



SAFETY, NEVER COMPROMISED.

QUARTERLY FINANCIAL REPORT
AS AT 30 SEPTEMBER 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:	1,946 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 300 – 310 million)
EBIT margin:	2014: 5.9% (2015e: 0.7% – 1.6%)
Shares:	6.44 million shares; approx. 39% free float

e= expected

GROUP MANAGEMENT REPORT

as at 30 September 2015

LOW OIL PRICE DAMPENING DEMAND, GROWTH IN ASIA

R. STAHL's market environment became increasingly challenging in the third quarter due to consistently low oil prices. As a result, the oil and gas industry – our most important client sector accounting for around 50% of revenue – has strongly reduced its capital spending.

R. STAHL's development in the third quarter confirms this trend: numerous approved projects were postponed or completely stopped, leading to a reduction in our order intake of 3.9% to EUR 243.0 million. As of 30 September 2015, R. STAHL had generated sales revenue of EUR 237.7 million – an increase of 4.7%. Growth was particularly strong in the Asia/Pacific region. At the end of the first three quarters, our EBIT amounted to EUR 8.4 million and was thus 35.8% down on the previous year. Due to the weaker than expected order position, our production capacities are not sufficiently utilized and there is corresponding pressure on our cost structures.

We do not anticipate any recovery in the oil price in the coming year and are thus adapting our company to the changed market conditions in order to secure our long-term competitiveness. To this end, we have already begun to implement specific measures including various initiatives launched at the beginning of the year to expand our business in the chemical, pharmaceutical and specialist ship sectors. In June, for example, we exhibited our innovative Ex 4.0 solutions at the world's largest process industry fair for chemicals and biotechnology, Achema. Together with the accompanying cost-cutting programmes, we are increasingly enhancing the company's efficiency.

SALES MARKETS VARY WIDELY

The oil industry is suffering from the steep decline in oil prices. Whereas there were indications that the price per barrel might increase in the second quarter and experts were predicting a recovery, oil prices fell sharply in the third quarter. This led oil companies to make further cuts in their capital spending. According to the Norwegian consultancy Rystad Engineering, this is the most dramatic slump since the oil crisis 30 years ago. As a consequence, demand for explosion-protected products and systems also fell. Regions with high production costs – like Norway and the American continent – are affected the most. We see further growth in the Asian region as our clients there are engaged more in oil processing than primary oil production.

The chemical and pharmaceutical industries have made encouraging progress in the current fiscal year. Thanks to growing demand on the global market, chemical companies have raised their production volumes. Biotechnology in particular continues to make strong progress. However, the slight increase in demand from these sectors is not sufficient to offset the strong downturn in the oil and gas industry.

The specialist ship industry is making stable progress. Although the construction of specialist ships – for which R. STAHL offers tailored solutions for extreme offshore conditions – depends strongly on trends in the oil industry, we have not seen any significant dip in this business. We are currently generating additional orders with innovative new products, like our holistic helideck lighting solution.

ORDER INTAKE HIT BY REDUCED OIL INDUSTRY SPENDING

In the first three quarters of 2015, R. STAHL received orders worth EUR 243.0 million – 3.9% less than in the same period last year (previous year: EUR 252.8 million). The low oil price led to a decline in demand from clients in Europe and the Americas in particular, while order intake in Asia made good progress.

In **Germany**, order intake as of 30 September 2015 amounted to EUR 52.8 million (previous year: EUR 50.9 million) and was thus 3.7% up on the previous year. In the third quarter, for example, we received an order from one of Germany's largest pharmaceutical companies. In addition to switching and installation devices, our portfolio of lighting products was also well received. Our business with German engineering companies who export end-products to Russia was weakened by stricter embargo regulations and the resulting uncertainties.

Demand in **Europe (excluding Germany)** was dampened by the reduced capital spending of oil companies. As a result, orders from our European customers were 5.1% down on 2014. Order intake in the first three quarters of 2015 amounted to EUR 96.5 million (previous year: EUR 101.7 million). In the first quarter of the current fiscal year, we were awarded a major contract to distribute energy at an LNG plant in the north of Russia worth tens of millions. To minimize risks, we are processing the order in several tranches.

In the **Americas**, order intake in the first nine months of 2015 was 21.3% down on the previous year at EUR 35.1 million (previous year: EUR 44.7 million). The sharp drop in oil prices has motivated customers in Canada and the USA in particular to reduce their spending, leading to a strong decline in orders from our North American markets. In South America, and above all in Brazil, the weak economic climate and political instability is dampening demand. Confidence in the Brazilian economy has been shaken: according to analysts, its economy is suffering from an all-embracing corruption scandal in which both the national oil company and many of the country's other major corporations and political institutions were implicated.

The strongest growth was recorded in the **Asia/Pacific** region; we raised order intake here by 5.6% to EUR 58.6 million (previous year: EUR 55.5 million). After already receiving an order in 2014 for power distribution at the Zakum oil field near Abu Dhabi, we were awarded further follow-up contracts for the next project phases in the third quarter of 2015. Thanks to our high quality standards, we have won the long-term trust of this customer and are handling the project via our subsidiary in Dubai. In Australia, our international presence helped us win follow-up contracts in the third quarter for one of the world's largest LNG projects.

At EUR 97.1 million (previous year: EUR 88.6 million), the order backlog at the end of September 2015 was 9.5% up on the prior-year figure.

STRONGEST REVENUE GROWTH IN ASIA/PACIFIC REGION

In the first three quarters of 2015, we raised sales revenue by 4.7% to EUR 237.7 million (previous year: EUR 227.1 million).

In **Germany**, sales of EUR 48.9 million were down 2.2% on the prior-year figure (EUR 50.0 million) and accounted for 20.5% of total Group revenue. In our domestic market, we increased sales to the chemical industry – supplying control systems and control boxes to one of the world's leading chemical companies.

In **Europe (excluding Germany)**, our revenue fell by 4.7% to EUR 95.1 million (previous year: EUR 99.8 million), due mainly to the weak order situation in northern Europe. As in the second quarter, however, we recorded revenue growth in France and Switzerland – mainly as a result of a major contract for an LNG plant in Russia for which we have already recognized EUR 4.0 million as of 30 September 2015. This is the largest LNG project ever realized in the Arctic and at the same time the most northerly LNG plant in the world. In addition to its extremely remote location, the project also has other special challenges: such as enormous temperature fluctuations, extremely low winter temperatures and the special permits required for projects in Russia. Our client originally wanted to use conventional lighting for the fire station. However, these are unsuitable for use at such extremely low winter temperatures. As our LED luminaires reach a higher level of efficiency under such extreme conditions, they are ideally suited and quickly convinced the client to use them with the promise of further orders in future.

At EUR 39.2 million (previous year: EUR 36.0 million), revenue in the **Americas** was up 8.8% – thanks mainly to the high order backlog from the previous year.

The strongest sales growth was recorded in the **Asia/Pacific** region, where revenue was up 32.2% to EUR 54.6 million (previous year: EUR 41.3 million). This revenue growth follows the region's high order intake in the first half of the year. In Australia, for example, we supplied our solutions to an LNG plant 220 km off the western Australian coast.

In the first nine months of 2015, we generated 79.5% (previous year: 78.0%) of our sales outside Germany.

WEAK DEMAND SQUEEZING EBIT MARGIN

In the first nine months of 2015, we generated EBIT of EUR 8.4 million (previous year: EUR 13.0 million) and thus fell 35.8% short of our prior-year result. The EBIT margin based on revenue reached 3.5% (previous year: 5.7%). Earnings per share for the first three quarters of 2015 amounted to EUR 0.61 (previous year: EUR 1.23).

Due to the low oil price, the capital spending of energy companies in the upstream sector remains low and the weak order situation is making it difficult to fully utilize capacities. This has put pressure on margins above all at our main base in Waldenburg – the largest manufacturing site of the R. STAHL Group: goods are produced here for orders received by our sales companies around the world. Due to the decline in order intake, this facility is currently underutilized, leading to an increase in relative fixed costs. To counter this, we have already initiated cost-cutting measures: as of July 2015, we have reduced working hours to 30 hours per week in order to partially offset low utilization via the targeted management of flexitime accounts. In addition, we have decided to transfer activities at our Neu-Kupfer facility to Waldenburg. We expect to complete this measure by the end of 2015 and anticipate a positive impact on earnings due to falling rental expenses as of 2016.

The measures introduced to optimize production costs – which we expect to be completed in 2016 – have already achieved initial success with regard to material costs: the cost of materials ratio based on total performance fell to 34.1% (previous year: 35.0%). There was also a positive impact from exchange rate effects. As a consequence of our expansion programme launched in 2012 and record order intake in 2014, personnel expenses have increased. In view of the strong decline in demand from our main client sector, the oil and gas industry, manpower currently exceeds our requirements. Compared to the previous year, the ratio of personnel expenses to total performance has risen to 40.4% (previous year: 38.7%). Due to investments in buildings, plant, machinery and fittings, depreciation rose by 4.9% to EUR 9.9 million (previous year: EUR 9.4 million).

In the first nine months of 2015, we generated EBT of EUR 6.3 million (previous year: EUR 10.4 million), while the EBT margin based on sales revenues fell to 2.6% (previous year: 4.6%).

ASSET AND FINANCIAL STRUCTURE: SYNDICATED LOAN STRENGTHENS FUNDING

As of 30 September 2015, the balance sheet total of the R. STAHL Group amounted to EUR 286.3 million (31 December 2014: EUR 273.9 million).

In the first three quarters of 2015, our non-current assets rose by 4.5% to EUR 130.1 million (31 December 2014: EUR 124.6 million). Property, plant & equipment – which includes machines, equipment and fittings at our manufacturing facilities – rose by 11.4% to EUR 64.5 million (31 December 2014: EUR 58.0 million). The major share of this investment relates to the new production and development centre in Cologne, where assets under construction rose by EUR 6.4 million.

Current assets increased by 4.6% to EUR 156.2 million (31 December 2014: EUR 149.3 million). We raised our stock of raw, auxiliary and working materials by EUR 3.2 million. There was also an overall increase of EUR 4.9 million in unfinished and finished goods. Due to the low oil price and the resulting caution displayed by oil producers with regard to investment, some customers have requested delayed delivery of our products and systems. Compared to year-end 2014, trade receivables increased by EUR 2.3 million. Our subsidiary in Dubai recorded a strong increase in this figure, as we made partial deliveries for the large Zakum project in Abu Dhabi and generated revenue in the third quarter. However, the respective receivables are not yet due. Cash and cash equivalents rose to EUR 18.7 million (31 December 2014: EUR 15.8 million).

As of 30 September 2015, R. STAHL's equity rose to EUR 102.6 million (31 December 2014: EUR 74.9 million). This was mainly due to the sale of 644,000 treasury shares representing 10% of the company's share capital to RAG-Stiftung Beteiligungsgesellschaft in January 2015, as described in detail in the Annual Report 2014. All in all, there was a total positive effect on equity of EUR 24.0 million. The fall in the present value of pension obligations of EUR 4.6 million also served to raise equity. The underlying interest rate increased again in the third quarter and reached 2.42% on 30 September 2015 (31 December 2014: 2.0%). All in all, our equity ratio reached 35.8% (31 December 2014: 27.3%).

Our long-term debt remained generally stable at EUR 112.7 million (31 December 2014: EUR 111.4 million). Pension provisions fell to EUR 87.1 million (31 December 2014: EUR 93.7 million) as a result of the interest increase. By the end of September 2015, we had redeemed EUR 0.8 million of long-term, interest-bearing financial liabilities as scheduled and at the same time took out long-term loans of EUR 8.5 million to finance our construction project in Cologne.

As of 30 September 2015, our short-term debt amounted to EUR 71.0 million (31 December 2014: EUR 87.6 million) and was 19.0% below the prior-year figure. We used the cash flows from selling treasury shares in the first quarter to repay short-term interest-bearing financial liabilities. At the end of the third quarter, this item reached EUR 17.5 million (31 December 2014: EUR 35.6 million).

Bilateral credit agreements totalling EUR 45 million ended on 30 September 2015 and were replaced by a syndicated loan agreement with the banking partners Deutsche Bank, HSBC Trinkaus & Burkhardt, Baden-Württembergische Bank and Commerzbank. The contract comprises a cash credit line of EUR 80 million and a guarantee line of EUR 15 million. The total volume of the syndicated loan agreement is thus EUR 95 million with an expansion option of EUR 25 million. The term is five years. We have thus been able to utilize the favourable market situation to secure the Group's funding. The syndicated loan agreement strengthens the company's scope for investments and acquisitions. In addition, R. STAHL has credit lines of EUR 7 million from bilateral agreements and two deposit base loans totalling EUR 8.1 million with terms until 2017.

CASH FLOW – WORKING CAPITAL DECREASED

After the first three quarters of 2015, our cash flow amounted to EUR 12.0 million (previous year: EUR 14.2 million). The net profit for the period reached EUR 3.9 million (previous year: EUR 7.2 million) and depreciation of fixed assets rose to EUR 9.9 million (previous year: EUR 9.4 million) as a result of the current investment programme. As the use of funds for net working capital declined in the first nine months, cash flow from operating activities rose to EUR 10.8 million (previous year: EUR -7.1 million). Working capital was improved above all by the decline in other receivables.

The construction of our production and development centre in Cologne is reflected in cash flow from investing activities, which increased to EUR 16.4 million (previous year: EUR 13.5 million). We are currently in the last phase of our expansion programme. In addition, we invested in new machinery and technical equipment as well as in tools and IT systems. All in all, free cash flow improved as a result of the fall in working capital and reached EUR -5.6 million (previous year: EUR -20.6 million).

At the Annual General Meeting 2015, a dividend payment to R. STAHL AG shareholders of EUR 5.2 million was adopted (previous year: EUR 5.8 million) corresponding to a dividend of EUR 0.80 per share (previous year: EUR 1.00). The disbursement reduced our cash flow. After deducting the respective transaction costs, the sale of treasury shares to RAG-Stiftung Beteiligungsgesellschaft resulted in proceeds of EUR 24.0 million in the first quarter. We used these funds to repay short-term interest-bearing financial liabilities, which were reduced by EUR 18.1 million in the reporting period. Between January and September 2015, we recorded a net increase in long-term interest-bearing financial liabilities of EUR 7.8 million. As a result, cash flow from financing activities amounted to EUR 8.5 million (previous year: EUR 10.0 million).

As of 30 September 2015, financial funds rose to EUR 18.7 million (31 December 2014: EUR 15.8 million).

CAPITAL EXPENDITURE

In the first nine months of 2015, the R. STAHL Group invested EUR 16.8 million (previous year: EUR 13.6 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. Our subsidiaries R. STAHL HMI Systems GmbH and R. STAHL Camera Systems GmbH, as well as our Cologne sales office, will move into the new premises in November. In addition, we continued to invest steadily in machines and equipment for our manufacturing facilities as well as in tools, IT and maintenance.

MODULAR POWER DISTRIBUTION DEVICES INTRODUCED

Over the past few months, we have laid the foundation for the modularization of specific product fields and will be producing modular explosion-protected energy distribution devices as of the fourth quarter of 2015. As this makes it possible to precisely configure, request and offer distribution units more quickly, the selection and planning processes for our customers can be accelerated and time-to-delivery shortened.

Based on our many years of experience, we have also predefined frequently required components: these immediately available elements can be combined in numerous ways to directly cover a large range of customer-specific requirements – with our usual high standard of quality: for example, our climate-resistant distribution enclosures can withstand extreme ambient temperatures of -60 °C to +135 °C.

MAJOR ORDER RECEIVED FOR HELIDECK LIGHTING

As part of the new product initiative, R. STAHL's Norwegian subsidiary Tranberg AS has rolled out its innovative Circle & H Helideck Lighting Solution. Triggered by the publication of a revised standard for lighting on offshore helicopter landing pads, we collaborated with our development partners on the implementation of the new regulations. Impressed by the quality of the system, one of the UK's leading oil and gas companies has placed an initial order with R. STAHL for ten helideck lighting systems with an option for a further ten units. The fast and easy installation of the entire helideck lighting material represents a major competitive advantage, as do the low maintenance and inspection costs. The helideck operators affected by the new standard have until 2018 to implement the current regulations – in the UK sector of the North Sea, this would be around 300 permanently installed platforms. We see tremendous potential for retrofitting in this field over the next three years.

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 74 et seq. of the Annual Report 2014 continue to apply.

OUTLOOK: EFFICIENT FUTURE AHEAD

We expect oil prices to move sideways in the current and forthcoming fiscal year and are focusing on leading the company profitably into the future. We have therefore defined various measures to increase market penetration on the one hand and raise profitability on the other.

In terms of market activities, our strategy is based on three pillars: firstly, we are strengthening our focus on the chemical and pharmaceutical sector with targeted sales activities aimed at reducing our dependency on the oil and gas industry. With new products – especially in the field of energy distribution – we can offer innovative solutions for clients in both these industries. We are also generating additional business in the specialist ship sector, for example with our holistic lighting solution for offshore helicopter landing pads. However, the energy sector will remain an important client sector for R. STAHL and is therefore the second pillar of our market penetration strategy. We are using the crisis to advise customers in this sector on new technologies and to demonstrate the long-term cost-saving potential of our system solutions, above all in automation technology. This will strengthen our positioning with customers and give us the opportunity to receive additional orders. Thirdly, we are harnessing growth in

Asia: we have strongly expanded our business here over the past few years and see further great potential in this market. We are therefore driving our local sales activities and expanding our installed base in the region.

From a cost perspective, we aim to raise profitability with various packages of measures: firstly, we will shed 225 jobs around the world. This will affect around 120 positions at German facilities, of which almost half are temporary staff. We aim to make these redundancies as socially compatible as possible and complete the process by the end of the year. Our Russian subsidiary will not be affected as it was already restructured last year in the light of the Russia crisis. Headcount at our Asian companies will also be largely unchanged, as demand is growing there and we continue to see great potential in this region. Secondly, we shall continue the programmes already initiated in order to reduce material and production costs. We will vacate the space previously rented in Neu-Kupfer, for example, by year-end and pool activities at our Waldenburg site thus reducing our rental expense for Neu-Kupfer as of 2016. Thirdly, we are streamlining our product portfolio and discontinuing those lines which are less frequently requested, thus creating capacity for attractive new solutions. We expect this optimization programme to impact earnings as of 2017.

This package of measures is expected to reduce costs by around EUR 20 million in the fiscal year 2016. In 2015, however, there will be one-off implementation expenses of around EUR 8 million.

For the fiscal year 2015, we anticipate a forecast range for order intake and revenue of EUR 300 million to EUR 310 million and expect EBIT of EUR 2 million to EUR 5 million. This figure already includes the one-off burden of around EUR 8 million for the cost adjustment programme.

The restructuring measures will significantly improve our cost basis and we expect savings of around EUR 20 million. With a lower sales volume of EUR 280 million to EUR 290 million, we therefore expect improved earnings in fiscal year 2016 with a marked increase in the EBIT margin to between 5% and 7%. Following the implementation of our optimization programmes, we will also be well prepared for the subsequent years and anticipate profitable growth.

November 2015

The Executive Board

CONSOLIDATED INCOME STATEMENT

for the period 1 January to 30 September 2015

EUR 000	7–9/2015	7–9/2014	1–9/2015	1–9/2014
Sales revenue	73,684	80,608	237,726	227,105
Change in finished and unfinished products	1,282	2,299	4,119	6,886
Other own work capitalized	891	921	2,822	2,951
Total operating performance	75,857	83,828	244,667	236,942
Other operating income	782	2,295	7,327	6,301
Cost of materials	- 26,431	- 30,094	- 83,429	- 83,047
Personnel costs	- 30,546	- 30,451	- 98,787	- 91,607
Depreciation and amortization	- 3,199	- 3,208	- 9,868	- 9,407
Other operating expenses	- 14,936	- 14,906	- 51,545	- 46,151
Earnings before financial result and income taxes	1,527	7,464	8,365	13,031
Financial result	- 702	- 900	- 2,108	- 2,611
Earnings before income taxes	825	6,564	6,257	10,420
Income taxes	- 498	- 1,833	- 2,315	- 3,225
Net profit for the period	327	4,731	3,942	7,195
Non-controlling interests	13	0	22	- 3
Profit share of R. STAHL	314	4,731	3,920	7,198
Earnings per share (EUR)	0.05	0.81	0.61	1.23

STATEMENT OF COMPREHENSIVE INCOME

for the period 1 January to 30 September 2015

EUR 000	1–9/2015	1–9/2014
Profit for the period	3,942	7,195
Gains/losses from currency translations of foreign subsidiaries, recognized in equity	87	2,864
Deferred taxes on gains/losses from currency translations	0	0
Currency translation differences after taxes	87	2,864
Gains/losses from the subsequent measurement of cash flow hedges, recognized in equity	- 970	- 88
Recognized in profit or loss	1,339	- 72
Deferred taxes on cash flow hedges	- 103	53
Cash flow hedges after taxes	266	- 107
Other comprehensive income with reclassifications to profit for the period	353	2,757
Gains/losses from the subsequent measurement of pension obligations, recognized in equity	6,474	- 17,061
Deferred taxes from pension obligations	- 1,897	4,970
Other comprehensive income without reclassifications to profit for the period	4,577	- 12,091
Other comprehensive income (valuation differences recognized directly in equity)	4,930	- 9,334
of which attributable to non-controlling interests	- 3	- 18
of which attributable to R. STAHL	4,933	- 9,316
Total comprehensive income after taxes	8,872	- 2,139
Total comprehensive income attributable to non-controlling interests	19	- 21
Total comprehensive income attributable to R. STAHL	8,853	- 2,118

TAX EFFECTS ON INCOME AND EXPENSE RECOGNIZED DIRECTLY IN EQUITY

for the period 1 January to 30 September 2015

EUR 000	1-9/2015			1-9/2014		
	Before taxes	Tax effects	After taxes	Before taxes	Tax effects	After taxes
Currency translation differences	87	0	87	2,864	0	2,864
Cash flow hedges	369	- 103	266	- 160	53	- 107
Pension obligations	6,474	- 1,897	4,577	- 17,061	4,970	- 12,091
Income and expense recognized directly in equity	6,930	- 2,000	4,930	- 14,357	5,023	- 9,334

CONSOLIDATED BALANCE SHEET

as at 30 September 2015

EUR 000	30/09/2015	31/12/2014
ASSETS		
Non-current assets		
Intangible assets	40,202	40,133
Property, plant & equipment	64,534	57,956
Other financial assets	125	128
Other assets	1,115	1,053
Real estate held as a financial investment	8,024	8,239
Deferred taxes	16,100	17,044
	130,100	124,553
Current assets		
Inventories and prepayments made	64,706	56,437
Receivables and other assets	61,668	59,388
Other receivables and other assets	11,126	17,691
Cash and cash equivalents	18,670	15,820
	156,170	149,336
Total assets	286,270	273,889

EUR 000	30/09/2015	31/12/2014
EQUITY AND LIABILITIES		
Equity	102,609	74,880
Non-current liabilities		
Pension provisions	87,126	93,668
Other provisions	1,676	1,670
Interest-bearing financial liabilities	20,615	12,865
Other liabilities	499	629
Deferred taxes	2,753	2,567
	112,669	111,399
Current liabilities		
Provisions	6,308	6,087
Trade payables	14,633	17,926
Interest-bearing financial liabilities	17,459	35,616
Deferred liabilities	17,752	14,238
Other liabilities	14,840	13,743
	70,992	87,610
Total equity and liabilities	286,270	273,889

CONSOLIDATED CASH FLOW STATEMENT

for the period 1 January to 30 September 2015

EUR 000	1-9/2015	1-9/2014
I. Operating activities		
1. Net profit for the period	3,942	7,195
2. Depreciation, amortization and impairment of non-current assets	9,868	9,407
3. Changes in long-term provisions	2	- 61
4. Changes in deferred taxes	- 822	- 1,421
5. Other income and expenses without cash flow impact	- 1,058	- 981
6. Income/expense from the disposal of non-current assets	30	32
7. Cash flow	11,962	14,171
8. Changes in inventories, trade receivables and other non-capex or non-financial assets	- 3,037	- 25,321
9. Changes in short-term provisions, trade payables and other non-capex or non-financial liabilities	1,904	4,075
10. Changes in net current assets	- 1,133	- 21,246
11. Cash flow from ongoing operating activities	10,829	- 7,075
II. Investing activities		
12. Cash outflow for capex on non-current assets	- 16,835	- 13,570
13. Cash inflow from disposals of non-current assets	436	85
14. Increase (+)/decrease (-) of current financial assets	0	- 61
15. Cash flow from investing activities	- 16,399	- 13,546
16. Free cash flow	- 5,570	- 20,621

EUR 000	1–9/2015	1–9/2014
III. Financing activities		
17. Distribution to shareholders (dividend)	- 5,152	- 5,796
18. Distribution to/contribution from minority shareholders	- 35	- 32
19. Cash outflow for the purchase of treasury shares	0	- 5,613
20. Cash inflow from the sale of treasury shares	24,045	0
21. Increase (+)/decrease (-) in current interest-bearing financial debt	- 18,120	22,236
22. Cash inflow from non-current interest-bearing financial debt	8,500	0
23. Cash outflow for repayment of non-current interest-bearing financial debt	- 750	- 750
24. Cash flow from financing activities	8,488	10,045
IV. Cash and cash equivalents		
25. Changes in cash and cash equivalents	2,918	- 10,576
26. Foreign exchange and valuation-related changes in cash and cash equivalents	- 68	692
27. Cash and cash equivalents at the beginning of the period	15,820	24,966
28. Cash and cash equivalents at the end of the period	18,670	15,082
Composition of cash and cash equivalents		
Cash and cash equivalents	18,670	15,082

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period 1 January to 30 September 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			7,198
Accumulated other comprehensive income			0
Total comprehensive income			7,198
Dividend distribution			- 5,796
Purchase/sale treasury shares		0	0
Balance on 30 September 2014	16,500	522	97,079
Balance on 1 January 2015	16,500	494	99,659
Profit for the period			3,920
Accumulated other comprehensive income			0
Total comprehensive income			3,920
Dividend distribution			- 5,152
Purchase/sale treasury shares		12,835	0
Balance on 30 September 2015	16,500	13,329	98,427

**Shareholders'
equity**

Accumulated other comprehensive income			
Currency translation	Unrealized gains/losses from cash flow hedges	Unrealized Gains/losses from pensions	Total accumulated other comprehensive income
- 3,389	- 140	- 11,998	- 15,527
			0
2,882	- 107	- 12,091	- 9,316
2,882	- 107	- 12,091	- 9,316
			0
			0
- 507	- 247	- 24,089	- 24,843
- 2,177	- 335	- 28,346	- 30,858
			0
90	266	4,577	4,933
90	266	4,577	4,933
			0
			0
- 2,087	- 69	- 23,769	- 25,925

	Non-controlling interests		Consolidated equity	
	Deduction for treasury shares	Total	Total	
	- 5,596	91,576	346	91,922
		7,198	- 3	7,195
		- 9,316	- 18	- 9,334
		- 2,118	- 21	- 2,139
		- 5,796	- 32	- 5,828
	- 5,613	- 5,613		- 5,613
	- 11,209	78,049	293	78,342
	- 11,209	74,586	294	74,880
		3,920	22	3,942
		4,933	- 3	4,930
		8,853	19	8,872
		- 5,152	- 35	- 5,187
	11,209	24,044		24,044
	0	102,331	278	102,609

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 steps:

- Valuation on the basis of exchange price or market price for identical assets or liabilities (step 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 (step 2)

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

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

The positive fair values of the derivative financial instruments on the balance sheet date amounted to EUR 451 thousand (31 December 2014: EUR 218 thousand). We recognized negative fair values of EUR -600 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 shares. Our diluted earnings per share are the same as our earnings per share.

6 Disclosure of dividend payment

Following the Annual General Meeting in May 2015, R. STAHL AG paid a dividend of EUR 0.80 per share to its shareholders. A total of EUR 5,152 thousand was distributed.

7 Treasury stock disclosure

On 30 September 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 1,946 persons (excluding apprentices) as of the reporting date on 30 September 2015 (previous year: 1,939 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

R. STAHL did not undertake any 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, 5 November 2015

R. Stahl Aktiengesellschaft

Martin Schomaker
Chief Executive Officer

Bernd Marx
Chief Financial Officer

KEY FIGURES

EUR 000	1-9/2015	1-9/2014	%
Sales revenue	237,726	227,105	4.7
Germany	48,852	49,974	- 2.2
Central (without Germany)	95,075	99,769	- 4.7
Americas	39,204	36,038	8.8
Asia/Pacific	54,595	41,294	32.2
Foreign share (%)	79.5	78.0	
Order intake	243,000	252,751	- 3.9
Order backlog	97,079	88,630	9.5
EBITDA	18,233	22,438	- 18.7
EBIT	8,365	13,031	- 35.8
EBT	6,257	10,420	- 40.0
Net profit for the period	3,942	7,195	- 45.2
Earnings per share (EUR) (total)	0.61	1.23	- 50.4
Capex on tangible and intangible assets	16,835	13,570	24.1
Depreciation and amortization on tangible and intangible assets	9,868	9,407	4.9
EBITDA margin (% of sales)	7.7	9.9	
EBIT margin (% of sales)	3.5	5.7	
EBT margin (% of sales)	2.6	4.6	
Employees as of 30 September (without apprentices)	1,946	1,939	0.4

FINANCIAL CALENDAR 2016

Annual Report 2015 **22 April 2016**

First quarter financial report 2016 **10 May 2016**

Annual Shareholder's Meeting **3 June 2016**

Second quarter financial report 2016 **11 August 2016**

Third quarter financial report 2016 **10 November 2016**

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