Quarterly Report | Q1-3 2012

KION GROUP

WE KEEP THE WORLD MOVING

MATERIAL HANDLING SOLUTIONS

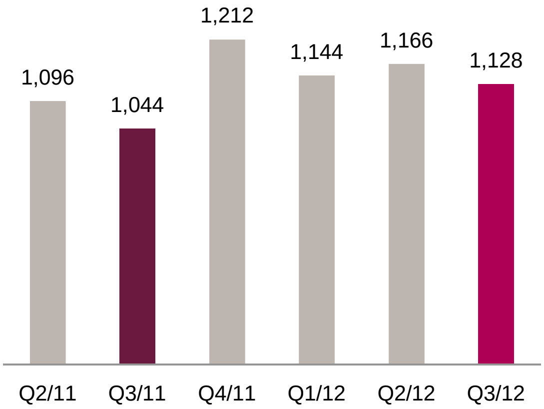
Linde STILL FENWICK OM Baoli VOLTAS

SUMMARY

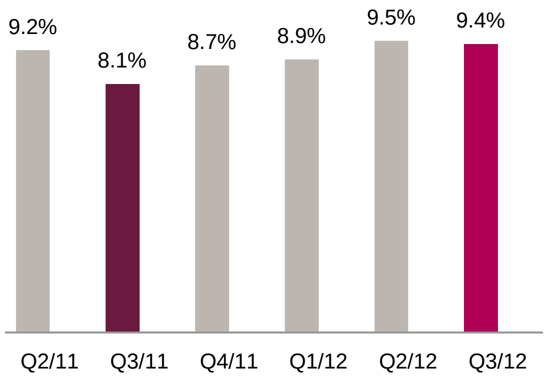
(Changes compared to prior year period)

REVENUE Q3	+ 8.1%
REVENUE Q1-3	+ 8.9%
ADJUSTED EBIT Q3	+ 26.0%
ADJUSTED EBIT Q1-3	+ 22.8%
ORDER BOOK as of 30 September 2012	€ 925 million

Revenue (€ million)



Adjusted EBIT Margin



The Adjusted EBIT in Q2/2012 included €4 million in profits from investments mainly related to participations in dealers (Q2/2011: €7 million). These profits, which generally occur in the second quarter for the fiscal year, represent 0.4%-points of EBIT margin in Q2/2012 (Q2/2011: 0.7%-points). Thus, the Adjusted EBIT margin adjusted for profits from investments amounted to 9.1% in Q2/2012 (Q2/2011: 8.5%).

KION GROUP

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 2012	Q3 2011	Change	Q1-Q3 2012	Q1-Q3 2011	Change
Order intake (in €)	1,077	1,112	-3.1%	3,487	3,464	0.6%
Order intake (in units)	31,500	33,500	-6.0%	107,000	107,800	-0.7%
Revenue	1,128	1,044	8.1%	3,439	3,157	8.9%
EBITDA	168	146	14.8%	532	466	14.2%
Adjusted EBITDA[1]	185	160	15.6%	548	482	13.8%
Adjusted EBITDA Margin[1]	16.4%	15.3%	-	15.9%	15.3%	-
EBIT	80	63	25.9%	276	222	24.2%
Adjusted EBIT[1]	106	84	26.0%	319	260	22.8%
Adjusted EBIT Margin[1]	9.4%	8.1%	-	9.3%	8.2%	-
Net income (+) / loss (-) for the period	9	-26	>100%	34	-22	>100%
Capital expenditures	38	28	36.8%	97	79	22.4%
Free cash flow[2]	31	30	2.1%	39	50	-22.5%
Total spending on R&D[3]	28	28	-1.6%	86	85	1.5%
R&D spending/revenue (%)	2.5%	2.7%	-	2.5%	2.7%	-
New trucks & hydraulics (%)	4.2%	4.8%	-	4.2%	4.7%	-

€ million	30/09/2012	31/12/2011	Change
Trade working capital	793	668	18.7%
Cash and cash equivalents	159	373	-57.5%
Equity	-571	-488	-17.1%
Net financial debt	2,744	2,657	3.3%
Number of employees incl. apprentices and trainees	22,629	21,862	3.5%

[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.

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DISCLAIMER

We have included in this Quarterly Report the unaudited condensed consolidated interim 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 the 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 report should be read in conjunction with the 2011 consolidated annual financial statements of KION Holding 1 GmbH available on our website. This report provides updated or additional information to those financial statements.

In this report, the accompanying unaudited condensed consolidated interim financial statements of KION Holding 1 GmbH as of and for the relevant period ended 30 September 2012 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted in the EU. 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 Euro 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, analyse 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. Our European market share (including Russia) amounted to approximately 33% in 2011 with a global market share of approximately 15%, and we benefit from an installed fleet of over one million trucks. We are the overall number three competitor and the largest non-domestic player in China, as well as one of the leading industrial truck brands in other important growth markets such as Eastern Europe, Asia and South and Central America. We are the largest global manufacturer focused solely on industrial trucks, and we complement our new truck business with a broad service offering.

We market through our two global brands, Linde and STILL, and through our four regional brands, Fenwick (France), OM STILL (Italy), Baoli (China and emerging markets) and Voltas (India). We operate 19 separate production sites, three of which are exclusive to our hydraulics and components business, and through more than 1,200 distributors, dealers and other sales outlets in over 100 countries. We offer a full range of products including warehouse and counter-balance trucks with both electric and internal combustion engines, across the premium, value and economy segments.

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 stand-alone 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. In 2011, 54% of our revenue was generated from new truck sales, 42% from our service offering and 4% from hydraulics. In Q3/2012, 55% of our revenue was generated from new truck sales, 42% from our service offering and 3% from hydraulics.

On 31 August 2012, we signed an agreement to form a long-term strategic partnership with Weichai Power Co., Ltd. Weichai Power is a leading Chinese automotive and equipment manufacturing group and part of the Shandong Heavy Industry Group. Under the agreement, and subject to closing, Weichai Power will acquire 70% of KION's hydraulic business as well as a 25% stake in the KION Group. The core of the strategic partnership is to intensify the cooperation of both companies in the field of material handling and hydraulic drive technology. The partnership also offers the opportunity to gain unique access to the Chinese and other Asian markets, while benefitting from Weichai Power's expertise in the field of engines and drive technology.

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 research and development costs in 2011 were €120 million, or 5% of our new truck and hydraulics sales and 3% of our revenue. 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 offer and develop for 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 strengthen 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, Brazil and Russia and to strengthen 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, such as opening our São Paulo plant in Brazil in 2012, and through 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. Voltas Material Handling, for example, gives us a good entry to the economy segment of the Indian material handling market, which holds a high growth potential. The partnership with Weichai Power will be another major step to improve our market access to Asia and especially to China.

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 STILL, 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, and Voltas, an Indian brand, to our group in order to increase our presence in the Chinese and Indian markets. 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 customers, 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 according to uniform standards using expertise available across our group. In addition, we have continued to improve our production footprint across the group. Our production activities in Bari and Montataire have been ceased. As part of a reindustrialisation process, the site in Montataire had been taken over by an industrial company, which started operations in early November

2012. 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 utilisation, 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 33% in 2011. Our position is particularly strong in Western Europe, where, in 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 growth rates. In general, much of the demand in our core European market is driven by replacement demand with underlying growth supported by globalization and world trade.

Established platform capturing emerging markets growth.

We have a strong presence in many emerging markets. Approximately 30% of our new trucks were sold to growth markets in 2011, mainly in China, Brazil and Eastern Europe. We are in a leading market position in Eastern Europe and Brazil with approximately 21% and 23% of market share in 2011, respectively, in these markets. Additionally, we are the largest non-domestic manufacturer of industrial trucks in China and aim to further improve our market access through future close co-operation with Weichai Power. In 2011, we significantly strengthened our position in India by establishing a joint venture with Voltas. This joint venture allows 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 and through our ability to complement the product portfolio with existing products from within our group. 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 STILL, 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 forklift trucks, 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, in 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 2011.

Strong after sales business reducing revenues and earnings volatility.

In 2011, we generated 42% of our revenue from our service offering, including 24% 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 one 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 who do not have such networks and would need to invest heavily to develop them.

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. LMH 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.

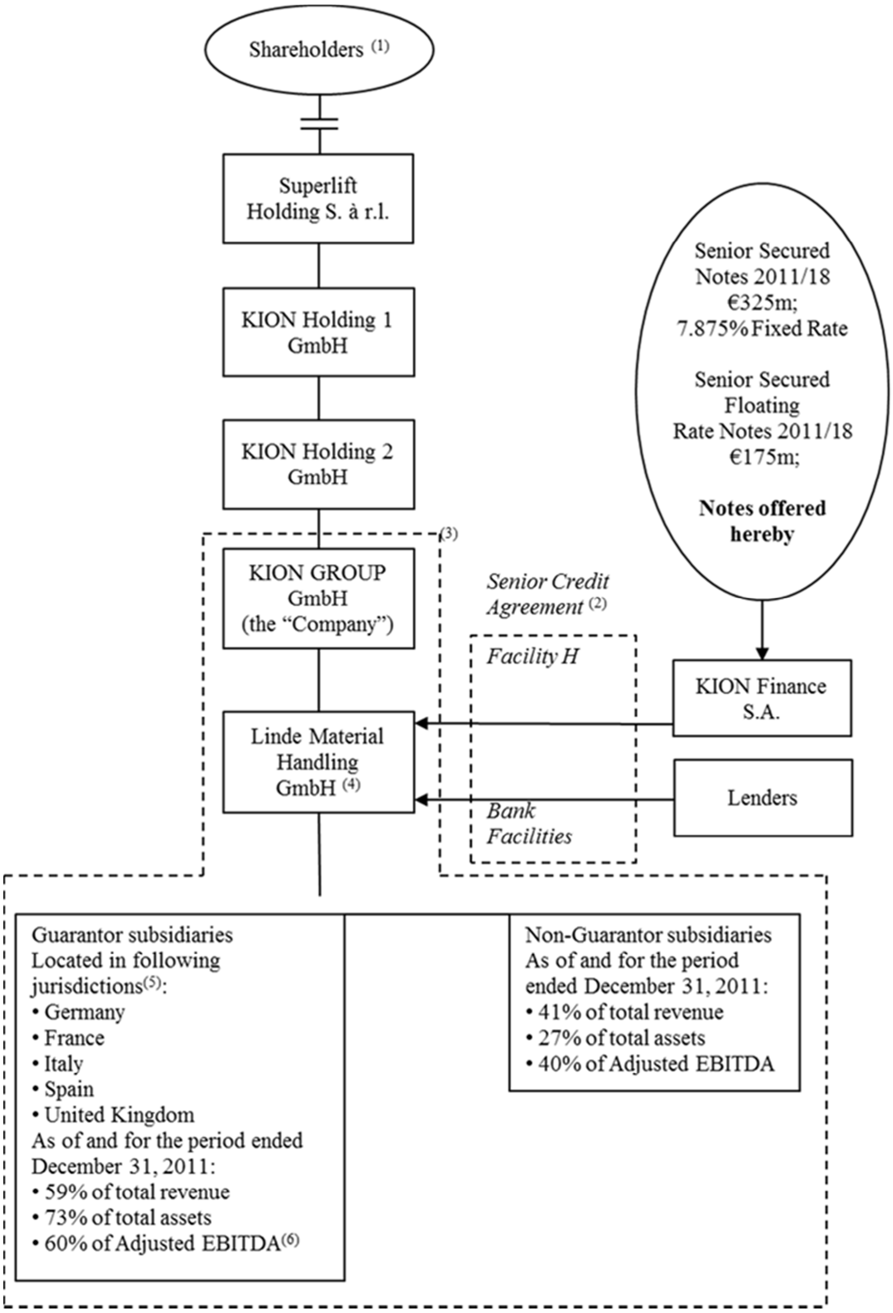
We constantly search for and implement programs to increase our efficiency and drive our margins. Since 2006, we have implemented a number of restructuring and cost saving measures, including ceasing our production in Basingstoke and downsizing of two further sites in Germany. Moreover, we ceased production in Montataire and Bari. We opened a new plant in São Paulo in September 2012 and terminated the production at our plant in Rio de Janeiro at the end of October 2012. 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. Moreover, through the strategic partnership agreement with Weichai Power we will be able to benefit from enhanced access to Asia, particularly the Chinese market. Weichai Power and KION Group have agreed to several areas of strategic cooperation, including supply of parts and components. Additionally, we intend to create mutual benefits through our respective sales and service networks as well as our production capacities to significantly boost growth of both companies and to enhance competitiveness in our respective product segments and markets. For the material handling business sector, the hydraulics business will have a mutual long-term supply agreement with KION's Linde forklift truck business.

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 chart summarizes certain aspects of our corporate structure.



(1) For information regarding our ultimate shareholders please see ''— Our Shareholders'' below.
(2) The Existing Bank Facilities (including Facility H) under the Senior Credit Agreement rank equally in right of payment. Facility D under the Senior Credit Agreement is a second lien tranche which in certain circumstances will receive proceeds only after the other facilities under the Senior Credit 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. While the Issuer is consolidated with the KION Group for accounting purposes, it is not affiliated with us and does not belong to the KION Group.
(4) The other borrowers under the Existing Bank Facilities are Superlift UK Limited, KION France Services S.A.S., Islavista Spain S.A.U. and Linde Holdings Limited.
(5) In 2011, we incorporated financial services subsidiaries in each of Germany, France, Italy, Spain and the United Kingdom, which all are Guarantor subsidiaries, other than KION Financial Services Ltd.
(6) Adjusted EBITDA for guarantor subsidiaries includes KION GROUP GmbH.

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”).

Founded in 1976 and led by Henry Kravis and George Roberts, KKR is a leading global investment firm. With 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.

As part of the long-term strategic partnership agreement between KION Group and Weichai Power signed on 31 August 2012, Weichai Power intends to acquire a 25% stake in the KION Group via a capital increase and to join KKR and Goldman Sachs Capital Partners as a further anchor investor. Affiliates of KKR and Goldman Sachs Capital Partners will retain their existing stakes and have welcomed the planned entry of Weichai Power as KION’s long-term strategic partner. The capital increase is expected to be completed in Q4/2012 and is subject to customary regulatory approvals.

MANAGEMENT DISCUSSION & ANALYSIS

Recent Developments

Weichai Power and KION Group to form long-term Strategic Partnership

On 31 August 2012, Weichai Power Co., Ltd. and KION GROUP GmbH announced that Weichai Power intends to make a capital investment into KION Group and both companies intend to form a strategic partnership. Weichai Power is a leading Chinese automotive and equipment manufacturing group and part of the Shandong Heavy Industry Group. The core of the strategic partnership is a close cooperation in the field of material handling and hydraulic drive technology.

Under the terms of the agreement, Weichai Power plans to invest a total of €738 million: €467 million to acquire a 25% stake in the KION Group via a capital increase and €271 million for a 70% majority stake in KION Group’s hydraulics business. In the future, the hydraulics business will be operated and managed as an independent company named Linde Hydraulics, with KION retaining a strategic stake in the company. Linde's hydraulics products will continue to be branded under the Linde Hydraulics trademark. Partnering with Weichai Power, Linde Hydraulics intends to expand its footprint, in particular in the R&D area, which will allow a better access to the Chinese market and the growing Asian region, overall. With complementary products and technologies from Weichai Power and subject to the completion of the transaction, Linde Hydraulics intends to take full advantage of untapped market potential.

The proceeds from the transactions are to be used to further strengthen KION’s capital structure. Affiliates of KKR and Goldman Sachs Capital Partners confirmed their intention to retain their respective existing investments in the KION Group and are not to receive any proceeds from this transaction. Weichai Power is committed to ensuring the stability of employment and production sites, as well as continuity in the management of Linde Hydraulics. Weichai Power has also emphasized that it wants to honour all existing collective labour agreements, bargaining agreements and co-determination of Linde Hydraulics.

In the event of a potential future IPO of KION Group, Weichai Power would have the option to increase its stake in the KION Group to 30% as well as the right to further increase its stake in Linde Hydraulics.

The transaction is expected to close during the fourth quarter of 2012. It is subject to customary regulatory approvals.

New Plant in South America started Production

On 1 September 2012, KION South America began its production in Indaiatuba/São Paulo. In the newly established plant, trucks with combustion engines as well as warehousing trucks under the brand names Linde and STILL are produced for the Brazilian and the entire South American market. After completion of the ramp-up, 180 people will be employed on the site. The production of warehousing systems in Rio de Janeiro was discontinued at the end of October.

Expansion of Activities in System Technology

As part of a comprehensive investment programme at the facilities of KION Warehouse Systems in Reutlingen, Germany, KION Group inaugurated a new training centre and showroom for very narrow aisle trucks. The newly built premises are to support the international sales and marketing activities of Linde and STILL.

Thomas Toepfer new CFO as of 1 September 2012

Harald Pinger handed over his position as CFO of KION Group to Thomas Toepfer on 1 September 2012. Mr. Toepfer joined KION Group from STILL GmbH in Hamburg, where he had acted as a member of the managing board for Finance and as Labour Relations Director. Prior to joining STILL, he had held various management positions at Karstadt, Arcandor and Hapag-Lloyd and worked as a consultant for McKinsey.

Full acquisition of Voltas Material Handling

On 2 November 2012, KION Group acquired the remaining 34% in Voltas Material Handling Pvt. Ltd. from Voltas Limited and is now the sole owner of the company. KION Group and Voltas Limited had jointly founded the Indian company in May 2011. The full acquisition of Voltas Material Handling is another milestone in implementing the successful growth strategy of the KION Group. It lays the basis to fully exploit the attractive growth potential in India. In order to service the populous Indian market, Voltas Material Handling operates a network of 14 sales offices and 35 dealers.

Market Development

Uncertainty about future economic development continued to impact demand in the material handling markets worldwide. During Q1-3/2012, the global industrial truck market has been adversely affected, but maintained a solid level of 718,000 units undergoing a 3% decline compared to the previous year. On a quarterly basis, global demand for industrial trucks slightly dropped by 2% in Q3/2012 compared to Q3/2011. In Europe, the debt crisis continued to weigh on sentiment with weak demand spreading from Southern Europe even into core countries. In Q1-3/2012 the Western European market remained 7% below the previous year level with most of the countries posting declines. On the upside, the Eastern European market reached its prior year level of 41,000 units supported by a strong third quarter and a robust Russian market development. The North American market continued to grow in Q3/2012, albeit slower than in the first six months, achieving a 7% increase in Q1-3/2012 over the prior year period. Emerging markets such as China and Brazil had a weak development for most of the year with still no significant activity upturn. In Q1-3/2012, demand for industrial trucks in the Chinese market was 11% below the previous year period and South & Central America remained 15% below the previous year level.

Global Industrial Truck Market (order intake)

in thousand units	Q3 2012	Q3 2011	Change	Q1-Q3 2012	Q1-Q3 2011	Change
WEU	59	62	-4%	196	212	-7%
EEU	14	13	8%	41	41	0%
China	52	58	-10%	170	190	-11%
Rest of Asia	35	34	2%	112	103	9%
North America	43	42	2%	132	124	7%
South & Central America	13	14	-6%	36	42	-15%
Rest of World	12	10	16%	32	29	10%
Total	**228**	**233**	**-2%**	**718**	**740**	**-3%**

Source: WITS/FEM

Financial Highlights

Overview

In an industrial truck market that has slightly declined during 2012, we managed to gain market share in all our global core regions and to further improve revenue and earnings.

Despite a 3% decline in the market, KION Group's order intake of 107,000 units in Q1-3/2012 came very close to the Q1-3/2011 level of 107,800 units. Especially in Brazil, China and in Eastern Europe, we were able to perform considerably better than the market. Order intake on a value base marginally increased from €3,464 million in Q1-3/2011 to €3,487 million in Q1-3/2012.

On a quarterly basis, our order intake declined by 6% from 33,500 units in Q3/2011 to 31,500 units in Q3/2012, more strongly than the market, which diminished by 2%. The order intake on a value basis amounted to €1,077 million in Q3/2012 compared to €1,112 million in Q3/2011, a decline of 3%.

Group order book as of 30 September 2012 amounted to €925 million and thus remained only slightly below the very high level on 31 December 2011.

Group revenue improved in both comparison periods: It grew by 9% from €3,157 million in Q1-3/2011 to €3,439 million in Q1-3/2012, and by 8% from €1,044 million in Q3/2011 to €1,128 million in Q3/2012.

KION Group key figures

€ million	Q3 2012	Q3 2011	Change	Q1-Q3 2012	Q1-Q3 2011	Change
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Free cash flow	31	30	2.1%	39	50	-22.5%
EBIT Margin (Adj.)	9.4%	8.1%	-	9.3%	8.2%	-
EBITDA Margin (Adj.)	16.4%	15.3%	-	15.9%	15.3%	-

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 Q3/2011 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 Bond 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 income statement of the KION Group						
€ million	Q3 2012	Q3 2011	Change	Q1-Q3 2012	Q1-Q3 2011	Change
Revenue	1,128	1,044	8.1%	3,439	3,157	8.9%
Cost of sales	-818	-764	-7.2%	-2,481	-2,302	-7.8%
Gross profit	**310**	**281**	**10.4%**	**957**	**854**	**12.1%**
Selling expenses	-135	-126	-7.1%	-409	-386	-5.9%
Research and development costs	-29	-29	-0.2%	-91	-86	-6.4%
Administrative expenses	-80	-70	-14.6%	-226	-203	-11.6%
Other	14	8	76.0%	45	43	5.3%
Earnings before interest and taxes (EBIT)	**80**	**63**	**25.9%**	**276**	**222**	**24.2%**
Net finance cost	-56	-84	32.7%	-182	-198	7.8%
Earnings before taxes	**24**	**-20**	**>100%**	**93**	**24**	**>100%**
Income taxes	-15	-6	<-100%	-59	-46	-27.6%
Net income (+) / loss (-) for the period	**9**	**-26**	**>100%**	**34**	**-22**	**>100%**

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

Revenue by product category						
€ million	Q3 2012	Q3 2011	Change	Q1-Q3 2012	Q1-Q3 2011	Change
New business	620	555	11.7%	1,897	1,685	12.6%
Hydraulics	39	42	-7.0%	132	125	5.1%
Service offering	469	447	4.9%	1,410	1,346	4.7%
- After sales	285	268	6.5%	853	788	8.2%
- Rental business	110	113	-2.0%	317	325	-2.6%
- Used trucks	46	44	4.6%	157	166	-5.9%
- Other	27	22	22.3%	83	67	25.0%
Total revenue	**1,128**	**1,044**	**8.1%**	**3,439**	**3,157**	**8.9%**

Q3/2012

Revenue

Group revenue in Q3/2012 amounted to €1,128 million, a growth of 8% compared to €1,044 million in Q3/2011. Revenue growth in Q3/2012 mainly came from the UK, France and North America.

New truck business - our largest product category - contributed revenues of €620 million in Q3/2012, an increase of €65 million, or 12%, from €555 million in Q3/2011. Revenue from the hydraulics business decreased by €3 million and amounted to €39 million in Q3/2012. Service offering improved from €447 million in Q3/2011 to €469 million in Q3/2012. Within the service business, the after sales business performed best and grew by 6% from €268 million in Q3/2011 to €285 million in Q3/2012.

Cost of Sales

The cost of sales in Q3/2012 rose by 7% to €818 million from €764 million in Q3/2011 and therefore at a lower rate than our revenue. This reflects our constant efforts to realise further efficiency improvements.

Gross Profit and Gross Margin

Our gross profit rose by 10% to €310 million in Q3/2012 from €281 million in Q3/2011. This came as a result of the higher business volume and an under-proportional increase in cost of sales compared to our revenue growth. Gross margin improved from 26.9% in Q3/2011 to 27.5% in Q3/2012.

Selling Expenses

Along with the revenue growth, selling expenses increased by €9 million, or 7%, to €135 million in Q3/2012 from €126 million in Q3/2011. As a percentage of revenue, selling expenses were slightly reduced from 12.0% in Q3/2011 to 11.9% in Q3/2012.

Research and Development Costs

In Q3/2012, our research and development expenses amounted to €29 million and remained stable compared to the prior year period. The costs incurred mainly related to research and development of new products, facelifts and series support of existing trucks as well as to research and development of new technologies, such as the hybrid IC or the Li-Ion technology.

General and Administrative Expenses

Our general and administrative expenses increased by 15% to €80 million in Q3/2012 compared to €70 million in Q3/2011. As a percentage of revenue, our administrative expenses increased from 6.7% in Q3/2011 to 7.1% in Q3/2012 mainly due to a higher number of employees.

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. These items are included in the line item “Other” in the condensed income statement. Additionally, gains and losses related to the sale, disposal or impairment of long-lived assets are included. Our net other income increased by €3 million to €9 million from €7 million in Q3/2011.

Profit from Equity Investments/Other Financial Result

Profit from equity investments consists of all gains and losses that we realize on associates and joint ventures, which we account for under the equity method and in which we have no controlling interest. These items are included in the line item “Other” in the condensed income statement. Due to an improved performance of our equity and other investments, the profit from equity investments/other financial result grew to €4 million in Q3/2012 compared to €1 million in Q3/2011.

Q1-3/2012

Revenue

The growing demand from all regions, particularly from the European countries and Asia supported our revenue expansion in Q1-3/2012. Group revenue grew by 9%, or €282 million, to €3,439 million from €3,157 million in Q1-3/2011.

The new truck business reported a strong growth of 13%, from €1,685 million in Q1-3/2011 to €1,897 million in Q1-3/2012, being our biggest driver of revenue in Q1-3/2012 again. In Q1-3/2012, hydraulics reported a sustained development of 5% to €132 million in Q1-3/2012 (Q1-3/2011: €125 million). Our service offering accounted for revenue of €1,410 million in Q1-3/2012 compared to €1,346 million in Q1-3/2011, an increase of 5%. The highest absolute growth within the service business came from the after sales business with a contribution of €853 million of revenue in Q1-3/2012, which represents an increase of €65 million compared to Q1-3/2011.

Cost of Sales

The cost of sales grew to €2,481 million in Q1-3/2012, an increase of 8% compared to Q1-3/2011, when the cost of sales had been €2,302 million. The growth of the cost of sales was below the revenue growth in Q1-3/2012 of 9%.

Gross Profit and Gross Margin

Our gross profit rose by 12%, or €103 million, to €957 million in Q1-3/2012 from €854 million in Q1-3/2011. Gross margin rose from 27.1% in Q1-3/2011 to 27.8% in Q1-3/2012.

Selling Expenses

Our selling expenses increased by €23 million, or 6%, to €409 million in Q1-3/2012 from €386 million in Q1-3/2011 due to the higher business volume and related direct selling expenses. The selling expenses as a percentage of revenue, however, decreased slightly from 12.2% in Q1-3/2011 to 11.9% in Q1-3/2012.

Research and Development Costs

In Q1-3/2012, our research and development expenses amounted to €91 million compared to €86 million in Q1-3/2011. This increase was mainly related to our constant research and development of new products, facelifts and series support of existing trucks as well as to new technological developments, such as the hybrid IC or the Li-Ion technology. Our total research and development spending including amortization expense, depreciation and capitalization amounted to €86 million in Q1-3/2012. As a percentage of revenue, our R&D spending amounted to 2.5% compared to 2.7% in Q1-3/2011.

General and Administrative Expenses

Our general and administrative expenses increased by 12% and amounted to €226 million in Q1-3/2012 compared to €203 million in Q1-3/2011. As a percentage of revenue, our administrative expenses amounted to 6.6% in Q1-3/2012 compared to 6.4% in Q1-3/2011.

Other Income and Expense

Other income and expense primarily consist 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. These items are included in the line item “Other” in the condensed income statement. Our net other income decreased from €31 million in Q1-3/2011 to €28 million in Q1-3/2012. The difference between the two periods was mainly related to a lower income from the remeasurement of purchase price obligations regarding our UK dealers. In Q1-3/2012, this income amounted to €5 million compared to €11 million in Q1-3/2011. Additionally, higher foreign exchange rate losses of €19 million in Q1-3/2012 compared to €14 million in Q1-3/2011 reduced the net other income in the reporting period.

Profit from Equity Investments/Other Financial Result

Profit from equity investments consists of all gains and losses that we realize on associates and joint ventures that we account for under the equity method and in which we have no controlling interest. These items are included in the line item “Other” in the condensed income statement. The profit from equity investments/other financial result grew from €12 million in Q1-3/2011 to €17 million in Q1-3/2012. The remeasurement of our equity investment and the acquisition of outstanding shares in Linde Creighton in Q2/2012 contributed a non-recurring gain of €8 million and resulted in higher profits from equity investments in Q1-3/2012. In Q1-3/2011, the remeasurement of the previously held shares and the full acquisition of Linde Sterling had supported the positive effect with a non-recurring gain of €4 million. The other financial result improved slightly from €1 million in Q1-3/2011 to €2 million in Q1-3/2012 which was mainly due to dividends from other investments.

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 2012	Q3 2011	Change	Q1-Q3 2012	Q1-Q3 2011	Change
Net income (+) / loss (-) for the period	9	-26	>100%	34	-22	>100%
Income taxes	-15	-6	<-100%	-59	-46	-27.6%
Financial result	-56	-84	32.7%	-182	-198	7.8%
EBIT	**80**	**63**	**25.9%**	**276**	**222**	**24.2%**
+ Non-recurring items	17	12	38.0%	16	12	32.2%
+ KION acquisition items	9	8	8.3%	27	26	6.8%
= Adjusted EBIT	**106**	**84**	**26.0%**	**319**	**260**	**22.8%**

Adjusted EBITDA						
€ million	Q3 2012	Q3 2011	Change	Q1-Q3 2012	Q1-Q3 2011	Change
EBIT	80	63	25.9%	276	222	24.2%
Amortization and depreciation[1]	88	83	6.3%	256	244	5.1%
EBITDA	**168**	**146**	**14.8%**	**532**	**466**	**14.2%**
+ Non-recurring items	17	12	37.8%	15	12	32.9%
+ KION acquisition items	0	2	-91.8%	1	4	-79.4%
= Adjusted EBITDA	**185**	**160**	**15.6%**	**548**	**482**	**13.8%**

[1] Amortization and depreciation includes amortization, depreciation and impairment of assets

Q3/2012

In Q3/2012, our EBIT amounted to €80 million compared to €63 million in Q3/2011. This €16 million increase is primarily a result of higher volumes and higher capacity utilisation levels in our new truck business. In Q3/2012, we achieved an Adjusted EBIT of €106 million which represents a growth of €22 million, or 26% compared to Q3/2011. The Adjusted EBIT, which excludes Non-recurring items and KION acquisition items, corresponded to an Adjusted EBIT margin of 9.4% in Q3/2012, which was above the Q3/2011 level of 8.1%.

In Q3/2012, Non-recurring items amounted to negative €17 million and related mainly to consulting fees and restructuring expenses. In Q3/2011, EBIT had included Non-recurring charges of €12 million, which had mainly been due to relocation costs, severance payment and consulting fees.

The KION acquisition items had a negative impact of €9 million in Q3/2012 compared to negative €8 million in Q3/2011. These items mainly relate to depreciation, amortization, impairment and administrative charges for KION Holding 1 GmbH.

We achieved an Adjusted EBITDA of €185 million and an Adjusted EBITDA margin of 16.4% in Q3/2012 compared to an Adjusted EBITDA of €160 million and an Adjusted EBITDA margin of 15.3% in Q3/2011. Depreciation and amortization increased from €83 million in Q3/2011 to €88 million in Q3/2012.

Financial Income and Expense

Net finance cost decreased by €27 million from €84 million in Q3/2011 to €56 million in Q3/2012. This decrease was mainly due to net foreign exchange rate gains of €5 million in Q3/2012 compared to net losses of €19 million in Q3/2011. The slight decrease of the EURIBOR had a positive effect on our financing costs. Interest expense from loans amounted to €31 million in Q3/2012 compared to €33 million in Q3/2011. Interest expense for the corporate bond remained stable at €9 million in Q3/2012 compared to Q3/2011.

Income Taxes

In Q3/2012, we reported a net tax expense of €15 million compared to €6 million in Q3/2011. The current income tax expense increased by €7 million to €17 million in Q3/2012 compared to income tax expense of €10 million in Q3/2011. Despite the positive results of operations, management's previous estimate of the possibility to utilise unused tax losses in future profitable years has not changed and, thus, previously unrecognized deferred tax assets were also not recognized this time.

Net Income for the period

In Q3/2012, we reported a net income of €9 million compared to a net loss of €26 million in Q3/2011. The net income was driven by the stronger EBIT, which was €16 million higher than in Q3/2011, and by net finance cost, which was €27 million lower than in the previous year period. These positive effects were partially offset by income tax expenses, which increased by €9 million compared to Q3/2011.

Q1-3/2012

In Q1-3/2012, our EBIT amounted to €276 million compared to €222 million in Q1-3/2011. This earnings increase of €54 million mainly came from the new truck and after sales businesses. Moreover, a higher utilisation of our production capacity supported the EBIT growth. Our Adjusted EBIT, which excludes Non-recurring items and KION acquisition items, rose from €260 million in Q1-3/2011 by €59 million to €319 million in Q1-3/2012. The increased Adjusted EBIT corresponded to an Adjusted EBIT margin of 9.3% in Q1-3/2012 compared to an Adjusted EBIT margin of 8.2% in Q1-3/2011.

Non-recurring charges totalled net €16 million in Q1-3/2012 and mainly comprised restructuring expenses and consulting fees. Non-recurring income of €13 million from the share price remeasurement of Linde Creighton and €3 million from a property sale in the UK partly compensated the charges. In Q1-3/2011, net Non-recurring charges had been €12 million including positive effects from the remeasurement of purchase price obligations and revaluations related to investments in UK dealers as well.

The KION acquisition items had a negative impact of €27 million in Q1-3/2012 compared to €26 million in Q1-3/2011. KION acquisition items primarily include depreciation, amortization, impairment and administration charges for KION Holding 1 GmbH.

We achieved an Adjusted EBITDA of €548 million and an Adjusted EBITDA margin of 15.9% in Q1-3/2012 compared to an Adjusted EBITDA of €482 million and an Adjusted EBITDA margin of 15.3% in Q1-3/2011. Depreciation and amortization rose from €244 million in Q1-3/2011 to €256 million in Q1-3/2012.

Financial Income and Expense

Net finance costs were reduced from €198 million in Q1-3/2011 to €182 million in Q1-3/2012. This decrease is mainly due to lower net foreign exchange rate losses (including gains and losses on hedging instruments) amounting to €4 million in Q1-3/2012 and to €18 million in Q1-3/2011. With the proceeds from the issue of our corporate bond in Q2/2011 we had partly refinanced our loans. Therefore, the interest expense from loans declined by €12 million to €90 million in Q1-3/2012, whereas interest expense from the corporate bond increased and reached €26 million in Q1-3/2012 compared to €16 million in Q1-3/2011.

Income Taxes

In Q1-3/2012, we reported a net income tax expense of €59 million compared to €46 million in Q1-3/2011. Driven by the increased earnings before taxes, the current income tax expense grew from €42 million in Q1-3/2011 by €8 million to €50 million in Q1-3/2012. Notwithstanding the positive results of operations, management's previous estimate of the possibility to utilise unused tax losses in future profitable years has not changed and, thus, previously unrecognized deferred tax assets were also not recognized this time. Net deferred income tax expense amounted to €9 million in Q1-3/2012 compared to €5 million in the corresponding prior year period.

Net Income for the period

For Q1-3/2012, we reported a net income of €34 million compared to a net loss of €22 million in Q1-3/2011. The growth in net earnings of €56 million was mainly driven by the EBIT growth. In parallel, net finance cost decreased by €15 million and income tax expenses increased by €13 million as described above.

Condensed Consolidated Balance Sheet

Condensed balance sheet, assets					
€ million	30/09/2012	in (%)	31/12/2011	in (%)	Δ in %
Non-current assets	**4,246**	**69.8%**	**4,160**	**68.6%**	**2.1%**
thereof:					
Goodwill	1,556	25.6%	1,538	25.4%	1.1%
Brand names	594	9.8%	594	9.8%	0.0%
Deferred tax assets	266	4.4%	262	4.3%	1.4%
Leased assets	582	9.6%	540	8.9%	7.8%
Lease receivables	254	4.2%	243	4.0%	4.6%
Current assets	**1,836**	**30.2%**	**1,906**	**31.4%**	**-3.7%**
thereof:					
Inventories	714	11.7%	625	10.3%	14.2%
Trade receivables	679	11.2%	677	11.2%	0.4%
Lease receivables	122	2.0%	118	2.0%	2.8%
Cash	159	2.6%	373	6.2%	-57.5%
Total assets	**6,082**		**6,066**		**0.3%**

Condensed balance sheet, equity and liabilities					
€ million	30/09/2012	in (%)	31/12/2011	in (%)	Δ in %
Equity	**-571**	**-9.4%**	**-488**	**-8.0%**	**-17.1%**
Non-current liabilities	**5,067**	**83.3%**	**4,842**	**79.8%**	**4.6%**
thereof:					
Shareholder loan	664	10.9%	643	10.6%	3.3%
Corporate bond	489	8.0%	488	8.0%	0.3%
Financial liabilities	2,291	37.7%	2,290	37.7%	0.0%
Deferred tax liabilities	296	4.9%	339	5.6%	-12.8%
Lease liabilities	505	8.3%	471	7.8%	7.2%
Current liabilities	**1,586**	**26.1%**	**1,711**	**28.2%**	**-7.3%**
thereof:					
Financial liabilities	88	1.5%	227	3.7%	-61.2%
Trade payables	601	9.9%	634	10.5%	-5.3%
Lease liabilities	235	3.9%	230	3.8%	2.1%
Total equity and liabilities	**6,082**		**6,066**		**0.3%**

Total Assets

Total assets increased by €16 million from €6,066 million as of 31 December 2011 to €6,082 million as of 30 September 2012. Non-current assets increased by €86 million to €4,246 million, primarily as a result of increases in leased assets by €42 million, goodwill by €18 million and lease receivables by €11 million. Current assets decreased by €70 million from €1,906 million on 31 December 2011 to €1,836 million as of 30 September 2012. Driven by the higher sales volume in the first nine months, trade receivables slightly increased by €3 million to €679 million and inventories grew by €89 million to €714 million as of 30 September 2012. Compared to 31 December 2011, lease receivables for current assets increased by €3 million to €122 million and cash and cash equivalents decreased by €215 million to €159 million as of 30 September 2012. This change was primarily due to the repayments of €138 million of the Revolving Credit Facility and of €28 million from the Capex Facility, both in Q2/2012.

Trade Working Capital

Related to the increase in revenues in Q1-3/2012, trade working capital, defined as inventories and trade receivables less trade payables, increased from €668 million as of 31 December 2011 to €793 million as of 30 September 2012.

Equity

Our equity decreased by €83 million to negative €571 million as of 30 September 2012 compared to negative €488 million as of 31 December 2011. This decrease was primarily due to revaluations of pension provisions effected in Q2/2012 and Q3/2012, related to the current volatility in the interest rates used by the actuary. The net income in Q1-3/2012 amounted to €34 million.

Liquidity

As of 30 September 2012 cash and cash equivalents amounted to €159 million. Compared to 31 December 2011, cash and cash equivalents decreased by €215 million mainly related to the repayment of €138 million of the Revolving Credit Facility and the half-yearly repayment of €28 million of the Capex Facility in Q2/2012. Moreover, cash inflows from operational activities were influenced by seasonally higher trade working capital and therefore did not fully offset the debt service.

Financial Debt

As of 30 September 2012, our financial debt amounted to €2,903 million, a decrease of €128 million compared to 31 December 2011. This change related mostly to the repayment of €138 million of the Revolving Credit Facility and a repayment of €28 million of the Capex Facility in Q2/2012. Cash proceeds from drawings under the Senior Facilities Agreement and other capital borrowings totalled €14 million as of 30 September 2012. Moreover, increases in our financial debt resulted from non-cash effects: The exchange rate between Euro and US Dollar fell slightly by around 0.8% (from 1.2957 on 31 December 2011 to 1.28475 on 30 September 2012). For the US Dollar tranches under the Senior Facilities Agreement this had a negative effect of €5 million. Additionally, the PIK related component of the loans under the Senior Facilities agreement increased by €21 million for capitalized interests in Q1-3/2012.

Net Financial Debt

As of 30 September 2012 net financial debt amounted to €2,744 million, an increase of €87 million compared to the level of €2,657 on 31 December 2011. Total cash inflow from operating activities and from investing activities was €39 million.

Net financial debt

€ million	30/09/2012	31/12/2011	Change
Corporate bond - fixed rate (2011/2018) - gross	325	325	-
Corporate bond - floating rate (2011/2018) - gross	175	175	-
Liabilities to banks (gross)	2,403	2,530	-5.0%
Financial debt	**2,903**	**3,030**	**-4.2%**
./. Cash and cash equivalents	159	373	-57.5%
Net financial debt	**2,744**	**2,657**	**3.3%**
./. Capitalized borrowing costs	39	33	18.9%
Net financial debt after borrowing costs	**2,705**	**2,624**	**3.1%**
Financial debt after borrowing costs	**2,864**	**2,997**	**-4.5%**
Shareholder loan	**664**	**643**	**3.3%**

Other Financial Position

The Shareholder loan increased by €21 million reflecting accrued interest for Q1-3/2012. Our leased assets as well as our lease receivables and payables (current/non-current) accounted for mainly in connection with our Financial Services business grew by €18 million from 31 December 2011 to 30 September 2012.

Condensed Statement of Cash Flow

Condensed cash flow statement						
€ million	Q3 2012	Q3 2011	Change	Q1-Q3 2012	Q1-Q3 2011	Change
EBIT	80	63	25.9%	276	222	24.2%
Cash flow from operating activities	66	56	19.5%	135	146	-7.6%
Cash flow from investing activities	-36	-25	-40.1%	-96	-96	-0.1%
Free cash flow	**31**	**30**	**2.1%**	**39**	**50**	**-22.5%**
Cash flow from financing activities	-55	-37	-48.4%	-257	-150	-71.1%
Currency effects on cash	1	0	>100%	3	-1	>100%
Change in cash and cash equivalents	**-23**	**-7**	**<-100%**	**-215**	**-101**	**<-100%**
Net financial debt[1]	2,744	2,749	-0.2%	2,744	2,749	-0.2%

[1] Before borrowing costs

Q3/2012

Cash Flow from Operating Activities

Cash flow from operating activities includes all cash generated from operations and also reflects cash paid for taxes. Due to the improved EBIT, the cash inflow from operations amounted to €66 million in Q3/2012 compared to €56 million in Q3/2011. Income tax payments in Q3/2012 amounted to €10 million compared to €13 million in Q3/2011.

Cash Flow from Investing Activities

Our net cash outflow from investing activities amounted to €36 million in Q3/2012 compared to an outflow of €25 million in Q3/2011. Capital expenditures on non-current assets increased by €10 million to €38 million in Q3/2012.

Free Cash Flow

In Q3/2012, our free cash flow, defined as cash flow from operating activities minus cash flow from investing activities, amounted to a cash inflow of €31 million compared to a cash inflow of €30 million in Q3/2011.

Cash Flow from Financing Activities

Cash flow from financing activities amounted to a total net cash outflow of €55 million in Q3/2012 compared to a net cash outflow of €37 million in Q3/2011. The amendment and the maturity extension of our credit facilities in Q2/2012 led to a cash outflow of €13 million in Q3/2012 for the loan financing costs. Interest payments amounted to €30 million in Q3/2012 compared to €36 million in the prior year period.

Q1-3/2012

Cash Flow from Operating Activities

Cash flow from operating activities includes all cash generated from operations and also reflects cash paid for taxes. In Q1-3/2012, cash inflow from operating activities amounted to €135 million compared to €146 million in Q1-3/2011 due to a higher trade working capital.

Cash Flow from Investing Activities

In Q1-3/2012 our cash outflow from investing activities remained stable at €96 million compared to Q1-3/2011. Capital expenditures on non-current assets increased to €97 million in Q1-3/2012 compared to €79 million in the prior year period. In Q1-3/2012, major cash outflows were related to the acquisition of the remaining shares of Linde Creighton for €10 million in Q1/2012. In the same period inflows of €9 million were generated from disposals of non-current assets, mainly from the sale of property in the UK. In Q1-3/2011, €27 million of cash had been used for the acquisition of Voltas Material Handling and the full acquisition of Linde Sterling Ltd.

Free Cash Flow

In Q1-3/2012, free cash flow, defined as cash flow from operating activities less cash flow from investing activities, resulted in a cash inflow of €39 million compared to a cash inflow of €50 million in Q1-3/2011.

Cash Flow from Financing Activities

Cash flow from financing activities amounted to a total net cash outflow of €257 million in Q1-3/2012 compared to a net cash outflow of €150 million in Q1-3/2011. The repayment of borrowings of a total of €166 million in Q2/2012 was the main cause for the higher cash outflow in Q1-3/2012. The amendment and the maturity extension of our credit facilities effected in Q2/2012 resulted in a cash outflow of €13 million for the corresponding loan financing costs in Q1-3/2012. Interest payments amounted to €88 million in Q1-3/2012 compared to €99 million in the prior year period.

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 transfer.

Overview

In Q3/2012, LMH showed continued resilience in the current market environment. The LMH segment, which includes the brands Linde, Fenwick and Baoli, generated a slightly lower order intake compared to the previous year quarter of 20,500 units (Q3/2011: 21,400 units). The order intake in the STILL segment, which also contains the Italian brand OM STILL, fell by 7% from 11,500 units in Q3/2011 to 10,700 units in Q3/2012. Total order intake on a value base, which includes all lines of business, remained almost stable for LMH at €733 million compared to €735 million in Q3/2011. The order intake for STILL decreased from €411 million in the previous year period to €380 million in Q3/2012.

In Q1-3/2012, the LMH segment generated a total order volume of 70,100 units, which is 2% or 1,400 units less compared to Q1-3/2011. In the LMH segment the IC-trucks generated the highest growth rates. Order volume in the STILL segment declined from 38,200 units in Q1-3/2011 to 35,600 in Q1-3/2012. On a value basis, LMH generated orders worth €2,366 million in Q1-3/2012 compared to €2,306 million in the previous year period. The order intake for STILL amounted to €1,232 million, down from €1,296 million in Q1-3/2011.

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 2012	% of total	Q3 2011	% of total	Q1-Q3 2012	% of total	Q1-Q3 2011	% of total
Order intake								
LMH	733	68.0%	735	66.1%	2,366	67.8%	2,306	66.6%
STILL	380	35.3%	411	37.0%	1,232	35.3%	1,296	37.4%
Other/Consolidation	-35	-3.3%	-34	-3.1%	-110	-3.2%	-137	-3.9%
Total order intake	**1,077**	**100.0%**	**1,112**	**100.0%**	**3,487**	**100.0%**	**3,464**	**100.0%**
Revenue								
LMH	764	67.7%	684	65.5%	2,323	67.6%	2,071	65.6%
STILL	404	35.8%	396	38.0%	1,233	35.9%	1,212	38.4%
Other/Consolidation	-40	-3.5%	-36	-3.5%	-118	-3.4%	-126	-4.0%
Total revenue	**1,128**	**100.0%**	**1,044**	**100.0%**	**3,439**	**100.0%**	**3,157**	**100.0%**
EBIT								
LMH	73	91.1%	57	89.2%	240	87.0%	198	89.0%
STILL	22	27.5%	20	32.0%	70	25.3%	57	25.8%
Other/Consolidation	-15	-18.6%	-13	-21.2%	-34	-12.3%	-33	-14.8%
Total EBIT	**80**	**100.0%**	**63**	**100.0%**	**276**	**100.0%**	**222**	**100.0%**
EBITDA								
LMH	127	75.4%	108	74.0%	396	74.4%	347	74.4%
STILL	51	30.6%	48	32.8%	157	29.5%	141	30.3%
Other/Consolidation	-10	-6.1%	-10	-6.8%	-21	-3.9%	-22	-4.6%
Total EBITDA	**168**	**100.0%**	**146**	**100.0%**	**532**	**100.0%**	**466**	**100.0%**
Adjusted EBIT								
LMH	82	76.7%	66	78.2%	251	78.7%	208	80.0%
STILL	32	29.7%	23	27.6%	85	26.6%	68	26.1%
Other/Consolidation	-7	-6.4%	-5	-5.8%	-17	-5.3%	-16	-6.2%
Total adjusted EBIT	**106**	**100.0%**	**84**	**100.0%**	**319**	**100.0%**	**260**	**100.0%**
Adjusted EBITDA								
LMH	128	69.3%	112	69.7%	385	70.3%	338	70.2%
STILL	59	31.9%	50	31.1%	167	30.4%	148	30.7%
Other/Consolidation	-2	-1.1%	-1	-0.8%	-4	-0.7%	-5	-1.0%
Total adjusted EBITDA	**185**	**100.0%**	**160**	**100.0%**	**548**	**100.0%**	**482**	**100.0%**

Q3/2012

LMH Segment: Revenue

Due to a solid demand for new trucks and services, especially from the UK, Germany and North America, the LMH segment increased its revenue by 12%, from €684 million in Q3/2011 to €764 million in Q3/2012.

LMH Segment: EBIT, Adjusted EBIT and Adjusted EBITDA

In Q3/2012, the EBIT in the LMH segment increased by €16 million or 29% to €73 million compared to €57 million in Q3/2011. In Q3/2012, Non-recurring charges amounted to €2 million primarily resulting from restructuring expenses. In Q3/2011, EBIT had included Non-recurring charges of €2 million, as well, mainly related to relocation costs and severance payments. KION acquisition items in Q3/2012 remained stable at €7 million.

Adjusted EBIT grew by €16 million to €82 million compared to €66 million in Q3/2011. Adjusted EBIT margin grew accordingly from 9.6% in Q3/2011 to 10.7% in Q3/2012.

Including depreciation and amortization costs, the LMH segment achieved an Adjusted EBITDA of €128 million and an Adjusted EBITDA margin of 16.8% compared to an Adjusted EBITDA of €112 million and an Adjusted EBITDA margin of 16.3% in Q3/2011.

Quarterly information - LMH -						
€ million	Q3 2012	Q3 2011	Change	Q1-Q3 2012	Q1-Q3 2011	Change
Order intake	733	735	-0.4%	2,366	2,306	2.6%
Revenue	764	684	11.7%	2,323	2,071	12.2%
EBIT	73	57	28.6%	240	198	21.4%
Adjusted EBIT	82	66	23.5%	251	208	20.8%
EBITDA	127	108	17.0%	396	347	14.2%
Adjusted EBITDA	128	112	14.8%	385	338	13.9%
EBIT Margin (Adj.)	10.7%	9.6%	-	10.8%	10.0%	-
EBITDA Margin (Adj.)	16.8%	16.3%	-	16.6%	16.3%	-

Q1-3/2012

LMH Segment: Revenue

In Q1-3/2012, the LMH segment grew its revenue by 12% from €2,071 million in Q1-3/2011 to €2,323 million in Q1-3/2012. The segment considerably benefited from the high demand for LMH's product and service offerings, especially from Germany, Western European countries and Asia.

LMH Segment: EBIT, Adjusted EBIT and Adjusted EBITDA

The EBIT in the LMH segment increased from €198 million in Q1-3/2011 by €42 million to €240 million in Q1-3/2012. In Q1-3/2012, EBIT was influenced by Non-recurring income of €10 million, primarily as a result of a €13 million one-time profit from the revaluation of the equity investment in Linde Creighton and the remeasurement of the purchase price obligations in connection with the acquisition of the remainder of outstanding shares. Additionally, a €3 million profit was generated in Q1/2012 through property sales in connection with the closure of the plant in Basingstoke. These positive effects were partly compensated by follow-up costs due to footprint measures. In Q1-3/2011, Non-recurring income of €10 million had been due to remeasurements in connection with the Linde Sterling investment, effected in Q2/2011. KION acquisition items in Q1-3/2012 amounted to €21 million compared to €20 million in the previous year period.

Adjusted EBIT increased by €43 million to €251 million in Q1-3/2012 compared to €208 million in Q1-3/2011. Adjusted EBIT margin consequently rose from 10.0% in Q1-3/2011 to 10.8% in Q1-3/2012. The Adjusted EBITDA in the LMH segment amounted to €385 million and the Adjusted EBITDA margin to 16.6% in Q1-3/2012 compared to an Adjusted EBITDA of €338 million and an Adjusted EBITDA margin of 16.3% in Q1-3/2011.

Q3/2012

STILL Segment: Revenue

In Q3/2012, STILL generated slightly higher revenue of €404 million compared to €396 million in Q3/2011. This revenue increase mainly came from the Eastern European countries.

STILL Segment: EBIT, Adjusted EBIT and Adjusted EBITDA

The STILL segment's EBIT increased by €2 million to €22 million in Q3/2012 due to efficiency gains and cost savings. In Q3/2012, EBIT was impacted by Non-recurring items of negative €8 million, mainly due to restructuring expenses and relocation costs in connection with the ceased production in Montataire and Bari. In Q3/2011, Non-recurring charges totalling €2 million had been related to relocation costs, severance payments and expenses with respect to the combination of STILL and OM. KION acquisition items amounted to €2 million in Q3/2012 compared to €1 million in the previous year period.

Adjusted EBIT increased by €8 million to €32 million in Q3/2012 compared to €23 million in Q3/2011. Adjusted EBIT margin grew correspondingly from 5.9% in Q3/2011 to 7.8% in Q3/2012.

Adding back amortization and depreciation, the STILL segment achieved an Adjusted EBITDA of €59 million and an Adjusted EBITDA margin of 14.6% compared to an Adjusted EBITDA of €50 million and an Adjusted EBITDA margin of 12.6% in Q3/2011.

Quarterly information - STILL -

€ million	Q3 2012	Q3 2011	Change	Q1-Q3 2012	Q1-Q3 2011	Change
Order intake	380	411	-7.6%	1,232	1,296	-4.9%
Revenue	404	396	2.0%	1,233	1,212	1.8%
EBIT	22	20	8.4%	70	57	22.0%
Adjusted EBIT	32	23	35.7%	85	68	25.0%
EBITDA	51	48	7.4%	157	141	11.4%
Adjusted EBITDA	59	50	18.3%	167	148	12.4%
EBIT Margin (Adj.)	7.8%	5.9%	-	6.9%	5.6%	-
EBITDA Margin (Adj.)	14.6%	12.6%	-	13.5%	12.2%	-

Q1-3/2012

STILL Segment: Revenue

In Q1-3/2012, the increase in the segment's revenue of 2% to €1,233 million compared to €1,212 million in Q1-3/2011 was mainly generated through sales in Eastern Europe and the UK.

STILL Segment: EBIT, Adjusted EBIT and Adjusted EBITDA

Driven by efficiency gains and cost savings, the EBIT in the STILL segment increased by 22% or €13 million to €70 million in Q1-3/2012 from €57 million in Q1-3/2011. In Q1-3/2012, EBIT was impacted by Non-recurring charges of €10 million, mainly relating to the concentration of production facilities in Europe and the termination of our production in Montataire and Bari. In Q1-3/2011 Non-recurring items totalling negative €6 million had mainly been related to relocation costs, severance payments and expenses for the combination of the STILL and OM brands. KION acquisition items amounted to negative €5 million, both in Q1-3/2012 and in Q1-3/2011.

Adjusted EBIT in the segment grew to €85 million in Q1-3/2012 from €68 million in Q1-3/2011. The Adjusted EBIT margin consequently grew from 5.6% in Q1-3/2011 to 6.9% in Q1-3/2012.

Adding back amortization and depreciation, the STILL segment generated an Adjusted EBITDA of €167 million and an Adjusted EBITDA margin of 13.5% in Q1-3/2012 compared to an Adjusted EBITDA of €148 million in Q1-3/2011 and an Adjusted EBITDA margin of 12.2%.

Q3/2012

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 UK as well as our regional brand, Voltas, in India. The consolidation effects reflect cross-segment revenue, inter-segment sales of inventories, income from investments and other internal cost transfers.

Segment Other: Revenue

The segment Other increased its order intake from €44 million in Q3/2011 by 48% to €65 million in Q3/2012. Revenue grew from €57 million in the prior year quarter to €65 million in Q3/2012. The vast majority of both order intake and revenue was driven by internal services as described above. Additionally, Voltas Material Handling in India contributed to the rise in the segment's order intake and revenue.

Segment Other: EBIT, Adjusted EBIT and Adjusted EBITDA

EBIT in the segment Other amounted to negative €2 million in Q3/2012 compared to negative €7 million in Q3/2011. The Non-recurring items in Q3/2012 amounted to negative €8 million and remained stable compared to Q3/2011. In both periods, Non-recurring charges resulted from administration expenses, e.g. consulting fees. Adjusted EBIT grew to €6 million in Q3/2012 compared to €2 million in Q3/2011. The segment Other achieved an Adjusted EBITDA of €11 million in Q3/2012 up from €5 million in Q3/2011.

Quarterly information - Other -						
€ million	Q3 2012	Q3 2011	Change	Q1-Q3 2012	Q1-Q3 2011	Change
Order intake	65	44	48,1%	183	143	27,3%
Revenue	65	57	13,1%	183	157	16,3%
EBIT	-2	-7	68,6%	-2	-3	24,5%
Adjusted EBIT	6	2	>100%	15	14	7,5%
EBITDA	3	-3	>100%	11	8	35,5%
Adjusted EBITDA	11	5	99,9%	28	25	12,2%

Q1-3/2012

Segment Other: Revenue

The segment Other increased its order intake from €143 million in Q1-3/2011 to €183 million in Q1-3/2012. Revenue grew by €26 million to €183 million in Q1-3/2012 from €157 million in Q1-3/2011. The vast majority of order intake and revenue for both periods was still driven by internal services. However, our brand Voltas in India increasingly contributed to segment growth.

Segment Other: EBIT, Adjusted EBIT and Adjusted EBITDA

In Q1-3/2012, EBIT amounted to negative €2 million compared to negative €3 million in Q1-3/2011. The Non-recurring charges in Q1-3/2012 amounted to €16 million and remained stable compared to Q1-3/2011, in both cases mainly driven by consulting expenses. Adjusted EBIT amounted to €15 million in Q1-3/2012 compared to €14 million in Q1-3/2011. The segment Other achieved an Adjusted EBITDA of €28 million in Q1-3/2012. In Q1-3/2011, the segment Other had generated an Adjusted EBITDA of €25 million.

Consolidation Effects

Q3/2012

Consolidation Effects: Revenue, EBIT and Adjusted EBIT

The consolidation of cross-segment revenues amounted to €104 million in Q3/2012 compared to €93 million in Q3/2011. The elimination of the cross-segment order intake amounted to €100 million in Q3/2012 compared to €78 million in Q3/2011.

Q1-3/2012

Consolidation Effects: Revenue, EBIT and Adjusted EBIT

The consolidation of cross-segment revenues amounted to €300 million in Q1-3/2012 compared to €283 million in Q1-3/2011. The elimination of the cross-segment order intake amounted to €293 million in Q1-3/2012 compared to €280 million in Q1-3/2011.

Factors affecting our Business

Amendment and Extension of Credit Facilities

On 31 July 2012, the amended and restated Senior Facilities Agreement became effective. Lenders strongly supported the commercial, technical and documentary changes which the company had proposed on 8 June 2012.

KION has also successfully extended a substantial portion of its Senior Facilities, including extending Revolving Credit Facility (RCF) commitments from December 2013 to December 2016 in an amount which (together with approximately €113 million of new RCF commitments received) totals €300 million, and extending approximately €800 million and approximately $200 million of Term Loan B (TLB) and Terms Loan C (TLC) from December 2014 (TLB) and December 2015 (TLC) to December 2017, respectively. The extended TLB, TLC and RCF will each carry an all cash margin, the level of which will vary depending on the leverage ratio from time to time. At the current leverage ratio the extended TLB and TLC margin will be 4.75% and the extended RCF margin will be 3.75%.

The documentary changes include a moderate increase in the acquisitions basket and increased flexibility to repay the existing second lien loan when leverage is below 4:1. In addition, the changes provide that following an IPO, KION will have additional flexibility to pay dividends and that certain financial covenants will cease to apply while a 3:1 leverage ratio is maintained.

Maturity profile after "Amend to Extend" as at 30/09/2012 and including new RCF commitments in €m

	Maturities of total outstanding financial debt in €m							Margin	
	2012	2013	2014	2015	2016[1]	2017[1]	2018	Cash[5]	PIK[5]
Term Loan B1 (€)			286					E + Margin	Margin
Term Loan B2 (€)						411		E + Margin	-
Term Loan B1 ($301m)			234[2]					E + Margin	Margin
Term Loan B2 ($105m)						82[2]		E + Margin	-
Term Loan C1 (€)				286				E + Margin	Margin
Term Loan C2 (€)						383		E + Margin	-
Term Loan C1 ($298m)				232[2]				E + Margin	Margin
Term Loan C2 ($108m)						84[2]		E + Margin	-
Term Loan D (2nd Lien)					202			E + Margin	Margin
Term Loan G (Shareholder Loan)							115	-	E + Margin
Capex Facility	28	18						E + Margin	-
Term Loan H1a (Fixed)[3]							325	7.875%	-
Term Loan H1a (Floating)[4]							175	3-M-E + 4.25%	-
Total outstanding financial debt	**28**	**18**	**520**	**518**	**202**	**960**	**615**		
Revolving Credit Facility 1[6]		113						E + Margin	-
Revolving Credit Facility 2[6]					300			E + Margin	-

(1) While the 2nd lien is outstanding, maturities of TLB, TLC and RCF to be 3 months prior to the maturity date of the 2nd lien from time to time
(2) FX rate 1€ = 1.28475 USD as at 30/09/2012
(3) Senior Secured Notes (Fixed)
(4) Senior Secured Notes (Floating)
(5) E=EURIBOR; L=USD-LIBOR
(6) Committed Line

Business Restructuring and Redesign

In Q3/2012 we continued to implement long-term structural and efficiency measures going forward. The closing of our plants in Bari, Italy, and in Montataire, France, will result in additional consolidation of our European production facilities. The production capacity of these plants has already been partially integrated into our other existing facilities, which we expect will increase our capacity utilisation levels in our European production facilities.

Financial Services Segmentation

In Q1-3/2012, we have pursued the roll-out of our financial services segmentation. For the time being, in addition to our current reporting structure we will continue to include selected voluntary information regarding the results of our financial services segment as an annex to our Quarterly Reports. This additional reporting excludes our financial services activities from our reporting segments of LMH, STILL and Other, and presents such activities as a separate segment. The new reporting model which has been extended to include the financial services segment is based on the current reporting methodology for our leasing and rental business. Under this reporting framework, our financial services segment acts as an internal finance partner for our operating segments. The financial services segment generates its income from an agreed interest margin resulting from the leasing contracts. Any surplus achieved by the financial services segment above the agreed interest margin is allocated to the operating profit generated by the LMH and STILL segments. The LMH and STILL segments and the financial services segment are reported separately. Transactions between each of the segments are presented on an arm's-length basis. For more information, see section 4.3 of the 2011 Management Report and the respective Note [36].

Procurement Price Volatility

In 2012 commodity prices evolved in different directions. Whereas oil prices were higher by 10% compared to the first nine months of 2011, steel prices were lower by 11%, steel bars lower by 10%, and aluminium lower by 10%. Scrap and copper prices weakened slightly by 5% to 6% versus 2011. 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

In Q3/2012, we experienced certain supply limitations due to operational and financial problems of very few suppliers in Europe. Those are closely managed by our purchasing organisation with our own staff at those suppliers in order to ensure continued supply to KION Group.

Employees

In connection with the strong business growth and the acquisitions of international dealers during the past 12 months, the number of employees increased by 5% to 22,629 as of 30 September 2012 compared to a number of staff of 21,536 as of 30 September 2011. Due to first time consolidations of international dealers in the last three months of 2011 and the first nine months of 2012, the number of full-time-employees increased by 447.

FINANCIAL STATEMENTS (UNAUDITED)

Consolidated Statement of Income (unaudited)

Consolidated statement of income				
€ thousand	Q3 2012	Q3 2011	Q1-Q3 2012	Q1-Q3 2011
Revenue	1,128,264	1,044,137	3,438,810	3,156,665
Cost of sales	-818,424	-763,507	-2,481,402	-2,302,364
Gross profit	**309,840**	**280,630**	**957,408**	**854,301**
Selling expenses	-134,766	-125,815	-409,277	-386,307
Research and development costs	-29,294	-29,247	-91,348	-85,820
Administrative expenses	-79,761	-69,604	-226,304	-202,734
Other income	18,431	15,536	57,757	59,445
Other expenses	-9,057	-8,662	-29,919	-28,934
Profit from equity investments	3,824	177	15,520	10,665
Other financial result	650	407	1,902	1,394
Earnings before interest and taxes	**79,867**	**63,422**	**275,739**	**222,010**
Financial income	1,411	46,558	38,665	40,436
Financial expense	-57,740	-130,216	-220,917	-238,145
Earnings before taxes	**23,538**	**-20,236**	**93,487**	**24,301**
Income taxes	**-14,893**	**-6,211**	**-59,101**	**-46,301**
Current taxes	-16,697	-9,727	-50,112	-41,713
Deferred taxes	1,804	3,516	-8,989	-4,588
Net income (+) / loss (-) for the period	**8,645**	**-26,447**	**34,386**	**-22,000**
Attributable to shareholders of KION Holding 1 GmbH	8,089	-27,071	32,844	-23,616
Attributable to non-controlling interests	556	624	1,542	1,616

Consolidated Statement of Comprehensive Income (unaudited)

Consolidated statement of comprehensive income				
€ thousand	Q3 2012	Q3 2011	Q1-Q3 2012	Q1-Q3 2011
Net income (+) / loss (-) for the period	**8,645**	**-26,447**	**34,386**	**-22,000**
Impact of exchange differences	4,510	8,654	14,401	-8,043
thereof changes in unrealised gains and losses	4,510	8,654	14,401	-8,043
Gains/losses on employee benefits	-55,739	253	-129,709	-150
thereof changes in unrealised gains and losses	-77,637	361	-182,933	-214
thereof tax effect	21,898	-108	53,224	64
Gains/losses on cash flow hedges	3,831	-18,235	671	-1,456
thereof changes in unrealised gains and losses	9,621	-21,101	13,450	11,475
thereof realised gains and losses	-5,493	-4,339	-13,805	-14,143
thereof tax effect	-297	7,205	1,026	1,212
Gains/losses from equity investments	-25	-8	-25	551
thereof changes in unrealised gains and losses	-25	-8	-25	551
Other comprehensive income (+) / loss (-)	**-47,423**	**-9,336**	**-114,662**	**-9,098**
Total comprehensive income (+) / loss (-)	**-38,778**	**-35,783**	**-80,276**	**-31,098**
Comprehensive income (+) / loss (-)				
Attributable to shareholders of KION Holding 1 GmbH	-39,334	-36,407	-81,821	-32,714
Attributable to non-controlling interests	556	624	1,545	1,616

Statement of Consolidated Financial Position (unaudited)

ASSETS

€ thousand	30/09/2012	31/12/2011
Goodwill	1,555,588	1,537,996
Other intangible assets	967,052	977,555
Leased assets	581,896	539,731
Other property, plant and equipment	544,086	538,121
Equity investments	39,054	36,545
Lease receivables	254,117	242,840
Other non-current financial assets	38,734	25,732
Deferred taxes	265,760	261,963
Non-current assets	**4,246,287**	**4,160,483**
Inventories	714,165	625,369
Trade receivables	679,311	676,553
Lease receivables	121,691	118,381
Current income tax receivables	4,627	4,953
Other current financial assets	157,697	107,096
Cash and cash equivalents	158,561	373,451
Current assets	**1,836,052**	**1,905,803**
Total assets	**6,082,339**	**6,066,286**

EQUITY AND LIABILITIES

€ thousand	30/09/2012	31/12/2011
Subscribed capital	500	500
Capital reserve	348,483	348,483
Retained earnings	-773,851	-806,429
Accumulated other comprehensive income (+) / loss (-)	-151,883	-37,218
Non-controlling interests	5,668	7,077
Equity	**-571,083**	**-487,587**
Shareholder loan	664,062	643,132
Retirement benefit obligation	585,390	382,914
Non-current financial liabilities	2,779,838	2,777,354
Lease liabilities	505,248	471,131
Other non-current provisions	101,641	96,168
Other non-current financial liabilities	135,580	132,719
Deferred taxes	295,654	339,054
Non-current liabilities	**5,067,413**	**4,842,472**
Current financial liabilities	88,290	227,376
Trade payables	600,715	634,092
Lease liabilities	235,222	230,381
Current income tax liabilities	30,548	15,439
Other current provisions	144,544	183,678
Other current financial liabilities	486,690	420,435
Current liabilities	**1,586,009**	**1,711,401**
Total equity and liabilities	**6,082,339**	**6,066,286**

Consolidated Statement of Changes in Equity (unaudited)

Consolidated statement of changes in equity

€ thousand

				Accumulated other comprehensive income (+) / loss (-)						
	Subscribed capital	Capital reserves	Retained earnings	Cumulative translation adjustment	Gains/losses on defined benefit obligation	Gains/losses on Cash Flow Hedges	Gains/losses from equity investments	Total equity attributable to shareholders of KION Holding 1 GmbH	Non-controlling interests	Total
Balance as at 1/1/2011	**500**	**348,483**	**-711,504**	**-42,025**	**12,498**	**-14,819**	**-125**	**-406,992**	**7,070**	**-399,922**
Net income (+) / loss (-) for the period			-23,616					-23,616	1,616	-22,000
Other comprehensive income (+) / loss (-)				-8,043	-150	-1,456	551	-9,098		-9,098
Total comprehensive income (+) / loss (-)			-23,616	-8,043	-150	-1,456	551	-32,714	1,616	-31,098
Dividends									-2,209	-2,209
Other Changes			156					156	49	205
Balance as at 30/09/2011	**500**	**348,483**	**-734,964**	**-50,068**	**12,348**	**-16,275**	**426**	**-439,550**	**6,526**	**-433,024**
Balance as at 1/1/2012	**500**	**348,483**	**-806,429**	**-35,549**	**20,892**	**-22,968**	**407**	**-494,664**	**7,077**	**-487,587**
Net income (+) / loss (-) for the period			32,844					32,844	1,542	34,386
Other comprehensive income (+) / loss (-)				14,398	-129,709	671	-25	-114,665	3	-114,662
Total comprehensive income (+) / loss (-)			32,844	14,398	-129,709	671	-25	-81,821	1,545	-80,276
Dividends									-2,405	-2,405
Effects on the acquisition of non-controlling interests			-425					-425	-549	-974
Other Changes			159					159		159
Balance as at 30/09/2012	**500**	**348,483**	**-773,851**	**-21,151**	**-108,817**	**-22,297**	**382**	**-576,751**	**5,668**	**-571,083**

Consolidated Statement of Cash Flows (unaudited)

Consolidated statement of cash flows

€ thousand	Q3 2012	Q3 2011	Q1-Q3 2012	Q1-Q3 2011
Net income (+) / loss (-)	8,645	-26,447	34,386	-22,000
+ income taxes	14,893	6,211	59,101	46,301
+ net financial income (-) / expenses (+)	56,329	83,658	182,252	197,709
= Earnings before interest and taxes	**79,867**	**63,422**	**275,739**	**222,010**
Depreciation/Impairment of non-current assets (excl. leased assets)	39,214	39,249	116,634	117,499
Depreciation/Impairment of leased assets	48,727	43,486	139,655	126,432
Other non-cash income (-) and expenses (+)	-912	5,527	-9,981	6,999
Gain (-) / loss (+) on disposal of non-current assets	768	1,767	-1,119	5,785
Change in leased assets	-70,013	-50,642	-176,721	-136,067
Change in lease receivables and lease liabilities	11,428	4,760	11,390	-4,515
Change in inventories	-4,033	-41,512	-82,135	-138,992
Change in trade receivables	2,608	-6,118	9,095	-23,239
Change in trade payables	-39,562	27,430	-50,113	68,997
Cash payments for defined benefit obligations	-4,831	-5,368	-16,695	-14,609
Change in other provisions	304	-24,484	-40,851	-53,419
Change in other operating assets	-13,166	-7,473	-52,520	-25,622
Change in other operating liabilities	25,871	18,370	49,144	23,031
Taxes paid	-9,862	-12,823	-36,454	-28,086
= Cash flow from operating activities	**66,408**	**55,591**	**135,068**	**146,204**
Cash receipts from disposal of non-current assets	1,115	454	8,741	2,453
Cash payments for purchase of non-current assets	-37,922	-27,724	-96,800	-79,076
Deposits from other loan claims	-349	178	-2,303	1,103
Dividends received	1,311	1,959	3,796	5,979
Interest income received	1,146	627	3,126	2,397
Acquisitions of subsidiaries, net of cash acquired	0	0	-9,703	-26,513
Cash receipts (+) / cash payments (-) for sundry assets	-921	-923	-3,071	-2,440
= Cash flow from investing activities	**-35,620**	**-25,429**	**-96,214**	**-96,097**
Dividends paid to non-controlling interests	0	-246	-2,405	-2,209
Cash paid for increased ownership interests (after control)	-1,043	0	-2,155	-712
Cash receipts from decreased ownership interests (after control)	0	82	138	82
Proceeds from borrowings	0	0	7,676	500,000
Loan financing costs paid	-12,882	-1,185	-13,474	-22,874
Repayment of borrowings	0	0	-165,675	-510,009
Proceeds (+) / Repayment (-) of other capital borrowings	-10,709	-282	6,485	-15,778
Interest paid	-30,466	-35,506	-87,627	-98,688
= Cash flow from financing activities	**-55,100**	**-37,137**	**-257,037**	**-150,188**
Effect of foreign exchange rate changes on cash and cash equivalents	1,184	-54	3,293	-1,187
= Change in cash and cash equivalents	**-23,128**	**-7,029**	**-214,890**	**-101,268**
Cash and cash equivalents at the beginning of the period	181,689	158,645	373,451	252,884
Cash and cash equivalents at the end of the period	158,561	151,616	158,561	151,616

Segment Report (unaudited)

Q3/2012

Segment report

€ thousand Q3 2012	LMH	STILL	Other	Consolidation/ Reconciliation	Total
Revenue from external customers	741,684	376,718	9,862	–	1,128,264
Intersegment revenue	22,079	27,423	54,922	-104,424	–
Total revenue	763,763	404,141	64,784	-104,424	1,128,264
Earnings before taxes	68,243	14,954	-46,885	-12,774	23,538
Financial income	11,511	4,213	-2,509	-11,804	1,411
Financial expense	-16,063	-11,220	-42,261	11,804	-57,740
= Financial result	-4,552	-7,007	-44,770	–	-56,329
EBIT	72,795	21,961	-2,115	-12,774	79,867
+ Non-recurring items	1,725	7,587	7,920	–	17,232
+ KION acquisition items	6,984	2,002	128	–	9,114
= Adjusted EBIT	81,504	31,550	5,933	-12,774	106,213
Depreciation*	25,131	10,154	3,929	–	39,214
Order intake	732,501	379,702	64,784	-100,189	1,076,798

* Excluding leased assets

Q3/2011

Segment report					
€ thousand Q3 2011	LMH	STILL	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	-81,547	-6,690	-20,236
Financial income	11,954	3,098	36,441	-4,935	46,558
Financial expense	-14,877	-9,027	-111,247	4,935	-130,216
= Financial result	-2,923	-5,929	-74,806	–	-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
Depreciation*	24,389	11,466	3,394	–	39,249
Order intake	735,117	410,993	43,729	-78,176	1,111,663

* Excluding leased assets

Q1-3/2012

Segment report

€ thousand / Q1-Q3 2012	LMH	STILL	Other	Consolidation/ Reconciliation	Total
Revenue from external customers	2,267,597	1,140,994	30,219	–	3,438,810
Intersegment revenue	55,704	92,407	152,353	-300,464	–
Total revenue	2,323,301	1,233,401	182,572	-300,464	3,438,810
Earnings before taxes	227,719	49,602	-152,339	-31,495	93,487
Financial income	37,920	12,641	8,259	-20,155	38,665
Financial expense	-50,122	-32,845	-158,105	20,155	-220,917
= Financial result	-12,202	-20,204	-149,846	–	-182,252
EBIT	239,921	69,806	-2,493	-31,495	275,739
+ Non-recurring items	-10,135	9,606	16,303	–	15,774
+ KION acquisition items	21,236	5,390	766	–	27,392
= Adjusted EBIT	251,022	84,802	14,576	-31,495	318,905
Carrying amount of equity investments	32,906	6,148	–	–	39,054
Capital expenditures*	54,163	33,350	9,287	–	96,800
Depreciation*	74,349	30,487	11,798	–	116,634
Order intake	2,365,510	1,231,526	182,572	-293,056	3,486,552
Number of employees**	14,622	7,300	707	–	22,629

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

Q1-3/2011

Segment report

€ thousand Q1-Q3 2011	LMH	STILL	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	-173,806	-29,600	24,301
Financial income	35,413	9,695	9,097	-13,769	40,436
Financial expense	-43,690	-28,621	-179,603	13,769	-238,145
= Financial result	-8,277	-18,926	-170,506	–	-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
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 leased assets
** Number of employees in full-time equivalents as at 30 September

BASIS OF PRESENTATION

The condensed consolidated interim financial statements of the KION Group as of 30 September 2012 and for Q3/2012 have been prepared in line with International Accounting Standard (IAS) 34 'Interim Financial Reporting' 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 concerning the application of international accounting standards for interim financial statements. A condensed scope of interim reporting has been prepared in accordance with IAS 34.

All of the IFRSs and the related interpretations (IFRICs) of the IFRS Interpretations Committee (IFRS IC) that have been issued by the reporting date and that were required to be applied for financial years commencing on or after 1 January 2012 have been applied in preparing these condensed consolidated interim financial statements. These condensed consolidated interim financial statements do not contain all the information and disclosures required of a set of consolidated annual financial statements and should therefore be read in conjunction with the consolidated financial statements prepared for the year ended 31 December 2011. With the exception of the new IFRS standards and interpretations described below, the accounting policies used to prepare these condensed consolidated interim financial statements were the same as those used to prepare the consolidated financial statements for the year ended 31 December 2011.

Financial reporting standards to be adopted for the first time in the current financial year

The following financial reporting standard was adopted for the first time in the condensed consolidated interim financial statements as of 30 September 2012:

- Amendments to IFRS 7 'Financial Instruments: Disclosures', disclosures relating to transfers of financial assets.

The first-time adoption of this standard has had no significant effect on the presentation of the financial position or financial performance of the KION Group.

Financial reporting standards released but not yet adopted

In its condensed consolidated interim financial statements as of 30 September 2012 and for Q3/2012, 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 applied in 2012:

- Amendments to IFRS 1 'First-time Adoption of International Financial Reporting Standards', amendments relating to fixed transition dates and severe hyperinflation
- Amendments to IFRS 1 'First-time Adoption of International Financial Reporting Standards', amendments relating to government loans with a below-market rate of interest
- Amendments to IFRS 7 'Financial Instruments: Disclosures', offsetting of financial assets and financial liabilities
- IFRS 9 'Financial Instruments'
- IFRS 10 'Consolidated Financial Statements'
- IFRS 11 'Joint Arrangements'
- IFRS 12 'Disclosure of Interests in Other Entities'
- Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12)
- 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'
- Amendments to IAS 32 'Financial Instruments: Presentation', offsetting of financial assets and financial liabilities
- IFRIC 20 'Stripping Costs in the Production Phase of a Surface Mine'
- Improvements to IFRSs (2009-2011).

These standards and interpretations will only be applied by the companies included in the KION Group from the date on 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.

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

Segment Reporting

The basis for internal reporting is a presentation of the financial position and financial performance based on data from continuing operations, excluding items relating to the KION Group in December 2006 and excluding Non-recurring items. In addition to the above items, other net financial income/expenses and the share of profit (loss) of equity investments were also excluded from the performance indicator known as 'EBIT Management Reporting'. Segment reporting therefore included a reconciliation of externally reported consolidated earnings before interest and tax (EBIT) including KION acquisition items and Non-recurring items with the Adjusted EBIT for the segments ('EBIT Management Reporting').

Management Reporting EBIT differed from Adjusted EBIT for the last time in 2011 in that it did not take into account the share of profit (loss) of equity investments or other net financial income/expenses. Since 2012 EBIT Management Reporting corresponds to the Adjusted EBIT.

RISK FACTORS

Our Annual Bond Report 2011 contains a description of certain risks that could materially adversely affect our business, financial condition, results of operations or cash flows.

You should carefully consider the risks described in our Annual Bond Report 2011 before making an investment decision. Any of the risks mentioned there 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 Annual Bond Report 2011 and elsewhere in this Quarterly Report.

In Q3/2012 there have been no material changes to the risk assessment made in our Annual Bond Report 2011. However we updated the following risk factors to reflect recent developments:

Market Risks

Cyclical fluctuations in macroeconomic activity have always affected the market for industrial trucks. A downturn or stagnation in the industries and regions relevant to the KION Group represents a risk. Customers' decisions on whether to invest, particularly in new trucks, depend to a large degree on the economic situation. The KION Group mitigates this risk with its multi-brand strategy, comprehensive product portfolio and a diverse customer base consisting of companies of different sizes in different industries and regions. Market risk is also reduced by close monitoring of markets and competitors as well as any resulting necessary adjustments to production capacities. The KION Group takes measures to boost its sales and further expand less cyclical business activities such as services in order to counteract economic downturns.

Global economic prospects have been very varied in recent times, and the markets therefore remain fragile. The International Monetary Fund (IMF) believes the global economic situation is still at risk due to the decline in the pace of growth in all regions of the world and owing to uncertainties regarding the funding position of public finances and financial institutions. In particular, the following factors pose a risk to the global economic development as a whole: any worsening of the Eurozone crisis, a sharp slowdown in the United States, and an ongoing slower growth trajectory in major emerging market economies. Current developments, above all in Europe, are making it increasingly difficult to gauge demand patterns reliably. The precise timing and even the extent of any change in the markets remains uncertain. The KION Group therefore closely monitors macroeconomic and market conditions so that it is ready to promptly step up action already implemented or initiate additional measures if required.

Financial Risks

The main types of financial risk managed by Group Treasury, including risks from funding instruments, are liquidity, exchange rate, interest rate and counterparty risks. Credit risk consists solely of counterparty risks attached to financial institutions. Risk management procedures issued by Group Treasury stipulate how to deal with the aforementioned risks. In contrast, the individual Group companies directly manage counterparty risks involving customers.

The restructuring of the existing acquisition finance during 2009 continued to provide the Group with the flexibility needed to meet the requirements of the lending covenants. Accordingly, the KION Group has secured acquisition finance in the form of committed credit lines. The individual tranches have varying maturities. KION has extended a substantial portion of its Senior Facilities, including extending Revolving Credit Facility (RCF) commitments from December 2013 to December 2016 in an amount which (together with approximately €113 million of new RCF commitments received) totals €300 million, and extending approximately €800 million and approximately $200 million of Term Loan B (TLB) and Term Loan C (TLC) from December 2014 (TLB) and December 2015 (TLC) to December 2017. Furthermore the Term Loan G (Shareholder Loan) of about €114 million was extended from December 2016 to June 2018. On 31 July 2012 the amended and restated Senior Facilities

Agreement became effective (details under “Factors affecting our Business”). In addition, €483 million of the original acquisition financing have already been repaid through the corporate bond of €500 million with maturity in 2018 and issued in April 2011. Further measures to ensure long-term financing are actively and continuously pursued by the Company.

On 7 November 2011, the KION Group had drawn down €133 million from the Revolving Credit Facility. Although sufficient liquidity was available for operational business, capital expenditure and debt servicing, a stronger cash position was considered prudent in light of the volatility of the financial markets. In May 2012 we repaid this drawing as we considered the financial markets to be stabilising. As contractually agreed, the Capex Facility was reduced by approximately €28 million in the course of 2012.

The KION Group generally refers to credit ratings to manage counterparty risk when depositing funds with a financial institution. Deposits are also restricted to the limits covered by the deposit protection fund run by the Federal Association of German Banks.

The KION Group only uses derivatives to hedge underlying operational transactions; they are not used for speculative purposes. Records are kept of the type of financial instruments used, the limits governing their use and the group of banks acting as counterparties. Group Treasury rigorously complies with and monitors the strict separation of functions between the front, middle and back offices.

Each Group company's liquidity planning is broken down by currency and incorporated into the KION Group's financial planning and reporting process. Group Treasury checks the liquidity planning and uses it to determine the funding requirements of each company. Normally, at least 50% of the exchange-rate risk related to the planned operating cash flows based on liquidity planning is hedged by currency forwards in accordance with the relevant guideline.

The KION Group uses interest-rate and currency-related derivatives – primarily interest-rate swaps and currency swaps, but also interest-rate and currency options – to hedge the interest-rate and currency risks arising in connection with the acquisition finance. Approximately 50% of the currency risk arising from the US dollar tranche is hedged by currency forwards with an average €-US$ exchange rate of around 1.38. These derivative contracts expire in November 2012. When the currency hedges expire, there may be a material outflow of funds, depending on the US dollar exchange rate. At the end of September 2012, around 59% of the interest-rate risk was hedged by interest-rate swaps or was subject to a fixed rate of interest. The need to add new hedging instruments or replace ones that expire is being reviewed on an ongoing basis.

The funds raised for acquisitions also give rise to risks for the KION Group in terms of compliance with certain financial covenants specified in the relevant loan agreement. This risk continues to apply in view of the current uncertain economic and financial market environment. However, the Company is mitigating it by continuing to increase efficiency and by ensuring sufficient flexibility when entering into new lending agreements. The KION Group complied with all the lending covenants in the reporting year.

ANNEX 1: KPIs FINANCIAL SERVICES BUSINESS

Following the organisational spin-off of the Financial Services business in the core European countries, it was necessary to adjust the provisional reporting structure in the voluntary additional information in Q1-3/2012. Consequently, the figures reported in the voluntary segment reporting in the Q1/2012 and Q2/2012 Bond Reports do not coincide exactly with the current segment reporting information for Q1-3/2012.

The assets attributable to the Financial Services segment reported in the cumulative tables include long-term leases which were reported either as leased assets or lease receivables, depending on the type of lease. As of 30 September 2012, lease receivables due from unrelated third parties amounted to €355 million. In addition, intra-group receivables amounted to €365 million mainly due to the refinancing of the short-term rental business of LMH and STILL. Segment liabilities as of 30 September 2012 largely comprised liabilities to leasing companies arising from the financing of leased assets in the amount of €674 million and net financial debt of €160 million arising from general business finance for the Financial Services segment.

Q3/2012

Segment report - Voluntary Additional Information

€ thousand Q3 2012	LMH	STILL	FS	Other	Consolidation/ Reconciliation	Total
Revenue from external customers	700,816	354,133	63,453	9,862	–	1,128,264
Intersegment revenue	48,185	48,710	60,934	54,922	-212,751	–
Total revenue	749,001	402,843	124,387	64,784	-212,751	1,128,264
Earnings before taxes	67,477	14,755	1,275	-46,590	-13,379	23,538
Financial income	6,978	1,363	10,523	-2,509	-14,944	1,411
Financial expense	-11,317	-8,374	-9,648	-42,422	14,021	-57,740
= Financial result	-4,339	-7,011	875	-44,931	-923	-56,329
EBIT	71,816	21,766	400	-1,659	-12,456	79,867
+ Non-recurring items	1,725	7,587	–	7,920	–	17,232
+ KION acquisition items	6,984	2,002	–	128	–	9,114
= Adjusted EBIT	80,525	31,355	400	6,389	-12,456	106,213
Depreciation*	45,858	25,511	15,361	4,734	-3,523	87,941

* Including leased assets

Q3/2011

Segment report - Voluntary Additional Information

€ thousand Q3 2011	LMH	STILL	FS	Other	Consolidation/ Reconciliation	Total
Revenue from external customers	623,463	352,156	58,996	9,522	–	1,044,137
Intersegment revenue	56,105	45,986	50,347	47,754	-200,192	–
Total revenue	679,568	398,142	109,343	57,276	-200,192	1,044,137
Earnings before taxes	48,981	12,569	1,385	-81,358	-1,813	-20,236
Financial income	7,791	1,523	10,683	36,441	-9,880	46,558
Financial expense	-10,666	-7,086	-9,925	-111,247	8,708	-130,216
= Financial result	-2,875	-5,563	758	-74,806	-1,172	-83,658
EBIT	51,856	18,132	627	-6,552	-641	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	61,239	21,113	627	1,988	-641	84,326
Depreciation*	42,365	22,758	18,725	3,534	-4,647	82,735

* Including leased assets

Q1-3/2012

Segment report - Voluntary Additional Information

€ thousand / Q1-Q3 2012	LMH	STILL	FS	Other	Consolidation/ Reconciliation	Total
Revenue from external customers	2,142,351	1,070,254	195,986	30,219	–	3,438,810
Intersegment revenue	162,240	150,727	149,659	152,353	-614,979	–
Total revenue	2,304,591	1,220,981	345,645	182,572	-614,979	3,438,810
Earnings before taxes	224,809	49,683	3,541	-151,252	-33,294	93,487
Financial income	22,090	4,391	33,112	8,259	-29,187	38,665
Financial expense	-34,580	-23,645	-30,622	-158,570	26,500	-220,917
= Financial result	-12,490	-19,254	2,490	-150,311	-2,687	-182,252
EBIT	237,299	68,937	1,051	-941	-30,607	275,739
+ Non-recurring items	-10,135	9,606	–	16,303	–	15,774
+ KION acquisition items	21,236	5,390	–	766	–	27,392
= Adjusted EBIT	248,400	83,933	1,051	16,128	-30,607	318,905
Segment assets	4,564,137	1,917,625	978,287	534,794	-1,915,845	6,078,998
Segment liabilities	1,532,636	1,025,526	939,746	5,054,492	-1,894,007	6,658,393
Carrying amount of equity investments	32,906	6,148	–	–	–	39,054
Capital expenditures*	54,163	33,350	–	9,287	–	96,800
Depreciation**	132,168	74,345	43,255	13,322	-6,801	256,289

* Excluding leased assets
** Including leased assets

Q1-3/2011

Segment report - Voluntary Additional Information

€ thousand / Q1-Q3 2011	LMH	STILL	FS	Other	Consolidation/ Reconciliation	Total
Revenue from external customers	1,885,066	1,061,654	189,984	19,961	–	3,156,665
Intersegment revenue	180,360	148,876	143,768	137,014	-610,018	–
Total revenue	2,065,426	1,210,530	333,752	156,975	-610,018	3,156,665
Earnings before taxes	182,084	36,132	4,129	-173,233	-24,811	24,301
Financial income	22,820	4,345	32,008	9,097	-27,834	40,436
Financial expense	-31,273	-22,536	-29,611	-179,603	24,878	-238,145
= Financial result	-8,453	-18,191	2,397	-170,506	-2,956	-197,709
EBIT	190,537	54,323	1,732	-2,727	-21,855	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	200,633	64,955	1,732	14,138	-21,855	259,603
Segment assets	4,238,729	1,972,753	797,831	545,100	-1,716,407	5,838,006
Segment liabilities	1,394,703	952,021	758,702	4,833,873	-1,668,269	6,271,030
Carrying amount of equity investments	32,062	4,659	–	–	–	36,721
Capital expenditures*	45,426	23,728	–	9,922	–	79,076
Depreciation**	123,781	70,725	51,410	11,293	-13,278	243,931

* Excluding leased assets
** Including leased assets

ANNEX 2: QUARTERLY FINANCIAL INFORMATION

Unaudited quarterly information								
€ thousand	Q4 2010	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	Q3 2012
Order intake	1,064,386	1,157,383	1,195,434	1,111,663	1,217,376	1,207,173	1,202,581	1,076,798
Revenue	1,042,510	1,016,190	1,096,338	1,044,137	1,211,730	1,144,399	1,166,147	1,128,264
EBIT	28,821	60,145	98,443	63,422	-8,850	90,924	104,948	79,867
Adj. EBIT	62,683	74,620	100,657	84,326	105,005	101,434	111,258	106,213
Adj. EBIT margin	6.0%	7.3%	9.2%	8.1%	8.7%	8.9%	9.5%	9.4%
Adj. EBITDA	148,764	148,536	173,239	160,059	183,431	175,670	187,675	184,994
Adj. EBITDA margin	14.3%	14.6%	15.8%	15.3%	15.1%	15.4%	16.1%	16.4%
Free cash flow	76,978	45,732	-25,787	30,162	184,123	-73,664	81,730	30,788
Net financial debt	2,640,829	2,600,205	2,687,633	2,748,619	2,656,613	2,741,282	2,735,482	2,743,954