



Investing in the Future

Annual Report

2012

 **JUNGHEINRICH**
Machines. Ideas. Solutions.

Earnings before interest and taxes
in million €

2008	122
2009	-72
2010	98
2011	146
2012	150

Net income
in million €

2008	77
2009	-55
2010	82
2011	106
2012	110

Earnings per preferred share
in €

2008	2.29
2009	-1.59
2010	2.45
2011	3.13
2012	3.27

At a glance

Jungheinrich Group		2012	2011	Change in %
Incoming orders	million €	2,251	2,178	3.4
Net sales				
Germany	million €	598	571	4.7
Abroad	million €	1,631	1,545	5.6
Total	million €	2,229	2,116	5.3
Foreign ratio	%	73	73	–
Orders on hand (12/31)	million €	298¹	305 ¹	–2.3
Production of material handling equipment	units	73,200	75,700	–3.3
Balance sheet total	million €	2,757	2,580	6.9
Shareholders' equity	million €	807	718	12.4
thereof subscribed capital	million €	102	102	–
Capital expenditures²	million €	78	52	50.0
Research and development expenditures	million €	45	38	18.4
Earnings before interest and taxes (EBIT)	million €	150	146	2.7
EBIT return on sales (ROS)	%	6.7	6.9	–
EBIT return on capital employed (ROCE)³	%	24.1	26.2	–
Net income	million €	110	106	3.8
Employees (12/31)				
Germany	FTE ⁴	5,167	4,925	4.9
Abroad	FTE ⁴	6,094	5,786	5.3
Total	FTE ⁴	11,261	10,711	5.1
Earnings per preferred share	€	3.27	3.13	4.5
Dividend per share – ordinary share	€	0.80⁵	0.70	14.3
– preferred share	€	0.86⁵	0.76	13.2

1 Including €24 million in adjustments made to the value of orders in preceding years.

2 Tangible and intangible assets without capitalized development expenditures.

3 EBIT as a percentage of employed interest-bearing capital.

4 FTE = Full Time Equivalents.

5 Proposal.

Cover photo:
Head of Apprenticeships Eckart Hecht and apprentice Michelle Nehls
in the Norderstedt factory's apprentice workshop.

Annual Report 2012

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Ladies and gentlemen,

Jungheinrich looks back on a successful 2012 financial year, in which progress was made in major forward-looking projects. Having posted strong growth in the preceding year, the company started the year under review from a robust basis, proving itself well in a difficult market environment.

In sum, Jungheinrich closed 2012 with sales and earnings surpassing the Group's previous record levels. All divisions contributed to this positive trend. The significant upturn of our logistics systems operations and the marked increase in short-term hire business were particularly encouraging.

Staying true to our motto 'Investing in the Future,' we stepped up the pace of our large-scale strategic projects in the period under review. For instance, the construction of a new spare parts centre north of Hamburg is establishing an important basis for the company's continued growth. We are thus doing justice to the mounting demands in the spare parts business. A new production plant is being built in Qingpu (China). Our increased production capacities and enlarged product portfolio will put us in a position to serve Asia's major markets even better than before. In July of 2012, we began constructing a new warehousing and system equipment production plant in the vicinity of our main factory in Moosburg. With these capacity expansions, we are bracing ourselves

for the good prospects for growth in the logistics systems business and creating room to increase counterbalanced truck production capacity at our existing site in Moosburg. All of these large-scale projects will be completed in 2013. Capital expenditures in fiscal 2012 totalled 78 million euros—a rise of 50 per cent compared to the prior year.

The full acquisition of ISA GmbH, a warehousing and material flow equipment software firm, is a further building block of our growth strategy in the logistics system business. It serves to strengthen Jungheinrich's expertise in the important field of holistic logistics solutions. We are pleased to welcome more than 50 highly competent ISA GmbH employees to the Jungheinrich family.

By making these investments, we have set the course for sustained growth in the years to come.

In September of 2012, the Board of Management presented the strategy for the next five years to the Supervisory Board. The focal point of future activities will be the continued expansion of business in Europe and a significant increase in sales activity in Asia. Moreover, Jungheinrich will spur business with IC engine-powered trucks as well as its logistics system operations. It is in the field of logistics systems that we have a unique selling point in our branch of industry. We will take advantage of this lead and extend it even further.



This will also involve Jungheinrich spending substantial amounts of capital on research and development in the future as well. In 2012, we raised this expenditure to a total of 45 million euros. This is a level we intend to preserve in the year underway and in the future. After all, innovative capacity is an essential foundation not only for maintaining our product range, but also for launching more new products on the market more rapidly.

Despite the increase in capital spending on research and development and large-scale projects, Jungheinrich lifted earnings above the record level recorded a year earlier. The company is on firm and solid footing. We also managed to improve the equity ratio once again. Excluding the Financial Services segment, it was 45 per cent—a very good figure compared to other German industrial enterprises.

Due to the market-induced decline in incoming orders for series trucks at the end of 2012, we got off to a more difficult start this year. In contrast, our system business continues to display encouraging growth.

The sovereign debt crisis will continue to be a matter of concern to us in 2013, although there are signs of sentiment brightening. We are confident that this will be reflected in the development of business over the course of the year. We believe we stand a good chance of closing 2013 with respectable figures.

Jungheinrich will be celebrating a small anniversary this year: Our company was founded by Dr. Friedrich Jungheinrich on August 7, 1953. We will pay all due tribute to this event under the motto '60 Years of Passion for Logistics' with our customers and employees in the second half of the year.

We would like to express our gratitude to our dedicated and motivated staff members for the work they did in the year that just came to a close and for their strong commitment. Our customers, suppliers, business partners and shareholders are deserving of thanks for the trust they have placed in us. Once again, the support provided by the Supervisory Board and our family owners, who stood by us with a positive attitude as we did our work, were paramount to Jungheinrich's success.

We would like to continue along the course we have embarked upon with you and bring Jungheinrich to the fore in 2013.

Hamburg, March 15, 2013

Hans-Georg Frey
Chairman of the Board of Management

Report of the Supervisory Board

In the year being reviewed, the economic environment in which Jungheinrich operates was marked by significant cyclical uncertainty as well as fears concerning the survival of the Eurozone and potential trends towards a global recession. Although the world material handling equipment market did not change substantially, the size of Jungheinrich's core markets in Europe shrank considerably. It is thus all the more remarkable how the Jungheinrich Group proved itself in this difficult market environment. Both the value of incoming orders and sales recorded a year earlier were exceeded. In addition, the company managed to push earnings (EBIT) to a new all-time high. The Supervisory Board is therefore of the opinion that Jungheinrich continued to display positive development in the year under review. The strategic capital expenditure projects for securing the company's future viability, which serve the purpose of expanding our spare parts logistics operations and production capacity and were closely monitored by the Supervisory Board, are on schedule and in line with the budget. Forward-looking research and development expenses were increased significantly.

The Board of Management and the Supervisory Board anticipate that the introduction of new responsibilities for regions and divisions on the Board of Management as of January 1, 2013 will provide major stimulus for the Group's sales and earnings trend.

Given that world economic growth is persistently weak and Europe has still not managed

to resolve its sovereign debt crisis, which in turn is presenting several European countries with a difficult situation, the Board of Management and the Supervisory Board do not expect the Group to increase sales significantly in 2013.

In the year being reviewed, consultation sessions on the Supervisory Board and between the Supervisory Board and the Board of Management focussed on the company's continued strategic orientation, its long-term opportunities for growth, and the Group's further development in terms of personnel and functions.

The Supervisory Board regularly and diligently fulfilled the task of monitoring the work of the Board of Management entrusted to it by the law, Articles of Association and the Bylaws during its plenary sessions, meetings of its committees and when it was out of session. The Supervisory Board thoroughly advised the Board of Management on matters concerning company management and constantly monitored the management of the company by the Board of Management. The yardsticks for this monitoring work were the legality, orderliness, suitability and profitability of management and Group leadership. A major basis for fulfilling the monitoring task were the oral and written reports by the Board of Management.

Once again, in the year being reviewed, the Supervisory Board was involved early on in all the decisions of importance to the company, which addressed topics pertaining to future strategic developments and all major individual operational measures. The information and reports



presented to the Supervisory Board by the Board of Management related to the strategic cornerstones, the development of business in the individual Group companies, the financial status, the personnel situation as well as to large-scale capital expenditures and projects material to the company's further development and financial situation. The Supervisory Board as well as the Finance and Audit Committee concerned themselves in detail with the opportunities and risks, i.e. risk management, the internal control system, business administration in line with statutory regulations and guidelines, and the company's compliance. The members of the Board of Management delivered complementary verbal reports at the meetings of the Supervisory Board and its committees on the basis of detailed supporting documents. They were supplemented by written reports by the Board of Management on a monthly, quarterly and annual basis, in accordance with the rules of information for the Board of Management. Besides information on the general business trend, the written and oral reports covered the prompt reactions to deviations in the development of business from the company's budget. The Chairman of the Supervisory Board and the Chairman of the Finance and Audit Committee debated numerous topics and prepared the decisions of the Supervisory Board and its committees with the Board of Management both at and in between meetings.

In the 2012 reporting period, the Supervisory Board discussed the strategic and commercial

development of the Group, its divisions, its subsidiaries and associated companies in Germany and abroad in all four of its ordinary sessions. Furthermore, the chairmen of the established committees always reported on the essential points of preceding committee meetings. In addition, the following issues were the subject of debate and decisions:

The focal point of the Supervisory Board's balance-sheet meeting on March 20, 2012 was the in-depth inspection and approval of Jungheinrich's parent company and consolidated financial statements for the period ended December 31, 2011 in the presence of the elected independent auditors. To this end, the Finance and Audit Committee held a detailed presentation on its thorough analysis of the independent auditors' audit reports. The draft reports of the independent auditors were sent to the members of the Finance and Audit Committee—and concurrently to all the other Supervisory Board members—affording every member of the Supervisory Board the possibility to attend the Finance and Audit Committee's meetings convened to prepare the passage of resolutions by the Supervisory Board in its plenary sessions. The independent auditors reported to the Supervisory Board on the findings of their audits in the meeting on the balance sheet. Furthermore, the report of the Supervisory Board to the Annual General Meeting, the corporate governance report by the Supervisory Board and the Board of Management and the corporate governance

declaration were discussed and approved. Once the consolidated financial statements had been adopted, it was possible to approve the parameters for the variable compensation of the members of the Board of Management for fiscal 2011 as well. Moreover, two draft resolutions in the field of new product developments were approved.

In the same session, Dr. Helmut Limberg was re-appointed to the Board of Management as the member responsible for sales for another three years as of February 1, 2013.

In the Supervisory Board meeting that was convened at the end of the Annual General Meeting on June 12, 2012, the Supervisory Board prepared its regular efficiency audit, resolved to re-activate the New Headquarters Construction Committee (Construction Committee) and passed some draft resolutions relating to various new build projects.

The re-activated Construction Committee reported on its first meeting in the session on September 18, 2012. In this Supervisory Board meeting, a considerable amount of time was dedicated to the 2015 Group strategy. The Board of Management presented the strategy in detail, after which it was the subject of an in-depth debate. Moreover, the May 15, 2012 version of the German Corporate Governance Code was discussed.

The last meeting in 2012, which took place on December 11, centred on the 2013 budget. Furthermore, without the Board of Management, matters pertaining to the remuneration of the Board of Management, the reorganization of responsibilities and the performance targets for the variable compensation of the Board of

Management for the 2013 financial year were deliberated upon and resolutions were passed thereon. With a view to making the company more powerful and focussing on the key issues of the future, in addition to the functional distribution of tasks within the overall scope of responsibility of the Board of Management, which has remained unchanged, a new cross-functional assignment of accountability was introduced, involving the distribution of responsibilities for individual regions and for three newly established business units within the Board of Management. The draft resolution of the Finance and Audit Committee on the declaration of compliance in accordance with Section 161 of the German Stock Corporation Act was approved.

The committees of the Supervisory Board were very active yet again. As in the previous year, there was no need for the Joint Committee to convene during the reporting period. Composed of three members, the Finance and Audit Committee convened five times in the year being reviewed. In these meetings, this committee performed all of the tasks entrusted to it in accordance with the law, Articles of Association and Bylaws both efficiently and again thoroughly, making a decisive contribution to preparing the decisions to be taken by the Supervisory Board in its plenary sessions.

Composed of five members, the Personnel Committee convened at four ordinary meetings in 2012.

The newly established Construction Committee, which comprises three members, held three sessions in the reporting year.

Committee chairmen submitted detailed reports on the discussions and the process of

developing recommendations and resolutions for all committee meetings in the subsequent Supervisory Board sessions.

The parent company's financial statements for the period ended December 31, 2012 prepared by the Board of Management as well as the management report of Jungheinrich AG and the accounts for the 2012 fiscal year were again audited by Hamburg-based Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft. The auditors did not express any reservations regarding the parent company financial statements and confirmed this in their unqualified auditor's certification.

The consolidated financial statements for the period ending on December 31, 2012 and the Group management report were also audited and issued an unqualified auditor's certification by Deloitte.

The Finance and Audit Committee analyzed the documents supporting the parent company financial statements and Deloitte's audit reports in depth and submitted a detailed report to the Supervisory Board thereon. The audit reports had been at the disposal of all the members of the Supervisory Board and were thoroughly reviewed by them, taking account of the report of the Finance and Audit Committee. The same applies to the Board of Management's proposal for the appropriation of the balance sheet profit for the 2012 financial year. The auditors who signed the parent company and consolidated financial statements attended the Supervisory Board's balance-sheet meeting on the relevant item on the agenda on March 15, 2013 and submitted their detailed and final report on the findings of their audit of the parent company and consoli-

dated financial statements at this meeting. In this context, the auditors found that the internal control system, the risk management system and the compliance system were not objectionable and that there were no observations concerning the declaration of compliance in accordance with Section 161 of the German Stock Corporation Act.

On the basis of the in-depth and final examination of the parent company's financial statements, the management report, the consolidated financial statements, and the Group management report by the Supervisory Board, the Supervisory Board did not raise any objections to these financial statements and approved the result of the audit conducted by the independent auditor. At its March 15, 2013 meeting, the Supervisory Board approved the parent company and consolidated financial statements for the period ending on December 31, 2012.

The parent company financial statements are thus adopted. The Supervisory Board endorsed the Board of Management's proposal for the appropriation of the balance sheet profit for the 2012 financial year.

Hamburg, March 15, 2013

On behalf of the Supervisory Board



Jürgen Peddinghaus
Chairman

Corporate governance report

Corporate governance at Jungheinrich

In accordance with Item 3.10 of the current version of the German Corporate Governance Code of May 15, 2012, the Supervisory Board and the Board of Management hereby report on corporate governance at Jungheinrich:

Transparent, good and responsible business management and control of a company, oriented towards increasing value over the long term, which is referred to as corporate governance, has been high on Jungheinrich's agenda for a long time. The Board of Management and the Supervisory Board of Jungheinrich AG regard the Code, which was last amended by the 'German Corporate Governance Code Government Commission' in May 2012, as an important guideline that provides a framework for the concrete implementation of sustainable, value-oriented business management. However, Jungheinrich AG's committees are also aware of the fact that the Code merely constitutes a recommended framework from which one can deviate in substantiated cases. Only once one concerns oneself with the Code in detail does one manage one's company in the good, self-confident and self-critical manner promoted by the Code as a guiding principle. It is against this backdrop that Jungheinrich has not accepted all the suggestions and recommendations of the Code, opting in certain instances to deviate

from it both deliberately and transparently. At the same time, the company pursues an open information policy and aims for a high degree of transparency of major decisions pertaining to the company and of its related decision-making process vis-à-vis investors and capital markets, business partners and the remaining relevant public. Jungheinrich's leadership mission statement also emphasizes the goals of the company's value-oriented alignment as a family enterprise.

The foundation of the activities of the Board of Management and the Supervisory Board is the clear distribution of tasks, authorities and responsibilities among the company's three corporate bodies: The four member-strong Board of Management runs the company's operations autonomously and assumes responsibility for this. Composed of six shareholder and six employee representatives, the Supervisory Board monitors the manner in which the Board of Management runs the business. However, besides fulfilling supervisory tasks, it considers itself a permanent advisor to the Board of Management, providing strategic and operational guidance for the Group's continued development. This results in thorough discussions both within and in between the meetings of the Supervisory Board and its committees on the Group's strategic orientation as well as on individual projects and capital expenditures. The

Annual General Meeting is the forum on which shareholders can exercise their rights, while serving as the Group's highest decision-making body. The auditors of the financial statements assist the Supervisory Board in overseeing the business management activities of the Board of Management and present important analyses that help manage the mounting complexity of decisions made by the company in connection with the financial statements. Compliance with statutory regulations and in-house policies remains a key issue for the Board of Management and the Supervisory Board. The Board of Management regularly reports to the Finance and Audit Committee on the compliance organization and its work, as commissioned by the Supervisory Board. Furthermore, Jungheinrich pursues an extremely open and transparent corporate communication policy. The company takes a conservative and cautious approach with respect to risks. This is why addressing this issue responsibly and from a long-term perspective within the Group is also an element of Jungheinrich's risk management system. Corporate governance at Jungheinrich satisfies all legal requirements.

Business management standards are constantly refined and updated.

In this context, reference is made to the report of the Supervisory Board in this annual report as well as to the corporate governance declaration, which has been published on the company's website (www.jungheinrich.com). Our Internet presence also contains the company's financial publications, information and documents relating

to the Annual General Meeting, the annual financial calendar with key dates, ad-hoc releases and other communications pursuant to the German Securities Trading Act primarily pertaining to reportable securities transactions (directors' dealings), press releases, the current version of the Articles of Association of Jungheinrich AG as well as further information on the composition of the Board of Management and the Supervisory Board.

In December of 2012, the Board of Management and the Supervisory Board of Jungheinrich AG held their most recent discussion of their annual statement of compliance with the recommendations and suggestions of the German Corporate Governance Code Government Commission pursuant to Section 161 of the German Stock Corporation Act and reached a decision on it. The Finance and Audit Committee is preparing the Supervisory Board's corresponding resolution. This declaration, which is identical for the Board of Management and the Supervisory Board, specifies the deviations from the Code's recommendations and has been published on the company's website as follows:

"The Board of Management and the Supervisory Board of Jungheinrich AG declare that Jungheinrich AG will comply with the recommendations of the German Corporate Governance Code Government Commission in the May 15, 2012 version of the Code and has done so in the past, on the basis of this declaration.

The deviations follow and are commented below:

1. The company's D&O insurance policy does not include a deductible for the members of the Supervisory Board (Item 3.8 of the Code).

The D&O insurance policy is a group insurance policy for the company's board members (Board of Management and Supervisory Board) as well as for a large number of the Group's employees in Germany and abroad. Differentiating between employees and board members in principle was deemed improper in the past. However, in view of the German law on the appropriateness of management board compensation, the company's insurance policy was supplemented by a deductible for the members of the Board of Management in line with the sum specified by the law and the Code. However, the legislator expressly renounced mandating the introduction of a corresponding deductible for Supervisory Board members. Only the Code includes a recommendation to this effect. Therefore, the Supervisory Board still does not see any reason to deviate from its current practice. The Supervisory Board's deliberations in this connection are based on the conviction that the prime objective is to recruit to the Supervisory Board suitable individuals whose experience is beneficial to the Supervisory Board's work in the company's interest. These goals would be counteracted if the recruited Supervisory Board members satisfying these requirements merely had limited insurance coverage for their activity.

2. The Supervisory Board pays attention to diversity with respect to the composition of the Board of Management. However, appropriate female representation does not take centre stage in the Supervisory Board's deliberations (Item 5.1.2 of the Code).

Naturally, female candidates are given consideration equal to male candidates by the Supervisory Board when staffing positions on the Board of Management. However, the individual's professional and personal suitability with respect to the position on the Board of Management in question are the focal point. The Supervisory Board does not believe that a female quota irrespective of each candidate's suitability would lead to the desired results or comply with the asset management duties which the Supervisory Board, among others, is obliged to fulfil.

3. The compensation of the members of the Board of Management and Supervisory Board is not published in itemized or individualized form (Items 4.2.4 and 5.4.6 of the Code).

The company is still not implementing the Code's recommendation to present the emoluments of the members of the Board of Management or Supervisory Board in itemized or individualized form in the notes or the management report. These corporate bodies are boards, which makes disclosure by board member irrelevant in principle. Furthermore, the company believes that the benefits of such disclosure for the public and investors are not

significant enough to disregard the associated disadvantages—also as regards each of the board members’ right to privacy. After all, per its resolution dated June 15, 2011, the Annual General Meeting again waived the obligation of the members of the Board of Management to provide individualized disclosure over a period of five years.

4. A nomination committee for proposing suitable Supervisory Board candidates to the Annual General Meeting has not been established (Item 5.3.3 of the Code).

In light of the nature of a family-owned company, the Supervisory Board believes that such a committee is dispensable. Two Supervisory Board members are seconded by the registered shareholders. The candidates for the four remaining shareholder representatives, which are proposed to the Annual General Meeting, are chosen in close coordination with the holders of ordinary shares

5. The Supervisory Board has not yet stated any specific goals with respect to its composition (Item 5.4.1 of the Code).

Over the course of 2012, the Supervisory Board debated whether the Code’s recommendation can be followed appropriately given the company’s background. This debate resulted in the resolution to consider this issue and possibly a determination of specific goals again in good time before the next Supervisory Board elections in 2016.

6. The company renounces the determination of an age limit for Supervisory Board members (Item 5.4.1 of the Code).

An age limit can lead to rigid rules, which may counteract the company’s goal of recruiting extremely experienced individuals to work on the Supervisory Board. Therefore, increased flexibility when making decisions on a case-by-case basis has been given preference over a rigid limit.

7. The Supervisory Board’s composition may not meet the criteria set forth in Item 5.4.2 of the Code regarding the number of independent Supervisory Board members.

The Supervisory Board of Jungheinrich AG consists of a total of twelve members, six of whom are elected by the employees. Two shareholder representatives are seconded to the Supervisory Board by the ordinary shareholders who own registered shares. The four remaining shareholder representatives are elected by the Annual General Meeting. The candidates for these four remaining shareholder representatives, which are proposed to the Annual General Meeting, are already being chosen in close coordination with the holders of ordinary shares. In turn, only the ordinary shareholders are entitled to cast votes at the Annual General Meeting. The system for staffing the shareholder representative positions reflects the fact that the nature of the company is that of a family-owned business.

Hamburg, December 2012.”

All of Jungheinrich AG's shareholders can exercise their rights at the company's Ordinary General Meeting, which takes place once a year. Only holders of ordinary shares exercise their voting rights there, for which they may avail themselves of a personal proxy, or a proxy appointed by the company if necessary. For preferred shareholders, the Annual General Meeting serves as a platform for discussing the business trend with other shareholders, the Board of Management and the Supervisory Board. In addition, the Board of Management and the Supervisory Board are available to answer questions.

All shareholders, investors, analysts and the public receive important information pertaining to the company promptly and in the same manner. To this end, the company makes increasing use of the possibilities offered by modern forms of communication—in particular the Internet, i.e. the company's homepage.

The auditor of the financial statements was expressly instructed to immediately inform the Chairman of the Supervisory Board of any grounds substantiating preclusion or prejudice becoming apparent during its audit. No such

notification was necessary in the year being reviewed. Moreover, the auditor of the financial statements is obliged to instantaneously report on all findings and events material to the Supervisory Board fulfilling its tasks which come to the auditor's attention when performing the audits. This information requirement also applies to all deviations of company practice from the principles adopted by the Board of Management and Supervisory Board within the scope of the statement issued concerning the German Corporate Governance Code discovered when auditing the financial statements.

Compensation report

As regards the remuneration system for the Board of Management and the Supervisory Board, reference is made to the presentation in the Group management report.

Hamburg, March 15, 2013

Supervisory Board

Board of Management

The Supervisory Board

Jürgen Peddinghaus

Chairman
Management Consultant

Further offices held

Supervisory Board:
Zwilling J. A. Henckels AG, Solingen
Drägerwerk AG & Co. KGaA, Lübeck

Detlev Böger

Deputy Chairman
IG Metall Labour Union Secretary,
Hamburg Region

Dipl.-Ing. Antoinette P. Aris, MBA

Honorary Professor of Strategy at INSEAD
(Fontainebleau/France)

Further offices held

Supervisory Board:
Hansa-Heemann AG, Rellingen
(Deputy Chairwoman)
Kabel Deutschland Holding AG, Unterföhring
Tomorrow Focus AG, Munich

Similar control body:

Sanoma Group, Helsinki/Finland
ASR Nederland N.V., Utrecht/the Netherlands
V-Ventures B.V., Hilversum/the Netherlands
(Deputy Chairwoman) (until July 1, 2012)

Birgit von Garrel

2nd Authorized Representative,
IG Metall, Landshut

Markus Haase

Chairman of the Group Works Council

Rolf Uwe Haschke

Member of the General Works Council of
Jungheinrich AG

Joachim Kiel

Executive Employee of Jungheinrich AG

Wolff Lange

Managing Director of LJH-Holding GmbH,
Wohltorf

Further offices held

Supervisory Board:
Hansa-Heemann AG, Rellingen (Chairman)
Wintersteiger AG, Ried/Austria (Chairman)
BKN biostrom AG, Vechta

Similar control body:

WAGO Kontakttechnik GmbH & Co. KG, Minden

Hubertus Freiherr von der Recke

Barrister, Certified Public Accountant
and Tax Consultant

Further offices held

Supervisory Board:
Hardenberg-Wilthen AG, Göttingen
(Deputy Chairman) (until April 24, 2012)

Similar control body:
„Der Lachs“ Branntwein- und Liqueur-Fabrik
GmbH & Co. KG, Nörten-Hardenberg

Dr. Peter Schäfer

Business Manager

Steffen Schwarz

Deputy Chairman of the Group Works Council

Franz Günter Wolf

Managing Director of WJH-Holding GmbH,
Wohltorf

Further offices held

Similar control body:
LACKFA Isolierstoff GmbH & Co., Rellingen
(Chairman)

The Board of Management

Besides having individual control functions in Group companies and associated companies, the members of the Board of Management of Jungheinrich Aktiengesellschaft are also members of the following supervisory boards and comparable German and foreign control bodies that are required to be formed by law:



The Board of Management of Jungheinrich AG (from left): Dr. Helmut Limberg, Hans-Georg Frey, Dr. Volker Hues, Dr. Klaus-Dieter Rosenbach.

Hans-Georg Frey

Chairman of the Board of Management

Further offices held

Supervisory Board:
Fielmann AG, Hamburg

Dr. Volker Hues

Member of the Board of Management

Group-level office

Supervisory Board:
Jungheinrich Moosburg GmbH,
Moosburg (Deputy Chairman)

Dr. Helmut Limberg

Member of the Board of Management

Dr. Klaus-Dieter Rosenbach

Member of the Board of Management

Group-level office

Supervisory Board:
Jungheinrich Moosburg GmbH,
Moosburg (Chairman)



The Jungheinrich share

- >>> 2012 stock trading year successful: Jungheinrich share in third place in the SDAX
- >>> Share outperforms German stock indices
- >>> Dividend hits record high

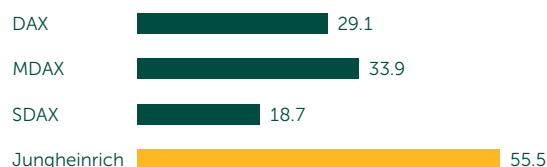


"Thanks to our holistic logistics solutions and our outstanding quality of service, we have good opportunities for growth in China."

Alexander Özbahadır, Managing Director
at Jungheinrich Lift Truck (Shanghai) Co., Ltd.

Performance 2012

in %



The Jungheinrich share enjoyed a very successful stock trading year in 2012. The impact of the sovereign debt crisis in the Eurozone and the related uncertainty with respect to the economic trend—especially in Europe—initially determined developments on international financial markets. Over the course of the year, the negative effects gave way to rising confidence of the crisis having passed its peak. During the upturn on the stock markets, the Jungheinrich share gained 56 per cent in price, predominantly driven by the Group's positive business performance. Our shareholders will partake of the company's success by receiving an increased dividend. The dividend payment will achieve its highest level since the company went public in 1990.

German share indices post marked gain in 2012

In the 2012 stock trading year, both domestic and international capital markets mainly directed their attention to Europe's sovereign debt crisis, which still remains to be resolved. Indications of a deterioration in the development of the real economy in Europe and the USA initially became stronger at the beginning of the year. This had a negative impact on sentiment on global financial and capital markets. In the second half of 2012, the situation on the stock markets eased progressively. The decisions made at the EU Summit at the end of June 2012, in particular to grant Italy and Spain easier access to funds from the ESM (European Stability Mechanism) permanent bail-out fund, were honoured by the capital mar-

ket. Weaker economic indicators for the world's largest economies did not have an adverse effect. In the autumn, Europe's stock markets reacted positively to the ruling handed down by the German Constitutional Court ratifying the ESM with conditions. This reduced uncertainty among market participants of a collapse of the currency union in the near future.

Against this backdrop, the DAX—Germany's leading share index—advanced by 29.1 per cent over the course of the year to 7,612 points (prior year: 5,898 points). The MDAX posted an even stronger gain, climbing by 33.9 per cent, from 8,898 points to 11,914 points. In the period under review, the SDAX, in which the Jungheinrich share is quoted, advanced by 18.7 per cent to 5,249 points (prior year: 4,421 points).

Jungheinrich share among the top three performers in the SDAX

Posting a gain of 55.5 per cent, Jungheinrich's share price clearly outperformed the DAX and SDAX in the 2012 stock trading year, placing it third among the 50 issues listed in the SDAX.

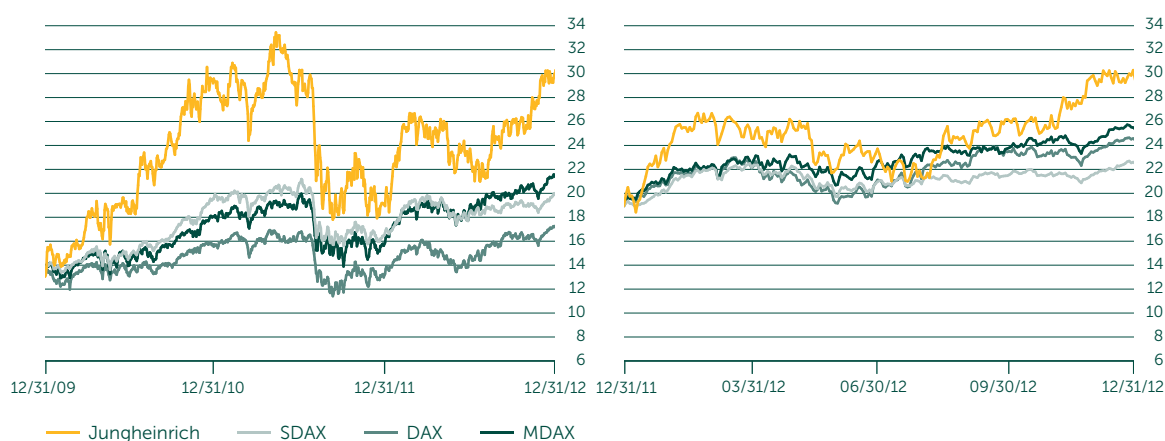
Having recorded a low of €18.42 for the year on January 9, 2012, the share price embarked on an upward trend, rising by some 30 per cent in the first quarter of 2012. This was followed by a decline in share price against the backdrop of a stock market environment marked by uncertainty, which also dragged down the major German share indices. By the end of the first six months, however, the Jungheinrich

share had still appreciated by a good 21 per cent.

The upturn in share price continued in the second half of 2012. In the interim report on the key financials for the first six months of 2012 published on August 9, 2012, Jungheinrich raised its growth forecasts for both incoming orders and sales. The growth prognosis was improved slightly on top of this when the nine-month figures were published on November 8, 2012. Against this backdrop and taking account of the positive business trend, the share hit its high for the year of €30.29 on December 27, 2012. On the year's last stock-trading day, the Jungheinrich share was listed at €29.46.

Share price development over time

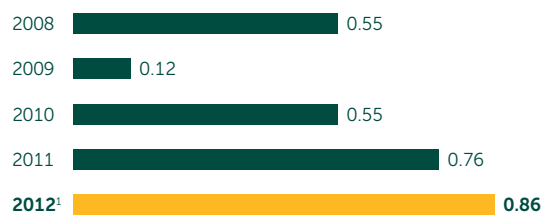
in €¹



¹ All figures are indexed to Jungheinrich's share price.

Dividend

per preferred share in €



1 Proposal.

Based on 34.0 million shares, the company's market capitalization increased from €644 million to €1,002 million, driven by the development of the share price.

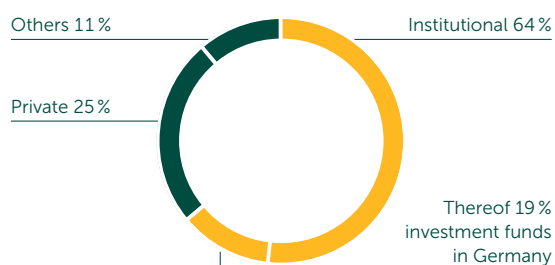
In terms of market capitalization, Jungheinrich's preferred share improved its position from 60th in 2011 to 53rd in 2012 in the ranking of listed companies of Deutsche Börse AG, which encompasses a total of 100 companies included in the MDAX and SDAX. As regards stock market turnover, it remained ranked 60th.

With a turnover for the year of 9.8 million on Xetra and in Frankfurt, the Jungheinrich share fell short of the 13.8 million in trading volume achieved in 2011. On average, the share achieved a turnover of 38,429 per trading day as opposed to 53,002 in the preceding year. The highest monthly volume of trading was recorded in February, amounting to €31.1 million (prior year: August, €52.0 million) or 58,151 shares per trading day (prior year: 102,913 shares).

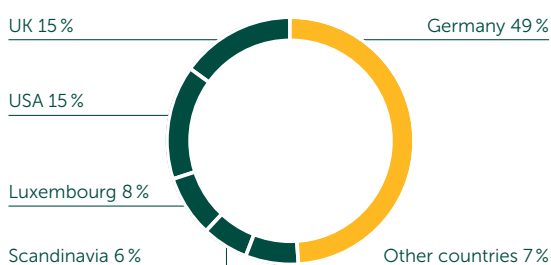
Board of Management and Supervisory Board propose increased dividend

We would like our shareholders to benefit appropriately from the good performance delivered in the 2012 financial year. Therefore, the Board of Management and the Supervisory Board of Jungheinrich AG will propose to the Annual General Meeting on June 11, 2013 that the dividend be increased from €0.76 to €0.86 per no-par-value preferred share and from €0.70 to €0.80 per no-par-value ordinary share. Subject to the approval of the Annual General Meeting, this would result in a dividend payment of €28.2 million. This would be the highest dividend distribution since the company's IPO in 1990. The payout ratio, which reflects the relation of the dividend payment to net income, would rise from 23.5 per cent for 2011 to 25.5 per cent for 2012. Relative to the closing quotation on December 28, 2012, this would result in a dividend yield of 2.9 per cent for the preferred share (prior year: 4.0 per cent).

Investors



Shareholder structure by country



Long-term investment in Jungheinrich shares pays off

The Jungheinrich share proved to be a robust capital investment for long-term investors in the 2012 stock trading year once again. The following table shows how a sample Jungheinrich custodian account would have developed over a period of five or ten years. Based on an initial investment of €10,000 it was assumed that the annual dividends received were reinvested in additional preferred shares. Jungheinrich shares delivered a performance clearly besting that of the reference indices—namely the DAX and the SDAX—over both the five and ten-year periods. The main reason for this accomplishment is the considerable improvement in the development of Jungheinrich's share price in the 2012 stock trading year.

Shareholder base

The 18.0 million ordinary shares in Jungheinrich AG are held by the families of the two daughters of the company's founder, Dr. Friedrich Jungheinrich, at a ratio of 50:50. The total of 16.0 million non-voting preferred shares are widely held.

As in the preceding years, Jungheinrich conducted a shareholder structure survey with respect to its preferred shares in November 2012. The turnout represented 87 per cent (prior year: 90 per cent) of Jungheinrich's preferred share capital. The number of Jungheinrich shareholders dropped by nearly 10 per cent, reflected in 9,300 custodian accounts (prior year: 10,300 custodian accounts). This can be largely traced back to a decline in the number of German custodian accounts. The geographical distribution of the Jungheinrich preferred shares recorded was essentially unchanged. Germany accounted for 49 per cent (prior year: 48 per cent), while 51 per cent were held in

Long-term performance of the Jungheinrich share

Investment period	10 years	5 years
Date of investment	01/01/2003	01/01/2008
Portfolio value at the end of 2012	€41,627	€12,609
Average annual return	15.3 %	4.8 %
Comparable return of German share indices		
DAX	9.4 %	-0.9 %
MDAX	14.7 %	4.2 %
SDAX	11.7 %	-0.1 %

Please note: €10,000 invested in each case.

foreign countries (prior year: 52 per cent). Institutional share ownership in Germany and abroad accounted for a combined 64 per cent (prior year: 60 per cent), whereas the proportion held by private investors declined marginally, dropping from 26 per cent in the preceding year to 25 per cent in 2012. Companies, asset management firms and other investors accounted for 11 per cent (prior year: 14 per cent). Foreign shareholders were distributed among 44 countries (prior year: 45 countries).

Most analysts issue buy recommendation

By the end of the year being reviewed, the Jungheinrich share had been tracked and evaluated by a total of 19 financial institutions. Analyst coverage thus remains strong. In light of the positive business performance, by the end of the reporting period, 15 analysts had recommended that the share be bought, while four ranked it a "hold."

Based on the underlying evaluations, the average target share price was €33. The lowest projected target was €28, and the highest was €39.

Investor relations work in 2012

Jungheinrich continued to communicate with the capital market extensively in the period under review. The Board of Management and the Investor Relations Department were in personal dialogue with numerous capital market participants to give them comprehensive updates on the company's business model, business trend, prospects and strategic positioning.

As before, one-on-ones and conference calls with investors and analysts took centre stage. Jungheinrich provided detailed information on the Group's current and future business trend in conference calls on each of its interim reports. In addition, the Board of Management held presentations on road shows and capital market conferences at a total of 20 financial centres in the company's target regions, i.e. Germany, Western Europe and North America.

Interested investors can find a variety of information they can use to make an assessment of the company's share on Jungheinrich AG's website (www.jungheinrich.com) including the annual and interim reports. The upcoming dates on the 2013 financial calendar have also been posted to this space.

Analyst coverage in 2012

Baader Bank	Commerzbank	Hamburger Sparkasse	MM Warburg
Bankhaus Lampe	Deutsche Bank	Hauck & Aufhäuser	Montega
Berenberg Bank	Dr. Kalliwoda Research	HSBC Trinkaus & Burkhardt	Nord LB
BHF-Bank	DZ Bank	Kepler Capital Markets	Steubing
CAI Cheuvreux	Goldman Sachs	Landesbank Baden-Württemberg	

Capital market-oriented key data

			2012	2011
Dividend per share	Ordinary share	€	0.80 ¹	0.70
	Preferred share	€	0.86 ¹	0.76
Dividend yield	Preferred share	%	2.9	4.0
Distribution volume		thousand €	28,160	24,760
Payout ratio		%	25.5	23.5
Earnings per share	Ordinary share	€	3.21	3.07
	Preferred share	€	3.27	3.13
EBIT ² per share		€	4.42	4.29
EBITDA ³ per share		€	9.55	8.75
Shareholders' equity per share		€	23.73	21.11
Share price ⁴	High	€	30.29	33.44
	Low	€	18.42	17.80
	End-of-year	€	29.46	18.94
Performance over the year		%	55.5	-36.0
Market capitalization		million €	1,001.6	644.0
Stock exchange trading volume ⁵		million €	241.2	337.9
Average daily turnover		thousand shares	38.4	53.0
P/E ratio ⁶ (basis: high)		factor	9.3	10.7
P/E ratio ⁶ (basis: low)		factor	5.6	5.7
P/E ratio ⁶ (basis: closing quotation)		factor	9.0	6.1
Number of shares	Ordinary share	million shares	18.0	18.0
	Preferred share	million shares	16.0	16.0
	Total	million shares	34.0	34.0
Securities identification numbers	ISIN: DE0006219934 // WKN: 621993			
Ticker abbreviation on Reuters/Bloomberg	JUNG_p.de / JUN3 GR			
Stock exchanges	Hamburg and Frankfurt stock exchanges and all other German stock exchanges			
Designated sponsor	Commerzbank AG			
Going public	August 30, 1990			

1 Proposal.

2 Earnings before interest and taxes.

3 Earnings before interest, taxes, depreciation.

4 Xetra closing prices.

5 Xetra and Frankfurt.

6 Based on earnings per preferred share.

The image shows the exterior of a large, modern industrial building with a light-colored, horizontally-ribbed facade. The Jungheinrich logo, consisting of a red upward-pointing arrow followed by the word "JUNGHEINRICH" in blue capital letters, is mounted on the upper left side of the building. The building features several tall, narrow vertical windows and multiple dark-framed loading dock doors at ground level. A metal railing runs along the base of the building. The ground in the foreground is covered with a layer of snow. The sky is clear and blue.

JUNGHEINRICH

Group management report

>>> World material handling equipment market essentially stable >>> Target forecasts exceeded >>> EBIT reaches new record high >>> All business fields contributed to the growth >>> Rapid progress in implementing large-scale strategic projects >>> Research and development work stepped up considerably >>> Dividend increased



"The commissioning of our state-of-the-art spare parts centre in Kaltenkirchen in 2013 is a milestone in spare parts logistics."

Kai Führling, Head of Spare Parts Logistics
for the Jungheinrich Group

Jungheinrich proved itself well in an environment characterized by economic uncertainty. Incoming orders and net sales surpassed the previous year's figures. The Jungheinrich Group posted €150 million in EBIT—a new all-time high. The global material handling equipment market displayed nearly stable lateral movement. However, the size of Jungheinrich's core markets in Europe shrank by 6 per cent. The company succeeded in consolidating its share of the European market despite this difficult market environment. Research and development activities were intensified significantly in 2012. Strategic capital expenditure projects designed to expand spare parts logistics and manufacturing capacity made substantial inroads.

Business activity and organization

Corporate profile

An intralogistics specialist, Jungheinrich ranks among the world's leading companies in the material handling equipment, warehousing and material flow engineering sectors. As in the previous year, the company ranked second in Europe and third worldwide among producers of material handling equipment. Jungheinrich is an intralogistics service and solution provider with manufacturing operations, which offers its customers a comprehensive range of forklift trucks, shelving systems, services and advice. The services primarily encompass the short-term hire and sales financing of products, equipment maintenance and repair as well as reconditioning and selling used equipment.

Jungheinrich operates an efficient, global direct sales and service network with its own sales centres and branch offices in Germany

and proprietary sales and service companies in the rest of Europe and the world. In addition, Jungheinrich products are also distributed via local dealers—particularly overseas. Its operations are rounded off by a catalogue-based mail-order business, which is run as an online store.

Factories and product range

Jungheinrich manufactures nearly all engine-powered material handling trucks in four proprietary plants in Germany. The production of warehousing equipment is handled by the plants in Norderstedt (Schleswig-Holstein) and Landsberg near Halle (Saxony-Anhalt) while counter-balanced and narrow-aisle trucks are manufactured in Moosburg (Bavaria). Jungheinrich produces small-series and specialized trucks at its Lüneburg (Lower Saxony) site. A selection of low and high-platform forklifts as well as

battery-powered counterbalanced trucks is manufactured for the Asian market in Qingpu (China) where the production of reach trucks was added in 2012.

Another warehousing and system truck plant in Degernpoint (Bavaria) in the immediate vicinity of the main factory in Moosburg is currently under construction. On completion, the corresponding products, which have been manufactured by the Moosburg plant thus far, will be produced at the new factory location. In Qingpu (China) a plant is being built as well. On completion, production will be transferred from the factory location that has been leased so far to the new plant.

Moreover, used equipment is industrially reconditioned for the European market in a dedicated facility near Dresden.

Group structure

Jungheinrich AG is active as a management holding company and conducts operations on a small scale. Its activity as management holding company comprises holding and managing stakes in subsidiaries in Germany and abroad as well as combining them under uniform management. Furthermore, Jungheinrich AG operates in the fields of central spare parts supply, central research and development and property management. As the Jungheinrich Group's management company, Jungheinrich AG is responsible for the Group's strategic orientation as well as determining and monitoring corporate goals. In addition, the parent company handles management, steering and controlling processes as well as risk management and resource allocation. Whereas subsidiaries are under Jungheinrich AG's

control, the Group's business areas companies' legal autonomy is preserved. Operations are run by the individual management teams with the support of corporate headquarters. The economic ratios and reports submitted regularly to the entire Board of Management are oriented to inter-divisional business-management control variables.

The Board of Management of Jungheinrich AG acts and makes decisions with overall responsibility for all of the Group's business areas. Jungheinrich's business model is designed to serve customers from a single source over a product's entire life cycle. In pursuing this goal, Jungheinrich defines itself as a single-product material handling equipment and warehousing technology company.

The 'Intralogistics' and 'Financial Services' segments

Segment reporting is in line with the internal organizational and reporting structure. Therefore, business activities are presented in the two reportable segments, i.e. 'Intralogistics' and 'Financial Services.' The 'Intralogistics' segment encompasses the following business areas:

- New truck business: development, production and sale of new trucks including logistics systems as well as the mail-order business;
- Short-term hire: rental of new and used material handling equipment;
- Used equipment: reconditioning and sale of used equipment and
- After-sales services: the maintenance, repair and spare parts businesses.

Activities undertaken by the 'Financial Services' segment encompass the pan-European usage transfer and sales financing of material handling equipment and warehousing technology products. Financial Services supports the operating sales units in accordance with Jungheinrich's business model. The 'Financial Services' segment finances itself autonomously.

Strategic objectives

Part of the company's strategic focus is on achieving profitable growth throughout the Group and on permanently ranking among the world's three leading intralogistics service and solution providers with manufacturing operations. Earnings expectations are primarily oriented towards the EBIT return on sales, which is intended to be above the competition's average. Jungheinrich already commands a leading position on the European market—predominantly in the warehouse technology product segment. To supplement the above, the company aims to

strengthen its strategic position in the logistics systems business in Europe and to significantly improve its position on the European market for counterbalanced trucks—above all those with IC engine-powered drives. On the Asian growth market, the Group is expanding its sales network and production site, concentrating on China. In North America, Jungheinrich relies on its strong sales partner Mitsubishi Caterpillar Forklift Inc. (MCFA) which has a large dealership footprint.

Corporate management

Jungheinrich manages its Group of companies on the basis of selected key figures. The key performance indicators (KPIs) are unit-based incoming orders, net sales, the EBIT return on sales (ROS) as well as market shares. The Board of Management monitors these KPIs using a monthly reporting system.

The Group manages the economic usage of its capital via the return on interest-bearing capital tied down (return on capital employed).

General economic situation

The world economy lost momentum in 2012. This was primarily due to Europe's sovereign debt crisis. The ensuing uncertainty had an adverse effect on the business cycle. The development of the global economy continued to be marked by major regional differences. Whereas the rate of expansion in China and other emerging countries slowed considerably in some cases, the USA displayed fairly robust growth. On the strength of the positive stimuli injected by reconstruction

work in Japan following the natural catastrophe in 2011, the country also contributed to stabilizing the world economy.

The announcement by the European Central Bank in September 2012 that it would intervene and buy unlimited numbers of government bonds from crisis-ridden countries if certain conditions were met generally calmed sentiment and initially reduced the risk of a break-up of the currency union.

In the last quarter of 2012, the euro crisis intensified once again, as it continued to face unresolved problems, especially in Greece and Spain. In the USA, the fiscal cliff dominated public debates until the end of 2012: Democrats and Republicans were under pressure to reach consensus on a budget for 2013 or face spending cuts and massive tax hikes, which would have plunged the US economy into a recession.

The pace of economic development in Germany also decreased over the course of 2012. In October of 2012, the ifo Business Climate Index, which is considered an early indicator of economic development in Germany, fell to its lowest level since February 2010. It started to marginally trend back upwards thereafter. Domestic investing activity dropped, while exports made a decisive contribution to growth in a difficult environment.

Growth rates of selected economic regions

Gross domestic product in %

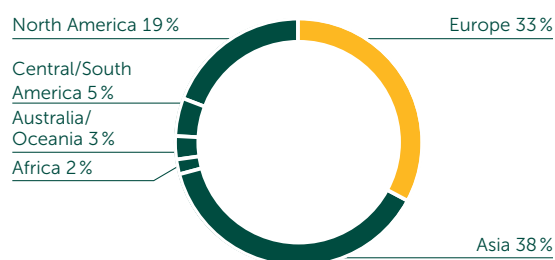
Region	2012	2011
World	3.0	3.8
USA	2.2	1.8
China	7.8	9.3
Eurozone	-0.5	1.5
Germany	0.7	3.0

Source: Commerzbank (as of February 2013).

The world's gross domestic product climbed by 3.0 per cent in 2012 (prior year: 3.8 per cent) losing momentum. Stronger economic growth was posted above all in Asia, where China and India posted substantial gains. Nevertheless, growth in these countries slowed somewhat as well. China posted a rate of increase of 7.8 per cent (prior year: 9.3 per cent) and India's economy expanded by 5.7 per cent (prior year: 6.5 per cent). Economies in Eurozone countries contracted by 0.5 per cent (prior year: up 1.5 per cent). In Jungheinrich's main sales countries besides Germany, namely France, Italy and the United Kingdom, gross domestic product either matched or fell short of its year-earlier

level. France's economy stagnated (prior year: up 1.7 per cent) with economic output in Italy and the United Kingdom declining by 2.2 per cent and 0.1 per cent, respectively (prior year: up 0.5 per cent and 0.9 per cent). Growth stimuli came above all from Eastern Europe, namely Poland and Russia. In Poland, gross domestic product advanced by 2.0 per cent (prior year: 4.3 per cent) and Russia's economy expanded by 3.4 per cent (prior year: 4.3 per cent). The rate of increase in the USA rose to 2.2 per cent (prior year: 1.8 per cent). Growing by a mere 0.7 per cent in the period under review (prior year: 3.0 per cent) Germany's economy fell far short of the previous year. Order intake by

Global market for material handling equipment by region in 2012



Source: WITS (World Industrial Truck Statistics).

the German mechanical engineering sector decreased by 8 per cent in 2012, whereas it had advanced by 13 per cent in the preceding

year. Foreign demand was flat compared to the year before.

Development of the market for material handling equipment

Following the dynamic growth observed in 2011, the world material handling equipment market displayed virtually stable lateral movement in the

year being reviewed. In particular, Europe and North America developed in opposite directions.

Market volume of material handling equipment in thousand units

Region	2012	2011
World	944.4	974.6
Europe	310.5	330.6
thereof Eastern Europe	53.5	54.2
Asia	362.9	380.0
thereof China	216.7	238.3
North America	181.2	169.6
Other regions	89.8	94.4

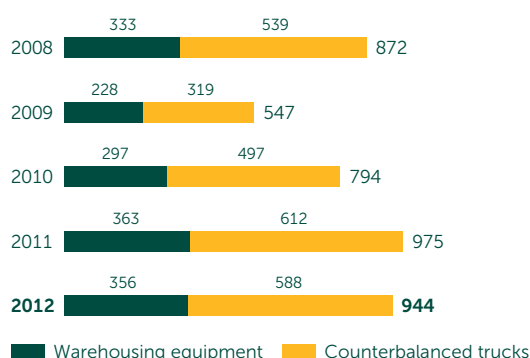
Source: WITS (World Industrial Truck Statistics).

Development by region

In sum, the global market volume slipped by a mere 3 per cent, from 974.6 thousand units in 2011 to 944.4 thousand pieces of material handling equipment in the period under review. Europe, Jungheinrich's main sales market, recorded a significant decline, shrinking by 6 per cent to 310.5 thousand forklifts (prior year: 330.6 thousand units). Whereas demand in Western Europe dropped by 7 per cent, the size of the Eastern European market contracted by a mere 1 per cent. The North American market

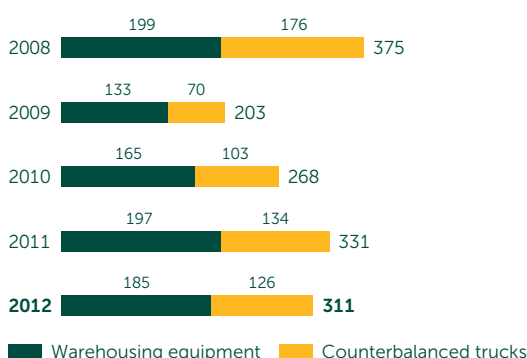
experienced a marked increase, expanding by 7 per cent to 181.2 thousand trucks (prior year: 169.6 thousand units). Market volume in Asia declined by 5 per cent to 362.9 thousand forklifts (prior year: 380.0 thousand units). China contributed to this, recording a substantial drop of 9 per cent to 216.7 thousand pieces of equipment (prior year: 238.3 thousand units) which could not be compensated for by the strong, 6 per cent growth posted by Japan.

Worldwide market volume of material handling equipment
in thousand units



Source: WITS (World Industrial Truck Statistics).

Market volume of material handling equipment in Europe
in thousand units



Source: WITS (World Industrial Truck Statistics).

Development by product segment

The product segments displayed greatly disparate development. The size of the world market for warehousing equipment decreased slightly, slipping by 2 per cent, to which Europe contributed a decline of 6 per cent. In the counterbalanced truck segment, IC engine-powered forklifts

were less in demand worldwide, causing market volume to contract by 5 per cent. Forklifts with battery-powered drives experienced a 1 per cent shrinkage of their global market—evidence of its near-stability. In both truck categories, Europe's market volume experienced drops of more than 6 per cent.

Focal points and activities

Fiscal 2012 was dominated by 'Investing in the Future.' Accordingly, centre stage was taken by large-scale strategic projects for enhancing capacity, the intensification of research and development activities, IT projects, and the strengthening of sales.

Strategic capital expenditure projects

Our forward-looking investments are dedicated to large-scale projects for the expansion of our spare parts logistics and manufacturing capacity as well as the construction of several sales sites. Total associated capital expenditures in the year under review and fiscal 2013 amount to some €100 million.

Based on a new logistics concept, construction of a new spare parts centre in Kaltenkirchen, which is situated north of Hamburg, commenced in the autumn of 2011. This capex project, which has an investment volume of over €35 million, particularly aims to do justice to the extension of the Group's international growth, the increase of its product range spurred by the enlarged truck portfolio, as well as the mounting demands placed on the sales organization and the dealer-

ship business. The first test run is scheduled for the second quarter of this year. It is expected to become fully operational in the third quarter of 2013.

The cornerstone for the new warehousing and system equipment plant at the Degernpoint (Bavaria) site, which has an investment volume of approximately €40 million, was laid in July of 2012. Construction of the shell was completed by year-end. Interior work has already been started. Plans envisage the factory opening in the fourth quarter of the year underway.

Work on laying the foundations for the plant in Qingpu (China) which is expected to require about €18 million in capital expenditures, was finished in the year being reviewed. The remaining construction work is on schedule. Its inauguration is to take place in the third quarter of 2013. In the future, the factory is to produce equipment developed specifically for the Asian market as well.

Furthermore, new buildings have been planned for three sales locations: two in Germany and one in Slovenia. Applications for building permits for the two German sales centres were filed in the

year under review, and the related construction contracts have already been awarded. These building projects should be concluded in the fourth quarter of 2013, with completion in Slovenia scheduled for 2014.

Research and development

Seeking to strengthen its technological innovative prowess, the company stepped up its research and development activities significantly in the period being reviewed. The points of focus included the energy efficiency of drive systems, the automation of material handling equipment, and the refinement of counterbalanced trucks powered by IC engines.

IT projects

Activities in the field of information technology mainly concentrated on the convergence of the diverse SAP production systems at our German manufacturing sites, in Houston, and in Qingpu to form a single platform.

We engineered the ISM Online fleet management system, an Internet and system platform enabling the commercial and technical data of customer forklift fleets stemming from Jungheinrich SAP systems to be processed and made available to end-customers.

Moreover, the Group's Web presence was expanded by adding a wealth of new content, in order for it to be used as a sales channel, among other things. It features a new corporate design and user-friendly navigation, providing all stakeholders with a comprehensive offering.

Furthermore, all PC workstations the world over were upgraded to Windows 7 and Office

2010. The simultaneous commissioning of the SharePoint system platform markedly simplified daily operations and project work while creating new ways of collaborating across locations.

Strengthening the sales structure

The expansion of our sales operations resulted in a significant increase in headcount at our domestic and foreign subsidiaries in the year under review. A good 80 per cent of the 550 employee increase in groupwide manpower was attributable to sales. Among other things, a dedicated sales company was established in India as of July 1, 2012.

Short-term hire fleet

In 2012, Jungheinrich had a short-term hire fleet of approximately 31 thousand trucks (prior year: 27 thousand units). The short-term hire network was enlarged above all in growth markets, namely Russia and China. Trucks for short-term hire can generally be hired for a maximum period of 24 months.

Strengthening logistics systems expertise

The full acquisition of ISA – Innovative Systemlösungen für die Automation GmbH, based in Graz (Austria) with effect from January 1, 2013 bolstered the Jungheinrich Group's competence as a supplier of logistics systems even further. Jungheinrich had held a 25 per cent stake in ISA since 2009. Among ISA GmbH's offerings are software for integrated, holistic material flow and warehouse logistics solutions as well as associated services such as project planning, implementation, training and service.

Business trend

General information on the development of business in 2012

Jungheinrich proved itself well in an environment characterized by economic uncertainty. In Europe, demand for material handling equipment decreased by 6 per cent. Among other things, this reflected the 7 per cent drop in the company's unit-based incoming orders. More than 90 per cent of consolidated net sales was generated in Europe, where the company consolidated its number two position on the market among manufacturers of material handling equipment.

Despite the shrinking market, both incoming orders and net sales surpassed the corresponding year-earlier figures. The net sales trend benefited from the strong growth displayed by business with logistics systems and the rise in demand for trucks for short-term hire. At €150 million, earnings before interest and taxes eclipsed the record achieved in the preceding year, although research and development costs were just over €7 million higher. The return on

sales was 6.7 per cent (prior year: 6.9 per cent). A development this positive had not been expected at the beginning of the 2012 financial year. Therefore, the forecasts for incoming orders and net sales were raised when the figures for the first half were reported in August of 2012. The net sales forecast was lifted yet again in the nine-month report in November 2012.

Income after tax at the Group level amounted to €110 million. Shareholders' equity rose to over €800 million, driven by the positive earnings trend, resulting in an equity ratio of 29 per cent. As expected, the Jungheinrich Group did not have any net debt, analogously to the previous year. The Group's liquidity was secured at all times.

In the year being reviewed, major progress was made with construction measures taken to increase capacity, which is of major importance regarding the Jungheinrich Group's future strategic positioning.

In sum, the Jungheinrich Group thus successfully stayed its course for profitable growth.

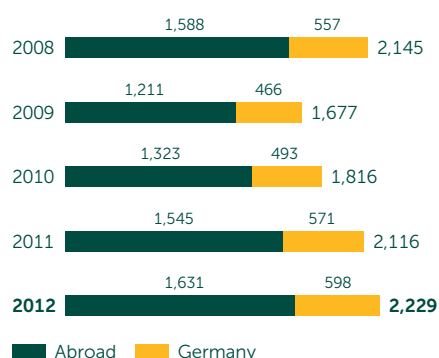
Business trend—key figures

		2012	2011
Incoming orders	units	73,200	78,700
Incoming orders	million €	2,251	2,178
Production	units	73,200	75,700
Orders on hand (12/31)	million €	298 ¹	305 ¹
Net sales	million €	2,229	2,116

1 Including €24 million in corrections to orders made in preceding years.

Net sales

in million €



Incoming orders and orders on hand

Incoming orders in terms of units, which include orders placed for new trucks and trucks for short-term hire, decreased by 7 per cent from 78.7 thousand to 73.2 thousand units. In addition to the cyclically-induced decline in demand, account should be taken of the fact that a much smaller number of forklift trucks was added to the short-term hire fleet in 2012 following the substantial expansion in the preceding year.

The value of incoming orders encompassing all business areas—new truck business, short-term hire and used equipment as well as after-sales services—was up 3 per cent year on year to €2,251 million (prior year: €2,178 million). Despite declining unit figures, the value of incoming orders in new truck business was thus marginally up on the year-earlier level. Contributing factors included strong incoming orders in the logistics systems business and the improved order situation in relation to IC engine-powered trucks.

Orders on hand in new truck business totalled €298 million as of December 31, 2012 (December 31, 2011: €305 million). This figure includes corrections to orders made for orders prior to 2012. The year-earlier figure was thus adjusted by €24 million. As in the previous year, the order range was approximately three months.

Production

Production output tracks the development of incoming orders with a time lag. In the period under review, it amounted to 73.2 thousand units—3 per cent down on the 75.7 thousand units recorded in the preceding year. The decline is largely due to the reduction in the number of warehousing equipment units. In terms of units, warehousing equipment clearly constitutes the company's largest product segment. Production volume in the year being reviewed thus remained below the pre-crisis level in 2007 when 82.4 thousand forklifts were manufactured.

Net sales

Net sales by region

in million €	2012	2011
Germany	598	571
Rest of Europe	1,449	1,394
Other countries	182	151
Total	2,229	2,116

Net sales reflect the stable order situation and the good product mix. In the reporting year, net sales were up €113 million, or 5 per cent, to €2,229 million (prior year: €2,116 million). All regions contributed to this growth. At 92 per cent, the share of consolidated net sales generated by

Jungheinrich in Europe was nearly unchanged (prior year: 93 per cent). In Germany, the single-most important market, net sales climbed by 5 per cent to €598 million (prior year: €571 million). Foreign net sales advanced by 6 per cent to €1,631 million (prior year: €1,545 million).

As in the previous year, the foreign ratio was 73 per cent. Disproportionately strong increases in net sales were achieved above all in France, the Netherlands, Switzerland, Scandinavia and Russia. Net sales generated outside Europe were

boosted by 21 per cent to €182 million (prior year: €151 million). Consequently, the non-European share of consolidated net sales rose marginally, from 7 per cent to 8 per cent. Growth in net sales in Asia had a strong impact.

Breakdown of net sales

in million €	2012	2011
New truck business	1,230	1,135
Short-term hire and used equipment	378	349
After-sales services	680	649
'Intralogistics' segment	2,288	2,133
'Financial Services' segment	497	451
Reconciliation	-556	-468
Jungheinrich Group	2,229	2,116

All business areas contributed to the uptick in net sales. New truck business was up €95 million, or 8 per cent, to €1,230 million (prior year: €1,135 million). This includes intragroup truck sales by the 'Intralogistics' segment to the 'Financial Services' segment resulting from a revision of the basic conditions underlying contracts with a key account. Excluding this effect, net sales advanced by 6 per cent. Business with logistics systems was a key driver of the growth in net sales posted by new truck business. Overall, short-term hire and used equipment operations posted

a rise of 8 per cent to €378 million (prior year: €349 million). This could largely be traced back to the significant, nearly 13 per cent, rise in net sales achieved with trucks for short-term hire. Net sales posted by after-sales services increased by 5 per cent to €680 million (prior year: €649 million) thus recording continued growth. The share of total net sales accounted for by after-sales services thus remained stable, at 31 per cent. The expansion of the financial services business was reflected in a 10 per cent increase in net sales to €497 million (prior year: €451 million).

Cost structure according to the income statement

in million €	2012	2011
Cost of sales	1,558	1,482
Selling expenses	418	396
Research and development costs	44	37
General administrative expenses	65	59

The cost of sales advanced by 5 per cent to €1,558 million (prior year: €1,482 million) increasing proportionate to net sales. At 70 per cent, the proportion of consolidated net sales accounted for by the cost of sales did not change. Lower plant capacity utilization was offset by efficiency enhancements. Selling expenses posted a nearly proportionate rise, advancing by 6 per cent to €418 million (prior year: €396 million) with the share of consolidated net sales accounted for by selling expenses remaining at 19 per cent. The strengthening of the sales network—particularly in the growth regions—came to bear. Among the additional contributing factors were the establishment of the Indian sales company and the expansion of sales structures in China. The increase in headcount, which primarily served

to strengthen the logistics system business, also left its mark. In the year being reviewed, the Jungheinrich Group stepped up its capital expenditures on the development of its products. By consequence, research and development costs rose substantially, climbing a good €7 million, or 19 per cent, from €37 million to €44 million. The company is thus underscoring the substantial significance of research and development activities with respect to the Group's continued strategic development.

General administrative expenses rose by €6 million to €65 million (prior year: €59 million). This was partially due to the increase in IT costs associated with projects implemented by the Group to improve processes and integrate IT systems.

Earnings position

In the year under review, the Jungheinrich Group continued the outstanding earnings trend it had experienced in the previous year. With €150 million in earnings before interest and taxes, the company closed the 2012 financial year with a result that surpassed the record posted in the

preceding year. Earnings benefited above all from the growth of the high-margin short-term hire and after-sales services businesses.

The gross profit on sales rose by €37 million, or 6 per cent, to €671 million (prior year: €634 million).

Earnings trend

in million €	2012	2011
Gross profit on sales	671	634
Earnings before interest, taxes, depreciation and amortization (EBITDA)	325	298
Earnings before interest and taxes (EBIT)	150	146
Financial income (loss)	4	2
Earnings before taxes (EBT)	154	148
Income taxes	44	43
Net income	110	106

EBITDA (earnings before interest, taxes, depreciation and amortization) which reflect operating income affecting liquidity advanced by €27 million to €325 million in the year being reviewed (prior year: €298 million). Earnings before interest and taxes (EBIT) rose by €4 million, or 3 per cent, to €150 million (prior year: €146 million). The EBIT return on sales (ROS) was 6.7 per cent (prior year: 6.9 per cent). In this context, account should be taken in particular of the fact that over €7 million more in terms of research and development costs had to be shouldered. Earnings before taxes (EBT) grew to €154 million (prior year: €148 million). The increase in the financial result compared to the previous year was significantly affected by the positive development of interest income in the 'Financial Services' segment.

The income tax payable for the Jungheinrich Group rose slightly, advancing to €44 million

(prior year: €43 million). The Group's tax quota amounted to 28.5 per cent (prior year: 28.8 per cent). Net income improved by €4 million to €110 million (prior year: €106 million). The record earnings posted in the preceding year were thus surpassed. Earnings per preferred share grew to €3.27 (prior year: €3.13).

In view of the continued improvement of the earnings trend, the Board of Management of Jungheinrich AG proposes a dividend of €0.80 per ordinary share (prior year: €0.70) and of €0.86 per preferred share (prior year: €0.76). This corresponds to a dividend payment of €28.2 million (prior year: €24.8 million).

Value added

The following value added statement shows the work performed by the Jungheinrich Group in the 2012 financial year, minus all advance work and depreciation as well as its usage.

Value added statement

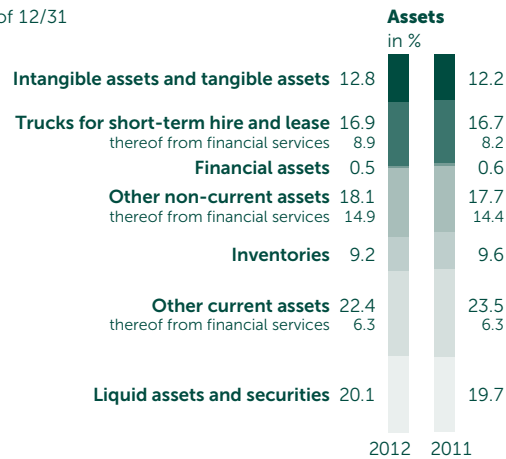
in million €

	2012	%	2011	%
Source				
Total Group output ¹	2,285	100.0	2,169	100.0
Cost of materials and equipment	1,239	54.2	1,197	55.2
Depreciation	174	7.6	152	7.0
Net value added	872	38.2	820	37.8
Usage				
Employees	674	77.3	629	76.7
Public sector	44	5.0	43	5.3
Lenders	43	4.9	43	5.3
Shareholders	25	2.9	18	2.1
Company	86	9.9	87	10.6
Net value added	872	100.0	820	100.0

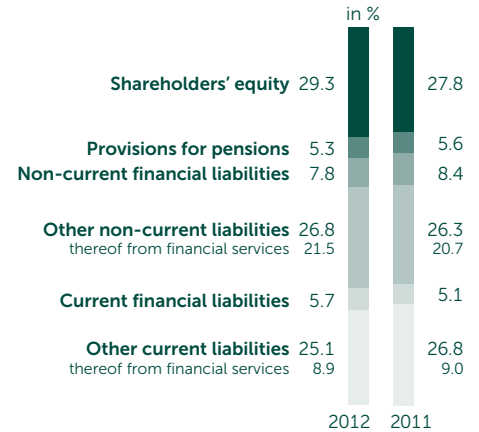
1 Including interest income, other operating income and income from investments.

Balance sheet structure

As of 12/31



Shareholders' equity and liabilities



Net value added created by the Group amounted to €872 million (prior year: €820 million) – 6 per cent more than in the preceding year. The usage statement shows that, as before, the lion's share of net value added (€674 million, or 77 per cent) was used for employees (prior year: €629 million, or 77 per cent). The public sector received €44 million, representing 5 per cent

(prior year: €43 million, or 5 per cent). As in the previous year, lenders partook of €43 million, or 5 per cent. Ordinary and preferred shareholders received some €25 million, or 3 per cent (prior year: about €18 million, or 2 per cent). The company had €86 million, or 10 per cent, of net value added at its disposal for internal business financing (prior year: €87 million, or 11 per cent).

Asset and financial position

The primary objectives of the financial management system are safeguarding the Jungheinrich Group's liquidity and creditworthiness while ensuring access to money and capital markets at all times and increasing the company's value over the long term. The aim is to safeguard the Group's financial autonomy. When investing surplus liquidity reserves, the company pursues a conservative investment policy that focuses on preserving assets instead of maximizing profits, in light of the uncertainty prevailing on financial markets.

Jungheinrich AG is in charge of operations and strategic financial management for the Group

and its subsidiaries. Financial resources and payment flows of domestic and foreign Group companies are optimized as regards interest and currency aspects via a cash and currency management system. Financing needs in the short, medium and long term are covered on international money and capital markets, exhausting all possible financing options.

The Jungheinrich Group was able to fully meet its payment obligations and secure its financing beyond the period under review at all times. The Jungheinrich Group's financial situation developed positively in the year being reviewed.

Statement of cash flows

in million €	2012	2011
Net income	110	106
Depreciation	174	152
Changes in trucks for short-term hire and trucks for lease (excluding depreciation) and receivables from financial services	-207	-218
Changes in liabilities from financing trucks for short-term hire and financial services	76	89
Changes in working capital	-11	-78
Other changes	-14	14
Cash flows from operating activities	128	65
Cash flows from investing activities¹	-84	-56
Cash flows from financing activities	-2	-51
Net cash changes in cash and cash equivalents¹	42	-42

1 Excluding the balance of payments made to purchase/proceeds from the sale of securities amounting to a negative €25 million (prior year: -€26 million).

In the period under review, cash flows from operating activities amounted to €128 million. The €65 million recorded a year earlier was adversely affected above all by the significant build-up of working capital (-€78 million). Despite the growth in business volume, working capital experienced a pleasingly small change, dropping by a mere €11 million in the period being reviewed, predominantly because much less in trade accounts receivable and inventories had been accumulated by the end of the year. The reduction in trade accounts payable had a counteracting effect. In addition, the rise in depreciation had a positive impact (up €22 million). A counteracting effect was felt from other changes, which were down €14 million (prior year: up €14 million) primarily as a result of the year-on-year increase in income tax payments and the change in other non-cash income and expenses. The volume of trucks for short-term hire and lease and receivables from financial services added, minus the change in associated

financing was essentially unchanged compared to the previous year.

Cash flows from investing activities were adjusted to exclude the balance of payments made for the purchase and proceeds from the sale of securities included in this item totalling -€25 million (prior year: -€26 million) for reasons of comparison. At -€84 million, the resulting cash flows from investing activities were €28 million up on the year-earlier level (-€56 million). They primarily reflect the substantial cash outflow for large-scale strategic projects, i.e. the spare parts centre, the warehousing and system equipment plant, and the factory in China.

Cash flows from financing activities amounted to -€2 million (prior year: -€51 million). The €25 million dividend payment (prior year: €18 million) was mainly contrasted by an accrual of short-term liabilities due to banks resulting from the strategic local credit financing of foreign subsidiaries in the Eurozone. When drawing comparisons to the preceding year's cash flows,

account should be taken of the fact that it was characterized by the redemption of a €55 million promissory note bond. Changes in cash and cash equivalents affecting payments totalled +€42 million (prior year: –€42 million). Taking the purchase and sale of securities into account, changes in cash and cash equivalents affecting payments amounted to +€17 million (prior year: –€68 million).

The detailed statement of cash flows is included in the consolidated financial statements of Jungheinrich AG.

Asset and capital structure

By year-end, the balance sheet total had risen by €177 million, or 7 per cent, to €2,757 million from €2,580 million.

Asset structure

in million €

	12/31/2012	12/31/2011
Non-current assets	1,402	1,329
Intangible and tangible assets	354	315
Trucks for short-term hire and lease	467	432
Receivables from financial services	410	372
Other non-current assets (including financial assets)	101	98
Securities	70	112
Current assets	1,355	1,251
Inventories	254	248
Trade accounts receivable	397	407
Receivables from financial services	174	163
Other current assets	45	36
Liquid assets and securities	485	397
Balance sheet total	2,757	2,580

Intangible and tangible assets rose from €315 million by €39 million to €354 million. Tangible assets primarily reflect strategic capital expenditure projects, i.e. the spare parts centre, the warehousing and system equipment plant, and the factory in China.

The value of trucks for short-term hire and lease on hand increased by €35 million, from

€432 million to €467 million. The value of trucks for short-term hire rose by a marginal €2 million to €223 million (prior year: €221 million). The disposals resulting from the transfer of equipment from the 'Intralogistics' segment (trucks for short-term hire) to the 'Financial Services' segment—based on the new contractual situation with a key account—were more than offset by

Equity ratio

in %



continuous additions of trucks for short-term hire. The value of trucks for lease from the financial services business rose by €33 million to €244 million (prior year: €211 million). Slightly more than two-thirds of this increase was attributable to the aforementioned transfer.

Non-current and current receivables from financial services were up by a total of €49 million to €584 million as a result of targeted busi-

ness growth (prior year: €535 million). Inventories posted a slight gain, advancing by €6 million to €254 million (prior year: €248 million). By the cut-off date, current trade accounts receivable had dropped by €10 million to €397 million (prior year: €407 million). Liquid assets and securities were up by a total of €46 million to €555 million (prior year: €509 million).

Capital structure

in million €

	12/31/2012	12/31/2011
Shareholders' equity	807	718
Non-current liabilities	1,101	1,040
Provisions for pensions and similar obligations	147	146
Financial liabilities	216	216
Liabilities from financial services	594	534
Other non-current liabilities	144	144
Current liabilities	849	822
Other provisions	153	154
Financial liabilities	156	131
Liabilities from financial services	246	233
Trade accounts payable	158	172
Other current liabilities	136	132
Balance sheet total	2,757	2,580

Shareholders' equity advanced by €89 million to €807 million (prior year: €718 million) driven by the persistently good net income in the period under review. This was mainly contrasted by the dividend payment for fiscal 2011 amounting to approximately €25 million (prior year: €18 million). At €147 million, provisions for pensions were essentially unchanged (prior year: €146 million).

Other non-current and current provisions increased marginally, rising by a total of €2 million to €212 million (prior year: €210 million). The Group's non-current and current financial liabilities were up €25 million to €372 million (prior year: €347 million). This was primarily due to the accrual of current liabilities to banks. At €840 million, non-current and current liabilities

EBIT return on sales in % (ROS)

2008	5.7
2009	-4.3
2010	5.4
2011	6.9
2012	6.7

EBIT return on capital employed in % (ROCE)¹

2008	18.8
2009	-16.8
2010	22.7
2011	26.2
2012	24.1

¹ EBIT as a % of the interest-bearing capital employed (excluding liabilities from financial services and provisions for pensions).

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from financial services were €73 million up on the €767 million recorded a year earlier—a marked gain. By the cut-off date, trade accounts payable had dropped by €14 million to €158 million (prior year: €172 million).

The Jungheinrich Group's complete balance sheet is included in Jungheinrich AG's consolidated financial statements.

Key financials

Despite the rise in the balance sheet total, the Group's equity ratio improved from 28 per cent to 29 per cent. Adjusting the consolidated figures to exclude all of the effects of the 'Financial Services' segment results in an equity ratio relative to the 'Intralogistics' segment of 45 per cent (prior year: 43 per cent).

The Jungheinrich Group's net debt is the result of the subtraction of liquid assets and securities

from financial liabilities. Financial liabilities include liabilities due to banks, the promissory note bond, liabilities from financing trucks for short-term hire, leasing liabilities associated with tangible assets, and notes payable.

In the year under review, the company still had no net debt on its books. Instead, it had a net credit of €183 million (prior year: €162 million). In consequence, the degree of indebtedness, defined as the ratio of net debt to EBITDA, was negative, as in the preceding year. Underlying EBITDA is adjusted to exclude the depreciation of trucks for lease from financial services and amounted to €266 million in the year being reviewed (prior year: €245 million).

The Jungheinrich Group's positive earnings and financial position in fiscal 2012 is reflected in the high returns on capital.

Key return indicators

in %	2012	2011
EBIT return on capital employed (ROCE)	24.1	26.2
Return on equity	14.5	15.6
Return on total capital employed	5.9	6.3

EBIT return on capital employed (ROCE) = EBIT : Employed interest-bearing capital¹ x 100

Return on equity after income taxes = Net income : Average shareholders' equity x 100

Return on total capital employed = Net income² + Interest expenses : Average total capital³ x 100

¹ Shareholders' equity + Financial liabilities – Liquid assets and securities.

² Net of the interest income from financial services.

³ Net of liabilities from financial services.

The return on interest-bearing capital employed (ROCE) excluding liabilities from financial services dropped to 24.1 per cent (prior year: 26.2 per cent). The Jungheinrich Group's long-term ROCE target of over 20 per cent was exceeded.

The return on equity decreased as well, amounting to 14.5 per cent in fiscal 2012 (prior year: 15.6 per cent). The return on total capital employed, adjusted to exclude liabilities and interest income from financial services, declined to 5.9 per cent (prior year: 6.3 per cent).

Return on equity after income taxes

in %



Return on total capital¹

in %



¹ Not including financial services.

Given its assets and associated liabilities, the 'Financial Services' segment (see the section on financial services on page 51) exerts significant influence on the Jungheinrich Group's balance sheet structure. Therefore, the effects of the 'Financial Services' segment are eliminated from certain key figures, in order to improve informational value and comparability to other companies. In consequence, as regards key

performance indicators of relevance to credit-worthiness and credit ratings, the Group manages its finances in line with the principles and objects of the 'captive finance' approach.

Specifically, the 'Financial Services' segment is excluded from the Group's key figures relating to the capital structure, net financial liabilities and the financial income (loss). This key data thus solely relates to the 'Intralogistics' segment.

Key financials of the Jungheinrich Group

in million €

	Jungheinrich Group		'Intralogistics' segment	
	12/31/2012	12/31/2011	12/31/2012	12/31/2011
Shareholders' equity	807	718	872	783
Balance sheet total	2,757	2,580	1,928	1,823
Equity ratio	29%	28%	45%	43%
Financial liabilities	372	348	369	344
Liabilities from financial services	840	767	–	–
Other liabilities/receivables vis-à-vis affiliated companies	–	–	16	25
	1,212	1,115	385	369
Liquid assets and securities	555	509	538	490
Net financial liabilities	657	606	–153	–121
Financial income (loss)	4	2	–13	–12

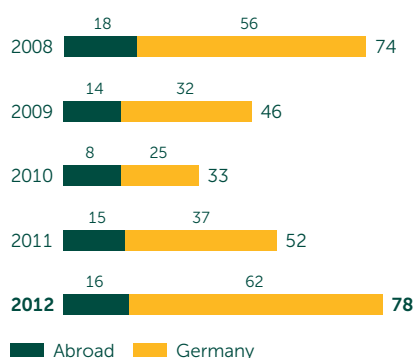
Capital expenditures

Capital spent by the Jungheinrich Group on tangible and intangible assets excluding capitalized development expenditures was up €26 million to €78 million in the 2012 reporting year (prior year: €52 million). The rise is clear evidence of the fact that investing activities are oriented towards growth and shaping the future. Among the major capital expenditures on the future are

the new spare parts centre, the new warehousing and system equipment plant, and the construction of the factory in China. In addition, capital was spent on expanding domestic production plants, focussing on the Norderstedt site. The capital expenditures-to-net sales ratio rose to 3.5 per cent (prior year: 2.5 per cent).

Capital expenditures

in million € (tangible and intangible assets without capitalized development costs)



Research and development expenditures

in million €



Research and development

Seeking to strengthen its technological position, the Group stepped up its research and development activities significantly in the year being reviewed. Expenditures on research and development (R&D) including outsourcing were increased substantially, amounting to €45 million compared to €38 million a year earlier. This represented 4.9 per cent (prior year: 4.4 per cent) of net sales generated with new trucks. Last year,

an average of 378 employees (prior year: 342) worked in R&D throughout the Group, an area in which manpower was increased.

In the 2012 financial year, 65 (prior year: 80) applications were filed to protect industrial property rights, and 172 (prior year: 47) patents were granted. This enabled further innovations to be turned into significant product improvements which help increase customer benefits substantially.

Research and development costs

in million €

	2012	2011
Total research and development expenditures	44.7	37.6
thereof capitalized development expenditures	5.5	5.4
Capitalization ratio	12.3 %	14.4 %
Amortization of capitalized development expenditures	5.2	4.6
Research and development costs according to the income statement	44.4	36.8

As research and development expenditures were much higher than in the preceding year, the capitalization ratio dropped to 12.3 per cent (prior year: 14.4 per cent). Research and development costs according to the income statement posted a marked rise, climbing from €37 million to €44 million. In this context, capitalization, which was similar to the previous year, was contrasted by higher amortization of capitalized development expenditures.

Focal points and organization

The points of focus of development work are tightly intermeshed with the technology strategy. In addition to the energy efficiency of drive

systems, driver-assistance systems as well as the development of platforms and shared parts, these include the international networking of engineering sites and innovation management, supported by a technology roadmap with a ten-year horizon. Besides the development of new forklift trucks, the primary objectives include reducing energy consumption and production costs as well as lowering life cycle costs. One of the ways in which these goals are being achieved is through a streamlined modular construction kit.

Product development is distributed and assigned to individual product lines, while fundamental research is centralized. Core competencies include the engineering of hardware and

software for control systems. Furthermore, our products benefit from the extensive expertise of suppliers and partners. Fundamental research pools the development of technologies, the engineering of components, a central testing department, product design, standardization and central innovation management.

The lion's share of research activities is undertaken centrally, by the Technology Engineering Department. The company is a member in the Drive Technology Research Association (FVA) and the Intralogistics Research Association (IFL) which enables it to evaluate new technologies in a timely manner and explore opportunities for promising innovations. Jungheinrich is also involved in major research projects, e.g. in ISI-WALK, which develops methods and technologies for the efficient design and economical operation of flexible supply chains. Points of focus are the flexible design of transportation, warehousing and IT systems as well as methods for planning and assessing flexibility.

Fundamental research

Jungheinrich has conducted fundamental research to thoroughly analyze lithium-ion cells in products of various manufacturers with global operations. Due to the positive properties of lithium-ion batteries, a substantial portion of lead batteries can be expected to be replaced by lithium-ion technology in the medium term. Therefore, it is of utmost importance to obtain good access to the procurement market in time to be able to source high-quality and affordable battery cells.

Further emphasis was placed on innovative truck concepts, with a view to making use of

the new technological options provided by drive and energy storage systems in solutions with the highest possible customer benefit.

Other areas addressed in-depth by fundamental research activities were driver-assistance technologies and forklift automation with the aim of increasing flexibility and performance. Special significance is accorded to this field of innovation, as drivers are always the biggest cost factor in the deployment of forklift trucks. Product improvements in this area provide customers with significant economic advantages.

The use of standardized control architectures and communication techniques enables the increased use of shared parts while improving the reliability of electronic systems. Therefore, such a control architecture benefiting from all new developments was designed.

By employing innovative engineering methods, product developments can achieve a high degree of maturity in the early stages of a project. Integrating these methods in the standardized product creation process raises the overall efficiency of development work.

Product engineering

The gaps in the upper performance class of the portfolio of IC engine-powered trucks were closed. In the year being reviewed, the hydrostatic drive-equipped IC engine-powered counterbalanced truck (DFG/TFG 540s–550s) which has a high level of ride comfort and is especially well suited to take on dynamic tasks was introduced to the market.

So far, the heavy-duty forklift, which is capable of handling payloads of six to nine metric tons (DFG/TFG 660–690) has been purchased by

one supplier. After this vendor discontinued production, Jungheinrich AG bought machines and facilities, industrial property rights as well as the technical and commercial know-how to manufacture these forklift trucks. These IC engine-powered counterbalanced trucks have been produced in the Moosburg plant since December of 2012. Synergies with the manufacture of lower-payload forklifts will arise over the longer term.

The battery-powered counterbalanced truck (EFG 425-430) is setting new standards in terms of energy efficiency. Thanks to the 'Efficiency' and 'DrivePlus' variants, this forklift truck can be adapted to satisfy customers' individual requirements, in line with the product strategy of offering a piece of entry-level equipment which can be significantly upgraded by adding options. Lateral battery removal, already a feature of battery-powered counterbalanced trucks with lower payload capacities, simplifies the exchange of batteries considerably.

The new low-platform truck (ERE 120) was adapted to the Landsberg factory's synchronized production. This forklift truck is also in line with the 'Base plus Options' product strategy. Energy

consumption was reduced by 15 per cent vis-à-vis the predecessor model while improving the handling turnover rate.

The new order picker/trilateral stacker (EKX 410) has shipped standard with transponder technology since 2012. As a result, this truck series can be operated using Jungheinrich's warehouse navigation system. In practice, this enables productivity to be enhanced by up to 25 per cent. Furthermore, 25 per cent less energy is used per pallet handling operation relative to the competition's comparable forklift trucks.

The company is staying abreast of the trend towards automated solutions and driverless transportation systems and launched three mass-produced automatic forklift variants belonging to the order picker/trilateral stacker (EKXa), vertical order picker (EKS 210a) and high-platform truck (ERC 215a) product categories. The requirement that had to be satisfied was that forklift trucks developed to be mass produced be automated instead of designing special trucks. Since all of the key features of these forklift trucks are already controlled electronically, they could be automated easily and extremely reliably.

Financial services

Organization and business model

All of the Jungheinrich Group's financial service activities are pooled in the 'Financial Services' segment and are managed centrally via Jungheinrich Financial Services International GmbH and Jungheinrich Finance AG & Co. KG. Within the Jungheinrich Group, the 'Financial Services' segment acts as a non-profit centre, rendering services to Jungheinrich's sales operations without the right to generating profits. By offering a range of individual, flexible and competitive financial services and drawing on its pan-European direct sales network and in-house service operations, the sales organization can meet customer expectations—also with respect to providing forklift truck support across country borders.

In the core European markets of relevance to Jungheinrich, the company is represented by its own financial services companies. In addition to Germany, Italy, France and the United Kingdom, this is also the case in the Netherlands, Spain and—since 2012—in Austria as well. Continuous expansion is envisaged in further European countries. Moreover, access to the capital market was facilitated by virtue of Luxembourg-based Elbe River Capital S.A., a company established in 2010 solely for refinancing purposes.

Jungheinrich's business model is designed to serve customers over a product's entire life cycle. As a rule, the financial service agreements offered are connected to a full-service or maintenance contract. Against this backdrop, the individualized usage transfer offerings and sales financing serve the purpose of promoting sales

and retaining customers over the long term. The average maturity of the financial service agreements is five years.

With the exception of customer credit and refinancing risks, all income and risks resulting from financial service agreements entered into with customers are assigned to the operating sales units. These primarily include income from service contracts linked to financial service agreements as well as opportunities and risks arising from residual value warranties and the marketing of returned trucks.

In the financial year, the 'Financial Services' segment displayed positive development in nearly all regions. Contract volume rose by 7 per cent from €1.6 billion to more than €1.7 billion.

Types of contracts and accounting

For accounting purposes, in compliance with IFRS accounting policies, long-term financial service agreements concluded directly between customers and Jungheinrich companies or between customers and Jungheinrich with an external leasing company as intermediary (referred to as vendor agreements) are recognized in assets as leased equipment ('operating leases') or as receivables from financial services ('finance leases'). Due to the strategic focus, about three-quarters of all contracts are finance leases.

These long-term customer agreements are refinanced with identical maturities and interest rates and disclosed as liabilities from financial services. Cash flows from customer contracts usually at least cover refinancing instalments paid

to lending institutions for this business. Furthermore, deferred net sales stemming from sales proceeds already generated with an intermediate leasing company are stated under deferred income.

Business trend

In the period under review, groupwide contracts on hand totalled a good 105 thousand forklift trucks.

Financial services: new contracts and contracts on hand

in million €	2012	2011
Original value of new contracts	431	391
Original value of contracts on hand (12/31)	1,719	1,611

€431 million in long-term financial service agreements were concluded in fiscal 2012 (prior year: €391 million). Sales from more than every third new truck in Europe were thus generated within the scope of the financial services business. 77 per cent of the new contract volume was allocable to countries in which Jungheinrich has proprietary financial services companies. Special mention should be made of the companies in Italy and France, which both posted substantial gains in volume of over 15 per cent. By the end of 2012, the pan-European volume of contracts

on hand had risen by 4 per cent to 105.5 thousand forklifts (prior year: 101.2 thousand units). This corresponded to an original value of €1,719 million (prior year: €1,611 million).

Earnings position

The €46 million rise in net sales from €451 million to €497 million reflects the purposive expansion of the financial services business. Selling expenses increased due to the growth-induced structural adjustments to local financial services companies.

Financial services: income statement

in million €	2012	2011
Net sales	497	451
Cost of sales	496	448
Gross profit on sales	1	3
Selling expenses	8	6
Earnings before interest and taxes (EBIT)	-7	-3
Financial income (loss)	17	14
Earnings before taxes (EBT)	10	11

Asset and capital structure

The continuous expansion of the financial services business is having an impact above all on the balance sheet. This affects both the trucks for lease recognized as assets as well as receivables from financial services. Due to the revision of the

basic contractual conditions with a key account, slightly more than two-thirds of the increase in the value of trucks for lease from financial services was attributable to the transfer of equipment from the 'Intralogistics' segment (trucks for short-term hire).

Financial services: asset structure

in million €	12/31/2012	12/31/2011
Non-current assets	721	647
Trucks for lease from financial services	302	269
Receivables from financial services	410	372
Other non-current assets	9	6
Current assets	337	314
Inventories	24	23
Trade accounts receivable	66	58
Receivables from financial services	174	163
Other current assets	57	50
Liquid assets	16	20
Balance sheet total	1,058	961

The rise in liabilities from financial services stems from the build-up of contracts on hand.

Financial services: capital structure

in million €	12/31/2012	12/31/2011
Shareholders' equity	35	26
Non-current liabilities	636	577
Liabilities from financial services	594	534
Other non-current liabilities	42	43
Current liabilities	387	358
Liabilities from financial services	246	233
Trade accounts payable	86	78
Other current liabilities	55	47
Balance sheet total	1,058	961

Employees

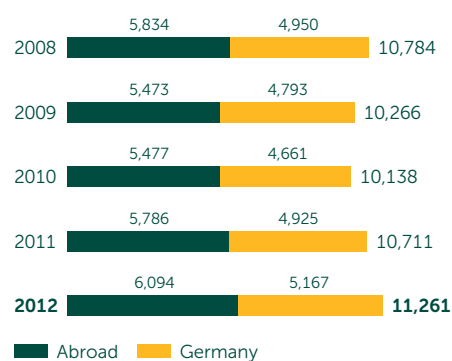
In the period under review, the Jungheinrich Group enlarged its workforce, primarily strengthening its sales operations. Groupwide headcount (in terms of full-time equivalents—FTEs) was up by 550 employees, or 5 per cent, to 11,261 (prior year: 10,711) by the end of 2012. More than 80 per cent of this increase is due to new personnel hired by the sales organization—predominantly abroad.

Personnel expenses rose by €54 million to €674 million (prior year: €620 million). Of this sum, €542 million (prior year: €505 million) was allocable to salaries, while €113 million (prior year: €105 million) was allocable to social security contributions.

Since Jungheinrich AG is a member of the German Employers Association, the arrangements based on the collective bargaining agreement reached in 2012 were adopted for our German business. The collective bargaining agreement expires on April 30, 2013.

Employees

As of 12/31



Establishing business in growth markets

As part of the growth strategy pursued in Asia, the labour force of Jungheinrich companies in the region—focussing on China—was enlarged by a total of 19 per cent, or 73 employees. By year-end, 14 of them were working for the sales company founded in India in the second quarter of 2012. Sales companies in the Russian and Brazilian growth markets are also hiring new staff members to meet their needs. Furthermore, the logistics system and mail-order businesses also increased manpower in order to set themselves further apart from the competition.

Employees by function

Of the permanent staff (excluding contract workers) 78 per cent worked in sales and administration and 22 per cent were active in manufacturing. As in the preceding year, 46 per cent of the workforce was allocable to the after-sales services organization, accounting for 5,216 (prior year: 4,970) employees. Worldwide, 3,735 (prior year: 3,561) after-sales service engineers were active in the service organization.

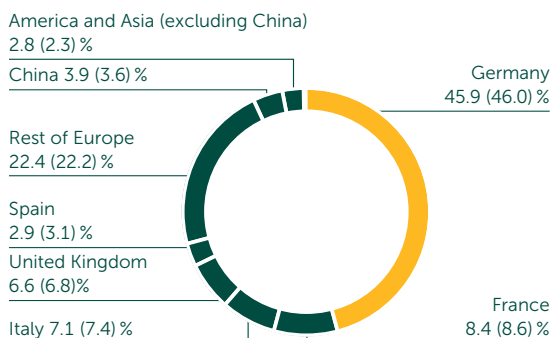
Employees by function

in FTEs

	12/31/2012	12/31/2011
After-sales service engineers	3,735	3,561
Factory engineers	228	213
Production	1,451	1,376
Sales agents	877	760
Office staff	4,497	4,313
Temporary workers	143	179
Apprentices	330	309
Jungheinrich Group	11,261	10,711

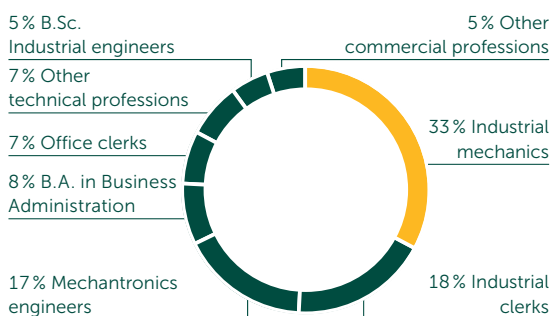
Employees by region

As of 12/31/2012 (12/31/2011)



Apprenticeable professions¹

As of 12/31



1 Basis: 225 trainees and apprentices in Germany.

In the period being reviewed, temporary personnel was again used to offset capacity fluctuations in manufacturing operations. Averaged for the year, they increased in number by just under 11 per cent to 478. About 69 per cent of them worked in domestic plants (prior year: 72 per cent). As of December 31, 2012, 405 (prior year: 511) contract workers were active within the Group.

Regional distribution

Effective on December 31, 2012, 6,094 (prior year: 5,786) employees, or 54 per cent of the labour force, worked abroad. Germany accounted for 5,167 (prior year: 4,925) staff members. This corresponded to 46 per cent of the labour force.

Abroad, France represented the biggest share, or 8.4 per cent, followed by Italy and the UK, with about 7.1 per cent and 6.6 per cent, respectively. The proportion of the headcount active in Asia and the Americas rose from 5.9 per cent to 6.7 per cent.

Training in the Jungheinrich Group

As of December 31, 2012, the Jungheinrich Group employed 330 (prior year: 309) apprentices, 225 (prior year: 216) of whom worked in Germany, where the company offers training for 14 apprenticeable professions.

In addition, a selection of collaborative courses of study is offered. Jungheinrich provides young adults with a variety of points of entry to the company—especially via collaborative courses of study—while covering its need for budding professionals in the commercial and technical fields with qualified employees from within its own ranks. This educational model alternates between compact units at universities that last for a limited period of time and assignments in companies. This enables program participants to obtain an internationally recognized Bachelor's degree in business management, business computer sciences or economic engineering in a mere three years. In 2012, the share of apprentices pursuing collaborative courses of study rose from 15 per cent to 16 per cent—relative to the number of apprentices in Germany.

Social data

Employee data

	12/31/2012	12/31/2011
Average age in years	41.2	40.9
Years of service	11.4	11.5
Turnover in %	4.3	4.0
Sickness rate in % ¹	5.1	5.1
Thousand employee rate ^{1, 2}	29	32
Women quota in %	19.5	19.0

1 Relative to employees in Germany.

2 Number of reportable working and commuting accidents for every 1,000 employees.

In the year under review, the average age of the Jungheinrich Group's personnel rose to 41. This put Jungheinrich slightly below the 42-year age average which is representative for the German mechanical engineering sector (source: German Engineering Federation, 2011). At just over 11, years of service were on par year on year. The 4.3 per cent turnover was primarily due to the comparatively higher turnover in foreign sales units. In Germany, turnover was a mere 1 per cent—an indication of the high level of employee satisfaction at Jungheinrich. At 5.1 per cent, the sickness rate, which only relates to domestic staff members, was stable. This roughly corresponds to the sector average for comparable companies that are members in the NORDMETALL employer association. The number of reportable working and commuting accidents for every 1,000 employees in Germany decreased from 32 in the previous year to 29. The women quota rose by 0.5 percentage points year on year to 19.5 per cent, surpassing the 15.9 per cent yardstick commonly applied to our branch of industry (source: German Engineering Federation, 2011).

Compensation report

Jungheinrich's management pursues the principle of value-oriented management that aims to make the company increasingly successful over the long term. The latter forms the basis for the remuneration schemes, which are linked to key value-added indicators. These are made up of growth, market share and earnings components as well as returns on capital.

Responsibility for employees

As the largest employer of engineers, the German mechanical and plant engineering sector depends on young, qualified professionals. Therefore, attracting talent is also one of Jungheinrich's major challenges. In this context, the Group attaches substantial importance to diversity, promoting women in managerial positions, and equal opportunities for employees of various nationalities and age groups.

Equally as important as the recruitment of new talent is the continued development and qualification of the existing workforce. This is a task that is handled by HR Management, which identifies the need for development and puts together suitable seminar offerings.

Moreover, the company works closely together with public educational and teaching institutions to promote excellence. To this end, the company supports the Dr. Friedrich Jungheinrich Foundation, which helps promote science and research, while advancing education in the fields of electrical and mechanical engineering as well as logistics.

Board of Management compensation

In 2010, the Supervisory Board and the Personnel Committee had concerned themselves in-depth with a revision to the compensation system for the Board of Management and adopted it. It was applied for the first time in 2011 and will be in effect for all of the employment contracts of the members of the Board of Management from 2013 onwards. As a result of the amendment

to the German Stock Corporation Act, the full Supervisory Board plays a much bigger role in all matters relating to the remuneration of the Board of Management than in the past. The full Supervisory Board is now responsible for passing resolutions on the individual components and related sums of the compensation of the Board of Management in addition to determining the structure of the compensation system and the key contractual elements. Its new task also covers the variable remuneration as well as the determination of performance targets for the following financial year and the establishment of the degree to which the targets have been achieved for the preceding financial year. Remuneration of members of the Board of Management includes a fixed and a variable component and takes into account the legally required compensation components having a basis of assessment of several years. The Board of Management's compensation system is performance-oriented. This is reflected in the ratio of the variable to the fixed component. If a very good performance is achieved, the variable component can account for more than 50 per cent of total emoluments. However, it should generally be in line with the fixed component. The variable element's success parameters are the Jungheinrich Group's earnings before tax (EBT) and net sales growth as well as the increase in market share for individual product groups relating to Europe, the core market. The performance targets are reviewed annually in accordance with the company's strategic orientation and adjusted in line with the multi-year goals. The variable component is paid in instalments over three years, with the annual instalments being determined based on the degree to which the member has achieved his

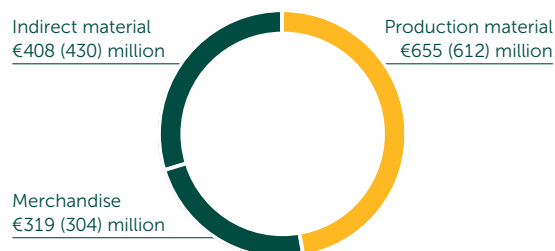
or her goals and coming due once the financial statements of the preceding year are adopted. Pensions for members of the Board of Management are calculated based on the individual's years of service with a lead-in period until the member has a right of non-forfeiture.

Supervisory Board compensation

A new compensation system became effective for the Supervisory Board on January 1, 2012. The share of total remuneration accounted for by the variable component was significantly reduced, the dividend was replaced by the EBIT return on capital employed (ROCE) as the forward-oriented basis of assessment, and the significance of the Finance and Audit Committee was considered in the emoluments. The yardstick aspired to in terms of appropriateness was the level of the total compensation of the Supervisory Board in the preceding years. According to the new rules, in addition to the reimbursement of out-of-pocket expenses, each Supervisory Board member receives €20,000 in fixed annual compensation as well as variable annual compensation, which depends on the EBIT return on capital employed achieved by the Jungheinrich Group. The threshold value of the EBIT return on capital employed should be above the weighted average cost of capital applicable to the Jungheinrich Group and amounts to 15 per cent. Variable annual compensation amounts to €4,000 for every full percentage point by which the achieved EBIT return on capital employed exceeds the threshold value of 15 per cent. The targeted EBIT return on capital employed is oriented towards the Jungheinrich Group's medium-term strategic objectives and amounts to 20 per cent. Therefore, variable

Breakdown of purchasing volume

Total €1.38 (2011: €1.35) billion



annual compensation amounts to €20,000 if the achieved EBIT return on capital employed reaches the target of 20 per cent. If the achieved EBIT return on capital employed exceeds the target, variable annual compensation is increased by an additional €4,000 for every full percentage point above the target, until the maximal variable annual compensation of €40,000 is reached. The Chairman receives three times and the Deputy Chairman one-and-a-half times the aforementioned sums. Furthermore, members of Supervisory Board committees receive an additional fixed annual compensation amounting to €25,000 for every member of the Personnel Committee and of the Ad-hoc Committees of

the Supervisory Board. The chairmen of these committees receive twice this remuneration. Every member of the Finance and Audit Committee receives €30,000. The Chairman of the Finance and Audit Committee receives two-and-a-half times this compensation.

Executive compensation

A new remuneration system was established for executives in the year being reviewed. Its variable components are generally based on the key performance indicators applicable to the compensation of the Board of Management and is intended to be introduced over the course of 2013.

Purchasing

In the Jungheinrich Group, procurement is organized by product group. All sourcing needs are structured according to a groupwide product group management system that encompasses 40 main product groups. This is supplemented by 10 additional main product groups in which post-serial needs are bundled.

In 2012, purchasing volume totalled €1.38 billion after €1.35 billion in the previous year and broke down into

- production material and post-serial material,
- merchandise and
- indirect material.

The main product groups generating the highest net sales in the year under review were batteries, accounting for €133 million (prior year: €140 mil-

lion); outsourcing, accounting for €90 million (prior year: € 81 million); electric drive trains, accounting for €90 million (prior year: €90 million) and steel assemblies, accounting for €87 million (prior year: €93 million).

Besides securing supplies for production operations, focus in the year being reviewed was directed to establishing a uniform, efficient purchasing controlling system and restructuring contract standards with suppliers.

Purchasing controlling

Purchasing controlling is a priority at Jungheinrich. The centrepiece of purchasing controlling is the purchasing cockpit in which all relevant key figures are collected. It is based on SAP-BI (Business Intelligence) and SAP-BW (Business Warehouse) and builds a bridge from strategy development to the measurement of implemented measures and results. The core element of reporting is the

change in the cost of materials, a key figure that reflects the impact of earnings on the income statement. The effects on prices of external factors such as changes in foreign exchange rates and commodities are also measured and taken into account when making purchasing-related decisions.

Contract management

Jungheinrich redesigned its contract management system in order to satisfy the variety of demands placed on modern contract management in practice. This undertaking concentrated on drawing up uniform contractual standards based on modular contract documents as well as on establishing a computerized contract creation and archiving system. The redesign laid the groundwork for increasing the number of master

agreements even more. Furthermore, computerized contract creation and the simplification of contract wording shorten processing times.

Analysis of the lithium-ion technology procurement market

Jungheinrich is increasingly availing itself of lithium-ion technology to supplement the conventional lead-acid traction batteries it uses. To defend and increase this competitive advantage, the purchasing organization thoroughly explored the worldwide procurement market for lithium-ion technologies and identified numerous dealers and manufacturers. This was followed by an analysis and evaluation of their technological expertise and competitiveness. A master agreement has already been signed with a renowned battery cell producer with a view to securing supplies.

Information technology

The increasing standardization and convergence of IT and business processes is one of the key IT-related issues in the Jungheinrich Group. The IT Division has been focussing on it for years, seizing opportunities as they arise in order to develop marketable IT products the likes of ISM Online.

IT organization

Jungheinrich's IT organization in Germany employs more than 200 people, whose main tasks consist of software consulting and engineering, the provision of data infrastructure, and the operation of a state-of-the-art computing centre. About 100 additional IT personnel work

for Jungheinrich the world over, providing on-site support at local sales and production sites.

A 12 member-strong IT Board was defined as a strategic element of corporate governance within the scope of the IT strategy formulated in 2010. Staffed with executives from the Technology, Finance, Sales and IT Divisions, this committee makes major decisions to keep the company abreast of modern information technology. Evaluating IT projects and making decisions on their implementation are the IT Board's main duties. The goal is to leverage IT resources to maximize value, while providing reliable support for core processes. Pursuing this approach, the following key projects were completed in 2012.

Major IT projects

ISM Online is the innovative fleet management system that was developed in cooperation with the Sales Division and serves as an Internet and system platform. The system pools both commercial (e.g. master, contract and billing data from the SAP system) as well as technical information (e.g. deployment data) regarding material handling equipment. This provides customers with maximum transparency and safety in their warehouses while enabling them to optimize the costs of their forklift fleet management.

By merging the SAP production systems, the company is keeping pace with the trend towards standardizing systems. All of the Jungheinrich Group's manufacturing and engineering locations in Norderstedt, Moosburg, Landsberg and Lüneburg as well as in Qingpu (China) and Houston, Texas (USA) now work on a shared SAP platform. This allows for substantial synergies to be tapped across sites.

In 2012, the Group's web presence was re-aligned, involving the addition of a wealth of new content to expand it as a sales channel, among other things. The completely new visual appearance and navigation provides users rapid access, clear navigation structures and sensible networking, enabling them to obtain the information about Jungheinrich they desire, while offering a way to get in touch with the department of relevance to them depending on the information or advice they are seeking.

All PC workstations the world over were upgraded to Windows 7 and Office 2010. The simultaneous commissioning of the SharePoint, system platform markedly simplified daily

operations and project work while creating new ways of collaborating. This is a huge advantage especially when it comes to serving customers with global operations. The server technology used in the computing centre was upgraded with the newest blade servers in order to further optimize flexibility, availability and costs while further expanding the virtualization of servers and storage systems.

The introduction of the SAP Customer Relationship Management (CRM) module was completed in the year being reviewed. As a result, sales units in 18 countries encompassing some 700 sales agents and about 800 office staff now work with the SAP CRM system. All sales activities are mapped in this system—everything from the establishment of contact, appointment with the customer to discuss the configuration of the forklifts in question and the quotation to the order placed by the customer is processed with the support of the system. All the relevant information on the customer and order is paperless and accessible in real time from any location.

Data security

Business processes are increasingly based on information technology. Structures and processes ensuring the security of information were significantly improved in the year under review, in order to limit the ensuing risks in terms of data availability and integrity as well as the confidential treatment of information. Existing data security measures are constantly monitored and refined by the data security management system.

Quality and environmental management

Quality management

The quality of products and services is a decisive competitive factor. In fiscal 2012, Jungheinrich's quality management system set new, ambitious quality targets for the Group in its quest to safeguard and continuously improve it.

Besides the first usage period of a forklift truck—the warranty period—the quality management system is increasingly dedicating its attention to the products' longevity. In this context, a reporting system and analysis building on it were established in SAP-BW in order to render all service activities transparent. This clarity serves as a basis for conducting long-term assessments enabling product behaviour and usage to be tracked systematically—even during the advances stages of a forklift's life cycle. Resulting product and material-related findings are factored into the mass production and spare parts supply processes as well as into the development of new successor products.

An essential prerequisite for ensuring a high level of quality are stable and reliable processes in the Group's units. These processes were confirmed in the year being reviewed as the Norderstedt and Moosburg factories were successfully re-certified to the ISO 1900:2008 Standard by SGS-International Certification Services GmbH. Furthermore, DVS ZERT® e.V. attested that the Landsberg plant satisfies the relevant welding requirements by awarding its first certificate of compliance with the DIN EN ISO 3834-2 Standard.

Jungheinrich also pursued a process-oriented approach in the scheduled introduction of a

groupwide audit management system for analyzing and identifying potential for improvement within the company. Joint internal audit planning and implementation were carried out at all German production sites for the first time to this end in 2012. This encompassed the conduct of local audits of the same subject matter across locations (best practice approach). In the year underway, preparatory work will be done to set up the audit management module in the SAP system centrally and make use of it across factories, with a view to further simplifying audit processes and making them even more uniform.

In June of 2012, Jungheinrich AG conferred its vendor awards. Suppliers of the Norderstedt, Moosburg and Landsberg plants were divided into three product clusters and evaluated. An assessment was conducted at the Group level for the first time as well. All in all, a total of five companies were recognized as last year's top vendors due to the high level of the quality of their supplies.

Environmental management

The Jungheinrich Group shoulders entrepreneurial responsibility in an environment that is sensitive to environmental issues. Economic interests and environmentally-aware behaviour are not irreconcilable in this context. In fact, the company is constantly reducing its environmental footprint along the entire value-added chain. This is being accomplished by tapping potential to improve efficiency in production and during the products' economic useful life as well as by

employing new process-integrated savings technologies. The objective is to conserve resources. The high environmental standards already in existence throughout the Group are constantly reviewed and refined.

Moreover, the company maintains an open and trusting dialogue with all of its relevant stakeholder groups, provides the media with environmental information, and works closely together with public authorities, associations and other institutions.

The 'Blue Competence' sustainability initiative

'Blue Competence' is a sustainability initiative registered as a trade mark by the German Engineering Federation (VDMA) in which various professional associations, organizations and companies participate. Jungheinrich AG's motivation to join the Initiative was the conviction that the development of the company is linked to the preservation of the environment. Therefore, responsible entrepreneurial action has to be guided by the search for new energy concepts, a more considerate use of fossil fuels, and the quest to ensure effective environmental protection. This is why 'Blue Competence' indirectly imposes an obligation on its partners by defining practical sustainability criteria and standards that should be complied with by all entities joining the campaign. In so doing, 'Blue Competence' increases transparency, creates points of reference, and provides all those seeking for sustainable solutions for products and a clean future with security.

In this context, Jungheinrich is doing ground-work which will influence future regulations

governing the energy efficiency of material handling equipment within the scope of the European Eco Design Directive, which aims to establish the requirements that must be satisfied in designing energy-related products (ErPs) in an environmentally friendly manner.

Product eco balance refined

One piece of documentation of the company's environmentally aware actions is the sector's first product eco balance certified by the German Technical Inspection Authority (TÜV). In 2011, TÜV Nord had systematically analyzed the balance and certified it in accordance with DIN EN ISO 14040. This makes Jungheinrich the first material handling equipment manufacturer to bear the 'Audited Product Eco Balance' seal of approval.

The first version of the balance consisted of the analysis of the environmental impact of Jungheinrich's material handling equipment fleet from 2000 to 2010. It covered:

- the use of commodities, production and transportation during the manufacturing phase,
- energy usage in the usage phase, and
- the reconditioning of equipment for a second period of use.

In the 2012 reporting year, the range of audited forklift truck model series was expanded to include the high-rack stacker and vertical order picker product segments. Carbon dioxide emissions in the usage phase were reduced by 42 per cent in these segments (from 2001 to 2011). In consequence, the carbon emission reductions

achieved for the forklift program as a whole over the last eleven years amount to 25 per cent.

Today, innovative measures are taken to reduce the carbon footprint of Jungheinrich's entire product cycle. High-tech solutions developed in-house serve as a dual benchmark—especially in the usage phase, during which 80 to 90 per cent of the emissions occur. The significant reduction in carbon emissions despite high handling turnover rates minimizes the effects on the environment, and customers benefit from permanently low energy costs.

Compliance and data privacy

To Jungheinrich, compliance consists of adherence to statutory regulations and the company's internal guidelines. The primary objective is to stave off potential danger and risks for the company. From an organizational point of view, the compliance function has been assigned to the Corporate Audit Department since the compliance system was introduced in 2008. The building blocks of the compliance system are the Code of Conduct, an internal whistle blower system and regular investigations conducted by the Corporate Audit Department.

All of the executives were requested by the Board of Management and the Compliance Officer (CO) to adhere to the internal rules and external statutory regulations at work once again in the year being reviewed. Furthermore, a Code of Conduct was established in 2012, which was introduced with binding effect and communicated to the employees within the Group by the

Sustainability project

In 2012, Jungheinrich completed the 'Sustainable Disposal of Forklift Trucks' project in cooperation with a Hamburg-based waste-management firm. Based on current legal waste-management regulations, Jungheinrich analyzed the recycling efficiency of two material handling equipment models. The project's findings confirmed that Jungheinrich material handling equipment can be fully recycled either mechanically or thermally.

company's executives. This Code is the guideline for ethically and legally irreproachable action taken by all Jungheinrich employees when implementing business processes.

Notifications of misconduct were primarily received from internal sources in all divisions. External parties can file confidential notifications of potential compliance violations via the Internet.

As in the preceding year, in 2012 matters of relevance to compliance in all of the Group's audited companies and divisions were investigated within the scope of review inspections. Delicate topics were investigated within the scope of special inspections and handled confidentially.

The Board of Management as well as the Supervisory Board's Finance and Audit Committee were generally kept abreast of potential compliance incidents and the status of investigations and informed of this in one committee

meeting. Pursuant to comprehensive statutory regulations, all of the Group's executives and employees throughout the world are obliged to handle the personal data of customers and staff members responsibly, while complying with the EU data privacy regulations in effect and applicable local legislation. In 2012, the entire workforce was again advised of its obligation to comply with applicable data privacy policies comprehensively. Further information on data privacy at Jungheinrich can be accessed by all employees on the intranet.

Furthermore, in the year under review, a data privacy guideline was created and made available to the entire labour force around the globe. It contains commentary on rights and obligations of relevance to data privacy.

Numerous inquiries relating to issues of data privacy law concerning the storage of data, the use of new media and security matters were

received by the Group's data privacy officers. They were discussed with the relevant departments and reviewed in accordance with statutory regulations.

Individual data privacy coordinators assisted the data privacy officers of the departments, e.g. the Personnel and IT Departments, in their advisory sessions. Internet commerce regulations were considered in matters relating to the web-based mail-order business (PROFISHOP). Furthermore, additional legal requirements with respect to data privacy such as the maintenance of process registers documenting the data stored in each of the IT systems and instructions that must be issued in the event of a violation were satisfied.

In the year being reviewed, there were no contraventions of in-house data privacy policies. However, there was a significant rise in the need for advice compared with the previous year.

Internal control and risk management system

The Jungheinrich Group's risk management system encompasses principles, methods and measures for ensuring the correctness, efficacy and economic feasibility of accounting and for ensuring compliance with applicable statutory regulations. It also includes the elements of the internal audit system relating to the accounting process.

The following is a description of the key features of the internal control and risk management system institutionalized within the Jungheinrich Group with respect to the accounting process:

- The Jungheinrich Group has a diverse organizational and corporate structure overseen by uniform and strict control mechanisms.
- The holistic analysis and management of earnings-critical risk factors and risks jeopardizing the company's subsistence are handled by groupwide governance, budgeting and controlling processes as well as an early risk detection system.
- Functions of all accounting process areas (e.g. financial accounting, controlling and corporate audit) are clearly assigned.
- IT systems employed in accounting are protected from unauthorized access and are largely off-the-shelf software (essentially SAP systems).
- A comprehensive knowledge management system is in place to regulate accountabilities and workflow for all processes and their interdependencies via policies. The risk management system in force throughout the Group is constantly adapted and refined.
- A comprehensive Group accounting manual, which is updated once a year and made available to all departments involved in the accounting process, ensures that business transactions are accounted for, measured and reported uniformly throughout the Group.
- Employees working in departments involved in the accounting process within the Jungheinrich Group as well as at its German and foreign subsidiaries have the requisite qualifications in both quantitative and qualitative terms.
- Sample inspections, plausibility checks and manual controls as well as software are used to verify the completeness and correctness of accounting data.
- Material processes of relevance to accounting are subjected to regular analytical reviews. Our early risk-detection system is examined for functionality and effectiveness by the independent auditor as part of the audit of the financial statements at year-end. Findings derived from this audit are taken into account as the groupwide, Jungheinrich-specific system is continuously refined.
- As a rule, the security principle is applied to all accounting-critical processes, which are reviewed by the Corporate Audit Department.
- Among other things, the Supervisory Board concerns itself with issues pertaining to accounting, risk management, audit assignments, and focal points of audits.

Risk and opportunity report

Since the Jungheinrich Group operates on a global basis, the early detection of risks and opportunities as well as the measures derivable therefrom are key elements of corporate governance. Basic principles and courses of action have been defined in a groupwide guideline within the scope of a risk management system. The examination of our early risk detection system for functionality and effectiveness is an integral component of the regular inspections conducted by our Corporate Audit Department and of the annual audits of our financial statements. Findings derived from these audits are taken into account as the Jungheinrich-specific risk management system is continuously refined.

Risk and opportunity management

Jungheinrich's risk management system is an integral part of the company's management, budgeting and controlling processes. It comprises the following elements:

- the Group Risk Management Policy,
- the Group Risk Committee,
- the operative inventories of opportunities and risks of the sales and production companies,
- the central inventories of opportunities and risks of the people responsible for the business fields and the directors of the corporate functions,
- the general Group reporting structure, and
- the Corporate Audit Department.

The managers of the local operating companies are responsible for risk management within their

units. Besides addressing risk-related issues at regular management board meetings, the unit managers are obliged to take inventory of risks and opportunities three times a year as part of the risk management process. The goal is to identify and assess the risk position as realistically as possible. When taking inventory for the first time in a year, opportunities and risks are assessed based on the planned business trend. Inventories taken thereafter are assessed on the basis of the latest forecast. These resulting figures are condensed to an aggregated figure in a Group risk inventory, taking appropriate threshold values and their probability of occurrence into account. The Group risk inventory is discussed and suitable measures are developed in the quarterly meetings of the Group Risk Committee, in which the Board of Management participates. A summary is regularly made available to the Supervisory Board. Ad-hoc risk reports must be immediately submitted to the Group Risk Committee whenever risks exceeding certain threshold values are identified between the inventory cut-off dates.

Due to its varied and systematic audits of all the areas of the Group, the Corporate Audit Department is a key element of the risk management system. In the year under review, investigations were conducted worldwide according to the audit schedule coordinated with and approved by the Board of Management or as part of corresponding special inspections. Measures to mitigate risks were agreed upon with the executives and employees in charge within the scope of audit reviews. Their implementation

is extensively reviewed by the Corporate Audit Department on site as part of the regular follow-ups. In addition, special investigations were conducted to analyze all material organizational changes on site.

A stringent risk management system is in place in order to be able to identify the financial services business' potential risk exposure and assess it on an ongoing basis. A centralized pan-European lease database running on SAP ERP software enables financial service agreements to be recorded and the risks arising from them to be assessed uniformly throughout the Group.

Risks and opportunities

The analysis of the most recent risk inventory, compiled in 2012 by the Group Risk Committee, revealed that there are currently no risks that could jeopardize the Jungheinrich Group's continued existence. Risks that are material to the Jungheinrich Group are listed below.

General risks and sector-specific risks

The Jungheinrich Group is exposed to general risks arising from the development of the world economy. Cyclical fluctuations subject the business trend to risks above all in key European markets. At present, experts do not expect the global economy to collapse, but a zero-growth forecast for 2013 was issued for the Eurozone. However, the economy's stability may be curtailed by the fundamental problems associated with the sovereign debt crises in numerous European countries, which have not been resolved so far. Growth prospects will depend on the extent to which the negative effects of the sovereign debt crisis on the real economy can be repelled.

The world material handling equipment market shrank marginally in the year under review, decreasing by 3 per cent. An economic downturn could result in a significant reduction in the number of forklift trucks produced or realizable margins. However, if the economy develops positively, market volume may rise—especially in Europe—presenting opportunities for the Jungheinrich Group to grow.

Furthermore, the material handling equipment market is characterized by fierce competition and increasing consolidation tendencies.

Therefore, the economy's development—focussing on Europe—is constantly monitored and evaluated based on regular estimates made concerning the material handling equipment market, the competitive environment and capital markets—especially with regard to fluctuations in currency exchange and interest rates. The objective is to detect indications of the future order trend. Production schedules and capacity are constantly brought in line with the forecast level of incoming orders. This reduces the risk of plant capacity under-utilization. Also included in risk surveys are potential changes to the subsidiaries' financial situation stemming from market developments.

Furthermore, the risk of losing market share is mitigated by the company constantly expanding its product range and service offering, providing attractive financing solutions, and further intensifying its differentiation strategy, for example by expanding the logistics system business. In sum, the product portfolio will be enlarged by 22 new products in 2013 and 2014.

Operational risks

The consolidation of demand witnessed for several years causes the pressure on prices on the market to rise and thus constitutes an ongoing risk. The Group reacts to this situation mainly by expanding its product and service offerings by way of tailor-made customer solutions. This improves its market penetration and customer loyalty.

The rising trend among customers to hire new trucks will continue again in the year underway. The financial crisis and the mounting demands placed on the financial environment (as a result of the planned introduction of the 'Basel III' set of banking regulations, among other things) will make it more difficult for customers to self-finance investments and obtain financial leeway. Our range of financial services offers customers a sensible alternative against this backdrop. Risks potentially arising from such transactions are mitigated by a risk management system tailored to suit the needs specific to the financial services business. A summary presentation of these risks can be found under 'Risks associated with financial services.'

In 2012, Jungheinrich had a short-term hire fleet of approximately 31 thousand trucks (prior year: 27 thousand units). The risk of prolonged standstill is minimized by constantly adapting the fleet's size and structure to market needs and customer requirements, thus ensuring a high degree of utilization.

Purchasing risks

Purchasing risks that may arise from increasing commodity and material costs, disruptions in the supply chain, and quality-related problems are

managed by the company through its risk management system. Among other things, the company employs control systems to monitor and analyze the development of the price of relevant commodities. These systems help management detect developments significantly affecting procurement prices early on and act accordingly.

No unusual risks are currently expected to arise in 2013 from the development of the price of commodities.

If the economy deteriorates, it cannot be ruled out that supplier insolvency cases may rise in number. However, no risks arising from supplier defaults, which may lead to a supply bottleneck, are identifiable at present.

Risks pertaining to information technology

Our IT systems are constantly reviewed and refined in order to prevent risks pertaining to information technology from arising and to ensure the current and future safety and efficiency of our business processes. Jungheinrich uses industry standards, redundant network connections and a mirror computing centre with a view to limiting failures of application-critical systems, websites and infrastructure components. Other departments and companies throughout the Group were included in the standardized, transparency-enhancing SAP system network as part of the IT strategy.

Personnel risks

Jungheinrich's corporate culture is based on trust. Independent entrepreneurial thinking and performance-oriented action by employees and executives are the foundation of the company's commercial success and future development.

As part of our university marketing campaigns, we nurture close ties to, and work closely together with, technical universities with a view to recruiting the young engineering talent that is important to the company. The company reacts to the fierce competition for skilled labour and executives and mitigates the associated risk of a loss of know-how caused by staff turnover by offering attractive qualification options and a performance-oriented compensation system. For instance, executives and employees with special skill sets are identified, promoted and put to the test within the scope of our talent management program. This enables us to staff key functions at various management levels from within our own ranks. The company is increasing the number of its apprentices in order to create a pool of skilled workers large enough to meet its needs. However, it remains difficult to recruit engineers—above all for development assignments, because they are highly sought after in the industry.

Risks associated with financial services

Material risks to which Jungheinrich may be exposed through its financial services business include the residual value risk, the refinancing risk, and the creditworthiness risk arising from customer receivables.

Residual value risk

The internal residual value guarantee offered by the Sales Division to the 'Financial Services' segment gives rise to opportunities and risks from the resale of truck returns by the operating sales units. These residual value guarantees are calculated by the Used Equipment Business Area, which is assigned to the Sales Division, on

the basis of a conservative groupwide standard for maximum allowable residual values. All financial service agreements are subjected to a risk assessment from the perspective of the Jungheinrich Group and of the 'Financial Services' segment. The residual values of all individual contracts are subjected to a quarterly evaluation using the central lease database on the basis of their going fair value. In cases where the going fair value is lower than the residual value of a contract, a suitable provision for this risk is recognized on the balance sheet.

Refinancing risk

The refinancing risk is limited by applying the principle of matching maturities and interest rates for customer and refinancing agreements when refinancing financial service contracts. The 'Financial Services' segment's standard groupwide organizational structure and procedures ensure that the structure and provisions of finance agreements entered into with powerful domestic and foreign refinancing banks are highly uniform throughout Europe. Moreover, the financing platform created in 2010 also enables us to obtain refinancing on the capital market. Sufficient lines of credit are at the company's disposal for financing the growing new truck business.

Creditworthiness risk

Customer receivable defaults were kept very low in the last few years. Jungheinrich's creditworthiness risk exposure again remained far below the sector average in the year being reviewed, despite the difficult conditions prevailing on the market. The main reasons were the extensive

credit checks carried out before concluding the agreements as well as revolving checks performed during the contractual period. Furthermore, trucks returns prematurely accepted by operating sales units are marketed in cooperation with the 'Financial Services' segment under firm return conditions. The professional marketing of used equipment within the Jungheinrich organization via the Europe-wide direct sales system and its supplementary 'Supralift' Internet platform give Jungheinrich an outstanding set of reselling tools.

Financial risks

Financial risks primarily consist of interest rate and currency risks. They are monitored regularly. Changes in interest and currency exchange rates expose the Jungheinrich Group to operating risks which are controlled by a special risk management system. Jungheinrich makes use of financial instruments such as currency futures, currency swaps, currency options and interest rate swaps to control these risks. We have defined control mechanisms for the use of financial instruments in a procedural guideline based on the legal requirements imposed on company risk management systems. Among other things, the guideline mandates the clear separation of trading, settlement, accounting and controlling.

The Eurozone's persistent sovereign debt crisis and its impact on the financial markets do not have a material effect on securing Jungheinrich's financial room for manoeuvre at present. Despite the stricter risk standards of lending institutions, the company's good creditworthiness and robust positioning were valuable assets in securing

credit financing for the years ahead. In addition to its short-term lines of credit, Jungheinrich has over €300 million in medium-term credit lines to finance its operating activities. The maturity profile was further optimized through the early extension of major portions of this line of credit. Furthermore, the company has a €100 million promissory note with an original term of five years, which was placed in December 2009. No risks are presently expected with respect to existing financial covenants. As there is still a high level of liquid assets, which the Group can use to meet its payment obligations at all times, there is no liquidity risk exposure. Jungheinrich continues to pursue a conservative investment policy throughout the Group, exclusively spending capital on select asset classes of outstanding creditworthiness.

The Jungheinrich Group is exposed to a counterparty risk that arises from the non-fulfilment of contractual agreements by counterparties, which are generally international financial institutions. On the basis of the risk indicators used in the Jungheinrich Group—in particular the credit ratings of contractual partners, which are determined and regularly updated by reputable rating agencies—no major risk ensues from the dependence on individual counterparties. The general credit risk from the derivative financial instruments used is considered to be negligible. Derivative financial instruments are exclusively used to hedge existing underlying transactions against interest rate and currency risks.

More detailed commentary on financial instruments can be found in Jungheinrich AG's consolidated financial statements.

Legal risks

General contract risks are eliminated by applying groupwide policies whenever possible. In addition, material contracts are centrally managed and administered by the departments responsible for them, which also provide the pertinent legal

advice. Appropriate provisions have been built to cover potential financial burdens resulting from risks relating to lawsuits. Otherwise, the company is not facing any material risks associated with litigation with third parties.

Events after the close of fiscal 2012

The remaining 75 per cent of ISA – Innovative Systemlösungen für die Automation GmbH, Graz (Austria) were acquired with legal effect

from January 1, 2013 to strengthen the logistics system business. Jungheinrich had held a 25 per cent stake in the company since 2009.

Forecast report

Economic and sector outlook

The world economy is likely to display marginal growth in 2013. From a current perspective, debt problems—especially in the Eurozone—that still remain to be solved, macroeconomic uncertainty and significant regional differences in the growth momentum of economies stand in the way of a significant revitalization of the world economy. Experts thus anticipate an increase in global growth of a mere 3.3 per cent in 2013 following 3.0 per cent last year.

After experiencing gross domestic product declining by 0.5 per cent in 2012, the Eurozone is expected to post marginal economic growth of 0.3 per cent in 2013. However, the recession in the Southern European countries is expected to persist. By contrast, Jungheinrich's core European markets besides Germany, namely France, Italy and the United Kingdom, have brighter

growth prognoses for the current year than for 2012. Economic growth in Eastern Europe's key countries such as Poland and Russia should decline considerably or remain at last year's level. Following an expansion of 0.7 per cent last year, Germany is expected to grow its economy more in 2013—by 1.0 per cent.

As before, stimulus stabilizing the world economy is anticipated to come from the USA as well as from Japan, China and India. Accordingly, US GDP will probably rise by 2.0 per cent after growing by 2.2 per cent last year. Japan is expected to post a rate of increase of 0.6 per cent, following the 1.6 per cent advance in 2012. The Chinese economy is forecast to maintain its high growth rate, expanding by 7.5 per cent (2012: 7.8 per cent). India should see its economy increase by 6.8 per cent, gaining momentum over last year (5.7 per cent).

Growth rates of selected economic regions

Gross domestic product in %

Region	Forecast for 2013	Forecast for 2014
World	3.3	3.9
USA	2.0	2.8
China	7.5	7.5
Eurozone	0.3	1.5
Germany	1.0	2.5

Source: Commerzbank (as of February 2013).

In view of the global economic growth forecast and the more positive estimate in respect of the Eurozone's economic development compared to 2012, Jungheinrich expects the size of the world material handling equipment market to remain stable and there to be opportunities for marginal growth. The regional differences will continue to exist. Market volume should also display stable development in Europe, where there are also opportunities for growth. Jungheinrich has also identified potential for growth in Asia, but the Chinese market can be expected to recover no earlier than in the second half of this year. The North American market should also continue to expand.

**Future development
of the Jungheinrich Group**

Assuming that the economy displays restrained development initially, moderate opportunities arise over the course of the year, and the size of the European market remains stable in 2013, following a decline in demand in 2012, Jungheinrich expects incoming orders to total between €2.1 billion and €2.3 billion in 2013

(2012: €2.3 billion). Consolidated net sales are also likely to be in a similar range.

Our current estimates have earnings before interest and taxes (EBIT) amounting to between €140 million and €150 million (2012: €150 million). This takes into account the lower level of orders on hand as of December 31, 2012, the one-off costs as well as depreciation due to the commissioning and completion of large-scale strategic projects for the expansion of manufacturing capacity and spare parts logistics as well as persistently high research and development costs. Jungheinrich does not expect the cost of materials or personnel expenses to experience unusual changes exceeding its budget.

The strategic investment projects will be completed as planned in fiscal 2013. These are:

- the establishment of the spare parts centre in Kaltenkirchen (Schleswig-Holstein),
- the construction of the factory in Qingpu (China), and
- the construction of the warehousing and system truck factory in Degernpoint (Bavaria).

The two new sales centres in Germany and the new sales location in Slovenia will be completed at the end of 2013 and the beginning of 2014, respectively.

Approximately €50 million of the aforementioned projects' aggregate investment volume of about €100 million, which is being spread over 2012 and 2013, will be allocable to the 2013 financial year, depending on progress made in construction. In sum, this will cause the amount of capital spent on tangible assets in 2013 to increase to between €80 million and €100 million.

In 2013, the Jungheinrich Group will maintain its research and development work at its high level, which has risen substantially. Accordingly, research and development expenditures will be of an order of magnitude similar to the one achieved in 2012. As regards the product portfolio, plans envisage launching 22 new products on the market both this and next year.

Jungheinrich plans to increase its headcount even further in order to strengthen its sales organization. A large portion of the workforce expansion will occur in growth markets outside Europe. In addition, the full acquisition of ISA – Innovative Systemlösungen für die Automation GmbH, based in Graz (Austria) as of January 1, 2013, adds more than 50 employees to the payroll.

The financial services business will continue to be expanded. Against the backdrop of the development of interest rates anticipated in Europe, the 'Financial Services' segment is expected to deliver stable financial income.

The company is maintaining the continuity of its dividend and strives to pay another dividend that is appropriate in light of its earning power.

Business volume may well expand moderately once again in 2014. The prerequisite for this would be that the world economic trend develops as prognosticated. This would trigger positive stimulus for the business cycle of the material handling equipment industry. Rising incoming orders in new truck business, which lead to an increase in plant capacity utilization, would contribute to improving the Jungheinrich Group's earnings trend.

Since developments cannot be foreseen, the actual business trend may deviate from the expectations based on assumptions and estimates made by Jungheinrich company management. Factors that can lead to such deviations include changes in the economic and business environment, exchange and interest rate fluctuations, and unforeseeable consequences of the high national debt levels such as the political and economic changes in some European countries and the USA.

General statement concerning the Jungheinrich Group's anticipated development

Last year, which was marked by the European debt crisis, the Jungheinrich Group proved that its integrated business model encompassing the New Truck, Short-Term Hire, Used Equipment and After-Sales Services Business Areas in combination with its powerful financial services business gives it a high degree of flexibility and puts it on firm footing.

Jungheinrich expects its business to display robust development in the 2013 financial year, as long as the European debt crisis does not

intensify again. The global trends in the field of intralogistics, such as the trend to professionalizing and modernizing warehouses, the trend towards automated solutions, and customers' focus on intralogistics as a core competence provide the integrated business model with huge opportunities. Strategic measures that have already been taken, i.e.:

- the implementation of large-scale projects for the expansion of manufacturing capacity and spare parts logistics,
- the strengthening of the company's presence on the Asian market,
- the enlargement of the product range through the addition of a new IC engine-powered counterbalanced truck,
- the expansion of the after-sales services business,
- the promotion of the logistics systems business, and
- the continued expansion of financial services,

will help Jungheinrich optimally cushion cyclical fluctuations.

As before—contrary to this assessment—one cannot rule out a significant shrinkage of the market in view of the uncertainty in Europe. In such an event, thanks to its sufficiently diversified customer base that focusses on the less volatile food retail and wholesale sectors and the high proportion of its business accounted for by services, the company would be well positioned to survive successfully in a negative market scenario, benefiting from flexible structures in administration, sales and production, despite the adverse effects this would be expected to have on earnings.



Group overview

>>> New system equipment plant under construction >>> Full acquisition of ISA GmbH fortifies logistics system business >>> New web appearance bolsters e-commerce sales channel >>> Dedicated budding professionals honoured



"Jungheinrich's ISM Online forklift management system presents our customers with new ways to manage their vehicle fleets efficiently."

Tanja Gründer, Team Leader Fleet Management/
After Sales Business Development



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Milestones in warehouse logistics: Dr. Friedrich Jungheinrich developed the 'Ameise Retrak' reach truck in 1956.

60 years of Jungheinrich 1953–2013

By founding H. Jungheinrich & Co. Maschinenfabrik on August 7, 1953, Dr. Friedrich Jungheinrich laid the cornerstone for a company that continues to distinguish itself by its passion and innovative ideas in the field of intralogistics on its 60th anniversary. What began in a small workshop with 30 employees in the Hamburg district of Barmbek has evolved into an international group

of companies with over 11,000 staff members and annual net sales of more than two billion euros. On its way to establishing this strong position, Jungheinrich transformed itself from a producer of material handling equipment to a provider of intralogistics services and solutions with manufacturing operations which offers its customers "the world of forklift trucks" in premium quality.

The basis for this successful development is the unique corporate culture on which the company's founder left his mark and which

1953

Establishment of
H. Jungheinrich & Co.
Maschinenfabrik

1954

Setup of the German
direct sales and
service network

1956

First foreign sales
and service company
in Austria

1966

Norderstedt plant
commences
production



Wide diversity of products: Jungheinrich was already producing numerous versions of more than 40 basic forklift models in the 1970s.

continues to determine entrepreneurial action and interpersonal life at Jungheinrich 60 years later. It is mainly built on trust and the promotion of employee initiative, as manifested in the motto coined by Dr. Friedrich Jungheinrich in the company's early years: "Go for it!"

Innovations have a tradition

Jungheinrich's history is tightly interwoven with the development of innovative truck solutions for in-plant logistics. The objective has always been to support companies in making more efficient

use of their manpower and accelerate in-plant material flows, reducing costs in the process. Dr. Friedrich Jungheinrich had already engineered various battery-powered pedestrian-controlled platform trucks and launched them on the market successfully even before the company was founded. In 1953, Jungheinrich showcased 'Ameise 55,' its first battery-powered forklift truck with a driver's seat, which contributed to establishing the company's outstanding reputation.

Further innovations by Jungheinrich were the first reach truck, which was introduced to the





State-of-the-art manufacturing technology: The powder coating and painting plant in the Landsberg factory, which was opened in 2009.

market under the name 'Ameise Retrak' in 1956, as well as the ETX high-rack stacker, which debuted in 1968. The high-rack warehouses adapted to the truck had shelves at heights of up to ten metres and were the first step towards complete warehousing systems, which Jungheinrich progressively developed to perfection. In 1996, the company presented the EFG-VD—its new battery-powered four-wheel forklift truck and the first battery-powered forklift with a three-phase AC drive system.

Jungheinrich has recently focussed its development work on forward-looking drive technologies and innovative end-to-end concepts for warehouse logistics. Thanks to the data-based Jungheinrich Warehouse Management System and electronic fleet-management, the company is among the leaders in the logistics systems business. The EJE 112i, the first battery-powered pedestrian-controlled pallet truck that was ready to go into mass production featuring lithium-ion technology, set new standards in various areas, including energy efficiency.

1996

1st battery-powered forklift to feature three-phase AC technology

2001

New Group sales strategy: focus on direct sales & focus on the Jungheinrich brand

2005

100,000th Jungheinrich forklift featuring three-phase AC technology

2006

Establishment of a plant in China (Qingpu near Shanghai)
Used equipment centre in Dresden



Ready for every mission: Since 2004, IC engine-powered counterbalanced trucks have been engineered and produced in Moosburg—a forklift class with huge market potential.

Resolute single-brand strategy

Dr. Friedrich Jungheinrich focussed on selling his forklift trucks directly early on—both domestically and internationally. The first German branch office was established as early as 1954, followed by the first foreign company, which was set up in Austria. Since 2001, sales have been consistently geared towards the 'Jungheinrich' brand. Today, the Jungheinrich Group is represented by a proprietary sales company in 32 countries and by a global dealership network in more than 100 countries. The company will continue to

chart this course by expanding its presence—above all on Asia's growth markets.

Thanks to its innovative prowess, Jungheinrich is well equipped for future challenges in the field of intralogistics and is optimistic that it can continue to operate as an independent, responsible family business. The brand promise 'Machines. Ideas. Solutions.' puts into a nutshell what is important to the company: assuming responsibility for its customers and itself. In other words: thinking as a visionary, acting inspirationally and creating holistic solutions.

2009

Landsberg plant commences production
Sales partnership with MCFA in North America

2011

Start of the mass production of the electric pedestrian pallet truck EJE 112i featuring lithium-ion technology

2013

Commissioned:
Spare parts centre in Kaltenkirchen
Degernpoint plant (near Moosburg)
Qingpu plant (near Shanghai/China)



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Expansion of business activities in China: Qingrong Li overhauls a forklift in the plant set up in 2012 to recondition used equipment.

The past financial year was largely under the motto “Investing in the Future.” Centre stage was taken by strategic and forward-looking large-scale projects in the fields of production and spare part logistics as well as the expansion of sales activities in Europe and Asia. Another point of focus was the logistics system business, which Jungheinrich strengthened by acquiring the remaining stake in ISA GmbH, which is based in Graz, Austria. In 2012, capital expenditure amounted to over €80 million.

Investing in the future

The Asian growth market

Enlarging its footprint on Asia’s growth markets is of central strategic importance to Jungheinrich. The company is increasing its manufacturing capacity in China in order to be prepared for potential demand in Southeast Asia in the future. Construction of a new production plant in Qingpu, which began in 2011 and has a capex volume of 18 million euros, is scheduled for completion by the middle of 2013. The factory will also produce equipment developed specifically for the Asian market.

Furthermore, we are continuing to expand the service and sales network in Southeast Asia. In 2012, Jungheinrich set up a plant for reconditioning used equipment in the vicinity of the Qingpu site, with a view to capitalizing on the growth potential of the Chinese used equipment market. Progress was made in enlarging the direct sales network by opening the sixth branch office in Shenyang at the end of 2012. By establishing a sales company in India in July of 2012, Jungheinrich widened the coverage of its direct sales operations to include an additional growth market.



The future is within our reach: Rainer Volke, Head of Construction at the Moosburg plant, is responsible for planning the construction of the new warehousing and system equipment factory in Degernpoint.

New system equipment plant

Jungheinrich has begun to build a new warehousing and system equipment plant in Degernpoint, in the immediate vicinity of the existing production site in Moosburg. In so doing, the company is doing justice to the mounting significance of the system business. In July of 2012, the cornerstone for the new Jungheinrich plant, which has a project volume of about 40 million euros, was laid in an official ceremony. Commissioning has been scheduled for the second half of 2013. The next step will involve optimizing production processes in Moosburg, the main factory, and expanding capacity for the production of counterbalanced trucks manufactured at the plant.

State-of-the-art spare parts supply

By setting up a new spare parts centre in Kaltenkirchen, which is situated north of Hamburg, Jungheinrich is preparing to take on the future challenges of the spare parts business and further optimizing processes for supplying spare parts.

Associated capital expenditures, which exceed 35 million euros, do justice to the Group's international growth, the broadening of the range of spare parts driven by the enlarged truck portfolio, and the mounting demands placed on the sales organization and the dealer business. The company plans to complete the 23,000 square metre building complex by the middle of 2013.

Capital expenditures on sales sites

The Jungheinrich Group is spending capital on its service and sales organization in Europe, its core market. This includes the construction of two sales centres in Germany: at Neufahrn near Munich and at Sachsenheim in Baden-Württemberg. A new building is also being erected for the sales company in Slovenia. Moreover, the company is investing in the growing used equipment business and plans to increase the annual capacity of the used equipment centre in Dresden from 4,500 reconditioned forklifts at present to 8,000 in 2018, without interrupting operations.



Tailor-made warehouse management: Sandra Hofmann and Felix Voegler of the Moosburg Warehouse Management Systems Department.



Technological innovations

All-round solutions by Jungheinrich: warehouse process optimization

Tailor-made holistic solutions for customers are constantly gaining importance in addition to classical offerings of material handling equipment. Therefore, Jungheinrich made the efficient management of logistical processes a priority of its research and development activities at an early stage.

By fully acquiring Graz-based ISA – Innovative Systemlösungen für die Automation GmbH, in which the company formerly held a stake of 25 per cent, with effect from January 1, 2013, Jungheinrich further strengthened its position as a provider of innovative logistics systems. Among ISA GmbH's offerings are integrated material flow and warehouse logistics solutions as well as associated services such as project planning, implementation, training and service. The software firm has been working successfully with Jungheinrich for many years.

The Jungheinrich Warehouse Management System (WMS) plays a central role in the improvement of in-house material and information flows. WMS enables all warehouse areas to be managed independently of the warehousing technology used as well as the entire flow of material to be controlled and improved. The Warehouse Management System serves as a control centre for all logistical processes while integrating additional solutions enabling further efficiency enhancements. For instance, Jungheinrich's warehouse navigation system sees to it that wireless order receipts are forwarded from a forklift's wireless communications terminal to its vehicle control unit. This allows for the truck to approach the order-picking slot with the desired article in semi-automatic mode. Further cost reductions can be achieved by integrating a truck guidance system enabling capacity utilization to be spread evenly across the truck fleet.

Global fleet management courtesy of ISM Online

It is becoming increasingly important for companies operating from several locations to manage



Innovative truck solution: Auto pallet movers enable efficiency increases, as exemplified by the transportation of containers in the silo area of a spice producer.

their entire logistics fleet centrally. Jungheinrich's ISM Online fleet management system enables its customers to manage, analyze and better control their material handling equipment fleets online, across several sites and countries. In addition to commercial information, deployment data for all fleet trucks can be stored and accessed world-wide over the Internet. The application thus contributes to increasing warehouse transparency and safety, while providing for more efficient control. The fleet management system is being received very positively by the market. Therefore, Jungheinrich will expand the scope of ISM Online commensurate to its customers' needs over the course of 2013.

Auto Pallet Mover driverless transportation system

Based on tested Jungheinrich mass-produced forklifts, the driverless transportation system dubbed 'Auto Pallet Mover' (APM) enables regular transportation procedures to be carried out efficiently. Showcased in 2011 at CeMAT, the sector's main trade show, the innovative solution has since become ready to market. Last year,

a type EKS 210a order picker running on auto pilot was deployed successfully by a customer for the first time. Auto pallet movers are equipped with a dedicated control system with which routes can be scheduled, forklift trucks can be coordinated, and traffic flows can be optimized. Comprehensive safety features ensure collision-free and safe operation in every conceivable warehousing environment. APMs can be used as a stand-alone solution or together with a warehouse management system and benefit from Jungheinrich's global after-sales services, analogously to mass-produced trucks.

ERE 120: energy-efficient platform trucks from Landsberg

The ERE 120 battery-powered pedestrian-controlled pallet truck, which was launched in 2012, is the first forklift to have been engineered in the Landsberg factory in Saxony-Anhalt from start to finish. This underscores the significance of the plant, which was commissioned in 2009, as an independent centre of excellence for low-platform trucks.



Optimized production: Stefan Haas assembling a 'hydrostat' in the Moosburg factory.



Jungheinrich's research and development activities are resolutely focussed on increasing economic viability while boosting truck performance. For instance, the ERE 120's energy consumption was reduced by 15 per cent while stepping up its handling turnover rate vis-à-vis the predecessor model.

The ERE 120 was the result of the full implementation of the platform concept for low-platform trucks in Landsberg. Manufacturing material handling equipment employing the modular construction kit approach enhances efficiency substantially. This enables components to be shared, while significantly increasing the number of model variants.

EJC 110/112/212: implementation of the high-platform concept completed

In 2012, the high-platform concept initiated five years ago was implemented in the Norderstedt factory by virtue of the introduction of the new EJC 110/112/212 battery-powered pedestrian-controlled stacker and the wide-track version, the EJC B12. Jungheinrich's range of high-platform forklifts, which encompasses 19 trucks, is

now being produced by applying the modular construction kit principle based on a uniform design. This reduces development and production costs considerably, while improving the trucks' maintenance and service-friendliness. The new battery-powered pedestrian-controlled stackers are very nimble and thus economically viable—especially on short routes and in tight quarters.

From a single source: explosion-protected forklift trucks

Jungheinrich's product offering has included explosion-protected versions of material handling equipment manufactured in-house since the end of 2012. Branches of industry in which these forklifts are typically used are the chemical, pharmaceutical and cosmetics sectors in which substances such as solvents and aerosols are stored. For the time being, the Lüneburg factory will produce explosion-protected variants of our battery-powered counterbalanced trucks. Battery-powered high-platform trucks equipped with explosion-protection features will also start rolling off its assembly line from the middle of



Nimble battery-powered platform truck: The new ERE 120 shows off its strengths especially by swiftly transporting goods in warehouses.

2013 onwards. We plan to expand our product range in this area.

Innovative production: market-specific product engineering, efficient manufacturing

Jungheinrich has standardized the manufacture of IC engine-powered counterbalanced trucks at its Moosburg site. Forklifts equipped with hydrostatic drive have been produced on a shared assembly line since August 2012. This is significantly improving the efficiency of both production and logistical processes.

Diesel and LPG-powered forklift trucks with payload capacities of six to nine metric tons have also been manufactured at Jungheinrich's plant in Moosburg since the end of 2012. By integrating these model series in its counterbalanced truck production, Jungheinrich has strengthened the portfolio it has as a full-line provider of high-quality material handling equipment.

In addition to high-platform and battery-powered forklifts, reach trucks manufactured entirely in China started rolling of the assembly line of the Qingpu factory in Greater Shanghai in 2012. The resultant shortening of delivery times and market-

oriented pricing have made Jungheinrich more competitive on the Asian market. A new production plant in the vicinity of the current site is under construction. Once the facility has been commissioned as scheduled in 2013, the location will have more manufacturing capacity at its disposal, enabling the production of further forklift series.

The cooperative venture set up in 2009 with Mitsubishi Caterpillar Forklift America Inc. (MCFA) for production and sales on the North American market is also bearing fruit: Last year, we developed the ECR order picker, our first piece of warehousing equipment tailored to suit the needs of the US market, in Jungheinrich's Houston Design Centre (Texas). The ECR is manufactured by our cooperation partner MCFA in Houston and marketed by it alongside the material handling equipment produced in Germany.

Having successfully launched the world's first pedestrian-controlled platform truck featuring lithium-ion technology in 2012, Jungheinrich is continuing to do research in this field: The company plans to refine this forward-looking drive technology so that it can be used in additional truck segments.



Close to the customer: Thomas Arndt, a spare parts logistics employee, ensures no-hitch order picking and shipment.

Logistics services

Logistics systems

Once again, the logistics systems business contributed to the company's success in 2012. The Jungheinrich Group has successfully established itself on the market as a provider of made-to-measure logistics solutions with years-long experience and has bolstered its position by acquiring ISA GmbH, a warehousing and material flow technology software firm. ISA's offering covers the entire range of services, from budgeting and project planning via implementation and commissioning to maintenance and service. Efficient logistics solutions by Jungheinrich include the complete range of forklifts, automated material handling equipment as well as shelving and shuttle systems. The portfolio is supplemented by applications such as Jungheinrich's WMS warehouse management system and warehouse navigation, which are connected to each other via a proprietary logistics interface.

By launching the auto pallet mover—a driverless transportation system based on proprietary mass-produced trucks—Jungheinrich extended

its range of fully automated logistics solutions yet again. Of course, the company draws on its expertise in the field of logistics systems to implement in-house projects, for example to plan and roll out intralogistics in Jungheinrich's new central spare parts warehouse in Kaltenkirchen.

Short-term hire and used equipment

The short-term hire business displayed positive development in 2012 as well. Driven by the rise in demand for trucks for short-term hire, the number of forklifts on hand increased further and the short-term hire network was expanded—above all in the growth markets, namely Russia and China. Approximately 31,000 forklift trucks currently guarantee that availability remains in line with global market's numerous requirements and applications.

Jungheinrich recorded a slight increase in used equipment sales in fiscal 2012. Besides sales to dealers, the encouraging development of incoming orders was largely owed to the substantial proportion of sales to end customers. The key factors to the success of the forklift trucks reconditioned in the Klipphausen used



Mounting demand: In 2012, Jungheinrich enlarged its short-term hire fleet to 31,000 trucks.

equipment centre near Dresden are the high standard of quality adhered to by all 'Jungheinrich JungSTARS' sought after on the market, optimized IT processes, and the high degree of flexibility provided by centralized fleet management.

After-sales services

The after-sales services business, which encompasses maintenance, repair and spare parts services, looks back on a successful 2012 financial year. We further expanded our global service network, especially in the Chinese growth market. By the end of the year, more than 3,700 service engineers were working around the globe on ensuring a high degree of truck availability.

The commissioning of the new spare parts centre in Kaltenkirchen in the middle of 2013 is rendering processes in the spare parts service business even more efficient. As a result, our after-sales service operations are well equipped for the growth in net sales in the years ahead. Against this backdrop, the after-sales services product and service portfolio was also enlarged even further.

The ISM Online fleet management system introduced in the preceding year established itself

on the market in 2012 and is gradually being expanded through the addition of further modules.

Financial services

The Jungheinrich Group's 'Financial Services' segment is aligned for further growth. Proprietary financial services companies are constantly being established and expanded for Jungheinrich on its core markets. Fiscal 2012 saw the addition of Austria as the seventh country with a proprietary financial services company. This broad base enables Jungheinrich to offer uniform and flexible use concepts to companies with global operations. Customers benefit from tailor-made solutions going far above and beyond pure financing to encompass end-to-end fleet management in certain cases. In Europe, over one-third of all material handling equipment is sold packaged with a customized financial service concept.

Mail-order business

Jungheinrich PROFISHOP has stayed the course for growth it has been charting in recent years. In addition to the mail-order and sales operations,



The Asian growth market: Chinese logistics service provider Sinotrans has some 300 Jungheinrich forklift trucks in use.

the e-commerce sales channel was a major driver of this positive development. Online marketing was thus one of the focal points of marketing activity. A rising number of key accounts is availing itself of e-procurement offerings and opting for an electronic purchasing solution offered by Jungheinrich PROFISHOP. At the beginning of 2012, the Dutch market was tapped by launching a mail-order business in cooperation with the Jungheinrich Nederland B.V. sales company.

E-commerce

Jungheinrich completely revamped the Group's web appearance and established it as a further digital sales channel alongside the online version of PROFISHOP. To this end, navigation was improved and the products and services were described in more detail. Moreover, the tools used to communicate with users were made more interactive. The objective is to reach even more potential buyers and existing customers through this channel. Our new online appearance has met with positive feedback and is being integrated more tightly into the Group's social media offerings.

International projects

Sinotrans Limited: logistics for China

The Jungheinrich Group has steadily enlarged its local footprint since entering the Chinese market in 1997, where it has been represented through a proprietary sales company since 2004. Our customers include numerous multinationals as well as major domestic companies such as Sinotrans Limited, which is one of China's three largest logistics firms. The Sinotrans Group offers a wide range of logistical services, running the gamut from road, sea and air freight via storage and order picking to agency work. Sinotrans counts a large number of companies in the consumables and automotive industries among its customers.

Established in 1998 in Beijing, the company employs more than 20,000 people and has over 500 warehouses in China. Six of them, with a combined storage capacity of 120,000 square metres, are located in an industrial estate in the vicinity of Shanghai. About 90 Jungheinrich battery-powered forklift trucks are in use there, including reach trucks, battery-powered counterbalanced trucks and battery-powered



Success on the Brazilian market: Key Account Manager Sarah Oliveira convinced Edson Araujo, Logistics Manager with Bauducco Foods, of Jungheinrich's logistics concept.

low-platform trucks. Moreover, Sinotrans draws on Jungheinrich's multi-faceted after-sales and short-term hire service offerings. Other Sinotrans locations also bank on Jungheinrich quality: In the last five years, 120 new forklifts have been purchased, and a total of 300 trucks are being deployed throughout the company.

**Bauducco Foods:
full-service solution for the food industry**

In Brazil, Jungheinrich has been represented by a proprietary sales company, Jungheinrich Lift Truck-Comércio de Empilhadeiras Ltda., since 2001.

São Paulo-based food producer Bauducco Foods ranks among the leading producers of baked goods in Brazil. Established in 1952, the family-owned company owns five production

sites and manufactures over 200,000 metric tons of baked goods every year, which are exported to more than 50 countries.

Nearly 1.7 million cartons are stored and up to 300 lorries are loaded every day in the Bauducco logistics centre in Guarulhos in the state of São Paulo, which has a storage area of 37,000 square metres, capable of accommodating about 35,000 pallets during peak periods. To ensure that all logistics processes can be carried out without a hitch on site, the company banks on Jungheinrich's comprehensive full-service offering, which makes investments predictable as associated costs are firm and calculated over a long-term horizon. Some 40 Jungheinrich forklifts and battery-powered platform trucks are used there to place goods in and remove them from storage as well as to load and unload lorries.



Dedicated to budding professionals: The collaborative course system is a popular point of entry for school graduates.

Employees

One of the hallmarks of the Jungheinrich Group is the loyalty of its employees to the company. This was confirmed by groupwide surveys conducted in 2011 and 2012. In consequence, at 11 years, average staff membership is pleasingly long. The dedication of our highly motivated and qualified employees is the basis for the company's sustained success. In 2012, our HR management unit implemented a series of measures to promote personal development options.

Shaping work to suit individual age groups

The knowledge and expertise of experienced personnel are an asset that one should seek to retain for as long as possible. This is why Jungheinrich actively promotes health care, designs workplaces based on the most recent physiological and occupational health findings, and designs work processes in a way that reduces physical strain.

Modern and project-oriented promotion of budding professionals

In view of the increasing scarcity of skilled workers, the company attaches special importance to professional training. The basis for this is a long-term training concept satisfying high quality standards which received multiple awards in 2012, including the Training Award of the Lübeck Chamber of Industry and Commerce.

Jungheinrich affords talented university graduates the opportunity to gain additional expertise en route to becoming skilled workers and executives by participating in a two-year trainee program. Centre stage in the training program is taken by a project in which innovative cross-disciplinary and cross-departmental solutions to a realistic problem faced by the company are sought. In 2012, Jungheinrich trainees created a concept for an interactive communications platform for the Financial Services Department enabling information to be exchanged throughout the Group, across locations and departments.



Employees from three generations: Following in the footsteps of his grandfather Georg (right) and father Rudolf (left) Andreas Huber is continuing his family's tradition at the Moosburg plant as an industrial mechanic apprentice.

Efficient project management

The increasing digitalization of the working world and the rapid evolution of work processes constantly present companies operating on a global scale with new challenges regarding the way in which they organize work. Rolling out projects across locations and departments is an important element of innovation management in the Jungheinrich Group. In 2012, Jungheinrich's project management was refined and adapted to the company's current needs by an interdisciplinary task force staffed with employees from the HR Development, Sales, Technology and IT Departments.

Sales qualifications that are a perfect match

Constantly upgrading staff qualifications is of significant importance to a company's lasting success. The Jungheinrich Training Centre in Norderstedt provides skilled workers in after-sales services and sales with a comprehensive, target group-specific basic and advanced training offering that takes a very practical approach and makes use of modern learning methods. In 2012, a new quality standard was introduced for training and developing Jungheinrich instructors,

ensuring the uniformity of the quality of sales and after-sales services training across country borders. An internationally networked training organization sees to it that personnel throughout the Group obtain qualifications complying with Jungheinrich's quality standards, tailored to meet the needs of local markets. Taking this approach, skilled workers from the Chinese sales company received advanced training in 2012 by completing a training program running for several months in order to be prepared for the reconditioning of used equipment—an activity the Qingpu plant has recently been entrusted with.

Strengthening cohesiveness

The 'Jungheinrich ECHO' groupwide employee opinion poll, which was initiated in 2011, was continued in 2012. Staff members in 29 countries participated in the survey. The good 66 per cent turnout underscores the importance accorded to the poll and the workforce's willingness to shape the company. Jungheinrich ECHO's sustained success is being ensured by the thorough monitoring of the current survey and follow-up processes as well as its regular repetition in the coming years.



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Social volunteering: Jungheinrich supports the action medeor pharmaceuticals aid organization with intralogistics expertise, among other things.

Social responsibility

As a listed stock corporation that has the traits of a family-run company, social responsibility is a part of Jungheinrich's culture, by which it abides. The company does charitable work especially in fields relating to its business activity such as education, science and environmental protection. Another way in which Jungheinrich's social engagement is manifested is the assistance provided by the company to aid organizations by supplying them with material handling equipment, intralogistics expertise and cash donations.

Jungheinrich steps up cooperation with action medeor

Jungheinrich has been working with the pharmaceuticals aid organization action medeor since 2011. Action medeor's main tasks consist of supplying about 10,000 medical units with pharmaceuticals and medical supplies in 140 countries the world over, primarily in reaction to natural disasters and cases of humanitarian crisis. Moreover, the aid organization

promotes educational work and informational campaigns in the health care sectors of developing countries. Jungheinrich supports medeor in these endeavours by contributing intralogistics equipment and services.

In the spring of 2012, Jungheinrich and action medeor signed a cooperation agreement pledging further support to action medeor by volunteering intralogistics know-how and warehousing equipment. For example, Jungheinrich assisted in setting up a customs warehouse at the organization's headquarters in Tönisvorst (North-Rhine Westphalia).

To continue providing the pharmaceuticals aid organization with financial support, in March of 2012, the company initiated a 'loose change' campaign which involves employees voluntarily renouncing the cents behind the decimal point of their monthly wage or salary. The sum total is doubled by Jungheinrich at the end of each year. In the financial year that just ended, staff members and the company combined for a donation of 14,882 euros. Launched in Germany, the campaign is to be expanded to include additional Group companies in 2013.



Prize-winning budding professionals: The Dr. Friedrich Jungheinrich-Stiftung recognized young stipend recipients and award winners at the Excellence Awards.

Excellence awards: distinction for budding scientists

Jungheinrich's strategic and continuous promotion of young, dedicated professionals and forward-looking ideas are a basis for the company's success in vying for the best talent while making a contribution to training qualified skilled workers. To this end, Jungheinrich AG had joined forces with the company's founding families, Lange and Wolf, to establish the Dr. Friedrich Jungheinrich-Stiftung on May 17, 2004. The foundation helps promote science and research, while advancing education in the fields of electrical and mechanical engineering as well as logistics. The Board of Management and the Board of Trustees fulfill the purpose of the foundation by granting research projects, awards and stipends to young adults with outstanding technical or scientific qualifications. Seeking to raise

the public profile of the foundation's work and honour the accomplishments of the promoted budding professionals appropriately, Dr. Friedrich Jungheinrich-Stiftung stipend recipients and award winners were distinguished in a joint celebratory event—the Excellence Awards—on May 22, 2012 in Hamburg for the first time.

The Dr. Friedrich Jungheinrich-Stiftung subsidizes stipends for doctorates, prizes, teaching material and the funding of chairs. To this end, it collaborates with Helmut Schmidt Universität (HSU), which is located in Hamburg, Technische Universität Hamburg-Harburg, and Technische Universität München in Munich. In so doing, the foundation is participating in an initiative of the German economy with the aim of expanding the curricula and enhancing the quality of education in what are termed 'MINT' subjects, i.e. 'maths,' 'IT,' 'natural sciences' and 'technology.'

A woman with dark hair tied back, wearing a maroon hoodie, is seen in profile, smiling as she looks at a computer monitor. The monitor displays a complex financial software interface with multiple columns of data, including dates, currency values, and company names. The background is a bright office with large windows and other blurred figures of people working.

Consolidated financial statements



**"By fully acquiring Graz-based ISA GmbH,
Jungheinrich has further strengthened its position
as a supplier of innovative logistics systems."**

Dr. Markus Heinecker, Head of Warehouse Management Systems
and Co-Managing Director of ISA GmbH

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Consolidated statement of income

	Notes	Jungheinrich Group		Intralogistics ^{1,2}		Financial Services ²	
		2012	2011	2012	2011	2012	2011
		in thousand €	in thousand €	in thousand €	in thousand €	in thousand €	in thousand €
Net sales	(3)	2,228,714	2,116,283	1,731,715	1,664,893	496,999	451,390
Cost of sales	(4)	1,557,767	1,482,383	1,061,261	1,034,652	496,506	447,731
Gross profit on sales		670,947	633,900	670,454	630,241	493	3,659
Selling expenses		418,161	395,670	410,324	389,360	7,837	6,310
Research and development costs	(12)	44,427	36,846	44,427	36,846	–	–
General administrative expenses		65,220	59,278	65,220	59,278	–	–
Other operating income	(7)	3,175	4,071	3,175	4,071	–	–
Other operating expenses	(8)	2,233	2,474	2,176	2,473	57	1
Income (loss) from companies accounted for using the equity method	(16)	6,250	2,182	6,250	2,182	–	–
Other net income (loss) from investments	(9)	–	–70	–	–70	–	–
Earnings before interest and income taxes		150,331	145,815	157,732	148,467	–7,401	–2,652
Financial income (loss)	(10)	3,862	2,488	–13,227	–11,545	17,089	14,033
Earnings before taxes		154,193	148,303	144,505	136,922	9,688	11,381
Income taxes	(11)	43,881	42,761				
Net income		110,312	105,542				
Earnings per share in € (diluted/undiluted)	(38)						
Ordinary shares		3.21	3.07				
Preferred shares		3.27	3.13				

1 Including the assignment of consolidation between the 'Intralogistics' and 'Financial Services' segments.

2 The breakdown is not mandated by IFRS and was thus not audited.

Consolidated statement of comprehensive income (loss)

in thousand €	2012	2011
Net income	110,312	105,542
Derivative financial instruments		
Unrealized gains/losses	–2,659	–3,285
Realized gains/losses	4,241	–287
Deferred taxes	–373	682
Currency translation adjustment		
Unrealized gains/losses	1,875	81
Realized gains/losses	515	–
Other income (loss) after-tax	3,599	–2,809
Comprehensive income (loss)	113,911	102,733

Consolidated balance sheet

Assets

	Notes	Jungheinrich Group		Intralogistics ^{1,2}		Financial Services ²	
		12/31/2012 in thousand €	12/31/2011 in thousand €	12/31/2012 in thousand €	12/31/2011 in thousand €	12/31/2012 in thousand €	12/31/2011 in thousand €
Non-current assets							
Intangible assets	(12)	31,994	31,681	31,984	31,672	10	9
Tangible assets	(13)	321,838	283,724	321,807	283,711	31	13
Trucks for short-term hire	(14)	222,715	220,569	222,715	220,569	–	–
Trucks for lease from financial services	(15)	243,974	210,995	(57,997)	(58,189)	301,971	269,184
Investments in companies accounted for using the equity method	(16)	13,709	13,708	13,709	13,708	–	–
Other financial assets	(16)	106	163	106	163	–	–
Trade accounts receivable	(18)	9,023	8,378	9,023	8,378	–	–
Receivables from financial services	(19)	409,900	371,721	–	–	409,900	371,721
Derivative financial assets	(36)	65	68	22	68	43	–
Other receivables and other assets	(20)	11,030	9,225	11,030	9,225	–	–
Securities	(21)	69,508	111,949	69,508	111,949	–	–
Prepaid expenses	(23)	11	161	(8,402)	(5,704)	8,413	5,865
Deferred tax assets	(11)	67,487	66,907	67,070	66,600	417	307
		1,401,360	1,329,249	680,575	682,150	720,785	647,099
Current assets							
Inventories	(17)	254,346	248,038	230,103	224,626	24,243	23,412
Trade accounts receivable	(18)	396,589	406,578	330,504	348,393	66,085	58,185
Receivables from financial services	(19)	173,919	163,403	–	–	173,919	163,403
Income tax receivables		2,007	869	1,928	807	79	62
Derivative financial assets	(36)	508	1,130	508	1,130	–	–
Other receivables and other assets	(20)	33,892	24,144	(16,667)	(20,474)	50,559	44,618
Securities	(21)	81,651	14,563	81,651	14,563	–	–
Liquid assets	(22)	403,351	382,815	387,178	363,233	16,173	19,582
Prepaid expenses	(23)	8,916	9,211	2,396	4,490	6,520	4,721
		1,355,179	1,250,751	1,017,601	936,768	337,578	313,983
		2,756,539	2,580,000	1,698,176	1,618,918	1,058,363	961,082

1 Including the assignment of consolidation between the 'Intralogistics' and 'Financial Services' segments.

2 The breakdown is not mandated by IFRS and was thus not audited.

Consolidated balance sheet

Shareholders' equity and liabilities

	Notes	Jungheinrich Group		Intralogistics ^{1, 2}		Financial Services ²	
		12/31/2012 in thousand €	12/31/2011 in thousand €	12/31/2012 in thousand €	12/31/2011 in thousand €	12/31/2012 in thousand €	12/31/2011 in thousand €
Shareholders' equity	(24)						
Subscribed capital		102,000	102,000	89,851	93,284	12,149	8,716
Capital reserve		78,385	78,385	78,350	78,350	35	35
Retained earnings		601,569	516,017	578,485	498,387	23,084	17,630
Accumulated other comprehensive income (loss)		24,957	21,358	25,481	21,584	(524)	(226)
		806,911	717,760	772,167	691,605	34,744	26,155
Non-current liabilities							
Provisions for pensions and similar obligations	(25)	146,741	145,631	146,694	145,590	47	41
Other provisions	(26)	58,963	55,694	57,217	55,020	1,746	674
Deferred tax liabilities	(11)	9,698	12,970	7,072	9,667	2,626	3,303
Financial liabilities	(27)	216,031	216,023	216,031	216,023	–	–
Liabilities from financial services	(28)	593,634	533,884	–	–	593,634	533,884
Derivative financial liabilities	(36)	3,961	3,550	2,522	2,633	1,439	917
Deferred income	(31)	72,190	72,470	35,773	34,274	36,417	38,196
		1,101,218	1,040,222	465,309	463,207	635,909	577,015
Current liabilities							
Income tax liabilities		11,997	9,499	11,324	8,845	673	654
Other provisions	(26)	152,766	153,846	151,116	152,140	1,650	1,706
Financial liabilities	(27)	155,936	131,540	152,807	128,309	3,129	3,231
Liabilities from financial services	(28)	246,417	232,748	–	–	246,417	232,748
Trade accounts payable	(29)	158,103	172,111	72,456	94,080	85,647	78,031
Derivative financial liabilities	(36)	1,348	3,146	1,348	3,146	–	–
Other liabilities	(30)	85,731	83,152	54,888	61,711	30,843	21,441
Deferred income	(31)	36,112	35,976	16,761	15,875	19,351	20,101
		848,410	822,018	460,700	464,106	387,710	357,912
		2,756,539	2,580,000	1,698,176	1,618,918	1,058,363	961,082

1 Including the assignment of consolidation between the 'Intralogistics' and 'Financial Services' segments.

2 The breakdown is not mandated by IFRS and was thus not audited.

Consolidated statement of cash flows

in thousand €	2012	2011
Net income	110,312	105,542
Depreciation and amortization of and impairment losses on tangible and intangible assets	45,213	42,410
Depreciation of trucks for short-term hire and lease	129,091	109,285
Changes in provisions	3,300	4,199
Changes in trucks for short-term hire and trucks for lease (excluding depreciation)	-158,853	-179,097
Income/loss from the disposal of tangible and financial as well as intangible assets	-245	161
Income (loss) from/changes deriving from companies accounted for using the equity method and of other financial assets	-4,273	606
Changes in deferred tax assets and liabilities	-3,852	688
Changes in other balance sheet items		
Inventories	-6,307	-50,394
Trade accounts receivable	9,344	-52,398
Receivables from financial services	-48,696	-38,971
Trade accounts payable	-14,008	25,981
Liabilities from financial services	73,418	51,517
Liabilities from financing trucks for short-term hire	2,942	37,519
Other operating assets	-11,594	-1,917
Other operating liabilities	2,158	9,584
Cash flows from operating activities	127,950	64,715
Payments for investments in tangible and intangible assets	-82,978	-57,137
Proceeds from the disposal of tangible and intangible assets	990	903
Payments for the purchase/proceeds from the disposal of financial assets	-2,667	180
Payments for the purchase/proceeds from the sale of securities	-24,647	-25,812
Cash flows from investing activities	-109,302	-81,866
Dividends paid	-24,760	-17,620
Changes in short-term liabilities due to banks	20,700	15,983
Proceeds from obtaining long-term financial loans	8,332	14,462
Repayment of long-term financial loans	-6,181	-63,389
Cash flows from financing activities	-1,909	-50,564
Net cash changes in cash and cash equivalents	16,739	-67,715
Changes in cash and cash equivalents due to changes in exchange rates	624	-51
Changes in cash and cash equivalents	17,363	-67,766
Cash and cash equivalents on 01/01	378,739	446,505
Cash and cash equivalents on 12/31	396,102	378,739

The following items are included in cash flows from operating activities:

in thousand €	2012	2011
Interest paid	51,025	51,703
Interest received	46,819	45,592
Dividends received	1,919	2,786
Income taxes	46,306	32,533

The consolidated statement of cash flows is commented on in note 33.

Consolidated statement of changes in shareholders' equity

	Subscribed capital	Capital reserve	Retained earnings	Accumulated other comprehensive income (loss)		Total
				Currency translation adjustment	Derivative financial instruments	
in thousand €						
As of 01/01/2012	102,000	78,385	516,017	25,278	-3,920	717,760
Dividend for the prior year	–	–	–24,760	–	–	–24,760
Comprehensive income (loss) in 2012	–	–	110,312	2,390	1,209	113,911
As of 12/31/2012	102,000	78,385	601,569	27,668	-2,711	806,911
As of 01/01/2011	102,000	78,385	428,095	25,197	-1,030	632,647
Dividend for the prior year	–	–	–17,620	–	–	–17,620
Comprehensive income (loss) in 2011	–	–	105,542	81	–2,890	102,733
As of 12/31/2011	102,000	78,385	516,017	25,278	-3,920	717,760

The consolidated statement of changes in shareholders' equity is commented on in note 24.

Notes to the consolidated financial statements

(1) Purpose of the company

Jungheinrich AG is headquartered at the street address 'Am Stadtrand 35' in Hamburg (Germany) and has an entry under HRB 44885 in the commercial register of the Hamburg District Court.

The Jungheinrich Group operates at the international level—with the main focus on Europe—as a manufacturer and supplier of products in the fields of material handling equipment and warehousing technology as well as of all services connected with these activities. These encompass the lease/short-term hire and sales financing of the products, the maintenance and repair of forklift trucks and equipment, the sale of used equipment as well as project planning and general contracting for complete logistics systems. The product range extends from simple hand pallet trucks to complex, integrated complete logistics systems.

The production pool still consists of the plants in Norderstedt, Moosburg, Landsberg and Lüneburg (all of which are located in Germany). Since the middle of 2012, production for the east Asian market in the plant in Qingpu/Shanghai (China) has encompassed reach trucks in addition to battery-powered platform forklifts as well as battery-powered counterbalanced trucks. Hand pallet trucks are still sourced from third parties in China.

Used equipment is reconditioned in the used equipment centre in Klipphausen/Dresden (Germany).

Jungheinrich maintains a large and close-knit direct marketing network with 17 sales and distribution centres/branch establishments in Germany and 25 company-owned sales companies in other European countries. Further foreign companies are located in Brazil, China, India, Singapore and Thailand. Jungheinrich product distribution in North America is handled by an exclusive distribution partner. In addition, Jungheinrich products are also distributed via local dealers—especially overseas.

(2) Accounting principles

Basis

Jungheinrich AG prepared consolidated financial statements for the financial year ending on December 31, 2012, in compliance with International Financial Reporting Standards (IFRS). All standards and interpretations of the International Financial Reporting Interpretations Committee (IFRIC) endorsed by the EU effective as of the cut-off date were taken into account. Regulations under commercial law pursuant to Section 315a of the German Commercial Code (HGB) were complementarily taken into account.

The consolidated financial statements have been prepared in thousands of euros. The statement of income has been prepared using the cost of sales accounting method.

The consolidated financial statements for the period ended December 31, 2012, were approved for publication by the Board of Management on March 4, 2013.

Consolidation

Subsidiaries that are under the legal or factual control of Jungheinrich AG, Hamburg, are included in the consolidated financial statements. Active companies in which Jungheinrich holds a share of 20 to 50 per cent, and on which the Group exerts a significant influence without controlling them, are carried on the balance sheet in accordance with the equity method. Other investments in other companies are carried at their acquisition cost since they do not have a quoted market price and their fair value cannot be determined reliably.

Financial statements of Jungheinrich AG as the parent company and of included subsidiaries that are to be consolidated are prepared using uniform accounting and measurement methods as per the cut-off date of the parent company.

The same accounting and measurement methods are applied to determine the prorated shareholders' equity of companies accounted for using the equity method.

Assets and liabilities of subsidiaries consolidated for the first time are recognized at their fair values at the time of acquisition. In cases where the investment's acquisition costs exceed the recognized assets and liabilities, the difference on the assets side is capitalized as goodwill. Goodwill is tested for impairment at least once a year. The impairment test for goodwill is performed on the basis of the determined value in use of a cash generating unit under application of the discounted cash flow method. The cash generating units generally correspond to the legal Group units. In principle, the planned cash flows of the bottom-up five-year budget plausibilized by Jungheinrich AG management are used. The last budgeted year is beyond the budget horizon for cash flows as well. A pretax interest rate in line with market conditions is used as the discount rate. The weighted average cost of capital (WACC) is based on the risk-free interest rate as well as the Group unit and country-specific risk premia for equity and debt. If the fair value of acquired net assets exceeds the acquisition costs, negative goodwill is recognized. In such cases, negative goodwill is immediately recognized in the year of acquisition with an effect on net income.

All receivables and liabilities, all expenses and income as well as intercompany results within the basis of consolidation are eliminated within the framework of the consolidation.

Shares in companies accounted for using the equity method are initially recognized at their acquisition cost. Changes in the investments' prorated shareholders' equity following acquisition are offset against the investments' carrying amount. The Jungheinrich Group's investments in companies accounted for using the equity method include goodwill arising at the time of their acquisition. Since this goodwill is not stated separately, it does not have to be separately tested for impairment pursuant to IAS 36. Instead, the investment's entire carrying amount is tested for impairment in accordance with IAS 36 as soon as there are indications of the recoverable amount dropping below the invest-

ment's carrying amount. If the realizable amount is lower than the carrying amount of a company accounted for using the equity method, an impairment loss in the amount of the difference is recognized. Write-ups in subsequent reporting periods are recognized with an effect on profit or loss.

Currency translation

Liquid assets, receivables and liabilities in foreign currency in the Group companies' annual financial statements are translated at the exchange rate valid at the balance sheet date, and any differences resulting from such translation are stated affecting net income.

The annual financial statements of the foreign subsidiary companies included in the consolidated financial statements are translated according to the functional currency concept. This is in each case the local currency if the subsidiary companies are integrated into the currency area of the country in which they are domiciled as commercially independent entities. As regards the companies of the Jungheinrich Group, the functional currency is the local currency.

With the exception of shareholders' equity, all assets and liabilities in annual financial statements prepared in foreign currencies are translated at the exchange rate valid at the balance sheet date. Shareholders' equity is translated at historical rates. The statements of income are translated at the annual average exchange rates.

Differences deriving from foreign currency translation in the case of assets and liabilities as compared with the translation of the prior year or as regards shareholders' equity as against historical rates, as well as translation differences between the statement of income and the balance sheet are stated in shareholders' equity within the item 'accumulated other comprehensive income (loss)' not affecting net income until the disposal of the subsidiary. The respective cumulative translation differences are reversed with an effect on profit or loss when Group companies are deconsolidated.

The exchange rates of major currencies for the Jungheinrich Group outside the European Monetary Union changed as follows:

Currency	Basis 1 €	Exchange rate at the balance sheet date		Annual average exchange rate	
		12/31/2012	12/31/2011	2012	2011
GBP		0.81610	0.83530	0.81087	0.86788
CHF		1.20720	1.21560	1.20530	1.23260
PLN		4.07400	4.45800	4.18470	4.12060
NOK		7.34830	7.75400	7.47510	7.79340
SEK		8.58200	8.91200	8.70410	9.02980
DKK		7.46100	7.43420	7.44370	7.45060
CZK		25.15100	25.78700	25.14900	24.59000
TRY		2.35510	2.44320	2.31350	2.33780
RUB		40.32950	41.76500	39.92620	40.88460
HUF		292.30000	314.58000	289.25000	279.37000
CNY		8.22070	8.15880	8.10520	8.99600
USD		1.31940	1.29390	1.28480	1.39200

Revenue recognition

Revenue is recognized after deduction of bonuses, discounts or rebates, when the ownership and price risk have been transferred to the customer. In general, this is the case when the delivery has been made or the service has been rendered, the selling price is fixed or determinable, and when the receipt of payment is reasonably certain.

When classifying contracts from financial service transactions as a 'finance lease,' revenue is recognized in the amount of the sales value of the leased item and, in the case of an 'operating lease,' revenue is recognized in the amount of the leasing rates. If a leasing company acts as an intermediary, for contracts with an agreed residual value guarantee that amounts to more than 10 per cent of the sales value, the proceeds from the sale are deferred and liquidated over time affecting sales until the residual value guarantee falls due.

Product-related expenses

Expenses for advertising and sales promotion as well as other sales-related expenses affect net income when they are incurred. Freight and dispatch costs are carried under the cost of sales.

Product-related expenses also include additions to provisions for warranty obligations as well as to provisions for onerous contracts.

Research costs and uncapitalizable development expenses are stated affecting net income in the period in which they are incurred.

Government grants—investment allowances and investment subsidies

Investment allowances and subsidies are recognized if there is sufficient certainty that Jungheinrich can satisfy the attached conditions and that the grants are given. They do not reduce the assets' acquisition or manufacturing costs. Instead, they are generally recognized as deferred income and distributed on schedule over the subsidized assets' economic useful lives. The reversals are recognized as other operating income on a pro rata temporis basis with an effect on net income.

Earnings per share

Earnings per share are based on the average number of the respective shares outstanding during a fiscal year. In the 2012 and 2011 fiscal years, no shareholders' equity instruments diluted the earnings per share on the basis of the respective shares issued.

Intangible and tangible assets

Purchased intangible assets are measured at acquisition costs and reduced by straight-line amortization over their useful lives insofar as their useful lives are limited. The useful lives used as a basis for software licenses are 3 to 8 years. The right to use a Chinese property is limited to 50 years.

Development expenses are capitalized if the manufacture of the developed products is expected to result in an economic benefit for the Jungheinrich Group and is technically feasible and if the costs can be determined reliably. Capitalized development expenses comprise all costs directly allocable to the development process, including development-related overheads. From the beginning of production onwards, capitalized development expenses are amortized using the straight-line method over the series production's expected duration, which is normally between 4 and 7 years.

Goodwill from consolidation is capitalized and allocated to intangible assets. It is subjected to an impairment test at least once a year.

Tangible assets are measured at historical acquisition or manufacturing costs, less accumulated depreciation. The manufacturing costs for self-produced equipment contain not only the direct material and manufacturing expenses, but also attributable material and production overheads as well as production-related administrative expenses and depreciation. Maintenance and repair expenses are stated as costs. All costs for measures that lead to an extension of the useful life or a widening of the future possibilities for use of the assets are capitalized. Depreciable objects are reduced by scheduled straight-line depreciation. If objects are sold or scrapped, tangible and intangible assets are retired; any resulting profits or losses are taken into account affecting net income.

The following useful lives are taken as a basis for scheduled depreciation:

Buildings	10–50 years
Land improvements, improvements in buildings	10–50 years
Plant facilities	8–15 years
Technical equipment and machinery	5–10 years
Factory and office equipment	3–10 years

Intangible and tangible assets with undeterminable or unlimited useful lives are not reduced using scheduled depreciation or amortization.

Trucks for short-term hire

Jungheinrich hires trucks to customers on the basis of short-term agreements without underlying lease transactions. These trucks for short-term hire are measured at historical acquisition or manufacturing costs, less accumulated depreciation. Depending on the product group, they are depreciated at 30 or 20 per cent over the first two years, after which they are reduced using the straight-line method until the end of their useful lives. Their economic useful lives are set at 6 and 9 years, respectively.

Impairments for intangible assets, tangible assets and trucks for short-term hire

All intangible assets, tangible assets and trucks for short-term hire are tested for impairment at least once a year or whenever there is an indication of a potential reduction in value. In such cases, the recoverable amount of the asset is compared with its residual carrying amount. The recoverable amount is determined for each individual asset unless an asset generates cash that is not largely independent of that of other assets or other groups of assets (cash generating units). The recoverable amount is the higher of the fair value of the asset less selling costs and the useful value, which is the estimated discounted future cash flow. If the residual carrying amount exceeds the recoverable amount of the asset, an impairment is performed.

If the reason for an impairment carried out in prior years no longer exists, a write-up to amortized acquisition or manufacturing costs is performed. Impairment losses recorded for goodwill are not recovered in subsequent reporting periods.

Leasing and financial services

Within the framework of their financial services business, Jungheinrich Group companies conclude contracts with customers either directly or with a leasing company acting as an intermediary.

The classification of the leasing transactions, and thus the way they are reported in the accounts, depends on the attribution of the economic ownership of the lease object. In the case of 'finance lease' contracts, the economic ownership lies with the lessee. At the Jungheinrich Group companies, as the lessor, this leads to a statement of leasing rates due in the future as receivables from financial services in the amount of their net investment value. Interest income realized in instalments over the term to maturity ensure that a stable return on outstanding net investments is achieved.

If economic ownership is attributed to Jungheinrich as the lessor, the agreement is classified as an 'operating lease,' so that the trucks are capitalized as 'trucks for lease from financial services' at acquisition or manufacturing costs. Financed trucks for lease using the sale and leaseback method are depreciated over the period of the underlying lease agreements. In all other cases, depending on the product group, trucks for lease are depreciated at 30 or 20 per cent over the first two years, after which they are reduced using the straight-line method until the end of their useful lives. The economic useful life of leased equipment was established at 6 or 9 years. Lease income is recorded with an effect on net income over the period of the contracts using the straight-line method.

These long-term customer contracts ('finance leases' and 'operating leases') are financed by loans with maturities identical to those of the contracts. They are stated on the liabilities side under liabilities from financing in the item 'liabilities from financial services.' Besides truck-related loan financing, proceeds from the sale of future

leasing rates from intragroup usage right agreements in the Jungheinrich Group are deferred as liabilities from financing and dissolved over the period of the usage right using the effective interest method. In addition, Jungheinrich finances itself via Elbe River Capital S.A., Luxembourg, a company established exclusively for this purpose. In the future, this refinancing firm will buy all lease instalments from intragroup usage transfer agreements that fall due and refinance itself through issuance of promissory notes. Furthermore, trucks for lease are financed using the sale and leaseback method. Resulting gains from sales are deferred correspondingly and distributed over the period of the lease agreement with an effect on net income.

In the case of customer contracts with a leasing company acting as intermediary, the economic ownership lies with Jungheinrich Group companies due to the agreed residual value guarantee that accounts for more than 10 per cent of the value of the truck, so that according to IFRS, these trucks, which are sold to leasing companies, must be capitalized as trucks for lease from financial services. When they are capitalized, sales proceeds are recorded as 'deferred sales from financial services' under deferred income on the liabilities side. Trucks for lease are depreciated over the term of the underlying leases between the leasing companies and the end customer. Deferred sales proceeds are dissolved using the straight-line method with an effect on sales until the residual value guarantee expires. Obligations from residual value guarantees are stated under the item 'liabilities from financial services.'

Outside of their financial services business, acting as lessee, Jungheinrich Group companies lease tangible assets as well as customer trucks for short-term hire. In the event of a 'finance lease,' on conclusion of the contract, they capitalize the items as tangible assets or trucks for short-term hire and state leasing liabilities in the same amount as the cash value of the leasing rates. Leasing liabilities are carried in the item 'financial liabilities.' Depreciation of tangible assets and trucks for short-term hire as well as the reversal of liabilities are effected over the basic period for which the contract is agreed.

In the event of an 'operating lease,' rental and leasing rates paid by Jungheinrich are recorded as an expense over the contractual period using the straight-line method.

Financial instruments

In accordance with IAS 32 and IAS 39, financial instruments are defined as contracts that lead to financial assets in one company and financial liabilities or equity instruments in the other.

Pursuant to IAS 39, financial instruments are classified in the 4 following categories:

- Loans, receivables and liabilities
- Held-to-maturity financial investments
- Financial assets and liabilities at fair value through profit or loss
- Financial assets available for sale.

Jungheinrich accounts for loans, receivables and liabilities at amortized acquisition costs. Financial instruments carried at amortized acquisition costs are primarily non-derivative financial instruments such as trade accounts receivable and payable, receivables and liabilities from financial services, other receivables and financial assets as well as liabilities, financial liabilities, and investments in affiliated companies.

Companies accounted for using the equity method are recognized at their acquisition cost at the time of the acquisition and then amortized in line with the associated company's prorated shareholders' equity.

Securities classified as 'held-to-maturity financial investments' are accounted for at amortized acquisition costs using the effective interest method or, in the event of an impairment, at the present value of their expected future cash flows.

Financial instruments classified as 'financial assets or liabilities at fair value through profit or loss' and held for trading are measured at fair value. These include derivative financial instruments. If the value of an active market cannot be determined, the fair value is calculated using valuation methods, for example by discounting future cash flows with the market interest rate, or by applying generally accepted option price models verified by confirmations from the bank processing the transactions.

Receivables

Receivables are measured at amortized acquisition cost using the effective interest method. Amortized acquisition costs for trade accounts receivable correspond to the nominal value after the deduction of individual valuation allowances. Individual valuation allowances are only made if receivables are wholly or partially uncollectible or likely to be uncollectible, in which case it must be possible to determine the amount of the valuation allowances with sufficient accuracy. The notes on the treatment of lease agreements contain further information on receivables from financial services.

Liabilities

Liabilities are measured at amortized acquisition cost using the effective interest method, whereby the interest cost is recognized according to the effective interest rate. Liabilities from finance leases and financial services are measured at the cash value of the leasing rates. Please turn to the notes for the treatment of lease arrangements for further details.

Investments in affiliated companies and in companies accounted for using the equity method

Investments in affiliated companies stated under financial assets are accounted for at acquisition cost, since they do not have listed market prices and their fair value cannot be reliably determined. Investments in companies accounted for using the equity method are recognized at equity.

Securities

Financial investments classified as securities are measured at amortized acquisition costs due to the intention and capability of holding them to maturity. Differences between the original amount and the amount repayable at maturity are distributed over their terms and recognized in the financial income (loss). Furthermore, Jungheinrich holds securities that are not disposable in order to secure its obligations under the partial retirement plan. Gains and losses from the measurement of these securities stated at fair value are recognized with an effect on earnings.

Derivative financial instruments

At Jungheinrich, derivative financial instruments are used for hedging purposes. IAS 39 requires all derivative financial instruments to be accounted for at fair value as assets or liabilities. Depending on whether the derivative is a fair value hedge or a cash flow hedge, any change in the fair value of the derivative is taken into account in the result or in the shareholders' equity (as part of the 'accumulated other comprehensive income [loss]'). In the case of a fair value hedge, the results from changes in the fair value of derivative financial instruments are stated affecting net income. The changes in the fair value of derivatives that are to be classified as cash flow hedges are carried on the balance sheet under shareholders' equity in the amount of the hedge-effective part not affecting net income. These amounts are transferred to the statement of income at the same time as the effect on the result of the underlying transaction. The hedge-ineffective part is directly taken into account in the financial result.

Derivative financial instruments not meeting hedge accounting criteria are stated at fair value. Gains and losses from these derivative financial instruments resulting from fair valuation are directly recognized in the result.

Financial instruments measured at fair value are classified and assigned to measurement categories according to the significance of the factors considered in their measurement. Financial instruments are assigned to levels depending on the significance their input factors have for their overall measurement. Assignments are based on the lowest level of substantial or main relevance for the measurement. Measurement levels are put in hierarchical order by input factors:

Level 1—(unchanged) market prices quoted on active markets for identical assets or liabilities.

Level 2—input data other than listed market prices observable for the asset or liability either directly (i.e. as a price) or indirectly (i.e. derived from prices)

Level 3—referenced input factors that are not based on observable market data for the measurement of the asset or liability.

Liquid assets

Liquid assets are cash balances, checks, and immediately available credit balances at banks with an original term of up to 3 months.

Inventories

Inventories are measured at acquisition cost or manufacturing cost or at lower net realizable value. Manufacturing costs include not only the direct material and manufacturing expenses, but also the attributable material and production overhead costs as well as production-related administrative expenses and depreciation. The average cost method is applied to calculate the acquisition or manufacturing costs of inventories of the same type.

Usage risks resulting from storage time are taken into account by way of value reductions on the basis of historical usage. Once the reason for the write-downs ceases to exist, a reversal of the write-down is carried out.

Deferred taxes

Deferred tax assets and liabilities are stated in accordance with the balance sheet-oriented liability method for all temporary differences between group and tax-based valuation. This procedure is applied for all assets and liabilities with the exception of goodwill from the consolidation of investments. In addition, deferred tax assets are stated on the balance sheet to carry forward unused tax losses and unused tax credits if it is probable that they will be utilizable. Deferred taxes are valued at the current rates of taxation. If it is to be expected that the differences will be offset in years with different rates of taxation, then the latter rates valid at that time are applied. In case there are any changes in the tax rates, these changes will be taken into account in the years in which the relevant changes in tax rates are approved.

The carrying amounts of deferred tax assets are reduced if it is unlikely or cannot be expected that they can be recovered due to the respective company's long-term earnings forecasts.

Accumulated other comprehensive income (loss)

Stated in this item are changes in the shareholders' equity not affecting net income insofar as these are not based on capital transactions with shareholders. These include the currency translation adjustment and differences from the valuation of derivative financial instruments designated within the scope of effective hedges. Changes in the year under review are commented on in the statement of comprehensive income (loss).

Provisions

Provisions for pensions and similar obligations are valued on the basis of actuarial calculations in accordance with IAS 19 by applying the projected unit credit method for defined benefit obligations from pensions. This method takes into account pensions and vested future benefits known as of the balance sheet date, expected increases in salaries and pensions as well as demographic calculation principles. Pension obligations and similar obligations of some foreign companies are covered by pension funds. These pension funds are qualifying plan assets pursuant to IAS 19.

Actuarial gains and losses are offset with an effect on net income only once they exceed a corridor of 10 per cent of the higher of the obligation and fair value of the plan assets. In such cases, they are amortized over the respective employees' average expected remaining working lives.

All of the pension expense components arising from additions of amounts to provisions for pensions and similar obligations are included in the personnel expenses of the corresponding functional areas.

Termination benefits are recognized if the employee's employment contract is terminated before reaching the normal pension age or if an employee volunteers to terminate the employment contract in exchange for severance benefits. The Group recognizes such benefits only if Jungheinrich is obliged to terminate the employment contract and provide the benefits due to a detailed formal plan, which cannot be revised, or if there is an individual agreement. Termination benefits are accounted for in accordance with IAS 19.

Furthermore, provisions have been accrued to cover employee benefits due pursuant to local statutory regulations in the event of their departure as well as other employee benefits due over the short or long term. These obligations are accounted for in accordance with IAS 19.

Other provisions are accrued in accordance with IAS 37 if a past event results in a present obligation to third parties, it is probable that resources will be used to meet this obligation, and the anticipated amount of the required provision can be estimated reliably. Other provisions are accounted for based on the best possible estimate of costs required to meet the present obligation as of the balance sheet date. If the amount of the necessary provision can only be determined within a certain bandwidth, the most probable value is stated, and if all amounts are of equal probability, the mean value is stated.

Provisions for restructuring measures are accrued pursuant to IAS 37 if a detailed, formal plan has been established and all involved parties have been informed of said plan. The measures are implemented without undue delay.

Non-current provisions are discounted and stated at the cash value of the expected expense. Provisions are not offset against claims under rights of recourse.

Classification of accounts

Current and non-current assets as well as current and non-current liabilities are stated on the balance sheet as separate classification groups. Assets and liabilities are classified as being current if their realization or repayment is expected within 12 months from the balance sheet date. Accordingly, assets and liabilities are classified as being non-current if they have a remaining term to maturity of more than one year. Pension obligations are stated in line with their nature under non-current liabilities as benefits due to employees in the long term. Deferred tax assets and liabilities are classified as non-current assets and non-current liabilities.

Individual items in the statement of income as well as on the balance sheet are summarized. They are shown separately in the notes.

Estimates

In the consolidated financial statements, to a certain degree, it is necessary to make estimates and assumptions that have an impact on the assets and liabilities included in the balance sheet at the balance sheet date and on the statements of income and expenses during the reporting period. Estimates and assumptions must be made primarily to determine the economic useful lives of tangible assets and trucks for short-term hire and lease uniformly throughout the Group, to conduct impairment tests on assets, and to account for and measure provisions, including those for pensions, risks associated with residual value guarantees, warranty obligations and lawsuits. Estimates and assumptions are made on the basis of premises based on the latest knowledge available and on historical experience as well as on additional factors such as future expectations.

It is possible for the actual amounts to deviate from the estimates. When the actual course of events deviates from the expectations, the premises, and if necessary, the carrying amounts of the affected assets and liabilities are adjusted accordingly. Underlying assumptions and estimates were not exposed to any material risks when the consolidated financial statements were prepared.

Estimates of future costs for lawsuits and warranty obligations are subject to a number of uncertainties.

It is often impossible to predict the outcome of individual lawsuits with certainty. It cannot be ruled out that, due to the final ruling on some of the outstanding lawsuits, Jungheinrich may be faced with costs that exceed the provisions accrued for this purpose, the timing and extent of which cannot be predicted with certainty.

Warranty obligations are subject to uncertainties surrounding the enactment of new laws and regulations, the number of affected trucks and the nature of measures to be initiated. It cannot be ruled out that the expenses actually incurred for these measures may exceed the provisions accrued for them to an unpredictable extent.

Although the expenses resulting from a necessary adjustment in provisions in the period

under review can have a significant impact on Jungheinrich's results, it is expected that—including provisions already accrued for this purpose—potentially ensuing obligations will not have a material effect on the Group's economic situation.

New accounting regulations applied

The amendments to IFRS 7 "Financial Instruments: Disclosures," which have been published by the IASB and adopted by the EU and became mandatory for the first time in the 2012 reporting year as of January 1, 2012, did not have a material impact on the consolidated financial statements.

Issued accounting regulations not applied in advance

The following standards published by the IASB and adopted by the EU are relevant to Jungheinrich and were not yet mandatory in the year under review.

In May 2011, the IASB published IFRS 13 "Fair Value Measurement." This standard defines how to determine fair values and extends the disclosure on fair value. However, the standard does not determine whether and when items must be measured at fair value. IFRS 13 becomes effective for the first time for reporting periods starting on or after January 1, 2013. Jungheinrich is currently assessing the effects of the standard on the consolidated financial statements. However, its first-time application is not expected to have a material impact on the consolidated financial statements.

In May 2011, the IASB published three new standards as well as two revised standards, namely IAS 27 "Separate Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" governing the presentation of consolidation, joint agreements and disclosure on investments in other companies on the balance sheet. IFRS 10 "Consolidated Financial Statements" introduces a uniform consolidation model for all companies on the basis of control. The new standard replaces the control and consolidation regulations of the former version of IAS 27 "Consolidated and Separate Financial Statements." The new version of IAS 27 "Sepa-

rate Financial Statements" now only includes the former rules for separate financial statements. IFRS 11 "Joint Arrangements" includes new rules for the accounting treatment of jointly conducted activities. In the future, a distinction will have to be made between a joint operation and a joint venture. The equity method is the mandatory accounting treatment for joint ventures, abolishing the former discretionary right to make use of proportionate consolidation. However, proportionate consolidation is applied when accounting for jointly conducted activities. The former version of IAS 28 "Investments in Associates" was adapted in view of the publication of IFRS 10 and IFRS 11. IFRS 12 "Disclosure of Interests in Other Entities" combines the disclosure obligations for investments in subsidiaries, joint arrangements, associates and non-consolidated structured entities in a single, comprehensive standard. To this end, many of the disclosure obligations of the former versions of IAS 27, IAS 31 and IAS 28 were included and supplemented by new disclosure obligations. The five standards become effective for the first time for fiscal years beginning on or after January 1, 2014. Proportionate consolidation has not been made use of at Jungheinrich thus far. Existing joint agreements are being reviewed to determine whether they must be classified as joint operations.

In June 2011, the IASB published amendments to IAS 1 "Presentation of Financial Statements," including a change in the statement of items presented in other income in the statement of comprehensive income. The amendments require the items of other income, which will be recognized in the income statement with an effect on profit or loss in the future (referred to as recycling) to be stated separately from items that never have an effect on profit or loss and are thus not recycled. The amendment to IAS 1 becomes effective for the first time for fiscal years beginning on or after July 1, 2012. Jungheinrich will report the changed presentation of items in other income from the 2013 financial year onwards. In June 2011, the IASB published amendments to IAS 19 "Employee Benefits," which result in the abolition of the corridor method when measuring provisions for

pensions and similar obligations. In the future, actuarial gains and losses must be recognized directly in other income. Returns on plan assets may only be considered in the income statement with an effect on profit or loss based on the discount rate used to determine the net present value of benefit obligations. The amendments to IAS 19 become effective retroactively for the first time for fiscal years beginning on or after January 1, 2013. Jungheinrich is currently assessing the effects of the new version of IAS 19. One material effect of the first-time application of the changed standard will be that the balance of actuarial losses that have not been recognized so far will have to be recognized in equity without an effect on profit or loss taking account of deferred taxes, which will reduce the Group's shareholders' equity by about €50 million.

In December 2011, the IASB published amendments to IAS 32 "Financial Instruments: Presentation" as well as to IFRS 7 "Financial Instruments: Disclosure." The prerequisites established in IAS 32 for offsetting financial assets and financial liabilities were maintained in principle and detailed through the inclusion of additional application guidelines. IFRS 7 was extended by additional disclosure in the notes in connection with certain offsetting arrangements. The supplementary guidelines in IAS 32 become effective for the first time for financial years beginning on or after January 1, 2014. The new disclosure regulations in IFRS 7 will become effective for the first time earlier on, namely for reporting periods starting on or after January 1, 2013. If relevant, Jungheinrich will report the additionally required information in the notes from fiscal 2013 onwards.

The following standards, which are of relevance to Jungheinrich, have not yet been adopted by the EU:

Within the scope of a project for revising the accounting policies applicable to financial instruments, in November 2009, the IASB published IFRS 9 "Financial Instruments," which related to financial assets. In October 2010, the regulations of IAS 39 were adopted unamended for financial liabilities, with the exception of new rules for considering one's own credit risk when exercising the fair value option. The new standard

regulates the accounting treatment of financial assets and financial liabilities with respect to their classification and measurement. IFRS 9 becomes effective retroactively for the first time for reporting years starting on or after January 1, 2015.

In June 2012, the IASB published amendments to IFRS 10 "Consolidated Financial Statements," IFRS 11 "Joint Arrangements," and IFRS 12 "Disclosure of Interests in Other Entities." These are primarily clarifications and simplifications in connection with the first-time application of the aforementioned standards, which are also expected to be applicable to financial years beginning on or after January 1, 2014.

Within the scope of the improvement process, the IASB published "Annual Improvements to IFRS—2009–2011 Cycle," which mainly includes editorial amendments to five existing standards and aims to remove existing ambiguities and inconsistencies. All of the amendments become effective for financial years beginning on or after January 1, 2013.

Jungheinrich is currently assessing the effects that IFRS 9 and the amendments to existing standards will have on the consolidated financial statements. However, their first-time application and the planned amendments are not expected to have a material impact on the consolidated financial statements.

Basis of consolidation

Besides the parent company, Jungheinrich AG, Hamburg, the slightly changed basis of consolidation still includes 51 (prior year: 51) foreign and 14 (prior year: 14) domestic companies. These include 61 (prior year: 60) fully consolidated subsidiaries. Three (prior year: 4) companies have been stated on the balance sheet through application of the equity method.

All of the shareholdings of Jungheinrich AG, Hamburg, are disclosed in note 43.

Changes in the basis of consolidation

Fully consolidated subsidiaries

After the termination of the business relationship by the limited partner, as the general partner of TINUS Grundstücks-Vermietungsgesellschaft AG & Co. KG, Hamburg, Jungheinrich AG, Hamburg, assumed all of the assets and liabilities of the company that was being wound down by way of accretion on January 1, 2012.

In the second quarter of 2012, the sales company Jungheinrich Lift Truck India Private Limited, Mumbai (India) was established in order to expand direct sales in Asia.

In the third quarter of 2012, Jungheinrich Fleet Services GmbH, Vienna (Austria) was established in order to expand the financial services business in Austria.

In the fourth quarter of 2012, Jungheinrich Financial Services International GmbH, Hamburg (Germany) was established in order to expand the international financial services business.

The first-time consolidation of the three companies established did not result in any differential amounts.

As of the balance sheet date, the inactive sales company Jungheinrich Lift Truck Corp., Richmond (USA) was removed from the basis of consolidation. Within the scope of the deconsolidation, the deconsolidated company's currency translation adjustment in the amount of €515 thousand, which had been recognized without an effect on profit or loss, was recognized as an expense under the Group's other operating expenses.

Associated companies

In the fourth quarter of 2012, the shares in Ningbo Ruyi Joint Stock Co., Ltd., Ninghai, Zhejiang (China), were sold.

Notes to the consolidated statement of income

(3) Net sales

The Jungheinrich Group's net sales break down as follows:

in thousand €	2012	2011
New truck business	1,230,119	1,135,132
Short-term hire and used equipment	377,582	349,223
After-sales services	680,558	648,987
Intralogistics	2,288,259	2,133,342
Financial services	496,999	451,390
Segments total	2,785,258	2,584,732
Reconciliation	-556,544	-468,449
Jungheinrich Group	2,228,714	2,116,283

Intragroup net sales achieved in 2012 which have to be eliminated include truck sales by the 'Intralogistics' segment to the 'Financial Services' segment relating to truck fleets, the capacities of which are made available to key accounts for extended periods of time so that they can use them flexibly. As scheduled, these truck fleets were refinanced with matching maturities and interest rates by the 'Financial Services' segment.

(4) Cost of sales

The cost of sales includes the cost of materials consisting of expenses for raw materials and

supplies as well as for purchased goods and services totalling €1,107,797 thousand (prior year: €1,079,185 thousand).

The cost of materials includes €4,532 thousand in currency losses (prior year: €2,311 thousand) primarily stemming from purchases by non-German sales companies in Group currency and the associated currency hedges.

(5) Personnel expenses

The following personnel expenses are included in the expense items of the statement of income:

in thousand €	2012	2011
Wages and salaries	542,053	505,102
Social security contributions	112,810	104,791
Cost of pensions and other benefits		
Defined benefit plans	15,277	14,490
Defined contribution plans	2,891	2,374
Other costs for pensions and other benefits	645	2,224
Termination benefits	-	-9,125
	673,676	619,856

The average number of employees during the year was as follows:

	2012	2011
Hourly-paid employees	5,369	5,139
Salaried employees	5,347	4,981
Trainees and apprentices	296	285
	11,012	10,405

Besides personnel expenses, functional costs include the cost of temporary workers amounting to €19,449 thousand (prior year: €16,932 thousand).

(6) Depreciation, amortization and impairment losses

Depreciation, amortization and impairment losses are shown in the development of intangible assets, tangible assets, trucks for short-term hire and lease, investments in companies accounted for using the equity method and other financial assets. All the depreciation, amortization and impairment losses are included in the functional costs.

(7) Other operating income

Other operating income of the year being reviewed includes €837 thousand (prior year: €739 thousand) in income from the disposal of tangible and intangible assets as well as

€778 thousand (prior year: €793 thousand) in reversals of deferred government grants.

(8) Other operating expenses

Other operating expenses in the reporting year include €593 thousand (prior year: €830 thousand) in losses from the disposal of tangible and intangible assets.

Other operating expenses incurred in 2012 include expenses associated with the deconsolidation of Jungheinrich Lift Truck Corp., Richmond (USA) amounting to €515 thousand. Reference is made to the commentary on changes in the basis of consolidation.

(9) Other net income (loss) from investments

The other net income (loss) from investments in 2011 contains €70 thousand in expenses incurred in connection with the liquidation of an inactive, former non-German holding company that was not part of the basis of consolidation.

(10) Financial income (loss)

in thousand €	2012	2011
Interest and similar income	46,841	45,909
Interest and similar expenses	42,390	42,672
Other financial income (loss)	-589	-749
	3,862	2,488

The financial income (loss) includes €41,776 thousand in interest and similar income (prior year: €38,383 thousand) and €24,120 thousand in interest and similar expenses (prior year: €23,788 thousand) resulting from the Jungheinrich Group's financial services business.

The other financial income (loss) essentially includes currency gains and losses on foreign-currency financial transactions. These mainly stem from intragroup financing in foreign currencies and the associated currency hedges.

(11) Income taxes

The Group's income tax breaks down as follows:

in thousand €	2012	2011
Current taxes		
Germany	24,880	19,246
Other countries	23,053	22,149
Deferred taxes		
Germany	-452	11,482
Other countries	-3,600	-10,116
Tax expense	43,881	42,761

The current tax expense in Germany rose year on year especially because the use of tax losses carried forward had a reducing effect in 2011. Prior-year taxes resulted in a current tax expense of €0.5 million in 2012 (prior year: €1.4 million). In 2012, there was €0.5 million in deferred tax income in Germany (prior year: deferred tax expense of €11.5 million). The change is primarily due to the fact that the deferred tax expense in 2011 takes account of the realization of deferred tax assets for losses carried forward.

The current tax expense in other countries was essentially unchanged. As in the previous year, the deferred tax income is mainly due to deferred tax income from consolidations.

The domestic corporate income tax rate for fiscal 2012 remained at 30.5 per cent. As before, it is made up of the corporate income tax burden of 15.0 per cent plus the solidarity surcharge of 5.5 per cent of the corporate income tax burden and a trade tax rate of 14.7 per cent.

The applied local income tax rates for foreign companies varied between 12.5 per cent (prior year: 12.5 per cent) and 35.9 per cent (prior year: 35.0 per cent).

As of December 31, 2012, the Group had about €47 million in corporate tax loss carry-

forwards (prior year: €95 million) as well as some €0.7 million in trade tax loss carryforwards (prior year: €3 million). The loss carryforwards can largely be carried forward without limitations. About €30 million of the reduction is attributable to the deconsolidation of Jungheinrich Lift Truck Corp., Richmond (USA). The remaining €18 million of the reduction is primarily due to the usage of losses carried forward in France. €1.9 million (prior year: €12.9 million) in valuation allowances were recognized for deferred tax assets for these loss carryforwards. The change is also due to the deconsolidation of the US company.

When stating deferred tax assets on the balance sheet, one must assess the extent to which future effective tax relief might result from existing tax loss carryforwards and the differences in accounting and valuation. In this context, all positive and negative influential factors have been taken into account. Compared to the preceding year, our assessment has changed, leading to an additional deferred tax expense of €0.1 million (prior year: deferred tax income of €1.4 million). Our present assessment of this point may alter depending on changes in our earnings position in future years and may necessitate a higher or lower valuation allowance.

Deferred tax assets and liabilities result from accounting and valuation differences as well as

tax loss carryforwards that have not yet been used as follows:

in thousand €	12/31/2012	12/31/2011
Tangible and intangible assets	135,362	117,915
Inventories	9,704	9,813
Receivables and other assets	28,865	31,546
Tax loss carryforwards	15,589	32,029
Provisions for pensions	6,394	7,863
Other provisions	16,632	16,939
Liabilities	212,937	232,608
Deferred income	12,072	14,745
Other	6,115	6,209
Valuation allowances	-12,537	-29,815
Deferred tax assets	431,133	439,852
Tangible and intangible assets	58,165	57,196
Inventories	5,534	6,495
Receivables	213,897	234,926
Provisions for pensions	1,989	181
Other provisions	731	4,279
Liabilities	87,068	80,199
Other	5,960	2,639
Deferred tax liabilities	373,344	385,915
Net deferred taxes	57,789	53,937

After being offset against each other, deferred tax assets and deferred tax liabilities were as follows:

in thousand €	12/31/2012	12/31/2011
Deferred tax assets	67,487	66,907
Deferred tax liabilities	9,698	12,970
Net deferred taxes	57,789	53,937
thereof: netting against shareholders' equity	1,023	1,396

The following table shows the reconciliation from the expected to the disclosed tax expense. The expected tax expense reported is the sum resulting from applying the overall tax rate of

30.5 per cent (prior year: 30.5 per cent) applicable to the parent company to consolidated earnings before income taxes.

in thousand €	2012	2011
Expected tax expense	47,029	45,232
Change in the tax rate	62	-765
Foreign tax differentials	-4,057	-3,593
Change in valuation allowances	91	-1,387
Change in taxes from the previous year	-1,804	1,385
Non-deductible operating expenses and tax-free gains	1,528	2,849
Other	1,032	-960
Actual tax expense	43,881	42,761

In 2012, the Group's tax quota was 28.5 per cent (prior year: 28.8 per cent).

Notes to the consolidated balance sheet

(12) Intangible assets

In the year being reviewed, intangible assets developed as follows:

in thousand €	Licenses and software	Capitalized development costs	Goodwill	Total
Acquisition and manufacturing costs				
Balance on 01/01/2012	30,840	79,911	6,181	116,932
Changes in currency exchange rates	67	–	–	67
Additions	2,564	5,464	–	8,028
Disposals	892	10,872	1,284	13,048
Balance on 12/31/2012	32,579	74,503	4,897	111,979
Amortization				
Balance on 01/01/2012	23,025	57,927	4,299	85,251
Changes in currency exchange rates	69	–	–	69
Amortization in the fiscal year	2,468	5,235	–	7,703
Accumulated amortization and impairment losses on disposals	882	10,872	1,284	13,038
Balance on 12/31/2012	24,680	52,290	3,015	79,985
Carrying amount on 12/31/2012	7,899	22,213	1,882	31,994

In the prior year, intangible assets developed as follows:

in thousand €	Licenses and software	Capitalized development costs	Goodwill	Total
Acquisition and manufacturing costs				
Balance on 01/01/2011	24,768	74,529	6,181	105,478
Changes in currency exchange rates	119	–	–	119
Additions	6,148	5,382	–	11,530
Disposals	195	–	–	195
Balance on 12/31/2011	30,840	79,911	6,181	116,932
Amortization and impairment losses				
Balance on 01/01/2011	21,452	53,331	4,299	79,082
Changes in currency exchange rates	–106	–	–	–106
Amortization in the fiscal year	1,873	4,596	–	6,469
Accumulated amortization on disposals	194	–	–	194
Balance on 12/31/2011	23,025	57,927	4,299	85,251
Carrying amount on 12/31/2011	7,815	21,984	1,882	31,681

€2,564 thousand in additions to the 'licenses and software' item of the year under review (prior year: €6,148 thousand) primarily related to acquired software licenses.

€5,464 thousand in development expenses (prior year: €5,382 thousand) meet the capitalization criteria under IFRS.

The following research and development costs were recorded in the statement of income:

in thousand €	2012	2011
Research costs and uncapitalized development expenses	39,192	32,250
Amortization of capitalized development expenses	5,235	4,596
	44,427	36,846

The impairment test performed on the residual carrying amounts of capitalized development expenses is broken down by product line on the basis of estimated discounted future cash flows. The impairment test conducted in 2012 did not result in an impairment expense.

€1,771 thousand and €111 thousand in residual carrying amounts of goodwill on December 31,

2012 are allocable to the sales company in Vienna (Austria) and the sales company in Warsaw (Poland) respectively.

A discount rate of 7.1 per cent (prior year: 8.5 per cent) was applied to the impairment tests performed on goodwill on the balance sheet date. The test did not result in further impairment losses.

(13) Tangible assets

In the year being reviewed, tangible assets developed as follows:

in thousand €	Land, land rights and buildings including buildings on third-party land	Technical equipment and machinery	Factory and office equipment	Construc- tion in progress	Total
Acquisition and manufacturing costs					
Balance on 01/01/2012	271,954	111,660	187,739	11,730	583,083
Changes in currency exchange rates	1,051	38	475	-88	1,476
Additions	2,808	5,800	22,167	44,823	75,598
Disposals	1,830	1,764	8,824	-	12,418
Transfers	5,412	3,163	718	-9,293	-
Balance on 12/31/2012	279,395	118,897	202,275	47,172	647,739
Depreciation					
Balance on 01/01/2012	94,996	74,164	130,199	-	299,359
Changes in currency exchange rates	282	47	388	-	717
Depreciation in the fiscal year	8,607	11,124	17,778	-	37,509
Accumulated depreciation of disposals	1,818	1,721	8,145	-	11,684
Balance on 12/31/2012	102,067	83,614	140,220	-	325,901
Carrying amount on 12/31/2012	177,328	35,283	62,055	47,172	321,838

In the prior year, tangible assets developed as follows:

in thousand €	Land, land rights and buildings including buildings on third-party land	Technical equipment and machinery	Factory and office equipment	Construc- tion in progress	Total
Acquisition and manufacturing costs					
Balance on 01/01/2011	259,748	102,622	175,796	12,178	550,344
Changes in currency exchange rates	-298	108	-172	38	-324
Additions	3,397	5,928	19,629	16,653	45,607
Disposals	14	1,965	10,559	6	12,544
Transfers	9,121	4,967	3,045	-17,133	-
Balance on 12/31/2011	271,954	111,660	187,739	11,730	583,083
Depreciation					
Balance on 01/01/2011	82,931	68,713	123,411	-	275,055
Changes in currency exchange rates	25	52	-162	-	-85
Depreciation in the fiscal year	7,881	11,043	17,017	-	35,941
Accumulated depreciation of disposals	12	1,870	9,670	-	11,552
Transfers	4,171	-3,774	-397	-	-
Balance on 12/31/2011	94,996	74,164	130,199	-	299,359
Carrying amount on 12/31/2011	176,958	37,496	57,540	11,730	283,724

Tangible assets include €25,228 thousand (prior year: €27,166 thousand) in leased real estate, which classify the Group as commercial owner due to the nature of the underlying leases ('finance leases'). Depreciation on leased and rented property in the year under review totalled €862 thousand (prior year: €897 thousand).

On the balance sheet date, land and buildings were put up as mortgage to back €30,379 thousand (prior year: €33,365 thousand) in liabilities due to banks.

(14) Trucks for short-term hire

Trucks for short-term hire developed as follows in the year under review and in the prior year:

in thousand €	2012	2011
Acquisition and manufacturing costs		
Balance on 01/01	378,643	301,787
Changes in currency exchange rates	5,158	-4,067
Additions	132,213	151,220
Disposals	89,573	70,297
Transfers	-32,680	-
Balance on 12/31	393,761	378,643
Depreciation		
Balance on 01/01	158,074	142,662
Changes in currency exchange rates	1,645	-1,797
Depreciation in the fiscal year	70,827	57,014
Accumulated depreciation on disposals	49,304	39,805
Transfers	-10,196	-
Balance on 12/31	171,046	158,074
Carrying amount on 12/31	222,715	220,569

In the 2012 reporting year, trucks for short-term hire, the capacities of which are made available to key accounts for extended periods of time so that they can make flexible use of them, were refinanced by the 'Financial Services' segment with matching maturities and interest rates. These trucks were reclassified to trucks for lease from financial services at their residual value of €22,484 thousand.

The fleet of trucks for short-term hire includes leased trucks for short-term hire with an aggregate value of €5,080 thousand (prior year:

€4,773 thousand) which classify the Group as commercial owner due to the nature of the underlying leases ('finance leases'). Corresponding depreciation on these trucks in the fiscal year amounts to €1,417 thousand (prior year: €1,173 thousand). Trucks for short-term hire with a total carrying amount of €83,761 thousand (prior year: €83,305 thousand) were put up as collateral for their associated financial liabilities within the scope of sales of receivables from intragroup hire-purchase agreements.

(15) Trucks for lease from financial services

Trucks for lease from financial services developed as follows in the year under review and in the prior year:

in thousand €	2012	2011
Acquisition and manufacturing costs		
Balance on 01/01	338,024	333,003
Changes in currency exchange rates	2,848	1,626
Additions	97,362	81,816
Disposals	83,694	78,421
Transfers	32,680	–
Balance on 12/31	387,220	338,024
Depreciation		
Balance on 01/01	127,029	129,153
Changes in currency exchange rates	998	579
Depreciation in the fiscal year	58,264	52,271
Accumulated depreciation on disposals	53,241	54,974
Transfers	10,196	–
Balance on 12/31	143,246	127,029
Carrying amount on 12/31	243,974	210,995

Transfers made in the 2012 reporting year have been commented on in note 14.

Trucks for lease from financial services are classified as follows:

in thousand €	12/31/2012	12/31/2011
'Operating lease' contracts with customers	195,053	162,553
Contracts concluded with a leasing company acting as an intermediary	48,921	48,442
	243,974	210,995

Within the framework of financial services offered by Jungheinrich Group companies acting as lessors, trucks for which a lease classified as an 'operating lease' in accordance with IFRS has been concluded with the ultimate customer are capitalized as trucks for lease.

By the balance sheet date, trucks for lease with a residual carrying amount of €130,798 thousand (prior year: €98,210 thousand) had been pledged as collateral for liabilities from financial services.

Customer contracts concluded with a leasing company acting as an intermediary are also capitalized under the item 'trucks for lease from financial services' on the basis of the amount of

an agreed residual value guarantee at more than 10 per cent of the fair value of the equipment for lease.

The 'operating leases' existing on the balance sheet date include €21,198 thousand (prior year: €– thousand) in truck fleets, which are made available to key accounts so that they can make flexible use of them.

The following minimum lease payments will arise from the other 'operating lease' contracts existing with customers on the balance sheet date in the next few years over the non-cancelable terms of the contracts:

in thousand €	12/31/2012	12/31/2011
Due within less than one year	65,282	62,120
Due in one to five years	103,018	92,996
Due in more than five years	559	457
	168,859	155,573

Trucks for lease with a carrying amount of €37,574 thousand (prior year: €36,245 thousand) are financed based on sale and leaseback agreements. Future minimum lease payments from sublease arrangements total €31,678 thousand (prior year: €27,240 thousand).

(16) Investments in companies accounted for using the equity method/ Other financial assets

Investments in companies accounted for using the equity method and other financial assets developed as follows in the year under review:

in thousand €	Investments in companies accounted for using the equity method	Other financial assets		Total
		Investments in affiliated companies	Other loans	
Acquisition costs				
As of 01/01/2012	16,208	75	139	214
Additions	2,717	–	–	–
Disposals	5,216	–	87	87
As of 12/31/2012	13,709	75	52	127
Impairment losses				
As of 01/01/2012	2,500	–	51	51
Impairment losses in the fiscal year	–	–	57	57
Write-ups in the fiscal year	2,500	–	–	–
Accumulated impairment losses on disposals	–	–	87	87
As of 12/31/2012	–	–	21	21
Carrying amount on 12/31/2012	13,709	75	31	106

The disposals and write-ups in the ‘investments in companies accounted for using the equity method’ item relate to the sale of the shares in Ningbo Ruyi Joint Stock Co., Ltd., Ninghai, Zhejiang (China) in the reporting year.

The impairment test performed on investments in companies accounted for using the equity method as of the balance sheet date in 2012 did not result in any impairment losses.

Investments in companies accounted for using the equity method and other financial assets developed as follows in the prior year:

in thousand €	Investments in companies accounted for using the equity method	Other financial assets		Total
		Investments in affiliated companies	Other loans	
Acquisition costs				
As of 01/01/2011	16,812	475	139	614
Additions	–	–	–	–
Disposals	604	400	–	400
As of 12/31/2011	16,208	75	139	214
Impairment losses				
As of 01/01/2011	2,500	150	49	199
Impairment losses in the fiscal year	–	–	2	2
Accumulated impairment losses on disposals	–	150	–	150
As of 12/31/2011	2,500	–	51	51
Carrying amount on 12/31/2011	13,708	75	88	163

The following figures are allocable to the Group due to the investments held in companies accounted for using the equity method:

in thousand €	2012		2011	
	Joint ventures	Associated companies	Joint ventures	Associated companies
Assets	24,152	691	21,502	756
Liabilities	10,806	294	11,060	315
Net sales	51,858	2,083	52,750	1,727
Net income	2,760	22	2,384	111

For reasons of comparability, the prior-year disclosure does not contain the figures for Ningbo Ruyi Joint Stock Co., Ltd., Ninghai, Zhejiang (China) which was sold in 2012.

(17) Inventories

in thousand €	12/31/2012	12/31/2011
Raw materials and supplies	60,613	57,832
Work in process	14,163	14,593
Finished goods	62,173	68,260
Merchandise	70,625	60,844
Spare parts	37,198	37,037
Advance payments	9,574	9,472
	254,346	248,038

€28,542 thousand (prior year: €22,871 thousand) of the inventories are measured at their net realizable value. Write-downs recognized

for inventories as of the balance sheet date amounted to €34,106 thousand (prior year: €33,387 thousand).

(18) Trade accounts receivable

in thousand €	12/31/2012	12/31/2011
Trade accounts receivable	420,420	430,504
Valuation allowances	-14,808	-15,548
	405,612	414,956

Trade accounts receivable include notes receivable in the amount of €6,774 thousand (prior year: €7,147 thousand). €687 thousand in notes receivable presented for a discount (prior year: €– thousand) were not deleted from the accounts because Jungheinrich was exposed to

the risk of default on the balance sheet date. The related notes payable are recognized as financial liabilities.

Valuation allowances developed as follows in the year under review and the prior year:

in thousand €	2012	2011
Valuation allowances on 01/01	15,548	15,045
Changes in currency exchange rates	54	-28
Utilizations	2,441	3,035
Releases	1,323	960
Additions	2,970	4,526
Valuation allowances on 12/31	14,808	15,548

Of the trade accounts receivable as of the balance sheet date, for which no valuation allowances were recognized, the following receivables are overdue:

in thousand €	12/31/2012	12/31/2011
Less than 30 days overdue	51,346	55,609
Between 30 and 60 days overdue	13,513	13,545
Between 61 and 90 days overdue	5,043	6,983
Between 91 and 180 days overdue	3,331	3,675
More than 180 days overdue	63	131
Total overdue trade accounts receivable, for which no valuation allowances were recognized	73,296	79,943

As of the balance sheet date, no valuation allowances had been made for €309,998 thousand in trade accounts receivable (prior year: €315,362 thousand), nor were they overdue.

As of the balance sheet date, there was no indication that the debtors could not meet their payment obligations.

(19) Receivables from financial services

Within the framework of the financial services business in which Jungheinrich Group companies act as lessors, the net investment values of customer leases classified as 'finance leases'

in accordance with IFRS are capitalized as receivables from financial services.

Receivables from financial services are based on the following data:

in thousand €	12/31/2012	12/31/2011
Total minimum lease payments receivable	669,316	612,438
Due within less than one year	209,621	196,274
Due in one to five years	441,065	400,002
Due in more than five years	18,630	16,162
Present value of minimum lease payments receivable	583,819	535,124
Due within less than one year	173,919	163,403
Due in one to five years	392,172	356,394
Due in more than five years	17,728	15,327
Unearned interest income	85,497	77,314

Receivables from financial services include minimum lease payments from sublease arrangements amounting to €167,216 thousand (prior year: €164,555 thousand).

By the balance sheet date, receivables from financial services with a carrying amount of €339,153 thousand (prior year: €286,404 thousand) had been put up as collateral for liabilities from financial services.

(20) Other receivables and other assets

in thousand €	12/31/2012	12/31/2011
Receivables from other taxes	16,366	13,712
Assets from the measurement of funded pension obligations	10,683	9,225
Receivables from loans and advances granted to employees	809	558
Other receivables from companies accounted for using the equity method	41	–
Other receivables from affiliated companies	1	2
Other assets	17,022	9,872
	44,922	33,369

The remaining 75 per cent of ISA – Innovative Systemlösungen für die Automation GmbH, Graz (Austria) were acquired with legal effect as of January 1, 2013 in order to strengthen the logistics system business. The other assets in the reporting year contain the single-digit million euro preliminary purchase price which had already been paid for this acquisition at the end of 2012. The purchase price allocation that must

be conducted within the scope of the first-time consolidation due to the closeness of the purchase date to the date on which these financial statements were finalized has not yet been completed. Jungheinrich is currently calculating the purchase price and measuring the acquired identifiable assets and assumed liabilities at their fair value at the purchase date.

As of the balance sheet date, none of the other receivables or other assets were overdue or had a valuation allowance recognized for them. As of the balance sheet date, there was no indication that the debtors could not meet their payment obligations.

(21) Securities

Securities on the company's books broke down as follows:

in thousand €	12/31/2012	12/31/2011
Debenture bonds	61,650	66,519
Bonds	34,984	34,993
Promissory notes	44,525	15,000
Covered bonds	10,000	10,000
	151,159	126,512

Jungheinrich intends to, and can, hold all its securities until they mature. The securities on Jungheinrich's books on December 31, 2012 will mature from 2013 to 2015. The impairment test carried out on the securities as of the balance sheet date did not result in any impairment expenses in 2012. All of the securities which were on Jungheinrich's books on December 31, 2011 and matured in 2012 were redeemed when they matured.

(22) Liquid assets

Liquid assets include bank balances, cash balances, and checks. They have an original maturity of 3 months or less. As of the balance sheet date, bank balances totalled €7,249 thousand (prior year: €4,076 thousand), which were pledged to banks.

(23) Prepaid expenses

Prepaid expenses consist mainly of advance payments on rents, lease payments, interest and insurance premiums.

(24) Shareholders' equity

Subscribed capital

The subscribed capital of Jungheinrich AG, Hamburg (Germany) was fully paid up as of the balance sheet date and amounts to €102,000 thousand (prior year: €102,000 thousand). As in the preceding year, it was divided among 18,000,000 ordinary shares and

16,000,000 preferred shares, each accounting for an imputed €3.00 share of the subscribed capital. All of the shares had been issued as of the balance sheet date.

Holders of non-voting preferred stock will receive a preferential share of the profit of €0.12 per preferred share from the distributable profit which is distributed. On payment of a €0.12 share of the profit per ordinary share, the distributable profit remaining for distribution will be distributed among ordinary and preferred shareholders in line with the prorated share of subscribed capital attributable to their shares, whereby unlike ordinary shareholders, preferred shareholders are entitled to an additional dividend of €0.06 per preferred share.

Capital reserve

The capital reserve includes premiums from the issuance of shares and additional income from the sale of own shares in prior years.

Retained earnings

Retained earnings contain undistributed earnings generated by Jungheinrich AG and consolidated subsidiaries in preceding years as well as consolidated net income for the period under review. Furthermore, differential amounts resulting from the transition of accounting and measurement methods to IFRS effective January 1, 2004, were recognized in retained earnings without an effect on results.

Dividend proposal

Jungheinrich AG pays its dividend from the distributable profit stated in the annual financial statements of Jungheinrich AG, which are prepared in accordance with the German Commercial Code. The Board of Management of Jungheinrich AG proposes to use the €28,160 thousand distributable profit for the 2012 financial year to pay a dividend of €0.80 per ordinary share and a dividend of €0.86 per preferred share.

Managing capital

Jungheinrich is not subject to any minimum capital requirements pursuant to its articles of association. The Group manages the way in which its capital is used commercially via the return

on capital employed (ROCE). The capital and finance structure of the Group and its companies is managed using 'net gearing' and 'indebtedness ratio' as key ratios. 'Net gearing' is defined as the ratio of net indebtedness to shareholders' equity, expressed as a percentage. 'Indebtedness ratio' is defined as the ratio of net indebtedness to earnings before interest, taxes, depreciation and amortization (EBITDA).

Jungheinrich determines the key ratios when preparing its quarterly financial statements. They are reported to the Board of Management once a quarter, in order to enable it to initiate measures if necessary.

The net indebtedness factored into these two key ratios is the result of the Group's financial liabilities, minus liquid assets and securities.

in thousand €	12/31/2012	12/31/2011
Financial liabilities	371,967	347,563
Liquid assets and securities	-554,510	-509,327
Net indebtedness	-182,543	-161,764

The key ratios 'net gearing' and 'indebtedness ratio' maintained the good levels they had in the preceding years:

in thousand €	12/31/2012	12/31/2011
Net indebtedness	-182,543	-161,764
Shareholders' equity	806,911	717,760
EBITDA (excluding the depreciation of trucks for lease from financial services)	266,427	245,241
Net gearing in %	< 0	< 0
Indebtedness ratio in years	< 0	< 0

The Group's overall strategy for managing capital was unchanged compared with the prior year.

(25) Provisions for pensions and similar obligations

Pension plans

Jungheinrich Group company pension schemes are either defined contribution or defined benefit plans. In defined contribution plans, Jungheinrich does not assume any obligation in addition to the contributions made to state-owned or private pension insurers. Ongoing contributions are recorded as a pension cost of the corresponding year.

Provisions for pensions mainly include the commitments entered into in Germany and regulated in individual and collective agreements regarding defined benefit plans for members of the Board of Management, managing directors, and employees of Jungheinrich AG and its German subsidiaries as well as Jungheinrich Moosburg GmbH. When pension benefits are committed within the framework of collective agreements, the amount of the pension claim depends on the number of eligible years of service when the pension payment is scheduled to start as well as on the monthly average salary of the beneficiary. The company pension plans of Jungheinrich AG and of Jungheinrich Moos-

burg GmbH have been closed to employees since July 1, 1987, and April 14, 1994, respectively.

In countries outside Germany, several companies have pension plans for managing directors and employees. Material foreign pension claims are covered by separate funds.

The pension obligations have been measured in accordance with IAS 19.

The following shows the pension obligations stated on the consolidated balance sheet and the pension cost disclosed in the consolidated statement of income relating to defined-benefit pension commitments.

Actuarial gains and losses can arise owing to increases or decreases in the net present value of a defined benefit commitment or in the fair value of plan assets, in part stemming from changes in the parameters of actuarial calculations (both financial and demographic). Accumulated unrealized actuarial gains and losses exceeding 10 per cent of the higher of the pension obligation and the fair value of plan assets are amortized over the expected average service lives of the employees covered by the pension plan.

Pension obligations were calculated based on the following weighted average assumptions:

in %	12/31/2012	12/31/2011
Discount rate	3.8	4.8
Expected rate of compensation increase	2.8	2.9
Expected rate of pension increase	2.1	2.3

The net pension expense was calculated based on the following weighted average valuation factors:

in %	2012	2011
Discount rate	4.8	5.1
Expected long-term return on plan assets	3.7	4.4
Expected rate of compensation increase	2.9	3.1
Expected rate of pension increase	2.3	2.2

Funded status of defined benefit pension plans:

in thousand €	12/31/2012	12/31/2011
Present value of funded benefit obligations	236,784	203,665
Fair value of plan assets	218,343	201,334
Funding gap	18,441	2,331
Present value of unfunded benefit obligations	190,373	159,811
Net obligation	208,814	162,142
Unamortized actuarial gains (+) and losses (-)	-72,756	-25,736
Net obligation recognized	136,058	136,406
thereof provisions for pensions	146,741	145,631
thereof other assets	10,683	9,225

Development of the defined benefit obligation:

in thousand €	2012	2011
Defined benefit obligation as of 01/01	363,476	331,139
Changes in currency exchange rates	4,233	5,031
Current service cost	5,709	5,102
Interest cost	17,172	16,648
Employee contributions	2,258	2,054
Actuarial gains (-) and losses (+)	49,279	16,948
Benefits paid	-14,102	-13,425
Plan settlements/plan reductions	-868	-21
Defined benefit obligation as of 12/31	427,157	363,476

Plan assets

Plan assets largely comprise separate plans set up to cover pension obligations in the UK. The plan assets and income from the pension funds are exclusively earmarked for benefits and to cover the cost of administering the pension plans. Jungheinrich works with outside asset managers to invest in the plan assets.

Plan assets are distributed among various portfolios, primarily consisting of fixed-interest securities on December 31, 2012.

Our long-term investment strategy complies with minimum capital cover requirements and the goal of maximizing income from the plan assets while keeping volatility at a reasonable level, in order to minimize the long-term costs of defined benefit pension plans.

Plan asset investments are made while ensuring that cash and cash equivalents are sufficient to cover benefits that come due.

Portfolio structure of plan assets based on fair values:

in %	12/31/2012	12/31/2011
Fixed-interest securities	81	84
Shares	16	13
Real estate	2	2
Other	1	1
	100	100

As in the preceding year, externalized pension funds did not include any own financial instruments as of the balance sheet date. Jungheinrich

expects the long-term return on plan assets in the portfolio to amount to 3.6 per cent (prior year: 3.7 per cent).

Development of plan assets:

in thousand €	2012	2011
Fair value of plan assets on 01/01	201,334	166,891
Changes in currency exchange rates	4,242	4,863
Expected return on plan assets	7,752	7,388
Actuarial gains (+) and losses (–)	1,702	19,206
Employer contributions	6,872	6,329
Plan participant contributions	2,258	2,054
Benefits paid	–5,529	–5,397
Plan settlements	–288	–
Fair value of plan assets as of 12/31	218,343	201,334

As an employer, Jungheinrich expects cash contributions to plan assets to total about €7.3 mil-

lion in fiscal 2013, in order to comply with minimum statutory and contractual requirements.

Composition of pension expenses for defined benefit plans in the statement of income:

in thousand €	2012	2011
Current service cost	5,709	5,102
Interest cost	17,172	16,648
Expected return on plan assets	–7,752	–7,388
Amortization of actuarial gains and losses	377	149
Cost of (+)/return on (–) plan reductions/plan settlements	–229	–21
	15,277	14,490

In the year under review, the actual return on plan assets amounted to €9,454 thousand (prior year: €26,594 thousand).

All of the pension expense components are included in the functional areas' personnel expenses.

Five-year overview:

in thousand €	2012	2011	2010	2009	2008
Defined benefit obligation on 12/31	427,157	363,476	331,139	301,686	265,784
Fair value of plan assets on 12/31	218,343	201,334	166,891	136,283	123,988
Net obligation	208,814	162,142	164,248	165,403	141,796

Adjustments made based on empirical findings, namely the differences between earlier actuarial assumptions and actual developments relative

to the defined benefit obligation and plan assets on December 31, are presented in the following table:

in %	2012	2011	2010	2009	2008
Experience-based increase (+)/decrease (–) in the defined benefit obligation	–0.2	–0.1	–1.1	–	0.2
Experience-based increase (+)/decrease (–) in plan assets	0.8	9.5	1.8	–4.0	–4.2

(26) Other provisions

The development of other provisions in the year under review is shown in the following table:

in thousand €	As of 01/01/2012	Exchange rate differences	Additions	Utilizations	Releases	As of 12/31/2012
Provisions for personnel	128,713	426	77,985	73,032	2,900	131,192
Provisions for warranty obligations	27,916	110	30,670	27,556	3,932	27,208
Provisions for onerous contracts	34,793	344	6,334	4,794	1,822	34,855
Others	18,118	89	9,410	6,342	2,801	18,474
Other provisions	209,540	969	124,399	111,724	11,455	211,729

Provisions for personnel primarily relate to provisions for obligations arising from partial retirement agreements, anniversary obligations, performance-based compensation and vacation entitlements.

As of the balance sheet date, obligations arising from partial retirement agreements amounted to €15,113 thousand (prior year: €17,622 thousand), which were netted against €9,725 thousand in securities (prior year: €10,197 thousand). These securities are exclusively held to secure benefits due to employees within the scope of partial retirement agreements in the long term and are classified as plan assets under IAS 19. These securities are money market fund shares which, however, are not freely available at present due to the role they play as back-up for these agreements. All partial retirement agreements are fully covered at present. Furthermore, €11,664 thousand in provisions were accrued to cover the claims of candidates potentially qualifying for partial retirement arrangements commensurate to their probability of occurrence (prior year: €12,359 thousand).

Additions to provisions for personnel include a total of €1,406 thousand in interest accretions (prior year: €1,733 thousand). €41,060 thousand (prior year: €38,866 thousand) of the provisions

for personnel have a remaining maturity of more than one year.

The Group recognizes provisions for product warranties based on past experience when products are sold or when new warranty measures are initiated. These provisions relate to the assessment of the extent to which warranty obligations must be met in the future and to the cost involved. Provisions for warranty obligations contain the expected expense of statutory and contractual warranty claims as well as the expected expense of voluntary concessions and recall actions. Additions to warranty obligations cover the product-related warranty expenses for fiscal 2012 for material handling equipment sold in the year under review.

Provisions for onerous contracts primarily relate to the provision for risks from residual value warranties issued within the scope of the financial services business above all to leasing companies. Impending losses from cancellations of contracts and other contractual risks are also recognized. €15,138 thousand (prior year: €14,621 thousand) of the provisions for onerous contracts have a remaining maturity of more than one year.

Other provisions include provisions for customer bonuses, lawsuits, environmental risks and other obligations.

(27) Financial liabilities

The contractually agreed (undiscounted) cash flows and underlying carrying amounts for financial liabilities are shown in the following table:

in thousand €	Liabilities due to banks	Promissory notes	Liabilities from financing trucks for short-term hire	Leasing liabilities from tangible assets	Notes payable	Financial liabilities
12/31/2012						
Total future cash flows	169,244	110,897	100,062	21,373	1,612	403,188
Due within less than one year	122,597	5,449	33,975	2,883	1,612	166,516
Due in one to five years	31,064	105,448	54,163	6,542	–	197,217
Due in more than five years	15,583	–	11,924	11,948	–	39,455
Present value of future cash flows	160,249	100,000	94,763	15,343	1,612	371,967
Due within less than one year	120,205	–	32,048	2,071	1,612	155,936
Due in one to five years	25,905	100,000	51,123	3,905	–	180,933
Due in more than five years	14,139	–	11,592	9,367	–	35,098
Future interest expenses	8,995	10,897	5,299	6,030	–	31,221
12/31/2011						
Total future cash flows	147,080	116,346	99,367	23,763	1,014	387,570
Due within less than one year	99,206	5,449	33,530	3,577	1,014	142,776
Due in one to five years	26,708	110,897	56,354	7,049	–	201,008
Due in more than five years	21,166	–	9,483	13,137	–	43,786
Present value of future cash flows	137,398	100,000	91,820	17,331	1,014	347,563
Due within less than one year	97,040	–	30,708	2,778	1,014	131,540
Due in one to five years	21,316	100,000	52,028	4,368	–	177,712
Due in more than five years	19,042	–	9,084	10,185	–	38,311
Future interest expenses	9,682	16,346	7,547	6,432	–	40,007

Financial liabilities that can be repaid any time are disclosed as being due within one year.

The following table provides details on liabilities due to banks:

Currency	Interest conditions	Remaining term of the interest conditions as of 12/31/2012	Nominal volume as of 12/31/2012 in thousand €	Bandwidth of effective interest rates 2012	Carrying amounts as of 12/31/2012 in thousand €	Nominal volume as of 12/31/2011 in thousand €	Bandwidth of effective interest rates 2011	Carrying amounts as of 12/31/2011 in thousand €
EUR	variable	< 1 year	34,656	EURIBOR + margin	34,656	10,302	EURIBOR + margin	10,302
GBP	variable	< 1 year	7,240	LIBOR + margin	7,240	5,247	LIBOR + margin	5,247
CNY	variable	< 1 year	24,102	LIBOR + margin	24,102	17,553	LIBOR + margin	17,553
SGD	variable	< 1 year	14,034	LIBOR + margin	14,034	14,216	LIBOR + margin	14,216
PLN	variable	< 1 year	16,922	LIBOR + margin	16,922	15,007	LIBOR + margin	15,007
BRL	variable	< 1 year	7,446	LIBOR + margin	7,446	7,631	LIBOR + margin	7,631
USD	variable	< 1 year	–	LIBOR + margin	–	11,417	LIBOR + margin	11,417
Other	variable	< 1 year	8,663	LIBOR + margin	8,663	10,990	LIBOR + margin	10,990
EUR	fixed	5–15 years	46,624	3.1%–5.3%	36,494	46,624	3.1%–5.3%	38,622
BRL	fixed	< 1–2 years	4,052	15.9%–19.3%	3,780	4,476	16.9%–19.3%	1,413
Other	fixed	< 1–11 years	10,752	5.2%–14.8%	6,912	7,557	5.2%–13.9%	5,000
Total liabilities due to banks			174,491		160,249	151,020		137,398

As of December 31, 2012, the promissory note on the Jungheinrich Group's books consisted of the two following tranches:

	Maturity in	Nominal interest rate	Nominal amount in thousand €
Jungheinrich AG 2009 (I)	2014	Fixed interest rate + margin	46,500
Jungheinrich AG 2009 (II)	2014	EURIBOR + margin	53,500
Promissory note			100,000

An interest-rate hedge was concluded in order to secure the variable interest rates of a promissory note (II). The nominal amount of this loan corresponds to the carrying amount.

Liabilities from the financing of trucks for short-term hire amount to €88,705 thousand (prior year: €85,988 thousand) and result from the sale

of receivables from intragroup hire-purchase agreements.

Furthermore, €6,058 thousand (prior year: €5,832 thousand) in liabilities relate to the re-financing of trucks for short-term hire based on sale and leaseback agreements. €6,679 thousand (prior year: €6,647 thousand) in future minimum

lease payments for these leases classified as 'finance lease' agreements under IFRS are included in cash flows for liabilities from the financing of trucks for short-term hire. Thus, Jungheinrich must capitalize these assets in its capacity as lessee. Leasing liabilities are repaid over the leases' basic lease periods.

The aforementioned accounting method also applies to leasing liabilities from tangible assets, which are almost all based on real estate lease agreements. Some of the real estate lease agreements include purchase options at agreed residual values.

(28) Liabilities from financial services

€23,079 thousand (prior year: €24,292 thousand) of the liabilities from financial services consisted of residual value guarantees relating to lease contracts with a leasing company acting as

intermediary and with residual values exceeding 10 per cent of the truck value.

This item also contains €816,972 thousand (prior year: €742,340 thousand) in liabilities from financing. They result from the financing of long-term customer contracts with identical maturities. Depending on whether commercial ownership is attributed to Jungheinrich Group companies, these contracts are capitalized under receivables from financial services ('finance leases') or under trucks for lease from financial services ('operating leases'). Liabilities from financing include €82,228 thousand (prior year: €38,250 thousand) in liabilities from the issuance of promissory notes via the consolidated securitization vehicle in Luxembourg.

Liabilities from financing, which are reduced over the term of the contracts, were due as of the balance sheet date as follows:

in thousand €	12/31/2012	12/31/2011
Total future cash flows	882,895	808,196
Due within less than one year	269,223	255,890
Due in one to five years	594,255	534,450
Due in more than five years	19,417	17,856
Present value of future cash flows	816,972	742,340
Due within less than one year	240,701	227,154
Due in one to five years	557,291	497,818
Due in more than five years	18,980	17,368
Future interest expenses	65,923	65,856

Liabilities from financing include future minimum lease payments from financing under sale and leaseback agreements in the amount of €207,903 thousand (prior year: €205,326 thousand).

(29) Trade accounts payable

Trade accounts payable include €31 thousand (prior year: €32 thousand) in payables to affiliated companies and €2,384 thousand (prior year: €5,712 thousand) in payables to companies accounted for using the equity method.

All trade accounts payable are accounted for at their repayment amounts and are due within one year.

(30) Other liabilities

All other liabilities are due within one year and break down as follows:

in thousand €	12/31/2012	12/31/2011
Liabilities from other taxes	37,124	34,771
Advance payments received on orders	26,092	26,421
Social security liabilities	12,647	11,099
Employee liabilities	1,663	2,616
Liabilities to companies accounted for using the equity method	335	–
Other liabilities	7,870	8,245
	85,731	83,152

(31) Deferred income

in thousand €	Deferred sales from financial services	Deferred profit from financial services	Other deferrals	Deferred income
12/31/2012	42,020	45,146	21,136	108,302
Thereof maturities of up to one year	16,084	13,601	6,427	36,112
Thereof maturities of more than one year	25,936	31,545	14,709	72,190
12/31/2011	44,540	41,499	22,407	108,446
Thereof maturities of up to one year	17,263	12,161	6,552	35,976
Thereof maturities of more than one year	27,277	29,338	15,855	72,470

Deferred sales from financial services relate to lease agreements concluded via a leasing company. In such cases, due to the agreed residual value guarantee of more than 10 per cent of the truck value, Jungheinrich Group companies have commercial ownership despite the sale of the trucks to the leasing company. The resultant obligation according to IFRS to capitalize this ownership leads to the deferral of the sales proceeds that have already been received from the leasing company. These deferred sales proceeds

are reduced using the straight-line method over the terms affecting sales until the residual value guarantee falls due.

Deferred profit from financial services includes deferred profit from the financing of trucks for lease. Deferred profit is reduced pro rata temporis over the terms of the leases.

Other deferrals in the reporting year include €5,479 thousand (prior year: €6,440 thousand) in government grants.

(32) Additional disclosure on financial instruments

Carrying amounts, amounts recognized and fair values by valuation category for the year under review are shown in the following table:

in thousand €	Valuation category in acc. with IAS 39	Carrying amount 12/31/2012	Amount recognized in acc. with IAS 39 Amortized acquisition costs	Fair value	Amount recognized in acc. with IAS 17	Fair value 12/31/2012
Assets						
Liquid assets	LaR	403,351	403,351	–	–	403,351
Trade accounts receivable	LaR	405,612	405,612	–	–	405,612
Receivables from financial services	n.a.	583,819	–	–	583,819	601,075
Securities	FAHtM	151,159	151,159	–	–	151,090
Other loans	LaR	31	31	–	–	31
Derivative financial assets						
Derivatives without a hedging relationship	FAHfT	185	–	185	–	185
Derivatives with a hedging relationship	n.a.	388	–	388	–	388
Other financial assets	LaR	850	850	–	–	850
Liabilities						
Trade accounts payable	FLAC	158,103	158,103	–	–	158,103
Liabilities due to banks	FLAC	160,249	160,249	–	–	162,907
Promissory note	FLAC	100,000	100,000	–	–	102,901
Liabilities from financing trucks for short-term hire	FLAC/n.a.	94,763	88,705	–	6,058	94,763
Leasing liabilities from tangible assets	n.a.	15,343	–	–	15,343	17,491
Notes payable	FLAC	1,612	1,612	–	–	1,612
Liabilities from financial services	FLAC/n.a.	840,051	648,834	–	191,217	863,884
Derivative financial liabilities						
Derivatives without a hedging relationship	FLHfT	1,187	–	1,187	–	1,187
Derivatives with a hedging relationship	n.a.	4,122	–	4,122	–	4,122
Other financial liabilities	FLAC	821	821	–	–	821
Of which aggregated by valuation category in acc. with IAS 39:						
Loans and Receivables (LaR)		809,844	809,844	–	–	809,844
Financial Assets Held to Maturity (FAHtM)		151,159	151,159	–	–	151,090
Financial Assets Held for Trading (FAHfT)		185	–	185	–	185
Financial Liabilities Measured at Amortized Costs (FLAC)		1,158,324	1,158,324	–	–	1,181,917
Financial Liabilities Held for Trading (FLHfT)		1,187	–	1,187	–	1,187

Carrying amounts, amounts recognized and fair values by valuation category for the prior year are shown in the following table:

		Amount recognized in acc. with IAS 39			Amount recognized in acc. with IAS 17	
in thousand €	Valuation category in acc. with IAS 39	Carrying amount 12/31/2011	Amortized acquisition costs	Fair value		Fair value 12/31/2011
Assets						
Liquid assets	LaR	382,815	382,815	–	–	382,815
Trade accounts receivable	LaR	414,956	414,956	–	–	414,956
Receivables from financial services	n.a.	535,124	–	–	535,124	539,842
Securities	FAHtM	126,512	126,512	–	–	126,321
Other loans	LaR	88	88	–	–	88
Derivative financial assets						
Derivatives without a hedging relationship	FAHfT	705	–	705	–	705
Derivatives with a hedging relationship	n.a.	493	–	493	–	493
Other financial assets	LaR	558	558	–	–	558
Liabilities						
Trade accounts payable	FLAC	172,111	172,111	–	–	172,111
Liabilities due to banks	FLAC	137,398	137,398	–	–	138,230
Promissory note	FLAC	100,000	100,000	–	–	102,509
Liabilities from financing trucks for short-term hire	FLAC/n.a.	91,820	85,988	–	5,832	91,820
Leasing liabilities from tangible assets	n.a.	17,331	–	–	17,331	18,038
Notes payable	FLAC	1,014	1,014	–	–	1,014
Liabilities from financial services	FLAC/n.a.	766,632	579,617	–	187,015	774,134
Derivative financial liabilities						
Derivatives without a hedging relationship	FLHfT	886	–	886	–	886
Derivatives with a hedging relationship	n.a.	5,810	–	5,810	–	5,810
Other financial liabilities	FLAC	1,182	1,182	–	–	1,182
Of which aggregated by valuation category in acc. with IAS 39:						
Loans and Receivables (LaR)		798,417	798,417	–	–	798,417
Financial Assets Held to Maturity (FAHtM)		126,512	126,512	–	–	126,321
Financial Assets Held for Trading (FAHfT)		705	–	705	–	705
Financial Liabilities Measured at Amortized Costs (FLAC)		1,077,310	1,077,310	–	–	1,086,163
Financial Liabilities Held for Trading (FLHfT)		886	–	886	–	886

Financial instruments recognized at fair value in the consolidated financial statements are assigned to one of 3 measurement levels pursuant to IFRS 7. Jungheinrich determines the fair values of these financial instruments solely based on level 2 information and input factors.

Further information on measurement levels is provided in the chapter on accounting principles.

The fair values of the financial instruments listed in the tables were determined on the basis of market-related information available on the balance sheet date and using the methods and assumptions described below. Fair values are determined using generally accepted valuation methods based on discounted cash flow analyses and using current market prices observed for similar instruments.

Current interest rates at which comparable loans with identical maturities as of the balance sheet date could have been taken out are used to determine fair values of liabilities due to banks and promissory notes as well as of receivables and liabilities from financial services.

The fair values of interest-bearing securities with maturities correspond to the market values available as of the balance sheet date.

Liquid assets, trade accounts receivable and other financial assets largely have short maturities. Therefore, their carrying amounts as of the balance sheet date roughly correspond to their fair values.

It is assumed that the fair values of trade accounts payable and other financial liabilities correspond to the carrying amounts of these financial instruments owing to their short remaining terms to maturity.

As regards liabilities from the financing of trucks for short-term hire with variable interest rates, for reasons of simplicity, it is assumed that their fair values correspond to their carrying amounts since the interest rates agreed and realizable on the market are almost identical.

The carrying amounts of current, interest-bearing financial liabilities nearly correspond to their fair values.

Net results by valuation category:

in thousand €	from interest	from measurement after recognition		Net result 2012	Net result 2011
		at fair value	Valuation allowances		
Loans and Receivables (LaR)	3,355	–	–1,647	1,708	1,751
Financial Assets Held to Maturity (FAHtM)	1,710	–	–	1,710	2,209
Financial Instruments Held for Trading (FAHfT/FLHfT)	–	–4,241	–	–4,241	–287
Financial Liabilities Measured at Amortized Costs (FLAC)	–40,468	–	–	–40,468	–40,815

Interest from financial instruments is stated as part of the financial income (loss).

Net results from securities measured at amortized acquisition costs (FAHtM) are stated in the financial income (loss).

Net results from derivative financial instruments (FAHfT/FLHfT) recognized at fair value are included in the cost of sales and in the financial income (loss).

Additional information

(33) Consolidated statement of cash flows

The statement of cash flows presents cash flows independently of the balance sheet structure, breaking them down among cash flows from operating activities, investing activities and financing activities. Cash flows from investing and financing activities are directly attributed corresponding cash flows. Cash flows from operating activities are derived indirectly.

Cash flows from operating activities are derived from net income, which is adjusted to exclude non-cash income and expenses—mainly consisting of depreciation—and taking into account changes in working capital. Changes in working capital include changes in the carrying amounts of trucks for short-term hire and lease and of certain tangible assets from 'finance leases' primarily consisting of real estate as well as liabilities and deferred sales and income stemming from the financing of these assets.

Cash flows from investing activities comprise additions and disposals of tangible and financial assets not financed via 'finance leases' as well as of intangible assets, primarily consisting of additions to capitalized development costs. Furthermore, purchases and sales of held-to-maturity securities with an original remaining term to maturity of more than 3 months are also recognized.

Cash flows from financing activities include capital-related measures, dividend payments, cash flows from obtaining and repaying long-term financial loans, and changes in short-term liabilities due to banks.

Cash and cash equivalents at the end of the year correspond to the amount disclosed for liquid assets on the balance sheet, minus the liquid assets not freely available to Jungheinrich. As of the balance sheet date, €7,249 thousand (prior year: €4,076 thousand) in bank credit balances were pledged to banks. As before, cash and cash equivalents in the period under review nearly exclusively consisted of bank credit balances.

(34) Contingent liabilities

No Group companies are involved in ongoing legal or arbitration proceedings that could have a considerable impact on the Group's economic situation, are likely to become involved in such litigation, or had done so within the last two years.

The respective Group companies have accrued provisions sufficient to cover financial burdens potentially resulting from other legal or arbitration proceedings.

There were no reportable contingencies as of the balance sheet date.

(35) Other financial obligations

Capital commitments for capital expenditures exclusively on tangible assets totalled €26 million as of the balance sheet date (prior year: €20 million). They primarily relate to the construction of a new warehousing and system equipment factory at the Degernpoint (Germany) site and the construction of the new plant in Qingpu (China).

At its various locations, Group companies have entered into rental agreements and leases ('operating leases') for business premises, data processing equipment, office equipment and vehicles. Future minimum lease payments up to the first contractually agreed termination date are due as follows:

in thousand €	12/31/2012	12/31/2011
Due within less than one year	37,375	36,744
Due in one to five years	51,664	51,615
Due in more than five years	13,806	17,305
	102,845	105,664

Recognized expenses associated with 'operating leases' in 2012 totalled €45,404 thousand (prior year: €44,299 thousand).

(36) Risk management and financial instruments

Risk management principles

The Jungheinrich Group's risk management system is designed to enable the company to identify developments in financial price risks—resulting above all from interest rate and currency risks—early on and react to them via systematic courses of action both rapidly and effectively. Furthermore, it ensures that the Group only concludes financial transactions for which it possesses the necessary expertise and technical preconditions.

Financial markets afford one the opportunity to transfer risks to other market participants, who have a comparative advantage or a higher capacity for accepting risks. The Jungheinrich Group makes use of these opportunities solely to hedge risks arising from underlying operating transactions and to invest or raise liquid funds. Group guidelines do not allow the conclusion of financial transactions that are speculative in nature. As a rule, the Jungheinrich Group's financial transactions may only be concluded with banks or leasing companies as contractual partners.

The Board of Management as a whole bears responsibility for the initiation of organizational

measures required to limit financial price risks. Jungheinrich has established a risk controlling and risk management system that enables it to identify, measure, monitor and control its risk positions. Risk management encompasses the development and determination of methods to measure risk and performance, monitor established risk limits, and set up the associated reporting system.

Jungheinrich controls financial risks arising from its core business centrally as part of the Group strategy. Risks stemming from the Jungheinrich Group's financial services operations are subject to a separate risk management system.

Risks specific to the financial services business are determined by the refinancing risk, the creditworthiness risk arising from customer receivables and the residual value risk.

A pan-European contract database running on an SAP platform enabling the uniform recording, analysis and measurement of risks associated with financial service agreements throughout the Group as an end-to-end risk management system is a key element of risk management in the financial services business.

Financial service contracts are refinanced in accordance with the principle of matching maturities and interest rates for customer and refinancing contracts.

Reference is made to the commentary on credit risks as regards general creditworthiness and contingent loss risks in connection with customers.

Groupwide sales guidelines are applied to establish groupwide parameters concerning maximal allowable residual values for calculating residual value guarantees. Financial service contracts on hand are subjected to a risk assessment once a quarter. This mainly involves measuring all individual agreements at residual value based on current market prices. If a residual value exceeds the current market price, an appropriate provision is accrued to cover the associated risk.

Break clauses agreed on in customer contracts are limited by central parameters and linked to risk-minimizing performance targets. The earnings risk potentially resulting from break clauses is also covered by accruing suitable provisions.

Market price risks

Market price risks are risks arising from changes in an item's realizable income or value, whereby the item is defined as an item on the assets or liabilities side of the balance sheet. These risks result from changes in interest rates, foreign exchange rates, share prices and other items and factors affecting the formation of prices. These parameters are used to determine the interest rate and currency risk exposure of the Jungheinrich Group. Changes in share prices did not constitute a risk for the Jungheinrich Group since the Group did not hold any shares in the period under review.

Interest rate risks

Interest rate risks result from the Group's financing and cash investment activity. Fixed and variable-interest items are regarded separately in order to determine this risk. Interest-bearing instruments on the assets and liabilities sides are aggregated to net positions and hedges are concluded to cover these net positions, if necessary. Interest rate swaps were used to hedge interest rates in the period being reviewed.

The Jungheinrich Group's interest rate risks include cash flow risks arising from variable-interest financial instruments. These financial risks were analyzed as follows based on the assumption that the amount of liabilities outstanding at the end of the reporting period was outstanding for the full year.

If going interest rates had been 100 basis points higher (lower) on December 31, 2012, income would have been €1,131 thousand (December 31, 2011: €924 thousand) higher (lower).

Currency risks

When calculating this risk position, the Jungheinrich Group considers foreign currency inflows and outflows, primarily from sales and purchases based on firm and flexible contracts. This risk position reflects the net currency exposure resulting from balancing counteracting cash flows in individual currencies while taking hedges already concluded for the period in question into account. Jungheinrich used currency futures and currency swaps to manage risks in the period under review.

The Jungheinrich Group applies the Value at Risk approach to quantify the 'currency risk' position. The Value at Risk indicates the maximum loss that may not be exceeded before the end of a predetermined holding period and with a certain probability (confidence interval). Parameters and market volatility, which are used to quantify risk, are calculated based on the standard deviation of logarithmized changes in the last 180 trading days and converted to a one-day holding period with a one-sided confidence interval of 95 per cent.

To manage risk, a loss limit for the entire Group is determined based on the company's planning. Furthermore, corresponding lower limits are determined at the individual Group company level. These limits are compared to the current Value at Risk for all open positions as part of monthly reporting.

By applying the Value at Risk method, as of December 31, 2012, the maximum risk did not exceed €593 thousand (prior year: €686 thousand) based on a holding period of one day and a confidence interval of 95 per cent. In the period under review, the Value at Risk was between a minimum of €541 thousand (prior year: €499 thousand) and a maximum of €807 thousand (prior year: €1,355 thousand). The average for the year was €638 thousand (prior year: €841 thousand).

Credit risks

Jungheinrich's exposure to credit risks nearly exclusively stems from its core business. Trade accounts receivable from operations are constantly monitored by the business units responsible for them. Credit risks are managed by recognizing valuation allowances triggered by events and also by recognizing general valuation allowances.

The entire business is constantly subjected to creditworthiness checks. Given the overall exposure to credit risks, accounts receivable from major customers are not substantial enough to give rise to extraordinary risk concentrations. Agreements struck with customers and measures taken within the scope of risk management that minimize the creditworthiness risk largely consist of agreements on prepayments made by customers, the sharing of risks with financiers, the permanent monitoring of customers via information portals and the purchase of credit insurance.

The maximum credit risk is reflected by the carrying amounts of the financial assets recognized on the balance sheet. As of the balance sheet date, there were no major agreements that reduced the maximum credit risk such as offsetting arrangements.

Liquidity risks

A liquidity reserve consisting of lines of credit and of cash is kept in order to ensure that the Jungheinrich Group can meet its payment obligations and maintain its financial flexibility at all times. Medium-term credit lines have been granted by the Group's principal banks and are supplemented by an existing promissory note and short-term credit lines of individual Group companies awarded by local banks.

The Group is exposed to a counterparty risk that arises from the non-fulfilment of contractual agreements by counterparties. To mitigate this risk, such contracts are only

concluded with selected financial institutions, which meet the internal demands placed on the creditworthiness of business partners. The creditworthiness of contractual partners is constantly monitored on the basis of their credit rating, which is determined by reputable rating agencies, as well as of additional risk indicators. No major risk ensued for Jungheinrich from its dependence on individual counterparties as of the balance sheet date.

The general liquidity risk from the financial instruments used, which arises if a counterparty fails to meet its payment obligations or only meets them to a limited extent, is considered to be negligible.

Hedges

The Jungheinrich Group concludes cash flow hedges to secure future cash flows resulting from sales and purchases of materials that are partially realized and partially forecasted, but highly probable, among other things. Comprehensive documentation ensures the clear assignment of hedges and underlying transactions. No more than 75 per cent of the hedged amounts are designated as underlying transactions, which, in turn, can be fully hedged.

To hedge against interest rate risks, cash flows from variable-interest non-current liabilities due to banks and promissory notes are hedged via corresponding interest rate swaps with identical maturities and in line with the payment schedule.

Furthermore, the variable-interest liabilities existing for the purpose of financing the financial services business via the Group's financing company Elbe River Capital S.A., Luxembourg, are hedged against interest rate risks via interest rate swaps.

The hedges can prospectively be classified as highly effective. An assessment of the retrospective effectiveness of hedges is conducted at the end of every quarter.

Nominal values of hedging instruments

The nominal volume of derivative financial instruments had the following maturities as of the balance sheet date:

in thousand €	Nominal volume of hedging instruments for cash flow hedges		Nominal volume of other derivatives
	Currency hedges	Interest-rate swaps	Currency hedges
12/31/2012			
Total nominal volume	47,503	138,416	91,074
Maturities of up to one year	43,557	19,444	91,074
Maturities of between one and five years	3,946	118,972	–
Maturities of more than five years	–	–	–
12/31/2011			
Total nominal volume	106,101	93,622	90,797
Maturities of up to one year	88,008	8,634	90,797
Maturities of between one and five years	18,093	84,988	–
Maturities of more than five years	–	–	–

The nominal values of the currency hedging contracts primarily contain forward exchange transactions that are used to hedge against rolling 12-month exposure in individual currencies. The reduction in the nominal volume of currency hedging contracts for cash flow hedges in 2012 was mainly a result of the reduced hedging horizon for new truck business.

The nominal values of the interest hedges include interest-rate hedges concluded to hedge long-term interest rates for variable-interest financing.

The transactions underlying the cash flow hedges are expected to be realized in line with the maturities of the hedges shown in the table.

Fair values of hedging instruments

The fair value of a hedging instrument is the price at which the instrument could have been sold on the market as of the balance sheet date. Fair values were calculated on the basis of market-related information available as of the balance sheet date and on the basis of valuation methods stated below that are based on specific prices. In view of the varying influencing factors, the values stated here may differ from the values realized on the market later on.

The fair value of forward exchange transactions is determined on the basis of current reference prices taking account of forward premiums and discounts. The fair value of interest derivatives is determined on the basis of current reference interest rates, taking account of the respective payment due dates.

The following table shows the fair values of derivative financial instruments:

in thousand €	12/31/2012	12/31/2011
Derivative financial assets	573	1,198
Currency forwards	530	1,198
Interest-rate swaps	43	–
Derivative financial liabilities	5,309	6,696
Currency forwards	1,361	3,636
Interest-rate swaps	3,948	3,060

Hedges concluded as of the balance sheet date did not display any material ineffectiveness.

(37) Segment information

Jungheinrich operates at the international level—focussing mainly on Europe—as a manufacturer and supplier of products in the fields of material handling equipment, warehousing and material flow technology as well as of the full range of services related to these fields.

The Board of Management of Jungheinrich AG acts and makes decisions with overall responsibility for all the business areas of the Group. Jungheinrich's business model is designed to serve customers from a single source over a product's entire life cycle. In pursuing this goal, Jungheinrich defines itself as a single-product material handling equipment and warehousing technology company.

Segment reporting is in line with the internal organizational and reporting structure, thus encompassing the two reportable segments, i.e. 'Intralogistics' and 'Financial Services.'

The 'Intralogistics' segment encompasses the development, production, sale and short-term hire of new material handling equipment and warehousing technology products including logistics systems as well as the sale and short-term hire of used equipment and after-sales services, consisting of maintenance, repair and spare parts.

Activities undertaken by the 'Financial Services' segment encompass the pan-European sales financing and usage transfer of material handling equipment and warehousing technology products. In line with Jungheinrich's business model, this independent business area supports

the operating sales units of the 'Intralogistics' segment. In this context, the 'Financial Services' segment finances itself autonomously.

Segment information is generally subject to the disclosure and measurement methods applied in the consolidated financial statements. A summary of the business segments was not prepared.

The segment income (loss) is presented as earnings before interest and taxes (EBIT). The reconciliation to consolidated earnings before taxes is an integral part of the presentation. Earnings generated by the 'Intralogistics' segment include all of the prorated earnings for the year of companies accounted for using the equity method, amounting to €2,777 thousand (prior year: €2,182 thousand). Income taxes are not included in the presentation since they are not reported or managed by segment at Jungheinrich. Therefore, income taxes are only stated as a summarized item at the Group level. Accordingly, net income is only stated for the Jungheinrich Group.

Capital expenditures, depreciation and amortization concern tangible and intangible assets, excluding capitalized development expenses. Segment assets and segment liabilities encompass all assets and liabilities allocable to the segment in question and correspond to the balance sheet total. All balance sheet items relating to current and deferred income taxes are thus also included.

The reconciliation items include the intragroup sales, interest and intragroup profits as well as receivables and liabilities that must be eliminated within the scope of consolidation.

The following table displays the segment information valid as of December 31, 2012:

in thousand €	Intralogistics	Financial Services	Segment total	Reconciliation	Jungheinrich Group
External net sales	1,792,117	436,597	2,228,714	–	2,228,714
Intersegment net sales	496,142	60,402	556,544	–556,544	–
Total net sales	2,288,259	496,999	2,785,258	–556,544	2,228,714
Segment income (loss) (EBIT)	165,816	–7,401	158,415	–8,084	150,331
Interest and similar income	5,671	41,818	47,489	–648	46,841
Interest and similar expenses	18,309	24,729	43,038	–648	42,390
Other financial income (loss)	–589	–	–589	–	–589
Earnings before taxes (EBT)	152,589	9,688	162,277	–8,084	154,193
Income taxes					43,881
Net income					110,312
Non-current assets					
Capital expenditures	78,132	30	78,162	–	78,162
Depreciation and amortization	39,966	11	39,977	–	39,977
Segment assets	1,927,595	1,058,363	2,985,958	–229,419	2,756,539
Shareholders' equity	871,876	34,744	906,620	–99,709	806,911
Liabilities	1,055,719	1,023,619	2,079,338	–129,710	1,949,628
Segment liabilities	1,927,595	1,058,363	2,985,958	–229,419	2,756,539

The following table displays the segment information valid as of December 31, 2011:

in thousand €	Intralogistics	Financial Services	Segment total	Reconciliation	Jungheinrich Group
External net sales	1,712,321	403,962	2,116,283	–	2,116,283
Intersegment net sales	421,020	47,428	468,448	–468,448	–
Total net sales	2,133,341	451,390	2,584,731	–468,448	2,116,283
Segment income (loss) (EBIT)	159,056	–2,652	156,404	–10,589	145,815
Interest and similar income	8,284	38,579	46,863	–954	45,909
Interest and similar expenses	19,080	24,546	43,626	–954	42,672
Other financial income (loss)	–749	–	–749	–	–749
Earnings before taxes (EBT)	147,511	11,381	158,892	–10,589	148,303
Income taxes					42,761
Net income					105,542
Non-current assets					
Capital expenditures	51,745	10	51,755	–	51,755
Depreciation and amortization	37,805	9	37,814	–	37,814
Segment assets	1,822,855	961,082	2,783,937	–203,937	2,580,000
Shareholders' equity	782,610	26,155	808,765	–91,005	717,760
Liabilities	1,040,245	934,927	1,975,172	–112,932	1,862,240
Segment liabilities	1,822,855	961,082	2,783,937	–203,937	2,580,000

Besides the scheduled depreciation and amortization of tangible assets as well as trucks for short-term hire, the main non-cash items stated as part of 'Intralogistics' segment income are changes in provisions for pensions and provisions for personnel with an effect on net income.

The following tables report net sales by region and show the split of non-current assets into intangible and tangible assets, also broken down by region.

Net sales by region

in thousand €	2012	2011
Germany	597,806	571,145
France	250,049	228,426
Italy	224,592	226,068
United Kingdom	152,200	162,308
Rest of Europe	822,498	777,116
Other countries	181,569	151,220
	2,228,714	2,116,283

Non-current assets by region

in thousand €	12/31/2012	12/31/2011
Germany	254,968	222,180
Rest of Europe	85,392	86,398
Other countries	13,361	6,716
Consolidation	111	111
	353,832	315,405

There were no relations with individual external customers accounting for a material share of sales with respect to consolidated sales in the 2012 or 2011 fiscal years.

(38) Earnings per share

Consolidated earnings were not adjusted to calculate earnings per share. Consolidated earnings correspond to the stated net income.

	2012	2011
Consolidated earnings	110,312	105,542
Shares outstanding		
Ordinary shares	18,000	18,000
Preferred shares	16,000	16,000
Earnings per share (diluted/undiluted)		
Earnings per ordinary share	3.21	3.07
Earnings per preferred share	3.27	3.13

Earnings per share are based on the weighted average number of individual share certificates issued in the fiscal year (ordinary and/or preferred shares).

In fiscal 2012 and 2011, no shareholders' equity instruments existed that dilute the earnings per share on the basis of the respective shares issued.

(39) Events after the close of fiscal 2012

The remaining 75 per cent of ISA – Innovative Systemlösungen für die Automation GmbH, Graz (Austria) were acquired with legal effect as of

January 1, 2013 in order to strengthen the logistics system business. Jungheinrich had already held a 25 per cent stake in the company since 2009.

(40) Fees for the auditor of the consolidated financial statements

Fees charged by the auditors of the consolidated financial statements, Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft, Hamburg, for the year being reviewed and the preceding year break down as follows:

in thousand €	2012	2011
Audit of the consolidated financial statements	466	492
Other assurance services	66	54
Tax services	41	18
Other services	90	96
	663	660

(41) Related party disclosures

Jungheinrich AG's major ordinary shareholders are LJH-Holding GmbH and WJH-Holding GmbH, both of which are headquartered in Wohltorf (Germany).

In addition to the subsidiaries included in the consolidated financial statements, Jungheinrich AG has relations to joint ventures and other

associated companies. All business relations with these companies are maintained at arm's length conditions.

Products and services traded between fully consolidated Jungheinrich Group companies and these related enterprises are shown in the following table.

Products and services received:

in thousand €	Share in %	2012	2011
JULI Motorenwerk s.r.o., Czech Republic	50	37,309	39,903
Supralift GmbH & Co. KG, Germany	50	220	221
ISA – Innovative Systemlösungen für die Automation GmbH, Austria	25	3,886	4,260

Trade accounts payable:

in thousand €	Share in %	12/31/2012	12/31/2011
JULI Motorenwerk s.r.o., Czech Republic	50	1,747	2,055
ISA – Innovative Systemlösungen für die Automation GmbH, Austria	25	637	1,445

On December 31, 2012, financial receivables from ISA – Innovative Systemlösungen für die Automation GmbH, Graz (Austria) amounted to €41 thousand (prior year: €– thousand) and other liabilities vis-à-vis Supralift GmbH & Co. KG (Germany) amounted to €335 thousand (prior year: €– thousand).

Members of the Board of Management and Supervisory Board of Jungheinrich AG are members of supervisory boards or comparable committees of other companies with which Jungheinrich AG has relations as part of its operating activities. All business transactions with these companies are carried out at arm's length conditions with third parties.

(42) Total remuneration of the Supervisory Board and the Board of Management

Total remuneration of members of the Supervisory Board for fiscal 2012 amounted to €1,172 thousand (prior year: €998 thousand).

Total remuneration of members of the Board of Management for fiscal 2012 amounted to

€3,756 thousand (prior year: €3,451 thousand). Furthermore, in fiscal 2012, €357 thousand (prior year: €311 thousand) were added to provisions for pensions for members of the Board of Management. Remuneration of the Board of Management itemized by member, basic and performance-related components in accordance with Sec. 314, Para. 1, Item 6a, Sentences 5 to 8 of the German Commercial Code (HGB) has not been disclosed because the Annual General Meeting on June 15, 2011, passed a resolution to this effect for a period of 5 years.

Emoluments of former members of the Board of Management amounted to €649 thousand (prior year: €659 thousand) and were recognized as an expense.

No advances or loans to members of the Board of Management or Supervisory Board of Jungheinrich AG existed on December 31, 2012.

As of December 31, 2012, Jungheinrich AG had accrued a €9,601 thousand (prior year: €9,783 thousand) provision for pensions for former members of the Board of Management.

**(43) List of equity stakes held by
Jungheinrich AG, Hamburg,
in accordance with Section 313 (2)
of the German Commercial Code**

As of December 31, 2012, the following companies were included in the consolidated financial statements of Jungheinrich AG, Hamburg, by way of full consolidation:

Name and domicile	Share of capital %
Jungheinrich Vertrieb Deutschland AG & Co. KG, Hamburg	100
Jungheinrich Norderstedt AG & Co. KG, Hamburg	100
Jungheinrich Export AG & Co. KG, Hamburg	100
Jungheinrich Ersatzteillogistik AG & Co. KG, Hamburg	100
Jungheinrich Beteiligungs-GmbH, Hamburg	100
Jungheinrich Moosburg GmbH, Moosburg	100
Jungheinrich Landsberg AG & Co. KG, Landsberg/Saalekreis	100
Jungheinrich Financial Services GmbH, Hamburg	100
Jungheinrich Finance AG & Co. KG, Hamburg	100
Jungheinrich Financial Services International GmbH, Hamburg	100
Elbe River Capital S.A., Luxembourg	100
Jungheinrich Katalog GmbH & Co. KG, Hamburg	100
Jungheinrich Profishop GmbH, Vienna, Austria	100
Gebrauchtgeräte-Zentrum Dresden GmbH & Co. KG, Klipphausen/Dresden	100
Jungheinrich Finances Holding SAS, Vélizy-Villacoublay, France	100
Jungheinrich France SAS, Vélizy-Villacoublay, France	100
Jungheinrich Finance France SAS, Vélizy-Villacoublay, France	100
Jungheinrich Financial Services SAS, Vélizy-Villacoublay, France	100
Jungheinrich UK Holdings Ltd., Milton Keynes, United Kingdom	100
Jungheinrich UK Ltd., Milton Keynes, United Kingdom	100
Boss Manufacturing Ltd., Leighton Buzzard, United Kingdom	100
Jungheinrich Lift Truck Finance Ltd., Milton Keynes, United Kingdom	100
Jungheinrich Financial Services Ltd., Milton Keynes, United Kingdom	100
Jungheinrich Italiana S.r.l., Rosate/Milan, Italy	100
Jungheinrich Rental S.r.l., Rosate/Milan, Italy	100
Jungheinrich Fleet Services S.r.l., Rosate/Milan, Italy	100
Jungheinrich de España S.A.U., Abrera/Barcelona, Spain	100
Jungheinrich Rental S.L., Abrera/Barcelona, Spain	100
Jungheinrich Fleet Services S.L., Abrera/Barcelona, Spain	100
Jungheinrich Nederland B.V., Alphen a. d. Rijn, Netherlands	100
Jungheinrich Finance B.V., Alphen a. d. Rijn, Netherlands	100
Jungheinrich Financial Services B.V., Alphen a. d. Rijn, Netherlands	100
Jungheinrich AG, Hirschthal, Switzerland	100
Jungheinrich n.v./s.a., Leuven, Belgium	100
Jungheinrich Austria Vertriebsges. m.b.H., Vienna, Austria	100
Jungheinrich Fleet Services GmbH, Vienna, Austria	100
Jungheinrich Finance Austria GmbH, Vienna, Austria	100
Jungheinrich Polska Sp. z o.o., Ozarow Mazowiecki/Warsaw, Poland	100
Jungheinrich Norge AS, Oslo, Norway	100
Jungheinrich (ČR) s.r.o., Říčany/Prague, Czech Republic	100

Name and domicile	Share of capital %
Jungheinrich Svenska AB, Arlöv, Sweden	100
Jungheinrich Hungária Kft., Biatorbágy/Budapest, Hungary	100
Jungheinrich Danmark A/S, Tåstrup, Denmark	100
Jungheinrich d.o.o., Trzin, Slovenia	100
Jungheinrich Portugal Equipamentos de Transporte, Lda., Rio de Mouro/Lisbon, Portugal	100
Jungheinrich Lift Truck Ltd., Maynooth, Co. Kildare, Ireland	100
Jungheinrich Hellas EPE, Acharnes/Athens, Greece	100
Jungheinrich İstif Makinaları San. ve Tic. Ltd. Şti., Alemdağ/Istanbul, Turkey	100
Jungheinrich spol. s.r.o., Senec, Slovakia	100
Jungheinrich Lift Truck Singapore Pte Ltd., Singapore	100
Jungheinrich Lift Truck Comercio de Empilhadeiras Ltda., Itupeva-SP, Brazil	100
Jungheinrich Lift Truck OOO, Moscow, Russia	100
Jungheinrich Lift Truck TOV, Kiev, Ukraine	100
Jungheinrich Lift Truck SIA, Riga, Latvia	100
Jungheinrich Lift Truck UAB, Vilnius, Lithuania	100
Jungheinrich Lift Truck Oy, Kerava, Finland	100
Jungheinrich Lift Truck (Shanghai) Co., Ltd., Shanghai, China	100
Jungheinrich Lift Truck Manufacturing (Shanghai) Co., Ltd., Qingpu/Shanghai, China	100
Jungheinrich Lift Truck Ltd., Samuthprakarn/Bangkok, Thailand	100
Jungheinrich Lift Truck India Private Ltd., Mumbai, India	100
Jungheinrich Design Center Houston Corporation, Houston/Texas, USA	100
SOMA Grundstücks- und Vermietungsgesellschaft mbH & Co. Objekt Berlin KG, Düsseldorf ¹	0

¹ Included as a special-purpose vehicle in accordance with SIC 12.

As of December 31, 2012, the following companies were included in the consolidated financial statements of Jungheinrich AG, Hamburg, at equity:

Name and domicile	Share of capital %
JULI Motorenwerk s.r.o., Moravany, Czech Republic	50
Supralift GmbH & Co. KG, Hofheim am Taunus	50
ISA-Innovative Systemlösungen für die Automation Gesellschaft mit beschränkter Haftung, Graz, Austria	25

As of December 31, 2012, the following companies were not included in the consolidated financial statements of Jungheinrich AG, Hamburg:

Name and domicile	Share of capital %
Jungheinrich Katalog Verwaltungs-GmbH, Hamburg ¹	100
Gebrauchtgeräte-Zentrum Dresden Verwaltungs-GmbH, Klipphausen/Dresden ¹	100
Mécanique Industrie Chimie MIC S.A., Rungis, France ²	100
Multiton MIC Corporation, Richmond, Virginia, USA ¹	100
Jungheinrich Lift Truck Corp., Richmond, Virginia, USA ¹	100
Jungheinrich Unterstützungskasse GmbH, Hamburg ¹	100
FORTAL Administração e Participações S.A., Rio de Janeiro, Brazil ¹	100
Motorenwerk JULI CZ s.r.o., Moravany, Czech Republic ¹	50
Supralift Beteiligungs- und Kommunikations-Gesellschaft mbH, Hofheim am Taunus ¹	50

¹ Not included due to its subordinate importance.

² Not included due to its insolvency as of December 14, 2005.

(44) Application of Section 264, Paragraph 3 and Section 264b of the German Commercial Code

The following domestic subsidiaries included in the consolidated financial statements of Jungheinrich AG made use of the waiver pursuant to Section 264, Paragraph 3 and Section 264b of the German Commercial Code to a certain extent:

- Jungheinrich Vertrieb Deutschland AG & Co. KG, Hamburg
- Jungheinrich Norderstedt AG & Co. KG, Hamburg
- Jungheinrich Export AG & Co. KG, Hamburg
- Jungheinrich Ersatzteillogistik AG & Co. KG, Hamburg
- Jungheinrich Landsberg AG & Co. KG, Landsberg/Saalekreis
- Jungheinrich Finance AG & Co. KG, Hamburg
- Jungheinrich Financial Services GmbH, Hamburg
- Jungheinrich Katalog GmbH & Co. KG, Hamburg
- Gebrauchtgeräte-Zentrum Dresden GmbH & Co. KG, Klipphausen/Dresden

(45) Issuance of the declaration regarding the German Corporate Governance Code in accordance with Section 161 of the German Stock Corporation Act

In December 2012, the Board of Management and the Supervisory Board issued a declaration of conformance with Section 161 of the German Stock Corporation Act and made it permanently and publicly accessible on the website of Jungheinrich AG.

Hamburg, March 4, 2013

Jungheinrich Aktiengesellschaft
The Board of Management

Responsibility statement

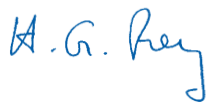
To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the Group management report includes a fair review of the

development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Hamburg, March 4, 2013

Jungheinrich Aktiengesellschaft
The Board of Management

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Hans-Georg Frey



Dr. Volker Hues



Dr. Helmut Limberg



Dr. Klaus-Dieter Rosenbach

Independent auditor's report

We have audited the consolidated financial statements prepared by Jungheinrich Aktiengesellschaft, Hamburg—comprising the income statement, the statement of comprehensive income (loss), the balance sheet, cash flow statement, the statement of changes in equity and the notes to the consolidated financial statements—and the group management report for the business year from January 1 to December 31, 2012. The preparation of the consolidated financial statements and the group management report in accordance with IFRS, as adopted by the EU, and the additional requirements of German commercial law pursuant to § 315a Abs. 1 HGB are the responsibility of the Company's management. Our responsibility is to express an opinion on the consolidated financial statements and on the group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with § 317 HGB ('German Commercial Code') and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer. Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable financial reporting framework and in the group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations as

to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the group management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements and the group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the consolidated financial statements of Jungheinrich Aktiengesellschaft, Hamburg, comply with IFRS, as adopted by the EU, and the additional requirements of German commercial law pursuant to § 315a Abs. 1 HGB and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these requirements. The group management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development.

Hamburg, March 4, 2013

Deloitte & Touche GmbH
Wirtschaftsprüfungsgesellschaft

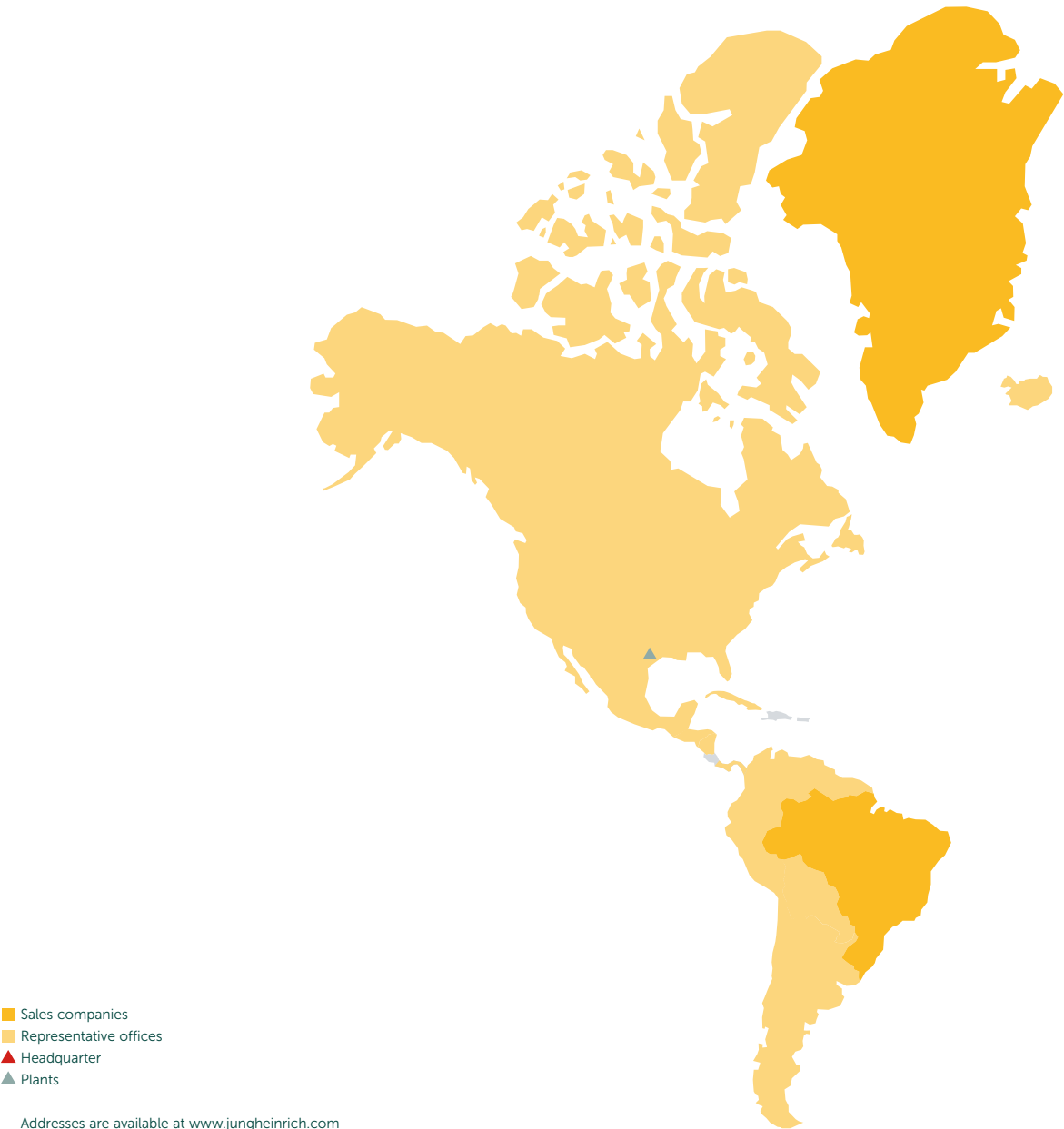


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Wirtschaftsprüfer
(German Public Auditor)

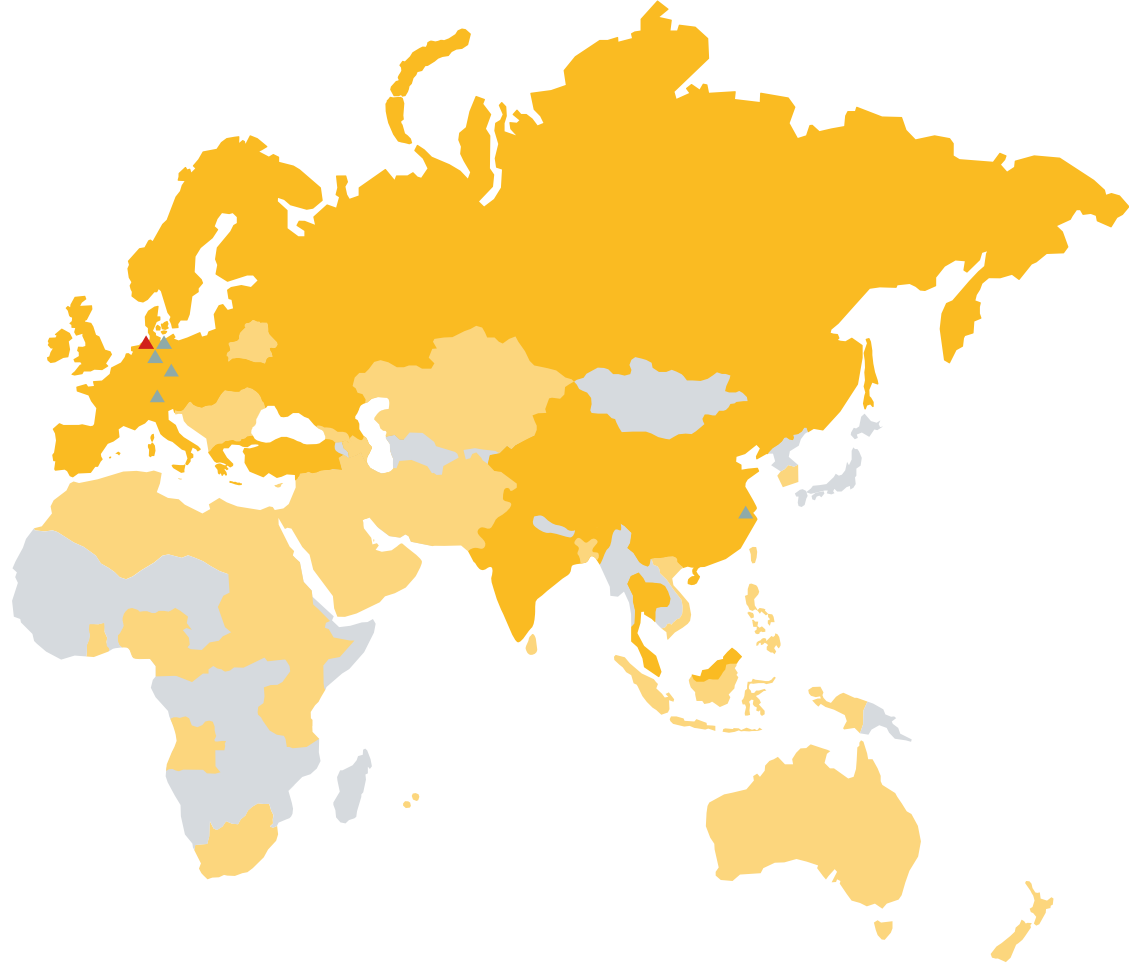


(ppa. Deutsch)
Wirtschaftsprüferin
(German Public Auditor)

Jungheinrich worldwide



Addresses are available at www.jungheinrich.com



Incoming orders
in million €

2008	2,145
2009	1,654
2010	1,924
2011	2,178
2012	2,251

Production
in units

2008	80,700
2009	48,300
2010	60,400
2011	75,700
2012	73,200

Total assets
in million €

2008	2,179
2009	2,207
2010	2,394
2011	2,580
2012	2,757

Five-year overview

Jungheinrich Group		2012	2011	2010	2009	2008
Incoming orders, production and sales						
Incoming orders ¹	million €	2,251	2,178	1,924	1,654	2,145
Production of material handling equipment	units	73,200	75,700	60,400	48,300	80,700
Net sales	million €	2,229	2,116	1,816	1,677	2,145
thereof in Germany	million €	598	571	493	466	557
thereof abroad	million €	1,631	1,545	1,323	1,211	1,588
Foreign ratio	%	73	73	73	72	74
Employees (12/31)						
Total	FTE ²	11,261	10,711	10,138	10,266	10,784
thereof in Germany	FTE ²	5,167	4,925	4,661	4,793	4,950
thereof abroad	FTE ²	6,094	5,786	5,477	5,473	5,834
Capital expenditures						
Capital expenditures ³	million €	78	52	33	46	74
Research and development expenditures	million €	45	38	36	39	39
Major balance sheet items						
Total assets	million €	2,757	2,580	2,394	2,207	2,179
Trucks for short-term hire	million €	223	221	159	141	200
Trucks for lease from financial services	million €	244	211	204	200	187
Receivables from financial services	million €	584	535	496	477	460
Liquid assets and securities	million €	555	509	549	489	262
Shareholders' equity	million €	807	718	633	547	625
thereof subscribed capital	million €	102	102	102	102	102
Provisions for pensions	million €	147	146	144	143	140
Financial liabilities	million €	372	347	346	370	285
Liabilities from financial services	million €	840	767	715	668	643

1 New truck business, short-term-hire and used equipment and after-sales services.

2 FTE = full-time equivalents.

3 Tangible and intangible assets without capitalized development costs.

4 Proposal.

5 Excluding financial services.

6 Shareholders' equity + Financial liabilities – Liquid assets and securities.

7 Financial liabilities – Liquid assets and securities.

8 Financial liabilities + Liabilities from financial services +/- Other liabilities/receivables vis-à-vis affiliated and associated companies and companies accounted for using the equity method – Liquid assets and securities.

EBITDA
in million €

2008	292
2009	100
2010	239
2011	298
2012	325

EBT
in million €

2008	121
2009	-74
2010	96
2011	148
2012	154

Net indebtedness
in million €

2008	23
2009	-118
2010	-203
2011	-162
2012	-183

Jungheinrich Group		2012	2011	2010	2009	2008
Income statement						
Earnings before interest, taxes, depreciation and amortization (EBITDA)	million €	325	298	239	100	292
Earnings before interest and taxes (EBIT)	million €	150	146	98	-72	122
Earnings before taxes (EBT)	million €	154	148	96	-74	121
Net income	million €	110	106	82	-55	77
Earnings per preferred share	€	3.27	3.13	2.45	-1.59	2.29
Dividend per share – ordinary share	€	0.80 ⁴	0.70	0.49	-	0.49
– preferred share	€	0.86 ⁴	0.76	0.55	0.12	0.55
Key financials						
Equity						
Equity ratio	%	29	28	26	25	29
Returns on sales						
EBIT return on sales (ROS)	%	6.7	6.9	5.4	-4.3	5.7
Returns on capital						
EBIT return on capital employed (ROCE)	%	24	26	23	-17	19
Return on equity after income taxes	%	15	16	14	-9	13
Return on total capital ⁵	%	6	6	5	-3	6
Indebtedness						
Net indebtedness	million €	-183	-162	-203	-118	23
Indebtedness ratio	years	<0	<0	<0	<0	0.1
Net gearing	%	<0	<0	<0	<0	4
Key financials of the 'Intralogistics' business segment						
Equity	million €	872	783	698	602	676
Equity ratio	%	45	43	41	39	44
Net financial liabilities ⁸	million €	-149	-121	-161	-88	71
Financial income (loss)	million €	-13	-12	-14	-12	-8

Explanatory notes to the key financial data

Equity ratio	Shareholders' equity : Total capital x 100
EBIT return on sales (ROS)	EBIT : Net sales x 100
EBIT return on capital employed (ROCE)	EBIT : Employed interest-bearing capital ⁶ x 100
Return on equity after income taxes	Net income : Average shareholders' equity x 100
Return on total capital ⁵	Net income + Interest expenses : Average total capital x 100
Indebtedness ratio	Net indebtedness ⁷ : EBITDA (excluding the depreciation of trucks for lease from financial services)
Net gearing	Net indebtedness ⁷ : Shareholders' equity x 100

Financial calendar

Balance sheet press conference, Hamburg, publication of the 2012 Annual Report	March 26, 2013
Analyst conference, Frankfurt am Main	March 27, 2013
Interim report as of March 31, 2013	May 8, 2013
2013 Annual General Meeting, Congress Centrum Hamburg	June 11, 2013
Dividend payment	June 12, 2013
Interim report as of June 30, 2013	August 8, 2013
Interim report as of September 30, 2013	November 7, 2013

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