

Press Release



**Do not release before 10:15:00 a.m. on**  
Tuesday, June 10, 2008

June 10, 2008

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Chairman of the Board of Management  
of Jungheinrich AG

**Speech addressed to the**  
**Annual General Meeting**  
**on June 10, 2008**

Congress Centrum Hamburg

**The spoken word holds true!**

**Jungheinrich Aktiengesellschaft**

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Ladies and Gentlemen,

It's a pleasure for me to welcome you to Jungheinrich AG's 2008 Annual General Meeting—also on behalf of my fellow board members! We are pleased, my esteemed shareholders, shareholder representatives and guests, that you turned out in such great numbers to inform yourselves in detail about our company and its business trend here and now. Almost exactly a year ago to this very day, I introduced myself as the new Chairman of the Board of Management of Jungheinrich AG at this venue. Since then, both the world material handling equipment market and the company have developed at breakneck speed—an unexpected trend at the time. Last year was characterized by phenomenal growth until the US subprime crisis, which began at the end of the year, slowed the global economy significantly, leaving its marks, which have remained deep until this very day. We have certainly not felt all of its economic ramifications yet. However, something else is for sure as well, despite adverse underlying conditions: The Jungheinrich Group remains on course and is well equipped to continue meeting the needs imposed on it by the market and the competition. What I would like to do now is summarize the last financial year, before giving you an outlook on the year underway and on the future.

2007 was an extraordinary year for Jungheinrich—a year of records. It has been the most successful fiscal year in our corporate history thus far. Our key financials hit new all-time highs. This success is based on our clear corporate policy that is rooted in our Group strategy, which, in turn, is tailored to profitable growth and competitiveness. This strategy aims to position the strong “Jungheinrich” brand over the long term and lastingly in the material handling equipment, warehousing technology and material flow engineering sectors. In pursuing this goal, we place customer satisfaction on centre stage in everything we do. We reach out to our customers through our joy of innovation, drive to perform, and our professionalism. If our customers are pleased with us, Jungheinrich can be assured profitable growth and the required independence needed to take entrepreneurial action in a flexible manner. This is the only way to ensure the continuity required to remain among the world's top three suppliers in the material handling equipment industry permanently.

In 2007, the world material handling equipment market displayed growth of equal momentum to that of the preceding year. Thanks to the positive economic environment, the global market expanded considerably, growing by eleven per cent to 950,000 units. All regions contributed to this rise, albeit in various orders of magnitude. Once again, Asia and Europe were clearly the main driving forces. As in the preceding year, the European market posted a gain of 16 per cent.

Benefiting from the dynamic trend witnessed in Russia, Eastern Europe recorded a growth rate of 49 per cent, exceeding the pace of growth the country achieved in 2006. Western Europe posted an increase of ten per cent. Asia achieved about 17 per cent growth, injecting the strongest expansionary stimuli outside Europe yet again. Posting a gain of approximately 26 per cent, China was the region's growth driver, as before. The North American market shrank significantly, reporting a drop of ten per cent.

Warehousing equipment—our domain—and counterbalanced trucks contributed eight per cent and 13 per cent to world market growth, respectively. In North America, demand for material handling equipment decreased in both segments.

A glance at the division of the global market into regions demonstrates that Europe continued to advance, posting gains over 2006 and putting in an extremely strong showing by grabbing a share of 43 per cent. Asia maintained its high level, whereas North America substantially lost significance. By contrast, Central and South America recorded discernible growth.

Once again, the Eastern European market proved to be Europe's main growth engine. Eastern Europe maintained its momentum, achieving an impressive increase of 49 per cent. It is extremely important to Jungheinrich to fully partake of this markedly rising market potential. We set ourselves some clear goals for 2008: We intend to further establish and expand our international market and service presence in Europe and on the booming markets of Eastern Europe and Asia, with Russia and China leading the way. Our company set the course for this last fiscal year: Therefore, I will address our focal points of activity in 2007.

We made further inroads in tapping growth markets last fiscal year. We increased our manpower in the sales companies we have throughout the world—especially in the forward-looking markets on which our sights are set. Today, we have a foothold with our very own companies in 31 countries and have a presence in a large number of countries on the basis of Jungheinrich dealerships.

We expanded our pan-European spare parts supply operations as well. Eastern European countries have been supplied from a newly established logistics centre in Bratislava, the capital of Slovakia, since September 2007. These and the existing warehouses can supply our service engineers with spare parts overnight nearly anywhere in Europe. This provides Jungheinrich with a clear competitive advantage.

We further increased our short-term hire station network and our short-term hire truck fleet in 2007. More than 22,000 trucks are now ready to be marketed, available to be adapted to meet demand flexibly. Be it for a day, a week, a month or longer periods of time, Jungheinrich provides its customers with the truck variants that suit their needs—usually within a mere two hours.

Furthermore we stepped up the reconditioning of used material handling equipment throughout Europe. Capacity was increased at the central reconditioning plant at the Klipphausen site near Dresden through the completion of the second expansion phase. Production output was doubled, and the employee headcount was increased to 100. This expansionist measure will strengthen the decentralized workshops at our various branch offices and bolster the sales organization.

The mail-order business launched in Europe in 2006, which targets small and medium-sized enterprises in industry, commerce and trade, is gaining ground as well. It was enlarged to accommodate Austria. Jungheinrich PROFISHOP GmbH, which is based in Vienna, Austria, published its first catalogue in September 2007. On 300 pages, it offers products in the fields of stacking & lifting, transportation, racking systems, factory equipment and environmental protection. The online store opened its doors to customers at [www.jh-profishop.at](http://www.jh-profishop.at) simultaneously to the mail-order business. This gives us access to customers which would have been more difficult to reach via our direct sales organization.

Research and development are one of the keys to our success. The Group continued to invest in the development of its products in fiscal 2007. Jungheinrich showcased new products from all segments at the international trade press conference last autumn. The largest product campaign in the company's history to date reached its provisional peak at CeMAT, the world lead trade show, in May 2008. We set off a unique display of igniting innovations and delighted experts in the field. In 2007, our capital spending on research and development amounted to 41 million euros, maintaining its high level.

Material handling equipment by Jungheinrich is an icon of premium technology made in Germany. It sets itself apart from the masses through innovative drive and energy storage concepts. They boast outstanding performance and are affordable as well as environmentally friendly.

An example of economical viability in terms of energy efficiency and operating costs, ergonomics and safety are our new hydrostatic diesel and LPG-powered 425s-435s. The trucks have a more comfortable ride, are equipped with numerous

safety features, and are capable of extremely high handling turnover rates, while keeping down fuel consumption. These cutting-edge trucks will enable us to discernibly expand our counterbalanced truck business. We are paying tribute to the more exacting demands placed on the field of intralogistics in all other product segments as well: Jungheinrich extended its product range by adding the most diverse variants of new low-platform trucks and tractors.

These new trucks and the material handling equipment we already had in our portfolio are being manufactured on the back of increased productivity resulting from the completion of the project to reengineer manufacturing processes at our Norderstedt production site in autumn 2007. Comprehensive restructuring measures had already been taken successfully in 2006 at the Moosburg plant.

Furthermore, our company now has a much higher capacity for producing warehousing equipment in Norderstedt. This will enable us to rise to the challenges of a growing market at all times.

We continued to enlarge our financial services operations in 2007 as well. Today, one in three Jungheinrich forklift trucks in Europe is leased—a trend which is rising. Therefore, we plan to set up additional financial services companies. This envisions founding companies in Spain and the Netherlands this financial year, following the UK company established in 2006. This will put us in a position to do a better job of serving these important markets with our rental agreements, which are increasingly in demand.

Rental contracts primarily target fleet operators—especially international key accounts. In order to hedge residual value risks, given the sizeable as-new value of over 1.3 billion euros in contracts on our books at the end of 2007, as a rule, all financial service transactions are concluded in conjunction with service contracts, which are usually full-service agreements. In consequence, the trucks are returned to us in good shape on expiry of the leases and are put on the used equipment market once they have been reconditioned at our Dresden location.

Ladies and Gentlemen,

Last year, I furnished you with detailed information about our new corporate structure, which we introduced with effect on January 1, 2007. Since then, major parts of Jungheinrich AG's operations have been spun out without a hitch and transferred to four independent limited partnerships.

We need a highly motivated team staffed with first-rate players in order to continue growing our business, successfully implementing our projects and

developing outstanding products. To this end, the company increased its personnel headcount in 2007: By December 31, 2007, the payroll had expanded to over 10,000 employees for the first time. However, 484 staff members were added as a result of the expansion of the basis of consolidation. Excluding the newly included companies, the labour force increased by more than 400 positions. Two thirds of these new jobs were allocable to the expansion of non-German sales companies, while one third was accounted for by the increase in production capacity in Germany.

Ladies and Gentlemen,

This brings me to the economic performance delivered by our company in 2007, and I have some encouraging news for you:

Last fiscal year, Jungheinrich successfully stayed the course for profitable growth it had embarked on in 2006 and increased its business volume significantly. Consolidated net sales surpassed the 2 billion euro mark for the first time, exceeding the roughly 1.75 billion euros recorded in the preceding year by 14 per cent.

This impressive rise is the result of a formidable team performance. In terms of sales, we grabbed third spot in the world material handling equipment manufacturer rankings for the first time, advancing to the podium. Although the lead on fourth spot is very narrow and pressure from the competition is increasing unabated, we are doing everything we can to defend this position.

In 2007, Jungheinrich benefited from the very positive economic environment and the strong growth of the material handling equipment market the world over. Incoming orders, encompassing all business areas, were also up about 14 per cent, advancing to 2.12 billion euros and significantly exceeding our growth forecast.

The phenomenal development displayed by our operations in Eastern Europe is impressive as well. Thanks to its early presence, Jungheinrich was able to fully partake of the growth on these emerging markets. Sales in this region alone posted a remarkable gain of 35 per cent, rising to 238 million euros.

Non-European sales advanced by 25 per cent year on year to 124 million euros, despite a marginal decline recorded in the USA. That is phenomenal.

Incoming orders from new truck business based on units rose by some five per cent to a record-setting total of over 84 thousand trucks. In 2007, the company increased its production output by nine per cent to more than 82 thousand forklifts.

The high level of orders received led to an encouraging rise in orders on hand, which were up by 27 per cent to 334 million euros as of December 31, 2007.

Earnings before interest and taxes (EBIT) increased for the eighth straight year. They improved by 19 per cent to approximately 140 million euros. The EBIT return on sales (ROS) climbed to 7.0 per cent, which puts Jungheinrich among the top companies in its sector in this respect.

As in the previous year, the corresponding return on interest-bearing capital employed (ROCE) exceeded the Group's long-term ROCE target of 20 per cent, amounting to 24.1 per cent.

Shareholders' equity rose to 554 million euros, driven by the high level of income after taxes of 485 million euros. In consequence, at 27 per cent, the equity ratio remained unchanged from the previous year despite the rise in the balance sheet total. Consequently, 111 per cent of fixed assets were covered by shareholders' equity as of the balance sheet date.

What's the bottom line? The Group's income taxes increased less than earnings, rising from 52 million euros in the prior year to 57 million euros. The tax quota dropped to 41.1 per cent from 43.7 per cent. As a result, net income rose by 22 per cent compared with the previous year, improving from 67 million euros to 82 million euros. In my opinion, this is a pleasing result, which will help us progress further.

Ladies and Gentlemen,

The Jungheinrich share put in a successful showing in the 2007 stock trading year. Share turnover doubled and the share price reached a new all-time high of 36.91 euros, closing 2007 with a gain of 15.7 per cent. The Jungheinrich share thus proved to be an attractive investment. It clearly outperformed Germany's second-tier indices. This is because the stock market environment was friendly and institutional investors were keen to purchase stock owing to our company's positive business trend.

In contrast, the current financial year got off to a turbulent start, experiencing a substantial decrease in share price. Triggered by the US subprime crisis, the clouded outlook on world economies unsettled market participants on both

national and international markets. Our share price has stabilized at around 22 euros in the last few months.

In light of our positive business trend in 2007, the Board of Management and the Supervisory Board will propose to this Annual General Meeting that the dividend be increased by four euro cents to 52 euro cents per ordinary share and 58 euro cents per preferred share. This will be the fifth dividend raise since the year 2000. You as shareholders will thus partake not only of the growth, but of the company's success directly as well.

Ladies and Gentlemen,

Before giving you an outlook on our future business trend, I would like to briefly take stock and comment on the development of business through the end of April 2008.

Despite the world financial crisis, the economic and market environments in the material handling equipment sector maintained their high levels of growth in the first four months. Global demand for forklift trucks continued to rise, with the exception of North America. All in all, the world market posted strong growth, expanding by twelve per cent to more than 333,000 units. Asia accounted for an above-average share, or 24 per cent, of this advance. Europe contributed ten per cent. While the Western European market expanded by six per cent over the preceding year's level, Eastern Europe continued to display dynamic development, posting 31 per cent growth. The North American market shrank once again, reporting a drop of five per cent.

Our company got off to a good start to the current year. After the first four months, Jungheinrich recorded a jump of 14 per cent in incoming orders compared with last year. Net sales advanced by eleven per cent to 680 million euros over the same period. All of the divisions contributed to this growth.

Orders on hand from new truck business amounted to 391 million euros as of April 30, 2008, exceeding the figure recorded in the same period last year by 29 per cent and the figure achieved by the end of 2007 by 17 per cent. This high level of orders on hand forms a solid basis on which to develop sales in the months ahead.

Following the good start in the first few months, we expect our business volume for 2008 to grow overall, both in terms of incoming orders and sales. We anticipate that orders received will rise to more than 2.2 billion euros and net sales will total over 2.1 billion euros. This corresponds to a growth rate of about six per cent.

It's a pleasure for me to give you a report on CeMAT 2008, which took place at the end of May this year. CeMAT is the world's largest intralogistics trade fair, which is hosted once every three years in Hanover, Germany. We seized the opportunity at this trade show to present the international expert audience with a total of ten brand-new products and were convincing vis-à-vis our competitors and our customers, thanks to a strong performance. Besides warehousing equipment, with which Jungheinrich has been setting standards for years, our new internal combustion engine-powered stacker generations featuring hydrostatic drive trains and our new battery-powered counterbalanced trucks caused quite a stir.

The "Concept 08" blueprint was an absolute highlight at the trade fair. Equipped with a highly efficient direct drive train fuelled by lithium-ion batteries, the concept forklift was an audience magnet. With its committed exploration of new energy concepts, Jungheinrich is pushing the window to the future of modern drive trains wide open. Special recognition should also be paid to our entire trade show team for its enormous commitment and strong motivation, which made an excellent and lasting impression on our customers.

Ladies and Gentlemen,

Last but not least, let us look into the future, remaining aware of the fact that it is doubly difficult to make predictions relating to sales opportunities and market potential at present. The impact of the world financial crisis on the real economy and the ensuing effects on the economic trend in the material handling equipment industry cannot be assessed reliably. Against this backdrop, it is indispensable to detect and weigh opportunities and risks early on, in order to continue shaping our business policy.

As far as opportunities are concerned, our sector is opening up some room to give itself some prospects and continued growth. The increase in the worldwide division of labour going hand in hand with globalization continues to create a setting that fosters sustainable growth in logistics. More and more countries—with the emerging countries currently in the process of building their economies such as China, India, Brazil and Russia leading the way—are in need of modern material handling equipment and logistics systems. Thanks to the position we command as a full-line supplier and intralogistics service provider with a global sales and service network which is being expanded, we are well equipped to significantly partake of this development.

This assessment is impressively confirmed by the development in market volume over the last ten years. The long-term trend clearly pointed upwards, despite the

intermittent lateral and downward movement recorded by the size of the global market, marked by the significant fluctuation in developments in North America. The average growth rate witnessed in the period under review was 6.8 per cent. In light of the development of the world economy mentioned earlier, we expect this trend to continue.

The world market volume for material handling equipment is likely to expand to some 1 million trucks, regardless of the current uncertainties. This unit increase will reflect growth on both the European and Asian markets.

Once again, Eastern Europe and China will probably prove to be the growth drivers. These emerging markets are expected to present us with additional opportunities to grow sales. However, under no circumstances should we lose sight of the economic risks.

These primarily consist of currency risks. International commerce is substantially affected by fluctuations in foreign exchange rates. Especially in times of high volatility, when currency exchange rates fluctuate significantly, it is very difficult to plan cross-border trading transactions. As you can see from the dollar's weakness, for example, US manufacturers enjoy substantial price benefits as regards exports.

Further risks arise from the substantial increase in the price of raw materials used to manufacture our products such as steel, lead and oil-based plastics. For instance, the price of lead—a starting material used to produce batteries—nearly doubled last financial year. Due to the strong demand on global markets, we anticipate further price raises in 2008, which we will not be able to fully pass on to our customers.

Ladies and Gentlemen,

Are we at Jungheinrich well equipped to face these risks, take advantage of opportunities as they present themselves, and make further progress against the international competition?

The answer is: Yes! Our vision has a clear strategic orientation and precisely defined goals. After a phase of consolidation, the tasks now at hand are to expand our business strategically and generate profitable growth over the long term.

Our business model provides the basis for this: As a logistics service provider with manufacturing operations, our company offers its customers a comprehensive range of forklift trucks, shelving systems and related services covering the entire

field of intralogistics. It is precisely this footprint we have as a full-line supplier and service provider—under a single brand to boot—that sets Jungheinrich apart from its competitors and gives us an edge on the market. Another key to the success of our business model is the innovative prowess displayed by our team along with the courage and readiness to invest in the future.

This is why we're making strategic investments in all markets on which we can achieve profitable growth in line with our strategy. Our core market, Europe, provides the basis for this. This is the region in which the "Jungheinrich" premium brand has grown and is at its strongest. This is where our major production sites are located, this is where we create the resources we need to extend our international reach even further.

As we build and expand our worldwide direct sales organization, we will continue to focus on Eastern Europe's growth regions, concentrating on Russia, as well as on Asia, concentrating on China. But we will not neglect India and Brazil, which are increasingly entering our scope of vision.

Russia and China, of all markets, are recording especially strong gains and are contributing to a significant expansion of the material handling equipment market. Last year alone, these markets grew by 62 and 26 per cent, respectively. The dynamic trend witnessed in these two economies will persist in the next few years and present us with opportunities to increase sales, even if the growth rates were to decline.

This is why we substantially fortified our presence on the Chinese market in 2007 and strengthened our sales team. We must pay tribute to the regional differences in demands placed on intralogistics products when designing them. For instance, Chinese customers place different demands on their forklifts than European ones.

We stepped up our business activity in Russia as well. New branch offices and service centres were established in order to reach the growing number of new customers. Further sites are already in planning.

Our after-sales service plays a special role as far as our business model is concerned. From a customer's point of view, the wide range of available services is one of the main criteria when deciding to buy a Jungheinrich truck. Therefore, we invested heavily in the expansion of this business area in 2007. We need to have a high degree of market penetration in order to grow our after-sales service operations continuously. We achieve this due to the constant influx of new trucks from sales and leasing operations and from the used equipment business.

We promote Jungheinrich truck sales with innovative, high-performance and reliable products, as we proved impressively at CeMAT 2008 in Hanover, Germany. Thanks to our high-quality counterbalanced trucks, we will be able to clearly expand business in this segment where we played in the minor league for a long time. Our customers appreciate the fact that we seriously tackle issues such as energy efficiency and operating costs as well as safety and ergonomics, and that we offer them forward-looking solutions.

Next-generation manufacturing plants are a prerequisite for our trucks' excellent quality. This is why we've begun to adapt our production capacities once again. To keep up with the market's future growth, we are currently building a new plant in Landsberg, which is in the vicinity of Halle, Germany, where we will manufacture low-platform trucks in the future. The ground-breaking ceremony will take place before the end of this month. Production startup is scheduled for 2009. We have thus come a big step closer to our new manufacturing strategy, which involves the establishment of centres of excellence for each of our product lines.

We have similar ideas as regards our Bavarian facility at our Moosburg location. We have already secured the plot of land we will need to build a new plant for our system equipment.

In line with our future-oriented investment projects, capital spending will rise to about 75 million euros this year.

Ladies and Gentlemen,

As you can see, we are well equipped and are tackling the challenges presented by the market and the competition. I assure you that our international team is highly motivated. This provides a solid foundation on which to continue writing our company's success story, building on huge commitment and good ideas.

Our employees are deserving of our very special gratitude for their commitment and performance. We would also like to take this opportunity to thank the Supervisory Board, which alertly monitors our work. Now, I would like to conclude my speech by saying a very special word of thanks to you, our shareholders and partners. Our shareholder structure and the trust you place in this team and our company enable us to keep Jungheinrich on track for a successful future.

Please remain loyal to us! We are powering our way to the future!

Thank you so much for your attention!