

MANAGEMENT REPORT AND
FINANCIAL STATEMENTS

KION GROUP AG 2015

**MOVING
FORWARD** 

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TION

KION GROUP AG
Wiesbaden

Management Report and
Financial Statements
as at 31st December 2015

This annual report is available in German and English.
Only the content of the German version is authoritative.

Report of the Supervisory Board of KION GROUP AG

Dear shareholders,

KION GROUP AG can once again look back on a very successful year. It made some important strategic decisions in 2015. By purchasing the logistics automation business of Belgium's Egemin Group, the KION Group strengthened its expertise going forward in the design and management of complex automation projects. In addition, it created a new Executive Board role with central responsibility for research and development, procurement and quality management. It also announced that it would be comprehensively reorganising its Group structure from the beginning of 2016. The aim is to step up collaboration across all brands and regions and to make this collaboration even more efficient. In terms of business performance, the KION Group generated encouraging revenue and earnings growth and achieved all of its forecasts.

Last year, the Supervisory Board continued to fulfil the tasks and responsibilities imposed on it by the law, the Company's articles of incorporation and the German Corporate Governance Code with dedication and diligence. There were again many important decisions, transactions requiring approval and other matters to be discussed and resolved upon.

Monitoring and advisory role in dialogue with the Executive Board

The Supervisory Board advised the Executive Board on all significant matters relating to managing the Company and monitored the Executive Board's running of the Company. The Supervisory Board was fully involved in all major decisions affecting the Company from an early stage. The Executive Board always notified the Supervisory Board of every significant aspect of the decisions to be made promptly and in detail, providing both written and oral reports. Between meetings of the Supervisory Board and between those of its committees, the chairman of the Supervisory Board, who is also chairman of the Executive Committee, remained in close contact at all times with the Executive Board, particularly the Chief Executive Officer and the Chief Financial Officer. There was also regular contact between the chairman of the Audit Committee and the Company's Chief Financial Officer. This ensured that the Supervisory Board was always kept up to date on the Company's performance and any significant transactions, even between meetings. The Supervisory Board satisfied itself at all times that the Company was being managed lawfully and diligently by the Executive Board. Giving the specified period of notice, the Executive Board presented to the Supervisory Board transactions that, according to the law, the Company's articles of incorporation or the rules of procedure for the Executive Board of KION GROUP AG, require the Supervisory Board's consent so that it could adopt resolutions. The Supervisory Board examined closely the resolutions proposed by the Executive Board and deliberated on them before adopting them.

Main focus areas discussed by the Supervisory Board

The deliberations of the Supervisory Board focused on the continued implementation of the Strategy 2020, which the Executive Board and Supervisory Board adopted in 2013. Particular attention was paid to generating growth and increasing efficiency in the reporting year.

The trends embodied by the Industrial Internet of Things, or Industry 4.0 – the opportunities and challenges for our customers' logistics systems and our own internal processes presented by digitisation, automation and connectivity – also featured heavily in the Supervisory Board's discussions

last year. One prominent example was the acquisition of Egemin NV, a leader in the automation of logistics processes. The Supervisory Board advised and supported the Executive Board on this project, as it did on all other projects aimed at growth by acquisition, and where necessary adopted resolutions to give its consent, having weighed up the opportunities and risks. Issues relating to the Internet of Things were also on the agenda at the Supervisory Board's strategy meeting on 24 September 2015, where the main topics were integrated and automated logistics solutions and the importance of and prospects for 3D printing in manufacturing.

Other matters examined by the Supervisory Board were increasing profitability – in particular by improving the effectiveness and efficiency of the Company's core operating processes – and transitioning the organisational structure of the Company to a governance model that caters to changes in the requirements of customers and markets. Throughout the year, the Executive Board pushed for measures to boost efficiency, particularly at the large German sites, in its negotiations with workforce representatives. The Supervisory Board discussed the measures at every meeting in 2015. The Company is updating its organisational structure to reflect the changes resulting from the growing importance of markets outside Europe, the evolution of customer requirements and technological progress. The Executive Board discussed its ideas in this area with the Supervisory Board at the start of the year and fleshed out its plans as the year progressed. At its meeting on 24 September 2015, the Supervisory Board consented to the realignment of the organisational structure following in-depth discussions.

The core elements of this new structure are four decentralised, regional operating units, each with responsibility for their own profit and loss. These operating units are supported by a central R&D function and administrative departments. The CTO organisation, which is headed up by the Chief Technology Officer Dr Eike Böhm, assumed groupwide responsibility for product strategy, R&D, innovation, production system, quality assurance and procurement on 1 January 2016. Other administrative functions will be adapted to meet the requirements of the Group's new organisational structure during 2016, which will involve centralising and harmonising them. A Group Executive Committee (GEC) is being formed to advise the Executive Board in its decision-making and to coordinate matters at the uppermost level of management. The GEC will consist of the Presidents of the four regional operating units plus the four members of the Executive Board. Its purpose is to ensure the Executive Board's decisions are made on the basis of the widest possible range of technical and regional expertise and experience. There will be no changes to the Executive Board's decision-making powers, however. The Group Executive Committee does not release the individual Executive Board members or the Executive Board as a whole from their statutory duties or their responsibility for the day-to-day management of the Company. The Supervisory Board has safeguarded this allocation of roles by introducing a charter for the GEC.

Against this background, it was necessary to redistribute responsibility for the different aspects of the business among the Executive Board members and to update the list of transactions requiring consent by removing individual transactions from the list and raising the threshold values for transactions requiring approval.

The Supervisory Board emphatically welcomed the Executive Board's prompt and proactive decision to introduce a change management process to support the changes brought about by these measures. An important element of this change management was a survey conducted among around 1,800 of the Company's managers at the start of the summer. An Organizational Health Index (OHI) was used to gauge the current state, or 'health' of the organisation so that challenges and necessary action areas could be identified. The Supervisory Board encouraged the Executive Board

to tackle the change issues raised by managers, and they will be targeted as part of the improvements to be made to the Company's management culture. The Supervisory Board firmly believes that the major changes that have been initiated and will now be implemented over the coming months will benefit in the long term if the issues identified by the OHI are successfully addressed and the management culture at KION is improved accordingly.

Corporate governance matters

Besides the usual governance matters, the Supervisory Board dealt with a number of individual issues in the year under review. These included implementing the new statutory requirements on gender diversity in managerial roles, introducing a sustainable fast close process for preparing the consolidated financial statements, examining the efficiency of the Supervisory Board's work and reviewing the remuneration of the Executive Board and Supervisory Board.

The Supervisory Board carefully studied the requirements of Germany's 'Act for the equal participation of women and men in managerial positions in the private and public sectors'. Despite its reservations about fixed quotas in this area, the Supervisory Board has an open and positive stance as far as the Act's socio-political objectives are concerned. The targets for the composition of the Executive Board and other management positions have been set within the realms of what is feasible and with a view to ensuring that the Company can attract the most suitable people with the right talents.

The Company intends to present its annual and quarterly financial statements more quickly than in previous years. To fulfil its core task of monitoring the Company's financial reporting systems, the Supervisory Board commissioned the Audit Committee, which in turn commissioned its chairman, to learn about the fast close process and its inherent risks. The independent auditors also got involved. The Supervisory Board was able to satisfy itself that the new structures and processes will enable the Company to continue preparing correct and reliable financial statements going forward.

The examination of efficiency confirmed that the Company's Supervisory Board has a robust structure and follows efficient processes. An external consultancy also scored the Supervisory Board and its committees highly in comparison with their industry peers. Suggestions for enhancing individual aspects of the Supervisory Board's work were identified with regard to committee size, the timing of when information is provided and the discussion of strategic matters by the full Supervisory Board. The consultants presented their report at the Supervisory Board's meeting in December. The Supervisory Board has already acted on a number of the suggestions and introduced or initiated changes. Where necessary, the Executive Board willingly provided its input.

Another area of focus was the remuneration of the Company's Executive Board and Supervisory Board. The structure of their remuneration had been revised ahead of the IPO in 2013. In late 2015, a consultancy reviewed it again, comparing it against the benchmark. Despite changes to economic conditions and the evolution of best practice, particularly regarding supervisory board remuneration, the Supervisory Board did not consider it appropriate to make changes to the structure and level of remuneration at the current time. However, adjustments will be required in the near future, including to the structure of the Executive Board's long-term variable remuneration and the acquisition of treasury shares by Executive Board members.

The topics on which the Executive Board and individual managers in the Company regularly submitted reports were the internal control system, risk management, internal audit and compliance in the

Group. The focus was on the processes in place as well as on the content of the individual reports. As a result of these reports, the Supervisory Board was able to gain an impression of the processes in place and to examine and comment on the proposed developments in these areas. It concluded that the systems and mechanisms at KION GROUP AG are adequate and suitable.

The Supervisory Board keeps a close eye on changes to the German Corporate Governance Code and to governance standards at international level. At its meeting on 17 December 2015, the Supervisory Board held its final discussion on the KION Group's compliance with the recommendations of the current version of the Code and issued an updated comply-or-explain statement pursuant to section 161 German Stock Corporation Act (AktG). It has been made permanently available to the public on the KION GROUP AG website. KION GROUP AG complies with all but one of the recommendations in the German Corporate Governance Code (version dated 5 May 2015) and intends to continue to do so in future. As in the previous year, the only recommendation of the Code with which KION GROUP AG does not comply is the recommendation in section 3.8 (3) of the Code for an excess in the D&O insurance policies for members of the Supervisory Board. KION GROUP AG's articles of incorporation do not provide for this type of excess. The Company believes that such an excess is not typical at international level and would therefore make it considerably more difficult to find independent candidates, in particular candidates from outside Germany.

In accordance with section 3.10 of the German Corporate Governance Code, the Executive Board and the Supervisory Board provide a detailed report on corporate governance in the KION Group in the corporate governance report. This is combined with the declaration on corporate governance pursuant to section 289a German Commercial Code (HGB) and can be found on pages 24 to 37 of the annual report and on the KION GROUP AG website at kiongroup.com/GovernanceReport. For details of the remuneration of the Executive Board and Supervisory Board for 2015, please refer to the remuneration report, which can be found on pages 38 to 51 of the annual report.

Work of the committees

Since the last report, there have not been any material changes to the established committees.

KION GROUP AG's Supervisory Board had four committees last year: the Mediation Committee pursuant to section 27 (3) German Codetermination Act (MitbestG), the Executive Committee, the Audit Committee and the Nomination Committee. These committees, but primarily the Executive Committee, prepare the matters to be discussed at the meetings of the full Supervisory Board. In individual cases, the Supervisory Board's decision-making powers were delegated to committees within the scope permitted by law. The chairman of the Supervisory Board is also chairman of all committees except the Audit Committee. At the meetings of the full Supervisory Board, the committee chairmen report in detail on the discussions of the committees to ensure that the Supervisory Board as a whole is always fully informed.

In 2015, the Supervisory Board and its committees dealt with the matters at hand and made the necessary decisions at a total of 21 meetings (8 full Supervisory Board meetings and 13 committee meetings). There were also several informal conference calls for the purpose of providing the members of the Supervisory Board or the relevant committees with advance information.

All members of the Supervisory Board attended the Supervisory Board meetings in 2015 apart from the exceptions below. At one meeting, five members sent their apologies, at three meetings, at each of which one member sent his apology and at two meetings, at each of which two members sent

their apologies. With the exception of five committee meetings at each of which one member sent his apology, all committee meetings were attended by all members of the respective committee. Supervisory Board member Tan Xuguang participated in fewer than half of all Supervisory Board meetings.

Engagement of the auditors; audit of the separate and consolidated financial statements

The Company's independent auditors, Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft, Munich, Frankfurt am Main branch office (Deloitte & Touche), audited the Company's separate financial statements and management report and the consolidated financial statements and group management report for the year ended 31 December 2015 following their engagement by the Annual General Meeting on 12 May 2015. The corresponding proposal to the Annual General Meeting had been prepared in meetings held between the chairman of the Audit Committee and the auditors. They concerned the suitability and independence of the auditors and the fees. The proposal was discussed at the Audit Committee's meeting on 10 March 2015 and committee members were given the opportunity to speak to the auditors in person. The key audit issues were discussed and set out accordingly at the Audit Committee's meeting on 10 March 2015. The auditors were appointed by the chairman of the Supervisory Board on 24 November 2015.

The auditors submitted their report and the documents relating to the financial statements to the members of the Audit Committee on 2 March 2016 and to the members of the Supervisory Board on 9 March 2016. The report was discussed in depth at the Audit Committee meeting on 9 March 2016 and at the full Supervisory Board meeting on 16 March 2016, both of which were attended by the auditors. At both of those meetings, the auditors reported in detail on the main findings of the audit and provided comprehensive answers to all questions asked by members of the Audit Committee and Supervisory Board. The auditors issued an unqualified opinion for the separate financial statements, including the management report, for the year ended 31 December 2015 and the consolidated financial statements, including the group management report, for the year ended 31 December 2015 on 9 March 2016.

Having itself scrutinised the Company's separate financial statements, consolidated financial statements, management report and group management report for the year ended 31 December 2015, the Audit Committee then made a recommendation to the full Supervisory Board, which the chairman of the Audit Committee explained in more detail in his report to the meeting of the full Supervisory Board. On this basis and taking the auditors' opinion into consideration, the Supervisory Board held a further discussion of its own and then approved the results of the independent audit at its meeting on 16 March 2016. Based on the final outcome of the Supervisory Board's own review, no objections were raised. The Supervisory Board approved the Company's separate financial statements and consolidated financial statements for the year ended 31 December 2015 prepared by the Executive Board, thereby adopting the annual financial statements.

At its meeting on 16 March 2016, the Supervisory Board also discussed and approved the proposal made by the Executive Board that the distributable profit of KION GROUP AG be appropriated for the payment of a dividend of €0.77 per no-par-value share. In doing so, the Supervisory Board took account of the Company's financial situation and performance, its medium-term financial and capital-expenditure planning and the interests of the shareholders. The Supervisory Board believes the proposed dividend is appropriate.

Review of the dependency report

Until 31 March 2015, the Company was controlled jointly by Superlift S.à r.l. and Weichai Power. This joint control ended on 31 March 2015 when the remaining KION GROUP AG shares held by Superlift S.à r.l. were sold. The Executive Board was therefore obliged to prepare a report on the Company's relationships with affiliated entities (dependency report) for that period. The report was examined by the Supervisory Board. The Company's auditors, Deloitte & Touche, reviewed the dependency report, prepared an auditors' report on it and issued the following unqualified opinion based on their completed audit on 9 March 2016:

Auditor's opinion

Based on our audit and evaluation conducted in accordance with our professional duties, we hereby confirm that the factual information presented in the report is accurate.

The dependency report and the auditors' report about it were submitted to all the members of the Supervisory Board in good time and were discussed in detail in the presence of the auditors at the Supervisory Board meeting on 16 March 2016. The auditors reported on the main findings of their audit. The Supervisory Board agreed with the findings of the audit. Based on the final outcome of its own review, the Supervisory Board did not raise any objections to the Executive Board's declaration at the end of the report concerning relationships with affiliated entities.

Personnel changes on the Executive Board and Supervisory Board

With effect from 15 January 2015, Theodor Maurer and Bert-Jan Knoef stepped down as members of the KION Group's Executive Board by mutual agreement with the Company.

At its meeting on 25 June 2015, the Supervisory Board appointed Dr Eike Böhm as Chief Technology Officer and as a further ordinary member of the Executive Board of KION GROUP AG. Dr Böhm is responsible for research and development, product strategy, production system, innovation, quality assurance and procurement.

There were several changes on the Supervisory Board in 2015. Mr Johannes P. Huth stepped down from the Supervisory Board on 31 July 2015. Mr Wolfgang Faden was appointed by the courts as a shareholder representative with effect from 1 August 2015 until the Company's next Annual General Meeting. In the further course of discussions regarding succession planning, the Supervisory Board resolved in December 2015, following the recommendation of the Nomination Committee, to propose to the Annual General Meeting on 12 May 2016 that Dr Christina Reuter be elected to the Supervisory Board as a shareholder representative to succeed Mr Faden. In addition, Mr Hans-Peter Weiß resigned from his position as an employee representative on the Company's Supervisory Board with effect from the end of 15 November 2015. The courts appointed Mr Jörg Milla as his successor with effect from 16 November 2015. The Supervisory Board would like to thank Mr Huth and Mr Weiß for the great dedication with which they always carried out their work in the interests of the Company.

The details of this report were discussed thoroughly at the Supervisory Board meeting on 16 March 2016 when it was adopted.

My colleagues on the Supervisory Board and I would like to thank the members of the Executive Board and the employees of KION GROUP AG and its Group companies in Germany and abroad for their commitment and outstanding achievements in 2015.

Dr John Feldmann

Chairman

KION GROUP AG, Wiesbaden

Management report for the financial year

1 January 2015 to 31 December 2015

A. Fundamentals of the Company

KION GROUP AG has been a listed company on the regulated market of the Frankfurt Stock Exchange since 28 June 2013 and is part of the MDAX and the STOXX Europe 600.

The strategic anchor shareholder of KION GROUP AG is Weichai Power (Luxemburg) Holding S.à r.l., Luxembourg, a subsidiary of Weichai Power Co. Ltd., which held 38.3 per cent of the shares at the end of 2015 as far as the Company is aware. The free float accounted for 61.5 per cent of the shares, while the remaining 0.2 per cent were treasury shares.

So that it can fully cater to the needs of material handling customers worldwide, the KION Group's business model covers every step of the value chain: product development, manufacturing, sales and logistics, spare parts business, truck rental and used trucks, system and software solutions, plus financial services that support the Group's core industrial business. The KION Group operates a multi-brand strategy involving the four international brands Linde, STILL, Baoli and Egemin Automation plus the three national brands Fenwick, OM STILL and Voltas. The KION Group earns most of its consolidated revenue from the sale of industrial trucks.

KION GROUP AG employed 139 people as at 31 December 2015 (31 December 2014: 134).

B. Business activities

KION GROUP AG is the strategic management holding company of the KION Group and holds all the shares in KION Holding 2 GmbH. In turn, KION Holding 2 GmbH is the sole shareholder of KION Material Handling GmbH. KION Material Handling GmbH (KMH) is the direct holding company of Linde Material Handling GmbH, Aschaffenburg, which holds almost all of the shares in the companies of the KION Group.

The Company is therefore indirectly dependent on the opportunities, risks and financial performance of its subsidiaries as well as on the economic environment in which the subsidiaries operate.

C. Economic environment

Macroeconomic conditions

In 2015, the global economy expanded at a slower rate than in the previous year. This was mainly due to weak growth in key emerging markets such as China, Russia and Brazil. By contrast, the developed countries generally bolstered the global economy.

Besides GDP growth demand for industrial trucks is driven by industry's investment confidence and world trade volumes. Here, too, there was a marked slowdown in global growth in 2015. The main factors in the cooling of global trade were the greatly reduced demand for imports in China and the resulting decline in commodity prices. The main factors in the cooling of global trade were the greatly reduced demand for imports in China and the resulting decline in commodity prices. In particular China's major trading partners and the commodity-exporting countries were negatively affected. An increase in consumer spending and growth in the service sector had a positive effect, however, particularly on e-commerce and the demand for additional warehouse space.

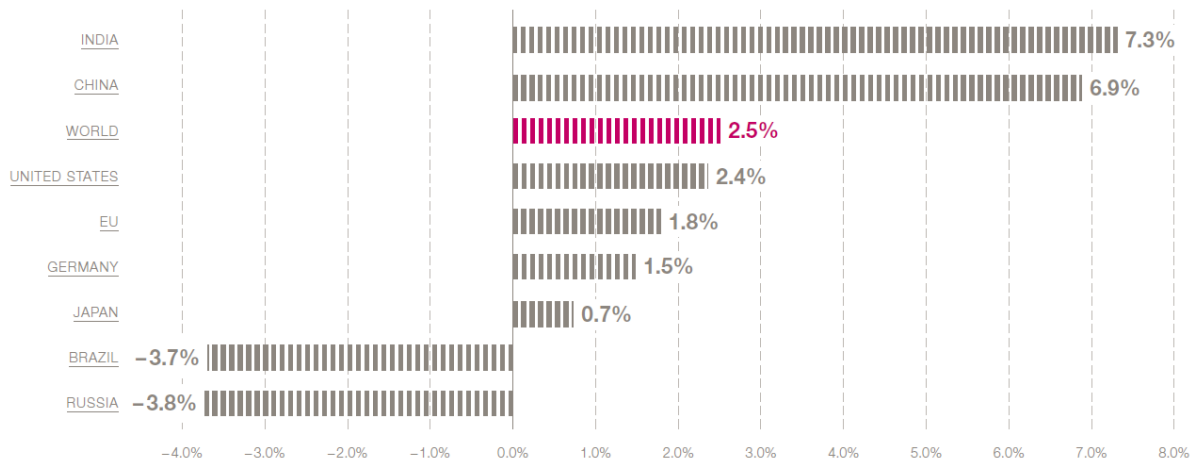
In 2015, the Chinese economy saw its weakest growth in a quarter of a century. As the economy in China is transformed into one that is driven by consumption and services, it has been accompanied by a further slowdown in growth. The pace of growth also tailed off in the other Asian countries. An exception was India, where the economy continued to rally. Both consumer spending and industrial output increased visibly here.

Growth in Brazil and Russia continued to be strongly negative in 2015, in line with expectations, with domestic economic problems and low commodity prices having a negative impact. The eastern European EU states, however, recorded healthy growth. The region benefited from low oil prices and high levels of consumer spending as well as from the ongoing recovery in western Europe.

Alongside the USA, western and central Europe proved to be a pillar of the global economy. A solid performance from Germany and the recovery in southern Europe were the main drivers of growth in the eurozone. Most of the momentum came from consumer spending; global uncertainties meant that companies remained cautious in their investment decisions.

The USA benefited from an upturn in the labour and housing market. After a weak first quarter, its economy substantially picked up the pace as the year progressed.

Gross domestic product in 2015 – real year-on-year change



Source: Oxford Economics (as at 15 January 2016)

Sectoral conditionsSales markets

In 2015, the global market for industrial trucks grew visibly slower than in the prior year, expanding by 1.0 per cent (2014: 7.8 per cent). A total of 1.1 million trucks were ordered across all regions and product types.

In line with the long-term trends identified by the KION Group, sales in the overall market were easily outstripped by sales of warehouse trucks (up by 11.0 per cent) and electric forklift trucks (up by 6.0 per cent). Demand for these, in combination with automation solutions, is being driven by the growing e-commerce sector. Electric forklift trucks are also benefiting from increasingly strict emissions regulations across all regions as well as major advances in battery-charging technology. Unit sales of IC trucks fell by 9.6 per cent, however, which was primarily due to the sharp decline in unit sales in China.

Western Europe (up by 11.3 per cent) and North America (up by 7.1 per cent) were the main contributors to the moderate rise in global unit sales. In western Europe, there was another substantial release of pent-up demand in the southern European countries in 2015. Growth in the United Kingdom (up by 14.5 per cent), Spain (up by 26.4 per cent) and Italy (up by 21.1 per cent) was above the market average, while Germany lagged behind the market with a growth rate of 8.4 per cent. France expanded by 12.3 per cent.

Orders in eastern Europe (excluding Russia) rose by 9.7 per cent. Higher sales figures were recorded in Poland, the Czech Republic and Hungary in particular but also in the smaller markets of Romania and Slovakia. The Russian market continued on its steep downward trajectory from 2014, contracting by 39.3 per cent.

In China there was a significant decline in orders in 2015 (down by 12.8 per cent), after the market had grown by a double-digit percentage amount in the prior year. Only growth in warehouse trucks was on a par with 2014. Brazil, the largest single market in South America, contracted by 44.2 per cent, with sales falling heavily in all product categories, while Chile and Argentina posted increases.

Global market for industrial trucks (order intake)

Thousand units	2015	2014	Change
Western Europe	321.9	289.2	11.3%
Eastern Europe	53.5	57.6	-7.0%
North America	235.2	219.5	7.1%
Central and South America	42.5	48.5	-12.3%
Asia (excluding Japan)	331.0	357.5	-7.4%
Rest of world	118.2	119.0	-0.7%
World	1,102.4	1,091.3	1.0%

Source: WITS/FEM

Procurement markets

Commodity prices continue to have a direct impact on approximately one quarter of the cost of the materials needed to manufacture an industrial truck in the KION Group.

The average price over the year for steel, the most important commodity, fell compared with 2014 owing to the slowdown in growth, particularly in China. Manufacturing costs are also influenced – albeit it to a lesser extent – by the prices for copper and rubber, which were also down year on year. The price of oil, a useful price indicator for plastic products, was well below the 2014 average.

On the other hand, however, higher payroll and ancillary wage costs had an adverse impact on unit costs. In overall terms, and with the euro weakening even further, producer prices for input goods in the eurozone fell by only a negligible amount.

D. Management system

KION GROUP AG monitors its business performance on an ongoing basis using net profit/loss as a key performance indicator (KPI). This KPI is analysed periodically and made available to the Executive Board in a report. This enables the management team to take prompt corrective action in the event of variances compared with target figures.

E. Financial performance

	2015	2014
	(€ thousand)	(€ thousand)
Income	12,569	6,930
Expenses		
Personnel expenses	-34,084	-17,094
Other administrative expenses	-36,546	-22,644
Depreciation expense	-109	-47
Operating loss	-58,170	-32,855
Net financial income	28,886	202,452
Net tax	-5	0
Net profit (loss)	-29,289	169,597

As KION GROUP AG itself does not carry out any operating activities, it does not generate any revenue.

The head office functions of KION Material Handling GmbH, consisting of administrative, financial and technical services, and human resources, were transferred to the Company on 1 September 2014 by means of a purchase and transfer agreement.

The increase in operating income of €5,639 thousand is primarily attributable to intra-group cost allocations.

Personnel expenses rose to €34,084 thousand (2014: €17,094 thousand) because the Company took on 129 employees of KION Material Handling GmbH with effect from 1 September 2014.

Other administrative expenses increased by €13,902 thousand to €36,546 thousand. These largely comprised costs for external services and consultancy.

The main changes in net financial income were as follows:

- Of the total income from profit-transfer agreements, €24,554 thousand related to KION Holding 2 GmbH (2014: €198,516 thousand) and €596 thousand to proplan Transport- und Lager-systeme GmbH (2014: €38 thousand).
- Interest expense and similar charges, which amounted to €2,771 thousand (2014: €923 thousand), arose mainly from unwinding the discount on the pension provisions.
- Other interest and similar income mainly comprised interest income of €6,508 thousand (2014: €3,674 thousand) from the loan to KION HOLDING 2 GmbH.

A total net loss of €29,289 thousand was generated in the year under review (2014: net profit of €169,597 thousand).

This is in line with the forecast made for 2015 of a net loss in the low double-digit-million range.

F. Financial position

Principles and objectives of financial management

By pursuing an appropriate financial management strategy, the KION Group makes sufficient cash and cash equivalents available at all times to meet the Group companies' operational and strategic funding requirements. In addition, the KION Group optimises its financial relationships with customers and suppliers, manages any collateral security offered and mitigates the financial risk to its enterprise value and profitability, notably currency risk, interest-rate risk, price risk, counterparty risk and country risk. In this way, the KION Group creates a stable funding position from which to maintain profitable growth.

As a listed company that also obtains funding using a corporate bond issued by KION Finance S.A. and loan facilities provided by LMH, KION GROUP AG considers the interests of shareholders, bond holders and banks in its financial management. For the sake of these stakeholders, KION GROUP AG makes sure that it maintains an appropriate ratio of internal funding to borrowing.

The KION Group's borrowing is based on a long-term approach. The core components of this borrowing will become due for repayment in the years 2018 to 2020 (see below).

Among other things, the loan facility and the contractual conditions relating to the issuance of the corporate bond require compliance with loan conditions ('covenants'). The loan facility also requires compliance with specific financial covenants during the term of the agreement. Non-compliance may, for example, give lenders the right to terminate the loan or permit bondholders to put the corporate bonds back to the issuer prior to their maturity date. All covenants and restrictions were comfortably complied with in the past financial year.

Depending on requirements and the market situation, the KION Group will also avail itself of the funding facilities offered by the public capital markets in future. The KION Group therefore seeks to maintain an investment-grade credit rating in the capital and funding markets by rigorously pursuing a value-based strategy, implementing proactive risk management and ensuring a solid funding structure. There were further improvements to KION's credit rating in April 2015. Rating agency Standard & Poor's now rates the KION Group as BB+ with a stable outlook, while the rating from Moody's is Ba2 with a positive outlook.

The KION Group maintains a liquidity reserve in the form of unrestricted, bindingly committed credit lines and cash in order to ensure long-term financial flexibility and solvency.

The KION Group mainly uses derivatives to hedge currency risk.

KION GROUP AG's ability to meet its payment obligations is ensured through its inclusion in the Group funding made available by Linde Material Handling GmbH (LMH). LMH provides KION GROUP AG with the main funds required for operational activities.

The KION Group is funded by a loan from a group of international banks and a corporate bond issued by KION Finance S.A., Luxembourg. In February 2013, KION Finance S.A., Luxembourg, issued a corporate bond for €650.0 million. The bond is due to mature in February 2020. In April 2014, the floating-rate tranche of €200.0 million was repaid early using funds from the revolving credit facility (€1,243,000 thousand). Under the senior facilities agreement (SFA), the amount drawn down from the

revolving credit facility as at the reporting date was €152,227 thousand, including other loan obligations of individual foreign companies and contingent liabilities.

On 15 February 2016, the KION Group used funds from a new syndicated loan agreement concluded on 28 October 2015 to repay the corporate bond of €450.0 million that was still outstanding and all other remaining liabilities under the existing syndicated loan of 23 December 2006. The actual restructuring of the KION Group's funding was decided upon in a resolution of the Executive Board of KION GROUP AG on 25 January 2016. For details of the resulting changes, please see the 'Events after the reporting date' section.

G. Net assets

	31 Dec 2015	31 Dec 2014
	(€ thousand)	(€ thousand)
Assets		
Property, plant and equipment	216	279
Financial assets	2,005,933	2,005,933
Receivables and other assets	248,807	327,195
Cash and cash equivalents	12	0
	2,254,968	2,333,407
Equity and liabilities		
Equity	2,200,471	2,283,697
Retirement benefit obligation	13,515	9,792
Tax provisions	0	11
Other provisions	33,389	25,931
Liabilities	7,378	13,695
Deferred income	215	281
	2,254,968	2,333,407

At the end of 2015, the total assets of KION GROUP AG had decreased by approximately 3.4 per cent year on year to €2,254,968 thousand. This was primarily attributable to the reduction in receivables from affiliated companies from €325,030 thousand to €243,602 thousand. The financial assets include the carrying amount of the equity investment in KION Holding 2 GmbH (€2,005,331 thousand) and in proplan Transport- und Lagersysteme GmbH (€602 thousand).

The receivables consist predominantly of a loan of €204,887 thousand to KION HOLDING 2 GmbH and the Company's entitlement to the transfer of profits of €25,150 thousand.

Equity fell to €2,200,471 thousand owing, in particular, to the net loss of €29,289 thousand and the dividend paid of €54,305 thousand. The equity ratio as at the reporting date was 97.6 per cent (31 December 2014: 97.9 per cent).

The rise of €11,170 thousand in provisions to €46,904 thousand mainly related to pension provisions and personnel provisions.

Liabilities to banks amounted to €0 thousand as at 31 December 2015 (31 December 2014: €79 thousand).

H. Employees

The average number of employees at KION GROUP AG was 138 in 2015 (2014: 44). KION GROUP AG employed 139 people as at 31 December 2015 (31 December 2014: 134).

Having successfully floated on the stock exchange, the KION Group launched the KION Employee Equity Programme (KEEP) in 2014. Initially limited to Germany, the programme was rolled out to France, the UK, Italy and China last year. Around 1,700 employees across the five countries participated in this share matching programme, roughly 11 per cent of the total number who are eligible to do so. The programme was especially well received in China, resulting in a participation rate that greatly exceeded the original expectation.

The total participation rate for KEEP is around 17 per cent.

The plan for 2016 is to give employees in other countries the opportunity to share in the Company's success by participating in KEEP.

In 2015, the remuneration of the top executives was updated by continuing the long-term remuneration components that had been introduced in 2014, thereby aligning it with the remuneration of the Executive Board. A second tranche of the KION Long Term Incentive Plan for Top Management (LIFT) was issued in the reporting year.

Further details on the employee share option programme and the KION Long Term Incentive Plan can be found in the notes to the Company's financial statements.

I. Overall assessment of the economic situation

As a holding company without any operating activities of its own, KION GROUP AG is indirectly dependent on the earnings and economic performance of its subsidiaries.

In 2015, the KION Group achieved encouraging growth in revenue and earnings. A strong increase in new truck business meant that the KION Group and its brand companies largely avoided the effects of the general slowdown in the global market. The KION Group expanded its global market share thanks to gains in Europe and Asia. The service business also made a significant contribution to the growth in revenue.

Higher demand for electric forklift trucks and warehouse trucks resulting from ever more sophisticated intralogistics solutions and the growing requirements of the e-commerce sector helped to push up revenue. Another major growth driver was the KION Group's greater market reach in lower and middle price segments of the diesel truck market, which it largely achieved through implementing its global platform strategy.

The KION Group's growth in order intake outstripped that of the market as a whole in all key sales regions, with the KION brands benefiting from rising demand for electric forklift trucks and warehouse trucks. Orders for diesel trucks only just fell short of the previous year's level and as such performed much better than the market as a whole, which was badly affected by falling sales in China and Brazil. A strong increase in new truck business meant that the KION brand companies largely avoided the effects of the temporary slowdown in the global market and were able to expand their market share both in Europe and in Asia. There was also significant growth in the service business.

The KION Group capitalised on its positive financial position by using available funds to bring down borrowing, which enabled a marked reduction in net debt in the year under review and the early repayment in February 2016 of the outstanding tranches of the bond.

The net financial income generated by the Company declined considerably because of the reduction in income from the profit-transfer agreement with KION Holding 2 GmbH to just €24,554 thousand. This resulted in a net loss for the year of €29,289 thousand (2014: net profit of €169,597 thousand).

In the coming years, as the Strategy 2020 continues to be implemented as planned, the KION Group will nevertheless be well placed to take advantage of opportunities offered in the market. Last year, the KION Group once again substantially improved its position in key growth areas, including automation and intralogistics solutions.

In November 2015, the KION Group announced that it would be comprehensively reorganising its Group structure from the beginning of 2016. The aim is to step up collaboration across all brands and regions and make this collaboration even more efficient. The creation of four operating units will sharpen the focus on the specific customer and market requirements of the world's key regions and on cross-brand synergies, enabling the Strategy 2020 to be implemented in a more rigorous way. The Linde Material Handling EMEA and STILL EMEA operating units will concentrate on Europe, the Middle East and Africa, while KION APAC and KION Americas will hold cross-brand responsibility for the Asia-Pacific region and the Americas respectively. In the new organisation, the operating units will oversee marketing, sales and service and the production plants in their regions and will have individual profit and loss responsibility.

J. Events after the reporting date

Due to current market conditions and the KION Group's significant repayment of debt as a result of and since its IPO, the KION Group can currently obtain finance on far more favourable terms than has been possible in the past. KION GROUP AG therefore signed a new syndicated loan agreement (senior facilities agreement) totalling €1,500 million with a syndicate of international banks on 28 October 2015. On 25 January 2016, the Executive Board of KION GROUP AG decided to implement the new funding structure of the KION Group by redeeming the existing syndicated loan dated 23 December 2006 comprising a revolving credit facility of €1,243 million and the KION Group corporate bond of €450.0 million that was issued in 2013 and was due to mature in 2020. The associated repayment was made on 15 February 2016 using funds drawn down under the new senior facilities agreement.

The new senior facilities agreement comprises a revolving credit facility of €1,150.0 million maturing in February 2021 and a fixed-term tranche B of €350.0 million maturing in February 2019.

KION GROUP AG has issued guarantees to the banks for all of the payment obligations under the new senior facilities agreement. Unlike the previous syndicated loan and the repaid corporate bond, the new syndicated loan agreement is not collateralised. Following repayment after the reporting date of the syndicated loan from 23 December 2006, all collateral furnished under the previous loan agreement has now been released.

Among other stipulations, the contractual terms of the senior facilities agreement require compliance with certain covenants. They also contain a financial covenant that requires adherence to a maximum level of gearing (the ratio of financial liabilities to EBITDA). Non-compliance with the covenants may, for example, give lenders the right to terminate the new syndicated loan agreement.

The KION Group took over Retrotech Inc., a systems integrator of automated warehouse and distribution solutions headquartered in Rochester, New York State, with effect from 1 March 2016 by acquiring 100.0 per cent of the capital and voting shares. The provisional purchase price for the net assets acquired is around €26.0 million. In 2015, Retrotech Inc. employed over 150 highly specialised employees and generated revenue of roughly €62.0 million.

K. Opportunities and risks report

The major operationally active companies are affiliated with KMH through profit-and-loss transfer agreements. Because of the distribution of KMH's profits to KION Holding 2 GmbH and the profit-and-loss transfer agreement with KION GROUP AG, KION GROUP AG, as the strategic holding company, participates indirectly in the following potential opportunities and risks of its subsidiaries and thus the KION Group.

K.1 Opportunity report

Management of opportunities

Opportunity management, like risk management, forms a central part of the Company's day-to-day management. In 2015, the aggregate opportunity position was largely unchanged compared with the previous year. Individual areas of opportunity are identified within the framework of the strategy process. Opportunities are determined and managed on a decentralised basis in line with the Group strategy.

There are monthly reports on the opportunity situation as part of the regular Group reporting process. As a result, the KION Group is in a position to ascertain at an early stage whether market trends, competitive trends or events within the Group require individual areas of opportunity to be re-evaluated. This may lead to reallocation of the budgets earmarked for the realisation of opportunities. Such decisions are made on the basis of the potential of the opportunity, drawing on empirical values. There is no management system for the evaluation of opportunities comparable to the system for risk management.

Categorisation of opportunities

By 'opportunities', we mean positive deviations from the expectations set out in the outlook relating to the economic situation and the KION Group's position. Opportunities are divided into three categories:

- Market opportunities describe the potential resulting from trends in the market and competitive environment and from the regulatory situation.
- Strategic opportunities are based on implementation of the Group's strategy. They may lead to positive effects that exceed planning assumptions.
- Business-performance opportunities arise in connection with operational activities along the value chain, such as restructuring or cost-cutting measures.

Opportunity situation

Market opportunities

The economy as a whole may perform better than expected in 2016. In addition, circumstances may occur in the wider market at any time – such as quality problems at competitors or the effects of consolidation – that boost demand for products from the KION Group brands. New, unforeseen regulatory initiatives could be launched, for example the tightening of health and safety regulations or emissions standards, that would push up demand for premium products offered by the KION Group brands. Average prices for procuring commodities over the year may be cheaper than anticipated.

Medium- to long-term market opportunities are presented, in particular, by:

- growing demand for intralogistics products and services as a consequence of globalisation, industrialisation and fragmentation of supply chains;
- high demand for replacement investments, especially in developed markets;
- the trend towards outsourcing service functions to industrial truck manufacturers and growth in demand for finance solutions;
- increased use of electric trucks and warehouse trucks – which count among the KION Group's particular strengths – partly in connection with the expanding e-commerce sector;
- growing demand for automation solutions and fleet management solutions.

Strategic opportunities

Strategic opportunities are presented, above all, by implementing the Strategy 2020. The positive impact of strategic activities is already largely reflected in the expectations regarding the KION Group's financial performance in 2016. Nevertheless, the individual activities could create positive effects that exceed expectations. There is also a possibility that new strategic opportunities that were not part of the planning may arise over the course of the year, for example in the form of acquisitions and strategic partnerships.

The KION Group's medium- to long-term strategic opportunities arise, in particular, from:

- a greater presence in the economy and volume price segments, particularly as a result of the systematic implementation of the groupwide platform strategy;
- strengthening of its market-leading position in core western European markets by boosting its technological expertise and making greater use of shared modules;
- further consolidation of its market position in the premium segment by offering automation solutions and intralogistics solutions;
- expansion of the service portfolio, including financial services, at every stage of the product lifecycle, taking advantage of the high number of trucks in use;
- harnessing of market potential in fast-growing regions by putting suitable production and sales structures in place;
- continued expansion of business in North America.

Business-performance opportunities

Business-performance opportunities primarily arise from ongoing activities to modernise and streamline the KION Group's production facilities and from the worldwide integration of the production network. Through investment in new locations, products can be assembled nearer to the markets in which they are to be sold, economies of scale can be achieved across the Group and synergies can be leveraged. Further development of the Group's back-office services will also help to achieve these objectives.

The following may lead to an increase in profitability in the medium term:

- ongoing efficiency increases at production sites may boost sales and improve the gross margin;
- effective use of global development capacities within the framework of an overarching modular and platform strategy may create synergies and economies of scale.

K.2 Risk report

K.2.1 Risk strategy

The business activities of the KION Group necessarily involve risk. Dealing responsibly with risk and managing it in a comprehensive manner is an important element of corporate management. The overarching aim is to fully harness business opportunities while ensuring that risk always remains under control. Using its groupwide risk management system, the KION Group contains all identified risks by implementing suitable measures and takes appropriate precautions. This ensures that the losses expected if these risks arise will be largely covered and therefore will not jeopardise the Company's continuation as a going concern.

Since the KION Group was created, risk management has always played an active and wide-ranging role due to the strategic focus of Accounting & Finance. The operational units' business models, strategic perspectives and specific plans of action are examined systematically. This ensures that risk management is fully integrated into the KION Group's overall planning and reporting process.

K.2.2 Principles of risk management

The procedures governing the KION Group's risk management activities are laid down in an internal risk guideline. For certain types of risk, such as financial risk or risks arising from financial services, the relevant departments also have guidelines that are specifically geared to these matters and describe how to deal with inherent risks. Risk management is organised in such a way that it directly reflects the structure of the Group itself. Consequently, risk officers supported by risk managers have been appointed for each company and each division. A central Group risk manager is responsible for the implementation of risk management processes in line with procedures throughout the Group. His or her remit includes the definition and implementation of standards to ensure that risks are captured and evaluated.

The risk management process is organised on a decentralised basis. Firstly, a groupwide risk catalogue is used to capture the risks attaching to each company. Each risk must be captured individually. If the losses caused by a specific risk or the likelihood of this risk occurring exceed a defined limit, the KION Group's Executive Board and its Accounting & Finance function are notified immediately. Each risk is documented in an internet-based reporting system designed specifically for the requirements of risk management. Risks affecting more than one Group company, such as market risks, competition risks, financial risks and risks arising from financial services, are not recorded individually but are instead evaluated at Group level. Consequently, such risks are not quantified.

The scope of consolidation for risk management purposes is the same as the scope of consolidation for the consolidated financial statements. The risks reported by the individual companies are combined to form divisional risk reports as part of a rigorous reporting process. To this end, minuted risk management meetings are held once a quarter. Moreover, material risks are discussed with the segments at the business review meetings. The divisional risk reports are then used to compile an aggregate risk portfolio for the KION Group as a whole. To support this, the relevant departments of the holding company are consulted each quarter in order to identify and assess risk – particularly Company-wide, cross-brand risk affecting areas such as treasury, purchasing, tax, human resources and financial services. The Executive Board of KION GROUP AG and the Supervisory Board's Audit Committee are informed of the Group's risk position once a quarter. The Internal Audit department audits the risk management system at regular intervals.

K.2.3 Material features of the internal control and risk management system pertaining to the (Group) accounting process

Principles

The main objectives of the accounting-related internal control system are to avoid the risk of material misstatements in financial reporting, to identify material mismeasurement and to ensure compliance with the applicable regulations and internal instructions. This includes verifying that the consolidated financial statements and group management report comply with the relevant accounting standards. There can, however, be no absolute certainty that these objectives are achieved in full and at all times.

Material processes and controls in the (Group) accounting process

For its (Group) accounting process, the KION Group has defined suitable structures and processes within its internal control and risk management system and implemented them in the organisation.

Changes to the law, accounting standards and other pronouncements are continually analysed with regard to their relevance and effect on the separate and consolidated financial statements and

(Group) management report; the relevant changes are then incorporated into the Group's internal policies and systems.

All consolidated entities must follow the KION GROUP IFRS Accounting Manual when preparing their IFRS reporting packages. This manual contains the recognition, measurement and disclosure rules to be applied in the KION Group's accounting in accordance with IFRS. The accounting guidelines primarily explain the financial reporting principles specific to the KION Group's business. In addition, all companies must adhere to the schedule defined by head office for preparing the consolidated financial statements and group management report.

The German companies must follow the HGB Accounting Manual when preparing their statutory accounts. This manual contains the recognition, measurement and disclosure rules to be applied in accordance with the German Commercial Code (HGB).

The accounting-based internal control and risk management system encompasses defined control mechanisms, automated and manual reconciliation processes, separation of functions, the four eyes principle and adherence to policies and instructions.

The employees involved in the Group's accounting process receive regular training in this field. Throughout the accounting process, the local companies are supported by central points of contact. The consolidated accounts are drawn up centrally using data from the consolidated subsidiaries. A consolidation department with specially trained employees carries out the consolidation activities, reconciliations and monitoring of the stipulated deadlines and processes. Monthly checklists have been drawn up for the consolidation process and are worked through in a standardised manner. All postings are managed centrally and documented. This team also monitors the system-based controls and supplements them with manual checks. The entire accounting process contains a number of specific approval stages, for which extensive plausibility checks have been set up. Employees with the relevant expertise provide support on specialist questions and complex issues. The central Internal Audit department also checks, among other things, the reliability of the accounting work by the subsidiaries in Germany and abroad.

It focuses primarily on the following aspects:

- compliance with legal requirements, directives from the Executive Board, other policies and internal instructions;
- integrity and effectiveness of the internal control systems for avoiding financial losses;
- correct performance of tasks and compliance with business principles;
- correctness of the accounting and of the financial reporting that is based on the accounting in terms of form and substance.

Internal control mechanisms and ongoing analysis of the regulatory framework enable any risks that might jeopardise compliance of the consolidated financial statements and group management report with accounting standards to be identified as soon as possible so that appropriate countermeasures can be taken. Such risks form part of the KION Group's aggregate risk profile and are classified as operational risk.

K.3 Risk types

Market risk and competition risk

K.3.1 Market risk

Market risk can arise when the economy as a whole or a particular sector does not perform as it had been anticipated in the outlook. Cyclical fluctuations in macroeconomic activity affect the market for industrial trucks. Customers' decisions on whether to invest, particularly in new trucks, depend to a large degree on the macroeconomic situation and conditions in their particular sector. During an economic downturn, customers tend to postpone their purchases of new trucks. Although demand for services is less cyclical, it correlates with the degree of utilisation in the truck fleet – which usually declines during difficult economic periods. As the KION Group can only adjust its fixed costs to fluctuations in demand to a limited extent, reductions in revenue impact on earnings.

Despite the KION Group's strong growth in emerging markets and, prospectively, North America, the proportion of revenue it earns in the eurozone remains high. As a result, the market conditions that prevail there impact significantly on the KION Group's financial performance. In view of the increasing stabilisation of economic growth at a low level, the direct market risk arising from unfavourable economic trends has reduced for the eurozone. However, unfavourable trends affecting major trading partners, e.g. China, might reduce eurozone customers' willingness to invest and consequently the demand for the KION Group's products.

Lower forecasts for growth in the emerging markets resulting from recent economic developments have already been reflected in the planning. A further weakening of growth could, however, have a negative effect on global trade volumes and thus on growth in the material handling market. The market risks referred to could be heightened by geopolitical risk, possible currency crises and deflationary tendencies.

Various measures aimed at making cost structures more flexible – such as the consolidation of production facilities and the platform strategy – help to contain the earnings risk arising from reductions in revenue caused by economic conditions. Diversification of the customer base in terms of industry and region as well as expansion of service activities also play a role in mitigating risk. Moreover, the KION Group closely monitors the market and its competitors so that it can identify market risks at an early stage and adjust its production capacities in good time. Besides global economic growth and other data, the KION Group also analyses exchange rates, price stability, the consumer and investment climate, foreign trade activity and political stability in its key sales markets, constantly monitoring the possible impact on its financial performance and financial position.

Other risks arise as a result of constant changes in the Company's political, legal and social environment. Because it operates in countries in which the political or legal situation is uncertain, the KION Group is exposed to the consequent risk of government regulation, capital controls and expropriations. The KION Group mitigates such strategic risks by, for example, carrying out in-depth market research, conducting thorough evaluation procedures to assess political and economic conditions and drafting contracts appropriately.

K.3.2 Competition risk

Competition risk describes the risk that growing competitive pressure will prevent the KION Group from achieving its predicted margins and market share. The markets in which the KION Group operates are characterised by strong competition, often price-driven. Price competition is compounded by some manufacturers having cost advantages in production, sometimes due to the currency situation

and sometimes because local labour costs are lower. Competition is therefore fierce, particularly in the economy and volume price segments, and the impact is especially strong in emerging markets. Building on their local competitive strength, manufacturers in emerging markets are also looking for opportunities to expand. Although the high quality expectations and service needs of customers in developed markets present a barrier to growth for many of these manufacturers, this situation is likely to intensify competitive pressures in future.

It is also conceivable that competitors will join forces and their resulting stronger position will be detrimental to the KION Group's sales opportunities. Moreover, predictions of higher volumes and margins may lead to overcapacity, which would put increased pressure on prices.

Although the KION Group's strengths in the premium segment have enabled it to charge appropriate prices until now, it is taking a variety of steps to contain competition risk. Alliances, partnerships, acquisitions and other measures are playing an increasing role in improving the KION Group's competitiveness in terms of resources, market access and product range. The steps that the KION Group is taking to mitigate its competition risk also include making its plants more efficient and securing low-cost sources of supply.

The KION Group also continually evaluates its options for strengthening and consolidating its position in emerging markets, in particular through strategic partnerships, the creation of joint ventures or acquisition of local manufacturers. One of the risks of such alliances and acquisitions is that the expected benefits will materialise only partly or not at all. For example, the organisational integration of new units can harm financial performance for a variety of reasons. It is also possible that a partner will collaborate with competitors if exclusivity agreements are not in place.

Risks along the value chain

K.3.3 Research and development risk

The KION Group's market position and business performance depend to a large extent on its ability to remain a leading provider of technology. This requires the Group to continually develop products that meet customer expectations and comply with changing regulatory and technological requirements. To this end, the KION Group must anticipate customers' needs and changing market conditions and has to quickly bring new products to market. If the Company does not succeed in doing this, its technological and competitive position could be compromised in the long term.

The innovations developed by the KION Group are comprehensively protected by intellectual property rights, in particular patents. Nevertheless, there is always the possibility that products or product components will be imitated. There is also a risk that patent applications will not be successful.

The KION Group mitigates research and development risk by focusing firmly on customer benefit in its development of products on the basis of overarching modular and platform strategies. Customer needs are incorporated into the development process on an ongoing basis by ensuring close collaboration between sales and development units and taking account of all region-specific requirements.

K.3.4 Procurement risk

Procurement activities constitute a potential risk for the KION Group in terms of the lack of availability of parts and components for logistical or quality reasons and the rising cost of raw materials, energy, base products and intermediate products. As a result, there is always the possibility that the KION Group will face backlogs in the supply of individual raw materials and components. KION obtains some of its key components, such as internal combustion engines, tyres and high-performance forged and electronic parts, from a limited number of core suppliers.

The risk of supply bottlenecks – for example in the event of a shortage of raw materials or financial difficulties at core suppliers – cannot be ruled out in future. The KION Group mitigates this risk through appropriate diversification of its supplier structure in the context of a global procurement organisation. In addition, the supplier development department, which focuses on improving suppliers' production processes, helps suppliers to ensure that their processes are cost-efficient and offer excellent quality.

Price changes present another procurement-related risk. In 2015, around 25.8 per cent (2014: 26.5 per cent) of the cost of materials for new trucks was directly influenced by changes in commodity prices. Moreover, conditions in the commodity markets typically affect component prices after a delay of three to six months. The KION Group endeavours to pass on price increases to customers but cannot always do so entirely due to market pressures.

K.3.5 Production risk

Production risks are largely caused by quality problems, possible operational disruptions or production downtime at individual sites. In such cases, the KION Group's closely integrated manufacturing network presents a heightened risk to its ability to deliver goods on time. There is also a risk that structural measures and reorganisation projects will not be implemented owing to disruption of production or strikes. Delays in delivery or a rise in the number of complaints could harm the KION Group's positioning in the price segments and sales markets that it serves and, as a result, could harm its financial situation.

To mitigate these risks, the KION Group carries out preventive maintenance, implements fire protection measures, trains its staff and builds a pool of external suppliers. The Company has taken out a commercially appropriate level of insurance coverage against loss. Quality assurance is a high priority throughout the value chain and reduces possible quality-related risks arising from the products and services provided. The KION Group mitigates its quality-related risks significantly by applying rigorous quality standards to its development activities, conducting stringent controls throughout the process chain and maintaining close contact with customers and suppliers.

K.3.6 Sales risk

The main sales risks – besides a drop in revenue caused by market conditions – result from dependence on individual customers and sectors. For example, it is possible that customers would postpone or cancel orders during a period of economic difficulty. There have not been any significant cancellations in previous years, however. It is also conceivable that customers would face a liquidity shortfall and therefore be unable to fulfil their payment obligations immediately or even at all. Currently, there is little dependence on individual sectors in the KION Group's customer portfolio. The KION Group's reliance on individual customers also remains low. Its business is also highly diversified from a regional perspective. In addition, the KION Group supplies companies of all sizes. Experience has shown that the KION Group's exposure to the risk of possible payment defaults is low, but this risk can be further mitigated by recovering any collateral.

K.3.7 IT risk

A high degree of interconnectedness between sites and with customers and other companies means that the KION Group also relies on its IT systems working flawlessly. The KION Group undertakes ongoing further development of a reliable, extendable and flexible IT system environment with the aim of countering any IT-related risks that may arise from the failure of IT systems and IT infrastructure. Internal IT resources are pooled in KION Information Management Services GmbH, which has well-established processes for portfolio management and project planning and control. Independent external audits are conducted to provide additional quality assurance. Various technical and organisational

measures protect the data of the KION Group and its Group companies against unauthorised access, misuse and loss. These measures include procedures to validate and log access to the Group's infrastructure.

K.3.8 Financial risk

Group Treasury is responsible for ensuring that sufficient financial resources are always available for the KION Group's international growth. The main types of financial risk managed by Group Treasury, including risks arising from funding instruments, are liquidity risk, currency risk, interest-rate risk and counterparty risk. Counterparty risk consists solely of credit risks attaching to financial institutions. Risk management procedures issued by Group Treasury stipulate how to deal with the aforementioned risks.

Long-term borrowing fell by €89.5 million from its level at 31 December 2014 to reach €557.2 million at the end of 2015. As at 31 December 2015, the main components of long-term borrowing were the corporate bond (€450.0 million), which was due to mature in 2020 but was paid back in February 2016, and the amounts drawn down from the revolving credit facility (€90.0 million). The unused, unrestricted loan facility stood at €1,090.8 million as at 31 December 2015. The risk position has not changed significantly as a result of the adjustments to the funding structure after the reporting date (see the 'Events after the reporting date' section). Risk arising out of the lending conditions that have been agreed was not regarded as material as at 31 December 2015. It relates in particular to the restrictions in respect of compliance with financial covenants and upper limits for certain transactions and in respect of the obligation to submit special regular reports. The KION Group complied with all the lending covenants in the reporting year.

The Company generally refers to credit ratings to manage counterparty risk when depositing funds with a financial institution.

The KION Group only uses derivatives to hedge underlying operational transactions; they are not used for speculative purposes. It is exposed to currency risk because of the high proportion of its business conducted in currencies other than the euro. Normally, at least 50 per cent of the currency risk related to the planned operating cash flows based on liquidity planning is hedged by currency forwards in accordance with the relevant guideline.

Group Treasury rigorously complies with and monitors the strict separation of functions between the front, middle and back offices. Each Group company's liquidity planning is broken down by currency and incorporated into the KION Group's financial planning and reporting process. Group Treasury checks the liquidity planning and uses it to determine the funding requirements of each company.

The funding terms and conditions faced by the lenders themselves (manifested, for example, in the payment of liquidity premiums on interbank lending) may result in a future shortage of lines of credit and/or increased financing costs for companies. However, the Group currently does not expect any further changes in its lines of credit or any excessive increases in margins.

The individual Group companies directly manage counterparty risks involving customers. These counterparty risks have not changed significantly, despite the financial crisis. Each individual Group company has established a credit management system for identifying customer-related counterparty risks at an early stage and initiating the necessary countermeasures. Analysis of the maturity structure of receivables is an integral element of monthly reporting.

A variable-rate loan agreement is in place with KION Holding 2 GmbH. Because of the variable interest rate there is a risk from cash flow fluctuations.

K.3.9 Risk arising from financial services

The KION Group's leasing activities mean that it may be exposed to residual value risks from the marketing of trucks that are returned by the lessee at the end of a long-term lease and subsequently sold or re-leased. Residual values in the markets for used trucks are therefore constantly monitored and forecast. The KION Group regularly assesses its aggregate risk position arising from financial services.

The risks identified are immediately taken into account by the Company in the costing of new leases by recognising writedowns or valuation allowances and adjusting the residual values. Risk-mitigating factors include the demand for used trucks, which stabilises the residual values of the KION Group's industrial trucks. The majority of the residual values have underlying remarketing agreements that transfer any residual-value risk to the leasing company. This had a positive impact on the financial results in 2015. Groupwide standards to ensure that residual values are calculated conservatively, combined with an IT system for residual-value risk management, reduce risk and provide the basis on which to create the transparency required.

The KION Group mitigates its liquidity risk and interest-rate risk by ensuring that most of its transactions and funding loans have matching maturities and by constantly updating its liquidity planning. Long-term leases are primarily based on fixed-interest agreements. The credit facilities provided by various banks and an effective dunning process ensure that the Group has sufficient liquidity.

In order to exclude currency risk, the KION Group generally funds its leasing business in the local currency used in each market.

Because of low default rates, counterparty risk has not been significant to date in the Group. The KION Group has not identified any material changes between 2014 and 2015. The Group also mitigates any losses from defaults by its receipt of the proceeds from the sale of repossessed trucks. In addition, receivables management has been improved by enhancing the dunning process. The credit portfolio management system was updated during 2015. Besides the design of the business processes, it also encompassed the risk management and control processes.

Moreover, the KION Group offers the majority of financial services indirectly via selected financing partners that bear the risks of the finance transaction. As far as these financial services are concerned, the KION Group bore the counterparty risk in under 3 per cent (2014: 5 per cent) of cases.

K.3.10 Human resources risk and legal risk

The KION Group relies on having highly qualified managers and experts in key roles. If they left, it could have a long-term adverse impact on the Group's prospects.

That is why the KION Group actively engages in HR work aimed at identifying and developing young professionals with high potential who already work for the Company and retaining them over the long term, thereby enabling succession planning for key roles across the Group. The KION Group also positions itself in the external market as an employer of choice. This will enable it to make strategic additions to its portfolio of existing staff and, in this way, avert the risk of possibly losing expertise and thereby becoming less competitive.

Any restructuring measures may result in a risk of strikes and reactions of other kinds by the workforce. As demonstrated several times in the past, this risk is contained by collaborating closely with employee representatives and, if job losses are necessary, taking comprehensive steps to ensure they are achieved with the minimum possible social impact.

The legal risks arising from the KION Group's business are typical of those faced by any company operating in this sector. The Group companies are a party in a number of pending lawsuits in various countries. The individual companies cannot assume with any degree of certainty that they will win any of the lawsuits or that the existing risk provision in the form of insurance or provisions will be sufficient in each individual case. However, the KION Group is not expecting any of these existing legal proceedings to have a material impact on its financial position or financial performance. These lawsuits relate, among other things, to liability risks, especially as a result of legal action brought by third parties because, for example, the Company's products were allegedly faulty or the Company allegedly failed to comply with contractual obligations. Further legal risk may arise as a result of the environmental restoration of sites that have been shut down in recent years, for example work required due to contamination. Any damage to the environment may lead to legal disputes and give rise to reputational risk.

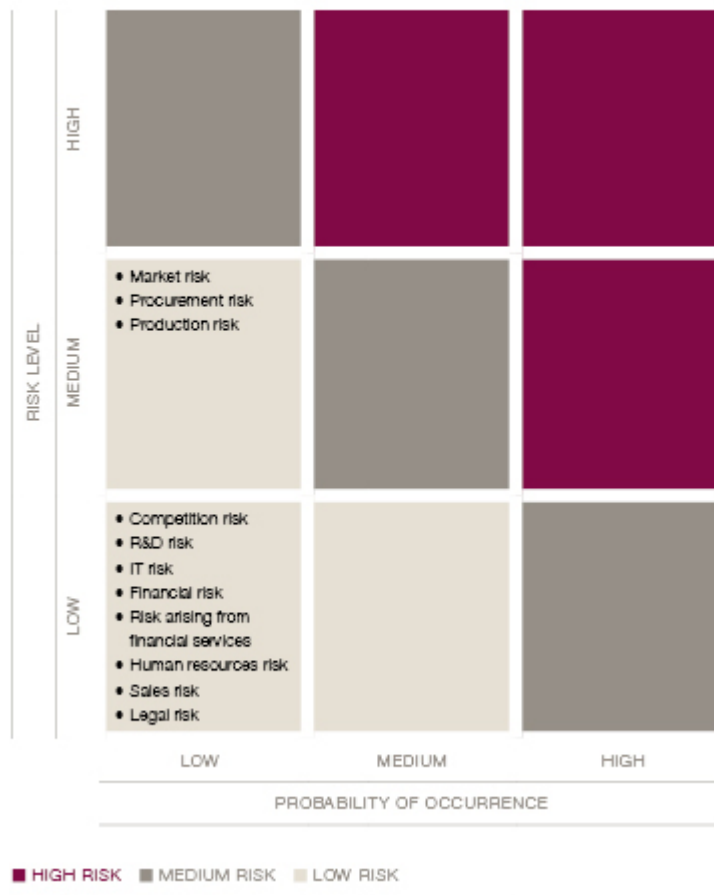
The Company has taken measures to prevent it from incurring financial losses as a result of these risks. Although legal disputes with third parties have been insignificant both currently and in the past, the Company has a centralised reporting system to record and assist pending lawsuits. In addition to the high quality and safety standards applicable to all users of the Company's products, with which it complies when it develops and manufactures the products, it has also taken out the usual types of insurance to cover any third-party claims. These issues are also tackled by teams whose members come from a variety of functions. The aim of the teams is to identify and avoid risks. A further objective of this cooperation across functions is to ensure compliance with mandatory laws, regulations and contractual arrangements at all times.

Owing to the KION Group's export focus, legal risk and reputational risk arise due to the numerous international and local export controls that apply. The Company mitigates these risks with a variety of measures. Consequently, export controls are an important part of the compliance activities carried out by the Group companies.

K.4 Aggregate risk

In 2015, the aggregate risk position was largely unchanged compared with the previous year. With regard to 2016, the risks in the risk matrix below will be continually observed and evaluated in terms of their extent and probability of occurrence. For example, we consider the probability of market risk materialising as low because of the fairly positive market expectations. However, the possible impact of market risk continues to be rated at a medium risk level because of the importance of the market for the KION Group's business situation and financial performance. As things stand at present, there are no indications of any risks that could jeopardise the Company's continuation as a going concern.

Risk matrix



The market risks and competition risks described, the risks along the value chain, the human resources risks and the legal risks largely relate to the LMH and STILL segments. By contrast, risks arising from financial services mainly affect the Financial Services segment, while financial risks would predominantly impact on the Other segment.

L. Outlook

The forward-looking statements and information given below are based on the Company's current expectations and assessments. Consequently, they involve a number of risks and uncertainties. Many factors, several of which are beyond the control of KION GROUP AG, affect the Company's business activities and profitability. Any unexpected developments in the global economy would result in KION GROUP AG's performance and profits differing significantly from those forecast below. KION GROUP AG does not undertake to update forward-looking statements to reflect subsequently occurring events or circumstances. Furthermore, KION GROUP AG cannot guarantee that future performance and actual profits generated will be consistent with the stated assumptions and estimates and can accept no liability in this regard.

Actual business performance may deviate from our forecasts due, among other factors, to the opportunities and risks described here. Performance particularly depends on macroeconomic and industry-specific conditions and may be negatively affected by increasing uncertainty or a worsening of the economic and political situation.

Expected macroeconomic conditions

According to the January outlook of the International Monetary Fund (IMF), the pace of growth in the global economy will gradually accelerate in 2016, both in the developed economies (growth of 2.1 per cent) and in the emerging markets (growth of 4.3 per cent). The IMF believes that China's contribution to worldwide growth is likely to diminish still further in view of the country's economic restructuring. Overall, the IMF expects the global economy to grow at a rate of 3.4 per cent and the eurozone's economy to expand by 1.7 per cent in 2016. The IMF also predicts comparatively low growth in global trade this year.

The outlook for macroeconomic conditions is based on the assumption that monetary policy in the eurozone will remain expansionary, interest rates will rise slightly in the United States and the oil price will stay low, which will boost consumption.

Expected sectoral conditions

The overall market for industrial trucks will continue to depend heavily on economic conditions in key sales markets, with the level of capital investment and the growth in global trade being particularly crucial. Given the overall economic prospects, the KION Group expects a slower rate of global market growth this year. The 2015 trend is likely to continue, with a sustained rise in truck orders in Europe and North America along with further contraction of the Russian and Brazilian markets. Following a sharp decline last year, the KION Group expects China to stabilise although conditions will remain challenging.

Market expectations remain positive over the longer-term perspective. Over the coming years, the KION Group expects the average growth of the global market to be higher than that of global gross economic growth (GDP), with above-average growth in demand for electric forklift trucks and warehouse trucks. Moreover, the increasing number of trucks in the field – around nine million new trucks sold worldwide over the past ten years alone, spurs additional demand for spare parts and other aftersales services. Further potential for the future is also offered by increasing connectivity and automation, not only in terms of products but also in relation to services and end-to-end system solutions.

Outlook for KION GROUP AG

As a holding company without any operating activities of its own, KION GROUP AG is indirectly dependent on the earnings and economic performance of its subsidiaries. Given the higher forecast income from its investments, KION GROUP AG is expecting a net profit for 2016 in the low double-digit millions.

M. Remuneration report

In accordance with statutory requirements and the recommendations of the German Corporate Governance Code as amended 5 May 2015 (DCGK), this remuneration report explains the main features of the remuneration system used for the Executive Board and the Supervisory Board of the Company and also discloses the remuneration of the individual members of the Executive Board and the Supervisory Board in return for the work that they carried out on behalf of the Company and its subsidiaries in 2015. The report also reflects the requirements of German accounting standard (GAS) 17.

KION GROUP AG considers that transparency and clarity surrounding both the remuneration system itself and the remuneration of the individual members of the Executive Board and Supervisory Board are fundamental to good corporate governance.

Executive Board remuneration

Essential features of the Executive Board remuneration system

The remuneration of the Executive Board of KION GROUP AG is determined in accordance with the requirements of the German Stock Corporation Act (AktG) and the DCGK and is focused on the Company's long-term growth. It is determined so as to reflect the size and complexity of the KION Group, its business and financial situation, its performance and future prospects, the normal amount and structure of executive board remuneration in comparable companies and the internal salary structure. The Supervisory Board also takes into account the relationship between the Executive Board remuneration and the remuneration paid to senior managers and the German workforce of the Company as a whole, including changes over the course of time. To this end, the Supervisory Board has decided how the relevant benchmarks are to be defined. Other criteria used to determine remuneration are the individual responsibilities and personal performance of each member of the Executive Board. To review the Executive Board's remuneration, the Supervisory Board draws on remuneration comparisons, particularly comparisons with MDAX companies, and on recommendations from an external remuneration consultant who is independent both of the Executive Board and of the KION Group. The Supervisory Board regularly reviews the structure and appropriateness of Executive Board remuneration.

The total remuneration of the Executive Board comprises a non-performance-related salary and non-performance-related non-cash benefits, performance-related (variable) remuneration and pension entitlements. When setting the variable remuneration, the emphasis is on creating a measurement basis covering a number of years, thus providing the members of the Executive Board with an incentive to contribute to the sustained and long-term growth of the Company. The system specifically allows for possible positive and negative developments.

The regular cash remuneration for a particular year, consisting of a non-performance-related fixed annual salary and performance-related (variable) remuneration, has a heavy emphasis on performance. If the targets set by the Supervisory Board are completely missed, only the fixed salary is paid. Taking account of the cap on one-year and multiple-year remuneration, the cash remuneration con-

sists of the following components in the event that the targets are significantly exceeded and the share price goes up sufficiently:

- 15 per cent fixed annual salary
- 24 to 27 per cent one-year variable remuneration
- 58 to 61 per cent multiple-year variable remuneration.

The variable components of the cash remuneration make up no more than 85 per cent, of which approximately two-thirds are multiple-year components. Both the one-year and the multiple-year components are linked to key performance indicators used by the KION Group to measure its success. The remuneration system is thus closely tied to the success of the Company and, with a high proportion of multiple-year variable remuneration, has a long-term focus aimed at promoting the KION Group's growth.

The pension entitlements consist of entitlements in respect of retirement, invalidity and surviving dependants' benefits.

Non-performance-related remuneration

The Executive Board members of KION GROUP AG receive non-performance-related remuneration in the form of a fixed annual salary (basic remuneration) and additional benefits. The fixed annual salary is paid at the end of each month in twelve equal instalments, the last payment being made for the full month in which the Executive Board service contract ends. The Supervisory Board reviews the basic remuneration at regular intervals and makes adjustments if appropriate.

The additional benefits essentially comprise use of a company car and the payment of premiums for accident insurance with benefits at a typical market level.

Additional special benefits have been agreed for Mr Quek because he has been sent from Singapore to China on foreign assignment.

Under this arrangement, Mr Quek's remuneration is structured as if he were liable for taxes and social security contributions in Singapore. KION GROUP AG pays the taxes and social security contributions that Mr Quek incurs in China and Germany over and above the taxes that would theoretically apply in Singapore. In 2015, this additional amount totalled €1,167 thousand (2014: €404 thousand). The additional benefits also agreed with Mr Quek include the cost of trips home to Singapore for him and his family, a company car, rental payments in Xiamen, China, and private health insurance. In 2015, the special additional benefits for Mr Quek amounted to a total of €158 thousand (2014: €108 thousand). These special benefits will be granted for as long as Mr Quek's designated place of work is Xiamen or until his service contract with KION GROUP AG ends.

Performance-related remuneration

The performance-related remuneration components consist of a variable remuneration component measured over one year (short-term incentive) and a variable remuneration component measured over several years in the form of a rolling performance share plan with a three-year term (long-term incentive).

One-year variable remuneration

The one-year variable remuneration is a remuneration component linked to the business profitability and productivity of the KION Group in the relevant financial year. Its amount is determined by the achievement of targets for:

- earnings before interest, tax and amortisation (EBITA), weighting of 30 per cent
- return on capital employed (ROCE), weighting of 30 per cent
- revenue, weighting of 20 per cent
- net debt, weighting of 20 per cent.

The target values for the financial components are derived from the annual budget and specified by the Supervisory Board.

No bonus is paid if target achievement is 75 per cent or less (lower target limit). In cases where the targets are significantly exceeded, the bonus can be doubled at most (capped at 200 per cent). If the targets derived from the annual budget are achieved in full, target achievement is 100 per cent. The target achievement levels for the weighted targets (EBITA, ROCE, revenue and net debt) are added together to give the total target achievement.

The individual performance of the Executive Board members is assessed by the Supervisory Board, which applies a discretionary performance multiple with a factor of between 0.8 and 1.2. When deciding what factor to apply, the Supervisory Board looks at the extent to which the Executive Board members have achieved the individual targets set by the Supervisory Board at the start of the year. This factor enables the Supervisory Board to increase or reduce the bonus, calculated on the basis of the total target achievement for the financial targets derived from the budget, by a maximum of 20 per cent depending on the assessment of individual performance.

The one-year variable remuneration is capped at 200 per cent of the contractual target bonus and is paid after the Annual General Meeting relating to the year in question.

In the event that an Executive Board member is not entitled to remuneration for the entire year on which the calculation is based, the remuneration is reduced pro rata temporis.

Multiple-year variable remuneration

For the members of the Executive Board, multiple-year variable remuneration has been agreed in the form of a performance share plan. A very similar plan is offered to the Group's senior managers. The basis of measurement has been defined as the total shareholder return (TSR) for KION shares compared with the STOXX® Europe Total Market Index (TMI) Industrial Engineering Index and return on capital employed (ROCE). Each has a weighting of 50 per cent. The annual tranches promised under the plan have a term (performance period) of three years and are paid at the end of the term, provided the defined targets have been achieved.

At the start of a performance period, a conditional entitlement to a certain target number of performance shares is granted. This preliminary number is calculated by dividing the allocation value set out (in euros) in the service contract for the particular Executive Board member by the fair value of one performance share at the time of grant. At the end of the performance period, the preliminary number of performance shares is adjusted depending on achievement of the two targets (relative TSR and ROCE) to give the final number of performance shares.

In respect of the ROCE target, there is no entitlement if target achievement is 75 per cent or less. If the target is significantly exceeded (target achievement of 135 per cent or more), the entitlement is capped at 150 per cent. Regarding the relative TSR target, there is no entitlement if KION shares do not outperform the STOXX® Europe TMI Industrial Engineering Index. If the KION shares outperform this index by 15 per cent or more, the entitlement is capped at 150 per cent. If KION shares outperform the STOXX® Europe TMI Industrial Engineering index by 10 per cent and the ROCE target defined each year on the basis of the budget is achieved, total target achievement will be 100 per cent.

The amount paid for each tranche is determined by the final number of performance shares multiplied by the price of KION shares (average price over the preceding 60 trading days) at the end of the performance period.

Executive Board members' individual performance is also taken into account in the multiple-year variable remuneration. At the start of the performance period, the Supervisory Board defines individual targets for the three-year period. Depending on achievement of these targets, the Supervisory Board can apply a discretionary factor to make a final adjustment to the calculation of the amount to be paid out at the end of the performance period by plus or minus 20 per cent, although the maximum payment may not exceed 200 per cent of the allocation value.

The plan is a cash-settled long-term incentive plan that does not include the right to receive any actual shares. Under the requirements of German accounting standard (GAS) 17 and IFRS 2, the total expense arising from share-based payments and the fair value of the performance share plan on the date of granting must be disclosed.

2015 performance share plan

	Fair value of the performance share plan on the date of grant	Number of performance shares granted ¹	Fair value per performance share on date of grant	Expense of share-based remuneration in 2015 ²
Gordon Riske	€1,500 thousand	53,210	€28.19	€696 thousand
Dr Eike Böhm	€806 thousand	28,576	€28.19	€193 thousand
Bert-Jan Knoef ³	€83 thousand	2,956	€28.19	€116 thousand
Theodor Maurer ³	€83 thousand	2,956	€28.19	€116 thousand
Ching Pong Quek	€830 thousand	29,443	€28.19	€578 thousand
Dr Thomas Toepfer	€1,000 thousand	35,474	€28.19	€464 thousand
Total	€4,302 thousand	152,615		€2,164 thousand

¹ The target number of performance shares (PS) is calculated by dividing the allocation value by the fair value of one performance share. In this calculation, the number of performance shares is rounded to the nearest whole number where necessary.

² The amount shown for Mr Quek includes a flat-rate allowance of 50 per cent as part of a tax equalisation agreement. The amounts for Mr Knoef and Mr Maurer include the expenses recognised in the 2014 figure in connection with their departure.

³ Resigned from office on 14 January 2015; Executive Board service contract ended on 31 March 2015. The fair value of the performance share plan on the date of grant was recognised pro rata temporis up to 31 March 2015.

2014 performance share plan

	Fair value of the performance share plan on the date of grant	Number of performance shares granted ¹	Fair value per performance share on date of grant	Expense of share-based remuneration in 2014	Expense of share-based remuneration in 2015 ²
Gordon Riske	€1,500 thousand	54,427	€27.56	€486 thousand	€1,095 thousand
Bert-Jan Knoef ³	€1,000 thousand	36,284	€27.56	€324 thousand	€335 thousand
Theodor Maurer ³	€1,000 thousand	36,284	€27.56	€324 thousand	€335 thousand
Ching Pong Quek	€830 thousand	30,116	€27.56	€269 thousand	€1,044 thousand
Dr Thomas Toepfer	€1,000 thousand	36,284	€27.56	€324 thousand	€730 thousand
Total	€5,330 thousand	193,395		€1,727 thousand	€3,539 thousand

¹ The target number of performance shares is calculated by dividing the allocation value by the fair value of one performance share. In this calculation, the number of performance shares is rounded to the nearest whole number where necessary.

² The amount shown for Mr Quek includes a flat-rate allowance of 50 per cent as part of a tax equalisation agreement. The amounts for Mr Knoef and Mr Maurer include the expenses recognised in the 2014 figure in connection with their departure.

³ Resigned from office on 14 January 2015; Executive Board service contract ended on 31 March 2015.

2013 performance share plan

	Fair value of the performance share plan on the date of grant	Number of performance shares granted ¹	Fair value per performance share on date of grant	Expense of share-based remuneration in 2014	Expense of share-based remuneration in 2015 ²
Gordon Riske	€1,500 thousand	73,710	€20.35	€860 thousand	€1,790 thousand
Bert-Jan Knoef ³	€1,000 thousand	49,140	€20.35	€573 thousand	€613 thousand
Theodor Maurer ³	€1,000 thousand	49,140	€20.35	€573 thousand	€613 thousand
Ching Pong Quek	€830 thousand	40,786	€20.35	€476 thousand	€1,821 thousand
Dr Thomas Toepfer	€1,000 thousand	49,140	€20.35	€573 thousand	€1,194 thousand
Total	€5,330 thousand	261,916		€3,055 thousand	€6,031 thousand

¹ The target number of performance shares is calculated by dividing the allocation value by the fair value of one performance share. In this calculation, the number of performance shares is rounded to the nearest whole number where necessary.

² The amount shown for Mr Quek includes a flat-rate allowance of 50 per cent as part of a tax equalisation agreement. The amounts for Mr Knoef and Mr Maurer include the expenses recognised in the 2014 figure in connection with their departure.

³ Resigned from office on 14 January 2015; Executive Board service contract ended on 31 March 2015.

In 2015, the total expense arising from the performance share plans amounted to €11,203 thousand (2014: €4,782 thousand). This does not include an amount of €531 thousand already recognised as an expense in 2014 in connection with the termination agreements of Mr Knoef and Mr Maurer.

Pension entitlements

KION GROUP AG grants its Executive Board members direct entitlement to a company pension plan consisting of retirement, invalidity and surviving dependants' benefits.

The Chief Executive Officer has a defined benefit entitlement that was granted in his original service contract and was transferred to his Executive Board service contract when the Company changed its legal form. The amount of the entitlement is dependent on the number of years of service and amounts to a maximum of 50 per cent of the most recent fixed annual salary awarded in the original service contract after the end of the tenth year of service.

The present value of the previous defined benefit plan for the ordinary members of the Executive Board was transferred as a starting contribution for a new defined contribution pension plan when the Company changed its legal form. The new plan is structured as a cash balance plan and is also applied to new Executive Board members.

For each of the other ordinary members of the Executive Board, a fixed annual contribution of €150,000 (€124,500 for Mr Quek) is paid into their pension accounts for the duration of the member's period of service on the Executive Board. Interest is paid on the pension account at the prevailing statutory guaranteed return rate for the life insurance industry (applicable maximum interest rate for the calculation of the actuarial reserves of life insurers pursuant to section 2 (1) of the German Regulation on the Principles Underlying the Calculation of the Premium Reserve (DeckRV)) until an insured event occurs. If higher interest is generated by investing the pension account, it will be credited to the pension account when an insured event occurs (surplus). The standard retirement age for the statutory pension applies. Executive Board members are entitled to early payment of the pension no earlier than their 62nd birthday. In the event of invalidity or death while the Executive Board member has an active service contract, the contributions that would have been made until the age of 60 are added to the pension account, although only a maximum of ten annual contributions will be added. When an insured event occurs, the pension is paid as a lump sum or, following a written request, in ten annual instalments.

Termination benefits

In line with the DCGK, all Executive Board service contracts provide for a severance payment equivalent to no more than two years' annual remuneration payable in the event of the contract being terminated prematurely without good cause. The amount of annual remuneration is defined as fixed salary plus the variable remuneration elements, assuming 100 per cent target achievement and excluding non-cash benefits and other additional benefits, for the last full financial year before the end of the Executive Board service contract. If the Executive Board service contract was due to end within two years, the severance payment is calculated pro rata temporis. If a service contract is terminated for good cause for which the Executive Board member concerned is responsible, no payments are made to the Executive Board member in question. The Company does not have any commitments for the payment of benefits in the event of a premature termination of Executive Board contracts following a change of control.

Executive Board members are subject to a post-contractual non-compete agreement of one year. In return, the Company pays the Executive Board member compensation for the duration of the non-

compete agreement amounting to 100 per cent of his final fixed salary. Other income of the Executive Board member is offset against the compensation.

In the event that Mr Riske's appointment is not extended for reasons for which he is not responsible and he has not reached the standard retirement age for the statutory pension or in the event that Mr Riske resigns for good cause before the end of his appointment or suffers permanent incapacity after his period of service as a result of sickness, he will receive transitional benefits of €276,000 per annum on the basis of previous contracts. During his current term of office, the amount of the transitional benefits will rise by €12,000 each year up to a maximum amount of €300,000 per annum. Severance payments in the event of early termination of his appointment without good cause, compensation for the post-contractual non-compete agreement, pension benefits that Mr Riske receives due to his previous work for other employers and income from other use of his working capacity (with the exception of remuneration for work as a member of a supervisory or advisory board or a board of directors) will be offset against these transitional benefits.

If an Executive Board member suffers temporary incapacity, he will receive his full fixed salary for a maximum period of six months plus the one-year variable remuneration. In the event of temporary incapacity for a further six months, the Executive Board member will receive 80 per cent of his fixed salary, but only up to a point at which the service contract is terminated.

If an Executive Board member ceases to be employed by the Company as a result of death, the Executive Board member's family will be entitled to the fixed monthly remuneration for the month in which the service contract ends and for the three subsequent months, but only up to the point at which the service contract would otherwise have come to an end.

Remuneration for members of the Executive Board in 2015

In accordance with the recommendations of the DCGK, as amended on 5 May 2015, the remuneration of Executive Board members is presented in two separate tables. Firstly, the benefits granted for the year under review, including the additional benefits and – in the case of variable remuneration components – the maximum and minimum remuneration achievable are shown. Secondly, the table shows the total remuneration allocated/earned, comprising fixed remuneration, short-term variable remuneration and long-term variable remuneration, broken down by reference year.

The total remuneration granted to Executive Board members for 2015 was €9,260 thousand (minimum: €2,919 thousand, maximum: €15,602 thousand) (2014: €11,647 thousand). Of this amount, €2,098 thousand (2014: €2,840 thousand) was attributable to fixed non-performance-related remuneration components, €6,372 thousand (minimum: €31 thousand, maximum: €12,713 thousand) (2014: €7,911 thousand) to variable one-year and multiple-year performance-related remuneration components, €211 thousand (2014: €175 thousand) to non-performance-related non-cash remuneration and other non-performance-related benefits, and €579 thousand (2014: €721 thousand) to the pension expense. The figure shown for one-year variable remuneration is based on a target achievement rate of 100 per cent (minimum: 0 per cent target achievement, maximum: 200 per cent target achievement). The figure shown for multiple-year variable remuneration is the fair value of the performance share plans at the date of grant, which is equivalent to a target achievement rate of 100 per cent (minimum: 0 per cent target achievement, maximum: 200 per cent target achievement). The first payment will be made in 2016, provided the Company's long-term targets are achieved (tables 1a and 1b).

Table 1a: Benefits granted in 2015

€thousand			Gordon Riske				Dr Eike Böhm				Bert-Jan Knoef			
			CEO of KION GROUP AG				CTO of KION GROUP AG				Member of KION GROUP AG Executive Board			
							From 1 August 2015				Until 14 January 2015			
			2014	2015	2015 (min.)	2015 (max.)	2014	2015	2015 (min.)	2015 (max.)	2014	2015	2015 (min.)	2015 (max.)
Non-performance-related components		Fixed remuneration	800	800			-	208			500	19		
		Non-cash remuneration and other benefits ¹	19	21			-	14			19	1		
		Total	819	821			-	223			519	20		
Performance-related components	Short-term incentive	One-year variable remuneration ^{2,3}	700	700	0	1.400	-	167	0	333	400	16	16	16
	Share-based long-term incentive ⁴	Multiple-year variable remuneration	1.500	1.500	0	3.000	-	806	0	1.611	1.000	13	0	26
		Performance share plan ² (1 Jan 2014 – 31 Dec 2016)	1.500				-				1.000			
		Performance share plan ² (1 Jan 2015 – 31 Dec 2017)		1.500	0	3.000	-	806	0	1.611		13	0	26
		Total	3.019	3.021	821	5.221	-	1.195	223	2.167	1.919	48	35	61
		Pension expense ⁵	390	415			-				87	3		
		Total remuneration	3.409	3.436	1.236	5.636	-	1.195	223	2.167	2.005	51	38	64
Reconciliation to total remuneration as defined by section 285 no. 9a HGB														
		Minus the one-year variable remuneration granted	-700	-700			-	-167			-400	-16		
		Plus the expected one-year variable remuneration (allocation)	700	795			-	189			400	16		
		Minus the pension expense	-390	-415			-				-87	-3		
		Plus the adjustment of the one-year variable remuneration for the previous year	47	159			-				33	9		
		Total remuneration as defined by section 285 no. 9a HGB	3.065	3.275			-	1.217			1.952	57		

1) Other, non-performance related, non-cash remuneration and other benefits include expenses and/or benefits in kind, such as the use of a company car and housing costs.

2) The amount shown for Mr Quek includes a flat-rate allowance of 50 per cent (2014: 30 per cent) as part of a tax equalisation agreement.

3) The figure shown for one-year variable remuneration is based on a target achievement rate of 100 per cent (minimum: 0 per cent for target achievement of 75 per cent or less, maximum: 200 per cent for target achievement of 135 per cent or more). The value for Mr Knoef and Mr Maurer is the value defined in their termination agreements.

4) Fair value on the date of grant.

5) Service cost (BilMoG).

Table 1b: Benefits granted in 2015

€ thousand			Theodor Maurer				Ching Pong Quek				Dr Thomas Toepfer			
			Member of KION GROUP AG Executive Board				Member of KION GROUP AG Executive Board / Chief Asia Pacific Officer				CFO of KION GROUP AG			
			Until 14 January 2015											
			2014	2015	2015 (min.)	2015 (max.)	2014	2015	2015 (min.)	2015 (max.)	2014	2015	2015 (min.)	2015 (max.)
Non-performance-related components		Fixed remuneration	500	19			540	552			500	500		
		Non-cash remuneration and other benefits ¹	18	1			108	158			12	17		
		Total	518	20			648	710			512	517		
Performance-related components	Short-term incentive	One-year variable remuneration ^{2,3}	400	16	16	16	432	498	0	996	400	400	0	800
	Share-based long-term incentive ⁴	Multiple-year variable remuneration	1.000	13	0	26	1.079	1.245	0	2.490	1.000	1.000	0	2.000
		Performance share plan ² (1 Jan 2014 – 31 Dec 2016)	1.000				1.079				1.000			
		Performance share plan ² (1 Jan 2015 – 31 Dec 2017)		13	0	26		1.245	0	2.490		1.000	0	2.000
		Total	1.918	48	35	61	2.158	2.453	710	4.196	1.912	1.917	517	3.317
		Pension expense ⁵	90	4			78	79			77	78		
		Total remuneration	2.008	52	39	65	2.236	2.532	789	4.275	1.989	1.995	595	3.395
Reconciliation to total remuneration as defined by section 285 no. 9a HGB														
		Minus the one-year variable remuneration granted	-400	-16			-432	-498			-400	-400		
		Plus the expected one-year variable remuneration (allocation)	400	16			432	566			400	455		
		Minus the pension expense	-90	-4			-78	-79			-77	-78		
		Plus the adjustment of the one-year variable remuneration for the previous year	30	9			67	195			27	91		
		Total remuneration as defined by section 285 no. 9a HGB	1.948	57			2.225	2.716			1.939	2.062		

1) Other, non-performance related, non-cash remuneration and other benefits include expenses and /or benefits in kind, such as the use of a company car and housing costs.

2) The amount shown for Mr Quek includes a flat-rate allowance of 50 per cent (2014: 30 per cent) as part of a tax equalisation agreement.

3) The figure shown for one-year variable remuneration is based on a target achievement rate of 100 per cent (minimum: 0 per cent for target achievement of 75 per cent or less, maximum: 200 per cent for target achievement of 135 per cent or more). The value for Mr Knoef and Mr Maurer is the value defined in their termination agreements.

4) Fair value on the date of grant.

5) Service cost (BilMoG).

The total remuneration allocated to/earned by Executive Board members for 2015 was €14,345 thousand (2014: €6,781 thousand). Of this amount, €2,098 thousand (2014: €2,840 thousand) was attributable to fixed non-performance-related remuneration components, €12,036 thousand (2014: €3,766 thousand) to variable one-year and multiple-year performance-related remuneration components and €211 thousand (2014: €175 thousand) to non-performance-related non-cash remuneration and other non-performance-related benefits. The figure shown for one-year variable remuneration is based on a preliminary total target achievement rate calculated using preliminary earnings figures at the end of 2015. This preliminary variable remuneration for each Executive Board member is also subject to adjustment by the Supervisory Board in line with the individual performance of the Executive Board member. This adjustment may vary by plus or minus 20 per cent of the variable remuneration (tables 2a and 2b).

The additional benefits were measured at the value calculated for tax purposes.

Table 2a: Allocation in 2015

€thousand			Gordon Riske		Dr Eike Böhm		Bert-Jan Knoef	
			CEO of KION GROUP AG		CTO of KION GROUP AG		Member of KION GROUP AG Executive Board	
					From 1 August 2015		Until 14 January 2015	
			2014	2015	2014	2015	2014	2015
Non-performance-related		Fixed remuneration	800	800	-	208	500	19
		Non-cash remuneration and other benefits ¹	19	21	-	14	19	1
		Total	819	821	-	223	519	20
Performance-related components	Short-term incentive	One-year variable remuneration ²	859	795	-	189	409	16
	Share-based long-term incentive	Multiple-year variable remuneration	0	3.000	-	0	0	1.255
		Performance share plan (29 Jun 2013 – 31 Dec)		3.000	-			1.255
		IPO bonus tranche 1 (29 Jun 2013 – 29 Jun 2014)			-			
		IPO bonus tranche 2 (29 Jun 2013 – 31 Dec 2014)			-			
	Total	1.677	4.616	-	412	928	1.290	
	Pension expense ³	390	415	-		87	3	
	Total remuneration	2.067	5.031	-	412	1.014	1.293	

1) Other, non-performance related, non-cash remuneration and other benefits include expenses and /or benefits in kind, such as the use of a company car and housing costs.

2) The figure shown for one-year variable remuneration for 2014 is the actual amount paid out, which differs from the estimated value listed in the 2014 annual financial statements.

3) Service cost (BilMoG).

Table 2b: Allocation in 2015

€thousand			Theodor Maurer		Ching Pong Quek		Dr Thomas Toepfer		
			Member of KION GROUP AG Executive Board		Member of KION GROUP AG Executive Board / Chief Asia Pacific Officer		CFO of KION GROUP AG		
			Until 14 January 2015						
			2014	2015	2014	2015	2014	2015	
Non-performance-related		Fixed remuneration	500	19	540	552	500	500	
		Non-cash remuneration and other benefits ¹	18	1	108	158	12	17	
		Total	518	20	648	710	512	517	
Performance-related components	Short-term incentive	One-year variable remuneration ²	409	16	626	566	491	455	
	Share-based long-term incentive	Multiple-year variable remuneration	0	1.255	0	2.490	1.434	2.000	
		Performance share plan (29 Jun 2013 – 31 Dec)			1.255		2.490		2.000
		IPO bonus tranche 1 (29 Jun 2013 – 29 Jun 2014)						755	
		IPO bonus tranche 2 (29 Jun 2013 – 31 Dec 2014)						679	
		Total	926	1.290	1.274	3.766	2.437	2.971	
		Pension expense ³	90	4	78	79	77	78	
		Total remuneration	1.016	1.294	1.352	3.845	2.514	3.050	

1) Other, non-performance related, non-cash remuneration and other benefits include expenses and /or benefits in kind, such as the use of a company car and housing costs.

2) The figure shown for one-year variable remuneration for 2014 is the actual amount paid out, which differs from the estimated value listed in the 2014 annual financial statements.

3) Service cost (BilMoG).

The total payments made to former members of the Executive Board in 2015 in connection with the termination of their Executive Board service contracts amounted to €8,385 thousand. An appropriate provision was recognised for these payments in 2014. These payments consisted of a non-performance-related salary and non-performance-related non-cash benefits, performance-related remuneration and pension entitlements.

Mr Knoef's total amount of €4,362 thousand breaks down into a non-performance-related component of €4,031 thousand, a performance-related component without a long-term incentive of €84 thousand, a performance-related component with a long-term incentive for the 2013 tranche – based on a preliminary total target achievement rate – of €164 thousand and pension expenses of €81 thousand.

Mr Maurer's total amount of €4,023 thousand breaks down into a non-performance-related component of €3,686 thousand, a performance-related component without a long-term incentive of €84 thousand, a performance-related component with a long-term incentive for the 2013 tranche – based on a preliminary total target achievement rate – of €164 thousand and pension expenses of €88 thousand.

The table below shows the pension contributions attributable to each individual Executive Board member and their separate present values.

€thousand	2015 service cost	2014 service cost	Present value (DBO) 31 Dec 2015	Present value (DBO) 31 Dec 2014
Gordon Riske	415	390	3.970	3.124
Dr. Eike Böhm			68	
Bert-Jan Knoef ¹	3	87		1.619
Theodor Maurer ¹	4	90		555
Ching Pong Quek	79	78	263	340
Dr. Thomas Toepfer	78	77	335	382

¹ Resigned from office on 14 January 2015; the present value (DBO) as at 31 December 2015 was recognised under provisions for defined benefit obligations to former members of the Executive Board or their surviving dependants.

In the year under review, no advances were made to members of the Executive Board, and there were no loans.

Supervisory Board remuneration

Remuneration system

The Supervisory Board's remuneration is defined in article 18 of KION GROUP AG's articles of incorporation. Members of the Supervisory Board receive fixed remuneration plus reimbursement of out-of-pocket expenses. The annual remuneration amounts to €45,000 for ordinary members of the Supervisory Board, €75,000 for the deputy chairman of the Supervisory Board and €105,000 for the chairman of the Supervisory Board.

Additional remuneration is paid for being a member or chairman of a committee, although this does not apply in the case of the Nomination Committee or the Mediation Committee pursuant to section 27 (3) of the German Codetermination Act (MitbestG). The annual remuneration for members of a committee is €8,000, while the chairman of a committee receives double this amount.

If a member of the Supervisory Board or one of its committees does not hold their position for a full financial year, remuneration is reduced pro rata temporis.

The members of the Supervisory Board receive an attendance fee of €1,250 per day for meetings of the Supervisory Board and its committees, although they only receive this amount once if they attend more than one meeting on the same day.

The Company reimburses each member for any VAT incurred in connection with his or her remuneration.

A D&O insurance policy without an excess has been taken out for the members of the Supervisory Board.

Remuneration paid to members of the Supervisory Board in 2015

The total remuneration paid to the Supervisory Board in 2015 was €1,209,342. Of this amount, €1,056,325 was attributable to remuneration for activities carried out by the Supervisory Board. The remuneration paid for committee work totalled €153,017 (including attendance fees). The following table shows the breakdown of remuneration paid to each Supervisory Board member for 2015:

	Fixed remuneration	Committee remuneration	Attendance fee	Total remuneration
Dr John Feldmann (chairman)	€105,000	€24,000	€16,250	€145,250
Joachim Hartig (deputy chairman)	€75,000	€8,000	€12,500	€95,500
Birgit Behrendt	€45,000	0	€7,500	€52,500
Holger Brandt	€45,000	0	€13,750	€58,750
Dr Alexander Dibelius	€45,000	€8,000	€10,000	€63,000
Wolfgang Faden	€18,863	0	€2,500	€21,363
Denis Heljic	€45,000	€8,000	€15,000	€68,000
Johannes Huth	€38,240	€6,798	€7,315	€52,353
Jiang Kui	€65,838	€11,704	€14,631	€92,173
Olaf Kunz	€45,000	€2,674	€15,000	€62,674
Jörg Milla	€7,521	0	€1,250	€8,771
Özcan Pancarci	€45,000	0	€13,750	€58,750
Kay Pietsch	€45,000	€16,000	€21,250	€82,250
Hans Peter Ring	€45,000	€19,353	€13,750	€78,103
Alexandra Schädler	€45,000	€8,000	€20,000	€73,000
Tan Xuguang	€65,838	0	€1,829	€67,666
Hans-Peter Weiß	€41,178	0	€11,250	€52,428
Xu Ping	€65,838	0	€10,973	€76,811
Total	€888,316	€112,529	€208,498	€1,209,342

In 2015, no company in the KION Group paid or granted any remuneration or other benefits to members of the Supervisory Board for services provided as individuals, such as consulting or brokerage activities. Nor were any advances or loans granted to members of the Supervisory Board.

Disclosures relevant to acquisitions, section 289 (4) HGB

Composition of subscribed capital

The subscribed capital (share capital) of KION GROUP AG amounted to €98,900,000 as at 31 December 2015. It is divided into 98,900,000 no-par-value bearer shares. The share capital is fully paid-up. All of the shares in the Company give rise to the same rights and obligations. Each share confers one vote and entitlement to an equal share of the profits. The rights and obligations arising out of the shares are defined by legal provisions. As at 31 December 2015, the Company held 160,050 shares in treasury. The primary intention is to offer these treasury shares to staff as part of the employee share option programme (KEEP).

Restrictions on voting rights or the transfer of shares

There are generally no restrictions with respect to voting rights or the transfer of shares in the Company. In accordance with the legal provisions applicable to bearer shares, all of the shares in the Company can be traded freely.

The Executive Board understands that the two major shareholders of KION GROUP AG, Superlift Holding S.à r.l. ('Superlift') and Weichai Power (Luxembourg) Holding S.à r.l. ('Weichai Power') had entered into a shareholder agreement in which they both undertook to coordinate their voting at the Annual General Meeting of the Company in respect of certain resolutions. Furthermore, the Executive Board understands that Superlift and Weichai Power had come to an arrangement in the shareholder agreement to grant each other a mutual right of first offer in respect of the shares held by the other shareholder, but this arrangement expired in the course of 2014. These agreements have lapsed as Superlift sold all of its shares in the Company during 2015.

KION GROUP AG has no rights arising from the treasury shares that it holds (section 71b AktG).

Direct or indirect shareholdings in the Company that represent more than 10 per cent of the voting rights

As far as the Company is aware, only Weichai Power directly or indirectly held more than 10 per cent of the voting rights in KION GROUP AG as at 31 December 2015 and its shareholding was 38.3 per cent.

Pursuant to the German Securities Trading Act (WpHG), the shareholding held by Weichai Power is deemed to belong to the following other companies and countries:

Company	Registered office
Shandong Heavy Industry Group Co., Ltd.	Jinan, People's Republic of China
Weichai Group Holdings Limited	Weifang, People's Republic of China
Weichai Power Co., Ltd.	Weifang, People's Republic of China
Weichai Power Hong Kong International Development Co., Ltd.	Hong Kong, People's Republic of China
China	
Other	Domicile
People's Republic of China	Beijing, People's Republic of China

Since the reporting date, there may have been further changes to the aforementioned shareholdings of which the Company is unaware. As the shares in the Company are bearer shares, the Company only learns about changes to the size of shareholdings if they are notifiable pursuant to the WpHG or other regulations.

Shares with special rights that confer authority to exert control over the Company

There are no shares with special rights that confer the authority to exert control over the Company.

Type of voting right controls in cases where employees hold some of the Company's capital and do not exercise their control rights directly

There are no cases where employees hold some of the Company's capital and do not exercise their control rights directly themselves.

Appointment and removal of members of the Executive Board; amendments to the articles of incorporation

Members of the Company's Executive Board are appointed and removed in accordance with the provisions of sections 84 and 85 AktG and section 31 MitbestG. Pursuant to article 6 (1) of the articles of incorporation of the Company, the Executive Board must have a minimum of two members. The Supervisory Board determines the number of Executive Board members. Pursuant to section 84 AktG and section 6 (3) of the Company's articles of incorporation, the Supervisory Board may appoint a Chief Executive Officer and a deputy.

Section 179 (1) sentence 1 AktG requires that amendments to the articles of incorporation be passed by resolution of the Annual General Meeting. In accordance with article 23 of the articles of incorporation in conjunction with section 179 (2) sentence 2 AktG, resolutions at the Annual General Meeting on amendments to the articles of incorporation are passed by simple majority of the votes cast and by simple majority of the share capital represented in the voting unless a greater majority is specified as a mandatory requirement under statutory provisions. The option to stipulate a larger majority than a simple majority in any other cases has not been exercised in the articles of incorporation.

The Supervisory Board is authorised in article 10 (3) of the articles of incorporation to amend the articles of incorporation provided that such amendments relate solely to the wording.

Authority of the Executive Board to issue or buy back shares

The Extraordinary General Meeting on 13 June 2013 authorised the Company, in the period up to 12 June 2016, to acquire for treasury up to 10 per cent of all the shares in issue at the time of the resolution or in issue on the date the authorisation is exercised, whichever is the lower. Together with other treasury shares in possession of the Company or deemed to be in its possession pursuant to section 71a et seq. AktG, the treasury shares bought as a result of this authorisation must not exceed 10 per cent of the Company's share capital at any time. The Company may sell the purchased treasury shares through a stock exchange or by means of an offer to all shareholders. It may also sell the shares in return for a non-cash consideration, in particular in connection with the acquisition of a business, parts of a business or equity investments. In addition, the treasury shares may be offered to employees of the Company or of an affiliated company as part of an employee share ownership programme. The treasury shares can also be retired. Share buyback for trading purposes is prohibited. The authorisation may be exercised on one or more occasions, for the entire amount or for partial amounts, in pursuit of one or more aims, by the Company, by a Group company or by third parties for the account of the Company or the account of a Group company. At the discretion of the Executive Board, the shares may be purchased through the stock exchange, by way of a public purchase offer made to all shareholders or by way of a public invitation to shareholders to tender their shares.

The Company again made use of this authorisation in 2015, purchasing 70,000 shares in the period 10 September to 30 September 2015. During the reporting year, 73,512 of the shares acquired that were still in treasury were used as part of the KEEP Employee Equity Programme for the employees of the Company and certain Group companies.

On the basis of a resolution of the Company's Annual General Meeting on 19 May 2014, the Executive Board is authorised, subject to the consent of the Supervisory Board, to increase the Company's share capital by up to €9.89 million by issuing up to 9.89 million new no-par-value ordinary bearer shares for cash and/or non-cash contributions on one or more occasions up to and including 18 May 2019 (2014 Authorised Capital).

On the basis of a resolution of the Company's Annual General Meeting on 19 May 2014, the Executive Board is also authorised to issue, on one or more occasions up to and including 18 May 2019, bearer and/or registered convertible bonds, warrant-linked bonds, profit-sharing rights and/or income bonds with or without conversion rights, warrants, mandatory conversion requirements or option obligations, or any combinations of these instruments, which can be perpetual and/or fixed-term (also referred to jointly as 'debt instruments'), for a total par value of up to €800 million. To enable shares to be allocated to the holders/beneficial owners of the convertible bonds, warrant-linked bonds, profit-sharing rights and/or income bonds with conversion rights, warrants, mandatory conversion requirements or option obligations issued, on the basis of the Executive Board's authorisation, by KION GROUP AG or a German or non-German company in which KION GROUP AG directly or indirectly holds the majority of voting rights and capital, the share capital was conditionally increased by up to €9.89 million through the issue of up to 9.89 million new, no-par-value bearer shares in KION GROUP AG (2014 Conditional Capital).

Restrictions were placed on the issuance of new shares and debt instruments in accordance with the resolutions adopted by the Company's Annual General Meeting on 19 May 2014. Together, the proportion of the Company's share capital attributable to the shares issued on the basis of the 2014 Authorised Capital and the total number of shares issued to service the debt instruments issued on the basis of the aforementioned authorisation must not exceed 10 per cent of the Company's share capital, either on the effective date of the authorisation or the date on which it is exercised. This 10 per cent limit includes shares that are issued during the term of the authorisation based on the 2014 Authorised Capital, those that are issued, are required to be issued or may be issued from the 2014 Conditional Capital to service debt instruments, or shares that have been or will be issued on the basis of a different authorisation, or are still required to be issued to service a debt instrument or may be issued to do so.

In accordance with the resolutions adopted by the Company's Annual General Meeting on 19 May 2014, new shares and debt instruments can be issued for cash or non-cash contributions. They must be offered for subscription to existing shareholders. Pursuant to section 186 (5) AktG, the new shares can also be acquired by one or more banks provided they undertake to offer them to existing shareholders for subscription (indirect pre-emption right). However, subject to the consent of the Supervisory Board, the Executive Board is authorised to disapply some or all of the pre-emption rights of existing shareholders in the following cases:

- in order to remove fractional amounts from shareholders' pre-emption rights;
- where new shares are issued for cash during a capital increase and the price at which the new shares are issued is not significantly lower (as defined by section 186 (3) sentence 4 AktG) than the market price for shares in the Company with the same rights, or if debt instruments are issued for cash and the Executive Board reaches a view after due examination that the issue price is not significantly lower than their theoretical market value determined according to recognised principles of financial mathematics (section 186 (3) sentence 4 AktG states that pre-emption rights can be excluded provided the capital increase is less than 10 per cent of share capital);

- where necessary in order to grant the same pre-emption rights to holders/beneficial owners of conversion rights or warrants and/or holders/beneficial owners of mandatory convertible bonds issued or to be issued by KION GROUP AG or a company in which it has a majority shareholding as those to which they would be entitled after exercising conversion rights or warrants or meeting conversion obligations;
- where new shares are issued during capital increases in return for non-cash contributions, particularly for the acquisition of a business, parts of a business or equity investments or if debt instruments are issued in return for non-cash capital contributions and the exclusion of pre-emption rights is in the interest of the Company.

If new shares are issued from the 2014 Authorised Capital, the Executive Board is also authorised, subject to the consent of the Supervisory Board, to exclude shareholders' pre-emption rights in order to allot shares to people who are employees or directors of the Company or its Group companies. This exclusion of pre-emption rights is limited to a maximum of 5 per cent of share capital, both on the effective date of this authorisation and at the time it is exercised.

When profit-sharing rights and/or income bonds with no conversion rights, warrants, mandatory conversion obligations or option obligations are issued in return for cash or non-cash capital contributions, the Executive Board is authorised, subject to the consent of the Supervisory Board, to exclude all pre-emption rights of shareholders, provided these profit-sharing rights and/or income bonds have a debt-like structure and do not give rise to rights to membership of the Company or entitle the holder to a share of the proceeds of any liquidation and the coupon rate is not based on levels of net income, distributable profit or dividends. In this case, the coupon rate and issue price of the profit-sharing rights and/or income bonds must also correspond to the market terms and conditions for comparable forms of finance prevailing at the time they are issued.

Subject to the consent of the Supervisory Board, the Executive Board is authorised to determine the further details of the capital increase relating to the 2014 Authorised Capital and its implementation, particularly the rights conferred by the shares and their terms and conditions of issue. In relation to debt instruments, it is authorised to determine further details about their issuance, terms of issue and the supply of shares or to determine them by mutual consent with the governing bodies of any majority-held company that is issuing the debt instruments.

Material agreements that the Company has signed and that are conditional upon a change of control resulting from a takeover bid, and the consequent effects

In the event of a change of control resulting from a takeover bid, certain consequences are set out in the following contracts concluded between Group companies of KION GROUP AG and third parties:

- Covenant agreement dated 14 February 2013 in connection with the €450,000,000, 6.75 per cent senior secured notes maturing in 2020, concluded between Deutsche Trustee Company Limited as trustee, KION Finance S.A. and KION Group GmbH (now KION Material Handling GmbH)

In the event that a third party (with the exception of KKR and Goldman Sachs, companies affiliated with them or funds or limited partnerships/partnerships owned by them or that are advised or managed by them) acquires beneficial ownership of more than 50 per cent of all shares in KION GROUP AG, KION GROUP AG will be obliged to submit an offer to acquire the aforementioned debt instruments at a price of 101 per cent of their nominal value. This offer must remain valid for a minimum of 30 days from the date of the change of control.

- Senior facility agreement dated 23 December 2006 (and amended on several occasions thereafter), concluded between KION Group GmbH (now KION Material Handling GmbH) and, among others, the London branch of UniCredit Bank AG

In the event that a third party (with the exception of KKR and Goldman Sachs, companies affiliated with them or funds or limited partnerships/partnerships owned by them or that are advised or managed by them) acquires beneficial ownership of more than 50 per cent of all shares in KION GROUP AG, any loan facilities drawn down would be immediately repayable and any that had not been drawn down would be automatically cancelled.

- Senior facilities agreement dated 28 October 2015, concluded between KION GROUP AG and, among others, the London branch of UniCredit Bank AG

In the event that a person, companies affiliated with this person, or persons acting in concert within the meaning of section 2 (5) of the German Securities Acquisition and Takeover Act (WpÜG) acquire(s) control over more than 50 per cent of the Company's voting shares, the lenders may demand that the loans drawn down be repaid and may cancel the loan facilities under the senior facilities agreement.

On 15 February 2016, KION GROUP AG used funds from a syndicated loan agreement concluded on 28 October 2015 in order to repay both the corporate bond of €450.0 million and the remaining liabilities under the syndicated loan of 23 December 2006. The restructuring of the KION Group's funding was decided upon in a resolution of the Executive Board of KION GROUP AG on 25 January 2016. This makes the provisions in relation to the eventuality of a change of control redundant.

- KION Material Handling GmbH has entered into an agreement with Volkswagen AG for the supply of internal combustion engines. This agreement includes a provision under which either party may terminate the agreement without notice if there is a change in ownership involving more than 50 per cent of the shares in either case.

Compensation agreements that the Company has signed with the Executive Board members or employees and that will be triggered in the event of a takeover bid

No such agreements have been concluded between the Company and its current Executive Board members or employees.

Cross-reference to the declaration on corporate governance, section 289a HGB

The declaration on corporate governance pursuant to section 289a HGB has been made available on the website of KION GROUP AG at www.kiongroup.com/governancereport in the corporate governance report. It includes the comply-or-explain statement in accordance with section 161 AktG, relevant disclosures on corporate management practices extending beyond statutory requirements, a description of the working methods of the Executive Board and the Supervisory Board, and a description of the working methods and composition of the Supervisory Board committees.

**Concluding declaration on the report on relationships with affiliated entities
(dependency report), section 312 (3) sentence 3 AktG**

We hereby declare that, in the reporting year, the Company did not enter into any of the legal transactions subject to disclosure requirements listed in the report on relationships with affiliated entities and did not implement or omit any measures subject to disclosure requirements.

Wiesbaden, 9 March 2016

The Executive Board

Gordon Riske

Dr Eike Böhm

Ching Pong Quek

Dr Thomas Toepfer

KION GROUP AG, Wiesbaden

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2015

Assets in €	Notes	31/12/2015	31/12/2014
A. Non-Current Assets	(3)		
Property, plant and equipment		216,259.58	279,060.13
Investments in affiliated companies		2,005,932,650.00	2,005,932,650.00
		2,006,148,909.58	2,006,211,710.13
B. Current Assets			
I. Receivables and other assets	(4)		
1. Receivables from affiliated companies		243,601,512.08	325,030,287.78
2. Other assets		5,205,087.06	2,164,628.97
		248,806,599.14	327,194,916.75
II. Credit balances with banks		12,203.61	0.00
		248,818,802.75	327,194,916.75
Total assets		2,254,967,712.33	2,333,406,626.88

Equity and Liabilities in €	Notes	31/12/2015	31/12/2014
A. Equity	(5)		
I. Subscribed capital		98,900,000.00	98,900,000.00
Treasury shares		-160,050.00	-163,562.00
Issued capital		98,739,950.00	98,736,438.00
II. Capital reserves		2,015,727,529.03	2,015,363,800.55
III. Retained earnings		9,903,326.98	84,597,034.00
IV. Distributable profit		76,100,000.00	85,000,000.00
		2,200,470,806.01	2,283,697,272.55
B. Provisions			
1. Retirement benefit obligation	(6)	13,515,388.00	9,792,347.00
2. Tax provisions		54.49	11,005.00
3. Other provisions	(7)	33,388,612.60	25,930,669.75
		46,904,055.09	35,734,021.75
C. Liabilities to affiliated companies	(8)		
1. Liabilities to banks		0.00	78,997.80
2. Trade payables		1,312,266.87	1,839,679.18
3. Liabilities to affiliated companies		5,533,112.93	10,364,937.43
4. Other liabilities		532,881.06	1,411,100.08
		7,378,260.86	13,694,714.49
Deferred income		214,590.37	280,618.09
Total equity and liabilities		2,254,967,712.33	2,333,406,626.88

KION GROUP AG, Wiesbaden

Income statement for the year ended 31 December 2015

(€)	Anhang	2015	2014
1. Other operating income	(9)	12,568,678.35	6,930,077.06
2. Personnel expenses	(10)	-34,084,257.31	-17,094,479.41
Depreciation expense and impairment losses on property, plant and equipment		-108,997.76	-46,938.30
4. Other operating expenses	(11)	-36,546,300.36	-22,644,180.02
5. Income from profit-transfer agreements	(12)	25,149,853.14	198,554,347.66
6. Other interest and similar income	(13)	6,508,460.30	4,820,981.94
7. Interest expense and similar charges	(14)	-2,771,472.02	-922,896.07
8. Gains (+)/Losses (-) from ordinary activities		-29,284,035.66	169,596,912.86
9. Income taxes		-4,630.46	121.14
10. Net gain (+)/net loss (-) for the year		-29,288,666.12	169,597,034.00
Appropriation of profit			
Net gain (+)/net loss (-) for the year		-29,288,666.12	169,597,034.00
Retained profits brought forward		30,694,959.10	0.00
Withdrawals from retained earnings		74,693,707.02	0.00
Allocation to retained earnings		0.00	-84,597,034.00
Distributable profit		76,100,000.00	85,000,000.00

Notes to the financial statements of KION GROUP AG

for the year ended 31 December 2015

Basis of presentation

[1] General information on the Company

KION GROUP AG, whose registered office is at Abraham-Lincoln-Strasse 21, 65189 Wiesbaden, is entered in the commercial register at the Wiesbaden local court under reference HRB 27060. KION GROUP AG has been a listed company on the regulated market of the Frankfurt Stock Exchange since 28 June 2013 and was included in the MDAX on 22 September 2014.

The object of the Company is to hold, acquire, manage and sell investments in entities with any form of legal structure, in particular such entities involved in developing, manufacturing and selling forklifts, warehouse trucks (industrial trucks) and mobile hydraulics, including associated services, consultancy and advisory services and similar activities, as well as to assume responsibility, in return for a consideration, for managerial holding company functions, other services and the provision of lease finance for the investee entities.

The head office functions of KION Material Handling GmbH (referred to below as KMH), consisting of administrative, financial and technical services, and human resources, were transferred to the Company on 1 September 2014 by means of a purchase and transfer agreement. KION GROUP AG thereby replaced KMH in its role as provider of head office functions for the Group and took on its significant assets and liabilities.

The VAT affiliation changed as a result of this restructuring, and KION GROUP AG has been the tax group parent company for almost all of the companies in Germany since 1 September 2014.

The separate financial statements of KION GROUP AG have been prepared in accordance with the accounting principles specified for limited companies by section 242 et seq. and section 264 et seq. of the German Commercial Code (HGB) and comply with the provisions of the German Stock Corporation Act (AktG), which apply specifically to entities structured as a public limited company. As a listed company, KION GROUP AG is a large corporation as defined in section 267 (3) and section 264d HGB.

The income statement has been prepared in accordance with the nature-of-expense method pursuant to section 275 (2) HGB.

To improve the clarity of presentation, some items are aggregated in the statement of financial position and income statement and are then separately reported in the notes.

[2] Accounting policies

Property, plant and equipment

Property, plant and equipment is carried at cost and reduced by depreciation based on estimated useful life and by any impairment losses.

Property, plant and equipment is depreciated using the straight-line method. Low-value assets are generally depreciated as an aggregate item over a period of five years in accordance with tax rules.

	<u>Useful life (years)</u>
Office furniture and equipment	3 to 13

Any impairment of assets expected to be permanent and in excess of the depreciation related to useful life is accounted for by the recognition of impairment losses. If the reasons for permanent impairment no longer prevail, impairment losses are reversed on the basis of the HGB reversal requirement, but such reversals do not result in an asset carrying amount greater than the carrying amount that would have been recognised after depreciation if there had been no impairment.

Financial assets

Investments in affiliated companies included within financial assets are carried at cost.

Impairment losses are recognised for assets that are permanently impaired. If an impairment loss has been recognised in prior years and the reasons for the impairment loss now no longer exist, either as a whole or in part, the impairment loss is reversed, but such that the resulting asset carrying amount is no greater than the acquisition cost of the asset.

Receivables and other assets

Receivables and other assets are carried at cost. Appropriate valuation allowances are recognised for any risks identified when measuring receivables and other assets. The amount of the valuation allowances is based on the probable default risk. Receivables denominated in foreign currency are translated at the middle spot exchange rate on the reporting date as part of the subsequent measurement process:

- the recognition of receivables due after one year or more is in compliance with the HGB principles of prudent revenue recognition, imparity (whereby unrealised losses are recognised, but unrealised gains are not recognised) and the historical cost convention;
- the recognition of receivables due within one year does not take account of the HGB principles of prudent revenue recognition, imparity and the historical cost convention.

Deferred taxes

Deferred tax assets are recognised for differences between the carrying amounts calculated in accordance with HGB and those calculated in accordance with tax law. As in 2014, the Company exercised the option provided for in section 274 (1) sentence 2 HGB not to utilise these deferred tax assets.

Cash on hand and credit balances with banks

Cash and cash equivalents are carried at their nominal amounts. Amounts denominated in foreign currency are translated into euros at the middle spot exchange rate on the reporting date.

Equity

Subscribed capital is carried at its nominal amount.

Retirement benefit obligation

The retirement benefit obligation is calculated in accordance with actuarial principles based on biometric probabilities (modified Heubeck 2005 G mortality tables) using the projected unit credit method. Future estimated increases in salaries and pensions are factored into the calculation of the obligation.

The retirement benefit obligation covers the obligation to pay retirement pensions to employees of KION GROUP AG. The actuarial measurement of the amount required to settle the retirement benefit obligation is based on a number of factors including an assumed annual adjustment of 2.75 per cent (2014: 2.75 per cent) in remuneration and 1.75 per cent, or 1.0 per cent where agreed, (2014: 1.75 per cent, or 1.0 per cent where agreed) in pensions paid. As at 31 December 2015, the discount rate used to discount the defined benefit obligation was 3.89 per cent (31 December 2014: 4.55 per cent). The discount rate was determined using the average market discount rate over the past seven years for an assumed maturity of 15 years, as published by Deutsche Bundesbank.

In order to satisfy the pension obligations, appropriate resources are invested in special funds managed by the trustee KION Vorsorge Aktiv e.V. The Company is not permitted any access to these assets. The sole purpose of these assets is to provide security for the rights of individuals to receive pensions from KION GROUP AG. The assets are measured at fair value (market price); the value of the assets is offset against the underlying obligation. If this results in an excess obligation, the excess is recognised under pension provisions. If the value of the securities (plan assets) exceeds the obligation, an excess of plan assets over pension liabilities is recognised on the assets side of the statement of financial position.

Other provisions

Other provisions are measured such that identifiable risks arising from pending transactions and contingent liabilities are recognised in the financial statements. These provisions are recognised in the amount that would be required to settle future payment obligations, as dictated by prudent business practice. Future increases in prices and costs are factored into the calculation of the amounts if there is sufficient objective evidence that such increases will occur. Provisions with a maturity of more than one year are discounted with a maturity-matched average market discount rate for the past seven years. Non-current provisions for long-service bonuses and for bridging payments existed at the reporting date. The actuarial assumptions underlying the settlement values largely match the values on which the calculation of pension provisions was based.

Liabilities

Liabilities are carried at their settlement value. Liabilities denominated in foreign currency are translated at the middle spot exchange rate on the reporting date as part of the subsequent measurement process:

- the recognition of liabilities due after one year or more is in compliance with the HGB principles of prudent revenue recognition, imparity and the historical cost convention;
- the recognition of liabilities due within one year does not take account of the HGB principles of prudent revenue recognition, imparity and the historical cost convention.

Notes to the statement of financial position

[3] Non-current assets

	Cost				Balance as at 31 Dec 2015
	Balance as at 1 Jan 2015	Additions	Disposals	Reclassi- fications	
€ thousand					
Property, plant and equipment					
Office furniture and equipment	326	46	0	0	372
Financial assets					
Investments in affiliated companies	2,005,933	0	0	0	2,005,933
	2,006,259	46	0	0	2,006,305

	Cumulative depreciation, amortisation and impairment				Carrying amounts	
	Balance as 1 Jan 2015	Additions	Disposals	Balance as 31 Dec 2015	Balance as 31 Dec 2015	Balance as 31 Dec 2014
€ thousand						
Property, plant and equipment						
Office furniture and equipment	47	109	0	156	216	279
Financial assets						
Investments in affiliated companies	0	0	0	0	2,005,933	2,005,933
	47	109	0	156	2,006,149	2,006,212

[4] Receivables and other assets

€ thousand	31 Dec 2015	of which due after 1 year or more	31 Dec 2014	of which due after 1 year or more
Receivables from affiliated companies	243,602	0	325,030	0
Other assets	5,205	0	2,165	0
	248,807	0	327,195	0

The decrease in receivables from affiliated companies predominantly resulted from the transfer of the profit of €198,516 thousand from KION Holding 2 GmbH to the Company. Conversely, the loan to Holding 2 GmbH was increased by €130,000 thousand. The entitlement in connection with the profit transfer from KION Holding 2 GmbH for 2015 was €24,554 thousand at the reporting date (December 31, 2014: €198,516 thousand).

[5] Equity

As at 31 December 2015, the Company's share capital amounted to €98,900 thousand, which was unchanged on 31 December 2014, and was fully paid up. It was divided into 98,900,000 no-par-value shares.

In 2014, the Executive Board of KION GROUP AG decided to introduce an employee share option programme to enable staff members working for the participating companies in the KION Group to derive greater benefit from the success of the Company.

Following an Executive Board resolution on 1 October 2015, a further employee share option programme was launched, in which employees from both German and foreign companies in the KION Group are eligible to take part. KION GROUP AG used the authorisation granted at the Annual General Meeting on 13 June 2013 to repurchase treasury shares on the stock exchange for this purpose.

Between 10 September 2015 and 30 September 2015, 70,000 treasury shares were repurchased via the stock exchange at an average price of €38.74 in order to provide the shares for employees' own investments and the free shares under the employee share option programme. The total cost was €2,701 thousand. Due to the issue of 73,512 no-par-value shares (2014: 87,438 no-par-value shares) under the programme, KION GROUP AG held 160,050 treasury shares at the reporting date (31 December 2014: 163,562). These are not dividend-bearing and do not confer any voting rights. Further details on the employee share option programme can be found in note 20.

The total number of shares outstanding as at 31 December 2015 was 98,739,950 no-par-value shares (31 December 2014: 98,736,438).

As at 31 December 2015, KION Group employees held options on a total of 53,220 no-par-value shares (31 December 2014: 29,116 no-par-value shares). The share options granted under the employee share option programme are not dividend-bearing and do not confer any voting rights.

The Annual General Meeting on 19 May 2014 voted to create authorised capital that will enable the KION Group to meet its funding needs quickly and flexibly. Subject to the consent of the Supervisory Board, the Executive Board is authorised until 18 May 2019 to increase the Company's share capital by up to €9,890 thousand by way of an issue of up to 9,890,000 new no-par-value bearer shares (2014 Authorised Capital).

To safeguard the Company's funding options, the Executive Board is also authorised until 18 May 2019 to issue warrant-linked bonds, convertible bonds or profit-sharing rights with a total par value of up to €800 million that contain pre-emption rights/obligations for up to 9,890,000 no-par-value shares. To this end, a conditional increase was decided upon in order to increase the Company's share capital by up to €9,890 thousand by way of an issue of up to 9,890,000 new no-par-value bearer shares (2014 Conditional Capital).

The total amount attributable to shares that was spent in connection with this approved/conditional capital may not exceed 10 per cent of the share capital. In both cases, the pre-emption right of shareholders can be excluded in certain circumstances. The corresponding amendments to the articles of incorporation were entered in the commercial register on 16 June 2014.

The rise of €364 thousand in capital reserves resulted from treasury shares being given to employees as part of the employee equity programme.

An amount of €74,693,707.02 was withdrawn from revenue reserves for 2015.

[6] Retirement benefit obligation

The retirement benefit obligation relates to pension entitlements granted to employees and Executive Board members.

The fair value of the assets invested by KION Vorsorge Aktiv e.V. shown in the following table was derived from the market prices of the plan assets as at the reporting date.

€ thousand	31 Dec 2015	31 Dec 2014
Settlement value for retirement benefit obligation	21,432	15,959
Fair value of plan assets invested in special funds	7,917	6,167
Net amount for retirement benefit obligation	13,515	9,792
Cost of plan assets invested in special funds	7,297	5,946

During the year under review, the contributions made to the cover assets totalled €1,351 thousand (2014: €3,565 thousand). This means that an amount of €621 thousand (2014: €221 thousand) arising from the difference between cost and fair value was subject to a lock-up, KION GROUP AG being prohibited from distributing this amount as a dividend or transferring it under a profit-and-loss transfer agreement.

The expenses arising from unwinding the discount amounted to €2,719 thousand (2014: €1,077 thousand) and the income from the cover assets amounted to €148 thousand (2014: €218 thousand). The income and expenses were offset against each other and reported in interest expenses in the income statement (€2,571 thousand).

In addition, a regular amount is added to the retirement benefit obligation and reported under personnel expenses. In 2015, this amount was €586 thousand (2014: €706 thousand).

[7] Other provisions

The breakdown of other provisions is as follows:

€ thousand	31 Dec 2015	31 Dec 2014
Personnel	28,386	21,166
Outstanding invoices	3,605	3,356
Other	1,398	1,409
	33,389	25,931

The increase in personnel provisions largely resulted from the rise in long-term remuneration for Executive Board members and other managers.

[8] Liabilities

€ thousand	31 Dec 2015	of which due within one year	31 Dec 2014	of which due after 1 year or more
Liabilities to banks	0	0	79	79
Trade payables	1,312	1,312	1,840	1,840
Liabilities to affiliated companies	5,533	5,533	10,365	10,365
Other liabilities	533	533	1,411	1,411
of which taxes	398	398	507	507
of which relating to social security	134	134	127	127
	7,378	7,378	13,695	13,695

Liabilities to affiliated companies mainly relate to the Company's need for funding, which it obtains through Linde Material Handling GmbH.

Notes to the income statement**[9] Other operating income**

Other operating income includes the following items:

€ thousand	2015	2014
Income from other cost allocations within the Group	11,551	3,195
Income from reversal of provisions	435	9
Sundry income	583	3,726
	12,569	6,930

In 2014, other operating income had included income of €3,551 thousand from the purchase and transfer agreement between KION GROUP AG and KMH.

Other operating income includes an amount of €28 thousand relating to services from 2014 (2014: €0 thousand).

The figures include income from currency translation amounting to €17 thousand (2014: €0 thousand).

[10] Personnel expenses

The breakdown of personnel expenses is as follows:

€ thousand	2015	2014
Wages and salaries	31,801	15,909
Social security, post-employment and other employee benefit costs of which in respect of retirement pensions: € thousand 718 (2014: € 726 thousand)	2,283	1,185
	34,084	17,094

[11] Other operating expenses

Other operating expenses include the following items:

€ thousand	2015	2014
Consultancy expenses	15,278	5,094
Third-party services	10,884	4,466
Ancillary personnel expenses	4,048	8,803
Remuneration supervisory board	1,251	1,169
Auditor fees	675	567
Sundry operating expenses	4,410	2,545
	36,546	22,644

Other operating expenses include an amount of €291 thousand relating to services from 2014 (2014: €0 thousand). The figures include expenses from currency translation amounting to €7 thousand (2014: €0 thousand).

[12] Income from profit-transfer agreements

The transfer of profit from KION Holding 2 GmbH came to €24,554 thousand (2014: €198,516 thousand). proplan Transport- und Lagersysteme GmbH transferred its net profit of €596 thousand to the Company (2014: €38 thousand).

[13] Other interest and similar income

The following table shows the breakdown of other interest and similar income:

€ thousand	2015	2014
Other interest and similar income	6,508	4,821
of which from affiliated companies	6,508	4,821

Other interest and similar income mainly comprised interest income of €6,508 thousand (2014: €3,674 thousand) from a loan to KION Holding 2 GmbH.

[14] Interest expense and similar charges

The breakdown of interest expense and similar charges is as follows:

€ thousand	2015	2014
Interest expense and similar charges	2,771	923
of which to affiliated companies	151	49

The interest expense and similar charges item includes an expense amount of €2,620 thousand arising from unwinding the discount on non-current provisions (2014: €873 thousand). Of this amount, €2,571 thousand (2014: €859 thousand) is attributable to unwinding the discount on the pension provisions.

[15] Employees

The Company employed 139 people as at 31 December 2015 (31 December 2014: 134). Under the transfer agreement with KMH, 129 employees moved to KION GROUP AG with effect from 1 September 2014. The breakdown of the average number of employees is as follows:

	Average for 2015	Average for 2014
Employees with individually agreed remuneration	100	33
Employees covered by collective pay agreements	38	11
	138	44

[16] Contingent liabilities

KION GROUP AG concluded a new syndicated loan agreement (senior facilities agreement) on 28 October 2015. The actual restructuring of the KION Group's funding was decided upon in a resolution of the Executive Board of KION GROUP AG on 25 January 2016. The Company has issued guarantees to the banks for all of the payment obligations under the new senior facilities agreement. No amounts had been drawn down under the new loan agreement as at 31 December 2015. For further details, please refer to the 'Events after the reporting date' section.

There were no contingent liabilities on the reporting date, as had been the case a year earlier.

[17] Other financial commitments

Other financial commitments amounting to €3,245 thousand related to lease obligations to KMH (affiliated company). Of this amount, a sum of €906 thousand is due within one year.

[18] Members of the Executive Board and Supervisory Board

Executive Board members

Gordon Riske

Chief Executive Officer

Chairman of the Supervisory Board of Linde Material Handling GmbH, Aschaffenburg (until 14 January 2015)

Chairman of the Board of Directors of Linde (China) Forklift Truck Co., Ltd., Xiamen, People's Republic of China

Chairman of the Supervisory Board of STILL GmbH, Hamburg (until 14 January 2015)

Chairman of the Board of Directors of Egemin NV, Zwijndrecht, Belgium (since 22 September 2015)

Non-Executive Director of Weichai Power Co., Ltd., Weifang, People's Republic of China

Dr Eike Böhm

Member of the Executive Board / CTO (since 1 August 2015)

Member of the Supervisory Board of e.GO Mobile AG, Aachen (since 3 December 2015)

Bert-Jan Knoef

Member of the Executive Board (until 14 January 2015)

Theodor Maurer

Member of the Executive Board (until 14 January 2015)

Chairman of the Board of Directors of Linde Material Handling (UK) Ltd., Basingstoke, United Kingdom (until 14 January 2015)

Chairman of the Board of Directors of Linde Heavy Truck Division Ltd., Merthyr Tydfil, United Kingdom (until 14 January 2015)

Member of the Board of Directors of KION North America Corp., Summerville, USA (until 14 January 2015)

Member of the Board of Directors of Linde (China) Forklift Truck Co. Ltd., Xiamen, People's Republic of China (until 14 January 2015)

Member of the Supervisory Board of Schöler Fördertechnik AG, Rheinfelden (until 14 January 2015)

Ching Pong Quek

Member of the Executive Board / Chief Asia Pacific Officer

Member of the Board of KION South Asia Pte Ltd., Singapore, Singapore

President and CEO of KION Asia Ltd., Hong Kong, People's Republic of China

Chairman of KION Baoli Forklift Co., Ltd., Jiangsu, People's Republic of China

Member of the Board of Directors of KION India Pvt. Ltd., Pune, India

Member of the Board of Directors of Linde Material Handling Asia Pacific Pte., Ltd., Singapore, Singapore

Chairman of the Board of Directors of Linde Material Handling Hong Kong Ltd., Hong Kong, People's Republic of China

Dr Thomas Toepfer

Member of the Executive Board / CFO

Member of the Supervisory Board of STILL GmbH, Hamburg (until 14 January 2015)

Chairman of the Supervisory Board of STILL GmbH, Hamburg (since 15 January 2015)

Member of the Supervisory Board of Linde Material Handling GmbH, Aschaffenburg (until 14 January 2015)

Chairman of the Supervisory Board of Linde Material Handling GmbH, Aschaffenburg (since 15 January 2015)

Chairman of the Board of Directors of KION North America Corp., Summerville, USA

Member of the Board of Directors of Superlift UK Ltd., Basingstoke, United Kingdom

Supervisory Board**Dr John Feldmann**

Chairman of the Supervisory Board

Former member of the Board of Executive Directors of BASF SE, Ludwigshafen

Member of the Supervisory Board of Bilfinger SE, Mannheim

Member of the Supervisory Board of Hornbach Baumarkt AG, Bornheim

Member of the Supervisory Board of HORNBACK Holding AG & Co. KGaA, Neustadt (until 9 October 2015: HORNBACK HOLDING AG)

Member of the Supervisory Board of HORNBACK Management AG, Annweiler am Trifels (since 9 October 2015)

Özcan Pancarci¹

Deputy Chairman of the Supervisory Board (since 1 January 2016)

Chairman of the Plants I & II Works Council of Linde Material Handling GmbH, Aschaffenburg

Chairman of the Group Works Council of the KION Group

Deputy Chairman of the Supervisory Board of Linde Material Handling GmbH, Aschaffenburg (since 1 January 2016)

Joachim Hartig¹

Deputy Chairman of the Supervisory Board (until 31 December 2015)

Head of Learning and Development at Linde Material Handling GmbH, Aschaffenburg

Deputy Chairman of the Supervisory Board of Linde Material Handling GmbH, Aschaffenburg (until 31 December 2015)

Birgit A. Behrendt

Vice President and Corporate Officer, Global Programs and Purchasing Operations at the Ford Motor Company, Dearborn, Michigan, USA

Holger Brandt²

Head of Sales Germany at STILL GmbH, Hamburg

Member of the Supervisory Board of STILL GmbH, Hamburg

Wolfgang Faden (since 1 August 2015)

Former Managing Director for Germany and Central Europe at Allianz Global Corporate & Specialty AG, Munich

Member of the Supervisory Board of Albatros Versicherungsdienste GmbH, Cologne

Dr Alexander Dibelius

Managing Partner at CVC Capital Partners (Deutschland) GmbH, Frankfurt am Main (since 1 September 2015)

Member of the European Management Committee of Goldman Sachs International, London, United Kingdom (until 30 June 2015)

Member of the Board of Directors of OOO Goldman Sachs, Moscow, Russia (until 30 June 2015)

Member of the Board of Directors of OOO Goldman Sachs Bank, Moscow, Russia (until 30 June 2015)

Member of the Shareholder Committee of Xella International S.à r.l., Luxembourg (until 30 June 2015)

Chairman of the Supervisory Board of Wincor Nixdorf AG, Paderborn (until 30 June 2015)

Member of the Supervisory Board of Wincor Nixdorf International GmbH, Paderborn (until 30 June 2015)

Denis Heljic¹

Spokesperson for the STILL branches, Chairman of the European Works Council and Deputy Chairman of the Works Council of STILL GmbH, Dortmund plant

Johannes P. Huth (until 31 July 2015)

Partner at and member of the Executive Committee of Kohlberg Kravis Roberts & Co. Partners LLP, London, United Kingdom

Member of the Supervisory Board of Cognita Schools, Milton Keynes, United Kingdom

Member of the Supervisory Board of German Estate Group AG (GEG), Frankfurt am Main

Deputy Chairman of the Supervisory Board of NXP BV, Eindhoven, Netherlands

Member of the Board of Directors of SoftwareOne AG, Wallisellen, Switzerland

Chairman of the Supervisory Board of WMF AG, Geislingen an der Steige

Jiang Kui

President and Director of Shandong Heavy Industry Group Co., Ltd., Jinan, People's Republic of China

Member of the Board of Directors of Ferretti International Holding S.p.A., Milan, Italy

Member of the Executive Board of Hydraulics Drive Technology Beteiligungs GmbH, Aschaffenburg

Member of the Supervisory Board of Linde Hydraulics Verwaltungs GmbH, Aschaffenburg

Director of Shandong Heavy Industry India Private Ltd., Pune, India

Olaf Kunz¹

District Secretary/Lawyer at IG Metall, District Office for the Coast, Hamburg

Member of the Supervisory Board of STILL GmbH, Hamburg

Jörg Milla¹ (since 16 November 2015)

Chairman of the Works Council of STILL GmbH, Hamburg

Kay Pietsch¹

Member of the Works Council of STILL GmbH, Hamburg

Deputy Chairman of the Supervisory Board of STILL GmbH, Hamburg

Hans Peter Ring

Management Consultant, Munich

Member of the Supervisory Board of Airbus Defense und Space GmbH, Ottobrunn

Member of the Supervisory Board of Bilfinger SE, Mannheim (since 7 May 2015)

Member of the Supervisory Board of Elbe Flugzeugwerke GmbH, Dresden

Member of the Supervisory Board of Fokker Technologies Holding B.V., Papendrecht, Netherlands

Member of the Supervisory Board of MAG IAS GmbH, Göppingen (until 5 June 2015)

Alexandra Schädler¹

Trade Union Secretary on the National Executive of IG Metall, Frankfurt am Main
Member of the Supervisory Board of Fujitsu Technology Solutions GmbH, Munich

Tan Xuguang

Chairman of the Board of Directors of Shandong Heavy Industry Group Co., Ltd., Jinan, People's Republic of China
Chairman of the Board of Directors of Ferretti International Holding S.p.A., Milan, Italy
Chairman of the Board of Directors of Ferretti S.p.A., Forli, Italy
Chairman of the Board of Directors of Weichai Holding Group Co., Ltd., Weifang, People's Republic of China
Chairman of the Board of Directors and Chief Executive Officer of Weichai Power Co. Ltd., Weifang, People's Republic of China

Hans-Peter Weiß¹ (until 15 November 2015)

Chairman of the Plant III Works Council of Linde Material Handling GmbH, Kahl

Xu Ping

Partner and Member of the Management Committee at King & Wood Mallesons, Beijing, People's Republic of China
Member of the Board of Directors of Ferretti S.p.A., Forli, Italy

¹ Employee representatives.

² Executive representatives.

[19] Executive Board and Supervisory Board remuneration

The total remuneration for the members of the Executive Board pursuant to section 285 no. 9a HGB came to €9,384 thousand in 2015 (2014: €10,925 thousand). This consisted of short-term remuneration amounting to €4,807 thousand (2014: €5,346 thousand) and share-based payments of €4,576 thousand (2014: €5,579 thousand). As at 31 December 2015, no loans or advances had been extended to members of the Executive Board.

The fair value of the share-based payments at their individual grant dates amounted to €4,576 thousand (2014: €5,579 thousand).

The total remuneration paid to the members of the Supervisory Board for the year under review (excluding VAT) totalled €1,209 thousand (2014: €1,184 thousand).

Pension provisions of €2,328 thousand were recognised for former members of the Executive Board (2014: €0 thousand).

Disclosures regarding the remuneration paid to individual members of the Executive Board and the Supervisory Board can be found in the remuneration report, which forms part of the management report.

[20] KEEP employee share option programme

The KION Group has created an employee share option programme through which employees can purchase KION shares on special terms and, as employee shareholders, share in the Company's long-term performance. Employees who have had a permanent, uninterrupted employment contract with a participating company for at least one year at the start of the offer period are eligible to participate in the KION Employee Equity Programme (KEEP).

Each year, the Executive Board of KION GROUP AG decides whether there will be an offer made under the share option programme that year and which companies will participate.

Following the introduction of the KION Employee Equity Programme 2014 (KEEP 2014) for KION Group employees in 2014, the Executive Board decided to launch a further share option programme (KEEP 2015) on 1 October 2015 for employees in Germany and employees at certain other foreign companies. The offer period during which eligible employees could take up this offer by making a declaration of acceptance ran from 2 to 31 October 2015. In addition to KION GROUP AG, a total of 12 German and 34 foreign subsidiaries took part in KEEP 2015.

Both employee share option programmes are share matching plans. Employees who participate in the KEEP share option programme acquire KION shares for their own investment purposes. Each set of three KION shares represents a block of shares. Once the three-year holding period has expired, employees are entitled to one free matching share (bonus share) for each block. However, KION GROUP AG has the right to satisfy each programme participant's entitlement by paying a cash settlement instead of granting a bonus share. For employees taking part for the first time, the KION Group offers a special incentive in the form of starter blocks. Under KEEP 2015, the KION Group will bear the cost of one KION share (free share) in each of the first nine blocks of shares that an employee takes up.

The right to obtain a bonus share lapses if participants sell their own investment in KION shares or cease to work for the KION Group. The change in the number of bonus shares to be granted was as follows:

Change in the number of bonus shares granted

Number of shares	2015	2014
Balance as at 1 Jan	29,116	0
Bonus shares granted	24,504	29,146
Bonus shares forfeited	- 400	- 30
Balance as at 31 Dec	53,220	29,116

In 2015, 8,740 free shares were issued to employees at the participating companies as part of their starter blocks (2014: 20,856 free shares). The free shares to be issued are measured at their fair value on the day on which employees obtain the right to acquire shares as their own investment. The fair value on the grant date is determined on the basis of Monte Carlo simulation. The following measurement parameters were used:

Significant measurement parameters for the KEEP employee share option programme

Measurement parameter	KEEP 2015	KEEP 2014
Expected dividend	€0.88	€0.88
Value of KION shares at the grant date	€41.01	€29.02

The fair value of a bonus share was €38.57 for the 2015 programme and €26.59 for the 2014 programme. The fair value on the grant date of the bonus shares to be granted is recognised as an expense and paid into capital reserves over the three-year holding period.

In 2015, an expense of €15 thousand was recognised for free shares and bonus shares in connection with the KEEP employee share option programme (2014: €33 thousand).

[21] KION performance share plan (PSP) for managers

In March 2015, the 2015 tranche of the long-term, variable remuneration component (the KION Long-Term Incentive Plan for Top Management 2015) with a defined period (three years) was introduced retrospectively from 1 January 2015 for the managers in the KION Group. The remuneration component measured over the long term is based in equal parts on the total shareholder return (TSR) of KION GROUP AG shares compared with the STOXX® Europe TMI Industrial Engineering index as a measure of market performance, and with return on capital employed (ROCE) as an internal measure. It also depends on the performance of KION GROUP AG shares during the relevant period.

The performance period for the 2015 tranche ends on 31 December 2017 (2014 tranche: 31 December 2016). At the beginning of the performance period, the managers were allocated a total of 44,205 virtual shares for this tranche (2014 tranche: 40,515 virtual shares). The allocation was based on a particular percentage of each manager's individual gross annual remuneration at the time of grant. At the end of the performance period, the number of the virtual shares is amended depending on the degree to which the relevant targets are achieved. The resulting final number of virtual shares multiplied by the smoothed price of KION GROUP AG shares at the end of the performance period determines the amount of cash actually paid. The KION Group has the right to adjust the amount payable at the end of the performance period in the event of exceptional occurrences or developments. The maximum amount payable is limited to 200 per cent of the value of the shares allotted to an individual at the grant date.

The pro-rata expense calculation based on the fair value of the virtual shares on each valuation date is carried out using Monte Carlo simulation. The measurement parameters shown in the following table were used to value the virtual shares on the reporting date.

Measurement parameter	Measurement date 31 Dec 2015	
	2015 tranche	2014 tranche
Expected volatility of KION shares	30.0%	30.0%
Expected volatility of the STOXX® Europe TMI Industrial Engineering index	20.0%	20.0%
Risk-free interest rate	- 0.36%	- 0.39%
Expected dividend	€0.88	€0.88
Value of KION shares at the measurement date	€43.24	€43.24
Value of the STOXX® Europe TMI Industrial Engineering index at the measurement date	€208.65	€208.65
Starting price of KION shares (60-day average)	€29.06	€29.49
Starting value of STOXX® Europe TMI Industrial Engineering index (60-day average)	€200.94	€208.87

Taking account of the remaining term of two years (2015 tranche) and one year (2014 tranche), the historic volatility of KION shares was used to determine the volatility on which the valuation is based. As at 31 December 2015, the fair value of one virtual share was €45.41 for the 2014 tranche (31 December 2014: €27.23) and €39.80 for the 2015 tranche. On that date, the total fair value based on the current 46,257 virtual shares for the 2014 tranche and 50,147 virtual shares for 2015 was €2,101 thousand (2014 tranche; 31 December 2014: €1,103 thousand) and €1,996 thousand (2015 tranche).

The total carrying amount for liabilities in connection with share-based remuneration was €2,066 thousand (31 December 2014: €368 thousand). In 2015, a pro-rata expense of €1,488 thousand was recognised for twelve months (2014: €368 thousand).

[22] KION performance share plan (PSP) for the Executive Board

As part of the KION GROUP AG performance share plan, the Executive Board members are allocated virtual shares over a fixed period (two-and-a-half years for the 2013 tranche and three years for all subsequent tranches). The remuneration component measured over the long term is based in equal parts on the total shareholder return (TSR) of KION GROUP AG shares compared with the STOXX® Europe TMI Industrial Engineering index as a measure of market performance, and with return on capital employed (ROCE) as an internal measure. It also depends on the performance of KION GROUP AG shares during the relevant period.

The performance period for the 2015 tranche ends on 31 December 2017 (2014 tranche: 31 December 2016). The 2013 tranche expired on 31 December 2015 and will be paid out in the first quarter of 2016. At the beginning of the performance period on 1 January 2015 (2014 tranche: 1 January 2014; 2013 tranche: 29 June 2013), the Executive Board members were allocated a total of 152,615 virtual shares for this tranche (2014 tranche: 193,395; 2013 tranche: 261,916 virtual shares) with a specific fair value. The shares were allocated on the basis of an allocation value in euros specified in each Executive Board member's service contract.

At the end of the performance period, the number of the virtual shares is amended depending on the degree to which the relevant targets are achieved. The resulting final number of virtual shares multiplied by the smoothed price of KION GROUP AG shares at the end of the performance period determines the amount of cash actually paid. The Supervisory Board can also use a discretionary personal performance factor to adjust the final payment at the end of the performance period by +/- 20 per cent. The maximum amount payable is limited to 200 per cent of the value of the shares allotted to an individual at the grant date.

The pro-rata expense calculation based on the fair value of the virtual shares on each valuation date is carried out using Monte Carlo simulation. The following valuation parameters were used to value the virtual shares on the reporting date:

Measurement parameter	Measurement date 31 Dec 2015	
	2015 tranche	2014 tranche
Expected volatility of KION shares	30.0%	30.0%
Expected volatility of the STOXX® Europe TMI Industrial Engineering index	20.0%	20.0%
Risk-free interest rate	- 0.36%	- 0.39%
Expected dividend	€0.88	€0.88
Value of KION shares at the measurement date	€43.24	€43.24
Value of the STOXX® Europe TMI Industrial Engineering index at the measurement date	€208.65	€208.65
Starting price of KION shares (60-day average)	€29.06	€29.49
Starting value of STOXX® Europe TMI Industrial Engineering index (60-day average)	€200.94	€208.87

Taking account of the remaining term of two years (2015 tranche) and one year (2014 tranche), the historic volatility of KION shares was used to determine the volatility on which the valuation is based. As at 31 December 2015, the fair value of one virtual share was €43.58 for the 2014 tranche (31 December 2014: €26.79) and €39.25 for the 2015 tranche. On that date, the total fair value based on 151,064 and 152,615 virtual shares was €6,583 thousand (2014 tranche; 31 December 2014: €7,260 thousand) and €5,990 thousand (2015 tranche). The amount that is expected to be paid of €10,329 thousand for the 2013 tranche is calculated on the basis of a preliminary total target achievement rate and is subject to the performance-based adjustment (+/- 20 per cent) made by the Supervisory Board for individual Executive Board members.

The total carrying amount for liabilities in connection with share-based remuneration was €17,758 thousand as at 31 December 2015 (31 December 2014: €6,083 thousand). Of this amount, €10,329 thousand related to the 2013 tranche (31 December 2014: €4,356 thousand), €5,266 thousand to the 2014 tranche (31 December 2014: €1,727 thousand) and €2,164 thousand to the 2015 tranche. In 2015, a pro-rata expense of €5,673 thousand in respect of the 2013 tranche (2014: €3,055 thousand), a pro-rata expense of €3,377 thousand for the 2014 tranche (2014: €1,727 thousand) and a pro-rata expense of €1,997 thousand for the 2015 tranche were recognised for twelve months.

[23] Membership of a corporate group

KION GROUP AG, Wiesbaden, prepares consolidated financial statements that are published in the German Federal Gazette.

[24] Total fees paid to the auditors

The total fees paid to the auditors engaged by the Company are not disclosed pursuant to section 285 no. 17 HGB because they are disclosed in the consolidated financial statements of KION GROUP AG, Wiesbaden.

[25] Affiliated companies and equity investments

Pursuant to section 285 no. 11 HGB, shareholdings are disclosed in the list of shareholdings attached to these notes.

[26] Comply-or-explain statement regarding the German Corporate Governance Code (DCGK)

In December 2015, the Executive Board and Supervisory Board of KION GROUP AG submitted their comply-or-explain statement for 2015 relating to the recommendations of the German Corporate Governance Code government commission pursuant to section 161 AktG. The comply-or-explain statement has been made permanently available to shareholders on the website of KION GROUP AG at www.kiongroup.com/governancereport.

[27] Notifications of voting rights pursuant to section 21 (1) WpHG

Section 160 (1) no. 8 AktG requires disclosures to be made about the existence of equity investments of which the Company has been notified pursuant to section 21 (1) or (1a) of the German Securities Trading Act (WpHG).

The following table shows the notifiable equity investments of which the Company had been notified by 9 March 2016. The disclosures are taken from the notifications that the Company has received since 1 January 2015.

All notifications about equity investments published by the Company in the reporting year and up to 9 March 2016 are available on the website of KION GROUP AG (http://www.kiongroup.com/en/main/investor_relations/ir_news/voting_rights_announcements/voting_rights.jsp). Please note that the disclosures about the percentages and voting rights relating to equity investments may no longer be up to date.

	Party subject to notification requirement	Date on which shareholding reached, exceeded or fell below the threshold	Notification threshold; fact whether shareholding was higher or lower	Share and number of voting rights	Of which attributable pursuant to section 22 (1) sentence 1 no. 1 WpHG	Of which attributable pursuant to section 22 (1) sentence 1 no. 6 WpHG (if applic. in conjunction with sentence 2)	Of which attributable pursuant to section 22 (2) WpHG
1	ASF Walter Co-Invest GP Limited, George Town, Cayman Islands	13 February 2015	3%, 5%, 10%, 15%, 20%, 25%, 30% and 50%; higher	52.13% (51,554,200 voting rights)	18.83% (18,620,500 voting rights) via individual or all of the controlled entities in FN 1	–	33.30% (32,933,700 voting rights) held by Weichai Power (Luxembourg) Holding S.à r.l.
2	ASF Walter Co-Invest II L.P., George Town, Cayman Islands	13 February 2015	3%, 5%, 10%, 15%, 20%, 25%, 30% and 50%; higher	52.13% (51,554,200 voting rights)	18.83% (18,620,500 voting rights) via individual or all of the controlled entities in FN 1	–	33.30% (32,933,700 voting rights) held by Weichai Power (Luxembourg) Holding S.à r.l.
3	KKR Management LLC, Wilmington, Delaware, USA	16 February 2015	50%; lower	47.23% (46,712,186 voting rights)	13.93% (13,778,486 voting rights) via individual or all of the controlled entities in FN 1	–	33.30% (32,933,700 voting rights) held by Weichai Power (Luxembourg) Holding S.à r.l.
4	KKR Group Limited, George Town, Cayman Islands	16 February 2015	50%; lower	47.23% (46,712,186 voting rights)	13.93% (13,778,486 voting rights) via individual or all of the controlled entities in FN 1	–	33.30% (32,933,700 voting rights) held by Weichai Power (Luxembourg) Holding S.à r.l.
5	KKR & Co. L.P., Wilmington, Delaware, USA	16 February 2015	50%; lower	47.23% (46,712,186 voting rights)	13.93% (13,778,486 voting rights) via individual or all of the controlled entities in FN 1	–	33.30% (32,933,700 voting rights) held by Weichai Power (Luxembourg) Holding S.à r.l.
6	KKR Group Holdings L.P., George Town, Cayman Islands	16 February 2015	50%; lower	47.23% (46,712,186 voting rights)	13.93% (13,778,486 voting rights) via individual or all of the controlled entities in FN 1	–	33.30% (32,933,700 voting rights) held by Weichai Power (Luxembourg) Holding S.à r.l.

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7	KKR Fund Holdings GP Limited, George Town, Cayman Islands	16 February 2015	50%; lower	47.23% (46,712,186 voting rights)	13.93% (13,778,486 voting rights) via individual or all of the controlled entities in FN 1	–	33.30% (32,933,700 voting rights) held by Weichai Power (Luxembourg) Holding S.à r.l.
8	KKR Fund Holdings L.P., George Town, Cayman Islands	16 February 2015	50%; lower	47.23% (46,712,186 voting rights)	13.93% (13,778,486 voting rights) via individual or all of the controlled entities in FN 1	–	33.30% (32,933,700 voting rights) held by Weichai Power (Luxembourg) Holding S.à r.l.
9	KKR PEI GP Limited, George Town, Cayman Islands	16 February 2015	50%; lower	47.23% (46,712,186 voting rights)	13.93% (13,778,486 voting rights) via individual or all of the controlled entities in FN 1	–	33.30% (32,933,700 voting rights) held by Weichai Power (Luxembourg) Holding S.à r.l.
10	KKR Europe II Limited, George Town, Cayman Islands	16 February 2015	50%; lower	47.23% (46,712,186 voting rights)	13.93% (13,778,486 voting rights) via individual or all of the controlled entities in FN 1	–	33.30% (32,933,700 voting rights) held by Weichai Power (Luxembourg) Holding S.à r.l.
11	KKR 2006 Limited, George Town, Cayman Islands	16 February 2015	50%; lower	47.23% (46,712,186 voting rights)	13.93% (13,778,486 voting rights) via individual or all of the controlled entities in FN 1	–	33.30% (32,933,700 voting rights) held by Weichai Power (Luxembourg) Holding S.à r.l.
12	ASF Walter Co-Invest GP Limited, George Town, Cayman Islands	16 February 2015	50%; lower	47.23% (46,712,186 voting rights)	13.93% (13,778,486 voting rights) via individual or all of the controlled entities in FN 1	–	33.30% (32,933,700 voting rights) held by Weichai Power (Luxembourg) Holding S.à r.l.
13	KKR 1996 Overseas Limited, George Town, Cayman Islands	16 February 2015	50%; lower	47.23% (46,712,186 voting rights)	13.93% (13,778,486 voting rights) via individual or all of the controlled entities in FN 1	–	33.30% (32,933,700 voting rights) held by Weichai Power (Luxembourg) Holding S.à r.l.
14	KKR Associates 2006 (Overseas), Limited Partnership, George Town, Cayman Islands	16 February 2015	50%; lower	47.23% (46,712,186 voting rights)	13.93% (13,778,486 voting rights) via individual or all of the controlled entities in FN 1	–	33.30% (32,933,700 voting rights) held by Weichai Power (Luxembourg) Holding S.à r.l.
15	KKR PEI Associates, L.P., St Peter Port, Guernsey	16 February 2015	50%; lower	47.23% (46,712,186 voting rights)	13.93% (13,778,486 voting rights) via individual or all of the controlled entities in FN 1	–	33.30% (32,933,700 voting rights) held by Weichai Power (Luxembourg) Holding S.à r.l.
16	KKR Associates Europe II, Limited Partnership, Calgary, Canada	16 February 2015	50%; lower	47.23% (46,712,186 voting rights)	13.93% (13,778,486 voting rights) via individual or all of the controlled entities in FN 1	–	33.30% (32,933,700 voting rights) held by Weichai Power (Luxembourg) Holding S.à r.l.
17	KKR Partners (International), L.P., Calgary, Canada	16 February 2015	50%; lower	47.23% (46,712,186 voting rights)	13.93% (13,778,486 voting rights) via individual or all of the controlled entities in FN 1	–	33.30% (32,933,700 voting rights) held by Weichai Power (Luxembourg) Holding S.à r.l.

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18	KKR PEI Investments, L.P., St Peter Port, Guernsey	16 February 2015	50%; lower	47.23% (46,712,186 voting rights)	13.93% (13,778,486 voting rights) via individual or all of the controlled entities in FN 1	–	33.30% (32,933,700 voting rights) held by Weichai Power (Luxembourg) Holding S.à r.l.
19	ASF Walter Co-Invest II L.P., George Town, Cayman Islands	16 February 2015	50%; lower	47.23% (46,712,186 voting rights)	13.93% (13,778,486 voting rights) via individual or all of the controlled entities in FN 1	–	33.30% (32,933,700 voting rights) held by Weichai Power (Luxembourg) Holding S.à r.l.
20	KKR European Fund II, Limited Partnership, Calgary, Canada	16 February 2015	50%; lower	47.23% (46,712,186 voting rights)	13.93% (13,778,486 voting rights) via individual or all of the controlled entities in FN 1	–	33.30% (32,933,700 voting rights) held by Weichai Power (Luxembourg) Holding S.à r.l.
21	KKR 2006 Fund (Overseas), Limited Partnership, George Town, Cayman Islands	16 February 2015	50%; lower	47.23% (46,712,186 voting rights)	13.93% (13,778,486 voting rights) via individual or all of the controlled entities in FN 1	–	33.30% (32,933,700 voting rights) held by Weichai Power (Luxembourg) Holding S.à r.l.
22	Superlift Holding S.à r.l., Luxembourg, Grand Duchy of Luxembourg	16 February 2015	50%; lower	47.23% (46,712,186 voting rights)	–	–	33.30% (32,933,700 voting rights) held by Weichai Power (Luxembourg) Holding S.à r.l.
23	The Goldman Sachs Group, Inc., Wilmington, Delaware, USA	16 February 2015	50%; lower	47.24% (46,720,740 voting rights)	13.94% (13,787,040 voting rights) via individual or all of the controlled entities in FN 2	–	33.30% (32,933,700 voting rights) held by Weichai Power (Luxembourg) Holding S.à r.l.
24	The Goldman, Sachs & Co. L.L.C., Wilmington, Delaware, USA	16 February 2015	50%; lower	47.23% (46,712,186 voting rights)	13.93% (13,778,486 voting rights) via individual or all of the controlled entities in FN 2	–	33.30% (32,933,700 voting rights) held by Weichai Power (Luxembourg) Holding S.à r.l.
25	Goldman, Sachs & Co., New York, New York, USA	16 February 2015	50%; lower	47.23% (46,712,186 voting rights)	13.93% (13,778,486 voting rights) via individual or all of the controlled entities in FN 2	–	33.30% (32,933,700 voting rights) held by Weichai Power (Luxembourg) Holding S.à r.l.
26	GS Advisors V, L.L.C., Wilmington, Delaware, USA	16 February 2015	50%; lower	47.23% (46,712,186 voting rights)	13.93% (13,778,486 voting rights) via individual or all of the controlled entities in FN 2	–	33.30% (32,933,700 voting rights) held by Weichai Power (Luxembourg) Holding S.à r.l.
27	GS Advisors V AIV, Ltd., George Town, Cayman Islands	16 February 2015	50%; lower	47.23% (46,712,186 voting rights)	13.93% (13,778,486 voting rights) via individual or all of the controlled entities in FN 2	–	33.30% (32,933,700 voting rights) held by Weichai Power (Luxembourg) Holding S.à r.l.

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28	GS Capital Partners V Employee Funds GP, L.L.C., Wilmington, Delaware, USA	16 February 2015	50%; lower	47.23% (46,712,186 voting rights)	13.93% (13,778,486 voting rights) via individual or all of the controlled entities in FN 2	–	33.30% (32,933,700 voting rights) held by Weichai Power (Luxembourg) Holding S.à r.l.
29	GS Capital Partners V Employee Fund, L.P., Wilmington, Delaware, USA	16 February 2015	50%; lower	47.23% (46,712,186 voting rights)	13.93% (13,778,486 voting rights) via individual or all of the controlled entities in FN 2	–	33.30% (32,933,700 voting rights) held by Weichai Power (Luxembourg) Holding S.à r.l.
30	GSCP V AIV, L.P., George Town, Cayman Islands	16 February 2015	50%; lower	47.23% (46,712,186 voting rights)	13.93% (13,778,486 voting rights) via individual or all of the controlled entities in FN 2	–	33.30% (32,933,700 voting rights) held by Weichai Power (Luxembourg) Holding S.à r.l.
31	GSCP V Institutional AIV, L.P., George Town, Cayman Islands	16 February 2015	50%; lower	47.23% (46,712,186 voting rights)	13.93% (13,778,486 voting rights) via individual or all of the controlled entities in FN 2	–	33.30% (32,933,700 voting rights) held by Weichai Power (Luxembourg) Holding S.à r.l.
32	GS Capital Partners V Offshore, L.P., George Town, Cayman Islands	16 February 2015	50%; lower	47.23% (46,712,186 voting rights)	13.93% (13,778,486 voting rights) via individual or all of the controlled entities in FN 2	–	33.30% (32,933,700 voting rights) held by Weichai Power (Luxembourg) Holding S.à r.l.
33	GS Capital Partners V GmbH & Co. KG, Frankfurt am Main, Germany	16 February 2015	50%; lower	47.23% (46,712,186 voting rights)	13.93% (13,778,486 voting rights) via individual or all of the controlled entities in FN 2	–	33.30% (32,933,700 voting rights) held by Weichai Power (Luxembourg) Holding S.à r.l.
34	Weichai Power (Luxembourg) Holding S.à r.l., Luxembourg, Grand Duchy of Luxembourg	16 February 2015	50%; lower	47.23% (46,712,186 voting rights)	–	–	13.93% (13,778,486 voting rights) held by Superlift Holding S.à r.l.
35	Weichai Power Hong Kong International Development Co., Ltd., Hong Kong, People's Republic of China	16 February 2015	50%; lower	47.23% (46,712,186 voting rights)	33.30% (32,933,700 voting rights) via individual or all of the controlled entities in FN 3	–	13.93% (13,778,486 voting rights) held by Superlift Holding S.à r.l.
36	Weichai Power Co., Ltd., Weifang, Shandong Province, People's Republic of China	16 February 2015	50%; lower	47.23% (46,712,186 voting rights)	33.30% (32,933,700 voting rights) via individual or all of the controlled entities in FN 3	–	13.93% (13,778,486 voting rights) held by Superlift Holding S.à r.l.
37	Weichai Group Holdings Limited, Weifang, Shandong Province, People's Republic of China	16 February 2015	50%; lower	47.23% (46,712,186 voting rights)	33.30% (32,933,700 voting rights) via individual or all of the controlled entities in FN 3	–	13.93% (13,778,486 voting rights) held by Superlift Holding S.à r.l.
38	Shandong Heavy Industry Group Co., Ltd., Jinan, Shandong Province, People's Republic of China	16 February 2015	50%; lower	47.23% (46,712,186 voting rights)	33.30% (32,933,700 voting rights) via individual or all of the controlled entities in FN 3	–	13.93% (13,778,486 voting rights) held by Superlift Holding S.à r.l.

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39	People's Republic of China, acting through the State-owned Assets Supervision and Administration Commission (SASAC) of Shandong People's Government of the People's Republic of China, Jinan, Shandong Province, People's Republic of China	16 February 2015	50%; lower	47.23% (46,712,186 voting rights)	33.30% (32,933,700 voting rights) via individual or all of the controlled entities in FN 3	–	13.93% (13,778,486 voting rights) held by Superlift Holding S.à r.l.
40	Deutsche Asset & Wealth Management Investment GmbH, Frankfurt, Germany	25 February 2015	3%; lower	2.81% (2,776,436 voting rights)	–	0.3% (292,643 voting rights)	–
41	KKR Management LLC, Wilmington, Delaware, USA	31 March 2015	30%, 25%, 20%, 15%, 10%, 5% and 3%; lower	0.00% (0 voting rights)	–	–	–
42	KKR Group Limited, George Town, Cayman Islands	31 March 2015	30%, 25%, 20%, 15%, 10%, 5% and 3%; lower	0.00% (0 voting rights)	–	–	–
43	KKR & Co. L.P., Wilmington, Delaware, USA	31 March 2015	30%, 25%, 20%, 15%, 10%, 5% and 3%; lower	0.00% (0 voting rights)	–	–	–
44	KKR Group Holdings L.P., George Town, Cayman Islands	31 March 2015	30%, 25%, 20%, 15%, 10%, 5% and 3%; lower	0.00% (0 voting rights)	–	–	–
45	KKR Fund Holdings GP Limited, George Town, Cayman Islands	31 March 2015	30%, 25%, 20%, 15%, 10%, 5% and 3%; lower	0.00% (0 voting rights)	–	–	–
46	KKR Fund Holdings L.P., George Town, Cayman Islands	31 March 2015	30%, 25%, 20%, 15%, 10%, 5% and 3%; lower	0.00% (0 voting rights)	–	–	–
47	KKR PEI GP Limited, George Town, Cayman Islands	31 March 2015	30%, 25%, 20%, 15%, 10%, 5% and 3%; lower	0.00% (0 voting rights)	–	–	–
48	KKR Europe II Limited, George Town, Cayman Islands	31 March 2015	30%, 25%, 20%, 15%, 10%, 5% and 3%; lower	0.00% (0 voting rights)	–	–	–

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49	KKR 2006 Limited, George Town, Cayman Islands	31 March 2015	30%, 25%, 20%, 15%, 10%, 5% and 3%; lower	0.00% (0 voting rights)	-	-	-
50	ASF Walter Co-Invest GP Limited, George Town, Cayman Islands	31 March 2015	30%, 25%, 20%, 15%, 10%, 5% and 3%; lower	0.00% (0 voting rights)	-	-	-
51	KKR 1996 Overseas Limited, George Town, Cayman Islands	31 March 2015	30%, 25%, 20%, 15%, 10%, 5% and 3%; lower	0.00% (0 voting rights)	-	-	-
52	KKR Associates 2006 (Overseas), Limited Partnership, George Town, Cayman Islands	31 March 2015	30%, 25%, 20%, 15%, 10%, 5% and 3%; lower	0.00% (0 voting rights)	-	-	-
53	KKR PEI Associates, L.P., St Peter Port, Guernsey	31 March 2015	30%, 25%, 20%, 15%, 10%, 5% and 3%; lower	0.00% (0 voting rights)	-	-	-
54	KKR Associates Europe II, Limited Partnership, Calgary, Canada	31 March 2015	30%, 25%, 20%, 15%, 10%, 5% and 3%; lower	0.00% (0 voting rights)	-	-	-
55	KKR Partners (International), L.P., Calgary, Canada	31 March 2015	30%, 25%, 20%, 15%, 10%, 5% and 3%; lower	0.00% (0 voting rights)	-	-	-
56	KKR PEI Investments, L.P., St Peter Port, Guernsey	31 March 2015	30%, 25%, 20%, 15%, 10%, 5% and 3%; lower	0.00% (0 voting rights)	-	-	-
57	ASF Walter Co-Invest II L.P., George Town, Cayman Islands	31 March 2015	30%, 25%, 20%, 15%, 10%, 5% and 3%; lower	0.00% (0 voting rights)	-	-	-
58	KKR European Fund II, Limited Partnership, Calgary, Canada	31 March 2015	30%, 25%, 20%, 15%, 10%, 5% and 3%; lower	0.00% (0 voting rights)	-	-	-
59	KKR 2006 Fund (Overseas), Limited Partnership, George Town, Cayman Islands	31 March 2015	30%, 25%, 20%, 15%, 10%, 5% and 3%; lower	0.00% (0 voting rights)	-	-	-

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60	Superlift Holding S.à r.l., Luxembourg, Grand Duchy of Luxembourg	31 March 2015	30%, 25%, 20%, 15%, 10%, 5% and 3%; lower	0.00% (0 voting rights)	-	-	-
61	The Goldman Sachs Group, Inc., Wilmington, Delaware, USA	31 March 2015	30%, 25%, 20%, 15%, 10%, 5% and 3%; lower	0.12% (115,050 voting rights)	0.12% (115,050 voting rights)	-	-
62	The Goldman, Sachs & Co. L.L.C., Wilmington, Delaware, USA	31 March 2015	30%, 25%, 20%, 15%, 10%, 5% and 3%; lower	0.00% (0 voting rights)	-	-	-
63	Goldman, Sachs & Co., New York, New York, USA	31 March 2015	30%, 25%, 20%, 15%, 10%, 5% and 3%; lower	0.00% (0 voting rights)	-	-	-
64	GS Advisors V, L.L.C., Wilmington, Delaware, USA	31 March 2015	30%, 25%, 20%, 15%, 10%, 5% and 3%; lower	0.00% (0 voting rights)	-	-	-
65	GS Advisors V AIV, Ltd., George Town, Cayman Islands	31 March 2015	30%, 25%, 20%, 15%, 10%, 5% and 3%; lower	0.00% (0 voting rights)	-	-	-
66	GS Capital Partners V Employee Funds GP, L.L.C., Wilmington, Delaware, USA	31 March 2015	30%, 25%, 20%, 15%, 10%, 5% and 3%; lower	0.00% (0 voting rights)	-	-	-
67	GS Capital Partners V Employee Fund, L.P., Wilmington, Delaware, USA	31 March 2015	30%, 25%, 20%, 15%, 10%, 5% and 3%; lower	0.00% (0 voting rights)	-	-	-
68	GSCP V AIV, L.P., George Town, Cayman Islands	31 March 2015	30%, 25%, 20%, 15%, 10%, 5% and 3%; lower	0.00% (0 voting rights)	-	-	-
69	GSCP V Institutional AIV, L.P., George Town, Cayman Islands	31 March 2015	30%, 25%, 20%, 15%, 10%, 5% and 3%; lower	0.00% (0 voting rights)	-	-	-
70	GS Capital Partners V Offshore, L.P., George Town, Cayman Islands	31 March 2015	30%, 25%, 20%, 15%, 10%, 5% and 3%; lower	0.00% (0 voting rights)	-	-	-

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71	GS Capital Partners V GmbH & Co. KG, Frankfurt am Main, Germany	31 March 2015	30%, 25%, 20%, 15%, 10%, 5% and 3%; lower	0.00% (0 voting rights)	–	–	–
72	Allianz Global Investors GmbH, Frankfurt/Main, Germany	23 April 2015	3%; higher	3.13% (3,096,601 voting rights)	–	0.95% (934,847 voting rights)	–
73	FMR LLC, Boston, USA (FN 4)	15 July 2015	3%; higher	3.00% (2,967,038 voting rights)	–	3.00% (2,967,038 voting rights)	–
74	Fidelity Management & Research Company, Boston, USA (FN 4)	15 July 2015	3%; higher	3.00% (2,967,038 voting rights)	–	3.00% (2,967,038 voting rights)	–
75	FMR LLC, Boston, USA (FN 4)	15 July 2015	3%; higher	3.00004% (2,967,038 voting rights)	–	3.00004% (2,967,038 voting rights)	–
76	Fidelity Management & Research Company, Boston, USA (FN 4)	15 July 2015	3%; higher	3.00004% (2,967,038 voting rights)	–	3.00004% (2,967,038 voting rights)	–

Footnotes (FN)	
1	<p>KKR & Co. L.P., Wilmington, Delaware, USA; KKR Group Limited, George Town, Cayman Islands; KKR Group Holdings L.P., George Town, Cayman Islands; KKR Fund Holdings GP Limited, George Town, Cayman Islands; KKR Fund Holdings L.P., George Town, Cayman Islands; KKR Europe II Limited, George Town, Cayman Islands; KKR Associates Europe II, Limited Partnership, Calgary, Canada; KKR European Fund II, Limited Partnership, Calgary, Canada; KKR 2006 Limited, George Town, Cayman Islands; KKR Associates 2006 (Overseas), Limited Partnership, George Town, Cayman Islands; KKR 2006 Fund (Overseas), Limited Partnership, George Town, Cayman Islands; KKR PEI GP Limited, George Town, Cayman Islands; KKR PEI Associates, L.P., St Peter Port, Guernsey; KKR PEI Investments, L.P., St Peter Port, Guernsey; ASF Walter Co-Invest GP Limited, George Town, Cayman Islands; ASF Walter Co-Invest II L.P., George Town, Cayman Islands; KKR Partners (International), L.P., Calgary, Canada; Superlift Holding S.à r.l., Luxembourg, Grand Duchy of Luxembourg</p>
2	<p>The Goldman, Sachs & Co. L.L.C., Wilmington, Delaware, USA; Goldman, Sachs & Co., New York, New York, USA; GS Capital Partners V Employee Funds GP, L.L.C., Wilmington, Delaware, USA; GS Capital Partners V Employee Fund, L.P., Wilmington, Delaware, USA; GS Advisors V AIV, Ltd., George Town, Cayman Islands; GSCP V AIV, L.P., George Town, Cayman Islands; GSCP V Institutional AIV, L.P., George Town, Cayman Islands; GS Advisors V, L.L.C., Wilmington, Delaware, USA; GS Capital Partners V Offshore, L.P., George Town, Cayman Islands; Superlift Holding S.à r.l., Luxembourg, Grand Duchy of Luxembourg</p>
3	<p>Shandong Heavy Industry Group Co., Ltd., Jinan, Shandong Province, People's Republic of China; Weichai Group Holdings Limited, Weifang, Shandong Province, People's Republic of China; Weichai Power Co., Ltd., Weifang, Shandong Province, People's Republic of China; Weichai Power Hong Kong International Development Co., Ltd., Hong Kong, People's Republic of China; Weichai Power (Luxembourg) Holding S.à r.l., Luxembourg, Grand Duchy of Luxembourg</p>
4	<p>The publications for the notifications dated 15 July 2015 (numbers 73 and 74) relating to these companies were corrected by means of publications dated 20 July 2015 (numbers 75 and 76).</p>

[28] Proposal for the appropriation of profit

The Supervisory Board and the Executive Board propose to the Annual General Meeting that, of the distributable profit for the 2015 financial year amounting to €76,100,000, an amount of €76,029,761.50 be appropriated for the payment of a dividend of €0.77 per dividend-bearing share.

Wiesbaden, 9 March 2016

The Executive Board

Gordon Riske

Dr Eike Böhm

Ching Pong Quek

Dr Thomas Toepfer

List of shareholdings as of December 31, 2015

according to section 285 No. 11 Commercial Code (HGB)

Name	Registered office	Country	Share-holding	Net results for the	
				Equity, financial year, Local GAAP, TEUR	Local GAAP, TEUR Note
Affiliated companies					
Domestic					
KION Holding 2 GmbH	Wiesbaden	Germany	100.00%	2,005,331	0 [F]
KION Material Handling GmbH	Wiesbaden	Germany	100.00%	1,448,715	73,104
KION Information Management Services GmbH	Wiesbaden	Germany	100.00%	129	0 [E]
Linde Material Handling GmbH	Aschaffenburg	Germany	100.00%	461,786	0 [E]
BlackForxx GmbH	Stuhr	Germany	100.00%	757	0 [B]
Egemin GmbH	Bremen	Germany	100.00%	461	-345 [4]
Eisenwerk Weilbach GmbH	Wiesbaden	Germany	100.00%	288	0 [A]
Fahrzeugbau GmbH Geisa	Geisa	Germany	100.00%	7,329	0 [B]
Klaus Pahlke Betriebsführungs-GmbH	Haan	Germany	100.00%	49	881 [1]
Klaus Pahlke GmbH & Co. Fördertechnik KG	Haan	Germany	100.00%	16,278	2,132
KION Financial Services GmbH	Wiesbaden	Germany	100.00%	1,558	0 [A]
KION Warehouse Systems GmbH	Reutlingen	Germany	100.00%	22,670	0 [B]
LMH Immobilien GmbH & Co. KG	Aschaffenburg	Germany	99.64%	29,778	1,416
LMH Immobilien Holding GmbH & Co. KG	Aschaffenburg	Germany	94.00%	1,602	421
LMH Immobilien Holding Verwaltungs-GmbH	Aschaffenburg	Germany	100.00%	32	1
LMH Immobilien Verwaltungs-GmbH	Aschaffenburg	Germany	100.00%	32	1
LR Intralogistik GmbH	Wörth a. d. Isar	Germany	100.00%	1,609	-407 [4]
OM Deutschland GmbH	Neuhausen a. d. Fildern	Germany	100.00%	-2,562	-88 [R]
proplan Transport- und Lagersysteme GmbH	Aschaffenburg	Germany	100.00%	572	0 [F]
Schrader Industriefahrzeuge GmbH & Co. KG	Essen	Germany	100.00%	2,322	1,424
Schrader Industriefahrzeuge Verwaltung GmbH	Essen	Germany	100.00%	85	4 [1]
STILL Financial Services GmbH	Hamburg	Germany	100.00%	1,533	0 [C]
STILL Gesellschaft mit beschränkter Haftung	Hamburg	Germany	100.00%	206,250	0 [A]
Trainingscenter für Sicherheit und Transport GmbH	Bremen	Germany	74.00%	25	0 [1], [D]
Urban-Transporte Gesellschaft mit beschränkter Haftung	Unterschleißheim	Germany	100.00%	3,181	0 [A]
Willenbrock Fördertechnik Beteiligungs-GmbH	Bremen	Germany	74.00%	42	1 [1]
Willenbrock Fördertechnik Beteiligungs-GmbH	Hannover	Germany	74.00%	33	0 [1]
Willenbrock Fördertechnik GmbH & Co. KG	Bremen	Germany	74.00%	6,994	3,394
Willenbrock Fördertechnik GmbH & Co. KG	Hannover	Germany	74.00%	4,913	2,513
Willenbrock Fördertechnik Holding GmbH	Bremen	Germany	74.00%	7,027	-973
Foreign					
Lansing Bagnall (Aust.) Pty. Ltd.	Huntingwood	Australia	100.00%	2,192	0 [3], [R]
Linde Material Handling Pty. Ltd.	Huntingwood	Australia	100.00%	38,363	791
Egemin NV	Zwijndrecht	Belgium	100.00%	11,412	5,174 [4]
STILL NV	Wijnegem	Belgium	100.00%	6,953	2,506
KION South America Fabricação de Equipamentos para Armazenagem Ltda.	Indaiatuba / São Paulo	Brazil	100.00%	18,205	-1,366
STILL DANMARK A/S	Kolding	Denmark	100.00%	7,636	1,192
Baoli France SAS	Elancourt	France	100.00%	-104	-101 [1]
BARTHELEMY MANUTENTION SAS	Vitrolles	France	83.50%	3,742	1,703
Bastide Manutention SAS	Bruguières	France	100.00%	4,553	1,073
Bretagne Manutention S.A.	Pacé	France	100.00%	24,157	4,088
Egemin SAS	Heillecourt	France	100.00%	1,166	567 [4]
FENWICK FINANCIAL SERVICES SAS	Elancourt	France	100.00%	1,584	-266
FENWICK-LINDE S.A.R.L.	Elancourt	France	100.00%	222,634	36,499
KION France SERVICES SAS	Elancourt	France	100.00%	268,878	23,790
LOIRE OCEAN MANUTENTION SAS	Saint-Herblain	France	79.99%	5,088	2,148
Manuchar S.A.	Gond Pontouvre	France	100.00%	2,950	1,034
MANUSOM SAS	Rivery	France	100.00%	916	165
OM PIMESPO FRANCE SAS	Marne la Vallée	France	100.00%	-569	-56 [R]
Société Angoumoisine de Manutention (SAMA) SAS	Champniers	France	100.00%	14,317	462
SCI Champ Lagarde	Elancourt	France	100.00%	104	0 [1]
SM Rental SAS	Roissy Charles de Gaulle	France	100.00%	1,694	584
STILL Location Services SAS	Marne la Vallée	France	100.00%	1,079	144
STILL SAS	Marne la Vallée	France	100.00%	29,570	5,109
URBAN LOGISTIQUE SAS	Elancourt	France	100.00%	2,621	520 [1]
Castle Lift Trucks Ltd.	Basingstoke	U.K.	100.00%	908	874 [1], [R]
Creighton Materials Handling Ltd.	Basingstoke	U.K.	100.00%	584	1 [1], [R]
D.B.S. Brand Factors Ltd.	Basingstoke	U.K.	100.00%	0	0 [1], [R]
Egemin UK Ltd.	Huntingdon	U.K.	100.00%	1,417	99 [4]
Fork Truck Rentals Ltd.	Basingstoke	U.K.	100.00%	0	0 [1], [R]
Fork Truck Training Ltd.	Basingstoke	U.K.	100.00%	0	0 [1], [R]
KION FINANCIAL SERVICES Ltd.	Basingstoke	U.K.	100.00%	7,447	1,820

Name	Registered office	Country	Share-holding	Net results for the Equity, financial year,	
				Local GAAP, TEUR	Local GAAP, TEUR Note
Affiliated companies					
Foreign					
Lancashire (Fork Truck) Services Ltd.	Basingstoke	U.K.	100.00%	0	0 [1], [R]
Linde Castle Ltd.	Basingstoke	U.K.	100.00%	9,045	653
Linde Creighton Ltd.	Basingstoke	U.K.	100.00%	16,719	2,234
Linde Heavy Truck Division Ltd.	Basingstoke	U.K.	100.00%	1,642	6,345
Linde Holdings Ltd.	Basingstoke	U.K.	100.00%	163,821	1,903
Linde Jewsbury's Ltd.	Basingstoke	U.K.	100.00%	14,999	1,849
Linde Material Handling (UK) Ltd.	Basingstoke	U.K.	100.00%	69,288	13,749
Linde Material Handling East Ltd.	Basingstoke	U.K.	100.00%	3,322	434
Linde Material Handling Scotland Ltd.	Basingstoke	U.K.	100.00%	10,975	461
Linde Material Handling South East Ltd.	Basingstoke	U.K.	100.00%	4,180	336
Linde Severnside Ltd.	Basingstoke	U.K.	100.00%	11,357	825
Linde Sterling Ltd.	Basingstoke	U.K.	100.00%	14,717	1,980
McLEMAN FORK LIFT SERVICES LTD.	Basingstoke	U.K.	100.00%	2,446	416
Stephensons Enterprise Fork Trucks Ltd.	Basingstoke	U.K.	100.00%	0	0 [1], [R]
Sterling Mechanical Handling Ltd.	Basingstoke	U.K.	100.00%	1,331	0 [1], [R]
STILL Materials Handling Ltd.	Exeter	U.K.	100.00%	-28,289	708
Superlift UK Ltd.	Basingstoke	U.K.	100.00%	65,240	-19,787
Trifik Services Ltd.	Basingstoke	U.K.	100.00%	13	0 [1], [R]
Urban Logistics (UK) Ltd.	Basingstoke	U.K.	100.00%	638	29 [1]
Egemin Asia Pacific Automation Ltd.	Causeway Bay	Hong Kong	100.00%	-2	-18 [4]
KION ASIA (HONG KONG) Ltd.	Kwai Chung	Hong Kong	100.00%	29,297	-5,728
Linde Material Handling Hong Kong Ltd.	Kwai Chung	Hong Kong	100.00%	2,611	800
KION India Pvt. Ltd.	Pune	India	100.00%	9,503	-1,918
Handling & Storage Equipment (Ireland) Ltd.	Walkinstown	Ireland	100.00%	0	0 [1], [R]
Linde Material Handling (Ireland) Ltd.	Walkinstown	Ireland	100.00%	-669	-162
Carest SRL	Lainate	Italy	100.00%	8	-1 [1], [R]
COMMERCIALE CARRELLI S.r.l.	Lainate	Italy	100.00%	396	-41 [1], [R]
KION Rental Services S.p.A.	Milan	Italy	100.00%	8,354	98
Linde Material Handling Italia S.p.A.	Buguggiate	Italy	100.00%	13,653	579
Moden Diesel S.p.A.	Modena	Italy	100.00%	8,317	58 [1], [4]
OM Carrelli Elevatori S.p.A.	Lainate	Italy	100.00%	70,425	14,200
QUALIFT S.p.A.	Verona	Italy	100.00%	859	-599 [1]
STILL ITALIA S.p.A.	Lainate	Italy	100.00%	8,069	376
URBAN LOGISTICA S.R.L.	Lainate	Italy	100.00%	2,147	826 [1]
TOO "Linde Material Handling Kazakhstan"	Almaty	Kazakhstan	100.00%	-94	-65
WHO Real Estate UAB	Vilnius	Lithuania	74.00%	-33	-4 [1]
Linde Material Handling (Malaysia) Sdn. Bhd.	Petaling Jaya	Malaysia	100.00%	739	-422 [1]
Egemin Handling Automation B.V.	Gorinchem	Netherlands	100.00%	1,932	80 [4]
STILL Intern Transport B.V.	Hendrik Ido Ambacht	Netherlands	100.00%	16,292	7,682
AUSTRO OM PIMESPO Fördertechnik GmbH	Linz	Austria	100.00%	10,154	412
Linde Fördertechnik GmbH	Linz	Austria	100.00%	13,068	2,128
STILL Gesellschaft m.b.H.	Wiener Neudorf	Austria	100.00%	4,646	885
Linde Material Handling Polska Sp. z o.o.	Warsaw	Poland	100.00%	19,165	3,302
STILL POLSKA Sp. z o.o.	Gadki	Poland	100.00%	13,080	2,279
STILL MOTOSTIVUITOARE S.R.L.	Giurgiu	Romania	100.00%	874	55
OOO "Linde Material Handling Rus"	Moscow	Russia	100.00%	3,818	328
OOO "STILL Forklifttrucks"	Moscow	Russia	100.00%	2,801	-493
Linde Material Handling AB	Örebro	Sweden	100.00%	52,579	12,753
STILL Sverige AB	Malmö	Sweden	100.00%	2,086	653
Linde Material Handling Schweiz AG	Dietlikon	Switzerland	100.00%	16,548	1,814
STILL AG	Otelfingen	Switzerland	100.00%	8,082	905
Linde Material Handling Slovenská republika s.r.o.	Trenčín	Slovakia	100.00%	2,706	498
Linde Viljuškari d.o.o.	Vrčin	Serbia	100.00%	49	61
KION South Asia Pte. Ltd.	Singapore	Singapore	100.00%	-142	-457
Linde Material Handling Asia Pacific Pte. Ltd.	Singapore	Singapore	100.00%	32,890	1,434
STILL SR, spol. s r.o.	Nitra	Slovakia	100.00%	1,670	559
Linde Viličar d.o.o.	Celje	Slovenia	100.00%	1,669	151
IBER-MICAR S.L.	Gavà	Spain	100.00%	4,238	592
Islavista Spain S.A.U.	L'Hospitalet de Llobregat	Spain	100.00%	37,853	-2,289
KION Rental Services S.A.U.	Barcelona	Spain	100.00%	5,699	546
Linde Holding de Inversiones, S.R.L.	Pallejá	Spain	100.00%	30,940	-17
Linde Material Handling Ibérica, S.A.U.	Pallejá	Spain	100.00%	54,704	4,885
STILL, S.A.U.	L'Hospitalet de Llobregat	Spain	100.00%	14,340	678
Linde Material Handling (Pty) Ltd.	Linbro Park	South Africa	100.00%	10,277	-3,543
Linde Material Handling (Thailand) Co., Ltd.	Pathum Thani	Thailand	100.00%	2,558	-293 [1]
Baoli Material Handling Europe s.r.o.	Prague	Czech Republic	100.00%	-101	-194 [1]

Name	Registered office	Country	Share-holding	Net results for the Equity, financial year, Local GAAP, Local GAAP, TEUR TEUR Note	
				TEUR	TEUR Note
Affiliated companies					
Foreign					
Linde Material Handling Česká republika s r.o.	Prague	Czech Republic	100.00%	8,080	3,540
Linde Material Handling Parts Distribution CZ s.r.o.	Český Krumlov	Czech Republic	100.00%	-	- [4]
Linde Pohony s r.o.	Český Krumlov	Czech Republic	100.00%	30,345	6,378
Použitý Vozík CZ, s.r.o.	Prague	Czech Republic	100.00%	-106	37
STILL ČR spol. s r.o.	Prague	Czech Republic	100.00%	5,765	2,415
Urban Transporte spol. s.r.o.	Moravany u Brna	Czech Republic	100.00%	1,596	694 [1]
STILL ARSER İş Makineleri Servis ve Ticaret A.Ş.	Izmir	Turkey	51.00%	-5,617	-74
TOV "Linde Material Handling Ukraine"	Kiev	Ukraine	100.00%	377	-128 [1]
Linde Magyarország Anyagmozgatási Kft.	Dunaharaszti	Hungary	100.00%	971	279
STILL Kft.	Környe	Hungary	100.00%	1,964	1,100
Egemin Automation Inc.	Holland	United States	100.00%	4,995	1,043 [4]
Egemin Group, Inc.	Bingham Farms	United States	100.00%	0	- [4]
KION North America Corp.	Summerville	United States	100.00%	35,446	1,175
Egemin (Shanghai) Trading Company Ltd.	Shanghai	People's Republic of China	100.00%	-121	107 [4]
KION Baoli (Jiangsu) Forklift Co., Ltd.	Jiangjiang	People's Republic of China	100.00%	48,950	-8,326
Linde (China) Forklift Truck Corporation Ltd.	Xiamen	People's Republic of China	100.00%	318,711	60,125

Participations

Domestic

Carl Beuthauser Kommunal- und Fördertechnik GmbH & Co. KG (formerly: Beuthauser-Bassewitz GmbH & Co. KG)	Hagelstadt	Germany	25.00%	13,783	3,459 [1]
Eisengießerei Dinklage GmbH	Dinklage	Germany	50.00%	1,725	-361 [1]
Hans Joachim Jetschke Industriefahrzeuge (GmbH & Co.) KG	Hamburg	Germany	21.00%	3,954	1,854 [1]
JETSCHKE GmbH	Hamburg	Germany	21.00%	77	3 [3]
Linde Leasing GmbH	Wiesbaden	Germany	45.00%	45,362	6,411 [1]
Linde Hydraulics GmbH & Co. KG	Aschaffenburg	Germany	10.00%	256,216	-70,513 [1]
Linde Hydraulics Verwaltungs GmbH	Aschaffenburg	Germany	10.00%	-1,037	1 [1]
MV Fördertechnik GmbH	Blankenhain	Germany	25.00%	1,481	207 [1]
Pelzer Fördertechnik GmbH	Kerpen	Germany	24.96%	19,875	1,436 [1]
Supralift Beteiligungs- und Kommunikationsgesellschaft mbH	Hofheim am Taunus	Germany	50.00%	19	0
Supralift GmbH & Co. KG	Hofheim am Taunus	Germany	50.00%	765	-62

Foreign

Linde High Lift Chile S.A.	Santiago de Chile	Chile	45.00%	25,452	1,836 [1]
Balyo SA	Moissy-Cramayel	France	10.00%	-2,705	-3,630 [1], [4]
Labrosse Equipement S.A.	Saint-Péray	France	34.00%	7,569	1,398 [2]
Normandie Manutention S.A.	Saint-Etienne du Rouvray	France	34.00%	23,706	5,576 [1]
Chadwick Materials Handling Ltd.	Corsham	U.K.	48.00%	1,256	-17 [1]
Bari Servizi Industriali S.C.A R.L.	Modugno	Italy	25.00%	23	0 [1]
TPZ Linde Viličari Hrvatska d.o.o.	Zagreb	Croatia	20.00%	297	60 [1]
Nordtruck AB	Örnsköldsvik	Sweden	25.00%	1,512	1,038 [1]
Carretilas Elevadoras Sudeste S.A.	Murcia	Spain	38.54%	4,408	240 [1]
JULI Motorenwerk s.r.o.	Moravany u Brna	Czech Republic	50.00%	23,534	6,361
Motorové závody JULI CZ s r.o.	Moravany u Brna	Czech Republic	50.00%	8	0 [3]

[1] Financial figures as of 31 December 2014

[2] Financial figures as of 30 June 2015

[3] Last provided financial statement

[4] New during 2015

[A] Profit and loss transfer agreement with Linde Material Handling GmbH

[B] Profit and loss transfer agreement with STILL Gesellschaft mit beschränkter Haftung

[C] Profit and loss transfer agreement with KION Financial Services GmbH

[D] Profit and loss transfer agreement with Willenbrock Fördertechnik Holding GmbH

[E] Profit and loss transfer agreement with KION Material Handling GmbH

[F] Profit and loss transfer agreement with KION GROUP AG

[R] Dormant company

[Independent] Auditors' Report

We have audited the financial statements, comprising the balance sheet, the income statement and the notes to the financial statements, together with the bookkeeping system, and the report of the Directors of KION GROUP AG, Wiesbaden/Germany, for the period from 1 January to 31 December 2015. The maintenance of the books and records and the preparation of the financial statements and the report of the Directors in accordance with German commercial law are the responsibility of the Company's Executive Board. Our responsibility is to express an opinion on the financial statements, together with the bookkeeping system, and the report of the Directors based on our audit.

We conducted our audit of the financial statements in accordance with Sec. 317 German Commercial Code (HGB) and German generally accepted standards for the audit of financial statements promulgated by the Institute of Public Auditors in Germany (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the financial statements in accordance with German principles of proper accounting and in the report of the Directors are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Company and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records, the financial statements and the report of the Directors are examined primarily on a sample basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements and the report of the Directors. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the financial statements of KION GROUP AG, Wiesbaden/Germany, comply with the legal requirements and give a true and fair view of the net assets-, financial position and results of operations of the Company in accordance with German principles of proper accounting. The report of the Directors is consistent with the financial statements and as a whole provides a suitable view of the Company's position and suitably presents the opportunities and risks of future development.

Frankfurt am Main/Germany, 9 March 2016

Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft

Signed: Crampton
Wirtschaftsprüfer
[German Public Auditor]

Signed: Gräbner-Vogel
Wirtschaftsprüferin
[German Public Auditor]

Responsibility statement

To the best of our knowledge, and in accordance with the applicable accounting principles for financial reporting, the annual financial statements give a true and fair view of the financial position and financial performance of the Company, and the management report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal opportunities and risks associated with the expected development of the Company.

Wiesbaden, 9 March 2016

The Executive Board

Gordon Riske

Dr Eike Böhm

Ching Pong Quek

Dr Thomas Toepfer