

INSIDERAKTIE

The topical newsletter

for our shareholders

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Report from RINOL AG's Managing Board on Business Development in the RINOL Group as at 30.09.2000

Project: SILIDUR

SILIDUR: LASER SCREED guarantees highest quality and evenness – a technology RINOL has employed for some time with great success.



In an ad hoc press release on 13 October 2000, RINOL AG reported on the extraordinary meeting of the Supervisory Board in which it approved in principle letter of understanding concerning the takeover of the SILIDUR Group by RINOL AG.



Who is SILIDUR?

SILIDUR has been active in the domain of monolithic industrial floor surfaces for the past 25 years.

Since the beginning of 1980, it has cooperated with the subsidiary EUROSTEEL in the field of research and development. This has created vital know-how in the use of steel fibres for constructing floors.

At the beginning of the nineties, SILIDUR developed new areas of application for reinforced concrete in the construction of roads, motorways and airport runways.

SILIDUR is currently – after RINOL – number 2 in Europe, with an annual output of 3.500 000 square metres of industrial floor surfacing.

The SILIDUR Group is made up of companies with activities in Belgium, the Netherlands, Luxembourg, France, Germany, Great Britain, Ireland, Switzerland, Poland and Portugal.

What does SILIDUR do?

On the list of companies linked to the Group are exclusive names from the world of international business – similar to those associated with RINOL. Toyota in France, for example, has had 100 000 square metres of SILIFIBER laid, Daimler-Benz in Berlin some 80 000 square metres. In the postal freight centres of Deutsche Post some 300 000 square metres have been installed. The SILIDUR product CONDUCTIL has provided the flooring for 60 000 square metres at Coca-Cola in Kiev and 25 000 square metres at Liebherr in Colmar.

What technology does SILIDUR use?

SILIDUR works with the same processing methods as the RINOL firms in the Division "Thick" in Germany. The homepage www.silidur.com presents laser screed and smoothing machines just like those that have been tried and tested at RINOL for years.

What would be the strategic significance of SILIDUR for RINOL?

The SILIDUR Group would complement the major projects of RINOL. As part of the RINOL strategy of global market leadership SILIDUR could complement activities in Great Britain, Ireland and the Benelux countries. On the distribution side, the expansion of "Thick" activities would open up sales potential in the field of coating technology. As with all RINOL acquisitions in the concrete segment, the cross-selling potential appears to be immense for the RINOL Group.

Where would synergies occur?

The RINOL Group currently has several firms that produce steel fibres for the manufacture of concrete industrial flooring. By acquiring the SILIDUR Group, RINOL could absorb the sales volume of the SILIDUR Group into existing RINOL firms and, in doing so, significantly improve the position of SILIDUR on the purchasing side. This would then have a positive effect on the margins of the SILIDUR firms and secure better utilisation of capacity at the ROCLAND companies involved in the production of steel fibres. Given these prospects, Uwe Distel, Chief Financial Officer of RINOL AG, is confident that the proposed acquisition of SILIDUR would pay off.

"In the event of a takeover we could strengthen a vital component of the RINOL value chain on the "Thick" side. The economic scenario of the planned takeover is very interesting!"

Editorial

We are back on course...

The publication of our shareholder newsletter INSIDER-Aktie is based on the quarterly results for 30 September 2000.

You will find on the front page of the newsletter a scenario relating to the intended takeover of the SILIDUR Group by RINOL AG. In this connection we would like to point out that negotiations have not yet been completed. The team which has been appointed to deal with the question of due diligence is made up of highly qualified business experts and our own specialists from RINOL headquarters.

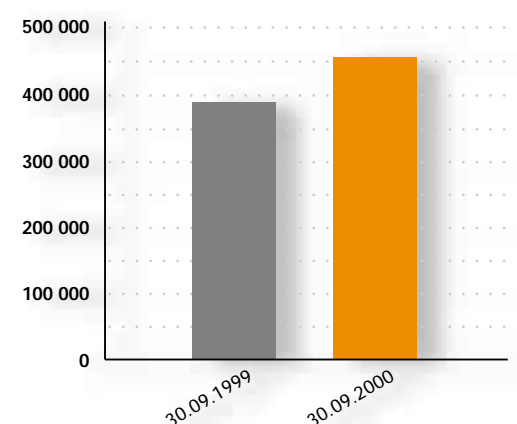
On the inside pages of INSIDER-Aktie our shareholders can bring themselves up to date on the development of the company's business. Our half-yearly results confirm that we are on the right course. The profit and loss account, the segmental report on our divisions, the capital flow statement and an overview of staff development will help to put them in the picture.

The new look to our English language homepage on the Internet is the outcome of the dedicated work of a team of specialists from our Marketing and Technology departments. You can look it up on www.rinol.com and also read a brief account of the project on page 4.

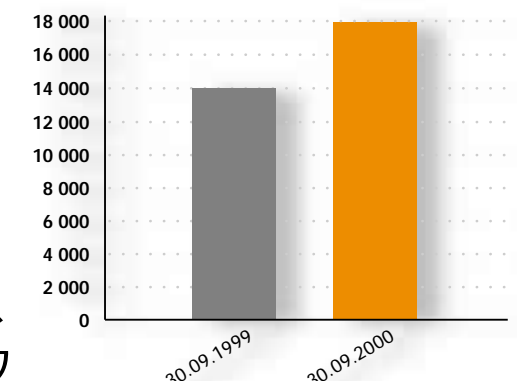
As always, you will find in INSIDER-Aktie our regular overview of current major projects acquired abroad. On page 3, you can read up on our customer METRO, a global operator whom we supply with quality products from our worldwide network of RINOL subsidiaries.

At a glance

Turnover (in thousands of DM)



EBIT (in thousands of DM)



Turnover increase of over 17% up to 30.09.00

Results statement: 30.09.2000

In TDM	Jan.-Sept. 2000	%	Jan.-Sept. 1999	%	Change 00/99 %
Turnover	459 060	99.66	391 822	93.75	17.16
Inventory changes	1 561	0.34	26 138	6.25	- 94.03
Output	460 621	100.00	417 960	100.00	10.21
Other operating income	7 231	1.57	10 347	2.48	- 30.11
Material costs	- 245 339	- 53.26	- 213 172	- 51.00	15.09
Gross profit	222 513	48.31	215 135	51.47	3.43
Staff costs	- 102 167	- 22.18	- 106 779	- 25.55	- 4.32
Other operating costs	- 92 711	- 20.13	- 84 662	- 20.26	9.51
EBITDA	27 636	6.00	23 694	5.67	16.64
Depreciation	- 9 643	- 2.09	- 9 684	- 2.32	- 0.42
EBIT	17 993	3.91	14 010	3.35	28.42
Financial result	- 5 024	- 1.09	- 6 006	- 1.44	- 16.35
Profit on ordinary business activities	12 969	2.82	8 004	1.92	62.02
Extraordinary costs	- 3 203	- 0.70	0		
Pre-tax profit	9 766	2.12	8 004	1.92	22.01

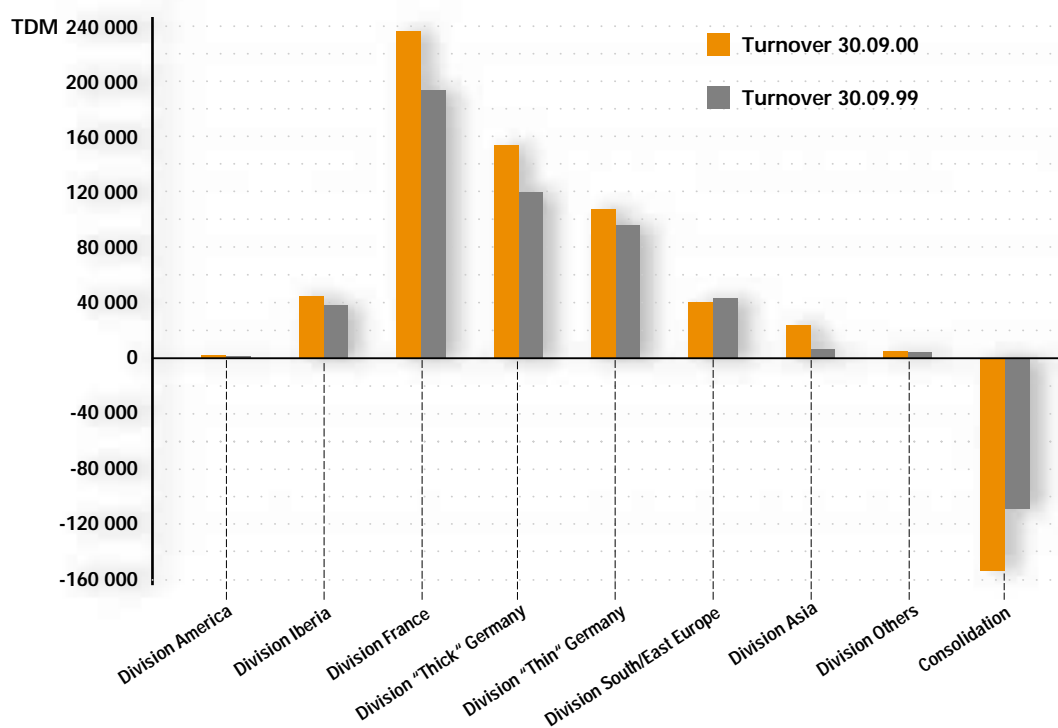
RINOL back on course

The consolidated **total turnover** of the RINOL Group amounted to TDM 459 060 on 30 September 2000. In the previous year, turnover stood at TDM 391 822. The increase in turnover of 17% can be attributed to double digit growth in almost all the Divisions. The target turnover of TDM 448 800 was exceeded by DM 10.2 million i.e. 2.3%.

We are especially pleased to report that Division Asia has now passed the DM 20 million turnover mark.

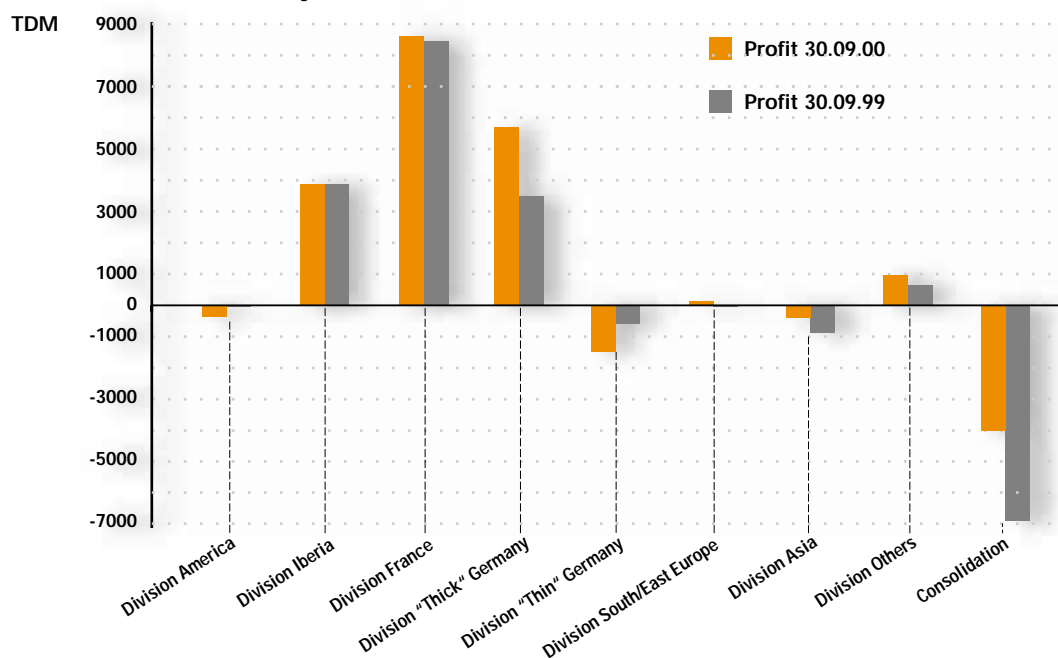
Segmental report

Turnover Comparison: 30.09.2000



Profits: 30.09.2000

Profits on ordinary business activities



The **total output** of TDM 460 621 also amounts to a double digit increase of 10.2% compared with the figures for the same period the previous year.

Material costs rose by 2.3% compared with the period from 01.01. to 30.09.99. This development was due largely to the increased share of material-intensive concrete technology. This is reflected in the fall in **staff costs** and **other costs**.

The total number of **persons employed** in the RINOL Group was 1634 as of 30.09.00. Compared with 30.09.99, this was a reduction of 55 persons. It is the result of a fall in staff numbers of 155 in Germany (all in the Division Germany "Thin") and an increase of 100 employees mainly abroad.

The **EBITDA**, the earnings result before taxes, interest and depreciation, rose by 16.6% to DM 27.6 million – after standing at DM 23.7 million at the end of the third quarter 1999. When related to the total output, this marks a rise in the EBITDA margin from 5.67% to 6%.

Depreciation amounting to TDM 9 643 has remained more or less constant when compared with the same period last year (previous year on 30.09. TDM 9 683).

This means the earnings result before taxes and interest (**EBIT**) of 14 010 TDM improved by almost DM 4 million to TDM 17 993. This marks an increase of 28.4%.

The **profit on ordinary business** in the RINOL Group of TDM 12 969 is TDM 4 965 more (i.e. 62%) than for the same period last year. However, we had set ourselves the target figure of TDM 15 405 up to 30.09.00. This means our profit on ordinary business is still some DM 2.4 million short of target.

In addition to this, net profit has also been affected by the low RINOL share price. This loss in value is listed under extraordinary costs and amounts to more than DM 3.2 million of shares held by the RINOL AG company within the RINOL Group. After taking into account this special factor, which is neither connected with our operating business nor of tax relevance, **pre-tax profits** stand at TDM 9 766. Related to the outstanding 5 670 million shares, this amounts to an annual net profit per share of DM 0.34.

Investments for the period under review amount to some DM 13.5 million. For the most part, these are replacement investments in machinery and installations and in the modernisation of our business processes. We have been able to finance these investments completely from our cash flow.

The positive development of turnover has, however, led to an increased commitment of funds within the company. Higher turnover is correlated to a rise in the level of inventory and debtors. All the more so as the company group becomes increasingly internationalised. The particular circumstances of foreign markets require an even longer period for claiming payments than what is already expected in Germany.

In addition to the funding issue, we took the precaution last year of signing an international agreement on credit allowed on goods in order to cover ourselves for any potential default on payment.

From the Divisions

Division America

After the disappointing results for the first six months of the year 2000, the situation in our smallest Division improved considerably in the third quarter. In the period from July to September 2000, turnover practically doubled compared with the first six months. At the same time, we were able to halt the negative trend and stabilise the result. Despite this, though, with turnover in this Division standing at TDM 3 503 (+48% compared with the previous year) and negative profits, performance has not lived up to expectations.

Division Iberia

In this Division our turnover rose by 17.7% from TDM 37 846 to TDM 44 555. With profits of TDM 3 842, we exceeded our target for the entire year 2000 as early as the third quarter. Growth prospects in this region continue to be positive.

Division France

In France, when compared with last year, growth rates have fallen back slightly in the third quarter in relation to the first six months. Nevertheless, this Division reported an increase in turnover of 22.4% amounting to TDM 235 438. In this Division, too, the target for the entire year has already been exceeded.

Division "Thick" Germany, Benelux and Scandinavia

In this Division, we have bundled together our concrete activities in Germany and Scandinavia. They specialise in the manufacture of earth-contact concrete slabs and employ a full range of the most modern engineering techniques. This segment, which is still divided along technology lines (as in Division "Thin" Germany), is to be restructured over the coming year. As with all the other Divisions, we intend to combine operations on a geographical basis – in this case to create the segment Central Europe ("Thick" Germany, Benelux and Scandinavia, "Thin" Germany).

Turnover has risen by over 28% to 153 107 TDM. With pre-tax profits amounting to DM 5.7 million, this figure marks an improvement of more than 63% compared with the same period last year.

Division "Thin" Germany

In the past two years, the fall in turnover and negative results of this Division have been a cause for disappointment. However, now that it can report a rise in turnover of 12.4% – to stand at 107 515 TDM – the situation has improved significantly.

As part of the new strategic focus, staff levels have been reduced by 38% from 403 to 249 employees within a year. Earnings from operations in this Division are now on an even keel. However, the total figure for pre-tax profits is still negatively affected by adjustments made as a result of restructuring.

Division South/East Europe

The Division South/East Europe is the only one to report a drop in turnover. Compared with the figure of TDM 42 890 for 30.09.99, turnover has fallen by 7.2% to TDM 39 811. Nevertheless, we have still managed to achieve an even result.

The East European countries and Austria have developed satisfactorily. In Croatia, in particular, business has picked up well after the difficult preceding years. Turnover and profits in Italy, on the other hand, have failed to live up to expectations.

Overall, we expect this Division to meet its targets for the year 2000.

Division Asia

The Division Asia is witnessing dramatic growth. Figures for 30.09.2000 are already more than 40% up on the total turnover for 1999 (TDM 16 902). In the third quarter alone, turnover is double that of the first six months of 2000. In this region we employ 105 persons (compared with 64 in the year before). After the period of investment of the previous years, we now expect to see an even result. Although pre-tax profits of – 408 TDM for 30.09. are still slightly negative, we anticipate that business will continue on a positive note and meet the target for the year.

Outlook

In the current year, we have been able to further extend our position as market leader in the area of industrial flooring. However, despite the positive effects of economic growth both at home and abroad, our business continues to face tough competition.

In view of the number of orders on hand and the development of turnover, we expect to reach our turnover target of DM 602 million for the year 2000.

According to current estimates (and before extraordinary influences are taken into account) the above-target results in France and Iberia will not be quite sufficient to compensate for the below-target figures of the other Divisions.

However, it has become evident that our policy of focussing on industrial and professional flooring and taking command of the entire value chain is the right one – provided we create clear structures.

This presents us with excellent prospects for working successfully in the future.

Capital flow statement: 30.09.2000

	2000 TDM	1999 TDM
Net profit (after tax)	1 906	5 013
Depreciation on fixed assets	9 643	9 684
Internally produced and capitalised assets on expanding business activities	0	0
Changes to long-term provisions	- 52	520
Other expenses affecting payments/earnings (adjustment of own shares)	3 202	0
Annual cash flow	14 699	15 217
Profit/loss from disposal of fixed assets	0	0
Changes to assets resulting from alterations to consolidation group	1 898	0
+ Increase/decrease in inventory	- 12 824	1 948
+ Increase/decrease in trade debtors	- 7 430	1 916
+ Increase/decrease in other amounts owed	- 12 279	- 6 161
+ Increase/decrease in short-term provisions	1 797	- 2 021
+ Increase/decrease in trade creditors	12 546	4 978
+ Increase/decrease in other liabilities	786	- 11 445
Increase/decrease in liquidity resulting from current business activities	- 807	4 432
In-payments from disposal of intangible and tangible assets	0	0
Inpayments from disposal of financial assets	0	0
Changes to consolidation group	- 635	0
Payments for investments in intangible and tangible assets	- 13 501	- 12 497
Payments for financial investments	0	0
Increase/decrease in liquidity resulting from investments	- 14 136	- 12 497
In-payments from raising capital	0	0
Dividend payments	0	- 6 300
In-payments from taking out credit and launching bonds	0	0
Payments for amortisation of financial credits	0	0
Increase/decrease in liquidity resulting from financial activities	0	- 6 300
Changes to liquid financial resources affecting payments	- 14 943	- 14 365
Liquid financial resources at beginning of accounting period	106 962	140 889
Affects of changes to consolidation group	84	316
Liquid financial resources at end of accounting period	92 103	126 840

RINOL at a glance

Segments	America	Iberia	France	"Thick"	"Thin"	South/East Europe	Asia	Others	Consolidated	Total
Turnover (in TDM)										
30.09.2000	3 503	44 555	235 438	153 107	107 515	39 811	23 834	4 809	- 153 512	459 060
30.09.1999	2 365	37 846	192 432	119 212	95 618	42 890	6 028	4 056	- 108 625	391 822
Profit on ordinary activities (in TDM)										
30.09.2000	- 374	3 842	8 641	5 718	- 1 480	120	- 418	968	- 4 048	12 969
30.09.1999	16	3 842	8 464	3 500	- 611	- 43	- 900	627	- 6 890	8 004
Staff										
30.09.2000	40	200	468	351	249	143	105	78		1 634
30.09.1999	41	186	446	334	403	142	64	73		1 689
Staff										
	Germany	Abroad								
30.09.2000	640	994								
30.09.1999	795	894								

Our major customers

METRO – serving you around the world!

Where global requirements need to be met – as with the worldwide operating METRO Group – we can offer our customers decisive market advantages:

- We are the only company in the industry with activities throughout the world, thus guaranteeing global consistency of corporate design and firm-specific technical standards. In practice, this means working closely with our customers here in Germany on setting up the visual and technical data. This is then implemented worldwide by our subsidiary companies who carry central responsibility.
- RINOL does not only provide flooring available from its complete product range; it also supplies tailor-made solutions for customers with particular locally determined needs. Specific requirements of this kind (for example, the demands of extreme climate or special under-flooring) are taken up by our research department and turned promptly into customised solutions. This is how we came to develop in record time for METRO in Turkey a floor system which is extremely elastic and thus suitable for the under-flooring found there.
- Our worldwide operating staff who work locally in the RINOL subsidiaries can communicate with all our customers in their native language. As they are also familiar with the mentality of the locals, they can ensure that customers receive prompt after-sales service.

These advantages are much appreciated by our international major customers. They know they have in RINOL a partner who can realise the **development, production, sales and laying** of the floors in a closed circuit using its own staff. As a result, knowing the market in a dynamic process has a direct influence on promoting new and further developments. These, in turn, generate new products that set us apart from the rest of the market.

From the Divisions



Change at the top!

Reemt Baumann (on right) and Winfried Rudloff (on left) are the two new Managing Directors of IVH-Betonbodenbau GmbH.

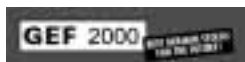
Reemt Baumann, who has been at IVH for several years, will be in charge of Distribution and Production.

As a trained banker, Winfried Rudloff, who for many years headed the commercial department at IVH, will continue to attend to financial and business matters.



Investor Relations

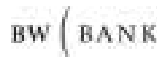
RINOL on tour



Hauthuille Investor Relations



boerse-stuttgart



DVFA

During the autumn of 2000 RINOL AG was on tour attending a number of meetings on the subject of investor relations.

On 23 October RINOL was represented at the German Equity Forum by Hauthuille Investor Relations of Milan.

The Stuttgart stock exchange organised its first consultants forum on 10 November in the "das Neue Schloss" palace in Stuttgart. Together with other Baden-Württemberg-based firms like Gardena Holding AG, BERU AG and TAKKT AG, Chief Financial Officer Uwe Distel presented the RINOL share to more than 300 consultants from South German banks in the "Weißen Saal".

On 13 November Hermann Hahn, Head of Finance and Controlling at RINOL AG, presented the RINOL share to 50 German analysts as part of the capital market forum organised by the Baden-Württembergische Bank in Frankfurt/Main.

The last of RINOL's activities in the autumn of 2000 was the GMCC 2000 (German Mid Cap Conference®) held by the DVFA from 20-23 November in Frankfurt/Main. Chief Financial Officer Uwe Distel presented the figures for the third quarter of 2000 together with a profile of RINOL AG and the RINOL-share.

RINOL online

New Internet homepage

At the end of October RINOL went live online with its new-look international homepage on the Internet.

An important part of this is the **new product finder** which is designed to meet the specific requirements of interested surfers and customers by guiding them to the right systems solution.

The intro is also new. The Internet site now has the interesting addition of a sequence from the RINOL promotion film.

The design and layout have been revamped, too. "We wanted to improve the RINOL homepage by making it clearer and easier to read. Now we have done that, we will bring the German, French and Spanish pages into line with this new functionality and image," explained CFO Uwe Distel when commenting on the spot-on timing of the Internet project.



The intro is also new. Our Internet homepage gets off to an impressive start with a sequence from the RINOL promotion film.

As far as RINOL is concerned, it has fulfilled its ambitions in the area of B2B – in as much as this is possible for a manufacturer of investment goods. "Our customers can now find out detailed information about our products on their own and complete the first step in supply chain management before approaching us.

This means our staff will change from being sales representatives to become systems consultants," Uwe Distel said when asked about the role of B2B at RINOL.

Visit us on the Internet

<http://www.rinol.com>

E-mail

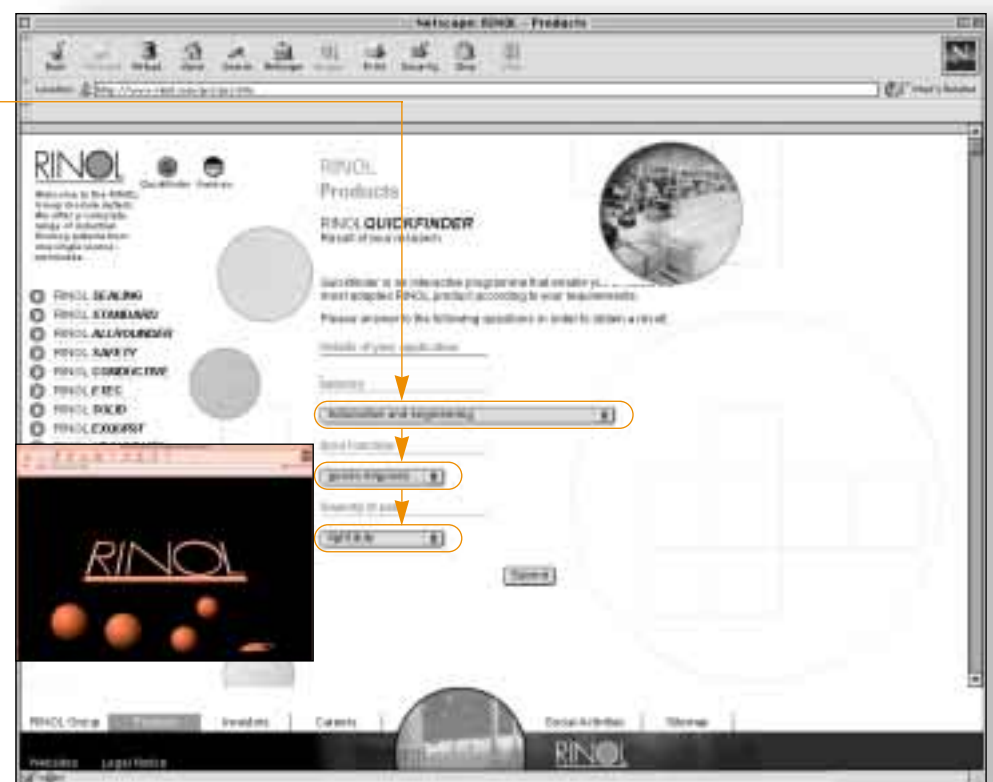
info@rinol.com



References

A selection of current major orders

Company	Line of business	City	Area	RINOL-subsiary
Merck	Pharmaceuticals	Darmstadt (D)	4 100 m ²	Duralit Industrieboden
Conrad	Logistics centre	Wernberg (D)	21 300 m ²	IVH-Betonbodenbau
Sped. Schüchen	Warehouse	Großmehring (D)	10 000 m ²	IVH-Betonbodenbau
Flughafen Hahn	Maintenance hall	Lautzenhausen (D)	6 200 m ²	IVH-Betonbodenbau
Cityreach	Warehouse	Munich (D)	12 000 m ²	IVH-Betonbodenbau
GEA	Production hall	Herne (D)	6 500 m ²	IVH-Betonbodenbau
AE Oberflächentechnik	Production hall	Gerstungen (D)	11 500 m ²	ROCLAND N/O
LIDL	Warehouse	Dublin (IRL)	51 200 m ²	ROCLAND S/W
Dachser	Warehouse	Langenau (D)	23 200 m ²	ROCLAND S/W
Schlecker	Warehouse	Ehingen (D)	34 500 m ²	ROCLAND S/W
Kaiser+Kraft	Warehouse	Kamp (D)	20 600 m ²	ROCLAND S/W
Siemens	Production hall	Kamp-Lintfort (D)	5 400 m ²	ROCLAND S/W
Siemens	Production hall	Kamp-Lintfort (D)	5 400 m ²	Duralit Industrieboden
Lemoine	Hall	La Celle (F)	12 700 m ²	ROCLAND Ouest
Leroy Merlin	Warehouse	Pamplona (E)	11 000 m ²	ROCLAND España
Volkswagen	Production hall	Wolfsburg (D)	18 000 m ²	FAASS BÖDEN
Flextronics	Production hall	Killbery (IRL)	7 250 m ²	FAASS BÖDEN
Flextronics	Production hall	Brünn (CZ)	8 700 m ²	FAASS BÖDEN
OBI	DIY Store	Nuremberg (D)	4 000 m ²	PMK
Polialden	Chemicals	Brasil (BR)	5 000 m ²	Tecnopox



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Edited by

RINOL AG, Benzstrasse 2, 71272 Renningen, Germany

Text

Markus Frank, RINOL AG; Hermann Hahn, RINOL AG

Design

mach-)werk, Eglosheimer Str. 40, 71636 Ludwigsburg, Germany

Translation

Carol Carl