

Interim report on the first quarter of 2003



Increased demand for
materials handling equipment

Growth in after-sales service

Sales revenues higher than in
previous year

Net income for the year improved

GROUP DATA AT A GLANCE

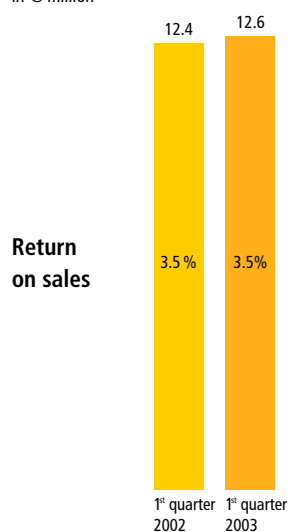
Jungheinrich Group		1 st quarter 2003	1 st quarter 2002	Change in %	Year 2002
Order intake	€ million	370	360	2.8	1,493
Sales revenues					
Germany	€ million	101	117	– 13.7	417
Abroad	€ million	257	235	9.4	1,059
Total	€ million	358	352	1.7	1,476
Foreign share	%	72	67	–	72
Orders on hand (as of 31.3)	€ million	162	162	0.0	151
Capital expenditure ¹⁾	€ million	6	6	0.0	36
Earnings before interest and taxes (EBIT)	€ million	12.6	12.4	1.6	74.2
EBIT return on sales (ROS)	%	3.5	3.5	–	5.0
Earnings before taxes (EBT)	€ million	12.5	11.8	5.9	72.8
Net income	€ million	8.6	7.0	22.9	53.7
Earnings per share	€	0.26	0.21	23.8	1.6
Employees (as of 31.3) ²⁾					
Germany		4,399	4,450	– 1.1	4,427
Abroad		4,765	4,780	– 0.3	4,821
Total		9,164	9,230	– 0.7	9,248

¹⁾ Not including trucks for rentals and leasing or financial assets

²⁾ Where reference is made in the text to **employees**,
this is to be understood to include both **male and female employees**.

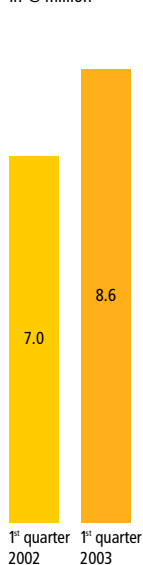
Earnings before interest and taxes (EBIT)

in € million



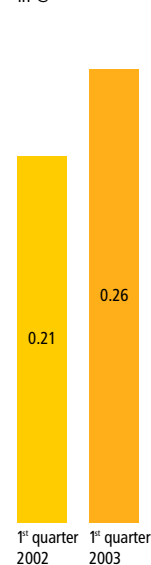
Net income

in € million



Earnings per share

in €



Dear Shareholders,

The Jungheinrich Group got off to a good start into the 50th year of its existence. Demand in the materials handling equipment industry in Europe increased in the first quarter of 2003. Jungheinrich participated in this growth of the market and was able to strengthen its market position. Despite the substantial uncertainties about the way the economy as a whole will develop over the whole of the year 2003, the market volume in Europe rose by some 6 per cent to 63.2 thousand lift trucks (previous year: 59.6 thousand units). The biggest growth of some 10 per cent was achieved by the market for warehousing technology vehicles due to an increased demand for smaller units, while the market for counterbalanced trucks grew by only some 2 per cent. Of the big individual markets in Europe, only France booked a decline in the market volume.

For Jungheinrich, the year 2003 stands under the banner of consolidation and this relates above all to the restructuring of the production sites. In February 2003, Jungheinrich AG took the decision to transfer production of the IC engine powered forklifts that have until now been manufactured at the plant in Leighton Buzzard (Britain) to Moosburg (Germany) by mid-2004 and then to close down the Leighton Buzzard plant. A start has already been made on implementing this measure to schedule following careful preparation and project organisation work. At the French production site in Argentan, further efforts are being undertaken to improve earnings.

Net income of the Jungheinrich Group in the first quarter of 2003 improved in comparison with the year-earlier period despite the difficult economic environment.

Order intake

The order intake in new sales business picked up in the first quarter of 2003 in terms of the num-

ber of units purchased, not only as compared with the fourth quarter of 2002 but also in comparison with the corresponding period of the previous year. In this way, it was possible to consolidate the market position. The order intake benefited strongly from a large-scale order. The value of the order intake in the first quarter at a total of € 370 million (previous year: € 360 million) marked an increase of some 3 per cent.

Order book

Orders on hand as of 31st March 2003 were, at € 162 million, at the same level as in the previous year. Since the beginning of the year, the order book value has increased by € 11 million or 7 per cent.

Sales

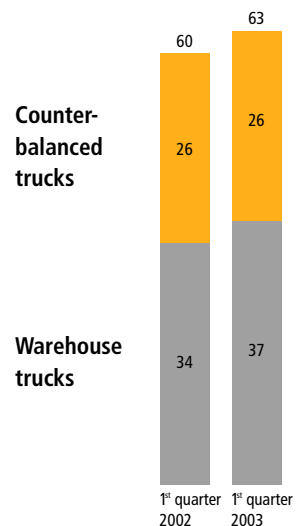
The Jungheinrich Group achieved an increase in sales of some 2 per cent to € 358 million in the first quarter of 2003 (previous year: € 352 million). A slight drop of 2 per cent in turnover in new sales business, which was attributable to the weaker order intake in November and December 2002, was more than compensated by growth of 6 per cent in used trucks/short-term hire business as well as by a 7 per cent increase in after-sales service. The constantly growing population of Jungheinrich trucks in the markets had a positive impact on the company's steadily growing after-sales business.

Personnel

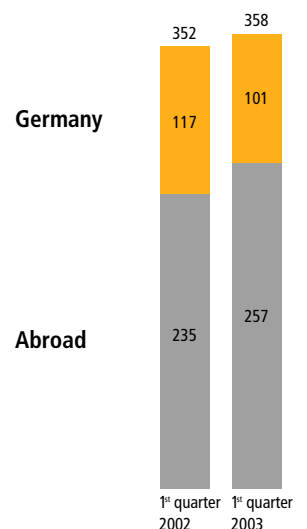
The number of personnel as of 31st March 2003 went down to 9,164 employees (previous year: 9,230 employees). Within the framework of the expansion of the European service network, in the current year new personnel have been recruited as service engineers. Their number has increased by more than 150 in a year-on-year comparison. This was offset by a greater reduction of personnel capacities at the Group production plants in the wake of the consolidation measures and the lower utilisation of produc-

Market volume for battery-powered and IC engine-powered lift trucks in Europe

in thousand units (incl. European-Japanese joint ventures)



Sales in € million



tion capacity. The trend towards becoming a service company was continued. The share of the workforce employed in the after-sales service organisation increased in comparison with the previous year from 45 to 47 per cent.

Capital expenditure

Capital spending on property, plant and equipment – not including additions to trucks for rental and leasing as well as to financial assets – was, at € 6 million, at the same level as in the previous year. By far the greater part of the capital spending volume was for the expansion of the sales and distribution companies in Europe to strengthen the direct sales and service networks yet further.

Earnings position

Return on sales of operating earnings before interest and taxes (EBIT) in the first quarter of 2003 reached the same level as in the previous year at 3.5 per cent. The absolute result was € 12.6 million (previous year: € 12.4 million). Due to an improvement in net interest and a lower tax ratio, net income earned in the first quarter of 2003 achieved a better-than-average improvement of 23 per cent to € 8.6 million (previous year: € 7.0 million). Accordingly, with the total number of shares standing at 33.64 million, earnings per share rose from € 0.21 in the previous year to € 0.26. This means that Jungheinrich again succeeded in further strengthening the earning power of the Group despite difficult economic parameters.

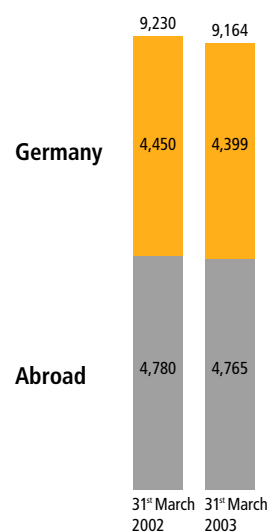
Shares in the company's own possession

The company still holds 360 thousand of its own shares. This corresponds to 2.25 per cent of the preferred share capital or 1.06 per cent of the equity capital (ordinary and preferred shares).

Outlook

The development of the economy as a whole in the further course of the year is still associated with substantial uncertainties. It is therefore difficult to make any reliable predictions regarding the development of the materials handling equipment industry. Assuming a slight improvement in economic growth in Europe, which – starting from a brightening of the economic situation in the USA – will not come into effect until the second half of the year at the earliest, we anticipate at least a widespread stabilisation of the sales volume for materials handling equipment in Europe for the year 2003 as a whole. On this basis, we expect overall higher order intakes and sales for Jungheinrich over the business year as a result of the strengthening of direct sales. Positive stimuli for the trends of sales and earnings will come from after-sales business. The development of the result in the year 2003 will be determined not only by the trend of the economy in general but also and in particular by

Personnel



CONSOLIDATED STATEMENT OF INCOME

	2003 1.1 – 31.3 in € million	2002 1.1 – 31.3 in € million
Sales revenues	357.8	351.7
Cost of sales	266.4	264.1
Gross margin	91.4	87.6
Selling expenses	62.8	60.4
Research and development expenses	7.9	6.9
General administrative expenses	7.6	7.9
Other operating income	0.6	0.7
Other operating expenses	0.9	0.5
Operating income	12.8	12.6
Net income from investments in other companies	– 0.2	– 0.2
Income before financial result and income taxes	12.6	12.4
Financial result	– 0.1	– 0.6
Income taxes	3.9	4.8
Group net income	8.6	7.0
Earnings per share (in €)	0.26	0.21

the expected sales volumes. Should the economy pick up earlier and more strongly than foreseen, this will provide additional stimuli for sales and the result.

Jungheinrich will continue to invest countercyclically in sales and distribution and in technology. Capital expenditure, not including additions to trucks for rental and leasing as well as financial assets, will altogether exceed the volume of the previous year. One of the bigger projects is a testing centre in Norderstedt. Within the framework of the Group's IT strategy, the standard software SAP R/3 will be introduced throughout the sales and distribution network in Germany during the current year.

With the enhancement of the "Jungheinrich" brand, with product innovations and with a strong, unmistakable market posture, the Jungheinrich Group underscores the strong position of the company as one of the world's leading suppliers of intra-company logistics equipment. The mood in the Group with regard to the development of business in the 50th year of the company's existence is correspondingly optimistic.

Hamburg, 13th May 2003

Jungheinrich AG

The Board of Management

CONSOLIDATED FLOW-OF-FUNDS ANALYSIS

	2003 1.1 – 31.3 in € million	2002 1.1 – 31.3 in € million
Net income	8.6	7.0
Depreciation of fixed assets	27.7	29.3
Changes in accrued liabilities	9.4	3.6
Change in the item deferred taxes	1.8	1.2
Changes in		
– Inventories	– 11.9	7.7
– Trade receivables	13.0	3.8
– Receivables from financial services	– 1.9	– 2.6
– Trade liabilities	13.8	– 7.4
Other changes	1.1	– 2.4
Cash provided by operating activities	61.6	40.2
Proceeds from disposals of fixed assets items	11.6	12.3
Payments for investments in fixed assets	– 27.3	– 33.4
Cash used for investing activities	– 15.7	– 21.1
Change in indebtedness to banks and financial loans	– 2.8	– 9.7
Change in leasing liabilities and liabilities from financial services	– 11.2	– 6.1
Cash provided by (used for) financing activities	– 14.0	– 15.8
Change in cash and cash equivalents with effect on payments	31.9	3.3
Changes in cash and cash equivalents due to exchange rates	– 0.3	– 0.2
Change in cash and cash equivalents	31.6	3.1
Cash and cash equivalents as of 1st January	199.2	181.5
Cash and cash equivalents as of 31st March	230.8	184.6

DEVELOPMENT OF GROUP EQUITY CAPITAL

	Subscribed capital	Capital reserves	Revenue reserves	Other changes in shareholders' equity			Own Shares	Total
				Difference from translation of foreign currency	Difference from valuation of pensions	Difference from valuation of derivative financial instruments		
in € million								
as of 31st December 2002	102.0	76.9	188.2	5.0	– 20.5	– 0.2	– 5.7	345.7
Group net income								
1.1 – 31.3	–	–	8.6	–	–	–	–	8.6
Other changes	–	–	–	1.1	–	– 0.1	–	1.0
as of 31st March 2003	102.0	76.9	196.8	6.1	– 20.5	– 0.3	– 5.7	355.3

CONSOLIDATED BALANCE SHEET

	2003 31 st March in € million	2002 31 st December in € million
ASSETS		
Intangible assets, tangible and financial assets	195.2	197.6
Rental trucks	112.1	120.8
Trucks for leasing from financial services	182.8	190.6
Fixed assets	490.1	509.0
Inventories	149.2	137.2
Trade receivables	295.7	308.8 ¹⁾
Receivables from financial services	189.7	187.8 ¹⁾
Other receivables and other assets	102.8	100.2
Cash and cash equivalents and securities	236.0	204.3
Current assets	973.4	938.3
Deferred tax assets and prepaid expenses	37.2	37.4
Total assets	1,500.7	1,484.7
LIABILITIES AND SHAREHOLDERS' EQUITY		
Shareholders' equity	355.3	345.7
Accrued liabilities for pensions and similar obligations	144.0	143.8
Other accrued liabilities	197.3	188.1
Accrued liabilities	341.3	331.9
Financial liabilities	208.6	216.5
Liabilities from financial services	404.8	409.8
Trade liabilities	93.7	79.8
Other liabilities	43.4	48.1
Liabilities	750.5	754.2
Deferred income	53.6	52.9
Total liabilities and shareholders' equity	1,500.7	1,484.7

¹⁾ In connection with the change in the way long-term rental business in Italy is presented in the accounts, for the sake of comparability the amounts of the previous year (€ 14.1 million) have been re-classified by removing them from the trade receivables and including them under receivables from financial services.

The accounting and valuation methods applied for this interim report correspond to those applied for the Group financial statements as of 31st December 2002.
No major effects on accounting and valuation in the Group financial statements derived from the first-time application of new US GAAP standards.

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Dates

Annual General Meeting 2003	3 rd June 2003
Interim report 1 st half-year 2003	7 th August 2003
Interim report 3 rd quarter 2003	10 th November 2003