Emerging markets becoming increasingly important for KION Group

- Order intake in the first nine months of 2011 rises by roughly a quarter to €3.5 billion
- Revenue compared with the corresponding period of 2010 grows by 27 per cent to €3.2 billion
- EBIT[1] margin reaches 8.2 per cent in the first nine months of 2011
- KION Group supplies almost 30 per cent of its new trucks to emerging markets

Wiesbaden, 14 November 2011 – The KION Group, one of the two leading global manufacturers of forklift trucks and warehouse technology, successfully continued its globalisation strategy in the third quarter of 2011 by increasing its order intake and generating profitable revenue growth. Three out of every ten trucks supplied by the KION Group in the first nine months of 2011 went to customers in emerging markets.

Global demand for industrial trucks grew considerably in the first three quarters of 2011. As expected, the pace of growth slowed in the third quarter of 2011. Global demand had risen to 740,000 units as of 30 September 2011, which equates to an increase of 28 per cent compared with the corresponding period of 2010. Demand in Western Europe grew by 32 per cent, mainly driven by replacement investment. Western Europe therefore remained the largest individual market for material handling products worldwide, with demand totalling 212,000 units.

The Chinese market for industrial trucks grew by 27 per cent in the first nine months of 2011 — largely on the back of expansion investment — and generated total demand of almost 190,000 units, which made it the second-largest single market after Western Europe. One quarter of industrial trucks worldwide are now sold to China.

The Eastern European market continued to stage a strong recovery, growing by 46 per cent compared with the first three quarters of 2010 to approximately 41,000 units. Almost half of the total demand generated in Eastern Europe comes from Russia.

In this market environment the KION Group raised the total value of its order intake in the first three quarters of 2011 to €3.464 billion, which represents an increase of 24 per cent on the corresponding period of 2010 (€2.795 billion). The KION Group’s order backlog had grown to more than €1 billion as of 30 September 2011. Order intake for new trucks climbed by 22 per cent from 88,200 units to 107,800 units.
Revenue advanced by 27 per cent year on year to €3.157 billion (Q1-Q3 2010: €2.492 billion). Revenue from business in new trucks grew by 40 per cent compared with the corresponding period of 2010. More than 40 per cent of the revenue generated in the first nine months of the current year stemmed from service business, which comprises aftersales as well as services relating to used and rental trucks.

The KION Group's earnings before interest and tax (EBIT[1]) – adjusted for non-recurring items – rose from €77 million in the first three quarters of 2010 to €260 million in the same period of 2011. This equates to an EBIT[1] margin of 8.2 per cent.

Cash flow from operating activities more than doubled year on year to €146 million (Q1-Q3 2010: €66 million). The net cash used for investing activities (including acquisitions) amounted to €96 million (Q1-Q3 2010: €67 million). Consequently, free cash flow came to €50 million (Q1-Q3 2010: minus €1 million).

The number of employees (including apprentices and trainees) rose by 8.5 per cent to 21,536 as of 30 September 2011 (as of 30 September 2010: 19,845 people). This figure includes 494 employees from first-time consolidations.

KION Group strengthens its presence in emerging markets
The KION Group is constantly broadening its offering in the emerging markets – of which Brazil, Russia, India and China are the most significant – and is continually expanding its sales and service network as well as its local production facilities in these regions. In the first nine months of 2011 almost 30 per cent of the new truck orders (in units) placed with the KION Group were from customers in emerging markets.

The KION Group has been operating in China for almost two decades with its own Linde-branded production plant and an extensive sales and service network, and it is now the leading international supplier. Since 2010 this position has been reinforced by KION’s local Baoli brand, which also serves economy segment markets outside China.

The KION Group has gained access to the rapidly growing Indian market by establishing Voltas Material Handling Private Limited, an India-based joint venture that develops, manufactures, sells and services forklift trucks and warehouse technology. Voltas is one of the two local market leaders and maintains its own production facilities as well as a nationwide sales and service network.

In São Paulo, Brazil, the KION Group is setting up a plant for manufacturing IC trucks. Production in São Paulo is scheduled to start in 2012. The existing Brazilian plant in Rio de Janeiro manufactures warehouse technology for KION's STILL and Linde brands.
The KION Group also continues to enhance the position occupied by its two premium brands – Linde and STILL – in Russia. STILL has further strengthened its Russian market presence by opening an additional branch in St. Petersburg. In September the Linde brand announced plans to acquire the businesses of its longstanding dealer partner Liftec in Russia, Ukraine and Kazakhstan. This will provide Linde with even better direct access to the growth potential of these major eastern European emerging markets. With more than 18,000 new trucks sold in the first nine months of 2011, Russia is the fifth-largest market for industrial trucks in Europe.

Outlook: previous earnings margins realistic
The KION Group is confident that it will be able to bring 2011 to a successful conclusion by generating substantial year-on-year revenue and earnings growth amid market conditions that are still clearly marked by the effects of recovery following the crisis of 2009/2010. Although revenue for 2011 is likely to be well below its pre-crisis level of 2008, the KION Group already expects to return to its previous EBIT[1] margins this year.

Market growth will probably continue to slow over the coming months. One reason for this is that in the meantime the comparative figures for the corresponding periods of last year are now very strong. Another is that the threats to global economic growth are still on the increase. The sovereign debt crisis has heavily impacted global financial markets and is showing the first tangible signs of affecting the real economy.

Industrial trucks form the backbone of the global logistics industry and will remain a highly attractive growth market over the long term. By rapidly expanding its business in emerging markets, the KION Group is well placed to benefit from future market trends and developments. Moreover, its plans to optimise the structure of its production facilities in Europe will support the long-term competitiveness of its trucks.
The KION Group's key figures for the first three quarters of 2011
Since 1 January 2011, the KION Group has aggregated its STILL and OM brands in the
STILL/OM segment.

<table>
<thead>
<tr>
<th>€ million</th>
<th>Q1-Q3 2011</th>
<th>Q1-Q3 2010</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Order intake</td>
<td>3,464</td>
<td>2,795</td>
<td>+24%</td>
</tr>
<tr>
<td>Revenue</td>
<td>3,157</td>
<td>2,492</td>
<td>+27%</td>
</tr>
<tr>
<td>Linde Material Handling</td>
<td>2,071</td>
<td>1,587</td>
<td>+30%</td>
</tr>
<tr>
<td>STILL/OM</td>
<td>1,212</td>
<td>995</td>
<td>+22%</td>
</tr>
<tr>
<td>EBITDA[1]</td>
<td>482</td>
<td>313</td>
<td>+54%</td>
</tr>
<tr>
<td>EBITDA[1] margin</td>
<td>15.3%</td>
<td>12.6%</td>
<td></td>
</tr>
<tr>
<td>EBIT[1]</td>
<td>260</td>
<td>77</td>
<td>&gt; 100%</td>
</tr>
<tr>
<td>EBIT[1] margin</td>
<td>8.2%</td>
<td>3.1%</td>
<td></td>
</tr>
<tr>
<td>Cash flow from operating activities</td>
<td>146</td>
<td>66</td>
<td>&gt; 100%</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>50</td>
<td>-1</td>
<td>&gt; 100%</td>
</tr>
<tr>
<td>Employees [2]</td>
<td>21,536</td>
<td>19,845</td>
<td>+8.5%</td>
</tr>
</tbody>
</table>

[1] EBIT and EBITDA adjusted for non-recurring items prior to purchase price allocation (PPA)
[2] This figure includes 494 employees from first-time consolidations. Excluding changes in the
group of consolidated entities, the number of employees would be 21,042, which would be an
increase of 6.0 per cent on the 19,845 people employed in 2010.

The Company
The KION Group with its 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. Its Linde and STILL brands serve the premium segment worldwide.
Fenwick is the largest supplier of material-handling products in France, while OM is Italy’s market
leader. The Baoli brand focuses on the economy segment, and Voltas is one of the two market
leaders in India. In 2010 the KION Group employed around 20,000 people and generated revenue
of more than €3.5 billion.

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