Press Release

KION Group starts 2012 with a record first quarter

- Order intake increases by 4.3 per cent compared with Q1 2011 to €1.207 billion
- Revenue grows by 12.6 per cent year on year to €1.144 billion
- Structural improvements made in recent years have consistently delivered margin improvements: EBIT[1] margin hits new record of 8.9 per cent
- Market environment stabilising at a high level

Wiesbaden, 15 May 2012: The KION Group has started 2012 with its best-ever first quarter. The total value of its order intake rose by 4.3 per cent on what had already been an impressive volume in the first quarter of 2011. Revenue jumped by a further 12.6 per cent to €1.144 billion. The KION Group raised its earnings before interest and tax (EBIT[1]) by more than one third to €101 million, which enabled it to report an EBIT[1] margin of 8.9 per cent for the first three months of 2012.

Global demand for new trucks in the first quarter of 2012 totalled approximately 247,000 units, which was in line with the figure for the corresponding period of 2011. Demand for new trucks in Europe fell slightly by 3.8 per cent year on year to around 86,000 units. The number of new trucks sold in western Europe in the first three months of 2012 declined by 5.3 per cent on the corresponding period of 2011 to just under 72,000 units owing to the weak economic conditions in southern European countries such as Spain and Italy. At the same time the eastern European market continued along its path of robust growth, increasing its new truck sales by 4.7 per cent to almost 14,000 units. The American markets grew by 3.6 per cent to 53,000 units, while demand for new trucks in the Asian markets remained more or less unchanged year on year at approximately 98,000 units.

With the market environment stabilising at a high level, the KION Group increased its order intake for new trucks by a disproportionately strong 6.9 per cent to 39,100 units (Q1 2011: 36,600 trucks), thereby expanding its global market share to almost 16 per cent. The total value of its order intake came to €1.207 billion in the first quarter of 2012, which was an improvement of 4.3 per cent on the corresponding period of 2011 (€1.157 billion). The KION Group raised its order backlog modestly on the level of 31 December 2011 to approximately €1 billion as at 31 March 2012.

Revenue advanced by 12.6 per cent year on year to €1.144 billion (Q1 2011: €1.016 billion). Revenue from business in new trucks grew by just under 16 per cent compared with the first three months of 2011. KION achieved an increase of 8 per cent in its service business, which comprises aftersales business as well as services relating to used and rental trucks. Service business continued to generate more than 40 per cent of total revenue.
The KION Group's earnings before interest and tax (EBIT[1]) – adjusted for non-recurring items – jumped by 35.9 per cent from €75 million in the first quarter of 2011 to €101 million in the first three months of 2012. The EBIT[1] margin of 8.9 per cent was the highest ever achieved in a first quarter, even exceeding the margin of 8.7 per cent attained in the strong fourth quarter of 2011. The EBIT[1] margin in the first three months of 2011 was 7.3 per cent.

Cash flow from operating activities in the first quarter of 2012 amounted to a net cash outflow of €46 million (Q1 2011: net cash inflow of €66 million). This was largely attributable to a temporary increase in working capital in connection with the KION Group's revenue growth. The net cash used for investing activities (including acquisitions) amounted to €28 million in the first quarter of 2012 (Q1 2011: €20 million). Consequently, free cash flow came to minus €74 million (Q1 2011: plus €46 million).

Total research and development spending rose by more than 13 per cent to €31 million, which equates to almost 5 per cent of revenue from new business in trucks and hydraulics.

The number of employees (including apprentices and trainees) rose by 9.4 per cent to 22,052 as at 31 March 2012 (31 March 2011: 20,154 people). This figure includes more than 600 employees resulting from first-time consolidations.

Sales and service in South Asia and the United Kingdom
The KION Group is continually expanding its product range and its presence in the emerging markets. The growing strength of the Asian economies and the resultant demand for intralogistics solutions provide the KION brand companies Linde, STILL and Baoli with an opportunity to step up their sales in these markets. KION is establishing a new Singapore-based entity – KION South Asia – in order to further expand its sales and service offering in South Asia and Southeast Asia. Operating as part of KION Asia, KION South Asia will support the Linde, STILL and Baoli brands.

The KION Group is also selectively expanding its sales and service network in its home European markets. Linde Material Handling (UK) acquired all the remaining shares in UK-based dealer Linde Creighton Ltd. in February 2012. Creighton employs around 300 people at its head office in West Bromwich. Linde Material Handling (UK) had already purchased the outstanding shares in Linde Sterling Ltd. and Linde Castle Ltd. in 2011. Linde Material Handling (UK)’s dealers in the United Kingdom are therefore now all wholly owned subsidiaries.

KION is also making headway with the consolidation of its European production plants. The manufacturing of counterbalance trucks for the STILL and OM STILL brands was
relocated from Bari (Italy) to Hamburg (Germany) in the first quarter of 2012, while production of warehouse trucks will be transferred from Montataire (France) to Luzzara (Italy) in the second half of this year.

**Outlook: further improvement in margins in a market stable at high level**

The KION Group got off to a highly encouraging start to the year in the first quarter of 2012. Provided that no severe global economic events have an adverse impact on either the industrial-truck markets or the Company itself during the remainder of 2012, the KION Group expects unchanged to generate modest year-on-year revenue growth. The measures that it has started to put in place – especially those aimed at optimising structures – and the raising capacity utilisation at its production plants should also further strengthen its full-year profitability compared with 2011.

In 2012 the global market for industrial trucks is likely to stabilise at last year's high level. The sovereign debt crisis in public finances continues to pose a risk to global macroeconomic trends and has had a visible impact on the real economy in recent months, especially in western European countries such as Spain and Italy. Some of the emerging economies are currently experiencing weaker growth as well.

The market for industrial trucks, which form the backbone of the global logistics industry, will retain its appeal over the long term. By expanding its business in emerging markets and maintaining its extensive sales and service network in its home European markets, the KION Group is excellently placed to benefit from future market growth; and by optimising the structure of its production facilities in Europe, it is laying the foundations underpinning the long-term competitiveness of its trucks.
The KION Group's key figures for the three months ended 31 March 2012

<table>
<thead>
<tr>
<th>€ million</th>
<th>Q1 2012</th>
<th>Q1 2011</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Order intake</td>
<td>1,207</td>
<td>1,157</td>
<td>+4.3%</td>
</tr>
<tr>
<td>Revenue</td>
<td>1,144</td>
<td>1,016</td>
<td>+12.6%</td>
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<tr>
<td>of which:</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Linde Material Handling</td>
<td>774</td>
<td>661</td>
<td>+17.0%</td>
</tr>
<tr>
<td>STILL</td>
<td>412</td>
<td>400</td>
<td>+3.2%</td>
</tr>
<tr>
<td>EBITDA[1]</td>
<td>176</td>
<td>149</td>
<td>+18.3%</td>
</tr>
<tr>
<td>EBITDA[1] margin</td>
<td>15.4%</td>
<td>14.6%</td>
<td></td>
</tr>
<tr>
<td>EBIT[1]</td>
<td>101</td>
<td>75</td>
<td>+35.9%</td>
</tr>
<tr>
<td>EBIT[1] margin</td>
<td>8.9%</td>
<td>7.3%</td>
<td></td>
</tr>
<tr>
<td>Cash flow from operating activities</td>
<td>-46</td>
<td>66</td>
<td>&lt;-100%</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>-74</td>
<td>46</td>
<td>&lt;-100%</td>
</tr>
<tr>
<td>Employees (FTEs incl. apprentices/trainees)</td>
<td>22,052 [2]</td>
<td>20,154</td>
<td>+9.4%</td>
</tr>
</tbody>
</table>

[1] EBIT and EBITDA adjusted for KION acquisition items and non-recurring items
[2] This figure includes a year-on-year increase of more than 600 employees resulting from first-time consolidations

The Company
The KION Group – comprising the six brands Linde, STILL, Fenwick, OM STILL, Baoli and Voltas – is Europe's market leader in industrial trucks, the global number two in the industry and the leading international 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 one of the two market leaders in India. The KION Group employed roughly 22,000 people and generated revenue of around €4.4 billion in 2011.

Disclaimer
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