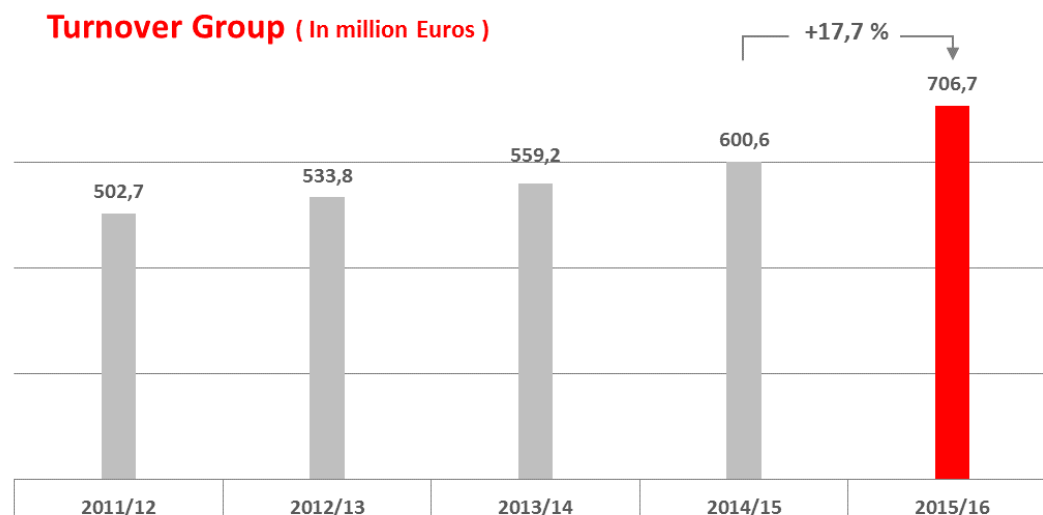


PRESS RELEASE

The most successful year in company history

- Year-on-year sales increase of 100 million euros
- Strong growth for all three subgroups for first time
- Number of employees rises by almost 10 per cent

Heroldsberg, Germany, October 2016. In the 2015/16 fiscal year (ended 30 June), the Schwan-STABILO Group, which has now been in the family for five generations, generated the highest turnover in over 160 years of the company's history. Turnover rose by more than 100 million to 706.7 million euros, a year-on-year increase of 18 per cent. For the first time, all three subgroups contributed to the overall result with strong growth. The company has consistently diversified in its areas of business and is represented worldwide by sites in 22 countries. That is how it has thus far been possible to grow continuously, year for year, relatively independently of political and economical conditions.



Schwan-STABILO Group Managing Director Dr. Jörg Karas is certain: “We have made optimum use of our opportunities. For Cosmetics, this meant generic growth in many product areas. For STABILO, the market gave the otherwise slowly growing sector a strong boost, first and foremost thanks to the global adult coloring trend. And despite the rather stagnant development in many outdoor markets, we ensured additional stimulus by acquiring the Maier Sports group.”

Martin Reim, chief financial officer, made a clear statement on the financial situation of the wholly family-owned company: “In the last fiscal year, we invested almost 70 million euros and were once again able to finance this fully out of our own funds. We will continue to invest heavily in our future: this is the best solution in this time of negative interest rates.”

Looking at 2016/2017, executive shareholder Sebastian Schwanhäusser states clearly “that this extraordinary result has set the bar very high for the coming fiscal year. But ambitious goals are motivational, too.”

The number of employees grew by almost ten percent: there are now over 5,100 worldwide, 2,232 of them in Germany. Around 1,900 employees work at the two Franconian sites Heroldsberg and Weissenburg.

The figures at a glance:

	2015/16	2014/15	Change in %
Turnover in million Euros	706,7	600,6	+17,7%
of which Cosmetics	364,3	318,6	+14,3%
of which STABILO (Writing Instruments)	185,2	169,7	+9,1%
of which Outdoor	157,1	112,2	+40,0%
Investments	69,2	57,0	
Total assets (in million Euros)	564,2	492,2	
Equity ratio (in %)	50,7%	48,9%	
Number of employees worldwide	5.101	4.648	+9,7%

The results in detail

Cosmetics subgroup

Turnover: Schwan Cosmetics' sales increased significantly in the 2015/2016 fiscal year, rising by 14.3 per cent to 364.3 million euros. Investments amounted to more than 30 million euros and were made predominantly in the development of new products and in increasing capacity in Germany and abroad.

Products: "More than half a billion consumers require an enormous product range, particularly as their requirements are becoming more and more individual. Our aim is to create the perfect products for every woman in the world," says Managing Director Dr. Jörg Karas. In recent years, the cosmetic pencil has developed into a driver of growth in the cosmetics industry. Schwan Cosmetics contributed significantly to this upturn thanks to new fields of application. For example, the world's first powdered eye shadow pencil was launched at the beginning of the year. It has since ensured healthy sales. From this year, our company product portfolio also includes halal-certified cosmetics pencils.

Global Network: Schwan Cosmetics is represented by ten subsidiaries across four continents. One year after opening the centre of excellence in Murfreesboro, Tennessee (USA), Schwan Cosmetics can see positive first results: Production has got off to a good start and the integration of the new employees has been completed. The strategy of being represented in all important cosmetic markets with local production sites is also paying off in Central and South America. After expanding our Mexico site, our Colombia site was also expanded this year.

Sustainability: Schwan Cosmetics believes in a sustainable approach to business. The CSR strategy is part of the company's commitment to acting responsibly towards people and the environment. The subgroup has received numerous awards from the world's major cosmetics brands for this commitment. Since September 2015, the energy management system at the Heroldsberg site has been certified according to ISO 50001. Within this framework, energy-saving measures, such as replacing cooling machines in the production halls and commissioning of an in-house cogeneration unit, have already been implemented. In the long term, the site power supply will also be switched over to green electricity. The CSR results are presented annually in a comprehensive CSR report.

STABILO subgroup

Turnover: The writing instruments division, with its STABILO brand, grew by almost ten per cent, generating revenue of 185.2 million euros (2014/2015: 169.7m euros). The European and North American Markets in particular contributed to STABILO's successful performance.

Products: STABILO was quick to take advantage of the adult coloring trend, which is still ongoing today, and launched their own coloring book together with pens. The first successes also came in two start-up fields, which developed from many years of dedication in the field of learning to write. Horst Brinkmann, member of the Board of Management and responsible for marketing, R&D and sales at STABILO International explains that, "the adult coloring trend is a conscious counterbalance to the digital challenges of our often hectic everyday lives."

Education: With the 'digi-vision' and 'STABILO Education' divisions STABILO was able to make its mark in the education sector. The former focuses on efficient and ergonomic handwriting recognition with digital added value, the latter on improved methods for learning to write. Since June 2016, a new series of books from "STABILO Education" has been produced to support four to eight-year-olds in training their graphomotor skills through play – at present, four exercise books are available for pre-school and four for the first two school years.

Digitalisation: STABILO's success is also mirrored in the multi-channel presence of the business segment. For example, the STABILO online shop has quickly established itself as an additional information and sales channel since its introduction in early 2014. STABILO's Facebook page currently has over two million fans.

Outdoor subgroup

Turnover: As expected, the acquisition of the Maier Sports group (including the brands Maier Sports and Gonso) led the Outdoor subgroup to a strong increase in operating results. The four brands (Deuter, ORTOVOX, Maier Sports and Gonso) posted turnover of 157.1 million euros, an increase of 40 per cent. This success was essentially due to the high degree of specialisation for each individual brand.

Products: At ORTOVOX the last fiscal year was characterised by future-oriented product development: For example, the sporting goods manufacturer is launching its first own-brand avalanche airbag system, Avabag, in winter 2016/2017. The consistently high sales achieved with the ORTOVOX mountainwear collection continued to contribute significantly towards the positive development of the subgroup. As a market leader, Deuter is investing in its most comprehensive product development programme to date. The new concepts include a climbing collection and the first complete bluesign® down sleeping bag collection. The Maier Sports group launched a collection of PFC-free jackets.

Awards: Again, each of the four brands received industry awards. Highlights include the 2016 German Brand Award for Maier Sports and several 2016 ISPO Awards for ORTOVOX.

Contact:

Schwanhäuser Industrie Holding GmbH & Co. KG
Marion Korbel, Public Relations
Schwanweg 1, 90562 Heroldsberg, Germany
Tel. +49 (0)911 567-1315
Email marion.korbel@schwan.stabilo.com
www.schwan-stabilo.com