KION GROUP AG remains on a course of profitable growth following a solid year in 2013

- Proposed dividend of €0.35 per share
- Revenue and order intake expected to rise this year
- A further increase in EBIT and the EBIT margin targeted for 2014
- Moderate growth anticipated in the global market
- KION Group plans to fully harness the potential of the growth markets and the recovery in western Europe

Wiesbaden, 20 March 2014 – After a solid year in 2013, KION GROUP AG aims to continue on its trajectory of profitable growth in 2014, driven by momentum from emerging markets and the economic recovery in western Europe. The world’s largest specialist supplier of industrial trucks and associated services expects to see slight increases in order intake and revenue this year. It also anticipates a further significant rise in adjusted EBIT, building on the record figure achieved in 2013. In line with the KION Group’s strategy of boosting profitability over the medium term, the adjusted EBIT margin is also predicted to reach its highest ever level this year.

The Executive Board and Supervisory Board of KION GROUP AG will propose an attractive dividend of €0.35 per share to its first Annual General Meeting on 19 May 2014. Over the next few years, the company intends to pursue an earnings oriented dividend policy that rewards shareholders overproportionally with an increasing pay-out ratio. “We plan to gradually increase our dividend pay-out ratio from the current 25 per cent to 35 per cent over the coming years,” explained Gordon Riske, Chief Executive Officer of the KION Group.

Following an encouraging fourth quarter in 2013, the KION Group is optimistic about its business performance this year. “In 2014, we want to capitalise on our strong position in the market for new trucks and on the comprehensive network we have built up for our global service business in order to generate further profitable growth,” said Riske when the company presented its first annual report since its IPO. “We are ideally placed to fully harness the potential of the growth markets and the incipient recovery in western Europe. In doing so, we will make use of our global presence, economies of scale, the successful multi-brand strategy and our product offensive with groupwide modules and platforms.”

The KION Group expects to see a moderate uptrend in the global market for industrial trucks in 2014 resulting from the stabilisation of demand in western Europe but also from further growth in North America and Asia. Over the next few years, the KION Group expects the global market to grow at an average rate of around 4 per cent in terms of volume.
The KION Group can look back on a solid 2013. EBIT and profitability reached record levels despite weakness in the company’s home market of western Europe and unfavourable currency effects. The Group recorded order intake and revenue at similarly high levels to those in the previous year, after adjusting for the sale of the hydraulics business in 2012.

The KION Group also updated and extended its product range throughout 2013. Its new trucks with low-emission internal combustion engines and hydrostatic drives are the industry’s benchmark for premium technology in western Europe. The first models to emerge from the KION development centre in Xiamen, China, provide the basis for new platforms aimed at emerging markets. In addition, the KION Group is also continuing to pursue its groupwide module strategy with a new generation of reach trucks.

Measured in terms of the number of trucks, the Group’s order intake of approximately 142,800 trucks was up on the previous year’s figure (2012: 141,700). The total value of order intake was roughly the same as in 2012 at €4.489 billion (2012: €4.590 billion, excluding the hydraulics business). Currency effects of almost €74 million had a negative impact on these figures. The proportion of trucks ordered in emerging markets climbed to the record level of around 35 per cent on the back of strong new truck business in China, eastern Europe and South America.

Consolidated revenue amounted to approximately €4.495 billion, attaining almost the same high level as in the previous year (2012: €4.560 billion, adjusted for the hydraulics business), of which around 44 per cent was attributable to the strong service business. Currency effects of some €75 million had a negative impact, the main contributing factors being the devaluation of the Brazilian real and pound sterling. Operating profit (EBIT[1]) rose by 2.0 per cent to its highest ever level of €416.5 million due to ongoing cost optimisation and the KION Group’s ability to command higher prices. As a result, the Group again improved its EBIT[1] margin to 9.3 per cent, the highest percentage ever recorded for a full financial year. Free cash flow stood at €202.6 million compared with a prior-year figure of €518.1 million, which had been pushed up by non-recurring items relating to the partnership with Weichai Power.

The KION Group achieved net income of €138.4 million in 2013. In 2012, the net income of €161.4 million had included income of €155 million from the sale of the hydraulics business.

Spending on research and development by the KION Group in 2013 was on a par with the previous year at €114.2 million. This equated to 2.5 per cent of revenue, as it had in 2012.

The KION Group’s EBIT[1] margin in the fourth quarter of 2013 stood at 9.8 per cent – a record for a three-month period. The company’s order intake (€1.193 billion), revenue
(€1.178 billion) and adjusted EBIT (€115.6 million) were at roughly the same high level as in the fourth quarter of 2012. However, unfavourable currency effects again had a negative impact on order intake and revenue in the final quarter of 2013.

**Milestones in 2013**

KION GROUP AG’s successful stock market flotation on 28 June 2013 marked a new chapter in the company’s history. The proceeds enabled the Group to slash its net financial debt to €979 million. Net debt at the reporting date (31 December 2013) was 1.4 times adjusted EBITDA for the last twelve months, providing the KION Group with strong foundations on which to maintain its growth strategy.

On the first day of trading on 28 June 2013, the shares opened trading at €24.19. On 19 March 2014, the shares closed at a price of €33.78 (XETRA, 17:55h). This means they have increased by approximately 40 per cent since the IPO, thereby outperforming both the SDAX and the MDAX.

Following the reduction in the stake held by the major shareholders Goldman Sachs and KKR to 34.5 per cent and the related sharp rise in the free float to 31.1 per cent in January 2014, free-float market capitalisation stood at €1,040.1 million on 19 March 2014. Weichai Power as an anchor shareholder increased its stake in January through an option exercise to 33.3 per cent.

The KION Group also took significant strategic steps in 2013, including officially opening the new KION plant in Indaiatuba (São Paulo) in March 2013. This has doubled capacity in Brazil, the largest individual market in South America.

The KION Group stepped up its sales activities in the fast-growing market of south-east Europe when STILL acquired 51.0 per cent of the Turkish dealer Arser İş Makineleri Servis ve Ticaret A.Ş., marking a milestone. The Group also strengthened its presence in France by purchasing the remaining shares in two dealers. It also acquired a majority stake in the German dealer Willenbrock in the context of a family accession process.

The KION Group’s Annual Report on the internet: [http://reports.kiongroup.com](http://reports.kiongroup.com)
Key figures for the KION Group for the year ended 31 December 2013

<table>
<thead>
<tr>
<th>€ million</th>
<th>2013</th>
<th>2012</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Order intake[2]</td>
<td>4,489.1</td>
<td>4,590.3</td>
<td>-2.2%</td>
</tr>
<tr>
<td>Revenue[2]</td>
<td>4,494.6</td>
<td>4,559.8</td>
<td>-1.4%</td>
</tr>
<tr>
<td>of which:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Linde Material Handling[2]</td>
<td>2,881.1</td>
<td>2,965.4</td>
<td>-2.8%</td>
</tr>
<tr>
<td>STILL</td>
<td>1,717.5</td>
<td>1,676.6</td>
<td>+2.4%</td>
</tr>
<tr>
<td>Financial Services</td>
<td>539.4</td>
<td>509.3</td>
<td>+5.9%</td>
</tr>
<tr>
<td>EBITDA[1]</td>
<td>721.5</td>
<td>700.5</td>
<td>+3.0%</td>
</tr>
<tr>
<td>EBITDA[1] margin</td>
<td>16.1%</td>
<td>15.4%</td>
<td></td>
</tr>
<tr>
<td>EBIT[1]</td>
<td>416.5</td>
<td>408.3</td>
<td>+2.0%</td>
</tr>
<tr>
<td>EBIT[1] margin</td>
<td>9.3%</td>
<td>9.0%</td>
<td></td>
</tr>
<tr>
<td>Net income[3]</td>
<td>138.4</td>
<td>161.4</td>
<td>-14.2%</td>
</tr>
<tr>
<td>Free cash flow[4]</td>
<td>202.6</td>
<td>518.1</td>
<td>-60.9%</td>
</tr>
<tr>
<td>Employees[5]</td>
<td>22,273</td>
<td>21,215</td>
<td>+5.0%</td>
</tr>
</tbody>
</table>

(FTEs, incl. apprentices/trainees)

[1] EBIT/EBITDA adjusted for KION acquisition items and non-recurring items; key figures for 2012 also adjusted to reflect the sale of the hydraulics business and the retrospective adoption of IAS 19R (2011)
[2] Key figures for 2012 adjusted to reflect the sale of the hydraulics business
[3] The net income for 2012 contains net income from the Weichai transactions amounting to €154.8 million
[4] Free cash flow in 2012 was significantly affected by the proceeds from the sale of the hydraulics business to Weichai Power
[5] Figure as at 31 December 2013 compared with 31 December 2012 (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.

Disclaimer

This document and the information contained herein are for information purposes only and do not constitute a prospectus or an offer to sell or a solicitation of an offer to buy any securities in the United States or in any other jurisdiction. 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.

Further information for the media

Michael Hauger
Head of Corporate Communications
Tel.: +49 (0) 611.770-655
Email michael.hauger@kiongroup.com

Frank Brandmaier
Head of Corporate Media Relations
Tel.: +49 (0) 611.770-752
Email frank.brandmaier@kiongroup.com
Further information for investors

Frank Herzog
Head of Corporate Finance
Tel.: +49 (0) 611.770-303
Email frank.herzog@kiongroup.com

Silke Glitza
Head of Investor Relations & M&A
Tel.: +49 (0) 611.770-450
Email silke.glitza@kiongroup.com