KION Group remains on its growth path for 2016 after hitting new highs – focus on innovation and efficiency

- Proposed dividend of €0.77 per share – rise of 40 per cent
- Slower growth anticipated in the global market
- New highs in 2015 for order intake, revenue, adjusted EBIT and net income

Wiesbaden, 17 March 2016 – After achieving new highs in 2015, the KION Group expects further profitable growth in 2016, despite a forecast slowdown in global market growth. The core market of western Europe is expected to provide significant stimulus, as it did in 2015. Revenue, adjusted EBIT[1] and the value of order intake are expected to rise further. The Company also anticipates that the EBIT[1] margin will increase. In 2016, the priority will be to continue implementing the Strategy 2020 to generate profitable growth. The main areas of focus will be to further advance of connectivity and automation as well as to continue making efficiency gains, especially in product development and production.

The Executive Board and Supervisory Board of the KION Group - one of the world’s two largest suppliers of forklift trucks, warehouse technology and associated services - will propose a dividend of €0.77 per share to the Annual General Meeting on 12 May 2016, up by 40 per cent on the previous year’s dividend. This amount represents a dividend payout ratio of 35 per cent of net income, compared with 31 per cent in the previous year.

In order to provide even greater transparency regarding its own financial expectations, the KION Group is publishing the outlook for its main KPIs in 2016 for the first time on the basis of target ranges, instead of using a qualitative comparison. Specifically, the order intake is expected to be between €5.350 billion and €5.500 billion. The target figure for consolidated revenue is in the range of €5.200 billion to €5.350 billion. The KION Group predicts higher volumes of revenue and orders, particularly in western Europe. The targeted range for adjusted EBIT is €510 million to €535 million. The adjusted EBIT margin is predicted to increase above the margin of 9.5 per cent that was generated in 2015. This improvement will stem from significant positive effects, such as a further increase in the efficiency of the
production network. Free cash flow is expected to be in a range between €280 million and €320 million after taking account of the acquisition of Retrotech Inc.

"The very good results for 2015 are an excellent basis on which to continue forging ahead with the implementation of our Strategy 2020 and, above all, to make further progress in the highly promising fields of digitisation, automation and warehouse systems," said the CEO of the KION Group, Gordon Riske, when the financial results for 2015 were published. "At the same time, we remain firmly focused on our planned efficiency gains - especially in production and development - because our market is becoming increasingly competitive."

"We are reorganising the KION Group so that we can fulfil our customers' needs even more effectively and quickly," added Riske. "Our major milestones in 2015 included the establishment of a new CTO organisation headed by our Chief Technology Officer Eike Böhm and the decision to create the planned operating units in EMEA (Europe, Middle East and Africa), the Americas and the Asia-Pacific region."

The KION Group expects a slower rate of global market growth this year. Moreover, the trends seen last year are set to continue: sustained rise in orders in Europe and North America along with further contraction in Russia and Brazil. The KION Group believes that China will stabilise over the course of the year although conditions will remain challenging.

Headquartered in Wiesbaden, Germany, the KION Group achieved its 2015 outlook across the board. Its order intake, revenue, adjusted EBIT and net income were better than in any previous year. As expected, the KION Group's operating profit margin remained at the same high level achieved in 2014, despite investment for the implementation of the Strategy 2020. One of the key factors in these excellent results was the strong fourth quarter of 2015.

The total value of order intake in the KION Group increased by 9.3 per cent to €5.216 billion in 2015. Around €114 million of this was attributable to positive currency effects. Moreover, the Group started this year with an order book worth €864.0 million, 13.1 per cent up on the figure reported twelve months earlier. Revenue exceeded the €5 billion threshold for the first time, advancing by 9.0 per cent to €5.098 billion in 2015. Approximately €109 million of this was due to favourable currency effects. Earnings before interest and tax (EBIT[1]) also went up by 9.0 per cent, reaching €482.9 million. At 9.5 per cent, the EBIT[1] margin remained at the record level achieved in 2014.

Mainly due to the strength of the core market in western Europe, the KION Group's new truck orders rose by 7.0 per cent in 2015, comfortably beating the global market's growth rate of 1.0 per cent. The number of trucks ordered in the market
worldwide was 1.10 million, compared with 1.09 million in 2014. Overall, the KION Group received approximately 165,800 orders in 2015, more than in any other previous year. Within this figure, the brand company Linde Material Handling achieved over 100,000 truck orders for the first time in its history.

Net income advanced to €221.1 million, an increase of 24.0 per cent on the previous year (2014: €178.2 million). This improvement was mainly due to the strong operating performance of the business.

Free cash flow rose by 8.8 per cent to €332.7 million (2014: €305.9 million). This improvement in free cash flow led to a reduction in net financial debt to €573.5 million, the lowest level in the KION Group's history.

The number of employees rose from 22,669 to 23,506 as at the reporting date of 31 December 2015.

The KION Group also achieved significant year-on-year improvements in the fourth quarter of 2015. Due to seasonal factors, the final three months of the year are always the strongest. While the total value of order intake grew by 8.8 per cent to €1.397 billion, revenue rose by 10.3 per cent to €1.441 billion. Furthermore, the KION Group's EBIT[1] went up by even 13.2 per cent to €151.8 million. The EBIT[1] margin therefore increased from 10.3 per cent in the fourth quarter of 2014 to 10.5 per cent in the same period of 2015.

Milestones in 2015

- Automation: The KION Group purchased the logistics automation division of Belgian automation specialist Egemin Group. The acquisition is enabling the KION Group to strengthen its expertise in the design and implementation of complex logistics automation projects and to open up new opportunities in this growing market going forward. At the start of 2016, the KION Group consolidated its strong position in the international warehouse automation market by acquiring Retrotech, an established US systems integrator for automated warehouse and distribution solutions.

- Innovation: The KION Group strengthened its global research and development capability by completely reorganising it. Elke Böhm became the fourth member of the Executive Board, taking up the newly created post of Chief Technology Officer with responsibility for R&D activities, procurement and quality management. The key technical functions in the KION Group are now organised on a cross-brand basis.
• Global platform strategy: The biggest launch of new products took place in Asia, with about a dozen new global platform-based models being launched.

• Production facilities: Manufacturing started at KION's most modern factory in January 2016. Located in Stříbro, Czech Republic, the factory is initially producing warehouse trucks from the existing product portfolio and has the capacity to make 12,000 trucks per year. The plant marked its official opening in February 2016.

• Organisation: The KION Group is sharpening its focus on the specific customer and market requirements of the key regions of the world and on cross-brand synergies with a redesigned group structure. Alongside the group functions, four operating units are being set up over the course of 2016: Linde Material Handling EMEA, STILL EMEA, KION Asia Pacific and KION Americas. The operating units will oversee marketing, sales and service and the production plants in their regions and will have individual profit and loss responsibility.
KION Group key performance indicators for 2015 and for the fourth quarter, which ended 31 December 2015

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<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
<th>Difference</th>
<th>Q4 2015</th>
<th>Q4 2014</th>
<th>Difference</th>
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<tbody>
<tr>
<td>Order intake (no. of units, rounded)</td>
<td>165,800</td>
<td>155,000</td>
<td>7.0%</td>
<td>43,500</td>
<td>39,700</td>
<td>9.4%</td>
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<td>€ million</td>
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<tr>
<td>Order intake (value)[2]</td>
<td>5,215.6</td>
<td>4,771.2</td>
<td>9.3%</td>
<td>1,397.1</td>
<td>1,283.5</td>
<td>8.8%</td>
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<tr>
<td>Revenue</td>
<td>5,097.9</td>
<td>4,677.9</td>
<td>9.0%</td>
<td>1,440.7</td>
<td>1,305.6</td>
<td>10.3%</td>
</tr>
<tr>
<td>EBIT[1]</td>
<td>482.9</td>
<td>442.9</td>
<td>9.0%</td>
<td>151.8</td>
<td>134.2</td>
<td>13.2%</td>
</tr>
<tr>
<td>EBIT[1] margin</td>
<td>9.5%</td>
<td>9.5%</td>
<td></td>
<td>10.5%</td>
<td>10.3%</td>
<td></td>
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<tr>
<td>Net income</td>
<td>221.1</td>
<td>178.2</td>
<td>24.0%</td>
<td>77.2</td>
<td>59.6</td>
<td>29.5%</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>332.7</td>
<td>305.9</td>
<td>8.8%</td>
<td>293.4</td>
<td>208.4</td>
<td>40.7%</td>
</tr>
<tr>
<td>Employees[3] (FTEs, incl. apprentices/trainees)</td>
<td>23,506</td>
<td>22,669</td>
<td>3.7%</td>
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[1] EBIT adjusted for KION acquisition items and non-recurring items.
[3] Figure as at 31 December 2015 compared with 31 December 2014 (full-time equivalents).

The Company

The KION Group – comprising the seven brands of Linde, STILL, Fenwick, OM STILL, Baoli, Voltas and Egemin Automation – is the largest manufacturer of industrial trucks in western and eastern Europe, the global number two in the industry and the leading non-domestic supplier in China. The Linde and STILL brands serve the premium segment worldwide. Fenwick is the largest supplier of material handling products in France, while OM STILL is a market leader in Italy. The Baoli brand focuses on the economy segment, and Voltas is a leading provider of
industrial trucks in India. Egemin Automation is a leading Belgian logistics automation specialist.

The KION Group is present in more than 100 countries. KION GROUP AG is listed on Deutsche Börse's Frankfurt Stock Exchange, the MDAX (the German stock index for medium-sized companies) and the STOXX Europe 600 index, which comprises the 600 largest companies in Europe.

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This release contains forward-looking statements that are subject to various risks and uncertainties. Future results could differ materially from those described in these forward-looking statements due to certain factors, e.g. changes in business, economic and competitive conditions, regulatory reforms, results of technical studies, foreign exchange rate fluctuations, uncertainties in litigation or investigative proceedings, and the availability of financing. We do not undertake any responsibility to update the forward-looking statements in this release.

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