.3 million). The pre-tax margin is 2.0% (previous year: 2.2%).

Purchase price allocation (PPA) effects took earnings down by EUR -2.5 million. Without PPA effects, operating earnings would have amounted to EUR 9.0 million and the pre-tax margin to 2.8%.

Consolidated net profit after minority interest amounts to EUR 4.0 million in the period under review (previous year: EUR 4.8 million). Earnings per share amount to EUR 1.1 (previous year: EUR 1.3).

The gross profit margin improved compared to the previous year. This is mainly due to the discontinuation of business with a customer in the discount sector.

Compared to the prior-year period, personnel expenses increased moderately, now amounting to EUR 41.8 million (previous year: EUR 41.5 million). Adjusted for the personnel expenses related to the acquisition of Ozito, personnel expenses have fallen considerably.

Other expenses of EUR 48.9 million (previous year: EUR 46.3 million) exceed the prior-year level. This is driven, amongst other factors, by the newly acquired business in Australia, which is more freight intensive.

Financial costs of EUR -2.7 million exceed the prior-year level. The financial result is burdened by higher financial expenditure in countries with a high inflation rate and therefore high interest levels as well as by purchase price allocation effects related to the acquisition of Ozito Industries Pty Ltd.

Personnel and HR services

On 30 September 2014, the Einhell Group had 1,332 employees worldwide (previous year: 1,393). The decline in headcount is mainly due to the consolidation of some business areas such as warehouses and administration departments in individual countries.

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 key items in the statements of financial position as at 30 September 2014 and 30 September 2013 are as follows:

	09/2014	09/2013
	in EUR million	in EUR million
Non-current assets incl. deferred tax assets	52.5	55.4
Inventories	106.6	103.6
Receivables and other assets	116.9	124.1
Cash and cash equivalents	10.7	10.7
Equity	163.6	161.4
Liabilities to banks	38.2	50.1

Investments

In the reporting period, the Einhell Group made investments amounting to EUR 2.5 million (previous year: EUR 21.0 million). Most investments refer to intangible assets and property, plant and equipment.

Current assets

Goods inventories increased as against the previous year to EUR 106.6 million (previous year: EUR 103.6 million).

Trade receivables are shown after deduction of impairment for bad debts. Trade receivables decreased

by EUR 13.7 million to EUR 85.7 million in the period under review (previous year: EUR 99.4 million), driven by higher revenue in the regions with shorter debtor terms.

Other current assets increased to EUR 31.2 million, up from EUR 24.7 million in the previous year. This is predominantly driven by positive fair values of currency derivatives.

Cash and cash equivalents amount to EUR 10.7 million on the reporting date (previous year: EUR 10.7 million). Compared to the previous year, liabilities to banks were reduced considerably from EUR 50.1 million to EUR 38.2 million.

Group structure

10% of shares in Einhell Australia Pty. Ltd. were acquired from the local managing director in the period under review. Einhell Germany AG therefore now owns 100% of the shares in this company.

Investor Relations

Einhell Germany AG will participate in the Deutsche Börse Equity Forum at Frankfurt on 25 November 2014 in order to talk to analysts and investors. The presentation will address the figures as at 30 September 2014 and give 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 extremely favourable conditions. As scheduled, EUR 20.0 million was paid back in July 2014 for long-term loans concluded in financial year 2009.

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 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 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 car-

ried 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 continues to lose momentum. The IMF has lowered its global economic growth forecast for 2014 to 3.3%; this is down 0.1% on the economic growth forecast in July. In 2015, the IMF projects a 3.8% increase in global economic performance.

The reasons stated by IMF for this more pessimistic forecast are impending stagnation in the eurozone and geopolitical risks surrounding the conflicts in the Middle East and the Ukraine.

Development in Europe

The outlook in the eurozone is deteriorating. The Monetary Fund has lowered its 2014 growth forecast by 0.3% to 0.8%. In the next year, economic growth in the eurozone is now expected to increase by only 1.3% instead of 1.5%. For France and Italy, the IMF forecasts negative growth of -0.2% in 2014.

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

The European Commission's autumn forecast continues to assume a low inflation rate for the European Union in 2014. To date, the trend towards low inflation has persisted in 2014 due to the low commodities prices. In 2014, the Commission anticipates an infla-

tion rate of 0.6%. Given the slowly recovering economy and rising salaries, the European Commission expects that the inflation rate will climb to 1.0% in 2015.

Development in Germany

The leading German economic institutes have lowered their growth forecast for Germany significantly. Half a year ago, the institutes had anticipated growth of 1.9% in 2014 and 2.0% in 2015; now they forecast a mere 1.3% growth in 2014 and 1.2% in 2015.

Outlook

Global economic prospects have only brightened marginally, especially with respect to different European regions. The trends on the global markets remain uncertain and hard to predict. This applies to both economic changes and political developments. As these types of developments are unpredictable, the internationally active Einhell Group's forecasts are also marked by the uncertainty described above.

On the German domestic market, the Einhell Group was unable to offset the revenue losses due to the insolvency of Praktiker/Max Bahr and the discontinuation of business with a customer from the discounter sphere as hoped for. Therefore, the revenue decline in the D/A/CH region is stronger than anticipated, which is why the expected margins were not reached in this region.

The situation in the region Southern and Eastern Europe has shown a positive performance to date in 2014. Despite the challenging economic situation in some of the countries, the majority of Group companies in this region generated encouraging revenue and earnings again.

In South America, the Einhell Group was able to set up a strategic positioning by establishing new subsidiaries. These have already generated significant revenue. Overall, however, the new subsidiaries in South America, which are still being established and therefore feature high start-up costs, have still not been able to contribute positively to consolidated net profit. Earnings in the South America region are also burdened by massive fluctuations of the local currencies. Under its risk management policy, the Group seeks to hedge these currencies to the greatest possible extent. However, the high local interest rates partly lead to extremely high financing costs in these countries.

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 political developments in the crisis regions and the trends on the currency markets.

As there are no indications of business picking up in the fourth quarter, we have adjusted our year-end forecasts. We expect revenue in the range of about EUR 410 million. We further expect a margin (before tax and PPA effects) of 1.0%-1.5% and a pre-tax margin (adjusted for PPA effects) of 0.5%-1.0%.

Landau a. d. Isar, 24 November 2014

Einhell Germany AG
The Board of Directors

Andreas Kroiss
Jan Teichert
Dr Markus Thannhuber

Consolidated statement of financial position (IFRS) as at 30 September 2014 (abbreviated)

Assets	30.09.2014 € thousand	30.09.2013 € thousand
NON-CURRENT ASSETS		
Intangible assets	26,285	27,578
Property, plant and equipment	18,251	18,831
Financial assets	367	362
Other non-current assets	2,110	2,731
Deferred tax assets	5,443	5,942
	<u>52,456</u>	<u>55,444</u>
CURRENT ASSETS		
Inventories	106,642	103,573
Trade receivables	85,679	99,440
Other assets	31,243	24,706
Cash and cash equivalents	10,674	10,728
	<u>234,238</u>	<u>238,447</u>
	<u>286,694</u>	<u>293,891</u>

Equity and liabilities	30.09.2014 € thousand	30.09.2013 € thousand
EQUITY		
Subscribed capital	9,662	9,662
Capital reserve	26,677	26,677
Retained earnings	125,592	125,904
Other reserves	-207	-3,592
Equity of shareholders of Einhell Germany AG	161,724	158,651
Minority interests	1,852	2,782
	<u>163,576</u>	<u>161,433</u>
NON-CURRENT LIABILITIES		
Provisions	2,638	2,658
Liabilities from debt capital	30,000	199
Deferred tax liabilities	5,082	4,514
Other liabilities	8,573	12,001
	<u>46,293</u>	<u>19,372</u>
CURRENT LIABILITIES		
Trade payables	30,952	27,851
Provisions	13,961	12,276
Liabilities from debt capital	8,242	49,927
Other liabilities	23,670	23,032
	<u>76,825</u>	<u>113,086</u>
	<u>286,694</u>	<u>293,891</u>

Consolidated statement of comprehensive income (IFRS) for the period from 1 January to 30 September 2014

	01.01. - 30.09.2014	01.01. – 30.09.2013
	€ thousand	€ thousand
Revenue	325,372	328,741
Other operating income	5,143	4,874
Cost of materials	-227,029	-233,856
Personnel expenses	-41,751	-41,549
Depreciation	-3,631	-2,591
Other operating expenses	-48,888	-46,319
Financial result	-2,715	-1,980
Profit before income taxes	6,501	7,320
Income taxes	-2,579	-2,777
Consolidated net profit	3,922	4,543
Thereof share of minority shareholders in consolidated net profit/loss	-75	-259
Thereof share of shareholders of Einhell Germany AG in consolidated net profit/loss	3,997	4,802

Consolidated statement of cash flows (IFRS) for the period from 1 January to 30 September 2014

in € thousand	01.01. - 30.09.2014	01.01. - 30.09.2013
Cash flows from/used in operating activities		
Profit before taxes	6,501	7,320
+ Depreciation and amortisation of intangible assets and property, plant and equipment	3,631	2,591
- Interest income	-154	-168
+ Interest expenses	1,385	1,208
+/- Other non-cash expenses and income	2,789	1,623
Operating profit before changes in net working capital	14,152	12,574
+/- Decrease/increase in trade receivables	-21,347	-32,893
+/- Decrease/increase in inventories	-498	33,784
+/- Decrease/increase in other assets	-1,993	327
+/- Increase/decrease in non-current liabilities	-3,221	-751
+/- Increase/decrease in current liabilities	8,213	3,707
+/- Increase/decrease in trade payables	-22,983	-11,998
Cash flows from/used in operating activities	-27,677	4,750
- Taxes paid	-1,930	-2,609
+ Interest received	143	50
- Interest paid	-1,016	-1,026
Net cash from/used in operating activities	-30,480	1,165
Cash flows from/used in investing activities		
- Payments to acquire assets	-2,457	-2,037
- Payments for acquisition of consolidated companies ^(*)	0	-9,900
+ Proceeds from disposal of assets	54	168
+/- Increase/decrease in goodwill	0	126
+ 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	-2,403	-11,643
Cash flows from/used in financing activities		
+/- Increase/decrease in financial liabilities	-13,214	18,161
- Payments for acquisition of equity investments	-96	-754
+ Proceeds from minority shareholders	20	108
- Dividend payments to shareholders of Einhell Germany AG	-1,384	-2,139
- Dividend payments to minority shareholders	-601	0
- Payments for liabilities for finance leases	-2	-4
Net cash used in financing activities	-15,277	15,372
Changes to cash and cash equivalents due to currency exchange	-172	216
Net decrease/increase in cash and cash equivalents	-48,332	5,110
Cash and cash equivalents at beginning of reporting period	59,006	5,618
Cash and cash equivalents at end of reporting period	10,674	10,728

(*) Payments for acquisition of consolidated companies are recognised as net amounts in accordance with IAS 7.42. Previous year's figures were adjusted.

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

10% of shares in Einhell Australia Pty. Ltd. were acquired from the local managing director in the period under review. Einhell Germany AG therefore now owns 100% of the shares in this company.

1.2 Accounting and valuation principles

The report as at 30 September 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 26.3 million as at 30 September 2014, while property, plant and equipment amount to EUR 18.3 million.

2.2 Inventories

	September 2014	September 2013
	€ thousand	€ thousand
Raw materials and supplies (at acquisition cost)	292	280
Finished goods	104,325	100,292
Prepayments	2,025	3,001
Total	106,642	103,573

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 16,599 thousand. This includes non-current provisions of EUR 2,638 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 48,888 thousand as at 30 September 2014. This pertains primarily to expenses for the transport of goods, warranties, 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 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

September 2014 in € thousand	Tools	Garden & Leisure	Total segments	Reconciliation	Group
Segment revenue	190,960	134,412	325,372	0	325,372
Profit from ordinary activities (POA)	2,601	3,900	6,501	0	6,501
Financial result	-2,524	-191	-2,715	0	-2,715
Interest income	66	88	154	0	154
Interest expenses	-904	-481	-1,385	0	-1,385
Scheduled depreciation	2,253	1,378	3,631	0	3,631
Non-cash income	-237	-156	-393	0	-393
Non-cash expenses	2,384	798	3,182	0	3,182
Inventories	71,367	35,275	106,642	0	106,642

September 2013 in € thousand	Tools	Garden & Leisure	Total segments	Reconciliation	Group
Segment revenue	198,955	129,786	328,741	0	328,741
Profit from ordinary activities (POA)	2,315	5,005	7,320	0	7,320
Financial result	-1,707	-273	-1,980	0	-1,980
Interest income	87	81	168	0	168
Interest expenses	-774	-434	-1,208	0	-1,208
Scheduled depreciation	1,601	990	2,591	0	2,591
Non-cash income	-177	-103	-280	0	-280
Non-cash expenses	1,440	463	1,903	0	1,903
Inventories	67,631	35,942	103,573	0	103,573

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:

September 2014 in € thousand	D/A/CH region	Other Europe	Asia	South America	Other countries	Group
External revenue	131,236	105,356	12,254	16,429	60,097	325,372
Non-current assets	15,299	13,699	547	926	16,542	47,013

September 2013 in € thousand	D/A/CH region	Other Europe	Asia	South America	Other countries	Group
External revenue	173,003	95,953	11,926	19,552	28,307	328,741
Non-current assets	15,573	13,975	626	695	18,633	49,502

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, 24 November 2014

Einhell Germany AG
The Board of Directors

Andreas Kroiss
Jan Teichert
Dr Markus Thannhuber

Einhell Germany AG
Wiesenweg 22
D-94405 Landau a. d. Isar

Phone (0 99 51) 942-0
Fax (0 99 51) 17 02

investor-relations@einhell.com
www.einhell.com

