KION Group paves the way for further growth in Europe with investment programme

- Further increase of competitiveness in the premium segment of the growing European market
- By 2021, a total of €83 million will have been invested in the further optimisation of production processes at KION's core plants in Aschaffenburg and Hamburg
- New plant in Czech Republic is planned for economy and value trucks for eastern and southern European markets
- KION CEO Gordon Riske: "Alongside the growth markets, Europe remains the focus of our capital expenditure."

Wiesbaden, 9 July 2014 – The KION Group is paving the way for further profitable growth with a long-term capital expenditure programme as the European market for forklift trucks and warehouse technology gathers pace. In total, Linde Material Handling's core plant in Aschaffenburg is set to invest roughly €60 million through 2021 and around €23 million is earmarked for the core STILL plant in Hamburg over the same period. The further optimisation of production processes and internal logistics will make the core plants run by KION's two premium brand companies even more competitive and cost-efficient and will create the capacity for medium-term growth. This should enable the group to gain maximum benefit from global growth markets as well as the resurgent European premium-product market.

As the world's largest specialist supplier of industrial trucks and associated services, the KION Group also aims to meet the market demand for vehicles in the value and economy segment in Europe even better and more efficiently. To this end, the company is planning to build a new plant near Pilzeň in the Czech Republic, primarily to supply the markets in eastern and southern Europe. The ground-breaking ceremony is scheduled for October and production – initially of existing warehouse technology products – is planned to start in early 2016. Around €12 million will be invested in setting up the plant, where about 200 people will initially be employed.

"Expanding our leading position across the whole of Europe"

"The capital invested in our European plant structure shows that our home market of Europe continues to play a key role in our growth strategy – alongside the USA and emerging markets such as China," said KION Group CEO Gordon Riske. "Optimised production processes in our core plants and the new plant in the Czech Republic will
not only play an important part in maintaining the leading position of the KION Group in western and eastern Europe, but will also help us to extend our reach by better meeting the needs of the value and economy segments."

The core Linde MH and STILL plants in Aschaffenburg and Hamburg remain centres of excellence for their flagship IC and electric trucks and reach trucks in the premium segment. The objective of the capital expenditure programme is to enhance the KION Group's medium-term profitability by making the production of core products more efficient. Around 2,600 people work at the Linde site in Aschaffenburg and around 2,100 work at STILL's core plant in Hamburg.

The purpose of the new plant in the Czech Republic is to help the KION Group to supply locally produced trucks for the non-premium segments in eastern and southern Europe, enabling the group's growth to outstrip the market. The group's plan is to manufacture value and economy trucks as well as smaller warehouse-technology products tailored precisely to meet regional needs in these market segments. The current generation of Linde reach trucks will also be produced in the Czech Republic.

Further optimised production processes, proximity to customers and the consistent exploitation of economies of scale form part of the KION Group Strategy 2020 that was launched in March. By 2020, the KION Group aims to have closed the gap with its biggest international rival, and at the same time to have expanded its position as the most profitable player in its sector. The company also intends to make more efficient use of capital employed and to increase its resilience to provide an even better cushion against economic crises.

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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