

KION Group Bondholders' Update Call – Q3 2011

Gordon Riske, CEO

Harald Pinger, CFO

Wiesbaden, November 14, 2011



Agenda



1 Achievements Q3 2011

Gordon Riske

2 Update Financials Q3 2011

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3 Outlook

Gordon Riske

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Highlights Q3 2011



- **Strong financial performance driven by market surge and cost control**
 - KION benefits from strong position in Europe and growth regions
 - Global market back on record level drives business volume up significantly, regional market structure differs significantly from previous peak in 2008
 - Service business grows, driven by higher utilization levels and spare parts demand
 - Cost control and restructuring initiatives significantly improved profitability
 - Continued positive trend in margin development

- **KION expands position in growth markets and expands direct network in Eastern Europe**
 - Almost 30 percent of new truck orders from outside Western Europe and US
 - Continuous expansion of specific product offering and sales & service network materializes
 - Businesses of Liftec in Russia, Ukraine, Kazakhstan to be integrated into Linde network

Strengthening presence in emerging markets and expanding business in after-sales market in 2011



B

KION expanding its local production in South America

- KION is constructing a new production facility in Sao Paolo, Brazil
- Brazilian market is the largest market for industrial trucks in South America

R

KION further strengthening its presence in Eastern Europe

- Linde acquires the business of its dealership Liftec
- Liftec has well-run operations in Russia, Ukraine and Kazakhstan

I

KION capturing growth potential of the Indian market

- KION established a joint venture with Voltas, the number 2 local brand in the Indian market
- Voltas has local production facilities and a country-wide sales & service organization

C

KION expanding its economy offering with Chinese brand

- KION acquired a further tranche of shares in Baoli and now holds close to 100% of shares
- Baoli is the core brand for the economy segment and serves mainly growth markets

KION strengthening its after-sales business in the UK

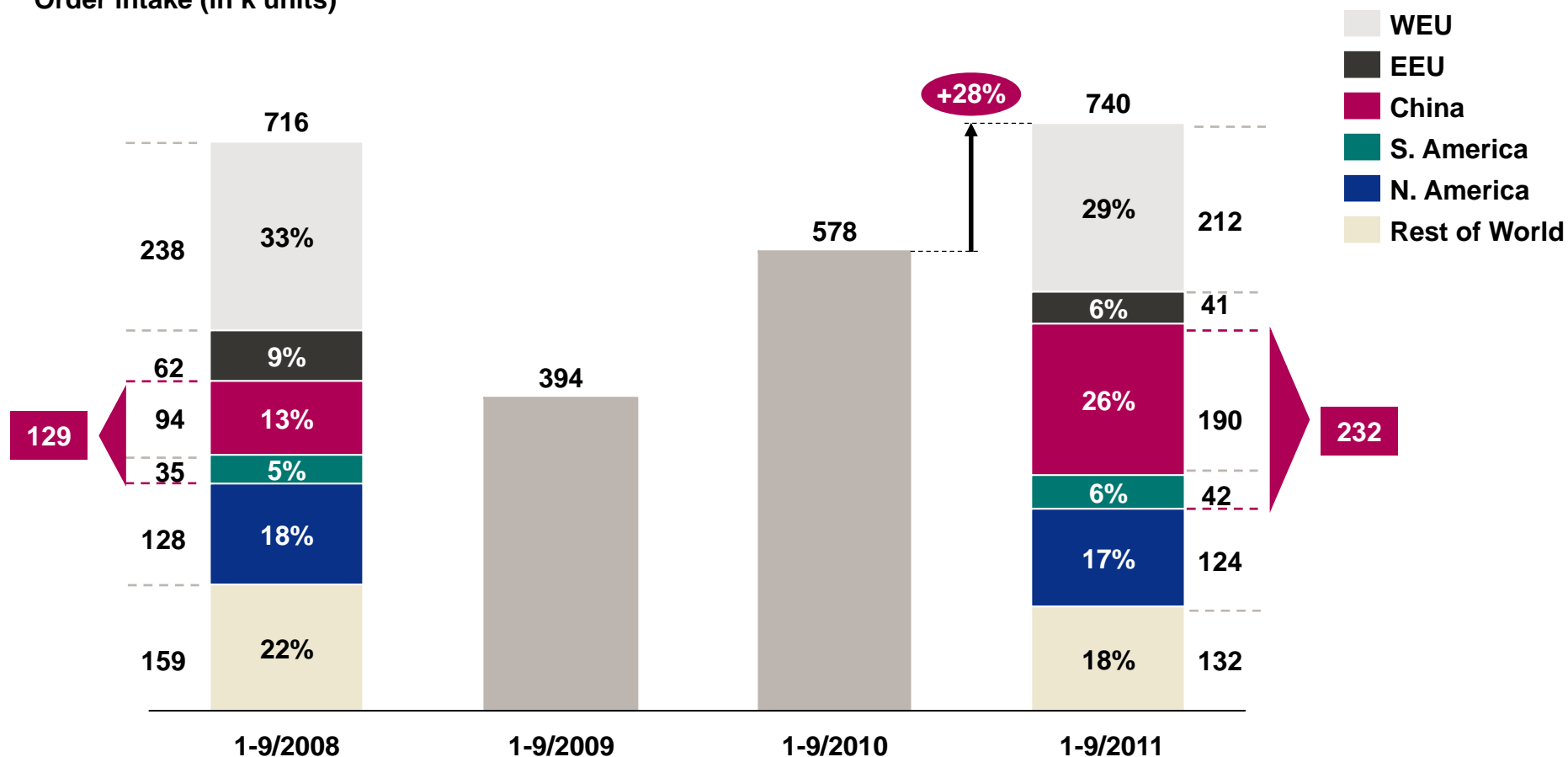
- Linde acquired remaining shares in its dealership Linde Sterling, resulting in full ownership
- Sterling is the leading supplier of trucks and after-sales services in North West England

Global market order intake (units)

Continued strong growth in 2011



Order intake (in k units)



Source: WITS/ FEM

Major industrial truck markets (units)

All markets still on growth path

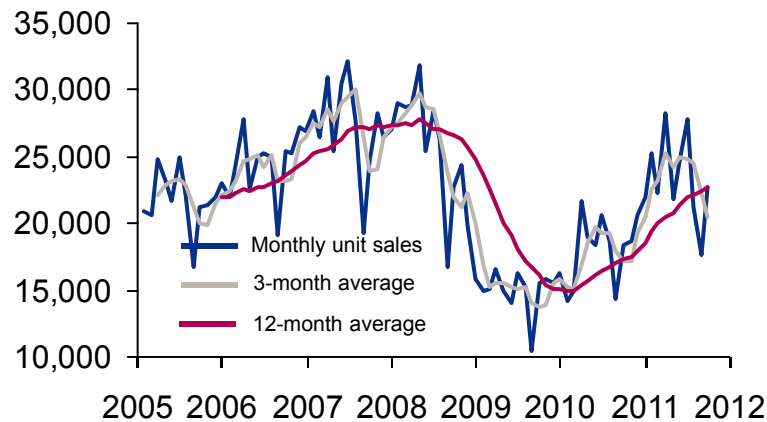


in units per month

1-9/2011 vs. 1-9/2010

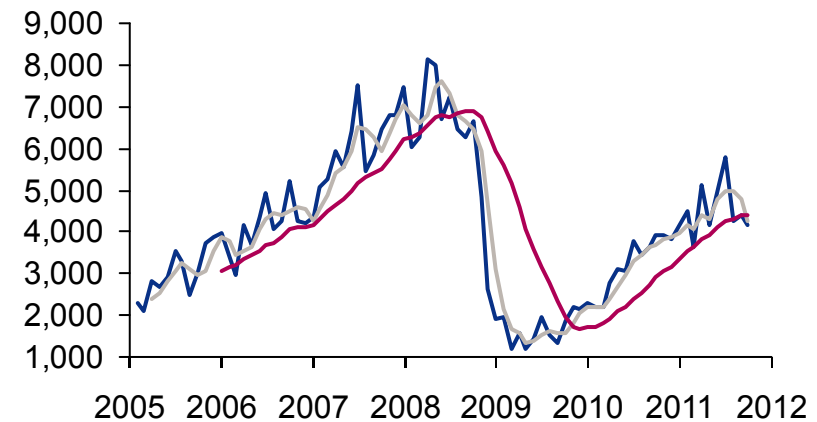
Western Europe

+32%



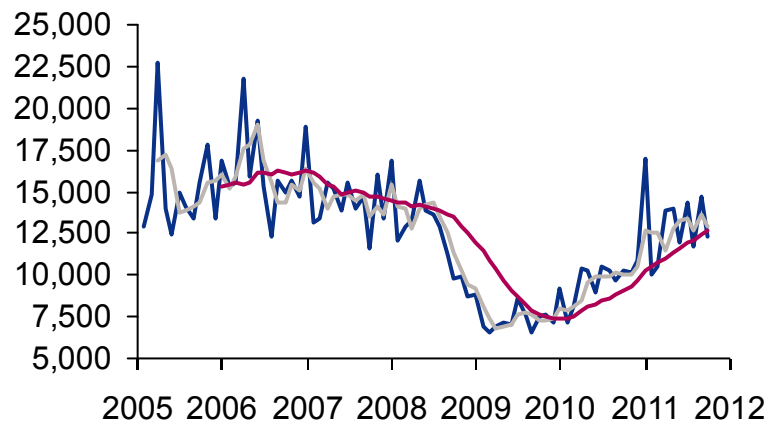
Eastern Europe

+46%



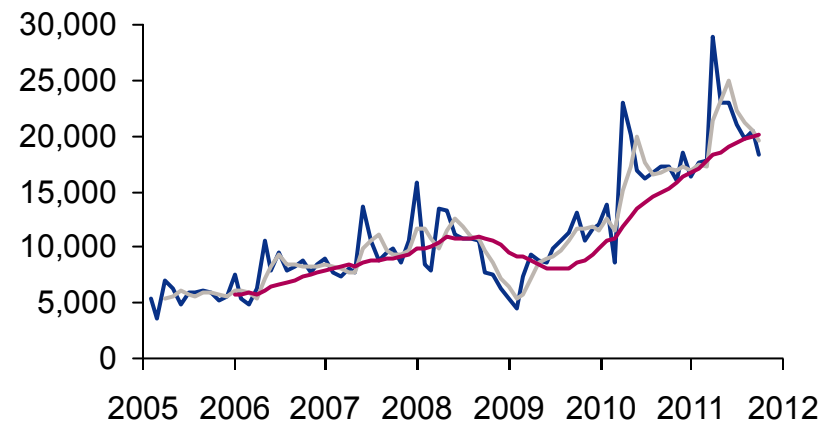
USA

+33%



China

+27%



Source: WITS

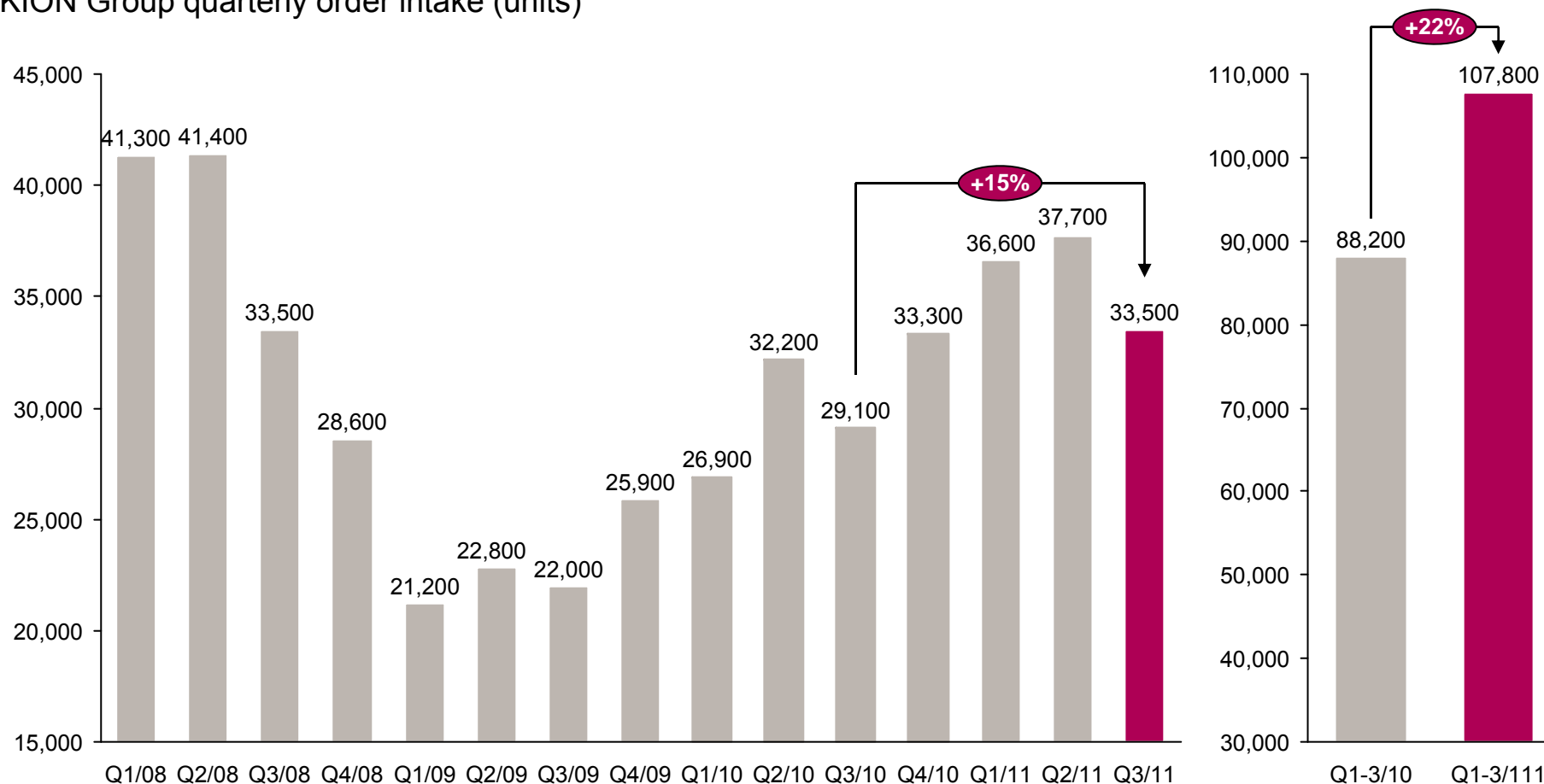
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KION new trucks order intake (units)

Strong Q3/11 15% ahead of previous year



KION Group quarterly order intake (units)



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Executive summary

Strong Q3 performance



- Q3/11 **order intake** of **€1,112m** above Q3/10 level (€952m) by 17%.
- **Net Sales** of €1,044m exceeds Q3/10 (€880m) by **+19%** as a result of strong order intake in the last months.
- **Adjusted EBIT** of **€84m** (8.1%) in Q3/11 (€53m in Q3/10).
- **FCF** in Q3/11 is with **+€30m** above prior year (Q3/10: +€18m).
- **Net Debt** increased by €108m compared to Dec 10 to **€2,749m**, influenced by investing activities and transaction costs.
- **Leverage** continues to decrease quarter by quarter (LTM 4.4x).
- **FTE** of 21,536 (incl. new acquisitions) increased by 8.5% compared to prior year.

FTE including apprentices and new acquisitions (Sterling – UK, Cailotto – Italy, Voltas – India and Manusom – France, in total 494 FTE).

Financial overview

KION strong performance continued in Q3 2011



in €m	Q3/10	Q3/11	Delta		
			abs.	%	
Order Intake	952.0	1,111.7	159.6	16.8%	✓
Revenue	879.8	1,044.1	164.3	18.7%	✓
Adjusted EBITDA incl. profit from investments	131.2	160.1	28.9	22.0%	✓
Margin	14.9%	15.3%			
Adjusted EBIT incl. profit from investments	52.6	84.3	31.7	60.2%	✓
Margin	6.0%	8.1%			
Free Cash Flow	17.5	30.2	12.6	72.0%	✓
TWC	683.1	757.5	74.4	10.9%	✓
% of Revenue	19.4%	18.1%			
Capital Expenditures	26.8	27.7	0.9	3.3%	✓
Headcount (FTE) incl. apprentices and trainees	19,845	21,536	1,691	8.5%	✓

FTE Q3/11 including apprentices and new acquisitions (Sterling – UK, Cailotto – Italy, Voltas – India and Manusom – France, in total 494 FTE).

Q3/11 adjusted EBITDA w/o profit from investments amounts to € 159.5m (15.3% adj. EBITDA margin)

Q3/11 adjusted EBIT w/o profit from investments amounts to € 83.7m (8.0% adj. EBIT margin)

Financial overview

KION strong performance continued in Q3 2011



in €m	2010 YTD	2011 YTD	Delta		LTM*	
			abs.	%		
Order Intake	2,795.3	3,464.5	669.2	23.9%	4,528.9	✓
Revenue	2,492.0	3,156.7	664.7	26.7%	4,199.2	✓
Adjusted EBITDA incl. profit from investments	313.4	481.8	168.4	53.7%	630.6	✓
Margin	12.6%	15.3%			15.0%	
Adjusted EBIT incl. profit from investments	76.7	259.6	182.9	>100%	322.3	✓
Margin	3.1%	8.2%			7.7%	
Free Cash Flow	-0.9	50.1	51.0	>100%	127.1	✓
TWC	683.1	757.5	74.4	10.9%		✓
% of Revenue	20.6%	18.0%				
Capital Expenditures	74.3	79.1	4.8	6.5%	128.3	✓
Headcount (FTE) incl. apprentices and trainees	19,845	21,536	1,691	8.5%		✓

2011 YTD adjusted EBITDA w/o profit from investments amounts to € 473.9m (15.0% adj. EBITDA margin)

2011 YTD adjusted EBIT w/o profit from investments amounts to € 251.6m (8.0% adj. EBIT margin)

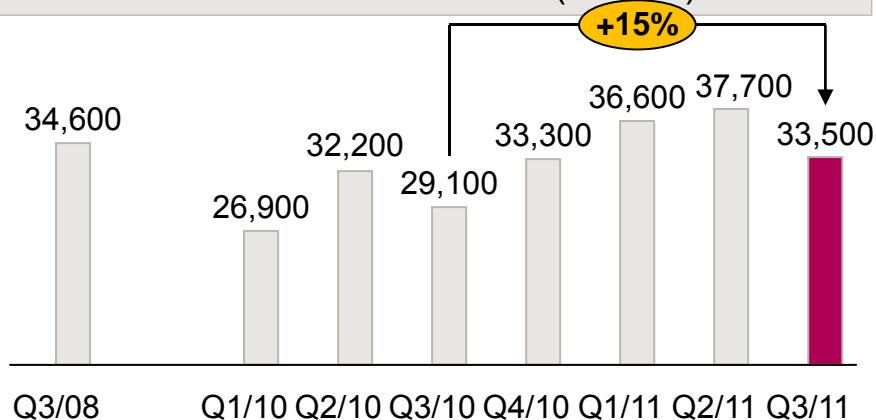
* Based on September 2011

Attractive financials

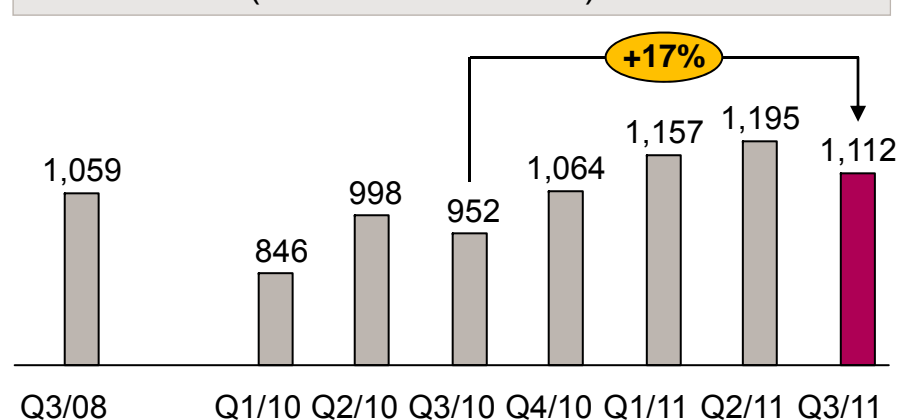
Order intake with significant growth y/y and sequentially



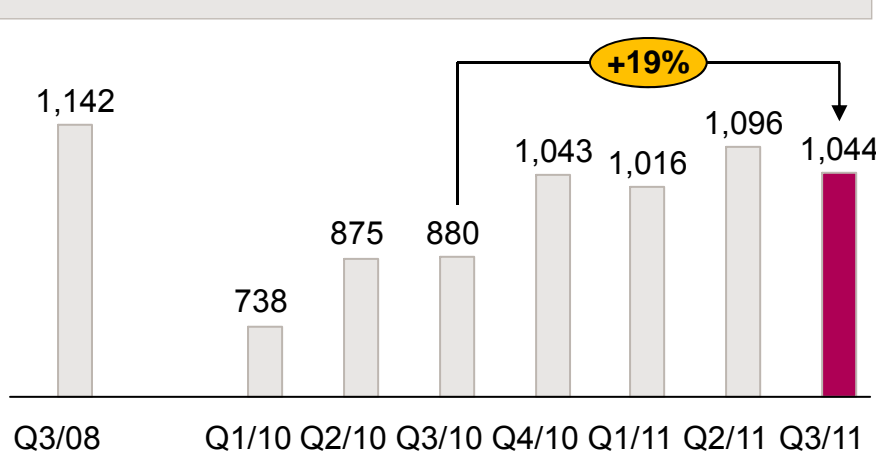
Order intake new truck business (in units)



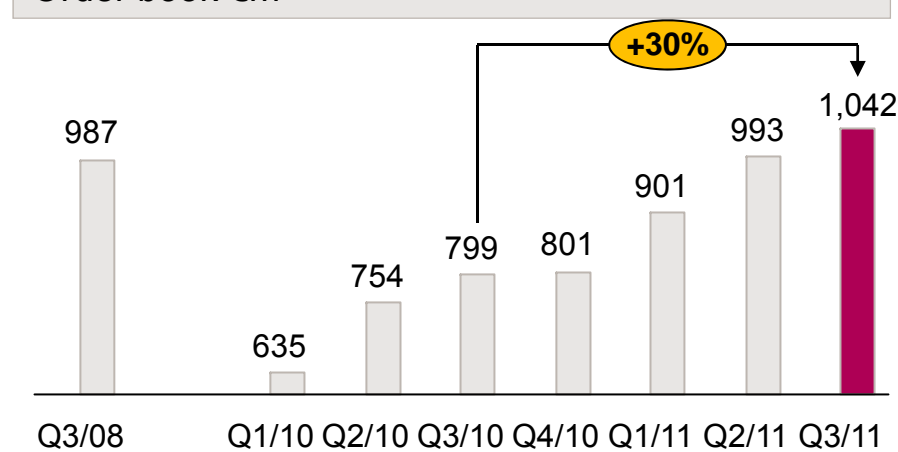
Order intake (all lines of business) €m



Revenue €m



Order book €m

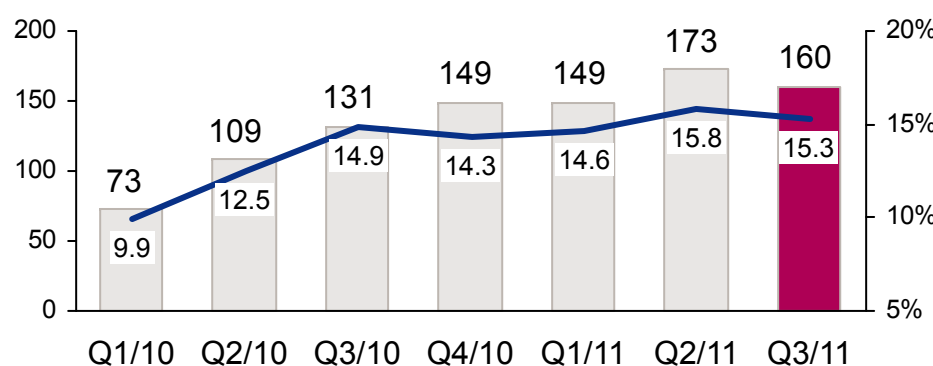


Attractive Financials

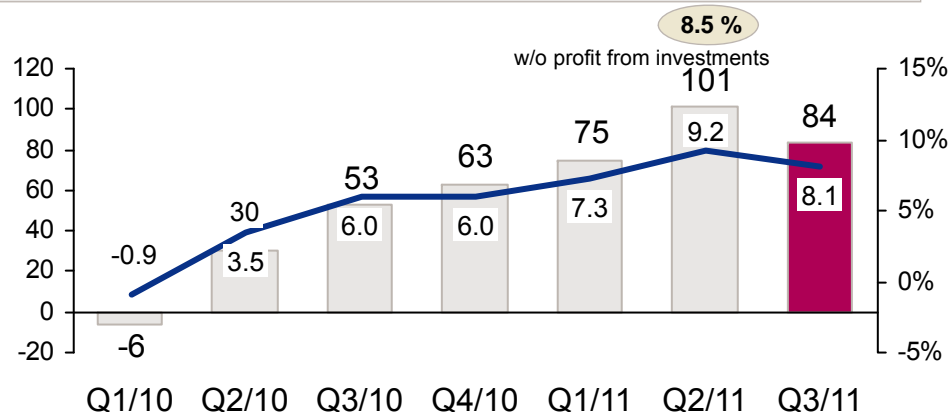
Earnings improve significantly through higher volumes and cost control



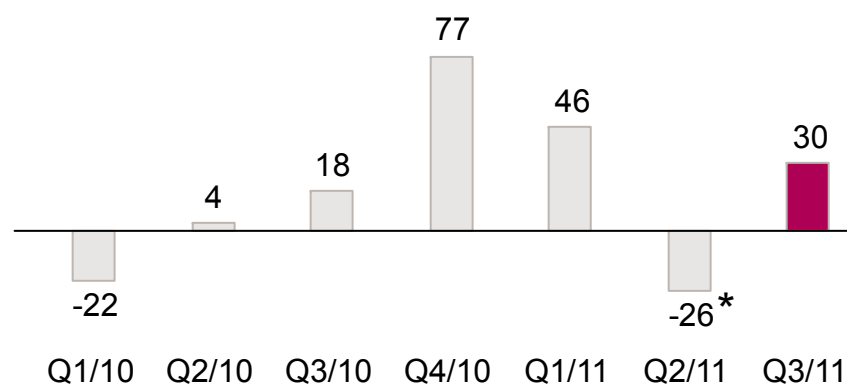
Adjusted EBITDA €m / Adjusted EBITDA margin



Adjusted EBIT €m / Adjusted EBIT margin



Free Cash Flow €m



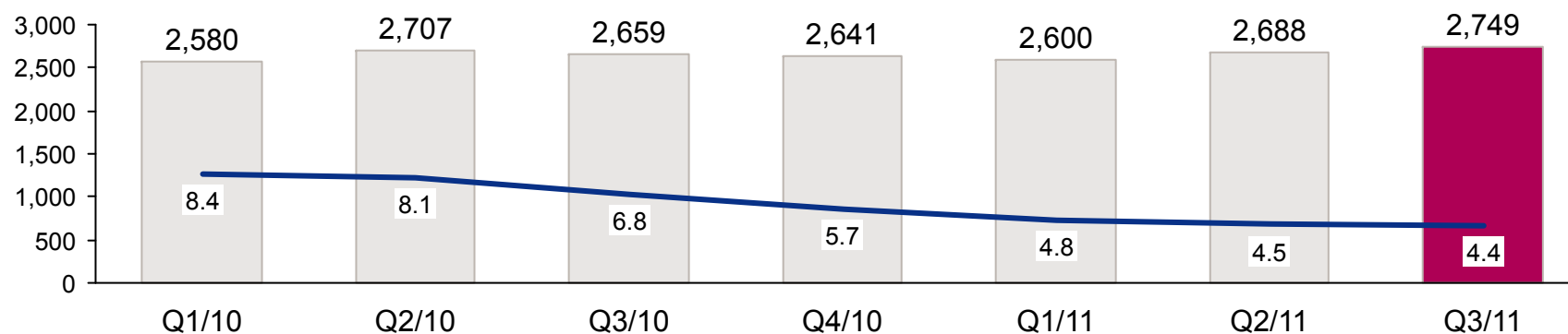
* Q2/11 Influenced by acquisitions

Attractive Financials

Earnings improve significantly through higher volumes and cost control



Net Fin. Debt €m / Leverage (*Net fin. debt / LTM EBITDA*)



Draw Down on our Multi-Currency Revolving Credit Facility

On November 7, 2011, we drew down on our Multi-Currency Revolving Credit Facility in the amount of €133 million. While we believe that, based on our current level of operations as reflected in our results for the nine months ended September 30, 2011 and based on our budget for 2011, our sources of liquidity will be sufficient to fund our operations, capital expenditures and debt service, we have nevertheless determined that it is prudent financial management in the current volatile financial market environment to maintain and secure a strong cash position.

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- Global market in Q1-Q3 2011 back on record level. KION benefits from strong recovery in Europe but also continued surge in growth regions, especially in China.
 - Strong order book allows to expect a strong Q4 2011. Although sales for the FY 2011 will remain below 2008 level, former EBIT margins should be already achievable.
 - Looking forward, market growth rates will cool down due to high market base in 2011.
 - Current financial markets turmoil, raw material price volatility, deficit crisis in industrialized markets and currency fluctuations remain as risks and are closely monitored. First impact of the public indebtedness crisis and of the resulting volatile financial markets condition on the global economy can already be observed.