

January 21, 2016

STIHL Group opens new ZAMA production plant in the Philippines

ZAMA, a manufacturer of carburetors for small off-road engines and a subsidiary of the STIHL Group, opened a new production plant in Santo Tomas in the Philippines. Secretary Adrian S. Cristobal jr. of the Department of Trade and Industry held a welcoming address at the inauguration on January 20, 2016. The total investment amounts to more than US\$ 50 million. Speaking at the ceremony, STIHL executive board chairman Dr. Bertram Kandziora emphasized the strategic significance of the new factory: "We expect further worldwide growth and have created additional capacity with this new project. It enables us to consolidate and grow our present market share, minimize risks and, at the same time, keep customer satisfaction at a high level. In addition, it will increase our competitiveness."

Dr. Nikolas Stihl, chairman of the STIHL advisory and supervisory boards, referred to a milestone in the history of STIHL and ZAMA: "The acquisition of ZAMA in 2009 has turned out to be a good decision. I am very proud to be able to add the newly built production plant in the Philippines to our international manufacturing network." The new facility in Santo Tomas covers a total land area of almost 60,000 square meters and offers about 22,000 square meters of production, warehouse and office floor space. Series production is due to start in April 2016. The new factory is to produce about 2 million carburetors in 2016 with a workforce of some 650 men and women.

The Philippines is an attractive industrial location and one of the fastest growing economies in the Asia-Pacific region. Santo Tomas is situated about 70 kilometers from the capital city Manila, in a special economic zone, i.e. the "Philippine Economic Zone Authority" (PEZA) in the "First Philippine Industrial Park" (FPIP), in the province of Batangas. The PEZA simplifies the establishment of businesses for investors in certain export zones, such the FPIP, and also creates tax incentives for exporting enterprises. Furthermore, the Philippines offers generally favorable site conditions compared to other Asian countries.

The ZAMA Group is the world's largest manufacturer of diaphragm carburetors, a major supplier of chain-lubrication solutions and tensioning kits for chainsaws and a technology leader in these fields. At the present time ZAMA has plants in Japan, Hong Kong, China and the U.S.A. The company supplies carburetors to several manufactur-

ers of mobile and handheld gasoline power tools. Today, ZAMA has some 2,400 employees who produce more than 14 million carburetors in about 350 different versions, 4 million oil-pumps and 12 million other precision components. ZAMA has an annual turnover of about 100 million euros.

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 chain saw brand since 1971. The company was founded in 1926 and is based in Waiblingen near Stuttgart. In 2014, STIHL achieved a worldwide sales volume of 2.98 billion euros with a workforce of 14,297.

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

Your contact for daily and business press:

ANDREAS STIHL AG & Co. KG

Dr. Stefan Caspari

Head of Corporate Communications and Public Relations

Badstrasse 115 / 71336 Waiblingen

Phone: +49 - (0) 7151/26-1402

Fax: +49 - (0) 7151/26-81402

Email: stefan.caspari@stihl.de