INTERIM REPORT
1ST QUARTER 2017

Q1

A TRADITION OF INNOVATION

STAHL

INTERIM REPORT

of R. Stahl Aktiengesellschaft for the period January 1 to March 31, 2017

CONTENTS

Rounding differences and rates of change

Percentages and figures in this report may include rounding differences. The signs used to indicate rates of change are based on economic aspects: Improvements are indicated by a "+" sign, deteriorations by a "–" sign. Rates of change >+100% are shown as >+100%, rates of change <-100% as "n/a" (not applicable).

GROUP MANAGEMENT REPORT

NOTICEABLE GROWTH IN ORDER INTAKE DURING FIRST QUARTER OF 2017 – SALES AND EARNINGS STILL WEAK AS EXPECTED

R. STAHL started fiscal year 2017 with a greatly improved order position. Whereas low oil prices brought about a strong downward trend in order intake during the last two quarters of 2016, there was a noticeable upturn in the first quarter of 2017. The OPEC agreement to limit production volumes in late November 2016 helped establish oil prices firmly above USD 50 per barrel for the first time since August 2015. At this price level, comparatively complex oil production processes – such as those needed to extract oil from rock strata (fracking) – become increasingly profitable again. The pick-up in demand for R. STAHL products was noticeable in both its small-scale and project business.

In addition to steadily growing demand from the oil and gas sector, increased order intake was also attributable to the ongoing pursuit of the company's strategic objectives. Both the realignment of R. STAHL's automation business in early 2017 and the consistent expansion of its LED lighting portfolio had a clear impact on demand.

The growth in order intake during the first quarter of 2017 was tempered by a relatively weak sales trend. As expected, the low order backlog at the end of the previous quarter played a particularly strong role. This also had a correspondingly negative impact on earnings.

DOUBLE-DIGIT GROWTH IN ORDER INTAKE IN THREE OUT OF FOUR REGIONS

At EUR 75.8 million, order intake was up 7.0% on the same quarter last year (Q1 2016: EUR 70.8 million). Growth over the preceding quarter was even stronger at 12.4% (Q4 2016: EUR 67.4 million). Following a weak conclusion to 2016, the propensity for investment in the oil and gas sector is beginning to slowly improve. Three out of four regions posted double-digit growth. Demand for LED luminaires, control gear and systems solutions with flameproof enclosures made particularly strong progress.

In Germany, orders worth EUR 18.5 million were up 13.6% on the prior-year quarter (Q1 2016: EUR 16.3 million).

Only the Central region – comprising Africa and Europe without Germany – suffered a decline in order intake of 8.3% to EUR 29.4 million when compared with the prior-year quarter (Q1 2016: EUR 32.1 million). In the previous year, a major project had made a significant contribution to order intake in this region. As this project has since been completed, the order intake trend in the reporting period was correspondingly negative.

With growth of 41.2% to EUR 12.8 million, the Americas achieved the strongest regional increase in order intake compared to the prior-year quarter (Q1 2016: EUR 9.0 million). This was mainly due to orders for LED luminaires for a new refinery in Kazakhstan received by R. STAHL subsidiaries in the Americas and Asia. There was also a corresponding rise in order intake of 12.5% to EUR 15.1 million in the Asia/Pacific region (Q1 2016: EUR 13.4 million).

Due to the good performance of order intake, the order backlog position also improved strongly over the previous quarter to EUR 91.3 million (Q4 2016: EUR 80.7 million). As a result, it has now almost reached the prior-year level (Q1 2016: EUR 91.8 million).

SALES STILL LAGGING BEHIND ORDER INTAKE

The development of sales failed to match growth in order intake during the reporting quarter. The weak order position at the end of 2016 – order backlog was the lowest at the end of a quarter since 2014 – led to a decline in sales to EUR 65.5 million. This represents a decrease of 8.7% compared to the prior-year quarter (Q1 2016: EUR 71.7 million). Falling sales were recorded in all four regions. In addition to the low order backlog, this decline was due to project postponements.

In Germany, the year-on-year decrease was relatively moderate at 4.5% to EUR 15.2 million (Q1 2016: EUR 15.9 million). The proportion of customers in the oil and gas sector is comparatively low in this country.

There was also a below-average fall in sales of 6.4% to EUR 29.8 million in the Central region compared to the same period last year (Q1 2016: 31.8 million).

The fall in sales in the Americas and Asia/Pacific regions was more pronounced though, as both suffered double-digit declines. With a decrease of 12.2% to EUR 7.4 million (Q1 2016: EUR 8.4 million), the Americas fared slightly better than the Asia/Pacific region, which posted a year-on-year decline of 15.9% to EUR 13.1 million (Q1 2016: EUR 15.6 million).

EBIT AFFECTED BY WEAK SALES AND EXCEPTIONALS

The lower sales level in the reporting period had a direct impact on profitability.

The 8.7% fall in sales was only partially offset by a slight improvement in material expenses, which decreased by 1.4% to EUR 24.9 million (Q1 2016: EUR 25.2 million). A less favourable product mix compared to last year and price pressure both had a noticeable impact on sales, while price hikes at the beginning of the reporting period had not yet taken full effect. Despite impairment charges of EUR 0.4 million, inventories of finished and unfinished goods increased to EUR 2.3 million (Q1 2016: EUR 1.5 million) and reflect the rise in order intake. There was an increase in other operating income of 7.8% to EUR 2.4 million (Q1 2016: EUR 2.2 million) which resulted mainly from exceptionals of EUR 0.5 million as a consequence of payments received for impaired receivables. Other operating expenses rose by 4.4% to EUR 14.5 million (Q1 2016: EUR 13.9 million), partly as a result of exceptionals of EUR 1.0 million in connection with the impairment of receivables. When measuring receivables, R. STAHL primarily takes account of how long they have been overdue. This ensures that overdue receivables are detected at an early stage by the Group's management systems and that firm countermeasures can be implemented. As a result, the effects from measuring receivables in consecutive periods can have a varying degree of influence on earnings. These effects are therefore disclosed as exceptionals. Recognizing that a receivable is overdue is not yet an indication of impairment based on the debtor's ability to pay.

There was also an increase in personnel expenses, which rose by 6.5% to EUR 32.9 million (Q1 2016: EUR 30.9 million). These were affected above all by sector-typical cost increases and exceptionals of EUR 0.8 million in connection with restructuring charges. In total, the decline in sales revenue and exceptionals reduced earnings before interest and taxes (EBIT) to EUR -4.0 million (Q1 2016: EUR 3.3 million). EBIT pre exceptionals was thus EUR -2.3 million. In the first quarter of 2016, exceptionals of EUR 0.1 million from the revaluation of receivables led to EBIT pre exceptionals of EUR 3.2 million.

The following table presents an overview of exceptionals in the reporting period as well as a reconciliation of EBIT with EBIT pre exceptionals:

EUR MILLION	Q1 2017	Included in income statement under
EBIT	**- 4.0**	
Exceptionals	**- 1.7**	
Impairment of inventories	- 0.4	Change in finished and unfinished products
Payments received for impaired receivables	0.5	Other operating income
Impairment of receivables	- 1.0	Other operating expenses
Restructuring charges	- 0.8	Personnel expenses
EBIT pre exceptionals	**- 2.3**	

The financial result improved by 40.6% to EUR -0.4 million (Q1 2016: EUR -0.7 million). In addition to earnings of EUR 0.2 million from the investments in ZAVOD Goreltex and ESACO Pty. Ltd., this was mainly due to a decline in interest expenses. Consequently, pre-tax earnings (EBT) amounted to EUR -4.4 million (Q1 2016: EUR 2.6 million), resulting in net profit for the period of EUR -3.0 million (Q1 2016: EUR 1.8 million) with earnings per share of EUR -0.47 (Q1 2016: EUR 0.28).

BALANCE SHEET REMAINS SOUND

As of 31 March 2017, the R. STAHL Group had total assets of EUR 281.4 million (31.12.2016: EUR 278.6 million).

Non-current assets of EUR 140.4 million at the end of the first quarter were virtually unchanged from the end of the previous year (31.12.2016: EUR 139.6 million). Current assets rose slightly to EUR 140.9 million (31.12.2016: EUR 139.0 million). An increase in inventories as well as cash and cash equivalents was partially offset by a decline in trade receivables.

Mainly due to the negative result for the reporting period, equity capital fell to EUR 93.5 million (31.12.2016: EUR 94.8 million), resulting in a slight decrease in the equity ratio to 33.2% (31.12.2016: 34.0%).

Non-current liabilities declined to EUR 110.4 million (31.12.2016: EUR 112.9 million), mainly as a result of the renewed increase in the interest rate used to measure pension provisions.

By contrast, current liabilities rose to EUR 77.5 million (31.12.2016: EUR 71.0 million), driven in particular by increased financial liabilities.

FREE CASH FLOW SIGNIFICANTLY IMPROVED

As a result of the decline in net profit, cash flow in the reporting period fell to EUR -1.4 million (Q1 2016: EUR 4.8 million). Whereas net current assets in the prior-year quarter increased slightly (Q1 2016: EUR 2.2 million), there was a strong decrease of EUR 6.1 million in the reporting period – mainly due to higher payments received from receivables and prepayments. As a result, cash flow from operating activities rose to EUR 4.7 million in the reporting period (Q1 2016: EUR 2.6 million). Due mainly to a further purchase price payment made in the first quarter of 2017 for the investment in ZAVOD Goreltex, cash flow from investing activities rose to EUR 3.4 million (Q1 2016: EUR 2.5 million). Nevertheless, free cash flow of EUR 1.4 million was much higher than in the prior-year quarter (Q1 2016: EUR 0.0 million).

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 60 et seq. of the Annual Report 2016 continue to apply.

GUIDANCE UNCHANGED

Our business performance in the first three months of the new year confirms that an exact forecast for the current fiscal year of R. STAHL is still fraught with major uncertainties due to the persistently tense situation in the oil and gas sector. Although there has been a noticeable improvement in order intake and backlog, visibility remains low. Moreover, revenue recognition continues to lag behind order intake. This means that sales and EBIT in 2017 will only reflect improved order intake with a certain time delay. Against this backdrop, R. STAHL can provide the following more precise guidance:

For the fiscal year 2017, the Executive Board expects order intake in the region of EUR 295 million to EUR 305 million (2016: EUR 283 million) and sales of between EUR 285 million and EUR 295 million (2016: EUR 287 million). Depending on revenue recognition and the sales mix, the Executive Board expects EBIT pre exceptionals of between EUR 3.5 million and EUR 7.5 million.

May 2017

The Executive Board

CONSOLIDATED INCOME STATEMENT

EUR 000	Q1 2017	Q1 2016	Change in %
Sales revenue	65,487	71,745	*- 8.7*
Change in finished and unfinished products	2,317	1,521	*+ 52.3*
Other own work capitalized	1,071	1,020	*+ 5.0*
Total operating performance	**68,875**	**74,286**	***- 7.3***
Other operating income	2,354	2,183	*+ 7.8*
Cost of materials	- 24,850	- 25,211	*- 1.4*
Personnel costs	- 32,902	- 30,881	*+ 6.5*
Depreciation and amortization	- 2,946	- 3,184	*- 7.5*
Other operating expenses	- 14,517	- 13,905	*+ 4.4*
Earnings before financial result and income taxes	**- 3,986**	**3,288**	***n/a***
Result from companies consolidated using the equity method	212	0	*n/a*
Other financial result	- 650	- 737	*+ 11.8*
Earnings before income taxes	**- 4,424**	**2,551**	***n/a***
Income taxes	1,408	- 747	*n/a*
Net profit for the period	**- 3,016**	**1,804**	***n/a***
Non-controlling interests	- 3	5	*n/a*
Profit share of R. STAHL	- 3,013	1,799	*n/a*
Earnings per share (EUR)	**- 0.47**	**0.28**	***n/a***

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR 000	Q1 2017	Q1 2016	Change in %
Profit for the period	**- 3,016**	**1,804**	***n/a***
Gains/losses from currency translations of foreign subsidiaries, recognized in equity	464	- 579	*n/a*
Deferred taxes on gains/losses from currency translations	0	0	*n/a*
Currency translation differences after taxes	**464**	**- 579**	***n/a***
Gains/losses from the subsequent measurement of cash flow hedges, recognized in equity	- 81	- 67	*- 20.9*
Recognized in profit or loss	34	- 46	*n/a*
Deferred taxes on cash flow hedges	14	34	*- 58.8*
Cash flow hedges after taxes	**- 33**	**- 79**	***+ 58.2***
Other comprehensive income with reclassifications to profit for the period	**431**	**- 658**	***n/a***
Gains/losses from the subsequent measurement of pension obligations, recognized in equity	1,858	- 6,113	*n/a*
Deferred taxes from pension obligations	- 548	1,775	*n/a*
Other comprehensive income without reclassification to profit for the period	**1,310**	**- 4,338**	***n/a***
Other comprehensive income (valuation differences recognized directly in equity)	**1,741**	**- 4,996**	***n/a***
of which attributable to non-controlling interests	16	14	*+ 14.3*
of which attributable to R. STAHL	1,725	- 5,010	*n/a*
Total comprehensive income after taxes	**- 1,275**	**- 3,192**	***+ 60.1***
Total comprehensive income attributable to non-controlling interests	**13**	**19**	***- 31.6***
Total comprehensive income attributable to R. STAHL	**- 1,288**	**- 3,211**	***+ 59.9***

TAX EFFECTS ON INCOME AND EXPENSE RECOGNIZED DIRECTLY IN EQUITY

EUR 000	Q1 2017			Q1 2016		
	Before taxes	Tax effects	After taxes	Before taxes	Tax effects	After taxes
Currency translation differences	464	0	464	- 579	0	- 579
Cash flow hedges	- 47	14	- 33	- 113	34	- 79
Pension obligations	1,858	- 548	1,310	- 6,113	1,775	- 4,338
Income and expense recognized directly in equity	**2,275**	**- 534**	**1,741**	**- 6,805**	**1,809**	**- 4,996**

CONSOLIDATED BALANCE SHEET

EUR 000	31/03/2017	31/12/2016	Change in EUR	Change in %
ASSETS				
Non-current assets				
Intangible assets	40,965	40,397	*+ 568*	*+ 1.4*
Property, plant & equipment	61,278	62,371	*- 1,093*	*- 1.8*
Investments in associated companies	7,310	7,097	*+ 213*	*+ 3.0*
Other financial assets	109	110	*- 1*	*- 0.9*
Other assets	1,173	1,293	*- 120*	*- 9.3*
Real estate held as a financial investment	7,594	7,666	*- 72*	*- 0.9*
Deferred taxes	21,995	20,714	*+ 1,281*	*+ 6.2*
	140,424	**139,648**	***+ 776***	***+ 0.6***
Current assets				
Inventories and prepayments made	53,700	50,883	*+ 2,817*	*+ 5.5*
Trade receivables	56,788	60,190	*- 3,402*	*- 5.7*
Income tax claims	3,256	3,084	*+ 172*	*+ 5.6*
Other receivables and other assets	7,949	8,642	*- 693*	*- 8.0*
Cash and cash equivalents	19,244	16,168	*+ 3,076*	*+ 19.0*
	140,937	**138,967**	***+ 1,970***	***+ 1.4***
Total assets	**281,361**	**278,615**	***+ 2,746***	***+ 1.0***

EUR 000	31/03/2017	31/12/2016	Change in EUR	Change in %
EQUITY AND LIABILITIES				
Equity	**93,490**	**94,765**	***- 1,275***	***- 1.4***
Non-current liabilities				
Pension provisions	94,824	96,683	*- 1,859*	*- 1.9*
Other provisions	1,918	1,926	*- 8*	*- 0.4*
Interest-bearing financial liabilities	9,715	10,370	*- 655*	*- 6.3*
Other non-current liabilities	373	454	*- 81*	*- 17.8*
Deferred taxes	3,552	3,463	*+ 89*	*+ 2.6*
	110,382	**112,896**	***- 2,514***	***- 2.2***
Current liabilities				
Provisions	6,346	6,298	*+ 48*	*+ 0.8*
Trade payables	14,328	13,403	*+ 925*	*+ 6.9*
Interest-bearing financial liabilities	29,944	27,616	*+ 2,328*	*+ 8.4*
Deferred liabilities	15,748	11,609	*+ 4,139*	*+ 35.7*
Income tax liabilities	887	1,159	*- 272*	*- 23.5*
Other liabilities	10,236	10,869	*- 633*	*- 5.8*
	77,489	**70,954**	***+ 6,535***	***+ 9.2***
Total equity and liabilities	**281,361**	**278,615**	***+ 2,746***	***+ 1.0***

CONSOLIDATED CASH FLOW STATEMENT

EUR 000	Q1 2017	Q1 2016	Change in EUR	Change in %
I. Operating activities				
1. Net profit for the period	- 3,016	1,804	*- 4,820*	*n/a*
2. Depreciation, amortization and impairment of non-current assets	2,946	3,184	*- 238*	*- 7.5*
3. Changes in long-term provisions	- 12	5	*- 17*	*n/a*
4. Changes in deferred taxes	- 1,721	227	*- 1,948*	*n/a*
5. Equity valuation	- 212	0	*- 212*	*n/a*
6. Other income and expenses without cash flow impact	613	- 411	*+ 1,024*	*n/a*
7. Result from the disposal of non-current assets	0	- 56	*+ 56*	*n/a*
8. Cash flow	**- 1,402**	**4,753**	***- 6,155***	***n/a***
9. Changes in inventories, trade receivables and other non-capex or non-financial assets	612	- 4,775	*+ 5,387*	*n/a*
10. Changes in short-term provisions, trade payables and other non-capex or non-financial liabilities	5,519	2,573	*+ 2,946*	*>+ 100*
11. Changes in net current assets	**6,131**	**- 2,202**	***+ 8,333***	***n/a***
12. Cash flow from operating activities	**4,729**	**2,551**	***+ 2,178***	***+ 85.4***
II. Investing activities				
13. Cash outflow for capex on non-current assets	- 2,167	- 2,913	*+ 746*	*+ 25.6*
14. Cash inflow from disposals of non-current assets	15	385	*- 370*	*- 96.1*
15. Increase (-)/decrease (+) of current financial assets	0	0	*0*	*n/a*
16. Payments for the purchase of associated companies	- 1,208	0	*- 1,208*	*n/a*
17. Payments for the purchase of consolidated companies less acquired cash	0	0	*0*	*n/a*
18. Cash flow from investing activities	**- 3,360**	**- 2,528**	***- 832***	***- 32.9***
19. Free cash flow	**1,369**	**23**	***+ 1,346***	***>+ 100***

EUR 000	Q1 2017	Q1 2016	Change in EUR	Change in %
III. Financing activities				
20. Distribution to shareholders (dividend)	0	0	*0*	*0*
21. Distribution to/contribution from minority shareholders	0	0	*0*	*0*
22. Cash inflow/outflow from the sale/ for the purchase of treasury shares	0	0	*0*	*0*
23. Increase (+)/decrease (-) in current interest-bearing financial debt	2,294	13	*+ 2,281*	*>+ 100*
24. Cash inflow from non-current interest-bearing financial debt	0	0	*0*	*0*
25. Cash outflow for repayment of non-current interest-bearing financial debt	- 655	- 225	*- 430*	*n/a*
26. Cash flow from financing activities	**1,639**	**- 212**	***+ 1,851***	***n/a***
IV. Cash and cash equivalents				
27. Changes in cash and cash equivalents	3,008	- 189	*+ 3,197*	*n/a*
28. Foreign exchange and valuation-related changes in cash and cash equivalents	68	- 111	*+ 179*	*n/a*
29. Cash and cash equivalents at the beginning of the period	16,168	18,343	*- 2,175*	*- 11.9*
30. Cash and cash equivalents at the end of the period	**19,244**	**18,043**	***+ 1,201***	***+ 6.7***
Composition of cash and cash equivalents				
Cash and cash equivalents	**19,244**	**18,043**	***+ 1,201***	***+ 6.7***

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

			Shareholders' equity
	Subscribed capital	Capital reserves	Revenue reserves
EUR 000			
01/01/2016	**16,500**	**13,457**	**94,394**
Profit for the period			1,799
Accumulated other comprehensive income			
Total comprehensive income			**1,799**
Dividend distribution			
Consolidation changes			
Other changes			
31/03/2016	**16,500**	**13,457**	**96,193**
01/01/2017	**16,500**	**13,457**	**94,449**
Profit for the period			- 3,013
Accumulated other comprehensive income			
Total comprehensive income			**- 3,013**
Dividend distribution			
Change in non-controlling interests			
Consolidation changes			
Other changes			
31/03/2017	**16,500**	**13,457**	**91,436**

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
- 1,404	**- 9**	**- 22,206**	**- 23,619**
- 593	- 79	- 4,338	- 5,010
- 593	**- 79**	**- 4,338**	**- 5,010**
- 1,997	**- 88**	**- 26,544**	**- 28,629**
- 338	**- 33**	**- 29,504**	**- 29,875**
448	- 33	1,310	1,725
448	**- 33**	**1,310**	**1,725**
110	**- 66**	**- 28,194**	**- 28,150**

Shareholders' equity		Non-controlling interests	**Consolidated equity**
Deduction for treasury shares	Total		Total
	100,732	**283**	**101,015**
	1,799	5	1,804
	- 5,010	14	- 4,996
	- 3,211	**19**	**- 3,192**
	97,521	**302**	**97,823**
	94,531	**234**	**94,765**
	- 3,013	- 3	- 3,016
	1,725	16	1,741
	- 1,288	**13**	**- 1,275**
	93,243	**247**	**93,490**

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.

Companies in which R. STAHL AG can exert a substantial influence are consolidated as associated enterprises in the consolidated financial statements using the equity method. ZAVOD Goreltex Company Limited, Saint Petersburg, Russia, and ESACO Proprietary Ltd., Edenvale, South Africa, were included in the consolidated financial statements as associated companies using the equity method for the first time in 2016.

Compared to 31 December 2016, 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 2016. The underlying principles are published in the notes to our consolidated financial statements for 2016. The latter is available on our corporate website www.stahl.de.

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

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

- Valuation on the basis of exchange price or market price for identical assets or liabilities (Level 1)
- Valuation on the basis of exchange price or market price for similar instruments or on the basis of assessment models that are based on market observable input parameters (Level 2)
- Valuation on the basis of assessment models with significant input parameters that are not observable on the market (Level 3)

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

The positive fair values of derivative financial instruments on the balance sheet date amounted to EUR 66 thousand (31 December 2016: EUR 339 thousand). We recognized negative fair values of EUR -610 thousand (31 December 2016: EUR -840 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 proposed and paid dividend – Annual General Meetings

The Executive Board and Supervisory Board will propose a dividend of EUR 0.60 per share to the Annual General Meeting on 2 June 2017.

Following the Annual General Meeting in June 2016, R. STAHL AG paid a dividend of EUR 0.60 per share to its shareholders. A total of EUR 3,864 thousand was distributed.

The dividend payout was made in accordance with the profit distribution resolution adopted under Agenda Item 2 of the Annual General Meeting of 3 June 2016. Legal challenges against this resolution have been filed at the District Court of Stuttgart and are still pending.

Legal challenges against the resolutions adopted under Agenda Items 2 to 5 of the Annual General Meeting of 3 June 2016 are still pending. After the Annual General Meeting rejected a corresponding proposed resolution as part of a request for supplements under Agenda Item 6, there is also a pending application at the District Court of Stuttgart for the court appointment of a special auditor for various topics.

7. Number of employees

The Company employed 1,791 persons (excluding apprentices) as of the reporting date on 31 March 2017 (31 March 2016: 1,847 persons).

8. Legal liabilities and other financial obligations

There have been no material changes in our legal liabilities and other financial obligations since 31 December 2016.

9. Transactions with related persons

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

10. Significant events after the end of the reporting period

There have been no significant events since the reporting date.

Waldenburg, 8 May 2017
R. Stahl Aktiengesellschaft

Martin Schomaker
Chief Executive Officer

Bernd Marx
Chief Financial Officer

KEY FIGURES

EUR 000	Q1 2017	Q1 2016	Change in %
Sales revenue	65,487	71,745	*- 8.7*
Germany	15,212	15,936	*- 4.5*
Central*)	29,762	31,799	*- 6.4*
Americas	7,399	8,422	*- 12.2*
Asia/Pacific	13,114	15,588	*- 15.9*
Foreign share (%)	76.8	77.8	*n/a*
Order intake	75,804	70,844	*+ 7.0*
Order backlog	91,318	91,772	*- 0.5*
EBITDA	- 1,040	6,472	*n/a*
EBIT	- 3,986	3,288	*n/a*
EBIT pre exceptionals**)	- 2,308	3,188	*n/a*
EBT	- 4,424	2,551	*n/a*
Net profit for the period	- 3,016	1,804	*n/a*
Earnings per share (EUR)	- 0.47	0.28	*n/a*
Capital expenditures	2,167	2,913	*- 25.6*
Depreciation and amortization	2,946	3,184	*- 7.5*
EBITDA margin (% of sales)	*n/a*	9.0	*n/a*
EBIT margin (% of sales)	*n/a*	4.6	*n/a*
EBIT pre exceptionals as % of sales**)	*n/a*	4.6	*n/a*
EBT margin (% of sales)	*n/a*	3.6	*n/a*
Employees as of 31 March (without apprentices)	1,791	1,847	*- 3.0*

*) Central region: Africa and Europe without Germany

**) Exceptionals: non-scheduled depreciation, impairment reversals, proceeds from the sale of non-current assets, restructuring charges, costs from portfolio activities

FINANCIAL CALENDAR 2017

Annual Shareholder's Meeting in Neuenstein **2 June 2017**

Second quarter financial report 2017 **3 August 2017**

Third quarter financial report 2017 **9 November 2017**

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

CONTACT

Dr. Thomas Kornek
Head of Investor Relations &
Corporate Communications
Phone: +49 7942 943 13 95
Fax: +49 7942 943 40 13 95
investornews@stahl.de