



Our Jubilee Year in Numbers
Interim report
as of **September 30, 2001**



R. STAHL AG
Investor Relations
Bergstraße 2
D-74653 Künzelsau

Phone + 49 (0) 7940-17-217
Fax + 49 (0) 7940-17-166
E-mail investornews@stahl.de
www.stahl.de





Sales efforts show results

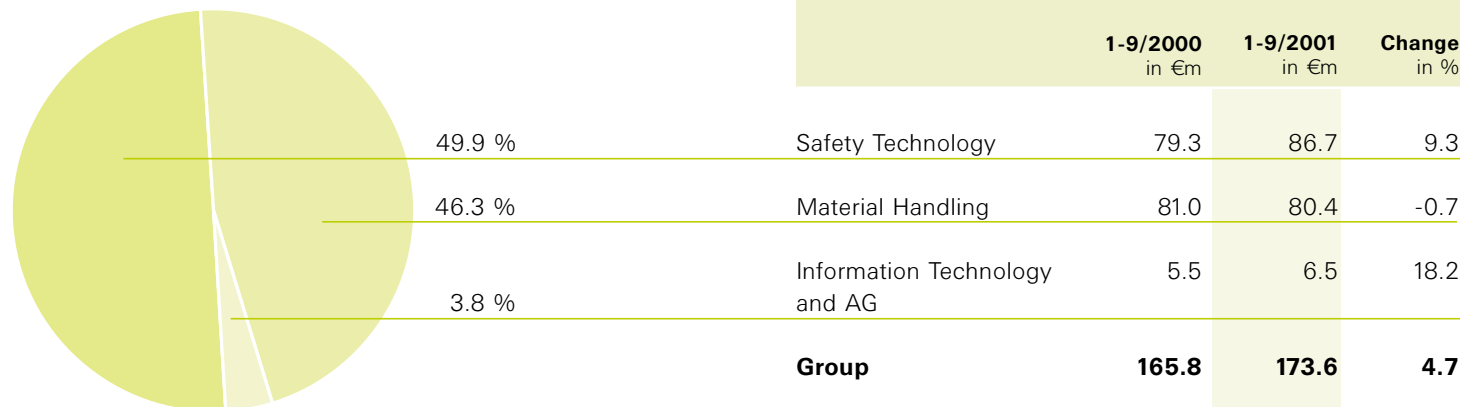
Distribution success in a difficult environment

There is no denying it, the economy is weakening. The trend was already becoming apparent in the first and second quarters of this year – long ahead, and independent of, the September 11th tragedy in the U.S. – albeit this aggravated the economic ails.

Order income

Our long-term distribution efforts are still successful with healthy order income. Group order income rose 9.2% to € 184.7m (previous year: € 169.2m) in the period under review.

Material Handling raised order income 5.0% to € 83.8m (previous year: € 79.8m), although with varying results in the different product areas. Hoist business – mostly OEM –



Previous year's figures are adjusted for changes in the scope of consolidation. This interim report has been prepared according to German Commercial Law principles.

External order income by division

	1-9/2000 in €m	1-9/2001 in €m	Change in €m
Safety Technology	84.3	94.9	12.6
Material Handling	79.8	83.8	5.0
Information Technology and AG	5.1	6.0	17.6
Group	169.2	184.7	9.2

External sales by division

	1-9/2000 in €m	1-9/2001 in €m	Change in %
Safety Technology	79.3	86.7	9.3
Material Handling	81.0	80.4	-0.7
Information Technology and AG	5.5	6.5	18.2
Group	165.8	173.6	4.7

could not maintain last year's levels and started slowing appreciably in the second quarter. We were able to grow our largely domestic end-consumer business areas of cranes and services & technology.

Safety Technology for explosion-prone industrial installations registered an order income increase of 12.6% to € 94.9m (previous year: € 84.3m). Project business for natural gas and petroleum plants remains lively and orders from the chemical and petrochemical industries are still stable.

IT order income (altro consult GmbH) rose 17.6% to € 6.0m (previous year: € 5.1m).

Sales

Technology Group sales increased 4.7% to € 173.6m (previous year: € 165.8m). At a plus of 6.6% to € 104.5m (previous year: € 98m), export business contributed more

External sales by region

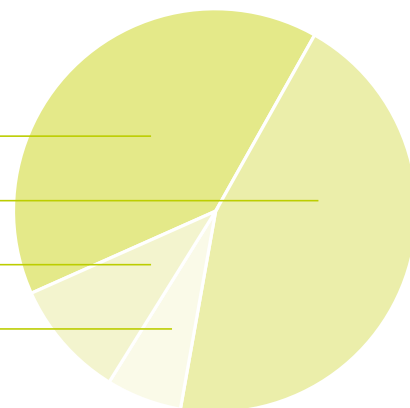
	1-9/2000 in €m	1-9/2001 in €m	Change in %
Germany	67.8	69.1	1.9
Central (w/o Germany)	72.0	77.6	7.8
Americas	16.6	16.4	-1.2
Asia/Pacific	9.4	10.5	11.7
Foreign	98.0	104.5	6.6

to this growth than domestic sales with 1.9% to € 69.1m (previous year: € 67.8m). In the Americas, we maintained last year's level despite adverse economic conditions. In our Central region – excluding Germany – we achieved 7.8% growth and in the APac markets 11.7%.

Material Handling realised sales of € 80.4m (previous year: € 81.0m) in the first nine months of 2001. Slowing hoist sales led to capacity utilisation problems at our component factory in Hofratsmühle. Our response included personnel measures. We abstained from renewing expiring contracts and did not fill vacant positions.

Safety Technology has meanwhile largely overcome the problems resulting from its move to, and start-up of, the new Waldenburg plant. Sales rose 9.3% to € 86.7m (previous year: € 79.3m).

IT sales followed the gratifying order income development growing 18.2% to € 6.5m (previous year: € 5.5m).



Staff capacity (average)

(incl. trainees)

	1-9/2000	1-9/2001	Change
	in €m	in €m	in %
Domestic	1,529	1,551	1.4
Foreign	450	480	6.7
Group	1,979	2,031	2.6

Earnings development

In the first three quarters of 2001, we raised total operating performance € 7m to € 176.8 (previous year: € 169.4m). This increase is solely attributable to Safety Technology while Material Handling showed no growth for cyclical reasons.

Total Technology Group earnings amounted to € -1.9m (previous year: € +4.7m). As already indicated in the preceding interim reports, 2001 earnings are markedly burdened by Safety Technology's move to its new premises.

DIGRESSION: Relocating Safety Technology

At its new Waldenburg location, Safety Technology finally brought together staff and production installations of its two previous factories in one ultra-modern and interconnected facility. Three quarters of the division's value-added-chain as well as the entire distribution, development, marketing, and administration staff relocated to Waldenburg in the first half of 2001. The scope of this undertaking alone indicated frictional losses. In addition, two forward-looking changes will burden this year's earnings:

Consolidated profit & loss account

for the period from January 01, – September 30, 2001

	2000	2001
	€000	€000
1. Sales revenue	165,830.5	173,612.9
2. Total operating performance	169,490.5	176,815.4
3. Operating income/expense	-164,102.6	-177,671.1
4. Investment and financial earnings	-534.5	-1,039.8
5. Earnings from ordinary business activity	4,853.4	-1,895.5
6. Extraordinary earnings	-75.2	0.0
7. Other taxes	-42.7	-50.3
8. Earnings before tax on income	4,735.5	-1,945.8

Structural implementation of the centre-of-competence concept

Safety Technology's value-added-chain consists of eight distinct product-based centres of competence. Each centre comprises production, production control, technical production support, order settlement, and technical support services for customers. Clients deal directly with the respective centre of competence. This makes for easily manageable entrepreneurial units that are close to market and correspondingly flexible. The centre-of-competence structure opens vast possibilities for efficiency gains in our projected-oriented line of business.

The new Waldenburg location now structurally reflects the centre-of-competence concept. Production and staff are side by side, albeit separated by glass walls for sound and dust protection.

New logistics centre and supply chain

The new facility also allowed a revamping of our supply chain with centralised sourcing from a high-shelf warehouse and an automated small-part stock. This not only saves costs, but also provides for efficient co-ordination of logistics system and centre of competence.

These two fundamental structural and procedural changes in Safety Technology initially created major frictional losses with a corresponding surge in personnel costs. Another side-effect were additional materials expenses owing to extensive remedial work. Thanks to the constant dedicated efforts of our staff we were able to conquer these problems as they arose. We would like to take this occasion to again express our utmost gratitude to our staff for their supreme efforts. Nonetheless, sales still lag quite behind order income and have to be caught up.

Earnings for the first nine months of 2001 furthermore include a non-recurrent expense of € 1.1m for our 125th jubilee. We celebrated our jubilee with a grand gala including a site tour for our domestic and international customers showcasing our new centre-of-competence organisation. Our clientele may now look forward to greatly increased deadline compliance and substantially shortened throughput times thanks to direct communication with the respective centre of competence.

Earnings from ordinary business in 3Q 2001 were back in the black at € 167,000, after € -0.8m in 1Q and € -1.3m in 2Q. Notwithstanding the summer lull, Safety Technology and IT (altro consult) made the crucial contributions while Material

Handling fell short of the previous quarter's results on declining sales due to the cyclical slowdown.

Cumulated 2001 DVFA/SG earnings per share after goodwill amortisation came to € -0.29.

Earnings

	1-9/2000 in €	1-9/2001 in €
DVFA/SG earnings per share	0.62	-0.29

Consolidated cash flow statement

Current-period cash flow comes to € 5.6m (previous year: € 8.6m). Higher depreciation, e.g. for the logistics centre, warehousing technology, and building technology at Waldenburg largely offsets the earnings difference over last year in the amount of some € 6.0m. Cash flow from business operations as of 09/30/2001 comes to € 11.2m (previous year: € -4.1).

As the year-over-year rise of € 4.7m in inventories limited cash flow, borrowing the amount of € 12.6m eased the situation. Some of the borrowed funds pertain to long-term mortgages for commercial lots adjacent to the Waldenburg factory whose purchase options had to be exercised in 2001. Taking into account dividend disbursements and partial

Consolidated cash flow statement

as of September 30, 2001

	2000 €000	2001 €000
1. Earnings after cumulated actual taxes paid	4,575.6	-1,536.1
2. Appreciation and depreciation on assets, changes in long-term accruals, the special item with a reserve character, and other theoretical income/expenses	4,008.3	7,114.5
3. Period cash flow	8,583.9	5,578.4
4. Changes in short-term accruals and working capital	-12,706.8	5,659.0
5. Cash flow from ordinary business activity	-4,122.9	11,237.4
6. Capex cash flow	-6,547.1	-13,570.5
7. Free cash flow after taxes and interest	-10,670.0	-2,333.1
8. Shareholder distributions (dividends)	-3,758.0	-3,850.4
9. Loan changes	-29.8	-96.0
10. Payments to/from creditors	-3,787.8	-3,946.4
11. Liquidity at period end	10,975.4	11,148.8

loan-principal reductions, the company had € 11.1m in liquid funds as of the end of the period under review.

Outlook

Including projects whose terms extend into next year for delivery and billing, we expect Technology Group sales to grow in fiscal 2001. Orders on hand and expected order income underscore this sales outlook. Material Handling secured a large-scale order in excess of € 2m for crane components this October which will temporarily improve utilisation of our component factory in Hofratsmühle. However, this order, too, will not be billed until next year.

The third quarter was finally back in the black after the difficult first two quarters suffered from the move to, and start-up of, the new Waldenburg factory with its new organisation and logistics systems. The next goal will be to generate the necessary sales in 4Q to reach a positive bottom line for fiscal 2001.

We are taking great care to plan for next year and assume that the further economic slowdown will not pass us by. As such, efficiency gains and cost cutting will take centre stage. Another hot topic will be how to best utilise the potential of our new Waldenburg plant. Our international distribution efforts will continue unabated and our achievements in this area to date will help us maintain and build our market position.

Künzelsau, November 2001

The Management