

Interim report for the first quarter of 2006



Material handling equipment
market posts strong growth

Incoming orders increased
considerably

Net sales on the rise

Earnings markedly improved

 **JUNGHEINRICH**

**Earnings before interest
and taxes (EBIT)** in million €

1 st quarter 2005	18.5
1 st quarter 2006	23.2

Net income
in million €

1 st quarter 2005	10.8
1 st quarter 2006	13.1

Earnings per share
in €

1 st quarter 2005	0.32
1 st quarter 2006	0.38

At a glance

		1 st quarter 2006	1 st quarter 2005	Change in %	Year 2005
Jungheinrich Group					
Incoming orders	million €	443	407	8.8	1,653
Net sales					
Germany	million €	106	104	1.9	453
Abroad	million €	273	255	7.1	1,192
Total	million €	379	359	5.6	1,645
Foreign ratio	%	72	71	–	72
Orders on hand (3/31)	million €	233	227	2.6	169
Capital expenditures¹	million €	9	8	12.5	42
Earnings before interest and taxes (EBIT)	million €	23.2	18.5	25.4	106.9
EBIT return on sales (ROS)	%	6.1	5.2	–	6.5
Earnings before taxes (EBT)	million €	23.1	18.7	23.5	106.8
Net income	million €	13.1	10.8	21.3	62.1
Earnings per share	million €	0.38	0.32	18.8	1.84
Employees (3/31)					
Germany		4,432	4,422	0.2	4,458
Abroad		4,630	4,508	2.7	4,540
Total		9,062	8,930	1.5	8,998

¹Not including trucks for short-term hire and lease, capitalized development costs and financial assets.

Worldwide market volume for material handling equipment¹
in thousand units

	Counterbalanced trucks	Warehousing equipment	
1 st quarter 2005	73.1	114.0	187.1
1 st quarter 2006	83.8	122.0	205.8

¹According to WITS (World Industrial Truck Statistics).

Market volume for material handling equipment in Europe^{1,2}
in thousand units

	Counterbalanced trucks	Warehousing equipment	
1 st quarter 2005	40.5	34.3	74.8
1 st quarter 2006	47.7	38.7	86.4

¹According to WITS (World Industrial Truck Statistics).

²Including Turkey.

Dear Shareholders,

The Jungheinrich Group got off to a good start this year and closed the first quarter of 2006 with a successful performance. Incoming orders and net sales increased significantly and earnings improved considerably year on year. Jungheinrich thus continued its course for profitable growth following 2005.

This development was driven by the good economic environment and the strong growth of the world market for material handling equipment. Momentum picked up again compared with the second half of 2005. In sum, from January to March 2006, the world market volume in terms of units sold expanded by 10 per cent to 205.8 thousand trucks (prior year: 187.1 thousand units). Growth drivers were North America, accounting for 6 per cent, Asia for 7 per cent and Europe, making an above-average contribution of 15 per cent. Eastern Europe achieved an increase of 46 per cent, clearly outpacing Western Europe's growth momentum (up 11 per cent) once again. The market for warehousing equipment on the sales markets of importance to Jungheinrich in Europe expanded by 18 per cent, with the market for counterbalanced trucks increasing by 13 per cent. Europe's market volume encompassed 86.4 thousand forklift trucks (prior year: 74.8 thousand units). The Jungheinrich Group partook to a great extent of this dynamic market growth and succeeded in strengthening its position on the material handling equipment market despite the fierce competition.

Adoption of IFRS

Jungheinrich AG prepared its consolidated financial statements for fiscal 2005 according to International Financial Reporting Standards (IFRS) for the first time. Interim reporting for January 1, 2006, onwards was adjusted correspondingly. Quarterly figures for the previous year have been adjusted accordingly.

Incoming orders

In the first quarter of 2006, incoming orders from new business based on units sold significantly exceeded the volume recorded in the same period a year earlier. From January to March, the value of incoming orders including all business fields rose by some 9 per cent to €443 million (prior year: €407 million). Sales will benefit markedly from this development in the next few weeks.

Orders on hand

Orders on hand from new business as of March 31, 2006, amounted to €233 million—up €6 million on the €227 million recorded a year earlier. Since the beginning of 2006, the value of orders on hand has risen by €64 million, or 38 per cent. This was mainly due to the high volume of incoming orders and an improved product mix, which saw a rise in heavy equipment. The order reach was a little over three months.

Incoming orders in million €

1 st quarter 2005	407
1 st quarter 2006	443

Net sales in million €

	Germany	Abroad	
1 st quarter 2005	255	104	359
1 st quarter 2006	273	106	379

Net sales

In the first quarter of 2006, the Jungheinrich Group increased net sales by more than 5 per cent to €379 million (prior year: €359 million). All the divisions contributed to the growth in net sales. The biggest increase was attributable to the after-sales service, which posted a rise of 8 per cent. New business as well as the short-term hire and second-hand equipment activities displayed growth of 4 per cent. Towards the end of the quarter, the foreign share of consolidated net sales rose marginally to 72 per cent (prior year: 71 per cent).

Earnings position

In the first three months of 2006, the Jungheinrich Group's earning trend benefited primarily from the positive development of incoming orders and the plant output, which posted a substantial increase overall. This enabled the company to offset factors depressing earnings, such as the persistently high price of raw materials and the competition-induced pressure on prices in new business. Operating earnings before interest and taxes (EBIT) advanced by roughly 25 per cent to €23.2 million in the first quarter of 2006 (prior year: €18.5 million). The corresponding return on sales improved from 5.2 per cent to 6.1 per cent year over year. Net income generated in the first quarter of 2006 totalled €13.1 million and was thus about 21 per cent higher than the €10.8 million recorded a year earlier. Earnings per share rose to €0.38 (prior year: €0.32) based on 34.0 million shares.

Research and development

The Jungheinrich Group continued to invest heavily in the development of its products. In the first quarter, research and development costs advanced to some €10 million (prior year: €9.0 million). The lion's share of the expenses was attributable to product and process-related developments. More than 360 employees are working on development projects throughout the Group.

Consolidated statement of income

	2006 1/1–3/31 in million €	2005 1/1–3/31 in million €
Net sales	378.9	359.3
Cost of sales ¹	262.9	260.2
Gross profit on sales	116.0	99.1
Selling expenses ¹	80.3	66.4
Research and development costs	10.0	9.0
General administrative expenses	5.5	5.5
Other operating result	3.0	0.3
Earnings before interest and taxes (EBIT)	23.2	18.5
Financial income (loss)	– 0.1	0.2
Earnings before taxes (EBT)	23.1	18.7
Income taxes	10.0	7.9
Net income	13.1	10.8
Earnings per share in €	0.38	0.32

¹Due to a reclassification, €10.9 million in costs incurred for after-sales office workers have been stated under selling expenses since the beginning of the reporting year. In the previous year comparable costs were stated under the cost of sales.

Employees

	Germany	Abroad	
3/31/2005	4,508	4,422	8,930
3/31/2006	4,630	4,432	9,062

Capital expenditures

At €9 million as of the end of March 2006, capital expenditures on tangible fixed assets—not including additions to trucks for short-term hire and lease, capitalized development costs and financial assets—were up on the previous year's level (€8 million). The lion's share of the capex volume was allocated to the reorganization of production processes at the Norderstedt site as well as to the expansion of the company's proprietary sales companies in Europe.

Employees

As of March 31, 2006, the employee headcount was up to 9,062 (prior year: 8,930). This figure included 218 trainees and apprentices (prior year: 220). At the cut-off date, 4,432 staff members (49 per cent) worked in our German companies, and 4,630 people (51 per cent) worked in our foreign companies. Compared with the end of 2005 (8,998 employees), this added 64 jobs attributable to the expansion of the sales organisation.

Consolidated statement of cash flows

	2006 1/1–3/31 in million €	2005 1/1–3/31 in million €
Net income	13.1	10.8
Depreciation and amortization of tangible and intangible assets	28.1	27.6
Changes in provisions	15.3	19.0
Changes in trucks for short-term hire and trucks for lease (excl. depreciation)	– 20.4	– 17.0
Changes in deferred tax assets and liabilities	– 0.7	0.8
Changes in		
Inventories	– 23.8	– 30.5
Trade accounts receivable	30.3	7.6
Receivables from financial services	– 6.7	– 10.6
Trade accounts payable	– 6.5	– 7.7
Liabilities from financial services	2.1	13.5
Other changes	– 15.9	– 18.8
Cash flows from operating activities	14.9	– 5.3
Payments for investments in fixed assets	– 12.6	– 10.1
Proceeds from the disposal of fixed assets	4.6	1.6
Cash flows from investing activities	– 8.0	– 8.5
Changes in liabilities due to banks and in financial loans	– 28.9	15.4
Cash flows from financing activities	– 28.9	15.4
Changes in cash and cash equivalents affecting payments	– 22.0	1.6
Changes in cash and cash equivalents due to exchange rates and the basis of consolidation	0.1	0.1
Changes in cash and cash equivalents	– 21.9	1.7
Cash and cash equivalents as of 1/1	274.4	228.4
Cash and cash equivalents as of 3/31	252.5	230.1

Consolidated statement of changes in shareholders' equity

	Subscribed capital	Capital reserve	Retained earnings	Accumulated other compre- hensive income (loss)		Own shares	Total
				Currency translation adjustment	Derivative financial instruments		
in million €							
As of 1/1/2005	102.0	77.0	204.8	5.8	- 0.2	- 5.7	383.7
Net income							
1/1 - 3/31/2005	-	-	10.8	-	-	-	10.8
Other changes	-	-	-	- 1.3	- 0.1	-	- 1.4
As of 3/31/2005	102.0	77.0	215.6	4.5	- 0.3	- 5.7	393.1
As of 1/1/2006	102.0	78.4	251.9	4.5	- 0.1	-	436.7
Net income							
1/1 - 3/31/2006	-	-	13.1	-	-	-	13.1
Other changes	-	-	- 0.6	0.4	0.9	-	0.7
As of 3/31/2006	102.0	78.4	264.4	4.9	0.8	-	450.5

The Jungheinrich share

In the first quarter of 2006, the Jungheinrich share continued the upward trend displayed in 2005, posting a strong rise in price and hitting a new all-time high of €26.52 on March 23, 2006. On March 31, 2006, Jungheinrich's share was listed at €26.22—up 32.8 per cent on its closing price of €19.74 as of December 30, 2005.

The Board of Management and the Supervisory Board will propose to the June 13, 2006, Annual General Meeting that, compared with the previous year, the dividend be increased by €0.03 to €0.45 per ordinary share and to €0.51 per preferred share for fiscal 2005.

Events after the end of the first quarter of 2006

No transactions or events of major importance to the Jungheinrich Group occurred after the end of the first quarter of 2006.

Consolidated balance sheet

Assets	3/31/2006 in million €	12/31/2005 in million €
Non-current assets		
Intangible and tangible assets	245.1	246.8
Trucks for short-term hire	125.7	123.4
Trucks for lease from financial services	156.5	158.1
Receivables from financial services	209.4	204.4
Financial assets and other non-current assets	19.9	19.7
Deferred tax assets	62.4	63.8
	819.0	816.2
Current assets		
Inventories	185.2	160.6
Trade accounts receivable	295.4	324.7
Receivables from financial services	88.2	86.5
Other current assets	44.8	37.7
Liquid assets and securities	252.5	274.4
	866.1	883.9
	1,685.1	1,700.1
Shareholders' equity and liabilities		
Shareholders' equity	450.5	436.7
Non-current liabilities		
Provisions for pensions and similar obligations	164.7	164.7
Financial liabilities	133.2	127.1
Liabilities from financial services	268.9	266.3
Deferred income	81.5	80.6
Other non-current liabilities	47.8	50.4
	696.1	689.1
Current liabilities		
Other current provisions	134.1	121.8
Financial liabilities	104.8	141.4
Liabilities from financial services	112.2	112.7
Trade accounts payable	67.9	74.3
Deferred income	49.5	52.0
Other current liabilities	70.0	72.1
	538.5	574.3
	1,685.1	1,700.1

Outlook

In 2006 the Jungheinrich Group's business trend will be markedly affected by future economic and market developments in the material handling equipment sector. Following the good start in the first quarter of 2006, we expect the market to post significant growth over the rest of the year, exceeding our estimates. All in all, we anticipate that the global market for material handling equipment will expand to approximately 800 thousand units for the year as a whole. This development will afford Jungheinrich good, additional sales opportunities and lead to a rise in business volume. In sum, we expect consolidated net sales for the current financial year to rise to significantly more than €1.75 billion.

We will step up our activities outside Europe in the growth regions of Asia and North America as part of our growth strategy. The assembly plant for battery-powered pedestrian-controlled pallet trucks in Qingpu in the vicinity of Shanghai, China, is scheduled to be commissioned in summer 2006 to serve overseas markets. This will enable the company to meet the substantial demand for warehousing equipment above all in China both locally and rapidly. We will strengthen our US sales company with products engineered specifically for the US market. Jungheinrich will be afforded the opportunity to steadily expand its US full-line distribution business over a longer period of time. In Europe, our efforts are directed towards expanding business in Eastern Europe as well as increasingly growing business with counterbalanced trucks.

In the year underway, investing activity will concentrate above all on the completion of the reorganization of production process in Norderstedt and Moosburg. Moreover, capital will continue to be spent on the establishment and expansion of the global direct sales network.

In 2006 the Jungheinrich Group will maintain its high level of development work in order to keep the broad range of products abreast of the state of the art by constantly renewing and supplementing it with attractive products with a view to defending and strengthening its competitive position.

In 2006 the earnings trend will benefit from the cyclically-induced rise in demand as well as from good capacity utilization in the Norderstedt and Moosburg manufacturing plants. However, these positive effects continue to be contrasted by the generally high level of raw materials prices and the highly competitive environment. In addition, preparatory work will have to be done to align the growth strategy.

On the whole, the Jungheinrich Group is confident that it is well equipped to continue meeting the needs imposed on it by the market, competition and the underlying conditions.

Unforeseen developments may cause the actual business trend to deviate from expectations, which are based on assumptions and estimates made by Jungheinrich company management. Factors that can lead to such deviations include changes in the economic and business environment, exchange and interest rate fluctuations, and the introduction of competing products.

Hamburg, May 4, 2006

Jungheinrich AG
The Board of Management

Notes to the Interim Report:

Accounting and measurement methods

The consolidated financial statements of Jungheinrich AG as of December 31, 2005, were prepared in accordance with the International Financial Reporting Standards (IFRS) and their interpretations by the International Financial Reporting Interpretations Committee (IFRIC) effective as of the balance sheet date. Accordingly, this interim report for the period ending on March 31, 2006, was prepared in compliance with IAS 34. These interim financial statements were neither audited, nor subjected to an audit-like examination.

The accounting and measurement methods applied in the interim financial statements as of March 31, 2006, and the determination of prior-year figures were unchanged compared with those applied in the consolidated financial statements as of December 31, 2005. These principles are described in detail in the notes to the consolidated financial statements in Jungheinrich's annual report for fiscal 2005.

IFRIC 4 (Determining whether an Arrangement Contains a Lease) became effective for interim reporting as of January 1, 2006. The examination of Jungheinrich's major service and supply agreements for embedded lease arrangements as defined in IAS 17 did not lead to a change in the accounting methods used so far.

Basis of consolidation

In the first quarter of 2006, the basis of consolidation of fully consolidated companies was expanded by two foreign companies. Due to the increased importance of the business, Jungheinrich d.o.o., Trzin (Slovenia), a previously non-consolidated company, was included in the basis of consolidation as of January 1, 2006, for the first time. Jungheinrich Lift Truck Manufacturing (Shanghai) Co., Ltd., Qingpu/Shanghai, was established for the manufacture of pallet trucks in China.

The basis of consolidation thus includes 28 foreign and 7 German companies. Three companies have been stated on the balance sheet through application of the equity method.

Segment reporting

The Board of Management of Jungheinrich AG acts and makes decisions with overall responsibility for all the divisions of the Group. The economic ratios and reports submitted monthly to the entire management board are oriented to inter-divisional control variables.

None of the Jungheinrich Group's business or geographical areas can be demarcated due to a difference in risks and returns, making Jungheinrich a single-segment company in its core business. Therefore, there is no need to present detailed information in the primary reporting format set forth in IAS 14.

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Dates 2006

Annual General Meeting	June 13, 2006
Dividend payment	June 14, 2006
Interim report on the first half of 2006	August 2, 2006
Interim report on the first three quarters of 2006	November 2, 2006