

Press Release  
by **Einhell Germany AG**, Landau / Isar,  
for the business press

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Landau an der Isar, 8<sup>th</sup> April 2010

**Einhell Group continues to be highly profitable**

During the 2009 business year, the Einhell Group was also not left entirely unscathed by the lasting effects of the turbulences affecting the global economy. However, in spite of a decline in sales, operating profits again turned out to be excellent. Consolidated sales for the 2009 business year still amounted to 315.7 million Euros, compared to the previous year's 358.5 million.

At 122.5 million, sales in Germany fell just slightly short of the previous year's figures. However, the group again succeeded in maintaining a very solid turnover level for the core market Germany. During the 2009 business year, 39% of the sales were generated in Germany alone.

As a result of the difficult situation in some countries, Einhell fell somewhat short of the previous year's sales in the European Union, Asia, and the third countries. During the 2009 business year, the most important markets within the European Union included

Austria, Poland and Italy. The third countries enjoying the highest sales volumes are Turkey and Switzerland.

In 2009, the international share of the overall consolidated revenue amounted to 61%.

However, in spite of declining sales the Einhell Group continued to be highly profitable even in 2009. The profits from ordinary business activities achieved by the Einhell Group amounted to 14.2 million Euros (previous year: 18.4 million Euros). The return on equity before tax was 4.5 % (previous year: 5.1%).

During the 2009 business year, an EBIT margin in relation to sales of 5.7% was achieved (previous year: 6.8%). The EBIT was 18.0 million Euros (previous year: 24.3 million Euros).

The consolidated net income after minority interest was 10.8 million Euros compared to the previous year's 14.2 million Euros.

The DVFA earnings per share amount to 2.9 Euros (previous year; 3.8 Euros).

However, in view of the continuing difficult macroeconomic development the Einhell Group once again managed to achieve excellent results for the 2009 business year.

### **High equity-ratio**

With an increased equity-ratio of 57.3% the Einhell Group has a very solid balance sheet structure. Moreover, during the 2009 business year the net debt of Einhell Group was completely eliminated. At the balance sheet date, Einhell Group had a net cash position, giving the Einhell Group an excellent basis for financing further international expansions.

### **Objectives and opportunities of the Einhell Group**

In view of the poor global economic situation in 2009, one of Einhell Group's main objectives was to pursue the securing and optimized use of its financial resources. This goal was successfully achieved thanks to inventory optimizing and cost reductions.

The strategic goals of the Einhell Group remain unchanged: to raise and sharpen its profile as a specialist manufacturer and supplier for power tools and garden tools. These goals go hand in hand with the groups other chief objective: to specialize in core goods and core target groups and to be listed as the number one supplier to all international DIY chain in the years to come. With the newly introduced “Blue“ and “Red“ product lines the group considers itself well-equipped as one of the industry’s most innovative and fast-acting suppliers for garden tools and power tools.

Another of the group’s goals, in addition to continued expansion, is to increase its market shares in the already existing markets.

### **Change of the Designated Sponsors; research support commissioned**

Effective April 1<sup>st</sup>, 2010, M. M. Warburg & Co. KGaA has assumed the function of Designated Sponsor for Einhell Germany AG. The contract with the previous Designated Sponsor was terminated. SES Research GmbH, a company of the Warburg group, was commissioned with the preparation of a research study.

### **Forecast for the financial year 2010**

Considering the worldwide economic situation, the development of the sales and earnings figures is difficult to predict. The lower funds available for consumer spending due to rising unemployment might well result in a decline in sales figures. On the other hand, people are more inclined to work in their homes and gardens during economically difficult times, which again might lead to a increase in private consumer spending. However, it remains to be seen which consequence will ultimately outweigh the other.

With its good-quality products at reasonable prices, Einhell considers itself well-positioned as the supplier in the competition best suited to utilize the second effect for its own benefit.

Einhell therefore expects to realize sales and earnings levels for 2010 comparable to those of the previous year. In addition, improved market conditions may positively affect the development of the sales and earnings.

## **Dividend**

Even against the backdrop of the difficult global economic situation in 2009, group's management wants to upkeep the dividend-strategy of the past.

The board of directors therefore suggests a dividend of 0.60 Euros per preferred share and 0.54 Euros per common share to the annual shareholders' meeting.

Landau a. d. Isar, 8<sup>th</sup> April 2010

The Board of Directors

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