Press Release

KION Group aims for further growth following record year

- **Net sales increased to €4.3 billion, up by over 10 percent**
- **EBIT[1] grows even stronger than sales, increasing by 28.5 percent (margin now 7.8 percent)**
- **Development from product manufacturer to comprehensive solutions provider**
- **Expansion in NAFTA and Asian business, and in value segment**
- **Dr. Rolf Karg appointed to Executive Board of KION Group**

Wiesbaden, Germany, April 23, 2008 – The KION Group, the second-largest global manufacturer of forklift trucks and material handling equipment and the clear market leader in Europe, enjoyed another record year in 2007 and believes it is well equipped to continue to outperform the market in future. According to the Group, which published its 2007 results on Wednesday, its strategy is to continue its transformation from product manufacturer to provider of comprehensive solutions in material handling.

The KION Group will continue its successful multiple-brand strategy and significantly reinforce product differentiation between brands. In 2007, the Group still generated over 80 percent of its revenue in Europe but in future aims to significantly expand its presence in North America and in the growth markets of Asia. It also plans to exploit untapped potential for synergies by standardizing its administrative, production and development processes throughout the organization.

"Building on our successes to date, we have set ourselves challenging but realistic targets. Our successful multiple-brand strategy, even more growth in service business, further consolidation of our market leadership in technology, increased internationalization of our activities and realization of potential synergies based on cooperation throughout the Group are the keys to our future success," according to Gordon Riske, who on Wednesday took over as CEO of the KION Group from Hubertus Krossa.

"KION is not only the undisputed leader in terms of innovation and technology, it also has the financial strength to drive forward the expansion of its business. I am taking

[1] Adjusted for one-off items, before PPA

over from Hubertus Krossa a successful business with solid prospects for the future," Gordon Riske went on to emphasize. "We will make the most of these opportunities. Over the next few years, our aim is to continue to achieve a level of growth that outperforms the market."

KION benefits from favorable economic conditions and generates further growth in revenue and EBIT

In 2007, the KION Group increased net sales to more than €4.3 billion, a rise of more than 10 percent. The Group was able to improve earnings before interest and tax (EBIT) before one-off items and PPA to €338 million (2006: €263 million), an increase of 28.5 percent.

Expansion in global market share to almost 17 percent

Order intake climbed to €4.592 billion (2006: €4.179 billion), a year-on-year increase of 10 percent. As at December 31, 2007, KION Group's order book stood at over €946 million. In terms of unit sales, the KION Group was even able to achieve growth of over 13 percent to over 160,000 units based on particularly strong demand for smaller material handling vehicles. This equates to a global market share of close to 17 percent. In 2007, the global market for material handling vehicles measured in terms of vehicle units rose by around 11 percent to over 950,000 new orders for forklift trucks and other material handling equipment.

The principal growth drivers were the markets in Asia, eastern Europe and, especially, western Europe. In western Europe, growth was particularly strong in Germany, France and Italy - countries in which the KION Group is the market leader. The most significant individual markets in eastern Europe were Poland and the Czech Republic. KION's excellent performance in Central and South America more than compensated for the impact of the downward trend in the US market. In Asia, growth was concentrated primarily in China where KION has its own plant which now increasingly also manufactures products for the entire Asia-Pacific region as well as modules for the European assembly lines.

According to the outgoing CEO, Hubertus Krossa, "All three brands made a significant contribution to KION's growth. Our flexible production capacity even allowed us to outperform a market already characterized by strong growth. This is to the credit of our committed and highly skilled employees, who once again performed outstandingly in 2007. Our range of products is state-of-the-art and matched by no one else in the industry; with our products and our range of aftersales support services we are able to make a significant contribution to improving our customers' material handling processes."

Linde Material Handling

Linde Material Handling was able to win a number of major orders in Europe and Asia from customers operating in a range of industries, including the logistics, automotive and packaging industries. Linde Material Handling received a major order for a total of more than 1,000 vehicles from one superstore chain alone. There was also a high number of new orders, for example from the chemicals industry, for material handling vehicles with protection against explosion.

A particular success among the material handling equipment was the 360 series pallet truck. Other models in the material handling equipment portfolio particularly in demand included the 379 series pallet stacker. Linde Material Handling was able to benefit from high rates of growth in its important European markets for diesel/LPG counterbalance forklifts. The brand saw a significant increase in new orders in eastern Europe, driven by strong markets in Russia, Poland and the Czech Republic. The successful products in this market segment included the 391 to 394 model series with load capacities of up to 5.0 tonnes. As far as electric forklifts are concerned, Linde Material Handling generated very encouraging growth, primarily in the German, Chinese and eastern European markets. The 386 series with load capacities of 1.2 to 2.0 tonnes launched in 2006 again registered above-average growth rates.

In 2007, Linde broadened its product range with the introduction of new models. In addition to three new reach trucks with load capacities of 1.4 to 2.0 tonnes that can be used both indoors and outdoors thanks to their super elastic tires, the product portfolio was enhanced by new double-deck loaders and electric platform tractors. The successful E12 to E20 series launched in 2006 was also enhanced by a three-wheel forklift with a load capacity of 2 tonnes. This brings the total number of models in the series to 16.

STILL

STILL was able to provide proof of its strength in supporting international key accounts, winning a number of major orders from various customers operating at an international level, including retail chains. A large number of orders was also received from logistics service providers, particularly for warehouse trucks.

In the warehouse equipment portfolio, the EXU series pallet truck and the EGV pallet stacker were particularly successful. Among the electric forklifts, the RX 60 series launched in 2007 and which covers the segment up to 5.0 tonnes load capacity immediately became one of STILL's top sellers. As far as diesel/LPG counterbalance forklifts are concerned, STILL has the most fuel-efficient diesel/LPG forklift in the industry in the form of the diesel/LPG RX 70 series launched in 2006.

In 2007, STILL added six new innovative warehouse trucks to its ultramodern product range. The FM-X driver-seated reach truck launched in June 2007 benefits from a host of innovative solutions and is the most technologically up-to-date model in its class.

The new generation of electric forklifts was rounded off with vehicles covering load capacities of 2.5 to 3.5 tonnes. In the diesel/LPG forklift segment, forklifts with load capacities of 4.0 to 5.0 tonnes were brought up to the latest technical standard with new engines and digital control. Over the last five years, STILL has revamped almost its entire product range.

OM

OM benefited in particular from strong growth in southern and eastern European markets. OM enjoyed particularly strong growth in eastern Europe, where it doubled new orders and significantly outperformed market growth thanks to substantial orders in Hungary, Romania and the Ukraine. However, OM's domestic market in Italy and the Spanish market also contributed to the growth. Outside Europe, OM's activities are concentrated in the Middle East and China.

In the course of 2007, OM introduced three new warehouse trucks and was able to enhance its product range in various series with the addition of new load capacity classes.

All three brands contributed to the growth in revenue

In 2007, **net sales** in the KION Group rose by over 10 percent to €4.32 billion (2006: €3.909 billion). Despite a highly competitive market, the three KION brands were able to use their leading technology position to ensure that higher raw material prices were largely passed on to the market. Rates of growth were 8.1 percent in Linde Material Handling, 12.6 percent in STILL and 17.4 percent in OM.

EBIT[2] margin reaches just under 8 percent in 2007

The Group improved earnings before interest and tax (**EBIT[2]**) before one-off items by 28.5 percent to €338 million (2006: €263 million), a significantly higher increase than the increase in revenue. As a result, the EBIT margin (adjusted for one-off items) rose significantly to 7.8 percent (2006: 6.7 percent).

The **net loss** of €60 million reflected the impact of negative mainly acquisition-related one-off items amounting to €201 million and net interest expense of €245 million. These negative items were partly offset by a tax credit of €48 million arising from the reversal of deferred tax liabilities recognized as a result, in particular, of changes to tax rates in 2007.

Compared with 2006, **free cash flow before tax[3]** rose from €194 million to €352 million, an increase of over 80 percent. Given the excellent performance, the KION Group was able to implement an early reduction in its net debt to €2.369 billion[4], a year-on-year reduction of over €100 million. This reduction was greater than forecast.

According to CFO, Dr. Nedim Cen, "In 2007, our GoIPO program achieved, and in some cases even exceeded, all the stage targets. In 2008, the program will deliver additional improvements, generate further enhancements in processes throughout the organization and continue to increase efficiency." The objectives of the GoIPO synergy and improvement program are to bring about improvements in sales and service, streamline production, optimize product costs and improve purchasing, thus providing the basis for further profitable growth.

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[2] Adjusted for one-off items, before PPA
[3] Before interest and tax
[4] Bank debt less cash and cash equivalents (cash including securities)

Almost 1,000 new jobs

The number of employees (including 644 apprentices) rose from 20,102 at the end of 2006 to 21,086 at the end of 2007, an increase of 4.9 percent. Of this total, more than 8,000 are employed in Germany and just under 13,000 internationally. Linde employs more than 13,000 people, Still more than 6,600, and OM 1,245. Of the total of around 1,000 new jobs created across the globe, around 600 were in Germany.

Outlook for 2008

For 2008, the KION Group is predicting a further increase in revenue and is striving for a significant increase in adjusted EBIT. "Growth in the first three months of this year has been promising and has exceeded the equivalent period in 2007. However, given the overall economic uncertainty, we remain vigilant," Dr. Nedim Cen emphasized. "In 2008, we will achieve a positive net income with significantly less impact from one-off items."

Expansion of service business

To achieve the ambitious growth targets, the KION Group will substantially reinforce the Product Management & Marketing and Sales & Service functions in the Linde, STILL and OM brands. As part of a ten-year product plan, the brands will be more clearly positioned in the market than hitherto using their own specific product and service profiles. Expansion of the service business, which already accounts for almost 40 percent of revenue, will continue. With more than one million vehicles already operated by customers worldwide, the KION Group brands are in an outstanding position to achieve these objectives.

Gordon Riske stressed that "with the further reinforcement of our brands, we will be able to provide our customers in future with unique products, even better service and exceptional solutions for intralogistics. We are already the most profitable firm in our sector. This means that we have the opportunity to invest heavily from our own resources in research and development, in the expansion of our sales and service networks and in our range of aftersales support services.“ The KION Group currently has a network of some 570 sales and service offices around the globe.

Systems and processes being standardized worldwide

The KION Group is looking to create meaningful synergies wherever it can operate more efficiently. Interdisciplinary functions will in future be managed across all brands. For example, production and logistics functions are to be placed under a single management. Standardized, value-adding processes will make the KION Group's manufacturing and logistics expertise available to all production sites and improve transparency across the organization. With an integrated product planning, product development and purchasing organization, brand-specific product development will become even more efficient. In future, such development will benefit from the expertise available from all the research and development employees throughout the KION Group, who number almost 1,000 in total.

The Group intends to pool its resources and create global standards in areas such as information technology, human resources, legal affairs, finance, accounting, financial planning and reporting, and tax. According to the KION Group CFO, Dr. Nedim Cen, "This will enable us to achieve further improvements in the efficiency of our management of the brands' operating activities and the KION Group as a whole. Within the KION Group and its three brands, we have an enormous amount of expertise at our disposal. If we pool these resources, we can achieve much more than at present." A separate business unit, KION Financial Services, is being created to support the rental and leasing business. To date, this business has largely been organized on a local basis and the new business unit is intended to provide a more flexible service in line with customer requirements.

Expansion of the value segment and business in growth regions

With its OM brand, the KION Group has a solid foundation for the further expansion of the value segment, which is extremely important in the Asian and eastern European growth markets.

Linde Material Handling has developed specific vehicles for the US market; they will be launched in 2008. These vehicles will be manufactured at the Linde plant in Summerville, USA. The KION Group will use its own development and production capacity in the USA and in China to expand business in the NAFTA region and Asia.

During 2007, the KION Group had already announced that it intended to strengthen its Hydraulics & Components business and develop a broader customer base, particularly in the agricultural machinery and construction equipment industries.

New member to join KION Executive Board

As part of the further development of the management structure in the KION Group, the Supervisory Board has appointed Dr. Rolf Karg to the Executive Board of the KION Group. In addition to his existing responsibilities in STILL GmbH, he will take over responsibility for production and logistics. Dr. Karg, an electrical engineer, has been Chairman of the Management Board of STILL GmbH since 2004. Previously, Dr. Karg spent 25 years with BBC/ABB in various management functions, most recently as a member of the management board of ABB AG in Germany.

KION Group – 2007

€ million	2006[5]	2007	▲
New orders	**4,179**	**4,592**	**+ 9.9%**
Net sales	**3,909**	**4,312**	**+ 10.3%**
Linde Material Handling	2,521	2,726	+ 8.1%
STILL	1,260	1,419	+ 12.6%
OM	305	358	+ 17.4%
EBITDA adjusted *EBITDA margin*	**597** *15.3%*	**661** *15.3%*	**+ 10.7%**
EBIT adjusted[6] *EBIT margin*	**263** *6.7%*	**338** *7.8%*	**+ 28.5%**
Net result	**–**	**(60)**	**–**
Free cash flow *(before tax)*	**194**	**352**	**+81.4%**
Capital expenditure	**172**	**181**	**+ 5.2%**
Total research and development expenditure	**107.5**	**119**	**+ 10.7%**
Employees as at 31 December *(FTE, including apprentices)*	**20,102**	**21,086**	**+ 4.9%**

The Company

The KION Group, with its Linde, STILL and OM brands, is the market leader in material handling equipment in Europe and the global number two in the industry. In 2007, the KION Group had over 21,000 employees and generated net sales of more than €4.3 billion.

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[5] Income and cash flow figures, and total R&D expenditure for 2006 on the basis of internal management accounting
[6] adjusted for one-off items