

Interim report on the 1st quarter of 2004



Market slightly better than in prior year

Improved demand for
counterbalanced trucks

Net sales still below prior year

Operating income improved

Rise in raw materials prices

Plant closures running to schedule

AT A GLANCE

Jungheinrich Group	1st quarter 2004	1st quarter 2003	Change in %	Year 2003
Incoming orders million €	376	370	1.6	1,476
Net sales				
Germany million €	99	101	- 2.0	407
Abroad million €	246	257	- 4.3	1,064
Total million €	345	358	- 3.6	1,471
Foreign ratio %	71	72	-	72
Orders on hand (3/31) million €	191	162	17.9	157
Capital expenditures¹⁾ million €	5	6	- 16.7	61
Earnings before interest and taxes (EBIT) million €	13.8	12.6	9.5	77.7 ²⁾
EBIT return on sales (ROS) %	4.0	3.5	-	5.3
Earnings before taxes (EBT) million €	12.9	12.5	3.2	37.9 ³⁾
Net income million €	8.7	8.6	1.2	21.1 ³⁾
Earnings per share €	0.26	0.26	1.7	0.63 ³⁾
Employees (3/31)				
Germany	4,438	4,399	0.9	4,452
Abroad	4,763	4,765	0.0	4,781
Total	9,201	9,164	0.4	9,233

¹⁾ Not including trucks for short-term hire and leasing and financial assets

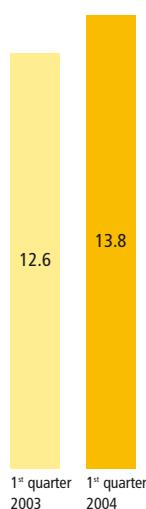
²⁾ Not including closure expenses MIC S.A.

³⁾ Including closure expenses MIC S.A.

DEVELOPMENT DURING THE QUARTER

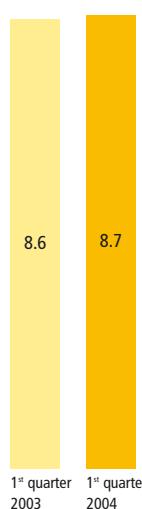
Earnings before interest and taxes (EBIT)

in million €



Net income

in million €



Earnings per share

in €



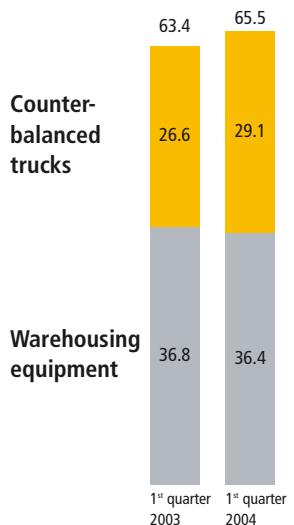
Dear Shareholders,

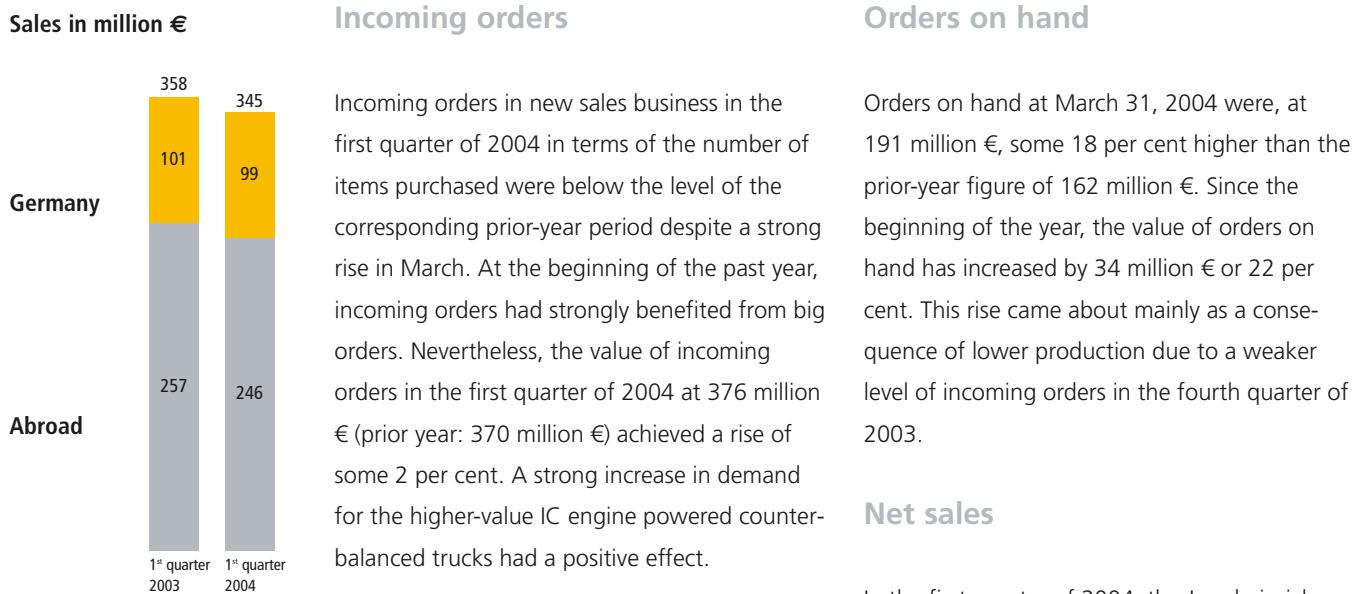
The hoped-for economic upturn has still not started despite improved economic sentiment. The Jungheinrich Group made a correspondingly subdued start into the current fiscal year in comparison with the prior year. Demand for materials handling equipment in Europe in terms of the number of items sold was slightly higher in the first quarter of 2004 than the volume of the corresponding year-earlier period. The provisional market volume in Europe was 65.5 thousand forklift trucks (prior year: 63.4 thousand units), corresponding to an increase of 3 per cent. This positive development was due solely to the strong upsurge in March, with a growth rate of 13 per cent. As compared with the prior year, the market for counterbalanced trucks achieved above-average growth of some 10 per cent, whereas the market for warehousing trucks declined by 1 per cent. In the past year, warehousing equipment benefited to a special degree from an increase in the demand for smaller units. The big individual markets in Europe were characterized by different developments. Whereas Spain and France booked growth rates of up to double figures, the market volumes in Italy, Germany and the UK were down as compared with the first quarter of 2003. Due to the generally still weak market environment as well as the ongoing strong competition, the prices situation in the materials handling equipment industry continued to be strained.

For Jungheinrich, the first half of 2004 will be marked by the ongoing activities to implement the plant closures in Leighton Buzzard (UK) and Argentan (France). The successive transfer of the

production of the IC engine powered forklift trucks that until now have been produced in the plant in Leighton Buzzard (UK) to Moosburg (Germany) is running according to plan, not only in terms of time but also in terms of cost. The beginning of the current year already saw the first counterbalanced trucks of the A series produced in Moosburg and then delivered. In Argentan, the negotiations with the employees' representatives of MIC S. A. that aim at closing down the plant there are well under way. After it was possible to reach fundamental agreement regarding a social plan, the negotiations will now shortly reach their conclusion. The discontinuation of production operations is planned for mid-May. Hand pallet truck that are competitive in price and quality, which form a permanent part of the comprehensive Jungheinrich product range, will in future be obtained from the Chinese manufacturer Ningbo Ruyi Joint Stock Co., Ltd. Battery-powered pedestrian vehicles, which also formed part of the production spectrum at MIC, will be transferred back to the Norderstedt location (Germany). The expenses directly connected with the plant closures are already included in the financial statements for 2003 as a one-time charge. Operating losses incurred within the framework of the discontinuation of production activities up until the final close-down of the plants will be included in the result for this fiscal year on an accrual basis. To this extent, the net income of the Jungheinrich Group stated for the first quarter of 2004 also takes account of these burdens besides the weak market demand.

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





Incoming orders in new sales business in the first quarter of 2004 in terms of the number of items purchased were below the level of the corresponding prior-year period despite a strong rise in March. At the beginning of the past year, incoming orders had strongly benefited from big orders. Nevertheless, the value of incoming orders in the first quarter of 2004 at 376 million € (prior year: 370 million €) achieved a rise of some 2 per cent. A strong increase in demand for the higher-value IC engine powered counterbalanced trucks had a positive effect.

Orders on hand at March 31, 2004 were, at 191 million €, some 18 per cent higher than the prior-year figure of 162 million €. Since the beginning of the year, the value of orders on hand has increased by 34 million € or 22 per cent. This rise came about mainly as a consequence of lower production due to a weaker level of incoming orders in the fourth quarter of 2003.

Net sales

In the first quarter of 2004, the Jungheinrich Group booked a decline in net sales of some 4 per cent to 345 million € (prior year: 358 million €). The 10 per cent decline in new sales business, which is due to the lower level of incoming orders in the months of November and December 2003, was largely compensated

CONSOLIDATED STATEMENTS OF INCOME			
		2004 1/1 – 3/31 in million €	2003 1/1 – 3/31 in million €
Employees	Net sales	345.4	357.8
	Cost of sales	252.1	266.4
Germany	Gross profit on sales	93.3	91.4
	Selling expenses	63.4	62.8
	Research and development expenses	10.0	7.9
	General and administrative expenses	7.8	7.6
	Other operating income	1.9	0.6
	Other operating expenses	0.4	0.9
	Operating income	13.6	12.8
	Net income (loss) from investments	0.2	– 0.2
Abroad	Earnings before interest and taxes	13.8	12.6
	Financial income (loss)	– 0.9	– 0.1
	Income taxes	4.2	3.9
	Net income	8.7	8.6
	Earnings per share (in €)	0.26	0.26

by 7 per cent growth in used equipment business and 3 per cent growth in after-sales service. Short-term hire business decreased by some 3 per cent as a result of the economic climate. The renewed increase in the number of Jungheinrich trucks in the markets had a very positive influence on the growth of after-sales business. In the coming weeks, net sales in new sales business are destined to benefit from the accumulated larger volume of orders on hand at the end of March.

Earnings position

The return on sales in operating earnings before interest and taxes (EBIT) in the first quarter of 2004 was, at 4.0 per cent, higher than the prior-year level (3.5 per cent). The absolute result was 13.8 million € (prior year: 12.6 million €). Included in this figure are the operating losses from the phase-out of production at the manufacturing locations in Leighton Buzzard and Argentan, which are still temporarily being incurred. Net income in the first quarter of 2004 was 8.7 million €, thus reaching the level of the prior year (8.6 million €). Accordingly, the figure for earnings per share with a total number of 33.64 million shares was unchanged at 0.26 € (prior year: 0.26 €).

Research and development

Research and development expenses of the Jungheinrich Group after three months amounted to some 10 million € (prior year: 8 million €). The Group has thus further strengthened its innovative capacity and created the basis for new development projects. At the end of this process, further innovative, efficient and reliable products will be available to the market.

CONSOLIDATED STATEMENTS OF CASH-FLOWS

	2004 1/1 – 3/31 in million €	2003 1/1 – 3/31 in million €
Net income	8.7	8.6
Depreciation and amortization of fixed assets	26.7	27.7
Changes in accrued liabilities	13.0	9.4
Changes in deferred tax assets	– 0.7	1.8
Changes in		
– Inventories	– 19.7	– 11.9
– Trade accounts receivable	25.9	13.0
– Receivables from financial services	– 1.2	– 1.9
– Trade accounts payable	– 15.4	13.8
Other changes	– 9.3	1.1
Cash provided by operating activities	28.0	61.6
Proceeds from disposals of fixed assets	14.8	11.6
Payments for investments in fixed assets	– 26.7	– 27.3
Cash used for investing activities	– 11.9	– 15.7
Changes in liabilities due to banks and in financial loans	– 5.4	– 2.8
Changes in leasing liabilities and in liabilities from financial services	– 4.3	– 11.2
Cash provided by (used for) financing activities	– 9.7	– 14.0
Changes in cash and cash equivalents affecting payments	6.4	31.9
Changes in cash and cash equivalents due to exchange rates	0.2	– 0.3
Changes in cash and cash equivalents	6.6	31.6
Cash and cash equivalents at 1/1	204.7	199.2
Cash and cash equivalents at 3/31	211.3	230.8

Capital expenditures

Capital expenditures on tangible fixed assets – not including additions to trucks for short-term hire and for leasing as well as to financial assets – at the end of March 2004 were, at 5 million €, below the prior-year level (6 million €). As in the prior year, priority capital spending items included above all the expansion of the company's own sales and distribution companies in Europe to achieve a further strengthening of the direct sales and service network.

Human resources

The number of employees at March 31, 2004 was 9,201 (prior year: 9,164). In comparison with the end of 2003, this means a reduction of 32 jobs. In the current year, new service engineers have been recruited to strengthen the European service network. Their number has increased by some 90 employees in a year-on-year comparison. As a consequence of the closures at the foreign locations and due to the lower utilization of production capacity, there was a steady reduction of personnel capacities at the production locations of the Group. As a result, the ratio of personnel employed in the after-sales service organisation increased year-on-year from 47 to 48 per cent.

Treasury stock

The company continues to hold a total of 360,000 treasury stocks. This corresponds to

2.25 per cent of the preferred capital stock or
1.06 per cent of the total capital stock (common
and preferred stock).

Changes in personnel

Matthias Fischer has been a full member of the Board of Management of Jungheinrich AG since January 1, 2004 and, as planned, has with effect from that date taken over the Sales and Distribution Division from Dr. Dieter Helmke, who retired at the end of 2003.

Events after the end of the first quarter of 2004

No transactions or events of major importance have occurred after the end of the first quarter of 2004.

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

	Capital stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock	Total		
				Currency translation adjustment	Minimum pension liability	Derivative financial instruments		
in million €								
As of 1/1/2003	102.0	76.9	188.2	5.0	– 20.5	– 0.2	– 5.7	345.7
Net income								
1/1 – 3/31/2003	–	–	8.6	–	–	–	–	8.6
Other changes	–	–	–	1.1	–	–0.1	–	1.0
As of 3/31/2003	102.0	76.9	196.8	6.1	– 20.5	– 0.3	– 5.7	355.3
As of 1/1/2004	102.0	76.9	195.3	3.3	– 13.8	0.3	– 5.7	358.3
Net income								
1/1 – 3/31/2004	–	–	8.7	–	–	–	–	8.7
Other changes	–	–	–	– 2.1	–	– 3.1	–	– 5.2
As of 3/31/2004	102.0	76.9	204.0	1.2	– 13.8	– 2.8	– 5.7	361.8

Outlook

Against the background of the ongoing uncertainties regarding the development of the overall economy, it remains difficult to make any reliable predictions regarding the development of the materials handling equipment industry.

Nevertheless, even on the basis of a cautious assessment for the year as a whole we see possibilities for slight growth of the market volume for materials handling equipment in Europe. This gives expectations of a rise in incoming orders and sales for the Jungheinrich Group. In this context, as in the prior year we are assuming that price-intensive competition will persist. The development of income in the year 2004 will be determined not only by the development of the economy but also and in particular by the positive effects to be expected in the second half of the year after completion of the plant closures. The rise in prices of raw materials that has now set in will on the other hand lead to burdens on the purchasing side in the coming months.

Capital expenditures – not including the additions to trucks for short-term hire and leasing as well as to financial assets – in the current year will have a similar volume to that in the prior year. They serve above all to strengthen and expand the world-wide direct sales network. Furthermore, the new Development and Test Center that is to be set up in Norderstedt numbers among the bigger projects. Within the framework of the Group's IT strategy, the introduction of the standard software SAP R/3 in the European sales and distribution organisation is being continued in 2004.

CONSOLIDATED BALANCE SHEETS

	2004 3/31 in million €	2003 12/31 in million €
ASSETS		
Intangible assets		
Tangible and financial assets	215.2	218.6
Trucks for short-term hire	100.8	104.5
Trucks for leasing from financial services	175.3	177.8
Fixed assets	491.3	500.9
Inventories	163.0	143.3
Trade accounts receivable	268.1	294.1
Receivables from financial services	203.5	202.3
Other receivables and other assets	101.8	102.2
Liquid assets and securities	216.9	210.2
Current assets	953.3	952.1
Deferred tax assets and prepaid expenses	49.7	45.4
Total assets	1,494.3	1,498.4
STOCKHOLDERS' EQUITY AND LIABILITIES		
Stockholders' equity	361.8	358.3
Accrued pension liabilities and similar obligations	147.2	143.6
Other accrued liabilities	217.2	207.8
Accrued liabilities	364.4	351.4
Financial liabilities	203.0	212.3
Liabilities from financial services	408.6	410.5
Trade accounts payable	64.2	79.6
Other liabilities	48.1	40.3
Liabilities	723.9	742.7
Deferred income	44.2	46.0
Total liabilities and stockholders' equity	1,494.3	1,498.4

With its extensive product range, the only Europe-wide close-knit direct sales and service network and the flexible spectrum of financial services that is being expanded further in 2004, the Jungheinrich Group is well set up to maintain its leading position in warehousing technology against strong competition.

Hamburg, May 11, 2004

Jungheinrich AG

The Board of Management

Notes to the Interim Report:

Accounting and valuation methods

The consolidated financial statements of Jungheinrich AG as at March 31, 2004 have – like the consolidated financial statements as at March 31, 2003 and as at December 31, 2003 – been prepared in accordance with the standards of the United States Generally Accepted Accounting Principles (US-GAAP) applicable at the balance sheet date. The accounting and valuation principles applied in the interim financial statements as at March 31, 2004 were unchanged as against the fiscal year 2003. The accounting standard SFAS 132 (revised 2003) "Employers' Disclosure about Pensions and Other Postretirement Benefits – an amendment of FASB Statements Nos. 87, 88 and 106" published by the FASB in December 2003 requires additional disclosures in the interim financial statements as at March 31, 2004 with regard to the net pension costs and to the employer contribution to the pension plan assets within the framework of interim financial statements. The disclosures are made for the first time.

Pension obligations

The net pension costs are made up as follows:

	2004 1/1 – 3/31 in million €	2003 1/1 – 3/31 in million €
Service cost	1.4	1.4
Interest cost	3.1	2.9
Expected return on plan assets	– 1.2	– 0.9
Amortization of unrecognized net actuarial losses	0.3	0.5
Net pension costs	3.6	3.9

Contributions in the amount of 0.8 million € (prior year: 1.1 million €) were paid to the pension plan assets by companies of the Jungheinrich Group during the reporting period.

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Dates

Annual General Meeting 2004 June 2, 2004
Dividend payment June 3, 2004
Interim report 1st half 2004 August 10, 2004
Interim report 3rd quarter 2004 November 9, 2004