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**STIHL continues growing and presents a world first
- record investment volume**

In the first eight months of this year the STIHL Group achieved a turnover of EUR 1.825 billion, which represents growth of 11.3 percent (12.2 percent, had currency exchange rates remained unchanged). At its autumn press conference the company presented the world's first cut-off machine with electronic fuel injection. "Our new product is a world first which will revolutionize engine technology in our industry," stated STIHL Executive Board Chairman Dr. Bertram Kandziora. The STIHL Group will invest well over EUR 200 million in its worldwide manufacturing and sales network. "This is the company's highest ever investment volume which will prepare us for future growth," said Dr. Kandziora.

Unit sales up, more employees

STIHL achieved above-average growth in unit sales of chain saws and all power tool segments. VIKING also recorded double-digit growth in unit sales. On the whole, relatively strong growth was experienced in the BRIC countries. In the case of turnover growth, the negative effect of the relatively weak U.S. dollar was counterbalanced to a considerable extent by the strength of other currencies such as the Brazilian real, Australian dollar and Swiss franc. An increase in the number of employees was a direct result of the higher production output: As of August 31, 2011 the company's workforce increased to 11,901, which is 7.1 percent more than the previous year.

German founding company grows, a promise to apprentices

Turnover of the German founding company, ANDREAS STIHL AG & Co. KG, showed stronger growth than the group as a whole. It was up 12.9 percent to EUR 570 million in the period between January and the end of August. Responding to high growth in production, the founding company gave permanent contracts of employment to 100 limited-

term employees. "We are pleased that we have been able to offer 100 men and women, who were previously on limited-term contracts, a permanent position at STIHL as members of the regular staff," said Dr. Kandziora. The workforce at the founding company was up 5.9 percent to 4,013 as of August 31, 2011. Of this total, 3,004 are employed in Waiblingen, 321 in Ludwigsburg, 622 in Prüm-Weinsheim and 66 in Wiechs am Randen. From now until October, 60 young people will be starting their training at the STIHL founding company, where a total of 210 apprentices and trainees are working. All interested and suitable apprentices and trainees who had completed their training in 2011 were offered a permanent contract of employment. Moreover, STIHL's chairman made a promise for 2012: "Next year, we will again take on all interested and suitable apprentices and trainees who have successfully completed their training."

A world first: Electronic fuel injection

STIHL has presented a world first at the start of the 2011/2012 season in the form of the STIHL TS 500i cut-off machine. It is not only the first product of its kind to feature electronic fuel injection but the first handheld power tool ever to make use of this futuristic engine technology. The STIHL computer-mapped fuel injection system continuously and precisely determines fuel mixture, injected quantity, injection and ignition timing. Dr. Kandziora is a firm believer in the new technology: "It ensures really easy starts and optimum engine power at all times with excellent running behavior and throttle response as well as greater fuel economy and lower emissions. With the STIHL TS 500i even the toughest of cutting operations will be performed more easily and efficiently than ever before. As it has no carburetor, this highly innovative power pack is characterized by much more power in the same space and thus has an exceptional power to weight ratio."

In the chain saw segment, STIHL presented six new products for the new season. The compact, lightweight MS 150 C-E chain saw scales only 2.8 kilograms and is suitable for the crafts and trades, fruit growers and gardeners as well as demanding private users for woodworking projects, tending trellis fruit trees or cutting firewood. The top handle version, the STIHL MS 150 TC-E, simplifies cutting for professional tree surgeons. In addi-

tion to the gasoline chain saws, the company is launching four new electric models: The STIHL MSE 150 C-Q and MSE 170 C-Q have been developed for serious DIY users for jobs around the house and garden. The more powerful models in the same series, i.e. the MSE 190 C and MSE 210 C, are designed to meet the demands of professionals in construction and finishing, carpenters' shops, the refurbishment trade and in agriculture. The STIHL Laser 2-in-1 provides chain saw users with a practical aid which – mounted to the saw's handlebar – helps determine the direction of fall more accurately when felling and simplifies measuring log lengths when cutting fuelwood. It is also a world first. The STIHL FS 490 C-EM, FS 510 C-EM and FS 560 C-EM are the next generation of brushcutters. They fulfil the requirements of users in landscaping and forest maintenance. The new STIHL HSE 42 and HSE 52 electric hedge trimmers are great aids in private gardens.

German market on growth curve

STIHL is continuing to experience satisfactory turnover growth on the German market following its record turnover in 2010. At the end of August the turnover in Germany was well above that of the same period last year. The demand for the new STIHL cordless products has outstripped expectations. But there has also been substantial growth in sales of gasoline and corded electric machines. Dr. Kandziora also sees a favorable trend in sales of VIKING mowers and lawn tractors: "The premium strategy comes up to the expectations of our customers with respect to quality, ergonomics and design." He is generally optimistic as far as further business growth on the German market is concerned: "I expect pleasing turnover growth on the domestic market for the year as a whole as a result of new product launches and promotional activities."

"STIHL's four angels"

The STIHL MS 160 C-BQ cordless chain saw is the fourth STIHL cordless product to receive the Blue Angel environment award for particularly quiet, low-pollution garden tools which are therefore environment friendly and reduce health risks, especially in noise-sensitive areas. STIHL's FSA 65 cordless line trimmer and HSA 65 and HSA 85 cordless hedge trimmers already received the Blue Angel award some time ago.

Good prospects despite economic slowdown

In Dr. Kandziora's opinion the world economic upswing has lost momentum. As far as STIHL's own products for landscaping and garden maintenance, as well as the forestry and construction industries are concerned, he sees considerable medium to long-term growth potential in unit sales. He predicts a distinct rise in demand in the emerging markets in the long term. "The STIHL Group will exceed the EUR 2.5 billion mark this year. The consumer segment with premium quality products is becoming increasingly important. Our cordless products enjoy growing popularity among customers who attach special importance to product convenience," said Dr. Kandziora. "We are boosting our capacities for further increases in production by investing considerable sums in our worldwide manufacturing network."

Company Portrait

The STIHL Group develops, manufactures and distributes power tools for forestry, landscape maintenance and the construction industry. The range of garden power tools from VIKING complements the product line. Products are distributed exclusively through authorized dealers, including 32 marketing subsidiaries, more than 120 importers and about 38,000 dealers in more than 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 2010, STIHL achieved a worldwide sales volume of EUR 2.36 billion with a workforce of 11,310.

This press release and pictures are available for downloading from the STIHL website

<http://www.stihl.de/tages-wirtschaftspresse.aspx>

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