

KION Group Bondholders' Update Call – Q2 2011

Harald Pinger, CFO
Wiesbaden, August 12, 2011



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Agenda



1 Achievements Q2 2011

2 Update Financials Q2 2011

3 Outlook

Highlights Q2 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

– € 500m senior secured notes 2011/18 issued

- Improving maturity profile of liabilities
- Diversified investor base

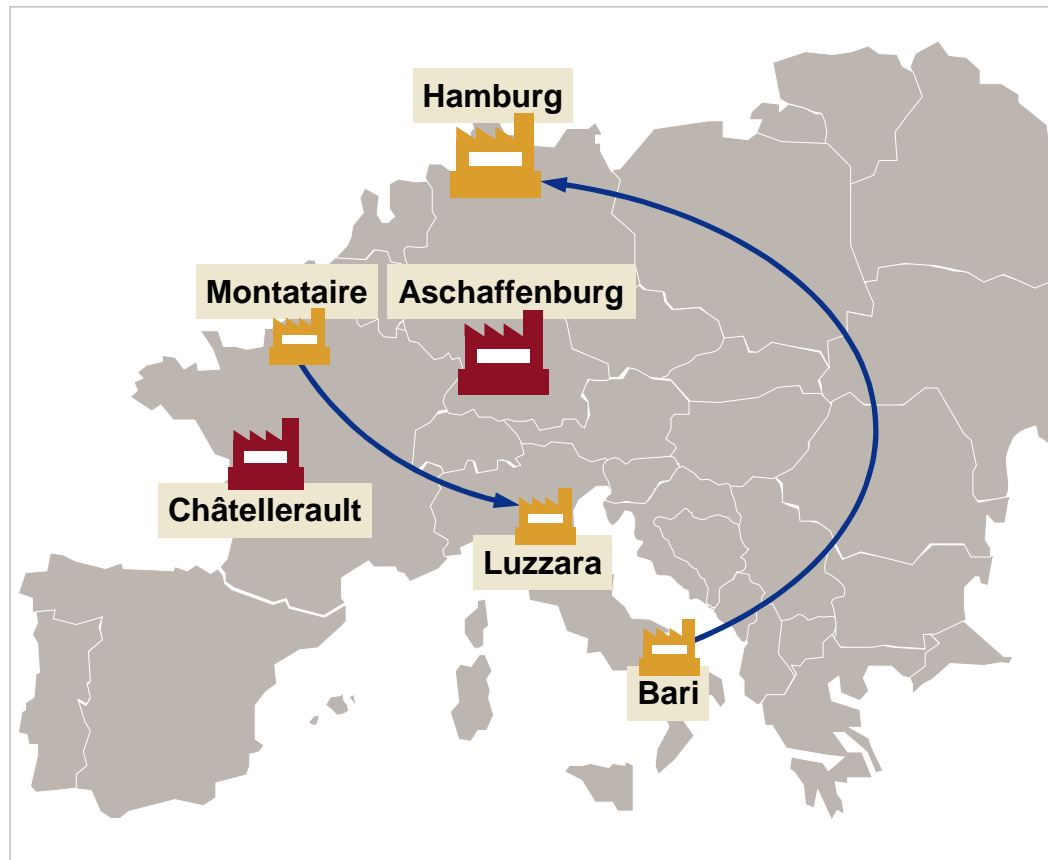
– KION plans further consolidation of its European plants

- Relocation of warehouse truck production from Montataire (France) to Luzzara (Italy)
- Consolidation of STILL/OM counterbalance production in Hamburg (Germany)

– Investments to strengthen position in key markets

- Joint Venture with Voltas to further strengthen set-up in growth region India
- Construction start of new production facility in Sao Paulo (Brazil) for counterbalance trucks
- Complete take-over of UK dealership Linde Sterling, to strengthen market position in UK

Footprint – Consolidation of European plants



- **Planned Project 1:**
Relocation of warehouse trucks produced in Montataire to our warehouse site in Luzzara.
- **Planned Project 2:**
Relocation of counterbalance trucks production of the Bari site to the larger site in Hamburg.

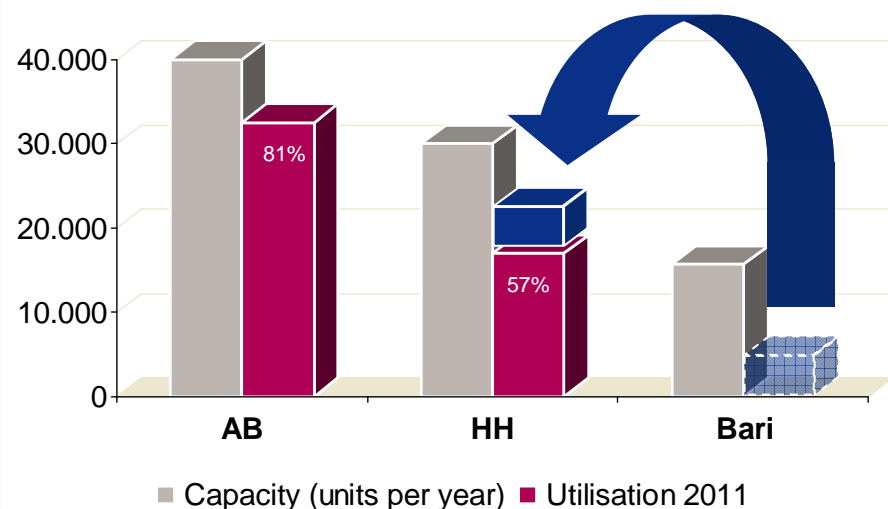
Footprint – Consolidation of European plants



Technical Utilization Target : 60 - 70 % in all factories

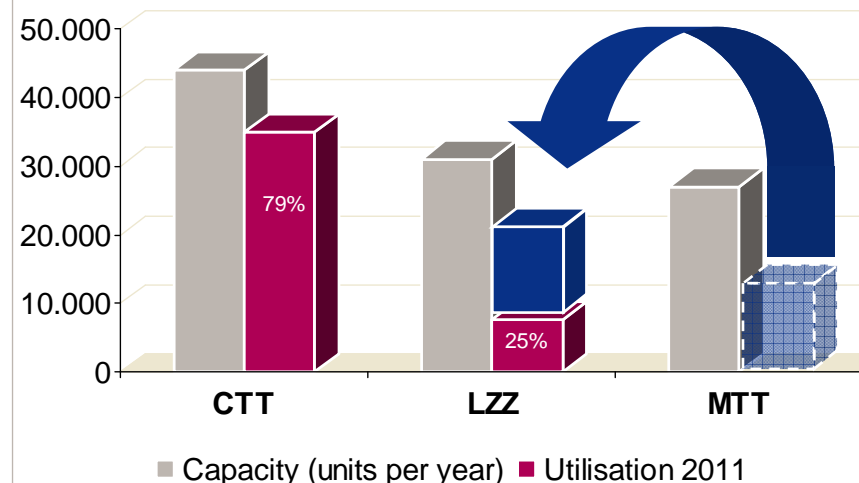
Project Bari / Counterbalance:

Target: 2 high volume factories in Western Europe



Project Montataire / Warehouse:

Target: 2 high volume factories in West. Europe



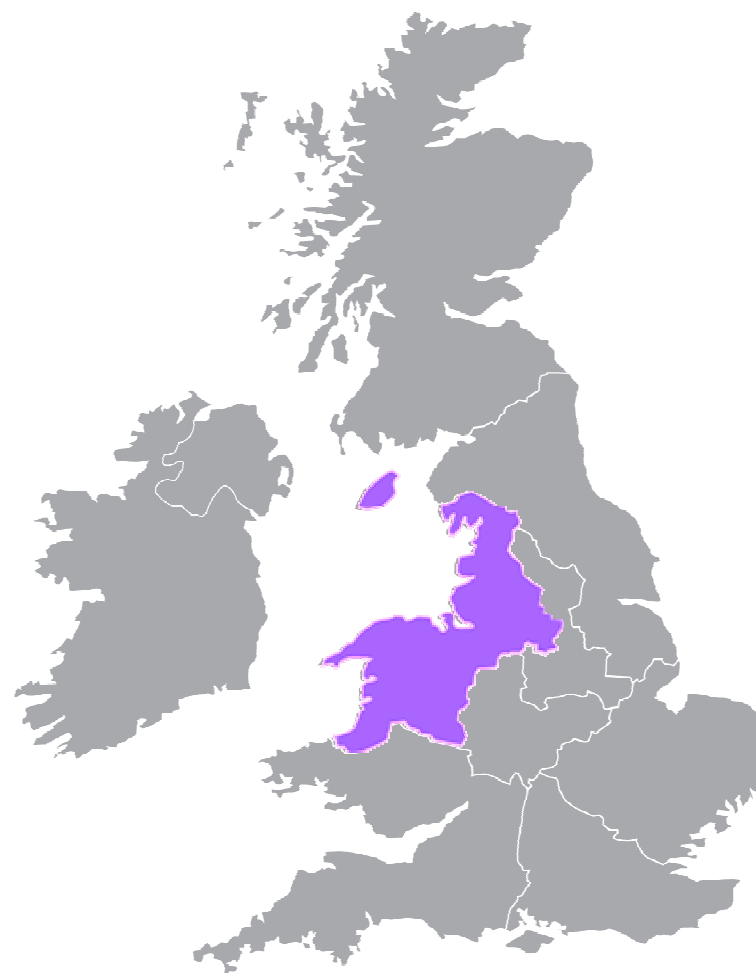
Linde Sterling Ltd.

Strengthening our market position in the UK



Highlights

- Acquisition of remaining 51% shares in Sterling resulting in 100% ownership by Linde UK
- One of the largest Linde UK national network companies
- Leading supplier of trucks and after-sales in North West England and North Wales
- Four customer centers supplying new and used trucks, rental and after-sales support
- Over 30 years of business experience
- Revenue generation 2010 of GBP 32m with approximately 300 employees

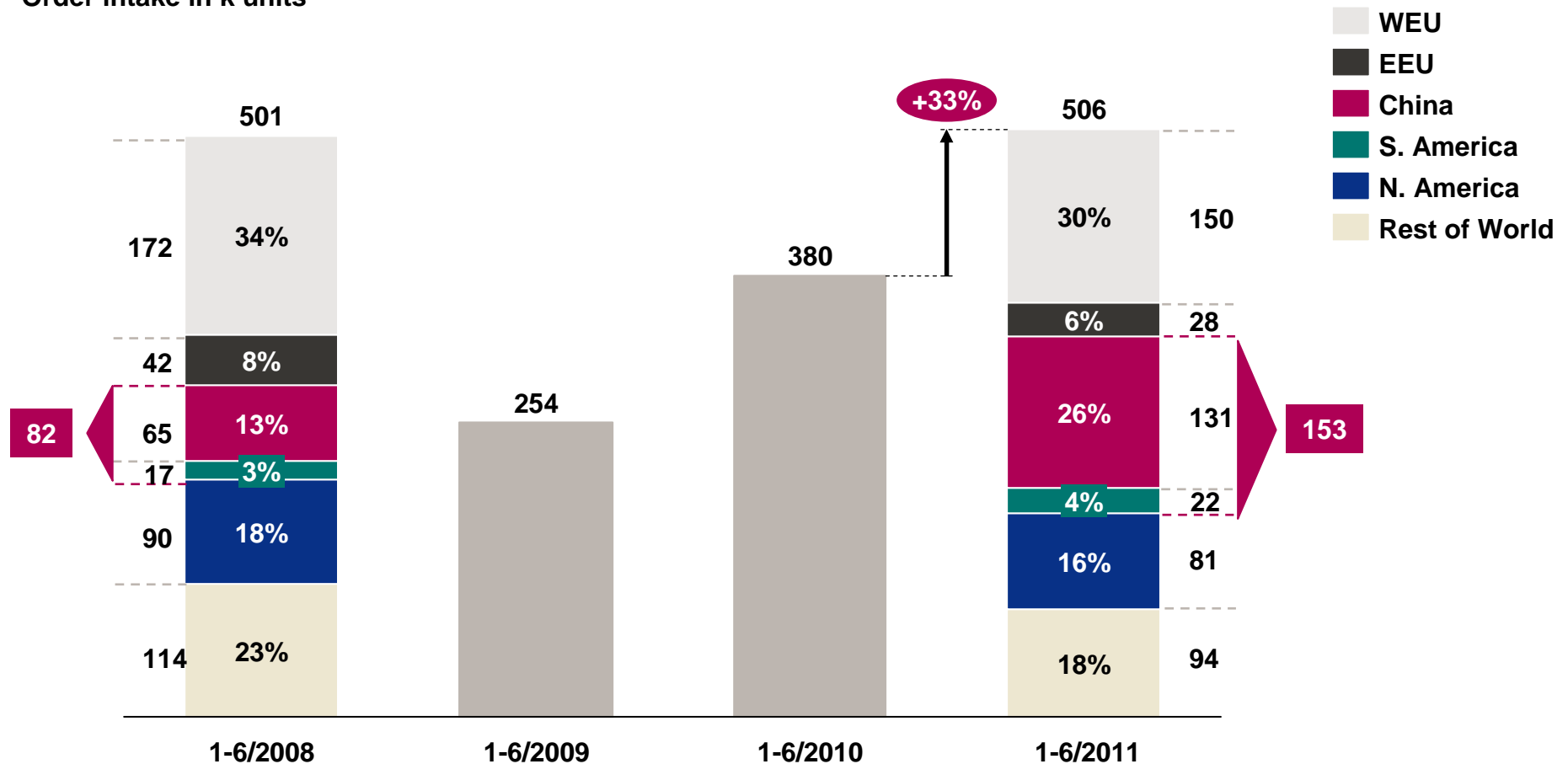


Global Market Order Intake (units)

Strong growth in first half of 2011



Order intake in k units



Source: WITS/ FEM

Major industrial truck markets (units)

All markets with continued improvements

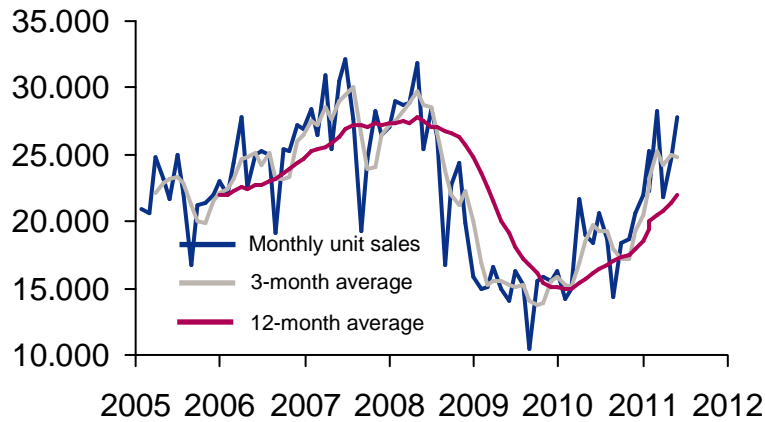


in units per month

1-6/2011 vs. 1-6/2010

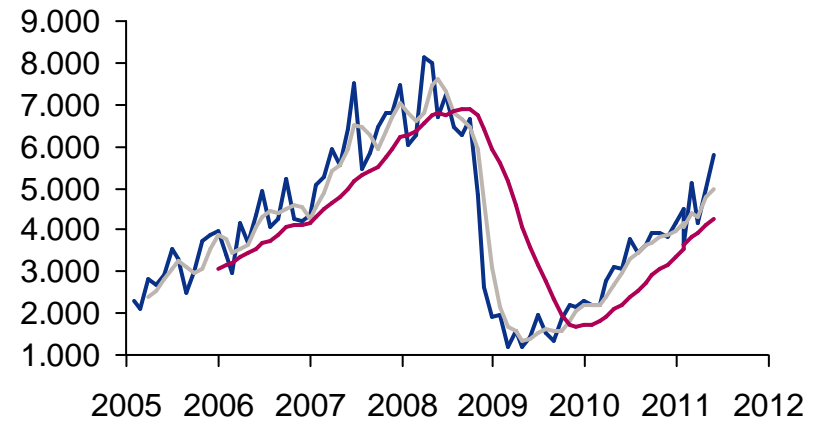
Western Europe

+38%



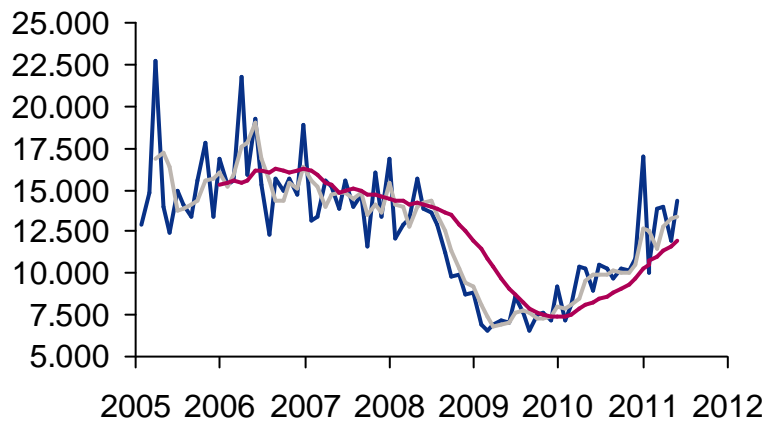
Eastern Europe

+65%



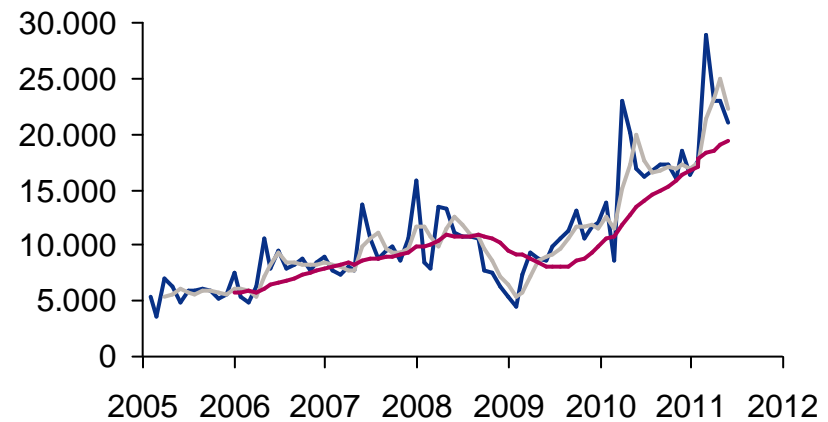
USA

+35%



China

+33%

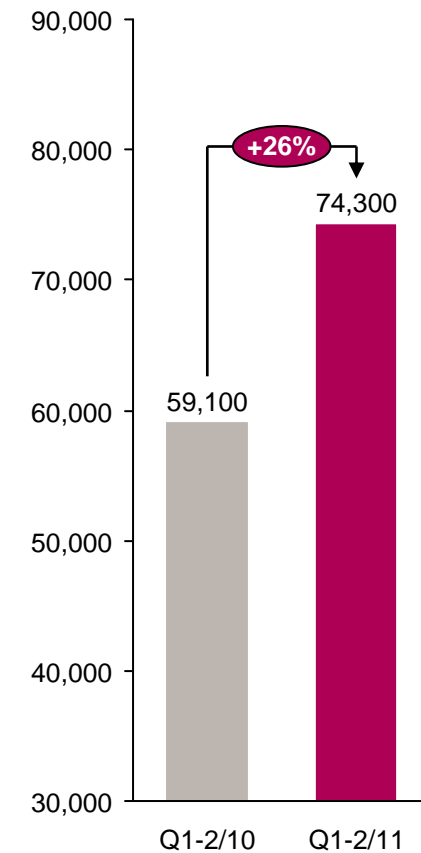
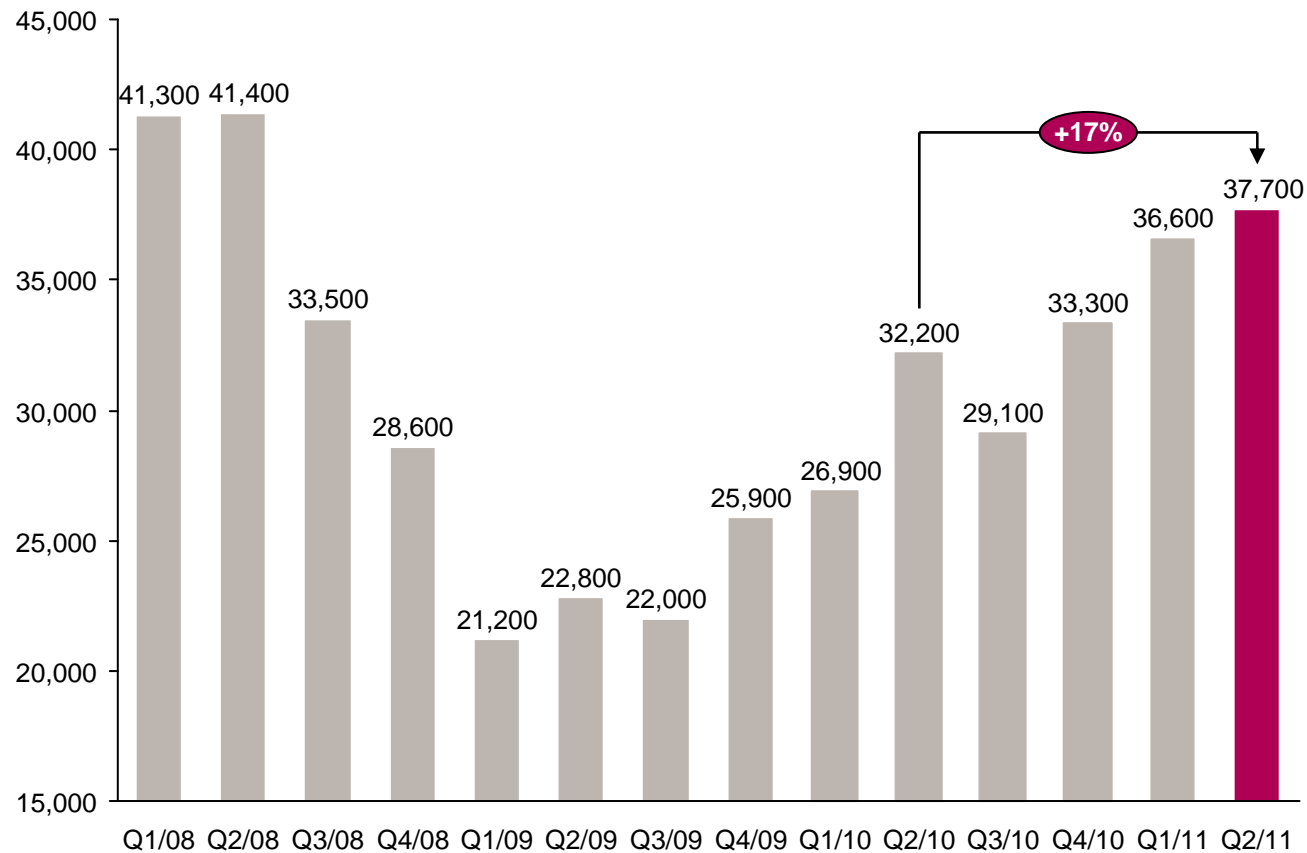


KION New Trucks Order Intake (units)

Strong Q2 17% ahead of previous year



KION Group quarterly order intake (units)



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Executive Summary

Strong Q2 - good base for the next quarters 2011



- **Order intake** of **€1,195m** Q2 strong and on 2008 level.
- **Net Sales** exceeds 2010 by **+25%** Q2 (Q2/11: €1,096m) as a result of strong order intake in the last months.
- **Adjusted EBIT** of **€101m** (9.2%) in Q2/11 (€30m in Q2/10). Q2 adj. EBIT includes €7m profit from investments, which is almost the expected FY amount. Without this effect Q2 margin is at **8.5%**.
- **FCF** in Q2/11 is with **-€26m** below prior year (Q2/10: +€4m), due to acquisitions (Voltas and Sterling).
- **Net Debt** increased by €47m compared to Dec 10 to **€2,688m**, influenced by investing activities and transaction costs.
- **Leverage** continues to decrease quarter by quarter (LTM 4.5x). On a LQA-basis multiple in Q2/11 is already at **3.9x**.
- **FTE** increase by **5%** compared to prior year (Q2/11: **20,515**), including new acquisitions.

FTE including apprentices and new acquisitions Voltas (India, 142 FTE) and Manusom (France, 14 FTE). Sterling FTE are not yet included.

Financial Overview

KION strong performance continued in Q2 2011



in €m	Q2/10	Q2/11	Delta		
			abs.	%	
Order Intake	997,7	1.195,4	197,7	19,8%	✓
Revenue	874,5	1.096,3	221,9	25,4%	✓
Adjusted EBITDA <small>incl. profit from investments</small>	109,2	173,2	64,0	58,6%	✓
Margin	12,5%	15,8%			
Adjusted EBIT <small>incl. profit from investments</small>	30,5	100,7	93.6	>100%	✓
Margin <small>w/o profit from investments</small>	3,5%	9,2%	8.5%		
Free Cash Flow	3,6	-25,8	-29,4	<-100%	
TWC	662,2	729,4	67,2	10,2%	✓
% of Revenue	18,9%	16,6%			
Capital Expenditures	25,1	29,3	4,2	16,6%	✓
Headcount (FTE) incl. apprentices and trainees	19.566	20.515	949	4,8%	✓

FTE including apprentices and new acquisitions Voltas (India, 142 FTE) and Manusom (France, 14 FTE). Sterling FTE are not yet included.

Financial Overview

Strong first half-year 2011



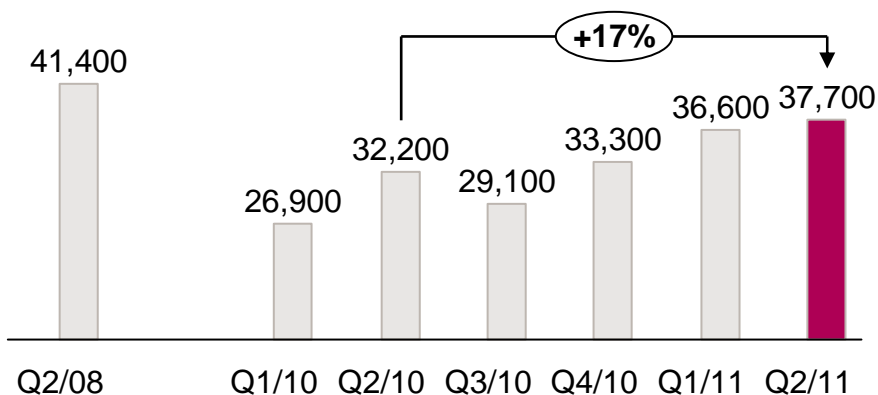
in €m	2010 YTD	2011 YTD	Delta		
			abs.	%	
Order Intake	1.843,3	2.352,8	509,5	27,6%	✓
Revenue	1.612,2	2.112,5	500,3	31,0%	✓
Adjusted EBITDA incl. profit from investments	182,2	321,8	139,6	76,6%	✓
Margin	11,3%	15,2%			
Adjusted EBIT incl. profit from investments	24,0	175,3	167.9	>100%	✓
Margin w/o profit from investments	1,5%	8,3%	7.9%		
Free Cash Flow	-18,5	19,9	38,4	>100%	✓
TWC	662,2	729,4	67,2	10,2%	✓
% of Revenue	20,5%	17,3%			
Capital Expenditures	47,5	51,4	3,9	8,2%	✓
Headcount (FTE) incl. apprentices and trainees	19.566	20.515	949	4,8%	✓

Attractive Financials

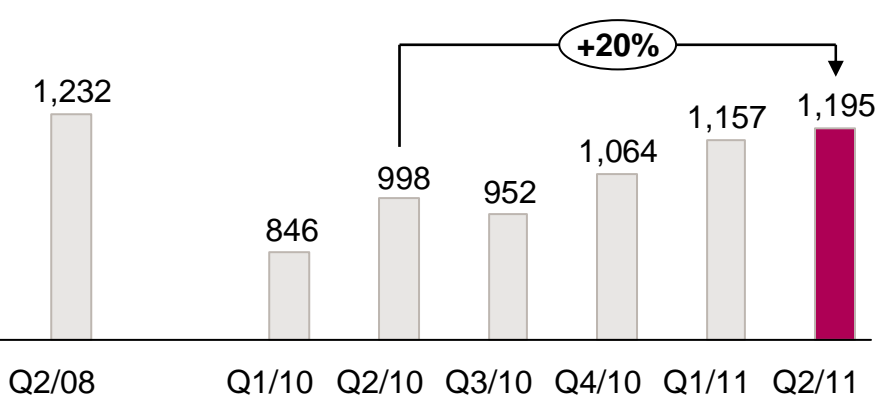
Order intake with significant growth y/y and sequentially



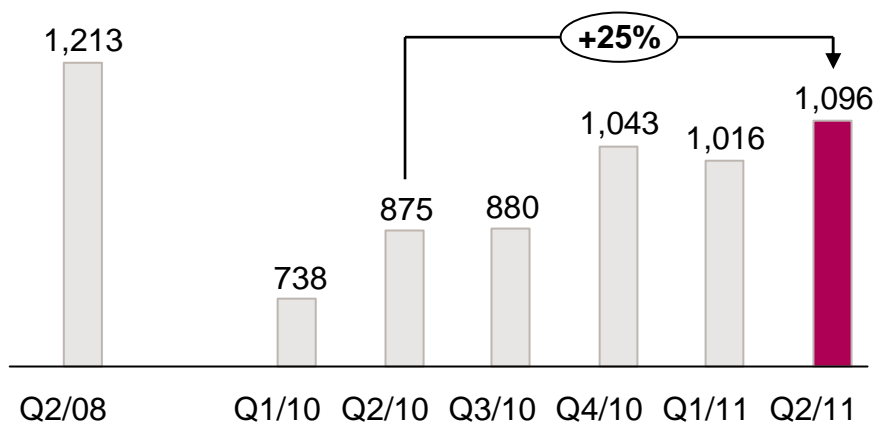
Order intake new truck business (in units)



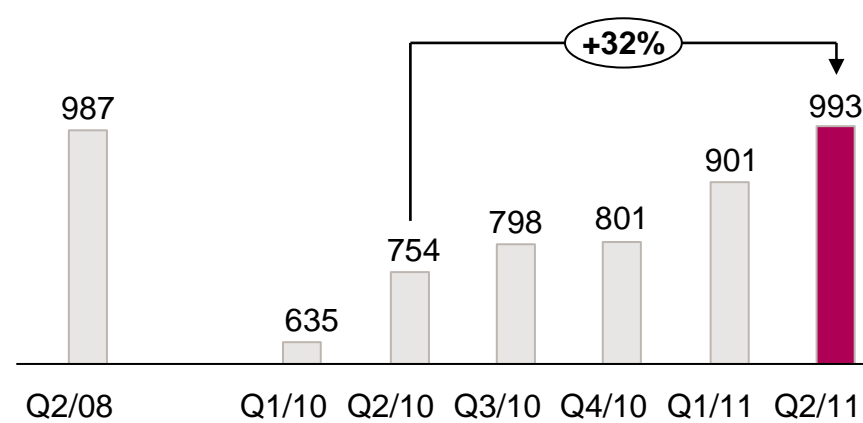
Order intake (all lines of business) €m



Revenue €m



Order book €m

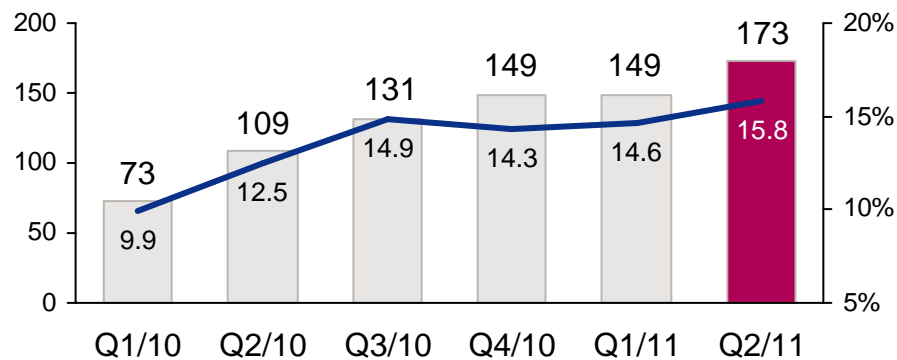


Attractive Financials

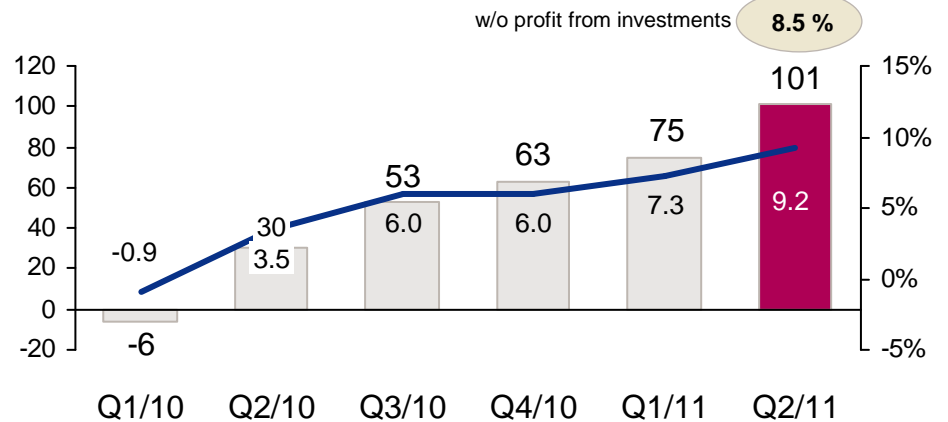
Earnings improve significantly through higher volumes and cost control



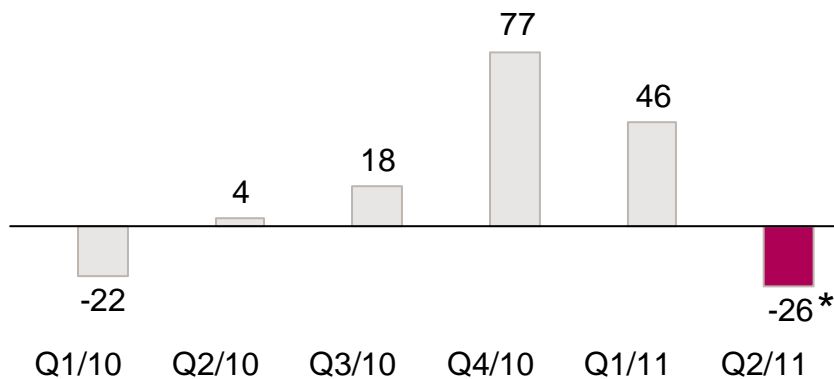
Adjusted EBITDA €m / Adjusted EBITDA margin



Adjusted EBIT €m / Adjusted EBIT margin

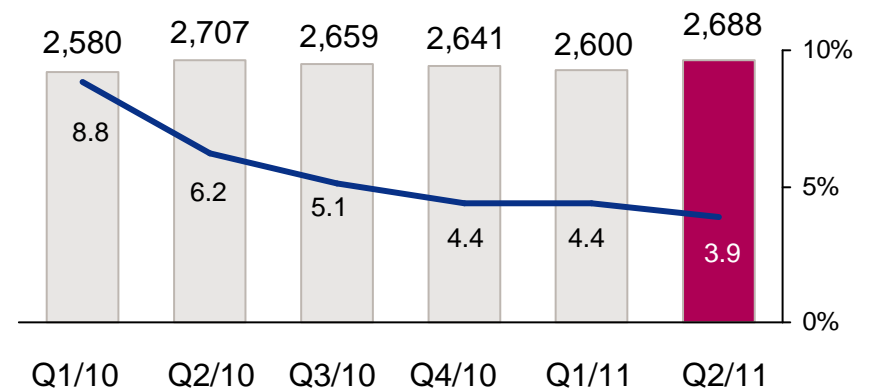


Free Cash Flow €m



* Q2/11 Influenced by acquisitions

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



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- Global market in 1HY 2011 back on record level. KION benefits from strong recovery in Europe but also continued surge in growth regions esp. China
 - KION sees further strong demand for new trucks but also for service offerings
 - Current financial markets turmoil, raw material price volatility, deficit crisis in industrialized markets and currency fluctuations remain as risks and are closely monitored