

**Interim report as of**

**March 31, 2000.**

**Excellent start**

**into the new year.**



## Order intake and sales clearly on the rise



First quarter order intake at group level exceeded the preceding year's period by 17% with a particularly strong contribution from the domestic market. Domestic project orders, however, largely involve plants abroad.

The currently most strongly developing regions are the petroleum-rich economies of the CIS States, the Middle East, Malaysia, and the Americas. Countries at the North Sea, such as the Netherlands, Norway, and Great Britain, as expected, are still behind due to the petroleum industry's postponing of projects following the oil price slump at the beginning of last year. We do however anticipate a recovery towards the end of the second quarter of 2000.

Sales in the first three months reached DM 98.5 m (+ 4% on last year's figure of DM 95.1 m). The invoicing of project business is however not continuous but depends on the conclusion of a project, which in turn means that operating performance cannot be allocated to the actual period in which the service was rendered. For instance, we are currently rendering services that will not be invoiced until the third quarter. This phenomenon is also evident in that there was already an increase of 50% of semi-finished and finished goods in the first quarter.

## Significantly improved earnings

First quarter sales rose 4% and total operating performance more than 6% compared with the previous year. At the same time, structural changes in the Material Handling Division have had a favourable impact.

Internal accounting results improved significantly over last year, with relative improved earnings in the double digits. As customary, we will first publish earnings figures in the interim report as of June 30. However, we were not able to absolutely correctly defer costs related to international project business for external accounting purposes in the first quarter.

## Prospects: good market atmosphere

Our sales growth target is well secured by new products and own projects. Order intake in the first three months has been very promising. We expect a revival of North Sea oil business towards the end of the second quarter.

Ongoing project inquiries and negotiations augur well for further business development and achieving our goals this year.

Our I.S. 1 data transmission system for hazardous locations has now gained approval in Europe and we have managed to reduce the production process problems of this sophisticated high-tech product. US-approval is pending and the product is extremely successful in other markets.

Künzelsau, May 2000

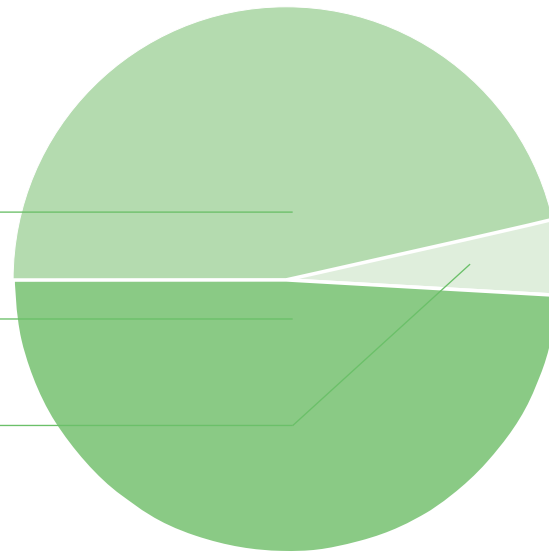
The Managing Board

**Group sales by division**

Explosion Protection 47.2 DM m

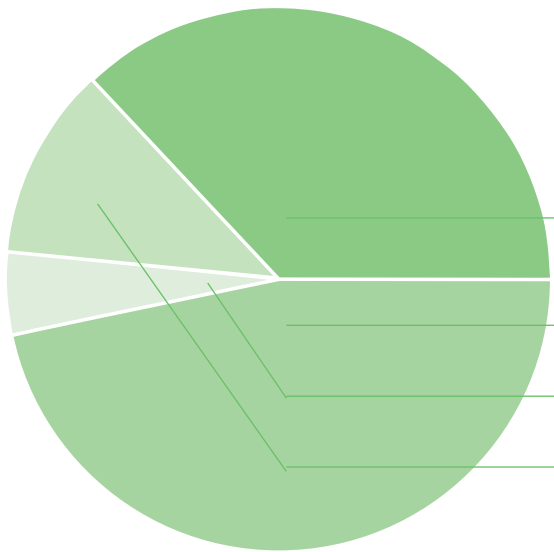
Material Handling 48.2 DM m

Information Technology + Holding 3.1 DM m



### Key figures Q1

	2000	1999
1. Group sales (in DM m)	98.5	95.1
2. Order intake (in DM m)	117.3	100.3
3. Employees (end of period, incl. apprentices)	2,108	2,161



### Group sales by region

Germany	40.8 DM m
Europe	42.2 DM m
Americas	11.1 DM m
Asia	4.4 DM m

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