



Einhell Germany AG

Einhell

Financial report
30. Sept. 2012

Dear Shareholders,

Economic growth has weakened dramatically in the first nine months of the financial year 2012. Above all, even some Western European countries are showing only very low growth or even negative growth. This trend continued in the third quarter. Financial measures provided to support highly indebted countries is having an effect on the Member States of the euro zone.

The ongoing debt crisis in the euro zone, corresponding cuts to reduce national debts and weak growth are affecting employment markets. Unemployment in the crisis-affected countries rose to new high levels in the third quarter. Consumers therefore have less disposable income, which affects consumer spending.

Condensed Group Management Report of Einhell Germany AG

General economic conditions

According to the Organisation of Economic Co-operation and Development (OECD), growth prospects amongst its members remain unfavourable, even if the situation has recently appeared to stabilise. This is shown by the OECD's Composite Leading Indicator: The indicator for 30 Member States remained stuck at 100.2 points in September 2012 and stood at 100.2 points in August 2012.

The indicator for the euro zone also remained at the previous month's level of 99.2 points.

Contrary to expectations, economic conditions in Germany continued to deteriorate in September. As the Munich ifo Institute reported, the Business Climate Index fell from 102.3 points in the previous month to 101.4 points. The most important German early warning indicator fell for the fifth month in a row, hitting its lowest level since February 2010.

The dynamics of the German economy are continuing to lose momentum in the euro debt crisis. According to the German Federal Office of Statistics, gross domestic product (GDP) adjusted for price, seasonal and calendar fluctuations increased in the third quarter as against the previous quarter by 0.2%. This is the second quarter where growth has been falling, following growth of 0.4% in the first quarter and 0.3% in the second quarter. Year-on-year, price-adjusted GDP increased by 0.4%.

Contrary to expectations there was also slight growth in the second largest euro economy – France – in the third quarter. From July to September, GDP increased by 0.2% where experts had expected stagnation.

The Italian economy, which is strongly affected by recession, has recently seen growth falling less than expected. In the third quarter, economic performance reduced by 0.2% over the previous quarter. However, the Italian economy has been experiencing a constant downturn for the past five quarters.

Industrial production in the euro zone fell in September 2012 as against the previous month. Total production in the 17 countries (seasonally adjusted) fell by 2.5% over August 2012. In comparison with the corresponding month in the previous year, industrial production in September fell by 2.3%. Across the whole of the EU, production fell by 2.3% as against the previous month, after growth of 0.5% in August.

Weak economic conditions in the euro zone, and also in the wider global economy, are now hitting demand for German products harder than in the first half-year. Preliminary figures for new orders for industry in September, adjusted for price, seasonal and calendar fluctuations, fell by 3.3% as against the previous month. The fall in orders resulted mainly from weak foreign demand (-4.5%), particularly from the euro zone (-9.6%). The volume of domestic new orders fell by 1.8%. In the whole third quarter, new orders in industry fell by 2.3%. Compared with the third quarter of the previous year, orders fell by 4.7% (adjusted for number of working days).

After a strong August, German exports declined surprisingly strongly in September. Preliminary figures show that calendar and seasonally adjusted German exports and imports decreased by 2.5% and 1.6% respectively as against August. In comparison with September 2011, this represents a fall of 3.4% for German exports and 3.6% for German imports. Exports in the euro zone and the European Union collapsed by more than 9% and 7% respectively. There was a slight increase in exports to non-EU countries (+1.8%). In the first nine months of 2012, exports to countries outside the EU increased by 10.4% but the recession in southern Europe is increasingly impacting on economies in Asia and America.

The foreign balance of trade was a surplus of €16.9 billion in September 2012. In September 2011, the surplus was €17.3 billion.

Positive developments in the employment markets in Germany continued in 2012. The number of unemployed fell further in September but the reduction was lower than the autumn boost normal for the month of September.

A total of 41.7 million people resident in Germany were in employment in September. This represents 360,000 or 0.9% more persons in employment than the same month in the previous year. In September, unemployment in Germany fell by 117,000 in comparison with August. According to the Federal Labour Office (BfA), 2.788 million people were registered unemployed. The unemployment rate fell in August by 0.3% to 6.5% in comparison with August; one year previously it had stood at 6.6%. According to the Labour Force Survey, unemployment fell in year-on-year comparison by just 7,000.

Unemployment in the euro zone in September 2012 was at the new record level. The unemployment rate rose to 11.6% in the third quarter. Nearly 18.5 million people in the 17 euro zone countries were without a job, according to the EU statistical office Eurostat. In August the unemployment rate had been 11.5%; in September 2011 it was 10.3%. In absolute terms Eurostat estimates the number of unemployed in the euro zone to be 2.2 million higher in September than in the previous year, and 146,000 higher than in the previous month of August.

The highest unemployment levels in the euro zone are Spain (25.8%) and Greece (25.1%). The lowest unemployment levels are Austria (4.4%), Luxembourg (5.2%) and Germany and the Netherlands each at 5.4%.

Inflation has continued to fall in Germany in September 2012. The rate of inflation was only 2.0% after an annual rate of 2.1% in August 2012 and 2.6% in September 2011. The dynamics of movement in the consumer price index in recent months has been due to fluctuating energy prices. Discounting energy prices, the inflation rate has remained constant since June 2012 at 1.4%. In September 2012 the harmonised index of consumer prices (HICP) for Germany was 2.1% above the level at September 2011. The index remained unchanged as against the previous month.

With a few exceptions, the wholesale business market in Germany saw revenue growth between January and September 2012. At the end of the third quarter building and DIY markets in Germany were only showing slight revenue growth of +0.4% as against the same nine month period in the previous year. For 2012, growth mirrored economic conditions in Germany. Industry growth at the end of the year should be in the range of general GDP growth.

Business activities

Einhell Group revenues

The Einhell Group earned revenues of €304.0 million (previous year €296.9 million) in the first nine months of the financial year 2012. This represents a year-on-year increase of €7.1 million.

Revenues in the domestic German market increased to €115.9 million (previous year €109.9 million). The share of domestic revenues as part of total Group revenues was 38.1% (previous year 37%).

In the European Union, revenues decreased to €115.1 million (previous year: €124.9 million). The largest markets were Austria, Italy and the UK.

Asia generated revenues of €9.6 million (previous year €10.8 million).

Other countries were able to increase revenues year-on-year with an increase of €12.1 million to €63.4 million (previous year: €51.3 million). The new Group companies in Australia and South America made a significant contribution towards the revenue increases.

The share of Group revenues earned outside Germany amounted to 61.9% (previous year 63.0%).

Segment growth

Revenues in the Tools segment in the first nine months of the financial year 2012 were €176.0 million (previous year: €172.0 million). Woodworking products, pressed air technology, electrical generators and electrical tools generated the most significant sales in this segment. The products of kwb tools are allocated to the Tools segment.

The Garden & Leisure segment generated revenues in the reporting period of €128.0 million (previous year €124.9 million). The lawn and garden care division generated strong sales, particularly shredders, leaf blowers and chainsaws.

Earnings

At the end of the third quarter 2012, the Einhell Group earned profits from operations amounting to €11.5 million (previous year €16.6 million). Thus pre-tax yield amounted to 3.8% (previous year 5.6%).

The Group net profit after minority interests for the period January to September 2012 amounts to €8.2 million (previous year: €12.8 million). Earnings per share are calculated at €2.2 per share (previous year €3.4 per share).

In comparison with the previous year, there was an absolute and percentage increase in personnel expenses in the amount of €37.9 million (previous year €32.0 million). This is due in particular to newly acquired or established companies and further staff additions to individual segments of the Group.

Other expenses of €46.6 million (previous year €38.9 million) are percentually above the level of the previous year, due to an increase in investment in advertising and service, and investment in new companies.

There was an improvement in year-on-year gross margins.

Financial expenses were reduced year-on-year significantly by €2.0 million to €1.5 million.

Personnel and social issues

The Einhell Group had 1,301 employees (previous year 1,165) across the world on 30 September 2012. This represents an increase in staff as against the previous year. The increase over the previous year amounted to 136.

The increased staff capacity in the new Group companies and different specialist areas such as IT, Service and specialised trade should be regarded as a decisive investment in the future of the Group. The additional personnel expenses are not yet reflected in increased revenues.

The Board of Directors would like to take this opportunity to thank all Group employees for their personal commitment and sound performance.

Financial and assets position

The most important items in the statement of financial position are as follows at 30 September 2012 and 30 September 2011:

	09/2012	09/2011
	€ million	€ million
Non-current assets incl. deferred tax assets	37.8	34.9
Inventories	117.9	100.0
Trade receivables and other assets	116.8	115.9
Cash and cash equivalents	7.8	7.3
Equity	164.0	158.6
Liabilities to banks	50.7	42.6

Investments

The Einhell Group made investments in the reporting period amounting to €3.6 million (previous year: €2.4 million), most of which was in relation to intangible assets and property, plant and equipment.

Current assets

Goods inventories increased as against the previous year to €117.9 million (previous year: €100.0 million).

Trade receivables and other assets are shown after deduction of impairment for bad debts. In this reporting period, these increased over the previous year by €3.1 million to €95.9 million (previous year: €92.8 million).

Other assets decreased in comparison with the previous year to €21.0 million (previous year: €23.1 million).

Group structure

During this reporting period, the Einhell Group acquired all the shares of kwb tools GmbH & Co. KG and OOO “KWB-RUS” and 25% of the shares of Einhell France SAS. Therefore the shareholding in Einhell France amounts to 95%.

Financing

The financing requirements of the Einhell Group are provided mainly by existing inventories and trade receivables. The turnover rate of inventories and terms of trade receivables play an important role and have a significant effect on financing requirements.

Einhell is financed by non-current loans with banks with bilateral agreements and sufficient unsecured credit lines with various banks.

The Group also keeps an eye on the various financing opportunities available in the financial markets in order to maintain the flexibility of the Einhell Group and limit unfavourable refinancing risks.

Note to financial report

The financial report was not subject to audit pursuant to Section 317 of the German Commercial Code (HGB), nor was it subject to review by an auditor.

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 (*Aktiengesetz* - 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 an inevitable consequence of commercial trading.

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 departments for German controlling, investment controlling, finance, Group accounting and Legal form the internal management system of the Einhell Group. Companies in the Einhell Group budget for the current financial year and the following financial year. Corresponding budgeting for cost of sales and sales is made on this differentiated sales planning.

These projected figures are collated for the Group into a budgetary profit and loss account.

The financial accounting figures from the single-entity companies are prepared on a monthly basis. A complete profit and loss statement is prepared that compares the budgeted and actual figures and allows for analysis of the figures. Growth of orders and margins is also shown for all companies on a monthly basis. This comparison is discussed with the members of the Board of Directors and with the managers for 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 controls that are external to 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 auditing controls external to the process controls within the Einhell Group.

In particular, the audit of Group financial statements by the Group auditors is the main external control with respect to the Group accounting processes.

The Einhell Group operates internationally and this exposes it 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 risk management are implemented with the approval of the Board of Directors by a central treasury department working in close conjunction with the Group companies.

In summary, in the opinion of the Board of Directors there are no risks that endanger the future of the Group as a going concern.

Forecast

Global business development

The global economic crisis is not yet over, and the International Monetary Fund (IMF) has a less pessimistic view for the future. However, the growth of the global economy is dependent on political steps being taken to stabilise trust in the euro zone and the USA. According to the IMF, 2012 should see growth of 3.3% and will grow by about 3.6% in 2013. The IMF revised its previous forecasts downwards by 0.1% and 0.3% respectively.

European growth

The European Commission has issued a significant downward correction for its forecast economic growth in the euro zone in 2012. Total economic performance of the 17 euro zone countries will fall by 0.4% in the current year. Next year experts anticipate minimal growth of 0.1%. During the rest of 2013 growth should even out. In 2014 the EU Commission again expects growth of 1.4%. Experts expect the short-term outlook to remain very uncertain.

Until then, the forecast is for unemployment to rise. It is also expected that on average unemployment figures in the euro zone will reach record levels of 12% in 2013, before they fall again.

According to the forecast, France and Spain will not get their deficits under control next year. Both countries will fail to meet their Maastricht deficit levels of 3% of economic performance. The EU Commission expects France to have a deficit in economic performance for the coming year of 3.5%; for Spain it expects a figure of 6%.

Public deficits across the euro zone are still increasing. The EU Commission expects total indebtedness in the euro zone in 2012 of 91.8% of economic performance and 92.6% in 2013.

According to the Commission, the inflation rate in the euro zone at the end of 2012 will be 2.5%, remaining at a high level. In 2013 an inflation rate of around 1.8% is expected.

Growth in Germany

Even Germany is affected by the decline in the euro zone. Due to the continuing financial and economic crisis in Europe, the IMF expects a slight increase in economic growth in Germany this year of 0.9%. According to the EU Commission, growth will only be 0.8% of economic performance in 2013. Experts expect an improvement only in 2014.

According to the German Institute for Economic Research (DIW Berlin), the forecast lower growth for 2013 will also affect employment markets. There are expectations of unemployment in Germany of around 3 million.

According to the researchers, the strength of the German economy is also helping to rehabilitate public finances. By the end of 2012 the Federal Government hopes that there will be less public deficit than planned. The current public deficit is 83% of GDP. The greatest danger for economic recovery is still seen to be the position in the over-indebted euro countries.

There can only be stabilisation if the planned reforms actually kick in and there are no further losses of confidence in the capital markets.

Takeover of kwb tools GmbH & Co. KG

On 2 May 2012, with the approval of the Supervisory Board, the Einhell Group acquired kwb tools GmbH & Co. KG. kwb is an international trading and service provision company based in Stuhr near Bremen.

This acquisition brings a specialist and leading European supplier of electrical tools accessories and hand tools into the Einhell Group.

The takeover means that in the future Einhell can offer a comprehensive accessory programme of the highest quality for all power tools and together with kwb will be an attractive partner for the DIY and specialist trading industry. This will enhance Einhell's profile towards being a top brand and provide excellent support to its internationalisation strategy.

Our global distribution network means that each individual company in each country can offer our customers appropriate and high quality complementary products from our product range. This strengthens our position in the markets. kwb tools also has a global distribution network that already has direct access to markets in relevant areas.

Therefore, it is not necessary to invest in the development of these structures.

The planned integration of kwb Germany and kwb Russia is progressing according to plan and has already had a positive effect on Group profits.

Marketing campaign

In order to boost and strengthen the awareness and image of the Einhell brand, the marketing campaign 'EINHELL WELL DONE' was launched in the autumn of 2012.

The advertising campaign was launched in Germany, Austria, Switzerland, the Czech Republic and Poland.

The aim of this campaign is to increase awareness of the Einhell brand and generate an emotional response. It is also designed to generate a long-term improvement in market positioning in core product groups averaging a 15-20% increase. The company website was re-launched at the start of the advertising campaign. Customers should be provided with as much information as possible about the products in order to have a positive effect on purchasing decisions.

Outlook

Conditions are not uniform in the different countries in which Group companies are located.

Growth in the market in Germany remained stable in the reporting period. However, there are uncertainties such as future development of private consumption and private savings. These are correlated and are heavily affected by consumer uncertainty about how the debt crisis will be dealt with in Europe and the corresponding inflation expectations arising from this.

Revenue and sales figures for the Western European crisis countries failed in part to meet targets in the third quarter. Poor economic conditions combined with measures taken to limit public deficits are having a negative effect on the economy.

High unemployment levels and high inflation, particularly in Spain, Portugal and Greece, continue to affect private consumption significantly.

Revenues have also remained below expectations in Eastern European companies.

However, the Turkish company continued to show very positive results in revenues and earnings.

The new Group companies in South America and Australia showed pleasing revenue growth in the third quarter. These new companies are still being built up and are not yet generating profits.

The Group incurred additional costs from investments in the Einhell brand and the marketing campaign 'EINHELL WELL DONE' that was launched in the autumn of 2012. The costs for the marketing campaign include costs for the new website, for sales promotion measures and presentations of products at points of sale. Further costs were also generated by the development of companies in strategic growth countries. This includes in particular the development of functioning infrastructures such as distribution channels and service facilities. These measures have a temporary impact on earnings but are a necessary strategic investment in the future. Group management will continue to consistently follow this expansion strategy.

Future economic and political developments are difficult to predict. There is still no obvious solution to the structural problems in the euro zone. Overall economic forecasts indicate that global growth will continue to fall at the end of 2012. This fact, along with the resulting reluctance for consumers to spend money, still represents a significant risk factor in the countries affected by the debt crisis.

Due to difficult economic conditions and the results to 30 September 2012, we think it necessary to adjust the forecast for the financial year 2012. The Einhell Group expects revenues to the end of 2012 to be around €380 million and a pre-tax yield of around 3%.

Landau a. d. Isar, 28 November 2012

Einhell Germany AG
The Board of Directors

Andreas Kroiss
Jan Teichert
Dr. Markus Thannhuber

Consolidated statement of financial position (IFRS) to 30 September 2012 (condensed version)

Assets	30.09.2012 € thousand	30.09.2011 € thousand
NON-CURRENT ASSETS		
Intangible assets	10,967	8,959
Property, plant and equipment	17,536	17,334
Non-current financial assets	353	345
Other non-current assets	2,217	2,426
Deferred tax assets	6,712	5,794
	<u>37,785</u>	<u>34,858</u>
CURRENT ASSETS		
Inventories	117,855	100,040
Trade receivables	95,883	92,809
Other assets	20,958	23,101
Cash equivalents	7,823	7,296
	<u>242,519</u>	<u>223,246</u>
	<u>280,304</u>	<u>258,104</u>

Equity and liabilities	30.09.2012 € thousand	30.09.2011 € thousand
EQUITY		
Subscribed capital	9,662	9,662
Capital reserve	26,677	26,677
Retained earnings	126,008	118,970
Other reserves	-1,723	1,005
Equity of shareholders of Einhell Germany AG	160,624	156,314
Minority interest	3,345	2,252
	<u>163,969</u>	<u>158,566</u>
NON-CURRENT LIABILITIES		
Provisions	1,913	1,926
Financing liabilities	20,776	20,973
Deferred taxes	1,034	1,890
Other liabilities	1,989	1,646
	<u>25,712</u>	<u>26,435</u>
CURRENT LIABILITIES		
Trade payables	26,016	18,918
Provisions	11,117	15,352
Financial liabilities	29,895	21,623
Other liabilities	23,595	17,210
	<u>90,623</u>	<u>73,103</u>
	<u>280,304</u>	<u>258,104</u>

Consolidated statement of comprehensive income (IFRS) for the period from 1 January to 30 September 2012

	1.1. - 30.9.2012	1.1. - 30.9.2011
	€ thousand	€ thousand
Revenues	303,995	296,912
Other operating income	6,007	6,138
Cost of materials	-210,419	-210,054
Personnel expenses	-37,916	-32,041
Depreciation	-1,977	-1,893
Other operating expenses	-46,623	-38,933
Net finance costs	-1,523	-3,547
Profit before income taxes	11,544	16,582
Income taxes	-3,426	-3,845
Consolidated net profit	8,118	12,737
Share of minority shareholders in consolidated net income/loss	43	35
Thereof share in consolidated net income/loss of shareholders of Einhell Germany AG	8,161	12,772

Consolidated statement of cash flows (IFRS) for the period from 1 January to 30 September 2012

in € thousand	1.1. - 30.9.2012	1.1. - 30.9.2011
Net cash from/used in operating activities		
Profit before taxes	11,544	16,582
+ Depreciation and amortisation of intangible assets and property, plant and equipment	1,977	1,893
- Interest income	-438	-276
+ Interest expenses	1,456	1,759
+/- Other non-cash income and expenses	438	2,432
Operating profit before changes in net working capital	14,977	22,390
+/- Decrease/increase in trade receivables	-33,221	-31,793
+/- Decrease/increase in inventories	-5,352	-6,929
+/- Decrease/increase in other assets	-5,760	-3,994
+/- Increase/decrease in non-current liabilities	-175	-410
+/- Increase/decrease in current liabilities	6,609	3,153
+/- Increase/decrease in trade payables	-1,835	-9,084
Cash flows from operating activities	-24,757	-26,667
- Taxes paid	-3,791	-3,954
+ Interest received	292	205
- Interest paid	-980	-1,466
Net cash flows from operating activities	-29,236	-31,882
Cash flows from investing activities		
- Payments to acquire assets	-3,641	-2,379
+ Proceeds from disposal of assets	29	137
- Payments for acquisition of equity investments	-808	-565
+/- Increase/decrease in goodwill	1,478	53
Net cash flow from investing activities	-2,942	-2,754
Cash flows from financing activities		
+/- Increase/decrease in loan obligations	28,658	252
+ Payments received from minority shareholders	408	54
- Payments to shareholders including minority shareholders	-2,894	-2,894
- Payments for liabilities for finance leases	-6	-17
Net cash flows for financing activities	26,166	-2,605
Changes to capital funds due to currency exchange	-88	75
Net cash acquired from acquisitions	214	0
Net decrease/increase of cash and cash equivalents	-5,886	-37,166
Cash and cash equivalents at beginning of reporting period	13,709	44,462
Cash and cash equivalents at end of reporting period	7,823	7,296

Selected IFRS consolidated notes of Einhell Germany AG, Landau/Isar, for the period from 1 January to 30 September 2012

1. Notes to principles and methods used in 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 of an entity so as to obtain benefits from its activities. If the Group directly or indirectly holds more than 50% of the voting rights of a company, there is a rebuttable assumption of control. 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

During the reporting period, all of the shares in kwb tools GmbH & Co. KG and OOO “KWB-RUS” and 25% of the shares in Einhell France SAS were acquired. The share in Einhell France therefore amounts to 95%.

1.2 Accounting and valuation policies

The report to 30 September 2012 uses the same accounting and valuation policies as were used in the Annual Financial Statements 2011.

2. Notes to statement of financial position

2.1 Non-current assets

Intangible assets and property, plant and equipment are recognised at acquisition or production cost. Recognition in the balance sheet is made net of cumulated depreciation. Intangible assets at 30 September 2012 amounted to €11.0 million. Property, plant and equipment amounted to €17.5 million.

2.2 Inventories

	September 2012 € thousand	September 2011 € thousand
Raw materials and supplies (at acquisition cost)	297	703
Finished goods	116,226	97,906
Prepayments	1,332	1,431
Total	117,855	100,040

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 cash in banks, checks and bank deposits.

2.4 Provisions

Total provisions amount to €13,030 thousand and include non-current provisions of €1,913 thousand.

Provisions include in particular provisions for guarantees.

2.5 Liabilities

The initial valuation of liabilities is made at fair value of the consideration received, subsequent value at amortised costs. The valuation of foreign currency liabilities is made at reporting date at reporting rate or hedging rate.

3. Notes to consolidated statement of comprehensive income

Other operating expenses

Other operating expenses as at 30 September 2012 amount to €46,623 thousand and include in particular postage of goods, guarantees, customer services, impairment, advertising and product design.

4. Segment reporting

The identification of reportable operating segments pursuant to IFRS 8 is based on the concept of the Management Approach. Segmentation of the Einhell Group into the two segments Garden & Leisure and Tools mirrors internal controls and reporting of the Einhell Group.

Reconciliation includes income and expenses that are not directly allocable.

4.1 Segment reporting by segment

September 2012 in € thousand	Tools	Garden & Leisure	Total segments	Reconciliation	Group
Segment revenues	175,962	128,033	303,995	0	303,995
Profit from operation (EBT)	5,043	6,501	11,544	0	11,544
Financial result	-1,056	-467	-1,523	0	-1,523
Scheduled depreciation	1,110	867	1,977	0	1,977
Non-cash income	233	90	323	0	323
Non-cash expenses	548	213	761	0	761

September 2011 in € thousand	Tools	Garden & Leisure	Total segments	Reconciliation	Group
Segment revenues	171,963	124,949	296,912	0	296,912
Profit from operation (EBT)	8,576	8,006	16,582	0	16,582
Financial result	-2,054	-1,493	-3,547	0	-3,547
Scheduled depreciation	1,221	672	1,893	0	1,893
Non-cash income	296	220	516	0	516
Non-cash expenses	2,331	617	2,948	0	2,948

The Tools segment includes electronic hand tools and fixed tools, hand tools and general electric tool accessories. Garden & Leisure includes garden and water technology, machinery and greenhouses and cooling and heating technology.

4.2 Segment reporting by region

The geographical allocation by region is made in accordance with the registered office of the invoice recipient. The decisive factor is the market. Segment reporting by region is made as follows:

September 2012 in € thousand	Germany	EU	Other countries	Asia	Reconciliation	Group
External revenues	115,870	115,164	63,388	9,573	0	303,995
Non current assets	11,666	14,003	4,899	505	0	31,073

September 2011 in € thousand	Germany	EU	Other countries	Asia	Reconciliation	Group
External revenues	109,886	124,926	51,264	10,836	0	296,912
Non current assets	11,318	12,608	4,382	756	0	29,064

5. Statement of responsibility

To the best of our knowledge, the interim consolidated financial statements give a true and fair view of the net assets, financial position and earnings of the Group and the interim Group management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Landau a. d. Isar, 28 November 2012

Einhell Germany AG
The Board of Directors

Andreas Kroiss
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