Quarterly Report | Q1-3 2011

KION GROUP

WE KEEP THE WORLD MOVING

MATERIAL HANDLING SOLUTIONS

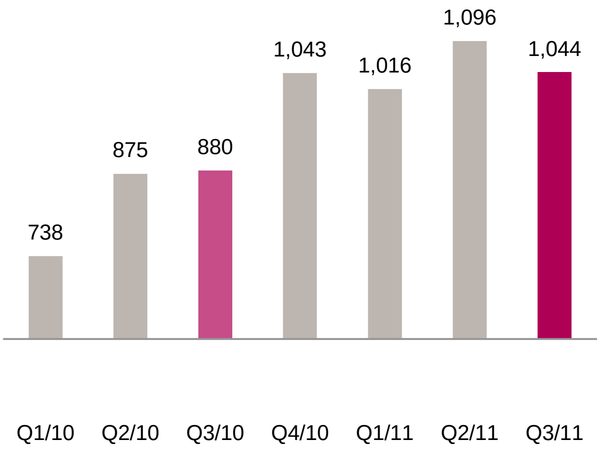
Linde STILL FENWICK OM Baoli VOLTAS

SUMMARY Q1-3/2011

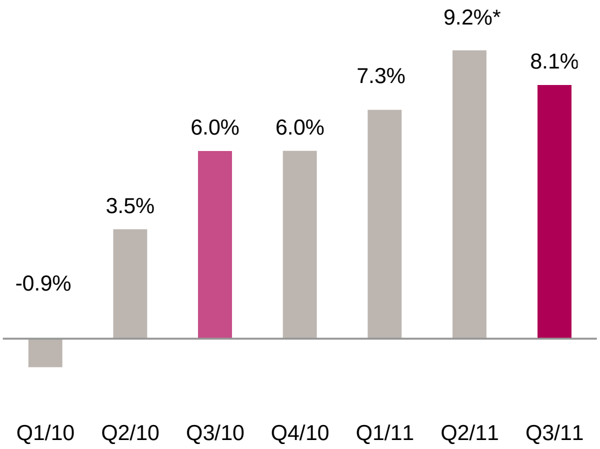
compared to respective period in previous year

REVENUE Q3	+ 19%
REVENUE Q1-3	+ 27%
EBIT MARGIN ADJUSTED Q3	8.1%
EBIT MARGIN ADJUSTED Q1-3	8.2%

Revenue (€ million)



EBIT margin adjusted



* The Adjusted EBIT in Q2/2011 includes €7 million in profits from investments mainly related to participations in dealers. These profits represent percentage points of EBIT margin in Q2/2011. Thus, the EBIT margin amounts to 9.2% and the adjusted EBIT margin is 8.5%. In Q2/2010 the profits from investments were €2 million.

We are a leading global supplier of industrial trucks and we are well-positioned to capture growth opportunities in our European home market as well as across global growth regions by leveraging our leading market positions, our global sales and service network, our comprehensive product and service offering, our technological leadership and our multi-brand offerings. We are the largest manufacturer of industrial trucks in Europe and the second largest manufacturer globally.

KION Group key figures *)

€ million	Q3 2011	Q3 2010	Change	Q1-Q3 2011	Q1-Q3 2010	Change
Order intake (in €)	1,112	952	16.8%	3,464	2,795	23.9%
Order intake (in units)	33,489	29,113	15.0%	107,789	88,213	22.2%
Revenue	1,044	880	18.7%	3,157	2,492	26.7%
EBITDA	146	116	26.5%	466	259	79.7%
Adjusted EBITDA[1]	160	131	22.0%	482	313	53.7%
Adjusted EBITDA margin[1]	15.3%	14.9%	-	15.3%	12.6%	-
EBIT	63	32	99.5%	222	6	>100%
Adjusted EBIT[1]	84	53	60.2%	260	77	>100%
Adjusted EBIT margin[1]	8.1%	6.0%	-	8.2%	3.1%	-
Net income (loss) for the period	-26	-8	<-100%	-22	-183	88.0%
Capital expenditures	28	27	3.3%	79	74	6.5%
Free cash flow[2]	30	18	72.0%	50	-1	>100%
Total spending on R&D[3]	28	25	13.5%	85	73	15.7%
R&D spending/revenue (%)	2.7%	2.8%	-	2.7%	2.9%	-

€ million	09/30/2011	12/31/2010	Change
Trade working capital	757	661	14.7%
Cash and cash equivalents	152	253	-40.0%
Equity	-433	-400	-8.3%
Net financial debt	2,749	2,641	4.1%
Number of employees incl. apprentices and trainees	21,536	19,968	7.9%

1 Adjusted for KION acquisition items and one-off items
2 Free cash flow is defined as Cash flow from operating activities less Cash flow used in investing activities
3 Including amortization expense, depreciation and capitalization

*) KION Group figures reflect financial data of KION Holding 1 GmbH as well as for certain respects figures of KION GROUP GmbH which acts as the management holding company for the Group.

CONTENTS

DISCLAIMER

We have included in this Quarterly Report the Consolidated Financial Statements of KION Holding 1 GmbH. This financial data differs in certain respects from the financial data of KION GROUP GmbH: The financial statements of KION Holding 1 GmbH include a shareholder loan in the principal amount of €500 million (before capitalized interest) and certain fees including audit fees and annual fees to the supervisory board.

KION Holding 1 GmbH owns all the shares in KION Holding 2 GmbH, which in turn is the sole shareholder of KION GROUP GmbH. KION GROUP GmbH acts as our management holding company.

This Quarterly Report should be read in conjunction with the 2010 Annual Financial Statements of KION Holding 1 GmbH available on our website. This report provides updated or additional information to the financial statements.

In this report, the accompanying unaudited condensed interim financial statements of KION Holding 1 GmbH as of and for the relevant period ended September 30, 2011 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted in Germany. The financial information and financial statements included in this report are presented in Euro. Certain numerical figures included in this report have been rounded. Therefore, discrepancies in tables between totals and the sums of the amounts listed and between figures in tables and their respective analysis in the text of the report may occur due to such rounding. All changes in percentage and ratios were calculated using the underlying data in € thousands.

This report contains information, data and predictions about our markets and our competitive position. We have not verified the accuracy of such information, data or predictions contained in this report that were taken or derived from industry publications, public documents of our competitors or other external sources. We believe that the information, data and predictions presented in this report provide fair and adequate estimates of the size of our markets and fairly reflect our competitive position within these markets. However, our internal estimates have not been verified by an external expert, and we cannot guarantee that a third party using different methods to assemble, analyze or compute market information and data would obtain or generate the same results. In addition, our competitors may define our and their markets differently than we do.

The discussion includes forward looking statements, which, although based on assumptions that we consider reasonable, are subject to risk and uncertainties, which could cause actual results, events or conditions to differ materially from those expressed or implied herein. Investors are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. We undertake no obligation to release publicly the result of any revisions to these forward-looking statements which may be made to reflect events or circumstances after the date hereof, including, without limitation, changes in our business or strategy or planned capital expenditures, or to reflect the occurrence of unanticipated events. We provide a cautionary discussion of risks and uncertainties under ''Risk Factors'' contained elsewhere in this report. These are factors that we think would cause our actual results to differ materially from expected results. Other factors besides those, however, could also adversely affect us.

BUSINESS

Overview

We are a leading global supplier of industrial trucks and we are well-positioned to capture growth opportunities in our European home market as well as across global growth regions by leveraging our leading market positions, our global sales and service network, our comprehensive product and service offering, our technological leadership and our multi-brand offerings. We are the largest manufacturer of industrial trucks in Europe and the second largest manufacturer globally in terms of unit sales. Besides our home market of Europe we are in a leading position in the current growth regions of China, South America and India. We are the only major global manufacturer focused solely on industrial trucks, and we complement our new truck business with a broad service offering.

We operate through our two global brands, Linde and STILL, and through our four regional brands, Fenwick (France), OM (Italy), Baoli (China and emerging markets) and Voltas (India), as well as 19 separate production sites, including our hydraulics and components business, and more than 1,200 distributors, dealers and other sales outlets in over 100 countries.

We complement our products with a comprehensive service offering geared to our customers' specific needs, including after sales service, financial services, fleet management and software solutions. Our service activities are an essential sales support function for our new truck sales business and also generate higher margins as well as more stable revenue on a standalone basis. Our production and service activities are complemented by our Linde Hydraulics business, which manufactures high-end hydraulic components for use within our products, as well as customized hydraulic components for external customers, across a variety of industries. With more than one million of our trucks in circulation, our service offering is an important part of our business, generating 46% of our revenue in 2010 and 43% of our revenue in Q1-3/2011.

We operate our industrial business through a multi-brand strategy, allowing us to strategically position ourselves across a wide range of products, geographies, regions and customer preferences. Our Linde, STILL, OM, Baoli and Voltas brands operate independently, enabling us to capitalize on their strengths and leverage our sales channels in the regions across which we operate. Fenwick is operated by our Linde Material Handling management for France, and OM's operations are being integrated into STILL's and the OM brand will be used to cover Italy. At the same time, all of our brands benefit from shared administrative, procurement and logistics functions, thereby reducing costs and yielding cost synergies. Historically, we reported our business under three main operational segments: Linde Material Handling (LMH) - including the Linde, Fenwick and Baoli brands as well as Linde Hydraulics - and STILL and OM. Due to the combination of STILL and OM, we have presented our financial accounts and figures on a combined STILL/OM basis since Q1/2011 and have also provided the relevant data for the previous periods. Voltas is included in the segment "Other".

Our Strategy

Maintain new truck market leadership and expand service offering in our European markets

We aim to maintain the strong market leadership positions that we have achieved in the European markets by leveraging our strong brands and remaining at the forefront of technological innovation, while increasing the benefits we provide to our customers by growing our service offering. We believe that we can differentiate our products through technological leadership that translates into superior customer benefits. To maintain our technological leadership position, we continue to invest significantly in research and development. Our spending on research and development in Q1-3/2011 and Q1-3/2010 was €85 million and €73 million respectively, or 4.7% and 5.7% of our new truck and hydraulics sales and 2.7% and 2.9% of our total revenue, respectively. We believe this level of investment to be higher than what most of our competitors spent during that period. Our research and development pipeline includes innovations to address major technological trends, including fuel cell drive systems, hybrid trucks, lithium-ion technology and enhanced ergonomics.

We strive to continuously broaden the range and increase the quality of the services we develop for and offer to our customers, including solutions for fleet management, intra-logistics processes, efficient goods flow management and IT systems. We intend to increase our market share and coverage in our after sales business in particular by targeting our significant installed base. We believe that our full product and service offering increases our value proposition and helps to drive customer loyalty.

Tap full market potential in growth regions

We intend to exploit our excellent position in important growth markets in order to benefit from the increasing demand in those markets. We plan to continue introducing more tailored products into specific markets including China, India and Brazil, and to build out our local product distribution and manufacturing network. We strive to leverage our diverse product portfolio to cover the premium, value and economy segments as the emerging markets continue to grow. We seek to further increase our local product offerings and expand our sales and services network in key growth regions. We aim to achieve this through targeted investments in local manufacturing capacity, product research and development and sales presence. This also includes targeted acquisition of dealers in markets important to us, and, opportunistically, acquisitions of small local or regional manufacturers. Our recent agreement to establish a joint venture with Voltas in India gives us a good entry to the economy segment of the Indian material handling market. The Indian market for material handling is still one of the most underdeveloped among the major growth countries, and thus holds a lot of growth potential. The combined strengths of Voltas, with its good market reputation and long-standing experience in India, coupled with our know-how in material handling, will provide the starting point to participate in that growth.

Further improve market penetration through our multi-brand strategy and sales and service networks

We leverage our multi-brand strategy with our Linde, Fenwick, STILL, OM, Baoli and Voltas brands to reach a wide range of regions and customers, as well as the economy, value and premium market segments. We believe that this results in increased sales due to our ability to better address customer needs in their specific locations. For example, in order to be able to realize the potential of the important growth markets of Asia and South and Central America, which generally have lower technological requirements and are more price sensitive, we added Baoli, a local Chinese manufacturer, to our group as a fifth brand in 2009, to focus on the economy segment in China and also to leverage this product offering in other markets. This year, we have added the Voltas brand to increase our presence in the Indian market. We will continue to explore selected external growth opportunities and seek to maximize our growth potential by utilizing the different strengths of our six brands, allowing us to present multiple options to our competitors thereby increasing our overall market share. This effort will be assisted by the continued exploitation of our existing service network in order to drive new truck sales and after sales revenue.

Reduce costs by exploiting group-wide synergies and achieving operational excellence

We strive to approach the market through our separate brands, maximizing our potential market share, while simultaneously working across our brands to achieve synergies and reduce costs in operations by implementing best practices throughout our group. While historically the various entities were largely managed separately, we are now focused on exploiting group-wide synergies while maintaining the distinctive identities of our brands. For example, our quality and production controls and logistics units are now managed by a central operations team in order to create uniform standards and make expertise available across our group. In addition, we plan to continue improving our production footprint across the group. We are able to efficiently manage resources through a shared procurement organization and a joint research and development unit which enables the bundling of resources and more efficient capacity utilization, while still maintaining independent brand support where appropriate. We will continue to optimize our systems and processes, and we are also in the process of implementing and running standardized IT systems and platforms in order to continue to improve margins.

Our Strengths

Market leader in attractive European market

We are the leading European industrial truck manufacturer with a market share of approximately 32% in 2010 and 33% in Q1-3/2011. Our position is particularly strong in Western Europe, where, in 2010 as well as in Q1-3/2011, we commanded market shares in excess of 40% in both Germany and France. We believe that our strong product offering, our customer relationships, our dense sales and service network, and our significant installed base of trucks provide us with an excellent platform to capture future demand in the European markets. The market in which we operate is large and has seen historic growth at rates exceeding world GDP (indexed) growth rates. In 2010 and Q1-3/2011, much of the demand in our core European market was driven by replacement demand with underlying growth driven by increasing globalization and world trade.

Strong platform from which to capture emerging markets' potential

We have a strong presence in many emerging markets. Approximately 28% of our new trucks were sold to growth markets in 2010 and 29% in Q1-3/2011, mainly in China, Brazil and Eastern Europe. We are in a leading position in Eastern Europe, and we are the leading non-domestic manufacturer in China and the second largest manufacturer in Brazil, with approximately 20% of the Brazilian market share in both 2010 and Q1-3/2011. We recently significantly strengthened our position in India by establishing a joint venture with Voltas Limited. This joint venture will allow us to capture significant market share in an early stage of the development of the Indian market. We believe that our position in these emerging economies will allow us to capture additional sales volumes as these markets continue to grow. In addition, given our access to premium product offerings across all truck types and our service know-how derived from our strong market position in Europe, we believe that we are well positioned to benefit as these markets mature and demand shifts towards premium products and services that not all local players may be able to provide.

Global and regional brands with a loyal customer following

We operate our business through a multi-brand strategy, allowing us to strategically position ourselves across a wide range of products, geographies, regions and customer preferences. Our global Linde and STILL brands, as well as our regional Fenwick, OM, Baoli and Voltas brands benefit from significant customer recognition and loyalty. We leverage our multi-brand platform to reach a wide range of regions and customers, as well as the economy, value and premium market segments. We believe that this enhances our position by better addressing customer needs in their specific locations.

Full product offering: diversified across products, customers and geographic markets

We offer a complete product range of new industrial trucks, from small low-lift pallet trucks up to 46 ton container handlers, as well as maintenance and repair services, comprehensive fleet management solutions and financial solutions. This comprehensive product offering is important to our premium customers, who seek a full product line including services when selecting an industrial truck manufacturer. Our customers are highly diversified by end markets and by geography. China is our third biggest market behind Germany and France, in terms of new trucks sold in units, and Brazil is our sixth biggest market. Our top ten customers for the KION Group only represented 6% of our total revenue in 2010.

Strong after sales business reducing revenues and earnings volatility

In 2010, we generated 46% and, in Q1-3/2011, 43% of our revenue from our service offering, including, respectively, 27% and 25% of our revenue stemming from our after sales business, which includes maintenance and spare parts. This revenue stream, which produces higher margins than our new truck sales, has historically been less volatile than new truck sales. Accordingly, our significant activities in this area somewhat reduce the overall volatility of our revenues. Our comprehensive after sales service offering benefits from our installed base of over a million trucks worldwide and is complemented by our network of over 1,200 sales and service locations in over 100 countries with more than 7,000 service employees globally, allowing us to remain close to our customers. Customer proximity is particularly important from a service perspective as many customers use our products in mission critical applications, in many instances for up to twenty-four hours a day, and require very short response times by service technicians. We believe that our dense network represents a significant competitive advantage over competitors that do not have such networks and would need to invest heavily to develop them. This is particularly true for competitors who are focused on new truck sales.

Competitive advantage through technological leadership

We are at the technological forefront of the IC truck and E truck segments, and have a leading technological position in warehouse trucks. Linde Material Handling is a technological leader with its highly efficient and reliable hydrostatic drive, while STILL is well-positioned in hybrid technology with its diesel-electric drive. We are committed to investing in products in line with major trends in the industry and are leading in hybrid technology, lithium-ion technology, fuel cells, ergonomics and safety. All of our brands benefit from our large research and development platform that allows us to make research results available across the group, while simultaneously addressing the specific needs of our brands in terms of technology and brand differentiation. We believe that as a result of our technological superiority, the total cost of ownership of specific Linde IC trucks is significantly lower than that of many other trucks.

Operational excellence

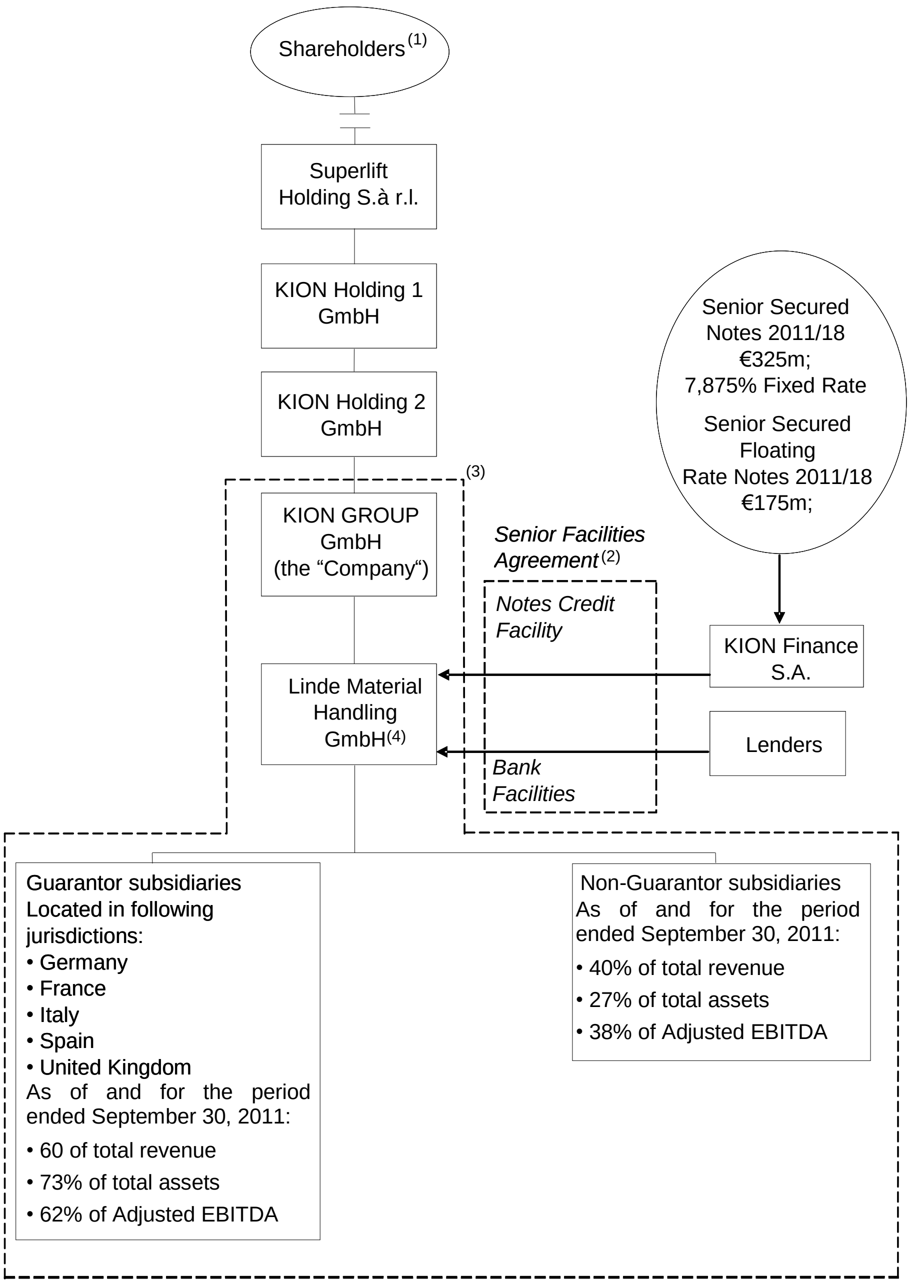
We constantly search for and implement programs to increase our efficiency and drive our margins. Since 2006, we have implemented a number of restructuring and cost savings measures, including temporary measures. Measures we have implemented include the closure of our former manufacturing site in Basingstoke and the downsizing of two further sites in Germany. In addition, we have strengthened our OM brand and sales network in Italy by leveraging the existing STILL product portfolio. These measures have significantly improved our structural cost base. We continue to implement a number of further operational improvements, such as common production standards, consolidation of our product portfolio, design-to-cost initiatives, and supplier management. These measures, together with the inherent operating leverage, offer the potential for significant profit improvement as our revenues increase.

Experienced management team

Our senior management team has extensive experience across our industry and has an excellent track record in the execution of our growth strategy, in restructuring and redesigning our business and in delivering efficiencies and significant synergies across our group. Through our optimized and streamlined structures and processes implemented by our senior management team, we believe we are in a strong position to compete in the market.

Summary of Corporate Structure & Shareholders

The following diagram summarizes certain aspects of our corporate structure.



(1) For information regarding our ultimate shareholders please see ''— Our Shareholders'' below.

(2) The Bank Facilities and the Notes Credit Facility under the Senior Facilities Agreement rank equally in right of payment. Facility D under the Senior Facilities Agreement is a second lien tranche which in certain circumstances will receive proceeds only after the other facilities under the Senior Facilities Agreement.

(3) These entities are all members of the KION Group. Total revenue, total assets and Adjusted EBITDA presented have been prepared on a consolidated basis.

(4) The other borrowers under the Bank Facilities are Superlift UK Limited, KION France Services S.A.S., Islavista Spain S.A.U. and Linde Holdings Limited.

Our Shareholders

Our principal shareholders include Goldman Sachs Capital Partners, investment partnerships controlled by Goldman, Sachs & Co. and certain of its affiliates, and investment partnerships controlled by KKR & Co. L.P. and certain of its affiliates. Since 1986, Goldman Sachs, through its Merchant Banking Division, has raised over $82 billion of capital for corporate investments through 16 investment vehicles (including equity, mezzanine, senior secured loan and distressed funds) (together ‘‘GS Funds’’). The GS Funds conduct privately negotiated investment activities globally and have invested over $15 billion in industrial and manufacturing companies. Investments include for example Messer Griesheim, Cognis, Xella International, Prysmian Cables & Systems, Ahlsell, Ontex, Hawker Beechcraft, Sanyo Electric and Geely Automobile Holdings. GS Capital Partners V, L.P. (‘‘GSCP V’’), is one series of the diversified GS Funds with over $8 billion of capital commitments. Like the other GS Funds, GSCP V is managed and sponsored by affiliates of Goldman Sachs and focuses on large, sophisticated business opportunities in which value can be created by leveraging the resources and expertise of Goldman Sachs to source, execute and manage investments.

Founded in 1976 and led by Henry Kravis and George Roberts, KKR is a leading global investment firm with $58.7 billion in assets under management as of September 30, 2011. With 14 offices around the world, KKR manages assets through a variety of investment funds and accounts covering multiple asset classes. KKR seeks to create value by bringing operational expertise to its portfolio companies and through active oversight and monitoring of its investments. KKR complements its investment expertise and strengthens interactions with investors through its client relationships and capital markets platforms. KKR is publicly traded on the New York Stock Exchange (NYSE: KKR). For additional information, please visit KKR’s website at www.kkr.com.

MANAGEMENT DISCUSSION & ANALYSIS

Recent Developments

KION Group continues to expand its footprint in Eastern Europe

As part of the continuing expansion of our footprint in Eastern Europe, Linde Material Handling announced on September 5, 2011 that it acquired Liftec, a dealer in Russia with whom we have worked successfully for about 20 years. The takeover will give the Linde brand greater direct access to the high-growth potential of the Russian market, as well as its own sales and service structure in Russia, after local antitrust approval. With more than 18,000 new trucks sold in terms of units in the nine months ended September 2011, Russia is now the fifth-largest market for industrial trucks in Europe. Linde will also be taking over the operations of two other Liftec divisions in Ukraine and Kazakhstan, pending approval from the local antitrust authorities. In addition, STILL strengthened its Russian market presence by opening an additional branch in St. Petersburg.

Supervisory Board and Executive Board

On September 28, 2011, John Feldmann was elected as the new chairman of the supervisory board. On the same date, Philip Wack stepped down as a member of the supervisory board.

On September 7, 2011, the supervisory board decided to extend the contract of Harald Pinger as a member of the executive board for a further four years, until July 31, 2016.

On July 29, 2011, the supervisory board appointed Klaus Hofer to the executive board of the Company, effective October 1, 2011. He is now our Labor Relations director, responsible for Human Resources, Legal and Internal Audit.

Draw Down on our Multi-Currency Revolving Credit Facility

On November 7, 2011, we drew down on our Multi-Currency Revolving Credit Facility in the amount of €133 million. While we believe that, based on our current level of operations as reflected in our results for the nine months ended September 30, 2011 and based on our budget for 2011, our sources of liquidity will be sufficient to fund our operations, capital expenditures and debt service, we have nevertheless determined that it is prudent financial management in the current volatile financial market environment to maintain and secure a strong cash position.

Continuing Review of our Manufacturing Footprint

In July 2011, we announced a project which will further improve the competitiveness of our manufacturing footprint by increasing our utilization of our existing European plants and by improving the flexibility of our manufacturing capacity. We aim to concentrate our European manufacturing of warehouse trucks at the sites in Chatellerault (France) and Luzzara (Italy). The current production of warehouse trucks in Montataire (France) would be relocated to the plant in Luzzara. Additionally, production of STILL and OM counterbalance trucks would be consolidated at the site in Hamburg (Germany). Accordingly the production of E trucks and IC trucks in Bari (Italy) would be relocated to Hamburg. Our plants in Montataire and Bari would then be closed.

Also in July 2011, our joint venture in India, Voltas Material Handling, announced the inauguration of its new production facility in Pune (India). With this newly inaugurated plant, Voltas Material Handling has doubled its production capacity in India with the aim of satisfying the potential local demand in India. The new production facility provides flexibility for further expansion, so that capacity can be swiftly adapted to future developments of the market.

In order to better satisfy growing customer demand in South America, in April 2011 we started construction of a completely new production facility for the manufacture of counterbalance trucks in Sao Paulo (Brazil). Work is in progress and production is scheduled to start in 2012. Apart from this newly built plant for IC trucks, we already operate a warehouse equipment plant in Rio de Janeiro.

Strengthening of Market Position in UK

In June 2011, Linde purchased the remaining 51% of shares in its UK dealership Linde Sterling Ltd. (“Sterling”) and today holds 100% of the company. Sterling has been a leading supplier of new and used trucks, rental and after sales support to its customers in North West England and North Wales for over 30 years. At its headquarters in Warrington and three further customer support centers, Sterling employs approximately 300 members of staff. As one of Linde's largest UK national network companies, it generated revenues of GBP 32 million in 2010. With this acquisition, Linde UK strengthened its business and customer service activities.

Continuing Review of our Segmentation

As part of our redesign program, we decided to combine the activities of our STILL and OM segments into a single segment. As a result of gaining access to STILL’s comprehensive product portfolio and becoming the major representative of the STILL brand in Italy, OM will significantly expand its range of products while continuing to focus on its home market, Italy. STILL will similarly be able to enhance its product range with OM’s reliable produce base. In our interim financial information for the first half of 2011, we started reporting, and will report going forward, OM and STILL together as one segment. We will continue to review our segmentation going forward with the aim of creating synergies or realizing savings, reflecting industry practices and improving comparability with our industry peers. These changes to segmentation may potentially include separating our financial service activities into a separate segment from our brand reporting starting in 2012.

Market Development in Q1-3/2011

Global industrial truck markets continued to grow in Q3/2011 and increased by 28% compared to Q1-3/2010 to 740,000 units. Thus, the global industrial truck market is continuing to develop towards its record level set in 2007 with 953,000 units sold during the whole year.

Global growth was driven by all regions with Western Europe, China and Northern America as the largest sales regions. Within Western Europe, growth rates in Germany (+32%), UK (+34%), and France (+25%) developed more dynamically than in Q1-3/2010. Sales in Italy and Spain recovered only moderately, while Eastern European countries demonstrated strong growth that was driven by the Russian market, which generated almost half of the total demand in Eastern Europe, but also with strong contributions from other major markets, including Hungary, Poland and Czech Republic. The Chinese market continued its growth and, with 190,000 units in Q1-3/2011, one out of four industrial trucks worldwide is sold in China. Thus, China is the second largest sales region in the world after Western Europe.

Global Industrial Truck Market (order intake)

in thousand units	Q3 2011	Q3 2010	Q3 2009	Q3 2008	Changes 2011/2010
WEU 1)	62	51	41	66	22%
EEU	13	11	5	19	18%
China	58	51	35	29	14%
Rest of Asia 2)	34	31	23	41	10%
North America	42	33	24	38	27%
South & Central America	14	12	6	12	17%
Rest of World	10	9	6	9	11%
Total	**233**	**198**	**140**	**214**	**18%**

Global Industrial Truck Market (order intake)

in thousand units	Q1-Q3 2011	Q1-Q3 2010	Q1-Q3 2009	Q1-Q3 2008	Changes 2011/2010
WEU 1)	212	160	133	238	32%
EEU	41	28	14	62	46%
China	190	150	84	94	27%
Rest of Asia 2)	103	92	64	128	12%
North America	124	94	71	128	32%
South & Central America	42	32	13	35	31%
Rest of World	29	22	15	30	27%
Total	**740**	**578**	**394**	**715**	**28%**

1) 2011 incl. TR/CY
2) 2011 w/o TR/CY

Source: WITS/ FEM
Note: According to WITS, Western Europe includes Turkey and Cyprus from 2011 onwards (until 2010 included in Asia). Due to rounding differences of individual items, sums may not always add up.

Financial Highlights of Q1-3/2011

Overview Q3/2011

Driven by the growing market environment compared to Q3/2010, our order intake in the new truck business grew by 15% from 29,113 units in Q3/2010 to 33,489 units in Q3/2011. Growth was promoted by strong development in the European markets as well as the continued surge in China, which is our third biggest market. New truck order intake especially benefited from the trend towards E and IC trucks which grew more than the smaller warehouse trucks. Besides new truck business, all other service lines including after sales, rental and used truck business improved substantially. Total order intake, which includes all lines of business, grew by 17% to €1,112 million compared to Q3/2010 and in volume exceeded our revenue which increased by 19% to €1,044 million. Our order book as of September 30, 2011 grew accordingly to €1,042 million.

KION Group key figures

€ million	Q3 2011	Q3 2010	Change	Q1-Q3 2011	Q1-Q3 2010	Change
Order intake	1,112	952	16.8%	3,464	2,795	23.9%
Revenue	1,044	880	18.7%	3,157	2,492	26.7%
EBIT	63	32	99.5%	222	6	>100%
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Adjusted EBITDA	160	131	22.0%	482	313	53.7%
Free cash flow	30	18	72.0%	50	-1	>100%
EBIT Margin (Adj.)	8.1%	6.0%	-	8.2%	3.1%	-
EBITDA Margin (Adj.)	15.3%	14.9%	-	15.3%	12.6%	-

EBIT is defined as net profit (loss) before financial income, financial expense, and income taxes. EBITDA is defined as EBIT before depreciation, amortization and impairment charges. EBIT and EBITDA reflect the impact of earnings or charges resulting from matters that we do not consider to be indicative of our ongoing operations. Therefore, we also present Adjusted EBIT and Adjusted EBITDA. In calculating Adjusted EBIT and Adjusted EBITDA, we add back costs that we believe are not indicative of the ongoing operations or those that may impact the comparability of financial information year on year or do not impact our ability to service our debt (referred to as ''non-recurring items''). Adjusted EBIT is defined as EBIT after applying adjustments to eliminate certain non-recurring items and KION acquisition items. Adjusted EBITDA is defined as EBITDA after applying adjustments to eliminate certain non-recurring items and KION acquisition items. Additionally, since Q2/2011 we are adjusting the effects of the remeasurement of purchase price obligations in accordance with IAS 39 in connection with the acquisition of outstanding shares in UK dealers. EBIT, EBITDA, Adjusted EBIT and Adjusted EBITDA are not financial measures calculated in accordance with IFRS. Accordingly, they should not be considered as alternatives to net income or operating income as indicators of our performance, or as alternatives to operating cash flows as a measure of our liquidity. EBIT, EBITDA, Adjusted EBIT and Adjusted EBITDA are used by our management to make decisions about our operations unaffected by the above factors. In addition, we believe that EBIT, EBITDA, Adjusted EBIT and Adjusted EBITDA are measures commonly used by investors. EBIT, EBITDA, Adjusted EBIT and Adjusted EBITDA, as presented in this Quarterly Report, may not be comparable to similarly titled measures reported by other companies due to differences in the way these measures are calculated.

Condensed Statement of Income

Condensed statement of income						
€ million	Q3 2011	Q3 2010	Change	Q1-Q3 2011	Q1-Q3 2010	Change
Revenue	1,044	880	18.7%	3,157	2,492	26.7%
Cost of sales	-764	-657	-16.2%	-2,302	-1,903	-21.0%
Gross profit	**281**	**223**	**25.9%**	**854**	**589**	**45.0%**
Selling expenses	-126	-111	-12.9%	-386	-330	-17.0%
Research and development costs	-29	-27	-10.3%	-86	-77	-11.1%
Administrative expenses	-70	-55	-27.5%	-203	-186	-9.1%
Other income/expense	7	0	>100%	31	5	>100%
Profit from equity investments/ other financial result	1	2	-68.4%	12	5	>100%
Earnings before interest and taxes	**63**	**32**	**99.5%**	**222**	**6**	**>100%**
Net finance cost	-84	-28	<-100%	-198	-195	-1.4%
Earnings before taxes	**-20**	**4**	**<-100%**	**24**	**-189**	**>100%**
Income taxes	-6	-12	49.3%	-46	6	<-100%
Net income (loss) for the period	**-26**	**-8**	**<-100%**	**-22**	**-183**	**88.0%**

Our revenue growth can be broken down by product category as follows:

Revenue by product category						
€ million	Q3 2011	Q3 2010	Change	Q1-Q3 2011	Q1-Q3 2010	Change
New truck business	555	436	27.5%	1,685	1,208	39.5%
Hydraulics	42	31	35.5%	125	86	45.4%
Service Offering	447	413	8.1%	1,346	1,198	12.4%
After sales	268	245	9.3%	788	710	11.0%
Rental business	113	103	9.3%	325	296	9.9%
Used trucks	44	44	0.5%	166	136	22.1%
Other	22	21	4.6%	67	55	20.4%
Total revenue	**1,044**	**880**	**18.7%**	**3,157**	**2,492**	**26.7%**

Q3/2011

Revenue

As a result of the sustained economic growth in the markets that are most important to our business, such as Germany, France, China and Brazil, there was strong demand for new trucks and increased truck utilization levels, the latter of which accelerated the replacement cycle and increased services demand. The overall value of our order intake for new trucks, service offering and hydraulics increased by 17% to €1,112 million for Q3/2011, compared to €952 million for Q3/2010. This increase compared to Q3/2010 was driven by both the LMH and STILL/OM business segments.

The overall higher order volume during Q1-3/2011 had a positive impact on our revenue, which grew by 19%, or €164 million, to €1,044 million in Q3/2011, compared to €880 million in Q3/2010. Sterling, a fully owned UK dealer since June 2011, generated revenue of €11 million in Q3/2011. As a result of the continuing market recovery in 2010 and through Q1-3/2011, a significant revenue increase was visible across all product categories in Q3/2011 compared to Q3/2010. The Hydraulics business, with 36%, and the new truck business, with 27%, reported the highest revenue growth rates. In absolute figures the new truck business contributed the most to revenue growth with an increase of €120 million from €436 million in Q3/2010 to €555 million in Q3/2011, making it our most important revenue driver in Q3/2011. The strong impact of new truck business is followed by our service offering with revenue of €447 million in Q3/2011, compared to €413 million in Q3/2010, which is an increase of 8%. This growth was due to the improved economic environment that led to higher capacity utilization levels and a therefore higher demand for services and spare parts. We have also experienced greater demand for rental and used trucks.

Cost of Sales

The cost of sales increased to €764 million in Q3/2011, an increase of 16% compared to Q3/2010, when the cost of sales was €657 million. Compared to our 19% revenue growth, our cost of sales rose at a lower rate. This is mainly due to higher volume and therefore better capacity utilization. Our cost management strategy that we implemented as part of the KIARA Restructuring Program in 2009, including relocation of certain products and a plant closure in Basingstoke, United Kingdom as well as the downsizing of our plants in Reutlingen, Germany and Kahl, Germany, has led to a lower fixed cost base compared to the pre-crisis level.

Gross Profit and Gross Margin

Our gross profit rose by 26% to €281 million in Q3/2011, from €223 million in Q3/2010. This was caused by a proportionally lower increase in cost of sales compared to revenue growth in Q3/2011. Consequently, gross margin rose from 25.3% in Q3/2010 to 26.9% in Q3/2011 due to the significant rise in our capacity utilization, our production efficiency gains and better operating performance across all product categories.

Selling Expenses

Our selling expenses increased by €14 million, or 13%, to €126 million in Q3/2011, from €111 million in Q3/2010. The increase in selling expenses was proportionally lower than the increase in revenue. This was mainly due to the reduction of headcount as part of the KIARA Restructuring Program. Therefore, selling expenses as a percentage of revenue decreased from 12.7% in Q3/2010 to 12.0% in Q3/2011.

Research and Development Costs

In Q3/2011, our research and development expenses amounted to €29 million. In Q3/2010, research and development expenses amounted to €27 million. This small increase was mainly related to research and development of new products, such as the Linde E truck, the fulfillment of new exhaust regulations concerning IC trucks, new facelifts and other new technologies, such as hybrid IC technology.

General and Administrative Expenses

Our general and administrative expenses increased to €70 million in Q3/2011 compared to €55 million Q3/2010 mainly due to higher consulting expenses. As a percentage of our revenue, our administrative expenses increased slightly to 6.7% in Q3/2011, from 6.2% in Q3/2010.

Other Income and Expense

Other income and expense primarily consists of gains and losses related to foreign exchange rate differences resulting from the measurement of financial assets and receivables denominated in a foreign currency. Additionally, gains and losses related to the sale, disposal or impairment of long-lived assets are included. Our net other income and expense increased from approximately zero in Q3/2010 to €7 million in Q3/2011 mainly due to net foreign exchange rate gains in the third quarter.

Profit from Equity Investments/Other Financial Result

Profit from equity investments consists of all results from associates and joint ventures accounted for under the equity method. Other financial result includes mainly the dividends from non-controlling investments.

The profit from equity investments/other financial result amounted to €1 million in Q3/2011. In Q3/2010 the amount had been €2 million. The main reason for the slight decrease is that these profits from investments were recognized in Q2/2011.

Q1-3/2011

Revenue

The continuing growth of the economies in the markets that are most important to our business such as Germany, France, China and Brazil led to a strong order intake increase of 24% for new trucks, service offering and hydraulics to €3,464 million for Q1-3/2011, compared to €2,795 million for Q1-3/2010. This increase was visible in our main business segments, LMH and STILL/OM. The higher order volume in the last few months of 2010 and Q1-3/2011 positively impacted our revenue, which grew by 27%, or €665 million, to €3,157 million, compared to €2,492 million in Q1-3/2010. In Q3/2011 the newly consolidated UK dealer Sterling contributed revenue of €11 million.

In Q1-3/2011, a revenue increase compared to Q1-3/2010 was visible across all product categories. The new truck business reported a strong growth of 39%, from €1,208 million in Q1-3/2010 to €1,685 million in Q1-3/2011, making it our most important revenue driver in Q1-3/2011. Hydraulics also achieved a high growth rate of 45% compared to Q1-3/2010 across all segments. Our service offering accounted for revenue of €1,346 million in Q1-3/2011, compared to revenue of €1,198 million in Q1-3/2010, an increase of 12%.

Cost of Sales

The cost of sales increased to €2,302 million in Q1-3/2011, an increase of 21% compared to Q1-3/2010, when the cost of sales was €1,903 million. Compared to our 27% revenue growth, our cost of sales rose at a proportionally lower rate. This is mainly due to higher volume and therefore better capacity utilization and a lower fixed cost base compared to the 2008 level due to the KIARA Restructuring Program.

Gross Profit and Gross Margin

Our gross profit rose by 45% to €854 million in Q1-3/2011, from €589 million in Q1-3/2010. This was caused by a proportionally lower increase in cost of sales compared to the revenue growth in Q1-3/2011. Consequently gross margin rose from 23.6% in Q1-3/2010 to 27.1% in Q1-3/2011 due to the significant rise in our capacity utilization, our production efficiency gains and better operating performance across all product categories.

Selling Expenses

Our selling expenses increased by €56 million, or 17%, to €386 million in Q1-3/2011, from €330 million in Q1-3/2010 due to the significantly higher volume in Q1-3/2011 compared to Q1-3/2010. The increase in selling expenses was proportionally lower than in revenue. This was mainly due to the reduction of headcount as part of the KIARA Restructuring Program. Therefore, the selling expenses as a percentage of revenue decreased from 13.2% in Q1-3/2010 to 12.2% in Q1-3/2011.

Research and Development Costs

In Q1-3/2011, our research and development expenses amounted to €86 million. In Q1-3/2010, research and development expenses had amounted to €77 million. The increase in 2011 was mainly related to research and development of new products, such as the Linde E truck, the fulfillment of new exhaust regulations concerning IC trucks, new facelifts and other new technologies, such as hybrid IC technology.

General and Administrative Expenses

Our general and administrative expenses increased by €17 million to €203 million in Q1-3/2011, from €186 million in Q1-3/2010 mainly due to higher consulting expenses. As a percentage of our revenue, our administrative expenses decreased to 6.4% in Q1-3/2011, from 7.5% in Q1-3/2010.

Other Income and Expense

Other income and expense primarily consists of gains and losses related to foreign exchange rate differences resulting from the measurement of financial assets and receivables denominated in a foreign currency. Additionally, gains and losses related to the sale, disposal or impairment of long-lived assets are included. Our net other income and expense increased from income of €5 million in Q1-3/2010 to income of €31 million in Q1-3/2011. Thereof, €11 million resulted from a one-time gain in Q2/2011 due to the remeasurement of purchase price obligations in accordance with IAS 39 in connection with the acquisition of outstanding shares in UK dealers. For comparison reasons we adjust this one-time effect in our adjusted EBIT calculation. €3 million arose from foreign exchange rate gains during Q1-3/2011. Additionally, expenses due to the STILL/OM combination amounted to €4 million in Q1-3/2010.

Profit from Equity Investments/Other Financial Result

Profit from equity investments consists of all results from associates and joint ventures accounted for under the equity method. Other financial result includes mainly the dividends from non-controlling investments.

The profit from equity investments/other financial result increased from €5 million in Q1-3/2010 to €12 million in Q1-3/2011. The main reasons for the increase are higher profits from investments of €8 million in Q1-3/2011 mainly from our dealers, driven by improved operating performance. Additionally, the acquisition of the 51% of outstanding shares of our UK dealer Sterling required a remeasurement of the previously held shares in accordance with IRFS 3.42. This remeasurement resulted in a gain of €4 million which was recognized in Q2/2011. For comparison reasons we adjust this one-time effect in our Adjusted EBIT calculation.

Earnings Before Interest and Taxes (EBIT), Adjusted EBIT, Adjusted EBITDA

The following tables show the adjustments to calculate Adjusted EBIT and Adjusted EBITDA:

Adjusted EBIT

€ million	Q3 2011	Q3 2010	Change	Q1-Q3 2011	Q1-Q3 2010	Change
Net income (loss) for the period	-26	-8	<-100%	-22	-183	88.0%
Income taxes	-6	-12	49.3%	-46	6	<-100%
Financial result	-84	-28	<-100%	-198	-195	-1.4%
EBIT	**63**	**32**	**99.5%**	**222**	**6**	**>100%**
+ Non-recurring items	12	14	-9.1%	12	50	-75.9%
+ KION acquisition items	8	7	18.4%	26	21	20.8%
= Adjusted EBIT	**84**	**53**	**60.2%**	**260**	**77**	**>100%**

Adjusted EBITDA

€ million	Q3 2011	Q3 2010	Change	Q1-Q3 2011	Q1-Q3 2010	Change
EBIT	63	32	99.5%	222	6	>100%
Amortization and depreciation	83	84	-1.2%	244	253	-3.7%
EBITDA	**146**	**116**	**26.5%**	**466**	**259**	**79.7%**
+ Non-recurring items	12	14	-9.3%	12	49	-76.4%
+ KION acquisition items	2	2	-24.8%	4	5	-13.3%
= Adjusted EBITDA	**160**	**131**	**22.0%**	**482**	**313**	**53.7%**

Q3/2011

Our EBIT amounted to €63 million in Q3/2011, compared to €32 million in Q3/2010. This improvement of €32 million or 100% is primarily a result of the strong market recovery in the major regional markets and the positive revenue increases in our target growth markets of China and Brazil. Moreover, our improved capacity utilization levels both in our new truck business and our Hydraulic components business additionally supported the earnings growth. In Q3/2011 we achieved an Adjusted EBIT of positive €84 million, which excludes non-recurring items and KION acquisition items. This is an improvement of €32 million compared to Q3/2010 The increased Adjusted EBIT corresponds to an Adjusted EBIT margin of 8.1% in Q3/2011, compared to 6.0% in Q3/2010.

The Adjusted EBIT was impacted by sustained operating performance and capacity utilization due to the successful execution of the KIARA Restructuring Program including the closure of the plant in Basingstoke, United Kingdom, as well as the downsizing of our plants in Reutlingen, Germany, and Kahl, Germany. In Q3/2011, non-recurring items amounted to negative €12 million, primarily due to relocation costs, severance payments and consulting fees.

In Q3/2010 EBIT included non-recurring items amounting to negative € 14 million, which were mainly driven by relocation costs, severance payments and general headcount reductions.

The KION acquisition items had a negative impact of €8 million in Q3/2011, compared to a negative impact of €7 million in Q3/2010. These items are the result of the purchase price allocation in connection with the KION acquisition and primarily include depreciation, amortization, impairment and administration charges for KION Holding 1 GmbH.

We achieved an Adjusted EBITDA of €160 million and an Adjusted EBITDA margin of 15.3% in Q3/2011, compared to an Adjusted EBITDA of €131 million and an Adjusted EBITDA margin of 14.9% in Q3/2010. Depreciation and amortization declined from €84 million in Q3/2010 to €83 million in Q3/2011.

Financial Income and Expense

Net finance cost increased by €56 million from €28 million in Q3/2010 to €84 million in Q3/2011. The main reason for this was a significant increase of net losses from the translation of a US dollar denominated loan and the foreign currency exchange gains and losses by €52 million in total in Q3/2011 compared to Q3/2010. Additionally, interest expense from loans increased by €4 million from €33 million in Q3/2010 to €37 million in Q3/2011 due to the new corporate bond facilities.

Income Taxes

In Q3/2011, we reported a net income tax expense of €6 million, compared to €12 million in Q3/2010. The decrease of net income taxes came along with lower earnings before taxes and an increase of deferred tax income in Q3/2011 compared to the prior year quarter mainly due to the reduction of our current assets that triggered deferred tax liabilities in previous intercompany transactions. Despite the positive results of operations in Q3/2011 in terms of EBIT, management's previous estimate of the ability to utilize unused tax losses in future profitable years has not changed and, thus, previously unrecognized deferred tax assets were not recognized.

Net Income (Loss) for the Period

In the third quarter of 2011 we reported a net loss of €26 million, compared to a net loss of €8 million in Q3/2010. This increase of €18 million despite the higher EBIT of €32 million and the decrease in income tax expenses by €6 million was mainly due to higher net finance cost of €56 million.

Q1-3/2011

In Q1-3/2011 our EBIT amounted to €222 million, compared to €6 million in Q1-3/2010. This improvement of €216 million is primarily a result of the sustained market recovery in the major regional markets and the increase in revenue in our target growth markets of China and Brazil. Moreover, our improved capacity utilization levels, both in our new truck business and our Hydraulic components business, additionally supported the earnings growth. Our Adjusted EBIT, which excludes non-recurring items and KION acquisition items, improved by €183 million to €260 million in Q1-3/2011. The increased Adjusted EBIT corresponds to an Adjusted EBIT margin of 8.2% in Q1-3/2011, which was driven by strong operating performance and better capacity utilization due to the successful execution of the KIARA Restructuring Program. In Q1-3/2011, non-recurring charges in total amounted to €12 million including a positive effect of elimination in Q2/2011 due to the remeasurement of purchase price obligations for the acquisition of outstanding shares in UK dealers in accordance with IAS 39. Additionally, the acquisition required a remeasurement of previously held shares in accordance with IFRS 3.42, resulting in a gain of €4 million already in Q2/2011. In Q1-3/2010 EBIT included non-recurring charges amounting to €50 million, which were mainly driven by relocation costs, severance payments and general headcount reductions.

The KION acquisition items had a negative impact of €26 million in Q1-3/2011, compared to €21 million in Q1-3/2010. These items result from the purchase price allocation in connection with the KION acquisition primarily and include depreciation, amortization, impairment and administration charges for KION Holding 1 GmbH.

We achieved an Adjusted EBITDA of €482 million and an Adjusted EBITDA margin of 15.3% in Q1-3/2011, compared to an Adjusted EBITDA of €313 million and an Adjusted EBITDA margin of 12.6% in Q1-3/2010. Depreciation and amortization declined from €253 million in Q1-3/2010 to €244 million in Q1-3/2011 due to reduced capital expenditures in fiscal years 2009 and 2010.

Financial Income and Expense

Net finance cost increased by €3 million from €195 million in Q1-3/2010 to €198 million in Q1-3/2011. Due to the issued high yield bond interest expenses increased by €9 million to €104 million in Q1-3/2011 compared to Q1-3/2010 which were offset by the results from lower interest rates of the floating rate portion of our loans and bond. The losses from the translation of a US dollar denominated loan and the foreign currency exchange rate gains and losses increased in total by €3 million from €14 million in Q1-3/2010 to €18 million in Q1-3/2011.

Income Taxes

In Q1-3/2011, we reported a net income tax expense of €46 million, compared to a net income tax benefit of €6 million in Q1-3/2010. Driven by higher earnings before taxes, the current income tax expense increased by €31 million to €42 million in Q1-3/2011, compared to €11 million in Q1-3/2010. Despite the positive results of operations, management's previous estimate of the ability to utilize unused tax losses in future profitable years has not changed and, thus, previously unrecognized deferred tax assets were not recognized. Net deferred income tax expense amounted to €5 million, compared to a net deferred income tax benefit of €17 million in Q1-3/2010, the change being partly due to the utilization of deferred tax assets, previously recognized for tax loss carry forwards.

Net Income (Loss) for the Period

In the first three quarters of 2011 we reported a net loss of €22 million, compared to a net loss of €183 million in Q1-3/2010. This development of €161 million was mainly driven by the higher EBIT of €222 million and net finance costs amounting to negative €198 million. Income tax expenses increased by €52 million as described above.

Condensed Consolidated Balance Sheet

Condensed consolidated balance sheet - assets -

€ million	09/30/2011	% of total	12/31/2010	% of total	Change
Non-current assets	**4,089**	**70.0%**	**4,105**	**71.3%**	**-0.4%**
thereof:					
Goodwill	1,533	26.3%	1,507	26.2%	1.7%
Brand names	594	10.2%	591	10.3%	0.5%
Deferred tax assets	234	4.0%	242	4.2%	-3.4%
Leased assets	503	8.6%	501	8.7%	0.5%
Lease receivables	231	4.0%	247	4.3%	-6.2%
Current assets	**1,749**	**30.0%**	**1,654**	**28.7%**	**5.7%**
thereof:					
Inventories	680	11.6%	536	9.3%	26.9%
Trade receivables	663	11.4%	633	11.0%	4.7%
Lease receivables	123	2.1%	121	2.1%	2.0%
Cash and cash equivalents	152	2.6%	253	4.4%	-40.0%
Total assets	**5,838**		**5,759**		**1.4%**

Condensed consolidated balance sheet - equity and liabilities -

€ million	09/30/2011	% of total	12/31/2010	% of total	Change
Equity	**-433**	**-7.4%**	**-400**	**-6.9%**	**-8.3%**
Non-current liabilities	**4,830**	**82.7%**	**4,800**	**83.3%**	**0.6%**
thereof:					
Shareholder loan	636	10.9%	615	10.7%	3.4%
Corporate Bond	500	8.6%	0	0.0%	-
Other Financial liabilities	2,275	39.0%	2,772	48.1%	-18.0%
Deferred tax liabilities	326	5.6%	335	5.8%	-2.6%
Lease liabilities	440	7.5%	411	7.1%	6.9%
Current liabilities	**1,441**	**24.7%**	**1,359**	**23.6%**	**6.0%**
thereof:					
Financial liabilities	99	1.7%	106	1.8%	-7.4%
Trade payables	585	10.0%	508	8.8%	15.2%
Lease liabilities	226	3.9%	251	4.4%	-9.7%
Total equity and liabilities	**5,838**		**5,759**		**1.4%**

Total Assets

Total assets increased by €79 million from €5,759 million as of December 31, 2010 to €5,838 million as of September 30, 2011. The non-current assets went down by €16 million as a result of lower capital expenditures and due to effects from the foreign currency translation as well as a reduction of deferred tax assets. The goodwill increased by €26 million whereof €16 million relates to the goodwill arising on the acquisition of the joint venture with Voltas and €7 million to the acquisition of the minority shares of the UK dealer Sterling. Current assets increased by €95 million from €1,654 million to €1,749 million. Driven by the sustained market environment with higher revenues, trade receivables increased by €30 million and inventories by €144 million. Cash and cash equivalents decreased by €101 million.

Trade Working Capital

Trade working capital, defined as inventories and trade receivables less trade payables, increased from €661 million as of December 31, 2010 to €757 million at the end of Q3/2011. This increase of 15% was mainly due to an increase of revenues in Q1-3/2011.

Equity

Our equity decreased by €33 million to negative €433 million compared to negative €400 million as of December 31, 2010. The net loss for the period amounted to €22 million. The impact of foreign exchange differences influenced the equity by negative €8 million. Furthermore, the dividend payment to minorities amounted to €2 million.

Liquidity

As of September 30, 2011 cash and cash equivalents amounted to €152 million. Compared to December 31, 2010 the amount decreased by €101 million, which was mainly related to business operations including tax and interest payments, repayment of debt and the investment in the joint venture with Voltas.

Financial Debt

As of September 30, 2011 financial debt amounted to €2,900 million, an increase of €6 million compared to December 31, 2010. This change related to the PIK part of the loans under the senior facilities agreement. The amount of capitalized interest in the first nine months was €25 million. This effect was partially offset by a net repayment of loans under the senior facilities agreement as well as a reduction within financial debt amounting to €19 million in total. The exchange rate for the USD was 1.33860 on September 30, 2011, which is close to the level seen at year end 2010 (1.33795). As a result, there was no material impact on our financial debt position at September 30, 2011 compared to December 31, 2010 due to the USD denominated loan.

Net Financial Debt

As of September 30, 2011 net financial debt amounted to €2,749 million. For the period from December 31, 2010 to September 30, 2011 net financial debt has increased by €108 million. In Q1-3/2011 the cash inflow from operating and investing activities was €50 million.

Net financial debt

€ million	09/30/2011	12/31/2010	Change
Corporate Bond - fixed rate (2011/2018)	325	-	-
Corporate Bond - floating rate (2011/2018)	175	-	-
Other Financial debt	2,400	2,894	-17.1%
Financial debt	**2,900**	**2,894**	**0.2%**
./. Cash and cash equivalents	152	253	-40.0%
Net financial debt	**2,749**	**2,641**	**4.1%**
./. Capitalized borrowing costs	35	22	60.4%
Net financial debt after borrowing costs	**2,714**	**2,619**	**3.6%**
Financial debt after borrowing costs	**2,865**	**2,872**	**-0.2%**
Shareholder loan	**636**	**615**	**3.4%**

Other Financial Position

Compared to December 31, 2010, the Shareholder loan increased by €21 million reflecting accrued interest for Q1-3/2011 and our leased assets as well as our lease receivables and payables (current and non-current), which mainly relate to our Financial Services activities, decreased by €15 million as of the end of September 2011.

Condensed Statement of Cash Flow

Condensed statement of cash flow						
€ million	Q3 2011	Q3 2010	Change	Q1-Q3 2011	Q1-Q3 2010	Change
EBIT	63	32	99.5%	222	6	>100%
Cash flow from operating activities	56	31	77.1%	146	66	>100%
Cash flow from investing activities	-25	-14	-83.4%	-96	-67	-44.2%
Free cash flow	**30**	**18**	**72.0%**	**50**	**-1**	**>100%**
Cash flow from financing activities	-37	-36	-2.1%	-150	-92	-63.0%
Currency effects on cash	0	-0	>100%	-1	3	<-100%
Change in cash and cash equivalents	**-7**	**-19**	**63.1%**	**-101**	**-90**	**-12.5%**
Net financial debt (end of period)	**2,749**	**2,659**	**3.4%**	**2,749**	**2,659**	**3.4%**

Q3/2011

Cash Flow from Operating Activities

Cash flow from operating activities includes all cash generated from operations and also reflects cash paid for taxes. While EBIT improved by €31 million from €32 million in Q3/2010 to €63 million in Q3/2011, operating cash inflow amounted to €56 million, compared to €31 million in Q3/2010. In terms of the sustained market recovery and the higher order intake, the trade working capital increased with a cash outflow of €20 million in Q3/2011. Due to improved asset management the outflow for trade working capital was substantially lower amounting to €40 million in Q3/2010. Additionally, the payment for income taxes rose sharply to €13 million in Q3/2011, compared to nearly zero in Q3/2010.

Cash Flow from Investing Activities

Our cash flow from investing activities amounted to a net outflow of €25 million in Q3/2011, compared to a net outflow of €14 million in Q3/2010. Capital expenditures on non-current assets decreased to €28 million in Q3/2011, compared to €31 million in Q3/2010. Cash payments for acquisitions were approximately zero in the respective periods Q3/2011 and Q3/2010. We received dividends mainly from our foreign dealers of €2 million in Q3/2011 compared to approximately zero in Q3/2011.

Free Cash Flow

In Q3/2011, free cash flow, defined as cash flow from operating activities less cash flow from investing activities, increased by €13 million to a cash inflow of €30 million, compared to a cash inflow of €18 million in Q3/2010.

Cash Flow from Financing Activities

Cash flow from financing activities amounted to a total net cash outflow of €37 million in Q3/2011, compared to a similar net cash outflow of €36 million in Q3/2010. The loan financing cost in connection with the issuance of the bond amounted to €1 million in Q3/2011. The interest payments remained relatively stable at €36 million in Q3/2011 compared to €34 million in Q3/2010.

Q1-3/2011

Cash Flow from Operating Activities

In Q1-3/2011, cash flow from operating activities rose sharply to €146 million, compared to €66 million in Q1-3/2010. This improvement reflected the increase in EBIT to €222 million, compared to €6 million in Q1-3/2010. Additionally, there was an increase in working capital with cash outflows of €93 million in Q1-3/2011, mainly due to the sustained recovery in that period and the higher order intake level at quarter end. The outflow in working capital in the Q1-3/2010 amounted to €43 million. Similarly, the payment for income taxes rose sharply to €28 million in Q1-3/2011, compared to €4 million in Q1-3/2010.

Cash Flow from Investing Activities

Our cash flow from investing activities amounted to a net outflow of €96 million in Q1-3/2011, compared to a net outflow of €67 million in Q1-3/2010. Capital expenditures on non-current assets increased by €1 million to €79 million in Q1-3/2011 compared to Q1-3/2010. Cash payments for acquisitions amounted to €27 million in Q1-3/2011 compared to €8 million in Q1-3/2010. The outflow was mainly driven by the acquisition of our new brand Voltas in India and the acquisition of the 51% of remaining shares of Sterling in the UK.

Free Cash Flow

In Q1-3/2011, free cash flow, defined as cash flow from operating activities less cash flow from investing activities, rose sharply by €51 million to a cash inflow of €50 million, compared to a cash outflow of €1 million in Q1-3/2010.

Cash Flow from Financing Activities

Cash flow from financing activities amounted to a total net cash outflow of €150 million in Q1-3/2011, compared to a net cash outflow of €92 million in Q1-3/2010. The proceeds from the issuance of the corporate bond were used to partially refinance our loans. The cash inflow was used by KION Group to refinance €483 million of the senior facility agreement (SFA) loan and to reimburse certain expenses in connection with the issuance of the bond. Additionally, we repaid €27 million of our capex facility under the SFA. In Q1-3/2010 proceeds from borrowings amounted to €57 million. Furthermore, we purchased additional shares in KION Baoli representing 2.67% of its outstanding share capital. As the KION Group assumed control of KION Baoli in 2009, the additional outflow of funds, amounting to €1 million was recognized as financing activities in accordance with IAS 7.42A; in Q1-3/2010 purchase costs for additional outstanding shares of Baoli amounted to €10 million.

Interest payments declined by €1 million to €99 million in Q1-3/2011 compared to €100 million in Q1-3/2010. Better results from interest rate hedges were partially offset by the interest payments from the high yield bond issued in April 2011.

Segment Results

All segment data provided is before consolidation effects which reflect cross-segment revenue, internal deliveries of inventories, income from investments and other cost transfers.

The following table shows all major key figures by segments as a percentage of the KION Group in total:

Overview segments on a quarterly basis								
€ million	Q3 2011	% of total	Q3 2010	% of total	Q1-Q3 2011	% of total	Q1-Q3 2010	% of total
Order intake								
LMH	735	66.1%	626	65.8%	2,306	66.6%	1,812	64.8%
STILL/OM	411	37.0%	372	39.0%	1,296	37.4%	1,105	39.5%
Other/Consolidation	-34	-3.1%	-46	-4.8%	-137	-3.9%	-121	-4.3%
Total order intake	**1,112**	100.0%	**952**	100.0%	**3,464**	100.0%	**2,795**	100.0%
Revenue								
LMH	684	65.5%	564	64.1%	2,071	65.6%	1,587	63.7%
STILL/OM	396	38.0%	346	39.3%	1,212	38.4%	995	39.9%
Other/Consolidation	-36	-3.5%	-30	-3.4%	-126	-4.0%	-90	-3.6%
Total revenue	**1,044**	100.0%	**880**	100.0%	**3,157**	100.0%	**2,492**	100.0%
EBIT								
LMH	57	89.2%	40	125.7%	198	89.0%	54	921.8%
STILL/OM	20	32.0%	2	4.9%	57	25.8%	-22	-372.9%
Other/Consolidation	-13	-21.2%	-10	-30.7%	-33	-14.8%	-26	-448.9%
Total EBIT	**63**	100.0%	**32**	100.0%	**222**	100.0%	**6**	100.0%
EBITDA								
LMH	108	74.0%	91	78.8%	347	74.4%	208	80.2%
STILL/OM	48	32.8%	30	26.1%	141	30.3%	65	25.0%
Other/Consolidation	-10	-6.8%	-6	-4.9%	-22	-4.6%	-14	-5.2%
Total EBITDA	**146**	100.0%	**116**	100.0%	**466**	100.0%	**259**	100.0%
Adjusted EBIT								
LMH	66	78.2%	51	97.3%	208	80.0%	92	120.3%
STILL/OM	23	27.6%	8	14.3%	68	26.1%	0	0.4%
Other/Consolidation	-5	-5.8%	-6	-11.6%	-16	-6.2%	-16	-20.7%
Total adjusted EBIT	**84**	100.0%	**53**	100.0%	**260**	100.0%	**77**	100.0%
Adjusted EBITDA								
LMH	112	69.7%	97	74.0%	338	70.2%	231	73.6%
STILL/OM	50	31.1%	36	27.5%	148	30.7%	86	27.4%
Other/Consolidation	-1	-0.8%	-2	-1.5%	-5	-1.0%	-3	-1.1%
Total adjusted EBITDA	**160**	100.0%	**131**	100.0%	**482**	100.0%	**313**	100.0%

Q3/2011

LMH Segment: Revenue

The LMH segment increased its revenue by 21%, from €564 million in Q3/2010 to €684 million in Q3/2011, mainly due to its higher order intake resulting from improved market conditions compared to Q3/2010, which resulted in a greater demand for new trucks and service offerings including spare parts from the LMH segment. LMH segment's order intake benefited considerably from the strong recovery in Germany, France and additionally from the growth in China.

LMH Segment: EBIT, Adjusted EBIT and Adjusted EBITDA

Compared to Q3/2010, EBIT increased by €17 million to €57 million in Q3/2011 due to a strong demand for new trucks, services and spare parts from the LMH segment and due to a stronger performance by LMH hydraulics. This improved result was mainly driven by demand in Germany, France and China. In Q3/2011, non-recurring charges amounted to €2 million, mainly due to relocation costs and severance payments. In Q3/2010 EBIT included non-recurring items amounting to charges of €5 million, which mainly consisted of relocation costs and severance payments as part of the KIARA Restructuring Program.

In addition KION acquisition items amounted to €7 million in Q3/2011 and €7 million in Q3/2010. Accordingly in Q3/2011, because of the strong operating performance of the LMH segment Adjusted EBIT increased by €15 million to €66 million, compared to €51 million in Q3/2010. Adjusted EBIT margin grew from 9.1% in Q3/2010 to 9.6% in Q3/2011. Adding back depreciation and amortization charges, the LMH segment achieved an Adjusted EBITDA of €112 million and an Adjusted EBITDA margin of 16.3%, compared to an Adjusted EBITDA of €97 million and an Adjusted EBITDA margin of 17.2% in Q3/2010.

Quarterly information - LMH -

€ million	Q3 2011	Q3 2010	Change	Q1-Q3 2011	Q1-Q3 2010	Change
Order intake	735	626	17.4%	2,306	1,812	27.3%
Revenue	684	564	21.2%	2,071	1,587	30.5%
EBIT	57	40	41.5%	198	54	>100%
Adjusted EBIT	66	51	28.8%	208	92	>100%
EBITDA	108	91	18.9%	347	208	66.6%
Adjusted EBITDA	112	97	14.9%	338	231	46.6%
EBIT Margin (Adj.)	9.6%	9.1%	-	10.0%	5.8%	-
EBITDA Margin (Adj.)	16.3%	17.2%	-	16.3%	14.5%	-

Q1-3/2011

LMH Segment: Revenue

Due to the improvement of general market conditions compared to Q1-3/2010, the LMH segment increased its revenue significantly by 30%, from €1,587 million in Q1-3/2010 to €2,071 million in Q1-3/2011, benefiting considerably from the strong recovery in Germany, France and additionally from the growth in China.

LMH Segment: EBIT, Adjusted EBIT and Adjusted EBITDA

EBIT increased by €144 million from €54 million in Q1-3/2010 to €198 million in Q1-3/2011, due to a strong demand for new trucks, services and spare parts from the LMH segment and to a strong performance by LMH hydraulics. The main driver of the increased result was improved demand in Germany, France and China. In Q1-3/2011 EBIT was impacted by non-recurring income of €10 million compared to charges of €19 million in Q1-3/2010. The non-recurring items in Q1-3/2011 include a positive effect due to the remeasurement of purchase price obligations in accordance with IAS 39 for the acquisition of outstanding shares in UK dealers in Q2/2011 amounting to €11 million. Additionally, the acquisition of the 51% of outstanding shares of our UK dealer Sterling required a remeasurement of the previously held shares according to IFRS 3.42, amounting to a gain of €4 million in Q2/2011. In Q1-3/2010 the non-recurring items of negative €19 million were mainly related to relocation costs and severance payments as part of the KIARA Restructuring Program. In addition KION acquisition items amounted to €20 million in Q1-3/2011 and €19 million in Q1-3/2010. Accordingly in Q1-3/2011, because of the strong operating performance of the LMH segment, Adjusted EBIT increased by €116 million to €208 million in Q1-3/2011, compared to €92 million in Q1-3/2010. Adjusted EBIT margin grew from 5.8% in Q1-3/2010 to 10.0% in Q1-3/2011. The LMH segment achieved an Adjusted EBITDA of €338 million and an Adjusted EBITDA margin of 16.3%, compared to an Adjusted EBITDA of €231 million and an Adjusted EBITDA margin of 14.5% in Q1-3/2010.

Q3/2011

STILL/OM Segment: Revenue

Due to improved general market conditions that led to an increased order intake compared to Q3/2010, both for new trucks and for our service offering, STILL/OM increased its revenue by 15% in Q3/2011 to €396 million, from €346 million in Q3/2010. The largest drivers of growth were the improved economic market conditions in Germany, the Eastern European countries and Brazil. The total value of STILL/OM's order intake, including new trucks and service offering, rose by 11% to €411 million in Q3/2011, from €372 million in Q3/2010.

STILL/OM Segment: EBIT, Adjusted EBIT and Adjusted EBITDA

The STILL/OM segment's EBIT increased by €19 million to positive €20 million in Q3/2011 due to increased revenues especially in Germany, the Eastern European countries and Brazil. In Q3/2011, EBIT was impacted by non-recurring items of negative €2 million, mainly due to relocation costs, severance payments and expenses relating to the combination of STILL and OM. Non-recurring items for Q3/2010 totaling negative €6 million were mainly related to the relocation of certain product lines within Germany and severance payments as part of the KIARA Restructuring Program and expenses relating to the combination of STILL and OM. In addition, KION acquisition items amounted to €1 million in Q3/2011 and €0 million in Q3/2010. Adjusted EBIT increased to €23 million, compared to €8 million in Q3/2010. Adjusted EBIT margin grew from 2.2% in Q3/2010 to 5.9% in Q3/2011. Adding back amortization and depreciation, the STILL/OM segment achieved an Adjusted EBITDA of €50 million and an Adjusted EBITDA margin of 12.6% compared to an Adjusted EBITDA of €36 million in Q3/2010 and an Adjusted EBITDA margin of 10.5%.

Quarterly information - STILL/OM -

€ million	Q3 2011	Q3 2010	Change	Q1-Q3 2011	Q1-Q3 2010	Change
Order intake	411	372	10.6%	1,296	1,105	17.3%
Revenue	396	346	14.7%	1,212	995	21.9%
EBIT	20	2	>100%	57	-22	>100%
Adjusted EBIT	23	8	>100%	68	0	>100%
EBITDA	48	30	58.6%	141	65	>100%
Adjusted EBITDA	50	36	37.9%	148	86	72.3%
EBIT Margin (Adj.)	5.9%	2.2%	-	5.6%	0.0%	-
EBITDA Margin (Adj.)	12.6%	10.5%	-	12.2%	8.6%	-

Q1-3/2011

STILL/OM Segment: Revenue

The improvement of general market conditions compared to Q1-3/2010 led to an increase of STILL/OM segment's revenue by 22% to €1,212 million in Q1-3/2011, from €995 million in Q1-3/2010. The strong revenue increase is mainly related to the improved economic market conditions in Germany, the Eastern European countries and Brazil. The total value of STILL/OM's order intake, including new trucks and service offering, rose by 17% in Q1-3/2011 to €1,296 million, from €1,105 million in Q1-3/2010.

STILL/OM Segment: EBIT, Adjusted EBIT and Adjusted EBITDA

The EBIT of the STILL/OM segment increased by €79 million to positive €57 million in Q1-3/2011 due to the improved revenue. In Q1-3/2011, EBIT was impacted by non-recurring items of €6 million, mainly consisting of relocation costs, severance payments and expenses relating to the combination of STILL and OM. Non-recurring items for Q1-3/2010 totaling negative €20 million were mainly related to the relocation of certain product lines within Germany and severance payments and expenses relating to the combination of STILL and OM. In addition, KION acquisition items amounted to €5 million in Q1-3/2011 and €2 million in Q1-3/2010. Adjusted EBIT increased to €68 million, compared to €0 million in Q1-3/2010. Adjusted EBIT margin amounted to positive 5.6% in Q1-3/2011 compared to 0.0% in Q1-3/2010. Adding back amortization and depreciation, the STILL/OM segment achieved an Adjusted EBITDA of €148 million and an Adjusted EBITDA margin of 12.2%, compared to an Adjusted EBITDA of €86 million in Q1-3/2010 and an Adjusted EBITDA margin of 8.6%.

Q3/2011

Segment Other

The segment Other includes our KION Group IT services, logistics services, our head office and financing companies or financing functions in Germany, France, Spain and the United Kingdom. The consolidation effects reflect inter-segment revenue, internal deliveries of inventories, income from investments and other internal cost transfers. In addition, our new brand Voltas in India contributed to the increase of order intake and revenue.

Segment Other: Revenue

The segment Other increased its order intake by €11 million in Q3/2011 to €44 million from €32 million in Q3/2010. The segment revenues rose by €17 million in Q3/2011 to €57 million compared to €40 million in Q3/2010. The vast majority of order intake and revenue in the segment Other results from our internal services as described above. The other main reason for the increase of order intake and revenue relates to our new brand Voltas in India. See also the table “Segment Report” under Financial Statements.

Segment Other: EBIT, Adjusted EBIT and Adjusted EBITDA

EBIT amounted to negative €7 million in Q3/2011, compared to negative €4 million in Q3/2010. The non-recurring items in Q3/2011 amounted to negative €8 million compared to negative €4 million in Q3/2010, in both cases driven by consulting expenses. Adjusted EBIT amounted to positive €2 million in Q3/2011 compared to zero in Q3/2010. The segment Other achieved an Adjusted EBITDA of positive €5 million in Q3/2011 and €4 million in Q3/2010.

Quarterly information - Other -

€ million	Q3 2011	Q3 2010	Change	Q1-Q3 2011	Q1-Q3 2010	Change
Order intake	44	32	35.6%	143	112	27.8%
Revenue	57	40	43.0%	157	120	30.8%
EBIT	-7	-4	-87.1%	-3	-17	80.3%
Adjusted EBIT	2	0	>100%	14	-7	>100%
EBITDA	-3	0	<-100%	8	-4	>100%
Adjusted EBITDA	5	4	29.3%	25	6	>100%

Q1-3/2011

Segment Other: Revenue

The segment Other increased its order intake by €31 to €143 million in Q1-3/2011 from €112 million in Q1-3/2010. The segment Other revenues rose by €37 million to €157 million in Q1-3/2011 from €120 million in Q1-3/2010. The vast majority of both order intake and revenue is driven by internal services as described above. The other main reason for the increase of order intake and revenue related to our new brand Voltas in India. See also the table “Segment Report” under Financial Statements.

Segment Other: EBIT, Adjusted EBIT and Adjusted EBITDA

EBIT amounted to negative €3 million in Q1-3/2011, compared to negative €17 million in Q1-3/2010. The non-recurring items in Q1-3/2011 amounted to €16 million compared to €10 million in Q1-3/2010, in both cases driven by consulting expenses. Adjusted EBIT amounted to positive €14 million in Q1-3/2011 compared to negative €7 million in Q1-3/2010. Q1-3/2011 includes investment income of €27 million compared to €8 million in Q1-3/2010. The segment Other achieved an Adjusted EBITDA of positive €25 million in Q1-3/2011. In Q1-3/2010, the segment Other achieved an Adjusted EBITDA of positive €6 million.

Consolidation Effects

Q3/2011

Consolidation Effects: Order Intake and Revenue

The elimination of the intersegment order intake amounted to €78 million in Q3/2011 and also in Q3/2010. The elimination of intersegment revenues amounted to negative €93 million in Q3/2011, compared to negative €70 million in Q3/2010.

Q1-3/2011

Consolidation Effects: Order Intake and Revenue

The elimination of the intersegment order intake amounted to €280 million in Q1-3/2011, compared to €234 million in Q1-3/2010. The elimination of intersegment revenues amounted to negative €283 million in Q1-3/2011, compared to negative €210 million in Q1-3/2010.

Factors Affecting our Business

Acquisitions

In April 2011 the KION Group and Voltas Limited established with Voltas Material Handling Private Limited a joint venture in India for the development, manufacture, marketing, and servicing of forklift trucks and warehousing equipment. The material handling business from Voltas Limited has been integrated into the Voltas Material Handling Private Limited. Voltas is consolidated in our segment "Other".

Additionally, in the second quarter the KION Group (Segment Linde) acquired 51% of the remaining shares of our dealer Sterling in the UK giving us 100% ownership. Sterling has been a leading supplier of new and used trucks, as well as rental and after sales support, to its customers in North West England and North Wales for over 30 years. At its headquarters in Warrington, UK and three additional customer support centers, Sterling has approximately 300 employees. As one of Linde's largest UK national network companies, it generated revenues of £30 million in 2010. With this acquisition, Linde UK aims to secure and strengthen its business and customer service activities.

Furthermore, we acquired a smaller dealer in Italy in Q2 2011.

Procurement Price Volatility

Compared to the Q3/2010 price levels, some raw materials relevant for the product cost of KION Group had continued to rise while the price level of others reduced slightly. Whereas steel prices were slightly down by 6% in Q3/2011 versus Q3/2010, scrap prices were up 21%, copper prices were up 13%, rubber prices were up 26% and oil prices as a proxy for energy prices were up 35%. In general, approximately 26% of the cost of materials required to manufacture our industrial trucks is directly impacted by commodity price movements, including steel, scrap and copper. Raw material price changes become effective with a time delay and will gradually impact our cost of materials going forward.

Procurement, Suppliers and Purchasing

Despite our strategy to avoid dependence on suppliers, the continuous positive market development in Q3/2011 resulted in supply limitations due to limited availability, in particular with regards to tires for counter-balance trucks. We took special measures to tightly manage the tire demand on a day-to-day basis in order to minimize the negative impact on delivery performance for trucks. There was a slight improvement on the limitations of electronic component supply. The earthquake in Japan did not have any impact on the supply in Q3/2011.

Employees

Driven by the improvement in business volume, the number of employees as of September 30, 2011 increased by 8.5% to 21,536 (September 30, 2010: 19,845). This growth in employees also reflects the first time consolidation of Sterling, Voltas as well as of an Italian and a French dealer representing in total 494 additional employees.

FINANCIAL STATEMENTS (UNAUDITED)

Consolidated Income Statement (unaudited)

Consolidated income statement (€ thousand)	Q3 2011	Q3 2010	Q1-Q3 2011	Q1-Q3 2010
Revenue	1,044,137	879,804	3,156,665	2,491,964
Cost of sales	-763,507	-656,984	-2,302,364	-1,902,867
Gross profit	**280,630**	**222,820**	**854,301**	**589,097**
Selling expenses	-125,815	-111,475	-386,307	-330,094
Research and development costs	-29,247	-26,512	-85,820	-77,230
Administrative expenses	-69,604	-54,600	-202,734	-185,828
Other income	15,536	13,767	59,445	40,187
Other expenses	-8,662	-14,053	-28,934	-35,375
Profit from equity investments	177	1,923	10,665	3,637
Other financial result	407	-73	1,394	1,421
Earnings before interest and taxes	**63,422**	**31,797**	**222,010**	**5,815**
Financial income	46,558	107,949	40,436	64,757
Financial expense	-130,216	-135,493	-238,145	-259,713
Earnings before taxes	**-20,236**	**4,253**	**24,301**	**-189,141**
Income taxes	**-6,211**	**-12,243**	**-46,301**	**5,680**
Current taxes	-9,727	-4,105	-41,713	-11,116
Deferred taxes	3,516	-8,138	-4,588	16,796
Net income (loss) for the period	**-26,447**	**-7,990**	**-22,000**	**-183,461**
Attributable to shareholders of KION Holding 1 GmbH	-27,071	-8,519	-23,616	-184,788
Attributable to non-controlling interests	624	529	1,616	1,327

Consolidated Statement of Comprehensive Income (unaudited)

Consolidated statement of comprehensive income				
(€ thousand)	Q3 2011	Q3 2010	Q1-Q3 2011	Q1-Q3 2010
Net income (loss) for the period	**-26,447**	**-7,990**	**-22,000**	**-183,461**
Impact of exchange differences	8,654	-8,753	-8,043	23,649
thereof changes in unrealised gains and losses	8,654	-8,753	-8,043	23,649
Gains/losses on defined benefit obligations	253	-190	-150	-51,408
thereof changes in unrealised gains and losses	361	-191	-214	-73,537
thereof tax effect	-108	1	64	22,129
Result of cash flow hedges	-18,235	13,218	-1,456	2,796
thereof changes in unrealised gains and losses	-21,101	26,109	11,475	32,803
thereof realised gains and losses	-4,339	-9,678	-14,143	-29,320
thereof tax effect	7,205	-3,213	1,212	-687
Gains/losses from equity investments	-8	–	551	-157
thereof changes in unrealised gains and losses	-8	–	551	-157
Other comprehensive income (loss)	**-9,336**	**4,275**	**-9,098**	**-25,120**
Total comprehensive income (loss)	**-35,783**	**-3,715**	**-31,098**	**-208,581**
Attributable shares				
Attributable to shareholders of KION Holding 1 GmbH	-36,407	-4,244	-32,714	-209,908
Attributable to non-controlling interests	624	529	1,616	1,327

Statement of Consolidated Financial Position (unaudited)

ASSETS

(€ thousand)	09/30/2011	12/31/2010
Goodwill	1,533,258	1,507,010
Other intangible assets	985,549	986,410
Leased assets	503,481	501,164
Other property, plant and equipment	545,345	566,492
Equity investments	36,721	37,841
Lease receivables	231,447	246,808
Other non-current financial assets	19,831	17,474
Deferred taxes	233,564	241,772
Non-current assets	**4,089,196**	**4,104,971**
Inventories	679,569	535,529
Trade receivables	663,237	633,265
Lease receivables	123,383	120,950
Current income tax receivables	12,405	4,550
Other current financial assets	118,600	106,790
Cash and cash equivalents	151,616	252,884
Current assets	**1,748,810**	**1,653,968**
Total assets	**5,838,006**	**5,758,939**

EQUITY AND LIABILITIES

(€ thousand)	09/30/2011	12/31/2010
Subscribed capital	500	500
Capital reserves	348,483	348,483
Retained earnings	-734,964	-711,504
Accumulated other comprehensive income (loss)	-53,569	-44,471
Non-controlling interests	6,526	7,070
Equity	**-433,024**	**-399,922**
Shareholder loan	636,104	615,250
Retirement benefit obligations	392,649	374,063
Non-current financial liabilities	2,774,553	2,772,417
Lease liabilities	439,502	411,097
Other non-current provisions	131,187	164,299
Other non-current financial liabilities	129,937	127,870
Deferred taxes	326,335	334,930
Non-current liabilities	**4,830,267**	**4,799,926**
Current financial liabilities	98,643	106,470
Trade payables	585,323	508,108
Lease liabilities	226,288	250,552
Current income tax liabilities	29,059	6,661
Other current provisions	79,373	95,902
Other current financial liabilities	422,077	391,242
Current liabilities	**1,440,763**	**1,358,935**
Total equity and liabilities	**5,838,006**	**5,758,939**

Consolidated Statement of Changes in Equity (unaudited)

Consolidated statement of changes in equity

(€ thousand)

	Equity attributable to shareholders of KION Holding 1 GmbH								
				Accumulated other comprehensive income (loss)					
	Subscribed capital	Capital reserves	Retained Earnings	Impact of exchange differences	Gains/losses on defined benefit obligations	Result of cash flow hedges	Gains/losses from equity investments	Non-controlling interests	Total
Balance as at 1/1/2010	**500**	**348,483**	**-516,199**	**-79,286**	**41,156**	**-24,841**	**0**	**17,144**	**-213,043**
Net loss for the period			-184,788					1,327	-183,461
Other comprehensive income (loss)				23,649	-51,408	2,796	-157		-25,120
Dividends								-2,060	-2,060
Effects on the acquisition of non-controlling interests			-1,496						-1,496
Other Changes			3,857					-10,257	-6,400
Balance as at 09/30/2010	**500**	**348,483**	**-698,626**	**-55,637**	**-10,252**	**-22,045**	**-157**	**6,154**	**-431,580**
Balance as at 1/1/2011	**500**	**348,483**	**-711,504**	**-42,025**	**12,498**	**-14,819**	**-125**	**7,070**	**-399,922**
Net loss for the period			-23,616					1,616	-22,000
Other comprehensive income (loss)				-8,043	-150	-1,456	551		-9,098
Dividends								-2,209	-2,209
Other Changes			156					49	205
Balance as at 09/30/2011	**500**	**348,483**	**-734,964**	**-50,068**	**12,348**	**-16,275**	**426**	**6,526**	**-433,024**

Consolidated Statement of Cash Flows (unaudited)

Consolidated statement of cash flows				
(€ thousand)	Q3 2011	Q3 2010	Q1-Q3 2011	Q1-Q3 2010
Net income (loss) for the period	-26,447	-7,990	-22,000	-183,461
+ Income taxes	6,211	12,243	46,301	-5,680
+ Financial result	83,658	27,544	197,709	194,956
= Earnings before interest and taxes	**63,422**	**31,797**	**222,010**	**5,815**
Depreciation/Impairment of non-current assets (excl. leased assets)	39,249	39,557	117,499	120,145
Depreciation/Impairment of leased assets	43,486	44,162	126,432	133,251
Other non-cash income and expenses	5,527	-950	6,999	3,707
Gain (-) / loss (+) on disposal of non-current assets	1,767	2,083	5,785	3,805
Change in leased assets	-50,642	-30,434	-136,067	-83,303
Change in lease receivables and lease liabilities	4,760	-18,927	-4,515	-55,840
Change in inventories	-41,512	-38,502	-138,992	-62,719
Change in trade receivables	-6,118	-25,799	-23,239	-86,424
Change in trade payables	27,430	23,977	68,997	105,849
Cash payments for defined benefit obligations	-5,368	-4,262	-14,609	-13,404
Change in other provisions	-24,484	4,726	-53,419	-24,673
Change in other operating assets	-7,473	-40,469	-25,622	-12,585
Change in other operating liabilities	18,370	44,518	23,031	35,945
Taxes paid	-12,823	-79	-28,086	-3,865
= Cash flow from operating activities	**55,591**	**31,398**	**146,204**	**65,704**
Cash receipts from disposal of non-current assets	454	690	2,453	2,583
Cash payments for purchase of non-current assets	-27,724	-30,789	-79,076	-78,242
Deposits from other loan claims	178	11,287	1,103	10,898
Dividends received	1,959	2	5,979	2,410
Interest received	627	936	2,397	2,405
Acquisitions of subsidiaries, net of cash acquired	0	-305	-26,513	-7,791
Cash receipts (+) / cash payments (-) for sundry assets	-923	4,314	-2,440	1,096
= Cash flow from investing activities	**-25,429**	**-13,865**	**-96,097**	**-66,641**
Dividends paid to non-controlling interests	-246	0	-2,209	-2,060
Cash paid for increased ownership interests (after control)	0	-140	-712	-9,535
Cash receipts from decreased ownership interests (after control)	82	0	82	0
Proceeds from borrowings	0	195	500,000	56,937
Loan financing costs paid	-1,185	0	-22,874	-2,681
Repayment of borrowings	0	0	-510,009	0
Repayment of other capital borrowings	-282	-2,580	-15,778	-35,217
Interest paid	-35,506	-33,862	-98,688	-99,564
= Cash flow from financing activities	**-37,137**	**-36,387**	**-150,188**	**-92,120**
Effect of foreign exchange rate changes on cash and cash equivalents	-54	-199	-1,187	3,050
= Change in cash and cash equivalents	**-7,029**	**-19,053**	**-101,268**	**-90,007**
Cash and cash equivalents at the beginning of the period	158,645	392,454	252,884	463,408
Cash and cash equivalents at the end of the period	151,616	373,401	151,616	373,401

Segment Report (unaudited)

Q3/2011

Segment report

(€ thousand) Q3 2011	LMH	STILL/OM	Other	Consolidation/ Reconciliation	Total
Revenue from external customers	664,304	370,311	9,522	–	1,044,137
Intersegment revenue	19,679	26,043	47,754	-93,476	–
Total revenue	683,983	396,354	57,276	-93,476	1,044,137
Earnings before taxes	53,666	14,335	-74,519	-13,718	-20,236
Financial income	11,954	3,098	36,441	-4,935	46,558
Financial expense	-14,877	-9,027	-104,219	-2,093	-130,216
= Financial result	-2,923	-5,929	-67,778	-7,028	-83,658
EBIT	56,589	20,264	-6,741	-6,690	63,422
+ Non-recurring items	2,245	1,778	8,464	–	12,487
+ KION acquisition items	7,138	1,203	76	–	8,417
= Adjusted EBIT	65,972	23,245	1,799	-6,690	84,326
./. Other financial result	32	375	5,600	-5,600	407
./. Equity result*	193	-1	–	–	192
Management Reported EBIT	65,747	22,871	-3,801	-1,090	83,727
Capital expenditures**	16,474	8,872	2,378	–	27,724
Depreciation**	24,389	11,466	3,394	–	39,249
Order intake	735,117	410,993	43,729	-78,176	1,111,663

* Excluding non-recurring items
** Excluding leased assets

Q3/2010

Segment report

(€ thousand) Q3 2010	LMH	STILL/OM	Other	Consolidation/ Reconciliation	Total
Revenue from external customers	549,223	325,295	5,286	–	879,804
Intersegment revenue	15,033	20,344	34,761	-70,138	–
Total revenue	564,256	345,639	40,047	-70,138	879,804
Earnings before taxes	36,147	-4,572	-15,143	-13,172	4,253
Financial income	10,618	3,201	98,020	-3,890	107,949
Financial expense	-14,453	-9,335	-108,567	-3,138	-135,493
= Financial result	-3,835	-6,134	-10,547	-7,028	-27,544
EBIT	39,982	1,562	-3,603	-6,144	31,797
+ Non-recurring items	4,507	5,526	3,699	–	13,732
+ KION acquisition items	6,734	442	-68	–	7,108
= Adjusted EBIT	51,223	7,530	28	-6,144	52,637
./. Other financial result	62	–	5,816	-5,951	-73
./. Equity result	2,917	-1	–	–	1,923
Management Reported EBIT	49,237	7,531	-5,788	-193	50,787
Capital expenditures*	13,976	7,614	5,237	–	26,827
Depreciation*	25,661	10,664	3,534	–	39,859
Order intake	626,020	371,511	32,252	-77,767	952,016

* Excluding leased assets

Q1-3/2011

Segment report

(€ thousand) Q1-Q3 2011	LMH	STILL/OM	Other	Consolidation/ Reconciliation	Total
Revenue from external customers	2,012,629	1,124,075	19,961	–	3,156,665
Intersegment revenue	58,319	87,896	137,014	-283,229	–
Total revenue	2,070,948	1,211,971	156,975	-283,229	3,156,665
Earnings before taxes	189,417	38,290	-152,952	-50,454	24,301
Financial income	35,413	9,695	9,097	-13,769	40,436
Financial expense	-43,690	-28,621	-158,749	-7,085	-238,145
= Financial result	-8,277	-18,926	-149,652	-20,854	-197,709
EBIT	197,694	57,216	-3,300	-29,600	222,010
+ Non-recurring items	-10,106	6,120	15,920	–	11,934
+ KION acquisition items	20,202	4,512	945	–	25,659
= Adjusted EBIT	207,790	67,848	13,565	-29,600	259,603
./. Other financial result	858	375	27,280	-27,119	1,394
./. Equity result*	5,010	1,569	–	–	6,579
Management Reported EBIT	201,922	65,904	-13,715	-2,481	251,630
Carrying amount of equity investments	32,062	4,659	–	–	36,721
Capital expenditures**	45,426	23,728	9,922	–	79,076
Depreciation**	72,642	34,667	10,190	–	117,499
Order intake	2,305,705	1,295,621	143,428	-280,274	3,464,480
Number of employees***	13,520	7,347	669	–	21,536

* Excluding non-recurring items
** Excluding leased assets
*** Development of the Number of employees in full-time equivalents as at September 30

Q1-3/2010

Segment report

(€ thousand) Q1-Q3 2010	LMH	STILL/OM	Other	Consolidation/ Reconciliation	Total
Revenue from external customers	1,545,095	934,043	12,826	–	2,491,964
Intersegment revenue	41,908	60,502	107,169	-209,579	–
Total revenue	1,587,003	994,545	119,995	-209,579	2,491,964
Earnings before taxes	42,117	-39,762	-161,293	-30,203	-189,141
Financial income	31,260	10,067	34,022	-10,592	64,757
Financial expense	-42,748	-28,144	-178,559	-10,262	-259,713
= Financial result	-11,488	-18,077	-144,537	-20,854	-194,956
EBIT	53,605	-21,685	-16,756	-9,349	5,815
+ Non-recurring items	19,239	20,259	10,121	–	49,619
+ KION acquisition items	19,388	1,765	92	–	21,245
= Adjusted EBIT	92,232	339	-6,543	-9,349	76,679
./. Other financial result	1,000	556	8,016	-8,151	1,421
./. Equity result	3,913	-276	–	–	3,637
Management Reported EBIT	87,319	59	-14,559	-1,198	71,621
Carrying amount of equity investments	33,235	4,401	–	–	37,636
Capital expenditures*	42,641	20,064	11,575	–	74,280
Depreciation*	76,879	32,919	10,649	–	120,447
Order intake	1,811,742	1,104,986	112,200	-233,634	2,795,294
Number of employees**	12,116	7,247	482	–	19,845

* Excluding leased assets
**Number of employees in full-time equivalents as at September 30

BASIS OF PRESENTATION

The condensed consolidated interim financial statements of the KION Group as of September 30, 2011 and for Q3/2011 were prepared in line with IAS 34 and other International Financial Reporting Standards (IFRSs) as adopted by the European Union in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council on the Application of International Accounting Standards for Interim Financial Information. In accordance with IAS 34, a condensed set of interim financial statements has been prepared.

All of the IFRSs and IFRICs that were issued as at the reporting date and that were required to be applied in the 2011 financial year were applied in preparing the condensed consolidated interim financial statements. The accompanying unaudited condensed consolidated interim financial statements should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2010. Except for the following new standards, amendments to standards and interpretations, the accounting principles applied in the condensed consolidated interim financial statements were consistent with those in the annual consolidated financial statements for the year ended December 31, 2010.

Financial reporting standards to be adopted for the first time in 2011

The following financial reporting standards and interpretations were adopted for the first time in 2011:

Amendments to IFRS 1, 'First-time Adoption of International Financial Reporting Standards', amendments related to the limited exemption from comparative IFRS 7 disclosures for first-time adopters; Revised version of IAS 24, 'Related Party Disclosures'; Amendments to IAS 32, 'Financial Instruments: Presentation', classification of rights issues (rights, options or warrants); Amendments to IFRIC 14 'The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction', prepayments of a minimum funding requirement; IFRIC 19, 'Extinguishing Financial Liabilities with Equity Instruments'; Improvements to IFRSs in 2010.

The first-time adoption of these standards and interpretations had no significant effect on the presentation of the financial position and financial performance of the KION Group.

Financial reporting standards released but not yet adopted

In its condensed consolidated interim financial statements as of September 30, 2011 and for Q3/2011, the KION Group has not applied the following standards and interpretations, which have been issued by the IASB, but are not yet required to be adopted in 2011:

Amendments to IFRS 1, 'First-time Adoption of International Financial Reporting Standards', amendments relating to fixed transition dates and severe hyperinflation; Amendments to IFRS 7, 'Financial Instruments: Disclosures', disclosures relating to transfer of financial assets; IFRS 9, 'Financial Instruments'; IFRS 10, 'Consolidated Financial Statements'; IFRS 11, 'Joint Arrangements'; IFRS 12, 'Disclosures of Interests in Other Entities'; IFRS 13, 'Fair Value Measurement'; Amendments to IAS 1, 'Presentation of Financial Statements', amendments relating to the presentation of items of other comprehensive income; Amendments to IAS 12 'Income Taxes', Limited amendment to IAS 12 relating to the recovery of underlying assets; Amendments to IAS 19, 'Employee Benefits', elimination of the use of the 'corridor' approach and amendments relating to the presentation of items of pension expense; IAS 27R, 'Separate Financial Statements'; IAS 28R, 'Investments in Associates and Joint Ventures'; IFRIC 20, 'Stripping Costs in the Production Phase of a Surface Mine'.

These standards and interpretations will only be applied by the companies included in the KION Group from the date at which they must be adopted for the first time. Their effects on the financial position and financial performance of the KION Group are expected to be insignificant.

In order to improve the clarity of presentation, certain items are aggregated on the face of the statement of financial position and income statement. The items concerned are disclosed and explained separately in the notes. In accordance with IAS 1.60, assets and liabilities are categorized based on current and non-current items. Liabilities from outstanding supplier invoices are reported in trade payables, while other accruals are reported in other financial liabilities. The condensed consolidated income statement is prepared in accordance with the cost of sales (function-of-expense) method.

The reporting currency is the euro. All amounts are disclosed in thousands of euros (€ thousand) unless stated otherwise. The addition of the totals presented may result in rounding differences of +/- €1 thousand.

RISK FACTORS

Our Q1/2011 Quarterly Report as of June 8, 2011 contains a description of certain risks that could materially adversely affect our business, financial condition, results of operations or cash flows. In our Q2/2011 Quarterly Report, we only expected significant changes in the risks regarding strikes and other industrial action, the sovereign debt crisis and currency exchange rates as discussed in more detail below. At the end of Q3/2011, we only report on these three above mentioned risk factors.

You should carefully consider the risks described in the risk factors in our Q1/2011 Quarterly Report as well as in this Quarterly Report before making an investment decision. Any of the risks mentioned in these documents could materially adversely affect our business, financial condition, results of operations or cash flows, and as a result you may lose all or part of your original investment. These risks are not the only risks we face. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may also materially adversely affect our business, financial condition, results of operations or cash flows. This Quarterly Report contains “forward-looking” statements that involve risks and uncertainties. Our actual results may differ significantly from the results discussed in the forward looking statements. Factors that might cause such differences are discussed in the Q1/2011 Quarterly Report and elsewhere in this Quarterly Report.

In addition to our risk factors disclosed in the Q1/2011 Quarterly Report the following risks are relevant at the end of Q3/2011. Strikes and other industrial action concerning our plans to further consolidate our European plants could have a material adverse effect on our business, financial condition and results of operations.

We could be exposed to certain risks regarding our plans to concentrate our European manufacturing of warehouse trucks at the sites in Chatellerault (France) and Luzzara (Italy). The current production of warehouse trucks in Montataire (France) would be relocated to the plant in Luzzara. As a second project, production of the STILL and OM counterbalance trucks would be consolidated at the site in Hamburg (Germany). Accordingly the production of E and IC trucks in Bari (Italy) would be relocated to Hamburg. We are currently engaged in mandatory processes governing such projects in the respective jurisdictions including open consultations and negotiations with trade unions and employee representatives. The aim is to implement the planned measures in the most socially compatible way. Nevertheless, we are exposed to the risk of strikes and other industrial actions. Any industrial action we experience, especially labor unrest or work stoppages, could affect operations regardless of whether the workforce is unionized or subject to a collective bargaining agreement. If a strike or other labor action were to cause a work stoppage or other slowdown at one or more of our production facilities, we could experience a significant disruption of our operations and could have to pay penalties for late delivery of our products. Labor unrest or strikes associated with our operations could also damage our Group’s reputation with customers or in the market generally. Any of these developments, alone or in combination, could have a material adverse effect on our business, financial condition and results of operations.

The current sovereign debt crisis could have a material adverse effect on our business, financial condition and results of operations.

The current sovereign debt crisis in Europe, the credit downgrade of the United States and the austerity measures implemented as a result of these events could negatively impact our business. Government action to support economies and the financial system has resulted in a rise in government indebtedness worldwide. In affected countries, debt repayments and the consolidation of national budgets could restrict future flexibility and has increased the pressure on governments to reduce spending and, in some cases, raise taxes. Furthermore a recurrent bank crisis or new recapitalization requirements concerning financial institutions could limit our ability to obtain additional financing or to refinance existing facilities to fund future working capital, capital expenditures, business opportunities and other corporate requirements. If these measures or other effects arising from the current sovereign debt crisis and governmental budget deficits negatively impact the economic environment, there could be another downturn, or a so-called “double-dip recession”. Short of such a recession, there could still be stagnation or negative growth in particular industries in which our customers operate. As a result, our business, financial condition and results of operations could be adversely affected.

We are exposed to risks associated with changes in currency exchange rates and hedging.

As a worldwide operating group, we are exposed to financial risks that arise from changes in exchange rates. Currency exchange fluctuations could cause losses if assets denominated in currencies with a falling exchange rate lose value, while at the same time liabilities denominated in currencies with a rising exchange rate appreciate. We have a foreign exchange forward contract which will mature in November 2012, hedging approximately 53% of the U.S. dollar denominated portion of our Senior Credit Agreement. If there were to be substantial movements in the U.S. dollar/euro exchange rate, such movements could have a potential cash impact when the exchange forward contract matures, or on the unhedged part of the U.S. dollar denominated portion of our Senior Credit Agreement, which in turn could create a negative impact on our financial result. We are currently reviewing our hedging arrangements to determine what level of hedging may be appropriate going forward. Our hedging strategy, now and in the future, could ultimately be unsuccessful. If so, this could have a material adverse effect on our business, financial conditions and results of operation.

ANNEX: QUARTERLY FINANCIAL INFORMATION

Unaudited quarterly information

(€ thousand)	Q4 2009	Q1 2010	Q2 2010	Q3 2010	Q4 2010	Q1 2011	Q2 2011	Q3 2011
Order intake	843,705	845,572	997,706	952,017	1,064,386	1,157,383	1,195,434	1,111,663
Revenue	814,980	737,657	874,503	879,804	1,042,510	1,016,190	1,096,338	1,044,137
EBIT	-97,815	-30,130	4,148	31,797	28,821	60,145	98,443	63,422
Adj. EBIT	-5,796	-6,410	30,452	52,637	62,683	74,620	100,657	84,326
Adj. EBIT margin	-0.7%	-0.9%	3.5%	6.0%	6.0%	7.3%	9.2%	8.1%
Adj. EBITDA	78,929	73,006	109,229	131,202	148,764	148,536	173,239	160,059
Adj. EBITDA margin	9.7%	9.9%	12.5%	14.9%	14.3%	14.6%	15.8%	15.3%
Free cash flow	8,850	-22,071	3,601	17,533	76,978	45,732	-25,787	30,162
Net financial debt	2,484,299	2,580,462	2,706,733	2,659,077	2,640,829	2,600,205	2,687,633	2,748,619