

Waiblingen, May 20th, 2016

STIHL acquires a minority stake in Globe Tools

- Long term partnership with Chinese manufacturer of cordless and corded electric power tools
- Competence in applications and development meets know-how in the production of cordless power tools: STIHL and Globe Tools utilize synergies in the manufacture of cordless and corded electric power tools
- STIHL to offer broader range of cordless products for demanding private users in future

The STIHL Group acquires a substantial minority share of the Globe Tools Group – a successful manufacturer of corded and cordless outdoor power tools under their Greenworks brand. “Our stake in Globe Tools means we are systematically consolidating our strategy in the growing market for cordless power tools. We will utilize synergy effects in the development and production of cordless products”, explained STIHL executive board chairman Dr. Bertram Kandziora. The managing owner of the Globe Tools Group, Mr Yin Chen, said: “We are pleased that we will have STIHL on board in the future as a strong and reliable partner. This involvement is a milestone in our growth story.”

STIHL starts offensive in market of the future

Globe Tools is a successful supplier of cordless and corded electric power tools, to customers in North America in particular, but also in Europe. STIHL is a worldwide leading supplier of products for professionals in forestry and agriculture, landscape care and the construction industry as well as for demanding private users. The two companies complement each other in the market for cordless and corded electric power tools and intend to create a cooperative partnership and achieve gains in efficiency. “This move enables us to quickly expand the STIHL cordless product line for the customers of our servicing dealers in the entry-level segment and offer high class products in STIHL quality at competitive prices”, said Dr. Kandziora. Moreover, STIHL makes use of the favorable production costs of Globe Tools in China, and also the procurement of components. On the other hand, Globe Tools profits from the STIHL Group’s many decades of experience and can continue its dynamic growth course with fresh capital.

Owner and managing director Yin Chen runs the Globe Tools Group as a family company. Globe Tools has a high level of vertical integration and now produces around

8 million cordless and corded electric products annually. Turnover last year amounted to US\$ 325 million.

The Globe Tools Group has a workforce of some 4,000 men and women in Hong Kong, Changzhou (People's Republic of China), Mooresville/NC (U.S.A.), Newmarket/ON (Canada), Moscow and Cologne. The development and production of products takes place mainly in Changzhou, while marketing and sales are handled by the companies in other countries.

The participation agreements were concluded by the STIHL Group and the Globe Tools Group on May 13th, 2016. It was agreed not to disclose the price of the participation. Approvals from antitrust and other authorities in several countries still have to be granted before the participation can be completed and cooperation begun.

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 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 2015, STIHL achieved a worldwide sales volume of 3.25 billion euros with a workforce of 14,245.

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

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