

A large, abstract watercolor splash in shades of blue, yellow, orange, and red serves as the background. Overlaid on this are several white geometric patterns, including a grid in the upper right, a dashed circle on the left, and various lines and arcs. The text 'A NEW ERA' is centered in white.

A
NEW
ERA

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

KION GROUP AG, Wiesbaden

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016

| € | Notes | 31/12/2016 | 31/12/2015 |
|--|-------|-------------------------|-------------------------|
| A. Non-Current Assets | (3) | | |
| Property, plant and equipment | | 145,428.39 | 216,259.58 |
| Investments in affiliated companies | | 4,474,412,891.16 | 2,005,932,650.00 |
| | | 4,474,558,319.55 | 2,006,148,909.58 |
| B. Current Assets | | | |
| I. Receivables and other assets | (4) | | |
| 1. Receivables from affiliated companies | | 965,752,435.23 | 243,601,512.08 |
| 2. Receivables from related companies | | 174,664.14 | 0.00 |
| 3. Other assets | | 8,119,209.80 | 5,205,087.06 |
| | | 974,046,309.17 | 248,806,599.14 |
| II. Credit balances with banks | | 56,715,095.93 | 12,203.61 |
| Total assets | | 5,505,319,724.65 | 2,254,967,712.33 |

| € | Notes | 31/12/2016 | 31/12/2015 |
|---|-------|-------------------------|-------------------------|
| A. Equity | (5) | | |
| I. Subscribed capital | | 108,790,000.00 | 98,900,000.00 |
| Treasury shares | | -164,486.00 | -160,050.00 |
| Issued capital | | 108,625,514.00 | 98,739,950.00 |
| II. Capital reserves | | 2,465,553,486.47 | 2,015,727,529.03 |
| III. Retained earnings | | 139,053,326.98 | 9,903,326.98 |
| IV. Distributable profit | | 129,236,004.00 | 76,100,000.00 |
| | | 2,842,468,331.45 | 2,200,470,806.01 |
| B. Provisions | | | |
| 1. Retirement benefit obligation | (6) | 20,319,088.00 | 13,515,388.00 |
| 2. Tax provisions | | 4,138,079.75 | 54.49 |
| 3. Other provisions | (7) | 38,389,365.70 | 33,388,612.60 |
| | | 62,846,533.45 | 46,904,055.09 |
| C. Liabilities to affiliated companies | (8) | | |
| 1. Liabilities to banks | | 2,546,265,833.34 | 0.00 |
| 2. Trade payables | | 18,043,942.02 | 1,312,266.87 |
| 3. Liabilities to affiliated companies | | 34,864,481.07 | 5,533,112.93 |
| 4. Other liabilities | | 682,040.67 | 532,881.06 |
| | | 2,599,856,297.10 | 7,378,260.86 |
| D. Deferred income | | 148,562.65 | 214,590.37 |
| Total equity and liabilities | | 5,505,319,724.65 | 2,254,967,712.33 |

KION GROUP AG, Wiesbaden

Income statement for the year ended 31 December 2016

| € | Notes | 2016 | 2015 |
|--|-------|-----------------------|-----------------------|
| 1. Revenue | (9) | 17,555,325.08 | 0.00 |
| 2. Other operating income | (10) | 19,895,242.47 | 12,568,678.35 |
| 3. Cost of materials for purchased services | (11) | -683,636.43 | 0.00 |
| 4. Personnel expenses | (12) | -43,851,290.77 | -34,084,257.31 |
| 5. Depreciation expense and impairment losses on property, plant and equipment | | -101,973.82 | -108,997.76 |
| 6. Other operating expenses | (13) | -51,486,086.80 | -36,546,300.36 |
| 7. Income from profit-transfer agreements | (14) | 362,437,174.77 | 25,149,853.14 |
| 8. Other interest and similar income | (15) | 4,619,014.17 | 6,508,460.30 |
| 9. Interest expense and similar charges | (16) | -27,016,122.79 | -2,771,472.02 |
| Gains (+)/Losses (-) from ordinary activities | | 281,367,645.88 | -29,284,035.66 |
| 10. Income taxes | (17) | -23,051,880.38 | -4,630.46 |
| 11. Net gain (+)/net loss (-) for the year | | 258,315,765.50 | -29,288,666.12 |
| Appropriation of profit | | | |
| Net gain (+)/net loss (-) for the year | | 258,315,765.50 | -29,288,666.12 |
| Retained profits brought forward | | 70,238.50 | 30,694,959.10 |
| Withdrawals from retained earnings | | 0.00 | 74,693,707.02 |
| Allocation to retained earnings | | -129,150,000.00 | 0.00 |
| Distributable profit | | 129,236,004.00 | 76,100,000.00 |

Notes to the financial statements of KION GROUP AG

for the year ended 31 December 2016

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.

On 1 November 2016, KION GROUP AG acquired a 100 per cent stake in DH Services Luxembourg Holding S.à r.l., Luxembourg. DH Services Luxembourg Holding S.à r.l. is the parent company of the Dematic Group. The acquisition of Dematic, a leading specialist for automation and optimisation of supply chains, will make the KION Group one of the world's top suppliers of solutions for Intralogistics 4.0. With technology centres and production facilities worldwide, Dematic has more than 100 sites in 22 countries.

For the purpose of corporation tax, trade tax and VAT, KION GROUP AG is the tax group parent company for almost all the companies in Germany.

The separate financial statements of KION GROUP AG are prepared in accordance with the prevailing 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.

The management report of KION GROUP AG and the group management report have been combined in accordance with section 315 (3) HGB in conjunction with section 298 (3) HGB and are published in the KION Group's 2016 annual report.

[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 2015, 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 (2015: 2.75 per cent) in remuneration and 1.75 per cent, or 1.0 per cent where agreed, (2015: 1.75 per cent, or 1.0 per cent where agreed) in pensions paid. As at 31 December 2016, the discount rate used to discount the defined benefit obligation was 4.01 per cent (31 December 2015: 3.89 per cent). Until 2015, the discount rate was determined using the average market discount rate over the previous seven years for an assumed maturity of 15 years, as published by Deutsche Bundesbank. Under the German Act to Implement the Mortgage Credit Directive and Amend Provisions of Commercial Law, the period for calculating the discount rates used to measure pension provisions has been extended. The discount rate was determined as at 31 December 2016 using the average market discount rate over the past ten 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.

Provisions for taxes and 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 existed at the reporting date.

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.

Derivative financial instruments: hedge accounting

Derivatives are used to hedge the KION Group's currency risk. In 2016, KION GROUP AG took out currency forwards itself for the first time. Previously, the KION Group's financing transactions had only ever been hedged through Linde Material Handling GmbH, a subsidiary of KION GROUP AG acting as the Group's inhouse bank.

Derivatives are used within fixed limits and in accordance with the Treasury department's guidelines for the purpose of hedging financing transactions and business operations.

Where it is possible to recognise hedging relationships (hedge accounting), this option is utilised. The recognition of a hedging relationship involves aggregating an underlying transaction with a corresponding hedging transaction to form a designated micro-hedge. The 'compensatory measurement' concept (net hedge presentation method) is applied in subsequent periods. Under this method, all mutually offsetting countervailing changes in the fair values of underlying and hedging transactions are not recognised in either the statement of financial position or the income statement until the hedge has been terminated. If changes in fair values or cash flows do not offset each other because the hedge is ineffective, a provision for anticipated losses is recognised as an expense in the income statement in the event of negative fair values.

The table below shows the derivative financial instruments used for hedging purposes at the reporting date:

| € thousand | Fair values | | Notional amounts | |
|--------------------------|-------------|-------------|------------------|-------------|
| | 31 Dec 2016 | 31 Dec 2015 | 31 Dec 2016 | 31 Dec 2015 |
| Currency forwards | | | | |
| Positive fair values | 8,827 | 0 | 407,100 | 0 |
| Negative fair values | 7,551 | 0 | 328,276 | 0 |

The underlying transaction and the hedging transaction are always exposed to a similar risk. The maturity of the hedging transaction matches the maturity of the underlying transaction. KION GROUP AG hedges some of the currency risks. The amounts and maturities of the underlying transactions match those of the corresponding hedging transactions, which ensures that the pertinent hedges remain highly effective at all times.

KION GROUP AG conducts prospective and retrospective assessments of hedge effectiveness by comparing all the factors that affect the fair values of underlying transactions and their corresponding hedging transactions (critical-terms-match method).

The fair values of derivative financial instruments are calculated using standard market-based present-value models and the market data available at the measurement date (market values). This calculation is governed by the following principle:

- The fair values of currency derivatives are computed by using a risk-free interest rate to discount the difference between the contracted forward rate and the current forward rate over the derivatives' residual term.

As at the reporting date, currency forwards with a notional amount of €156,716 thousand and a fair value of €1,276 thousand existed for the recognised foreign-currency positions.

The company has external currency forwards with a total notional amount of €289,330 thousand and a total market value of minus €2,830 thousand in connection with the underlying transactions arising from the hedging of their subsidiaries' currency risk. These currency forwards are matched by offsetting transactions of the same amount (total notional amount of €289,330 thousand and total market value of €2,830 thousand) conducted with companies in the KION Group.

Notes to the statement of financial position

[3] Non-current assets

| | Cost | | | | |
|--------------------------------------|-----------------------------|------------------|-----------|------------------------|------------------------------|
| | Balance as at 1 Jan 2016 | Additions | Disposals | Reclassi- fications | Balance as at 31 Dec 2016 |
| € thousand | | | | | |
| Property, plant and equipment | | | | | |
| Office furniture and equipment | 372 | 31 | 64 | 0 | 339 |
| Financial assets | | | | | |
| Investments in affiliated companies | 2,005,933 | 2,468,480 | 0 | 0 | 4,474,413 |
| | 2,006,305 | 2,468,511 | 64 | 0 | 4,474,752 |

The addition to financial assets relates to the acquisition of the shares in DH Services Luxembourg Holding S.à r.l.

| € thousands | Cumulative depreciation, amortisation and impairment | | | | Carrying amounts | |
|--------------------------------------|--|------------|-----------|---------------------------|---------------------------|---------------------------|
| | Balance as at 1 Jan 2016 | Additions | Disposals | Balance as at 31 Dec 2016 | Balance as at 31 Dec 2016 | Balance as at 31 Dec 2015 |
| Property, plant and equipment | | | | | | |
| Office furniture and equipment | 156 | 102 | 64 | 194 | 145 | 216 |
| Financial assets | | | | | | |
| Investments in affiliated companies | 0 | 0 | 0 | 0 | 4,474,413 | 2,005,933 |
| | 156 | 102 | 64 | 194 | 4,474,558 | 2,006,149 |

[4] Receivables and other assets

| € thousand | 31 Dec 2016 | of which due after 1 year or more | 31 Dec 2015 | of which due after 1 year or more |
|--|----------------|-----------------------------------|----------------|-----------------------------------|
| Receivables from affiliated companies | 965,752 | 516,102 | 243,602 | 0 |
| Receivables from related companies | 175 | 0 | 0 | 0 |
| Other assets | 8,119 | 0 | 5,205 | 0 |
| | 974,046 | 516,102 | 248,807 | 0 |

The non-current receivables from affiliated companies relate to loans to Dematic Corporation (USA). The increase in current receivables from affiliated companies predominantly resulted from the entitlement to the transfer of profit of €361,342 thousand from KION Holding 2 GmbH to the Company for 2016 (2015: €24,554 thousand).

In 2015, the Company entered into a cash pooling arrangement with Linde Material Handling GmbH.

There is another cash pool with the affiliated company Dematic Group Limited (UK), which itself manages the cash pool of the Dematic Group and makes its liquidity available to KION GROUP AG.

Receivables from affiliated companies included trade receivables amounting to €469 thousand.

[5] Equity

As at 31 December 2016, the Company's share capital amounted to €108,790 thousand (31 December 2015: €98,900 thousand), which was fully paid up. It was divided into 108,790,000 no-par-value shares (31 December 2015: 98,900,000).

With the consent of the Supervisory Board, the Executive Board of KION GROUP AG decided on 18 July 2016 to fully utilise the authorised capital that has existed since the 2014 Annual General Meeting. This capital increase was used to partly finance the acquisition of the Dematic Group. The Company's share capital was increased by 10.0 per cent in return for cash contributions; shareholders' pre-emption rights were disapplied. The share capital was increased by issuing 9,890,000 new no-par-value bearer shares. An amount of €449,402 thousand was paid into the capital reserves. The capital increase was entered in the commercial register on 20 July 2016.

The total number of shares outstanding as at 31 December 2016 was 108,625,514 no-par-value shares (31 December 2015: 98,739,950). Between 12 September 2016 and 27 September 2016, a further 50,000 treasury shares were repurchased via the stock exchange at an average price of €55.54 in order to provide the shares for employees' own investments and the free shares under the KEEP 2016 employee share option programme. The total cost was €2,777 thousand. Due to the issue of 45,564 no-par-value shares (2015: 73,512 no-par-value shares) under KEEP 2016, KION GROUP AG held 164,486 treasury shares at the reporting date (31 December 2015: 160,050). These treasury shares are not dividend-bearing and do not confer any voting rights. Treasury shares accounted for 0.15 per cent of the subscribed capital. Further details on the KEEP employee share option programme can be found in note 23.

The distribution of a dividend of €0.77 per share to the shareholders of KION GROUP AG resulted in an outflow of funds of €76,030 thousand in 2016 (2015: €54,305 thousand).

As at 31 December 2016, KION Group employees held options on a total of 67,106 no-par-value shares (31 December 2015: 53,220 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.

An amount of €129,150 thousand was transferred to other revenue reserves from the net profit for 2016.

[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 2016 | 31 Dec 2015 |
|---|-------------|-------------|
| Settlement value for retirement benefit obligation | 30,775 | 21,432 |
| Fair value of plan assets invested in special funds | 10,456 | 7,917 |
| Net amount for retirement benefit obligation | 20,319 | 13,515 |
| Cost of plan assets invested in special funds | 9,572 | 7,297 |

During the year under review, the contributions made to the cover assets totalled €2,275 thousand (2015: €1,351 thousand). This means that an amount of €883 thousand (2015: €621 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 €268 thousand (2015: €2,719 thousand) and the income from the cover assets amounted to €159 thousand (2015: €148 thousand). The income and expenses were offset against each other and reported in interest expenses in the income statement at an amount of €109 thousand (2015: €2,571 thousand).

The difference arising from the measurement of pension obligations pursuant to section 253 (6) HGB is €3,894 thousand and cannot be distributed as a dividend.

In addition, a regular amount is added to the retirement benefit obligation and reported under personnel expenses. In 2016, this amount was €1,956 thousand (2015: €586 thousand).

[7] Other provisions

The breakdown of other provisions is as follows:

| € thousand | 31 Dec 2016 | 31 Dec 2015 |
|----------------------|---------------|---------------|
| Personnel | 31,350 | 28,386 |
| Outstanding invoices | 5,640 | 3,605 |
| Other | 1,399 | 1,398 |
| | 38,389 | 33,389 |

[8] Liabilities

| € thousand | 31 Dec 2016 | 31 Dec 2015 |
|--|------------------|--------------|
| Liabilities to banks | 2,546,266 | 0 |
| of which due within one year | 3,066 | 0 |
| of which due after more than one year | 2,543,200 | 0 |
| Trade payables | 18,044 | 1,312 |
| of which due within one year | 18,044 | 1,312 |
| of which due after more than one year | 0 | 0 |
| Liabilities to affiliated companies | 34,864 | 5,533 |
| of which due within one year | 34,864 | 5,533 |
| of which due after more than one year | 0 | 0 |
| Other liabilities | 682 | 533 |
| of which due within one year | 682 | 533 |
| of which due after more than one year | 0 | 0 |
| of which taxes | 593 | 398 |
| of which relating to social security | 89 | 134 |
| | 2,599,856 | 7,378 |

Liabilities to banks result from the financing in connection with the acquisition of the Dematic Group.

Liabilities to affiliated companies consisted of a liability to Dematic and, in particular, the liabilities arising out of the VAT affiliation with most of the German subsidiaries.

Notes to the income statement

[9] Revenue

As a result of the updated definition of revenue in section 277 (1) HGB, which has been amended by the German Accounting Directive Implementation Act (BilRUG), the Company recognised revenue for the first time in the year under review. The revenue largely arises from the performance of services for affiliated companies. These services comprise support and advice for the companies in various areas, such as accounting, tax returns and legal matters. The Company also generated revenue through the KEEP employee share option programme, which KION GROUP AG launched for itself and various subsidiaries.

The prior-year figure for revenue has not been adjusted in the income statement. If section 277 (1) HGB had been applied in the version pursuant to the BilRUG, revenue for 2015 would have amounted to €11,929 thousand.

Revenue by region

| € thousand | 2016 | 2015 |
|------------------------|---------------|----------|
| Germany | 16,716 | 0 |
| Europe without Germany | 460 | 0 |
| China | 295 | 0 |
| Rest of world | 84 | 0 |
| | 17,555 | 0 |

Of the total revenue, an amount of €16,776 thousand was attributable to the performance of services for affiliated companies, €294 thousand to reporting services rendered and €469 thousand to services in connection with KEEP. Operation of the employee kiosk generated revenue of €16 thousand.

[10] Other operating income

Other operating income includes the following items:

| € thousand | 2016 | 2015 |
|--|---------------|---------------|
| Income from other allocations within the Group | 0 | 11,551 |
| Income from foreign currency translation | 13,890 | 17 |
| Income from reversal of provisions | 716 | 435 |
| Sundry income | 5,289 | 566 |
| | 19,895 | 12,569 |

The income from other cost allocations within the Group that had been recognised in 2015 was included in revenue in the reporting year.

Income from currency translation resulted from the repayment of a receivable of Dematic that was denominated in US dollars and from a non-cash contribution in the form of another receivable, also denominated in US dollars, towards the carrying amount of the equity investment in Dematic.

Other operating income includes an amount of €93 thousand relating to services from 2015 (2015: €28 thousand).

[11] Cost of materials for purchased services

The cost of materials for purchased services relates to the revenue generated. This cost comprises expenses that are linked directly to, and form an integral and significant part of, the performance of the services. These are largely expenses for advisory services.

[12] Personnel expenses

The breakdown of personnel expenses is as follows:

| € thousand | 2016 | 2015 |
|---|---------------|---------------|
| Wages and salaries | 39,663 | 31,801 |
| Social security, post-employment and other employee benefit costs of which in respect of retirement pensions: € thousand 2.148 (2015: € 718 thousand) | 4,188 | 2,283 |
| | 43,851 | 34,084 |

[13] Other operating expenses

Other operating expenses include the following items:

| € thousand | 2016 | 2015 |
|------------------------------------|---------------|---------------|
| Consultancy expenses | 20,557 | 15,278 |
| Other third-party services | 12,343 | 10,884 |
| Expenses from currency translation | 7,955 | 7 |
| Ancillary personnel expenses | 3,057 | 4,048 |
| Supervisory Board remuneration | 1,205 | 1,251 |
| Auditor fees | 840 | 675 |
| Sundry operating expenses | 5,529 | 4,403 |
| | 51,486 | 36,546 |

Other operating expenses include an amount of €1,089 thousand relating to services from other accounting periods (2015: €291 thousand).

[14] Income from profit-transfer agreements

The transfer of profit from KION Holding 2 GmbH came to €361,342 thousand (2015: €24,554 thousand). proplan Transport- und Lagersysteme GmbH transferred its net profit of €1,095 thousand to the Company (2015: €596 thousand).

[15] Other interest and similar income

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

| € thousand | 2016 | 2015 |
|--|--------------|--------------|
| Other interest and similar income | 4,619 | 6,508 |
| of which from affiliated companies | 4,601 | 6,508 |

[16] Interest expense and similar charges

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

| € thousand | 2016 | 2015 |
|---|---------------|--------------|
| Interest paid to affiliated companies | 479 | 151 |
| Interest on loans | 6,447 | 0 |
| Similar charges | 18,180 | 0 |
| Unwinding of discount on provisions for pensions and long-service bonuses | 136 | 2,620 |
| Other interest expenses | 1,774 | 0 |
| | <u>27,016</u> | <u>2,771</u> |

The similar charges largely relate to the commitment fees for setting up the loan facilities used to finance the Dematic acquisition (bridge loan).

[17] Taxes

KION GROUP AG incurred tax expenses of €23,052 thousand as a result of its role as the parent company of the tax group in 2016 (2015: €5 thousand).

[18] Employees

The Company employed 185 people as at 31 December 2016 (31 December 2015: 139). The breakdown of the average number of employees is as follows:

| | Average for 2016 | Average for 2015 |
|---|---------------------|---------------------|
| Employees with individually agreed remuneration | 131 | 100 |
| Employees covered by collective pay agreements | 41 | 38 |
| | 172 | 138 |

[19] Contingent liabilities

In February 2016, KION GROUP AG repaid its existing financing and replaced it with a new syndicated loan agreement (senior facilities agreement) for a total of €1.5 billion. The Company has issued guarantees to the banks for all of the payment obligations under the new senior facilities agreement (SFA). The SFA is not collateralised, as is typical in the current market environment for companies that are on the cusp of an investment-grade rating.

Under the financing agreements, an amount of €225.3 million had been drawn down as at the reporting date from the revolving credit facility, which includes other loan liabilities of various individual companies in the KION Group.

Given the economic position of these companies, it is not anticipated that the guarantees provided by KION GROUP AG will be called upon.

On 4 July 2016, KION GROUP AG reached agreement with a group of banks on a bridge loan to finance the acquisition of Dematic (acquisition facilities agreement, AFA), originally in an amount of €3.0 billion. This bridge loan was to be refinanced partly by long-term capital-market and bank debt and partly by equity. For this reason, KION GROUP AG implemented a capital increase in July 2016 that generated gross proceeds of €459,292 thousand. The agreed financing volume was reduced by the proceeds from the issue of shares and, when the AFA was drawn down for the first time on 1 November 2016, amounted to €2,543,200 thousand.

Guarantees and indemnities

There are further contingent liabilities related to guarantees and indemnities given to third parties amounting to €977,741 thousand (31 December 2015: €0 thousand), of which €977,741 thousand (31 December 2015: €0 thousand) is accounted for by guarantees and indemnities for obligations of affiliated companies. Of this amount, €905,135 thousand (31 December 2015: €0 thousand) relates to leasing obligations. The economic position of the affiliated companies in respect of which the contingent liabilities have been given is positive. The Executive Board therefore believes the probability of their being used is low.

[20] Other financial commitments

Other financial commitments amounting to €1,756 thousand related to lease obligations to KION Holding 2 GmbH (affiliated company). Of this amount, a sum of €680 thousand is due within one year.

[21] Members of the Executive Board and Supervisory Board

Executive Board members

Gordon Riske

Chief Executive Officer (CEO)

Chief Executive Officer of KION Material Handling GmbH, Wiesbaden (until 15 August 2016)

Member of the Executive Board of KION Holding 2 GmbH, Wiesbaden

Chief Executive Officer of STILL GmbH, Hamburg (until 31 March 2016)

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

Chairman of the Board of Directors of Egemin NV, Zwijndrecht, Belgium

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

Member of the Executive Board of the non-profit Hertie Foundation, Frankfurt am Main

Dr Eike Böhm

Member of the Executive Board / CTO

Member of the Supervisory Board of e.GO Mobile AG, Aachen

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

Chairman of the Supervisory Board of STILL GmbH, Hamburg

Chairman of the Supervisory Board of Linde Material Handling GmbH, Aschaffenburg

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 (until 11 May 2016)
Member of the Supervisory Board of HORNBACH Baumarkt AG, Bornheim
Member of the Supervisory Board of HORNBACH Holding AG & Co. KGaA, Neustadt an der Weinstrasse
Member of the Supervisory Board of HORNBACH Management AG, Annweiler am Trifels

Özcan Pancarci¹

Deputy Chairman of the Supervisory Board
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

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

Dr Alexander Dibelius

Managing Partner at CVC Capital Partners (Deutschland) GmbH, Frankfurt am Main
Member of the Board of Directors of CVC Capital Partners (Luxembourg) SARL, Luxembourg
Chairman of the Supervisory Board of Diebold Nixdorf AG, Paderborn
Chairman of the Supervisory Board of Diebold Nixdorf International GmbH, Paderborn
Member of the Board of Directors of Diebold Nixdorf Inc., Ohio, USA
Member of the Supervisory Board of Douglas GmbH, Düsseldorf
Member of the Supervisory Board of Douglas Holding AG, Düsseldorf
Member of the Supervisory Board of Kirk Beauty Investments SA, Luxembourg
Member of the Shareholders' Committee of Tipico Group Ltd., Malta

Wolfgang Faden (until 12 May 2016)

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

Joachim Hartig¹

Organisational Development Advisor, Linde Material Handling GmbH, Aschaffenburg

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

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 Board of Directors of Ferretti 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
Member of the Board of Directors of Shandong Heavy Industry India Private Ltd., Pune, India
Member of the Board of Directors of Weichai Power Co. Ltd., Weifang, People's Republic of China

Olaf Kunz¹

Secretary (Collective Bargaining)/Lawyer at IG Metall, District Office for the Coast, Hamburg
Member of the Supervisory Board of STILL GmbH, Hamburg

Jörg Milla¹

Chairman of the Works Council of STILL GmbH, Hamburg
Deputy Chairman of the Supervisory Board of STILL GmbH, Hamburg (from 1 November 2016)

Kay Pietsch¹ (until 31 October 2016)

Industrial Engineering Senior Manager in Production Systems at KION GROUP AG, Wiesbaden
Deputy Chairman of the Supervisory Board of STILL GmbH, Hamburg (until 31 October 2016)

Dr Christina Reuter (since 12 May 2016)

Head of Performance & Improvement and Manufacturing Engineering, Space Equipment Operations at Airbus Defence and Space GmbH, Ottobrunn

Hans Peter Ring

Management Consultant, Munich
Member of the Supervisory Board of Airbus Defence and Space GmbH, Ottobrunn
Member of the Supervisory Board of Bilfinger SE, Mannheim (until 11 May 2016)
Member of the Supervisory Board of Elbe Flugzeugwerke GmbH, Dresden
Member of the Supervisory Board of Fokker Technologies Holding B.V., Papendrecht, Netherlands

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 and President 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., Milan, 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

Claudia Wenzel¹ (since 1 November 2016)

Deputy Chairwoman of the Plants I & II Works Council of Linde Material Handling GmbH, Aschaffenburg
Member of the Supervisory Board of Linde Material Handling GmbH, Aschaffenburg

Xu Ping

Partner and Member of the Management Committee at King & Wood Mallesons, Beijing, People's Republic of China

¹ Employee representatives.

² Executive representatives.

[22] 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 €9,781 thousand in 2016 (2015: €9,384 thousand). This consisted of short-term remuneration amounting to €4,978 thousand (2015: €4,807 thousand) and share-based payments of €4,803 thousand (2015: €4,576 thousand). As at 31 December 2016, 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 €4,803 thousand (2015: €4,576 thousand).

The total remuneration paid to the members of the Supervisory Board for the year under review (excluding VAT) totalled €1,165 thousand (2015: €1,209 thousand).

There are pension provisions of €3,120 thousand for former members of the Executive Board (2015: €2,328 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 combined management report of KION GROUP AG.

[23] KEEP employee share option programme

On 4 October 2016, the Executive Board decided to launch a further share option programme for employees (KEEP 2016) in the countries that had been included in the previous year and also for employees in Belgium, the Czech Republic, the Netherlands, Poland, Portugal and Spain. The period during which eligible employees could take up this offer by making a declaration of acceptance ran from 5 to 31 October 2016. To be eligible to participate in KEEP 2016, employees needed, at the start of the offer phase, to have had a permanent, uninterrupted employment contract with a participating KION Group company for at least one year. Currently, KION GROUP AG plus 14 German (2015: twelve) and 53 foreign (2015: 34) subsidiaries are taking part in KEEP. The Company is considering whether to extend the employee share option programme to other countries over the coming years.

The KEEP programme is a share matching plan. Participating employees 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 2016, the KION Group will bear the cost of one KION share (free share) in each of the first six 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 | 2016 | 2015 |
|------------------------|---------|--------|
| Balance as at 1 Jan | 53,220 | 29,116 |
| Bonus shares granted | 15,188 | 24,504 |
| Bonus shares forfeited | - 1,302 | - 400 |
| Balance as at 31 Dec | 67,106 | 53,220 |

In 2016, 2,282 free shares were issued to employees as part of their starter blocks (2015: 8,740 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 2016 | KEEP 2015 |
|--|-----------|-----------|
| Expected dividend | €0.88 | €0.88 |
| Value of KION shares at the grant date | €55.02 | €41.01 |

For the 2016 programme, the fair value of a bonus share was €52.51 (2015 programme: €38.57).

The fair value of the bonus shares to be granted is recognised as an expense and paid into capital reserves over the three-year holding period. In 2016, an expense of €35 thousand was recognised for free shares and bonus shares in connection with the employee share option programme (2015: €15 thousand).

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.

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

In March 2016, a multiple-year variable remuneration component in the form of a performance share plan (the KION Long-Term Incentive Plan for Top Management 2016) with a three-year term was promised retrospectively from 1 January 2016 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 2016 tranche ends on 31 December 2018 (2015 tranche: 31 December 2017). The 2014 tranche expired on 31 December 2016 and will be paid out in the second quarter of 2017. At the beginning of the performance period on 1 January 2016 (2015 tranche: 1 January 2015; 2014 tranche: 1 January 2014), the managers were allocated a total of 44,532 virtual shares for this tranche (2015 tranche: 44,205 virtual shares; 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. KION GROUP AG 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 2016 | |
|---|------------------------------|--------------|
| | 2016 tranche | 2015 tranche |
| Expected volatility of KION shares | 30.0% | 25.0% |
| Expected volatility of the STOXX® Europe TMI Industrial Engineering index | 20.0% | 20.0% |
| Risk-free interest rate | - 0.80% | - 0.83% |
| Expected dividend | €0.88 | €0.88 |
| Value of KION shares at the measurement date | €53.00 | €53.00 |
| Value of the STOXX® Europe TMI Industrial Engineering Index at the measurement date | €243.00 | €243.00 |
| Starting price of KION shares (60-day average) | €43.45 | €29.06 |
| Starting value of STOXX® Europe TMI Industrial Engineering index (60-day average) | €209.26 | €200.94 |

Taking account of the remaining term of two years (2016 tranche) and one year (2015 tranche), the historic volatility of KION shares was used to determine the volatility on which the valuation is based. As at 31 December 2016, the fair value of one virtual share was €54.00 for the 2015 tranche (31 December 2015: €39.80) and €42.86 for the 2016 tranche. On that date, the total fair value based on the current number of 58,873 virtual shares was €3,179 thousand (2015 tranche; 31 December 2015: €1,995 thousand) and €1,970 thousand (2016 tranche). The amount of €3,317 thousand that is expected to be paid out for the 2014 tranche is calculated on the basis of a preliminary total target achievement rate.

The total carrying amount for liabilities in connection with share-based remuneration was €6,043 thousand as at 31 December 2016 (31 December 2015: €2,066 thousand). In 2016, a pro-rata expense of €3,227 thousand was recognised for twelve months (2015: €1,488 thousand).

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

The members of the Executive Board have been promised a multiple-year variable remuneration component in the form of a performance share plan with a three-year term in each case. 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 2016 tranche ends on 31 December 2018 (2015 tranche: 31 December 2017). The 2014 tranche expired on 31 December 2016 and will be paid out in the second quarter of 2017. At the beginning of the performance period on 1 January 2016 (2015 tranche: 1 January 2015; 2014 tranche: 1 January 2014), the Executive Board members were allocated a total of 104,438 virtual shares for this tranche (2015 tranche: 152,615 virtual shares; 2014 tranche: 193,395 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.

| Measurement parameter | Measurement date 31 Dec 2016 | |
|---|------------------------------|--------------|
| | 2016 tranche | 2015 tranche |
| Expected volatility of KION shares | 30.0% | 25.0% |
| Expected volatility of the STOXX® Europe TMI Industrial Engineering index | 20.0% | 20.0% |
| Risk-free interest rate | - 0.80% | - 0.83% |
| Expected dividend | €0.88 | €0.88 |
| Value of KION shares at the measurement date | €53.00 | €53.00 |
| Value of the STOXX® Europe TMI Industrial Engineering Index at the measurement date | €243.00 | €243.00 |
| Starting price of KION shares (60-day average) | €43.54 | €29.06 |
| Starting value of STOXX® Europe TMI Industrial Engineering index (60-day average) | €209.26 | €200.94 |

Taking account of the remaining term of two years (2016 tranche) and one year (2015 tranche), the historic volatility of KION shares was used to determine the volatility on which the valuation is based. As at 31 December 2016, the fair value of one virtual share was €52.89 for the 2015 tranche (31 December 2015: €39.25) and €42.19 for the 2016 tranche. On that date, the total fair value based on 152,616 and 104,438 virtual shares was €8,072 thousand (2015 tranche; 31 December 2015: €5,990 thousand) and €4,406 thousand (2016 tranche). The amount of €9,273 thousand that is expected to be paid out for the 2014 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 €16,857 thousand as at 31 December 2016 (31 December 2015: €17,758 thousand). Of this amount, €9,272 thousand related to the 2014 tranche (31 December 2015: €5,266 thousand), €5,956 thousand to the 2015 tranche (31 December 2015: €2,164 thousand) and €1.6 million to the 2016 tranche. In 2016, a pro-rata expense of €4,007 thousand in respect of the 2014 tranche (2015: €3,377 thousand), a pro-rata expense of €3,792 thousand for the 2015 tranche (2015: €1,997 thousand) and a pro-rata expense of €1,629 thousand for the 2016 tranche were recognised for twelve months. In April 2016, the first payment from the 2013 tranche was made on the basis of the achievement of the long-term targets that were defined in 2013 at the start of the performance period.

[26] Membership of a corporate group

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

[27] 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.

[28] Events after the reporting date

In January 2017, the term of the revolving credit facility of €1,150,000 thousand agreed under the SFA was extended by a year, which means the KION Group can now utilise this credit facility until February 2022.

Furthermore, in February 2017, KION GROUP AG partly refinanced the bridge loan that it had taken out for the acquisition of Dematic. The outstanding amount of Tranche A2 of €343,200 thousand, which was agreed under the AFA, was repaid in full. Of the total amount of tranche B under the AFA, amounting to €1,200,000 thousand, an amount of €611,800 thousand was repaid. The bridge loan was refinanced by promissory notes (Schuldscheindarlehen) amounting to €958,000 thousand. The promissory notes are repayable as bullet payments on maturity in May 2022, April 2024 or April 2027 and have a fixed or floating-rate coupon. They are not collateralised.

[29] Affiliated companies and equity investments

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

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

In December 2016, the Executive Board and Supervisory Board of KION GROUP AG submitted their comply-or-explain statement for 2016 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.

[31] 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 22 February 2017. The disclosures are taken from the notifications that the Company has received.

All notifications about equity investments published by the Company in the reporting year and up to 22 February 2017 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.

Notifications of voting rights received in 2016/2017:

| | Details of the party subject to the notification requirement | Reason for notification | Names of shareholders with 3 per cent or more of the voting rights (if different to the party subject to the notification requirement) | Date on which threshold was crossed | Voting share according to previous notification | New voting share; whether shareholding is higher or lower | Total number of voting rights of issuer | Of which held directly pursuant to section 21 WpHG (voting share and voting rights) | Of which attributable pursuant to section 22 WpHG (voting share and voting rights) | Complete chain of subsidiaries, starting with the highest-level controlling company (and details of voting rights (%), if disclosed) |
|---|---|---|--|-------------------------------------|---|---|---|---|--|--|
| 1 | FMR LLC, Wilmington, Delaware, United States of America | Decrease proxy for voting rights attached to shares | – | 20 April 2016 | 3.00004 % | 2.95 % lower | 98,900,000 | – | 2.95 % (2,920,258 voting rights) | FMR LLC (n/a) Fidelity Management & Research Company (n/a) |
| 2 | Deutsche Asset Management Investment GmbH, Frankfurt, Germany | Purchase/sale of shares with voting rights | – | 20 July 2016 | 2.81% | 3.03%; higher | 108,790,000 | – | 3.03% (3,290,934 voting rights) | – ⁽¹⁾ |
| 3 | Allianz Global Investors GmbH, Frankfurt/Main, Germany | Purchase/sale of shares with voting rights | – | 15 August 2016 | 2.998% | 3.003%; higher | 108,790,000 | – | 3.003% (3,266,469 voting rights) | Allianz SE (n/a) Allianz Asset Management AG (n/a) Allianz Global Investors GmbH (3.003%) |
| 4 | Pelham Long / Short Master Fund Ltd, Hamilton, Bermuda | Purchase/sale of shares with voting rights | – | 3 February 2017 | 5.33 % | 4.95 % lower | 108,790,000 | 4.95 % (5,382,205 voting rights) | – | – ⁽¹⁾ |
| 5 | Herr Ross Turner | Purchase/sale of shares with voting rights | Pelham Long / Short Master Fund Ltd | 3 February 2017 | 5.33 % | 4.95 % lower | 108,790,000 | – | 4.95 % (5,382,205 voting rights) | Ross Turner (n/a) Pelham Capital Management Limited (4.95 %) *** Ross Turner (n/a) Pelham Capital Ltd (4.95 %) |

⁽¹⁾ Party subject to the notification requirement is not controlled, nor does it control parties subject to the notification requirement at other companies with notification-relevant voting rights of the issuer.

In addition to the aforementioned notifications, we have received other notifications in previous years in accordance with section 21 (1) WpHG, in respect of which we did not receive new notifications up to the reporting date:

| | Party subject to notification requirement | Date on which shareholding reached, exceeded or fell below the threshold | Notification threshold; 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 | 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. |
| 2 | 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 1 | – | 13.93% (13,778,486 voting rights) held by Superlift Holding S.à r.l. |
| 3 | 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 1 | – | 13.93% (13,778,486 voting rights) held by Superlift Holding S.à r.l. |
| 4 | 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 1 | – | 13.93% (13,778,486 voting rights) held by Superlift Holding S.à r.l. |
| 5 | 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 1 | – | 13.93% (13,778,486 voting rights) held by Superlift Holding S.à r.l. |
| 6 | 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 1 | – | 13.93% (13,778,486 voting rights) held by Superlift Holding S.à r.l. |
| FN 1 | 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 | | | | | | |

[32] Proposal for the appropriation of profit

The Supervisory Board and the Executive Board propose to the Annual General Meeting to be held on 11 May 2017 that an amount of €86,900,411.20 be appropriated from the distributable profit of KION GROUP AG for the 2016 financial year of €129,236,004.00 for the payment of a dividend of €0.80 per dividend-bearing share. It is also proposed that a further sum of €42,250,000.00 be transferred to other revenue reserves and that €85,592.80 be carried forward to the next accounting period.

Wiesbaden, 22 February 2017

The Executive Board

Gordon Riske

Dr Eike Böhm

Ching Pong Quek

Dr Thomas Toepfer

List of shareholdings as of December 31, 2016

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

| Name | Registered office | Country | Shareholding | Net results for the financial year, | |
|--|--------------------------|-----------|--------------|-------------------------------------|------------------------|
| | | | | Equity, Local GAAP, TEUR | Local GAAP, TEUR, Note |
| Affiliated companies | | | | | |
| Domestic | | | | | |
| KION Holding 2 GmbH | Wiesbaden | Germany | 100.00% | 2,005,331 | 0 [F] |
| BlackForxx GmbH | Stuhr | Germany | 100.00% | 757 | 0 [B] |
| Dematic GmbH | Heusenstamm | Germany | 100.00% | 27,087 | 931 [4], [5] |
| Dematic Logistics GmbH | Bielefeld | Germany | 100.00% | -12,306 | -8,305 [4], [5] |
| Dematic Services GmbH | Heusenstamm | Germany | 100.00% | 61,573 | 5,719 [4], [5] |
| Egemin GmbH | Bremen | Germany | 100.00% | -528 | -1,051 |
| 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% | 50 | 1 [1] |
| Klaus Pahlke GmbH & Co. Fördertechnik KG | Haan | Germany | 100.00% | 18,026 | 1,749 |
| KION Financial Services GmbH | Wiesbaden | Germany | 100.00% | 1,558 | 0 [A] |
| KION Information Management Services GmbH | Wiesbaden | Germany | 100.00% | 129 | 0 [E] |
| KION Warehouse Systems GmbH | Reutlingen | Germany | 100.00% | 22,670 | 0 [B] |
| Linde Material Handling GmbH | Aschaffenburg | Germany | 100.00% | 461,786 | 0 [E] |
| LMH Immobilien GmbH & Co. KG | Aschaffenburg | Germany | 99.64% | 28,881 | 519 |
| LMH Immobilien Holding GmbH & Co. KG | Aschaffenburg | Germany | 94.00% | 1,685 | 83 |
| LMH Immobilien Holding Verwaltungs-GmbH | Aschaffenburg | Germany | 100.00% | 33 | 1 |
| LMH Immobilien Verwaltungs-GmbH | Aschaffenburg | Germany | 100.00% | 33 | 0 |
| LR Intralogistik GmbH | Wörth a. d. Isar | Germany | 100.00% | 1,649 | 0 [B] |
| OM Deutschland GmbH | Neuhausen a. d. Fildern | Germany | 100.00% | -2,601 | -39 [R] |
| proplan Transport- und Lagersysteme GmbH | Aschaffenburg | Germany | 100.00% | 573 | 0 [F] |
| Schrader Industriefahrzeuge GmbH & Co. KG | Essen | Germany | 100.00% | 2,322 | 2,241 |
| Schrader Industriefahrzeuge Verwaltung GmbH | Essen | Germany | 100.00% | 89 | 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% | 34 | 1 [1] |
| Willenbrock Fördertechnik Beteiligungs-GmbH | Hannover | Germany | 74.00% | 43 | 1 [1] |
| Willenbrock Fördertechnik GmbH & Co. KG | Bremen | Germany | 74.00% | 8,150 | 4,550 |
| Willenbrock Fördertechnik GmbH & Co. KG | Hannover | Germany | 74.00% | 5,758 | 3,358 |
| Willenbrock Fördertechnik Holding GmbH | Bremen | Germany | 74.00% | 6,686 | -1,314 |
| Foreign | | | | | |
| Dematic Holdings Pty. Ltd. | Belrose | Australia | 100.00% | 1,389 | -583 [4], [5] |
| Dematic Pty. Ltd. | Belrose | Australia | 100.00% | 65,614 | 1,830 [4], [5] |
| Lansing Bagnall (Aust.) Pty. Ltd. | Huntingwood | Australia | 100.00% | 2,192 | 0 [3], [R] |
| Linde Material Handling Pty. Ltd. | Huntingwood | Australia | 100.00% | 37,433 | -1,555 |
| NDC Automation Pty. Ltd. | Belrose | Australia | 100.00% | 420 | 0 [4], [5], [R] |
| NDC Manage Pty. Ltd. | Belrose | Australia | 100.00% | 87 | 0 [4], [5], [R] |
| Egemin Group NV (formerly: Egemin NV) | Zwijndrecht | Belgium | 100.00% | 2,486 | -72 |
| STILL NV | Wijnegem | Belgium | 100.00% | 5,352 | 1,736 |
| Dematic Sistemas e Equipamentos de Movimentação de Materiais Ltda. | São Paulo | Brazil | 100.00% | 3,870 | 355 [4], [5] |
| KION South America Fabricação de Equipamentos para Armazenagem Ltda. | Indaítuba / São Paulo | Brazil | 100.00% | 21,846 | -1,200 |
| Dematic Logistics de Chile Ltda. | Santiago de Chile | Chile | 100.00% | 541 | -118 [4], [5] |
| STILL DANMARK A/S | Kolding | Denmark | 100.00% | 8,910 | 1,244 |
| Baoli France SAS | Elancourt | France | 100.00% | -354 | -249 [1] |
| BARTHELEMY MANUTENTION SAS | Vitrolles | France | 83.50% | 3,990 | 1,951 |
| Bastide Manutention SAS | Bruguières | France | 100.00% | 5,434 | 1,942 |
| Bretagne Manutention S.A. | Pacé | France | 100.00% | 24,173 | 4,889 |
| Dematic SAS | Bussy-Saint-Georges | France | 100.00% | 14,246 | -6,112 [4], [5] |
| Egemin SAS | Heillecourt | France | 100.00% | 1,396 | 230 |
| FENWICK FINANCIAL SERVICES SAS | Elancourt | France | 100.00% | 1,722 | 139 |
| FENWICK-LINDE S.A.R.L. | Elancourt | France | 100.00% | 238,399 | 40,243 |
| KION France SERVICES SAS | Elancourt | France | 100.00% | 279,703 | 25,866 |
| LOIRE OCEAN MANUTENTION SAS | Saint-Herblain | France | 77.01% | 5,233 | 2,289 |
| Manuchar S.A. | Gond Pontouvre | France | 100.00% | 3,101 | 1,185 |
| MANUSOM SAS | Rivery | France | 100.00% | 948 | 232 |
| Société Angoumoisine de Manutention (SAMA) SAS | Champniers | France | 100.00% | 14,301 | 483 |
| SCI Champ Lagarde | Elancourt | France | 100.00% | 104 | 0 [1] |
| SM Rental SAS | Roissy Charles de Gaulle | France | 100.00% | 1,817 | 723 |
| STILL Location Services SAS | Marne la Vallée | France | 100.00% | 1,268 | 189 |
| STILL SAS | Marne la Vallée | France | 100.00% | 28,722 | 4,223 |
| URBAN LOGISTIQUE SAS | Elancourt | France | 100.00% | 2,908 | 655 |

| | | | | | |
|---|-----------------------|-------------|---------|----------|-------------------|
| Castle Lift Trucks Ltd. | Basingstoke | U.K. | 100.00% | 957 | 0 [1], [R] |
| Creighton Materials Handling Ltd. | Basingstoke | U.K. | 100.00% | 616 | 0 [1], [R] |
| Affiliated companies | | | | | |
| Foreign | | | | | |
| D.B.S. Brand Factors Ltd. | Basingstoke | U.K. | 100.00% | 0 | 0 [1], [R] |
| Dematic Ltd. | Banbury | U.K. | 100.00% | 8 | -6 [4], [5] |
| Dematic Group Ltd. | Banbury | U.K. | 100.00% | 9,472 | 9,832 [4], [5] |
| Dematic Services Ltd. | Banbury | U.K. | 100.00% | 342,459 | 0 [4], [5] |
| Egemin UK Ltd. | Huntingdon | U.K. | 100.00% | 1,668 | 464 |
| 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] |
| FSU Investments Ltd. | Banbury | U.K. | 100.00% | 4 | 0 [4], [5] |
| KION FINANCIAL SERVICES Ltd. | Basingstoke | U.K. | 100.00% | 7,006 | 596 |
| Lancashire (Fork Truck) Services Ltd. | Basingstoke | U.K. | 100.00% | 0 | 0 [1], [R] |
| Linde Castle Ltd. | Basingstoke | U.K. | 100.00% | 8,572 | 787 |
| Linde Creighton Ltd. | Basingstoke | U.K. | 100.00% | 21,466 | 3,690 |
| Linde Heavy Truck Division Ltd. | Basingstoke | U.K. | 100.00% | 2,253 | -100 |
| Linde Holdings Ltd. | Basingstoke | U.K. | 100.00% | 142,081 | -188 |
| Linde Jewsbury's Ltd. | Basingstoke | U.K. | 100.00% | 13,908 | 987 |
| Linde Material Handling (UK) Ltd. | Basingstoke | U.K. | 100.00% | 25,381 | 6,807 |
| Linde Material Handling East Ltd. | Basingstoke | U.K. | 100.00% | 3,411 | 560 |
| Linde Material Handling Scotland Ltd. | Basingstoke | U.K. | 100.00% | 10,002 | 541 |
| Linde Material Handling South East Ltd. | Basingstoke | U.K. | 100.00% | 3,839 | 237 |
| Linde Severnside Ltd. | Basingstoke | U.K. | 100.00% | 9,987 | 181 |
| Linde Sterling Ltd. | Basingstoke | U.K. | 100.00% | 14,451 | 2,749 |
| McLEMAN FORK LIFT SERVICES LTD. | Basingstoke | U.K. | 100.00% | 1,877 | 734 |
| Mirror Bidco Ltd. | Banbury | U.K. | 100.00% | -6,926 | -977 [4], [5] |
| Reddwerks Ltd. | Banbury | U.K. | 100.00% | -132 | -11 [4], [5], [R] |
| SDI Group Ltd. | Banbury | U.K. | 100.00% | 7 | 0 [4], [5] |
| SDI Group Support Ltd. | Banbury | U.K. | 100.00% | 0 | 0 [4], [5], [R] |
| SDI Group UK Ltd. | Banbury | U.K. | 100.00% | -3 | 0 [4], [5] |
| Stephensons Enterprise Fork Trucks Ltd. | Basingstoke | U.K. | 100.00% | 0 | 0 [1], [R] |
| Sterling Mechanical Handling Ltd. | Basingstoke | U.K. | 100.00% | 1,402 | 0 [1], [R] |
| STILL Materials Handling Ltd. | Exeter | U.K. | 100.00% | -25,211 | -714 |
| Superlift UK Ltd. | Basingstoke | U.K. | 100.00% | 60,049 | -7,862 |
| Trifik Services Ltd. | Basingstoke | U.K. | 100.00% | 14 | 0 [1], [R] |
| Urban Logistics (UK) Ltd. | Basingstoke | U.K. | 100.00% | 691 | 19 [1] |
| Egemin Asia Pacific Automation Ltd. | Causeway Bay | Hong Kong | 100.00% | -19 | -22 |
| KION ASIA (HONG KONG) Ltd. | Kwai Chung | Hong Kong | 100.00% | 30,211 | -4 |
| Linde Material Handling Hong Kong Ltd. | Kwai Chung | Hong Kong | 100.00% | 2,809 | 875 |
| KION India Pvt. Ltd. | Pune | India | 100.00% | 9,309 | -244 |
| Handling & Storage Equipment (Ireland) Ltd. | Walkinstown | Ireland | 100.00% | 0 | 0 [1], [R] |
| Linde Material Handling (Ireland) Ltd. | Walkinstown | Ireland | 100.00% | -813 | -148 |
| Carest SRL | Lainate | Italy | 100.00% | 8 | -1 [1], [R] |
| COMMERCIALE CARRELLI S.r.l. | Lainate | Italy | 100.00% | 319 | -7 [1], [R] |
| Dematic S.r.l. | Cernusco sul Naviglio | Italy | 100.00% | 5,752 | -880 [4], [5] |
| Emhilia Material Handling S.p.A. (formerly: Moden Diesel S.p.A) | Modena | Italy | 100.00% | 7,661 | 335 |
| KION Rental Services S.p.A. | Milan | Italy | 100.00% | 11,662 | 3,784 |
| Linde Material Handling Italia S.p.A. | Buguggiate | Italy | 100.00% | 13,653 | 136 |
| OM Carrelli Elevatori S.p.A. | Lainate | Italy | 100.00% | 76,284 | 19,919 |
| QUALIFT S.p.A. | Verona | Italy | 100.00% | 1,003 | 90 |
| STILL ITALIA S.p.A. | Lainate | Italy | 100.00% | 7,370 | 1,046 |
| URBAN LOGISTICA S.R.L. | Lainate | Italy | 100.00% | 2,047 | 550 [1] |
| Dematic Ltd. | Mississauga | Canada | 100.00% | 13,203 | 2,487 [4], [5] |
| HISCO Systems of Canada Ltd. | Halifax | Canada | 100.00% | 328 | 0 [4], [5] |
| Reddwerks Inc. | Toronto | Canada | 100.00% | -199 | -22 [4], [5], [R] |
| Retrotech Systems Canada, Inc. | Calgary | Canada | 100.00% | 7 | 0 [1], [4], [R] |
| WHO Real Estate UAB | Vilnius | Lithuania | 74.00% | -33 | 0 [1] |
| Dematic Group S.à r.l. | Senningerberg | Luxembourg | 100.00% | 320,005 | 5,688 [4], [5] |
| Dematic Holding S.à r.l. | Senningerberg | Luxembourg | 100.00% | 354,464 | -230 [4], [5] |
| DH Services Luxembourg Holding S.à r.l. | Senningerberg | Luxembourg | 100.00% | -122,797 | -46,178 [4], [5] |
| DH Services Luxembourg S.à r.l. | Senningerberg | Luxembourg | 100.00% | 778,019 | -20,690 [4], [5] |
| Dematic (Malaysia) Sdn. Bhd. | Shah Alam | Malaysia | 100.00% | 3,410 | -222 [4], [5] |
| Linde Material Handling (Malaysia) Sdn. Bhd. | Petaling Jaya | Malaysia | 100.00% | 398 | -992 [1] |
| Dematic Logistics de Mexico S. de R.L. de C.V. | Monterey | Mexico | 100.00% | 363 | 72 [4], [5] |
| DMTC Technology Services, S. de R.L. de C.V. | Monterey | Mexico | 100.00% | -3,781 | -3,536 [4], [5] |
| Dematic Trading de Mexico S. de R.L. de C.V. | Mexico City | Mexico | 100.00% | -5,316 | -4,702 [4], [5] |
| Egemin Handling Automation B.V. | Gorinchem | Netherlands | 100.00% | 2,423 | 491 |
| STILL Intern Transport B.V. | Hendrik Ido Ambacht | Netherlands | 100.00% | 15,873 | 4,136 |
| STILL Norge AS | Heimdal | Norway | 100.00% | -2,615 | -696 [4] |
| AUSTRO OM PIMESPO Fördertechnik GmbH | Linz | Austria | 100.00% | 14,165 | 4,011 |
| Linde Fördertechnik GmbH | Linz | Austria | 100.00% | 8,831 | 2,824 |
| STILL Gesellschaft m.b.H. | Wiener Neudorf | Austria | 100.00% | 4,946 | 1,332 |
| Dematic Poland Sp.z.o.o. | Poznań | Poland | 100.00% | 65 | -14 [4], [5] |
| Linde Material Handling Polska Sp. z o.o. | Warsaw | Poland | 100.00% | 19,083 | 3,729 |

Affiliated companies

Foreign

| | | | | | |
|--|---------------------------|----------------------------|---------|----------|------------------|
| STILL POLSKA Sp. z o.o. | Gadki | Poland | 100.00% | 14,239 | 2,740 |
| STILL MATERIAL HANDLING ROMANIA SRL (formerly: STILL MOTOSTIVUITOARE S.R.L.) | Giurgiu | Romania | 100.00% | 1,513 | 651 |
| OOO "Linde Material Handling Rus" | Moscow | Russia | 100.00% | 4,733 | -5 |
| OOO "STILL Forkliftrucks" | Moscow | Russia | 100.00% | 4,470 | 819 |
| Linde Material Handling AB | Örebro | Sweden | 100.00% | 45,241 | 12,332 |
| STILL Sverige AB | Malmö | Sweden | 100.00% | 2,812 | 820 |
| Dematic Suisse Sagl | Lugano | Switzerland | 100.00% | 41 | -20 [4], [5] |
| Linde Material Handling Schweiz AG | Dietlikon | Switzerland | 100.00% | 6,988 | -641 |
| STILL AG | Otelfingen | Switzerland | 100.00% | 7,369 | 1,663 |
| Linde Material Handling Slovenská republika s.r.o. | Trenčín | Slovakia | 100.00% | 2,810 | 454 |
| Linde Viljuškari d.o.o. | Vrčin | Serbia | 100.00% | 62 | 13 |
| Dematic S.E.A. Pte. Ltd. | Singapore | Singapore | 100.00% | 5,203 | 2,008 [4], [5] |
| KION South Asia Pte. Ltd. | Singapore | Singapore | 100.00% | 86 | 255 |
| Linde Material Handling Asia Pacific Pte. Ltd. | Singapore | Singapore | 100.00% | 32,393 | 1,104 |
| STILL SR, spol. s r.o. | Nitra | Slovakia | 100.00% | 1,716 | 554 |
| Linde Viličar d.o.o. | Celje | Slovenia | 100.00% | 1,741 | 221 |
| Dematic Logistic Systems S.A.U. | Coslada | Spain | 100.00% | 13,310 | -2,416 [4], [5] |
| IBER-MICAR S.L. | Gavà | Spain | 100.00% | 4,783 | 713 |
| Islavista Spain S.A.U. | L'Hospitalet de Llobregat | Spain | 100.00% | 35,984 | -1,814 |
| KION Rental Services S.A.U. | Barcelona | Spain | 100.00% | 6,466 | 838 |
| Linde Material Handling Ibérica, S.A.U. | Pallejá | Spain | 100.00% | 80,300 | 4,602 |
| STILL, S.A.U. | L'Hospitalet de Llobregat | Spain | 100.00% | 16,049 | 1,419 |
| Linde Material Handling (Pty) Ltd. | Linbro Park | South Africa | 100.00% | 8,931 | -2,739 |
| Dematic Thailand Co. Ltd. | Bangkok | Thailand | 73.89% | 51 | 0 [4], [5] |
| Linde Material Handling (Thailand) Co., Ltd. | Pathum Thani | Thailand | 100.00% | 1,931 | -357 [1] |
| Baoli Material Handling Europe s.r.o. | Prague | Czech Republic | 100.00% | -154 | -50 [1] |
| KION Supply Chain Solutions Czech, s.r.o. | Český Krumlov | Czech Republic | 100.00% | - | - [4] |
| Linde Material Handling Česká republika s r.o. | Prague | Czech Republic | 100.00% | 8,080 | 3,845 |
| Linde Material Handling Parts Distribution CZ s.r.o. | Český Krumlov | Czech Republic | 100.00% | 1,428 | -127 |
| Linde Pohony s r.o. | Český Krumlov | Czech Republic | 100.00% | 38,201 | 14,168 |
| Použitý Vozik CZ, s.r.o. | Prague | Czech Republic | 100.00% | -63 | 39 |
| STILL ČR spol. s r.o. | Prague | Czech Republic | 100.00% | 6,045 | 3,001 |
| Urban Transporte spol. s.r.o. | Moravany u Brna | Czech Republic | 100.00% | 1,192 | 277 [1] |
| STILL ARSER İş Makineleri Servis ve Ticaret A.Ş. | Izmir | Turkey | 51.00% | -12,492 | -8,380 |
| TOV "Linde Material Handling Ukraine" | Kiev | Ukraine | 100.00% | 7,546 | 322 [1] |
| Linde Magyarország Anyagmozgatási Kft. | Dunaharaszti | Hungary | 100.00% | 1,556 | 581 |
| STILL Kft. | Környe | Hungary | 100.00% | 3,169 | 1,166 |
| Dematic Corp. | Grand Rapids | United States | 100.00% | 147,443 | 40,814 [4], [5] |
| Egemin Automation Inc. | Holland | United States | 100.00% | 5,000 | -150 |
| Egemin Group, Inc. | Bingham Farms | United States | 100.00% | 0 | - |
| KION North America Corp. | Summerville | United States | 100.00% | 43,509 | -2,768 |
| Mirror Bidco Corp. | Atlanta | United States | 100.00% | -451,729 | -23,819 [4], [5] |
| Retrotech Inc. | Rochester | United States | 100.00% | 20,736 | -5,297 [4] |
| Dematic International Trading Ltd. | Shanghai | People's Republic of China | 100.00% | -7,677 | -8,490 [4], [5] |
| Dematic Logistics Systems Ltd. | Suzhou | People's Republic of China | 100.00% | 9,609 | -2,062 [4], [5] |
| Egemin (Shanghai) Trading Company Ltd. | Shanghai | People's Republic of China | 100.00% | -377 | -266 |
| KION Baoli (Jiangsu) Forklift Co., Ltd. | Jiangjiang | People's Republic of China | 100.00% | 47,715 | -3,494 |
| Linde (China) Forklift Truck Corporation Ltd. | Xiamen | People's Republic of China | 100.00% | 364,379 | 56,293 |

Participations

Domestic

| | | | | | |
|--|-------------------|---------|--------|---------|-------------|
| Carl Beuthauser Kommunal- und Fördertechnik GmbH & Co. KG | Hagelstadt | Germany | 25.00% | 15,654 | 3,372 [1] |
| Eisengießerei Dinklage GmbH | Dinklage | Germany | 50.00% | 1,351 | -374 [1] |
| Hans Joachim Jetschke Industriefahrzeuge (GmbH & Co.) KG | Hamburg | Germany | 21.00% | 4,596 | 2,496 [1] |
| JETSCHKE GmbH | Hamburg | Germany | 21.00% | 80 | 3 [1] |
| Linde Leasing GmbH | Wiesbaden | Germany | 45.00% | 50,111 | 6,749 [1] |
| Linde Hydraulics GmbH & Co. KG | Aschaffenburg | Germany | 10.00% | 233,308 | -22,909 [1] |
| Linde Hydraulics Verwaltungs GmbH | Aschaffenburg | Germany | 10.00% | 30 | 1 [1] |
| MV Fördertechnik GmbH | Blankenhain | Germany | 25.00% | 1,752 | 351 [1] |
| Pelzer Fördertechnik GmbH | Kerpen | Germany | 24.96% | 21,224 | 1,402 [1] |
| Supralift Beteiligungs- und Kommunikationsgesellschaft mbH | Hofheim am Taunus | Germany | 50.00% | 19 | 0 [1] |
| Supralift GmbH & Co. KG | Hofheim am Taunus | Germany | 50.00% | 765 | -62 [1] |

Foreign

| | | | | | |
|----------------------------------|--------------------------|--------|--------|--------|------------|
| Linde High Lift Chile S.A. | Santiago de Chile | Chile | 45.00% | 26,640 | -49 [1] |
| Balyo SA | Moissy-Cramayel | France | 10.00% | 1,733 | -4,711 [1] |
| Labrosse Equipement S.A. | Saint-Péray | France | 34.00% | 7,674 | 1,606 [2] |
| Normandie Manutention S.A. | Saint-Etienne du Rouvray | France | 34.00% | 24,959 | 6,143 [1] |
| Chadwick Materials Handling Ltd. | Corsham | U.K. | 48.00% | 1,385 | 189 [1] |

Participations

Foreign

| | | | | | |
|---|-----------------|----------------------|--------|--------|---------------|
| Warehouse Control Solutions Ltd. | Loughborough | U.K. | 49.00% | 905 | 901 [4], [5] |
| Bari Servizi Industriali S.C.A R.L. | Modugno | Italy | 25.00% | 0 | 0 [1] |
| TPZ Linde Viličari Hrvatska d.o.o. | Zagreb | Croatia | 20.00% | 814 | 81 [1] |
| Nordtruck AB | Örnsköldsvik | Sweden | 25.00% | 1,415 | 880 [1] |
| Carretilas Elevadoras Sudeste S.A. | Murcia | Spain | 38.54% | 5,357 | -580 |
| Dematic Holding (Thailand) Co., Ltd. | Bangkok | Thailand | 48.90% | 3 | 0 [4], [5] |
| JULI Motorenwerk s.r.o. | Moravany u Brna | Czech Republic | 50.00% | 23,645 | 6,467 [1] |
| Motorové závody JULI CZ s r.o. | Moravany u Brna | Czech Republic | 50.00% | 8 | 0 [1] |
| DEMATIC ELECTROMECHANICAL SYSTEMS MIDDLE EAST L.L.C | Dubai | United Arab Emirates | 49.00% | -73 | -111 [4], [5] |

[1] Financial figures as of 31 December 2015

[2] Financial figures as of 30 June 2016

[3] Last provided financial statement

[4] New during 2016

[5] For the Dematic Group, IFRS figures from the fiscal year 2015/2016 were used

[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 Holding 2 GmbH

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

[R] Dormant company

Independent Auditors' Report

We have audited the annual financial statements – comprising the balance sheet, the income statement and the notes to the financial statements – together with the bookkeeping system, and the combined management report on the entity and the Group of KION GROUP AG, Wiesbaden/Germany, for the year from 1 January 2016 to 31 December 2016. The maintenance of the books and records and the preparation of the annual financial statements and management report in accordance with German commercial law are the responsibility of the Company's Executive Board. Our responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system, and the management report based on our audit.

We conducted our audit of the annual financial statements in accordance with Section 317 German Commercial Code (HGB) and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany). 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 annual financial statements in accordance with German principles of proper accounting and in the management report 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 annual financial statements and the management report are examined primarily on a test 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 annual financial statements and the management report. 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 annual 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 management report is consistent with the annual financial statements, complies with legal requirements, 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, 22 February 2017

Deloitte 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, 22 February 2017

The Executive Board

Gordon Riske

Dr Eike Böhm

Ching Pong Quek

Dr Thomas Toepfer