KION Finance S.A. announces launch of Euro denominated senior notes offering

Luxembourg, 4 February 2013 – KION Finance S.A. announced today that it intends to launch an issue of Euro denominated senior secured notes with a volume of Euro 350 million. KION Finance S.A. will on-lend the net proceeds to companies of the KION Group, guaranteed by KION Group GmbH and certain subsidiaries of KION Group GmbH, in order to refinance existing first lien loan indebtedness. The offering is expected to commence today.

Thomas Toepfer, CFO of KION Group, said. “Based on continued positive development of our business in 2012 and the improved credit profile after the Weichai transaction we seek to take advantage of the improved capital markets environment to further extend the KION Group’s debt maturity profile and further diversify our investor base.”

Based on initial management reporting, the KION Group estimates order intake for the financial year 2012 to be between Euro 4.65 billion and Euro 4.75 billion and revenue between Euro 4.65 and 4.75 billion compared to order intake of Euro 4.682 billion and revenue of Euro 4.368 billion in 2011. KION Group estimates EBIT (adjusted for KION acquisition items and non-recurring items) for the financial year 2012 to be between Euro 430 million and Euro 440 million (2011: Euro 365 million) leading to an estimated EBIT margin of more than 9 per cent (2011: 8.3 per cent). Adjusted EBITDA for the financial year 2012 is estimated to be between Euro 735 million and Euro 755 million (2011: Euro 665 million). Net financial debt as of December 31, 2012 is estimated to be between Euro 1.80 billion and Euro 1.83 billion compared to Euro 2.657 as of December 31, 2011.

KION Finance S.A. had successfully issued Euro denominated senior secured notes in April 2011 and thereby has established an issuance platform for KION Group in the European high yield market. In July 2012, KION Group also extended well in excess of €1 billion of its existing credit facilities. On 27 December 2012 Weichai Power took a 25 percent stake in KION Group via a capital increase for Euro 467 million and in addition acquired a 70 percent stake in Linde Hydraulics for Euro 271 million.

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 STILL is an Italian market leader. The Baoli brand focuses on the economy segment, and Voltas is one of the two market leaders in India. In 2011 the KION Group employed around 22,000 people and generated revenue of more than €4.4 billion.

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KION Finance S.A. does not intend to conduct a public offer of the Notes in the United States, Australia, Canada, or Japan or Hong Kong.

This announcement does not constitute a recommendation concerning the offering. Acquiring securities to which this announcement relates may expose an investor to a significant risk of losing all of the amount invested. The price and value of securities can go down as well as up. Past performance is not a guide to future performance. Information in this announcement or any of the documents relating to the offer cannot be relied upon as a guide to future performance. Potential investors should consult a professional advisor as to the suitability of the offer for the entity concerned.

The financial information in this press release relating to results of the year ended December 31, 2012 of the KION Group are unaudited, of a preliminary nature and subject to revision based upon our review and a review by our independent auditors. We cannot assure you that, upon completion of our review and the review by our independent auditors of our results for the year ended December 31, 2012, we will not report materially different results than those indicated above. Furthermore, certain figures contained in this document, including financial information, have been subject to rounding adjustments.

Any liability (including in respect of direct, indirect or consequential loss or damage) of any company or employee of the KION Group (including KION Finance S.A.) with a view to the information contained in this press release is expressly disclaimed. This press release does not purport to contain all of the information that may be required to evaluate any proposed transaction, and any recipient hereof should seek its own legal, accounting and other relevant professional advice.

No company of the KION Group (including KION Finance S.A.) undertakes any obligation or expects to update or revise this press release, including forward-looking statements or any other information contained herein, whether as a result of new information, future events or otherwise.

For further information please contact
Michael Hauger
Head of Corporate Communications
Tel.: +49 (0) 611 770 655
Email: michael.hauger@kiongroup.com
www.kion-finance.com
www.kiongroup.com