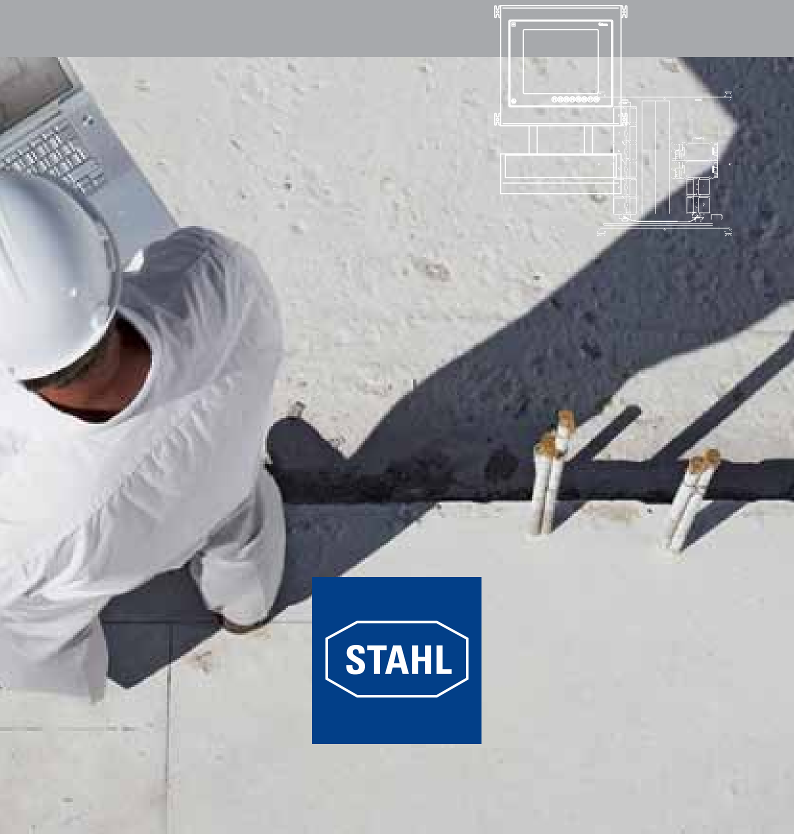
Q.1

Interim Report as of 31 March 2011

- Double-digit growth of sales and earnings
- EPS increased by 17%
- Forecast for 2011 and 2012: confident



Key Data

€ 000	1–3/ 2011	1–3/ 2010
Sales revenue	58,702	51,761
Germany	15,026	11,734
Central excl. Germany	28,790	20,213
Americas	7,600	8,896
Asia/Pacific	7,285	10,918
Foreign share in %	74.4	77.3
Order intake	59,141	53,283
Order backlog	48,356	44,415
EBITDA	7,085	6,488
EBIT	4,356	4,005
EBT	3,531	3,049
Period earnings	2,500	2,119
EPS/earnings per share in € (total)	0.42	0.36
Capex on intangible and PP&E assets	2,121	1,567
DA&I on intangible and PP&E assets	2,729	2,483
EBITDA margin (in % of sales revenues)	12.1	12.5
EBIT margin (in % of sales revenues)	7.4	7.7
EBT margin (in % of sales revenues)	6.0	5.9
Staff as of the balance sheet date (excl. apprentices)	1,502	1,399

Consolidated management report on 31 March 2011

A positive economic environment characterized the first quarter of 2011, the markets revived noticeably. The order situation of R. STAHL has been dominated mainly by orders from the »installed basis«, i.e. expansions, replacements and modernizations in facilities in which our products have already been used. Due to the long duration of the project business, it still did not achieve the level it had before the crisis. But the order books of the international plant manufacturers are filling up, which will gradually also be felt in our order situation. Compared to the previous year, we could increase order intake by 11% and sales by 13% in the first quarter of 2011. EBT increased by 16%, earnings per share increased by 17%. Weak prices and the high amount of personnel costs in relation to sales are still reflected in earnings.

MAJOR CUSTOMER INDUSTRIES ARE CONFIDENT

In the customer industries that are most important for R. STAHL a lot of activity can be noticed: The chemical industry looks with confidence to 2011 and started their maintenance cycles again, numerous new international projects will be awarded in the near future. From Korea we already received a major system order for the expansion of a refinery in Abu Dhabi. Demand from the shipbuilding industry and marine equipment also increased slightly in the past few months; some smaller orders e.g. came from Norway. The global oil and gas industry benefits from the high oil prices and still invests on a high level. The situation in mechanical and plant engineering is similarly positive: At the beginning of April, VDMA (German Engineering Association) increased its production prognosis for 2011 from 10% to 14%. But above all, it is the international plant engineering that has full order books – especially in Korea, but also in some European countries. We will, for example, supply an Austrian airport with energy distribution panels. Only the pharmaceutical industry is a bit more reluctant and only expects moderate growth in 2011.

ORDER SITUATION – GOOD START IN 2011

In this economic environment, R. STAHL could record order intake amounting to € 59.1 million (previous year: € 53.3 million) in the first three months. With an increase of about 11% compared to the same period in the previous year we had a good start into the year and achieved the level we expected. Order backlog at the end of March 2011 amounted to € 48.4 million, in the previous year it was € 44.4 million.

SALES REVENUES INCREASED BY 13.4% – MOTORS FOR GROWTH: GERMANY AND EUROPE

In the first quarter of 2011, R. STAHL achieved sales revenues amounting to € 58.7 million (same period in the previous year: € 51.8 million), with the following regional distribution:

With the good development in Germany and Central (excl. Germany) we could more than compensate for the decline in the two other regions, Americas and Asia/Pacific. We still adhere to a globally balanced customer structure, to be able to compensate fluctuations in demand in future as well, and to make the company more robust.

R. STAHL – at a glance

Business:	supplier of electromechanical and electronical safety technology for hazardous environments
Customers:	oil & gas industry, pharmaceutical, chemicals, ship supply, food, bio fuel industry and plant construction
Products:	control and installation equipment, light fittings, terminals, automation, system solutions
Employees:	approx. 1,500 worldwide
Headquarter:	Waldenburg, Germany
Production:	Waldenburg (D), Weimar (D), Cologne (D), Hengelo (NL), Stavanger (N), Chennai (IN)
Sales 2010:	€ 223m
Profit margin (EBT) 2010:	6.9%
Shares:	6.44m shares; app. 41% free float

In Germany we increased sales revenues by € 3.3 million (+28.1%) to € 15.0 million. The development in Central (excl. Germany) was even more positive, with a significant improvement by 42.4% to € 28.8 million.

The development in the regions Americas and Asia/Pacific is less satisfactory: In the Americas, sales declined by 14.6%, from € 8.9 million to € 7.6 million. We want to counteract this development with a new organization of our subsidiary in Canada, among other things, and we expect more positive figures from this continent in future.

In Asia/Pacific sales also declined in the first quarter of 2011 and achieved € 7.3 million after still very high revenues of € 10.9 million in the same period in the previous year, in which project business was significantly stronger. High order intake from this region – among others a major order from Korea – promises a significant improvement in the future.

We now generate 74.4% (same period in the previous year: 77.3%) of our sales abroad and use hedging instruments to safeguard against currency risks.

Currently, our development sector works on numerous new products, the production of these products will start soon. With these innovations, also in the field automation and lighting, we will be able to further increase our sales revenues in future.

FOCUS ON INCREASE OF YIELD

The positive development of order intake and sales did not yet make a full impact on yield: In the first quarter of 2011, earnings before taxes (EBT) increased by 15.8% to € 3.5 million (previous year: € 3.0 million). Operating EBT margin relative to sales revenues now amounts to 6.0% (previous year: 5.9%).

Operating earnings before interest and taxes (EBIT) also increased in 2011 and achieved € 4.4 million (same period in the previous year: € 4.0 million). Operating EBIT-margin relative to sales revenues amounts to 7.4% (previous year: 7.7%).

Three factors still burden earnings of the group: First of all, the price level which decreased significantly during the crisis could not yet recover – especially as customers used the opportunity to newly conclude contracts for a longer period of time with lower prices in the year of crisis. Projects that have been negotiated in the phase when few orders were awarded and that now generate sales follow the same trend. Second, the payroll portion in relation to sales is currently on the same level as before the crisis as we did not reduce personnel during the crisis to keep the competence for system business, we so laboriously established. We now have to grow without noteworthy increase of personnel. Finally, as a third point, there were integration efforts for the acquisitions we made in 2010, which will burden results especially in the first half of 2011.

After three months in 2011, finished and unfinished stock increased by € 3.3 million due to projects and orders we started to work on. Future delivery and billing of these projects and orders at fixed sales prices will improve our situation in regard to yield, as increase in stock is generally assessed at the production costs.

Optimization projects in production and administration, as well as different programmes to improve efficiency, will furthermore help to improve earnings. Materials price increases that have to be expected can partly be balanced by rationalization projects in procurement.

Earnings per share amount to € 0.42 (previous year: € 0.36).

FINANCIAL AND ASSETS STRUCTURE – STILL SOLID BASIS AND MOTOR FOR PROGRESS

Compared to 31 December 2010, the balance sheet total increased by € 4.7 million or 2.4% and reached € 196.1 million on the reporting date. Long-term assets remained almost unchanged at € 85.9 million. In regard to short-term assets, inventories increased due to unfinished products. Furthermore, raw materials, auxiliary materials and operating materials increased as well, as precautions have been taken to avoid supply bottlenecks. Accounts receivables increased by € 1.5 million and now amount to € 44.1 million.

Due to earnings, equity rose by € 1.9 million to € 86.1 million; compared to the end of 2010, equity ratio remained steady at 43.9% on the reporting date. As on 31 December 2010, R. STAHL group held 516,291 own shares on 31 March 2011. On both dates the own shares have been netted against equity at their historical costs (€ 5.6 million).

Long-term debts slightly declined, while the short-term debts rose by a total of € 3.2 million.

R. STAHL's financing is still on a solid basis: Equity completely covers the long-term assets, our liquid funds amounting to € 17.9 million exceed the short-term and long-term interest-bearing debts by € 8.2 million.

With the available funds we have a good liquidity and with our hedged financing structure there is a low level of dependency on lenders: As a financial precaution we fixed credit lines for three years with our principal banks, amounting to a total volume of € 35 million, in 2009.

With these possibilities the company may be improved effectively and we also have the possibility to generate growth through acquisitions.

POSITIVE OPERATING CASH FLOW DESPITE SUBSTANTIAL PRECAUTIONS

In the period under review the cash flow increased, due to the higher result in this period, from € 3.8 million last year to now € 4.1 million. With the required stockpiling to avoid possible delivery problems, financial resources have been committed, that is why the cash flow from operating activities has been lower, € 1.1 million, than in the previous period (€ 4.0 million).

During the first three months, investments have been made as scheduled and amounted to € 2.3 million (previous year: € 1.8 million). This meant a free cash flow amounting to € -1.2 million in the first quarter (previous year: € +2.3 million). In regard to financing activities, short-term and long-term financial debts have been redeemed as scheduled.

As a result of our business activities, cash and cash equivalents decreased by € 1.7 million to € 17.9 million in the period under review. We still have a comfortable net-cash-position amounting to € 14.2 million (year-end 2010: € 15.5 million).

INVESTMENTS DURING THE FIRST THREE MONTHS OF 2011

From January to March 2011 we invested € 2.1 million (previous year: € 1.6 million) in long-term assets. The focus was placed on the acquisition of individual machines and facilities and on the expansion of our IT systems. Introduction of SAP in the sales departments rounds out SAP applications in the company.

INTEGRATION OF THE ACQUISITIONS

Relocation of the Clifford & Snell products from the English production site to the factories of the R. STAHL group is progressing: The processes have been taken over, employees have been trained. Some new, modern production facilities had to be established. The supply of the completely outsourced circuit boards causes considerable problems, which also results in problems in regard to supplying our customers, which led to a significant slump in sales. Clifford & Snell required considerable integration effort as the American seller will not continue the British production site in the long run. In the medium term this will lead to an improvement of the cost structure as no further production site had to be taken over.

In Vienna, our new subsidiary R. STAHL Nissl is well positioned. The employees are qualified and motivated to work within the R. STAHL group.

The start in Brazil is more difficult than we planned. Overcoming of all bureaucratic obstacles to be able to start production and to get the import licences prevent a quick start-up of the business. On the other hand we already have expenses for production sites and training of employees.

We assume that these initial difficulties will be overcome until the third quarter.

Screen-Tec has been integrated into Cologne R. STAHL HMI Systems as scheduled, the merger is planned for the first half of the year. Together with the already large product range of R. STAHL HMI Systems, the Screen-Tec terminals show to advantage, so that market cultivation is very positive. The integration effort will be completed in the second or, at the latest, in the third quarter.

HIGH INNOVATIVE POWER

The tasks of the development department are currently strongly characterized by a reorganization of a standard within the European ATEX-standard. We will use this reorganization to concurrently qualify our products for further fields of application. Within the next two years, all our products will be adjusted to the new standard.

Furthermore, currently production of numerous products is started – e.g. a switch that has global approval, service lamp and pendant light fitting with LED. They have been presented at the Hanover Fair in April for the first time and could prove R. STAHL's innovative power.

NUMBER OF TRAINEES INCREASED

Recruiting of qualified personnel is getting more and more difficult, among other things because of the demographic change and the reviving business activities. To avoid future bottlenecks in regard to qualified personnel, we adjusted the number of our trainees as a first step: We increased the number of students at the Baden-Wuerttemberg Cooperative State University and also at the cooperative study course (here young people get a vocational training degree and also a university degree).

On 1 April we employed 25 temporary agency workers, who have appropriate qualification, at R. STAHL with temporary work contracts.

OPPORTUNITY AND RISK REPORT

All R. STAHL subsidiaries regularly prepare a report on opportunities and risks, with which all opportunities and risks the company faces are recorded world-wide. If there are important events, even during a quarter, every managing director is obligated to report to the opportunities and risks management. The statements given in the Annual Report 2010 on page 51 et seq. remain unchanged.

FORECAST

The economic upturn that started in the middle of 2010 is still going on, all major customer industries show a willingness to invest. The chemical industry is increasingly doing maintenance work again, and is planning modernizations and expansions of existing facilities all over the world. The high oil price spurs the oil and gas industry on. The international plant manufacturers and manufacturers of control systems have full order books. This results in invitations to bid; the orders will then be awarded in 2011 and 2012. The companies we acquired in the past months will also provide impetus for growth for the group as will the new products we will place on the market as a result of the innovation process.

From today's point of view it is not sure how the effects of the catastrophe in Japan will be noticeable. We hardly get any products directly from this country, many items are bought from distributors. Our subsidiary is functioning, there are only slight restrictions due to austerity measures in regard to current and due to infrastructural problems. Larger orders from Japanese engineering agencies are going on unimpeded. Supply difficulties from Japan may not only be felt at R. STAHL but also at the customers' and might thus have indirect effects. The uncertainties in the Middle East may also lead to project delays; long-term projects of the oil & gas industry will presumably not be affected.

As the positive environmental conditions for the current year and also for 2012 clearly prevail, we expect group sales amounting to somewhat between € 240 million and € 250 million in 2011.

Besides the cost degression effect due to growth with moderate increase of personnel, optimization projects in production and administration will also contribute to further increase in earnings. The materials price increases which have to be expected will partly be balanced by rationalization projects in procurement. Against this background we expect further improvement of the earnings situation in 2011 and an EBT between € 17 million and € 19 million.

R. STAHL acquired a good market position. The economic conditions are positive. In regard to finance and strategy, the group is very well positioned. So we are confident that the predicted growth can be realized and continued in 2011 and in 2012.

May 2011

Executive Board

Consolidated income statement

FOR THE PERIOD 01/01 – 31/03/2011

€ 000	1–3/ 2011	1–3/ 2010
Sales revenue	58,702	51,761
Change in inventories of finished and unfinished products	3,326	921
Other own work capitalised	875	706
Total operating performance	**62,903**	**53,388**
Other operating income	2,164	1,723
Cost of materials	-22,243	-17,728
Personnel costs	-23,672	-21,043
Depreciation, amortisation and impairments on intangible assets and property, plant & equipment	-2,729	-2,483
Other operating expense	-12,067	-9,852
Earnings before financial earnings and income taxes	**4,356**	**4,005**
Net financial earnings	-825	-956
Earnings before income taxes	**3,531**	**3,049**

€ 000	1–3/ 2011	1–3/ 2010
Taxes on income	-1,031	-930
Period earnings	**2,500**	**2,119**
Minority interests in earnings	0	10
R. STAHL earnings share	2,500	2,109
Earnings per share (in €)	**0.42**	**0.36**

Overall net result of a given period

FOR THE PERIOD 01/01 – 31/03/2011

€ 000	1–3/ 2011	1–3/ 2010
Net result of a given period	**2,500**	**2,119**
Components of the overall net result of a given period not affecting net income		
Change of adjustments from currency translations of foreign subsidiaries	-803	1,395
Change of unrealized profits and losses from cash flow hedges	421	-367
Gains/losses from cash flow hedges transferred into the income statement	-92	116
Deferred taxes from financial instruments transferred into the income statement	-90	105
	-564	**1,249**
Overall net result of a given period	**1,936**	**3,368**
Overall profit share of other shareholders	0	18
Overall profit share of R. STAHL	1,936	3,350

Tax effects from components of the overall result not affecting net income

FOR THE PERIOD 01/01 – 31/03/2011

€ 000	1–3/2011 Before taxes	1–3/2011 Tax effects	1–3/2011 After taxes	1–3/2010 Before taxes	1–3/2010 Tax effects	1–3/2010 After taxes
Change of adjustments from currency translations of foreign subsidiaries	-803	0	-803	1,395	0	1,395
Unrealized gains/losses from cash flow hedges	329	-90	239	-251	105	-146
Components of the overall result not affecting net income	**-474**	**-90**	**-564**	**1,144**	**105**	**1,249**

Consolidated balance sheet

AS OF 31/03/2011

€ 000	31/03/2011	31/12/2010
ASSETS		
Long-term assets		
Intangible assets	38,883	39,144
Property, plant & equipment	32,945	33,553
Other financial investments	138	141
Other assets	1,758	1,869
Real estate held as a financial investment	9,258	9,329
Deferred taxes	2,868	2,334
	85,850	**86,370**
Short-term assets		
Inventories and prepayments made	41,570	36,117
Trade receivables	44,079	42,540
Other receivables and other assets	6,716	6,790
Cash and cash equivalents	17,901	19,640
	110,266	**105,087**
Total assets	**196,116**	**191,457**

€ 000	31/03/2011	31/12/2010
EQUITY AND LIABILITIES		
Equity	**86,068**	**84,132**
Long-term liabilities		
Accruals for pension obligations	49,337	49,342
Other accruals	2,115	2,146
Interest-bearing loans	6,005	6,369
Other liabilities	5,833	6,145
Deferred taxes	2,667	2,450
	65,957	**66,452**
Short-term liabilities		
Accruals	6,543	7,109
Trade liabilities	11,775	11,583
Interest-bearing loans	3,736	4,132
Deferred liabilities	13,137	10,015
Other liabilities	8,900	8,034
	44,091	**40,873**
Total equity & liabilities	**196,116**	**191,457**

Consolidated statement of changes in equity

FOR THE PERIOD 01/01 – 31/03/2011

€ 000	Sub-scribed capital	Capital reserve	Profit reserve
Balance on 1 Jan. 2010	**16,500**	**522**	**63,290**
Results for the year			2,109
Cumulated other equity			0
Total annual result			**2,109**
Dividend distribution			0
Consolidation changes			0
Other changes			0
Balance on 31 Mar. 2010	**16,500**	**522**	**65,399**
Balance on 1 Jan. 2011	**16,500**	**522**	**71,433**
Results for the period			2,500
Cumulated other equity			0
Total result for the period			**2,500**
Dividend distribution			0
Consolidation changes			0
Other changes			0
Balance on 31 Mar. 2011	**16,500**	**522**	**73,933**

Shareholders' equity: Cumulated other equity: Unrealised gains/losses from cash flow hedges	Shareholders' equity: Cumulated other equity: Currency translation	Shareholders' equity: Cumulated other equity: Total of cumulated other equity	Shareholders' equity: Deduction for treasury shares	Shareholders' equity: Total	Minority interests	Consolidated equity Total
-422	**-1,368**	**-1,790**	**-5,596**	**72,926**	**85**	**73,011**
		0		2,109	10	2,119
-146	1,387	1,241		1,241	8	1,249
-146	**1,387**	**1,241**		**3,350**	**18**	**3,368**
		0		0	0	0
		0		0	0	0
		0		0	0	0
-568	**19**	**-549**	**-5,596**	**76,276**	**103**	**76,379**
-191	**1,348**	**1,157**	**-5,596**	**84,016**	**116**	**84,132**
		0		2,500	0	2,500
239	-803	-564		-564	0	-564
239	**-803**	**-564**		**1,936**	**0**	**1,936**
		0		0	0	0
		0		0	0	0
		0		0	0	0
48	**545**	**593**	**-5,596**	**85,952**	**116**	**86,068**

Consolidated cash flow statement

FOR THE PERIOD 01/01 – 31/03/2011

€ 000		1–3/ 2011	1–3/ 2010
I.	**Operating activities**		
1.	Period earnings	2,500	2,119
2.	Depreciation, amortisation and impairment of non-current assets	2,729	2,483
3.	Changes in long-term provisions	-5	10
4.	Changes in deferred taxes	-430	-362
5.	Other income and expenses without cash flow impact	-652	-410
6.	Income/expense from the disposal of non-current assets	0	-4
7.	**Cash flow**	**4,142**	**3,836**
8.	Changes in inventories, trade receivables and other non-capex or non-financial assets	-6,962	-1,677
9.	Changes in trade liabilities and other non-capex or non-financial liabilities	3,950	1,878
10.	**Changes in net current assets**	**-3,012**	**201**
11.	**Cash flow from ongoing business operation**	**1,130**	**4,037**

€ 000		1–3/ 2011	1–3/ 2010
II.	**Capex cash flow**		
12.	Cash outflow for capex on long-term assets	-2,121	-1,567
13.	Cash inflow from disposals of long-term assets	3	7
14.	Increase (+)/decrease (-) of short-term financial assets	-8	-75
15.	Cash inflow from the divestment of consolidated companies – net of cash disposed	-159	-125
16.	**Capex cash flow**	**-2,285**	**-1,760**
17.	**Free cash flow**	**-1,155**	**2,277**
III.	**Finance cash flow**		
18.	Increase (+)/decrease (-) in short-term, interest-bearing financial debt	-377	-833
19.	Cash outflow for repayment of long-term, interest-bearing financial debt	-364	-301
20.	**Finance cash flow**	**-741**	**-1,134**

€ 000		1–3/ 2011	1–3/ 2010
IV.	**Financial fund assets**		
21.	Cash flow-impacting changes in financial funds	-1,896	1,143
22.	Foreign exchange and valuation-related changes in financial funds	157	804
23.	Financial funds at the beginning of the period	19,640	22,506
24.	**Financial funds at the end of the period**	**17,901**	**24,453**
	Composition of financial funds held		
	Cash and cash equivalents	17,901	24,453

Selected explanatory notes

[1] Accounting according to International Financial Reporting Standards (IFRS)

The consolidated interim financial statements of R. STAHL AG have been prepared pursuant to International Financial Reporting Standards (IFRS) as mandated for EU companies in accordance with IAS 34 »Interim Reports«.

These consolidated interim financial statements have not been audited.

[2] Consolidation

In addition to the group's parent company, R. STAHL AG, the consolidated interim financial statements include 33 domestic and foreign companies in which R. STAHL AG may exert a controlling influence. Compared to 31 December 2010, the number of consolidated companies remains unchanged.

[3] Accounting and valuation methods

The consolidated interim financial statements and comparison figures for the previous year's period have been prepared and calculated using the same accounting and valuation methods as the consolidated financial statements for fiscal 2010. The underlying principles are published in the notes to our consolidated financial statements for 2010. The document is available on our corporate website www.stahl.de.

[4] Cash flow statement

Our cash flow statement according to IAS 7 shows the cash inflows and outflows of R. STAHL Group in the period under review.

The funds shown in the cash flow statement comprise cash on hand, cheques and credit balances at banks. It also includes financial securities with original maturities of up to three months.

[5] Earnings per share

Earnings per share are calculated by dividing consolidated earnings – net of minority interests – by the average number of common shares. Our diluted earnings per share are the same as our earnings per share.

[6] Disclosure of proposed dividends

On 27 May 2011, Executive Board and Supervisory Board will propose a dividend of € 0.70 per share to the Annual General Meeting.

[7] Disclosure of own shares

On 31 March 2011, the company holds 516,291 own shares, as it did on 31 December 2010. On both reporting dates, the own shares have been netted against equity at their historical costs of € 5,596 thousand.

[8] Number of employees

The company employed 1,502 persons (excluding apprentices) as of the reporting date on 31 March 2011 (previous year: 1,399 persons).

[9] Legal liabilities and other financial obligations

There have been no essential changes in our legal liabilities and other financial obligations since 31 December 2010.

[10] Report on essential transactions with related persons

R. STAHL did not undertake any substantial transactions with related persons in the period under review.

[11] Significant events after the end of the reporting period

In April 2011, it was announced that R. STAHL will take over the explosion-protected products of Dutch company Orlaco Products B.V., Barneveld (Netherlands) in the form of an asset deal. For many years now, Orlaco has been successfully operating in the business field cameras. For several years, R. STAHL has been successfully offering camera and video systems. Supplemented by the products of the Dutch company, a unique range of camera hardware and camera management software will be established. The joint business will be pooled in R. STAHL Experience GmbH, Cologne. Orlaco Products B.V. will have a share of 25% in R. STAHL Experience GmbH.

Waldenburg, 10 May 2011

R. STAHL AG

Executive Board

Martin Schomaker   Dr. Peter Völker

Financial calendar for 2011

Annual General Meeting in Neuenstein, Germany	**27 May 2011**
Interim report as of 30 June 2011	**9 August 2011**
Interim report as of 30 September 2011	**14 November 2011**

Investor Relations
Judith Schäuble
Phone +49 (0)7942 943 – 1217
Fax +49 (0)7942 943 – 401217
investornews@stahl.de

R. STAHL Aktiengesellschaft
Am Bahnhof 30
74638 Waldenburg (Württ.)
Germany
www.stahl.de