A solid start to 2014 for the KION Group

- Order intake increases in the first quarter of 2014 by more than 4 per cent to €1.196 billion thanks to recovery in western Europe
- Order book improves significantly
- Revenue of €1.089 billion remains at same high level as previous year
- EBIT[1] margin at 8.0 per cent
- KION shares gain almost 11 per cent in first three months of 2014

Wiesbaden, 8 May 2014 – The KION Group has had a good start to 2014 thanks to the economic recovery in western Europe and a robust performance by growth markets. The total value of order intake grew by 4.4 per cent year on year to reach €1.196 billion in the first quarter. At €1.089 billion, consolidated revenue remained at the same high level as in the first three months of 2013. The world’s largest specialist supplier of industrial trucks and associated services saw its order book climb to around €764 million, an increase of more than 10 per cent compared with the end of 2013.

The KION Group’s operating profit EBIT[1] came to €87.4 million (Q1 2013: €92.8 million), while the EBIT[1] margin was 8.0 per cent (Q1 2013: 8.5 per cent).

KION shares also made substantial gains in the first three months of the year. They closed at €34.03 on 31 March 2014, which was up by around 11 per cent on their 2013 year-end closing price of €30.73.

“As expected, the KION Group is benefitting from the growing economy in our core market, western Europe,” said Gordon Riske, Chief Executive Officer of the KION Group. “Our excellent position in growth markets such as China and our high-margin service business are further pillars of our successful business model.”

There was a marked improvement in the global market for industrial trucks in the first quarter of 2014. Manufacturers registered around 272,000 orders – an increase of 9.7 per cent compared to the first three months of 2013. This was due to the nascent recovery in western Europe and strong growth in both North America and Asia. More than a quarter of the trucks ordered were destined for the Chinese market.
Business performance in detail

Against this backdrop of positive market conditions, the KION Group’s order intake rose by 3.1 per cent to 39,200 units in the first three months of 2014 (Q1 2013: approximately 38,000 units). In China, the world’s largest single market, the company grew faster than the market. There was also a year-on-year increase in the total value of order intake, which climbed by 4.4 per cent to €1.196 billion (Q1 2013: €1.145 billion). Adjusted for negative currency effects, the value of order intake was up by 6.1 per cent.

Consolidated revenue advanced by 0.3 per cent to €1.089 billion, mainly due to growth in western Europe. Adjusted for unfavourable currency effects, however, revenue went up by 2.0 per cent.

Earnings before interest and tax (EBIT), adjusted for non-recurring items, declined by 5.8 per cent to €87.4 million (Q1 2013: €92.8 million). This was largely attributable to positive exchange differences included in the figure for the first three months of 2013. These effects also impacted on the EBIT[1] margin, which stood at 8.0 per cent in the first quarter of 2014 compared with 8.5 per cent in the same period of 2013.

Net income came to €27.8 million and was therefore down by 2.7 per cent on the corresponding prior-year period (Q1 2013: €28.6 million), although the latter had been affected by, among other things, non-recurring items in connection with the sale of the hydraulics business. Earnings per share amounted to €0.28.

Free cash flow declined in the first quarter from minus €5.9 million to minus €22.3 million, primarily as a result of a lower EBITDA and slightly higher working capital increase compared to prior year.

Total expenditure on research and development rose by 4.7 per cent to €29.4 million in the first quarter. This equates to 2.7 per cent of revenue, compared with 2.6 per cent in the corresponding quarter of last year.

The number of employees at 31 March 2014 was 22,267, which was almost the same number as at the end of 2013.

Annual General Meeting on 19 May 2014 and Dividend

The Executive Board and Supervisory Board will propose a dividend of €0.35 per share to the Annual General Meeting on 19 May 2014. Over the coming years, the
KION Group plans to gradually increase its dividend payout ratio from 25 per cent to roughly 35 per cent.

In January 2014, major shareholders Goldman Sachs and KKR reduced their shareholding to 34.5 per cent, while Weichai Power increased its stake to 33.3 per cent by exercising an option. The free float grew to 31.2 per cent. Free-float market capitalisation stood at €1.051 billion on 31 March 2014.

Outlook
The KION Group confirms the outlook for 2014 provided in the 2013 group management report.

KION Group key performance indicators for the quarter ended 31 March 2014

<table>
<thead>
<tr>
<th>€ million</th>
<th>Q1/2014</th>
<th>Q1/2013</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Order intake</td>
<td>1,196.1</td>
<td>1,145.3</td>
<td>+4.4%</td>
</tr>
<tr>
<td>Revenue of which:</td>
<td>1,088.9</td>
<td>1,085.2</td>
<td>+0.3%</td>
</tr>
<tr>
<td>Linde Material Handling</td>
<td>720.9</td>
<td>711.3</td>
<td>+1.4%</td>
</tr>
<tr>
<td>STILL</td>
<td>432.3</td>
<td>409.8</td>
<td>+5.5%</td>
</tr>
<tr>
<td>Financial Services</td>
<td>139.0</td>
<td>114.2</td>
<td>+21.7%</td>
</tr>
<tr>
<td>EBITDA[1]</td>
<td>171.2</td>
<td>167.9</td>
<td>+2.0%</td>
</tr>
<tr>
<td>EBITDA[1] margin</td>
<td>15.7%</td>
<td>15.5%</td>
<td></td>
</tr>
<tr>
<td>EBIT[1]</td>
<td>87.4</td>
<td>92.8</td>
<td>-5.8%</td>
</tr>
<tr>
<td>EBIT[1] margin</td>
<td>8.0%</td>
<td>8.5%</td>
<td></td>
</tr>
<tr>
<td>Net income</td>
<td>27.8</td>
<td>28.6</td>
<td>-2.7%</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>-22.3</td>
<td>-5.9</td>
<td>&lt;=100%</td>
</tr>
<tr>
<td>Employees[2] (FTEs, incl. apprentices/trainees)</td>
<td>22,267</td>
<td>22,273</td>
<td>-0.0%</td>
</tr>
</tbody>
</table>

[1] EBIT and EBITDA adjusted for KION acquisition items and non-recurring items
[2] Figure as at 31 March 2014 compared with 31 December 2013 (full time equivalents)
The company

The KION Group – comprising the six brands of Linde, STILL, Fenwick, OM STILL, Baoli and Voltas – is the largest manufacturer of industrial trucks in western and eastern Europe, the global number two in the industry and the leading non-domestic supplier in China. The Linde and STILL brands serve the premium segment worldwide. Fenwick is the largest supplier of material handling products in France, while OM STILL is a market leader in Italy. The Baoli brand focuses on the economy segment, and Voltas is a market leader in India in industrial trucks. The KION Group is present in more than 100 countries and, in 2013, employed over 22,000 people and generated revenue of €4.49 billion.

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This release contains forward-looking statements that are subject to various risks and uncertainties. Future results could differ materially from those described in these forward-looking statements due to certain factors, e.g. changes in business, economic and competitive conditions, regulatory reforms, results of technical studies, foreign exchange rate fluctuations, uncertainties in litigation or investigative proceedings, and the availability of financing. We do not undertake any responsibility to update the forward-looking statements in this release.

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