

KION Group Update Call Q1 2013

Gordon Riske, CEO
Thomas Toepfer, CFO
Wiesbaden, May 28th 2013



Agenda



1 Highlights Q1 2013

Gordon Riske

2 Update Financials Q1 2013

Thomas Toepfer

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Note: Q1 to Q4 2012 figures reflect the restatement for IAS 19R.

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KION key facts

Diversified market leader



- #1** KION is European #1 and Global #2¹ with 6 differentiated brands
- 33%** Order intake of new trucks from BRIC and other growth regions
- >1 Million** Installed truck base worldwide support after sales business
- >40%** High service contribution to integrated business model
- 21,400** Employees², more than 1,200 sales locations worldwide



Key financials

In € millions	2009	2010	2011	2012	Q1 2013 ⁴
Revenue	3,084	3,534	4,368	4,727	1,085
EBITDA adj. ³	311	462	665	747	168
Margin	10.1%	13.1%	15.2%	15.8%	15.5%
EBIT adj. ³	(29)	139	365	438	93
Margin	(0.9)%	3.9%	8.3%	9.3%	8.5%

¹ Source: McKinsey & Co. Industrial Trucks Market Study, 2012 for 2011 – KION believes that this has not changed since then
² Approx. as of 31 March 2013 ³ Adjusted for non-recurring items and PPA ⁴ Excluding the Hydraulics Business sold in 2012

KION Group starts 2013 with solid Q1

Highlights Q1/2013 (1/2)



KION Group order intake close to strong level of prior year

- Order intake with 38,000 units just 2.8% below high level of Q1/2012
- Order intake of €1.145 billion almost on record level of Q1/2012
- Order book on high level of more than €830 million; reliable visibility for the business

Revenue with €1.085 billion on a comparable basis on Q1/2012 level

Adjusted EBIT* further increased to €93 million; Adjusted EBIT margin* 8.5%

- Structural improvements, high volumes and continuous cost discipline drive ongoing margin expansion

Strong cash flow performance

- Free cash flow at €-5 million significantly improved (Q1/2012: €-74 million) due to operational performance

* Adjusted for non-recurring items and PPA

NOTE: For comparability purposes prior year revenue and Adjusted EBIT reflect the deduction of the results of our Hydraulics Business from the reported figures of 2012. The figures regarding our Hydraulics Business are not directly derived from KION's financial statements but from the accounting records of the LMH segment. The relevant figures also include non-IFRS measures which are derived from line items in the LMH management reporting. Please note that the financial data for the Hydraulics Business include results attributable to assets that we have not carved-out and transferred pursuant to the strategic industrial cooperation with Weichai Power (axle business and a plant located in the Czech Republic) into Linde Hydraulics KG.

KION Group starts 2013 with solid Q1 Highlights Q1/2013 (2/2)



Financing structure further improved by additional €650 million bond issuance

- Debt maturity profile partially extended into 2020

Strategic initiatives for further growth and margin expansion

- Partnership with Weichai Power successfully started:
 - Strategic Collaboration Agreement implemented with strong buy-in from both sides
 - Various areas of collaboration
 - First projects already initiated (e.g. Weichai engine for certain Baoli trucks)
- New plant near São Paulo officially inaugurated, transfer from Rio plant finalized
- Restructuring of the container handler & heavy forklift truck business initiated
 - Container handler partnership with Konecranes

KION Group Executive Board extended

- Theodor Maurer (CEO Linde Material Handling), Bert-Jan Knoef (CEO STILL) taking direct responsibility also at Group level
- Ching Pong Quek became a board member and Chief Asia Pacific Officer

Summary order intake Q1/2013

Market at previous year level, KION with a solid quarter



KION Order Intake in Q1/2013

- KION Order Intake of 38,000 units (-2.8% YTD)
- Gap mainly due to comparison with very strong Q1/2012 and Western European market environment
- Overall growth regions contribute already 33% to global orders
- Market shares remain at high level of around 15%

Market Development in Q1/2013

- Global market slightly above previous year level with 247,900 units (+0.5% YTD)
- China improves in March and is YTD at -1.2%
- Americas continue to see strong growth: USA (+9.8% YTD), Brazil (+37.0% YTD)
- Western Europe slow (-5.7% YTD)
- Eastern Europe remains on track with +8.0% YTD

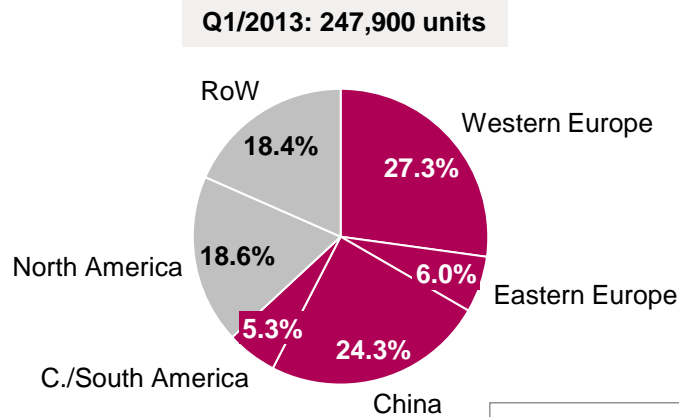
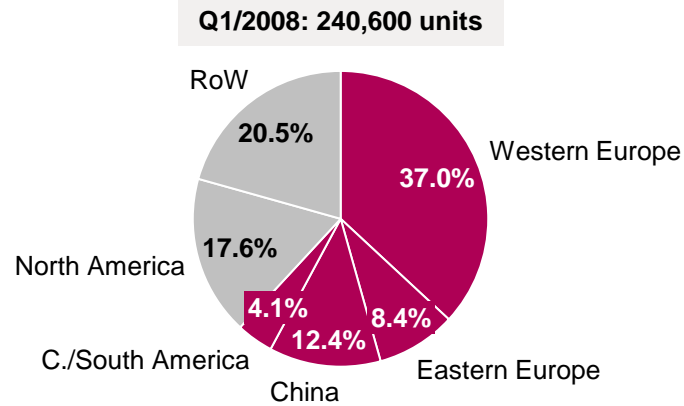
Source: WITS/FEM

Global market order intake (units)

Continuing growth and recovery, especially in emerging markets



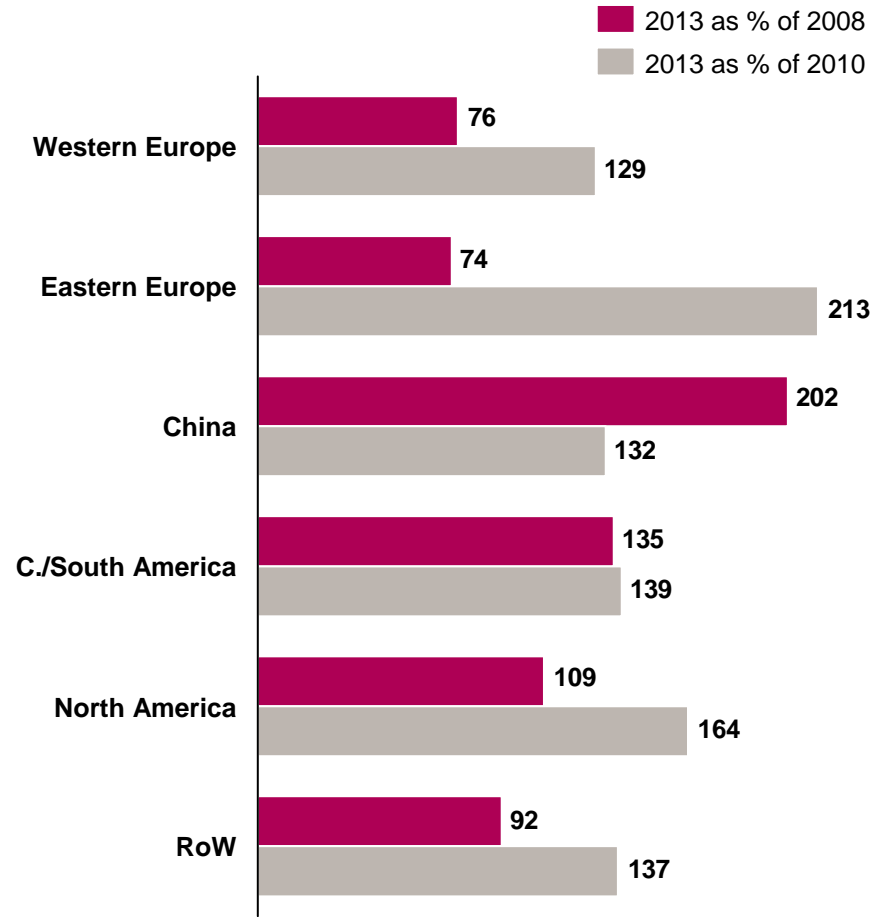
Industrial trucks order intake by region (in k units)



Source: WITS/FEM

Markets where KION is in a leading position

Q1/2013 Market Levels



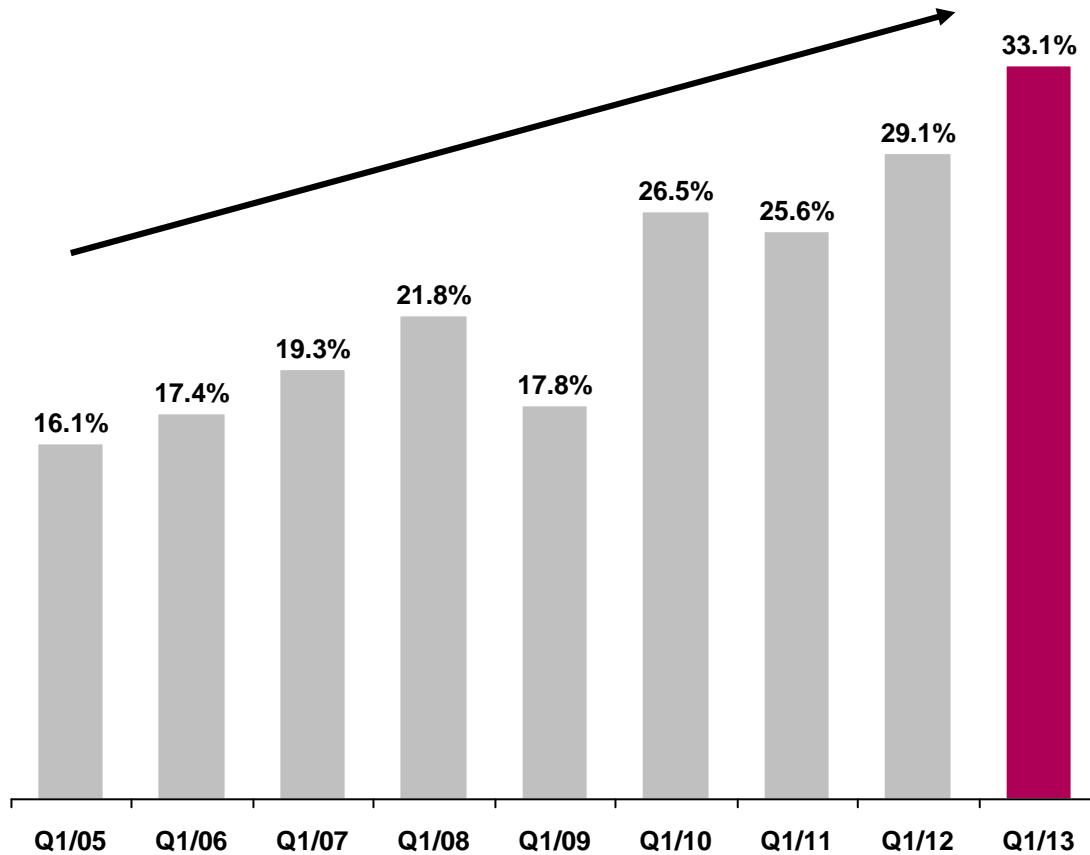
Source: WITS/FEM

KION order intake (units)

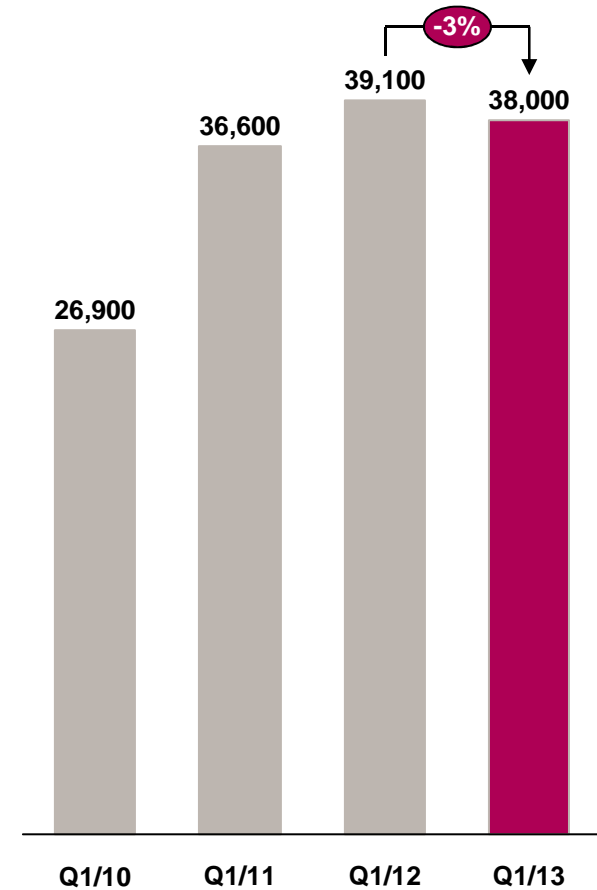
Steady increase in orders from emerging markets



Industrial trucks order intake from emerging markets* (in % of total)



Industrial trucks order intake (in units)



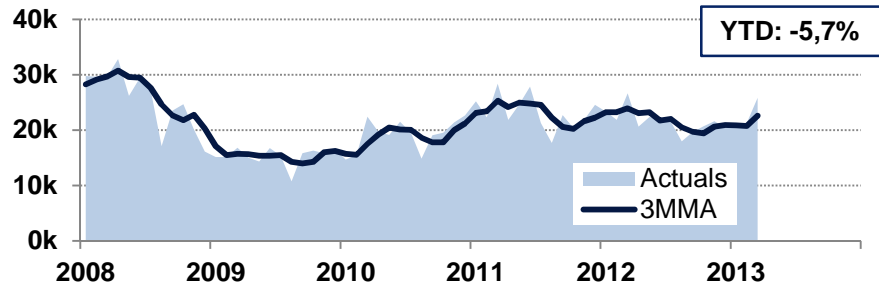
* Eastern Europe, Central/South America, Turkey, Asia ex. Japan and Africa (incl. BRIC)

Market: industrial trucks – order intake (countries)

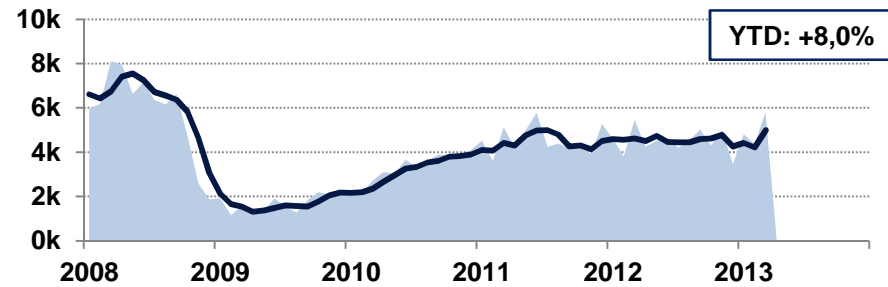
Regional markets further recover driven by record March demand



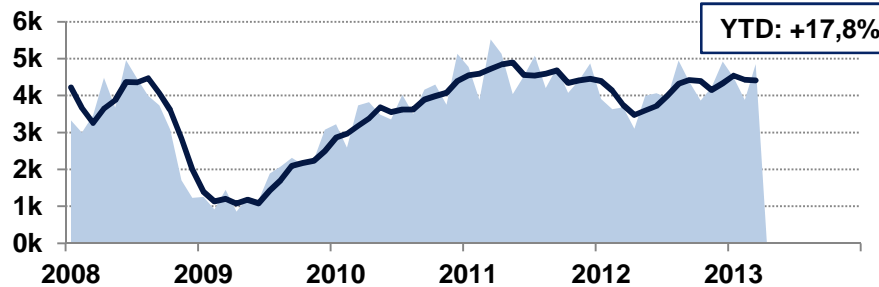
Western Europe



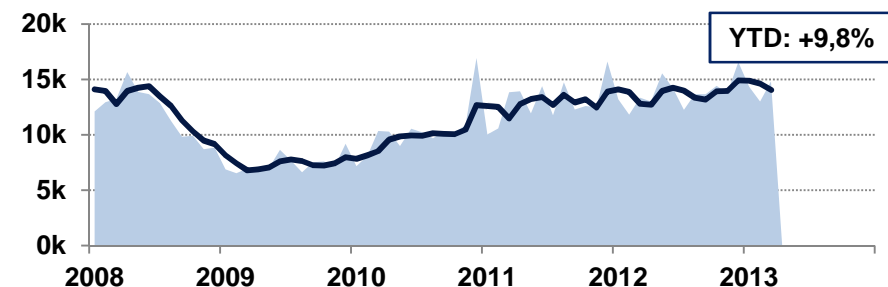
Eastern Europe



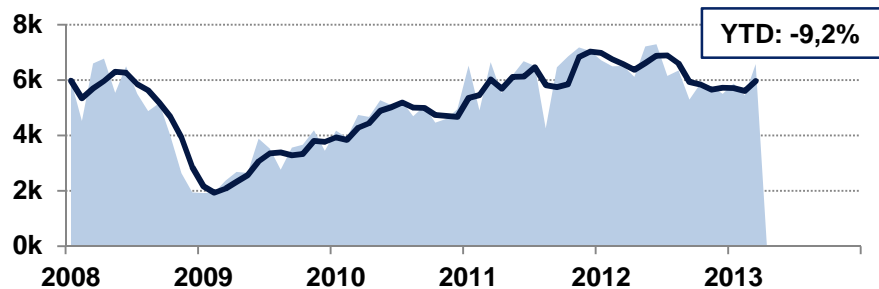
South/Central America



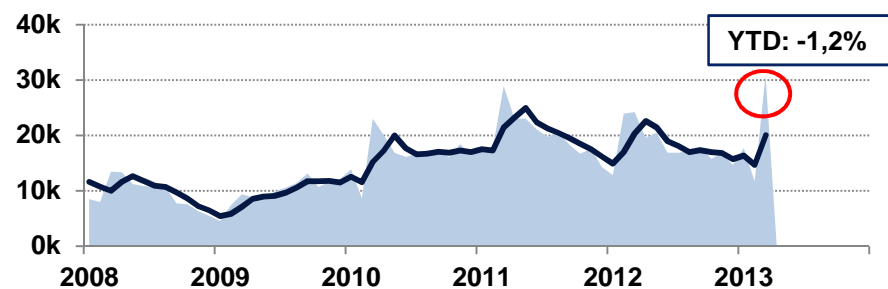
USA



Asia w/o CN/JP



China

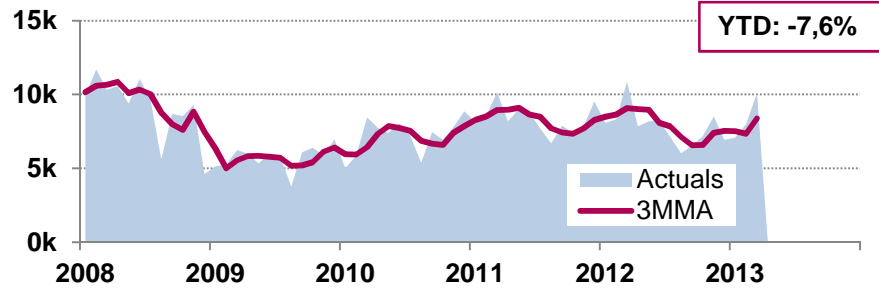


KION: industrial trucks – order intake (countries)

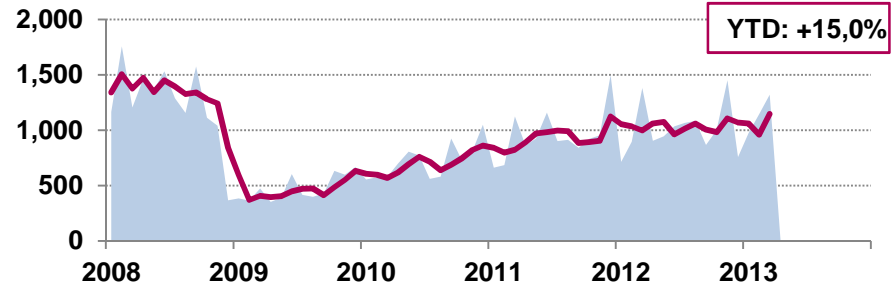
Recent improvements fall short against strong Q1/12



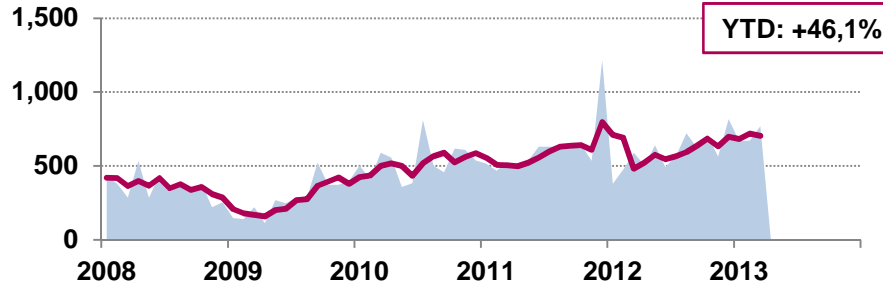
Western Europe



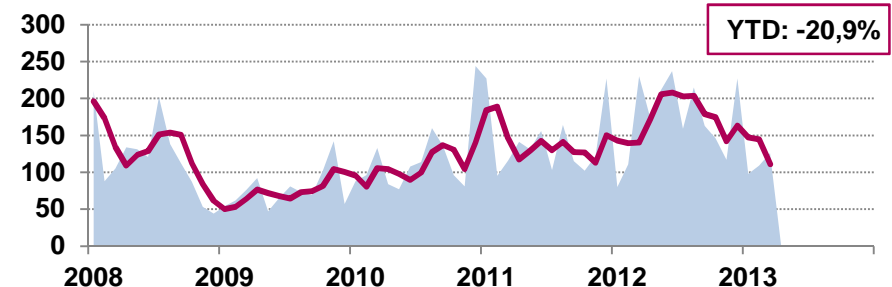
Eastern Europe



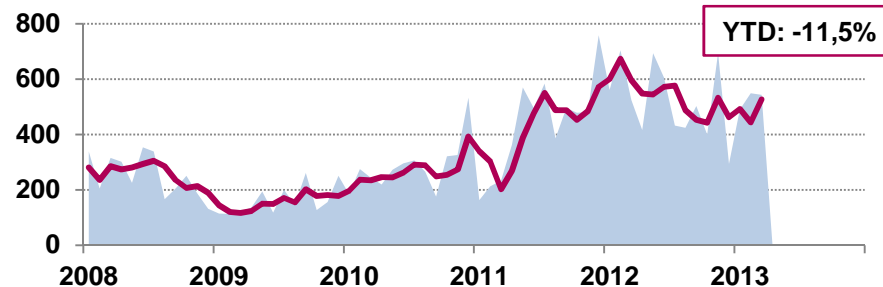
South/Central America



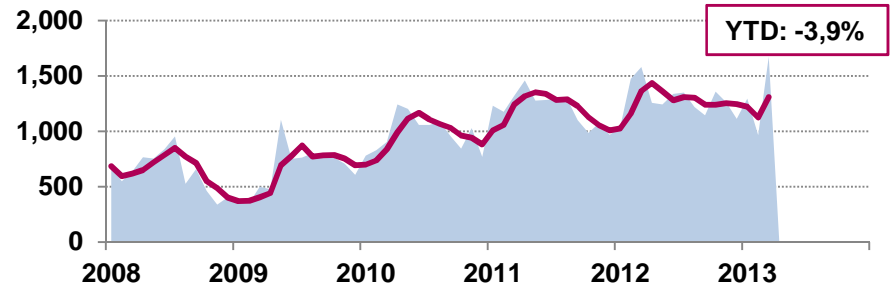
USA



Asia w/o CN/JP

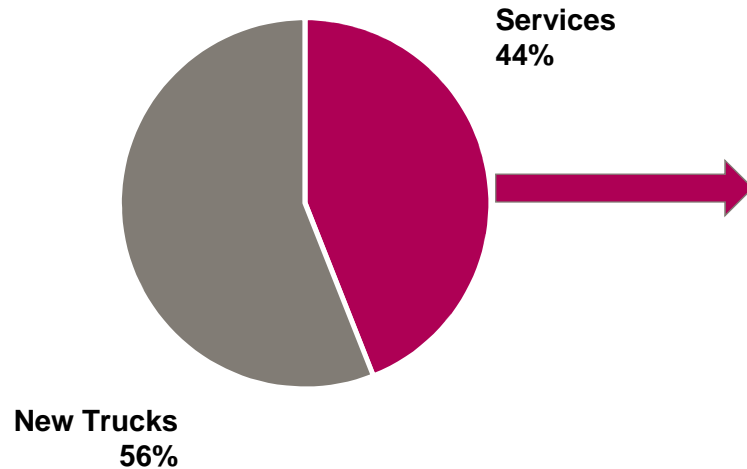


China

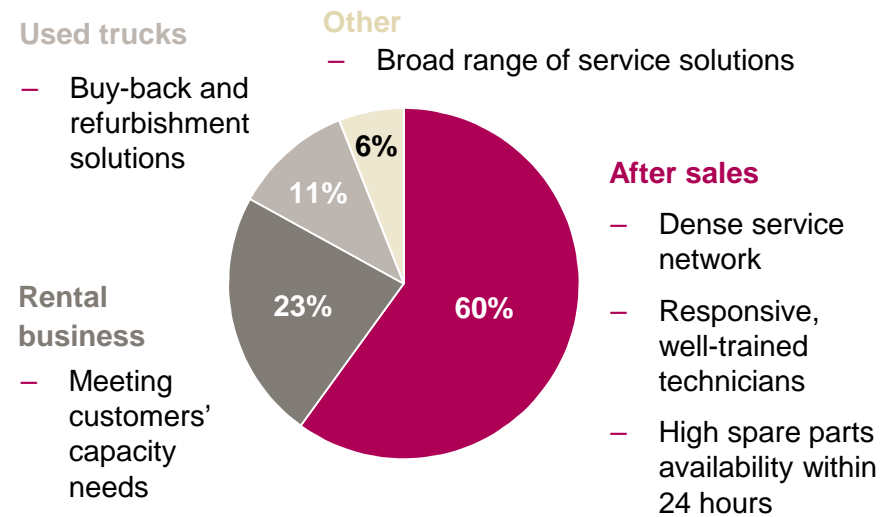


Integrated business model with high service contribution

Split of Q1/2013 revenue (€1,085m)



Split of Q1/2013 Service revenue (€474m)



Profitable new truck sales drive recurring and resilient service business with attractive margins

Strategic goal: expand service offering and increase penetration



Market observations¹

- Services account for more than 40% of the global forklift market
- Service business shows strong resilience through different economic cycles
- 50% of after sales services is still offered by third party providers
- Services with significantly higher EBIT margin than new truck sales
- Trend towards full service solutions, in particular in developed markets and premium segment
- Increasing complexity of products drives opportunity to increase penetration with OEM services
- Growing importance of services as growth markets become more sophisticated

Key growth drivers

- | | |
|------------------------------------|--|
| Large installed base | <ul style="list-style-type: none">- Over one million trucks²- Growth from long-term increasing annual truck sales |
| Depth of market penetration | <ul style="list-style-type: none">- Increase share versus non-OEM providers- Expand share of own branches in attractive growth regions- Strengthen short-term rental fleets in specific markets |
| Breadth of service offering | <ul style="list-style-type: none">- Solutions for entire product lifecycle- Address different usage patterns- Additional services requested by customers (e.g. fleet management)- Financial service solutions |

¹ Source: McKinsey & Co. Industrial Trucks Market Study 2012

² Installed truck base defined over last 10 years for E- and IC-trucks and over last 8 years for WH-trucks. Assumption based on historic data for trucks sold in the past.

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Financial summary

A solid quarter in Q1/13 with further improved profitability



- **Order Intake** of €1,145 million in Q1/2013 is €-62 million behind prior year
- **Revenue** of €1,085 million is below Q1/2012 (€1,144 million), due to the sale of our Hydraulics Business. On a comparable basis, revenue is in line with the prior year (€1,096 million*).
- **Adjusted EBIT** of €93 million is slightly above prior year level; on a like-for-like basis, Q1/2012 was €90 million* (actual: €101 million)
- **Adjusted EBIT Margin** with 8.5% above prior year (8.2%* on a comparable basis in Q1/2012)
- **Net Debt** of €1,824 million
- **Leverage** currently at 2.5x LTM EBITDA
- **Free Cash Flow** improved significantly to €-5 million

* For comparability purposes prior year figures reflect the deduction of the results of our Hydraulics Business from the actual Q1/2012 figures. The figures regarding our Hydraulics Business are not directly derived from KION's financial statements but from the accounting records of the LMH segment. The relevant figures also include non-IFRS measures which are derived from line items in the LMH management reporting. Please note that the financial data for the Hydraulics Business include results attributable to assets that we have not carved-out and transferred pursuant to the strategic industrial cooperation with Weichai Power (axle business and a plant located in the Czech Republic) into Linde Hydraulics KG.

Financial overview

Profitability ahead of previous year level

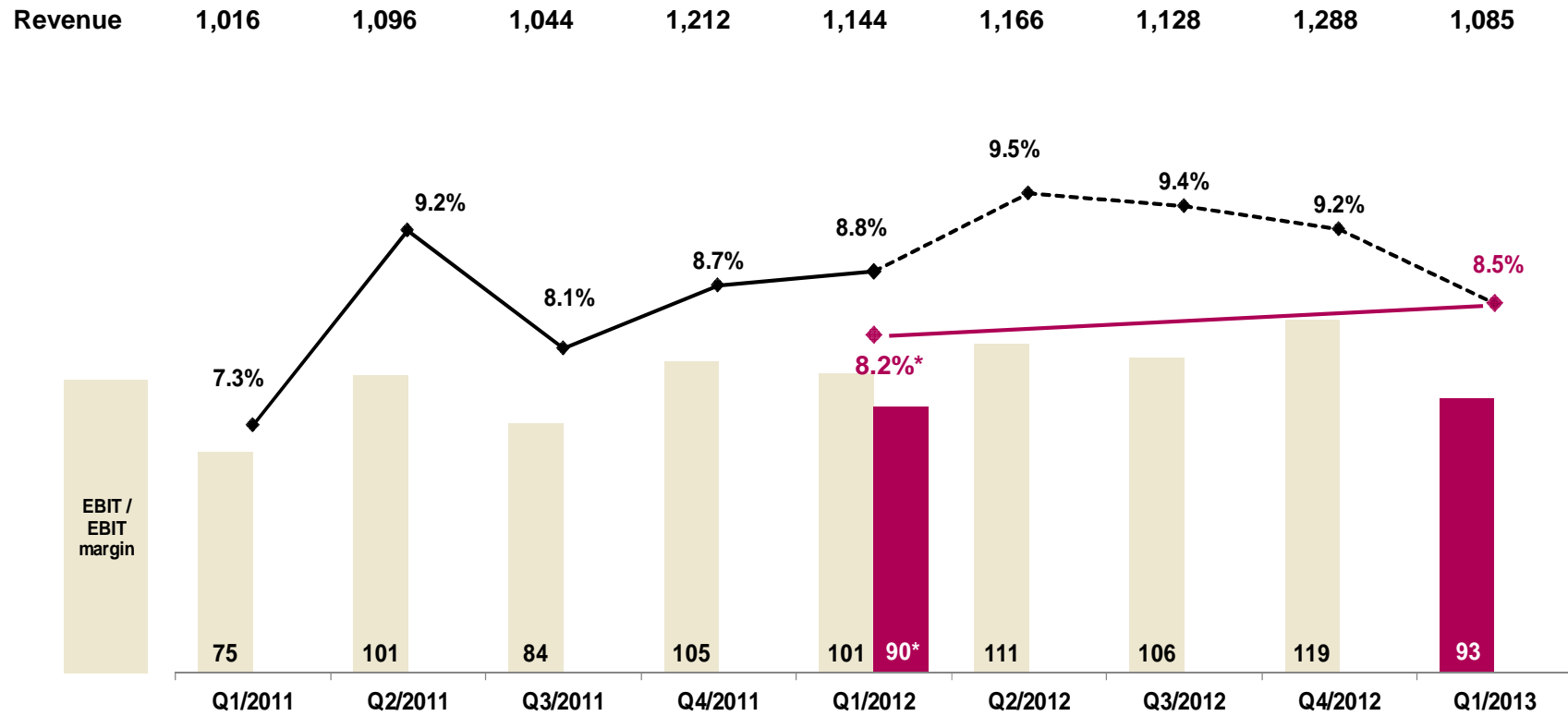


€ million	Q1 2013	Q1 2012 minus Hydraulics Business	Q1 2013 vs. Q1 2012 in %	Q1 2012 incl. Hydraulics Business
Order Intake	1,145	n.a.*	-	1,207
Revenue	1,085	1,096	-1.0%	1,144
EBITDA	169	159	6.6%	174
Adjusted EBITDA	168	161	4.6%	175
<i>Margin</i>	15.5%	14.6%		15.3%
EBIT	86	80	8.4%	91
Adjusted EBIT	93	90	2.7%	101
<i>Margin</i>	8.5%	8.2%		8.8%
Free Cash Flow	-5	-	-	-74
TWC	612	-	-	775
<i>% of Revenue</i>	56.4%			67.7%
Capital Expenditures	25	n.a.*	-	25
Headcount (FTE) incl. apprentices	21,421	n.a.*	4.2%	22,052

* Currently not available for external disclosure

Maintaining strong adjusted EBIT margin

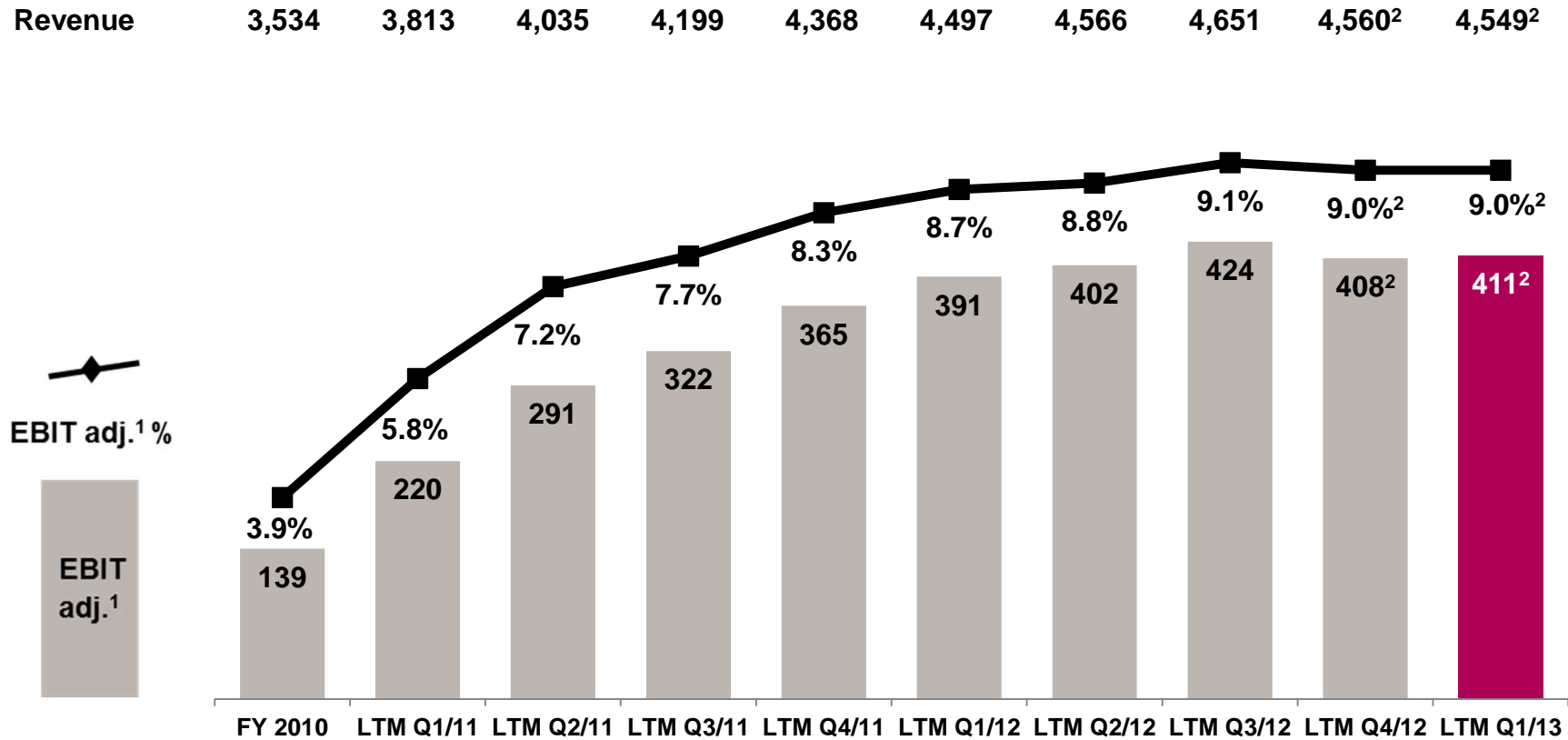
Q1 amount and margin of adj. EBIT above prior year level*



* Reflects the deduction of the results of our Hydraulics Business from the actual Q1/2012 figures. The figures regarding our Hydraulics Business are not directly derived from KION's financial statements but from the accounting records of the LMH segment. The relevant figures also include non-IFRS measures which are derived from line items in the LMH management reporting. Please note that the financial data for the Hydraulics Business include results attributable to assets that we have not carved-out and transferred pursuant to the strategic industrial cooperation with Weichai Power (axle business and a plant located in the Czech Republic) into Linde Hydraulics KG.

Adjusted LTM EBIT¹ remains at high level

Effect of deduction of Hydraulics Business almost compensated by profit growth



¹ Adjusted for non-recurring items and KION purchase price allocation

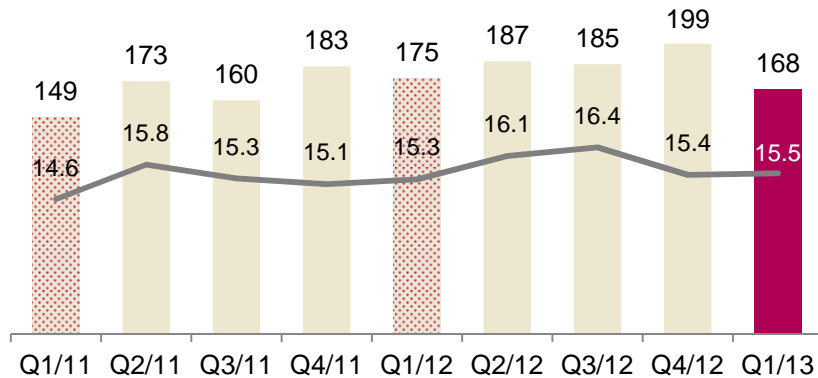
² Reflects the deduction of the quarterly results of our Hydraulics Business for the actual LTM figures Q4/12 and Q1/13. The figures regarding our Hydraulics Business are not directly derived from KION's financial statements but from the accounting records of the LMH segment. The relevant figures also include non-IFRS measures which are derived from line items in the LMH management reporting. Please note that the financial data for the Hydraulics Business include results attributable to assets that we have not carved-out and transferred pursuant to the strategic industrial cooperation with Weichai Power (axle business and a plant located in the Czech Republic) into Linde Hydraulics KG.

Solid Q1/13 performance

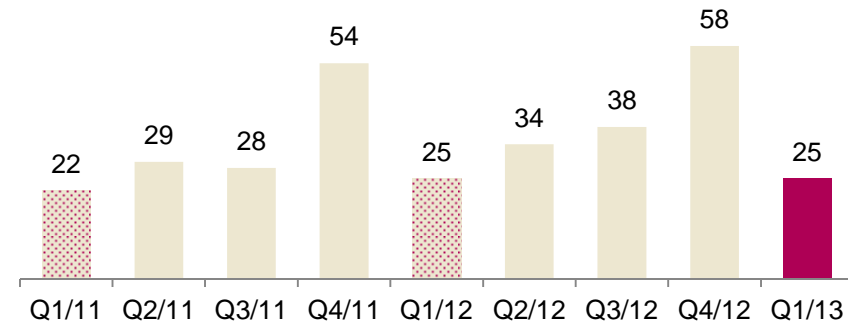
EBITDA in Q1/2013 ahead of prior year after reflecting the deduction of Hydraulics Business



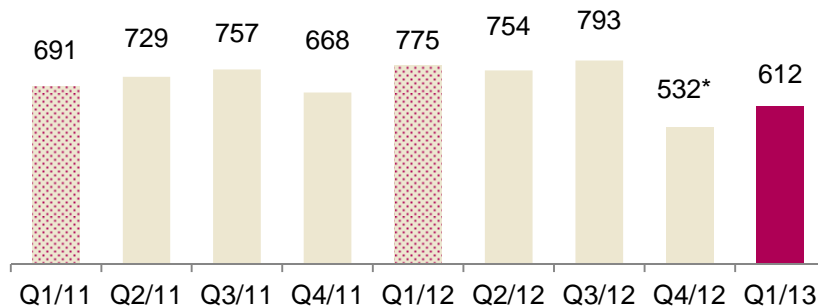
Adjusted EBITDA €m / adjusted EBITDA margin (%)



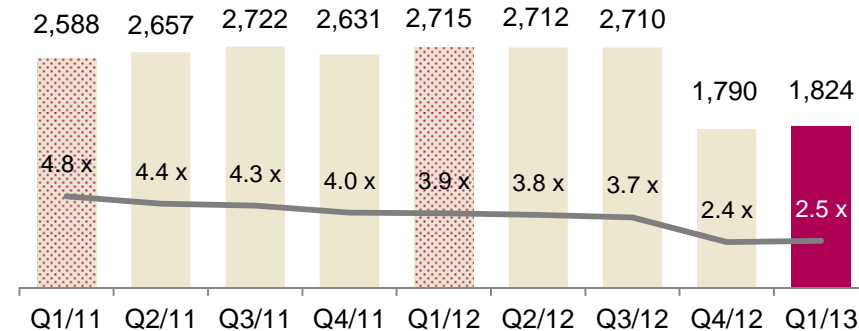
Capex €m



Trade Working Capital (TWC) €m



Net financial debt in €m / leverage



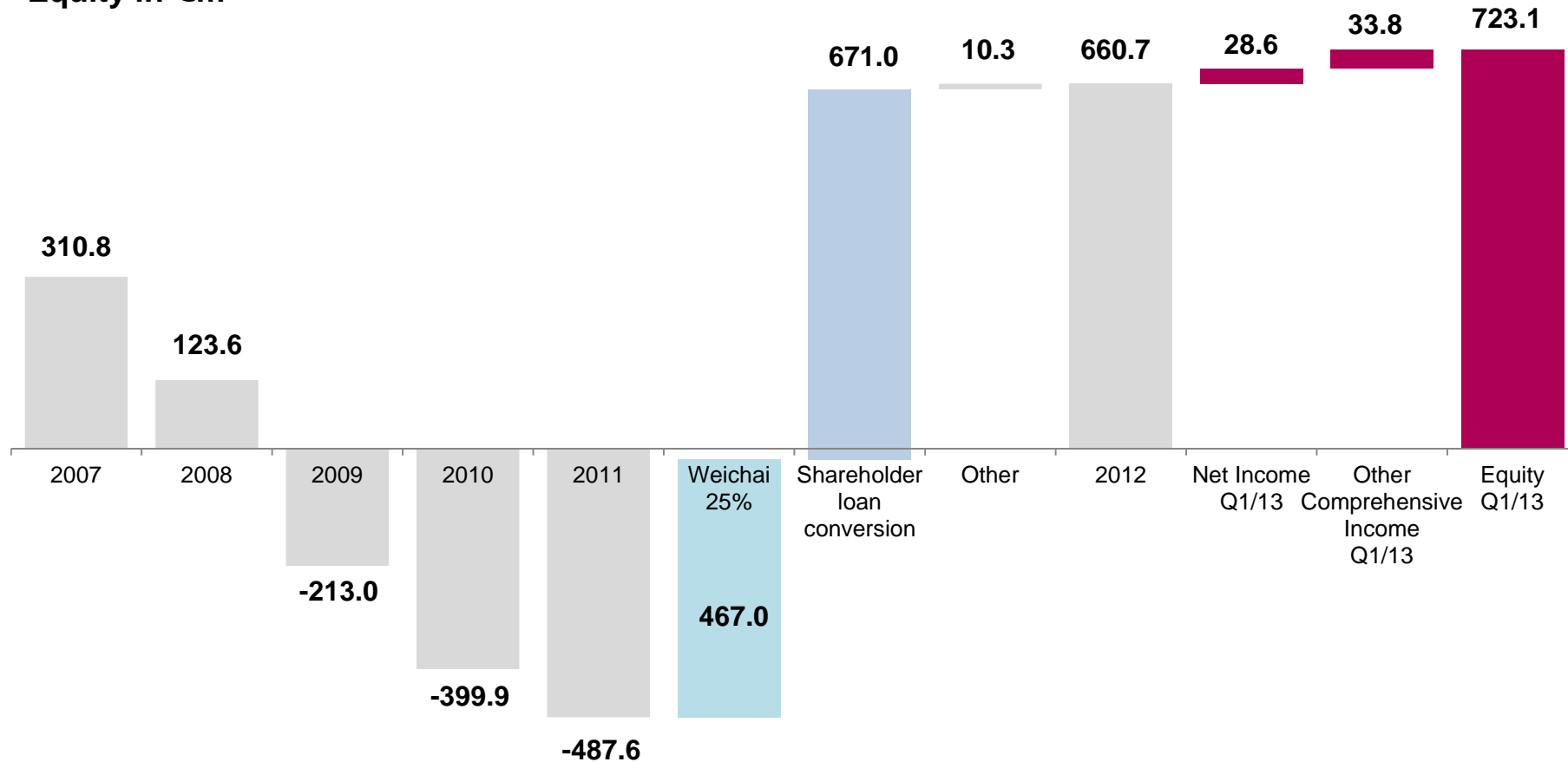
* Excluding €56m related to Hydraulics

Equity further strengthened from net income in Q1/2013

Building on improvement from Weichai and SH loan conversion



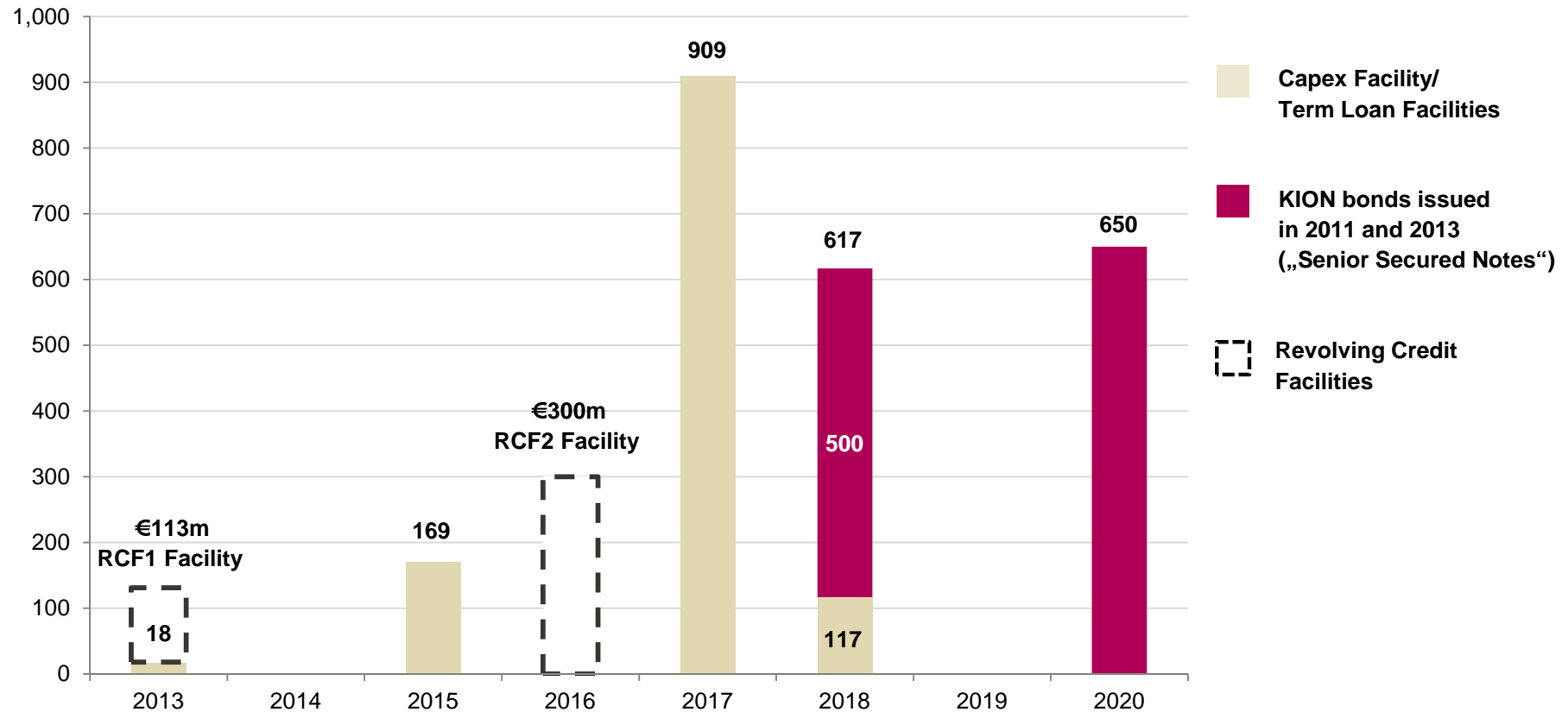
Equity in €m



New Bond extends maturity profile further

Maturity profile as of 31 March 2013

Total outstanding financial debt in € million*



* Overview excludes local external debt and drawdowns under ancillary facilities

WE KEEP THE WORLD MOVING

KION
GROUP



MATERIAL HANDLING SOLUTIONS

Linde

STILL

FENWICK

OM

Baoti

VOLTAS