

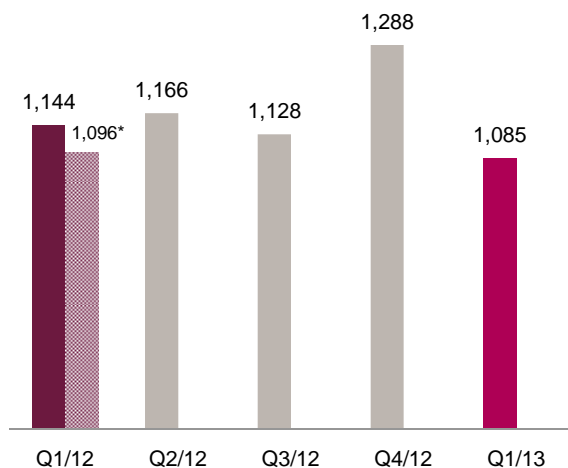
WE KEEP THE WORLD MOVING



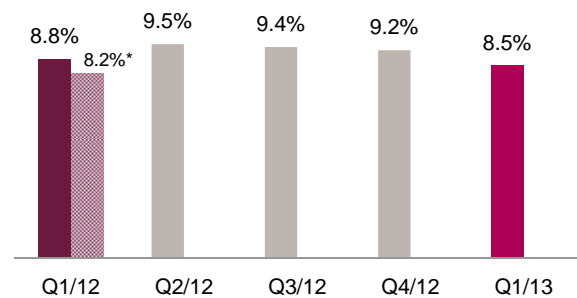
SUMMARY Q1/2013

REVENUE	- 5.2%
ADJUSTED EBIT MARGIN	8.5%
ORDER BOOK	€ 832 million

Revenue (€ million)



Adjusted EBIT Margin



* Comparable key figures for Q1/12 reflect the deduction of the results of our Hydraulics Business from the actual Q1/2012 figures.



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	Q1 2013	Q1 2012	Change
Order intake (in €)	1,145.3	1,207.2	-5.1%
Order intake (in units)	38,000	39,100	-2.8%
Order backlog	832.2	984.3	-15.5%
Revenue	1,085.2	1,144.4	-5.2%
EBITDA	169.0	173.6	-2.7%
Adjusted EBITDA ¹	167.9	175.4	-4.3%
Adjusted EBITDA Margin ¹	15.5%	15.3%	-
EBIT	86.4	90.7	-4.7%
Adjusted EBIT ¹	92.8	101.2	-8.3%
Adjusted EBIT Margin ¹	8.5%	8.8%	-
Net income	28.6	16.5	73.2%
Capital expenditures	25.2	25.2	-0.2%
Free cash flow ²	-4.7	-73.7	93.7%
Total spending on R&D ³	28.0	30.6	-8.4%
R&D spending/revenue (%)	2.6%	2.7%	-
New trucks & hydraulics (%)	4.6%	4.6%	-
€ million	31/03/2013	31/12/2012	Change
Trade working capital	611.6	529.3	15.5%
Cash and cash equivalents	534.2	562.4	-5.0%
Equity	723.1	660.7	9.5%
Net financial debt	1,824.4	1,790.1	1.9%
Number of employees incl. apprentices and trainees	21,421	21,215	1.0%

¹ Adjusted for KION acquisition items and non-recurring items

² Free cash flow is defined as Cash flow from operating activities plus Cash flow used in investing activities

³ Including amortization expense, depreciation and capitalization

*) Key figures for the prior year periods in this report were adjusted due to the retrospective application of IAS 19R (2011)

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DISCLAIMER

We have included in this Quarterly Report the unaudited condensed interim Consolidated Financial Statements of KION Holding 1 GmbH. 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 2012 Annual Consolidated Financial Statements of KION Holding 1 GmbH available on our website. This report provides updated or additional information to the financial statements.

In this report, the accompanying unaudited condensed interim financial statements of KION Holding 1 GmbH as of and for the relevant period ended 31 March 2013 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 € 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.

The information contained herein is given as of its date. KION Group GmbH undertakes no responsibility to update any information.

BUSINESS

Overview

We are a leading global supplier of industrial trucks and related services. Our trucks and related services provide crucial links in our customers' worldwide supply and production chains. We benefit from leading market positions in many developed and growth markets, a global sales and service network, a multi-brand offering backed by a comprehensive product and service range and technological leadership. As the largest global pure play manufacturer of industrial trucks worldwide we offer our customers a full range of products including warehouse and counter-balance trucks with both internal combustion engines (IC-trucks) and electric motors (E-trucks), across the premium, value and economy segments. We are the largest manufacturer of industrial trucks in Western and Eastern Europe and the second largest manufacturer globally in terms of unit sales in 2011. Our market share in Western Europe (including Turkey) was approximately 36% in 2012 (in the three-month period ended March 31, 2013: 37%) and our Eastern European market share (including Russia) was approximately 22% in 2012 (the three-month period ended March 31, 2013: 23%), with a global market share in 2012 of approximately 15% and a market share of above 40% in France and Germany. In China, we are the overall number three competitor and the largest non-domestic player. Other than in China and Eastern Europe, we are also a leading industrial truck manufacturer in other important growth markets such as South Asia and South and Central America (Source: calculated on the basis of World Industrial Truck Statistics, WITS/European Federation of Materials Handling, FEM). We operate 15 separate production sites and eleven sites with research and development activities. Our products are sold by more than 1,200 sales and/or service locations (owned or third party) in over 100 countries. As of March 31, 2013, we employed 21,421 employees (full time equivalent, FTE).

We complement our products with a comprehensive service offering geared to our customers' specific needs, including after-sales service and spare parts, financial services, fleet management and software solutions. Our service activities are an essential part of the value proposition for our customers that not only drive our new truck sales business but also generate higher margins and more stable revenue on a stand-alone basis. We benefit from an installed truck base of over one million trucks, generating replacement needs and service revenue.

We operate our business through our two global brands, Linde and STILL, and through our four regional brands, Fenwick (France), OM STILL (Italy), Baoli (mainly China and certain growth markets) and Voltas (India). We report and manage our business under two main operational segments: LMH (including the Linde, Fenwick and Baoli brands) and STILL (including the STILL and the OM STILL brands). Our financial services activities are combined in our new Financial Services segment. Central functions for our Group, the Voltas brand and other activities not allocated to the LMH and STILL segments are managed in our Other segment.

The principal geographical markets in which we offer our products are Western and Eastern Europe, China, India and South and Central America. We recently entered into a strategic industrial cooperation with Weichai Power Co., Ltd. ("Weichai Power", and together with its affiliates, the "Weichai Group"), a leading Chinese automotive and equipment manufacturer and a publicly listed company in Hong Kong, China, that is part of the state-owned Shandong Heavy Industry Group. Through this strategic partnership, we expect to gain additional access to key Asian growth markets by leveraging Weichai Group's strong local roots, relationships and distribution networks and we will have access to a larger supplier base throughout China and Asia.

Our Strategy

Our strategy builds on our competitive strengths and is centered on two main objectives: achieving sustainable long-term growth above market and achieving the highest profitability and efficiency by production and cost optimization. To reach these targets we will focus in particular on the following key strategic objectives:

Strengthen our Leadership Position in Core Markets in Europe

We aim to maintain the strong market leadership position that we have achieved in the Western and Eastern European markets in 2011 (Source: McKinsey, Industrial Trucks Market, 2012) by leveraging our strong brands and remaining at the forefront of technological innovation, while increasing the benefits from the growing and attractive service business, which is highly valued by our customers. Our Linde and STILL brands are full-line premium brands with a distinct profile and a complete product range and independent distribution channels, both providing us with a unique market leadership position and high penetration of the premium segment, while at the same time realizing synergies in operations.

Leverage Technological Innovation and Customization to Expand Premium Pricing

We offer a high level of innovation and customization for our trucks, addressing the premium segment of the market to accommodate the wide range of applications for which our customers use their trucks. Customization allows premium pricing because we can differentiate our products from those of others on the basis that they are tailored to specific customer demands. Approximately 30-40% of our new IC-trucks and E-trucks have customer specific solutions, such as compressed natural gas engines ("CNG-versions"), special attachments (e.g. multiple fork positioners and clamps) and foundry versions. The customization of our product offering is important to our premium customers, particularly in Europe, who seek a combined product and service offering to address their specific needs in material handling and automated production solutions. We believe that the technological leadership of our products, the high degree of customization and our comprehensive service offering translate into superior customer benefits, including a reduction in total ownership and operating costs. We intend to increase customer benefits and to reduce cost of ownership and operations by introducing innovative drive systems which enable high productivity, advanced cabin ergonomics and suspension which reduce operator fatigue, intelligent intralogistics solutions and improved safety concepts.

Expand Service Offerings

In 2011, the total market for after sales had a volume of €11 billion (Source: McKinsey, Industrial Trucks Market, 2012). Approximately half of the after sales market is held by non-OEM service providers such as independent dealers. We aim to increase our share of the services market by expanding our service locations network in attractive growth areas and to expand the offer of short term rental fleets in specific markets with high demand for short term availability of additional trucks. To further grow our service business, we can leverage our large installed truck base of over one million trucks (approximately 685,000 trucks in our LMH segment and approximately 425,000 trucks in our STILL segment) which will further grow if our new annual truck sales increase. According to our estimates, the market leading scale of our installed truck base in Europe together with a dense network of service locations allows us to supply spare parts and to offer maintenance services to our customers in a highly effective and efficient way. We intend to broaden the scope of our service offering to address the entire product lifecycle and different usage patterns. Such additional services include fleet management, IT solution for efficient goods flow management and all types of financial services relating to truck usage. We believe that our full product and service offering increases our value proposition and helps to strengthen customer loyalty. By growing the more resilient and higher margin services business, we intend to reduce earnings volatility, increase predictability of our revenue and drive profitability by increasing our market share and carrying out our pricing based on customer value.

Tap Full Market Potential in Growth Regions

We intend to make use of our excellent position in important growth markets (China, India, Brazil and Eastern Europe) in order to benefit from the expected increase in demand in those markets as those economies develop with increasing industrial output and more sophisticated logistic networks. Based on our existing products and platforms, we plan to introduce more products designed specifically for these markets under local brands which are geared towards the demand in those markets. We aim to achieve this through targeted local investments in manufacturing capacity, product research and development of our sales and services presence. This strategy also includes the targeted acquisition

of dealers in markets important to us, as well as the development of local ventures such as VMH in India as well as potential acquisitions of small, local or regional manufacturers that we can successfully integrate into the KION Group as we have done with Baoli in China in 2009. Our strategic industrial cooperation with Weichai Group will also provide additional opportunities to build upon our strong presence in Asia, providing further growth in the region. In particular, we aim to build a presence in the fast growing industrial truck markets of Thailand and Malaysia by expanding our distribution network. With respect to our growth strategy in these markets we intend to use 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. At the same time we can leverage our existing global technology and shared product platform. For example our warehouse truck OM CLX, which was developed for the European market, was adapted to local market requirements using local sourcing, production and R&D and then offered in China under the Baoli brand and in India under the Voltas brand. An IC-truck designed by Baoli for the economy segment was manufactured and marketed in India under the Voltas brand and in Brazil under the STILL brand with key components supplied by Baoli. For our expansion in South Asia we can use the product portfolio specifically developed for the Chinese market under the Baoli brand. This platform sharing strategy together with local manufacturing reduces time-to-market and gives us cost advantages which facilitate penetration in growth markets.

Reduce Costs by Optimizing Production and Exploiting Group-Wide Synergies

We have a presence in over 100 countries and operate 15 separate production sites worldwide. In the last few years, we have streamlined our production footprint in developed markets and closed six plants to lower fixed costs and better utilize existing facilities. At the same time, we have built up our local production facilities in key growth markets, such as Brazil, India and China. We intend to continue this shift of production to markets with high growth rates. We plan to increase sourcing of components from low-cost countries (countries other than countries from the EU-15 area, EFTA, USA and Japan). In 2012, the share of components sourced from low-cost countries was approximately 26% of total procurement, which we intend to significantly increase. In particular, in markets where we have local production facilities we will increase the share of locally sourced components. We plan to further reduce costs by increasing the number of modules that are used across various brands and products without jeopardizing brand identity. We currently use 55 modules which are shared across brands and platforms, for example the IC engine which is used by all brands for trucks addressing the premium segment, the steering power module for warehouse trucks and the lithium-ion batteries for E-trucks. Standard heating and air conditioning units are used for all models across brands which are equipped with such systems. The sharing of modules reduces time-to-market, enhances quality and leverages R&D resources. We have set up interdisciplinary workshops which will coordinate R&D projects across brands and explore further possibilities in component sharing across brands and standardizing design. In addition, we plan to implement design-to-cost and design-to-manufacturing initiatives. This will include, in particular, better use of industry standards for components and simplification of construction of products, use of shapes that are easier to manufacture and a reduction of pre-assembly time through simpler processes, for example bolting instead of welding initiatives will also reduce time-to-market and increase quality. To improve the reliability of our products and to reduce customer complaints and costs for repair work under product guarantees we have implemented processes to identify the roots of problems reported by customers and to implement the solutions found, either design adjustments or production process change, throughout the production network. Through these measures we have reduced the complaints of customers made within the first 50 hours of use of a new truck by half over the last three years. We intend to further improve our operational performance. Our operations and production strategy aims to continuously improve our cost structure and reduce fixed costs in order to drive margins and improve flexibility to adjust even more efficiently to the demand cycles of our new truck sales.

Our Strengths

Established Leader in Attractive Market

We are the leading industrial truck manufacturer in Western and Eastern Europe and the second largest industrial truck manufacturer globally by revenue and units in 2011 (Source: McKinsey, Industrial Trucks Market, 2012). In China, we are the third largest supplier after Anhui Heli Co. Ltd, China and Hangcha Group Company Ltd, China, and the largest non-domestic supplier (Source: Global and China Forklift Industry Report 2012). Other than in China and Eastern Europe, we are also a leading industrial truck brand in other important growth markets such as South Asia and South and Central America (Source: calculated on the basis of WITS/FEM). In Brazil, we are among the market leaders for E-trucks and warehouse trucks (Source: calculated on the basis of WITS/FEM). We operate in a market with attractive dynamics. We believe that the growth in our market is driven by fundamental economic forces, including globalization, growing population and goods production, growing international trade and shipping volumes and increasing fragmentation of supply chains. This fragmentation of supply chains is a result of the global trend of increasing specialization in production and logistics and the outsourcing and relocating of production closer to consumers or to low-cost regions so as to realize cost savings. Growth is also being driven by increasing demand in growth markets, where expanding industrial production and mechanization drive the need for logistics and material handling solutions such as industrial trucks. In more mature markets, such as Western Europe, growth is more moderate, but stable supported by a combination of replacement demand generated by a large and stable installed truck base worldwide (approximately 685,000 trucks in the LMH segment and approximately 425,000 trucks in our STILL segment) and incremental sales built on technological innovation and new tailor-made offerings which combine a customized product and service package.

A Global Pure Play Market Leader with Strong Position in Core Markets based on Successful Multi-brand Strategy

We focus purely on industrial trucks. We are the leading industrial truck manufacturer in Western and Eastern Europe and the second largest industrial truck manufacturer globally by revenue and units in 2011 (Source: McKinsey, Industrial Trucks Market, 2012). With our broad product range, our multiple brands and global reach we can benefit from economies of scale and achieve cost savings. 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. Through our multiple brands, we offer a complete product range of new industrial trucks, from small low-lift pallet trucks to large trucks for heavy loads. Our customers are highly diversified in terms of end markets and geography, which reduces the risk profile of our business. Our top ten customers for the KION Group only represented 6.3% of our total revenue in 2012. Through our broad product range across many price segments and brands we share components and key modules. This allows us to benefit from economies of scale in R&D, procurement and production and to achieve high margins while offering competitively priced products. We have demonstrated our ability to expand our business by successfully entering growth markets in order to benefit from their development. Approximately 29% (in terms of units) of our new trucks were sold to customers in growth markets in 2012, mainly in China, Brazil and Eastern Europe. We believe that our strong local presence in these growth markets combined with our established local supply chains, manufacturing capacity, research and development facilities and service operations will allow us to capture additional sales volumes as these markets continue to grow. We have been operating in China since 1993. Our Linde brand was one of the first non-domestic brands present in China. Meanwhile, it has become the leading non-domestic brand in material handling in China (Source: Global and China Forklift Industry Report 2012). We currently have two production facilities in China (Jingjiang and Xiamen). Since the acquisition of Baoli in 2009, we have built up a strong sales and service network with approximately 150 sales and service locations which offers the full range of our products and addresses all segments of the market. Through our newly established strategic industrial cooperation with Weichai Group, a leading Chinese automotive and equipment manufacturer, which is part of the state-owned Shandong Heavy Industry Group, we believe we will be able to strengthen our position in China and other important Asian growth markets. Weichai Group has a service network in China with more than 500 service centers, which we can build on to expand our sales and service network in China. Through joint procurement and cooperation in the supply of components, Weichai Group will grant us access to its supplier base in China and Europe, which we anticipate will lead to cost savings. In addition, Weichai Group's large customer base in Asia offers significant cross selling opportunities.

Premium Positioning and Customer Value Driven by Technology Leadership

We are at the technological forefront of the IC-truck and E-truck segments, and we believe we have a leading technological position in warehouse trucks. We believe our technological leadership, which is driven by high R&D spending, enhances the overall value proposition we offer to our customers and allows us to achieve premium pricing and high levels of repeat business. Our LMH and STILL brands are technological leaders whose innovations create tangible value for their customers by increasing efficiency and productivity of material handling by reducing total cost of ownership and operations. In 2012, our total R&D spending amounted to €120.2 million, which is equal to 2.5% of our total revenue for that year and capitalized R&D costs accounted for 33.0% of our total capital expenditure. During the last three years, our R&D spending has always been well in excess of €100.0 million and we maintained our R&D spending level during the financial crisis in 2008 and 2009. As of March 31, 2013 we had 852 employees (FTE) working in our R&D departments worldwide. We have eleven local research and development facilities worldwide that focus on specific customer requirements in local markets. Two of these local facilities are in China, one is in Brazil and one in India. We believe that as a result of our technological strength, the total cost of ownership and operation of our premium trucks is significantly lower than that of many other trucks. This is due to overall cost efficiency, higher productivity of the trucks, lower service costs, customer specific product options and higher residual values. This allows us to charge a premium for both our Linde and STILL products.

Integrated Business Model with High Service Revenue

Our product portfolio covers all types of trucks (including IC-trucks and E-trucks, warehouse trucks, heavy trucks and very narrow aisle trucks) in all price segments of the markets (premium, value and economy). We offer a high level of innovation and customization for our trucks addressing the premium segment of the market and accommodating the wide range of applications for which our customers use their trucks. This comprehensive product portfolio is complemented by a broad service offering, comprising the supply of spare parts, repair and maintenance (increasingly based on multi-year service contracts), marketing of used trucks, provision of service packages, short-term rental, financing services and logistic systems solutions. In the financial year 2012, we generated €1,907.4 million of our revenue from our service offerings. This represented 40.4% of our total revenues in the financial year 2012. For the three-month period ended March 31, 2013, the revenue from our service offerings amounted to €473.7 million, compared to €471.8 million in the three-month period ended March 31, 2012. This revenue stream benefits from our installed truck base of over one million trucks worldwide (approximately 685,000 trucks in our LMH segment and approximately 425,000 trucks in our STILL segment) and is less volatile than new truck sales. Our global network of over 1,200 sales and/or service locations (owned or third party) in over 100 countries comprises approximately 12,850 direct and additional external multi-skilled service staff. In addition to supply of spare parts, repair and maintenance services, our service business offers customized service packages and offers short-term rental agreements. The after sales market offers attractive growth opportunities. In 2011, this market generated revenue of approximately €11 billion. 50% of this market is still held by third parties, including independent dealers (Source: McKinsey, Industrial Trucks Market, 2012). We are well positioned to increase our market share through our global sales network and the acquisition of selected dealers in regions with attractive growth opportunities. We also offer financing to our customers when purchasing new trucks. The arrangements can take different forms. Either the new trucks are sold to leasing companies which lease it to the customers with residual value or default guarantees or the trucks are sold under a sale-and-lease-back arrangement to a leasing company and subsequently sub-leased to a customer.

Attractive profitability margins

In 2012, we achieved an Adjusted EBIT margin of 9.3%. For the three-month period ended March 31, 2013, we achieved an Adjusted EBIT margin of 8.5%, compared to 8.8% in the three-month period ended March 31, 2012. Excluding the Former Linde Hydraulic Business, on a comparable basis our Adjusted EBIT margin for the three-month period ended March 31, 2012 amounted to 8.2%. Our Adjusted EBIT margin is driven by our technology and the cost efficiency of our products (which allow premium pricing), our broad product range with a high degree (approximately 30-40% of our new IC-truck and E-truck orders) of customization in the premium segment of the market, economies of scale due to our high production base and synergies within KION Group. Our efficient production operation after the successful implementation of cost reduction programs and the high share of revenue from service offering, which generate higher margins than the new truck business also drive our Adjusted EBIT margin. We have a strong track record of identifying and implementing programs to increase our efficiency, reducing fixed costs and driving up our margins. Measures we have implemented include the streamlining of our global production footprint through the closure of our former manufacturing site

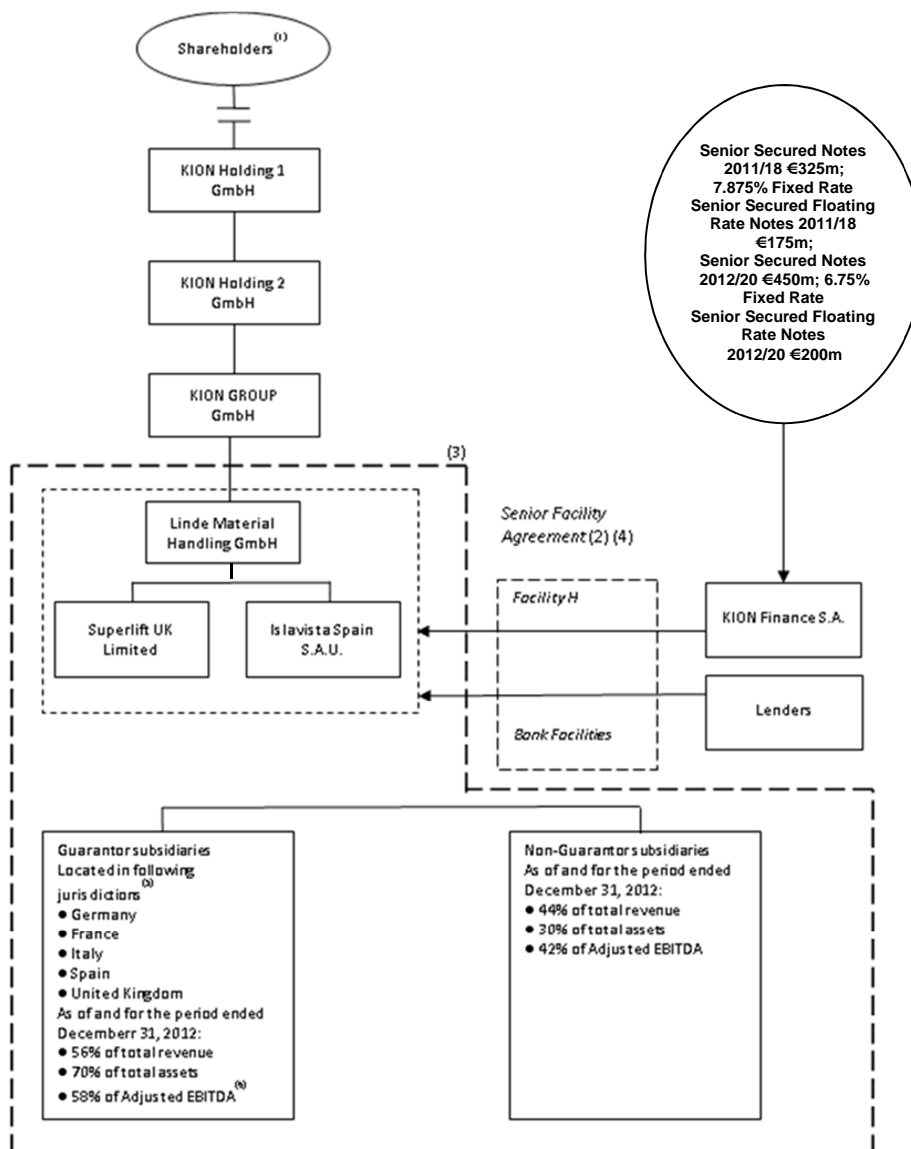
in Basingstoke, United Kingdom, the downsizing of two further sites in Germany, as well as the relocation and closure of two production sites in Bari, Italy, and Montataire, France. Furthermore, we announced in February 2013 the sale of our container handling business in Merthyr Tydfil, United Kingdom, to Konecranes. The transaction closed on April 30, 2013. Production in the plant in Merthyr Tydfil, United Kingdom, will cease during October 2013. At the same time we have been expanding our production in growth markets with reduced costs and increased localization of production lines and R&D to enable us to provide tailored products for specific markets. These measures have improved capacity utilization of our other production sites and lowered our fixed cost bases. In 2011, we rationalized our cost base in Europe through combining our OM and STILL segments, while maintaining our leading position in Italy utilizing the OM STILL brand. During the economic downturn in 2008 and 2009 we reduced our capacity worldwide by 20% and increased the numbers of temporary staff in our employee base in the period of recovery beginning 2010. These measures have lowered our fixed cost base and have significantly increased the flexibility of our cost structure. As a result, we have improved our ability to adjust our cost base to cyclical demand fluctuations. We continuously implement additional operational improvements, such as common production standards, modular concepts for industrial truck development, optimization of our product portfolio, design-to-cost initiatives and supplier management. We try to optimize our material costs by increasingly sourcing components from low cost countries (countries other than countries from the EU-15 area, EFTA, USA and Japan) and building up a global sourcing network. In 2012, 26% of our materials and components were sourced in low-cost countries and we intend to further increase this share.

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 and in improving operational efficiencies and significant synergies across KION Group. Our CEO Gordon Riske was the chairman of the management board of Deutz, a leading manufacturer of engines for heavy duty vehicles and ships, before joining the KION Group. Dr. Thomas Toepfer has recently been a member of the management board of Karstadt. Previously, he gained six years of consulting experience at McKinsey & Company. Bert-Jan Knoef has most recently been a board member of Linde Refrigeration. Theodor Maurer was chief sales officer of EvoBus (Daimler Chrysler) before joining the KION Group in 2008. Ching Pong Quek was formerly the Asia Pacific president of Invensys Powerware. From the outset of KION Group operating as a standalone entity, our senior management team has worked strategically to implement structural efficiency measures designed to optimize our footprint and rationalize our cost base. Following such successful initiatives, our senior management has targeted specific growth measures to drive our expansion into key markets with strong growth potential. In particular, our management has successfully established our strategic industrial cooperation with Weichai Group.

Summary of Corporate Structure & Shareholders

The following diagram summarizes certain aspects of our corporate structure.



- (1) For information regarding our ultimate shareholders please see “— Our Shareholders” below.
- (2) The Bank Facilities (including Facility H) under the Senior Facility Agreement rank equally in right of payment. On January 31, 2013, Superlift Funding, the sole lender of Term Loan Facility G, executed a deed poll pursuant to which it agreed that the Security Agent under the Senior Facilities Agreement may refrain from applying security enforcement proceeds in repayment of Facility G until such time as all other facilities have been repaid in full.
- (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 borrower under the Existing Bank Facilities is KION France Services S.A.S.
- (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 advised by Goldman, Sachs & Co. and certain of its affiliates, investment partnerships advised by KKR & Co. L.P. and certain of its affiliates and affiliates of Weichai Power Co. Ltd., a member of the Shandong Heavy Industry Group.

Since 1986, Goldman Sachs, through its Merchant Banking Division, has raised over US\$82 billion of capital for corporate investments through 17 investment vehicles (including equity, mezzanine, senior secured loan and distressed funds) (together "GS Funds"). The GS Funds conduct privately negotiated investment activities globally.

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.

Weichai Power is a leading automotive and equipment manufacturing group in China. It operates in three main business segments: power assembly (including engines, gear boxes and axles), commercial vehicles, and automobile electronics and parts, encompassing one of the most comprehensive product ranges in the industry. Weichai Power has the highest sales volume globally in high-speed heavy-duty engines and heavy-duty gearboxes. Its spark plug products enjoy the largest market share in China, and its heavy-duty axle products are considered a top brand in China. The company also ranks No. 4 in heavy duty trucks in China. The company was listed on the Hong Kong Stock Exchange in 2004 and on the Shenzhen Stock Exchange in 2007.

The state owned Shandong Heavy Industry Group is one of the most comprehensive leading industrial equipment manufacturers in China, with two complete industrial chains of the highest quality commercial vehicles and construction machinery. The Group has four listed subsidiaries, including Weichai Power, Weichai Heavy Machinery, Yaxing Motor Coach, and Shantui Construction Machinery, which is the largest bulldozer producer in the world.

MANAGEMENT DISCUSSION & ANALYSIS

Recent Developments

Sale of Certain Assets of the Container Handling Business

In February 2013, we entered into a sale and purchase agreement with Konecranes Plc, Konecranes UK Ltd., Konecranes Liftrucks AB and Konecranes Port Machinery (Shanghai) Co., Ltd. (together "Konecranes"), a leading group of lifting businesses, in relation to certain assets from our container handling business. Our LMH segment will continue to offer reach stackers and container handlers in the future, manufactured by Konecranes. In connection with the transaction, we and Konecranes signed a long-term supply agreement. On April 30, 2013 we closed the transaction. Production of the Linde Material Handling heavy forklift trucks will be mainly transferred to a contract manufacturing facility in the Czech Republic during the coming months with full production at the new facility timetabled for October 2013. Production at the heavy truck production facility in Merthyr Tydfil, United Kingdom, will cease during October 2013.

Issuance of Senior Secured Notes

On February 6, 2013, KION Finance S.A. issued senior secured notes due 2020 (the "2020 Senior Notes"). The proceeds of the 2020 Senior Notes were on-lent under the H2 Notes Credit Facility under the existing Senior Facilities Agreement through the Term Loan Facility H thereto. The H2 Notes Credit Facility is unconditionally guaranteed on a senior basis by KION Material Handling GmbH and certain of its subsidiaries. The 2020 Senior Notes are admitted to trading on the Euro MTF Market and listed on Official List of the Luxembourg Stock Exchange.

Market Development in Q1/2013

In line with a moderate improvement of the international economic environment, the global industrial truck market remained stable at 247,900 units in Q1/2013 – the same high level seen in the prior year period. This also marked an increase of 8.4% over Q4/2012 and potentially demonstrated some improvement in the market since the start of the year. However, developments in regional markets remained very different. The markets in North America and Central & South America increased by 9.6% and 17.8% respectively, as demand continued to pick up. The Eastern European market was up by 8.0% backed by strong demand in Russia. Renewed uncertainty and postponed investments impacted demand in Western Europe with the market remaining 5.7% below the previous year period. However local markets have seen some improvement from a slow start. The Chinese market continued to recover, but fell with 60,200 units ordered in Q1/2013 slightly short against its level of 60,900 units in Q1/2012.

Global Industrial Truck Market (order intake)			
in thousand units	Q1 2013	Q1 2012	Change
Western Europe	67.7	71.8	-5.7%
Eastern Europe	15.0	13.9	8.0%
China	60.2	60.9	-1.2%
Rest of Asia	35.6	37.3	-4.4%
North America	46.1	42.1	9.6%
Central & South America	13.2	11.2	17.8%
Rest of World	10.0	9.5	5.2%
World	247.9	246.7	0.5%

Source: WITS/FEM

Financial Highlights of Q1/2013

Overview

KION Group had a solid start in Q1/2013 with an order intake of €1,145.3 million almost on record level of Q1/2012. As at March 31, 2013 our order book stands at €832.0 million which gives us reliable visibility for the next months. On a comparable basis, without the Former Linde Hydraulic Business, revenue of €1,085.2 million remained relatively stable. Structural improvements made in recent years have continuously delivered margin expansion leading to an adjusted EBIT margin of 8.5%. The comparable margin, without the Former Linde Hydraulic Business, for the prior year period was 8.2%. Furthermore the KION Group delivered a strong improvement in free cash flow for Q1/2013 with an increase of 93.7% compared to Q1/2012.

KION Group key figures			
€ million	Q1 2013	Q1 2012	Change
Order intake	1,145.3	1,207.2	-5.1%
Revenue	1,085.2	1,144.4	-5.2%
EBIT	86.4	90.7	-4.7%
Adjusted EBIT	92.8	101.2	-8.3%
EBITDA	169.0	173.6	-2.7%
Adjusted EBITDA	167.9	175.4	-4.3%
Free cash flow	-4.7	-73.7	93.7%
EBIT Margin (Adj.)	8.5%	8.8%	-
EBITDA Margin (Adj.)	15.5%	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 Q2/2011 we are adjusting the effects of the remeasurement of purchase price obligations in accordance with IAS 39 in connection with the acquisition of outstanding shares in UK Dealers. EBIT, EBITDA, Adjusted EBIT and Adjusted EBITDA are not financial measures calculated in accordance with IFRS. Accordingly, they should not be considered as alternatives to net income or operating income as indicators of our performance, or as alternatives to operating cash flows as a measure of our liquidity. EBIT, EBITDA, Adjusted EBIT and Adjusted EBITDA are used by our management to make decisions about our operations unaffected by the above factors. In addition, we believe that EBIT, EBITDA, Adjusted EBIT and Adjusted EBITDA are measures commonly used by investors. EBIT, EBITDA, Adjusted EBIT and Adjusted EBITDA, as presented in this Quarterly 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	Q1 2013	Q1 2012	Change
Revenue	1,085.2	1,144.4	-5.2%
Cost of sales	-783.1	-824.8	5.1%
Gross profit	302.1	319.6	-5.5%
Selling expenses	-137.8	-136.6	-0.9%
Research and development costs	-29.4	-33.1	11.2%
Administrative expenses	-72.7	-70.1	-3.7%
Other	24.3	11.0	>100.0%
Earnings before interest and taxes (EBIT)	86.4	90.7	-4.7%
Financial result	-47.6	-51.3	7.1%
Earnings before taxes	38.8	39.4	-1.5%
Income taxes	-10.3	-22.9	55.3%
Net income	28.6	16.5	73.2%

*) 2012 key figures were adjusted due to the retrospective application of IAS 19R (2011)

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

Revenue by product category			
€ million	Q1 2013	Q1 2012	Change
New business	611.4	624.0	-2.0%
Hydraulics	-	48.6	-100.0%
Service offering	473.7	471.8	0.4%
- After sales	283.8	284.0	-0.1%
- Rental business	107.8	107.7	0.1%
- Used trucks	52.8	53.3	-0.9%
- Other	29.3	26.8	9.6%
Total revenue	1,085.2	1,144.4	-5.2%

Revenue

Due to economic weakness, especially in Western Europe, unit sales of new trucks declined slightly by 2.8%, to 38,000 units for the three-month period ended March 31, 2013, from 39,100 units for the three-month period ended March 31, 2012. However, unit sales remained at a high level, notwithstanding the slight decrease from the very high levels in the three-month period ended March 31, 2012. Our total order intake in monetary terms decreased by 5.1%, to €1,145.3 million for the three-month period ended March 31, 2013, from €1,207.2 million for the three-month period ended March 31, 2012. This decrease was primarily due to the sale of our LHY Business. Our order book decreased by 15.5% to €832.2 million as of March 31, 2013, from €984.3 million as of March 31, 2012.

For Q1/2013, revenue slightly decreased by 2.0% in our new trucks business, to €611.4 million, from €624.0 million for Q1/2012. This decrease was primarily due to a change in our product mix. Despite this decrease, our service offering in Q1/2013 amounted to €473.7 million, compared to €471.8 million in Q1/2012, a 0.4% increase. This increase resulted from a 9.5% increase from our product category "Other", which includes advisory services, IT solutions, warehouse technology systems and part of the remaining hydraulic components business. Our after sales business and rental business remained almost unchanged, with a 0.1% decrease and a 0.1% increase, respectively, to €283.8 million and €107.8 million for Q1/2013, compared to €284.0 million and €107.7 million for Q1/2012, respectively. However, our used trucks business declined slightly by 0.9% to €52.8 million in Q1/2013, compared to €53.3 million in Q1/2012. Due to the sale of our LHY Business on December 27, 2012, we did not generate any revenue in the hydraulics business in Q1/2013. On a comparable basis, without the

Former Linde Hydraulic Business, which accounted for revenue of €48.4 million for the three-month period ended March 31, 2012 our total revenue between the two quarters remained relatively stable, with a slight decline of 1.0% primarily due to the fact that revenue for the three-month period ended March 31, 2012 had been exceptionally strong.

Cost of Sales

Our cost of sales decreased by 5.1% to €783.1 million in Q1/2013, compared to €824.8 million in Q1 2012. Our variable cost of sales decreased as a consequence of a lower number of units sold and decreased raw material prices for steel, oil and energy. For Q1/2013, approximately 25% of our material costs are subject to raw material price changes. Furthermore, our labor costs decreased mainly due to the sale of the LHY Business.

Gross Profit and Gross Margin

Our gross profit decreased by 5.5% to €302.1 million in Q1/2013, compared to €319.6 million in Q1/2012. This was caused by the decrease in revenue and cost of sales primarily due to the sale of the LHY Business. Gross margin remained nearly stable at 27.8% for Q1/2013, compared to 27.9% for Q1/2012.

Selling Expenses

Our selling expenses increased by 0.9% to €137.8 million in Q1/2013, from €136.6 million in Q1/2012, primarily due to the first consolidation of the new sales and service entity Linde Creighton Ltd, which was consolidated in the second quarter of 2012. Consequently, our selling expenses as a percentage of revenue increased to 12.7% for Q1/2013, as compared to 11.9% for Q1/2012.

Research and Development Costs

For Q1/2013, our research and development costs were €29.4 million, a 11.2% decrease from Q1/2012, when research and development costs amounted to €33.1 million. This decrease was mainly related to the sale of the LHY Business and the corresponding research and development costs previously incurred. As a percentage of revenue, our R&D costs amounted to 2.7% in Q1/2013 compared to 2.9% in Q1/2012.

Administrative Expenses

Our administrative expenses increased by 3.7% to €72.7 million in Q1/2013 from €70.1 million in Q1/2012, mainly due to tariff increases and new consolidation, partly offset by the sale of our LHY Business. As a percentage of revenue, our administrative expenses were 6.7% and 6.1%, respectively, for Q1/2013 and the three-month period ended March 31, 2012.

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 as well as profit from the release of deferred lease profits are included. Our net other income and expense significantly increased from an income of €5.6 million in Q1/2012 to an income of €25.5 million in Q1/2013. The increase was mainly due to positive net exchange rate effects which increased by €4.6 million compared to Q1/2012. Sundry income of €18.8 million for the three-month period ended March 31, 2013 includes income of €8.1 million related the sale of our controlling interest (70.0%) in Linde Hydraulics KG in the previous financial year.

Profit (loss) from at-equity Investments / Other Financial Result

The profit (loss) from at-equity investments/other financial result decreased from positive €5.4 million in Q1/2012 to negative €1.1 million in Q1/2013. The main reason for the decrease was due to the positive Non-recurring Items in Q1/2012 related to the remeasurement of the existing shares owned by KION in Linde Creighton Ltd., which resulted in a profit of €4.8 million, as well as the net loss after taxes amounting to €1.3 million from our 30.0% investment in Linde Hydraulics KG for Q1/2013. This loss includes depreciation and amortization of Linde Hydraulic KG's purchase price allocation, which amounted to €1.4 million for Q1/2013. The other financial result was €0.2 million for Q1/2013 and €0.5 million for the prior year period.

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	Q1 2013	Q1 2012	Change
Net income (+) / loss (-) for the period	28.6	16.5	73.2%
Income taxes	-10.3	-22.9	55.3%
Financial result	-47.6	-51.3	7.1%
EBIT	86.4	90.7	-4.7%
+ Non-recurring items	-1.3	1.5	<-100%
+ KION acquisition items	7.6	9.0	-14.9%
= Adjusted EBIT	92.8	101.2	-8.3%

Adjusted EBITDA *)			
€ million	Q1 2013	Q1 2012	Change
EBIT	86.4	90.7	-4.7%
Amortization and depreciation ¹	82.6	83.0	-0.5%
EBITDA	169.0	173.6	-2.7%
+ Non-recurring items	-1.3	1.4	<-100.0%
+ KION acquisition items	0.2	0.4	-39.8%
= Adjusted EBITDA	167.9	175.4	-4.3%

¹ Amortization and depreciation includes amortization, depreciation and impairment charges

*) 2012 key figures were adjusted due to the retrospective application of IAS 19R (2011)

Our EBIT was €86.4 million for Q1/2013, compared to €90.7 million for Q1/2012. This decrease was primarily the result of the sale of the LHY Business and the corresponding reduction in gross profit. Positive foreign exchange effects and additional funds received as part of the sale of the LHY Business partly off-set this decrease.

Our Adjusted EBIT, which excludes Non-recurring Items and KION Acquisition Items, decreased by €8.4 million to €92.8 million for Q1/2013 from €101.2 million for Q1/2012. The decreased Adjusted EBIT corresponds to an Adjusted EBIT Margin of 8.5% for Q1/2013, compared to an Adjusted EBIT Margin of 8.8% for Q1/2012. Excluding the Former Linde Hydraulic Business which accounted for €10.8 million of adjusted EBIT for the three-month period ended March 31, 2012, our adjusted EBIT on a comparable basis amounted to €90.3 million for the prior year period. Consequently as adjusted for the sale of the Former Linde Hydraulic Business, our adjusted EBIT increased by 2.7 % between the three-month period ended March 31, 2013 and the three-month period ended March 31, 2012.

For Q1/2013, Non-recurring Items amounted to positive €1.3 million, primarily as a result of additional income related to the sale of the LHY Business of €8.1 million, which was partly off-set by restructuring and consulting fees. For Q1/2012, Non-recurring Items were negative €1.5 million resulting from restructuring and consulting fees, which were partly off-set by the positive effects from the remeasurement of our shares held in Linde Creighton Ltd. and the positive effects from the sale of a property in Basingstoke, United Kingdom.

The KION Acquisition Items had a negative impact of €7.6 million for Q1/2013, compared to negative €9.0 million for Q1/2012. The effects of the purchase price allocation in connection with the KION acquisition primarily include depreciation, amortization, impairment and reversal of impairment charges, as well as administration charges for KION Holding 1 GmbH.

Financial Income and Expense

Financial result, comprised of the net of financial income and expense, increased by 7.1% from negative €51.3 million in Q1/2012 to negative €47.6 million in Q1/2013. This increase was mainly the result of the interest costs for the Shareholder Loan of €7.0 million in Q1/2012 which were not incurred in Q1/2013 due to the repayment of the Shareholder Loan in 2012. Furthermore, the interest expense from loans decreased by €10.4 million, mainly due to the repayment of loans from funds received as part of the Weichai strategic industrial cooperation and from the issuance of our corporate bond on February 6, 2013. Interest expense from corporate bonds amounted to €13.5 million for the three-months period ended March 31, 2013 an increase of €4.7 million compared to the three-month period ended March 31, 2012. In addition, the amortization of finance costs amounted to €6.6 million for Q1/2013, an increase of €4.6 million compared Q1/2012, primarily due to the issuance of 2020 Senior Notes and the redemption of the indebtedness under the SFA with the amortization of the relating capitalized borrowing costs. The result from foreign currency exchange rate gains and losses from financing decreased by €3.1 million, to a gain of €4.0 million for Q1/2013, primarily due to the movement in the EUR/USD exchange rate.

Income Taxes

For Q1/2013, net income tax expense was €10.3 million, compared to a net income tax expense of €22.9 million for Q1/2012. The current income tax expense decreased slightly to €18.7 million for Q1/2013, compared to a current income tax expense of €19.9 million for Q1/2012. Deferred income tax expense was positive €8.5 million for Q1/2013, compared to a deferred income tax expense of negative €3.0 million. The reduction in deferred taxes is primarily due to temporary timing differences and changes in tax rates in certain legal jurisdictions.

Net Income for the Period

For Q1/2013, we reported net income of €28.6 million, compared to a net income of €16.5 million for Q1/2012. This significant increase was mainly driven by the improved financial result, which increased by 7.1% to negative €47.6 million for Q1/2013, as compared to negative €51.3 million for Q1/2012 and by the improved net other income which increased from €5.6 million for Q1/2012 to €25.5 million in Q1/2013. Furthermore, our income tax expenses decreased substantially from €22.9 million in Q1/2012 to €10.3 million in Q1/2013.

Condensed Consolidated Balance Sheet

Condensed balance sheet, assets *)

€ million	31/03/2013	in %	31/12/2012	in %	Change
Non-current assets	4,238.6	67.6%	4,231.0	68.1%	0.2%
thereof:					
Goodwill	1,472.8	23.5%	1,473.2	23.7%	0.0%
Brand names	594.1	9.5%	593.9	9.6%	0.0%
Deferred tax assets	262.6	4.2%	264.9	4.3%	-0.9%
Leased assets	209.2	3.3%	191.3	3.1%	9.3%
Rental assets	387.1	6.2%	395.1	6.4%	-2.0%
Lease receivables	272.7	4.3%	267.1	4.3%	2.1%
Current assets	2,030.5	32.4%	1,982.2	31.9%	2.4%
thereof:					
Inventories	611.7	9.8%	549.9	8.9%	11.2%
Trade receivables	627.1	10.0%	625.5	10.1%	0.3%
Lease receivables	125.6	2.0%	132.1	2.1%	-4.9%
Cash	534.2	8.5%	562.4	9.1%	-5.0%
Total assets	6,269.1		6,213.2		0.9%

*) 2012 key figures were adjusted due to the retrospective application of IAS 19R (2011)

Total Assets

Total assets increased by €55.9 million from €6,213.2 million as of 31 December 2012 to €6,269.1 million as of 31 March 2013. Our non-current assets increased by €7.5 million from €4,231.0 million to 4,238.6 million. Current assets increased by €48.4 million from €1,982.2 million to €2,030.5 million. Main driver for this movement was the increase in inventories by €61.8 million from to €611.7 million as at March 31, 2013. Our current assets included a decrease of €28.2 million in cash and cash equivalents.

Trade Working Capital

Trade working capital, defined as inventories and trade receivables less trade payables, increased from €529.3 million as of 31 December 2012 to €611.6 million as of 31 March 2013. This increase of 15.5% was primarily driven by a temporary increase in inventories at the end of the reporting period.

Equity

With €723.1 million as of 31 March 2013 our equity increased by 9.5% compared to €660.7 as of 31 December 2012. The net income for the period amounted to €28.6 million, an increase of €12.1 million compared to the corresponding prior year period. Other comprehensive income (loss) recognized in equity increased by €48.6 million mainly due to changes in the defined benefit obligation and related assets in accordance with IAS 19.

Liquidity

As of 31 March 2013 cash and cash equivalents amounted to €534.2 million compared to €562.4 million as of 31 December 2012. Cash inflows from operational business were influenced by higher trade working capital and therefore did not fully offset the debt service in the first three months of 2013.

Condensed balance sheet, equity and liabilities *)

€ million	31/03/2013	in %	31/12/2012	in %	Change
Equity	723.1	11.5%	660.7	10.6%	9.5%
Non-current liabilities	3,906.9	62.3%	3,929.0	63.2%	-0.6%
thereof:					
Corporate bond	1,150.0	18.3%	489.5	7.9%	>100.0%
Financial liabilities	1,158.8	18.5%	1,811.2	29.2%	-36.0%
Deferred tax liabilities	307.5	4.9%	308.8	5.0%	-0.4%
Lease liabilities	337.0	5.4%	329.2	5.3%	2.4%
Current liabilities	1,639.1	26.1%	1,623.5	26.1%	1.0%
thereof:					
Financial liabilities	49.8	0.8%	51.8	0.8%	-3.9%
Trade payables	627.3	10.0%	646.0	10.4%	-2.9%
Lease liabilities	160.2	2.6%	145.8	2.3%	9.9%
Total equity and liabilities	6,269.1		6,213.2		0.9%

*) 2012 key figures were adjusted due to the retrospective application of IAS 19R (2011)

Financial Debt

As of 31 March 2013 financial debt amounted to €2,358.6 million, an increase of €6.1 million compared to 31 December 2012. In February 2013 we issued a corporate bond resulting in net proceeds of €649.0 million to refinance bank facilities under the existing Senior Facilities Agreement. The total repayments of our existing bank facilities amounted to €636.0 million from which a significant part was denominated in US dollars. In addition, the PIK related part of loans under the Senior Facilities Agreement increased financial debt. The repayments of other borrowings amounted to €8.3 million in Q1/2013.

Net Financial Debt

As of 31 March 2013 net financial debt amounted to €1,824.4 million. For the period from 31 December 2012 to 31 March 2013 net financial debt increased by €34.3 million. In the first quarter 2013 the free cash flow resulted in an outflow of €4.7 million. Our debt service resulted in interest payments of €20.1 million and additional financing costs of €11.1 million due to the issuance of a new corporate bond.

Net financial debt

€ million	31/03/2013	31/12/2012	Change
Corporate bond - fixed rate (2011/2018) - gross	325.0	325.0	-
Corporate bond - floating rate (2011/2018) - gross	175.0	175.0	-
Corporate bond - fixed rate (2013/2020) - gross	450.0	0.0	-
Corporate bond - floating rate (2013/2020) - gross	200.0	0.0	-
Liabilities to banks (gross)	1,245.5	1,882.1	-33.8%
Liabilities to non-banks (gross)	4.6	4.5	2.6%
./. Capitalized borrowing costs	-41.5	-34.1	-21.6%
Financial debt	2,358.6	2,352.4	0.3%
./. Cash and cash equivalents	-534.2	-562.4	-5.0%
Net financial debt	1,824.4	1,790.1	1.9%

Other Financial Position

Our leased assets as well as our lease receivables and payables (current/non-current) accounted mainly in connection with our Financial Services business decreased by €5.4 million as of 31 March 2013 compared to 31 December 2012.

Condensed Statement of Cash Flow

Condensed cash flow statement			
€ million	Q1 2013	Q1 2012	Change
EBIT	86.4	90.7	-4.7%
Cash flow from operating activities	19.3	-45.8	>100.0%
Cash flow from investing activities	-23.9	-27.9	14.1%
Free cash flow	-4.7	-73.7	93.7%
Cash flow from financing activities	-26.9	1.0	<-100.0%
Currency effects on cash	3.4	0.9	>100.0%
Change in cash and cash equivalents	-28.2	-71.8	60.8%
Net financial debt	1,824.4	2,714.8	-32.8%

Cash Flow from Operating Activities

Cash flow from operating activities includes all cash generated from operations and also reflects cash paid for taxes. In Q1/2013, the cash flow from operating activities amounted to a net inflow of €19.3 million, compared to a net outflow of €45.8 million in Q1/2012. This was driven by the temporary increase in trade working capital as a result of operational business. The payment for income taxes in the amount of €11.4 million was stable in the reporting period compared to Q1/2012.

Cash Flow from Investing Activities

Our cash flow from investing activities amounted to a net outflow of €23.9 million in Q1/2013, compared to a net outflow of €27.9 million in Q1/2012. The main driver were cash payments for capital expenditures in the amount of €25.2 million, which remained stable compared to Q1/2012. Cash receipts from disposal of non-current assets amounted to €0.8 million in Q1/2013 compared to €6.9 million in Q1/2012. In the reporting period no acquisitions of subsidiaries were made compared to €9.7 million Q1/2012 mainly due to the acquisition of the 51 per cent of remaining shares of Linde Creighton Ltd. in the UK.

Free Cash Flow

In Q1/2013, free cash flow, defined as cash flow from operating activities less cash flow from investing activities, increased by €69.0 million to a cash outflow of €4.7 million, compared to a cash outflow of €73.7 million in Q1/2012.

Cash Flow from Financing Activities

Cash flow from financing activities amounted to a total net cash outflow of €26.9 million in Q1/2013, compared to a net cash inflow of €1.0 million in Q1/2012. The main reason for this decrease were repayments of other capital borrowings in the amount of €8.3 million in Q1/2013 compared to €17.7 million proceeds from other capital borrowings in Q1/2012. Proceeds from corporate bond in Q1/2013 amounted to €649.0 million and were mainly used to refinance outstanding indebtedness under the Existing Bank Facilities in an amount of €636.0 million. Due to the issuance of the 2020 Senior Notes, the payment of loan financing costs for the three-month period ended March 31, 2013 amounted to €11.1 million compared to €0.2 million in the prior year period. In addition, interest paid decreased by 11.4% from €22.7 million for the three-month period ended March 31, 2012, to €20.1 million for the three-month period ended March 31, 2013, as a result of the refinancing in 2012.

Segment Results

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

Overview

The LMH and STILL segments showed different results in their respective markets. The LMH segment which includes the brands Linde, Fenwick and Baoli reported a decline in order intake of 7.5% to 23,600 units from a high level of 25,500 units in Q1/2012 while the STILL segment increased its global order intake by 6.1% to 13,900 units (Q1/2012: 13,100 units). Total order intake on a value base, which includes all lines of business, decreased for LMH by 10.4% to €727.9 million (Q1/2012: €812.4 million). The order intake for STILL increased by 4.9% from €429.5 million in the previous year period to €450.4 million in Q1/2013.

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	Q1		Q1	
	2013	in %	2012	in %
Order intake				
LMH	727.9	63.6%	812.4	67.3%
STILL	450.4	39.3%	429.5	35.6%
Financial Services	114.2	10.0%	98.7	8.2%
Other/Consolidation	-147.2	-12.9%	-133.3	-11.0%
Total order intake	1,145.3	100.0%	1,207.2	100.0%
Revenue				
LMH	711.3	65.5%	772.7	67.5%
STILL	409.8	37.8%	410.6	35.9%
Financial Services	114.2	10.5%	98.7	8.6%
Other/Consolidation	-150.1	-13.8%	-137.6	-12.0%
Total revenue	1,085.2	100.0%	1,144.4	100.0%
EBIT				
LMH	67.4	78.0%	78.7	86.8%
STILL	19.6	22.7%	19.1	21.1%
Financial Services	0.2	0.2%	0.1	0.1%
Other/Consolidation	-0.8	-0.9%	-7.2	-7.9%
Total EBIT	86.4	100.0%	90.7	100.0%
EBITDA				
LMH	107.4	63.5%	120.7	69.5%
STILL	45.4	26.9%	43.1	24.8%
Financial Services	14.9	8.8%	16.0	9.2%
Other/Consolidation	1.3	0.8%	-6.2	-3.6%
Total EBITDA	169.0	100.0%	173.6	100.0%
Adjusted EBIT				
LMH	75.9	81.8%	80.3	79.3%
STILL	21.9	23.6%	25.0	24.7%
Financial Services	0.2	0.2%	0.1	0.1%
Other/Consolidation	-5.2	-5.6%	-4.1	-4.1%
Total adjusted EBIT	92.8	100.0%	101.2	100.0%
Adjusted EBITDA				
LMH	109.8	65.4%	115.1	65.6%
STILL	46.4	27.6%	47.5	27.1%
Financial Services	14.9	8.9%	16.0	9.1%
Other/Consolidation	-3.2	-1.9%	-3.1	-1.8%
Total adjusted EBITDA	167.9	100.0%	175.4	100.0%

LMH Segment: Revenue

The LMH segment's revenue decreased by 7.9%, from €772.7 million in Q1/2012 to €711.3 million in Q1/2013, mainly as a result of the sale of the LHY Business. Revenue from external customers decreased by 9.4% to €646.7 million for the three-month period ended March 31, 2013, compared to €713.5 million for the three-month period ended March 31, 2012.

LMH Segment: EBIT, Adjusted EBIT and Adjusted EBITDA

In Q1/2013, EBIT decreased by €11.3 million to €67.4 million. The major factor for this decrease was the sale of the LHY Business at the end of the financial year ended December 31, 2012, which enjoyed stronger margins than the rest of our business. In Q1/2013, EBIT was impacted by Non-recurring Items of negative €2.4 million as a result of additional income related to the sale of the LHY Business of €8.1 million, which were partly off-set by restructuring and consulting fees. Additionally a

loss recognized from our 30.0% investment in Linde Hydraulics KG due to the depreciation and amortization of Linde Hydraulic KG's purchase price allocation amounted to €1.4 million for Q1/2013. In Q1/2012 Non-recurring Items amounted to positive €5.7 million, which resulted mainly from the remeasurement of the at-equity investment in connection with acquisition of the remaining 51 per cent of outstanding shares in our UK dealer Linde Creighton Ltd. and sale of property due to the closure of the plant in Basingstoke, UK. Adjusted EBIT decreased by €4.4 million to €75.9 million in Q1/2013, compared to €80.3 million in Q1/2012. Adjusted EBIT Margin grew from 10.4% in Q1/2012 to 10.7% in Q1/2013. Adding back depreciation, amortization and impairment costs, the LMH segment achieved an Adjusted EBITDA of €109.8 million and an Adjusted EBITDA margin of 15.4%, compared to an Adjusted EBITDA of €115.1 million and an Adjusted EBITDA margin of 14.9% in Q1/2012.

Quarterly information - LMH -

€ million	Q1	Q1	Change
	2013	2012	
Order intake	727.9	812.4	-10.4%
Revenue	711.3	772.7	-7.9%
EBIT	67.4	78.7	-14.4%
Adjusted EBIT	75.9	80.3	-5.5%
EBITDA	107.4	120.7	-11.1%
Adjusted EBITDA	109.8	115.1	-4.6%
EBIT Margin (Adj.)	10.7%	10.4%	-
EBITDA Margin (Adj.)	15.4%	14.9%	-

STILL Segment: Revenue

Order intake increased by 4.9% to €450.4 million in Q1/2013. Revenue was stable at €409.8 million in Q1/2013 compared to €410.6 million in Q1/2012. Revenue from external customers increased slightly by 0.1% to €351.9 million for the three-month period ended March 31, 2013, compared to €351.5 million for the three-month period ended March 31, 2012.

STILL Segment: EBIT, Adjusted EBIT and Adjusted EBITDA

STILL segment's EBIT increased by €0.5 million to €19.6 million in Q1/2013 due to improved general market conditions. In Q1/2013, EBIT was impacted by Non-recurring Items of negative €0.9 million. Non-recurring Items for Q1/2012 totalling negative €4.4 million were mainly related to restructuring expenses relating to the closure of our plants in Bari, Italy, and Montataire, France, and the relocation of the related products to our existing facilities in Luzzara, Italy and Hamburg, Germany. Adjusted EBIT decreased to €21.9 million, compared to €25.0 million in Q1/2012. Adding back amortization, depreciation and impairment charges, the STILL segment achieved in the reporting period an Adjusted EBITDA of €46.4 million and an Adjusted EBITDA margin of 11.3%, compared to an Adjusted EBITDA of €47.5 million and an Adjusted EBITDA margin of 11.6% in Q1/2012.

Quarterly information - STILL -

€ million	Q1	Q1	Change
	2013	2012	
Order intake	450.4	429.5	4.9%
Revenue	409.8	410.6	-0.2%
EBIT	19.6	19.1	2.8%
Adjusted EBIT	21.9	25.0	-12.1%
EBITDA	45.4	43.1	5.5%
Adjusted EBITDA	46.4	47.5	-2.3%
EBIT Margin (Adj.)	5.4%	6.1%	-
EBITDA Margin (Adj.)	11.3%	11.6%	-

Segment Financial Services

The Financial Services segment includes the results of our financial services activities across our brands and encompasses financing for long-term leasing and short-term fleets as part of sales financing.

Segment Financial Services: Revenue

Revenue from our Financial Services segment increased by 15.7% to €114.2 million for the three-month period ended March 31, 2013, compared to €98.7 million for the three-month period ended March 31, 2012 (including intragroup revenue), primarily due to an increase in leasing business. The Financial Services segment increased its external revenue by 8.3% to €74.4 million for the three-month period ended March 31, 2013, compared to €68.7 million for the three-month period ended March 31, 2012.

Segment Financial Services: EBT and return on equity

EBT for the Financial Services segment remained stable at €1.2 million for each of the three-month periods ended March 31, 2012 and 2013, respectively. Furthermore, our equity increased by 2.0% in the three-month period ended March 31, 2013 to €36.1 million, from €35.3 million for the three-month period ended March 31, 2012. As a result, the return on equity remained stable at 3.3% for the three-month periods ended March 31, 2012 and 2013.

Quarterly information - Financial Services -			
€ million	Q1 2013	Q1 2012	Change
Order intake	114.2	98.7	15.7%
Revenue	114.2	98.7	15.7%
EBT	1.2	1.2	2.3%
Lease receivables ¹	751.8	677.6	10.9%
Lease liabilities ²	750.0	645.8	16.1%
Net financial debt	171.0	159.0	7.5%
Equity	36.1	35.3	2.0%
Return on equity	3.3%	3.3%	-

¹ Includes intra-group lease receivables

² Includes liabilities to leasing companies arising from procurement leases, financing of the rental fleet and agreements classified as 'sale with risk' reported as other financial liabilities

Segment Other

The Other segment includes our information technology services, logistics services and head office and service functions in Germany, France, Spain and the United Kingdom. Since May 1, 2011 the Other segment also includes our Voltas brand.

Segment Other: Revenue

The Other segment increased its revenue by €4.1 million to €63.1 million for the three-month period ended March 31, 2013 from €59.0 million for the three-month period ended March 31, 2012. This increase was mainly driven by the operational business of Voltas. Revenue from external customers increased by 13.3% to €12.2 million for the three-month period ended March 31, 2013, compared to €10.8 million for the three-month period ended March 31, 2012. See also the table "Segment Report" under Financial Statements on page 37 and 38.

Segment Other: EBIT, Adjusted EBIT and Adjusted EBITDA

EBIT increased to negative €0.9 million for the three-month period ended March 31, 2013, compared to negative €8.1 million for the three-month period ended March 31, 2012, mainly due to additional income related to the sale of the LHY Business. The Non-recurring Items for the three-month period ended March 31, 2013 were positive €4.7 million, reflecting the positive effect from the additional income related to the sale of the LHY Business, which was partly off-set by consulting fees and other non-recurring measures. For the three-month period ended March 31, 2012, Non-recurring Items amounted to negative €2.8 million, mainly due to consulting fees. Adjusted EBIT amounted to negative €5.3 million for the three-month period ended March 31, 2013 compared to negative €5.1 million for the three-month period ended March 31, 2012. Adjusted EBITDA in the Other segment remained stable at negative €1.0 million for both periods under review.

Quarterly information - Other -

€ million	Q1 2013	Q1 2012	Change
Order intake	63.1	59.0	7.0%
Revenue	63.1	59.0	7.0%
EBIT	-0.9	-8.1	88.8%
Adjusted EBIT	-5.3	-5.1	-4.9%
EBITDA	3.4	-4.0	>100.0%
Adjusted EBITDA	-1.0	-1.0	-3.7%

Consolidation Effects

The consolidation effects reflect cross-segment revenue, inter-segment sales of inventories, income from investments and other internal cost transfers.

Consolidation Effects: Revenue, EBIT and Adjusted EBIT

The consolidation of inter-segment revenues amounted to €213.2 million in Q1/2013, compared to €196.6 million in Q1/2012. The elimination of the inter-segment order intake amounted to €210.3 million in Q1/2013, compared to €192.4 million in Q1/2012. The consolidation of cross-segment EBIT and Adjusted EBIT amounted to €0.2 million in the first quarters of 2013 and €1.0 million in Q1/2012.

Factors affecting our Business

General and Regional Economic Conditions

Our business around the world depends on the demand of our customers for industrial trucks, which in turn depends to a large extent on general economic conditions in the countries, regions and localities in which our customers operate, as well as the economic conditions that affect their customers. When general economic conditions improve or deteriorate, production generally and the demand for new trucks specifically tend to show corresponding movements, particularly in those industry sectors or geographic areas which are most affected by such changes. Such changes, particularly when they are widespread and pronounced, can therefore materially affect our results. For example, our results were negatively affected by the global economic and financial crisis in 2008 and 2009, primarily because our customers postponed the replacement of their existing trucks in that period of time which led to a significant decrease in orders of new trucks. We believe that our business has become more resilient to economic downturns due to the increasing share of our service revenue which remained relatively stable during the global financial crisis and achieves higher EBIT margins than the revenue from the sale of new trucks. Due to an installed base in the global market of more than one million trucks, we significantly increased the revenue contributions of our high-margin service offering (which includes after sales services with spare parts, repairs and maintenance, used truck sales, short-term rentals, sales financing, and fleet management). The relatively stable revenue of our service offering was able to partially off-set the cyclicity of the new trucks business in recent years. However, in 2009 we observed that deteriorations of global economic conditions can lead to a lower utilization of installed trucks resulting in a decline of demand for our service offering. Thus, if economic changes are pronounced and/or long-lasting, such as the global financial crisis and subsequent recession that began in 2008, such changes can also have a significant impact on our service business.

Presences in Attractive Markets with strong growth above GDP

Between 2010 and 2012, our number of new trucks sold grew by average 8.0% each year, compared to an increase of global GDP at a compound annual growth rate ("CAGR") of 2.7% (Source: IMF, 2012). Meanwhile, the share of revenue we generated in the strong growing markets Asia, Eastern Europe, South and Central America increased from 22.0% in 2010 to 24.4% in 2012. We aim to further increase the share of our revenue generated in such markets, especially our target growth markets like China, Brazil and Eastern Europe. The rising revenue share of sales in markets with strong growth rates allowed us to achieve growth rates in revenue above the growth of the average global GDP. In the period between 1980 and 2012, new truck sales have grown globally 1.4 times faster than average global GDP (Source: WITS/FEM for increase of truck sales and IMF 2012 for GDP).

Reduction of our Fixed Costs through Business Restructuring and Redesign and Expansion of Low-Cost Country Sourcing

We have successfully developed, implemented and executed various restructuring and redesigning plans since our spin-off from Linde AG in December 2006. The focus of these measures has been on improving capacity utilization, optimizing our global production footprint and on shifting workforce to places with advantageous working conditions. During the time period from 2010 to 2012 we closed six plants in total. This consolidation of our plants in Europe has enabled us to reduce our fixed costs and has increased our capacity utilization levels in our European production facilities, which will result in higher economies of scale and increased production flexibility with beneficial effects on our profitability. Furthermore, we announced in February 2013 the sale of our container handling business in Merthyr Tydfil, United Kingdom to Konecranes. Furthermore, our expansion into growth markets like China, Brazil and India improved our global presence, due to increased localization, including research and development, trained employees for our key operations, lower labour costs and a reduction in shipment costs. We opened a new production plant in Indaiatuba, Brazil, in order to expand our locally produced portfolio of E-trucks and warehouse trucks to IC-trucks. In addition, we have upgraded our plant in Xiamen, China to full line production. We also further expanded our local product portfolio in India by opening a new plant in Pune, India, to increase our production capacity to meet future demand. Our expansion into growth markets has also increased our low-cost country (countries other than countries from the EU-15 area, EFTA, USA and Japan) sourcing share from approximately 22% in 2008 to 26.2% of our total purchasing volume in 2012. We plan to continue with our current purchasing strategy to integrate our strategic suppliers in the supply chain management, increasing volume flexibility and localization of components of production in growth countries. This local sourcing strategy has lowered our supplier concentration. Our top 10 suppliers only amount to only 18.6% of the total purchase volume.

EBIT Margin Improvement Driven by Cost Structure Optimization and Premium Pricing

From 2006 until the crisis in 2009 we were able to steadily increase the Adjusted EBIT margin. Following a negative EBIT margin in 2009 during the last three years we increased our Adjusted EBIT margin from 3.9% in 2010 to 9.3% in 2012. The reasons for this primarily include cost reduction measures (as described above), growing revenue and higher market shares in key growth markets, benefits from economies of scale due to high production capacities and synergies within the Group, growing service business with higher margins and our ability to charge premium prices for our products. This is due to the fact that we are a technological leader and can offer a high degree of customization. Furthermore, certain of our products have lower costs of ownership compared to products from our competitors. Through the selection of customized options in our truck orders, we can specifically address the diverse needs of our customer base. This has led to a high degree of customer satisfaction and an extensive range of possible options of product configuration that we are able to offer our customers. The reduction of total cost of ownership for our customer is a result of lower operating costs due to the efficiency of our trucks and their ergonomic design, lower service costs due to reliable and robust technology and our highly qualified service technicians operating from a global network of service stations and lower energy costs due to the high energy efficiency of our trucks and finally higher residual value of our trucks.

Factors affecting our Trade Working Capital

The increases and decreases in our inventories, trade receivables and trade payables largely correlate with the increases and decreases of the volume of the products we sell. As a result, both our trade receivables and payables are subject to seasonality, especially at the end of the year. In addition, we have undertaken initiatives to reduce our trade working capital in our business, especially by improving our inventory management process and collecting our trade receivables more efficiently. As a result, our trade working capital (inventories plus trade receivables minus trade payables) remained stable in absolute terms between 2010 to 2012 and decreased as share of revenue from 18.7% in 2010 to 11.2% in 2012, which was attributable to the transfer of inventories to Linde Hydraulics KG and to improved receivables collection. This reduction of trade working capital resulted in an improved cash flow from operating activities.

Stability of raw material costs

The prices of the raw materials that we use in our business, primarily steel and other metal parts, fluctuates. Our costs of raw materials are impacted by raw material price changes. In general, approximately 25% of our raw material costs are directly impacted by raw material price movements. Nevertheless, we have kept our raw material cost relatively constant in recent years. This relative stability reflects our ability to offset higher raw material costs to a significant degree by way of moderate price increases for our products.

Employees

Driven by the sale of the LHY Business as of 27 December, 2012 the number of employees decreased by 2.9% to 21,421 employees in Q1/2013 compared to 22,052 in Q1/2012.

FINANCIAL STATEMENTS (UNAUDITED)

Consolidated Income Statement (unaudited)

Consolidated interim statement of income		
€ thousand	Q1 2013	Q1 *) 2012
Revenue	1,085,182	1,144,399
Cost of sales	-783,126	-824,825
Gross profit	302,056	319,574
Selling expenses	-137,823	-136,634
Research and development costs	-29,420	-33,131
Administrative expenses	-72,725	-70,106
Other income	35,438	16,805
Other expenses	-9,985	-11,189
Profit (loss) from at-equity investments	-1,334	4,843
Other financial result	227	512
Earnings before interest and taxes	86,434	90,674
Financial income	23,767	28,803
Financial expense	-71,394	-80,081
Financial result	-47,627	-51,278
Earnings before taxes	38,807	39,396
Income taxes	-10,252	-22,913
Current taxes	-18,727	-19,907
Deferred taxes	8,475	-3,006
Net income for the period	28,555	16,483
Attributable to shareholders of KION Holding 1 GmbH	28,019	16,011
Attributable to non-controlling interests	536	472

*) Adjusted due to the retrospective application of IAS 19R (2011)

Consolidated Statement of Comprehensive Income (unaudited)

Consolidated interim statement of comprehensive income		
€ thousand	Q1 2013	Q1 *) 2012
Net income for the period	28,555	16,483
Gains/losses on employee benefits	26,277	-13,608
thereof changes in unrealised gains and losses	34,711	-19,391
thereof tax effect	-8,434	5,783
Items that will not be reclassified subsequently to profit or loss	26,277	-13,608
Impact of exchange differences	3,670	-812
thereof changes in unrealised gains and losses	3,670	-812
thereof realised gains and losses		
Gains/losses on cash flow hedges	3,887	-371
thereof changes in unrealised gains and losses	10,541	2,432
thereof realised gains and losses	-5,393	-3,489
thereof tax effect	-1,261	686
Items that may be reclassified subsequently to profit or loss	7,557	-1,183
Other comprehensive income	33,834	-14,791
Total comprehensive income	62,389	1,692
Total comprehensive income		
Attributable to shareholders of KION Holding 1 GmbH	61,853	1,220
Attributable to non-controlling interests	536	472

*) Adjusted due to the retrospective application of IAS 19R (2011)

Statement of Consolidated Financial Position (unaudited)

ASSETS

€ thousand	31/03/2013	31/12/2012 ^{*)}
Goodwill	1,472,788	1,473,245
Other intangible assets	928,053	933,961
Leased assets	209,179	191,322
Rental assets	387,133	395,093
Other property, plant and equipment	495,769	500,345
At-equity investments	153,502	154,835
Lease receivables	272,671	267,140
Other non-current financial assets	56,819	50,171
Deferred taxes	262,638	264,903
Non-current assets	4,238,552	4,231,015
Inventories	611,686	549,927
Trade receivables	627,125	625,462
Lease receivables	125,612	132,129
Current income tax receivables	5,500	5,501
Other current financial assets	126,460	106,778
Cash and cash equivalents	534,165	562,357
Current assets	2,030,548	1,982,154
Total assets	6,269,100	6,213,169

*) Adjusted due to the retrospective application of IAS 19R (2011)

EQUITY AND LIABILITIES

€ thousand	31/03/2013	31/12/2012 ^{*)}
Subscribed capital	1,279	500
Capital contributions for carrying out the approved capital increase	0	1,132,552
Capital reserve	1,480,256	348,483
Retained earnings	-622,711	-646,381
Accumulated other comprehensive loss	-142,471	-180,654
Non-controlling interests	6,749	6,159
Equity	723,102	660,659
Retirement benefit obligation	523,877	547,591
Non-current financial liabilities	2,308,783	2,300,656
Lease liabilities	337,044	329,185
Other non-current provisions	84,711	87,654
Other non-current financial liabilities	344,970	355,078
Deferred taxes	307,466	308,821
Non-current liabilities	3,906,851	3,928,985
Current financial liabilities	49,775	51,775
Trade payables	627,256	646,044
Lease liabilities	160,222	145,830
Current income tax liabilities	91,941	84,958
Other current provisions	126,160	137,888
Other current financial liabilities	583,793	557,030
Current liabilities	1,639,147	1,623,525
Total equity and liabilities	6,269,100	6,213,169

*) Adjusted due to the retrospective application of IAS 19R (2011)

Consolidated Statement of Changes in Equity (unaudited)

Consolidated interim statement of changes in equity

€ thousand

	Subscribed capital	Contributions for carrying out the approved capital increase	Capital reserves	Retained earnings	Accumulated other comprehensive income (loss)				Total equity attributable to shareholders	Non-controlling interests	Total
					Cumulative translation adjustment	Gains/losses on defined benefit obligation	Gains/losses on Cash Flow Hedges	Gains/losses from at-equity investments			
Balance as at 1/1/2012	500	0	348,483	-806,429	-35,549	20,892	-22,968	407	-494,664	7,077	-487,587
Effects from first-time adoption IAS 19R *)				-3,323		4,349			1,026		1,026
Balance as at 1/1/2012 (restated)	500	0	348,483	-809,752	-35,549	25,241	-22,968	407	-493,638	7,077	-486,561
Net income for the period				16,011					16,011	472	16,483
Other comprehensive income (loss)					-812	-13,608	-371		-14,791	0	-14,791
Comprehensive income (loss)				16,011	-812	-13,608	-371	0	1,220	472	1,692
Dividends										-355	-355
Effects from the acquisition / disposal of non-controlling interests				-425					-425	-687	-1,112
Balance as at 31/03/2012 (restated)	500	0	348,483	-794,166	-36,361	11,633	-23,339	407	-492,843	6,507	-486,336
Balance as at 1/1/2013	500	1,132,552	348,483	-647,687	-32,784	-130,375	-16,894	381	654,176	6,159	660,335
Effects from first-time adoption IAS 19R *)				-3,043		3,367			324		324
Balance as at 1/1/2013 (restated)	500	1,132,552	348,483	-650,730	-32,784	-127,008	-16,894	381	654,500	6,159	660,659
Net income for the period				28,019					28,019	536	28,555
Other comprehensive income (loss)					3,670	26,277	3,887		33,834	0	33,834
Comprehensive income (loss)				28,019	3,670	26,277	3,887	0	61,853	536	62,389
Capital increase	779	-1,132,552	1,131,773						0		0
Effects from the acquisition / disposal of non-controlling interests									0	54	54
Balance as at 31/03/2013	1,279	0	1,480,256	-622,711	-29,114	-100,731	-13,007	381	716,353	6,749	723,102

*) Adjusted due to the retrospective application of IAS 19R (2011)

Consolidated Statement of Cash Flows (unaudited)

Consolidated interim statement of cash flows		
€ thousand	Q1 2013	Q1 2012
Net income	28,555	16,483
+ income taxes	10,252	22,913
+ financial result	47,627	51,278
= Earnings before interest and taxes	86,434	90,674
Amortization, depreciation and impairment charges of non-current assets (excl. leased assets and rental assets)	35,579	39,575
Depreciation/Impairment of leased assets and rental assets	46,981	43,376
Other non-cash income (-) and expenses (+)	6,332	-816
Gain (-) / loss (+) on disposal of non-current assets	740	-2,235
Other changes in leased assets and rental assets	-57,475	-41,525
Change in lease receivables, lease liabilities and liabilities from finance leases	12,259	-21,413
Change in inventories	-58,535	-64,810
Change in trade receivables	-408	-20,016
Change in trade payables	-23,190	-22,349
Cash payments for defined benefit obligations	-5,011	-4,804
Change in other provisions	-13,824	-24,797
Change in other operating assets	-18,470	-32,950
Change in other operating liabilities	19,298	27,731
Taxes paid	-11,425	-11,418
= Cash flow from operating activities	19,285	-45,777
Cash receipts from disposal of non-current assets	829	6,922
Cash payments for purchase of non-current assets	-25,161	-25,206
Deposits from other loan claims	1,518	-341
Dividends received	177	212
Interest income received	1,276	1,347
Acquisitions of subsidiaries, net of cash acquired	0	-9,703
Cash payments (-) for sundry assets	-2,583	-1,118
= Cash flow from investing activities	-23,944	-27,887
Dividends paid to non-controlling interests	0	-355
Cash paid for increased ownership interests (after control)	0	-1,112
Cash proceeds from sale of ownership interests (after control)	54	0
Proceeds from borrowings	649,000	7,676
Loan financing costs paid	-11,138	-207
Repayment of borrowings	-636,000	-
Proceeds (+) / Repayment (-) of other capital borrowings	-8,317	17,687
Cash receipts (+) / cash payments (-) for forward foreign exchange hedging contracts	-403	0
Interest paid	-20,143	-22,737
= Cash flow from financing activities	-26,947	952
Effect of foreign exchange rate changes on cash and cash equivalent	3,414	879
= Change in cash and cash equivalents	-28,192	-71,833
Cash and cash equivalents at the beginning of the period	562,357	373,451
Cash and cash equivalents at the end of the period	534,165	301,618

Segment Report (unaudited)

Segment report

	LMH	STILL	Financial Services	Other	Consolidation/ Reconciliation	Total
€ thousand						
	Q1 2013					
Revenue from external customers	646,719	351,884	74,386	12,193	-	1,085,182
Intersegment revenue	64,570	57,903	39,851	50,917	-213,241	-
Total revenue	711,289	409,787	114,237	63,110	-213,241	1,085,182
Earnings before taxes	64,203	11,885	1,187	-37,914	-554	38,807
Financial income	2,874	474	12,216	17,991	-9,788	23,767
Financial expense	-6,060	-8,220	-11,205	-54,991	9,082	-71,394
= Financial result	-3,186	-7,746	1,011	-37,000	-706	-47,627
EBIT	67,389	19,631	176	-914	152	86,434
+ Non-recurring items	2,406	947	-	-4,654	-	-1,301
+ KION acquisition items	6,055	1,350	-	230	-	7,635
= Adjusted EBIT	75,850	21,928	176	-5,338	152	92,768
Segment assets	4,590,940	2,069,565	1,038,364	778,868	-2,208,637	6,269,100
Segment liabilities	1,459,444	1,172,041	1,002,306	4,121,048	-2,208,841	5,545,998
Carrying amount of at-equity investments	134,166	6,148	13,188	-	-	153,502
Equity result	-1,334	0	0	-	-	-1,334
Capital expenditures*	14,515	7,027	0	2,738	881	25,161
Depreciation**	21,082	9,349	2	4,007	1,139	35,579
Order intake	727,927	450,372	114,237	63,110	-210,325	1,145,321
Number of employees***	13,171	7,416	118	716	-	21,421

* Excluding leased assets and rental assets

** On intangible assets and property, plant and equipment excl. leased and rental assets

*** Number of employees in full-time equivalents as at 31 March

Segment report

	LMH	STILL	Financial Services	Other	Consolidation/ Reconciliation	Total
€ thousand						
	Q1 2012					
Revenue from external customers	713,489	351,498	68,654	10,758	-	1,144,399
Intersegment revenue	59,199	59,102	30,042	48,247	-196,590	-
Total revenue	772,688	410,600	98,696	59,005	-196,590	1,144,399
Earnings before taxes	75,130	13,589	1,160	-50,684	201	39,396
Financial income	3,000	1,150	11,086	21,192	-7,625	28,803
Financial expense	-6,550	-6,661	-9,981	-63,734	6,845	-80,081
= Financial result	-3,550	-5,511	1,105	-42,542	-780	-51,278
EBIT	78,680	19,100	55	-8,142	981	90,674
+ Non-recurring items	-5,687	4,438	-	2,785	-	1,536
+ KION acquisition items	7,287	1,417	-	270	-	8,974
= Adjusted EBIT	80,280	24,955	55	-5,087	981	101,184
Segment assets	4,480,149	1,994,822	911,554	588,691	-1,882,959	6,092,257
Segment liabilities	1,485,183	1,070,673	876,216	5,018,034	-1,871,514	6,578,592
Carrying amount of at-equity investments	16,683	4,647	12,654	-	-	33,984
Equity result	4,843	0	0	-	-	4,843
Capital expenditures*	14,419	8,142	0	2,645	-	25,206
Depreciation**	24,949	10,495	0	4,131	0	39,575
Order intake	812,368	429,455	98,696	59,005	-192,351	1,207,173
Number of employees***	13,864	7,398	107	683	-	22,052

* Excluding leased assets and rental assets

** On intangible assets and property, plant and equipment excl. leased and rental assets

*** Number of employees in full-time equivalents as at 31 March

BASIS OF PRESENTATION

The condensed consolidated interim financial statements of the KION Group for the three months ended 31 March 2013 have been prepared in accordance 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/SIC) of the IFRS Interpretations Committee (IFRS IC) that had been endorsed by the reporting date and that were required to be applied for financial years commencing on or after 1 January 2013 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 2012. 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 2012.

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

The following financial reporting standards were adopted for the first time in the condensed consolidated interim financial statements for the three months ended 31 March 2013:

- 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 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
- IFRIC 20 'Stripping Costs in the Production Phase of a Surface Mine'

Apart from the changes described below, the first-time adoption of these standards and interpretations has had no effect on the financial position or financial performance of the KION Group or on the disclosures in the notes to its financial statements:

- The amended IAS 1 results in a revised presentation of the statement of comprehensive income. Following the amendment to the standard, the items of other comprehensive income and loss must be split into items that will never be reclassified to profit or loss and items that might be reclassified to profit or loss in future periods.
- The publication of IFRS 13 'Fair Value Measurement' introduces a separate standard containing general rules on the measurement of fair value. The KION Group is applying these rules for the first time in the 2013 financial year. The main impact of this will be enhanced disclosures in the notes to the financial statements.

Financial reporting standards released but not yet adopted

In the unaudited condensed consolidated interim financial statements for the three months ended 31 March 2013, the KION Group has not applied the following standards and interpretations, which have been issued by the International Accounting Standards Boards (IASB) but are not yet required to be applied in 2013:

- Amendments to IFRS 7 'Financial Instruments: Disclosures': about the transition to IFRS 9 'Financial Instruments'
- IFRS 9 'Financial Instruments'
- Amendments to IFRS 9 'Financial Instruments': mandatory effective date;
- IFRS 10 'Consolidated Financial Statements'
- Amendments to IFRS 10 'Consolidated Financial Statements': amendments relating to the consolidation of investment entities
- IFRS 11 'Joint Arrangements'
- IFRS 12 'Disclosure of Interests in Other Entities'
- Amendments to IFRS 12 'Disclosure of Interests in Other Entities': amendments relating to the consolidation of investment entities
- Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12)
- IAS 27R 'Separate Financial Statements'
- Amendments to IAS 27 'Separate Financial Statements': amendments relating to the consolidation of investment entities
- IAS 28R 'Investments in Associates and Joint Ventures'
- Amendments to IAS 32 'Financial Instruments: Presentation': offsetting of financial assets and financial liabilities
- 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.

The impact of the first-time adoption of IFRS 10 'Consolidated Financial Statements' is currently still being analysed, but we currently do not anticipate any material effects. The effects of the first-time adoption of the other standards and interpretations 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.

Accounting policies

The accounting policies applied in these condensed consolidated interim financial statements are generally the same as those used for the year ended 31 December 2012. These condensed consolidated interim financial statements are prepared based on the interim financial statements of the parent company and its consolidated subsidiaries prepared in accordance with the accounting policies applicable throughout the KION Group.

The transitional requirements of the revised IAS 19R 'Employee Benefits' required a retrospective application financial years commencing on or after 1 January 2013. In the KION Group, actuarial gains and losses, including deferred taxes, were already recognised in other comprehensive income (loss).

The first-time adoption of the revised IAS 19 in the KION Group for the 2013 financial year resulted in an overall decrease in retained earnings/net income of €3,323 thousand with effect from 1 January 2012. This is the net result of the adoption of pro-rata accumulation of bonuses and severance payments for preretirement part-time employment under the 'block model' used in the KION Group (increase of €1,776 thousand) and of the retrospective recognition of previously unrecognised past service costs (decrease of €750 thousand). Furthermore, alignment of the expected return on plan assets with the discount rate resulted in a decrease of retained earnings by €4,349 thousand with effect from 1 January 2012, with a corresponding increase in gains/losses on employee benefits recognised in other comprehensive income (loss).

Net income for the 2012 financial year has also increased by €1,030 thousand, while other comprehensive income (after income taxes) decreased by €982 thousand due to the alignment of the expected return on plan assets with the discount rate. The change in the accounting treatment of provisions for partial retirement obligations has resulted in a decrease in net income (after income taxes) of €750 thousand for the 2012 financial year. The consequences of the above effects for the first quarter of 2012 were an increase of €69 thousand in net income (after income taxes) and a decrease of €245 thousand in other comprehensive income (after income taxes).

RISK FACTORS

Our Annual Bond Report 2012 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 2012 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 2012 and elsewhere in this Quarterly Report.

In Q1/2013 there have been no material changes to the risk assessment made in our Annual Bond Report 2012.

ANNEX 1: QUARTERLY FINANCIAL INFORMATION

Unaudited quarterly information *)

	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
€ thousand	2011	2011	2011	2012	2012	2012	2012	2013
Order intake	1,195,434	1,111,663	1,217,376	1,207,173	1,202,581	1,076,798	1,213,524	1,145,321
Revenue	1,096,338	1,044,137	1,211,730	1,144,399	1,166,147	1,128,264	1,287,854	1,085,182
EBIT	98,443	63,422	-8,850	90,674	104,698	79,619	274,124	86,434
Adj. EBIT	100,657	84,326	105,005	101,184	111,008	105,965	119,004	92,768
Adj. EBIT margin	9.2%	8.1%	8.7%	8.8%	9.5%	9.4%	9.2%	8.5%
Adj. EBITDA	173,239	160,059	183,431	175,420	187,425	184,746	198,682	167,921
Adj. EBITDA margin	15.8%	15.3%	15.1%	15.3%	16.1%	16.4%	15.4%	15.5%
Free cash flow	-25,787	30,162	184,123	-73,664	81,730	30,788	-73,664	-4,659
Net financial debt	2,687,633	2,748,619	2,656,613	2,714,780	2,711,569	2,709,567	1,790,074	1,824,393

*) - Q1-Q4 2012 has been restated retrospective due to IAS 19R

- 'Net financial debt' has been adjusted for Q1-Q4 2012 due to a new definition since end of December 2012