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STIHL achieves higher unit sales and turnover worldwide

In the first eight months of this year the STIHL Group's turnover grew 4 percent to EUR 2.07 billion. This growth can be attributed mainly to higher unit sales. On the basis of the previous year's exchange rates, the increase would have actually been 8.2 percent. "In spite of the international crises, we aimed for growth in 2014 and expect to see a new record high in unit sales and turnover," explained STIHL executive board chairman Dr. Bertram Kandziora at the company's autumn press conference in Waiblingen. "In particular our big U.S. subsidiary, STIHL Incorporated in Virginia Beach, has generated strong growth in its 40th anniversary year." In the cordless segment, STIHL now offers a broad range of twelve different products for professional and private users.

Sales and production in the U.S.A. particularly successful

Compared to last year, STIHL achieved above-average sales growth in the U.S. market. This can be accredited to the expansion of the dealer network and the countrywide marketing activities of STIHL Inc. STIHL Inc. is the manufacturing and sales subsidiary with the highest turnover in the STIHL Group and will be celebrating its 40th anniversary in October. "This outstanding market success is an anniversary gift from our American subsidiary to the STIHL Group," said Dr. Kandziora. "The United States is by far our largest and most important market. STIHL is the number one there and the biggest selling brand of gasoline powered and handheld outdoor power tools." STIHL Inc. produces not only for North America, but supplies almost 100 countries throughout the world. In 2013, STIHL Inc. was named "Factory of the Year" and received the "Association of Manufacturing Excellence (AME) Award", which is awarded to manufacturing facilities in the United States and Canada. The AME presented the award for the company's "outstanding accomplishments in production and business processes".

Significant increase in sales in the Americas und Western Europe

In North America, our Canadian sales subsidiary also recorded above-average unit sales. In South America, STIHL Brazil has achieved high growth rates. The new sales subsidiary in Colombia got off to a good start and has shown healthy growth which is, however, still at a relatively low level. On the other hand, business in Argentina and Venezuela is declining rapidly owing to the continuing import restrictions in those countries. In Western Europe, Germany, France, the United Kingdom and the Benelux countries in particular have experienced strong rates of growth. Generally speaking, the mild spring in the northern hemisphere contributed to the relatively early start of sales this year and triggered an upturn in the industry. "It will not be easy to maintain this dynamic development over the whole year because the first half of 2013 was very weak and the second half very strong," said Dr. Kandziora. Higher unit sales and production output were accompanied by growth in the Group's workforce. As of August 31, 14,251 men and women were employed with STIHL throughout the world, which is an increase of 11.1 percent over last year. This number includes 746 workers who were given permanent contracts of employment at ZAMA in China.

Weak Russian market

Unit sales in Ukraine have slumped badly and the market in Russia remains well behind expectations. The reason for this is the domestic economy, which has been ailing for some months, and the weak ruble. Russia is an important market for STIHL – among the top five in the world ranking list. The Russian economy will suffer even more under the sanctions that have been imposed. STIHL is holding its position in the market and its gains in market share. The Russian market will continue to be covered intensively because we feel it has great potential.

Cordless segment make great strides forward

STIHL now offers a comprehensive range of twelve different products in its cordless segment, from chain saws to hedge trimmers and a cut-off machine. More products are in the pipeline. One special feature is that all STIHL rechargeable batteries, irrespective

of energy content, fit all models in the cordless lineup - the principle being "one for all". Executive board chairman Dr. Kandziora was pleased about the latest sales figures: "Sales of our cordless power tools have increased quite considerably in the current year. One reason for this is probably the fact that the products are equally suitable for demanding private users as well as professional users."

German founding company

In the period from January to August 2014 the German founding company, ANDREAS STIHL AG & Co. KG, achieved a turnover of EUR 669 million, which represents growth of 5.8 percent over the same period last year. There was particularly heavy demand for trimmers/brushcutters and cut-off machines. The workforce in the seven manufacturing plants grew 4.1 percent to 4,288. As of August 31, 3,212 men and women were employed in Waiblingen, 356 in Ludwigsburg, 653 in Prüm-Weinsheim and 67 in Wiechs am Randen. Construction of the extension to the engineering center and the new production logistics building in Waiblingen is progressing well. More than EUR 60 million is being invested at the company's headquarters.

Double-digit growth in German market

STIHL has succeeded in achieving strong growth in the German market with new products and excellent sales promotion activities. This development was helped by the mild winter and spring. Dr. Kandziora is happy with the situation so far this year: "We are currently seeing double-digit growth in Germany. We have been able to increase unit sales and turnover in all product groups." The new VIKING MI 632 and MI 632 P robotic mowers have been very well received by the market. Servicing dealers can demonstrate their expertise to discerning customers with this product that requires a considerable amount of instruction and is installed in gardens on an almost tailor-made basis. More new products will follow in autumn which Dr. Kandziora views optimistically: "The prospects for the German market are good. We want to continue along this growth course in Germany with numerous new products and attractive promotional activities in autumn." The successful test days held in spring will be followed up with "Super Saw Weeks" in

November. The “Super Saw Weeks” will be announced in a country-wide advertising campaign and the participating servicing dealers will be listed in the dealer locator at www.stihl.de.

Servicing dealers use STIHL Online as additional sales channel

Starting at the end of April, STIHL offered selected German servicing dealers a website for additional online sales. In this way a customer can go to the dealer’s website and purchase the entire range of products from the STIHL and VIKING product catalog. However, products that require detailed personal instruction for their safe operation, e.g. chain saws and cut-off machines, can be ordered online, but still have to be collected from the local servicing dealer to ensure the user receives the necessary expert advice and instruction on the spot. Products that do not require special training or instruction for safety reasons, such as leaf blowers or VIKING tools, can be shipped directly to customers. The project has got off to a successful start; in the meantime, several hundred servicing dealers in Germany are using the online service as an additional sales channel. STIHL will offer the online platform to servicing dealers in other European markets in autumn.

Apart from this new sales channel, STIHL Germany is increasing its presence in the internet by way of activities in the social media: <http://www.stihl.de/stihl-in-sozialen-medien.aspx>. The STIHL sales and distribution center in Dieburg has been active in the social media for less than a year and has already acquired more than 80,000 Facebook fans.

Numerous new STIHL and VIKING products

STIHL presented four new products in its cordless system at the press conference, including the STIHL TSA 230, which is a world first. This cordless cut-off machine, which will be with dealers in October, is compact, weighs only 3.9 kg (without battery) and is particularly easy to handle – be it for cutting mineral building materials, metals or pipes. The STIHL FSA 90 cordless brushcutter is the first of its kind in the STIHL product port-

folio and is available with a bicycle or loop handle. A completely new application in the STIHL cordless system is offered by the electronically controlled STIHL ASA 85 cordless pruning shears. They are suitable for branches up to a diameter of 45 mm, and come with a carrying system for the battery which is worn as a comfortable backpack for reduced physical effort, even over long periods of operation. The new STIHL HLA 85 cordless hedge trimmer features a telescoping shaft which makes it ideal for high bushes and hedges.

Also new are the MS 201 C-M chain saw and the MS 201 TC-M tree service saw. Both come standard with the M-Tronic electronic engine management system which controls ignition timing and fuel feed in all operating conditions and thus ensures optimum engine performance at all times. There has also been an addition to the KombiSystem: The new STIHL KM 94 RC-E KombiEngine is very light and impresses with its versatility. It has a quick release coupling that enables it to be equipped with one of the twelve STIHL KombiTools in a matter of moments, e.g. a power scythe, pole saw, hedge trimmer, sweeper etc. Removing dirt with high pressure is the speciality of the new STIHL RE 109, RE 119 and RE 129 PLUS pressure washers. These three consumer units are powerful performers that come with many features and offer exceptional ease of use. A number of new products in the personal protective equipment sector will be launched on the market next season: One example is the new STIHL ADVANCE X-TREEm safety combination (i.e. pants and bib overalls).

VIKING will be presenting its new professional lawn mower models in autumn: MB 756 GS, MB 756 YS and MB 756 YC with a cutting width of 54 cm and a lightweight, durable magnesium die cast housing. A new generation of robotic mowers for homeowners is coming in spring, i.e. the new MI 632 C and MI 632 PC with an app for remote access by the user over his smartphone. Furthermore, VIKING will be launching its GE 135 L and GE 140 L low noise garden shredders next spring for branches up to a diameter of 40 mm.



STIHL is Germany's most attractive employer in the consumer durables sector. This was confirmed in the "Germany's Best Employer" survey performed by the Focus news magazine. STIHL came 37th in the overall ranking and was ranked number two in the engineering industry. STIHL is heavily committed to supporting young staff during their training and also in universities. The opportunity to be creative and having the freedom to develop one's own ideas are typical hallmarks of careers at STIHL.

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 34 marketing subsidiaries, about 120 importers and more than 40,000 dealers in over 160 countries. STIHL has been the world's top-selling chain saw brand since 1971. The company was founded in 1926 and is based in Waiblingen near Stuttgart. In 2013, STIHL achieved a worldwide sales volume of 2.81 billion euros with a workforce of 13,844.

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

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