



Einhell Germany AG

# FINANCIAL REPORT 31. MARCH 2015



Dear shareholder,

The financial report of the Einhell Group as at 31 March 2015 meets the requirements under the Securities Trading Act (WpHG) for preparing interim reports. It includes abbreviated Group interim statements, a condensed Group management report and a statement of responsibility by the legal representatives. The financial statements are consistent with the International Financial Reporting Standards (IFRS) and their interpretations, as published by the International Accounting Standards Board (IASB) and applicable in the European Union.

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

### Key data for January to March 2015

Revenue			
03.2015	112.846		7,4%
03.2014	105.068		
Profit before income taxes (before PPA)*			
03.2015	5.022		143,4%
03.2014	2.063		
Profit before income taxes (after PPA)*			
03.2015	4.532		325,9%
03.2014	1.064		
Equity ratio			
03.2015	50,1%		-5,6%
03.2014	53,1%		
Net debt			
03.2015	52.611		30,1%
03.2014	40.444		
Staff			
03.2015	1.309		-2,4%
03.2014	1.341		

\* PPA = Purchase Price Allocation

## Condensed Group Management Report of Einhell Germany AG

### Overview of January - March 2015

The Einhell Group managed to increase its business volume considerably in the first three months of the 2015 financial year and generated revenue of EUR 112.8 million.

Operating earnings before PPA effects amount to EUR 5.0 million. This is equivalent to a return on revenue of about 4.5%. Purchase price allocation (PPA) squeezes earnings by EUR 0.5 million. Adjusted for PPA effects, operating earnings amount to EUR 4.5 million and the pre-tax margin is roughly 4.0%.

### General economic conditions

The global economic outlook has dampened slightly in March 2015. The Organisation for Economic Cooperation and Development (OECD)'s leading indicator CLI (Composite Leading Indicator) went down 0.1 points to 100.2 points. It indicates a continued stable growth rate.

The Ifo business climate index for the German industrial sector increased to 107.9 points in March 2015, compared to 106.8 points in the previous month of February. This is the highest level since July 2014. The assessment of the current business environment has improved slightly and expectations concerning the future business environment are much more optimistic.

The German economy only grew by 0.3% in the first quarter of 2015 compared to the previous quarter. This means that the economic upturn has slowed down slightly. At the end of 2014, economic performance had still increased by 0.7% compared to the previous quarter. The increase from January to March 2015 is mainly driven by consumer spending. Positive impetus also came from public spending and investments.

The gross domestic product in the eurozone increased by 0.4% from January to March 2015. Economic activities in the eurozone gained considerable pace at the start of the year, as last seen in the spring of 2013.

Industrial production in the eurozone fell in March 2015, which came as a surprise. Production of industrial companies was down 0.3% compared to the previous month, according to the European statistical authority Eurostat. Economists had expected stagnation. Production increased by 1.8% year-on-year,

compared to 1.9% growth in the previous month of February 2015.

According to the Federal Statistical Office, the order intake of the German industry (manufacturing) adjusted for price, seasonal and calendar effects climbed by 0.9% compared to the previous month in March 2015. While domestic demand showed a positive trend at 1.0%, orders from abroad fell considerably (-3.4%).

The German economy exported and imported record volumes in March 2015. Exports climbed by 12.4% year-on-year to EUR 107.5 billion, with exports to countries outside the European Union showing a particularly strong increase. Compared to the previous month of February, exports increased by 1.2%. Imports grew 7.1% to EUR 84.5 billion compared to March 2014. The upsurge in imports is mainly the result of high consumer spending.

The foreign trade balance, i.e. the balance of exports to imports, adjusted for calendar and seasonal effects closed with a surplus of EUR 19.3 billion in March 2015.

The number of unemployed persons in Germany dropped by 85,000 to 2,932,000 in March compared to the month before. Adjusted for seasonal effects, unemployment dropped by 15,000 persons compared to February. Compared to the prior-year period, the number of unemployed decreased by 123,000. The unemployment rate dropped 0.1% to 6.8% compared to the previous month.

The unemployment rate in the eurozone and the European Union continues to fall. Adjusted for seasonal effects, the unemployment rate in the eurozone was 11.3% in March 2015 and therefore below the prior-year level of 11.7%. The unemployment rate in the European Union decreased to 9.8% in March, down from 10.4% in March 2014.

The lowest unemployment rate among the member states was reported by Germany (4.7%). Rates continue to be the highest in Greece (25.7%) and Spain (23.0%).

Consumer prices in Germany were 0.3% higher in March 2015 than in March 2014. The inflation rate - as measured by the consumer price index - has therefore increased slightly compared to the previous months. Compared to the previous month, the consumer price index rose by 0.5%. Like in the months before, the low inflation rate in March 2015 was owed to the declines in mineral oil product prices.

The annual inflation rate in the eurozone was -0.1% in March. In February, the inflation rate in the eurozone had amounted to -0.3%. In March of the previous year, it had been 0.5%. The annual inflation rate for the European Union was also -0.1% in March 2015,

compared to -0.3% in February. In the comparable prior-year period, the inflation rate was 0.6%.

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 0.1% higher in March 2015 than in March 2014. This means the first positive HICP inflation rate this year. Compared to the previous month, the index rose by 0.5% in March 2015.

DIY trade in Germany experienced revenue growth of 8.8% in the 2014 financial year. This is adjusted for the loss of revenue with the Praktiker Group. Based on total gross revenue of EUR 17.63 billion, the sector experienced a decline in revenue of 6.2% compared to 2013. However, both the industry association and the industry itself are happy with the result, given the difficult market environment. The German association of DIY retailers (BHB) expects revenue growth of 1.5%-2.5% on a like-for-like basis in 2015.

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### Performance report

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#### Einhell Group revenue

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From January to March 2015, the Einhell Group generated revenue of EUR 112.8 million (Q1 2014: EUR 105.1 million). Revenue is thus considerably above the prior-year level.

Almost all of the regions contributed to revenue growth.

In the D/A/CH region (Germany, Austria, Switzerland), revenue increased to EUR 46.5 million (Q1 2014: EUR 43.5 million). The share in consolidated revenue amounts to 41.2% (Q1 2014: 41.4%).

Revenue in the rest of Europe rose to EUR 35.7 million (Q1 2014: EUR 33.3 million). Italy, the UK and France are among the largest sales markets in this area.

In Asia, revenue amounts to EUR 0.9 million (Q1 2014: EUR 4.7 million).

The other countries and South America improved their revenue figures compared to the prior-year period with a EUR 6.2 million increase to EUR 29.7 million (Q1 2014: EUR 23.5 million).

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#### Segment development

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Revenue in the Tools segment amounted to EUR 62.6 million in the first three months of financial year 2015 (Q1 2014: EUR 60.2 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 50.2 million (Q1 2014: EUR 44.9 million). High revenues were mainly generated with lawn and garden care products. Lawn mowers, lawn scarifiers, products from the tree and shrub care ranges as well as products related to water technology sold particularly well.

### Earnings development

From January to March 2015, the Einhell Group generated operating earnings of EUR 4.5 million (Q1 2014: EUR 1.1 million). The pre-tax margin is 4.0% (Q1 2014: 1.0%).

Purchase price allocation (PPA) effects took earnings down by EUR -0.5 million. Without PPA effects, operating earnings would have amounted to EUR 5.0 million and the pre-tax margin to 4.5%.

The earnings situation has improved considerably compared to the first quarter of 2014.

Consolidated net profit after minority interest amounts to EUR 2.8 million in the period under review (Q1 2014: EUR 0.8 million). Earnings per share amount to EUR 0.7 (Q1 2014: EUR 0.2 per share).

The high quality of the products had a positive effect on the gross profit margin.

Compared to the prior-year period, personnel expenses increased moderately, now amounting to EUR 14.3 million (Q1 2014: EUR 13.6 million).

Other expenses of EUR 17.3 million slightly exceed the prior-year level (Q1 2014: EUR 16.2 million) because of the increase in revenue.

Financial costs amount to EUR -0.4 million, on a par with the prior-year period.

### Personnel and HR services

On 31 March 2015, the Einhell Group had 1,309 employees worldwide (31 March 2014: 1,341). 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 performance and net assets

The key items in the statement of financial position as at 31 March 2015 and 31 March 2014 are as follows:

	03/2015	03/2014
	in EUR million	in EUR million
Non-current assets incl. deferred tax assets	51.4	54.5
Inventories	125.2	112.9
Receivables and other assets	144.4	111.6
Cash and cash equivalents	16.9	11.4
Equity	169.2	154.2
Liabilities to banks	69.5	51.9

### Investments

In the reporting period, the Einhell Group made investments amounting to EUR 1.1 million (Q1 2014: EUR 0.7 million). Most investments refer to intangible assets and property, plant and equipment.

### Current assets

Goods inventories increased as against the prior-year period to EUR 125.2 million (Q1 2014: EUR 112.9 million). Strong unit sales in the previous months prompted the Group to increase inventories.

Trade receivables are shown after deduction of impairment for bad debts. Mainly driven by the revenue increase, trade receivables climbed by EUR 7.2 million year-on-year to EUR 95.2 million in the period under review (Q1 2014: EUR 88.0 million).

Other current assets increased to EUR 49.3 million, up from EUR 23.6 million in the prior-year period. This is mainly owed to the positive fair values of currency derivatives as well as higher VAT receivables due to a high level of product purchases.

Cash and cash equivalents amount to EUR 16.9 million on the reporting date (Q1 2014: EUR 11.4 million). Compared to the first quarter of the previous year, liabilities to banks increased from EUR 51.9 million to EUR 69.5 million.

### Group structure

Einhell Germany AG increased its stake in Einhell Hellas AE in the period under review and therefore now owns 98.08% of the shares in this company.

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## Investor Relations

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On 4 May 2015 Einhell Germany AG took part in the German Association for Financial Analysis and Asset Management (DVFA) Spring Conference in order to talk to analysts and investors. The presentation addressed the figures as at 31 December 2014 and gave an outlook for the planned development of the Group.

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## Financing

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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 at extremely favourable conditions.

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

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## Note to the financial report

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

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## Corporate Governance Code

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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](http://www.einhell.com).

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## Risk report

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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 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

World Bank expects the global economy to grow by 3.0% in 2015. Falling raw material prices and low interest rates will have a positive impact on global economic growth in the current year. World Bank forecasts 4.8% growth for the developing countries.

Despite slight global economic growth, global unemployment will continue to increase. The International Labour Office (ILO) expects unemployment figures to rise by three million people in 2015.

#### Development in Europe

According to the forecasts, the economy in the euro countries will grow more strongly than previously expected in the current year. The EU Commission expects economic growth of 1.3% in the euro states in 2015. The more optimistic forecast is apparently due to the fall in oil prices and the weakness of the euro.

This trend will also have a positive effect on the labour markets. The unemployment rate is expected to fall slightly to 11.2%.

Forecasts by the International Monetary Fund (IMF) state that the inflation rate in the eurozone is still falling. The European Union expects the eurozone to slide into deflation in the current year. The EU Commission expects consumer prices to fall by 0.1% in the eurozone.

#### Development in Germany

The German federal government forecasts the German economy to grow by 1.5% in 2015.

This is driven by lower oil prices, benefiting both consumers and the corporate sector, as well as the weaker euro, driving export and investment activities due to lower interest rates. Consumer spending and exports are expected to grow even more rapidly than in the previous year.

The forecast for the German labour market is rather restrained, despite the improvement in economic outlook. While employment figures will continue to grow in 2015, growth will be slower than in the previous year. Moreover, the past has frequently shown that an increase in employment levels does not necessarily reflect positively in the unemployment figures.

### Outlook

For the internationally oriented Einhell Group the financial year 2015 continues to show an uneven economic situation in the markets in which it operates.

The general sentiment on the German market for product groups relevant to the Einhell Group is positive. This pertains to stationary retail as well as online trading. Great uncertainty prevails with regard to projections for the second half of 2015. The strong USD and CNY will lead to a general increase in prices. The effects on the distribution of products in the retail sector are not yet foreseeable.

After having slumped significantly due to the sovereign debt crises in some countries, the region of southern and eastern Europe is now starting to show signs of a slight recovery.

The markets in South America can be generally referred to as growing. The Einhell Group positioned itself strategically in the region in recent years by establishing new subsidiaries. The subsidiaries are already generating significant revenues, which offset revenue losses in other countries. With regard to profitability, the Einhell Group suffered a loss of profitable revenue in Europe, while revenues in South America fail to generate corresponding margins. The subsidiaries in South America are still burdened by start-up costs and some of them face difficult structural challenges. This situation will continue in financial year 2015.

The Einhell Group therefore expects that the revenue performance in Einhell's core business will be challenging again. Nevertheless, positive trends in some markets in combination with stepping up sales efforts and launching highly attractive new products such as the Power X-Change are likely to provide for revenue growth.

Because of the positive figures for the first quarter of 2015, the Einhell Group is optimistic that it will reach its forecast of a slight increase in revenue to approximately EUR 420 million and a pre-tax margin of 2.0% to 2.5%.

Landau a. d. Isar, 26 May 2015

Einhell Germany AG  
The Board of Directors

Andreas Kroiss  
Jan Teichert  
Dr Markus Thannhuber

**Consolidated statement of financial position (IFRS) as at 31 March 2015 (abbreviated)**

Assets	31 March 2015 €k	31 March 2014 €k
<b>NON-CURRENT ASSETS</b>		
Intangible assets	23,945	27,057
Property, plant and equipment	19,221	17,935
Financial assets	375	367
Other non-current assets	1,981	2,276
Deferred tax assets	5,872	6,893
	51,394	54,528
<b>CURRENT ASSETS</b>		
Inventories	125,216	112,942
Trade receivables	95,167	88,015
Other current assets	49,257	23,551
Cash and cash equivalents	16,884	11,408
	286,524	235,916
	337,918	290,444

Equity and liabilities	31 March 2015 €k	31 March 2014 €k
<b>EQUITY</b>		
Subscribed capital	9,662	9,662
Capital reserve	26,677	26,677
Retained earnings	125,347	124,616
Other reserves	5,800	-9,044
Equity of shareholders of Einhell Germany AG	167,486	151,911
Non-controlling interest	1,676	2,301
	169,162	154,212
<b>NON-CURRENT LIABILITIES</b>		
Provisions	3,341	2,616
Liabilities from debt capital	30,000	30,000
Deferred tax liabilities	7,512	3,926
Other liabilities	8,163	11,797
	49,016	48,339
<b>CURRENT LIABILITIES</b>		
Trade payables	42,815	32,989
Provisions	13,823	13,414
Liabilities from debt capital	39,495	21,852
Other liabilities	23,607	19,638
	119,740	87,893
	337,918	290,444

**Consolidated statement of comprehensive income (IFRS) for the period from 1 January to 31 March 2015**

	1 January - 31 March 2015	1 January - 31 March 2014
	€k	€k
Revenue	112,846	105,068
Other operating income	1,640	1,320
Cost of materials	-76,789	-73,972
Personnel expenses	-14,342	-13,552
Depreciation	-1,200	-1,211
Other operating expenses	-17,265	-16,157
Financial result	-358	-432
<b>Profit before income taxes</b>	<b>4,532</b>	<b>1,064</b>
Income taxes	-1,729	-449
<b>Consolidated net profit</b>	<b>2,803</b>	<b>615</b>
<b>Thereof share of minority shareholders in consolidated net profit/loss</b>	<b>31</b>	<b>-151</b>
<b>Thereof share of shareholders of Einhell Germany AG in consolidated net profit/loss</b>	<b>2,772</b>	<b>766</b>



**Consolidated statement of cash flows (IFRS) for the period from 1 January to 31 March 2015**

in € thousand	1 January - 31 March 2015	1 January - 31 March 2014
<b>Cash flows from/used in operating activities</b>		
Profit before taxes	4,532	1,064
+ Depreciation and amortisation of intangible assets and property, plant and equipment	1,200	1,211
- Interest income	-52	-36
+ Interest expenses	522	468
+/- Other non-cash expenses and income	-71	1,995
<b>Operating profit before changes in net working capital</b>	<b>6,131</b>	<b>4,702</b>
+/- Decrease/increase in trade receivables	-31,686	-24,102
+/- Decrease/increase in inventories	-12,444	-7,474
+/- Decrease/increase in other assets	-8,605	-2,439
+/- Increase/decrease in non-current liabilities	69	82
+/- Increase/decrease in current liabilities	2,864	2,236
+/- Increase/decrease in trade payables	-15,656	-19,193
<b>Net cash from/used in operating activities</b>	<b>-59,327</b>	<b>-46,188</b>
- Taxes paid	-1,119	-965
+ Interest received	43	46
- Interest paid	-319	-343
<b>Net cash from/used in operating activities</b>	<b>-60,722</b>	<b>-47,450</b>
<b>Cash flows from/used in investing activities</b>		
- Payments to acquire assets	-1,088	-685
- Payments for acquisition of consolidated companies	0	0
+ Proceeds from disposal of assets	64	47
+/- 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
<b>Net cash from/used in investing activities</b>	<b>-1,024</b>	<b>-638</b>
<b>Cash flows from/used in financing activities</b>		
+/- Increase/decrease in financial liabilities	39,263	405
- Payments for acquisition of equity investments	0	0
+ Proceeds from non-controlling interest	0	0
- Dividend payments to shareholders of Einhell Germany AG	0	0
- Dividend payments to non-controlling interest	0	0
- Payments for liabilities for finance leases	-1	-1
<b>Net cash used in financing activities</b>	<b>39,262</b>	<b>404</b>
Changes to cash and cash equivalents due to currency exchange	3,114	86
<b>Net decrease/increase in cash and cash equivalents</b>	<b>-19,370</b>	<b>-47,598</b>
Cash and cash equivalents at beginning of reporting period	36,254	59,006
<b>Cash and cash equivalents at end of reporting period</b>	<b>16,884</b>	<b>11,408</b>

**Selected IFRS consolidated notes of Einhell Germany AG, Landau/Isar, for the period from 1 January to 31 March 2015**

**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.

Einhell Germany AG increased its stake in Einhell Hellas AG in the period under review and Einhell Germany AE therefore now owns 98.08% of the shares in this company.

**1.2 Accounting and valuation principles**

The report as at 31 March 2015 applies the same accounting and valuation principles as were used in the annual financial statements 2014.

**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 23.9 million as at 31 March 2015, while property, plant and equipment amount to EUR 19.2 million.

**2.2 Inventories**

	March 2015	March 2014
	€k	€k
Raw materials and supplies (at acquisition cost)	309	288
Finished goods	124,575	109,270
Prepayments	332	3,384
<b>Total</b>	<b>125,216</b>	<b>112,942</b>

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 17,164 thousand. This includes non-current provisions of EUR 3,341 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 17,265 thousand as at 31 March 2015. This pertains primarily to expenses for the shipping 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**

March 2015 in € thousand	Tools	Garden & Leisure	Total segments	Reconciliation	Group
Segment revenue	62,647	50,199	112,846	0	112,846
Profit from ordinary activities (POA)	1,288	3,244	4,532	0	4,532
Financial result	-235	-123	-358	0	-358
Interest income	23	30	53	0	53
Interest expenses	-338	-184	-522	0	-522
Scheduled depreciation	731	469	1,200	0	1,200
Non-cash income	-259	-206	-465	0	-465
Non-cash expenses	213	179	392	0	392
Inventories	75,033	50,183	125,216	0	125,216
Depreciation of inventories	395	370	765	0	765

March 2014 in € thousand	Tools	Garden & Leisure	Total segments	Reconciliation	Group
Segment revenue	60,199	44,869	105,068	0	105,068
Profit from ordinary activities (POA)	-656	1,720	1,064	0	1,064
Financial result	-390	-42	-432	0	-432
Interest income	15	22	37	0	37
Interest expenses	-459	-249	-708	0	-708
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
Depreciation of inventories	373	558	931	0	931

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:

March 2015 in € thousand	D/A/CH region	Other Europe	Asia	South America	Other countries	Group
<b>External revenue</b>	46,501	35,706	939	6,441	23,259	112,846
<b>Non-current assets</b>	15,985	12,271	611	961	15,694	45,522

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

**5. Statement of responsibility**

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

Landau a. d. Isar, 26 May 2015

Einhell Germany AG  
The Board of Directors

Andreas Kroiss  
Jan Teichert  
Dr Markus Thannhuber

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