
Waiblingen, September 20, 2016

STIHL continues to grow

- New record turnover for company's 90th anniversary
- Numerous new products in cordless and gasoline segment
- STIHL TIMBERSPORTS® World Championships in Stuttgart on November 11/12

In the first eight months of this year the STIHL Group increased turnover by 5.4 percent to EUR 2.408 billion. This growth was fueled by strong unit sales. Had foreign exchange rates remained at the same level as last year, growth would have been as high as 9.3 percent. "We expect to achieve record unit sales and turnover in 2016, the company's 90th anniversary year", reports STIHL executive board chairman Dr. Bertram Kandziora at the company's autumn press conference. "Over a four-year period up to 2019 we will be investing around EUR 300 million in Germany, and a total of one billion euros worldwide. All investments will be financed from the Group's own resources." And he is also optimistic about the future: "We are growing at an above-average rate in cordless products, but we also expect to see strong growth in the gasoline business in the next few years."

The U.S. is again the growth engine

The U.S. market was once again the growth engine in unit sales. Above average growth was also recorded in Western Europe. STIHL achieved strong unit sales growth in Asia. The Russian market has settled down; but there is no sign of a real turnaround yet. The worldwide increase in unit sales has resulted in a high level of employment so that the number of employees in the Group climbed 2.9 percent to 14,696 as of August 31, 2016.

German market up

Unit sales of STIHL and VIKING products were up quite considerably on the German market. The growth in demand for cordless power tools and the VIKING iMow robotic mowers was above average in percentage terms, rain and warm weather having stimulated growth and boosted business. "Looking at autumn, we are optimistic that we will continue to grow with new products, attractive campaigns and the continuation of the "Super Saw Weeks" in November", explains Dr. Kandziora.

300 million euro investment in German founding company

The German founding company, ANDREAS STIHL AG & Co. KG, achieved a turnover of EUR 670 million in the period from January to August which is an increase of 0.9 percent compared to last year. The number of employees was down 0.3 percent to 4,252. As of August 31, the workforce was 3,220 in Waiblingen, 343 in Ludwigsburg, 628 in Prüm-Weinsheim and 61 in Wiechs am Randen. “We will be investing some EUR 300 million in the German founding company, primarily in Waiblingen, between 2016 and 2019“, says Dr. Kandziora. In March this year, the Group inaugurated an extension to its engineering center and a new production logistics facility in Waiblingen. “In this new center of competence for battery technology and electronic systems with more than 12,000 square meters of floor space, our engineers will be able to develop new, first class products for our customers“, says Dr. Kandziora.

Cordless segment with highest growth rates

STIHL expects the highest growth in unit sales in the next few years to be in cordless products. In this segment the Group will address new customer groups and gain market shares. It is expected that the gasoline market will level off in the long term. “However, we assume that unit sales in the gasoline segment can also continue to rise in the medium term. We will also increase our market share here with our efficient worldwide sales network“, predicts Dr. Kandziora. To create the preconditions for this growth, the Group will be investing about one billion euros worldwide in development, production and sales between 2016 and 2019.

Stake in cordless power tool manufacturer successfully concluded

STIHL’s acquisition of a stake in the Globe Tools Group was finalized when the market closed in Hong Kong on August 1, 2016. STIHL now has a substantial minority interest in the Chinese cordless power tool manufacturer based in Changzhou. The authorities in several countries had to approve the participation beforehand. “In this way we can make use of valuable synergy effects in the development and production of cordless products“, explains Dr. Kandziora. Moreover, STIHL can utilize favorable cost structures and take advantage of a higher level of vertical integration in cordless products. “In addition, we obtain access to competitively priced components. We will thus be able to offer our customers new, first class products in the entry-level segment at very attractive prices – through servicing dealers of course, and in STIHL’s time-proven quality.”

STIHL steadily expands online presence

The number of STIHL fans on the social media is growing constantly. STIHL now has over 1.5 million fans on Facebook. The search for products, information on applications

and finding a servicing dealer is fast and simple for customers on the STIHL website and with the new STIHL app. For dealers today, it is not only important to have an attractive shop, but also a modern website with online ordering facilities and appealing online marketing. In the meantime, STIHL supports its servicing dealers in this area in 26 countries with the STIHL Online Partner Program. STIHL is also developing functions to interconnect products. A number of these so-called connectivity functions are currently being tested with regard to their practicability. For example, the user of STIHL power tools receives information on the period of use, consumption and optimum application directly on his smartphone, in real time.

Numerous new STIHL products

- **STIHL new cordless products for private and professional users**

STIHL is systematically expanding its cordless electric product line. The new cordless line with built-in battery is aimed at private users who are looking for an attractively priced, high quality cordless power tool in the entry-level segment. The new cordless series includes the STIHL HSA 45 hedge trimmer, the STIHL FSA 45 grass trimmer and the STIHL BGA 45 leaf blower. Furthermore, the STIHL COMPACT cordless system launched this year will be extended by a fifth model: the STIHL KGA 551 cordless sweeper. New additions to the STIHL PRO cordless system are two rugged hedge trimmers, the STIHL HSA 94 R for heavy pruning and STIHL HSA 94 T for shaping and trimming. Their power, weight and ergonomics are designed to meet the demands of professional users.

- **New product generation with STIHL 4-MIX engines**

The further optimized STIHL 4-MIX engine technology in numerous power tools heralds the arrival of a new product generation: The models powered by the mixture lubricated engines include six brushcutters and clearing saws – STIHL FS 89, FS 91, FS 111, FS 131 and FS 311 – and the FR 131 T backpack model, two pole saws with telescoping shafts, the STIHL HT 103 and HT 133, and two powerheads for the highly versatile STIHL KombiSystem – the STIHL KM 111 R and KM 131 R KombiEngines. These machines are easier to start, operate and maintain with their electronic engine control system and diagnosis feature.

- **New STIHL gasoline hedge trimmers**

The new STIHL HL 94 KC-E and HL 94 C-E gasoline hedge trimmers are up to 800 grams lighter than their predecessors and feature a wider blade adjustment range of up to 145 degrees. Also new is the STIHL HL 91 K-C-E with an extra short shaft which is ideal for topiary work.

- **STIHL corded electric chainsaw for newcomers**

The STIHL MSE 141 C electric chainsaw is a lightweight and handy entry-level model which operates quietly, emission-free and requires little maintenance.

New VIKING products

- **New VIKING MA 235 cordless lawn mower for small areas**

The highly maneuverable VIKING MA 235 cordless lawn mower complements the STIHL COMPACT cordless system. With its very compact dimensions it is suitable for small areas of lawn and offers convenient handling in the entry-level segment. The MA 235's direct-drive motor is particularly energy efficient; it can mow up to 200 square meters on a single charge. In ECO mode, the motor automatically regulates its power output to deliver just the amount of power required for the length of grass being cut.

- **More convenience with mono handle: the new VIKING Series 6 gasoline mowers**

The new Series 6 for gardens up to 2,500 square meters is the first to be equipped exclusively with mono comfort handlebars. This makes emptying the grass box easier and improves maneuverability. The top-of-the-range model in the new Series 6, the VIKING MB 655 YS, is equipped with hydrostatic drive with a patented blade brake clutch as well as additional crankshaft protection, and is thus also suitable for semi-professional users.

STIHL TIMBERSPORTS® season final returns to Stuttgart in 2016

“Particularly as it is the year of our company’s 90th anniversary, it is a special pleasure for me to make this announcement: The world championships of the STIHL TIMBERSPORTS® Series are returning to Stuttgart”, says Dr. Kandziora. On November 11 and 12, the international final of the premier competition in lumberjack sports will take place in the sold-out Porsche Arena attended by 11,000 spectators. Over 100 athletes from more than 20 countries will line up to battle for the 2016 team and individual world champion titles. Germany will be represented by STIHL TIMBERSPORTS® veteran Dirk Braun. Dr. Kandziora then refers to the press conference announcing the STIHL TIMBERSPORTS® World Championships: “Anyone who would like to get a preliminary impression of this extreme sport, can attend the preview in the main courtyard of the New Palace in Stuttgart, starting at 11 o’clock in the morning on September 27.”

Company Portrait

The STIHL Group develops, manufactures and distributes power tools for professional forestry and agriculture as well as for garden and landscape maintenance, the construction sector and the demanding private user. The range of garden power tools from VIKING complements the product line. Products are distributed exclusively through authorized dealers, including 36 sales and marketing subsidiaries, about 120 importers and more than 40,000 servicing dealers in over 160 countries. STIHL has been the world's top-selling chainsaw brand since 1971. The company was founded in 1926 and is based in Waiblingen near Stuttgart. In 2015, STIHL achieved a worldwide sales volume of 3.25 billion euros with a workforce of 14,245.

This press release and pictures are available for downloading from the STIHL website at <http://www.stihl.com/daily-pressbusiness-press.aspx>

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