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STIHL expects another record year

In the first eight months of this year the STIHL Group's turnover increased 1.1 percent to EUR 1.990 million. Had foreign currency exchange rates remained unchanged, growth would have been 4.1 percent compared to the same period last year. "We are continuing on our growth course – in spite of unfavourable weather conditions and consumer restraint in the eurozone. 2013 will be a new record year for us," said STIHL executive board chairman Dr. Bertram Kandziora, at the company's autumn press conference. "One of the highlights this year will be the STIHL TIMBERSPORTS World Championships at Stuttgart's Porsche Arena on October 25 and 26. Some 10,000 spectators will see 100 top athletes from all over the world compete for trophies."

STIHL grows despite unfavorable peripheral conditions

"In the past few months in particular we have been able to more than make up for the late start to our spring business and actually increase sales," said Dr. Kandziora and outlined the reasons for growth against the trend: "Our new products are being exceptionally well received by our customers. Furthermore, our servicing dealers impress with their technical advice and service. We are well positioned vis-à-vis the competition with our premium quality, but also with targeted dealer development, sales campaigns and TV advertising." The spring business started much later this year owing to the long winter in the northern hemisphere. Major markets, such as the U.S.A., Russia and wide areas of Europe were affected by the harsh weather conditions. This was further exacerbated by severe drought in Australia. Public sector demand in the eurozone was down due to consolidation efforts. The still unresolved euro sovereign debt crisis also resulted in subdued demand from private customers. Import restrictions in Argentina and Venezuela were an added problem.

Nevertheless, unit sales, production and employment were up in the STIHL Group. As of August 31, STIHL's worldwide workforce numbered 12,865 men and women, an increase of 4.3 percent over the previous year.

Further growth at founding company

The German founding company, ANDREAS STIHL AG & Co. KG, increased its turnover by 5.3 percent to EUR 632 million in the period from January to August. As of August 31, its workforce was up to 4,123, which is 1.7 percent more than the previous year. Of this total, 3,110 were employed in Waiblingen, 346 in Ludwigsburg, 609 in Prüm-Weinsheim and 58 in Wiechs am Randen. "We will be investing more than EUR 60 million in a new logistics center and expansion of our engineering center in Waiblingen in the coming years," announced Dr. Kandziora. "Our German base has a key function in supplying world markets with professional products. With our engineering center in Germany we profit from the fact that our development engineers for products and production processes are close to the suppliers of developments here in the region."

Almost 70 percent of founding company employees take advantage of participating rights

The STIHL founding company was awarded the "AGP Stars 2013" of the "Association of Co-partnership in Business (AGP)" for its corporate culture and its "exemplary" system of employee participation in the company's capital. The total capital of participating rights holders is now EUR 33.6 million – the highest it has been since the scheme was introduced in 1985. Anyone subscribing to participating rights receives a subsidy of two thirds of the purchase price from the company. Interest of 10 percent was paid on the participating rights capital for fiscal year 2012. "Some 69 percent of employees at the founding company have subscribed to the current issue of participating rights. That is further evidence of the attractiveness of our employee participating rights model," said Dr. Kandziora.

Full house at STIHL TIMBERSPORTS World Championships in Stuttgart

The capital city of Baden-Württemberg is preparing itself for the STIHL TIMBERSPORTS World Championships. The championships in the “premier league of lumberjack sports” with 100 top contenders from all over the world will take place on October 25 and 26 in the Porsche Arena in Stuttgart. “We are expecting up to 10,000 spectators at this exciting battle for the world title. The tickets are almost sold out,” said a very pleased Dr. Kandziora. Lumberjack sports are an extreme series of events with a long tradition. The athletes combine their professional skill with the axe and saw with muscle power, speed and precision. In 2012, Jason Wynyard from New Zealand won the world title in Lillehammer, Norway.

Good prospects for German market

After a long winter and a rainy spring STIHL succeeded in catching up in the German market. A large number of new products contributed to the increase in unit sales. Sales of the cordless line of products were particularly pleasing. “Power tools which operate quietly and are easy to start are very popular. The benefits of working without a power cord and easy battery replacement impress customers,” said Dr. Bertram Kandziora. He is generally optimistic about 2013: “Our unit sales and turnover here in Germany are higher than last year’s. The outlook for the German market is good. We want to go for further growth in autumn with numerous new products, massive advertising activities and attractive promotions.” The STIHL sales and distribution center in Dieburg, Hesse, is investing heavily in improving the skills and knowledge of servicing dealers and will be opening its modernized and expanded training center for STIHL sales in Germany in autumn. “Because the qualified service of our servicing dealers is a crucial success factor of the STIHL distribution system,” explained the executive board chairman. Discerning customers expect and appreciate expert advice from servicing dealers, especially where modern technologies are concerned, such as the STIHL M-Tronic electronic engine management system or VIKING robot mowers.

New STIHL gasoline and cordless products

The new STIHL MS 661 C-M gasoline chainsaw with M-Tronic will be launched for the 2013/14 season. With a weight of 7.4 kg and a 5.4 kW engine it is the lightest saw in its displacement class. "This is the saw I like working with most. It is very powerful and has a power to weight ratio of 1.37 kg/kW – a specification unsurpassed up to now in machines that meet the strict European exhaust gas regulations," said Dr. Kandziora. The MS 661 C-M will also be used as a new competition saw in the STIHL TIMBERSPORTS Series. The new MSA 160 T cordless chainsaw will provide the power and convenience of STIHL cordless power tools in professional tree maintenance. The modular STIHL cordless system will be extended with the HTA 85 pole saw which is designed for all those users who want to prune trees flexibly, quietly and emission-free while standing on the ground. The new entry-level HT 56 C complements the STIHL range of gasoline pole pruners.

Scaling only 4.9 kg, the STIHL FS 94 C is a true lightweight among brushcutters. It comes with 2-MIX technology and the new ECOSPEED function which enables the user to preselect the engine's operating speed. The new SR 200 backpack sprayer has been developed for the protection of plants and trees up to a height of 2.5 meters in wine, fruit and vegetable growing. There are also several additions to STIHL's extensive range of personal protective clothing, such as the new quality engineered ADVANCE X-SHELL all-weather jacket offering protection against the rain, wind and cold.

VIKING develops robotic mower

VIKING, STIHL's Austrian subsidiary, has presented new products for lawn care: It has launched its new iMow MI 632 and MI 632 P robotic mowers – two models designed and built in-house – which operate quickly, quietly and intelligently. They are powered by highly efficient rechargeable lithium-ion batteries. Furthermore, VIKING T5 and T6 series lawn tractors have been given a technical and optical facelift. The top models in the T6 series are now equipped with an innovative synchronous mow-

ing deck and an uprated gearbox.

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 servicing dealers. The organization includes 33 sales and marketing subsidiaries, more than 120 importers and about 40,000 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 2012, STIHL achieved a worldwide sales volume of EUR 2.78 billion with a workforce of 12,338.

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

<http://www.stihl.com/press.aspx>

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