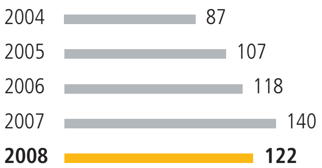
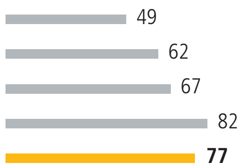
Annual Report 2008

JUNGHEINRICH

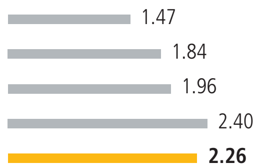
Earnings before interest and taxes in million €



Net income
in million €



Earnings per share
in €



Jungheinrich Group		2008	2007	Change in %	2006	2005	2004
Net Sales							
Germany	million €	557	505	10.3	464	453	422
Abroad	million €	1,588	1,496	6.1	1,284	1,192	1,109
Total	million €	2,145	2,001	7.2	1,748	1,645	1,531
Foreign ratio	%	74	75	–	73	72	72
Production of material handling equipment	units	80,700	82,400	– 2.1	75,900	66,500	58,800
Balance sheet total	million €	2,179	2,073	14.2	1,813	1,700	1,538
Shareholders' equity	million €	625	554	12.8	485	437	384
thereof subscribed capital	million €	102	102	–	102	102	102
Capital expenditures [1]		74	52	42.3	52	42	33
Research and development	million €	39	41	– 4.9	44	40	38
Earnings before interest and taxes (EBIT)	million €	122	140	– 12.9	118	107	87
EBIT return on sales (ROS)	%	5.7	7.0	–	6.8	6.5	5.7
EBIT return on capital employed (ROCE) [2]	%	19.1	24.1	–	23.5	25.2	24.2
Net income	million €	77	82	– 6.1	67	62	49
Employees [4]							
Germany	Dec. 31	4,950	4,761	4.0	4,568	4,458	4,464
Abroad	Dec. 31	5,834	5,417	7.7	4,706	4,540	4,544
Total	Dec. 31	10,784	10,178	6.0	9,274	8,998	9,008
Earnings per share	€	2.26	2.40	– 5.8	1.96	1.84	1.47
Dividend per share – ordinary share	€	0.49 [3]	0.52	– 5.8	0.48	0.45	0.42
– preferred share	€	0.55 [3]	0.58	– 5.2	0.54	0.51	0.48

1 Tangible and intangible assets without capitalized development costs.
2 EBIT as a percentage of employed interest-bearing capital.
3 Proposal.
4 Where reference is made in the text to employees, this is to be understood to include both male and female employees.

Front cover
Jungheinrich: strong for our customers

Annual Report 2008

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Ladies and Gentlemen,

An eventful and turbulent fiscal 2008 is now behind us. Jungheinrich stood its ground successfully in a difficult economic environment. Although the world economy started losing substantial momentum at the beginning of last year, the company displayed very encouraging development in the first nine months. Jungheinrich closed the 2008 reporting period with the second-best earnings in its corporate history as well as record net sales.

The severe intensification of the banking and financial crisis that began in September accelerated the global economic downturn. Business outlooks clouded, and the situation was compounded by raw material prices, which were still high at the time. The economic climate worsened considerably, making many companies reluctant to invest.

As expected, the crisis hit the intralogistics sector with a time lag. Following growth in the first three quarters of 2008, the world market for material handling equipment shrank by some 40 per cent in the fourth quarter, with certain regions and several products reporting even bigger contractions. Jungheinrich was unable to decouple itself from this negative development. We anticipate that the sector will see its market decline significantly both in Europe and worldwide. Our company is economically sound despite the difficult phase currently being experienced by the market and well equipped for the future, thanks to its motivated team, outstanding products and lastingly robust shareholder structure.

We have adapted to the current economic scenario and established an extensive crisis-management action plan: For instance, construction work on the new warehousing and system truck manufacturing plant in Degernpoint near Moosburg (Bavaria) has been postponed for the time being, and production across all factories has been adjusted to the drop in demand. This was followed by a series of measures taken to retain permanent skilled labour, including a reduction of the temporary workforce and work time account balances and the non-extension of temporary work contracts. To this end, short-time work was introduced at the Norderstedt, Lüneburg and Moosburg plants and preparations were made for this at corporate headquarters. Numerous comprehensive cost and structural projects have been initiated, designed to achieve additional positive effects. Thanks to this huge effort, we are confident, although we cannot decouple ourselves from the general economic trend.

We anticipate that the global market volume will start growing again in the long term, going hand in hand with a rise in incoming orders for our company. We are well prepared for this as well, thanks to our new plant in Landsberg in the vicinity of Halle (Saxony-Anhalt), which is scheduled to begin production in the middle of 2009. Furthermore, we will resume work on our Degernpoint site as soon as the economy picks up again.

Once again, the permanent expansion of our international market and service footprint, which we continue to implement especially in stormy times, will prove to be one of the major keys to profitable growth. Last but not least, it is our premium-class product range that will contribute to the company's success over the long term. This was evidenced by the positive feedback received from our customers when we again showcased a host of innovations in 2008 at CeMAT, the world's largest trade show for our sector.

Our customers, business partners and our shareholders can rely on this level of performance. We feel committed to them and thank them for their trust. We would also like to express our gratitude to our staff for their commitment and willingness to overcome the current crisis and successfully take on the challenges ahead of us as a team.

Hamburg, March 26, 2009

Hans-Georg Frey
Chairman of the Board of Management

The Jungheinrich share

2008 stock trading year: between financial crisis and recession
Share underperforms German stock indices
Stock market turnover halved
Carrying amount doubled compared to closing quotation
Start to 2009 marked by uncertainty
Dividend payment marginally reduced, but yield remains high

Performance in 2008
in %

The international financial crisis and clouded economic outlooks the world over are reflected in the Jungheinrich share's significant decline in performance. Jungheinrich's shares closed the stock trading year down 66 per cent. Their carrying amount doubled vis-à-vis the closing call. The start to 2009 was dominated by the global economic crisis. The dividend yield is high despite a slight decline in the dividend.

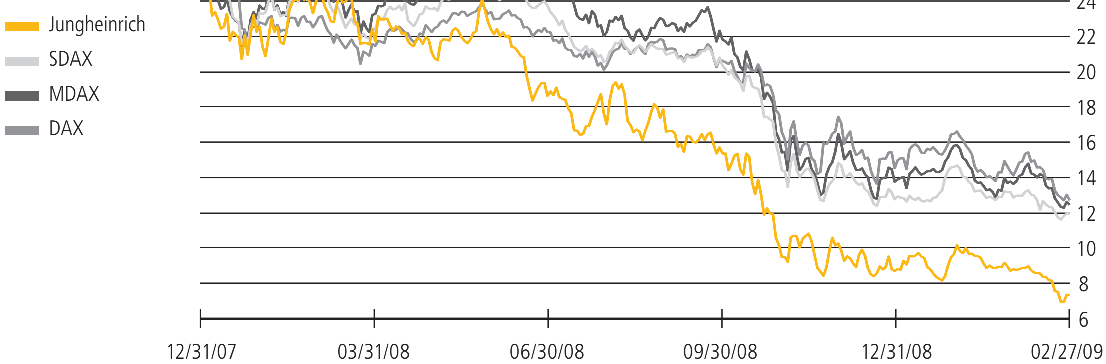
2008 stock trading year: German shares record considerable drop in value

The 2008 stock trading year got off to a turbulent start: Triggered by the US subprime crisis, which ushered in the international financial crisis, the gloomy outlook on economies the world over unsettled market participants on both national and international markets. Massive support packages, the U.S. Federal Reserve's prime rate cuts and action taken by western central banks to stabilize the situation on world markets briefly calmed the mood. However, concern about a worldwide economic downturn increasingly determined activity on stock markets. Substantial rises in crude oil prices and the euro's all-time highs over the US dollar proved detrimental. The world financial crisis peaked in the autumn of 2008, pulling international stock markets into a long downward spiral. This was caused by the collapse of a major U.S. investment bank. Concurrently, fears over a global economic downturn depressed sentiment on stock markets. Aid packages and interest-rate cuts implemented by governments and central banks on both sides of the Atlantic led to a short-lived recovery. Massive sell-offs ensued, augmented by expectations of an impending global recession. By the end of 2008, the DAX had lost 40.4 per cent of its value, closing at 4,810 points (prior year: 8,067 points). Second-line indices displayed even poorer performance. At 5,602 points (prior year: 9,865 points), the MDAX closed the year down 43.2 per cent, while the SDAX dropped to 2,801 points (prior year: 5,192 points), which represents a decline of 46.1 per cent.

Jungheinrich share dragged down by financial and economic crisis

Overall, the Jungheinrich share put in a disappointing performance in the 2008 financial year. The development of our share price was pulled into the downward spiral of domestic and international stock markets right at the beginning of the period under review. Buyers and sellers reacted positively to the first set of earnings figures published in the 2007 financial statements at the beginning of March 2008. But grim

Jungheinrich share
Performance
in € [1]



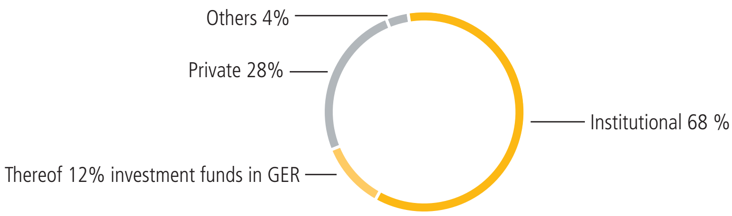
1 All figures are indexed to the price of the Jungheinrich share.

Analyst coverage in 2008

AC Research	Commerzbank	Hamburger Sparkasse	Sal. Oppenheim
Bankhaus Lampe	Deutsche Bank	HSBC Trinkaus & Burkhardt	Steubing
Berenberg Bank	Dr. Kalliwoda Research	Landesbank Baden-Württemberg	UniCredit
BHF-Bank	DZ Bank	M. M. Warburg	Viscardi
CAI Cheuvreux	Goldman Sachs	Merck Finck & Co.	West LB

economic prospects determined share price developments thereafter. Neither the capital market's positive reaction to the company's 2007 financial statements, nor the financials for the first quarter of 2008 managed to halt the downward trend. Encouraging feedback received from the capital market on the reports submitted at the Annual General Meeting on June 10, 2008, was short-lived as well. Primarily driven by high energy and raw material prices, the increasingly apparent effects of the slowing world economy subsequently caused several analysts to revise their assessments of the Jungheinrich Group's future business outlook. This trend persisted on publication of the interim report on the first half of 2008 on August 14, 2008, occasioned by the company's more cautious forecast. The adjusted evaluations reflected the considerably clouded economic outlook for the mechanical engineering sector, among other industries. The interim report for the period ended on September 30, 2008, published in November resulted in analysts making yet another correction to their earnings forecasts and lowering their share-price targets once again. Massive investor sell-offs of random small and mid-cap issues triggered a further decrease in quotations. On December 23, 2008, the Jungheinrich share was listed at €8.20—its low for the year. The Jungheinrich share closed 2008 at €9.05 (prior year: €26.73), losing 66.1 per cent of its value.

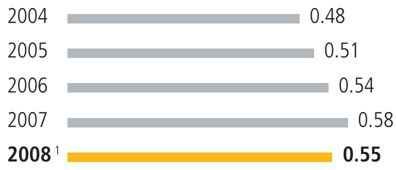
Investors



Increased analyst coverage

Last year, the capital market's interest in Jungheinrich rose despite the development of the global economy. Twenty financial institutions did comprehensive research to track the Jungheinrich share. The company promptly publishes the latest analyst assessments on the web at http://www.jungheinrich.com. Stock market turnover was cut in half in the 2008 reporting year in light of investor reluctance. Turnover on the Frankfurt Stock Exchange, including the Xetra electronic trading system, was down 50 per cent to €248.9 million (prior year: €497.3 million). At €44.9 million, January recorded the highest turnover for a single month (prior year, October: €64.8 million), with a daily trading volume of 90,157 shares (October 2007: 87,637 shares). By the end of December 2008, the Jungheinrich share's market capitalization had declined to about €308 million (prior year: €910 million). Conversely, the company's carrying amount was €625 million—more than twice its market capitalization. As of the balance sheet date, the underlying number of Jungheinrich shares was unchanged, at 34.0 million. Jungheinrich's preferred share—excluding DAX issues—was ranked 64th (prior year: 61st) in Deutsche Börse AG's stock list in terms of market capitalization and 73rd (prior year: 71st) in terms of turnover. Jungheinrich AG's ordinary shares are held by the families of the daughters of the company's founder. Each of the families still owns half of these shares.

Dividend
per preferred share in €



1 Proposal.

Beginning of 2009 dominated by economic crisis

Domestic and international stock markets got off to a bright start in 2009, despite the adverse consequences of the financial crisis for the global economy. Germany's share indices gained considerable ground. However, bleak economic prospects determined developments thereafter. At the outset, the Jungheinrich share posted a significant rise in price in this environment, achieving a high of €10.20 on January 6, 2009. At the end of February 2009, Jungheinrich's share was listed at €7.38—down 18.5 per cent on its closing price as of December 30, 2008. At 3,844 points, the DAX lost 20.1 per cent in value over the same period. The MDAX shed 17.7 per cent, ending the year at 4,608 points. The SDAX shrank by 16.9 per cent to 2,327 points.

Dividend payment marginally reduced

The Board of Management and the Supervisory Board will propose to the Annual General Meeting on June 9, 2009, that the dividend be decreased by €0.03 to €0.49 per non-par-value ordinary share and to €0.55 per non-par-value preferred share for fiscal 2008 compared with the previous year. Based on the share price quoted on December 30, 2008, the Jungheinrich preferred share will bear a high dividend yield of 6.1 per cent (prior year: 2.2 per cent). The dividend payment reflects the figures disclosed in the financial statements last fiscal year as well as the confidence placed by the company in the future.

Jungheinrich share has bright prospects

Jungheinrich's share price has been left deeply marked by the ramifications of the international financial and economic crisis. The range at which it is quoted is at a historic low. Jungheinrich's share is thus clearly undervalued and does not represent the company's economic performance. Thanks to the strong position it commands as logistics service provider, Jungheinrich is confident of being well equipped to emerge from the global economic crisis a stronger company. The Jungheinrich share provides long-term investors with an opportunity to acquire a stake in a company with bright prospects by taking advantage of the attractive cost of entry currently offered by the share price.

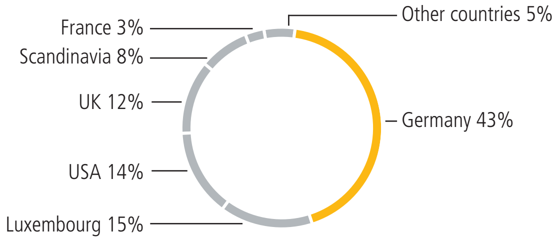
Global securitization: exchange of preferred share certificates

The share certificates issued as part of Jungheinrich AG's initial public offering in 1990 were no longer accurate, in part due to the conversion of the capital stock from deutsche marks to euros and the 1:10 stock split. The company took this opportunity to call the old preferred share certificates in order to exchange them for co-ownership shares. The first call for the submission of preferred share certificates which had become inaccurate was made in January 2009. Since January 7, 2009, Jungheinrich's preferred stock has been fully securitized via a global certificate, which has been deposited with Clearstream Banking AG, Frankfurt am Main. Holders of preferred stock now own shares in the company commensurate to the stake they have as co-owners and the credit in their security deposit accounts.

Substantial change to the shareholder structure

The survey of Jungheinrich AG's shareholder deposit structure conducted towards the end of the year being reviewed reveals considerable changes: At some 9,700 deposit accounts, the number of Jungheinrich shareholders was up significantly (prior year: 8,800 security deposit accounts). Of the Jungheinrich

Shareholder structure by country



preferred shares included in the poll, only 57 per cent (2007: 69 per cent) were held by foreign shareholders. Institutional investors in Germany and abroad held 68 per cent (2007: 74 per cent) of the company's preferred share capital. The portion accounted for by private shareholders advanced to 28 per cent (2007: 21 per cent). Foreign shareholders were distributed among 43 countries (2007: 47 countries).

No ad-hoc reports published

No ad-hoc releases were occasioned by the German Securities Trading Act in the 2008 reporting period.

Capital market-oriented key data

			2008	2007
Dividend per share	Ordinary share	€	0.49 [1]	0.52
	Preferred share	€	0.55 [1]	0.58
Dividend yield	Preferred share	%	6.1	2.2
Distribution volume		thousand €	17,620	18,640
Payout ratio		%	23.0	22.8
Earnings per share		€	2.26	2.40
EBIT [2] per share		€	3.58	4.10
EBITDA [3] per share		€	8.59	8.09
Shareholders' equity per share		€	18.38	16.28
Share price [4]	High	€	26.58	36.91
	Low	€	8.20	23.52
	End-of-year	€	9.05	26.73
Performance over the year		%	– 66.1	15.7
Market capitalization		million €	307.7	908.8
Stock exchange trading volume in Frankfurt		million €	248.9	497.3
Average daily turnover		thousand shares	56.48	67.39
P/E ratio (basis: high)		factor	11.8	15.4
P/E ratio (basis: low)		factor	3.6	9.8
No. of shares	Ordinary share	million shares	18	18
	Preferred share	million shares	16	16
	Total	million shares	34	34

Securities identification numbers	ISIN: DE0006219934 // WKN: 621993
Ticker abbreviation on Reuters/Bloomberg	JUN_p.de / JUN3 GR
Stock exchanges	Hamburg and Frankfurt stock exchanges and all other German stock exchanges
Designated sponsors	Commerzbank and Sal. Oppenheim (until July 30, 2008)
Going public	August 30, 1990

1 Proposal.
2 Earnings before interest and taxes.
3 Earnings before interest, taxes, depreciation and amortization.
4 Xetra closing prices, Frankfurt.

Group management report

Fiscal 2008: between growth and recession

Worldwide demand for material handling equipment down

Jungheinrich maintains course for growth: net sales achieve new record

Earnings trend at high level

Successful appearance at CeMAT 2008 trade show

New plant for battery-powered low-platform trucks takes shape


JUNGHEINRICH

Jungheinrich stayed its course for growth despite the increasingly cooling global economy. Consolidated net sales reached a new record level of over €2.1 billion. The earnings trend ended with the company's second-best result. World demand for material handling equipment weakened considerably from the fourth quarter onwards. Jungheinrich had a successful turnout at CeMAT, the world's lead intralogistics trade fair. Construction of the new plant for battery-powered low-platform trucks in Landsberg (Saxony-Anhalt) took shape.

Business and economic environment

Corporate profile

Established in 1953, Jungheinrich ranks among the world's leading companies in the material handling equipment, warehousing and material flow engineering sectors. In its branch of industry, the company ranked second in Europe and third worldwide, as in the previous year. As a logistics service provider with manufacturing operations, Jungheinrich offers its customers a comprehensive range of forklift trucks, logistics systems and related services covering the entire field of intralogistics. These encompass the short-term hire and sales financing of products, equipment maintenance and repair as well as reconditioning and selling used equipment. The company produces nearly all engine-powered material handling trucks in its own plants in Germany. Warehousing equipment is manufactured in Norderstedt, while counterbalanced and narrow-aisle trucks are produced in Moosburg. Jungheinrich manufactures small-series and specialized trucks at its Lüneburg site. A selection of low and high-platform trucks is produced for the Asian market in Qinqpu (China). Jungheinrich operates an efficient, global direct sales and service network with proprietary sales and service companies in and outside of Europe. Furthermore, the company is represented by numerous dealers on overseas markets. Its operations are rounded off by mail-order business which is in the process of being built.

Organization

Since 2007, Jungheinrich AG has been active as a management holding company and conducted operations on a small scale. Its activity as management holding company comprises holding and managing stakes in companies 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 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 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 management board are oriented to interdivisional business-management control variables.

Jungheinrich's strategic objectives are geared towards profitable growth throughout the Group. 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, above all in the warehousing technology sector. This is why the Group is principally concentrating on the expansion of growth markets in Eastern European countries and Asia, with a particular emphasis on Russia and China. In addition, the company aims to expand its systems business and significantly improve its position on the European market for counterbalanced trucks and above all for IC engine-powered drives.

Compensation model

Jungheinrich's management pursues the principle of value-oriented management. This forms the basis for the value-oriented compensation systems, which are linked to key value-added indicators such as the return on sales and capital employed (ROS and ROCE).

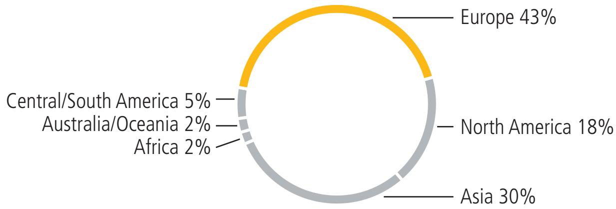
Board of Management compensation

The Supervisory Board is responsible for determining the remuneration of the members of the Board of Management. Upon initiative by the Personnel Committee, it decides on the composition of the remuneration system and reviews its appropriateness regularly. The remuneration of members of the Board of Management includes a fixed and a variable component. The Board of Management's compensation system is characterized by its performance orientation. This is reflected in the ratio of the variable to the fixed component. The variable component can amount to more than 50 per cent if very good results are achieved. The variable component's success parameter is the EBIT return on sales (ROS) of the Jungheinrich Group, in line with the degree to which a target return established for several years is achieved in accordance with the company's strategic orientation, which is reviewed and can be adjusted on an annual basis. The variable component is paid retrospectively once a year, commensurate with the results achieved in the preceding fiscal year. Pensions for members of the Board of Management are calculated based on the individual's years of service at Jungheinrich with a lead-in period until the member has a right of non-forfeiture.

Supervisory Board compensation

Remuneration of the Supervisory Board is governed by Sec. 18 of Jungheinrich AG's articles of association. The amount and payment dates are determined by the Annual General Meeting. Besides being reimbursed for their out-of-pocket expenses, members of the Supervisory Board receive a compensation, to which the applicable sales tax is added. The Chairman of the Supervisory Board receives double this amount, with the deputy receiving one-and-a-half times this sum. The compensation of each member of the Supervisory Board totals €15,000 per annum, plus €2,000 for every 1 per cent of the dividend exceeding 4 per cent for the preceding financial year paid to preferred shareholders. Members of the Supervisory Board committees collectively receive double the aforementioned compensation. The respective committee decides on how it is divided among them.

Global market for material handling equipment by region in 2008



Source: WITS (World Industrial Truck Statistics).

General economic situation

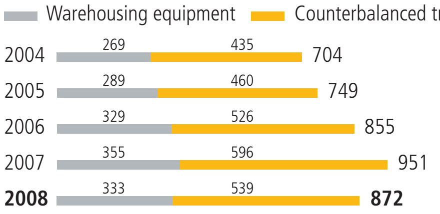
Economic growth of select economic regions (GDP[1]) in %

Region	2008	2007
World	3.7	5.0
USA	1.3	2.0
China	9.0	11.9
Eurozone	0.7	2.6
Germany	1.3	2.5

1 Gross domestic product. Source: Commerzbank.

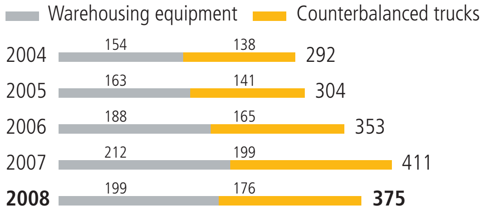
The global financial crisis began to affect the world economy in the 2008 reporting period, accelerating the economic downturn witnessed the world over in the second half of the year, which led to a recession in a number of regions. As a result, the pace of growth seen in the preceding year slowed substantially. Energy and raw material prices, which were already high, again hit record levels, before declining markedly in the second six months. This was especially true as regards crude oil prices, which had a dampening effect on the global economic trend. Steel and non-ferrous heavy metal displayed similar price developments. In 2008, the world economy grew by 3.7 per cent (prior year: 5.0 per cent). Once again, the strongest growth stimuli came from Asia, despite its waning momentum, whereas economic expansion in the USA and Europe weakened significantly compared to the previous year. Asia again benefited from China, although the latter country's growth rate slipped somewhat, amounting to 9.0 per cent (prior year: 11.9 per cent). Economic expansion in the USA dropped to 1.3 per cent (prior year: 2.0 per cent). Growth in Eurozone countries slowed to 0.7 per cent (prior year: 2.6 per cent). Countries of major importance to Jungheinrich in terms of sales such as Italy, France and Spain contributed to this deterioration. Their economic performance ranged between minus 0.5 and plus 1.1 per cent (prior year: between 1.4 and 3.7 per cent). Gaining 0.7 per cent, the UK recorded weak growth as well (prior year: 3.0 per cent). Some countries in Central and Eastern Europe continued to expand faster, although they also experienced a downward trend. Germany's economic output rose by a mere 1.3 per cent in the period under review (prior year: 2.5 per cent). Most notably, exports and investments plummeted due to the global economic crisis, whereas the decline experienced by imports was relatively moderate, at 4.4 per cent (prior year: 5.0 per cent). Investment in property, plant and equipment decreased from 6.9 per cent to 5.3 per cent, and exports declined from 7.5 per cent to just 3.2 per cent. The clouding economic environment had a strong impact on the German mechanical engineering sector, which depends on exports to a great degree. Foreign demand dropped by a total of 7 per cent (prior year: up 18 per cent), with domestic orders falling by 6 per cent (prior year: up 11 per cent). In contrast, production was increased by about 5 per cent (prior year: up 11 per cent).

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), including Turkey.

Development of the market for material handling equipment

Market volume of material handling equipment in thousands of units

Region	2008	2007
Europe (incl. Turkey)	374.7	410.9
thereof Eastern Europe	70.9	74.3
North America	159.3	191.4
Asia	259.3	266.0
thereof China	113.4	118.3
World	871.6	950.9

In view of the progressively cooling world economy in the period under review, the material handling equipment sector lost momentum, experiencing a massive contraction in the fourth quarter of 2008, compared with the same period a year earlier. In consequence, the world market shrank by a total of 8 per cent to 872 thousand forklift trucks in 2008 (prior year: 951 thousand units). The market volume thus significantly lagged the previous year's estimates, which had projected an expansion of the market to 'slightly more than 1 million trucks.' The strongest declines were recorded in North America and Europe. Demand for material handling equipment in Europe dropped by some 9 per cent to 375 thousand units (prior year: 411 thousand units). Although Eastern Europe was unable to emerge from the general downward trend unscathed, its market volume did not decrease as much, shrinking by about 5 per cent. Russia's development, previously driven by considerable momentum, came to a halt, with the market contracting by approximately 10 per cent. Western Europe's market volume was down by a total of 9 per cent. The largest drop in demand among key sales markets was experienced by Spain, which saw its market shrink by roughly 30 per cent. North America's market volume decreased further, declining by about 17 per cent to 159 thousand forklift trucks (prior year: 191 thousand units). By comparison, Asia merely posted a decline of just under 3 per cent to 259 thousand trucks (prior year: 266 thousand units). China, the growth engine which had long led the Asian market, recorded a drop of 4 per cent. Warehousing equipment contributed a below-average 6 per cent to the global market's reduction in volume, with counterbalanced trucks accounting for about 10 per cent of the contraction. The Jungheinrich Group defended its position on the world market for material handling equipment in an environment significantly characterized by market weakness and competitive pressure.

Focal points and activities

The Jungheinrich Group's highlights in the 2008 financial year were the construction of a production plant and the company's appearance at the CeMAT trade fair in Hanover. Furthermore, measures taken to reduce costs in reaction to the consequences of the world economic crisis for the sector in which it is active gained increasing importance.

Jungheinrich expects further market growth over the long term and therefore commenced construction of a manufacturing plant for battery-powered low-platform trucks in Landsberg near Halle (Saxony-Anhalt) in 2008. Conceived as an independent centre of excellence, this factory, which will handle product engineering as well as product management for these trucks, is scheduled to be commissioned by mid-2009. The plant's initial layout will accommodate a production capacity for over 30,000 trucks.

May 2008 saw Jungheinrich score a great success at CeMAT, the lead international logistics trade show, which regularly takes place every three years. Energy efficiency and drive technology were the points of focus. 'Concept '08,' the engineering design presenting a host of novel ideas, drew special attention. Jungheinrich implemented key future developments and proved its innovative prowess once again. Numerous other product novelties and refinements were also presented, including a new IC engine-powered truck generation featuring a hydrostatic drive train and a new battery-powered counterbalanced truck.

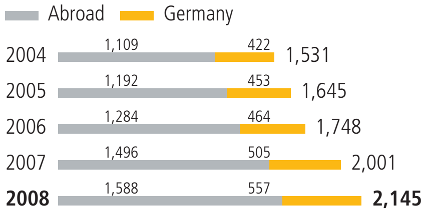
The Jungheinrich direct sales network's market and service footprint was further enlarged above all in Asia and Eastern Europe, the markets of the future. New technical consultants and after-sales service engineers were hired.

We established our own financial services company in Spain in order to expand our service business, which is of strategic importance on a pan-European basis. Jungheinrich thus has an immediate presence on Europe's five largest markets, i.e., Germany, France, the UK, Italy and Spain, with in-house financial service expertise to support its sales operations.

Groupwide IT networking using off-the-shelf software progressed again in 2008. At the beginning of the year, the SAP ERP system was upgraded with enhanced character set functionality, enabling the integration of such countries as Russia and China into the Jungheinrich IT network. The next step envisaged is the introduction of this system in the Russian sales company in 2009. Last year, a new system based on uniform processes was introduced to dispatch after-sales service engineers in three countries (Germany, France and the UK). In addition, management decided to introduce a CRM (Customer Relationship Management) system in Germany.

The progressively deteriorating economic scene necessitated an enormous action plan in the second half of the year. For instance, construction work on the new warehousing and system truck manufacturing plant in Degernpoint near Moosburg (Bavaria, Germany) has been postponed for the time being, and production across all factories has been adapted to the decline in demand. The first phase entailed reducing the temporary workforce and work time account balances and renouncing the extension of temporary employment contracts. Moreover, numerous comprehensive cost and structural projects were initiated, designed to achieve additional positive effects in the future.

Net sales
in million €



Business trend

Business trend—key figures

		2008	2007
Incoming orders	million €	2,145	2,120
Production	units	80,700	82,400
Orders on hand Dec. 31	million €	242	334
Net sales	million €	2,145	2,001

Despite the adverse underlying conditions in the period being reviewed, the Jungheinrich Group proved its mettle and stayed its course for growth: It posted another gain in business volume. However, the Jungheinrich Group's business trend was less favourable than a year before, since the material handling equipment industry was hard hit by the economic downturn in the fourth quarter of 2008. The first three quarters of market growth were followed by a substantial decline in the fourth quarter, resulting in a massive decrease for the year as a whole, from which the Jungheinrich Group was unable to decouple itself. Incoming orders from new truck business based on units was down 8 per cent to 77 thousand trucks throughout the Group (prior year: 84 thousand units). Nevertheless, the value of incoming orders, including all business areas, was 1 per cent up year on year to €2,145 million (prior year: €2,120 million), but fell short of the medium single-digit per cent growth rate forecast in the preceding year. In 2008, the Group's production output declined by 2 per cent to just under 81 thousand trucks (prior year: over 82 thousand units). The first set of measures was implemented to adapt production to lower demand at all manufacturing sites in early reaction to the downward market and order trend (e.g. reduction of temporary personnel and work time account balances). By December 31, 2008, the value of orders on hand in new truck business, which has a high share of logistic system contracts including a substantial number of third-party products, had fallen to €242 million (prior year: €334 million). Accordingly, the order reach decreased to a good two months, compared to nearly four months in the preceding year.

Net sales by region

in million €	2008	2007
Germany	557	505
Rest of Europe	1,467	1,372
Other countries	121	124
Total	2,145	2,001

Consolidated net sales in the reporting year amounted to €2,145 million, achieving a new record and surpassing the €2,001 million recorded a year earlier by 7 per cent. The originally anticipated rise in net sales by a mid-range single-digit percentage was thus exceeded. Domestic business posted a year-on-year gain of 10 per cent, while foreign sales advanced less, growing by 6 per cent. As a result, the foreign ratio declined to 74 per cent (prior year: 75 per cent). Net sales generated outside Europe were down a marginal 2 per cent due to the drop in sales in the USA (prior year: €124 million). As in the previous year, this level of sales accounts for a 6 per cent share of total net sales.

Net sales by business area

in million €	**2008**	**2007**
New truck business	1,209	1,110
Income from short-term hire, sale of used equipment	332	310
After-sales services	604	581
Total	2,145	2,001

All the business areas contributed to the uptick in net sales. The largest gain was allocable to new truck business, which posted an increase of 9 per cent, followed by the used and short-term hire equipment operations, achieving a rise of 7 per cent. Posting a gain of 8 per cent, short-term hire activities made a somewhat stronger contribution to the rise in net sales. Net sales from after-sales services, which benefited from the continued increase in Jungheinrich truck market penetration above all in Europe, grew 4 per cent. Their share in total net sales declined slightly due to the strong rise in new truck business, slipping to 28 per cent (prior year: 29 per cent).

Cost structure (according to the income statement)

in million €	**2008**	**2007**
Cost of sales	1,552	1,421
Selling expenses	399	369
Research and development costs	42	40
General administrative expenses	28	29

The cost of sales was up 9 per cent to €1,552 million (prior year: €1,421 million), slightly outpacing consolidated net sales. Burdens arising from high material prices, with steel and copper products leading the way, as well as for plastics, were offset to a certain degree by the slight improvement in the company's cost structure. Furthermore, the share of consolidated net sales accounted for by the cost of sales advanced to 72 per cent (prior year: 71 per cent), driven by the strong growth in sales generated in the lower-margin new truck business. Selling expenses also posted a slightly disproportionate increase, climbing 8 per cent to €399 million (prior year: €369 million). Their portion of Group net sales amounted to 19 per cent.

As shown in the following table, at €39 million, the Group's total research and development costs were below the previous year's level (€41 million). The capitalization ratio was down to 14.1 per cent (prior year: 24.2 per cent). As a result, research and development costs according to the income statement rose by over €2 million to €42 million (prior year: €40 million).

Research and development costs

in million €	2008	2007
Total research and development costs	39.0	40.9
thereof capitalized development costs	5.5	9.9
Capitalization ratio	14.1 %	24.2 %
Depreciation of capitalized development costs	8.6	8.9
Research and development costs according to the income statement	42.1	39.9

General administrative expenses posted a marginal decline, dropping by 3 per cent to €28 million (prior year: €29 million).

Earnings, asset and financial position

Earnings position

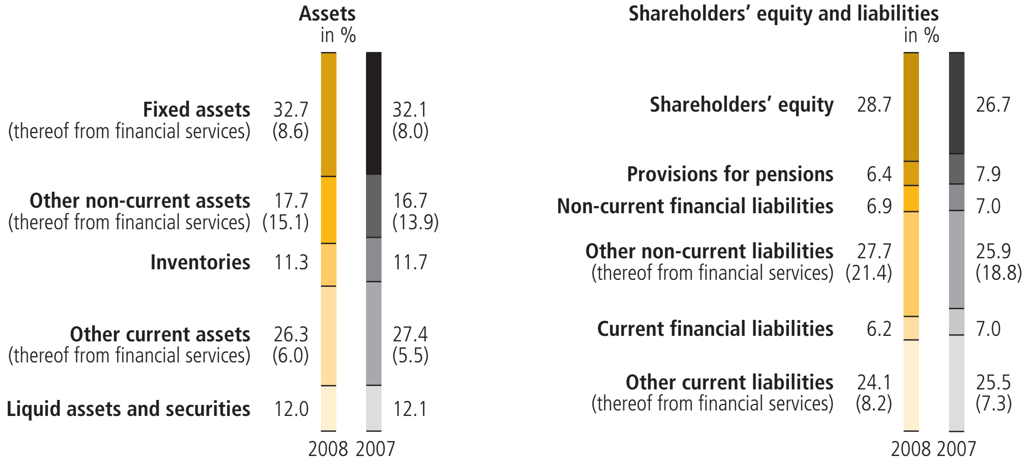
The Jungheinrich Group's earnings developed as follows:

in million €	2008	2007
Gross profit on sales	592.6	579.7
Earnings before interest and income taxes (EBIT)	121.8	139.5
Financial income	– 0.3	– 1.0
Earnings before taxes (EBT)	121.5	138.5
Income taxes	44.7	56.9
Net income	76.7	81.6

The Jungheinrich Group closed fiscal 2008 with its second-best earnings after the record achieved in the preceding year. In the first half of 2008, the earnings trend still benefited from higher incoming orders and a rise in the factories' production output. In contrast, certain factors started having an effect in the second six months—above all higher material prices and lower production caused by the weak economic cycle. Among other things, preparatory work done to tap the Chinese and Russian growth markets had an impact as well. The gross profit on sales rose by a mere €13 million, or 2 per cent, to €593 million (prior year: €580 million).

Moreover, one must take into account the additional expenses incurred in connection with the CeMAT trade fair in 2008. Another negative influence was exerted by the rise in research and development costs compared with last year's corresponding level. Moreover, the effect of deconsolidating a foreign holding company resulted in a one-off charge of over €2 million.

Balance sheet structure



Earnings before interest and taxes (EBIT) declined by 13 per cent to €122 million (prior year: €140 million). By consequence, the EBIT return on sales declined to 5.7 per cent (prior year: 7.0 per cent). EBITDA (earnings before interest, taxes, depreciation and amortization), which reflect operating income affecting liquidity, rose by €17 million to €292 million (prior year: €275 million) in the year under review. Earnings before taxes (EBT) fell to €122 million (prior year: €139 million). The financial result was almost flat, compared to the slightly negative figure recorded a year earlier. The Group's income taxes decreased more than EBIT to €45 million (prior year: €57 million). The tax quota dropped to 36.8 per cent (prior year: 41.1 per cent). Net income thus only declined by 6 per cent to €77 million compared with the preceding year (prior year: €82 million). The Board of Management of Jungheinrich AG proposes to pay the shareholders a marginally reduced dividend of €0.49 per ordinary share and of €0.55 per preferred share, both €0.03 lower than in the preceding year. The proposal thus adheres to the principle of dividend continuity.

Asset and financial position

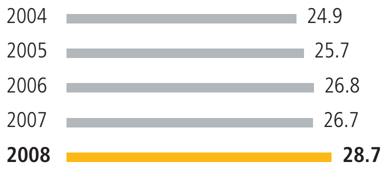
Jungheinrich AG is in charge of operations and strategic financial management for the Group and its subsidiaries. Financial resources and payment flows of domestic and foreign Group companies are optimized as regards interest and currency aspects via a cash and currency management system. Financing needs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

In fiscal 2008, the Jungheinrich Group's asset and financial positions were primarily characterized by the continued expansion of the Group's business and the fact that its earnings trend was still good. By year-end, the balance sheet total had risen by €106 million to €2,179 million (prior year: €2,073 million).

In connection with the figures stated for the financial services business, it must be noted that, in accordance with IFRS, depending on the type of lease, long-term leasing and rental agreements concluded with customers and Jungheinrich companies directly or via leasing companies must be carried as fixed or current assets (as trucks for lease or as receivables from financial services). The refinancing of these long-term customer agreements is done with identical maturities and disclosed as liabilities from financial services. This extends the balance sheet. Furthermore, deferred sales stemming from sales proceeds already generated with an intermediate leasing company are stated under deferred income. Cash flows form customer contracts are largely congruent with refinancing instalments paid to lending institutions in this business.

The volume of the lease business' contracts outstanding throughout Europe grew by 10 per cent to 92,900 forklift trucks (prior year: 84,400 units). This corresponds to an original value of €1,451 million (prior year: €1,332 million).

Equity ratio
in %

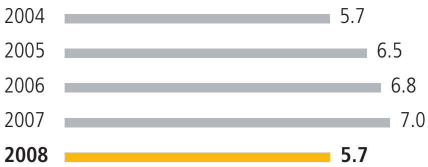


Asset structure of the Jungheinrich Group in million €	Dec. 31, 2008	Dec. 31, 2007
Non-current assets	**1,099**	**1,013**
Fixed assets	713	666
Receivables from financial services	329	288
Other non-current assets	57	59
Current assets	**1,080**	**1,060**
Inventories	247	243
Trade accounts receivable	385	413
Receivables from financial services	131	114
Other current assets	55	39
Liquid assets and securities	262	251
Balance sheet total	**2,179**	**2,073**

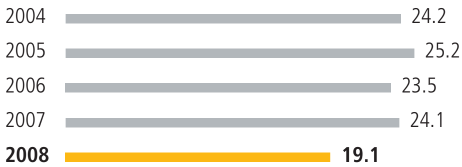
Fixed assets increased by €47 million to €713 million (prior year: €666 million). The lion's share of this rise was due to the expansion of the short-term hire and lease business as well as to investments in plants, with the construction of a factory for battery-powered low-platform trucks in Landsberg near Halle (Saxony-Anhalt) leading the way. Non-current and current receivables from financial services were up by a total of €58 million to €460 million as a result of business growth (prior year: €402 million). A significant portion of the rise was allocable to Jungheinrich's financial services company in the United Kingdom once the operation had been taken over and put under Jungheinrich management. Inventories advanced marginally to €247 million (prior year: €243 million) owing to the economic downturn in the second half of 2008. Current trade accounts receivable declined by €28 million to €385 million (prior year: €413 million) as a result of the reduction in overdue accounts receivable at the end of the year. Cash and cash equivalents (liquid assets and securities) were up a marginal €11 million to €262 million (prior year: €251 million).

Capital structure of the Jungheinrich Group in million €	Dec. 31, 2008	Dec. 31, 2007
Shareholders' equity	**625**	**554**
Non-current liabilities	**893**	**844**
Provisions for pensions and similar obligations	140	164
Financial liabilities	150	144
Liabilities from financial services	465	390
Other long-term liabilities	138	146
Current liabilities	**661**	**675**
Other current provisions	108	111
Financial liabilities	135	146
Liabilities from financial services	178	151
Trade accounts payable	117	140
Other current liabilities	123	127
Balance sheet total	**2,179**	**2,073**

EBIT return on sales
in % (ROS)



EBIT return on capital employed
in % (ROCE)[1]



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

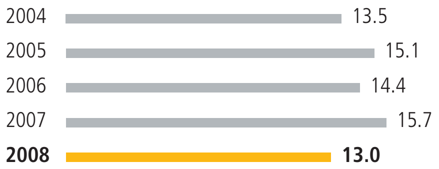
The development of shareholders' equity, which rose by €71 million to €625 million (prior year: €554 million), was determined by the strong net income and currency effects as well as the dividend payment for fiscal 2007. The equity ratio improved to 29 per cent (prior year: 27 per cent) despite the higher balance sheet total. As of the balance sheet date, 122 per cent of intangible and tangible assets and equipment for short-term hire were covered by shareholders' equity (prior year: 114 per cent). The Jungheinrich Group was capable of meeting its payment obligations at all times. This was all the more important against the backdrop of the increasingly severe international financial crisis: The Jungheinrich Group managed to secure financing beyond the extent to which this was required in the period under review. Excluding accounts payable for financial services, which were covered by accounts receivable from customers, the company had a low level of net indebtedness. As in the previous year, Jungheinrich's indebtedness ratio, defined as the relation of net indebtedness to EBITDA, was less than 0.1 years (prior year: 0.1 years). Provisions for pensions dropped to €140 million (prior year: €164 million) owing to a one-time transfer to the UK pension fund. Other long and short-term provisions decreased to a total of €150 million (prior year: €156 million). The Group's non-current and current financial liabilities were down a marginal €5 million to €285 million (prior year: €290 million). Including a total of €262 million in cash and cash equivalents and securities, net financial liabilities were reduced to €23 (prior year: €39 million). Trade accounts payable declined by €23 million to €117 million (prior year: €140 million) because the purchasing volume had already been reduced by year-end and obligations resulting from outstanding invoices decreased. Non-current and current liabilities from financial services climbed by €102 million to €643 million in line with business growth (prior year: €541 million).

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

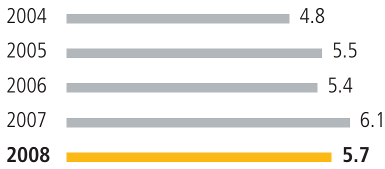
Statement of cash flows

in million €	**2008**	**2007**
Net income	77	82
Depreciation and amortization	170	136
Changes in trucks for short-term hire and trucks for lease (excl. depreciation) and receivables from financial services	– 221	– 218
Changes in liabilities from financing financial services and trucks for short-term hire	134	131
Other changes	– 28	– 24
Cash flows from operating activities	**132**	**107**
Cash flows from investing activities	**– 138**	**– 60**
Cash flows from financing activities	**– 47**	**– 36**
Net cash change in cash and cash equivalents	**– 53**	**11**

Return on equity after income taxes
in %



Return on total capital [1]
in %



1 Not including financial services.

Cash flows from operating activities totalled €132 million—€25 million up on the €107 million posted in the previous year. This was predominantly due to the €34 million increase in depreciation and amortization, which also compensated for the slight decline in earnings. The small €3 million increase in funds tied down due to the change in the number of trucks on short-term hire and lease and in receivables from financial services was offset by an equally high inflow of funds resulting from the change in liabilities from financial services and the financing of trucks for short-term hire. At –€138 million, cash flows from investing activities were €78 million up on the previous year's level (–€60 million). €63 million thereof was due to investments of cash and cash equivalents in securities with final maturities in 2009 and the high level of capital expenditures by the new production plant in Landsberg (Saxony-Anhalt). Cash flows from financing activities amounted to –€47 million (prior year: –€36 million) and stemmed from the decrease in liabilities due to banks and financial loans as well as the dividend payment of €18.6 million (prior year: €17.3 million). Taking cash investments in securities into account, the net cash change in cash and cash equivalents was +€10 million (prior year: +€11 million).

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

The Jungheinrich Group's value added developed as follows:

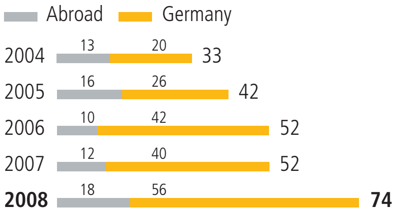
in million €	**2008**	%	**2007**	%
Source				
Total Group output [1]	2,201	100.0	2,043	100.0
Cost of materials and equipment	1,274	57.9	1,171	57.3
Depreciation	170	7.7	136	6.7
Net value added	**757**	**34.4**	**736**	**36.0**
Usage				
Employees	595	78.6	564	76.7
Public sector	45	5.9	57	7.7
Lenders	40	5.3	34	4.6
Shareholders	19	2.5	17	2.3
Group	58	7.7	64	8.7
Net value added	**757**	**100.0**	**736**	**100.0**

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

The value added statement shows the work performed by Jungheinrich in the financial year being reviewed, minus all advance work and depreciation.

Added value created by the Jungheinrich Group in the fiscal year that just ended amounted to €757 million (prior year: €736 million). It was 3 per cent higher than in the preceding year. The usage shows that the lion's share of value added (€595 million, or 79 per cent) was used for employees (prior year: €564 million, or 77 per cent). The public sector received €45 million, or 6 per cent (prior year:

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



€57 million, or 8 per cent). Lenders partook of €40 million, or 5 per cent (prior year: €34 million, or 5 per cent). About €19 million was dedicated to shareholders (prior year: €17 million). €58 million, or 8 per cent, of value added remained within the Group for internal financing purposes (prior year: €64 million, or 9 per cent).

Return on sales and capital

Key return indicators of the Jungheinrich Group

in %	2008	2007
EBIT return on sales (ROS)	5.7	7.0
EBIT return on capital employed (ROCE)	19.1	24.1
Return on equity	13.0	15.7
Return on total capital employed	5.7	6.1

EBIT return on sales (ROS) = EBIT : Net sales x 100
EBIT return on capital employed (ROCE) = EBIT : Employed interest-bearing capital [1] x 100
Return on equity after income taxes = Net income : Average shareholders' equity x 100
Return on total capital employed = Net income + interest expenses : Average total capital x 100
1 Shareholders' equity + financial liabilities +/– other liabilities/receivables vis-à-vis affiliated and associated companies – notes receivable – liquid assets and securities.

The Jungheinrich Group's key return indicators deteriorated as a result of the decline in earnings and above all the strong increase in volume in the lower-margin new truck business. Jungheinrich's return on sales (ROS) dropped to 5.7 per cent (prior year: 7.0 per cent). The corresponding return on interest-bearing capital employed (ROCE) was below the Group's long-term ROCE target of 20 per cent, amounting to 19.1 per cent and was thus much lower than in the preceding year (24.1 per cent). The return on shareholders' equity decreased to 13.0 per cent, following 15.7 per cent in 2007. The return on total capital employed, adjusted to exclude liabilities and net interest income from financial services, declined to 5.7 per cent (prior year: 6.1 per cent).

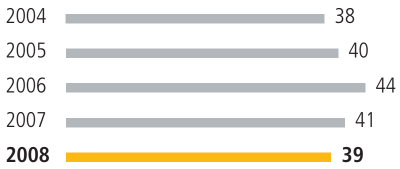
Capital expenditures

In the year under review, capital expenditures on tangible and intangible assets—net of capitalized development costs—rose by €22 million to €74 million (prior year: €52 million). Consequently, the capital spending-to-sales ratio advanced to 3.4 per cent (prior year: 2.6 per cent). The lion's share of capital expenditures was allocated to the construction of the factory in Landsberg near Halle (Saxony-Anhalt) and an even split between the expansion of the production sites in Norderstedt (Schleswig-Holstein) and Moosburg (Bavaria). In addition, Jungheinrich invested in the continued expansion of its sales companies—above all outside Germany.

Research and development

In fiscal 2008, the Jungheinrich Group continued to invest heavily in the development of its products. Spring 2008 saw Jungheinrich present new products from all segments to the international expert audience at CeMAT in Hanover, the world's largest and most important intralogistics trade show. Evidence of the company's innovative prowess is confirmed by positive customer feedback on the new generation of

Research and development expenses
in million €



IC engine-powered trucks with hydrostatic drive trains. At €39 million, the Jungheinrich Group's expenditures on research and development including development-related preparatory work and services rendered by third parties was nearly on par with the year-earlier level (€41 million). This represented 4.0 per cent of sales generated from new truck business in the year under review, which rose significantly (prior year: 4.5 per cent). Last year, an average of 340 people worked in the field of research and development (prior year: 350).

Engineering tasks in the 2008 reporting year focussed on new developments for counterbalanced trucks aiming primarily to improve energy efficiency and energy management. Eighty-four patent applications were filed in 2008 (prior year: 127), and 89 patents were granted (prior year: 65). This enabled innovations to be turned into significant product improvements which help increase customer benefits substantially. Development departments focused on the following fields of activity during the reporting period:

Fundamental research

Central areas of research dealing with new, efficient drive systems were addressed in the year under review. They were one of the main points of focus of development activity. Promising energy systems based on lithium-ion batteries were explored and engineered. Moreover, the possibilities of raising drive train efficiency while increasing turnover rates were studied. The first findings were implemented in the 'Concept '08' truck study at CeMAT in the spring. This fully functional low-platform truck is based on a drive concept mating a lithium-ion energy storage with a highly economical direct drive train. Further alternative drive concepts such as fuel cell and hybrid drive trains were examined for reliability and profitability. Jungheinrich thus underscored its expertise in the field of efficient drive systems.

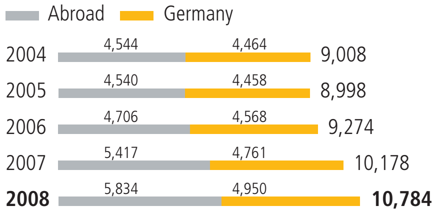
Logistics systems offer Jungheinrich a viable way to expand its product range. Intelligently linking warehouse management systems, payload carriers and material handling equipment opens the door to substantial efficiency improvements in logistics. For instance, multi-pallet tracking based on an RFID (Radio Frequency Identification) antenna integrated in the fork. The inclusion of modern information technology in forklift trucks will significantly enhance their future marketability.

Another main area of development work was dedicated to reducing life cycle costs. This included testing service tools enabling affordable increases in truck availability. We expanded the test and development centre in Norderstedt by adding a large-scale noise-measurement laboratory in our quest to improve product quality.

Product engineering

A special highlight in the period under review was the market launch of a new battery-powered counterbalanced truck. Thorough design work led to a 20 per cent reduction in energy consumption. Among the bases for this were the development of innovative battery-management technology and the use of a special electric steering system.

Employees
As of Dec. 31



Newly developed IC engine-powered forklifts with payload capacities between 6 and 9 metric tons predominantly distinguish themselves by their new electronically controlled diesel engines and maintenance-friendly tilting cabin. Our successfully introduced hydrostatic drive technology will be incorporated in additional model series.

In the future, products adapted to market needs which are manufactured locally will expand the product portfolio in order to ensure the company's success in the world's major growth regions. A new battery-powered counterbalanced truck designed for the Chinese market premiered at CeMAT ASIA.

In the specialized truck sector, the latest RFID technology, the advantages of efficient drive trains, and additional safety features were integrated in a new high-platform order picker.

A special reach truck with superelastic tyres for combined hall and yard applications fitted with cutting-edge technologies rounds out the new generation of reach trucks.

New intralogistics concepts for supplying assembly lines with tractors (milk run concept) require the product portfolio to be expanded resolutely. By introducing a full line of tow tractors with trailer payloads of 1 to 25 metric tons, Jungheinrich put itself in a position to satisfy all customer wishes in this segment.

Employees

Employees by division

	Dec. 31, 2008	Dec. 31, 2007
Sales and Marketing	7,903	7,419
Production	2,389	2,269
Service Centre/Administration	492	490
Total	10,784	10,178

The Jungheinrich Group's workforce expanded even further in the 2008 financial year. Headcount, which surpassed the 10,000-employee mark for the first time in 2007, had risen by over 600 to 10,784 staff members by December 31, 2008 (prior year: 10,178). This figure included 290 trainees (prior year: 267). The increase is proof of the significance Jungheinrich continues to attach to training young adults. Two thirds of the jobs created were allocable to the expansion of the foreign sales and service network, including the growth regions of Eastern Europe (Russia and Poland) and Asia, with China taking centre stage. Furthermore, the Moosburg (Bavaria) production plant markedly increased its headcount. As before, up to 600 temporary staff were on the payroll to adapt to demand flexibly, some 70 per cent of whom worked at the Norderstedt and Moosburg manufacturing sites. By year-end, the temporary workforce had decreased to just over 400 employees, owing to the cyclically-induced drop in demand for material handling equipment. As in the previous year, 73 per cent of the labour force worked in sales, with production still accounting for 22 per cent. More than 3,500 service engineers (prior year: over 3,300 employees) worked in the Sales Division. As in the preceding year, 45 per cent of personnel worked in after-sales services.

Employees by region

in %	Dec. 31, 2008	Dec. 31, 2007
Germany	45.9	46.8
France	9.0	9.1
UK	7.5	7.9
Italy	7.5	7.6
Rest of Europe	25.8	24.8
Overseas	4.3	3.8
Total	100.0	100.0

At the reporting cut-off date, 5,834 (prior year: 5,417) staff members worked outside Germany, while 4,950 (prior year: 4,761) were employed within the country. Thus, about 46 per cent of the labour force worked in Germany. In the rest of Europe, France accounted for the biggest share (9 per cent) as in the previous year, followed by the UK and Italy, each with about 8 per cent. The proportion of employees working overseas rose to more than 4 per cent owing to the increased expansion. Since Jungheinrich AG is a member of the German Employers Association, the collective bargaining agreements reached in 2008 were adopted for our German business. The collective bargaining agreement expires on April 30, 2010.

Purchasing and logistics

In 2008, Jungheinrich was faced with a steep rise in the price of steel, copper, lead, aluminium and crude oil, all of which led to higher purchasing prices. August and September saw the price of steel peak at 50 per cent above the 2007 average. Price increases were passed through to the market via escalator clauses for numerous products. The other price rises were kept below the corresponding raw materials' price indices. Since the commodity price boom began to weaken as early as in the fourth quarter of 2008, Jungheinrich was able to place a substantial volume of orders with suppliers at significantly reduced prices in November and December.

In the 2008 reporting period, purchasing was up 5 per cent to €1,420 million compared with the preceding year (prior year: €1,348 million). Production material used merely posted a marginal gain, accounting for approximately 42 per cent of the aggregate procurement volume. Conversely, commodity sourcing increased by 20 to 30 per cent, depending on the product group.

Electronic media usage in procurement was markedly up in 2008. All of the production plants were already making use of electronic order data transmission to suppliers. Planning security was improved substantially thanks to the automated order confirmation process. A larger number of small orders was placed in order to reduce inventory. Concurrently, increased use was made of the option to place orders electronically via internal catalogues, simplifying order processing considerably. The manufacturing plants' security of supply was improved substantially in 2008 once again. This development is reflected in supplier evaluations, which gave supply reliability and quality issues the best ratings ever.

The Jungheinrich Group made large-scale investments in 2008. Negotiations were conducted successfully for projects including those at the Hamburg and Norderstedt sites and for the construction of the Landsberg factory since purchasing was involved from the beginning. Furthermore, purchasing played an active role in capex activity relating to IT infrastructure and additional projects. Besides being implemented on schedule, projects were completed without exhausting budgets.

Jungheinrich stepped up direct supplies to customers in Central Europe. Moreover, justice was also done to the trend towards global business expansion in logistics by increasing both overseas and Eastern European freight traffic. Cost and quality-conscious standardization contributed to improving distribution efficiency and quality.

Quality management

In the financial year that just ended, the company accelerated the expansion of standardized quality monitoring using SAP BW (Business Information Warehouse). The existing system was methodologically refined in the areas of life cycle reporting and day-accurate real-time reporting. This will provide Jungheinrich with supplementary market data for development and quality planning. Furthermore, real-time mapping enables extremely fast implementation of customer and market activity. In response to Jungheinrich's mounting international market presence, in 2008, groundwork was done to include non-European sales countries in SAP BW-based quality monitoring in the future.

Other quality management activities concentrated on the production sites being established within the Group. Comprehensive quality planning across all processes and areas was carried out at an early stage for the factory in Landsberg near Halle (Saxony-Anhalt) and for the expansion of production capacity at the Qingpu (China) plant, prior to the scheduled start of series production in 2009. Thanks to this introduction, Jungheinrich's high quality standards are secured in the Group's new manufacturing sites from the very beginning. Plans envision the Landsberg factory obtaining certification to the established quality standards for plants (ISO 9001) and the environment (ISO 14001) in the second half of 2009.

As planned, all of Jungheinrich's management system documents were migrated to the new SAP Knowledge Warehouse platform in 2008. Process-oriented alignment and system functionality in our factories and international sales organization were inspected several times by our partner SGS (Société Générale de Surveillance) to attain 'Sales and Service Europe' certification.

Environmental management

Jungheinrich views environmental protection as an important part of its business activity. As a company with global operations, Jungheinrich strives to fully tap the potential to protect the environment throughout the Group with a lasting effect and to help conserve natural resources. In 2008, Jungheinrich achieved further reductions in energy consumption, CO_2 emissions and solvent discharge by taking a number of resolute measures in the field of environmental management.

Gas consumption was markedly reduced through the use of special heat insulation in existing buildings on factory premises. A new compressor room was designed at the plant in Moosburg (Bavaria) to enable the compressor's waste heat to be used to heat the factory halls. The progressive switch to hydro paints gives rise to the expectation of sustainable reductions in solvent discharge in this area.

The rollout of the service engineer dispatch system in Germany and other European countries was continued in 2008. This has enabled optimized route planning, leading to both time and fuel savings when deploying service engineers, the latter lowering CO_2 emissions considerably. Results achieved by this measure, which will be introduced to additional country operations in 2009, demonstrate how effectively the ecology and economy can be reconciled over the long term.

Data privacy

Jungheinrich ensures the privacy of personal customer and employee data on the basis of the applicable statutory regulations. Pursuant to the Group's security policies, every executive and employee is obligated to handle the personal data of customers, companies and co-workers responsibly. In the year under review, the Jungheinrich Group's entire staff was reminded of this and obliged to ensure compliance. Enquiries received from customers on data privacy issues were reviewed and responded to by the Group's data privacy officer. Furthermore, existing processes and directories of companies in and outside of Germany were updated accordingly and published. All of the data privacy coordinators were continuously made aware of possible changes in legislation and new problematic issues. As in prior years, the Corporate Audit Department performed sample audits to ensure compliance with data privacy regulations in all sales companies, plants and centralized units in Germany and abroad: No major criticism or infringements of the Group's internal provisions were identified.

Compliance

Compliance in the Jungheinrich Group is accounted for, coordinated and ascribed high importance by the Board of Management and the Supervisory Board. An internal task force redefined the tasks required to ensure compliance, scrutinized them to determine their necessity for the Jungheinrich Group, and enhanced them to ensure they met the current performance targets. The compliance system's objective is to detect infringements against guidelines and laws and take action to prevent this from happening. To this end, the Board of Management and the Chief Compliance Officer (CCO) expressly called on all executives to adhere to internal and external guidelines more stringently and to take this into account in their ongoing decision-making. Furthermore, all of the Jungheinrich Group's personnel were informed of the newly established internal notification system. Since the beginning of the year, employees have been able to inform the Board of Management or CCO of potential irregularities so that preventive action can be taken. As prescribed by the system, the Group audit department reviews and follows up on all incidents chronologically. Changes implemented have already allowed for processes to be improved and rendered safer. Reports on this activity are regularly submitted to the Board of Management and the Supervisory Board's Audit Committee.

Risk report

Due to its growing international business activities, the early detection of risks and the development of measures to counter them are an important element of Jungheinrich Group management. Basic principles and courses of action have been defined in a groupwide guideline within the scope of a risk management system. Jungheinrich's early risk-detection system is examined for functionality and effectiveness as part of the annual audit of the financial statements. Findings derived from this audit are taken into account as the Jungheinrich-specific risk management system is continuously refined.

Risk management

The risk management system at Jungheinrich is an integral part of the company's management, budgeting and controlling processes. They consist of the following elements:

- Group Risk Management Guideline
- Group Risk Committee
- Operative inventory of opportunities and risks of the sales and production companies
- Central inventory of opportunities and risks of the people responsible for the divisions and the directors of the corporate functions
- General Group reporting structure

The managers of the operating companies are responsible for risk management within their units. Besides addressing risk-related issues at management board meetings, they are obliged to take inventory of risks three times a year as part of their reporting over the year. The inventories consider both risks and opportunities, which present a realistic picture of the most current risk situation. When taking inventory for the first time in a year, opportunities and risks are assessed based on planned results. Inventories taken thereafter are assessed on the basis of the latest forecast. These assessments are condensed to a Group risk inventory, taking appropriate threshold values into account. The Group Risk Committee, on which the Board of Management is represented and which convenes quarterly, discusses the Group risk inventory and develops suitable measures. A summary is 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 not covered by the risk inventories.

Risk categories

The analysis of the most recent risk inventory, compiled in 2008 by the Risk Committee, revealed that there are still no risks that could jeopardize the Jungheinrich Group's continued existence. Risk classes that are material to the Jungheinrich Group are listed below. These also include risks that have gained importance above all owing to the financial crisis. They include risks associated with company financing, liquidity, residual values, counterparty defaults, currency and suppliers.

General and sector-specific risks

Contrary to Jungheinrich's diverse service business, the manufacture and sale of new trucks strongly depend on cyclical demand. Therefore, the development 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—in order to detect indications of the future order trend. The permanent adaptation of production schedules and capacities to expected incoming orders is key to reducing risk. Also included in risk surveys are potential changes to the subsidiaries' financial situation stemming from market developments.

Triggered by the intensification of the international banking and financial crisis, the global economic downturn had a delayed effect on the material handling equipment industry. In the fourth quarter of 2008, the world market shrank by some 40 per cent, with Europe's market volume contracting by more than 30 per cent. Market declines in some Eastern European countries were much more significant. As evidenced once again by the first two months of this year, the size of the material handling equipment, warehousing and material flow technology markets of relevance to Jungheinrich can be expected to be much smaller overall in 2009, compared with 2008. Based on appropriate risk scenarios, Jungheinrich prepared itself to deal with the deterioration in basic conditions and initiated measures in good time, in order to react to the impending consequences. Besides trimming temporary staff and work time account balances as well as introducing short-time work, an investment project designed to expand capacity was postponed for the time being. The unusually weak economic development will also have an impact on the short-term hire and used equipment business, albeit to a slightly lesser extent. Thanks to its high proportion of services from a single source with fairly stable shares of sales, the Jungheinrich business model demonstrates its special strength, especially in recessionary phases.

Long-term prospects of sustained growth in logistics resulting from the increasing division of labour brought about by globalization exist despite the financial and economic crisis. A rising number of countries has a mounting need for modern material handling technology and logistical systems. Thanks to its up-to-date and innovative range of products, its broad international customer base, and its positioning as a full-line supplier and intralogistics service provider, Jungheinrich is well equipped to significantly partake of this development as well.

Consolidation continues to progress in the material handling equipment sector, as recently evidenced by the acquisition of a warehousing technology specialist by a competitor in the period being reviewed. This will intensify crowding-out and price-based competition even further. On the strength of its business model, Jungheinrich is convinced that it is well positioned to prevail against the fierce competition in this context as well.

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, not just in times of a slack market environment as these. The Jungheinrich Group reacts to this situation mainly by expanding its direct sales and service offerings. This improves market penetration and customer loyalty.

The rising trend among customers to lease new trucks will intensify in the year underway. The financial crisis will make it more difficult for customers to self-finance investments and obtain financial leeway. Jungheinrich's range of financial services offers the customer a sensible alternative against this backdrop. Potential default risks arising from such transactions later on are limited via extensive creditworthiness checks before contracts are concluded and by taking out credit insurance for sizeable projects. Bad debt occurring despite these efforts can be kept low by recovering trucks early on and reselling them as used equipment. The residual value risk that may result from differences between the carrying amount and market price of leased products is reviewed on a quarterly basis. If the present market value is below the guaranteed residual value, this risk is covered by building suitable provisions and making valuation allowances on used equipment inventories when preparing the balance sheet. A Europe-wide lease agreement database ensures the uniform assessment of risks associated with financial service contracts throughout the Group.

In 2008, Jungheinrich had a short-term hire fleet of an average of approximately 26,000 trucks. The risk of prolonged standstill was minimized by constantly adapting the fleet's size and structure to market demand and customer requirements, thus ensuring a high degree of utilization.

Procurement and purchasing risks

Major risks result from increases in the price of raw materials, components and commodities as well as from quality-related problems and supplier defaults. As in the preceding year, attention was mainly directed to the substantial rise in steel, lead, copper, aluminium, fuel and energy procurement costs. Strong demand for raw materials and associated price hikes on world markets persisted in the first half of 2008, before relenting over the remaining course of the year due to the worldwide economic cooldown. Material prices continued to rise despite the onset of the decline in demand, owing to lead times for materials purchasing at production plants and in the central sourcing of spare parts supplied to the Jungheinrich service network groupwide. Jungheinrich partook of the steep downward trend at the end of November and in December 2008, placing orders for the most important components at reduced purchasing prices. The lower price level will have a positive effect on fiscal 2009, especially in the second six months. There were no supply bottlenecks in the period under review. The quality of incoming goods has improved considerably. This resulted in a more favourable supplier assessment. Only a few vendors are in financial difficulty, despite the current financial and economic crisis. However, Jungheinrich is inclined to expect the situation to deteriorate and therefore stays in very close contact to its suppliers, in order to be in a position to react in good time if necessary.

Financial risks

Interest rate and currency risks are the major risks in this category. 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 requirements imposed by the German Corporate Sector Control and Transparency Act (KonTraG) on company risk management systems. Among other things, it mandates the clear separation of trading, settlement, accounting and controlling.

In contrast, the international financial crisis is not materially affecting Jungheinrich's financing at present. The company's good creditworthiness and robust positioning were valuable assets in securing credit financing for the years ahead. In addition to a short-term line of credit, Jungheinrich has about €300 million in medium-term credit lines with maturities of three to seven years to finance its operating activities. This secures the financing of future growth as well. Credit margins are coming under increasing pressure owing to the banks' higher purchasing costs. Due to the high level of liquid assets, which Jungheinrich can use to meet its payment obligations at all times, the company has no liquidity risk exposure. Since Jungheinrich pursues a conservative investment policy throughout the Group, the company did not invest in securities (e.g. stocks) that are exposed to share-price or default risks.

The 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 their credit rating, which is determined by reputable rating agencies, no major risk ensues for Jungheinrich 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 interest rate and currency risks. As of December 31, 2008, the Group had €178 million in currency hedges on its books (prior year: €109 million). Outstanding currency hedges largely have maturities of less than one year. Jungheinrich had €0.7 million in interest rate hedges for underlying transactions on its books as of December 31, 2008 (prior year: none).

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

Legal risks

General contract risks are largely eliminated by applying groupwide policies. In addition, material contracts are centrally managed and legal advice is obtained on them by the departments responsible for them. We have not yet been able to end all of the lawsuits pending in connection with the discontinuation of MIC S.A.'s operating activity. At present, the company is not facing any material risks associated with litigation with third parties.

Events after the close of fiscal 2008

The massive collapse of the market also witnessed in the material handling equipment sector in the fourth quarter of 2008 continued unabated at the beginning of 2009, leading to declines in incoming orders in new truck business. Therefore, Jungheinrich decided to take measures going above and beyond adjusting production to reduced demand in the second quarter of 2009, namely to introduce short-time work across all manufacturing sites and make preparations for short-time work in corporate departments. Moreover, several technology-centric cost-related and structural projects were initiated with a view to cushioning the negative effects of the economic and sales crises.

Outlook and opportunities

Based on its projections for world trade, Jungheinrich expects to see a general stagnation of the economy in fiscal 2009. Whereas western industrial nations are exposed to a recession caused by the world financial and economic crisis nearly across the board, emerging regions such as Asia, with China and India leading the way, are likely to display a significant drop in momentum, recording only moderate economic growth. It is impossible to quantify the effects the major economic aid packages launched the world over will have on the world economy's future development or the direct or indirect impact this may have on the material handling equipment sector.

Estimated economic growth (GDP [1]) in %

Region	**2009**
World	0.5
USA	– 2.5
China	6.5
Eurozone	– 2.5 to – 3.0
Germany	– 3.0 to – 4.0

1 Gross domestic product. Source: Commerzbank.

In view of this economic scenario, our sector's economic prospects for 2009 remain gloomy. Irrespective of the substantial uncertainty in assessing the market, the world market for material handling equipment can be expected to shrink to far less than 700 thousand forklift trucks. The unit decline will prevail across all the world's sales markets, albeit to varying degrees. This market contraction will curtail Jungheinrich's sales potential accordingly. Nevertheless, the company is convinced that it is well equipped to prevail in a difficult market environment. Jungheinrich set the stage for solid financing early on in 2008, initiated measures to adjust production to the lower level of demand, and stepped up its inventory and cost management activities. Moreover, the continued rise in the Jungheinrich trucks' penetration of the pan-European market will have a positive impact on the after-sales services business, which has less cyclical exposure, and ensure that this business displays a relatively stable sales trend.

In 2009, the development of business will be determined by a steeper decline in demand in new truck business and manufacturing capacity utilization in the plants. On completion of the new manufacturing site in Landsberg near Halle (Saxony-Anhalt), full production capacity will be available across all lines towards the end of the year. In light of the market's weak constitution, construction of the new production site for warehousing and system equipment in Degernpoint near Moosburg (Bavaria) will be postponed until the economy picks up again. Expansion of the worldwide direct sales and service network will continue regardless of the sector's adverse environment, but it will be adapted to regional needs with good measure. The next step towards expanding the scope of our mail-order business is about to be taken. In sum, capital expenditures will be markedly lower than the previous year's level.

The Jungheinrich Group will maintain its high level of development activity and provide proof of its potential with respect to key technologies in 2009. This applies especially to drive technology, an area in which energy efficiency combined with enhanced performance takes centre stage. Once implemented, environmentally friendly drive concepts will make a valuable contribution to reducing CO_2 emissions. Moreover, the permanent renewal and expansion of the broad-based product range remains a major point of focus of Jungheinrich's development work.

In 2009, the earnings trend will be mainly determined by the worldwide decline in demand for material handling equipment and the substantial reduction of plant productivity resulting from it. The extent of the negative impact on new truck business will largely depend on the duration and severity of the recession on relevant markets. The continued decrease of the temporary workforce and work time account balances as well as the introduction of short-time work will provide for a certain degree of relief. Crowding-out and price-on-price competition will persist in view of the market's weak constitution. In contracts, the relief in raw material prices is likely to persist and have a positive effect in the second half of the year. In light of the difficult economic setting, Jungheinrich expects the overall business and earnings trend to be unfavourable in fiscal 2009.

Business volume can likely be expected to expand moderately in 2010. The prerequisite for this is that the global economic and sector-specific conditions stabilize and lead to economic recovery during the second half of 2009, also taking account of the substantial stability and economic programs initiated in many industrialized nations. This would contribute to improving the Jungheinrich Group's earnings trend. The material handling equipment sector will continue to be marked by fierce price-on-price competition. Should the world economy recover sooner than anticipated, the Jungheinrich Group would be able to benefit from the additional available manufacturing capacity and the resultant progress in productivity.

Unforeseen developments may cause the actual business trend to deviate from expectations, which are 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 the introduction of competing products.

Jungheinrich Group financial services

The range of financial service products offered by Jungheinrich is an integral component of the Jungheinrich business model. The Financial Services (FS) Division, in which Jungheinrich pools its in-house financial services expertise, encompasses pan-European sales financing and the transfer of usage rights to material handling and warehousing equipment.

The Financial Services Division is included in Jungheinrich Aktiengesellschaft's audited consolidated financial statements. The following information on the financial services business has been disclosed and commented in order to provide clearer insight into the Jungheinrich Group's asset, financial and earnings position. This disclosure supplements the separate statement of the financial services business, and the Group figures are reported in order to make a distinction to industrial operations. Neither of these disclosures is mandatory under IFRS for the period under review.

Structure of the Financial Services Division

The Jungheinrich Group's pan-European financial services activities are pooled in the Financial Services Division and are centrally coordinated via Jungheinrich Financial Services GmbH (Jungheinrich Financial Services AG & Co. KG until December 31, 2008) and Jungheinrich Finance AG & Co. KG, both of which are headquartered in Germany. Jungheinrich is present on markets of major relevance to the company with its own leasing companies. Besides Germany, this is the case in Italy, France, the UK and Spain. Plans envision the continuous establishment of further independent leasing firms in other core markets.

The Jungheinrich business model

An element of the Jungheinrich business model aiming to serve customers for the duration of their equipment's lifetime from a single source, the Financial Services Division operates as a provider of services to Jungheinrich's sales operations in order to promote sales of Jungheinrich trucks through its sales finance and rental offering. The financial services business entails forging strong ties to the customer. This paves the way for providing customers with flexible tailor-made solutions. In turn, these offerings are linked to full-service and maintenance contracts. Thanks to its Europe-wide direct sales structure and proprietary service organization, Jungheinrich can fully fulfil its customers' wish for cross-border truck support, including the provision of customized, flexible and competitive financial services.

The Financial Services Division is run within the Jungheinrich Group as an 'internal' leasing company with cost centre status. Therefore, the Financial Services Division does not aim to earn money and does not operate as a profit centre. 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 linked service agreements as well as opportunities and risks arising from residual value warranties and the marketing of equipment taken back from customers (so-called truck returns).

Business trend

€420 million in long-term lease and rental agreements were concluded in fiscal 2008 (prior year: €367 million). Jungheinrich sales from every third truck in Europe were thus generated through financial service transactions (leases, rentals, etc.). Nearly 70 per cent of the new contract volume was allocable to countries in which Jungheinrich has proprietary leasing companies. By the end of 2008, the volume of contracts on hand in Europe had risen by 11 per cent to approximately 93 thousand trucks (prior year: 84 thousand units). This corresponded to an original value of €1,451 million (prior year: €1,332 million).

Key figures for the financial services business

in million €	2008	2007	2006	2005	2004
Original value of contracts on hand	1,451	1,332	1,175	1,114	1,055
Original value of new contracts	420	367	290	292	266

Refinancing

Financial service contracts on hand were financed in accordance with the principle of matching maturities and interest rates for customer and refinancing contracts. The Financial Services Division's standard group-wide 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. Sufficient lines of credit are at the company's disposal for financing the growing new truck business.

Risk management

The Group has established a stringent risk management system in order to identify and constantly assess Jungheinrich's exposure to risks arising from the financial services business. A pan-European lease agreement database running on SAP ERP software enables the company to record and assess risks arising from financial services agreements, providing the foundation for a consistent risk management system. Besides the refinancing risk described above, the material risks to which the financial services business is exposed are the creditworthiness risk arising from customer receivables and the residual value risk.

Creditworthiness risk

The credit risk relating to customer receivables was kept very low in the last few years. One of the main reasons were the extensive credit checks carried out before concluding the agreements. Credit insurance is taken out in order to cover concentration risks. Furthermore, truck returns prematurely accepted by operating sales units are marketed in cooperation with the Financial Services Division 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.

Residual value risk

The internal residual value guarantee offered by Sales to the Financial Services Division 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 Division, which is assigned to Sales, on the basis of a conservative groupwide standard for maximum allowable residual values. Financial service agreements on hand are subjected to quarterly risk assessments using the lease agreement database from the perspective of the Jungheinrich Group and of the Financial Services Division. This procedure involves establishing the going market price of the residual value of each individual contract. 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.

Accounting treatment of the Financial Services Division

The Financial Services Division is included in the audited consolidated financial statements. It includes the legally independent leasing companies as well as the sets of books presented separately for financial service operations in countries where Jungheinrich does not have legally independent leasing companies.

The balance sheet reflects the continuous expansion of the Financial Services Division. The increase in trucks for lease from financial services 'operating leases' capitalized as fixed assets and the strong growth in receivables from financial services 'finance leases' are due to the rise in customer contracts with Jungheinrich-owned leasing companies. Customer contracts with a third-party company acting as intermediary were down.

The increase in liabilities from financial services stems from the matched-maturity refinancing of the much higher number of operating and finance lease customer contracts.

Asset structure of the Financial Services (FS) Division

in million €	Jungheinrich Group		FS Division [1]	
	Dec. 31, 2008	**Dec. 31, 2007**	**Dec. 31, 2008**	**Dec. 31, 2007**
Tangible and intangible assets	314	287	–	–
Trucks for short-term hire	200	200	–	–
Trucks for lease from financial services	187	166	239	211
Receivables from financial services	460	403	460	403
Trade accounts receivable	395	423	45	26
Inventories	247	243	23	25
Liquid assets and securities	262	251	55 [2]	46 [2]
Prepaid expenses	6	6	–	–
Other assets	108	94	4	5
Balance sheet total	**2,179**	**2,073**	**826**	**716**

1 Before consolidation, i.a. adjustment to Group manufacturing costs.
2 Including other receivables from affiliated companies (intercompany loans).

Capital structure of the Financial Services (FS) Division

in million €	Jungheinrich Group		FS Division	
	Dec. 31, 2008	**Dec. 31, 2007**	**Dec. 31, 2008**	**Dec. 31, 2007**
Shareholders' equity	625	554	13	12
Provisions for pensions and similar obligations	140	164	–	–
Other provisions	150	156	2	1
Financial liabilities	285	290	2	–
Liabilities from financial services	643	541	643	541
Trade accounts payable	117	140	72	63
Deferred income	105	117	77	88
Other liabilities	114	111	17	11
Balance sheet total	**2,179**	**2,073**	**826**	**716**

Earnings position

The Financial Services Division is a service provider that provides support to Jungheinrich's sales operations and is run as a cost centre without aiming to achieve a profit on its own account. The objective established in line with this business policy is reflected in the business area's slightly positive earnings before taxes (EBT) and the rise in financial income.

Income statement of the Financial Services (FS) Division

in million €	Jungheinrich Group		FS Division	
	2008	**2007**	**2008**	**2007**
Net sales	2,145	2,001	362	323
Cost of sales	1,552	1,421	363	318
Other income/expenses	471	440	4	5
Earnings before interest and taxes (EBIT)	**122**	**140**	**– 5**	**0**
Financial income (loss)	–	– 1	8	7
Earnings before taxes (EBT)	**122**	**139**	**3**	**7**
Income taxes	45	57		
Net income	**77**	**82**		

Key financials

Given its assets and associated liabilities, the financial services business exerts significant influence on the Jungheinrich Group's balance sheet structure.

To improve the informational value and comparability of key Group financials to other companies, the key performance indicators determined by creditworthiness and ratings of the Group's financial operations are managed according to the principles and objectives of the 'captive finance' approach. Specifically, the Financial Services Division is excluded from Group figures relating to the capital structure, indebtedness ratio and interest coverage.

Key financials of the Jungheinrich Group

		Jungheinrich Group incl. FS Division		Jungheinrich Group excl. FS Division	
		2008	**2007**	**2008**	**2007**
Equity ratio	%	29	27	44	39
Net financial liabilities [1]	million €	656	566	71	85
Indebtedness ratio [2]	years	2.3	2.1	0.3	0.4
Net interest	million €	0	– 1	– 8	– 8
Interest coverage [3]		942	271	30	29

1 Financial liabilities + liabilities from financial services +/– other liabilities/receivables vis-à-vis affiliated companies and companies accounted for using the equity method – liquid assets and securities.
2 Net financial liabilities : EBITDA.
3 EBITDA : net interest.

Group overview

New energy and efficiency solutions
Logistics systems on the rise
Two new battery-powered counterbalanced trucks presented
Prepared for future growth with Landsberg plant


JUNGHEINRICH

Jungheinrich is a logistics service provider with manufacturing operations, which offers its customers a comprehensive range of forklift trucks, shelving systems, services and advice covering the entire field of intralogistics. In fiscal 2008, the company continued its strategic course for sustainable and profitable growth. Furthermore, Jungheinrich presented future development trends and provided proof of its innovative skills at CeMAT, the world's largest trade show for its sector.

Anyone purchasing products in the field of in-plant logistics expects more than just quality and features. Service and maintenance are of equal importance. Given its positioning as full-liner and intralogistics service provider, Jungheinrich meets these customer requirements precisely. The company backs a complete range of premium-class products and holistic solutions from a one-stop shop with its reputation.

Jungheinrich demonstrates its global commercial clout through its presence in some 100 countries, in 31 of which the company operates its own powerful direct sales and service networks.

Employees

Jungheinrich employed 10,784 people as of December 31, 2008—606 more than a year earlier. Production had a workforce of 2,389 employees, and Sales and Administration had a personnel headcount of 8,395. The after-sales service organization accounted for 45 per cent of the total labour force.

Training

Demands placed on intralogistics rise continuously. They always result in new and ambitious tasks. They present huge opportunities for young adults to learn modern and attractive professions. Jungheinrich has an especially broad spectrum of recognized training occupations. For instance, the Norderstedt production site offers a program for learning the trade of a versatile mechatronics engineer. This activity combines the fields of mechanics and electronics, supplementing them with control and information technology. The plant also offers coveted training occupations such as machine and plant operator, electronic technician and industrial mechanic. Jungheinrich offers applicants a variety of options to receive training in the field of commerce at its corporate headquarters and German sales locations.

Combined vocational training and degree programs in the fields of business management, business information technology and industrial engineering also offer a good point of entry into the company. They are a wonderful way of putting theory in a practical context, while enabling the program participant to obtain an internationally recognized diploma.

1. Providing well-founded training means assuming responsibility
2. Selective service for sophisticated customers
3. Professional project management made by Jungheinrich

Trainees

Promoting tomorrow's talented junior employees today and preparing them to assume managerial positions is the holistic approach pursued by the Jungheinrich Trainee Program. The company-specific training model has an international orientation and offers successful university graduates both job and career prospects at home and abroad. Candidates become familiar with the company at various sites for up to 24 months, laying the cornerstone for their professional careers.

In 2008, eight trainees took up the program, two of whom signed up outside Germany (Russia and Spain). Plans are in place to expand the trainee program in China in 2009.

Talent management

Jungheinrich completely reorganized its management qualification program to meet the mounting demands placed on its executives. Systematic executive resource development under the moniker of 'talent management' identifies, promotes and challenges employees with special skills as well as managers. In the future, important key positions on various management levels can be staffed from within our own ranks by drawing on the resulting talent pool. A total of 31 individuals from eight countries participated in talent management programs in 2008. Moreover, the new talent management system assists in building international networks within the Group, thus ensuring that knowledge is transferred throughout the Jungheinrich organization.

Going Global

Involvement across country borders is the order of the day at Jungheinrich. Moreover, the constant change in the market and competitive environment necessitates international cooperation and networked thinking. Against this backdrop, the company banks on 'Going Global,' a program that sends employees on foreign assignments for periods of up to six months. When at work abroad, they can bring their know-how into play, gain experience, and develop intercultural skills. This results in synergies that boost knowledge transfer over the long term.

An example of this type of cross-fertilization is the 'After-Sales Services Engineer Pool.' This cooperation among technicians was initiated in 2007 and aims to promote the sharing of expertise.

Thanks to our employees

Highly motivated and performance-oriented action by our staff forms the basis for Jungheinrich's commercial success and future development. The company would like to take this opportunity to express its gratitude for their personal commitment. Jungheinrich also thanks the employee special-interest groups in Germany and abroad for their readiness to engage in dialogue and for their cooperation in the spirit of mutual respect.

Employees by function

As of Dec. 31	2008	2007
After-sales service engineers	3,561	3,337
Factory engineers	209	222
Production	1,528	1,480
Sales agents	843	806
Office staff	4,157	3,879
Temporary workers	196	187
Trainees	290	267
Total	10,784	10,178

Technological innovations

Globalization is relentless—a fact that intralogistics providers have had to face for a long time. The economic principle of procurement, production and sales only works if material and product flows are smooth. Organizing and steering such complex processes requires know-how, professionalism and willingness to innovate. Technological developments in the field of logistics are driven by ever-higher demands placed on information and communication systems, mounting energy prices resulting from scarce resources, and growing environmental awareness.

Jungheinrich recognized the sign of the times early on, focussing on energy efficiency and drive technology at CeMAT 2008 in Hanover, Germany, the sector’s lead trade fair. Centre stage was taken by ‘Concept ’08,’ a stacker featuring an entirely new energy storage and drive concept. Technology deployed in the concept truck, a battery-powered drive train fed by lithium-ion batteries, has the potential to become an alternative to drive trains running on hydrogen fuel cells, which are still being researched.

Jungheinrich also injected trend-setting stimulus into the field of radio communications, enabling wireless interaction among material handling equipment, payload carriers and warehouse management systems. The company has developed several ways of uniquely assigning pallets in warehouses. They run the gamut from the automated scanning of a single pallet’s barcode to the sequential automatic detection of multiple pallets using RFID (Radio Frequency Identification) technology. Contactless item identification increases the transparency and efficiency of intralogistics processes.

In addition to these technological trends, Jungheinrich again used Hanover as a forum for demonstrating a host of new features and refinements integrated into its existing offering of warehousing equipment and counterbalanced trucks.

Jungheinrich’s Concept ’08: energy efficiency and ergonomics

The forklift study named ‘Concept ‘08’ showcases new solutions in the fields of energy efficiency and ergonomics. It is a low-platform truck accommodating an operator and a brand-new energy storage and drive concept: Rechargeable lithium-ion batteries mated to a direct drive could improve energy efficiency and supplement the three-phase alternating current technology that comes standard on Jungheinrich forklift trucks today. Energy storage systems based on lithium-ion are batteries doubling the life and tripling the storage capacity of conventional same-size lead batteries. They have short recharge times, enabling their accumulators to regain a full charge in just an hour. This new battery technology will allow for much more compact designs, opening the door to entirely new truck concepts and improved ergonomics. In addition, 'Concept '08' has a highly efficient direct drive with gearless electric motors integrated into the wheels. When combined with the novel battery technology, this drive consumes about 15 per cent less energy compared with conventional battery-powered trucks. By taking this holistic approach, Jungheinrich is working on one of the future's most energy-efficient drive systems.

New reach truck: at home on every ground

Jungheinrich's new ETV C16/20 reach truck has substantial ground clearance and is fitted with superelastic tyres. This makes the forklift particularly suitable for combined hall and yard applications. It can be used on smooth cement floors in warehouses or bumpy asphalt when loading and unloading lorries. In addition, the truck has a space-saving design, making stocking and de-stocking economical in narrow aisles as well. The stacker can hoist loads of up to 1,600 (ETV C16) and 2,000 (ETV C20) kilograms to heights of up to 7.10 and 7.40 metres. Thanks to the resolute refinement of the three-phase alternating current technology used in the truck, it achieves high handling turnover rates with reduced maintenance.

The new ETV C16/20's cockpit offers very ergonomic working conditions. The controls and gauges have been selected, arranged and designed for optimum safety, user friendliness and comfort. The sideways seat arrangement and the appropriate masts on Jungheinrich reach trucks ensure excellent visibility even when transporting heavy loads.

Two strong performers: the new battery-powered counterbalanced trucks

The new EFG 213-220 (three-wheeler) and 316-320 (four-wheeler) front-cabin forklifts are capable of hoisting loads of up to 2,000 kilograms to heights of up to 6.50 metres. They have a maximum velocity of 17 kilometres per hour. Thanks to the use of the latest generation of Jungheinrich's environmentally friendly three-phase alternating current technology, these battery-powered trucks are very efficient and constantly keep consumption down. Their low energy costs are reduced even further as energy is recovered during braking. This eliminates the need for swapping out batteries during most dual-shift stints. Jungheinrich has developed a professional battery management system for single, dual and triple-shift operation. Four user-friendly modes provide comfortable working parameters for every operator. Another characteristic of these two model series is their significantly improved ergonomics. Also debuting in these forklift trucks is an electric steering system. It is easier to operate, requires fewer turns of the steering wheel, and has a smaller steering wheel.

1. Setting trends: the Jungheinrich '08 Concept
2. Jack of all trades: the ETV C16/20 reach truck
3. Efficient: the new 2 and 3 Series battery-powered counterbalanced trucks

Logistics services

Logistics systems

Jungheinrich maintained the successful course the Logistics Systems Division has been charting for years. This involves the company acting as general contractor. The focus lies on tailor-made solutions, be it manual storage systems with warehouse management systems and radio data transmission, fully automated warehousing systems with shelving and material handling equipment or combinations of the two. Jungheinrich provides its customers with end-to-end assistance, from the first consulting session, budgeting and project planning to system integration and maintenance once the systems are up and running. Amongst the project highlights in 2008 were the establishment of a large-scale Jungheinrich DIS (Drive-in System) compact warehousing system for Kühne + Nagel (AG & Co.) KG, a complete logistics system at Deutsche Solar AG, and a sophisticated warehousing and order-picking system for KMS-Group Management GmbH.

Furthermore, Jungheinrich expanded its product range in this business by adding an RFID-based solution. Engineered in-house, the system enables the rapid recording and tracking of palettes transported several deep, as is the case in the beverage industry, for example.

Used equipment

The used equipment sales volume posted another year-on-year rise in 2008. Sales to end customers were a main guarantor of the encouraging business trend. The newly created reconditioning capacities at the Klipphausen site near Dresden (Saxony) and the resolute build-up of as-new truck inventory have ensured that availability at the sales outlets meets the market's demand. Jungheinrich derived substantial competitive advantages from the introduction of uniform processes for returned material handling equipment, centralized fleet coordination, and industrial reconditioning methods. Moreover, this ensures uniform reconditioning and delivery standards.

Short-term hire

Demand for short-term hire equipment in the financial year that just came to a close remained good both in Germany and abroad. This held true for all types of contracts and terms. Accordingly, the expansion of the hire station network was accelerated and the stacker portfolio was expanded. Approximately 26,000 trucks are now available in 29 countries. The centrally organized management of international short-term hire equipment deployment, as at the Olympic Games and major Formula One events, gained in importance significantly.

After-sales services

Customer demands rise incessantly, going hand in hand with the challenge to develop solutions which combine products and services in the best possible manner. The more complex the tailor-made solutions, the more important it is to offer competent and reliable after-sales services. Therefore, Jungheinrich stepped up its activities in this area in fiscal 2008 by adding new services covering such areas as 'batteries and chargers' and 'logistics systems and shelves.'

Furthermore, improvements were made to the spare parts supply infrastructure and after-sales service engineer dispatching in Germany and abroad, and these operations were set up where necessary. Owing to their low cyclical exposure, after-sales services provide much-needed support, especially in times of volatility on the market for new truck business.

Financial services

Demand for financial services remained strong in the period under review. Rental agreements—contracts with various terms, from a few months to as many as ten years—are becoming more important on the market. A strong selling point for concluding this type of agreement is the full service that they offer and is greatly appreciated by customers. In addition, fleet operators value service across countries which Jungheinrich can offer them as a central point of contact for all deployment-related matters. This is why the company is expediting the establishment of new financial service companies. Following Spain last year, plans now envision the foundation of a branch office in the Netherlands in 2009.

Mail-order business

Jungheinrich PROFISHOP grew its business in Germany and Austria considerably. The driver of expansion besides the classical catalogue with over 1,000 pages was the online store, which recorded a fifty per cent rise. Capital expenditures on the Internet portal's design and features achieved the desired success. A large number of customers now covers its need for plant equipment via the www.jh-profishop.de and www.jh-profishop.at websites.

In addition to products from Jungheinrich's core business, i.e. reach trucks and shelves, the market increasingly shops these sites for items falling under the transport, operation, occupational safety and environment categories as well. Jungheinrich PROFISHOP's product portfolio currently encompasses more than 30,000 individual items.

International projects

Keller & Kalmbach: modern logistics centre sets standards

Keller & Kalmbach ranks among Germany's leading wholesale traders for joining and fastening technology, special and drawing parts, manual and power tools as well as assembly products for the automotive, industrial and trade sectors. A specialist for small parts logistics, referred to as 'C parts management,' Keller & Kalmbach employs 500 people and runs branch offices in Germany as well as a number of country organizations, primarily in Eastern Europe.

By building a new warehouse and distribution centre in Hilpoltstein (Bavaria), the company recently completed the most important construction project in its corporate history. Buildings designed to handle the full range of logistics processes were erected on a surface area of 44,000 square metres adjacent to the A9 motorway. Facilities include an order-picking area, an automated small-parts warehouse with a capacity of 161,000 slots and a high-rack pallet warehouse with 37,000 storage positions. These highly dynamic areas are equipped with high-performance shelf-operating devices and state-of-the-art material handling technology. Jungheinrich assisted the customer in the construction of the central warehouse across all stages, from the first material flow advisory session, planning and concept phase to the coordination and organization of all logistical matters during the implementation phase and the handover of the keys to the facility. By commissioning the logistics centre in Hilpoltstein, Keller & Kalmbach succeeded in improving delivery capacity and quality as well as product turnover rates.

Fresh groceries for Moscow with system technology from Jungheinrich

Victorya CJSC, operator of a large distribution centre in the east of the Russian capital, offers logistics services in the foodstuff sector. The company was founded in 1954 and continued to specialize in fruit and vegetable wholesaling after it was privatized in 1992. Besides supplying fresh produce to central parts of Moscow, including the Kremlin, Victorya is active in the storage business and the rental of warehousing space. The company's distribution centre, which is constantly being expanded, can accommodate more than 24,500 pallets on nearly 17,250 square metres. It is divided into four areas of varying capacity and storage temperature. Equipping warehouses to technical specifications of this order is a huge logistical challenge. Therefore, the customer enlisted the services of Jungheinrich as general contractor, seeking to obtain a complete solution for stacking, transporting, storing and order picking. At Victorya, this encompasses material handling equipment, including six EKX 515k high-rack stackers and the entire shelving system.

Feldschlösschen: the new hydrostats for the beverage industry

Feldschlösschen Getränke AG has 14 proprietary beer and sparkling water brands and is Switzerland's leading brewery and largest beverage wholesaler. Headquartered in Rheinfelden (Aargau canton), the company has a labour force of some 1,500 employees working throughout the country. Feldschlösschen operates five manufacturing sites, producing more than 50 types of beverage, 37 of which are beers. Production output amounts to over 3 million hectolitres a year. Since 2000, Feldschlösschen has belonged to Danish-based Carlsberg Breweries and has benefited from the network of the global brewing company.

The Feldschlösschen beverage group's head office is located in Rheinfelden. Architecturally classified as a castle, it has a historic south wing. The factory is easily accessible via the public highway system and has a railroad connection over which it distributes goods to its customers. Feldschlösschen opted for a dozen newly developed diesel-powered, hydrostatic drive-equipped forklifts from Jungheinrich to handle the loading and unloading of lorries as well as containers. Given their outstanding travel comfort and extremely high turnover rates, these trucks are especially well suited to heavy-duty operation with numerous changes in direction typically occurring in the beverage industry. Moreover, by deploying these efficient stackers, Feldschlösschen is making a contribution to reducing CO_2 emissions continuously. The new hydrostats are fitted with powerful carbon particulate filters featuring automatic regeneration and are a convincing proposition, thanks to the low consumption, noise and exhaust emissions of their modern Volkswagen engines.

Production sites

In the financial year that just ended, capital expenditures were primarily earmarked for the expansion of production capacity. Construction work on a new plant for manufacturing battery-powered low-platform trucks in Landsberg near Halle (Saxony-Anhalt) continued as planned. This factory is to reduce the workload of the Norderstedt plant. We will complete this project in 2009.

In addition, a fundamental decision was taken to expand the Moosburg (Bavaria) manufacturing site by adding a new warehousing and system equipment factory. Plans for the new production facility in Degernpoint in the vicinity of Moosburg (Bavaria) envisage a substantial increase in production capacity as well as a further rise in productivity. However, the rollout of this project has been postponed due to the significant clouding of the market for the time being and will be implemented once the economy has experienced a marked recovery.

Located in the immediate vicinity, the main Moosburg plant benefited substantially from the expansion of the mast centre as manufacturing processes were automated further, in order to make the powder unit more environmentally friendly and improve the ergonomics of the assembly lines.

Production of reach truck masts at the Norderstedt site was refined in a similar manner. Commissioning an automated welding unit led to a significant improvement of both productivity and quality. Expansion of powder coating reduced manufacturing throughput times.

1	2
	3

1. Keller & Kalmbach in Germany: growing logistics with Jungheinrich
2. Victorya in Russia: storing food properly
3. Feldschlösschen in Switzerland: power packs quench thirst

Consolidated financial statements


JUNGHEINRICH
HYDROSTATIC DRIVE
JUNGHEINRICH
DFG 425s

Consolidated statement of income

	Notes	2008 in thousand €	2007 in thousand €
Net sales	(3)	**2,145,132**	**2,000,692**
Cost of sales	(4)	1,552,493	1,420,982
Gross profit on sales		**592,639**	**579,710**
Selling expenses		399,339	368,847
Research and development costs	(12)	42,131	39,936
General administrative expenses		27,530	28,771
Other operating income	(7)	16,299	7,141
Other operating expenses	(8)	17,766	12,382
Income from companies accounted for using the equity method		– 812	2,599
Other net income (loss) from investments	(9)	407	–
Earnings before interest and income taxes		**121,767**	**139,514**
Financial income (loss)	(10)	– 310	– 1,012
Earnings before taxes		**121,457**	**138,502**
Income taxes	(11)	44,731	56,910
Net income		**76,726**	**81,592**
Earnings per share in € (diluted/undiluted)	(38)	**2.26**	**2.40**

Consolidated balance sheet

Assets

		Dec. 31, 2008	Dec. 31, 2007
	Notes	in thousand €	in thousand €
Non-current assets			
Intangible assets	(12)	39,907	42,570
Tangible assets	(13)	274,459	244,386
Trucks for short-term hire	(14)	200,000	200,405
Trucks for lease from financial services	(15)	187,242	166,155
Investments in companies accounted for using the equity method	(16)	10,684	12,221
Other financial assets	(16)	576	572
Trade accounts receivable	(18)	9,836	9,003
Receivables from financial services	(19)	328,658	288,126
Other receivables and other assets	(20)	178	86
Prepaid expenses	(23)	329	–
Deferred tax assets	(11)	47,025	49,889
		1,098,894	**1,013,413**
Current assets			
Inventories	(17)	246,892	243,282
Trade accounts receivable	(18)	385,347	413,523
Receivables from financial services	(19)	131,206	114,392
Income tax receivables		6,617	4,206
Other receivables and other assets	(20)	42,270	26,699
Securities	(21)	63,455	–
Liquid assets	(22)	198,061	250,923
Prepaid expenses	(23)	6,272	6,472
		1,080,120	**1,059,497**
		2,179,014	**2,072,910**

Consolidated balance sheet

Shareholders' equity and liabilities

	Notes	Dec. 31, 2008 in thousand €	Dec. 31, 2007 in thousand €
Shareholders' equity	(24)		
Subscribed capital		102,000	102,000
Capital reserve		78,385	78,385
Retained earnings		420,474	362,398
Accumulated other comprehensive income (loss)		24,188	10,888
		625,047	**553,671**
Non-current liabilities			
Provisions for pensions and similar obligations	(25)	140,151	163,775
Other non-current provisions	(26)	42,368	45,000
Deferred tax liabilities	(11)	27,902	26,621
Financial liabilities	(27)	149,615	144,287
Liabilities from financial services	(28)	465,496	390,257
Deferred income	(31)	67,797	73,836
		893,329	**843,776**
Current liabilities			
Income tax liabilities		15,994	16,643
Other current provisions	(26)	107,773	111,349
Financial liabilities	(27)	135,032	146,001
Liabilities from financial services	(28)	177,674	150,964
Trade accounts payable	(29)	116,895	140,331
Other liabilities	(30)	70,237	66,817
Deferred income	(31)	37,033	43,358
		660,638	**675,463**
		2,179,014	**2,072,910**

Consolidated statement of cash flows

	2008 in thousand €	2007 in thousand €
Net income	76,726	81,592
Depreciation and amortization of tangible and intangible assets	44,667	40,195
Depreciation of trucks for short-term hire and lease	125,570	95,316
Write-downs of financial assets	–	8
Changes in provisions	– 29,832	9,639
Changes in trucks for short-term hire and trucks for lease (excl. depreciation)	– 163,693	– 155,445
Other non-cash changes in income and expenses	–	4,883
Income/loss from the disposal of tangible and financial as well as intangible assets	1	347
Results from equity accounting	1,537	– 368
Changes in deferred tax assets and liabilities	4,146	13,514
Changes in other balance sheet items		
Inventories	– 3,610	– 26,275
Trade accounts receivable	27,343	– 45,518
Receivables from financial services	– 57,346	– 62,896
Trade accounts payable	– 23,436	17,579
Liabilities from financial services	101,949	117,896
Liabilities from financing trucks for short-term hire	32,068	13,118
Other operating assets	15,213	4,694
Other operating liabilities	– 19,369	– 1,080
Cash flows from operating activities	**131,934**	**107,199**
Payments for investments in tangible and intangible assets	– 79,380	– 62,068
Proceeds from the disposal of tangible and intangible assets	4,463	2,074
Proceeds from the disposal of financial assets	407	–
Payments for the purchase/proceeds from the sale of securities	– 63,455	37
Cash flows from investing activities	**– 137,965**	**– 59,957**
Dividends paid	– 18,640	– 17,280
Changes in short-term liabilities due to banks	– 21,754	– 19,909
Proceeds from obtaining long-term financial loans	4,242	6,930
Repayment of long-term financial loans	– 10,432	– 6,212
Cash flows from financing activities	**– 46,584**	**– 36,471**
Net cash changes in cash and cash equivalents	**– 52,615**	**10,771**
Changes in cash and cash equivalents due to changes in exchange rates and the basis of consolidation	– 2,489	4,679
Changes in cash and cash equivalents	**– 55,104**	**15,450**
Cash and cash equivalents as of January 1	**250,923**	**235,473**
Cash and cash equivalents as of December 31	**195,819**	**250,923**

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

in thousand €	2008	2007
Interest paid	45,920	36,922
Interest received	39,421	32,963
Income taxes paid	36,978	42,475

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 January 1, 2008	**102,000**	**78,385**	**362,398**	**9,350**	**1,538**	**553,671**
Currency translation adjustment	–	–	–	8,080	–	8,080
Dividend for the prior year	–	–	– 18,640	–	–	– 18,640
Net income 2008	–	–	76,726	–	–	76,726
Other changes	–	–	– 10	–	5,220 [1]	5,210
As of December 31, 2008	**102,000**	**78,385**	**420,474**	**17,430**	**6,758**	**625,047**
As of January 1, 2007	**102,000**	**78,385**	**301,648**	**3,708**	**– 877**	**484,864**
Currency translation adjustment	–	–	–	5,642	–	5,642
Dividend for the prior year	–	–	– 17,280	–	–	– 17,280
Net income 2007	–	–	81,592	–	–	81,592
Other changes	–	–	– 3,562	–	2,415	– 1,147
As of December 31, 2007	**102,000**	**78,385**	**362,398**	**9,350**	**1,538**	**553,671**

1 After netting out €234 thousand in taxes allocable to the gross amount (prior year: € – 169 thousand).

The consolidated statement of changes in the Group's 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 systems.

The main production pool still consists of the plants in Norderstedt, Moosburg and Lüneburg (all of which are located in Germany). Battery-powered low-platform trucks will be manufactured in the newly built plant in Landsberg (Germany) from the middle of 2009 onwards. Battery-powered pallet trucks for the East Asian market are manufactured in the factory in Qingpu/Shanghai (China). 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 and service companies in other European countries. Further foreign companies are located in Brazil, China, Singapore, Thailand, and in the USA. In addition, overseas, Jungheinrich products are distributed via local dealers.

(2) Accounting principles

Basis

Jungheinrich AG prepared consolidated financial statements for the financial year ending on December 31, 2008, 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, 2008, were approved for publication by the Board of Management on March 5, 2009.

Consolidation

Subsidiaries that are under the legal or factual control of Jungheinrich Aktiengesellschaft, 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.

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. 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 investment's carrying amount.

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.

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

		Exchange rate at the balance sheet date		Annual average exchange rate	
		Dec. 31, 2008	Dec. 31, 2007	2008	2007
Currency	Basis €1				
GBP		0.95250	0.73335	0.79628	0.68434
CHF		1.48500	1.65470	1.58740	1.64270
PLN		4.15350	3.59350	3.51210	3.78370
NOK		9.75000	7.95800	8.22370	8.01650
SEK		10.87000	9.44150	9.61520	9.25010
DKK		7.45060	7.45830	7.45600	7.45060
CZK		26.87500	26.62800	24.94600	27.76600
TRY		2.14880	1.71700	1.90640	1.78650
RUB		41.28300	35.98600	36.42070	35.01830
HUF		266.70000	253.73000	251.51000	251.35000
CNY		9.49560	10.75240	10.22360	10.41780
USD		1.39170	1.47210	1.47080	1.37050

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 resale 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 item's 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 expenses and uncapitalizable development costs are stated affecting net income in the period in which they are incurred.

Earnings per share

Earnings per share are based on the average number of shares outstanding during a fiscal year. In the 2008 and 2007 fiscal years, no shareholders' equity instruments diluted the earnings per share on the basis of shares issued.

Intangible and tangible assets

Purchased intangible assets are measured at acquisition costs and reduced by straight-line amortization over their useful lives of 3 to 8 years insofar as their useful lives are limited.

Development costs are capitalized as manufacturing costs 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. Manufacturing costs comprise all costs directly allocable to the development process, including development-related overheads. From the beginning of production onwards, capitalized development costs 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. Goodwill stemming from the acquisition of companies accounted for using the equity method is included in the carrying amount of investments in companies accounted for using the equity method.

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. Borrowing costs are not capitalized. 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.

Valuation allowances 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 the higher of the fair value of the asset less selling costs and the useful value, which is the estimated discounted 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 previous 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

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 estimated anew taking the latest findings regarding the development of the fair value of certain product groups into account and 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 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, trucks for lease are also 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 four following categories:

- Loans and receivables as well as 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 and companies accounted for using the equity method.

Securities classified as 'held-to-maturity financial investments' are accounted for at the lower of amortized acquisition costs using the effective interest method and fair value.

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 bonuses, discounts and 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 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 recognized at equity, are accounted for using the equity method.

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 result.

Derivative financial instruments not meeting hedge accounting criteria are stated at their fair value and recognized as other current assets or other liabilities. Gains and losses from these derivative financial instruments resulting from fair valuation are directly recognized in the result.

Liquid assets

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

Inventories

Inventories are measured at acquisition cost or manufacturing cost or at lower net realizable value ('Lower of cost and 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. Borrowing costs are not capitalized. 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-down 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.

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 biometric accounting 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.

Furthermore, provisions have been accrued for claims of employees which fall due according to national regulations after the employees in question leave the company as well as for other short or long-term employee benefits. Obligations are accounted for in compliance 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.

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.

The global financial crisis began to affect the world economy in the 2008 reporting period, accelerating the economic downturn witnessed the world over in the second half of 2008, which led to a recession in a number of regions. This was the reason the material handling equipment industry lost momentum, experiencing a massive year-on-year collapse in the fourth quarter of 2008.

As evidenced once again by the first two months of 2009, the size of the material handling equipment, warehousing and material flow technology markets of relevance to Jungheinrich can be expected to be much smaller overall in fiscal 2009 compared with the year under review. The unusually weak economic development will also have an impact on the short-term hire and used equipment business, albeit to a slightly lesser extent. However, the high proportion of services from a single source with fairly stable shares of sales is the Jungheinrich business model’s special strength, which the company demonstrates especially in recessionary phases.

When material assets of the Jungheinrich Group were tested for impairment against the backdrop of a planned withdrawal from service with a corresponding marketing risk in 2009, an impairment loss was recognized for the residual carrying amounts of the short-term hire fleet capitalized as of December 31, 2008. Furthermore, an impairment loss was recognized for material non-current assets in countries with extremely poor market environments at present.

Unforeseen developments may cause the actual business trend to deviate from expectations, which are based on assumptions and estimates made by Jungheinrich company management. It is impossible to make a reliable prognosis of the economic development beyond the 2009 financial year.

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 endorsed by the EU

The IASB issued the amendment standard (Improvements to IFRSs) in May 2008. In addition to amendments of rather terminological and editorial nature, this standard contains numerous changes to existing IFRS standards. These amendments largely become effective for fiscal years starting on January 1, 2009, or thereafter. Jungheinrich does not expect the application of the revised standards to have a material effect on the consolidated financial statements.

New accounting regulations not yet endorsed by the EU

In January 2008, the IASB published the revised standards IFRS 3 (Business Combinations) and IAS 27 (Consolidated and Separate Financial Statements).

The new policies included in IFRS 3 primarily relate to the measurement of minority interests, the recognition of future company acquisitions and the treatment of conditional purchase price components as well as ancillary purchasing costs. According to the new rules, minority interests can be measured at fair value (full goodwill method) or at the fair value of identifiable prorated net assets. Successive company acquisitions are remeasured at the fair value of the shares held at the time of the change of control with an effect on net income. In the future, adjustments to conditional purchase price components stated as liabilities at the time of the acquisition will be recognized with an effect on net income. Ancillary purchasing costs are recognized as an expense when they are accrued.

Material amendments to IAS 27 relate to the accounting treatment of transactions where a company retains or loses control. Transactions that do not result in a loss of control are recognized in equity without an effect on profit or loss. Remaining shares are measured at fair value at the time of the loss of control.

These two revised standards become effective for fiscal years starting on July 1, 2009, or thereafter. Jungheinrich does not expect the application of these revised standards to have a material impact on the consolidated financial statements.

The IASB issued the IFRIC 16 (Hedges of a Net Investment in a Foreign Operation) interpretation in July 2008. This interpretation supplements the IAS 39 (Financial Instruments) standard, which only contains guidelines for accounting for hedges, with concrete pointers on how to proceed when hedging net investments. The application of IFRIC 16 becomes effective for the first time for financial years starting on October 1, 2008, or thereafter. At present, Jungheinrich cannot identify any cases of application that would result in a change in the Group's existing hedging strategy.

Basis of consolidation

The parent company Jungheinrich Aktiengesellschaft, Hamburg, and all its subsidiaries are included in the consolidated financial statements. The basis of consolidation was enlarged over the previous year and now encompasses 43 (prior year: 43) foreign and 13 (prior year: 12) domestic companies. Three companies have been stated on the balance sheet in accordance with the equity method.

The full list of Jungheinrich Aktiengesellschaft's shareholdings is disclosed separately.

Changes in the basis of consolidation

In the second quarter of 2008, Jungheinrich Landsberg AG & Co. KG, Landsberg, was established in Germany for the production of battery-powered low-platform trucks.

Jungheinrich Fleet Services S.L. and Jungheinrich Rental S.L., Abrera/Barcelona (Spain), were founded in the third quarter of 2008 to expand the Spanish financial services business.

The first-time consolidation of all newly established companies did not result in any differences.

After the sale of the shares in Boss Manufacturing Ltd., Leighton Buzzard (UK), to Jungheinrich UK Holdings Ltd., Milton Keynes (UK), in the third quarter of 2008, Boss UK Holding Company Ltd., Leighton Buzzard (UK), which acted as a holding company until then and is currently in liquidation, was removed from the basis of consolidation as of September 30, 2008. The €2,308 thousand in currency translation adjustment items of the removed company recognized without an effect on net income until then were recognized with an effect on expenses as part of the Group's other operating expenses within the scope of the deconsolidation.

Following the intragroup sale of the shares in Jungheinrich Finance S.A.S. to Jungheinrich Financial Services S.A.S., both Vélizy-Villacoublay (France), in the fourth quarter of 2008, Jungheinrich Finance S.A.S. was folded into the parent company Jungheinrich Financial Services S.A.S., Vélizy-Villacoublay (France), as of December 31, 2008.

Notes to the consolidated statement of income

(3) Net sales

Net sales are generated from the following business areas:

in thousand €	2008	2007
New truck business	1,209,340	1,109,541
Income from short-term hire, sale of used equipment	331,376	310,356
After-sales services	604,416	580,795
	2,145,132	**2,000,692**

(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 €1,165,509 thousand (prior year: €1,070,182 thousand).

The cost of materials contains currency gains and losses amounting to €15,723 (prior year: €4,427) and € 18,171 thousand (prior year: €6,443 thousand) stemming from purchases made in foreign currencies.

(5) Personnel expenses

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

in thousand €	2008	2007
Wages and salaries	476,009	451,972
Social security contributions	101,299	95,816
Costs for pensions and other benefits		
Defined benefit plans	15,128	14,086
Defined contribution plans	1,265	1,285
Other costs for pensions and other benefits	1,155	1,221
	594,856	**564,380**

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

	2008	2007
Hourly-paid employees	5,317	5,028
Salaried employees	4,979	4,632
Trainees and apprentices	259	247
	10,555	**9,907**

(6) Depreciation and amortization

Depreciation and amortization are shown in the development of intangible assets, tangible assets, trucks for short-term hire and lease, and other financial assets. All the depreciation and amortization is included in the functional costs.

(7) Other operating income

Other operating income includes €7,390 thousand (prior year: €1,423 thousand) in currency gains from financing in foreign currency and €816 thousand (prior year: €755 thousand) in income from the disposal of tangible and intangible assets.

Other operating income earned in 2007 included €1,203 thousand in income from the first-time inclusion of affiliated companies.

(8) Other operating expenses

Other operating expenses in the year under review include €10,823 thousand (prior year: €903 thousand) in losses from financing in foreign currency and €1,224 thousand (prior year: €1,102 thousand) in losses from the disposal of tangible and intangible assets.

Other operating expenses incurred in 2008 include expenses associated with the deconsolidation of Boss UK Holding Company Ltd., Leighton Buzzard (UK), totalling €2,308 thousand. The notes on the changes in the basis of consolidation provide further related information.

Other operating expenses in 2007 included €6,086 thousand in expenses associated with the first-time inclusion of affiliated companies.

(9) Other net income (loss) from investments

Other net income from investments in the year under review includes income from winding up four inactive non-consolidated German sales companies.

(10) Financial income (loss)

in thousand €	**2008**	**2007**
Interest and similar income	40,085	32,963
Interest and similar expenses	40,395	33,977
Income from securities and loans	–	2
	– 310	**– 1,012**

In the year under review, the financial services business generated € 29,693 thousand in interest income (prior year: €23,668 thousand) and incurred €22,387 thousand in interest expenses (prior year: €16,542 thousand).

(11) Income taxes

The Group's income tax breaks down as follows:

in thousand €	**2008**	**2007**
Current taxes		
Germany	21,464	27,757
Other countries	19,449	14,208
Deferred taxes		
Germany	2,988	10,420
Other countries	830	4,525
	44,731	**56,910**

The reduction in the effective tax expense in Germany is primarily due to the decrease in the overall income tax rate for 2008 to 30.0 per cent (prior year: 38.7 per cent). In Germany, the deferred tax expense was much lower than in 2007 because the consequences of the reduction in the tax rate for deferred tax items had to be recognized as early as the end of 2007.

The domestic corporate income tax rate for fiscal 2008 was 15.0 per cent (prior year: 25.0 per cent) plus the solidarity surcharge of 5.5 per cent (prior year: 5.5 per cent) of the corporate income tax burden. Including the trade tax, which stopped affecting the corporate tax payment when the German corporate tax reform was adopted in 2008, the total tax rate was about 30.0 per cent (prior year: 38.7 per cent).

The applied local income tax rates for foreign companies varied between 12.5 per cent (prior year: 12.5 per cent) and 35.0 per cent (prior year: 40.0 per cent).

As of December 31, 2008, the Group had about €118 million in corporate tax loss carryforwards (prior year: €146 million) and about €7 million in trade tax loss carryforwards (prior year: €7 million) on its books. The loss carryforwards can largely be carried forward without limitations. The reduction is primarily due to the usage of losses in Germany, the UK and France. €22.1 million (prior year: €23.8 million) in valuation allowances were recognized for deferred tax assets for these loss carryforwards.

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 about €4.6 million (prior year: income of 3.0 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 the accounting and valuation differences in the following balance sheet items:

in thousand €	Dec. 31, 2008	Dec. 31, 2007
Tangible and intangible assets	87,191	69,959
Inventories	6,289	6,413
Receivables	7,669	2,548
Tax loss carryforwards	36,910	46,678
Provisions for pensions	6,844	6,646
Other provisions	13,376	11,041
Liabilities	213,994	176,472
Deferred income	16,637	22,776
Other	10,721	8,170
Valuation allowances	(26,337)	(25,383)
Deferred tax assets	**373,294**	**325,320**
Tangible and intangible assets	76,554	82,224
Inventories	5,273	5,199
Receivables	207,527	171,536
Provisions for pensions	–	4,851
Other provisions	1,556	483
Liabilities	62,506	37,097
Other	755	662
Deferred tax liabilities	**354,171**	**302,052**
Net deferred taxes	**19,123**	**23,268**

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

in thousand €	Dec. 31, 2008	Dec. 31, 2007
Deferred tax assets	47,025	49,889
Deferred tax liabilities	27,902	26,621
Net deferred taxes	**19,123**	**23,268**
thereof: netting against shareholders' equity	(78)	(312)

The following table shows the reconciliation from the expected tax expenses to the disclosed tax expenses. The expected tax expenses reported are the sum resulting from applying the overall tax rate of 30.0 per cent (prior year: 38.7 per cent) applicable to the parent company to consolidated earnings before income taxes.

in thousand €	2008	2007
Expected tax expenses	36,438	53,600
Change in the tax rate	1,469	2,928
Foreign tax differentials	– 1,950	– 4,338
Change in valuation allowances	7,545	265
Non-deductible operating expenses and tax-free gains	3,118	2,605
Other	– 1,889	1,850
Actual income tax expense	**44,731**	**56,910**

In 2008, the Group's tax quota was 36.8 per cent (prior year: 41.1 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 As of January 1, 2007	**21,944**	**63,348**	**6,181**	**91,473**
Changes in currency exchange rates	– 294	–	–	– 294
Additions	2,541	5,459	–	8,000
Disposals	949	4,274	–	5,223
Transfers	145	–	–	145
As of December 31, 2008	**23,387**	**64,533**	**6,181**	**94,101**
Amortization As of January 1, 2008	**17,948**	**29,672**	**1,283**	**48,903**
Changes in currency exchange rates	– 279	–	–	– 279
Amortization in the fiscal year	1,910	8,549	–	10,459
Accumulated amortization on disposals	615	4,274	–	4,889
As of December 31, 2008	**18,964**	**33,947**	**1,283**	**54,194**
Carrying amount December 31, 2008	**4,423**	**30,586**	**4,898**	**39,907**

In the previous year, intangible assets developed as follows:

in thousand €	Licenses and software	Capitalized development costs	Goodwill	**Total**
Acquisition and manufacturing costs As of January 1, 2007	**21,077**	**53,424**	**6,181**	**80,682**
Changes in currency exchange rates	– 54	–	–	– 54
Changes in the basis of consolidation	745	–	–	745
Additions	2,161	9,924	–	12,085
Disposals	2,057	–	–	2,057
Transfers	72	–	–	72
As of December 31, 2007	**21,944**	**63,348**	**6,181**	**91,473**
Amortization As of January 1, 2007	**17,330**	**20,782**	**1,283**	**39,395**
Changes in currency exchange rates	– 41	–	–	– 41
Changes in the basis of consolidation	639	–	–	639
Amortization in the fiscal year	1,867	8,890	–	10,757
Accumulated amortization on disposals	1,847	–	–	1,847
As of December 31, 2007	**17,948**	**29,672**	**1,283**	**48,903**
Carrying amount December 31, 2007	**3,996**	**33,676**	**4,898**	**42,570**

€2,541 thousand in additions to the item 'Licenses and software' of the year under review primarily relate to software purchased from third parties.

€3,015 thousand of the carrying amount of goodwill as of December 31, 2008, is allocable to the sales company in Dublin (Ireland), €1,772 thousand to the sales company in Vienna (Austria), and €111 thousand to other foreign companies.

Impairment tests carried out on goodwill were based on future estimated discounted cash flows derived from the multi-year budget. Impairment tests performed on goodwill in 2008 did not result in impairment losses.

In the year under review, development costs totalling €5,459 thousand (prior year: €9,924 thousand) met the capitalization criteria under IFRS.

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

in thousand €	**2008**	**2007**
Research costs and uncapitalized development costs	33,582	31,046
Amortization of capitalized development costs	8,549	8,890
	42,131	**39,936**

(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	Construction in progress	**Total**
Acquisition and manufacturing costs					
As of January 1, 2008	**212,926**	**78,221**	**149,748**	**7,244**	**448,139**
Changes in currency exchange rates	– 1,701	– 339	– 1,901	42	– 3,899
Additions	6,291	8,205	19,142	37,764	71,402
Disposals	3,144	1,118	9,302	39	13,603
Transfers	18,632	3,669	3,504	– 25,950	– 145
As of December 31, 2008	**233,004**	**88,638**	**161,191**	**19,061**	**501,894**
Depreciation					
As of January 1, 2008	**62,483**	**43,605**	**97,665**	**–**	**203,753**
Changes in currency exchange rates	– 172	– 165	– 1,148	–	– 1,485
Depreciation in the fiscal year	6,443	9,390	18,375	–	34,208
Accumulated depreciation on disposals	194	903	7,944	–	9,041
As of December 31, 2008	**68,560**	**51,927**	**106,948**	**–**	**227,435**
Carrying amount December 31, 2008	**164,444**	**36,711**	**54,243**	**19,061**	**274,459**

In the previous 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	Construction in progress	**Total**
Acquisition and manufacturing costs					
As of January 1, 2007	**218,447**	**69,452**	**140,358**	**5,723**	**433,980**
Changes in currency exchange rates	– 622	– 102	– 461	10	– 1,175
Changes in the basis of consolidation	900	313	2,954	103	4,270
Additions	5,420	8,448	18,560	17,581	50,009
Disposals	15,191	6,108	17,574	–	38,873
Transfers	3,972	6,218	5,911	– 16,173	– 72
As of December 31, 2007	**212,926**	**78,221**	**149,748**	**7,244**	**448,139**
Depreciation					
As of January 1, 2007	**70,726**	**41,123**	**97,765**	**–**	**209,614**
Changes in currency exchange rates	– 147	– 52	– 296	–	– 495
Changes in the basis of consolidation	81	73	1,272	–	1,426
Depreciation in the fiscal year	5,825	8,145	15,468	–	29,438
Accumulated depreciation on disposals	14,002	5,684	16,544	–	36,230
As of December 31, 2007	**62,483**	**43,605**	**97,665**	**–**	**203,753**
Carrying amount December 31, 2007	**150,443**	**34,616**	**52,083**	**7,244**	**244,386**

Tangible assets include €32,546 thousand (prior year: €33,919 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 €1,006 thousand (prior year: €804 thousand).

In the year under review, land and buildings were put up as mortgage to back €35,159 thousand (prior year: €42,323 thousand) in liabilities due to banks.

Depreciation of factory and office equipment in fiscal 2008 include impairment losses of €1,287 thousand (prior year: €- thousand) resulting from the impairment test performed on these tangible assets. The valuation allowances have been recognized in the selling expenses.

(14) Trucks for short-term hire

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

in thousand €	2008	2007
Acquisition and manufacturing costs As of January 1	**302,491**	**227,147**
Changes in currency exchange rates	– 13,717	– 1,070
Changes in the basis of consolidation	–	18,360
Additions	123,352	125,547
Disposals	78,641	67,493
As of December 31	**333,485**	**302,491**
Depreciation As of January 1	**102,086**	**77,979**
Changes in currency exchange rates	– 5,741	– 685
Changes in the basis of consolidation	–	5,750
Depreciation in the fiscal year	74,988	52,431
Accumulated depreciation on disposals	37,848	33,389
As of December 31	**133,485**	**102,086**
Carrying amount December 31	**200,000**	**200,405**

The fleet includes leased trucks for short-term hire with an aggregate value of €3,793 thousand (prior year: €14,604 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 €1,827 thousand (prior year: €4,883 thousand).

Depreciation of trucks for short-term hire in fiscal 2008 include impairment losses of €8,847 thousand (prior year: € –thousand) resulting from the impairment test performed on them. The depreciation has been recognized in the cost of sales.

Trucks for short-term hire with a total carrying amount of €50,446 thousand (prior year: €18,913 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 previous year:

in thousand €	2008	2007
Acquisition and manufacturing costs **As of January 1**	**262,729**	**239,433**
Changes in currency exchange rates	– 14,431	– 3,725
Additions	103,652	92,848
Disposals	67,477	65,827
As of December 31	**284,473**	**262,729**
Depreciation **As of January 1**	**96,574**	**92,085**
Changes in currency exchange rates	– 4,966	– 1,415
Depreciation in the fiscal year	50,582	42,885
Accumulated depreciation on disposals	44,959	36,981
As of December 31	**97,231**	**96,574**
Carrying amount December 31	**187,242**	**166,155**

Trucks for lease from financial services are classified as follows:

in thousand €	Dec. 31, 2008	Dec. 31, 2007
'Operating lease' contracts with customers	115,434	80,609
Contracts concluded with a leasing company acting as an intermediary	71,808	85,546
	187,242	**166,155**

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.

Trucks for lease with a residual carrying amount of €43,916 thousand (prior year: €31,457 thousand) have been pledged as collateral for the underlying liabilities from financial services within the scope of the sale of future lease payments from intragroup usage right agreements.

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

in thousand €	Dec. 31, 2008	Dec. 31, 2007
Due within less than one year	42,479	29,626
Due in one to five years	77,589	46,168
Due in more than five years	383	57
	120,451	**75,851**

Trucks for lease with a carrying amount of €18,657 thousand (prior year: €16,285 thousand) are financed based on sale and leaseback agreements. Future minimum lease payments from sub-lease arrangements total €17,763 thousand (prior year: €12,414 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:

		Other financial assets		
in thousand €	**Investments in companies accounted for using the equity method**	Investments in affiliated companies	Other loans	**Total**
Acquisition costs As of January 1, 2008	**12,221**	**604**	**135**	**739**
Additions	–	–	4	4
Disposals	1,537	129	–	129
As of December 31, 2008	**10,684**	**475**	**139**	**614**
Depreciation As of January 1, 2008	**–**	**129**	**38**	**167**
Accumulated depreciation on disposals	–	129	–	129
As of December 31, 2008	**–**	**–**	**38**	**38**
Carrying amount December 31, 2008	**10,684**	**475**	**101**	**576**

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

		Other financial assets		
in thousand €	**Investments in companies accounted for using the equity method**	Investments in affiliated companies	Other loans	**Total**
Acquisition costs As of January 1, 2007	**11,853**	**8,204**	**135**	**8,339**
Changes in the basis of consolidation	–	– 7,600	–	– 7,600
Additions	368	–	–	–
As of December 31, 2007	**12,221**	**604**	**135**	**739**
Depreciation As of January 1, 2007	**–**	**5,878**	**30**	**5,908**
Depreciation in the fiscal year	–	–	8	8
Accumulated depreciation on disposals	–	– 5,749	–	– 5,749
As of December 31, 2007	**–**	**129**	**38**	**167**
Carrying amount December 31, 2007	**12,221**	**475**	**97**	**572**

The following is an overview of material investments in companies accounted for using the equity method:

		Carrying amounts	
in thousand €	Share in %	Dec. 31, 2008	Dec. 31, 2007
JULI Motorenwerk s.r.o., Czech Republic	50	5,658	6,773
Supralift GmbH & Co. KG, Germany	50	133	99
Ningbo Ruyi Joint Stock Co. Ltd., China	25	4,868	5,324

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

	2008		2007	
in thousand €	Joint ventures	Associated companies	Joint ventures	Associated companies
Assets	19,797	8,660	24,380	8,102
Liabilities	13,871	4,702	15,754	4,001
Net sales	47,358	15,338	45,946	15,242
Net income	– 1,081	269	1,335	1,264

(17) Inventories

in thousand €	Dec. 31, 2008	Dec. 31, 2007
Raw materials and supplies	48,581	58,163
Work in process	14,948	15,362
Finished goods	70,698	75,686
Merchandise	62,925	48,287
Spare parts	35,278	36,614
Advance payments	14,462	9,170
	246,892	**243,282**

€20,934 thousand (prior year: €19,247 thousand) of the inventories are measured at their net realizable value. Valuation allowances recognized for inventories as of the balance sheet date amounted to €27,174 thousand (prior year: €27,796 thousand).

(18) Trade accounts receivable

in thousand €	Dec. 31, 2008	Dec. 31, 2007
Trade accounts receivable	406,942	432,330
Valuation allowances	– 11,759	– 9,804
	395,183	**422,526**

Trade accounts receivable include notes receivable in the amount of €10,378 thousand (prior year: €15,648 thousand). Notes receivable in the amount of €266 thousand (prior year: €6,823 thousand) presented for a discount were not deleted from the accounts since the credit risk at the balance sheet date remained with Jungheinrich. The underlying notes payable are disclosed under financial liabilities.

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

in thousand €	2008	2007
Valuation allowances at the beginning of the year	9,804	10,671
Changes in currency exchange rates	– 195	– 108
Changes in the basis of consolidation	–	142
Utilizations	2,582	4,183
Releases	544	2,544
Additions	5,276	5,826
Valuation allowances at the end of the year	**11,759**	**9,804**

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 €	Dec. 31, 2008	Dec. 31, 2007
Less than 30 days overdue	51,671	67,552
Between 30 and 60 days overdue	20,405	20,851
Between 61 and 90 days overdue	6,030	9,506
Between 91 and 180 days overdue	5,398	6,599
More than 180 days overdue	700	954
Total overdue trade accounts receivable, for which no valuation allowances were recognized	**84,204**	**105,462**

As of the balance sheet date, no valuation allowances had been made for €293,379 thousand in trade accounts receivable (prior year: €293,736 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 €	Dec. 31, 2008	Dec. 31, 2007
Total minimum lease payments receivable	**525,340**	**456,463**
due within less than one year	158,324	136,316
due in one to five years	354,974	309,122
due in more than five years	12,042	11,025
Present value of minimum lease payments receivable	**459,864**	**402,518**
due within less than one year	131,206	114,392
due in one to five years	317,225	277,664
due in more than five years	11,433	10,462
Unearned interest income	**65,476**	**53,945**

Receivables from financial services include minimum lease payments from sublease arrangements amounting to €119,112 thousand (prior year: €121,733 thousand).

Receivables from financial services with a carrying amount of €251,308 thousand (prior year: €210,722 thousand) have been put up as collateral for the associated liabilities from financial services within the scope of the sale of future leasing rates from intragroup usage right agreements.

(20) Other receivables and other assets

in thousand €	Dec. 31, 2008	Dec. 31, 2007
Receivables from other taxes	17,389	15,171
Derivative financial assets	12,931	2,097
Receivables from loans and advances granted to employees	824	775
Other receivables from affiliated companies	2	–
Other receivables from companies accounted for using the equity method	–	182
Other assets	11,302	8,560
	42,448	**26,785**

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

As of the balance sheet date, securities comprised promissory note bonds and bearer debenture bonds totalling €63,455 thousand (prior year: €- thousand) which Jungheinrich intends to and is capable of holding to maturity. All of the securities mature in 2009 and German local authorities are directly or indirectly liable for them. The impairment test carried out on the securities did not reveal any long-term impairments.

(22) Liquid assets

Liquid assets include bank balances, cash balances, and checks. They have an original maturity of three months or less.

(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. The preferred shares do not bear voting rights and have preferential dividend privileges.

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.

The following transactions are reflected in other changes in retained earnings of the year under review.

The existing pension plans of Jungheinrich AG, Hirschthal (Switzerland) totalling €2,262 thousand were covered by the Group's provisions for pensions for the first time in 2007. Net of taxes, this addition resulted in a €1,732 thousand charge against retained earnings.

Due to the first-time inclusion of eleven foreign sales companies in the basis of consolidation effective January 1, 2007, €1,830 thousand net of taxes allocable to the consolidation measures were offset against the Group's retained earnings.

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 €20,266 thousand distributable profit for the 2008 financial year to pay a dividend of €0.49 per ordinary share and €0.55 per preferred share, amounting to a total dividend payment of €17,620 thousand, and transfer €2,646 thousand to other retained earnings.

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 these 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 notes receivable, liquid assets and securities, plus the balance of other liabilities and receivables to affiliated companies and companies accounted for using the equity method:

in thousand €	Dec. 31, 2008	Dec. 31, 2007
Financial liabilities	284,647	290,288
Notes receivable	– 10,378	– 15,648
Liquid assets and securities	– 261,516	– 250,923
Other liabilities/receivables to affiliated companies and companies accounted for using the equity method	302	568
Net indebtedness	**13,055**	**24,285**

The key ratios 'net gearing' and 'indebtedness ratio' did not change materially compared with the previous year:

in thousand €		Dec. 31, 2008	Dec. 31, 2007
Net indebtedness		13,055	24,285
Shareholders' equity		625,047	553,671
EBITDA		292,004	275,033
Net Gearing	in %	**2**	**4**
Indebtedness ratio	in years	**0.04**	**0.09**

The Group's overall strategy for managing capital was unchanged compared with the previous 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 Aktiengesellschaft 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 Aktiengesellschaft and of Jungheinrich Moosburg GmbH have been closed to wage earners and salaried 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.

In the year under review, a special payment of €25 million was made to the UK pension fund for defined benefit plans.

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

The following tables show 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 biometric). 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 %	**Dec. 31, 2008**	**Dec. 31, 2007**
Discount rate	5.7	5.4
Expected rate of compensation increase	3.3	3.8
Expected rate of pension increase	2.4	2.5

The net pension expense was calculated based on the following weighted average valuation factors:

in %	**2008**	**2007**
Discount rate	5.4	4.8
Expected long-term return on plan assets	5.3	6.5
Expected rate of compensation increase	3.8	3.2
Expected rate of pension increase	2.5	2.3

Funded status of defined benefit pension plans:

in thousand €	**Dec. 31, 2008**	**Dec. 31, 2007**
Present value of funded benefit obligations	128,392	173,634
Fair value of plan assets	123,988	123,174
Funding gap	4,404	50,460
Present value of unfunded benefit obligations	137,392	138,274
Net obligation	**141,796**	**188,734**
Unamortized actuarial gains (+) and losses (–)	– 1,645	– 24,959
Net amount recognized	**140,151**	**163,775**

The net amount recognized is only included in the balance sheet item ‘Provisions for pensions and similar obligations.’

Development of the defined benefit obligation:

in thousand €	2008	2007
Defined benefit obligation as of January 1	311,908	314,331
Changes in the currency exchange rates	– 34,062	– 12,724
Current service cost	5,531	5,804
Interest cost	16,022	14,707
Employee contributions	1,899	1,606
Actuarial gains (–) and losses (+)	– 24,114	– 14,081
Benefits paid	– 11,400	– 10,273
Other changes	–	12,538
Defined benefit obligation as of December 31	**265,784**	**311,908**

The other changes to the defined benefit obligation in 2007 mainly stem from the fact that the pension plans in place at Jungheinrich AG, Hirschthal (Switzerland), had to be added for the first time to comply with IAS 19.

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 pension 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 as of December 31, 2008, primarily consisting of fixed-interest securities. Liquid assets in the portfolio as of the balance sheet date will be invested in fixed-interest securities at the beginning of 2009.

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 pension benefits that come due.

Portfolio structure of plan assets based on fair values:

in %	Dec. 31, 2008	Dec. 31, 2007
Fixed-interest securities	56	32
Liquid assets	37	–
Real estate	4	5
Shares	1	1
Shares in money market funds	–	60
Other	2	2
	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 4.9 per cent (prior year: 5.1 per cent).

Development of plan assets:

in thousand €	**2008**	**2007**
Fair value of plan assets as of January 1	123,174	114,942
Changes in currency exchange rates	– 27,376	– 9,066
Expected return on plan assets	6,713	7,481
Actuarial gains (+) and losses (–)	– 5,176	– 2,408
Employer contributions	29,341	3,971
Employee contributions	1,899	1,606
Benefits paid	– 4,587	– 4,081
Other changes	–	10,729
Fair value of plan assets as of December 31	**123,988**	**123,174**

Employer contributions in the year under review include a one-time payment into the pension fund for defined benefit plans in the UK in the amount of €25 million.

The other changes to the plan assets in 2007 mainly stem from the fact that the pension plans in place at Jungheinrich AG, Hirschthal (Switzerland), had to be added for the first time to comply with IAS 19.

Jungheinrich expects cash contributions to plan assets to total about €3.9 million in fiscal 2009, 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 €	**2008**	**2007**
Current service cost	5,531	5,804
Interest cost	16,022	14,707
Expected return on plan assets	– 6,713	– 7,481
Amortization of actuarial gains and losses	288	969
Gains and losses on amendments to plans	–	87
	15,128	**14,086**

In the year under review, the actual return on plan assets amounted to €1,537 thousand (prior year: €5,073 thousand).

All of the pension expense components are included in the functional areas' personnel expenses.

Five-year overview:

in thousand €	2008	2007	2006	2005	2004
Defined benefit obligation as of December 31	265,784	311,908	314,331	286,731	239,054
Fair value of plan assets as of December 31	123,988	123,174	114,942	101,488	76,601
Net obligation	**141,796**	**188,734**	**199,389**	**185,243**	**162,453**

Adjustments made based on empirical findings, namely the difference between earlier actuarial assumptions and actual developments relative to the defined benefit obligation and plan assets as of December 31, are presented in the following table:

in %	2008	2007
Experience-based increase (+)/decrease (–) in the defined benefit obligation	0.2	6.3
Experience-based increase (+)/decrease (–) in plan assets	– 4.2	– 2.1

(26) Other provisions

The development of other provisions in the year under review is shown in the following table:

in thousand €	As of Jan. 1, 2008	Exchange rate differences	Additions	Utilizations	Releases	**As of Dec. 31, 2008**
Provisions for personnel	103,911	– 1,466	51,900	51,913	3,713	98,719
Provisions for warranty obligations	25,596	– 553	40,002	39,870	1,535	23,640
Provisions for onerous contracts	18,779	– 629	11,118	6,845	1,844	20,579
Others	8,063	– 97	4,556	4,525	794	7,203
Other provisions	**156,349**	**– 2,745**	**107,576**	**103,153**	**7,886**	**150,141**

The development of other provisions in the previous year is shown in the following table:

in thousand €	As of Jan. 1, 2007	Exchange rate differences	Changes in the basis of consolidation	Additions	Utilizations	Releases	**As of Dec. 31, 2007**
Provisions for personnel	97,975	– 288	664	68,914	60,575	2,779	103,911
Provisions for warranty obligations	21,226	– 153	508	47,639	43,080	544	25,596
Provisions for onerous contracts	20,986	– 195	167	10,144	11,084	1,239	18,779
Others	7,992	– 91	316	7,480	6,063	1,571	8,063
Other provisions	**148,179**	**– 727**	**1,655**	**134,177**	**120,802**	**6,133**	**156,349**

Obligations for outstanding invoices recognized as other current provisions in the past are now recognized as trade accounts payable in accordance with IAS 37. For reasons of comparability, €30,846 thousand in prior-year amounts were reclassified to trade accounts payable.

Provisions for personnel relate to provisions for vacation entitlements, partial retirement agreements, anniversary obligations and other deferred personnel costs.

As of the balance sheet date, obligations from partial retirement agreements amounted to €18,272 thousand (prior year: €17,402 thousand), which were netted out against €7,403 thousand in securities (prior year: €7,255 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.

Additions to provisions for personnel include €1,780 thousand in interest accretions (prior year: €1,576 thousand). €35,622 thousand (prior year: €39,071 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 2008 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. €6,705 thousand (prior year: €5,842 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 note bond	Liabilities from financing trucks for short-term hire	Leasing liabilities from tangible assets	Notes payable	**Financial liabilities**
Dec. 31, 2008						
Total future cash flows	**149,498**	**62,014**	**70,616**	**37,440**	**1,690**	**321,258**
due within less than one year	109,190	2,338	26,467	4,121	1,690	143,806
due in one to five years	17,373	59,676	38,985	16,019	–	132,053
due in more than five years	22,935	–	5,164	17,300	–	45,399
Present value of future cash flows	**139,295**	**54,846**	**61,612**	**27,204**	**1,690**	**284,647**
due within less than one year	107,562	–	22,986	2,794	1,690	135,032
due in one to five years	12,377	54,846	33,838	12,071	–	113,132
due in more than five years	19,356	–	4,788	12,339	–	36,483
Future interest expenses	**10,203**	**7,168**	**9,004**	**10,236**	**–**	**36,611**
Dec. 31, 2007						
Total future cash flows	**180,844**	**64,352**	**34,650**	**42,053**	**8,404**	**330,303**
due within less than one year	127,663	2,338	12,097	4,157	8,404	154,659
due in one to five years	23,310	62,014	20,408	17,617	–	123,349
due in more than five years	29,871	–	2,145	20,279	–	52,295
Present value of future cash flows	**167,290**	**54,794**	**29,545**	**30,255**	**8,404**	**290,288**
due within less than one year	124,981	–	9,969	2,647	8,404	146,001
due in one to five years	17,197	54,794	17,526	13,070	–	102,587
due in more than five years	25,112	–	2,050	14,538	–	41,700
Future interest expenses	**13,554**	**9,558**	**5,105**	**11,798**	**–**	**40,015**

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 condi-tions	Remaining term of the interest conditions as of Dec. 31, 2008	Nominal volume as of Dec. 31, 2008 in thousand €	Bandwidth of effective interest rates 2008	Carrying amounts as of Dec. 31, 2008 in thousand €	Nominal volume as of Dec. 31, 2007 in thousand €	Bandwidth of effective interest rates 2007	Carrying amounts as of Dec. 31, 2007 in thousand €
EUR	variable	< 1 year	12,695	EURIBOR + margin	12,695	11,987	EURIBOR + margin	11,987
USD	variable	< 1 year	12,934	LIBOR + margin	12,934	8,340	LIBOR + margin	8,340
GBP	variable	< 1 year	14,508	LIBOR + margin	14,508	57,156	LIBOR + margin	57,156
Other	variable	< 1 year	59,600	LIBOR + margin	59,600	41,653	LIBOR + margin	41,653
EUR	fixed	1–18 years	31,643	4.5%–5.3%	30,083	41,120	4.5%–5.3%	32,331
GBP	fixed	–	–	–	–	7,342	6.3%–7.0%	4,663
Other	fixed	< 1–14 years	12,983	3.5%–22.6%	9,475	14,696	3.5%–25.3%	11,160
Total liabilities due to banks			**144,363**	**–**	**139,295**	**182,294**	**–**	**167,290**

The promissory note bond covers a nominal €55,000 thousand and has a maturity ending in 2011. The nominal interest rate is 4.25 per cent p.a. and the effective interest rate is 4.41 per cent p.a.

Liabilities from the financing of trucks for short-term hire amount to €59,373 thousand (prior year: €20,965 thousand) and result from the sale of receivables from intragroup hire-purchase agreements.

Furthermore, €2,239 thousand (prior year: €8,580 thousand) in liabilities relate to the refinancing of trucks for short-term hire based on sale and leaseback agreements. €2,487 thousand (prior year: €10,865 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. Leases 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

€32,107 thousand (prior year: €36,441 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 €611,063 thousand (prior year: €504,780 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, which are reduced over the term of the contracts, were due as of the balance sheet date as follows:

in thousand €	Dec. 31, 2008	Dec. 31, 2007
Total future cash flows	**680,885**	**559,093**
due within less than one year	199,289	164,404
due in one to five years	466,348	382,683
due in more than five years	15,248	12,006
Present value of future cash flows	**611,063**	**504,780**
due within less than one year	170,714	142,304
due in one to five years	425,786	350,935
due in more than five years	14,563	11,541
Future interest expenses	**69,822**	**54,313**

Liabilities from financing include future minimum lease payments from financing under sale and leaseback agreements in the amount of €139,146 thousand (prior year: €140,420 thousand).

(29) Trade accounts payable

Trade accounts payable include €31 thousand (prior year: €30 thousand) in payables to affiliated companies and €2,278 thousand (prior year: €2,609 thousand) in payables to companies accounted for using the equity method.

Obligations for outstanding invoices recognized as other current provisions in the past are now recognized as trade accounts payable in accordance with IAS 37. For reasons of comparability, €30,846 thousand in prior-year amounts were reclassified from other current provisions to trade accounts payable.

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 €	Dec. 31, 2008	Dec. 31, 2007
Advance payments received on orders	17,020	17,950
Liabilities from other taxes	31,879	30,430
Social security liabilities	7,816	7,843
Employee liabilities	1,886	2,001
Other liabilities to affiliated companies	304	750
Derivative financial liabilities	3,432	247
Other	7,900	7,596
	70,237	**66,817**

(31) Deferred income

in thousand €	Deferred sales from financial services	Deferred profit from financial services	Other deferrals	**Deferred income**
Dec. 31, 2008	**64,855**	**27,146**	**12,829**	**104,830**
thereof maturities of up to 1 year	24,457	8,879	3,697	37,033
thereof maturities of more than 1 year	40,398	18,267	9,132	67,797
Dec. 31, 2007	**74,699**	**31,273**	**11,222**	**117,194**
thereof maturities of up to 1 year	28,686	9,725	4,947	43,358
thereof maturities of more than 1 year	46,013	21,548	6,275	73,836

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 achieved through 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.

(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 Dec. 31, 2008**	**Amount recognized in acc. with IAS 39** Amortized acquisition costs	**Amount recognized in acc. with IAS 39** Fair value	**Amount recognized in acc. with IAS 17**	**Fair value Dec. 31, 2008**
Assets						
Liquid assets	LaR	198,061	198,061	–	–	198,061
Trade accounts receivable	LaR	395,183	395,183	–	–	395,183
Receivables from financial services	n.a.	459,864	–	–	459,864	468,280
Securities	FAHtM	63,455	63,455	–	–	63,455
Other loans	LaR	101	101	–	–	101
Derivative financial assets (hedge accounting)	FAHfT	12,931	–	12,931	–	12,931
Other financial assets	LaR	824	824	–	–	824
Liabilities						
Trade accounts payable	FLAC	116,895	116,895	–	–	116,895
Liabilities due to banks	FLAC	139,295	139,295	–	–	139,521
Promissory note bond	FLAC	54,846	54,846	–	–	54,129
Liabilities from financing trucks for short-term hire	FLAC / n.a.	61,612	59,373	–	2,239	61,612
Leasing liabilities from tangible assets	n.a.	27,204	–	–	27,204	28,870
Other financial liabilities	FLAC	1,690	1,690	–	–	1,690
Liabilities from financial services	FLAC / n.a.	643,170	519,169	–	124,001	658,262
Derivative financial liabilities (hedge accounting)	FLHfT	3,432	–	3,432	–	3,432
Other financial liabilities	FLAC	424	424	–	–	424
Of which aggregated by valuation category in acc. with IAS 39:						
Loans and receivables (LaR)		594,169	594,169	–	–	594,169
Financial assets held to maturity (FAHtM)		63,455	63,455	–	–	63,455
Financial assets held for trading (FAHfT)		12,931	–	12,931	–	12,931
Financial liabilities measured at amortized costs (FLAC)		891,692	891,692	–	–	902,529
Financial Liabilities Held for Trading (FLHfT)		3,432	–	3,432	–	3,432

Carrying amounts, amounts recognized and fair values by valuation category for the previous year are shown in the following table:

in thousand €	Valuation category in acc. with IAS 39	**Carrying amount Dec. 31, 2007**	**Amount recognized in acc. with IAS 39** Amortized acquisition costs	Fair value	**Amount recognized in acc. with IAS 17**	**Fair value Dec. 31, 2007**
Assets						
Liquid assets	LaR	250,923	250,923	–	–	250,923
Trade accounts receivable	LaR	422,526	422,526	–	–	422,526
Receivables from financial services	n.a.	402,518	–	–	402,518	395,976
Other loans	LaR	97	97	–	–	97
Derivative financial assets (hedge accounting)	FAHfT	2,097	–	2,097	–	2,097
Other financial assets	LaR	775	775	–	–	775
Liabilities						
Trade accounts payable	FLAC	140,331	140,331	–	–	140,331
Liabilities due to banks	FLAC	167,290	167,290	–	–	168,848
Promissory note bond	FLAC	54,794	54,794	–	–	54,160
Liabilities from financing trucks for short-term hire	FLAC / n.a.	29,545	20,965	–	8,580	29,545
Leasing liabilities from tangible assets	n.a.	30,255	–	–	30,255	30,959
Other financial liabilities	FLAC	8,404	8,404	–	–	8,404
Liabilities from financial services	FLAC / n.a.	541,221	414,896	–	126,325	539,700
Derivative financial liabilities (hedge accounting)	FLHfT	247	–	247	–	247
Other financial liabilities	FLAC	598	598	–	–	598
Of which aggregated by valuation category in acc. with IAS 39:						
Loans and receivables (LaR)		674,321	674,321	–	–	674,321
Financial assets held for trading (FAHfT)		2,097	–	2,097	–	2,097
Financial liabilities measured at amortized costs (FLAC)		807,278	807,278	–	–	806,887
Financial liabilities held for trading (FLHfT)		247	–	247	–	247

The fair values 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 as well as of receivables and liabilities from financial services.

The carrying amounts of interest-bearing securities with short-term maturities nearly correspond to their fair values.

Liquid assets, trade account 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:

		From measurement after recognition			
in thousand €	**From interest**	at fair value	Valuation allowances	**Net result 2008**	**Net result 2007**
Loans and receivables (LaR)	9,755	–	– 4,732	5,023	4,805
Financial assets held to maturity (FAHtM)	637	–	–	637	–
Financial instruments held for trading (FAHfT/FLHfT)	–	3,719	–	3,719	556
Financial liabilities measured at amortized costs (FLAC)	– 38,527	–	–	– 38,527	– 29,180

Interest from financial instruments is stated as part of financial income (loss).

Net results from financial assets held to maturity (FAHtM) are stated in financial income (loss).

Net results from financial instruments held for trading (FAHfT/FLHfT) recognized at fair value are included in the cost of sales and in other operating income and expenses.

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, €2,242 thousand (prior year: €- thousand) in bank credit balances were pledged to banks.

The prior-year changes in cash and cash equivalents due to changes in exchange rates and the basis of consolidation include €4,225 thousand in net value added by first-time inclusion.

(34) Contingent liabilities

The contingent liabilities cannot be quantified.

Litigation

In connection with the closure of Mécanique Industrie Chimie MIC S.A, Rungis (France) and the insolvency proceedings initiated at the end of 2005, various lawsuits filed above all by affected employees against Group companies are pending, or may be filed or asserted in the future. Since it is still impossible to predict the outcome of such litigation and its effect on Group companies, no provisions had to be recognized as a liability in the consolidated financial statements.

Furthermore, 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 have 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.

Contingencies

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 €12 million as of the balance sheet date (prior year: €6 million).

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 €	Dec. 31, 2008	Dec. 31, 2007
Due within less than one year	36,204	36,629
Due in one to five years	53,758	53,118
Due in more than five years	16,176	11,698
	106,138	**101,445**

Recognized expenses associated with operating leases in 2008 totalled €44,529 thousand (prior year: €37,535 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 primarily arise from changes in interest rates, residual value guarantees granted to leasing companies, and break-of-contract clauses and other contractual arrangements agreed on with customers. Reference is made to the commentary on credit risks as regards general default risks in connection with customers.

Groupwide sales guidelines, which include key risk mitigation standards and thus sufficiently limit the freedom of the scope of contracts concluded with customers and financers, are a major component of the risk management system in place for the financial services business. Among the measures taken in this regard is the calculation of lease and rental agreements based on fixed interest rates over the entire contractual period, with identical periods and interest rates for customer and financing contracts.

Maximum values are defined for the residual value items that become negotiable once the contracts expire. They take the local situation into account, e.g., the inventory in stock in the relevant country and the market prices of used equipment. Cases where the maximum value of negotiable residual value items is exceeded are anticipated by carrying provisions as liabilities as part of the precautionary measures for risks. Break clauses in customer contracts are sufficiently limited in scope and bound to risk-mitigating requirements, e.g., minimum contractual periods and order volumes, cancellation periods, anti-competition covenants and customer use obligations that take precedence over the return of the equipment.

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 do 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. Variable and fixed-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.

If going interest rates had been 100 basis points higher (lower) as of December 31, 2008, income would have been €1,045 thousand (December 31, 2007: €1,372 thousand) higher (lower). Since income and expenses associated with all of the financial instruments is considered in the statement of income, there is no additional effect on shareholders' equity.

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, currency swaps and currency options 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 pre-determined 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, the Board of Management defines a loss limit for the entire Group. Furthermore, the risk exposure of individual Group companies is managed by pre-determined lower limits. These limits are compared to the Value at Risk quantified for all open positions as part of monthly reporting.

By applying the Value at Risk method, as of December 31, 2008, the maximum risk did not exceed €1,111 thousand (prior year: €756 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 €345 thousand (prior year: €443 thousand) and a maximum of €1,111 thousand (prior year: €756 thousand). The average for the year was €792 thousand (prior year: €535 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 pre-payments made by customers, the sharing of risks with financers, 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. Jungheinrich converted major portions of its short-term credit lines into medium-term credit lines for this purpose. These lines of credit have been granted by the Group's principal banks and are supplemented by 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. The contractual partners concerned are generally international financial institutions. On the basis of their credit rating, which is determined by reputable rating agencies, no major risk ensues for Jungheinrich from its dependence on individual counterparties. The general liquidity risk from the financial instruments used 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. 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. Therefore, the hedges can prospectively be classified as highly effective. An assessment of the retroactive effectiveness of hedges is conducted at the end of every month.

Nominal value of hedging instruments

The nominal value of currency hedging contracts as of the balance sheet date was €177,773 thousand (prior year: €109,451 thousand).

The currency hedging contracts contain forward exchange transactions and currency options that are used to hedge against rolling 12-month exposure in individual currencies. As a rule, the term of such contracts does not exceed a period of 12 months.

As of the balance sheet date, interest hedges had a nominal value of €663 thousand (prior year: €- thousand) and were concluded to hedge long-term interest rates. The interest-rate hedges' terms correspond to those of the hedged underlying transactions and have terms expiring in 2013.

The contract volumes stated and the nominal values of derivative financial instruments do not always represent volumes that are exchanged by counterparties, and they are therefore not necessarily a yardstick for the risk to which Jungheinrich is exposed through their use.

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. Currency options are measured as of the balance sheet date using option price models. 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 €	**Dec. 31, 2008**	**Dec. 31, 2007**
Other assets	12,931	2,097
Other liabilities	3,432	247

The fair value of interest hedges of €16 thousand (prior year: €- thousand) is a component of other liabilities.

Net gains on changes in the fair value of hedging instruments realized and recognized directly in shareholders' equity in fiscal 2008 totalled €8,721 thousand (prior year: gains of €2,584 thousand). In the 2008 financial year, a net gain of €3,719 thousand (prior year: net loss of €652 thousand) which was recognized in shareholders' equity was transferred to the cost of sales and to other operating income and expenses in the statement of income. 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.

Jungheinrich's Board of Management assumes overall responsibility as it acts and makes decisions on behalf of all the Group's business areas. The economic key figures and reports submitted monthly to the entire Board of Management are oriented to inter-divisional control variables.

The Group defines itself as a single-product company since it classifies all its product ranges and services as a single business segment. None of the Group's business or geographical areas can be demarcated due to a difference in risks and returns, making Jungheinrich a single-segment group in its core business. Therefore, there is no need to present detailed information in the primary reporting format set forth in IAS 14.

The following tables show net sales by region as well as the assets, capital expenditures and depreciation attributable to intangible and tangible assets, also broken down by region.

Net sales by region:

in thousand €	2008	2007
Germany	556,552	504,597
Rest of Europe	1,467,491	1,371,728
Other countries	121,089	124,367
	2,145,132	**2,000,692**

Further segment information by region:

		Germany	Rest of Europe	Other countries	Consolida-tion	Total
Assets as of Dec. 31, 2008	in thousand €	225,652	82,648	2,940	3,126	**314,366**
Capital expenditures in 2008	in thousand €	61,196	17,165	1,041	–	**79,402**
Depreciation and amortization in 2008	in thousand €	34,880	8,894	893	–	**44,667**
Employees as of Dec. 31, 2008		4,950	5,365	469	–	**10,784**
Assets as of Dec. 31,2007	in thousand €	202,705	78,246	2,879	3,126	**286,956**
Capital expenditures in 2007	in thousand €	49,851	10,891	1,352	–	**62,094**
Depreciation and amortization in 2007	in thousand €	30,585	8,753	857	–	**40,195**
Employees as of Dec. 31, 2007		4,761	5,028	389	–	**10,178**

(38) Earnings per share

Consolidated earnings were not adjusted to calculate earnings per share. Consolidated earnings correspond to the stated net income.

		2008	2007
Consolidated earnings	in thousand €	76,726	81,592
Weighted average number of shares issued	in thousands	34,000	34,000
Earnings per share (diluted/undiluted)	in €	**2.26**	**2.40**

Earnings per share are based on the weighted average number of individual share certificates issued in the fiscal year (ordinary and preferred shares).

In fiscal 2008 and 2007, no shareholders' equity instruments existed that dilute the earnings per share on the basis of the shares issued.

(39) Events after the close of fiscal 2008

The massive collapse of the market also witnessed in the material handling equipment sector in the fourth quarter of 2008 continued unabated at the beginning of 2009, leading to declines in incoming orders in new truck business. Therefore, Jungheinrich decided to take measures going above and beyond adjusting production to reduced demand in the second quarter of 2009, namely to introduce short-time work across all manufacturing sites and prepare for short-time work in corporate departments. Moreover, several technology-centric cost-related and structural projects were initiated with a view to cushioning the negative effects of the economic and sales crises.

(40) Fees for the auditor of the consolidated financial statements

A total of €474 thousand (prior year: €433 thousand) in fees for the auditor, Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft, Hamburg, in fiscal 2008 were recorded as an expense, broken down into €402 thousand (prior year: €390 thousand) in fees for the audit of the annual financial statements, €51 thousand (prior year: €23 thousand) in fees for other audit services, and €21 thousand (prior year: €20 thousand) in fees for consulting.

(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 Aktiengesellschaft 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 %	2008	2007
JULI Motorenwerk s.r.o., Czech Republic	50	34,462	36,617
Supralift GmbH & Co. KG, Germany	50	218	218
Ningbo Ruyi Joint Stock Co. Ltd., China	25	8,866	9,778

Liabilities:

in thousand €	Share in %	Dec. 31, 2008	Dec. 31, 2007
JULI Motorenwerk s.r.o., Czech Republic	50	1,639	1,523
Ningbo Ruyi Joint Stock Co. Ltd., China	25	639	1,086

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 2008 amounted to €925 thousand (prior year: €953 thousand).

Total remuneration of members of the Board of Management for fiscal 2008 amounted to €1,652 thousand (prior year: €2,918 thousand).

Furthermore, in fiscal 2008, €244 thousand (prior year: €340 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 9 of the German Commercial Code (HGB) has not been disclosed because the Annual General Meeting on June 13, 2006, passed a resolution to this effect for a period of 5 years.

€1,080 thousand (prior year: €623 thousand) in compensation received by former members of the Board of Management were recognized as an expense.

No advances or loans to members of the Board of Management or Supervisory Board of Jungheinrich Aktiengesellschaft existed as of December 31, 2008.

As of December 31, 2008, Jungheinrich Aktiengesellschaft had accrued a €7,529 thousand (prior year: €5,918 thousand) provision for pensions for former members of the Board of Management.

(43) Application of Sec. 264b of the German Commercial Code

The following German subsidiaries, which are partnerships by law as defined by Sec. 264a of the German Commercial Code (HGB) and are included in the consolidated financial statements of Jungheinrich AG, made use of the waiver to a certain extent pursuant to Sec. 264b of the German Commercial Code (HGB):

- 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/Saalkreis
- Jungheinrich Financial Services AG & Co. KG, Hamburg
- Jungheinrich Finance AG & Co. KG, Hamburg
- Jungheinrich Katalog GmbH & Co. KG, Hamburg
- Gebrauchtgeräte-Zentrum Dresden GmbH & Co. KG, Klipphausen/Dresden
- Tinus Grundstücks-Vermietungsgesellschaft AG & Co. KG, Hamburg

(44) Issuance of the declaration regarding the German Corporate Governance Code in accordance with Sec. 161 of the German Stock Corporation Act

In December 2008, the Board of Management and the Supervisory Board issued a declaration of conformance with Sec. 161 of the German Stock Corporation Act and then made it permanently accessible to shareholders on the website of Jungheinrich Aktiengesellschaft.

Hamburg, March 5, 2009

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 5, 2009

Jungheinrich Aktiengesellschaft
The Board of Management

Hans-Georg Frey | 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 balance sheet, cash flow statement, 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, 2008. 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 6, 2009

Deloitte & Touche GmbH
Wirtschaftsprüfungsgesellschaft

(Dinter)	(Reiher)
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

Report of the Supervisory Board

In the 2008 reporting year, the Supervisory Board again performed the duties entrusted to it in accordance with the law, company statutes and internal rules of procedure with great care. The Supervisory Board regularly advised the Board of Management in matters concerning company management and constantly monitored the management of the company.

The Supervisory Board was involved in all decisions of fundamental importance to the company both extensively and at an early stage. In particular, the Board of Management comprehensively and promptly informed the Supervisory Board of the Group companies' business activities, the financial position, the personnel situation, major investment projects, and the Group's continued strategic development. The Supervisory Board and its committees directed their attention above all to major risk factors and risk management, company management in compliance with the law and guidelines as well as the company's compliance structures. Information provided by the Board of Management was either in writing or oral. Deviations in business trends from the budget were presented to the Supervisory Board and reviewed by it on the basis of the information conveyed. The Supervisory Board dedicated a substantial amount of its attention to strengthening and maintaining the company's earning power. Draft resolutions tabled by the Board of Management concerning transactions subject to approval were extensively reviewed, debated and decided on by the Supervisory Board in line with the provisions of the company statutes. The Chairman of the Supervisory Board and the chairmen of the committees also regularly met with the Board of Management when the Supervisory Board was out of session and discussed issues, explained their points of view, and prepared decisions to be taken by the Supervisory Board and its committees.

The following topics were the ***focal points*** of Supervisory Board activity in the period under review and were addressed in five ordinary and one extraordinary meeting as well as via the written passage of a resolution.

Among the issues discussed and approved in its first session during the reporting period on February 12, 2008, were three sizeable investment projects, namely the expansion of the Moosburg plant's capacity, the modernization of the Austrian subsidiary's headquarters, and the construction of a technology centre in Norderstedt. Another topic of debate was the Group's medium-term budget, based on various assumptions concerning the market's continued development.

The main focal point of the Supervisory Board's balance-sheet meeting on March 27, 2008, was the in-depth inspection and approval of Jungheinrich's parent company and consolidated financial statements for the period ended December 31, 2008, in the presence of the independent auditors. To this end, the Finance and Audit Committee delivered a detailed report on its up-front analysis of the independent auditors' audit reports. They also informed the Supervisory Board about the main results of their audits. This was followed by the discussion and approval of the Report of the Supervisory Board and the Corporate Governance Report by the Board of Management and the Supervisory Board to the Annual General Meeting. Furthermore, various draft Board of Management resolutions in the real-estate sector and for the approval of the medium-term financing concept were addressed and adopted. Moreover, the invitation and agenda for the Annual General Meeting on June 10, 2008, were coordinated and adopted.

Various of the Board of Management's draft resolutions were addressed and decided on, primarily relating to capital expenditure projects for plants, sales subsidiaries and in the field of product development at the Supervisory Board session following the Annual General Meeting on June 10, 2008.

The modalities of Dr. Michael Lüer's departure from the company were discussed and the necessary resolutions concerning this and the transition period were adopted in an extraordinary meeting on July 2, 2008.

The focal points of the session on September 23, 2008, were the appointment of Dr. Volker Hues to the Board of Management as the member responsible for finance effective April 1, 2009, the Board of Management's draft resolutions on the modernization of sales locations, on product developments, the expansion of a division, and a strategic acquisition that had been considered.

One of the draft resolutions dealt with in writing in November 2008 involved decisions made by financial services subsidiaries in the rest of Europe.

The meeting on December 9, 2008, primarily focused on approving the 2009 budget in a market environment undergoing dramatic change. After subjecting the various approaches to a thorough review and debate, it was adopted as a preliminary basis for action to be taken by the Board of Management. The Board of Management and the Supervisory Board agreed that adjustments may have to be made during the year as well, depending on how the market and financial situation develop. Moreover, decisions were taken regarding the handling of the Supervisory Board's discussion of the company's quarterly and half-year financial reports, an acquisition discussed in a previous session, the more efficient handling of the procedure applied in the Supervisory Board's review of documents supporting the annual financial statements, and a capital expenditure project in the Norderstedt factory. In addition to its report on the current business situation, the Board of Management informed the Supervisory Board about the structural projects aiming to improve the efficiency of various corporate business areas initiated at the beginning of the period under review. Moreover, in this meeting, the Supervisory Board concerned itself extensively with the recommendations and suggestions of the German Corporate Governance Code which was revised in the middle of 2008 and adopted its annual statement in this matter.

All of the meetings of the Supervisory Board and its committees and all of the resolutions passed focussed exclusively on the company's well-being and during the debates, the best solutions for the company and its employees were objectively discussed and outstanding issues were decided on. Especially in view of the dramatic collapse of the markets becoming apparent and materializing, all of the committees' members unanimously and seriously debated ways to lead the company out of the crisis unharmed and, if possible, a stronger player. All of the people involved are deserving of thanks for this.

The ***Supervisory Board committees*** maintained their existing composition in the period under review. Once again, the Joint Committee did not have any reason to convene in the reporting period. Composed of three members, the Finance and Audit Committee was very active in the year under review. In seven meetings, it efficiently performed all of the tasks entrusted to it in accordance with the company statues and the internal rules of procedure and in part by exercising the discretionary powers conferred upon it.

Consisting of five members, in 2008, the Personnel Committee convened at five ordinary meetings and adopted a resolution through a written procedure. The two committees established in December 2006 (Corporate Headquarters Construction and USA Committee) continued their work by holding sessions in 2008 as well.

The Supervisory Board was thoroughly informed of all major points of all committee sessions at the Supervisory Board meetings following them, and the Supervisory Board members received the minutes of said committee sessions, with the exception of those of the Personnel Committee.

The parent company's ***financial statements for the period ended December 31, 2008,*** prepared by the Board of Management as well as the management report of Jungheinrich AG and the accounts for the 2008 fiscal year were audited by Hamburg-based Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft. The auditors did not express any reservations regarding the annual financial statements and confirmed this in their unqualified auditor's certification.

The ***consolidated financial statements for the period ending on December 31, 2008,*** and the Group management report have also been confirmed by the same independent auditors and also received their unqualified auditor's certification.

The Finance and Audit Committee reviewed the documents supporting the annual financial statements taking account of the auditors' audit reports and by holding talks with the auditors and submitted a report to the Supervisory Board thereon. These documents had also been at the entire Supervisory Board's disposal and were reviewed by it 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. The auditors who signed the annual financial statements and the consolidated financial statements attended the March 26, 2009, Supervisory Board meeting on the relevant item on the agenda and submitted their detailed and final report on their audit of the annual financial statements and the consolidated financial statements at this meeting.

On the basis of its own final examination of the parent company's financial statements, the management report, the consolidated financial statements, and of the Group management report, the Supervisory Board did not raise any objections to these financial statements and approved the result of the independent auditor's report. At its March 26, 2009, meeting, the Supervisory Board approved the annual financial statements and the consolidated financial statements for the period ending on December 31, 2008. The annual financial statements are thus adopted. Although the market environment has become more difficult, the Supervisory Board is of the opinion that the Board of Management's proposal for the appropriation of the balance sheet profit for the 2008 financial year is appropriate and agrees with it.

There are no ***personnel changes*** on the Supervisory Board in the period under review to report on. As mentioned in last year's annual report, Dr. Klaus-Dieter Rosenbach assumed responsibility for the Board of Management's technology mandate effective January 1, 2008. Dr. Michael Lüer retired from the Board of Management as of July 2, 2008.

Hamburg, March 26, 2009
On behalf of the Supervisory Board

Jürgen Peddinghaus
Chairman

Corporate governance report

Corporate governance at Jungheinrich

In accordance with the current version of the German Corporate Governance Code of June 6, 2008, the Supervisory Board hereby submits the following report on corporate governance at Jungheinrich, and does this also on behalf of the Board of Management:

The term 'corporate governance' designates, among other things, transparent, good and responsible business management and control of a company, oriented towards increasing value over the long term. The Board of Management and the Supervisory Board of Jungheinrich AG have always ascribed high importance to these principles, which are among the focal points of their activity. They proved extremely useful especially in the most recent past when we became aware of the dramatic change in the market environment and reacted to it. Of course, it was impossible to prevent the crisis, which became increasingly obvious in the last quarter of 2008, from affecting our company as well. It was above all the open dialogue between the Board of Management and the Supervisory Board on the looming changes that allowed us to react both quickly and effectively, putting the company in a position to survive the crisis largely unscathed, while having the prospect of emerging from it a stronger organization.

The Code, which was submitted by the German Corporate Governance Government Commission and most recently revised in June 2008, is an important guideline for efforts undertaken by Jungheinrich as a whole and its bodies aiming to enhance transparency in company management and control. In addition, this strengthens investors, capital markets, our business partners, our employees and the public at large in their conviction that the company is being run in both a transparent and value-oriented manner. A main pillar of corporate governance within the Jungheinrich Group is the clear distribution of tasks and responsibilities among the Board of Management, the Supervisory Board and the Annual General Meeting. The Board of Management runs the company's business of its own authority, a task for which it receives constructive assistance from the Supervisory Board and which is monitored by the Supervisory Board. The Annual General Meeting completes this balanced distribution of power within the company as the third major body, as prescribed by the German Stock Corporation Act and the Code. Compliance, i.e., adherence to statutory regulations and corporate guidelines, gained increasing importance last year as well. In response, Jungheinrich established structures through which the Board of Management submits regular and comprehensive reports to the Supervisory Board. In accordance with the recommendation issued by the Corporate Governance Code, the Supervisory Board has entrusted the monitoring task in this area to the Finance and Audit Committee. Other key elements of corporate governance in our company are proactive, open and transparent corporate communications as well as the responsible management of risks. In addition, significant importance is attached to the audit of our financial statements by an independent third party. Jungheinrich AG's corporate governance is thus in line with all statutory regulations and largely complies with the recommendations and suggestions of the German Corporate Governance Code.

Jungheinrich AG's corporate governance practices date back to 2002, the year in which they were adopted by the Board of Management and the Supervisory Board. They are reviewed and adapted to changes in the law and new developments in corporate governance and control standards once a year.

For further information on work done by the Supervisory Board and its committees as well as the cooperation between the Supervisory Board and the Board of Management, we refer to the report of the Supervisory Board and our website (www.jungheinrich.com). Besides information concerning corporate governance, our Internet presence contains the company's financial publications, documents relating to the Annual General Meeting, a financial calendar with key dates, ad-hoc releases and other communications pursuant to the German Securities Trading Act primarily pertaining to reportable securities transactions, as well as press releases. Our website also features Jungheinrich AG's current articles of association as well as details concerning the composition of the Board of Management and the Supervisory Board.

In December 2008, the Board of Management and Supervisory Board of Jungheinrich AG issued their latest annual statement of compliance with the recommendations and suggestions of the German Corporate Governance Code Government Commission pursuant to Sec. 161 of the German Stock Corporation Act. This declaration has been published on our website and reads as follows:

'Valid for the past and future corporate governance of Jungheinrich AG is the following declaration, which relates to the requirements of the German Corporate Governance Code in the versions dated June 14, 2007, and June 6, 2008.

Declaration according to Section 161 of the German Stock Corporation Act

The Board of Management and the Supervisory Board of Jungheinrich AG declare that, in accordance with this declaration, Jungheinrich AG is complying with the recommendations for behaviour of the June 6, 2008, version of the German Corporate Governance Code Government Commission at present, and complied with those of the June 14, 2007, version in the past.

The deviations from the individual recommendations of the Code relate to the fact that the D&O insurance policy of the company for the Board of Management and the Supervisory Board does not state any own-risk deductible, the fact that Jungheinrich does not run a stock option scheme so that the recommendations based on this are not relevant, the fact that the remuneration of the members of the Board of Management and of the Supervisory Board is not stated in the annex to the annual report or in the corporate governance report in an itemized and individualised manner, the fact that no age limit is set for the members of the Supervisory Board, the fact that we did not establish a Supervisory Board nomination committee, and the fact that the consolidated financial statements will not yet be made publicly accessible within the recommended period of 90 days.

Hamburg, December 2008.'

The forum all Jungheinrich AG shareholders can use to exercise their rights is the company's Annual General Meeting. Holders of ordinary shares exercise their voting rights there in person, by proxy, or by a proxy appointed by the company. Holders of preferred shares are given ample opportunity to discuss the business trend with the Board of Management and the Supervisory Board and to ask questions concerning it.

Our company is active on an international market, which on principle will continue to grow despite the current crisis. This will give rise to numerous opportunities. However, attention must also be paid to the risks, which must be taken into account as appropriate. Only by doing so does one allow for sustainable, value-added growth. This is why effective risk management is among the core elements of Jungheinrich's corporate governance practices. Details are included in the Group management report.

The company equally and promptly informs shareholders, investors, analysts and the general public of developments in compliance with statutory regulations. A platform of mounting significance in this regard is the company's website.

In fiscal 2008, another agreement was reached with the auditor of the financial statements whereby the Chairman of the Supervisory Board was to be immediately informed of any grounds substantiating preclusion or prejudice becoming apparent during the audit of the financial statements. 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 notification requirement also applies to all deviations from the statements issued by the Board of Management and Supervisory Board concerning the German Corporate Governance Code discovered when auditing the financial statements.

Once a year, the Board of Management and Supervisory Board of Jungheinrich AG discuss whether Jungheinrich AG's corporate governance practices comply with the basic principles of the German Corporate Governance Code. During these consultations, the boards also examine whether the Code's recommendations and suggestions have been complied with and determine the Code's recommendations and suggestions from which to deviate. The Finance and Audit Committee does the preparatory work.

Last year, the Supervisory Board worked intensively on developing an information policy for the Board of Management and will continue to do so this year.

Compensation report

The June 13, 2006, Annual General Meeting decided to renounce the publication of the Board of Management's remuneration broken down by member. Therefore, the following commentary is limited to the compensation model for the Board of Management.

The Supervisory Board reviews and adopts the compensation system for the Board of Management, including the key contractual elements. The remuneration of members of the Board of Management includes fixed and variable components. The Board of Management's compensation system is distinguished by its performance orientation. This is reflected in the ratio of the variable to the fixed component. The variable element is based on the EBIT return on sales (ROS). The target return is subjected to an annual review to ensure it is aligned with the strategy and adjusted if necessary. Payment of the variable component is made once a year, after the financial statements of the preceding year have been adopted. Justice is done to the Code's recommendations when drawing up contracts for the members of the Board of Management. Pensions for the Board of Management are calculated based on the individual's years of service at Jungheinrich with a waiting period until the member has a right of non-forfeiture.

Hamburg, March 26, 2009

Supervisory Board | Board of Management

The Supervisory Board

Jürgen Peddinghaus
Chairman
Management Consultant

Further offices held
Supervisory Board:
Faber-Castell AG, Nuremberg (Chairman)
MAY-Holding GmbH & Co. KG, Erftstadt (Chairman)
Zwilling J.A. Henckels AG, Solingen
Drägerwerk AG & Co. KGaA, Lübeck (from May 9, 2008)

Advisory Board:
Booz Allen Hamilton GmbH, Munich (until December 31, 2007)

Detlev Böger
Deputy Chairman
Labour Union Secretary

Further offices held
Supervisory Board:
Rheinmetall Defence Electronics GmbH, Bremen (until December 12, 2008)

Sedat Bodur
Chairman of the Works Council at the Norderstedt Plant
(until July 28, 2008)
Member of the Works Council at the Norderstedt Plant
(from July 28, 2008)

Klaus-Peter Butterweck
Chairman of the General Works Council of Jungheinrich Vertrieb Deutschland AG & Co. KG, Hamburg

Wolfgang Erdmann
Chairman of the Group Works Council

Birgit von Garrel
2nd Authorized Representative, IG Metall, Landshut

Wolfgang Kiel
Management Consultant

Wolff Lange
Managing Partner with
Lange Vermögensverwaltung GbR, Hamburg

Further offices held
Supervisory Board:
Kühlhaus Zentrum AG, Hamburg (Chairman)
Hansa-Heemann AG, Rellingen (Chairman)
Wintersteiger AG, Ried/Austria (Deputy Chairman)
BKN biostrom AG, Vechta (from March 7, 2008)

Advisory Board:
WAGO Kontakttechnik GmbH & Co. KG, Minden

Dr. Albrecht Leuschner
Barrister

Further offices held
Supervisory Board:
CEAG AG, Bad Homburg (Deputy Chairman)
(until October 21, 2008)

Dr. Peter Schäfer
Business Manager

Further offices held
Advisory Board:
MAXINGVEST AG, Hamburg
(until June 19, 2008)

Reinhard Skibbe
Executive employee

Franz Günter Wolf

Further offices held
Advisory Board:
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:

Hans-Georg Frey
Chairman of the Board of Management

Further offices held:
Supervisory Board:
Jungheinrich Moosburg GmbH,
Moosburg (Deputy Chairman)
(from July 7, 2008)

Dr. Helmut Limberg
Member of the Board of Management

Dr. Michael Lüer
Member of the Board of Management
(until July 31, 2008)

Further offices held:
Supervisory Board:
Jungheinrich Moosburg GmbH,
Moosburg (Deputy Chairman)
(until July 3, 2008)

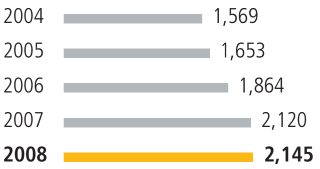
Dr. Klaus-Dieter Rosenbach
Member of the Board of Management

Further offices held:
Supervisory Board:
Jungheinrich Moosburg GmbH,
Moosburg (Vorsitz)
(from January 2, 2008)

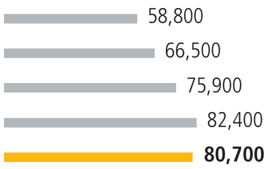
Jungheinrich worldwide

Adresses are available at www.jungheinrich.com

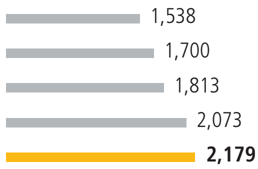
Incoming orders
in million €



Production
in units



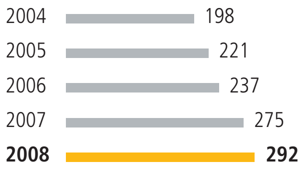
Total assets
in million €



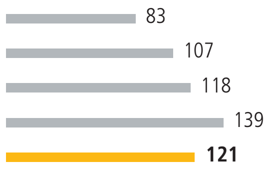
Jungheinrich Group		**2008**	**2007**	**2006**	**2005**	**2004**
Incoming orders, production and sales						
Incoming orders [1]	million €	2,145	2,120	1,864	1,653	1,569
Production of material handling equipment	units	80,700	82,400	75,900	66,500	58,800
Net sales	million €	2,145	2,001	1,748	1,645	1,531
thereof in Germany	million €	557	505	464	453	422
thereof abroad	million €	1,588	1,496	1,284	1,192	1,109
Foreign ratio	%	74	75	73	72	72
Employees						
Total	Dec. 31	10,784	10,178	9,274	8,998	9,008
thereof in Germany	Dec. 31	4,950	4,761	4,568	4,458	4,464
thereof abroad	Dec. 31	5,834	5,417	4,706	4,540	4,544
Capital expenditures						
Capital expenditures [2]	million €	74	52	52	42	33
Research and development	million €	39	41	44	40	38
Asset structure						
Fixed assets	million €	713	666	576	543	522
thereof trucks for lease from financial services	million €	187	166	147	158	167
Other assets	million €	1,466	1,407	1,237	1,157	1,016
thereof receivables from financial services	million €	460	403	340	291	229
thereof liquid assets and securities	million €	262	251	236	274	228
Total assets	million €	2,179	2,073	1,813	1,700	1,538
Capital structure						
Shareholders' equity	million €	625	554	485	437	384
thereof subscribed capital	million €	102	102	102	102	102
Provisions for pensions	million €	140	164	161	165	161
Other provisions	million €	150	156	149	132	139
Financial liabilities	million €	285	290	265	269	214
Liabilities from financial services	million €	643	541	423	379	316
Other liabilities	million €	336	368	330	318	324
Total capital	million €	2,179	2,073	1,813	1,700	1,538

1 New truck business, after-sales services, short-term hire and used equipment.
2 Tangible and intangible assets without capitalized development costs.

EBITDA
in million €



EBT
in million €



Net gearing
in %

Jungheinrich Group		**2008**	**2007**	**2006**	**2005**	**2004**
Income statement						
Earnings before interest, taxes, depreciation and amortization (EBITDA)	million €	292	275	237	221	198
Earnings before interest and taxes (EBIT)	million €	122	140	118	107	87
Earnings before taxes (EBT)	million €	121	139	118	107	83
Net income	million €	77	82	67	62	49
Earnings per share	€	2.26	2.40	1.96	1.84	1.47
Dividend per share – ordinary share	€	0.49 [3]	0.52	0.48	0.45	0.42
– preferred share	€	0.55 [3]	0.58	0.54	0.51	0.48
Key financial data						
Equity ratio	%	29	27	27	26	25
Equity to fixed assets ratio	%	122	111	113	114	108
EBIT return on sales (ROS)	%	5.7	7.0	6.8	6.5	5.7
EBIT return on capital employed (ROCE)	%	19	24	24	25	24
Return on equity after income taxes	%	13	16	14	15	13
Return on total capital [4]	%	6	6	5	5	5
Indebtedness ratio	years	< 0.1	0.1	0.1	–	–
Net gearing	%	2	4	4	–	–
Capital turnover	years	1.0	1.0	1.0	1.0	1.0

3 Proposal.
4 Not including financial services.
5 Shareholders' equity + financial liabilities +/– other liabilities/receivables vis-à-vis affiliated and associated companies – notes receivable – liquid assets and securities.
6 Financial liabilities +/– other liabilities/receivables vis-à-vis affiliated and associated companies – notes receivable – liquid assets and securities.

Explanatory notes to the key financial data	
Equity ratio	Shareholders' equity : total capital x 100
Equity to fixed assets ratio	Shareholders' equity : fixed assets (not including trucks for lease from financial services) x 100
EBIT return on sales (ROS)	EBIT : net sales x 100
EBIT return on capital employed (ROCE)	EBIT : employed interest-bearing capital [5] x 100
Return on equity after income taxes	Net income : average shareholders' equity x 100
Return on total capital [4]	Net income + interest expenses : average total capital x 100
Indebtedness ratio	Net indebtedness [6] : EBITDA
Net gearing	Net indebtedness [6] : shareholders' equity x 100
Capital turnover	Net sales : average total capital

Dates 2009

Balance sheet press conference, Hamburg	April 8, 2009
Analyst conference, Frankfurt am Main	April 9, 2009
Interim report as of March 31, 2009	May 14, 2009
2009 Annual General Meeting, Congress Centrum Hamburg	June 9, 2009
Dividend payment	June 10, 2009
Interim report as of June 30, 2009	August 13, 2009
Interim report as of September 30, 2009	November 12, 2009

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