SAFETY, NEVER COMPROMISED.

QUARTERLY FINANCIAL REPORT
AS AT 31 MARCH 2015

STAHL

R. STAHL – AT A GLANCE

Business:	supplier of electromechanical and electronical safety technology for hazardous environments
Customers:	oil and gas industry, pharmaceutical industry, chemical industry, maritime industry, food, biofuel industry and plant construction
Products:	control and installation equipment, light fittings, terminals, automation, systems solutions
Employees:	approx. 1,960 worldwide
Headquarter:	Waldenburg, Germany
Production:	Waldenburg (D), Weimar (D), Cologne (D), Hengelo (NL), Stavanger (N), Chennai (IN), Houston (USA), Selangor (MAL)
Sales:	2014: EUR 309 million (2015e: EUR 320–330 million)
EBIT margin:	2014: 5.9% (2015e: 5.0% – 6.1%)
Shares:	6.44 million shares; approx. 39% free float

e= expected

GROUP MANAGEMENT REPORT

as at 31 March 2015

GOOD START TO A CHALLENGING YEAR

We continued to drive our growth programme in the first quarter of 2015 – whereby most of our expansion projects were completed in 2014 and the new production and development centre in Cologne is still under construction. Our new product initiative resulted in the launch of further innovative products, such as an holistic lighting solution for helicopter landing pads. As the technological leader, we proactively adapt to changing conditions and set ourselves the challenge of always offering customers the right solutions with our proven quality.

R. STAHL's order intake remained high at EUR 88.4 million as of 31 March 2015. Despite the adverse geopolitical conditions and low oil price, we won new projects and numerous follow-up orders. Demand for our explosion-protected products and systems was particularly strong in the Asia/Pacific region. Whereas sales in 2014 failed to keep pace with order intake due to long-term project orders, they gained momentum in the first quarter of 2015 and rose to EUR 82.2 million (previous year: EUR 67.6 million). At EUR 99.7 million (previous year: EUR 84.8 million), order backlog at the end of the first quarter formed a solid foundation for the remaining months of fiscal 2015.

The increase in fixed costs caused by our investment programme will continue to burden profitability in 2015. The expansion of our facilities around the world resulted in higher expenses. Moreover, we expanded personnel capacities in this context. Higher depreciation charges as a result of new building construction and the purchase of additional plant and machinery have reduced our earnings. All in all, we achieved an EBIT result of EUR 4.1 million (previous year: EUR 1.8 million).

MAIN CLIENT INDUSTRY UNDER PRESSURE

The oil industry is the most important sales market for R. STAHL. As a result of the persistently low oil price, we see the risk of falling demand in this sector – although reduced capital spending by the corresponding clients is not yet reflected in our order intake. Demand for specialist ships, such as Floating Production Storage and Offloading Units (FPSO), depends on activity in the oil industry. In contrast to these unfavourable effects for us, the low oil price also means reduced commodity prices – and thus more favourable conditions – for the chemical industry.

In terms of sales regions, the strongest increase in demand was recorded in Asia, where we succeeded in winning new projects. In the Americas, economic and political instability in South America and the reduced propensity of major energy corporations to invest in new equipment mean that growth has slowed since 2014. In Europe and Germany, the challenging economic environment has also made business more difficult and a little weaker than in the previous year.

ORDER INTAKE REMAINS AT HIGH PRIOR-YEAR LEVEL

In the first quarter of 2015, R. STAHL's order intake amounted to EUR 88.4 million and thus reached its high prior-year level. Growth was particularly strong in the Asia/Pacific region.

In **Germany**, order intake amounted to EUR 17.7 million on 31 March 2015 (previous year: EUR 18.1 million) and was thus just 1.9% down on the previous year. This was due in part to the current cautious investment mood in Germany and to the Ukraine crisis. Our business with German engineering companies who export end-products to Russia was weakened by stricter embargo regulations and the resulting uncertainties.

At EUR 32.4 million, orders received from clients in **Europe (excluding Germany)** were 7.2% down on the same period in 2014 (previous year: EUR 35.0 million) – this is due in particular to the Ukraine crisis: our business with clients in Russia is suffering from the political instability. However, in the first quarter of 2015 we were awarded a major contract by a French EPC to distribute energy at an LNG plant in the north of Russia. On the basis of our good cooperation, we were recommended for further project phases and selected by the EPC due to our expertise. The tough local conditions represent a particular challenge for our energy distribution systems for heat tracings: our engineering team has designed the products for temperatures of -50 °C and wind speeds of

30m/s. Although goods for use in gas production are not subject to embargo restrictions, we have taken the precaution of not including the full project in our order books but will be processing the order in several tranches in order to minimize the risk.

The low oil price represents a further challenge for our business. In Norway, for example, high production costs mean that energy corporations are exposed to considerable risks. Nevertheless, we were able to win an order for the Johan Sverdrup project also in the first quarter of 2015. As the oil field 140 km off the coast of Stavanger is in very shallow waters, experts believe that production costs per barrel of Brent crude will be well below the national average. Development of the oil field is therefore being driven strongly. R. STAHL has received orders to supply explosion-protected junction boxes, connectors and control devices and expects follow-up orders for future project phases.

In the **Americas**, order intake in the first quarter was down 17.6% on the previous year at EUR 14.4 million (previous year: EUR 17.4 million) – business in this region was hampered by economic and political instability in South America. In 2014, we increased our business with clients in the USA who use our products in their plants. The double-digit growth of our US subsidiary illustrates how investments in this site are paying off.

In the **Asia/Pacific** region, order intake grew strongly to EUR 23.8 million in the first three months of 2015 (previous year: EUR 17.9 million) – an increase of 32.9%. We were particularly pleased to win a major follow-up order for the Zakum oil field near Abu Dhabi. After already receiving an order for power distribution systems for the Upper Zakum project in 2014, we were awarded an order worth EUR 2.4 million for further distribution combinations to be used in the Lower Zakum Oil Lines Replacement project in the first quarter of 2015. It should be stressed that this is the first order placed by the EPC responsible for this project phase – we therefore gained a major new client and laid the foundation for further cooperation. In addition, we received an order worth EUR 1.2 million for a major project in Kuweit, where our explosion-protected enclosures are to be used for the modernization of a refinery with an area of 8 km^2.

At EUR 99.7 million (previous year: EUR 84.8 million), our order backlog at the end of March 2015 was up 17.6% on the previous year.

STRONG REVENUE GROWTH ABOVE ALL IN ASIA/PACIFIC REGION AND THE AMERICAS

In the first quarter of 2015, we completed numerous project orders and raised sales revenue by 21.6%. At EUR 82.2 million (previous year: EUR 67.6 million), we recorded our highest-ever quarterly sales.

Due to weak order intake in the second half of 2014, sales in **Germany** fell 9.2% year on year to EUR 15.4 million (previous year: EUR 16.9 million) and accounted for 18.7% of Group sales revenue.

Sales in **Europe (excluding Germany)** rose by 7.3% to EUR 34.5 million (previous year: EUR 32.2 million). Whereas sales in Norway were down in particular, we achieved revenue growth above all in France, Italy and the UK.

In the **Americas**, sales revenue of EUR 14.5 million was up 57.7% on the previous year (previous year: EUR 9.2 million) – due in particular to strong order intake during 2014 in North America. Major orders in the USA were invoiced in full or part in the first quarter and helped drive the growth of our subsidiary in Houston.

The strongest sales growth was recorded in the **Asia/Pacific** region: it rose by 91.5% to EUR 17.8 million (previous year: EUR 9.3 million) and thus mirrored the high order intake level in this region. In the first quarter, we recognized revenue from the Zakum Barren Tower 4GI project, which is part of the Zakum oil field in Abu Dhabi. We also supplied a major LNG project in Western Australia and generated both new orders and sales of EUR 1.3 million. We will be recognizing further revenue from this project in the course of the year.

In the first quarter of 2015, we generated 81.3% (previous year: 74.9%) of our sales outside Germany.

EBIT MORE THAN DOUBLED IN FIRST QUARTER

Between January and March 2015, we achieved an EBIT result of EUR 4.1 million (previous year: EUR 1.8 million) – and thus more than doubled earnings.

As part of our investment programme, we have expanded capacities at our locations around the world. As a consequence, there has been an increase in personnel expenses for additional staff, higher depreciation charges for equipment and rising rental expenses for our facilities. Although the cost of expansion is not yet covered entirely by revenue growth, economies of scale are expected to take effect as capacity utilization increases. This is already indicated by the rise in sales revenue and strong earnings growth of the first quarter.

Compared to the previous year, our cost of materials ratio based on total performance fell to 34.4% (previous year: 36.2%), as work had been started on more orders in the first quarter of 2014 than in the reporting period.

Although headcount increased in the course of the expansion programme and in order to process our record order intake in 2014, the ratio of personnel expenses to total performance remained steady at 40.6% (previous year: 40.9%).

As a result of investments in buildings, plant, machinery and fittings as part of the expansion programme, depreciation charges rose by 7.6%.

The EBIT margin based on sales revenues reached 5.0% in the first three months of 2015 (previous year: 2.7%). With EBT of EUR 3.5 million (previous year: EUR 1.0 million), the EBT margin amounted to 4.3% (previous year: 1.4%).

There was a corresponding increase in earnings per share from EUR 0.11 to EUR 0.41.

ASSETS AND FINANCIAL STRUCTURE: SALE OF TREASURY STOCK RAISES EQUITY

As of 31 March 2015, the balance sheet total of the R. STAHL Group amounted to EUR 297.3 million (31 December 2014: EUR 273.9 million).

In the first quarter of 2015, our non-current assets rose by 5.6% to EUR 131.5 million (31 December 2014: EUR 124.6 million) – due in part to the increase in property, plant & equipment of EUR 2.6 million to EUR 60.5 million (31 December 2014: EUR 58.0 million). This figure includes new machines, equipment and fittings for our manufacturing facilities. At the same time, deferred tax assets rose to EUR 21.1 million (31 December 2014: EUR 17.0 million) as a result of increased pension provisions.

On 31 March 2015, R. STAHL's current assets stood at EUR 165.8 million (31 December 2014: EUR 149.3 million). Whereas the stock of raw, auxiliary and working materials was slightly up on the previous year, unfinished and finished goods increased as a result of numerous long-term projects. As our high order backlog figure shows, major projects are currently being processed whose sales revenue will not be recognized until later. In addition, our clients have requested later delivery of certain orders which we have already completed. Although storing such products worsens our balance sheet, it helps foster good customer relationships and secure possible follow-up orders – which is why it makes economic sense to offer this customer service. Due to the growth in sales revenue during the first quarter of 2015, R. STAHL's trade receivables increased by 21.0% while other receivables and assets fell by EUR 3.2 million. As planned, part of the new research and development centre in Waldenburg was transferred to a leasing company in the first quarter of 2015, which will continue to let it to us. Cash and cash equivalents rose to EUR 16.5 million (31 December 2014: EUR 15.8 million).

R. STAHL's equity rose to EUR 97.3 million as of 31 March 2015 (31 December 2014: EUR 74.9 million) – due mainly to the sale of treasury shares. In December 2014, we concluded a purchase agreement with RAG-Stiftung Beteiligungsgesellschaft concerning the 644,000 treasury shares which R. STAHL previously held. The shares represented 10% of the company's share capital and were transferred in January 2015 on payment of the agreed purchase price. The corresponding balance sheet item of EUR 11.2 million was cancelled. The gain of EUR 13.3 million is disclosed in capital reserves after netting with the transaction expenses. There was a total positive effect on equity of EUR 24.0 million. By contrast, the increased present value of pension obligations reduced equity capital. The reason is a decline in the underlying interest rate from 2.0% as of 31 December 2014 to 1.4% as of 31 March 2015. At the end of the reporting period, the equity ratio stood at 32.7% (31 December 2014: 27.3%).

Due to increased pension provisions of EUR 104.5 million (31 December 2014: EUR 93.7 million), our long-term debt rose by 9.6% to EUR 122.1 million (31 December 2014: EUR 111.4 million). At the same time, we redeemed long-term, interest-bearing financial liabilities as scheduled.

By the end of the reporting period, our short-term debt amounted to EUR 77.9 million (31 December 2014: EUR 87.6 million) and was 11.1% below the prior-year figure. We used the cash flows from selling treasury shares to repay short-term interest-bearing financial liabilities, which we more than halved to EUR 17.1 million (31 December 2014: EUR 35.6 million). R. STAHL has two deposit base loans totalling EUR 8.8 million with terms until 2017. In order to finance our operating business, we have contractually fixed credit lines with a volume of EUR 50 million which expire on 30 June 2015. Our principal banks have already signalled their intention to continue financing the Group. In 2014, we also signed two further agreements for credit lines totalling EUR 25 million with terms until mid-2017.

CASH FLOW REFLECTS INVESTMENT PROGRAMME AND SHARE SALE

In the first three months of 2015, our cash flow reached EUR 3.8 million (previous year: EUR 2.7 million). This figure includes net profit for the period of EUR 2.4 million. Due to our current investment programme, depreciation and amortization has increased. Working capital improved slightly and the use of funds for net working capital fell to EUR 4.4 million (previous year: EUR 4.6 million). Cash flow from operating activities amounted to EUR -0.6 million (previous year: EUR -1.9 million).

We will complete our expansion programme in 2015 and are currently in the last phase with the construction of a new production and development centre in Cologne. In addition, we invested in new machinery and technical equipment as well as in tools and IT systems. At EUR 4.4 million, cash flow from investing activities was on a par with the previous year and free cash flow amounted to EUR -4.9 million (previous year: EUR -6.2 million).

In the first quarter of 2015, we repaid EUR 0.3 million of our long-term interest-bearing financial liabilities in line with planning. After deduction of transaction costs, the sale of treasury shares to RAG-Stiftung Beteiligungsgesellschaft resulted in proceeds of EUR 24.0 million, of which we used EUR 18.7 million to repay short-term interest-bearing financial liabilities. All in all, cash flow from financing activities rose to EUR 5.1 million (previous year: EUR -2.0 million).

As of 31 March 2015, financial funds rose to EUR 16.5 million (31 December 2014: EUR 15.8 million).

CAPITAL EXPENDITURE

In the first quarter of 2015, the R. STAHL Group invested EUR 4.5 million (previous year: EUR 4.4 million) in non-current assets. We will complete the investment programme started in 2012 during fiscal 2015 with the construction of a new production and development centre located in an attractive business park in Cologne for our subsidiaries R. STAHL HMI Systems GmbH and R. STAHL Camera Systems GmbH. In addition, we continued to invest steadily in machines and equipment for our manufacturing facilities as well as in tools, IT and maintenance.

HELIDECK LIGHTING – NEW REGULATIONS PROMISE GROWTH POTENTIAL

As part of its new product initiative, our Norwegian subsidiary Tranberg AS has rolled out its innovative Circle & H Helideck Lighting Solution. When the Civil Aviation Authority (CAA) – a UK government body founded in 1972 to regulate civil aviation – released its latest standard (CAP 437) for lighting on offshore helicopter landing areas in 2013, our Norwegian subsidiary Tranberg and its development partners began to work on implementing the new regulations. We can now offer our clients an holistic lighting solution for offshore helidecks with numerous benefits, such as the automatic dipping of floodlights during landing to prevent dazzle. The helideck operators affected by CAP 437 have until 2018 to implement the new regulations – in the UK sector, this would be around 300 permanently installed platforms. In addition, other countries generally follow the CAA standards. R. STAHL sees tremendous potential for retrofitting in this field over the next three years – and thus attractive revenue potential.

RISK AND OPPORTUNITY REPORT

All R. STAHL subsidiaries regularly prepare a report on opportunities and risks in which all opportunities and risks that the company faces around the world are taken into account. In the case of important events – also during the quarter – every managing director is obliged to report to the opportunities and risks management team. The statements made on page 75 et seq. of the Annual Report 2014 continue to apply.

OUTLOOK

We won some fiercely contested projects and major follow-up orders in the first quarter of 2015 and delivered numerous orders – helping us achieve our highest-ever quarterly sales.

Our prospects are being clouded, however, by geopolitical conditions and the low oil price: on 31 March 2015, the price for a barrel of Brent crude was USD 55.14 and thus well below its long-term average – a situation which significantly damages the earnings of oil producing companies and has led to reduced investment by our clients in the oil industry. For R. STAHL, this development means a delay or even cancellation of projects in the upstream segment of the oil market. In regions with high production costs, the low oil price is having a particularly negative impact on the willingness of our clients to invest in new equipment. We have therefore started to focus more strongly on regions which can continue to produce profitably. On the other hand, low oil prices are stimulating the global economy: for the chemical industry, for example, it means lower production costs. By focusing increasingly on clients in other sectors, we are attempting to partially offset falling demand from the oil and gas industry.

Our business is also being adversely affected by political unrest in Russia, Ukraine and North Africa. Russia is an attractive market for us, and a stable political situation would drive our business there. We will continue to foster our direct and indirect customer relations in this region. The economic development in certain southern European countries as well as in Brazil is also giving us cause for caution with regard to our future business.

In addition to challenges, however, we also see market opportunities: the economic outlook for the USA and large parts of Asia is good. We have made targeted investments in these regions over the last three years and expanded our presence there. Moreover, we have worked hard on the development of innovative products and plan to roll out attractive new offerings in 2015, for example in the field of panel PCs.

Based on our high order intake and increased backlog of orders, we expect further good revenue growth in the first six months. In the second half of the year, we anticipate a weaker development and forecast a figure of between EUR 320 million and EUR 330 million for both order intake and sales revenue for the year as a whole.

With the market roll-out of several high-margin new products, we will continue to drive our earnings growth. This will be supported by projects to optimize processes and cost structures. By contrast, low oil prices will dampen demand as many energy corporations face the reduced profitability of their plants and are thus trying to reduce costs via lower purchase prices. This price pressure from our customers represents a risk for our margins. Measures to improve earnings are thus likely to be overshadowed by the development of external factors. We therefore forecast an EBIT result of between EUR 16 million and EUR 20 million for 2015.

We have created a good operating platform over the past few years which promises further growth. We will continue to actively pursue our objective of raising sales revenue and earnings. As the external factors which influence our business can change very quickly, however, we look forward with caution to the rest of fiscal year 2015.

May 2015

The Executive Board

CONSOLIDATED INCOME STATEMENT

for the period 1 January to 31 March 2015

EUR 000	1–3/2015	1–3/2014
Sales revenue	82,169	67,584
Change in finished and unfinished products	2,622	5,946
Other own work capitalized	896	1,034
Total operating performance	**85,687**	**74,564**
Other operating income	5,754	2,142
Cost of materials	- 29,517	- 26,965
Personnel costs	- 34,829	- 30,497
Depreciation and amortization	- 3,275	- 3,044
Other operating expenses	- 19,684	- 14,387
Earnings before financial result and income taxes	**4,136**	**1,813**
Financial result	- 626	- 848
Earnings before income taxes	**3,510**	**965**
Income taxes	- 1,130	- 294
Net profit for the period	**2,380**	**671**
Non-controlling interests	13	6
Profit share of R. STAHL	2,367	665
Earnings per share (EUR)	**0.41**	**0.11**

STATEMENT OF COMPREHENSIVE INCOME

for the period 1 January to 31 March 2015

EUR 000	1–3/2015	1–3/2014
Profit for the period	**2,380**	**671**
Gains/losses from currency translations of foreign subsidiaries, recognized in equity	4,343	329
Deferred taxes on gains/losses from currency translations	0	0
Currency translation differences after taxes	4,343	329
Gains/losses from the subsequent measurement of cash flow hedges, recognized in equity	- 1,322	73
Recognized in profit or loss	361	- 46
Deferred taxes on cash flow hedges	279	- 3
Cash flow hedges after taxes	- 682	24
Other comprehensive income with reclassifications to profit for the period	**3,661**	**353**
Gains/losses from the subsequent measurement of pension obligations, recognized in equity	- 10,697	- 4,676
Deferred taxes from pension obligations	3,078	1,362
Other comprehensive income without reclassifications to profit for the period	**- 7,619**	**- 3,314**
Other comprehensive income (valuation differences recognized directly in equity)	**- 3,958**	**- 2,961**
of which attributable to non-controlling interests	27	- 15
of which attributable to R. STAHL	- 3,985	- 2,946
Total comprehensive income after taxes	**- 1,578**	**- 2,290**
Total comprehensive income attributable to non-controlling interests	40	- 9
Total comprehensive income attributable to R. STAHL	- 1,618	- 2,281

TAX EFFECTS ON INCOME AND EXPENSE RECOGNIZED DIRECTLY IN EQUITY

for the period 1 January to 31 March 2015

EUR 000	1–3/2015			1–3/2014		
	Before taxes	Tax effects	After taxes	Before taxes	Tax effects	After taxes
Currency translation differences	4,343	0	4,343	329	0	329
Cash flow hedges	- 961	279	- 682	27	- 3	24
Pension obligations	- 10,697	3,078	- 7,619	- 4,676	1,362	- 3,314
Income and expense recognized directly in equity	**- 7,315**	**3,357**	**- 3,958**	**- 4,320**	**1,359**	**- 2,961**

CONSOLIDATED BALANCE SHEET

as at 31 March 2015

EUR 000	31/03/2015	31/12/2014
ASSETS		
Non-current assets		
Intangible assets	40,478	40,133
Property, plant & equipment	60,514	57,956
Other financial assets	130	128
Other assets	1,161	1,053
Real estate held as a financial investment	8,168	8,239
Deferred taxes	21,087	17,044
	131,538	**124,553**
Current assets		
Inventories and prepayments made	62,838	56,437
Receivables and other assets	71,872	59,388
Other receivables and other assets	14,523	17,691
Cash and cash equivalents	16,545	15,820
	165,778	**149,336**
Total assets	**297,316**	**273,889**

EUR 000	31/03/2015	31/12/2014
EQUITY AND LIABILITIES		
Equity	**97,346**	**74,880**
Non-current liabilities		
Pension provisions	104,496	93,668
Other provisions	1,705	1,670
Interest-bearing financial liabilities	12,615	12,865
Other liabilities	619	629
Deferred taxes	2,677	2,567
	122,112	**111,399**
Current liabilities		
Provisions	6,213	6,087
Trade payables	19,398	17,926
Interest-bearing financial liabilities	17,106	35,616
Deferred liabilities	18,811	14,238
Other liabilities	16,330	13,743
	77,858	**87,610**
Total equity and liabilities	**297,316**	**273,889**

CONSOLIDATED CASH FLOW STATEMENT

for the period 1 January to 31 March 2015

	EUR 000	1–3/2015	1–3/2014
I.	**Operating activities**		
1.	Net profit for the period	2,380	671
2.	Depreciation, amortization and impairment of non-current assets	3,275	3,044
3.	Changes in long-term provisions	28	- 33
4.	Changes in deferred taxes	- 439	- 772
5.	Other income and expenses without cash flow impact	- 1,416	- 234
6.	Income/expense from the disposal of non-current assets	2	31
7.	**Cash flow**	**3,830**	**2,707**
8.	Changes in inventories, trade receivables and other non-capex or non-financial assets	- 10,428	- 6,076
9.	Changes in short-term provisions, trade payables and other non-capex or non-financial liabilities	6,008	1,517
10.	**Changes in net current assets**	**- 4,420**	**- 4,559**
11.	**Cash flow from ongoing operating activities**	**- 590**	**- 1,852**
II.	**Investing activities**		
12.	Cash outflow for capex on non-current assets	- 4,503	- 4,362
13.	Cash inflow from disposals of non-current assets	148	16
14.	Increase (+)/decrease (-) of current financial assets	0	- 20
15.	**Cash flow from investing activities**	**- 4,355**	**- 4,366**
16.	**Free cash flow**	**- 4,945**	**- 6,218**

	EUR 000	1–3/2015	1–3/2014
III.	**Financing activities**		
17.	Distribution to shareholders (dividend)	0	0
18.	Distribution to/contribution from minority shareholders	0	- 32
19.	Cash inflow/outflow from the sale/for the purchase of treasury shares	24,045	0
20.	Increase (+)/decrease (-) in current interest-bearing financial debt	- 18,660	- 1,828
21.	Cash inflow from non-current interest-bearing financial debt	0	0
22.	Cash outflow for repayment of non-current interest-bearing financial debt	- 250	- 125
23.	**Cash flow from financing activities**	**5,135**	**- 1,985**
IV.	**Cash and cash equivalents**		
24.	Changes in cash and cash equivalents	190	- 8,203
25.	Foreign exchange and valuation-related changes in cash and cash equivalents	535	93
26.	Cash and cash equivalents at the beginning of the period	15,820	24,966
27.	**Cash and cash equivalents at the end of the period**	**16,545**	**16,856**
	Composition of cash and cash equivalents		
	Cash and cash equivalents	16,545	16,856

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period 1 January to 31 March 2015

			Shareholders' equity
	Subscribed capital	Capital reserves	Revenue reserves
EUR 000			
Balance on 1 January 2014	**16,500**	**522**	**95,677**
Profit for the period			665
Accumulated other comprehensive income			0
Total comprehensive income			**665**
Dividend distribution			0
Balance on 31 March 2014	**16,500**	**522**	**96,342**
Balance on 1 January 2015	**16,500**	**494**	**99,659**
Profit for the period			2,367
Accumulated other comprehensive income			0
Total comprehensive income			**2,367**
Dividend distribution			0
Purchase/sale treasury shares		12,835	0
Balance on 31 March 2015	**16,500**	**13,329**	**102,026**

Shareholders' equity

Accumulated other comprehensive income			
Currency translation	Unrealized gains/losses from cash flow hedges	Gains/losses from pensions	Total accumulated other comprehensive income
- 3,389	**- 140**	**- 11,998**	**- 15,527**
			0
344	24	- 3,314	- 2,946
344	**24**	**- 3,314**	**- 2,946**
			0
- 3,045	**- 116**	**- 15,312**	**- 18,473**
- 2,177	**- 335**	**- 28,346**	**- 30,858**
			0
4,316	- 682	- 7,619	- 3,985
4,316	**- 682**	**- 7,619**	**- 3,985**
			0
			0
2,139	**- 1,017**	**- 35,965**	**- 34,843**

		Non-controlling interests	Consolidated equity
Deduction for treasury shares	Total		Total
- 5,596	**91,576**	**346**	**91,922**
	665	6	**671**
	- 2,946	- 15	**- 2,961**
	- 2,281	**- 9**	**- 2,290**
	0	- 32	**- 32**
- 5,596	**89,295**	**305**	**89,600**
- 11,209	**74,586**	**294**	**74,880**
	2,367	13	**2,380**
	- 3,985	27	**- 3,958**
	- 1,618	**40**	**- 1,578**
	0	0	**0**
11,209	24,044		**24,044**
0	**97,012**	**334**	**97,346**

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 34 domestic and foreign companies in which R. STAHL AG may exert a controlling influence. Compared to 31 December 2014, the group 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 2014. The underlying principles are published in the notes to our consolidated financial statements for 2014. The latter is available on our corporate website www.stahl.de.

We use the historical cost approach in preparing our consolidated financial statements. The accounting for derivative financial instruments is an exception to this rule, as these must be accounted for at their applicable fair value.

In order to present the reliability of the valuation of financial instruments at fair value in a comparable manner, IFRS introduced a fair value hierarchy with the following three levels:

- Valuation on the basis of exchange price or market price for identical assets or liabilities (Level 1)
- Valuation on the basis of exchange price or market price for similar instruments or on the basis of assessment models that are based on market observable input parameters (Level 2)

- Valuation on the basis of assessment models with significant input parameters that are not observable on the market (Level 3)

Derivative financial instruments measured at fair value of the R. STAHL Group are rated solely according to the fair value hierarchy Level 2.

The positive fair values of the derivative financial instruments on the balance sheet date amounted to EUR 175 thousand (31 December 2014: EUR 218 thousand). We recognized negative fair values of EUR -2,438 thousand (31 December 2014: EUR -983 thousand).

4 Cash flow statement

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

The liquidity shown in the cash flow statement comprises cash on hand, cheques, and credit balances at banks. It also includes 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 ordinary shares. Our diluted earnings per share are the same as our earnings per share.

6 Disclosure of proposed dividend

The Executive Board and Supervisory Board will propose a dividend of EUR 0.80 per share to the Annual General Meeting on 22 May 2015.

7 Treasury stock disclosure

On 31 March 2015, the Company held no treasury shares (31 December 2014: 644,000). On 31 December 2014, treasury stock was netted against equity at the acquisition cost of EUR 11,209 thousand.

8 Number of employees

The Company employed 1,962 persons (excluding apprentices) as of the reporting date on 31 March 2015 (previous year: 1,871 persons).

9 Legal liabilities and other financial obligations

There have been no material changes in our legal liabilities and other financial obligations since 31 December 2014.

10 Transactions with related persons

There were no material transactions with related persons in the period under review.

11 Significant events after the end of the reporting period

There have been no significant events since the reporting date.

Waldenburg, 6 May 2015
R. Stahl Aktiengesellschaft

Martin Schomaker	**Bernd Marx**
Chief Executive Officer	Chief Financial Officer

KEY FIGURES

EUR 000	1–3/2015	1–3/2014
Sales revenue	82,169	67,584
Germany	15,384	16,943
Central (without Germany)	34,526	32,176
Americas	14,494	9,189
Asia/Pacific	17,765	9,276
Foreign share (%)	81,3	74,9
Order intake	88,374	88,416
Order backlog	99,710	84,767
EBITDA	7,411	4,857
EBIT	4,136	1,813
EBT	3,510	965
Net profit for the period	2,380	671
Earnings per share (EUR) (total)	0.41	0.11
Capex on tangible and intangible assets	4,503	4,362
Depreciation and amortization on tangible and intangible assets	3,275	3,044
EBITDA margin (% of sales)	9.0	7.2
EBIT margin (% of sales)	5.0	2.7
EBT margin (% of sales)	4.3	1.4
Employees as of 31 March (without apprentices)	1,962	1,871

FINANCIAL CALENDAR 2015

Annual Shareholder's Meeting in Neuenstein **22 May 2015**

Second quarter financial report 2015 **06 August 2015**

Third quarter financial report 2015 **05 November 2015**

German Equity Forum Frankfurt **23–25 November 2015**

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