



# Q.2

Interim Report  
as at 30 June 2012



## R. STAHL – at a glance

|                                  |  |
|----------------------------------|--|
| <b>Business:</b>                 | supplier of electromechanical and electrical safety technology for hazardous environments  |
| <b>Customers:</b>                | oil & gas industry, pharmaceutical industry, chemical industry, maritime industry, food, biofuel industry and plant construction |
| <b>Products:</b>                 | control and installation equipment, light fittings, terminals, automation, system solutions                                      |
| <b>Employees:</b>                | approx. 1,600 worldwide  |
| <b>Headquarter:</b>              | Waldenburg, Germany  |
| <b>Production:</b>               | Waldenburg (D), Weimar (D), Cologne (D), Hengelo (NL), Stavanger (N), Chennai (IN)   |
| <b>Sales 2011:</b>               | EUR 243m   |
| <b>Profit margin (EBT) 2011:</b> | 5.4%   |
| <b>Shares:</b>                   | 6.44m shares; app. 41% free float  |

# Interim Report as at 30 June 2012

Regardless of the ongoing cyclical downturn of the global economy, R. STAHL could again win numerous major projects in the second quarter of 2012: We increased order intake by 21%. The measures for process optimization which we introduced in 2011 had significant effect – R. STAHL's sales increased by 17%, EBT even increased by 44%.

## INDUSTRY SECTORS CONTINUE TO DEVELOP POSITIVELY

Our customer industry sectors held their ground well in a difficult economic environment: In the **chemical industry** there is a high level of capacity utilization which will lead to maintenance work and investments for extensions. Activities in the **pharmaceutical industry** remain on a good level. Investments in new exploration projects are still advanced in the **oil and gas industry**; international **plant construction** is pleased about full order books and the requirement for special **ships** for offshore industry is unaltered on a high level.

## ORDER SITUATION – ORDER INTAKE GREW BY 20.9%

During the first half of 2012, we achieved order intake amounting to EUR 153.0 million (previous year: EUR 126.6 million) – which means an increase of 20.9% compared to the same period in the previous year. While demand in Germany has slightly decreased, it grew in all other regions. We could notice especially high order intake in the Americas. Besides maintenance and follow-up orders from the installed basis, we also won major projects, for example from Canada there were orders for energy distribution panels which our customers will use for the exploitation of oil sands.

At the end of June, R. STAHL's order backlog achieved EUR 82.9 million – after EUR 57.9 million in the previous year.

## SALES GROWTH OF 17.3%

During the first six months of 2012, we generated sales revenues amounting to EUR 135.8 million (previous year: EUR 115.8 million). Thanks to our globally balanced customer structure, we were most successful in our overseas markets. Consequently, we assume the driving force of our future growth to be in the Americas and in Asia.

In **Germany** we grew – with a starting level that was comparatively high to begin with. Sales rose by 1.7% to EUR 29.4 million. As our customers called up project orders, order backlog in our Waldenburg plant has been reduced. Order intake slightly decreased by EUR 0.9 million to EUR 29.9 million.

Despite the debt crisis we increased revenues in **Europe (excl. Germany)** by 8.1% to EUR 61.6 million and recorded order intake that was higher by 23.9% and amounted to EUR 67.7 million. Weaker demand from individual countries has been outbalanced by the good business situation in other European regions.

In the **Americas** we increased sales by 39.5% and achieved EUR 20.9 million. Order intake also significantly increased by 76.6% to EUR 27.5 million. All American subsidiaries (in the USA, Canada and Brazil) added to the good results.

Sales in **Asia** grew by EUR 8.9 million or 59.7% to EUR 23.9 million. During the same period in the previous year, order intake had already significantly grown by 79.4% in this region, thanks to the strong investment activities; and in the first six months of 2012 it again increased in volume by 8.9% to EUR 27.9 million. For example, in Papua New Guinea, Qatar and Australia, gas fields are being developed; for their exploration the customers utilize our systems and products. In the meantime, the improved sales structures have a sustained effect on sales and order intake.

By now we are generating 78.3% (same period in the previous year: 75.0%) of our sales abroad and we use hedging instruments to hedge against currency risks.

## EBIT GREW BY 35.8% TO EUR 11.4 MILLION

During the first half of 2012, we increased earnings before interest and taxes (EBIT) from EUR 8.4 million to EUR 11.4 million; EBIT margin in relation to sales revenues thus achieved 8.4% (previous year: 7.3%).

Earnings per share at EUR 1.18 also exceeded previous year's value (EUR 0.78) by 51.3%.

With sales increase of 17.3%, earnings before taxes (EBT) rose by 43.7% and achieved EUR 9.6 million (previous year: EUR 6.7 million). EBT margin in relation to sales revenues thus amounted to 7.1% (previous year: 5.8%).

Earnings during the first half of 2012 include extraordinary income and one-off expenses which, on balance, led to an increase of earnings of EUR 1.1 million. Other operating income includes EUR 2.3 million income from the release of earn-out liabilities. These liabilities could be recognized in profit and loss as the legal obligations for them no longer exist. On the other hand, we have recognized one-off expenses amounting to EUR 1.2 million in the period under review which result from value adjustments and from the field human resources.

Taking the one-off effects into account, the operating earnings before taxes (EBT) amount to EUR 8.5 million (previous year: EUR 6.7 million) and the operating EBT margin is 6.2% (previous year: 5.8%).

Decisive factor for improvement of earnings has been the optimization of the production processes in our Waldenburg plant and the improvement in productivity we could thus achieve. In order to design further optimization processes in future and to permanently improve our personnel productivity we appointed a special team that mainly deals with these topics. Furthermore, the fact that integration costs and expenses for process optimization in our plant in Waldenburg, which still burdened our result last year, cease to exist had a positive effect.

However, prices for major projects for international plant constructors are still highly competitive, which still burdens our earnings margins. During the last 30 years, we built up a broad range of installed basis for our high-margin maintenance and follow-up business by winning major projects in original equipment business in Europe. We want to repeat this strategy in the up-and-coming markets in South America and Asia. In order to acquire the installed basis for future maintenance business, we also have to accept low-margin major projects.

To improve positioning of our subsidiary in Brazil, we installed an action plan which will be implemented as scheduled. In this context, we still expect a burden of earnings amounting to about EUR 1 million in 2012.

## ASSETS AND FINANCIAL STRUCTURE – STILL SOLID BASIS

Compared to 31 December 2011, the balance sheet total has grown by EUR 18.5 million, or 9.3%, to EUR 216.8 million on the reporting date.

Long-term assets increased by 3.9 million and now amount to EUR 90.8 million. In order to be continuously successful in the strongly growing Asian market and to increase productivity of our Indian subsidiary we plan to combine the Indian locations and to further expand this company. In the period under report, we acquired a property, which increased our tangible fixed assets. Thanks to these measures, we will additionally achieve a favourable price level for major projects in the Asian region and aspire here an improvement of margins in the years to come.

While stock of raw, auxiliary and operating supplies have been reduced, the processed unfinished goods have increased, which led to an overall increase of inventories by EUR 4.3 million to EUR 46.7 million. Due to increased sales revenues, trade receivables also increased; they now amount to EUR 56.8 million (year-end 2011: EUR 47.6 million).

In May 2012, R. STAHL AG distributed a dividend of EUR 4.1 million to the shareholders, which led to a decrease of equity. At the same time, our business activities increased equity, so that, on balance, it increased by EUR 3.5 million to EUR 92.3 million. On the reporting date, equity ratio amounted to 42.6% (year-end 2011: 44.7%). As on 31 December 2011, R. STAHL Group held 516,291 own shares on 30 June 2012. On both key dates, the own shares have been netted against equity at their historical costs (EUR 5.6 million).

Our long-term debts decreased by EUR 2.9 million to EUR 59.0 million. The decisive factor has been the other long-term liabilities which reflect the payment and release of earn-out liabilities through profit and loss.

Short-term debts increased by EUR 17.9 million to EUR 65.6 million. Here, investments and distribution of dividend cause an increase of interest-bearing loans by EUR 13.0 million to EUR 21.9 million.

R. STAHL's financing is still on a solid basis: Equity (EUR 92.3 million) exceeds long-term assets (EUR 90.8 million) and the available liquid funds amounting to EUR 14.3 million offer a good liquidity position. With the financing structure, there is a minor dependency on outside lenders and by bilaterally agreeing on credit lines with a total volume of EUR 40.0 million with different principal banks we took financial precautions. These agreements will expire in 2012 and we are currently in the process of fixing the prolongation in a contract. So we have a secure basis to advance our business and give additional growth impulses.

## EXPANSION OF BUSINESS ACTIVITIES LEADS TO UTILIZATION OF CAPITAL

Due to development of earnings we could increase cash flow by EUR 2.2 million to EUR 11.2 million, compared to the same period in the previous year. On the other hand, utilization of financial means for the working capital led to an outflow of funds that was higher by EUR 2.1 million. Thus we report increased cash flow from operating activities which rose by a total of EUR 0.1 million to EUR 1.5 million.

During the first six months we invested, as scheduled, EUR 10.8 million (previous year: EUR 5.2 million). This figure includes the payment for the earn-out liability of EUR 2.0 million resulting from the acquisition of Screentec GmbH, Cologne. So the free cash flow of the first half of 2012 amounts to EUR -9.4 million (previous year: EUR -3.8 million).

In field financing, the distribution to our shareholders (EUR 4.1 million) and scheduled repayment of long-term interest-bearing financial debts (EUR 0.3 million) is disclosed as application of funds. During the first half of 2012, the group received EUR 13.0 million from short-term raising of capital. Compared to 31 December 2011, cash and cash equivalents slightly decreased by EUR 0.9 million to EUR 14.3 million.

## INVESTMENTS DURING THE FIRST HALF OF 2012

We invested EUR 9.0 million (previous year: EUR 5.0 million) in long-term assets. Focus was on the acquisition of the property in India and the purchase of IT equipment, software, machines, facilities and tools.

## NUMEROUS DEVELOPMENT ACTIVITIES

In our development department we also introduced optimization processes to be able to concentrate our resources on promising projects even more strongly in future: This includes streamlining the development process to put innovative products sooner on the market and further standardization of our product portfolio to increase delivery speed. In the period under review, we furthermore put the focus on adjusting the product range to the latest versions of the standards. Further approvals, especially for low temperatures in polar zones, will open up good business opportunities in arctic climate zones (e.g. Russia and Canada).

## SUCCESSFUL AT TRADE FAIRS WITH INNOVATIONS

At the Hanover Fair and at the Achema in Frankfurt (the world's leading fair for chemical engineering and biotechnology) we again spectacularly demonstrated our capability and innovative power. At the booth we presented our extensive product portfolio and underlined our system expertise. Our innovative new products met with great interest – we could especially impress the experts with the new Remote I/O system IS1+. The modules are completely downward compatible with their predecessors, so that users can replace and upgrade existing devices without any modifications during project planning or wiring.

## BROAD APPROVAL AT THE ANNUAL GENERAL MEETING

The 19th Annual General Meeting on 25 May 2012 went according to plan; all management suggestions received broad approval. The shareholders that were present decided on a dividend of EUR 0.70 per share entitled to dividend, like they did last year. They elected freelance financial expert Mrs Waltraud Hertreiter to the Supervisory Board, as successor of Mr Eberhard Knoblauch. Furthermore, the decision has been made that the shares of R. STAHL AG will be listed as registered shares.

## REPORT ON OPPORTUNITIES AND RISKS

All R. STAHL subsidiaries regularly prepare a report on opportunities and risks, so all opportunities and risks the company faces are recorded world-wide. If there are any important events, even during the quarter, every managing director is obligated to report to the opportunity and risk management. The statements given on page 47 et seq. of the Annual Report 2011 remain unchanged.



## FORECAST

The first half of 2012 gives us cause for optimism: Despite the flagging global economy, we can see a pleasant development in our customer industries. Though we expect a future calming-down of the European markets, on the other hand we expect growing demand in the overseas markets. If, however, the Euro-crisis or the conflicts in the Middle East will escalate, this could have significant impact on the overall economy.

We still intend to invest in those markets that are most important to our business, e.g. we will expand the Indian subsidiary to advance our activities in Asia. At the same time, we want to be successful on the market with new innovative products.

In the first and also in the second quarter of 2012 we could win numerous major projects. Consequently, we revise our sales forecast for the current year to an amount of EUR 255 million to EUR 265 million. At the same time, we stick to our earnings forecast of an amount between EUR 14 million and EUR 16 million as the project-related growth will have less effect here.

August 2012

CEO

# Consolidated income statement

for the period 1 January to 30 June 2012

|   | 4-6/2012      | 4-6/2011      | 1-6/2012       | 1-6/2011       |
|---|---------------|---------------|----------------|----------------|
| EUR 000   |               |               |                |                |
| Sales revenue   | 70,282        | 57,101        | 135,785        | 115,803        |
| Change in inventories of finished and unfinished products                                       | 1,169         | 403           | 4,169          | 3,729          |
| Other own work capitalized  | 740           | 833           | 1,618          | 1,708          |
| <b>Total operating performance</b>  | <b>72,191</b> | <b>58,337</b> | <b>141,572</b> | <b>121,240</b> |
| Other operating income  | 3,776         | 1,586         | 5,139          | 3,750          |
| Cost of materials   | - 26,011      | - 19,973      | - 50,597       | - 42,216       |
| Personnel costs   | - 26,127      | - 22,628      | - 51,634       | - 46,300       |
| Depreciation, amortization and impairments on intangible assets and property, plant & equipment | - 3,108       | - 2,677       | - 5,532        | - 5,406        |
| Other operating expense   | - 14,358      | - 10,586      | - 27,519       | - 22,653       |
| <b>Earnings before financial earnings and income taxes</b>                                      | <b>6,363</b>  | <b>4,059</b>  | <b>11,429</b>  | <b>8,415</b>   |
| Net financial earnings  | - 929         | - 886         | - 1,795        | - 1,711        |
| <b>Earnings before income taxes</b>   | <b>5,434</b>  | <b>3,173</b>  | <b>9,634</b>   | <b>6,704</b>   |
| Taxes on income   | - 1,492       | - 1,022       | - 2,713        | - 2,053        |
| <b>Period earnings</b>  | <b>3,942</b>  | <b>2,151</b>  | <b>6,921</b>   | <b>4,651</b>   |
| Minority interests in earnings  | 6             | 44            | - 64           | 44             |
| R. STAHL earnings share   | 3,936         | 2,107         | 6,985          | 4,607          |
| <b>Earnings per share (in EUR)</b>  | <b>0.67</b>   | <b>0.42</b>   | <b>1.18</b>    | <b>0.78</b>    |

# Overall net result of a given period

for the period 1 January to 30 June 2012

| EUR 000  | 1–6/2012     | 1–6/2011     |
|--|--------------|--------------|
| <b>Net result of a given period</b>  | <b>6,921</b> | <b>4,651</b> |
| <b>Components of the overall net result of a given period not affecting net income</b> |              |              |
| Change of adjustments from currency translations of foreign subsidiaries               | 691          | - 840        |
| Cash flow hedges   |              |              |
| Gains/losses from the subsequent measurement of cash flow hedges, recognized in equity | - 77         | 502          |
| Incorporated into the income statement   | 208          | - 266        |
| Deferred taxes on components of the overall result not affecting net income            | - 38         | - 64         |
|  | <b>784</b>   | <b>- 668</b> |
| <b>Total annual result after taxes</b>   | <b>7,705</b> | <b>3,983</b> |
| Earnings contribution from minority interests  | - 68         | 43           |
| Earnings contribution R. STAHL   | 7,773        | 3,940        |

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

for the period 1 January to 30 June 2012

| EUR 000  | 1-6/2012     |             |             | 1-6/2011     |             |              |
|--|--------------|-------------|-------------|--------------|-------------|--------------|
|  | Before taxes | Tax effects | After taxes | Before taxes | Tax effects | After taxes  |
| Change of adjustments from currency translations of foreign subsidiaries | 691          | 0           | 691         | - 840        | 0           | - 840        |
| Unrealized gains/ losses from cash flow hedges                           | 131          | - 38        | 93          | 237          | - 65        | 172          |
| <b>Components of the overall result not affecting net income</b>         | <b>822</b>   | <b>- 38</b> | <b>784</b>  | <b>- 603</b> | <b>- 65</b> | <b>- 668</b> |

# Consolidated balance sheet

as at 30 June 2012

| EUR 000                                    | 30/06/2012     | 31/12/2011     |
|--|----------------|----------------|
| <b>ASSETS</b>                              |                |                |
| <b>Long-term assets</b>                    |                |                |
| Intangible assets                          | 39,142         | 39,520         |
| Property, plant & equipment                | 37,709         | 33,667         |
| Other financial investments                | 142            | 140            |
| Other assets                               | 1,488          | 1,663          |
| Real estate held as a financial investment | 8,930          | 9,034          |
| Deferred taxes                             | 3,416          | 2,928          |
|  | <b>90,827</b>  | <b>86,952</b>  |
| <b>Short-term assets</b>                   |                |                |
| Inventories and prepayments made           | 46,690         | 42,343         |
| Trade receivables                          | 56,848         | 47,557         |
| Other receivables and other assets         | 8,151          | 6,290          |
| Cash and cash equivalents                  | 14,314         | 15,214         |
|  | <b>126,003</b> | <b>111,404</b> |
| <b>Total assets</b>                        | <b>216,830</b> | <b>198,356</b> |

| EUR 000                               | 30/06/2012     | 31/12/2011     |
|---------------------------------------|----------------|----------------|
| <b>EQUITY AND LIABILITIES</b>         |                |                |
| <b>Equity</b>                         | <b>92,266</b>  | <b>88,751</b>  |
| <b>Long-term liabilities</b>          |                |                |
| Accruals for pension obligations      | 51,105         | 51,041         |
| Other accruals                        | 1,393          | 1,410          |
| Interest-bearing loans                | 3,000          | 3,250          |
| Other liabilities                     | 779            | 3,588          |
| Deferred taxes                        | 2,733          | 2,669          |
|                                       | <b>59,010</b>  | <b>61,958</b>  |
| <b>Short-term liabilities</b>         |                |                |
| Accruals                              | 5,762          | 4,609          |
| Trade liabilities                     | 13,912         | 12,135         |
| Interest-bearing loans                | 21,918         | 8,912          |
| Deferred liabilities                  | 11,687         | 9,989          |
| Other liabilities                     | 12,275         | 12,002         |
|                                       | <b>65,554</b>  | <b>47,647</b>  |
| <b>Total equity &amp; liabilities</b> | <b>216,830</b> | <b>198,356</b> |

# Consolidated statement of changes in equity

for the period 1 January to 30 June 2012

| EUR 000                            | Shareholders' equity |                 |                |
|------------------------------------|----------------------|-----------------|----------------|
|                                    | Subscribed capital   | Capital reserve | Profit reserve |
| <b>Balance on 1 Jan. 2011</b>      | <b>16,500</b>        | <b>522</b>      | <b>71,433</b>  |
| Results for the period             |                      |                 | 4,607          |
| Cumulated other equity             |                      |                 | 0              |
| <b>Total result for the period</b> |                      |                 | <b>4,607</b>   |
| Dividend distribution              |                      |                 | - 4,147        |
| <b>Balance on 30 June 2011</b>     | <b>16,500</b>        | <b>522</b>      | <b>71,893</b>  |
| <b>Balance on 1 Jan. 2012</b>      | <b>16,500</b>        | <b>522</b>      | <b>76,234</b>  |
| Results for the period             |                      |                 | 6,985          |
| Cumulated other equity             |                      |                 | 0              |
| <b>Total result for the period</b> |                      |                 | <b>6,985</b>   |
| Dividend distribution              |                      |                 | - 4,147        |
| <b>Balance on 30 June 2012</b>     | <b>16,500</b>        | <b>522</b>      | <b>79,072</b>  |

| Cumulated other equity                                 |                         |                                       | Deduction<br>for treasury<br>shares | Shareholders'<br>equity |
|--|-------------------------|---------------------------------------|-------------------------------------|-------------------------|
| Unrealized<br>gains/losses<br>from cash<br>flow hedges | Currency<br>translation | Total of<br>cumulated<br>other equity |                                     | Total                   |
| <b>- 191</b>   | <b>1,348</b>            | <b>1,157</b>                          | <b>- 5,596</b>                      | <b>84,016</b>           |
|  |                         |                                       |                                     | 4,607                   |
| 172  | - 839                   | - 667                                 |                                     | - 667                   |
| <b>172</b>   | <b>- 839</b>            | <b>- 667</b>                          |                                     | <b>3,940</b>            |
| 0  |                         | 0                                     |                                     | - 4,147                 |
| <b>- 19</b>  | <b>509</b>              | <b>490</b>                            | <b>- 5,596</b>                      | <b>83,809</b>           |
| <b>- 620</b>   | <b>1,431</b>            | <b>811</b>                            | <b>- 5,596</b>                      | <b>88,471</b>           |
|  |                         |                                       |                                     | 6,985                   |
| 93   | 695                     | 788                                   |                                     | 788                     |
| <b>93</b>  | <b>695</b>              | <b>788</b>                            |                                     | <b>7,773</b>            |
|  |                         |                                       |                                     | - 4,147                 |
| <b>- 527</b>   | <b>2,126</b>            | <b>1,599</b>                          | <b>- 5,596</b>                      | <b>92,097</b>           |



| Minority<br>interests | Consolidated<br>equity |
|-----------------------|------------------------|
|                       | Total                  |
| <b>116</b>            | <b>84,132</b>          |
| 44                    | 4,651                  |
| - 1                   | - 668                  |
| <b>43</b>             | <b>3,983</b>           |
| 0                     | - 4,147                |
| <b>159</b>            | <b>83,968</b>          |
| <b>280</b>            | <b>88,751</b>          |
| - 64                  | 6,921                  |
| - 4                   | 784                    |
| <b>- 68</b>           | <b>7,705</b>           |
| - 43                  | - 4,190                |
| <b>169</b>            | <b>92,266</b>          |

# Consolidated cash flow statement

for the period 1 January to 30 June 2012

| EUR 000   | 1–6/2012       | 1–6/2011       |
|---|----------------|----------------|
| <b>I. Operating activities</b>  |                |                |
| 1. Period earnings  | 6,921          | 4,651          |
| 2. Depreciation, amortization and impairment of non-current assets                                      | 5,531          | 5,406          |
| 3. Changes in long-term provisions  | - 17           | - 446          |
| 4. Changes in deferred taxes  | - 463          | - 262          |
| 5. Other income and expenses without cash flow impact   | - 785          | - 333          |
| 6. Income/expense from the disposal of non-current assets   | 3              | - 9            |
|   | <b>11,190</b>  | <b>9,007</b>   |
| <b>7. Cash flow</b>   |                |                |
| 8. Changes in inventories, trade receivables and other non-capex or non-financial assets                | - 15,928       | - 8,767        |
| 9. Changes in short-term provisions, trade liabilities and other non-capex or non-financial liabilities | 6,199          | 1,092          |
|   | <b>- 9,729</b> | <b>- 7,675</b> |
| <b>10. Changes in net current assets</b>  |                |                |
| <b>11. Cash flow from ongoing business operation</b>  | <b>1,461</b>   | <b>1,332</b>   |

| EUR 000   | 1–6/2012        | 1–6/2011       |
|---|-----------------|----------------|
| <b>II. Capex cash flow</b>  |                 |                |
| 12. Cash outflow for capex on long-term assets  | - 8,981         | - 4,989        |
| 13. Cash inflow from disposals of long-term assets                                    | 172             | 12             |
| 14. Increase (+)/decrease (-) of short-term financial assets                          | - 22            | - 15           |
| 15. Cash outflow from the investment of consolidated companies – net of cash acquired | - 2,000         | - 159          |
| <b>16. Capex cash flow</b>  | <b>- 10,831</b> | <b>- 5,151</b> |
| <b>17. Free cash flow</b>   | <b>- 9,370</b>  | <b>- 3,819</b> |
| <b>III. Finance cash flow</b>   |                 |                |
| 18. Distribution to shareholders (dividend)   | - 4,147         | - 4,147        |
| 19. Distribution to/contribution from minority shareholders                           | - 43            | 0              |
| 20. Increase (+)/decrease (-) in short-term, interest-bearing financial debt          | 12,993          | 3,457          |
| 21. Cash outflow for repayment of long-term, interest-bearing financial debt          | - 250           | - 731          |
| <b>22. Finance cash flow</b>  | <b>8,553</b>    | <b>- 1,421</b> |

| EUR 000   | 1–6/2012      | 1–6/2011      |
|---|---------------|---------------|
| <b>IV. Financial fund assets</b>                                      |               |               |
| 23. Cash flow-impacting changes in financial funds                    | - 817         | - 5,240       |
| 24. Foreign exchange and valuation-related changes in financial funds | - 83          | 11            |
| 25. Financial funds at the beginning of the period                    | 15,214        | 19,640        |
| <b>26. Financial funds at the end of the period</b>                   | <b>14,314</b> | <b>14,411</b> |
| <b>Composition of financial funds held</b>                            |               |               |
| Cash and cash equivalents   | 14,314        | 14,411        |

## 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 35 domestic and foreign companies in which R. STAHL AG may exert a controlling influence. Compared to 31 December 2011, the group of consolidated companies remains unchanged.

### **[3] Accounting and valuation methods**

The consolidated interim financial statements and comparison figures for previous year's period have been prepared and calculated using the same accounting and valuation methods as the consolidated financial statements for fiscal 2011. The underlying principles are published in the notes to our consolidated financial statements for 2011. The document is available on our corporate website [www.stahl.de](http://www.stahl.de). We have been informed by the Deutsche Rechnungslegungs Standards Committee e. V. (German Accounting Standards Committee) about an increase of the contributions to the pensions protection association (Pensions-Sicherungs-Verein) for 2012. Due to the information about an increase of contributions, the provision that may be required has been estimated at EUR 80,000 in this interim report.

### **[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 dividends paid**

In May 2012, R. STAHL AG paid a dividend of EUR 0.70 per share entitled to dividend to the shareholders after the Annual General Meeting. A total of EUR 4,147,000 has been paid.

**[7] Disclosure of own shares**

On 30 June 2012, the company holds 516,291 own shares, as it did on 31 December 2011. On both reporting dates, the own shares have been netted against equity at their historical costs of EUR 5,596,000.

**[8] Number of employees**

The company employed 1,591 persons (excluding apprentices) as of the reporting date on 30 June 2012 (previous year: 1,529 persons).

**[9] Changes to the Supervisory Board of R. STAHL AG**

With the end of the Annual General Meeting on 25 May 2012,

Dipl.-Kfm. Eberhard Knoblauch, Böblingen,  
former Chairman of the Managing Board of Hewlett-Packard GmbH

and

Hans-Dieter Heppner, Kupferzell (employee representative)  
certified electrical engineer

left the Supervisory Board of R. STAHL AG.

The Annual General Meeting 2012 appointed

Waltraud Hertreiter, Neubeuern,  
freelance consultant

- Chairwoman of the Supervisory Board of Textilgruppe Hof AG, Hof
- Chairwoman of the Advisory Board of Südbayerisches Portland-Zementwerk Gebr. Wiesböck & Co. GmbH, Rohrdorf
- member of Regionalbeirat Süd of Commerzbank AG

as successor of Mr Knoblauch for the remaining regular term.

For representation of the employees,

Christoph Carle, Künzelsau,  
project manager process optimization

succeeded Mr Heppner in the Supervisory Board as elected replacement candidate according to the One-Third Participation Act.

During the constituent Supervisory Board meeting that followed the Annual General Meeting,

Dipl.-Volkswirt Josef Kurth, Öhringen,  
former managing director of Berner GmbH

has been elected Vice Chairman.

#### **[10] Legal liabilities and other financial obligations**

There have been no essential changes in our legal liabilities and other financial obligations since 31 December 2011.

#### **[11] Report on essential transactions with related persons**

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

#### **[12] Significant events after the end of the reporting period**

There have been no significant events after the period under review.

#### **[13] Management affidavit**

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements provide a true and fair representation of the assets, liabilities, financial position and income situation of the consolidated group. The consolidated interim management report provides a true and fair representation of the group's business development and performance including an outline of the principal risks and opportunities associated with the expected development of the group in the remaining months of the fiscal year.

Waldenburg, 7 August 2012  
R. STAHL Aktiengesellschaft

Martin Schomaker  
CEO

## Key Data

| EUR 000   | 1–6/2012 | 1–6/2011 |
|---|----------|----------|
| Sales revenue   | 135,785  | 115,803  |
| Germany   | 29,431   | 28,934   |
| Central excl. Germany                                     | 61,551   | 56,916   |
| Americas  | 20,943   | 15,010   |
| Asia/Pacific  | 23,860   | 14,942   |
| Foreign share (%)   | 78.3     | 75.0     |
| Order intake  | 153,007  | 126,591  |
| Order backlog   | 82,903   | 57,914   |
| EBITDA  | 16,961   | 13,821   |
| EBIT  | 11,429   | 8,415    |
| EBT   | 9,634    | 6,704    |
| Period earnings   | 6,921    | 4,651    |
| EPS/earnings per share in EUR (total)                     | 1.18     | 0.78     |
| Capex on intangible and PP&E assets                       | 8,981    | 4,989    |
| DA&I on intangible and PP&E assets                        | 5,532    | 5,406    |
| EBITDA margin (% of sales revenues)                       | 12.5     | 11.9     |
| EBIT margin (% of sales revenues)                         | 8.4      | 7.3      |
| EBT margin (% of sales revenues)                          | 7.1      | 5.8      |
| Staff as of the balance sheet date<br>(excl. apprentices) | 1,591    | 1,529    |



## Financial calendar 2012

- Small Cap Conference in Frankfurt, Germany // 27–29 August 2012
- Interim report as at 30 September 2012 // 7 November 2012
- German Equity Forum in Frankfurt, Germany // 12–14 November 2012

