

KION Group Update Call FY 2012

Gordon Riske, CEO

Thomas Toepfer, CFO

Wiesbaden, March 21st 2013



1 Highlights & Achievements 2012

Gordon Riske

2 Update Financials 2012

Thomas Toepfer

3 Outlook

Gordon Riske

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KION key facts

Diversified market leader



#1

KION is European #1 and Global #2¹

6

A well positioned global player with six unique brands

1

Million

Installed truck base worldwide support after sales business

21,200

Employees², more than 1,100 sales locations worldwide

32%

Order intake of new trucks from BRIC and other growth regions



Key financials

In €millions	2008	2009	2010	2011	2012
Revenue	4,554	3,084	3,534	4,368	4,727
EBITDA adj. ³	709	311	462	665	747
Margin	15.6%	10.1%	13.1%	15.2%	15.8%
EBIT adj. ³	358	(29)	139	365	438
Margin	7.9%	(0.9)%	3.9%	8.3%	9.3%

¹ Source: McKinsey & Co. "Industrial Trucks Market Study 2012" ³ Adjusted for one-off items and PPA

² Approx. as of 31 December 2012, employees of Linde Hydraulics excluded

KION Group further strengthened through new record year

Highlights 2012 (1/2)



Order intake of €4.700 billion above strong 2011 of €4.682 billion

- KION Group order intake above market development: in units -2.1% vs. market: -3.1%
- Order book on high level of more than €800 million; reliable visibility for the business

Revenue grew by 8.2% year on year to €4.727 billion

Structural improvements made in recent years have consistently delivered margin improvements: EBIT[1] margin 2012 hits new record of 9.3%

- Structural improvements and increasing volumes drive on-going margin growth
- Consolidation of European plants accomplished (Bari, Montataire production transferred to Hamburg, Luzarra)
- Restructuring of the container handler & heavy forklift truck business initiated

Balance sheet significantly strengthened through operational performance and Weichai transaction

- Net debt at KION Holding 1 as of year end 2012 at €1.790 billion (year end 2011: €2.631 billion) reflects strong operational performance
- Weichai investment of €738 million for 25% stake in KION and 70% stake in Linde Hydraulics

EBIT[1] Adjusted for one-off items and PPA

KION Group further strengthened through new record year

Highlights 2012 (2/2)



Laid foundations for further growth

- Partnership with Weichai Power strengthens Asia Pacific position;
 - strong catalyst for additional growth in Asia/China due to further improved market access
 - Carve-out of Hydraulics business
 - Transaction successfully closed on December 27 – less than 4 months after signing
- Remaining stake in Voltas Material Handling (India) acquired on November 2, 2012 and ramp-up in Pune factory
- KION South Asia, Singapore, established to tap full potential of Asia Pacific markets
- Start of production in new plant near São Paulo, transfer from Rio plant finalized
- Integration of new dealers (e.g. Creighton)
- New financial services organisation and segmentation implemented

Strategic partnership with Weichai Power

Enhancing KION's growth markets profile



Strategic partner and shareholder since 2012



Financial details (€m)

25% capital increase at KION Group	467
70% stake in Linde Hydraulics	271
Total investment by Weichai Power	738⁴

¹ Management participation included in 75% share in KION.

² Weichai Power with further options to acquire additional shares.

³ Under certain conditions Weichai Power's share in Linde Hydraulics can be increased further.

⁴ Thereof €8m retained in escrow account.

Clear roadmap to a successful partnership

Hydraulics

- Linde Hydraulics remains KION's partner and strategic supplier for hydraulic components – supply agreement includes exclusivity rule
- Captive demand

Co-operation

- Global co-operation agreement between KION, Weichai Power and Shandong Heavy Industry Group (SHIG)
- Range of projects targeted for near and mid term

Joint project teams

- 1 Sharing of best practices
- 2 Study of engines and other parts and components
- 3 Supply of forklifts, cylinders, electric motors, drives and components
- 4 Sharing of distribution network
- 5 Sharing of supply chain
- 6 Consolidation of China economy forklift businesses
- 7 Electric mobility

Summary order intake 2012 (units)

KION grows above market & improves emerging market positions



KION Order Intake in 2012

- Order intake around previous year level with 141,700 units (-2.1%)
 - KION gains market share in all of its major sales regions and shows resilience in a difficult market environment
 - Further increase of order intake from growth regions to 45,600 units, strong contributions from China and Eastern Europe

Market Development in 2012

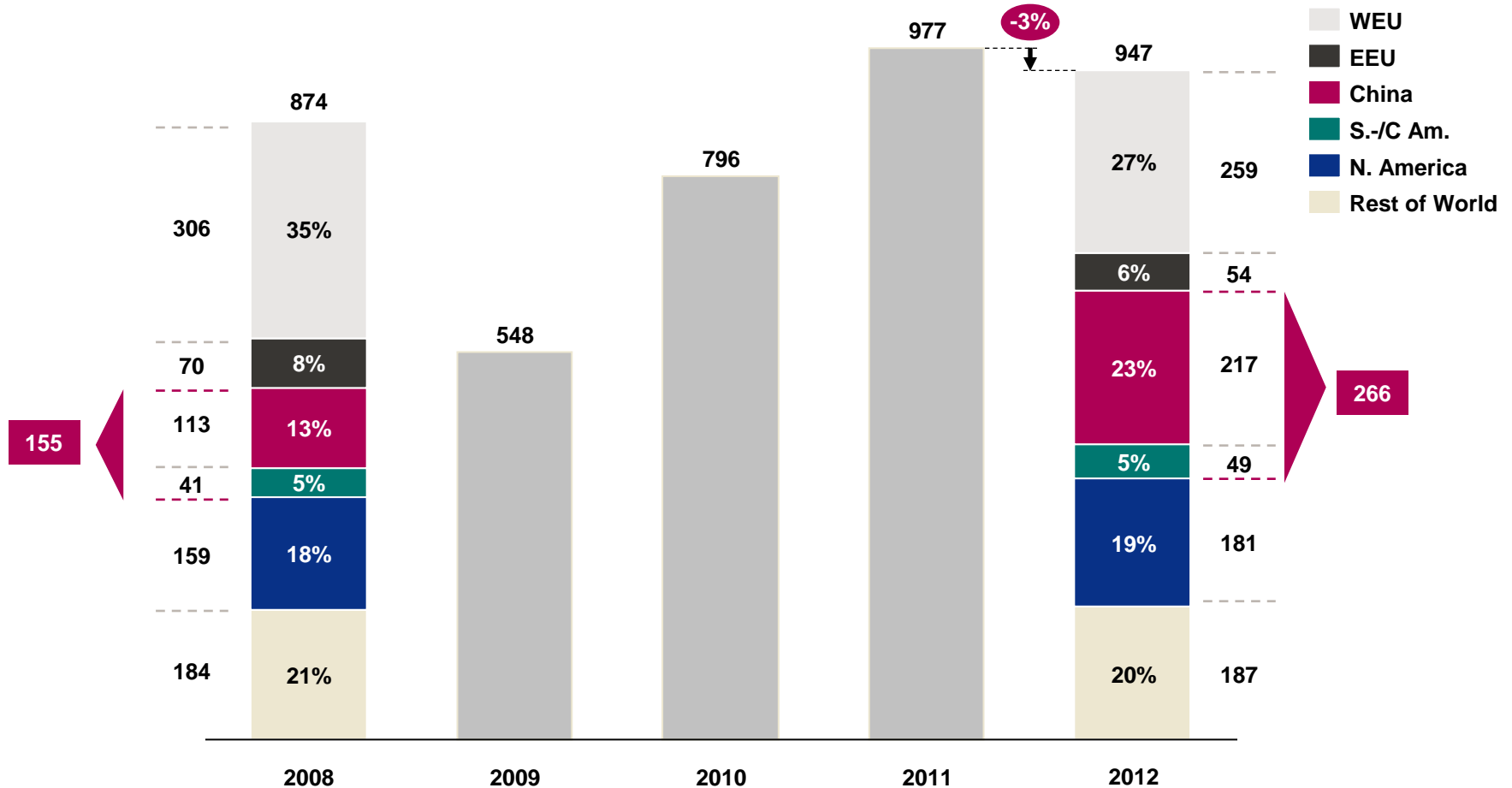
- Global market remains below previous year record level at 946,700 units (-3.1%)
 - Western European market (-7.1%) weighed down by economic uncertainty
 - Eastern European market around previous year level
 - Chinese market development disappointing for most of the year (-9.0%)

Source: WITS/FEM

Global market order intake (units)

Market 3% below previous year level

Industrial trucks order intake by region (in k units)



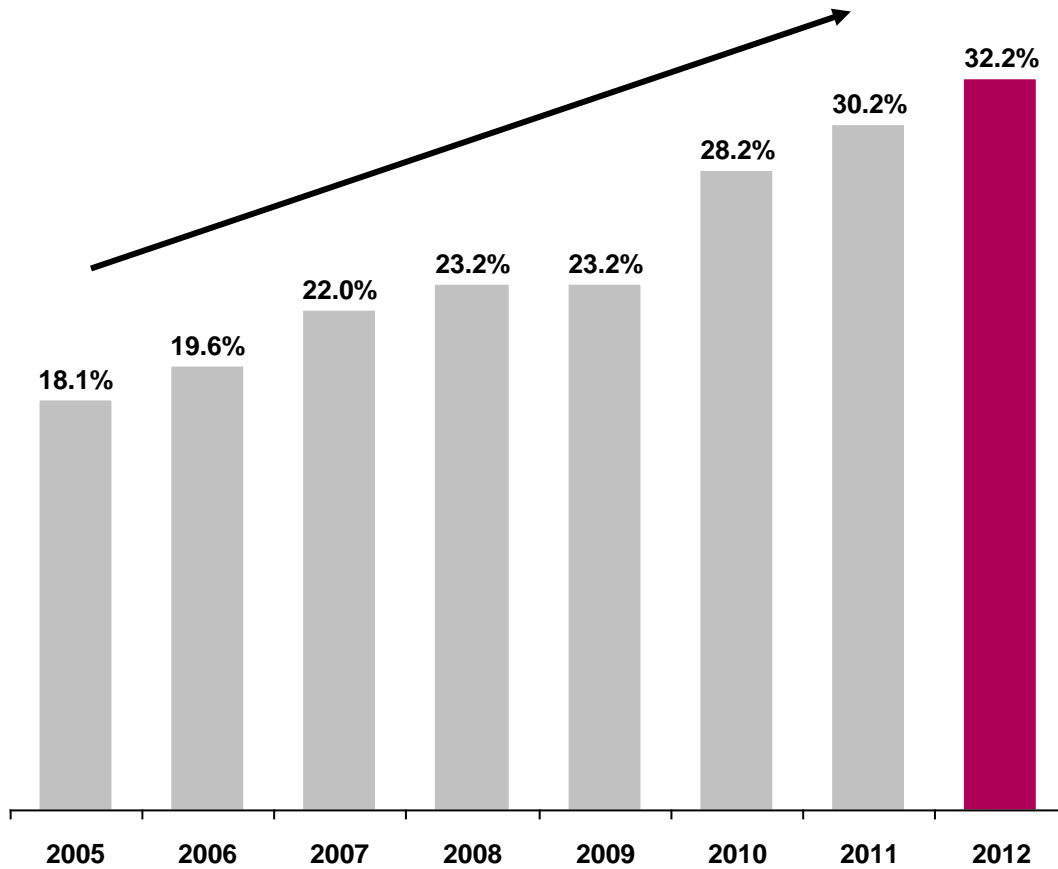
Source: WITS/FEM

KION order intake (units)

Steady increase in orders from emerging markets

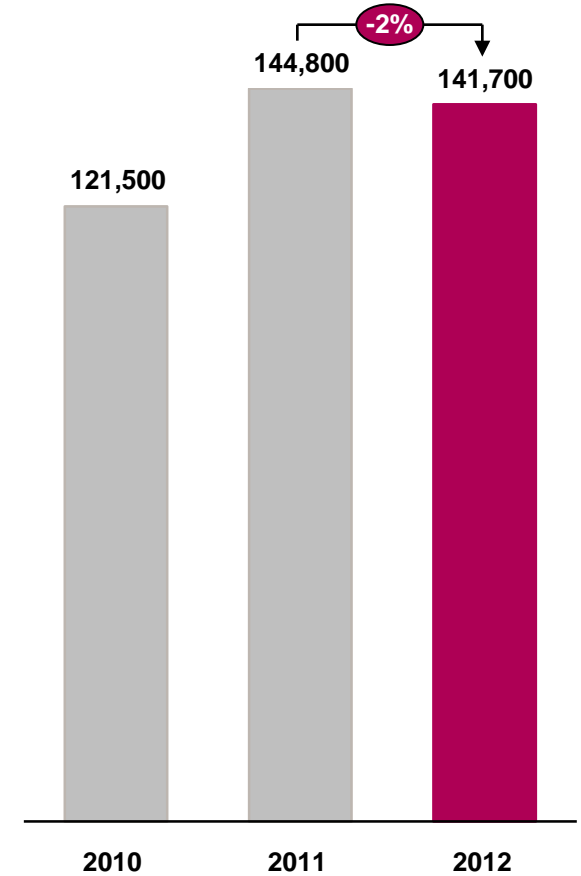


Industrial trucks order intake from emerging markets* (in % of total)



* Eastern Europe, Central/South America, Turkey, Asia ex. Japan, Africa

Industrial trucks order intake (in units)

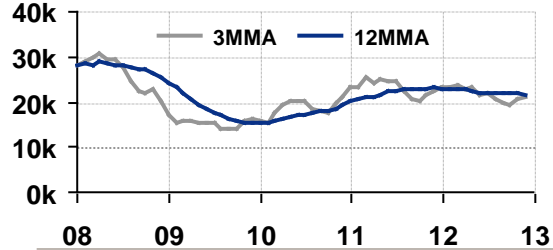


Market order intake (units)

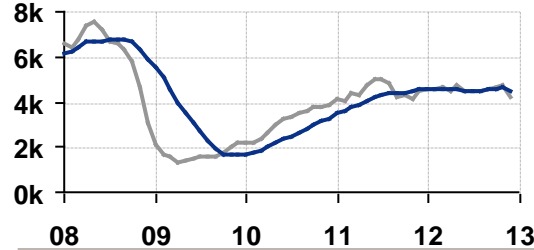
Regional markets stable but broadly at a lower level

Industrial Trucks Order Intake Countries (average units)

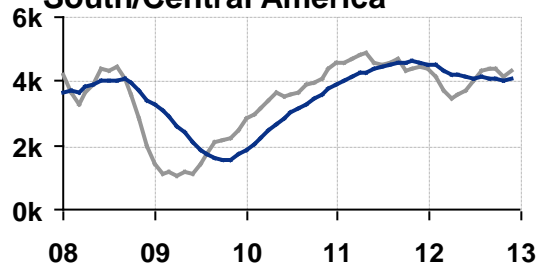
Western Europe



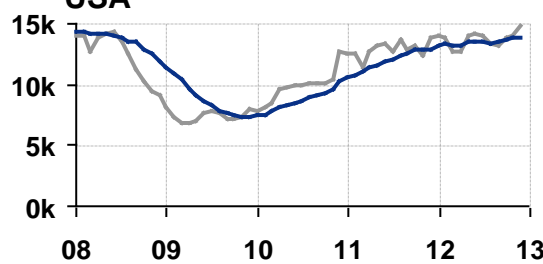
Eastern Europe



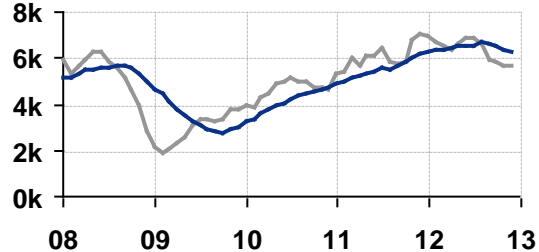
South/Central America



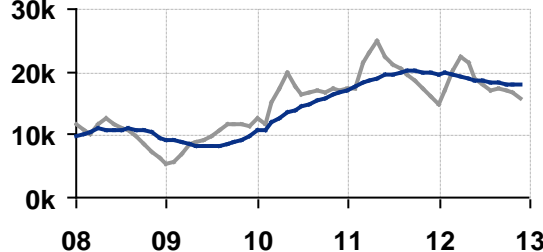
USA



Asia w/o CN/JP

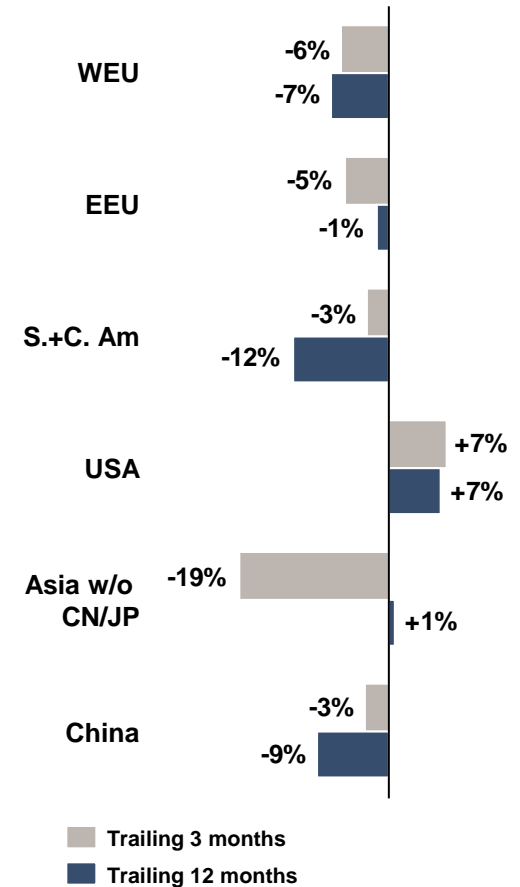


China



Growth (in %)

Status: Dec 2012



Source: WITS/FEM

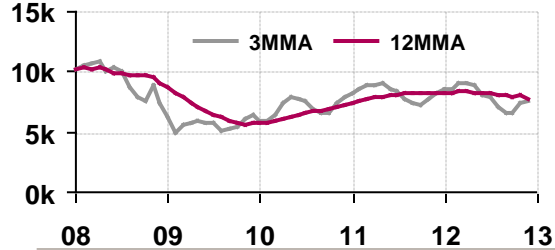
KION order intake (units)

Above market performance impacted by WEU market conditions

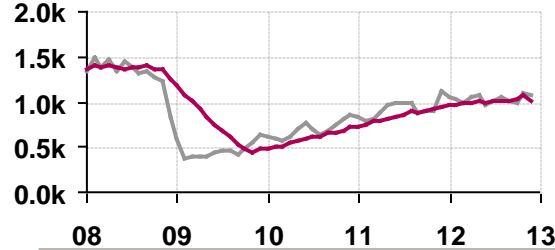


Industrial Trucks Order Intake Countries (average units)

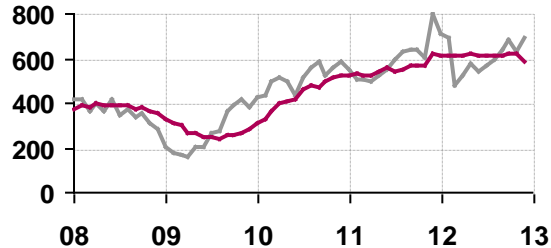
Western Europe



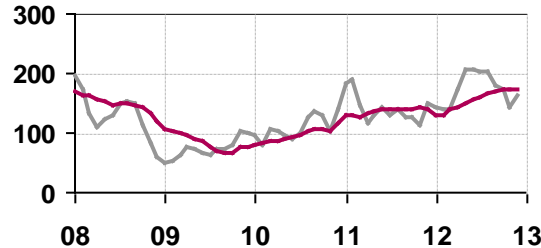
Eastern Europe



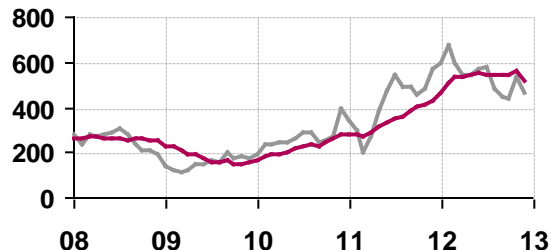
South/Central America



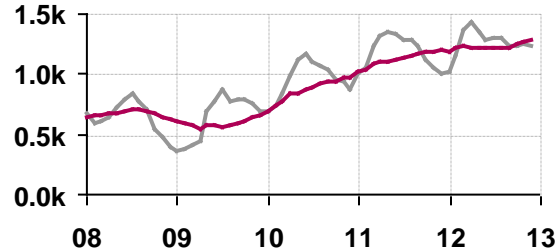
USA



Asia w/o CN/JP

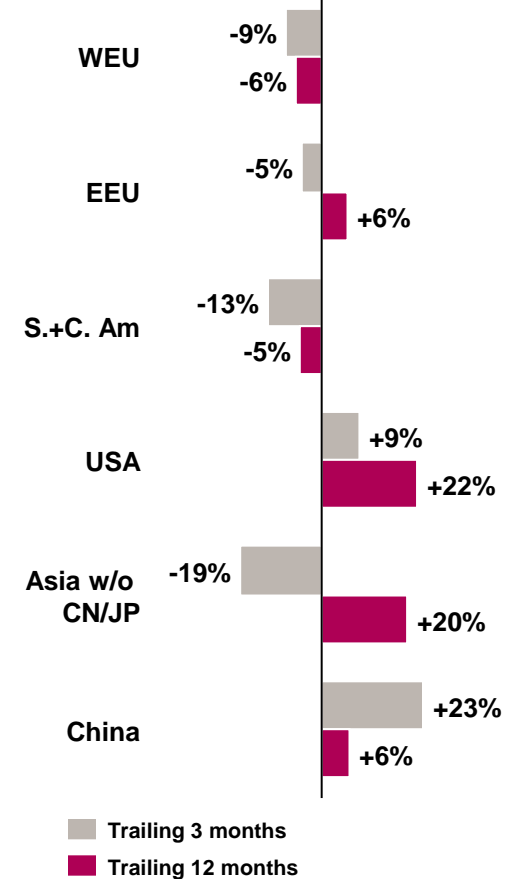


China



Growth (in %)

Status: Dec 2012



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Summary

New record year – significant improvements in financials KPIs



- **Order Intake** at €4,700 million KION is above prior year by +0.4%
- **Net sales** of €4,727 million are significant ahead of prior year (+8.2%)
- **EBIT** of €438 million is clearly above prior year. Significant improvement in EBIT margin (+1.0%-pts vs. prior year)
- **Net Debt** of €1,790 million shows improved operational performance. Significant improvement by Weichai transaction compared to December 11
- **Headcount FTE**¹ (incl. apprentices) of 21,215 (w/o Hydraulics) is -648 FTE below prior year (Actual 2012 includes +300 FTE from first time consolidation effects / hydraulics carve out -1,487 FTE)

¹ Full time equivalents

Financial overview

Well on track – major KPIs better than PY level



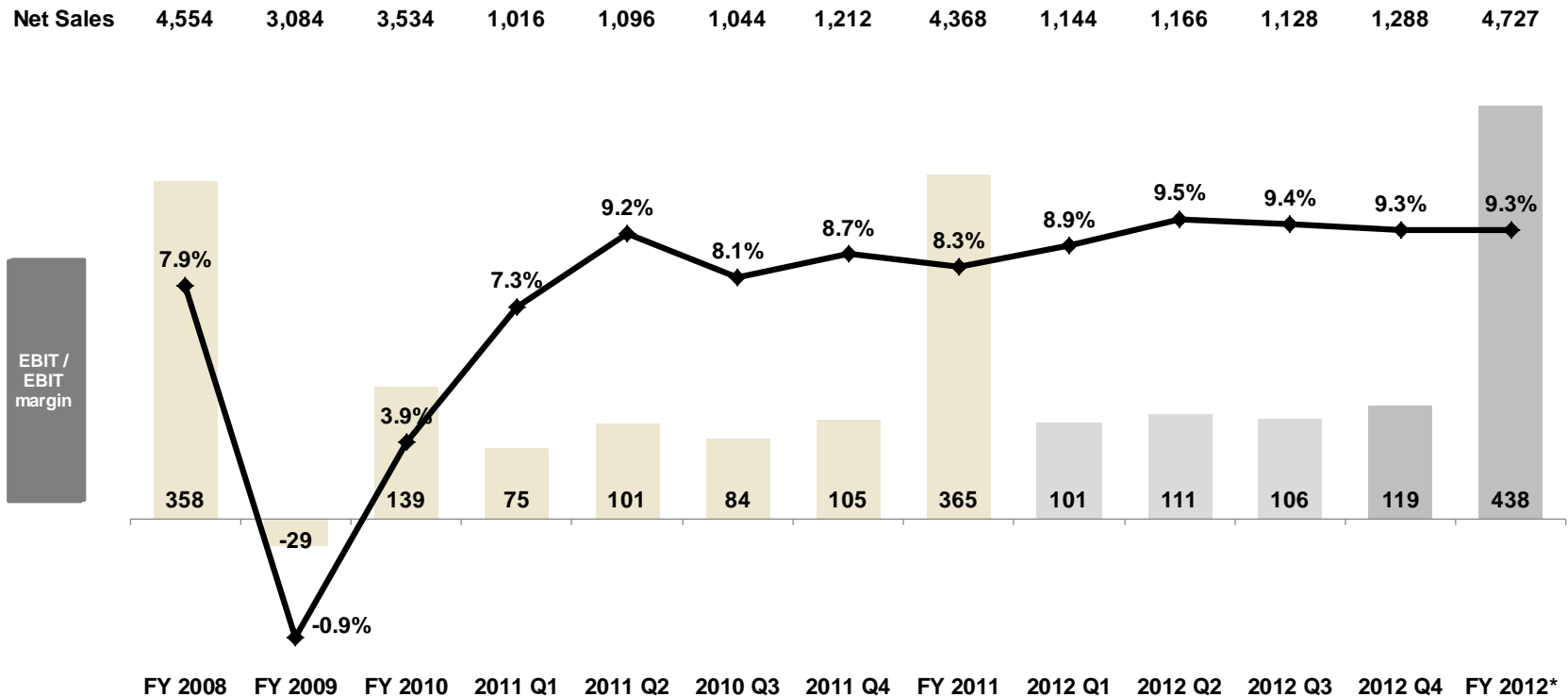
[€m]	2012	2011	vs. 2011 in %	
Order Intake	4,700	4,682	0.4%	✓
Revenue	4,727	4,368	8.2%	✓
EBITDA	915	569	60.8%	
Adjusted EBITDA	747	665	12.3%	✓
<i>Margin</i>	15.8%	15.2%		
EBIT	550	213	>100%	
Adjusted EBIT	438	365	20.2%	✓
<i>Margin</i>	9.3%	8.3%		
Free Cash Flow	518*	234	>100%	✓
TWC	532**	661	-20.3%	✓
<i>% of Revenue</i>	11.3%	15.1%		
Capital Expenditures	155	133	16.6%	✓
Headcount (FTE) incl. apprentices	21,215	21,862	-3.0%	✓

* Includes ~€260 million one-time effects from the Weichai transaction

** Excludes €56m Hydraulics

Positive trend of the adjusted EBIT

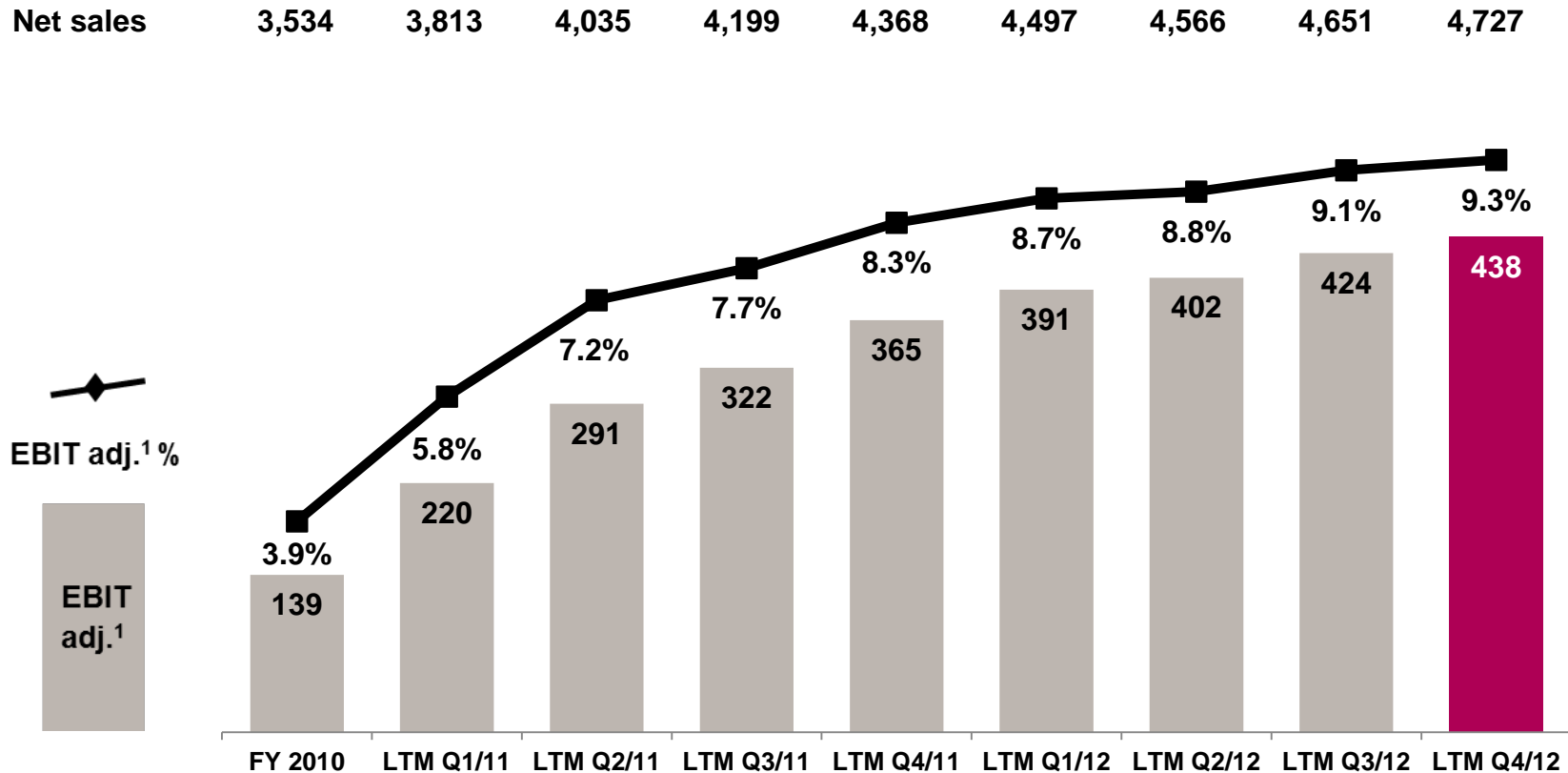
Record margin in 2012 (despite employee bonus expenses)



* EBIT YTD 2012 includes employee bonus expenses – which have been covered by provision in prior years

Positive trend of the adjusted LTM EBIT¹

Solid upward trend of the adjusted EBIT to €438 million

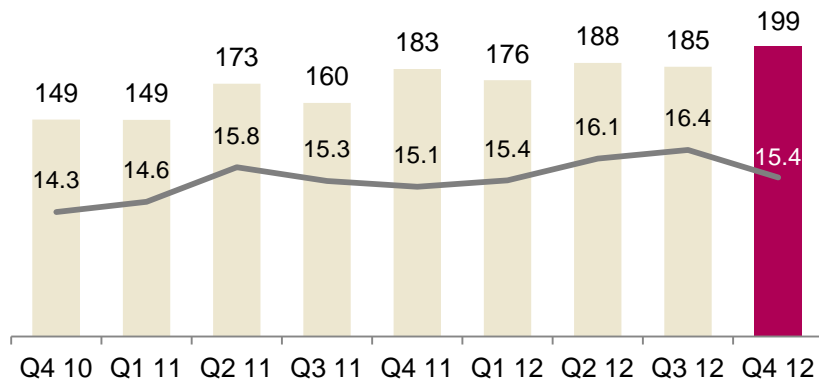


¹ Adjusted for one-off items and KION purchase price allocation

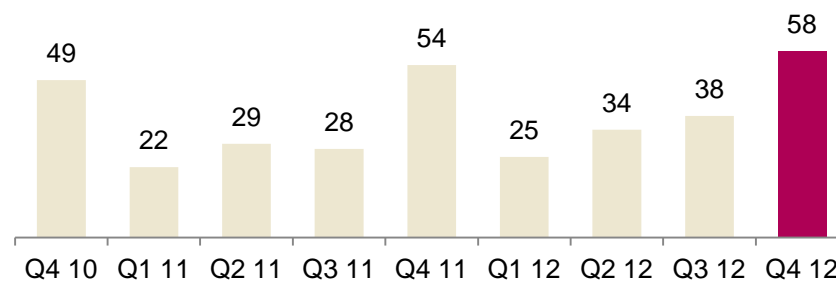
Key financials

Solid Q4/12 performance

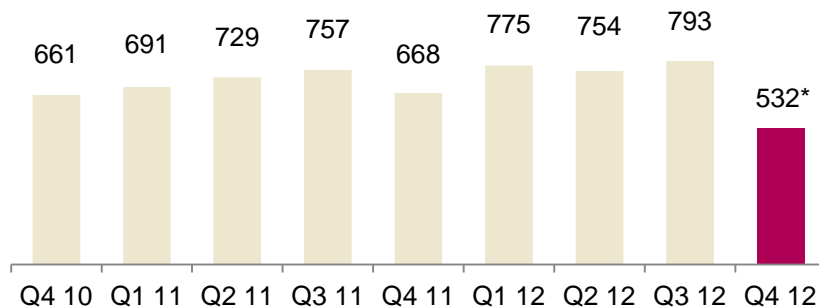
Adjusted EBITDA €m / adjusted EBITDA margin (%)



Capex €m

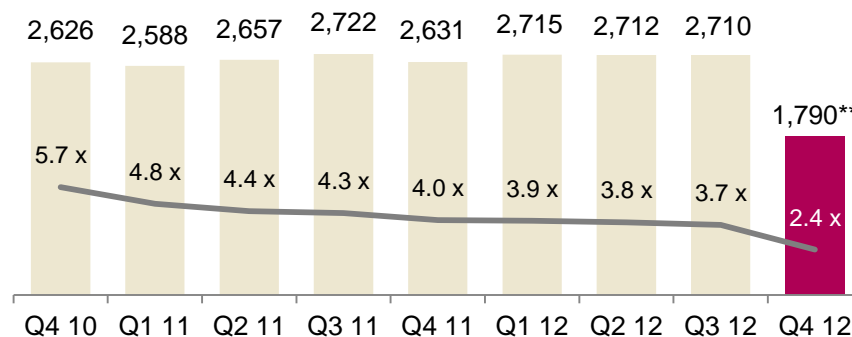


Trade Working Capital (TWC) €m



* Excluding €56m related to Hydraulics

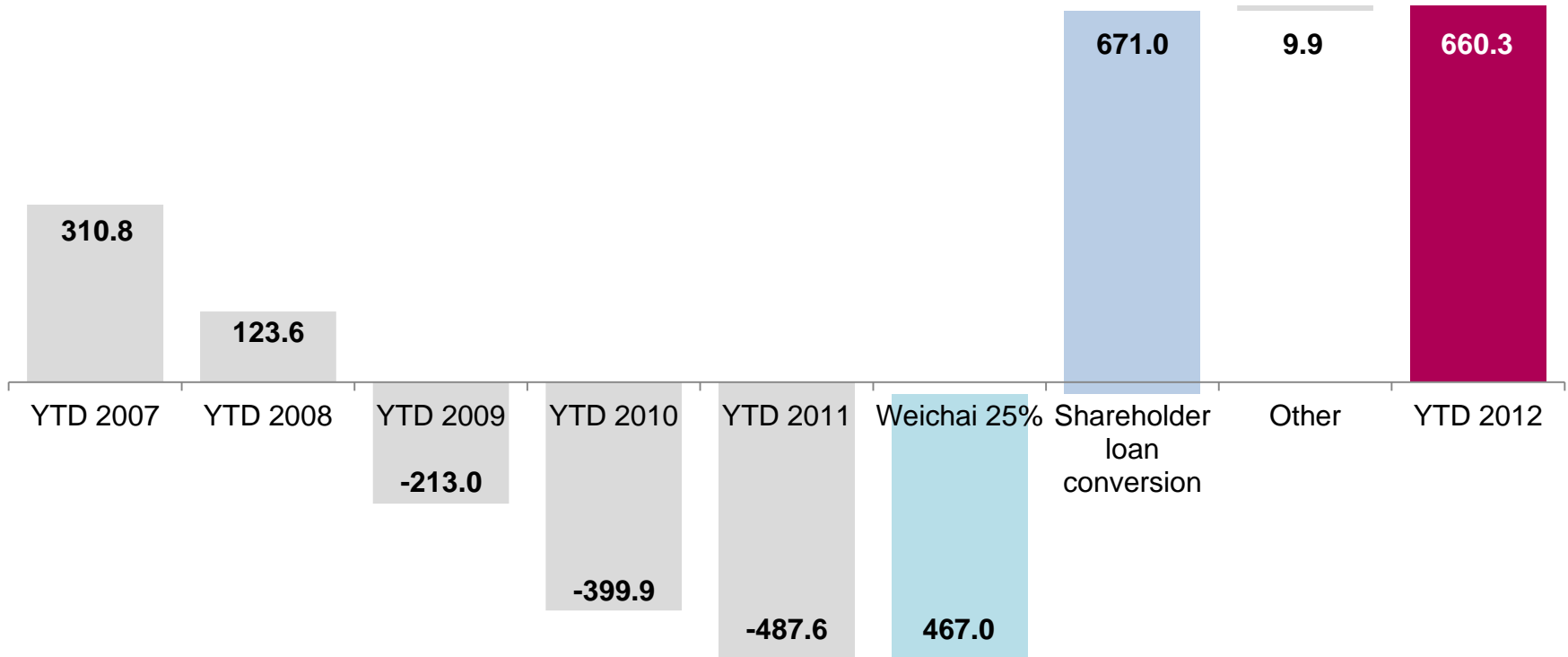
Net financial debt in €m / leverage



** €193m cash on KION Holding 1 level

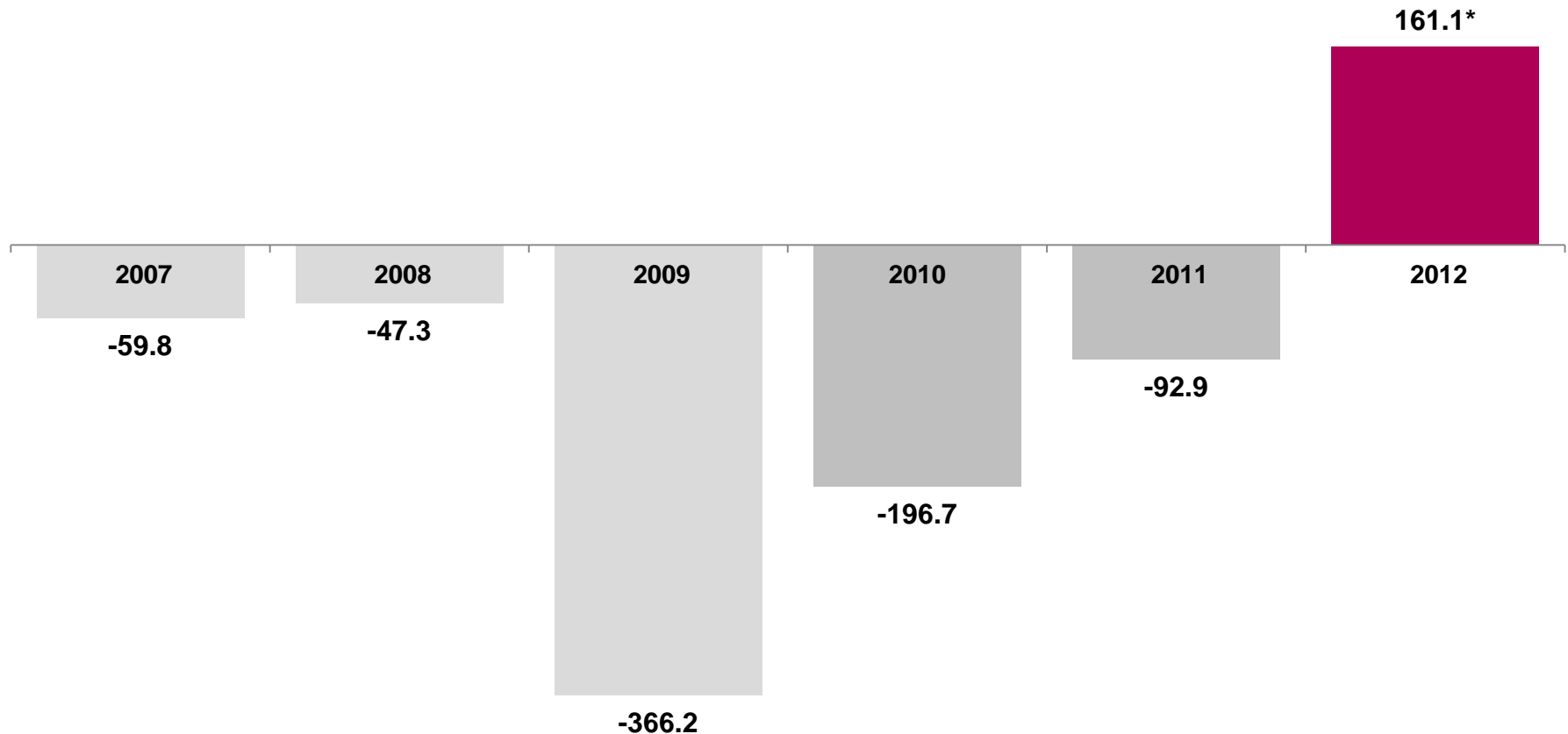
Equity in €million

Significant improvement due to Weichai and SH loan conversion



Net income in €million (IFRS)

From 2009 onwards continuous improvement of net income. In 2012 positive net income from operations and the Weichai transaction



* €155 million one off effect due to disposal of Hydraulics

New bond issuance in February 2013

Extended maturity profile and diversified investor base

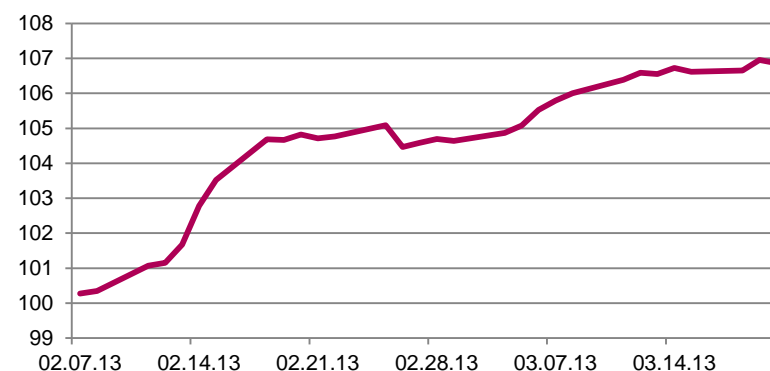
Key facts

Issuer	KION Finance S.A.	
Issue	Senior secured notes	
Distribution	Reg S / 144A, no registration rights	
Issue Ratings	B2/B	
Currency	EUR	
Principal amount	€650m	
Minimum denomination	€100,000	
Maturity	15 February 2020	
Listing	Luxembourg Stock Exchange (planned)	
Tranches	Senior Secured Fixed Rate Notes	Senior Secured Floating Rate Notes
Volume	€450m	€200m
Coupon	6.75% p.a. semi-annual payment	3m Euribor + 450bps p.a. quarterly payment
Offer price	100.0	99.5
ISIN (RegS)	XS0889217716	XS0889225651
ISIN (144A)	XS0889217989	XS0889225818

Key investment highlights

- Attractive market with growth profile above GDP
- Global leader – strong home base and well positioned in growth markets
- Technology leadership drives premium positioning and customer value
- Robust integrated business model with high contribution from Services
- Profitability benchmark – well prepared for future value creation
- Experienced management team with proven track record and clear strategy

Bond price development until 03/20/2013 – last price: €106.858*

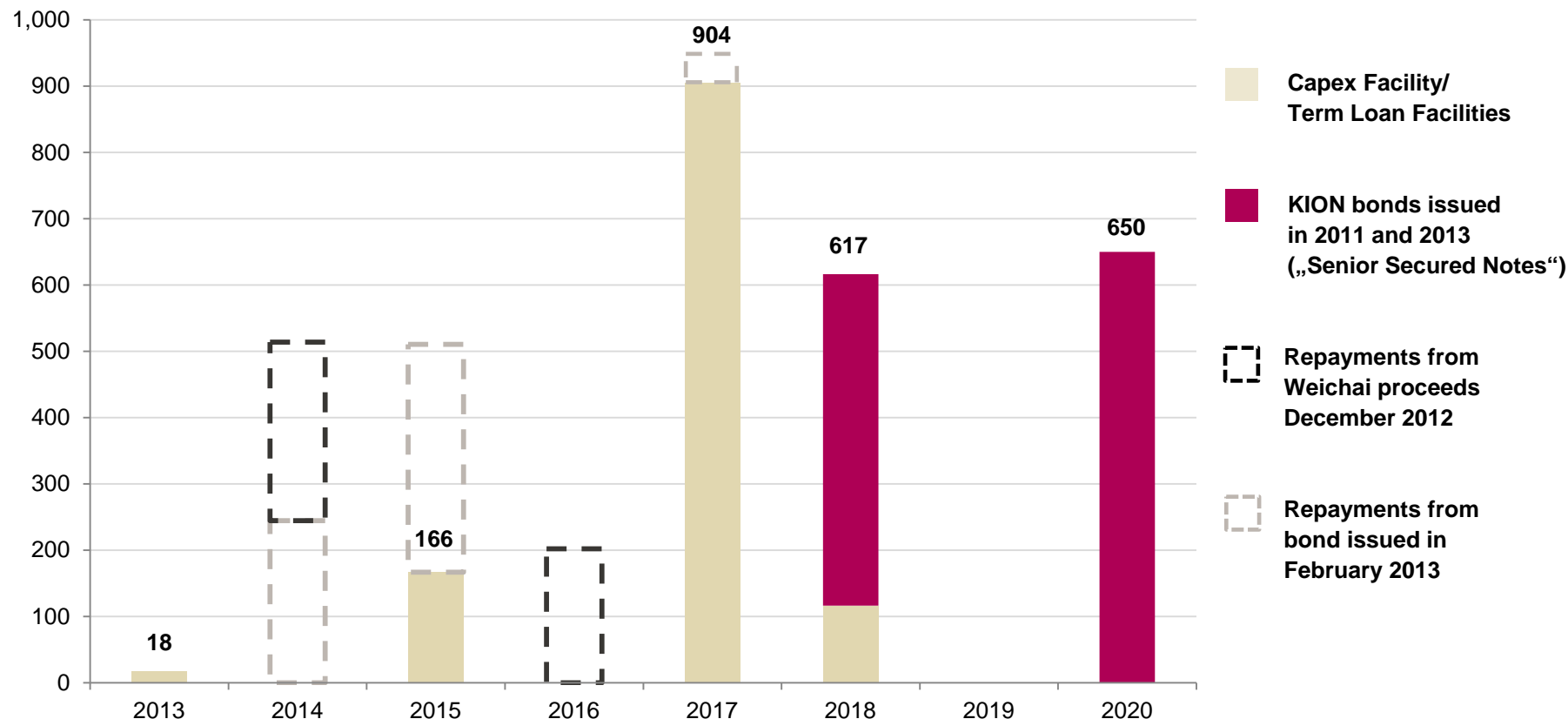


* Fixed rate tranche; source: Bloomberg

Senior Facilities Agreement

Maturity profile as of 14 February 2013 post bond issuance

Total outstanding financial debt in €million *



* Overview excludes local external debt and drawdowns under ancillary facilities

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Outlook 2013

Ongoing operational improvements



Global industrial truck market was down 3 per cent in 2012, KION expects slight recovery in 2013 on global basis.

- China, Asian and eastern Europe markets most likely to be main growth engines.
- Stable demand is expected from western Europe, fuelled predominantly by the in some cases overdue replacement of old trucks.

The KION Group achieved new record year in 2012, laying the foundation for further growth

- Partnership with Weichai Power is expected to have a positive impact in the Chinese and other Asian markets as early as 2013.
- Unit sales in Latin America are forecast to rise on the back of increased production capacity and intensified sales activities
- Services network in western and eastern Europe was expanded in 2012 and to support continued contribution to growth
- Adjusted for the hydraulics carve out, Group revenue is expected to increase in 2013.
- Adjusted EBIT margin should improve moderately in 2013 due to:
 - good market position of the brands;
 - broad product portfolio;
 - high market share in core markets Germany and France and good positioning in growth markets;
 - growing service business;
 - the consolidation measures taken in Europe towards a more flexible cost structure; and economies of scale.

The forward-looking statements and information given above are based on the Company's current expectations and assessments. Consequently, they involve a number of risks and uncertainties. Many factors, several of which are beyond the control of KION, affect the Group's business activities and profitability. Any unexpected developments in the global economy would result in the KION Group's performance and profits differing significantly from those forecast below. KION does not undertake to update forward-looking statements to reflect subsequently occurring events or circumstances. Furthermore, KION cannot guarantee that future performance and actual results will be consistent with the stated assumptions and estimates and can accept no liability in this regard.

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