KION Group plans further consolidation of its European plants

- Competitiveness of KION’s European manufacturing base to be continuously improved to ensure long term stability
- European manufacturing of warehouse trucks should concentrate on two sites
- Production of STILL and OM counterbalance trucks to be consolidated

Wiesbaden, 05 July 2011 – The KION Group, one of the two leading global manufacturers of industrial trucks, is continuing the consolidation of its European production facilities. “This is an ongoing process and necessary to ensure the long term competitiveness of our existing extensive European manufacturing base. Our aim is to fully utilise capacity at our European plants and to further improve the flexibility of our manufacturing capacity. BRIC markets are significantly gaining relative weight on a global perspective, whereas Western European markets are consolidating, and the competitive landscape has changed. With this contemplated concentration we intend to secure our manufacturing base in Europe on a permanent, sustainable basis”, said Gordon Riske, CEO of the KION Group.

The company is working on a project to concentrate its European manufacturing of warehouse trucks at the sites in Châtellerault (France) and Luzzara (Italy). The Group’s centre of competence for systems engineering was already set up in 2010, with the inauguration of KION Warehouse Systems in Reutlingen (Germany). The warehouse equipment plant in Châtellerault employs around 470 people. The warehouse equipment plant in Luzzara employs a workforce of around 170 people. Current production at Montataire, a further warehouse equipment plant in France, would be relocated to the plant in Luzzara. There are currently 188 production workers employed at Montataire. As a result of these developments, the company will maintain and continue to invest in highly competitive production facilities in both France and Italy for the manufacture of warehouse equipment.

As a second project, production of the STILL and OM counterbalance trucks would be consolidated at the site in Hamburg (Germany). Accordingly, the current production of the counterbalance trucks at the plant in Bari would be relocated to Hamburg. The plant in Bari currently employs a workforce of around 320 employees.

After having put both plans in place, KION Group would continue to have by far the strongest European production footprint within the industry with truck factories in all major national markets.
The KION Group is engaging in timely and open consultations and negotiations with trade unions and employee representatives in France and Italy. The aim of the company is to implement the planned measures, which are essential to ensuring the Group's long-term competitiveness, in the most socially compatible way. Employees in Montataire and Bari would be offered alternative jobs at other KION Group sites.

The KION Group has taken decisive action in addressing the growing importance of markets outside Europe and is further developing its local manufacturing capacities in these regions. In April, the company announced the construction of a completely new production facility for the manufacture of counterbalance trucks for the South American market in São Paulo, Brazil. KION already operates a warehouse equipment plant in Rio de Janeiro.

The KION Group has also invested heavily in high-capacity production infrastructure in China with the Linde plant in Xiamen and the Baoli plant in Jingjiang, which manufacture mainly for the Chinese and Asian markets. KION's operations in India are based on the joint venture company Voltas Material Handling, which launched its operations in May 2011. “Our aim is to be present in all the key markets with the production, sales, and service structures appropriate to each respective market close to the customer. We are therefore continuing with our ongoing development of manufacturing capabilities in the Asian and South American growth markets in response to the growing significance of these markets for our business,” said Gordon Riske.

The Company
The KION Group – comprising the six brands, Linde, STILL, Fenwick, OM, Baoli and Voltas – is Europe’s market leader for industrial trucks, the global number two in the industry and the leading international supplier in China. In 2010, the KION Group employed around 20,000 people and generated revenue of more than €3.5 billion.

For further information please contact
Michael Hauger
Head of Communications and Investor Relations
Tel.: +49 (0)611 770 655
Email michael.hauger@kiongroup.com
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