

# Q.3 2010



- Order intake and sales increased significantly
- Earnings per share more than doubled
- Forecast confirmed for the full year

**INTERIM REPORT  
AS OF 30 SEPTEMBER 2010**



## Key Data

<i>€ 000</i>	<b>1–9/ 2010</b>	<b>1–9/ 2009</b>
Sales revenues .....	165,507	150,206
thereof in Germany .....	37,252	41,116
thereof in Central (excl. Germany) .....	80,595	67,931
thereof in the Americas .....	22,857	16,802
thereof in Asia/Pacific .....	24,803	24,357
Foreign share in % .....	77.5	72.6
Order intake .....	165,955	153,997
Order backlog .....	45,050	42,156
EBITDA .....	21,230	15,429
EBIT .....	13,604	8,841
EBT .....	10,738	6,270
Period earnings .....	7,179	3,738
Earnings per share in € (total) .....	1.21	0.59
Capex on intangible and PP&E assets .....	5,446	9,666
DA&I on intangible and PP&E assets .....	7,626	6,588
EBITDA margin (in % of sales revenues) .....	12.8	10.3
EBIT margin (in % of sales revenues) .....	8.2	5.9
EBT margin (in % of sales revenues) .....	6.5	4.2
Staff as of the balance sheet date (excl. apprentices) .....	1,446	1,400

# Consolidated management report as of 30 September 2010

The third quarter of 2010 met our expectations. After the difficult year 2009 the summer slump, typical for this season, has hardly been felt this year: Compared to previous year's figures, sales as well as order intake rose by 30% during the third quarter. These orders were mainly follow-up orders for the already installed basis. New project business failed to appear during the period under review as many investment decisions have been postponed until the fourth quarter. Thanks to an improved quality of orders, but also thanks to the after-effects of the cost programs we introduced and due to the relative decline of the personnel costs, earnings before income taxes increased by 2.6 times compared to the prior-year quarter.

## **Impetus from almost all industry sectors**

In almost all important R. STAHL customer industries an economic recovery has come about. From the **chemical industry** we receive orders for spare parts, regular maintenance is done again. **Engineering**, especially in Germany, is soaring with full order books. **Oil & gas industry** also invests again and considers larger projects, a fact we notice because of a significantly increased number of inquiries. Focus of the activities of the oil & gas business still is in the Middle East. From this region we received an order for the expansion

of a refinery worth about € 1 million. **The pharmaceutical** industry is still developing steadily on a moderate level. Only in **marine equipment**, especially in tanker construction, we can feel stagnation at the moment.

The main part of the increases in order intake is domestic orders, mainly due to an upswing in engineering. But orders also came from the European countries, like follow-up orders for a refinery in Portugal or orders for the expansion of existing drilling platforms in Norway. In the Americas (South and North America) order volume also increased proportionally, a fact in which the new consolidation of our subsidiary in Brazil and the growth of the Canadian subsidiary have an essential share. In Asia/Pacific, business development fell short of our expectations.

## **Report on income, financial and asset position**

### **Order situation**

#### **Significant improvement in the third quarter**

During the first three quarters of 2010, R. STAHL Group achieved order intake amounting to € 166.0 million and thus an increase by 7.8% compared to the previous year (€ 154.0 million).

This was essentially due to smaller projects and follow-up orders and also due to a clearly revived spare parts and maintenance business. However, some of our customers postponed decisions to invest in major projects to the fourth quarter. Receipt of a high number of inquiries from different industry sectors, however, continues unabated.

On the record date 30 September 2010, our order backlog, amounting to € 45.1 million compared to € 42.2 million in the previous year, is on a healthy level.

## R. STAHL – at a glance

Business:	supplier of electromechanical and electrical 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:	app. 1,400 worldwide
Headquarter:	Waldenburg, Germany
Production:	Waldenburg (D), Weimar (D), Cologne (D), Hengelo (NL), Stavanger (N), Chennai (IN)
Sales 2009:	€ 203m
Profit margin (EBT) 2009:	4.4%
Shares:	6.44m shares; app. 41% free float

## Sales revenues 10% higher than last year Europe and Americas good

Until the end of September 2010, R. STAHL generated sales revenues amounting to € 165.5 million and thus exceeded the previous year (€ 150.2 million) by 10.2%.

The foreign share now amounted to 77.5% (prior year period: 72.6%), the Americas and Asia/Pacific accounted for 13.8%, respectively 15.0%. The strategically planned expansion of the shares of sales in these regions leads to a globally even distribution of customers and will in future help to better cushion regional fluctuations in demand.

Especially the Americas and Europe accounted for the group's growth: In the region Americas sales increased by € 6.1 million (+36.0%) to € 22.9 million. A substantial share can be accounted to the new consolidation of R. STAHL do Brasil and to the growth of the Canadian subsidiary. In Europe (excl. Germany) the macroeconomic recovery could be felt most clearly – sales revenues increased by € 12.7 million (+18.6%) to € 80.6 million – while Germany, compared to the previous year, still lagged somewhat behind: Here sales revenues fell by € 3.9 million (-9.4%) to € 37.3 million. In mid-October, however, the most important research institutes predicted in their fall expertise for Germany a growth of 3.5% for 2010 – which is the highest value since the German reunification. With these forecasts and the perceptible increase of domestic inquiries, mainly supported by the engineering sector, we will catch up further.

In Asia/Pacific, where R. STAHL still not completely participates in the market, we could slightly increase sales in the corresponding period by € 0.4 million to € 24.8 million. This situation is still not satisfactory so that we continue to improve market penetration.

To hedge the currency risks associated with international business we use derivative financial instruments.

### **Sustainable improvement of operational profitability**

In the course of the general economic crisis we examined R. STAHL's business activities carefully last year and introduced and implemented important measures to improve business processes and business structures. These improvements have been accompanied by firm cost reduction programs in different divisions. These measures improved the profitability of our company; it can be clearly seen in the results. Even after the crisis is overcome we continue to improve the operational and organisational structure in divisions production, procurement and sales – we want to be well equipped for the future! After nine months our figures give the following picture: In percentage terms we could increase earnings before taxes (EBT) by 71.3% while sales increased by 10.2%. We improved EBT by € 4.5 million and achieved € 10.7 million. Operating EBT-margin relative to sales revenues now amounts to 6.5% (previous year: 4.2%).

During the first three quarters of 2010, the operating earnings before interest and taxes (EBIT) increased from € 8.8 million (2009) to € 13.6 million. Operating EBIT-margin relative to sales revenues rose to 8.2% (previous year: 5.9%).

Compared to the previous year we could more than double earnings per share, it now amounts to € 1.21 (previous year: € 0.59).

## Financial and asset structure

### Solid basis for business activities

On the reporting date the balance sheet total has increased by € 13.6 million or 7.7% to € 189.4 million, compared to 31 December 2009.

On the asset side the long-term assets rose by € 7.7 million to € 84.1 million. The increase results from the intangible assets, the other long-term balance sheet items decreased slightly or remained almost constant. Besides the goodwill from the asset deal Clifford & Snell, disclosed for the first time, the acquisition of R. STAHL do Brasil Ltda., Rio de Janeiro (Brazil) and the increase of the intangible assets resulting from the acquisition of Screen-Tec GmbH, Cologne (Germany), exchange-rate effects from goodwill due to the revaluation of the Norwegian Krone on the balance sheet date are a reason for the increase.

Because of the accounting and invoicing of project orders the trade receivables rose by € 7.1 million. In connection with the acquisitions, cash and cash equivalents decreased by € 1.7 million and now amount to € 20.8 million.

Equity increased by € 6.8 million to € 79.8 million. Here the income for the period amounting to € 7.2 million and items not affecting net income amounting to € 2.0 million had an increasing effect and the distribution to our shareholders amounting to € 2.4 million had a decreasing effect.



On the reporting date the equity ratio is improved and achieved 42.1% (31 December 2009: 41.5%). As at the end of 2009, R. STAHL Group held 516,291 own shares on 30 September 2010. On both dates the own shares were netted against equity at their historical costs (€ 5.6 million).

With the Earn-Out-liabilities from the acquisitions the long-term other liabilities increased by € 5.1 million and now amount to € 6.6 million. Short-term liabilities increased by a total of € 2.8 million.

Financing of R. STAHL is still sound: Of the long-term assets amounting to € 84.1 million, € 79.8 million are covered by the equity. Liquid funds amounting to € 20.8 million exceed the short-term and long-term interest bearing financial debts by € 9.6 million.

As the liquidity level is high and dependency on external investors is low the company is in a comfortable financial situation. Furthermore, in 2009 we took financial precautionary measures with our principal banks by fixing credit lines and so could significantly increase our financial scope by a volume of € 35 million with a duration of three years.

R. STAHL's financial basis and the financing options we agreed upon are good, so that we may improve our business processes determinedly and independently and furthermore may use acquisition opportunities.

## Positive operating cash flow

### Definite improvement

After the first nine months in 2010, the operating cash flow from operating activities reached € 15.1 million (previous year: € 3.3 million). Besides higher income for the period, generation of financial funds from the net working capital also contributed to this improvement.

Cash flow from investment activities is disclosed at € -11.0 million (previous year: € -10.8 million). It includes the acquisition of Clifford & Snell in the form of an asset deal, acquisition of R. STAHL do Brasil Ltda., Rio de Janeiro (Brazil) and acquisition of Screen-Tec GmbH, Cologne.

In the first three quarters of 2010, R. STAHL achieved a free cash flow amounting to € 4.1 million (previous year: € -7.5 million).

In regard to financing activities, the distribution to our shareholders has to be mentioned. Long-term and short-term loans have been redeemed as scheduled.

### Investments during the first nine months of 2010

From January until September 2010 we invested € 5.4 million (previous year: € 10.0 million) in long-term assets like intangible assets and tangible assets. We purchased licences and software as well as hardware to improve our IT-structure and we also invested in the expansion of our production facilities. We bought machines and tools for punching and milling and injection moulding tools.

## **Integration of the new group members**

Integration of British Clifford & Snell progressed rapidly during the reporting period. At different locations the distribution network has been expanded for the products of Clifford & Snell and our sales documents have been supplemented accordingly. At the most important trade fairs that took place in the last quarter we could already present the new product portfolio. Our development engineers have been working hard to transcribe the certificates – a task that has partly been highly complex as the certification process is often interlinked with the quality assurance in the production areas.

The subsidiary in Brazil, which has been established in July by our taking over of our previous sales partner, had a promising start – with R. STAHL do Brasil we have excellent opportunities to be part of the growing Brazilian oil & gas market.

On 1 October another location has been added to the R. STAHL map: Due to succession planning we could take over our long-standing sales partner, Robert Nissl Ges.m.b.H. in Vienna. With our own company in the Austrian capital we can support the local market more directly, so we assume that we will double our market share there in the medium term.

## **Autumn – time for trade fairs**

In Norway ONS, one of the leading trade fairs in the oil & energy sector, took place with R. STAHL participation. The atmosphere at the fair in Stavanger was again positive and organizers as well as our colleagues at the stand noticed a record number of visitors in 2010. At this year's SMM, the leading trade fair for international shipbuilding in Hamburg, R. STAHL was present with a stand of the Norwegian subsidiary Tranberg – a big success. R. STAHL do Brasil's

participation at Rio Oil & Gas, the major oil & gas fair in South America, has been a premiere with excellent response. Here, as well as at the other leading trade fairs, the products of Clifford & Snell could already be presented.

### **Safety is a top priority**

R. STAHL is not only a manufacturer of safety technology. The IT-system used throughout the group also fulfils the highest safety standards, as a penetration test, commissioned for external evaluation, has shown.

### **Report on opportunities and risks**

All R. STAHL subsidiaries regularly prepare a report on opportunities and risks, so all opportunities and risks of the company are recorded world-wide. If there are important events, even during the quarter, every managing director is obliged to report to the opportunities and risks management. The statements given on page 44 et seq. of the annual report continue to apply unaltered.

### **Forecast**

Our most important customer industries once again have full order books, a fact we can see from an increase in inquiries that is partly already reflected in an increase of orders. The forecasts of the chemical industry are positive, German engineering is even euphoric. Oil & gas industry has many projects in the pipeline world-wide.

However, the price situation remains strained as projects and orders are still highly competitive in the market. We will continue the efficiency programs we have already started and planned; thus we expect further improvement of processes and cost structures.

Furthermore, we are increasingly confronted with rising prices for raw materials. Up to now the effects are still not serious for R. STAHL, as we stipulated prices by contracts, e.g. for aluminium. With our procurement projects we try to keep price increases within a framework that is acceptable to us in the next year as well.

We confirm the forecast for the full year 2010 which we published in summer: From today's point of view we assume that sales and earnings in the second half of this fiscal year will exceed the figures of the first six months. For the full year we expect group sales between € 210 and 220 million. Earnings before taxes will presumably be somewhat between € 14 and 15 million.

For 2011 the Executive Board expects a continuously positive economic environment, we assume that this will be reflected in further growth of sales and earnings.

November 2010

The Executive Board

# Consolidated income statement

for the period 01/01–30/09/2010

€ 000	7–9/ 2010	7–9/ 2009	1–9/ 2010	1–9/ 2009
Sales revenues .....	61,709	47,674	165,507	150,206
Change in inventories of finished and unfinished goods .....	- 3,844	1,054	- 2,473	1,280
Other own work capitalized .....	643	490	2,060	1,600
<b>Total operating performance .....</b>	<b>58,508</b>	<b>49,218</b>	<b>165,094</b>	<b>153,086</b>
Other operating income .....	352	400	4,874	3,210
Cost of materials .....	- 19,595	- 17,342	- 54,448	- 51,306
Personnel costs .....	- 21,330	- 19,545	- 63,184	- 60,005
Depreciation, amortization and impairment on intangible non-current assets and property, plant and equipment assets .....	- 2,582	- 2,250	- 7,626	- 6,588
Other operating expense .....	- 10,254	- 8,489	- 31,106	- 29,556
<b>Earnings before net financial earnings and income taxes .....</b>	<b>5,099</b>	<b>1,992</b>	<b>13,604</b>	<b>8,841</b>
Net financial earnings .....	- 954	- 870	- 2,866	- 2,571
<b>Earnings before income taxes .....</b>	<b>4,145</b>	<b>1,122</b>	<b>10,738</b>	<b>6,270</b>
Taxes on income .....	- 1,569	- 590	- 3,559	- 2,532
<b>Period earnings .....</b>	<b>2,576</b>	<b>532</b>	<b>7,179</b>	<b>3,738</b>

<i>€ 000</i>	<b>7-9/ 2010</b>	<b>7-9/ 2009</b>	<b>1-9/ 2010</b>	<b>1-9/ 2009</b>
Minority interests in earnings .....	- 5	20	10	246
R. STAHL earnings share .....	2,581	512	7,169	3,492
<b>Earnings per share in € .....</b>	<b>0.44</b>	<b>0.09</b>	<b>1.21</b>	<b>0.59</b>

# Overall net result of a given period

for the period 01/01–30/09/2010

€ 000	1–9/ 2010	1–9/ 2009
<b>Net result of a given period</b> .....	<b>7,179</b>	<b>3,738</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 .....	1,869	2,214
Change of unrealized profits and losses from cash flow hedges .....	- 452	0
Gains/losses from cash flow hedges transferred into the income statement .....	729	0
Deferred taxes from financial instruments transferred into the income statement .....	- 151	0
	<b>1,995</b>	<b>2,214</b>
<b>Overall net result of a given period</b> .....	<b>9,174</b>	<b>5,952</b>
Overall profit share of other shareholders .....	13	481
Overall profit share of R. STAHL .....	9,161	5,471



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

for the period 01/01–30/09/2010

€ 000	1–9/2010			1–9/2009		
	Before taxes	Tax effects	After taxes	Before taxes	Tax effects	After taxes
Change of adjustments from currency translations of foreign subsidiaries .....	1,869	0	1,869	2,214	0	2,214
Unrealized gains/losses from cash flow hedges .....	277	- 151	126	0	0	0
<b>Components of the overall result not affecting net income .....</b>	<b>2,146</b>	<b>- 151</b>	<b>1,995</b>	<b>2,214</b>	<b>0</b>	<b>2,214</b>

# Consolidated balance sheet

as of 30/09/2010

€ 000	30/09/ 2010	31/12/ 2009
<b>ASSETS</b>		
<b>Long-term assets</b>		
Intangible assets .....	36,897	27,474
Property, plant and equipment .....	33,627	34,632
Other financial investments .....	125	120
Other assets .....	1,711	2,110
Real estate held as financial investment .....	9,414	9,624
Deferred taxes .....	2,296	2,456
	<b>84,070</b>	<b>76,416</b>
<b>Short-term assets</b>		
Inventories and prepayments made .....	32,467	33,000
Trade receivables .....	45,474	38,388
Other receivables and other assets .....	6,622	5,485
Cash and cash equivalents .....	20,770	22,506
	<b>105,333</b>	<b>99,379</b>
<b>Total assets</b> .....	<b>189,403</b>	<b>175,795</b>

€ 000	30/09/ 2010	31/12/ 2009
<b>EQUITY &amp; LIABILITIES</b>		
<b>Equity</b> .....	<b>79,816</b>	<b>73,011</b>
<b>Long-term liabilities</b>		
Pension provisions .....	48,134	48,011
Other provisions .....	1,681	1,681
Interest-bearing loans .....	6,818	7,846
Other liabilities .....	6,628	1,545
Deferred taxes .....	1,582	1,743
	<b>64,843</b>	<b>60,826</b>
<b>Short-term liabilities</b>		
Provisions .....	10,108	8,200
Trade liabilities .....	9,826	9,472
Interest-bearing loans .....	4,397	7,105
Deferred liabilities .....	12,872	9,984
Other liabilities .....	7,541	7,197
	<b>44,744</b>	<b>41,958</b>
<b>Total equity &amp; liabilities</b> .....	<b>189,403</b>	<b>175,795</b>

# Consolidated statement of changes in equity

for the period 01/01–30/09/2010

€ 000

	Sub- scribed capital	Capital reserve	Profit reserve
<b>Balance on 1 Jan. 2009</b> .....	<b>16,500</b>	<b>522</b>	<b>69,377</b>
Results for the year .....			3,492
Cumulated other equity .....			0
<b>Total annual result</b> .....			<b>3,492</b>
Dividend distribution .....			- 5,331
Consolidation changes .....			0
Other changes .....			- 6,088
<b>Balance on 30 Sep. 2009</b> .....	<b>16,500</b>	<b>522</b>	<b>61,450</b>
<b>Balance on 1 Jan. 2010</b> .....	<b>16,500</b>	<b>522</b>	<b>63,290</b>
Results for the year .....			7,169
Cumulated other equity .....			0
<b>Total annual result</b> .....			<b>7,169</b>
Dividend distribution .....			- 2,369
Consolidation changes .....			0
Other changes .....			0
<b>Balance on 30 Sep. 2010</b> .....	<b>16,500</b>	<b>522</b>	<b>68,090</b>

Shareholders' equity					Minority interests	Consolidated equity total
Cumulated other equity			Deduction for treasury shares	Total		
Un-realized gains/ losses from financial instruments	Currency trans-lation	Total of cu-mulated other equity				
<b>0</b>	<b>- 4,037</b>	<b>- 4,037</b>	<b>- 5,596</b>	<b>76,766</b>	<b>1,405</b>	<b>78,171</b>
		0		3,492	246	3,738
0	1,979	1,979		1,979	235	2,214
<b>0</b>	<b>1,979</b>	<b>1,979</b>		<b>5,471</b>	<b>481</b>	<b>5,952</b>
		0		- 5,331	- 429	- 5,760
		0		0	32	32
		0		- 6,088	- 1,427	- 7,515
<b>0</b>	<b>- 2,058</b>	<b>- 2,058</b>	<b>- 5,596</b>	<b>70,818</b>	<b>62</b>	<b>70,880</b>
<b>- 422</b>	<b>- 1,368</b>	<b>- 1,790</b>	<b>- 5,596</b>	<b>72,926</b>	<b>85</b>	<b>73,011</b>
		0		7,169	10	7,179
126	1,866	1,992		1,992	3	1,995
<b>126</b>	<b>1,866</b>	<b>1,992</b>		<b>9,161</b>	<b>13</b>	<b>9,174</b>
		0		- 2,369	0	- 2,369
		0		0	0	0
		0		0	0	0
<b>- 296</b>	<b>498</b>	<b>202</b>	<b>- 5,596</b>	<b>79,718</b>	<b>98</b>	<b>79,816</b>

# Consolidated cash flow statement

for the period 01/01–30/09/2010

€ 000	1–9/ 2010	1–9/ 2009
<b>I. Operating cash flow</b>		
1. Period earnings .....	7,179	3,738
2. Depreciation, amortization & impairment of non-current assets .....	7,626	6,588
3. Change in long-term provisions .....	14	76
4. Change in deferred taxes .....	- 140	- 216
5. Other non-cash flow impacting income and expense .....	- 573	- 133
6. Net profit/loss from non-current asset disposals .....	31	- 4
<b>7. Cash flow</b> .....	<b>14,137</b>	<b>10,049</b>
8. Changes in inventories and trade receivables as well as other assets not allocable to capex or finance activities .....	- 4,024	616
9. Changes in short-term provisions and trade liabilities as well as other liabilities not allocable to capex or finance activities .....	4,953	- 7,353
<b>10. Changes in net current assets</b> .....	<b>929</b>	<b>- 6,737</b>
<b>11. Cash flow from ongoing business operation</b> .....	<b>15,066</b>	<b>3,312</b>

€ 000	1–9/ 2010	1–9/ 2009
<b>II. Capex cash flow</b>		
12. Cash outflow for capex on long-term assets .....	- 5,448	- 9,977
13. Cash inflow from the disposal of long-term assets .....	17	4
14. Increase (-)/decrease (+) in short-term financial assets .....	- 171	0
15. Cash inflow from the sale of consolidated companies net cash sold .....	- 5,378	- 800
<b>16. Capex cash flow .....</b>	<b>- 10,980</b>	<b>- 10,773</b>
<b>17. Free cash flow .....</b>	<b>4,086</b>	<b>- 7,461</b>
<b>III. Finance cash flow</b>		
18. Distribution to shareholders (dividend) .....	- 2,369	- 5,331
19. Distribution to/contribution from minority shareholders .....	0	- 7,912
20. Increase (+)/decrease (-) in short-term interest-bearing financial debt .....	- 2,946	5,116
21. Cash outflow for repayment of long-term, interest-bearing financial debt .....	- 1,029	- 391
<b>22. Finance cash flow .....</b>	<b>- 6,344</b>	<b>- 8,518</b>
<i>(continued...)</i>		

€ 000	1–9/ 2010	1–9/ 2009
<b>IV. Financial funds</b>		
23. Cash flow-impacting changes in financial funds .....	- 2,258	- 15,979
24. Foreign exchange rate, consolidation and valuation related changes in financial funds .....	522	703
25. Financial funds at the beginning of the period .....	22,506	34,135
<b>26. Financial funds at the end of the period .....</b>	<b>20,770</b>	<b>18,859</b>
<b>Financial funds composition</b>		
Cash and cash equivalents .....	<b>20,770</b>	<b>18,859</b>



## 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 32 domestic and foreign companies in which R. STAHL AG may exert a controlling influence. Since 31 December 2009, R. STAHL do Brasil Ltda., Rio de Janeiro (Brazil) and Screen-Tec GmbH, Cologne (Germany) have been included in the consolidated group.

At the end of April 2010, our subsidiary in Great Britain took over British Clifford & Snell from company Digital Angel Corp., South St. Paul (Minnesota, USA) by way of an asset deal. Purchase price amounts to € 2.8 million. € 2.5 million have already been paid in cash. The remaining debt will be gradually paid in relation to the integration of the asset deal. Exact amount of the purchase price and the results of the final purchase price allocation are not available at the time the consolidated financial statements have been approved. Preliminary goodwill resulting from the acquisition procedure amounts to about € 1.5 million. Clifford & Snell is a specialist for signalling devices for explosion-protection and industrial applications.

With effect from 1 July 2010, R. STAHL AG acquired 100% of the voting stock of R. STAHL do Brasil Ltda., Rio de Janeiro (Brazil). The activities of the business part explosion protection of our Brazilian representation Instrumentos Lince Ltda. will be continued in this Brazilian subsidiary. Purchase

price for the shares – subject to purchase price adjustments – amounts to € 1.8 million. The purchase price consists of a one-off payment amounting to € 1.3 million and an earn-out-part of € 0.5 million. The exact amount of the purchase price and the results of the final purchase price allocation have not been available at the time the consolidated interim financial statements have been approved. Preliminary goodwill resulting from the acquisition procedure amounts to about € 1.7 million. The Brazilian market, local presence and aspired profitable growth are the aspects in favour of a commitment in Brazil.

With effect from 7 July 2010, R. STAHL AG acquired 100% of the voting stock of Screen-Tec GmbH, Cologne. Purchase price for the shares amounts to € 6.0 million. It consists of a cash component of € 1.5 million and an earn-out amounting to € 4.5 million. Technologies and patents have been acquired which will be disclosed in the intangible assets for the time being. Final purchase price allocation has not been available at the time the consolidated interim financial statements have been approved. For the time being, an increase of intangible assets by about € 6 million resulted from the acquisition procedure. Screen-Tec GmbH is successfully operating in the field of Ex-PC terminals and visualisation systems.

### **[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 2009. The underlying principles are published in the notes to our consolidated financial statements for 2009. The document is available on our corporate website [www.stahl.de](http://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 dividends paid**

R. STAHL AG paid a dividend of € 0.40 per share to their shareholders in June 2010 after the Annual General Meeting. A total of € 2,369 thousand has been distributed.

#### **[7] Disclosure of own shares**

On 30 September 2010, the company holds 516,291 own shares, as it did on 31 December 2009. 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 1,446 persons (excluding apprentices) as of the reporting date on 30 September 2010 (previous year: 1,400 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 2009.

**[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**

With effect from 1 October 2010, R. STAHL AG acquired 100% of the voting stock of Robert Nissl Ges.m.b.H., Vienna (Austria). Purchase price for the shares amounts to € 1.00. Liabilities amounting to about € 450 thousand have been taken over. With the takeover and the incorporation into the R. STAHL Group the Austrian company will again become profitable and R. STAHL will be able to expand its market presence in this region.

Waldenburg, 5 November 2010

**R. STAHL AG**

The Executive Board

Martin Schomaker

Dr. Peter Völker

# Financial calendar for 2011

Preliminary Figures for Fiscal Year 2010 .....	<b>February 2011</b>
Annual Report 2010 .....	<b>mid-April 2011</b>
Analysts Conference in Frankfurt .....	<b>mid-April 2011</b>
Interim Report as of 31 March 2011 .....	<b>11 May 2011</b>
Annual General Meeting in Neuenstein .....	<b>27 May 2011</b>
Interim Report as of 30 June 2011 .....	<b>09 August 2011</b>
Interim Report as of 30 September 2011 .....	<b>14 November 2011</b>

## **Investor Relations**

Judith Schäuble

Phone +49 7942 943-1217

Fax +49 7942 943-401217

[investornews@stahl.de](mailto:investornews@stahl.de)

**R. STAHL Aktiengesellschaft**

**Am Bahnhof 30**

**74638 Waldenburg (Württ.)**

**Germany**

**[www.stahl.de](http://www.stahl.de)**