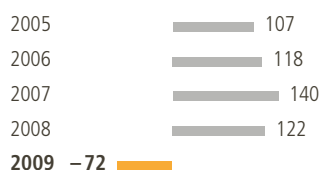


# Annual Report 2009



***JUNGHEINRICH***

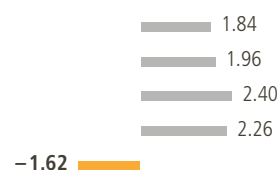
**Earnings before interest and taxes** in million €



**Net income** in million €



**Earnings per share** in €



Jungheinrich Group		2009	2008	Change in %	2007	2006	2005
<b>Net Sales</b>							
Germany	million €	466	557	-16.3	505	464	453
Abroad	million €	1,211	1,588	-23.7	1,496	1,284	1,192
<b>Total</b>	million €	1,677	2,145	-21.8	2,001	1,748	1,645
Foreign ratio	%	72	74	-	75	73	72
<b>Production of material handling equipment</b>							
	units	48,300	80,700	-40.1	82,400	75,900	66,500
<b>Balance sheet total</b>	million €	2,207	2,179	1.3	2,073	1,813	1,700
<b>Shareholders' equity</b>							
	million €	547	625	-12.5	554	485	437
thereof subscribed capital	million €	102	102	-	102	102	102
<b>Capital expenditures</b> <sup>1</sup>	million €	46	74	-37.8	52	52	42
<b>Research and development</b>	million €	39	39	-	41	44	40
<b>Earnings before interest and taxes (EBIT)</b>							
	million €	-72	122	-159.0	140	118	107
<b>EBIT return on sales (ROS)</b>	%	-4.3	5.7	-	7.0	6.8	6.5
<b>EBIT return on capital employed (ROCE)</b> <sup>2</sup>	%	-16.8	18.8	-	24.1	23.5	25.2
<b>Net income</b>	million €	-55	77	-171.4	82	67	62
<b>Employees</b>							
Germany	12/31	4,793	4,950	-3.2	4,761	4,568	4,458
Abroad	12/31	5,473	5,834	-6.2	5,417	4,706	4,540
<b>Total</b>	12/31	10,266	10,784	-4.8	10,178	9,274	8,998
<b>Earnings per share</b>	€	-1.62	2.26	-171.7	2.40	1.96	1.84
<b>Dividend per share</b> – ordinary share							
	€	- <sup>3</sup>	0.49	-100.0	0.52	0.48	0.45
	€	0.12 <sup>3</sup>	0.55	-78.2	0.58	0.54	0.51

<sup>1</sup> Tangible and intangible assets without capitalized development costs.

<sup>2</sup> EBIT as a percentage of employed interest-bearing capital.

<sup>3</sup> Proposal.



Cover: DFG 320s

# Annual Report 2009



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*Ladies and Gentlemen,*

Jungheinrich has left an extremely difficult 2009 fiscal year behind it. It was marked by the most severe recession in the post-war era. The world economy went on a downward spiral, which did not end until during the third quarter. Almost all branches of industry were affected, including the mechanical engineering sector, which caused intralogistics to take an especially steep fall. Jungheinrich was unable to decouple itself from this development. The European material handling equipment market shrank by 46 per cent. Nevertheless, the company succeeded in growing its share of the market.

Management reacted both quickly and decisively to the order situation by taking extensive adjustment and restructuring measures. Besides the measures initiated at the end of 2008 such as the reduction of the temporary workforce and permanent work time account balances as well as the introduction of short-time work, efforts to manage the crisis were stepped up once again last year. The ensuing headcount reduction in sales and technology, which will extend into 2011, led to substantial one-off costs, which had a very negative effect on earnings. Furthermore, structural projects were launched to improve earnings across all company units. All these measures were implemented by the individuals in charge with good measure and substantial discipline, enabling Jungheinrich to achieve an operative turnaround in a mere eight months. Despite this, a substantial loss was incurred in sum, to which the company is doing justice by lowering the dividend. However, thanks to the stringent adaptation of the company's core structure to the circumstances on the market, we will return to profitability already this year—a remarkable performance by the entire team!

In addition to the Group's continued consolidation, we are preparing for the onset of growth caused by a rise in demand in new truck business this year. Initial market indicators to this effect are growing in number and give us reason to be optimistic. This will improve manufacturing capacity utilization at our plants, including the Landsberg factory (Saxony-Anhalt) which took up production in the middle of 2009. Moreover, we are focusing on tapping new markets and strategically expanding our worldwide direct sales and service network. Major opportunities are presenting themselves above all in Asia where the growth engine, China, is picking up speed again. Jungheinrich is therefore setting important courses in this region

and enlarging the plant in Qingpu (China). One objective is to supply the region with a comprehensive range of market-specific products. We also realigned our North American business strategically. Mitsubishi Caterpillar Forklift America Inc. (MCFA for short), Houston, Texas (USA) has been distributing Jungheinrich products in the US, Canadian and Mexican markets via its closely knit dealer network. For this purpose, our partner will manufacture warehousing equipment engineered by Jungheinrich in its in-house development centre in Houston specifically for the North American market. Jungheinrich increased its know-how in product engineering, primarily for logistics systems—a field of increasing complexity—by acquiring a stake in one of the leading warehouse management system software companies, ISA – Innovative Systemlösungen für die Automation GmbH, which is headquartered in Graz (Austria). Continuous upgrades and supplements to our expansive product range will benefit from this knowledge as well.

We thank our employees for their outstanding work and dedication in this unusually difficult environment. Our gratitude also goes out to our shareholders and customers for the trust they are placing in our company, especially in these times. We are committed to justifying this and believe we are well prepared to capitalize on the opportunities offered by the renewed onset of economic recovery with full force.

Hamburg, April 7, 2010



Hans-Georg Frey  
Chairman of the Board of Management

# The Jungheinrich share

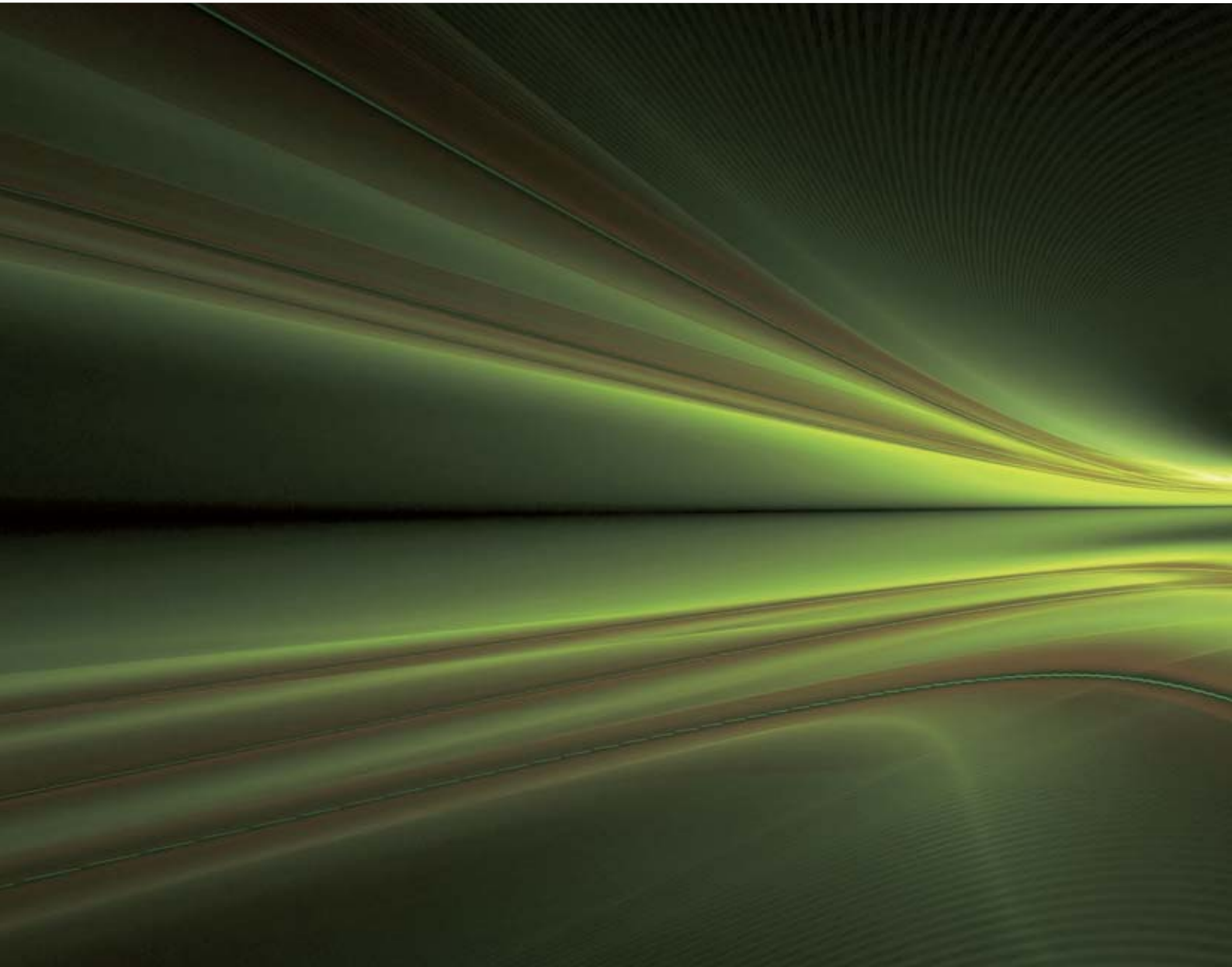
2009 stock trading year: between recession and economic recovery

Share performance bests German stock indices

Confidence returns: Jungheinrich share sought after by investors

Share price increases at beginning of 2010

Minimum dividend paid



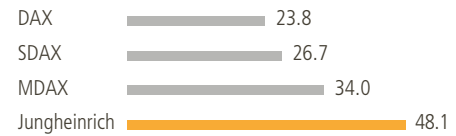


EFG 320



**Performance in 2009**

in %



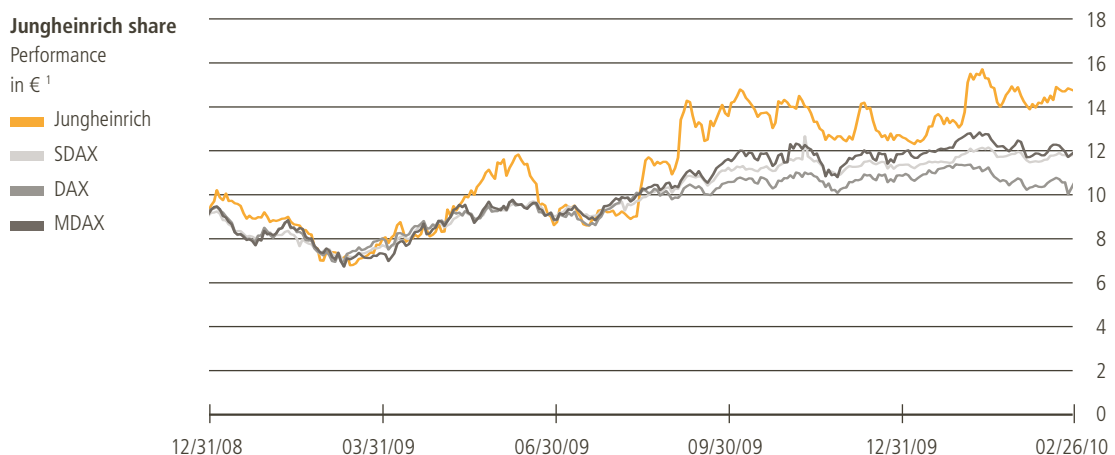
The Jungheinrich share put in a successful showing in the turbulent 2009 stock trading year. The share outperformed Germany's stock indices. Following huge drops in quotations in 2008, the end of the recession triggered a turnaround on the stock markets. Demand for cyclical issues was revitalized. Jungheinrich's shares closed the 2009 stock trading year up 48 per cent. Our share prices started into 2010 posting a further gain. The dividend payment will match the minimum dividend.

**2009 stock trading year: German shares record strong recovery**

Domestic and international stock markets got off to a bright start in the 2009 stock trading year, despite the adverse consequences of the financial and economic crisis. Bleak economic prospects determined developments thereafter. German share indices dropped by more than 20 per cent. Sentiment on stock markets brightened as the year progressed, thanks to positive leading indicators, which nurtured hopes of a gradual stabilization of the world economy. In contrast, however, economic data and corporate reports still painted a bleak picture of the real economies in Europe and overseas. Stock markets achieved a strong turnaround despite these contradictory events, and a steep upward trend was ushered in on both domestic and international stock markets. Subsequently, the upturn received increasing support from improved economic and corporate data. At the end of 2009, the German lead index, DAX, was at 5,957 points (prior year: 4,810 points). This corresponded to an advance of 23.8 per cent. Second-line indices displayed even better performance. Closing at 7,507 points (prior year: 5,602 points) the MDAX achieved a gain of 34.0 per cent. By the same point in time, the SDAX had climbed to 3,549 points (prior year: 2,801 points), growing by 26.7 per cent in value.

**Jungheinrich share posts strong performance**

In the 2009 financial year, the Jungheinrich share displayed a development that exceeded that of the German indices. The Jungheinrich share benefited from the friendly stock market environment at the beginning of the turbulent reporting period before coming under significant pressure and falling to its low for the year of €6.79 on March 11, 2009. Our share price experienced a substantial increase after the interim report on the first quarter of 2009 was published, resulting in a high for the year of €11.83 on

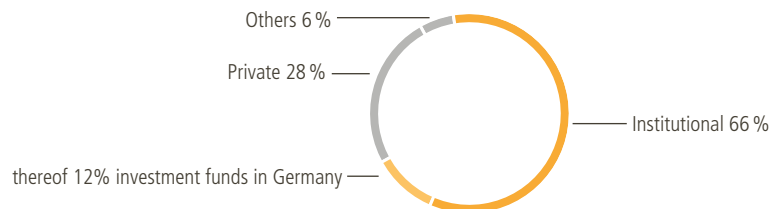


<sup>1</sup> All figures are indexed to the price of the Jungheinrich share.

**Analyst coverage in 2009**

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

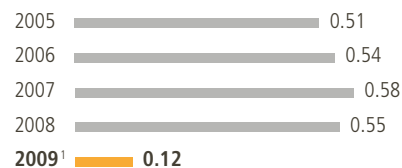
June 4, 2009. Share prices dropped considerably after the Annual General Meeting on June 9, 2009, profit-taking and the deduction of the dividend. The downward trend became more severe owing to the ad-hoc release on the negative earnings forecast for fiscal 2009 published on July 27, 2009. Thereafter, the development of Jungheinrich's share price benefited from the significant improvement in sentiment on the stock markets. The downturn was halted, and a strong upward movement set in. The capital market reacted positively to the interim report on the first half of 2009 published on August 13, 2009, although the conditions underlying the material handling equipment sector remained difficult. Most analysts raised their price targets for the Jungheinrich share, which reacted with a significant increase in quotations and new highs for the year, the most recent of which was €14.78, achieved on September 17, 2009. This was followed by declines in share price owing to profit-taking. The interim report for the period ended September 30, 2009 published on November 12, 2009 caused the majority of analysts to adjust their earnings forecasts and raise their share price targets once again. Investors upped purchases, ensuring stable quotations around €13 to €14. The Jungheinrich share closed 2009 at €13.40 (prior year: €9.05). Jungheinrich's share appreciated by 48.1 per cent year on year, proving to be an attractive investment in a year of economic difficulty.

**Investors****High level of analyst coverage**

Last year, the capital market continued to show very keen interest in Jungheinrich. As before, investors were able to base their decisions on extensive stock research conducted by 20 financial institutions that tracked the Jungheinrich share during the year. The company promptly publishes the latest analyst assessments on the web at [www.jungheinrich.com](http://www.jungheinrich.com). Investor purchasing propensity was very low—especially in the first quarter of 2009—owing to the global economic environment and the resultant decline in business. Stock market turnover was halved in the 2009 reporting year in consequence, owing even more to the low prices of stocks. Turnover on the Frankfurt Stock Exchange fell by a total of 51 per cent to €122.2 million (prior year: €248.9 million). At €20.4 million, August recorded the highest turnover for a single month (prior year: January—€44.9 million), with a daily trading volume of 80,142 shares (January 2008: 90,157 shares). By the end of December 2009, the Jungheinrich share's market capitalization had risen to €456 million (prior year: €308 million). Conversely, the company's shareholder's equity was €547 million—20 per cent higher than 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 63<sup>rd</sup> (prior year: 64<sup>th</sup>) in Deutsche Börse AG's stock list in terms of market capitalization and 65<sup>th</sup> (prior year: 73<sup>rd</sup>) in terms of turnover. Jungheinrich AG's ordinary shares

**Dividend**

per preferred share in €

<sup>1</sup> Proposal

are held by the families of the daughters of the company's founder. Each of the families still owns half of these shares.

**Investor relations stepped up**

We intensified communications with the capital market even further in the year under review. Most importantly, direct contacts between top management and investors were deepened by participating in road shows and investor conferences in Germany and major financial centres abroad. The Amsterdam and Lugano money markets were included for the first time.

**Share price rises at beginning of 2010**

The upward trend witnessed on national and international stock markets in the prior year continued in early 2010. German share indices briefly gained ground before they were pulled into the downward spiral of sustained uncertainty concerning the future development of the financial sector and the economy. Jungheinrich shares, which managed to decouple themselves from the general trend, posted significant increases in price in this volatile stock market environment, achieving a high of €15.70 for the year on January 15, 2010. Our quotation was stable thereafter, ranging between €14 and €15. At the end of February 2010, Jungheinrich's share was listed at €14.72—up 9.9 per cent on its closing price as of December 30, 2009. At 5,598 points, the DAX lost 6.0 per cent in value over the same period. The MDAX shed 1.5 per cent, closing February 2010 at 7,393 points. In contrast, the SDAX rose by 3.2 per cent to 3,662 points.

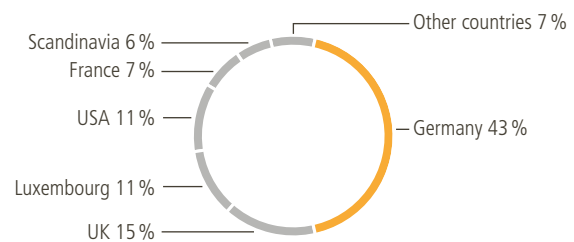
**Minimum dividend paid**

The Board of Management and the Supervisory Board will propose to the Annual General Meeting on June 15, 2010 that the minimum dividend of €0.12 established in the articles of association (prior year: €0.55) be paid per no-par-value preferred share for 2009 and that no dividend (prior year: €0.49) be paid per no-par-value ordinary share. Based on the share price quoted on December 30, 2009, the Jungheinrich preferred share will bear a dividend yield of 0.9 per cent (prior year: 6.1 per cent). The reduction in the dividend reflects the negative development of earnings in 2009.

**Jungheinrich share has potential**

Jungheinrich's current share price does not yet mirror the company's ability to perform. This applies all the more in light of the extensive measures taken by Jungheinrich to secure its future viability and improve earnings. Therefore, the Jungheinrich share should still be deemed undervalued. It thus affords long-term investors the opportunity to benefit from the attractive buying price of a successful company's shares. Looking at its track record, the Jungheinrich preferred share proved to be an attractive capital investment. The following table shows how a sample Jungheinrich custodian account developed over a period of ten years. The sample is based on an initial investment of €10,000 and the assumption that dividends were reinvested in additional preferred shares.

### Shareholder structure by country



### Long-term performance of the Jungheinrich share

Investment period	10 years
Investment at the beginning of 2000	10,000 €
Portfolio value at the end of 2009	17,554 €
Average annual return	5.8%
Comparable return of German share indices	
DAX	1.3%
MDAX	6.2%

Please note: There is no comparable figure for the SDAX.

### Preferred share capital securitized via global certificate

Since January 7, 2009, Jungheinrich's preferred share capital has been fully securitized via a global certificate, which has been deposited with Clearstream Banking AG, Frankfurt am Main. Holders of preferred stock own shares in the company commensurate to the stake they have as co-owners and the credit in their security deposit accounts. Share certificates issued by Jungheinrich AG in connection with its initial public offering in 1990 have been retired by the company in exchange for co-ownership shares. Now devalued, the share certificates have become historic and can be bought by collectors. More detailed information is available at [www.jungheinrich.com](http://www.jungheinrich.com) (Investor Relations/Share/Historic Securities).

### Stable shareholder structure

The custodian account survey conducted in November 2009 concerning Jungheinrich AG's shareholder structure revealed that the company's shareholder base was stable. At some 9,900 custodian accounts, the number of Jungheinrich shareholders was essentially unchanged (prior year: 9,700 custodian accounts). Of the Jungheinrich preferred shares, 57 per cent were held by foreign shareholders, as in the prior year. Institutional investors in Germany and abroad held 66 per cent (prior year: 68 per cent) of the company's preferred share capital. At 28 per cent, the portion accounted for by private investors did not change. Foreign shareholders were distributed among 47 countries (prior year: 43 countries).

### Two ad-hoc reports published

Two ad-hoc releases were occasioned by the German Securities Trading Act in the 2009 reporting period. The publications were related to the effects of the global economic downturn and measures taken by the company to adapt to the ensuing decline in business.

**Capital market-oriented key data**

			2009	2008
Dividend per share	Ordinary share	€	– <sup>1</sup>	0.49
	Preferred share	€	0.12 <sup>1</sup>	0.55
Dividend yield	Preferred share	%	0.9	6.1
Distribution volume		thousand €	1,920	17,620
Payout ratio		%	n.a.	23.0
Earnings per share		€	–1.62	2.26
EBIT <sup>2</sup> per share		€	–2.11	3.58
EBITDA <sup>3</sup> per share		€	2.94	8.59
Shareholders' equity per share		€	16.08	18.38
Share price <sup>4</sup>	High	€	14.78	26.58
	Low	€	6.79	8.20
	End-of-year	€	13.40	9.05
Performance over the year		%	48.1	–66.1
Market capitalization		million €	455.6	307.7
Stock exchange trading volume in Frankfurt		million €	122.2	248.9
Average daily turnover		thousand shares	44.79	56.48
P/E ratio (basis: high)		factor	negative	11.8
P/E ratio (basis: low)		factor	negative	3.6
Number of shares	Ordinary share	million shares	18.0	18.0
	Preferred share	million shares	16.0	16.0
	Total	million shares	34.0	34.0
Securities identification numbers	ISIN: DE0006219934 // WKN: 621993			
Ticker abbreviation on Reuters/Bloomberg	JUNG_p.de // JUN3 GR			
Stock exchanges	Hamburg and Frankfurt stock exchanges and all other German stock exchanges			
Designated sponsor	Commerzbank			
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 2009 marked by recession

Worldwide collapse of material handling equipment markets

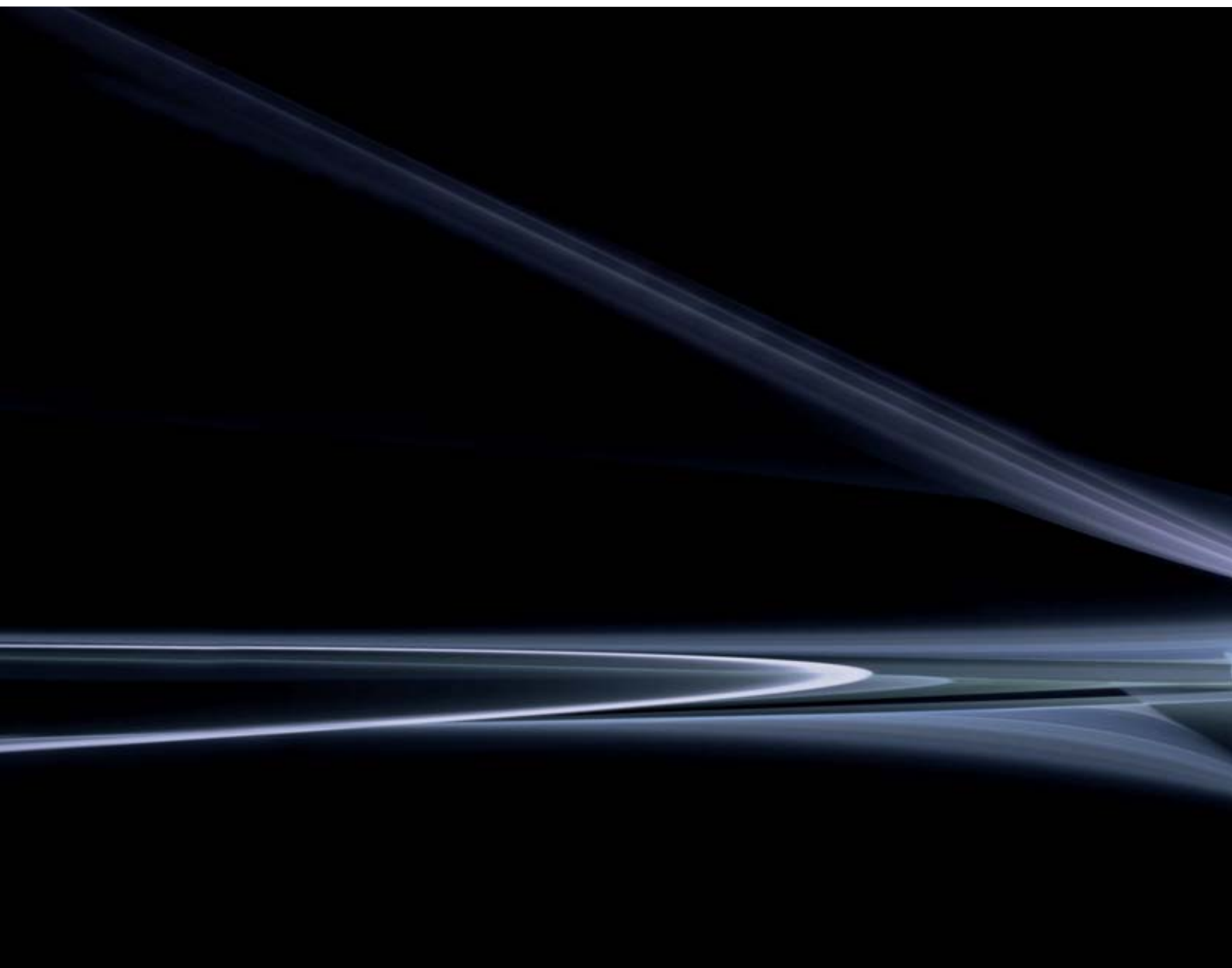
European market share expanded

Capacity adapted to market needs

Significant burden on earnings due to one-off expenses

Operative turnaround achieved after eight months

Production at Landsberg plant commenced





EKS 210



Jungheinrich looks back on a difficult year. The material handling equipment sector was hard hit by the global economic crisis. The world market for material handling equipment shrank by 37 per cent, and Jungheinrich's core markets in Europe contracted by as much as 46 per cent. Jungheinrich grew its market share, focusing on Europe. But the Jungheinrich Group recorded a marked decline in business nevertheless. Factory manpower was adjusted to meet the market's needs. We achieved an operating turnaround after eight months. However, high one-off expenses caused us to record a loss. The new plant in Landsberg started production. Our North American business was realigned, logistics systems activities were strengthened, and production in Asia was expanded.

## 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. As in the prior year, we ranked second in Europe and third worldwide in our branch of industry. Jungheinrich is an intralogistics service and solution provider with manufacturing operations which offers its customers a comprehensive range of forklift trucks, shelving systems, services and advice. The services encompass the short-term hire and sales financing of products, equipment maintenance and repair as well as reconditioning and selling used equipment. Jungheinrich produces nearly all engine-powered material handling trucks in proprietary plants in Germany. The production of warehousing equipment is handled by the plant in Norderstedt (Schleswig-Holstein) and the factory in Landsberg near Halle (Saxony-Anhalt) commencing the manufacture of these products in the middle of 2009. Counterbalanced and narrow-aisle trucks are manufactured in Moosburg (Bavaria). Jungheinrich produces small-series and specialized trucks at its Lüneburg (Lower Saxony) site. A selection of low and high-platform forklifts as well as battery-powered counterbalanced trucks is produced for the Asian market in Qingpu (China). Jungheinrich operates an efficient, global direct sales and service network with proprietary sales and service companies both within and outside Europe. In addition, overseas, Jungheinrich products are distributed via local dealers. Its operations are rounded off by a catalogue and internet-based mail-order business.

### Organization

Jungheinrich AG is active as a management holding company and conducts operations on a small scale. Its activity as management holding company comprises holding and managing stakes in 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 the Group's strategic orientation as well as determining and monitoring corporate goals. In addition, the parent company handles management, steering and controlling processes as well as risk management and

resource allocation. Whereas subsidiaries are under Jungheinrich AG's control, the Group 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 inter-divisional business-management control variables.

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

By applying IFRS 8 "Business Segments" for the first time effective January 1, 2009, Jungheinrich introduced segment reporting in line with its internal organizational and reporting structure. The two reportable segments, i.e. 'Intralogistics' and 'Financial Services' are thus now presented within the scope of segment reporting. The 'Intralogistics' segment encompasses the development, production, sale and short-term hire of new material handling equipment and warehousing technology products including logistics systems as well as the sale and short-term hire of used equipment and after-sales services, consisting of maintenance, repair and spare parts. Activities undertaken by the 'Financial Services' segment encompass the pan-European usage transfer and sales financing of material handling equipment and warehousing technology products. In line with Jungheinrich's business model, this independent business area supports the operating sales units of the 'Intralogistics' segment. The 'Financial Services' segment also handles the financing of its own business.

Part of Jungheinrich's strategic goal is to achieve profitable growth throughout the Group and to permanently rank among the world's three leading intralogistics service and solution providers. 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 warehouse technology sector. Furthermore, the Group is expanding its sales network in the Asian growth market, focusing on China. In North America, Jungheinrich is realigning its sales activities with a powerful sales partner that has a strong dealer footprint. In addition, the company aims to fortify its strategic position in the field of logistics systems in Europe and to significantly improve its position on the European market for counterbalanced trucks—above all for IC engine-powered drives.

### **Compensation model**

Jungheinrich's management pursues the principle of value-oriented management. It forms the basis for the remuneration schemes, 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 compensation of the members of the Board of management is determined by the Supervisory Board, which adopts the composition of the compensation system proposed by the Personnel Committee and reviews it for appropriateness at regular intervals. 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. If a very good performance is achieved, the variable component can account for more than 50 per cent of total emoluments. The variable component's success parameter is the EBIT return on sales (ROS), in line with the degree to which a target return 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.

Jungheinrich AG's remuneration system for members of its Board of Management is currently being reviewed. The German law on the appropriateness of management board compensation that entered into force on August 5, 2009 mandates that new employment contracts with variable compensation elements be supplemented with components with a longer-term orientation. We intend to introduce a new provision in compliance with this requirement in 2011.

#### 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 out-of-pocket expenses, Supervisory Board members receive compensation to which value-added 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 Supervisory Board committees collectively receive double the aforementioned total emolument. The respective committee decides on how it is divided among them.

An adjustment to the compensation model for members of the Supervisory Board is being reviewed and revised.

### General economic situation

#### Growth rates of select economic regions

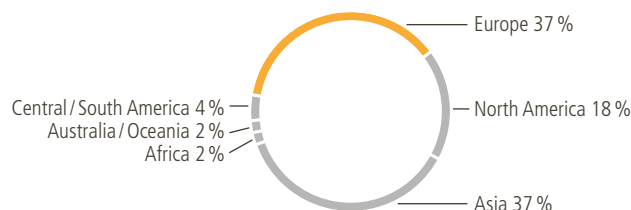
Gross domestic product in %

Region	2009	2008
World	-0.8	3.0
USA	-2.4	0.4
China	8.7	9.0
Eurozone	-4.0	0.6
Germany	-5.0	1.3

Source: Commerzbank & IMF (last updated in March 2010).

The global financial and economic crisis peaked in the 2009 reporting period. The worldwide economic downturn that began in the second half of 2008 accelerated in the first quarter of 2009, leaving deeper marks than expected. Leading economic research institutes outdid each other in ever-shorter intervals by publishing economic forecasts painting an increasingly sombre picture of the economy's development. The world economy continued its downward spiral in the second quarter of 2009, albeit at a slowing pace. It was above all the economies of North America and Western Europe that experienced the most severe post-war recession. Only over the course of the third quarter of 2009 did the global economy gradually emerge from the recession, with most economic regions returning to marginal growth. Numerous economic stimulus packages put together the world over totalled €3 trillion and made a decisive contribution to this. The world economy continued to recover in the fourth quarter of 2009, albeit with regional differences. As a result, the global economy did not shrink as much in the period under review as had been feared at the beginning of the year. The economy's recovery was boosted by the marked reduction in energy prices caused by the drop in demand occasioned by declining world trade. This was especially true as regards crude oil prices, which had a dampening effect on the global economic trend. In contrast, the price of industrial metal increased, with non-ferrous heavy metal leading the way, whereas steel prices slipped somewhat. The world economy's gross domestic product decreased by 0.8 per cent in 2009 (prior year: up 3.0 per cent). A steeper drop was prevented by the persistently strong growth displayed by China, whereas economic output declined considerably year on year in the USA and even more so in Europe. In Asia, China remained the dominating force, maintaining its high rate of expansion and posting 8.7 per cent growth (prior year: 9.0 per cent). Economic output in the USA dropped by 2.4 per cent (prior year: up 0.4 per cent). Economies in Eurozone countries contracted by 4.0 per cent (prior year: up 0.6 per cent). Countries of major importance to Jungheinrich in terms of sales such as France, Spain, Italy and the United Kingdom contributed to this deterioration. Their economic performance was down between 2.1 and 4.8 per cent (prior year: between -1.0 and +0.9 per cent). Most Central and Eastern European countries also suffered from the effects of the world economic crisis, recording substantial declines in economic output due to their strong interdependencies with the economies of Western Europe. Poland was an exception, achieving 1.5 per cent growth (prior year: 4.9 per cent). The substantial decrease in German economic performance of 5.0 per cent (prior year: up 1.3 per cent) was more significant in the period under review than the European average owing to the country's high dependency on exports and marked drop in investments in property, plant and equipment. These investments collapsed by 20.0 per cent (prior year: down 6.9 per cent), while exports decreased by 14.7 per cent (prior year: up 5.3 per cent). Conversely, the decline in imports of 8.9 per cent (prior year: up 4.4 per cent) was much smaller. Germany's mechanical engineering sector, which is strongly driven by exports, was especially hard hit by the world economic crisis. Since this branch of industry reacts to business cycles slowly, it has not yet managed to benefit substantively from the economic turnaround. Foreign demand for capital goods dropped by 39 per cent (prior year: down 7.0 per cent), with domestic orders falling by 37 per cent (prior year: down 6.0 per cent). Production output declined by some 25 per cent, after having risen by 6.0 per cent in the preceding year.

## Global market for material handling equipment by region in 2009



Source: WITS (World Industrial Truck Statistics).

## Development of the market for material handling equipment

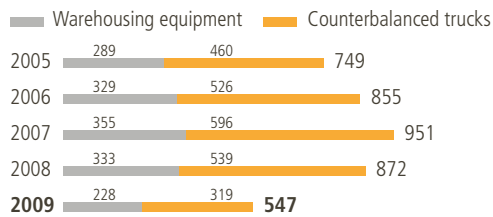
## Market volume of material handling equipment in thousands units

Region	2009	2008
World	546.8	871.5
Europe (incl. Turkey)	203.1	374.7
thereof Eastern Europe	20.5	70.9
North America	98.3	159.3
Asia	203.7	259.3
thereof China	117.9	113.4
Other regions	41.7	78.2

Source: WITS (World Industrial Truck Statistics).

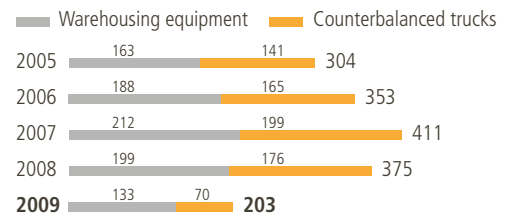
The material handling equipment industry was severely affected by the global economic downturn in the period being reviewed. The significant contraction of the market for material handling equipment observed in the fourth quarter of 2008 continued unabated in the first quarter of 2009. The world market was halved. Demand stabilized at this low level in the second quarter of 2009, transitioning into lateral movements. Demand for material handling equipment was revived somewhat over the remaining course of the year, but not all regions benefited from this equally. The upward trend carried over into the fourth quarter. Nevertheless, the world market shrank by a total of 37 per cent to 546.8 thousand forklift trucks in 2009 (prior year: 871.5 thousand units). The market volume was thus smaller than forecast in the preceding year, which had envisaged the market declining to 'much less than 700 thousand trucks'. All regions were affected by the decrease in the size of the world market. As in the prior year, the steepest declines were recorded in North America and Europe. Demand for material handling equipment in Europe dropped by some 46 per cent to 203.1 thousand forklifts (prior year: 374.7 thousand units). Eastern Europe accounted for a substantial proportion, recording a 71 per cent drop in demand. Russia, the single-largest market in Eastern Europe, contracted by as much as 87 per cent. Western Europe's market volume was down by 39 per cent. Major markets in this part of the world, namely Spain, Italy, the UK and France, experienced the weakest demand, which fell by between 47 and 29 per cent. The negative development of the North American market witnessed for several years continued, recoding a decline of 38 per cent to 98.3 thousand forklifts (prior year: 159.3 thousand units). Asia posted the smallest decrease, of 21 per cent, to 203.7 thousand trucks (prior year: 259.3 thousand units). This development was supported by China, which grew its market by 4 per cent, and was thus the Asian market's growth engine. All product segments were affected by the considerable decrease in the size of the world market. The market for warehousing equipment was down 31 per cent, contracting to a lesser extent than the one for counterbalanced trucks, which shrank by 41 per cent. The Jungheinrich Group proved its mettle in this difficult market environment thanks to its strong direct sales network and the strength of its warehousing technology business. The company enlarged its share of the market worldwide—above all in Europe.

### 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.

### Focal points and activities

Major activities carried out by the Jungheinrich Group in fiscal 2009 were the comprehensive measures taken to adapt manpower to the market's weak demand as well as incisive savings measures to improve earnings on the one hand and the establishment of a strategic, forward-looking direction in sales and technology as well as securing corporate financing over the medium term on the other hand.

Owing to the collapse of the market for material handling equipment affecting major European industrial countries (Jungheinrich's core markets) the company faced huge challenges. Based on appropriate risk scenarios, Jungheinrich prepared itself at the end of 2008 to deal with the deterioration in basic conditions and initiated measures in good time, in order to react to the impending consequences, especially in sales and technology. In addition to the reduction of the temporary workforce and permanent work time account balances as well as the introduction of short-time work and unpaid leaves of absence, headcount was reduced substantially in 2009. Furthermore, structural projects were initiated and implemented to improve earnings across all company units. The resulting staff adjustments, which will continue in 2011, led to substantial one-off costs reported in the consolidated financial statements for the period ended December 31, 2009. Additional cost-reducing measures were taken in all divisions. All of the measures were implemented very responsibly, quickly and flexibly by the affected units. This concerted action enabled the Jungheinrich Group to achieve an operative turnaround in a mere eight months. In consequence, consolidated net sales will turn a profit as soon as they exceed approximately € 1.65 billion. Moreover, capital expenditures, the short-term hire fleet and working capital were adjusted to the change in underlying conditions and reduced considerably. As a result, the Jungheinrich Group's net financial position improved substantially.

The new plant for manufacturing battery-powered low-platform trucks in Landsberg was completed on schedule in 2009. Production in this factory, designed as an independent centre of excellence, began on July 1, 2009. In addition to manufacturing and product development, the facility is in charge of product management for the relevant trucks. The first two truck series were transferred from the Norderstedt factory's battery-powered low-platform truck production line. Further forklift series intended for Landsberg will follow in the first half of 2010.

The production plant in Qingpu (China) was expanded and its product range was enlarged by the addition of a battery-powered counterbalanced truck adapted to suit the Asian market.

Seeking to strengthen its strategic position in logistics systems, a field of increasing complexity, in the autumn of 2009, Jungheinrich acquired a stake in the leading software company ISA – Innovative Systemlösungen für Automation GmbH, which is headquartered in Graz (Austria). A large number of successful projects had already been carried out with this partner in the past. By taking this interest, the Jungheinrich Group is making an investment in a promising, fast growing field of business.

We realigned our North American operations in the middle of 2009. To this end, Jungheinrich struck agreements with Mitsubishi Caterpillar Forklift America Inc. (MCFA for short), Houston, Texas (USA) to supply the US, Canadian and Mexican markets. On the strength of its dense dealer network, MCFA became Jungheinrich's exclusive sales partner in North America effective January 1, 2010. Warehousing equipment

designed by Jungheinrich specifically for the North American market is to be engineered in an in-house development centre in Houston and manufactured by MCFA. Jungheinrich discontinued its previous sales channels. This realignment opens the door to making the North American business profitable over the long term.

Groupwide IT networking using off-the-shelf software progressed again in 2009. Our Russian sales company was the 18<sup>th</sup> to be integrated into the SAP-ERP system. The conversion to the UNICODE character set for Cyrillic support in the preceding year enabled Russian activities to be integrated into Jungheinrich's IT network seamlessly. Last year, the service engineer dispatch system introduced in Poland in 2008 was expanded, and work began on its introduction in our sales companies in Italy and Spain. The CRM (customer relationship management) system was updated to the newest release and its roll-out in the Austrian and Italian country operations was continued. The system is thus up and running in six European countries. Further countries will be added in 2010. Moreover, SAP's standard GTS (Global Trade Service) software was installed in several divisions in order to ensure hassle-free compliance with the requirements imposed by electronic customs clearance and shipment monitoring. This enables international statutory regulations to be accounted for efficiently in the automated process.

Towards the end of 2009, a five-year €100 million promissory note was placed in order to secure company financing. The company thus has the financial resources required to finance growth in the years ahead. This step supplements the medium-term credit line of approximately €300 million agreed in 2008, which has a remaining term of two to four years.

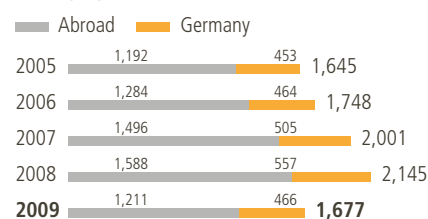
With a view to optimizing the financing of its financial services business, which plays an important strategic role on a European level, Jungheinrich has joined forces with partner banks to build a centralized financing platform that allows customer financing to be processed more flexibly and efficiently across country borders.

A new leadership mission was introduced throughout the Group in 2009. It builds on the existing corporate culture, the company's fundamental strategic values, and Jungheinrich's vision of its future corporate culture. Jungheinrich's leadership mission is designed to do justice to the general desire for value-based behaviour and to provide management and staff with a behavioural guideline. Key values such as professionalism, performance orientation and joy of innovation are firmly embedded in Jungheinrich's corporate culture. These values are lived by within the company and are mirrored in 'customer satisfaction', which ensures Jungheinrich's profitability, independence and continuity.



**Net sales**

in million €

**Business trend****Business trend—key figures**

		2009	2008
Incoming orders	million €	1,654	2,145
Production	units	48,300	80,700
Orders on hand (12/31)	million €	208	242
Net sales	million €	1,677	2,145

The collapse in worldwide demand for material handling equipment dominated the Jungheinrich Group's business trend especially in the period under review. Although Jungheinrich is well positioned in terms of both product segments and customer structure, the company was unable to emerge from the contraction of the material handling equipment market unscathed. Business volume declined considerably as the short-term hire equipment business and after-sales services were also hit by the economic downturn—albeit to a slightly lesser extent. Accordingly, the Jungheinrich Group experienced an unfavourable business trend. Incoming orders in new truck business in terms of units dropped groupwide, albeit marginally less than the overall market, decreasing by 35 per cent to 49.4 thousand trucks (prior year: 76.5 thousand units). Of notable mention in this context is the fact that, besides the drop in demand from customers, 5.3 thousand fewer forklifts were transferred to the short-term hire fleet due to the business cycle compared to the prior year. The value of incoming orders including all business areas was down 23 per cent year on year to €1,654 million (prior year: €2,145 million). This reflects the disproportionately steep decline in new truck business. In 2009, the Group's production output decreased by 40 per cent to 48.3 thousand trucks (prior year: 80.7 thousand units). Production was adjusted at all manufacturing sites in Germany by deciding on and taking incisive measures (e.g. the introduction of short-time work and headcount reductions) in reaction to the market's halving and the ensuing decline in incoming orders in the first half of 2009. We had already reacted immediately to the changes in the market by making temp workers redundant and reducing work time account balances in the preceding year. By December 31, 2009, the value of orders on hand from new truck business had dropped by 14 per cent to €208 million (prior year: €242 million). As in the prior year, the order range was under three months.

**Net sales by region**

in million €	2009	2008
Germany	466	557
Rest of Europe	1,119	1,467
Other countries	92	121
Total	1,677	2,145

Net sales in the year being reviewed were about 22 per cent down year on year to €1,677 million (prior year: €2,145 million). All regions contributed to this decline in net sales. Domestic business was down 16 per cent

to €466 million (prior year: €557 million). At the same time, foreign net sales declined by 24 per cent to €1,211 million (prior year: €1,588 million). As a result, the foreign ratio decreased to 72 per cent (prior year: 74 per cent). Net sales generated outside Europe were down by around 24 per cent to €92 million due to the drop in sales in the USA caused by the realignment of the sales organization (prior year: €121 million). The non-European share of sales thus declined marginally to 5 per cent (prior year: 6 per cent).

#### Net sales by business area

in million €	2009	2008
New truck business	811	1,271
Income from the short-term hire and sale of used equipment	305	331
After-sales services	578	605
<b>'Intralogistics' business segment</b>	<b>1,694</b>	<b>2,207</b>
<b>'Financial Services' business segment</b>	<b>378</b>	<b>369</b>
Reconciliation	-395	-431
<b>Jungheinrich Group</b>	<b>1,677</b>	<b>2,145</b>

All divisions were affected by the decline in net sales. In line with the market trend, new truck business was hit the hardest, recording a drop of 36 per cent. The short-term hire and used equipment business followed with a decrease of a mere 8 per cent, benefiting from business with used equipment, which recorded a slight uptick. Sales from after-sales services, which have less cyclical exposure and took advantage of the rise in the market penetration of Jungheinrich trucks—above all in Europe—displayed relatively stable development, dropping by 4 per cent. The share of total sales accounted for by after-sales services rose to 34 per cent (prior year: 27 per cent) as a result of the weak new truck business.

#### Cost structure according to the income statement

in million €	2009	2008
Cost of sales	1,291	1,552
Selling expenses	376	399
Research and development costs	49	42
General administrative expenses	28	28

The cost of sales declined much less than consolidated net sales, falling by 17 per cent to €1,291 million (prior year: €1,552 million). This was predominantly due to the considerable drop in plant capacity utilization caused by the decline in incoming orders, which could only be cushioned by short-time work to a limited extent. Furthermore, substantial one-off expenses were incurred owing to the extensive adjustment measures taken at plants in connection with headcount reductions. Marginal savings were achieved thanks to lower material prices—especially for steel and plastic products. The share of the Group's net sales accounted for by the cost of sales rose to 77 per cent of (prior year: 72 per cent). Selling expenses also posted a decrease, albeit to a much lesser extent, dropping by just 6 per cent to €376 million (prior year: €399 million). Their portion of consolidated net sales advanced to 22 per cent (prior year: 19 per cent).

Measures depressing costs had an effect here as well. The absence of costs incurred in connection with the CeMAT sector trade show, which only takes place once every three years, had a positive impact.

Jungheinrich continued to invest in the development of its products in a forward-looking manner—regardless of the economic crisis. As shown in the following table, at some €39 million, the Group's total research and development costs were on par with the prior year's level. This figure includes the development centres at the Landsberg and Houston sites for the first time. Process optimizations enabled costs to be saved in the field of R&D.

<b>Research and development costs</b>		
in million €	2009	2008
Total research and development costs	38.7	39.0
thereof capitalized development costs	6.5	5.5
Capitalization ratio	16.8 %	14.1 %
Amortization of and impairment losses on capitalized development costs	16.5	8.6
Research and development costs according to the income statement	48.7	42.1

New product developments caused the capitalization ratio to increase marginally to 16.8 per cent (prior year: 14.1 per cent). Research and development costs according to the income statement rose by approximately €7 million to some €49 million (prior year: €42 million). This figure included more than €8 million in impairment losses on capitalized development costs for three truck series recognized due to a reduction in their value in use because of the huge decline in sales volume.

At €28 million, general administrative expenses were flat compared with the preceding year. The adverse impact of transfers to provisions for personnel and litigation was primarily contrasted by the positive earnings effect stemming from the cyclically-induced decline in sub-contracting and further cost-reducing measures, with the decrease in work time and vacation account balances leading the way.

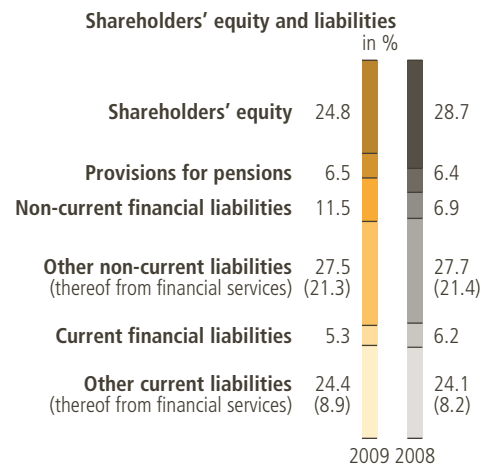
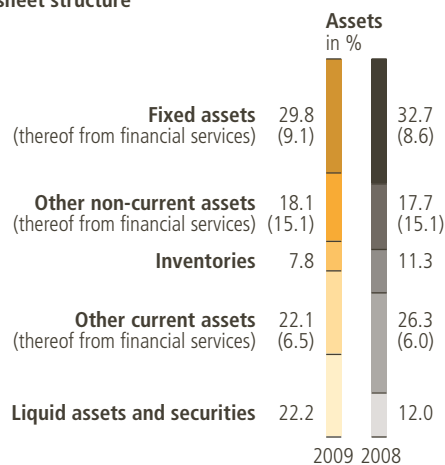
## Earnings, asset and financial position

### Earnings position

The market's collapse and the resultant decline in business left deep marks on the development of the Jungheinrich Group's earnings in the period being reviewed.

<b>Earnings trend of the Jungheinrich Group</b>		
in million €	2009	2008
Gross profit on sales	385.9	592.6
Earnings before interest and taxes (EBIT)	-71.7	121.8
Financial income (loss)	-2.8	-0.3
Earnings before taxes (EBT)	-74.5	121.5
Income taxes	-19.3	44.7
Net income	-55.2	76.7

### Balance sheet structure



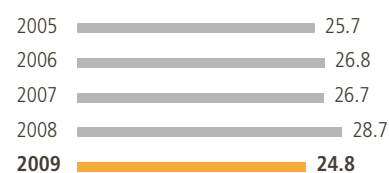
The Jungheinrich Group closed the 2009 financial year with a substantial loss. Low plant capacity utilization triggered by the massive decline in demand in new truck business was primarily responsible for the substantial drop in earnings. This was compounded in the first half of 2009 by the negative effect of high material prices, which stemmed from the preceding year. A certain degree of relief was felt in the second half of 2009, thanks to the decrease in commodity prices. Measures taken to improve earnings and adapt production to the drop in demand had an increasingly positive impact. Another factor stabilizing earnings was the much less pronounced decrease in the after-sales services business. On the strength of its intensified efforts, the Jungheinrich Group succeeded in achieving an operative break-even again in the autumn of 2009. Nevertheless, the loss recorded was substantial due to the high one-off charges, which totalled approximately €80 million. One-off expenses primarily related to the package of measures taken to adjust capacity over the long term, which involved a significant decrease in headcount, which will extend into 2011, and roughly €36 million in costs at the Norderstedt and Moosburg plants. Another substantial one-off expense was incurred to replace the old dealer sales network in North America. Moreover, non-recurrent expenses were incurred in part from impairment losses recognized for capitalized development costs and investments as well as write-downs of the value of used equipment in stock.

The gross profit on sales declined by €207 million, or 35 per cent, to €386 million (prior year: €593 million). This decrease was primarily due to the collapse in sales of €460 million in new truck business.

Since a turnaround was achieved within eight months, in operating terms the company managed to generate a slightly positive €8 million in earnings before interest and taxes (EBIT). Including €80 million in one-off expenses, however, EBIT dropped to a negative €72 million (prior year: a positive €122 million). The corresponding EBIT return on sales fell to a negative 4.3 per cent (prior year: a positive 5.7 per cent). EBITDA (earnings before interest, taxes, depreciation and amortization) which reflect operating income affecting liquidity, declined by €192 million to €100 million in the year under review (prior year: €292 million). Net of the depreciation of trucks for lease from financial services, EBITDA amounted to €46 million (prior year: €241 million). Earnings before taxes (EBT) fell to a negative €75 million (prior year: a positive €122 million). The negative financial result rose compared to the preceding year due to our conservative investment policy and the currency exchange differentials from financial transactions included in this item from fiscal 2009 onwards. Due to the negative earnings trend, the Jungheinrich Group received an income tax credit of €19 million (prior year: income tax payment of €45 million). Net income thus declined to a negative €55 million (prior year: a positive €77 million). As a result, imputed earnings per share dropped to a negative €1.62 (prior year: a positive €2.26) on the back of 34.0 million shares.

**Equity ratio**

in %



In view of the loss recorded, the Board of Management of Jungheinrich AG proposes that ordinary shareholders not receive a dividend (prior year: €0.49 per ordinary share) and that preferred shareholders receive the minimum dividend of €0.12 (prior year: €0.55) per preferred share.

**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 the 2009 financial year, the Jungheinrich Group's asset and financial position was determined by the steep decline in business and the associated negative earnings trend as well as the company's resolute management of working capital. By year-end, the balance sheet total was marginally higher, rising by €28 million to €2,207 million (prior year: €2,179 million).

In connection with the figure stated for the financial services business, it must be noted that, in accordance with IFRS, depending on the type of contract, long-term financial service agreements concluded with customers and Jungheinrich companies directly or via leasing companies must be carried as fixed or current assets (as trucks for lease under financial services or as receivables from financial services). These long-term customer agreements are refinanced 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 from customer contracts usually at least cover refinancing instalments paid to lending institutions in this business. Further information on the financial service business is provided in the following detailed presentation on the 'Financial Services' business segment and the consolidated financial statements of Jungheinrich AG.

**Asset structure of the Jungheinrich Group**

in million €

	12/31/2009	12/31/2008
<b>Non-current assets</b>	<b>1,087</b>	<b>1,099</b>
Fixed assets	657	713
Receivables from financial services	333	329
Other non-current assets	67	57
Securities	30	–
<b>Current assets</b>	<b>1,120</b>	<b>1,080</b>
Inventories	173	247
Trade accounts receivable	305	385
Receivables from financial services	144	131
Other current assets	39	55
Liquid assets and securities	459	262
<b>Balance sheet total</b>	<b>2,207</b>	<b>2,179</b>

Fixed assets were down by €56 million to €657 million (prior year: €713 million). Most of the decrease was allocable to the cyclically-induced reduction in the short-time hire fleet to some 22 thousand forklifts (prior year: 26 thousand units). This was contrasted by a slight increase in assets in the financial services business and capital expenditures on production plants, in particular the completion of the new factory for battery-powered low-platform trucks in Landsberg. Non-current and current receivables from financial services rose by a total of €17 million to €477 million (prior year: €460 million) despite the market's shrinkage, owing to increased customer demand for leased equipment. Although there was a marked increase in used equipment transferred from the short-term hire fleet, inventories dropped by €74 million to €173 million (prior year: €247 million). Inventory figures as of the balance sheet date include €7 million in additional write-downs vis-à-vis the preceding year due to low turnover. By the end of the year, current trade accounts receivable had dropped by €80 million to €305 million (prior year: €385 million) owing to the reduction in demand. Cash and cash equivalents consisting of liquid assets and securities increased by €227 million to €489 million (prior year: €262 million) because working capital was freed up and a €100 million promissory note was placed.

<b>Capital structure of the Jungheinrich Group</b>		
in million €	12/31/2009	12/31/2008
<b>Shareholders' equity</b>	<b>547</b>	<b>625</b>
<b>Non-current liabilities</b>	<b>1,004</b>	<b>893</b>
Provisions for pensions and similar obligations	143	140
Financial liabilities	253	150
Liabilities from financial services	471	465
Other non-current liabilities	137	138
<b>Current liabilities</b>	<b>656</b>	<b>661</b>
Other current provisions	140	108
Financial liabilities	117	135
Liabilities from financial services	197	178
Trade accounts payable	96	117
Other current liabilities	106	123
<b>Balance sheet total</b>	<b>2,207</b>	<b>2,179</b>

The significant decrease in shareholders' equity, which dropped by €78 million to €547 million (prior year: €625 million) was primarily caused by the negative net income (down €55 million). In addition, the dividend payment for fiscal 2008 which totalled over €17 million. The equity ratio decreased to 25 per cent (prior year: 29 per cent) as the balance sheet total was essentially unchanged. As of the balance sheet date, as in the preceding year, 119 per cent of fixed assets (excluding trucks for lease in the financial services business) were covered by shareholders' equity. The Jungheinrich Group was able to fully meet its payment obligations and secure its financing beyond the period under review at all times, even against the

backdrop of the international financial and economic crisis, which was more severe than in the preceding year. Excluding accounts payable for financial services, which were covered by accounts receivable from customers, the company had no net debt. In consequence, Jungheinrich's degree of indebtedness, defined as the ratio of net debt to EBITDA (excluding the depreciation of trucks for lease from financial services) was negative (prior year: < 0.1 years). Provisions for pensions were up €3 million to €143 million (prior year: €140 million) due to scheduled additions. Other non-current and current provisions rose by a total of €47 million to €197 million (prior year: €150 million). This increase was largely a result of redundancies resulting from capacity adjustment measures and the replacement of the old dealer sales network in the USA. Non-current and current financial liabilities were up €85 million to €370 million at the Group level (prior year: €285 million) and include the placement of a €100 million promissory note. Taking the €489 million in financial resources and securities into account, there was a net credit of €118 million (prior year: net indebtedness of €23 million). Trade accounts payable decreased by €21 million to €96 million (prior year: €117 million) due to the substantial economically-driven reduction in purchasing. Non-current and current liabilities from financial services climbed by €25 million to €668 million, in line with the marginal growth in business (prior year: €643 million).

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

#### Statement of cash flows of the Jungheinrich Group

in million €	2009	2008
Net income	-55	77
Depreciation, amortization and impairment losses	172	170
Changes in trucks for short-term hire and trucks for lease (excl. depreciation) and receivables from financial services	-73	-221
Changes in liabilities from financing trucks for short-term hire and financial services	25	134
Changes in working capital	133	-
Other changes	5	-28
<b>Cash flows from operating activities</b>	<b>207</b>	<b>132</b>
<b>Cash flows from investing activities<sup>1</sup></b>	<b>-52</b>	<b>-75</b>
<b>Cash flows from financing activities</b>	<b>71</b>	<b>-47</b>
<b>Net cash change in cash and cash equivalents<sup>1</sup></b>	<b>226</b>	<b>10</b>

<sup>1</sup> Excluding the balance of payments made to purchase/proceeds from the sale of securities amounting to a negative €2 million (prior year: a negative €63 million).

**EBIT return on sales**

in % (ROS)

**EBIT return on capital employed**in % (ROCE)<sup>1</sup>

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

Our cash flow's positive development was primarily driven by the reduction in working capital (up €133 million). Cash flows from operating activities rose by €75 million to €207 million in the period under review (prior year: €132 million). The decline in net income (down €132 million) was fully compensated for by working capital freed up. The year-on-year decline in funds tied down due to the change in trucks for short-term hire and lease and in receivables from financial services (up €148 million) was contrasted by a decrease in liabilities from the financing of trucks for short-term hire and financial services (down €109 million). At –€52 million, cash flows from investing activities, which were adjusted to ensure comparability, were €23 million down on the prior year's level (–€75 million). In view of the economic crisis, capital expenditures were made with great restraint. Payments made to purchase, and proceeds from the sale of securities totalling –€2 million on balance (prior year: –€63 million) were deducted from the capital expenditures in this item. Cash flows from financing activities amounted to +€71 million (prior year: –€47 million) and stemmed from the issuance of a €100 million promissory note. In contrast, as in the preceding year, there was a cash outflow of €17.6 million (prior year: €18.6 million) to reduce liabilities due to banks and financial loans as well as to make the dividend payment. In sum, changes in cash and cash equivalents affecting payments totalled +€226 million (prior year: +€10 million). Taking the purchase and sale of securities into account, changes in cash and cash equivalents affecting payments amounted to +€224 million (prior year: –€53 million).

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

The following value added statement shows the work performed by the Jungheinrich Group in the 2009 financial year, minus all advance work and depreciation. The Jungheinrich Group's value added developed as follows:

<b>Value added by the Jungheinrich Group</b>				
in million €	2009	%	2008	%
<b>Source</b>				
Total Group output <sup>1</sup>	1,721	100.0	2,201	100.0
Cost of materials and equipment	1,013	59.0	1,274	57.9
Depreciation, amortization and impairment losses	172	10.0	170	7.7
<b>Net value added</b>	<b>536</b>	<b>31.2</b>	<b>757</b>	<b>34.4</b>
<b>Usage</b>				
Employees	572	106.8	595	78.6
Public sector	–19	–3.6	45	5.9
Lenders	38	7.1	40	5.3
Shareholders	18	3.3	19	2.5
Company	–73	–13.6	58	7.7
<b>Net value added</b>	<b>536</b>	<b>100.0</b>	<b>757</b>	<b>100.0</b>

<sup>1</sup> Including interest and similar income, other operating income and income from investments.



**Return on equity after income taxes**

in %

**Return on total capital<sup>1</sup>**

in %

<sup>1</sup> Not including financial services.

Net value added created by the Jungheinrich Group in the fiscal year that just ended amounted to €536 million (prior year: €757 million). It was 29 per cent lower than in the preceding year. The usage shows that the lion's share of net value added (€572 million, or 107 per cent) was used for employees (prior year: €595 million, or 79 per cent). The company required €19 million, or 4 per cent, from the public sector (prior year: outflow of €45 million, or 6 per cent). Lenders partook of €38 million, or 7 per cent (prior year: €40 million, or 5 per cent). Shareholders had a share of €18 million, or 3 per cent (prior year: €19 million, or 3 per cent). The company lost €73 million, or 14 per cent, of net value added in the period under review. €58 million, or 8 per cent, had been available for internal business financing in the preceding year.

**Return on sales and capital**

The deterioration in the Jungheinrich Group's earnings and asset position is reflected in the negative key return indicators.

**Key return indicators of the Jungheinrich Group**

in %

	2009	2008
EBIT return on sales (ROS)	-4.3	5.7
EBIT return on capital employed (ROCE)	-16.8	18.8
Return on equity	-9.4	13.0
Return on total capital employed	-3.3	5.7

EBIT return on sales (ROS) = EBIT : Net sales x 100

EBIT return on capital employed (ROCE) = EBIT : Employed interest-bearing capital<sup>1</sup> 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

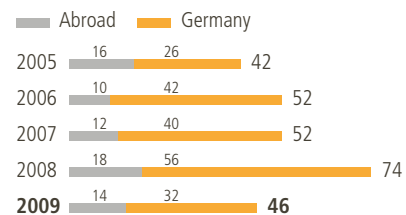
<sup>1</sup> Shareholders' equity + Financial liabilities – Liquid assets and securities.

Our key return indicators fared poorly in the period being reviewed owing to the downward organic earnings trend caused in particular by the collapse in volume in new truck business and to the €80 million in one-off expenses. The EBIT return on sales fell to a negative 4.3 per cent (prior year: a positive 5.7 per cent). The corresponding return on interest-bearing capital employed (ROCE) dropped to a negative 16.8 per cent (prior year: a positive 18.8 per cent), thus clearly falling short of the Jungheinrich Group's long-term ROCE target of 20 per cent. The return on equity fell to a negative 9.4 per cent (prior year: a positive 13.0 per cent). The return on total capital employed, adjusted to exclude liabilities and interest income from financial services, was a negative 3.3 per cent (prior year: a positive 5.7 per cent).

Net of the €80 million in one-off expenses, the EBIT return on sales (ROS) would have been 0.5 per cent.

### Capital expenditures

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



### Capital expenditures

In the year under review, capital expenditures by the Jungheinrich Group on tangible and intangible assets—net of capitalized development costs—amounted to €46 million (prior year: €74 million). This €28 million decline was greatly driven by the economic trend. Consequently, the capital spending-to-sales ratio dropped to 2.7 per cent (prior year: 3.4 per cent). As in the preceding year, the lion's share of the capex volume was allocable to domestic production plants. The new factory at the Landsberg site was completed by tooling machines and equipping the facilities. July 1, 2009 was the date of commissioning. Construction work on a new powder coating unit started at our production site in Norderstedt, and the plant's electronics manufacturing was expanded. Jungheinrich continued to focus its spending on the enlargement of its sales companies in Germany and abroad.

### Research and development

Fiscal 2009 saw Jungheinrich furnish renewed proof of its ability to perform, making forward-looking investments in the development of its products. The Jungheinrich Group's capital expenditures on research and development including preparatory work in development-related areas and outsourcing, which accounted for some €3 million as in 2008, matched the year-earlier level, at €39 million. This represented 6.5 per cent of sales generated from new truck business in the year under review, which decreased significantly (prior year: 4.0 per cent). Last year, an average of 339 people worked in the field of research and development (prior year: 340).

R&D spending in the 2009 reporting period focused on various projects aiming to improve efficiency in the field of development. This led to process enhancements and structural changes. 77 patent applications were filed in 2009 (prior year: 84), and 80 patents were granted (prior year: 89). 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:

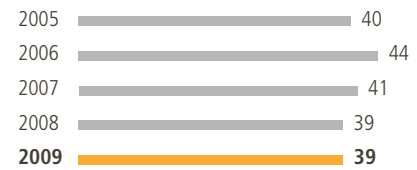
#### Fundamental research

The energy efficiency of drive systems remained a pivotal topic addressed by fundamental research in the period under review. Concepts ensuring the commercially viable use of energy systems based on lithium-ion batteries were created. In addition, reliable assessments concerning the reliability of this new technology were made. Basic research in the field of battery-powered drive systems continued to centre on low energy consumption and high performance. Various hybrid drive concepts were examined and commercially evaluated for IC engine-powered forklifts, and the technology's potential fuel savings were proven. Jungheinrich thus underscored its expertise in the field of efficient drive systems.

Refining logistics systems offers Jungheinrich a viable way to expand its product range. Intelligently linking material handling equipment, payload carriers and warehouse management systems opens the door to substantial efficiency improvements in warehouse logistics. In 2009, attention was dedicated to conducting research on forklift operator assistance systems capable of increasing the productivity and reliability of logistics processes.

**Research and development costs**

in million €



Benchmarking against other manufacturers confirmed the high degree of efficiency of Jungheinrich's product creation process. Some structural and process-oriented measures were introduced with a view to tapping synergistic effects. Examples include endurance tests for forklift trucks, nearly all of which are now carried out centrally, and the new fundamental research process for components across all product lines established as a result of restructuring.

**Product engineering**

The company made continuous upgrades and supplements to its expansive product range in 2009. This encompassed products enabling new segments and markets to be tapped. Environmental compatibility assessments are an integral part of Jungheinrich's forklift engineering process.

A special highlight in the reporting period was the market launch of a new IC engine-powered counterbalanced truck that can handle payloads of up to 2 metric tons. The hydrostatic drive technology with its renowned advantages in terms of handling turnover rates and ease of serviceability already used in forklift trucks with higher payload capacities was put to use here. Another of this truck series' convincing features are the low emissions it ensures thanks to its soot particle filter. It thus significantly undercuts the legal threshold values. Furthermore, this model's ergonomic standard is state of the art. This enables operators to take advantage of this forklift's outstanding performance over extended periods of time without tiring.

Another focal point was the build-up of engineering capacity overseas, namely in Shanghai (China) and Houston, Texas (USA). Our objective is to develop products specific to these markets on-site. These activities have already produced a battery-powered counterbalanced truck based on the forklifts on offer in Europe, which is manufactured in the plant in Qingpu (China). An increasing portion of the components is sourced by regional suppliers.

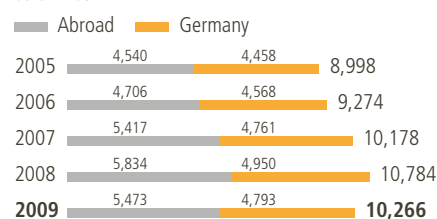
Introduced in 2009, the EJD double-deck stacker improved manufacturing costs significantly through the increased use of shared parts. The stacker was equipped with the 'ProTraLink' drive, which gives the forklift optimal traction characteristics, resulting in a substantial customer benefit.

**Employees**

The Jungheinrich Group considerably reduced headcount in the 2009 financial year in reaction to the huge decline in demand for material handling equipment. The adjustments of order-related production to the drop in demand were initially made by taking short-term measures which did not have an impact on the core workforce. To this end, the temporary labour force and work time account balances were reduced and temporary work contracts were not extended. Moreover, vacancies were not filled and short-time work was introduced to domestic factories on March 1, 2009. In the second half of the year, management decided to substantially step up measures already taken to counter the effects of the economic crisis. This went hand in hand with approximately 150 additional redundancies in sales and 500 at the plants. Corresponding agreements concerning the incisive structural-adjustment and savings measures were reached with the company's employee representatives. One-off expenses associated with these arrangements (largely for severance packages) were fully taken into account in the 2009 financial statements. Measures underway at the factories will continue until the spring of 2011, thus being reflected in headcount with a lag.

**Employees**

as of 12/31

**Employees by division**

	12/31/2009	12/31/2008
Sales and Marketing	7,479	7,903
Production	2,388	2,389
Service Centre / Administration	399	492
<b>Total</b>	<b>10,266</b>	<b>10,784</b>

The permanent workforce decreased by 518 employees in fiscal 2009. As of December 31, 2009, the headcount was at 10,266 (prior year: 10,784). Non-German sales companies and the German head office were affected the most. Permanent staff redundancies at the Norderstedt (including Lüneburg) and Moosburg plants were partially offset by the construction of the factory in Landsberg and the expansion of the production facility in Qingpu (China). Our labour force included 292 trainees (prior year: 290). This shows that Jungheinrich continues to accord high importance to training young adults and that we uphold this principle even when underlying conditions are extremely difficult. The number of temporary workers employed by the Group dropped by 312 in the period being reviewed. Two-thirds of this figure are allocable to our technological operations. In sum, the Jungheinrich Group reduced its workforce in reaction to the economic cycle by more than 800 jobs (permanent and temporary staff). As in the prior year, 73 per cent of the permanent labour force worked in sales, with production accounting for 23 per cent (prior year: 22 per cent). More than 3,400 service engineers (prior year: over 3,500 employees) worked in the Sales Division. The share of employees working in the after-sales service organization amounted to 46 per cent (prior year: 45 per cent).

**Employees by region**

in %	12/31/2009	12/31/2008
Germany	46.7	45.9
France	9.1	9.0
Italy	7.7	7.5
UK	7.4	7.5
Spain	3.4	3.7
Rest of Europe	21.2	22.1
Overseas	4.5	4.3
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

As of December 31, 2009, 5,473 (prior year: 5,834) staff members worked outside Germany, while 4,793 (prior year: 4,950) were employed within the country. Thus, about 47 per cent (prior year: 46 per cent) of the labour force worked in Germany. In the rest of Europe, France accounted for the biggest share (9 per cent), followed by Italy and the UK, with about 8 and 7 per cent, respectively. The share of our personnel active overseas rose marginally due to the reduction in headcount caused by the realignment of our North American business, remaining above 4 per cent. 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 reaction to the foreseeable collapse in Jungheinrich earnings resulting from the dramatic development of incoming orders from new truck business, purchasing and logistics reviewed and renegotiated all contracts and master agreements in force with suppliers and service providers. This concerted effort to obtain improved conditions for fiscal 2009 covered all sourcing areas and was boosted by the decline in commodity prices and transportation costs in the last few months of 2008 triggered by the world economic crisis. The contributions made to earnings by the restructured agreements will have a positive impact on 2010.

Persistently low demand for material handling equipment in 2009 and significantly curtailed investments in areas including trucks in the short-term hire fleet and the substantial reduction in material costs resulted in a significant decline in purchasing, which fell by 36 per cent to €910 million (prior year: €1,420 million). Production material usage shrank commensurate to the market's development, falling by 45 per cent to some €320 million and thus representing 35 per cent of the aggregate purchasing volume. At €250 million, the portion of sourcing accounted for by commodities was 28 per cent. Indirect material and all other general and logistics services totalled some €340 million, representing 37 per cent of groupwide procurement.

A groupwide project to optimize and improve the efficiency of resources at the disposal of our purchasing operations clearly left a mark on 2009. Product groups were restructured and given clear strategies in order to align the purchasing organization and its associated processes to the future as well. Implementing these initiatives will be one of the points of focus in 2010.

Jungheinrich made further conceptual improvements to customer deliveries in the field of distribution logistics. Expanding direct shipments in Europe played a role as did the substantial use of modern IT for dispatching, scheduling and notifying both outgoing and incoming deliveries. This was supplemented by the optimization of the purchasing supply chain for our factory sites.

### Quality management

SAP-BW (Business Warehouse), an established system for tracking product quality, was introduced in the 2009 reporting year. Despite the adverse market environment, we succeeded in making further improvements to the Group's quality-related costs by rapidly reacting to identified potential for improvement.

Furthermore, a uniform procedure for monitoring the reliability of new truck series was mapped to SAP-BW as an important building block for the future. Storing key, predefined components within the system enables one to map their behaviour when faults occur and engage in dialogue with suppliers to initiate remedies whenever agreed threshold values are not complied with.

Quality processes and standards planned in the run-up to the commissioning of the new production plant in Landsberg entered into force simultaneously when the factory started production. This went hand in hand with the integration of the manufacturing facility and the trucks produced there into the Group's reporting structure and quality coordination system.

### Environmental management

As a company with international operations, Jungheinrich aims to achieve commercial success for its customers and itself, while being gentle on the environment. The company started addressing such issues as energy efficiency and environmental protection in depth early on. Ecological thinking and action are an integral component of our corporate philosophy and are applied throughout all our production and service operations. Environmental compatibility tests are an integral part of the process of engineering new forklifts. This is how we ensure that individual truck components can be re-used later on. Some of the environmental standards we apply in production and service actually exceed statutory regulations. We make thrifty use of raw materials and energy and return recyclables to the material cycle. Emissions in various production areas and forklift energy consumption were reduced even further by constantly monitoring and resolutely leveraging potential for improvement. In so doing, Jungheinrich is making a major contribution to protecting the environment.

Jungheinrich's holistic approach takes a truck's entire lifecycle into account. This covers engineering, production, use and service as well as re-use. Jungheinrich incessantly works on improving its products' environmental compatibility, manufacturing methods and services. We already offer products that surpass the legislator's strict requirements as regards ecological compatibility, safety and quality. These products are engineered in a manner that ensures that resources are used following the principle of sustainable development in production, use and decommissioning—both economically and ecologically. More detailed information has been published in Jungheinrich's comprehensive environmental report on the internet at [www.jungheinrich.com](http://www.jungheinrich.com).

In 2009, the Norderstedt plant's heating station was dismantled and replaced with cleaner and more user friendly district heating. This transition has provided the factory with environmentally friendly heat and hot water for production purposes. District heat generated by the City of Norderstedt's power station is very helpful in lowering emissions—especially carbon dioxide. This energy supply system reduced pollutant emissions by the Norderstedt plant.

## Data privacy

Jungheinrich continues to ensure that its customers' and employees' personal data is protected based on applicable data privacy regulations. Pursuant to the Group's guidelines, the entire executive and non-executive workforce is obligated to handle the personal data of customers and co-workers responsibly the world over. This standard thus exceeds applicable EU law in certain respects.

In the 2009 financial year, the Jungheinrich Group complied with the requirements of Germany's amended data privacy laws for German-speaking regions with respect to processing employee data, using data for advertising purposes, and processing order-related data in the areas affected. All executives were informed of the need to act in accordance with the new legal situation, and personal data storage and usage privileges were rendered stricter throughout the Jungheinrich Group. The same applies above all to the processing of data related to incoming orders. Furthermore, explicit mention of the need to comply with statutory data privacy regulations was made to all outside suppliers.

As in the preceding years, various data privacy audits were conducted in certain company units in Germany and abroad in cooperation with Corporate Audit. The Group was not found to be in material violation of any of the currently applicable data privacy provisions.

The number of data privacy coordinators working at Jungheinrich was increased across all Board of Management mandates in view of the new data privacy legislation. These data privacy coordinators were provided with comprehensive information and training. Consequently, it is safe to assume that all of the Jungheinrich Group's managers and non-executive staff pay due attention to the changes in data privacy, ensuring behaviour in line with applicable legislation.

## Compliance

The compliance system set up in the Jungheinrich Group in 2008 aims to identify violations of guidelines and laws committed within the Group and its subsidiaries. All executives were familiarized with the compliance system at events or in writing to this end in the year under review. Furthermore, all managers were expressly called upon to heed both internal and external regulations and to take these into account whenever making decisions.

Our Chief Compliance Officer was informed in various ways of potential grievances in the company via our proprietary internal notification system, which had also been implemented in the preceding year. These were analyzed within the scope of internal investigations. Workflow and processes were changed where necessary. No notable damage was done to the Jungheinrich Group.

Moreover, Corporate Audit conducted regular probes to investigate potential risk and damage areas across all Board of Management mandates. No material danger to the Group which could have had a direct impact on the company was identified in this case, either.

The Chief Compliance Officer regularly reported on potential compliance incidents to the Board of Management as well as to the Supervisory Board's Finance and Audit Committee. In addition, two supplementary written reports were filed.

## 'Financial Services' business segment

Jungheinrich introduced segment reporting in accordance with IFRS 8 in fiscal 2009, in line with its internal organizational and reporting structure. Besides the reportable 'Intralogistics' segment, the presentation also encompasses the 'Financial Services' segment. Activities undertaken by the 'Financial Services' segment encompass the pan-European usage transfer and sales financing of material handling equipment and warehousing technology products. Jungheinrich has its own financial services companies in its key markets. In line with Jungheinrich's business model, this division supports the operating sales units of the 'Intralogistics' segment. This segment encompasses the production, sale and short-term hire of new material handling equipment and warehousing technology products including logistics systems as well as the sale and short-term hire of used equipment and after-sales services, consisting of maintenance, repair and spare parts services.

### Business structure of the 'Financial Services' segment

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 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 financial services companies. Besides Germany, this is the case in Italy, France, the UK and Spain. Plans envision the continuous expansion of independent financial services companies in other core markets.

### The Jungheinrich business model

Jungheinrich's business model is designed to serve customers for the duration of their equipment's life cycle from a single source. To this end, the 'Financial Services' Division offers usage transfers and sales financing as a provider of services to the Jungheinrich sales organization with a view to promoting sales of Jungheinrich forklift trucks. The financial services business entails forging strong ties to the customer. This paves the way for providing customers with flexible and tailor-made solutions. In turn, financial service agreements are linked to full-service and maintenance contracts. Thanks to its Europe-wide direct sales structure and proprietary service organization, Jungheinrich can fulfil its customers' wish for cross-border truck support, including the provision of customized, flexible and competitive financial services—all in line with market needs.

The 'Financial Services' Division is run within the Jungheinrich Group as an 'internal' leasing company with cost centre status. Therefore, it 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 service contracts linked to financial service agreements as well as opportunities and risks arising from residual value warranties and the marketing of equipment taken back from customers (truck returns).



### Business trend

€336 million in long-term financial service agreements were concluded in fiscal 2009 (prior year: €420 million). In the year under review, Jungheinrich sales from more than every third new truck in Europe were thus generated through financial service transactions (rentals, leases, etc.). Over 70 per cent of the new contract volume was allocable to countries in which Jungheinrich has proprietary financial services companies. By the end of 2009, the volume of contracts on hand in Europe had risen by 2 per cent to approximately 95 thousand trucks (prior year: about 93 thousand units), corresponding to an original value of €1,499 million (prior year: €1,451 million).

#### Key figures for the financial services business

in million €	2009	2008	2007	2006	2005
Original value of new contracts	336	420	367	290	292
Original value of contracts on hand	1,499	1,451	1,332	1,175	1,114

### Accounting treatment of the 'Financial Services' Division

The accounting treatment of the 'Financial Services' Division encompasses the legally independent financial services companies as well as the sets of books presented separately for financial service operations in countries where Jungheinrich does not have legally independent financial services 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 financial services companies. Customer contracts with third-party leasing companies acting as intermediary were thus down.

#### Asset structure of the 'Financial Services' Division

in million €	12/31/2009	12/31/2008
<b>Non-current assets</b>	<b>591</b>	<b>571</b>
Trucks for lease from financial services	254	239
Receivables from financial services	333	329
Other non-current assets	4	3
<b>Current assets</b>	<b>266</b>	<b>258</b>
Inventories	17	23
Trade accounts receivable	48	45
Receivables from financial services	144	131
Other current assets	48	45
Liquid assets and securities	9	14
<b>Balance sheet total</b>	<b>857</b>	<b>829</b>

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

<b>Capital structure of the 'Financial Services' Division</b>		
in million €	12/31/2009	12/31/2008
<b>Shareholders' equity</b>	<b>17</b>	<b>16</b>
<b>Non-current liabilities</b>	<b>526</b>	<b>525</b>
Liabilities from financial services	471	465
Other non-current liabilities	55	60
<b>Current liabilities</b>	<b>313</b>	<b>288</b>
Other current provisions	1	1
Financial liabilities	3	2
Liabilities from financial services	197	178
Trade accounts payable	61	72
Other current liabilities	51	35
<b>Balance sheet total</b>	<b>857</b>	<b>829</b>

### 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. This business objective is reflected in the only slightly positive earnings before taxes (EBT).

<b>Income statement of the 'Financial Services' Division</b>		
in million €	2009	2008
<b>Net sales</b>	<b>378</b>	<b>369</b>
Cost of sales	381	371
<b>Gross profit on sales</b>	<b>-3</b>	<b>-2</b>
Selling expenses	5	5
<b>Earnings before interest and taxes (EBIT)</b>	<b>-8</b>	<b>-7</b>
Financial income (loss)	9	8
<b>Earnings before taxes (EBT)</b>	<b>1</b>	<b>1</b>

## Key financials

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

To improve the informational value and comparability of the Group's financial key performance indicators with other companies, the Group's finance management is oriented towards the principles and goals of the captive finance approach as regards key performance indicators determined by creditworthiness and ratings. Specifically, the 'Financial Services' Division is excluded from Group figures relating to the capital structure, net financial liabilities and the financial income (loss). These key data thus relate to the 'Intralogistics' business segment.

### Key financials of the Jungheinrich Group

		Jungheinrich Group incl. 'Financial Services'		Jungheinrich Group 'Intralogistics' segment	
		12/31/2009	12/31/2008	12/31/2009	12/31/2008
Shareholders' equity	million €	547	625	602	676
Balance sheet total	million €	2,207	2,179	1,536	1,524
<b>Equity ratio</b>	%	<b>25</b>	<b>29</b>	<b>39</b>	<b>44</b>
Financial liabilities	million €	370	285	367	283
Liabilities from financial services	million €	668	643	–	–
Other liabilities/receivables vis-à-vis affiliated companies	million €	–	–	24	36
	million €	1,038	928	391	319
Liquid assets and securities	million €	489	262	479	248
<b>Net financial liabilities</b>	<b>million €</b>	<b>549</b>	<b>666</b>	<b>–88</b>	<b>71</b>
<b>Financial income (loss)</b>	<b>million €</b>	<b>–3</b>	<b>–</b>	<b>–12</b>	<b>–8</b>

## Internal control and risk management system regarding the Group accounting process

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

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

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

## Risk 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. Our early risk-detection system is examined for functionality and effectiveness as part of the audit of the financial statements at year-end. Findings derived from this audit are taken into account as the Jungheinrich-specific risk management system is continuously refined.

### Risk management

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

- Group Risk Management Guideline
- Group Risk Committee
- Operative inventories of opportunities and risks of the sales and production companies
- Central inventories 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.

The Group has established a separate, 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.

## Risk categories

The analysis of the most recent risk inventory, compiled in 2009 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 economy's 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. Production schedules and capacity are constantly brought in line with the forecast level of incoming orders. This reduces risks considerably. Also included in risk surveys are potential changes to the subsidiaries' financial situation stemming from market developments.

The global economic slump witnessed in the preceding year accelerated in the reporting period, causing the market for material handling equipment to collapse in the first half of 2009. Despite slight signs of recovery in the second half of the year, the market volume decreased by 37 per cent worldwide and by some 46 per cent in Europe, with Eastern European countries recording drops of as much as 71 per cent. The markets for material handling, warehousing and material flow equipment are expected to post a marginal recovery in the year currently underway. Based on appropriate risk scenarios, Jungheinrich had prepared itself at the end of 2008 to deal with the deterioration in basic conditions and initiated measures in good time, in order to react to the impending consequences. In contrast, since technical plant capacity has not been adjusted thus far, low capacity utilization will hamper the development of our earnings in 2010. However, this puts the company in a position to ramp up production both quickly and flexibly as soon as the sectoral business cycle picks up again. The unusually steep downward economic trend also affected the short-term hire equipment business—albeit to a lesser extent—whereas used equipment operations actually experienced a marginal rise in net sales. We adjusted the size of our short-term hire fleet in 2009, enabling us to achieve a satisfactory usage rate by the end of the year. Jungheinrich's high proportion of services from a single source with fairly stable shares of sales, is a special strength of the company's business model, especially in recessionary phases.

Long-term prospects of sustained growth in intralogistics 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 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.

The consolidation of the material handling equipment sector continues to progress. 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—a fact that holds true not only when the market environment is weak, as at is at present. The Jungheinrich Group reacts to this situation mainly by expanding its service offerings by way of tailor-made customer solutions. This improves its 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. Risks potentially arising from such transactions are mitigated by a risk management system tailored to suit the needs specific to the financial services business. A summary presentation of these risks can be found under 'Financial Services'.

In 2009, Jungheinrich had a short-term hire fleet of an average of approximately 23 thousand trucks. The risk of prolonged standstill is minimized by constantly adapting the fleet's size and structure to market needs and customer requirements, thus ensuring a high degree of utilization.

### Procurement and purchasing risks

Due to the world economic crisis and the negative developments triggered by it, there was a heightened danger on financial markets of suppliers included in our purchasing operations' portfolio of vendors and service providers becoming insolvent. To mitigate this risk, we introduced a thorough concept to monitor risks associated with all suppliers very quickly. Now established, this procurement risk management system is based on constant performance measurements, financial information and internal purchasing reports. This monitoring work culminates in weighted classifications and specifications of potential supplier risks. Some of our vendors became insolvent in the period being reviewed. Thanks to early warning signals from the risk matrix, we succeeded in securing production supplies by involving alternate suppliers in good time.

Securing the requisite amount and quality of supplies needed by our manufacturing operations will take centre stage as regards purchasing risks in the 2010 financial year. In addition, since Jungheinrich expects commodity and energy prices to rise moderately in 2010, management does not anticipate any further risks to arise from extreme price developments.

### Risks pertaining to information technology

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

### Personnel risks

Jungheinrich's corporate culture is based on trust. Independent entrepreneurial thinking and performance-oriented action by employees and executives are the foundation for Jungheinrich's commercial success and future development. To this end, we nurture close ties to, and work closely together with technical universities with a view to recruiting the young engineering talent that is important to the company. The company reacts to the fierce competition for skilled labour and executives and mitigates the associated risk of a loss of know-how caused by staff turnover by offering attractive qualification options and a performance-oriented compensation system. For instance, employees with special skill sets and executives are promoted and put to the test within the scope of our talent management program. This enables us to staff key functions at various management levels from within our own ranks.

### Risks associated with financial services

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

#### Refinancing risk

The refinancing risk is limited by applying the principle of matching maturities and interest rates for customer and refinancing agreements when refinancing financial service contracts. The 'Financial Services' Division's standard groupwide organizational structure and procedures ensure that the structure and provisions of finance agreements entered into with powerful domestic and foreign refinancing banks are highly uniform throughout Europe. Sufficient lines of credit are at the company's disposal for financing the growing new truck business.

#### Creditworthiness risk

The credit risk relating to customer receivables was kept very low in the last few years. Jungheinrich's creditworthiness risk exposure did not increase significantly last year either, despite the difficult conditions prevailing on the market. 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, trucks 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.

### 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.

The global financial and economic 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 its short-term lines of credit, Jungheinrich has about €300 million in medium-term credit lines with maturities of two to four years to finance its operating activities. Furthermore, a five-year €100 million promissory note was placed in December 2009 in order to bolster the Group's long-term financing. This secures the financing of future growth as well. Neither the earnings expectations for 2010, nor the Jungheinrich Group's medium-term budget are exposed to risks with respect to agreed financial covenants. Credit margins are coming under increasing pressure owing to the banks' higher purchasing costs. Due to the very high level of liquid assets, which Jungheinrich can use to meet its payment obligations at all times, the company has no liquidity risk exposure. Jungheinrich continues to pursue a conservative investment policy throughout the Group, exclusively spending capital on asset classes of outstanding creditworthiness.

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, 2009, the Group had €169 million in currency hedges on its books (prior year: €178 million). Outstanding currency hedges largely have maturities of less than one year.

Jungheinrich had €54.0 million in interest rate hedges for underlying transactions on its books as of December 31, 2009 (prior year: €0.7 million). The rise is primarily a result of interest-rate hedges concluded for the €53.5 million variable tranche of the aforementioned promissory note.

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 administered by the departments responsible for them, which also provide the legal advice pertaining to 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. The replacement of the dealer organization in the USA has been concluded with the exception of two outstanding agreements. At present, the company is not facing any material risks associated with litigation with third parties.

## Events after the close of fiscal 2009

No transactions or events of major importance to the Jungheinrich Group occurred after the end of the 2009 financial year.

## Outlook and opportunities

Based on its projections for world trade, Jungheinrich expects the economy to recover slightly in fiscal 2010, albeit to varying degrees from one region to the next. In light of the persistent financial risks, the substantial debt of many national budgets and low corporate propensity to invest, there are no signs of a strong, self-perpetuating global upturn. Whereas the ramifications of the crisis on the financial markets will continue to have a decelerating effect in western industrialized nations, which should allow for moderate economic growth at best, growth stimulus in emerging regions such as Asia and Latin America will be stronger, with countries like China and Brazil leading the way. The Chinese economy's recovery, which is supported by government measures to a great degree, is likely to continue. It will probably prove to be the force driving the world economy once again.

### Growth rates of select economic regions

Gross domestic product in %

Region	Forecast 2010
World	3.9
USA	2.8
China	9.5
Eurozone	1.0
Germany	1.8

Source: Commerzbank & IMF (last updated in March 2010).

It is impossible to predict the direct or indirect effects of the extensive economic stimulus packages put together the world over, on which the economic recovery is largely based, on the business cycle of the material handling equipment industry, which is slow to react to changes in the general economic cycle. Therefore, global demand for material handling equipment is still not anticipated to be revitalized significantly before the second half of 2010. Nevertheless, based on the growth rates prognosticated for individual growth regions and despite the slight uncertainty surrounding market assessments, demand for material handling equipment is likely to pick up.

Based on its assessments, Jungheinrich expects the world market volume for material handling equipment to expand by some 10 per cent in terms of units to about 600 thousand trucks. This enlargement will probably be much more pronounced in the Asian and Latin American sales regions than in countries belonging to the Eurozone. Counterbalanced trucks, which recorded the steepest declines in 2009, are

anticipated to be the product group posting the highest growth rates. Accordingly, the potential for recovery harboured by these products should be bigger than for warehousing equipment. As Jungheinrich has launched new counterbalanced trucks on the market, the Group will be presented with sales opportunities as a result of both this and the market's recovery.

In 2010, Jungheinrich's business trend will be marked by consolidation, nascent growth and the company's return to profitability. Major significance will be accorded to increasing demand in new truck business in order to maximize manufacturing capacity utilization and to the resultant earnings contribution. As planned, the Landsberg plant will take over further products from the Norderstedt factory's battery-powered low-platform truck line by the middle of this year. Production processes at the Norderstedt plant will simultaneously be adapted to the change in framework conditions and designed accordingly. Our worldwide direct sales and service network will be brought in line with regional requirements and certain of its units will be expanded with good measure. The continued increase in the degree of pan-European penetration achieved by Jungheinrich trucks will have a positive effect on the sales trend of after-sales services, which have less cyclical exposure. Capital expenditures—excluding spending on short-term hire and financial services activities—will range between €40 million and €50 million. A large portion of this will be allocable to our German factories.

Despite the persistently difficult market environment, the Jungheinrich Group will maintain its high level of development work in 2010. This will hold especially true with respect to the engineering of key technologies such as drive trains and the continuation of market-specific product developments. Moreover, the permanent renewal and expansion of the broad-based product range remains a major point of focus of Jungheinrich's development work. New products will be launched on the market in 2010 as well. Another task at hand is to accelerate research and development processes.

Given the improved underlying conditions, Jungheinrich expects its business trend for the coming year to be more favourable overall than in 2009. The company's estimates for 2010 envisage a marginal rise in incoming orders and consolidated net sales to roughly €1.7 billion each. Building on this and taking into account the ongoing measures to consolidate the company, the Jungheinrich Group will return to profitability in 2010 and expects to generate operating income in low, double-digit million-euro territory. Earnings developments will primarily be determined by the rise in worldwide demand for material handling equipment and the associated increase in manufacturing productivity as well as the after-sales services business' resurgence. Moreover, how much of a positive impact this will have on new truck business will largely depend on the extent to which major European markets recover as well as on the product mix. As commodity and energy prices are likely to rise moderately in 2010, they should not constitute a significant burden. Costs in the year underway will be faced with the additional negative impact of collectively bargained wage agreements in Germany.

Crowding-out and price-on-price competition will persist in view of the fact that the market only recovered marginally. An earlier or stronger-than-expected revitalization of the sectoral economy would have a major positive impact on our organic earnings trend as well as on the extent of short-time work in our domestic plants.

Partially against the backdrop of the brightening economy, Jungheinrich will seize any opportunity that presents itself in 2010 to further the company's development. Major points of focus in this regard will be the complete ramp-up of production at the Landsberg plant by the middle of 2010 and the continued expansion of the factory in Qingpu (China) for the Asian market as well as the establishment of the development centre in Houston, Texas (USA). Attention in terms of distribution is directed expanding the worldwide dealer network and implementing the distribution partnership with MCFA (Mitsubishi Caterpillar Forklift America Inc.) in North America. Business with logistics systems will be stepped up through the close cooperation with the software firm ISA. Moreover, we are about to establish new financing companies in Austria and the Netherlands with a view to expanding our financial services operations in these countries. By securing company financing and the refinancing of its financial services business, the Jungheinrich Group is preparing itself for future growth.

The Jungheinrich Group believes it is well positioned to master the challenges ahead of it. The basis for this is its technological engineering expertise, its focus on a single product brand, its integrated business model, and—especially in Europe—its full-coverage proprietary sales and service network. By taking comprehensive adjustment measures at its plants, ensuring its robust financial power as well as intensively managing its working capital and costs, Jungheinrich has laid the foundation on which it can hit the ground running as a stronger player as it emerges from the economic crisis in 2010.

Business volume can likely be expected to expand moderately in 2011. The prerequisite for this would be that the world economy continue to recover after the sizeable state stabilization and economic stimulus programs have ended, the desired revitalization of the sector of relevance to Jungheinrich materialize over the course of the second half of 2010, and this persist over the long term. This would cause incoming orders in new truck business to rise, triggering yet another increase in manufacturing productivity and resulting in a significant improvement in the Jungheinrich Group's earnings trend. This applies above all to the divisions affected by adjustment measures, which are much leaner as a result. The material handling equipment sector is expected to continue to be marked by fierce price-on-price competition.

Since developments cannot be foreseen (this applies primarily to changes triggered by the financial and economic crisis) the actual business trend may deviate from the expectations based on assumptions and estimates made by Jungheinrich company management. Factors that can lead to such deviations include changes in the economic and business environment, exchange and interest rate fluctuations, unforeseeable consequences of the high national debt levels in some European countries, and the introduction of competing products.

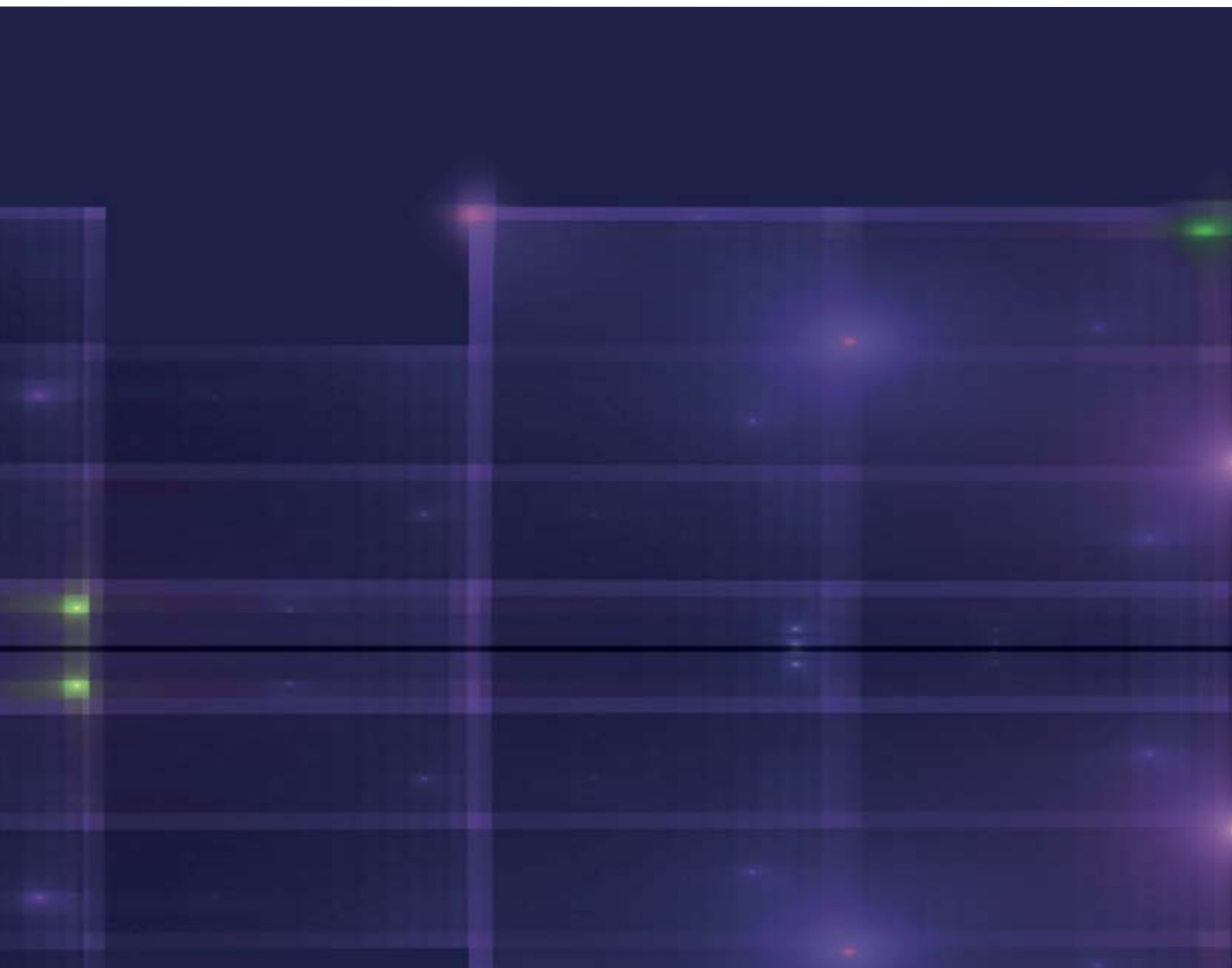
# Group overview

New leadership mission adopted

North American business realigned

Production at Landsberg plant commenced

'Logistics Systems' Division expanded





Jungheinrich is an intralogistics service and solution provider with manufacturing operations which offers its customers a comprehensive range of forklift trucks, shelving systems, services and advice. In fiscal 2009, the company took extensive crisis-management and earnings-improvement measures. At the same time, it maintained its high level of development activity and proved its ability to perform even under difficult underlying conditions. The Landsberg factory commenced production, the North American business was realigned, and the 'Logistics Systems' Division was expanded.

Success comes to those who ensure that their internal material flows are both quick and efficient. One key to success in this regard is a partner that is well versed in the commercial planning, design, control and monitoring of all related processes. Engineering and manufacturing premium-quality material handling equipment and logistics systems in an environmentally friendly manner are Jungheinrich's core competencies. Moreover, the company offers services during the trucks' acquisition and usage phases. Jungheinrich is represented in some 100 countries worldwide, in 31 of which the company operates its own powerful direct sales and service networks.

## Employees

### Headcount trend

As of December 31, 2009, the company had 10,266 people on its payroll worldwide (prior year: 10,784). Of the permanent staff, 5,473 (prior year: 5,834) worked abroad, while 4,793 worked in Germany (prior year: 4,950). The production labour force encompassed 2,388 employees (prior year: 2,389), with sales and administration employing 7,878 people (prior year: 8,395). These figures included 292 trainees (prior year: 290). The after-sales service organization accounted for 46 per cent of the total workforce.

### HR management as a competitive advantage

Jungheinrich ascribes central importance to HR work within the context of its Group strategy. It has an international reach and exerts substantial influence on the company's competitiveness given that it is a factor that adds value. This work is based on the conviction that entrepreneurial success can only be achieved with a passion to innovate, a drive to perform, and a professional approach. This requires a qualified, flexible and motivated workforce in which the potential of each and every staff member is tapped to the fullest as a result of responsible managerial expertise. Therefore, in fiscal 2009, strategic HR management again focussed on identifying the future demands placed on skilled labour and executives as well as creating appropriate concepts to advance the development of these employees both professionally and personally.



1. Building the future: technical product design at Jungheinrich
2. Premium quality, layer by layer: powder coating facility at the Landsberg plant
3. Promoting practical knowledge transfer: the Science & Technology Initiative
4. Service on Mount Olympus: after sales in Greece

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### Training in line with the signs of the times

Intralogistics is a key interface between companies active in the fields of production and trade and their customers. Mounting requirements in these areas give rise to new highly specialized professions. Jungheinrich has already been responding to this development for years. For example, the apprenticeable profession of technical product designer was introduced at our Moosburg manufacturing site. It supplements the existing profession of draftsman with the fields of design, documentation and presentation. Apprentices learn how to use forward-looking technologies to help develop products. Thanks to their extensive CAD training on the CATIA V5 system, they can be of valuable assistance to engineering departments for the duration of the product development process. Besides creating and modifying 3D datasets, technical documentation for components and sub-assemblies as well as production documents, their tasks involve maintaining parts lists. The apprenticeable profession of technical product designer is already a model for future success at the Moosburg plant.

### Jungheinrich—an attractive employer

Jungheinrich increasingly establishes direct contacts with its target groups when vying for talent as it markets the company at universities. This is why last year saw us become a five-time main sponsor of *kreatiFallstudien*—a case-study contest for students organized by the German Association of Industrial Engineers (VWI) designed to give budding industrial engineers insight into the product and working world of a leading material handling equipment manufacturer. Contest finalists assumed the roles of ‘real’ research and development engineers tackling the task of ‘developing the forklift safety systems of the future’.

Another opportunity to showcase the company as an attractive employer was the Hamburg Company Tour 2009, which Jungheinrich took advantage of together with other renowned companies. This entailed students selecting one of ten routes through the Hanseatic city, on which they were able to visit and experience three companies first-hand in a single day. Jungheinrich presented itself to the newest generation of academics by way of technical speeches and a guided plant tour, followed by a forklift ride.

However, the company does not limit its activities to universities, as it addresses schools as well. Seeking to kindle the interest of young people in topics of scientific-technical nature at an early stage in order to react to the dearth of engineers in Germany over the long term, Jungheinrich has become involved in the NaT (natural science and technology) Initiative. A collaborative venture between the company and two Hamburg high schools is pursuing the goal of making physics lessons more application-centric, thus increasing the fundamental technical knowledge of both teachers and pupils. In addition to the ‘transparent forklift’ specially manufactured for this project, plans include regular production plant tours, speeches, applicant training, and the provision of internships.

The Dr. Friedrich Jungheinrich Foundation makes a contribution to promoting science and research as well as advancing education in the fields of electrical engineering, mechanical engineering and logistics. Partnerships have been forged with Helmut Schmidt University (HSU) in Hamburg, Hamburg-Harburg Technical University, Technical University Munich and Tongji University in Shanghai to promote young adults with outstanding qualifications by granting them scholarships, research projects and awards. Another of the Foundation's objectives is to be of assistance to educational institutions and chairs in various fields of expertise.

### People need values and goals

Society has been conducting an increasingly intense debate on values for quite some time. This was triggered by economic globalization and the mounting desire to be given general guidance. The call for models is becoming more exigent in the working world as well. Motivated employees and satisfied customers are the prerequisites for the success of growth-oriented companies. This understanding of values, which is based on the readiness to deliver outstanding performance, the passion to innovate and professionalism, is firmly embedded in Jungheinrich's corporate culture. A new leadership mission was introduced throughout the Group in 2009 in order to provide a unique definition and clear explanation of these key values. This model clearly expresses management's demands and expectations, serves as a yardstick for staffing managerial positions, is the basis for the assessment and personal development of current executives, and forms the basis for uniform, strategic executive resource development.

### Staff displays high level of commitment

The Board of Management wishes to thank all Jungheinrich employees for their outstanding dedication and commitment in these extremely difficult times. The small volume of incoming orders put the capability of our workforce to adapt to a very demanding test—especially in production. They will have to endure these circumstances this year as well, so that we can emerge from the economic crisis stronger, thus securing jobs for the future. Management will continue its tried-and-tested, constructive cooperation with its employee representatives both in Germany and abroad.

#### Employees by function

(As of 12/31)

	2009	2008
After-sales service engineers	3,428	3,561
Factory engineers	197	209
Production	1,481	1,528
Sales agents	763	843
Office staff	3,995	4,157
Temporary workers	110	196
Trainees	292	290
<b>Total</b>	<b>10,266</b>	<b>10,784</b>

## Technological innovations

Fiscal 2009 saw the Jungheinrich Group focus on its own strengths, maintaining its high level of research and development with resolve. This work centred on monitoring and improving legacy internal processes in terms of their economic feasibility, functionality and quality. One such example is the new platform concept at our Norderstedt production site. It enables various forklift trucks to be manufactured using a substantial number of shared components. This modular principle only requires little retooling. Customers benefit from this strategy, as it ensures the high availability of our forklifts. Moreover, the trucks are a convincing proposition due to their robust design, high degree of user friendliness and advanced ergonomic standard. The EJD 220 double-deck stacker was the first newly engineered product based on the platform concept to be introduced by Jungheinrich. This forklift already features the future uniform design cues.

Furthermore, adjusting resources as planned allowed us to make inroads regarding 'green concepts' such as the trend-setting research of energy-efficient drive systems. For instance, Jungheinrich launched a field trial involving an innovative battery-powered counterbalanced truck at the beginning of this year. The EFG 216k truck is equipped with a progressive lithium-ion battery that is being put through rigorous tests. This research aims to test the performance of this innovative battery technology under real-life conditions.

Our product range was expanded to include premium-quality forklifts—such as the VFG 316s–320s hydrostatic IC engine-powered counterbalanced trucks and the EKS 210/312 order picker. Customers' increasing desire to cut the costs of running systems was fulfilled by refining 'Jungheinrich ISM', our forklift management information system. This ensures that customers receive well founded information on the use of their vehicle fleets, can optimize scheduling, and can reduce the probability of damage when their trucks are being driven.

In addition, Jungheinrich expanded its 'Logistics Systems' business area, which sets up everything from individual warehousing systems to complete distribution centres. We acquired a stake in ISA – Innovative Systemlösungen für die Automation GmbH headquartered in Graz, Austria, one of the leading software firms in this sector. As a result, the Jungheinrich Group increased its software know-how decisively. 'Jungheinrich WMS', the warehouse management system recently presented to the public at the 2010 LogiMAT Trade Show in Stuttgart, was one of the beneficiaries of this added expertise.



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1. Intelligence in warehouses: the EKS 312 order picker
2. Versatile talent: the EJD 220 battery-powered double-deck platform truck
3. 'Small' hydrostat, big performer: the VFG 320s



### Low and high-platform truck in one

Jungheinrich launched a new battery-powered double-deck platform truck at the beginning of this year. Named EJD 220, the forklift is capable of retrieving two euro pallets simultaneously, thus uniting the performance features of low and high-platform trucks in a single forklift. Jungheinrich's EJD 220 benefits from its design as it is flexible and universally usable, in applications from the loading and unloading of lorries via the transport of pallets to stacking operations at a lifting height of 2,560 millimetres. Double-deck trucks can thus carry out all operations nearly twice as fast as conventional low and high-platform trucks. When in double-deck mode, the EJD 220 from Jungheinrich can carry 2 x 1,000 kilograms. In low-platform-only mode, the forklift can transport up to 2,000 kilograms. Jungheinrich's versatile truck handles payloads both robustly and reliably. Necessary stationary and travel safety is ensured by the patented 'ProTraLink' support wheel system. Suspended and damped support wheels connected via the 'ProTraLink' coupling rocker distribute supporting forces to suit travel. In bends, most of the supporting force is directed to the outer support wheel, whereas these forces are distributed evenly among all wheels when travelling in a straight line. The system was adapted for use on the EJD 220 to allow for the maximum speed of six kilometres per hour to be reached even when the forklift is operated in double-deck mode.

### Jungheinrich hydrostat family grows

Our range of hydrostats was enlarged at the end of 2009. Jungheinrich's 'small' IC engine-powered truck has been rolling off the Moosburg plant's production line equipped with a hydrostatic drive train since December. The nimble VFG 316s–320s truck can accommodate payloads of up to 2,000 kilograms, has a maximum stacking height of 6.50 metres, and features hydrostatic drive technology made in Germany. At the heart of this new forklift truck is a Volkswagen engine that comes in both diesel (DFG) and fuel gas (TFG) variants. The variable displacement pumps and wheel motors come courtesy of Bosch Rexroth. The basis for peak performance with maximum energy efficiency is provided by the system control unit, implemented using software engineered by Jungheinrich in-house. The 'small' hydrostat complements the 'big' VFG 425s–435s, which has a payload capacity of 3,500 kilograms and was launched successfully in 2008. The proven concept was transferred to the new forklift in terms of design, drive technology, ergonomic features and assistance systems.

### **Handling turnover rate 25 per cent higher thanks to RFID**

Jungheinrich EKS 210/312-type order pickers have been commercially available for about a year. Also manufactured in Moosburg, these forklifts are equipped with state-of-the-art RFID technology. This enables the truck control unit to automatically identify the forklift's position at all times and adapt it to various warehouse conditions (different ceiling heights, floor qualities, etc.) This translates into significant gains for warehouses, in terms of both flexibility and productivity. Furthermore, the order picker is equipped with the RFID warehouse navigation system which debuted at the CeMAT sector trade show in 2008. Using the technology successfully implemented in the three-side EKX 513–515 stacker, the forklift truck communicates via floor-embedded transponders as well as the warehouse management system. The warehouse management system feeds information directly to the stacker's control unit. In practice, the warehouse navigation enables increases in handling turnover rates of up to 25 per cent. More than 50 of these systems have already boosted efficiency at various European companies. It has been possible to link Jungheinrich's warehouse navigation unit to the Jungheinrich logistics interface for quite some time already. It is fitted to the forklift terminal and 'translates' data that needs to be exchanged between the truck's control unit and the warehouse management system (WMS). This renders changes to the WMS superfluous. This very simple way of integrating different warehouses into IT landscapes is a hallmark of Jungheinrich's holistic system solutions.

### **Jungheinrich WMS satisfies all major customer needs**

At the heart of all modern logistics systems is a warehouse management system (WMS). It pays off to use this technology even when it comes to 'small' forklift-operated warehouses. Capital expenditure remains manageable, whereas the advantage is big: It enables one to tap potential lying dormant in the management and control of warehouses, while increasing efficiency by multiples. Many manual logistics systems meet all major customer demands using the standard version of 'Jungheinrich WMS'. In most cases, this does not require additional programming. The standard includes a wide range of warehouse modelling features as well as a central master data management system. Material flows in all areas such as incoming and outgoing goods, warehouses as well as spare parts and order picking zones are both managed and improved. A host of special features and expansion options is available for logistics systems with sophisticated processes and for automated warehouse zones. The Trip Management, Hazardous Substance Warehouse, Customer Suitability and Material Flow Calculator modules are but a few of the examples. They can be expanded, adapted or completely recreated whenever needed.

## Logistics services

### Logistics systems

Jungheinrich enlarged the 'Logistics Systems' business area considerably in 2009 by acquiring an interest in the software firm ISA. By taking this step, the Group is extending its portfolio of products and services by a decisive component—the warehouse management system (WMS)—thus considerably fortifying its strategic position in the field of increasingly sophisticated logistics systems.

Centre stage is taken by tailor-made solutions with varying degrees of automation, all of which are run by the 'Jungheinrich WMS'. The role played by Jungheinrich in these projects is that of general contractor. Highlights in the period under review included major orders placed by Develey GmbH and Bickle Räder+Rollen GmbH & Co. KG. Develey has entrusted Jungheinrich with setting up an automated high-rack warehouse with a height of 43 metres and a capacity of 22,500 pallet slots. The contract won by Jungheinrich from Bickle involves building a new logistics centre with an automated pallet warehouse with 15,300 slots and an automated small parts warehouse accommodating 27,000 containers.

### Used equipment

Sales of used forklift trucks were increased to dealers and to a disproportionately high degree to end customers once again, despite the difficult economic environment in 2009. Strong drivers of this success were the cutting-edge industrial reconditioning operations at our site in Klipphausen in the vicinity of Dresden (Saxony) and the stockpiling of trucks in as-new condition in line with market needs at our sales branch offices. Jungheinrich clearly distanced itself from the competition in the used equipment business thanks to its efficient processes, standardized reconditioning methods and uniform shipment standards.

### Short-term hire

Demand for trucks for short-term hire had faltered at the beginning of the fiscal year that just ended owing to the recession, after which it stabilized over the remaining course of the year. By reducing inventories and undertaking targeted activities on the market, Jungheinrich stayed its course in the short-term hire of forklift trucks in 2009 as well. Our average fleet size of 23,000 the world over, customized concepts ensuring high degrees of availability and capacity utilization, and numerous measures taken to improve market access form the basis for growing our short-term hire equipment business in the years ahead.



### **After-sales services**

Our after-sales services were much less affected by the economic downturn caused by the economic crisis in 2009 than new truck business. They proved to be a stabilizing pillar within the Jungheinrich business model. Nevertheless, we had to adjust service engineer manpower and certain structures. However, measures were taken early enough to stabilize our business trend once again as early as the second half of the year. Contributing factors were the tapping of new sales areas such as the replacement battery business and the goal-oriented expansion of services in the field of logistics systems.

### **Financial services**

Accounting for an average financing ratio of about 40 per cent in Europe, financial services provided support for new truck business within the Jungheinrich Group. Incessantly mounting demands placed on company logistics are increasing the need for flexible and customized usage transfer concepts enabling customers to react quickly to changes in their core businesses. Our financial services operations are extending their international reach as markets become increasingly global. Jungheinrich Financial Services is already represented by a proprietary company in five European countries. Sites in additional countries will follow in the coming years. Jungheinrich is thus fulfilling customers' desire for uniform, tailor-made solutions at an international level going forward as well.

### **Mail Order Division**

Jungheinrich PROFISHOP's German operations stagnated under the influence of the collapse of the business-to-business mail-order business. In contrast, net sales in Austria grew substantially, triggered by the debut of the main catalogue in that market. This success was mainly owed to the newly aligned sales force in charge of serving key accounts. Moreover, the web presences at [www.jh-profishop.de](http://www.jh-profishop.de) and [www.jh-profishop.at](http://www.jh-profishop.at) were especially effective. These were among the investment magnets.

Overall, the 'Mail Order' Division, which is still young, offers the entire range of stacking, hoisting, transportation, warehouse equipment, factory equipment and environmental products, demonstrated its strength despite the difficult market environment, successfully fortifying its position relative to the competition.

## International projects

### Trade Logistics: Warehouse automation for IKEA distribution centre

Trade Logistics S.A., a subsidiary of the Fourlis Group, is responsible for all of IKEA's logistics in Greece and Cyprus. A new central warehouse for the multinational interior decorating group's logistics featuring a dedicated railroad connection was built on a plot spanning nearly 100,000 square metres at the Sximatari site, some 50 kilometres north of Athens. More than 50,000 pallets of IKEA store-ready products from various countries of origin are stored, picked, and shipped to fill orders received by IKEA outlets—all in the 35,000 square meter building. An average of 2,350 pallets are moved there every day. This corresponds to an annual goods turnover rate of approximately 700,000 pallets. Product storage and picking are handled by eight automated Jungheinrich type ETXa narrow-aisle trucks. These forklifts run in fully automatic mode, remote-controlled by the 'Jungheinrich WMS' warehouse management system. Pallet transport between the warehouse zones is handled by a total of roughly 600 metres of material handling devices. 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. Equipment maintenance and care while the system is up and running are handled by Jungheinrich. By commissioning the logistics centre in Sximatari, Trade Logistics succeeded in improving delivery capacity and quality as well as product turnover rates.

### Antalis: Jungheinrich turns yet another leaf

Antalis is Europe's largest stationery sales company, serving in excess of 230,000 customers with its products and services for print shops and end customers in 55 countries. The company, to which paper wholesalers Grafisch Papier and ModoVanGelder belong, employs 7,900 people worldwide, generating annual revenues of about 3.4 billion euros.

A new central warehouse was created in 2009 in Almere, which is located in the vicinity of Amsterdam. A number of Antalis' locations distributed throughout the Netherlands and Belgium were united at this site and now mainly supply the Benelux countries. A total of 33,000 pallets are stored on 27,000 square metres. All the forklift trucks used there, including five of the new type EKS 210/312 order pickers, as well as the entire shelving system stem from Jungheinrich. The very short turnaround times during the bidding phase and an offer put together as a complete package of forklifts and shelves tailored to precisely suit the customer's requirements were the key to winning the contract despite the fierce competition. An added advantage came courtesy of the warehouse navigation system for narrow-aisle areas, directing the forklift trucks to the next pallet position on a shelf virtually automatically.

1	2
3	

- 1. Köln in Germany: many healthy forklifts
- 2. Trade Logistics in Greece: excelling in system technology
- 3. Antalis in the Netherlands: clever paper turnover



### **Kölln and Jungheinrich: 'wholesomely healthy' cooperation**

Peter Kölln KGaA ranks among Germany's premier producers of cereal, oat specialties and snacks, cooking and salad oil, as well as cooking fat and pet food. Now run by the sixth generation, the family company employs some 300 people and exports its wares to nearly all of Europe's countries. Almost all logistics processes within Köllnflocken's factories in Elmshorn (Schleswig-Holstein), which doubles as the company's headquarters, are fully automated and require modern warehousing approaches. This has been ensured by Jungheinrich on the strength of its products and services for 30 years now. Roughly 50 forklifts are in double-shift rotation on routes to 5,600 pallet slots on the premises, which span 300,000 square metres. When it comes to truck repair and maintenance, Kölln relies on the competence and friendly, professional advice provided by Jungheinrich service engineers.

## **Production sites**

In the financial year that just came to a close, Jungheinrich was faced by major challenges resulting from the global economic slump. The dramatic shrinkage of the world market for material handling equipment had a very negative impact on plant capacity utilization. In reaction, the Jungheinrich Group initiated comprehensive structural and personnel-related measures. Short-time work was introduced to various degrees at our German production sites since March 2009. All of the measures taken to adapt capacity were taken early on, responsibly and with good measure—also with a view to safeguarding jobs.

Jungheinrich maintained its overriding strategic approach in technology despite the adverse framework conditions. Accordingly, Jungheinrich's new battery-powered low-platform truck factory was completed on schedule in Landsberg (Saxony-Anhalt) and took up production in July 2009. It has enough capacity to manufacture up to 30,000 forklift trucks a year. To this end, Jungheinrich invested in innovative and environmentally friendly production equipment for the new factory, which has been designed as an independent centre of excellence.

Two structural projects were implemented at the Norderstedt manufacturing site as well. This entailed firing the starting shot for the construction of a powder coating facility and the spatial separation of conventional mechanical engineering from sensitive electronics. Two hundred and twenty employees transferred to a modern building complex, which is now home to our electronics operations, including research and development, which are organized as an autonomous centre of excellence.

Furthermore, the plant in Qingpu (China) was enlarged in order to step up local production for Asian markets. Among other things, this included supplementing the product range with the addition of a battery-powered counterbalanced truck adapted to meet Asian market requirements.

Our North American activities were realigned in the fiscal year that just ended. For this purpose, the company struck agreements with Mitsubishi Caterpillar Forklift America Inc. (MCFA for short), Houston (USA) to supply the US, Canadian and Mexican markets. With its densely spun network of dealerships, MCFA became the exclusive sales partner for Jungheinrich products at the beginning of this year. The arrangement further envisions MCFA handling the production of future warehousing equipment specifically developed by Jungheinrich for the North American market. These new forklift trucks are developed by Jungheinrich in a dedicated development centre in Houston.

# Consolidated financial statements





Consolidated statement of income  
Consolidated statement of comprehensive income (loss)  
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## Consolidated statement of income

	Notes	Jungheinrich Group		Intralogistics <sup>1,2</sup>		Financial Services <sup>2</sup>	
		2009 in thousand €	2008 in thousand €	2009 in thousand €	2008 in thousand €	2009 in thousand €	2008 in thousand €
<b>Net sales</b>	(3)	<b>1,676,695</b>	<b>2,145,132</b>	<b>1,298,877</b>	<b>1,776,000</b>	<b>377,818</b>	<b>369,132</b>
Cost of sales	(4)	1,290,801	1,552,493	909,853	1,181,600	380,948	370,893
<b>Gross profit on sales</b>		<b>385,894</b>	<b>592,639</b>	<b>389,024</b>	<b>594,400</b>	<b>-3,130</b>	<b>-1,761</b>
Selling expenses		375,919	399,339	370,555	394,092	5,364	5,247
Research and development costs	(12)	48,744	42,131	48,744	42,131	-	-
General administrative expenses		27,543	27,530	27,543	27,530	-	-
Other operating income	(7)	4,558	16,299	4,102	16,000	456	299
Other operating expenses	(8)	8,552	17,766	8,434	17,735	118	31
Income (loss) from companies accounted for using the equity method	(16)	-1,276	-812	-1,276	-812	-	-
Other net income (loss) from investments	(9)	-150	407	-150	407	-	-
<b>Earnings before interest and income taxes</b>		<b>-71,732</b>	<b>121,767</b>	<b>-63,576</b>	<b>128,507</b>	<b>-8,156</b>	<b>-6,740</b>
Financial income (loss)	(10)	-2,749	-310	-12,265	-8,103	9,516	7,793
<b>Earnings before taxes</b>		<b>-74,481</b>	<b>121,457</b>	<b>-75,841</b>	<b>120,404</b>	<b>1,360</b>	<b>1,053</b>
Income taxes	(11)	-19,303	44,731				
<b>Net income</b>		<b>-55,178</b>	<b>76,726</b>				
<b>Earnings per share in € (diluted / undiluted)</b>	(38)						
<b>Ordinary shares</b>		<b>-1.65</b>	<b>2.23</b>				
<b>Preferred shares</b>		<b>-1.59</b>	<b>2.29</b>				

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

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

## Consolidated statement of comprehensive income (loss)

in thousand €	2009	2008
<b>Net income</b>	<b>-55,178</b>	<b>76,726</b>
Derivative financial instruments		
Unrealized gains / losses	-5,336	8,705
Realized gains / losses	-1,923	-3,719
Deferred taxes	260	234
Currency translation adjustment		
Unrealized gains / losses	1,318	5,772
Realized gains / losses	-3	2,308
<b>Other after-tax income</b>	<b>-5,684</b>	<b>13,300</b>
<b>Comprehensive income</b>	<b>-60,862</b>	<b>90,026</b>

## Consolidated balance sheet

### Assets

	Notes	Jungheinrich Group		Intralogistics <sup>1,2</sup>		Financial Services <sup>2</sup>	
		12/31/2009	12/31/2008	12/31/2009	12/31/2008	12/31/2009	12/31/2008
		in thousand €	in thousand €	in thousand €	in thousand €	in thousand €	in thousand €
<b>Non-current assets</b>							
Intangible assets	(12)	25,934	39,907	25,932	39,903	2	4
Tangible assets	(13)	278,728	274,459	278,717	274,444	11	15
Trucks for short-term hire	(14)	141,123	200,000	141,123	200,000	–	–
Trucks for lease from financial services	(15)	199,536	187,242	(54,563)	(51,260)	254,099	238,502
Investments in companies accounted for using the equity method	(16)	11,566	10,684	11,566	10,684	–	–
Other financial assets	(16)	418	576	418	576	–	–
Trade accounts receivable	(18)	7,782	9,836	7,782	9,836	–	–
Receivables from financial services	(19)	333,317	328,658	–	–	333,317	328,658
Other receivables and other assets	(20)	–	178	–	178	–	–
Securities	(21)	30,078	–	30,078	–	–	–
Prepaid expenses	(23)	351	329	(2,848)	(1,382)	3,199	1,711
Deferred tax assets	(11)	58,348	47,025	58,059	45,125	289	1,900
		<b>1,087,181</b>	<b>1,098,894</b>	<b>496,264</b>	<b>528,104</b>	<b>590,917</b>	<b>570,790</b>
<b>Current assets</b>							
Inventories	(17)	172,833	246,892	155,976	223,980	16,857	22,912
Trade accounts receivable	(18)	305,331	385,347	257,202	340,511	48,129	44,836
Receivables from financial services	(19)	143,588	131,206	–	–	143,588	131,206
Income tax receivables		7,402	6,617	7,402	6,585	–	32
Other receivables and other assets	(20)	23,616	42,270	(21,782)	(1,929)	45,398	44,199
Securities	(21)	35,002	63,455	35,002	63,455	–	–
Liquid assets	(22)	423,546	198,061	414,245	184,618	9,301	13,443
Prepaid expenses	(23)	8,173	6,272	5,744	5,076	2,429	1,196
		<b>1,119,491</b>	<b>1,080,120</b>	<b>853,789</b>	<b>822,296</b>	<b>265,702</b>	<b>257,824</b>
		<b>2,206,672</b>	<b>2,179,014</b>	<b>1,350,053</b>	<b>1,350,400</b>	<b>856,619</b>	<b>828,614</b>

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

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

## Consolidated balance sheet

### Shareholders' equity and liabilities

	Notes	Jungheinrich Group		Intralogistics <sup>1,2</sup>		Financial Services <sup>2</sup>	
		12/31/2009	12/31/2008	12/31/2009	12/31/2008	12/31/2009	12/31/2008
		in thousand €	in thousand €	in thousand €	in thousand €	in thousand €	in thousand €
<b>Shareholders' equity</b>	(24)						
Subscribed capital		102,000	102,000	96,197	96,197	5,803	5,803
Capital reserve		78,385	78,385	78,350	78,350	35	35
Retained earnings		347,676	420,474	336,120	410,744	11,556	9,730
Accumulated other comprehensive income (loss)		18,504	24,188	18,477	24,217	27	(29)
		<b>546,565</b>	<b>625,047</b>	<b>529,144</b>	<b>609,508</b>	<b>17,421</b>	<b>15,539</b>
<b>Non-current liabilities</b>							
Provisions for pensions and similar obligations	(25)	143,216	140,151	143,179	140,116	37	35
Other non-current provisions	(26)	57,695	42,368	56,941	41,547	754	821
Deferred tax liabilities	(11)	7,301	27,902	1,108	19,778	6,193	8,124
Financial liabilities	(27)	253,128	149,615	253,128	149,615	–	–
Liabilities from financial services	(28)	471,113	465,496	–	–	471,113	465,496
Deferred income	(31)	72,040	67,797	24,212	17,101	47,828	50,696
		<b>1,004,493</b>	<b>893,329</b>	<b>478,568</b>	<b>368,157</b>	<b>525,925</b>	<b>525,172</b>
<b>Current liabilities</b>							
Income tax liabilities		4,422	15,994	3,207	14,432	1,215	1,562
Other current provisions	(26)	139,540	107,773	138,443	106,837	1,097	936
Financial liabilities	(27)	117,115	135,032	113,790	133,158	3,325	1,874
Liabilities from financial services	(28)	196,722	177,674	–	–	196,722	177,674
Trade accounts payable	(29)	96,222	116,895	35,249	45,382	60,973	71,513
Other liabilities	(30)	64,000	70,237	40,903	62,598	23,097	7,639
Deferred income	(31)	37,593	37,033	10,749	10,328	26,844	26,705
		<b>655,614</b>	<b>660,638</b>	<b>342,341</b>	<b>372,735</b>	<b>313,273</b>	<b>287,903</b>
		<b>2,206,672</b>	<b>2,179,014</b>	<b>1,350,053</b>	<b>1,350,400</b>	<b>856,619</b>	<b>828,614</b>

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

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

## Consolidated statement of cash flows

	2009	2008
	in thousand €	in thousand €
Net income	– 55,178	76,726
Depreciation and amortization of and impairment losses on tangible and intangible assets	59,560	44,667
Depreciation of and impairment losses on trucks for short-term hire and lease	109,400	125,570
Impairment losses on financial assets	2,658	–
Changes in provisions	50,159	– 29,832
Changes in trucks for short-term hire and trucks for lease (excl. depreciation)	– 55,921	– 163,693
Income/loss from the disposal of tangible and financial as well as intangible assets	888	1
Results from equity accounting	– 1,224	1,537
Changes in deferred tax assets and liabilities	– 31,924	4,146
Changes in other balance sheet items		
Inventories	74,060	– 3,610
Trade accounts receivable	82,070	27,343
Receivables from financial services	– 17,041	– 57,346
Trade accounts payable	– 20,672	– 23,436
Liabilities from financial services	24,664	101,949
Liabilities from financing trucks for short-term hire	281	32,068
Other operating assets	1,489	15,213
Other operating liabilities	– 16,377	– 19,369
<b>Cash flows from operating activities</b>	<b>206,892</b>	<b>131,934</b>
Payments for investments in tangible and intangible assets	– 52,562	– 79,380
Proceeds from the disposal of tangible and intangible assets	2,279	4,463
Payments for the purchase / proceeds from the disposal of financial assets	– 2,057	407
Payments for the purchase / proceeds from the sale of securities	– 1,625	– 63,455
<b>Cash flows from investing activities</b>	<b>– 53,965</b>	<b>– 137,965</b>
Dividends paid	– 17,620	– 18,640
Changes in short-term liabilities due to banks	– 14,693	– 21,754
Proceeds from obtaining long-term financial loans	110,682	4,242
Repayment of long-term financial loans	– 7,302	– 10,432
<b>Cash flows from financing activities</b>	<b>71,067</b>	<b>– 46,584</b>
<b>Net cash changes in cash and cash equivalents</b>	<b>223,994</b>	<b>– 52,615</b>
Changes in cash and cash equivalents due to changes in exchange rates	1,248	– 2,489
<b>Changes in cash and cash equivalents</b>	<b>225,242</b>	<b>– 55,104</b>
<b>Cash and cash equivalents as of January 1</b>	<b>195,819</b>	<b>250,923</b>
<b>Cash and cash equivalents as of December 31</b>	<b>421,061</b>	<b>195,819</b>

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

in thousand €	2009	2008
Interest paid	46,408	45,920
Interest received	38,246	39,421
Income taxes paid	22,551	36,978

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)		<b>Total</b>
				Currency translation adjustment	Derivative financial instruments	
in thousand €						
<b>As of</b>						
<b>January 1, 2009</b>	<b>102,000</b>	<b>78,385</b>	<b>420,474</b>	<b>17,430</b>	<b>6,758</b>	<b>625,047</b>
Dividend for the prior year	–	–	–17,620	–	–	–17,620
Comprehensive income 2009	–	–	–55,178	1,315	–6,999	–60,862
<b>As of</b>						
<b>December 31, 2009</b>	<b>102,000</b>	<b>78,385</b>	<b>347,676</b>	<b>18,745</b>	<b>–241</b>	<b>546,565</b>
<b>As of</b>						
<b>January 1, 2008</b>	<b>102,000</b>	<b>78,385</b>	<b>362,398</b>	<b>9,350</b>	<b>1,538</b>	<b>553,671</b>
Dividend for the prior year	–	–	–18,640	–	–	–18,640
Comprehensive income 2008	–	–	76,726	8,080	5,220	90,026
Other changes	–	–	–10	–	–	–10
<b>As of</b>						
<b>December 31, 2008</b>	<b>102,000</b>	<b>78,385</b>	<b>420,474</b>	<b>17,430</b>	<b>6,758</b>	<b>625,047</b>

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

## Notes to the consolidated financial statements

### (1) Purpose of the company

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

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

The production pool still consists of the plants in Norderstedt, Moosburg and Lüneburg (all of which are located in Germany). In 2009, the manufacture of battery-powered low-platform trucks was gradually transferred from the Norderstedt plant to the new factory in Landsberg (Germany). Production for the east Asian market in the plant in Qingpu/Shanghai (China) has encompassed battery-powered platform forklifts as well as battery-powered counterbalanced trucks since March 2009. 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 and Thailand. The North American business was realigned in the year under review. Direct sales via a proprietary distribution company in the USA and all dealer agreements in that country were terminated with effect from the end of 2009. Jungheinrich product distribution in North America has been handled by an exclusive distribution partner since January 1, 2010.

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, 2009, 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, 2009, were approved for publication by the Board of Management on March 12, 2010.

## Consolidation

Subsidiaries that are under the legal or factual control of Jungheinrich AG, Hamburg, are included in the consolidated financial statements. Active companies in which Jungheinrich holds a share of 20 to 50 per cent, and on which the Group exerts a significant influence without controlling them, are carried on the balance sheet in accordance with the equity method. Other investments in other companies are carried at their acquisition cost.

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:

	Basis 1 €	Exchange rate at the balance sheet date		Annual average exchange rate	
		12/31/2009	12/31/2008	2009	2008
<b>Currency</b>					
GBP		0.88810	0.95250	0.89094	0.79628
CHF		1.48360	1.48500	1.51000	1.58740
PLN		4.10450	4.15350	4.32760	3.51210
NOK		8.30000	9.75000	8.72780	8.22370
SEK		10.25200	10.87000	10.61910	9.61520
DKK		7.44180	7.45060	7.44620	7.45600
CZK		26.47300	26.87500	26.43500	24.94600
TRY		2.15470	2.14880	2.16310	1.90640
RUB		43.15400	41.28300	44.13760	36.42070
HUF		270.42000	266.70000	280.33000	251.51000
CNY		9.83500	9.49560	9.52770	10.22360
USD		1.44060	1.39170	1.39480	1.47080

### 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.

### Government grants—investment allowances and investment subsidies

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



### Earnings per share

Earnings per share are based on the average number of the respective shares outstanding during a fiscal year. In the 2009 and 2008 fiscal years, no shareholders' equity instruments diluted the earnings per share on the basis of the respective shares issued.

### Intangible and tangible assets

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

Development costs are capitalized if the manufacture of the developed products is expected to result in an economic benefit for the Jungheinrich Group and is technically feasible and if the costs can be determined reliably. Capitalized development 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. Maintenance and repair expenses are stated as costs. All costs for measures that lead to an extension of the useful life or a widening of the future possibilities for use of the assets are capitalized. Depreciable objects are reduced by scheduled straight-line depreciation. If objects are sold or scrapped, tangible and intangible assets are retired; any resulting profits or losses are taken into account affecting net income.

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

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

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

### Trucks for short-term hire

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

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

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

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

### Leasing

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

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

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

These long-term customer contracts ('finance 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, receivables and liabilities
- Held-to-maturity financial investments
- Financial assets and liabilities at fair value through profit or loss
- Financial assets available for sale

Jungheinrich accounts for loans, receivables and liabilities at amortized acquisition costs. Financial instruments carried at amortized acquisition costs are primarily non-derivative financial instruments such as trade accounts receivable and payable, receivables and liabilities from financial services, other receivables and financial assets as well as liabilities, financial liabilities, and investments in affiliated companies. Companies accounted for using the equity method are recognized at their acquisition cost at the time of the acquisition and then amortized in line with the associated company's prorated shareholders' equity.

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

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

### Receivables

Receivables are measured at amortized acquisition cost using the effective interest method.

Amortized acquisition costs for trade accounts receivable correspond to the nominal value after the deduction of 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 in companies accounted for using the equity method

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

### Securities

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

### Derivative financial instruments

At Jungheinrich, derivative financial instruments are used for hedging purposes.

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

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

Measurement levels are put in hierarchical order by input factors:

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

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

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

### Liquid assets

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

### Inventories

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

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

### Deferred taxes

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

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

### Accumulated other comprehensive income (loss)

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

## Provisions

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

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

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

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

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

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

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

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

## Classification of accounts

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

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

## Estimates

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

It is possible for the actual amounts to deviate from the estimates. When the actual course of events deviates from the expectations, the premises, and if necessary, the carrying amounts of the affected assets and liabilities are adjusted accordingly.

The global financial and economic crisis peaked in the 2009 reporting period. The worldwide economic downturn that began in the second half of 2008 accelerated in the first half of 2009. It was above all the economies of North America and Western Europe that experienced the most severe post-war recession. Only over the course of the third quarter of 2009 did the global economy gradually emerge from the recession, with most economic regions returning to marginal growth. Numerous economic stimulus packages put together the world over totalled €3 trillion and made a decisive contribution to this.

The material handling equipment industry was severely affected by the global economic downturn in the 2009 reporting period. The world market volume was halved in the first half of 2009 and shrank by 37 per cent for the year as a whole. Although Jungheinrich is well positioned in terms of both product segments and customer structure, the company was unable to emerge from the contraction of the material handling equipment market unscathed. Business volume declined considerably as the short-term hire equipment business and after-sales services were also hit by the economic downturn—albeit to a slightly lesser extent. Accordingly, the Jungheinrich Group experienced an unfavourable business trend.

Based on its projections for world trade, Jungheinrich expects the economy to recover slightly in fiscal 2010, albeit to varying degrees from one region to the next. In light of the persistent financial risks, the substantial debt of many national budgets and low corporate propensity to invest, there are no signs of a strong, self-perpetuating global upturn.

In 2010, Jungheinrich's business trend will be marked by consolidation, nascent growth and the company's return to profitability. Major significance will be accorded to increasing demand in new truck business in order to maximize manufacturing capacity utilization and to the resultant earnings contribution. The continued increase in the degree of pan-European penetration achieved by Jungheinrich trucks will have a positive effect on the sales trend of after-sales services, which have less cyclical exposure. Given the improved framework conditions, Jungheinrich expects that its business performance in 2010 will be more favourable overall than in 2009.

The impairment test performed on assets stated on the Jungheinrich Group's balance sheet as of December 31, 2009 resulted in material impairment losses on capitalized development costs and production facilities, goodwill and investments as well as reductions in the net realizable value of used equipment within inventories.

Since developments cannot be foreseen (this applies primarily to changes triggered by the financial and economic crisis) the actual business trend may deviate from the expectations based on assumptions and estimates made by Jungheinrich company management. It is impossible to make a reliable prognosis of the economic development beyond the 2010 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 applied**

The following standards, which have been published by the IASB and adopted by the EU, were applied for the first time in the 2009 reporting year.

The revised version of IAS 1 "Presentation of Financial Statements" requires a statement of comprehensive income for consolidated financial statements. In addition to the income or loss, the statement of comprehensive income includes other income for the period directly recognized in shareholders' equity. Jungheinrich expanded the disclosure in its consolidated financial statements by adding the statement of comprehensive income which is now required.

The new version of IAS 23 "Borrowing Costs" requires that borrowing costs that can be directly assigned to the purchase, construction or manufacture of a qualified asset be capitalized. A qualified asset is an asset for which a considerable amount of time is needed before it can be put into its usable or sellable state. The discretionary right to recognize borrowing costs immediately with an effect on expenses was abolished. The first-time application of the amended standard did not have an effect on the consolidated financial statements.

The IASB published changes to IFRS 7 "Financial Instruments: Disclosures", which require extended disclosure in the notes on the measurement of fair values of financial instruments and on liquidity risks. Jungheinrich has made the appropriate statements.

IFRS 8 "Business Segments" replaces the previously valid IAS 14 "Segment Reporting" and mandates information on segments in accordance with what is known as the *Management Approach*. Jungheinrich introduced segment reporting with effect from the beginning of 2009, in line with its internal organizational and reporting structure.

All of the standards became mandatory as of January 1, 2009.



### **Newly issued accounting regulations not applied in advance**

The IASB published IFRS 9 “Financial Instruments” in November 2009. The new standard specifies the accounting treatment of financial assets in terms of their classification and measurement. IFRS 9, which becomes mandatory for financial years starting on or after January 1, 2013, will only have two categories to which financial assets can be assigned—measured at amortized acquisition costs and measured at fair value. The more detailed classification and measurement model currently in use under IAS 39 will be abolished. The standard has not yet been endorsed by the EU. The first-time application of this standard is not expected to have a material impact on the consolidated financial statements.

### **Change in the presentation of exchange rate differences associated with foreign-currency financial transactions**

Exchange rate differences arising from foreign-currency financial transactions mainly stem from intragroup foreign-currency financing. Currency gains have been stated as part of other operating income and the corresponding currency losses have been stated as part of other operating expenses so far. Since currency gains and currency losses result from the booking of foreign-currency financial transactions for hedging purposes, they are being presented after having been netted against each other from the 2009 reporting year onwards. Due to their financing character, exchange-rate differences stemming from financial transactions are being stated as part of the financial income (loss) under the separate item ‘Other financial income (loss)’ from 2009 onwards. An adjustment of prior-year figures for the sake of comparison was renounced as they are irrelevant as regards the clarity of the financial statements and they are immaterial.

### **Basis of consolidation**

The parent company Jungheinrich AG, Hamburg, and all its subsidiaries are included in the consolidated financial statements. The basis of consolidation changed marginally year on year and still encompasses 43 (prior year: 43) foreign and 13 (prior year: 13) domestic companies. Four companies have been stated on the balance sheet through application of the equity method.

The full list of Jungheinrich AG’s shareholdings is disclosed separately.

### **Changes in the basis of consolidation**

Jungheinrich Lift Truck Trading (Shanghai) Co. Ltd., Shanghai (China), the second distribution company in China, which is no longer required for future business, was liquidated and deconsolidated in the second quarter of 2009. The disposal of this investment generated €104 thousand in proceeds recognized as other operating income. This includes the €3 thousand in currency compensation items of the deconsolidated company which have been included in the Group without an effect in profit or loss thus far and were recognized with an effect on net income within the scope of the deconsolidation.

In the fourth quarter of 2009, the basis of consolidation was expanded by the newly established Jungheinrich Design Center Houston Corporation, Houston (USA) within the scope of the realignment of the North American business. This development centre will engineer warehousing equipment specifically for the North American market. No differential amounts resulted from the first-time consolidation.

Jungheinrich acquired a 25 per cent stake in ISA – Innovative Systemlösungen für die Automation GmbH, Graz (Austria) for €2,290 thousand in the fourth quarter of 2009. The purchase price included profit participation rights from January 1, 2009 onwards. Jungheinrich gained substantial influence on the company’s business and financial policies with effect from the time of acquisition. The company is accounted as an associated company for using the equity method.

## Notes to the consolidated statement of income

### (3) Net sales

The Jungheinrich Group's divisions generated the following net sales:

in thousand €	2009	2008
New truck business	811,101	1,271,062
Income from the short-term hire and sale of used equipment	304,957	331,376
After-sales services	577,794	604,416
<b>Intralogistics</b>	<b>1,693,852</b>	<b>2,206,854</b>
<b>Financial services</b>	<b>377,818</b>	<b>369,132</b>
<b>Segments total</b>	<b>2,071,670</b>	<b>2,575,986</b>
Reconciliation	-394,975	-430,854
<b>Jungheinrich Group</b>	<b>1,676,695</b>	<b>2,145,132</b>

### (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 €823,470 thousand (prior year: €1,165,509 thousand).

The cost of materials includes €3,634 thousand in currency gains (prior year: €2,448 thousand in currency losses) stemming from purchases in foreign currencies.

### (5) Personnel expenses

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

in thousand €	2009	2008
Wages and salaries	455,722	476,009
Social security contributions	98,782	101,299
Cost of pensions and other benefits		
Defined benefit plans	13,989	15,128
Defined contribution plans	1,318	1,265
Other costs for pensions and other benefits	2,554	1,155
Termination benefits	31,796	-
	<b>604,161</b>	<b>594,856</b>

Termination benefits in the year under review in the amount of €28,784 thousand are included in the cost of sales, €1,595 thousand are contained in selling expenses, and €1,417 thousand are included in research and development costs. They relate to personnel-adjustment measures at the Norderstedt and Moosburg plants as well as to the termination of employment contracts due to the realignment of the North American business and the associated discontinuation of direct sales via the proprietary distribution company in the USA.

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

	<b>2009</b>	<b>2008</b>
Hourly-paid employees	5,245	5,317
Salaried employees	4,955	4,979
Trainees and apprentices	275	259
	<b>10,475</b>	<b>10,555</b>

Besides personnel expenses, functional costs include the cost of temporary workers amounting to €4,739 thousand (prior year: €19,250 thousand).

#### (6) Depreciation and impairment losses

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

#### (7) Other operating income

Other operating income of the year being reviewed includes €373 thousand (prior year: €816 thousand) in income from the disposal of tangible and intangible assets as well as €150 thousand (prior year: €– thousand) in reversals of deferred government grants.

Other operating income includes €104 thousand in income from the disposal of a Chinese distribution company. The notes on the changes in the basis of consolidation provide further related information.

#### (8) Other operating expenses

Other operating expenses in the reporting year include €1,361 thousand (prior year: €1,224 thousand) in losses from the disposal of tangible and intangible assets.

Other operating expenses in 2009 include impairment losses for goodwill in the amount of €3,015 thousand. Note 12 on intangible assets provides further related information.

Other operating expenses incurred in 2008 included expenses associated with the deconsolidation of Boss UK Holding Company Ltd., Leighton Buzzard (UK), totalling €2,308 thousand.

#### (9) Other net income (loss) from investments

The other net income (loss) from investments in the reporting year contains €150 thousand in impairment losses made as a result of the impairment test performed on an inactive, former non-German holding company that was not part of the basis of consolidation.

Other net income from investments in 2008 included income from winding up four inactive non-consolidated German sales companies.

**(10) Financial income (loss)**

in thousand €	2009	2008
Interest and similar income	38,258	40,085
Interest and similar expenses	38,155	40,395
Other financial income (loss)	-2,852	-
	<b>-2,749</b>	<b>-310</b>

The financial income (loss) includes €34,357 thousand in interest and similar income (prior year: €29,693 thousand) and €24,514 thousand in interest and similar expenses (prior year: €22,387 thousand) resulting from the Jungheinrich Group's financial services business.

Currency gains and losses on foreign-currency financial transactions previously recognized as other operating income and expenses are being stated as part of the other financial income (loss) from 2009 onwards. These exchange rate differences mainly stem from intragroup financing in foreign currencies.

**(11) Income taxes**

The Group's income tax breaks down as follows:

in thousand €	2009	2008
Current taxes		
Germany	1,887	21,464
Other countries	10,385	19,449
Deferred taxes		
Germany	-22,309	2,988
Other countries	-9,266	830
	<b>-19,303</b>	<b>44,731</b>

The current tax expense in Germany dropped significantly owing to the substantial decline in earnings. The deferred tax income for 2009 in Germany is associated with the losses realized.

The reduced current tax expense in other countries was caused by the decrease in profits earned by the sales companies. The deferred tax income is due to the new estimates underlying the measurement of deferred tax receivables.

The domestic corporate income tax rate for fiscal 2009 remained at 15.0 per cent, plus the unchanged solidarity surcharge of 5.5 per cent of the corporate income tax burden. Taking account of the trade tax, the total tax rate remained at 30.0 per cent.

As in the preceding year, the applied local income tax rates for foreign companies varied between 12.5 per cent and 35.0 per cent.

As of December 31, 2009, the Group had about €189 million in corporate tax loss carryforwards (prior year: €118 million) as well as some €59 million in trade tax loss carryforwards (prior year: €7 million). The loss carryforwards can largely be carried forward without limitations. The increase is primarily due to losses incurred in Germany. €28.2 million (prior year: €22.1 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 additional deferred tax income of about €6.7 million (prior year: deferred tax expense of 4.6 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 €	12/31/2009	12/31/2008
Tangible and intangible assets	97,946	87,191
Inventories	4,900	6,289
Receivables	1,594	7,669
Tax loss carryforwards	57,639	36,910
Provisions for pensions	9,886	6,844
Other provisions	10,077	13,376
Liabilities	214,458	213,994
Deferred income	19,052	16,637
Other	11,614	10,721
Valuation allowances	-40,297	-26,337
<b>Deferred tax assets</b>	<b>386,869</b>	<b>373,294</b>
Tangible and intangible assets	60,173	76,554
Inventories	5,171	5,273
Receivables	206,003	207,527
Provisions for pensions	29	-
Other provisions	471	1,556
Liabilities	62,589	62,506
Other	1,386	755
<b>Deferred tax liabilities</b>	<b>335,822</b>	<b>354,171</b>
<b>Net deferred taxes</b>	<b>51,047</b>	<b>19,123</b>

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

in thousand €	12/31/2009	12/31/2008
Deferred tax assets	58,348	47,025
Deferred tax liabilities	7,301	27,902
<b>Net deferred taxes</b>	<b>51,047</b>	<b>19,123</b>
Thereof: netting against shareholders' equity	182	-78

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

in thousand €	2009	2008
Expected tax income (expense)	-22,344	36,438
Change in the tax rate	-2	1,469
Foreign tax differentials	-1,024	-1,950
Change in valuation allowances	1,008	7,545
Non-deductible operating expenses and tax-free gains	1,525	3,118
Other	1,534	-1,889
<b>Actual tax income (expense)</b>	<b>-19,303</b>	<b>44,731</b>

In 2009, the Group's tax quota was 25.9 per cent (prior year: 36.8 per cent).

## Notes to the consolidated balance sheet

## (12) Intangible assets

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

in thousand €	Licenses and software	Capitalized development costs	Goodwill	Total
<b>Acquisition and manufacturing costs</b>				
<b>As of January 1, 2009</b>	<b>23,387</b>	<b>64,533</b>	<b>6,181</b>	<b>94,101</b>
Changes in currency exchange rates	59	–	–	59
Additions	1,045	6,463	–	7,508
Disposals	1,283	1,762	–	3,045
<b>As of December 31, 2009</b>	<b>23,208</b>	<b>69,234</b>	<b>6,181</b>	<b>98,623</b>
<b>Amortization and impairment losses</b>				
<b>As of January 1, 2009</b>	<b>18,964</b>	<b>33,947</b>	<b>1,283</b>	<b>54,194</b>
Changes in currency exchange rates	51	–	–	51
Amortization in the fiscal year	2,001	7,941	–	9,942
Impairment losses in the fiscal year	–	8,534	3,015	11,549
Accumulated amortization on disposals	1,323	1,725	–	3,048
Transfers and other changes	–	–	1	1
<b>As of December 31, 2009</b>	<b>19,693</b>	<b>48,697</b>	<b>4,299</b>	<b>72,689</b>
<b>Carrying amount December 31, 2009</b>	<b>3,515</b>	<b>20,537</b>	<b>1,882</b>	<b>25,934</b>

In the prior year, intangible assets developed as follows:

in thousand €	Licenses and software	Capitalized development costs	Goodwill	Total
<b>Acquisition and manufacturing costs</b>				
<b>As of January 1, 2008</b>	<b>21,944</b>	<b>63,348</b>	<b>6,181</b>	<b>91,473</b>
Changes in currency exchange rates	–294	–	–	–294
Additions	2,541	5,459	–	8,000
Disposals	949	4,274	–	5,223
Transfers	145	–	–	145
<b>As of December 31, 2008</b>	<b>23,387</b>	<b>64,533</b>	<b>6,181</b>	<b>94,101</b>
<b>Amortization</b>				
<b>As of January 1, 2008</b>	<b>17,948</b>	<b>29,672</b>	<b>1,283</b>	<b>48,903</b>
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
<b>As of December 31, 2008</b>	<b>18,964</b>	<b>33,947</b>	<b>1,283</b>	<b>54,194</b>
<b>Carrying amount December 31, 2008</b>	<b>4,423</b>	<b>30,586</b>	<b>4,898</b>	<b>39,907</b>

€1,045 thousand in additions to the item 'Licenses and software' of the year under review primarily relate to software purchased from third parties (prior year: €2,541 thousand).

€6,463 thousand in development costs incurred in the year under review (prior year: €5,459 thousand) meet the capitalization criteria under IFRS.

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

in thousand €	2009	2008
Research costs and uncapitalized development costs	32,269	33,582
Amortization of capitalized development costs	7,941	8,549
Impairment losses on capitalized development costs	8,534	–
	<b>48,744</b>	<b>42,131</b>

The impairment test performed on the residual carrying amounts of capitalized development costs was broken down by product line on the basis of estimated discounted future cash flows. Impairment losses resulting from the impairment test for three truck model series totalled €8,534 thousand.

€1,771 thousand and €111 thousand in residual carrying amounts of goodwill as of December 31, 2009 are allocable to the sales company in Vienna (Austria) and the sales company in Warsaw (Poland), respectively.

The impairment test for goodwill is performed on the basis of the determined value in use of a cash generating unit under application of the discounted cash flow method. The cash generating units generally correspond to the legal Group units. In principle, the planned cash flows of the bottom-up five-year budget plausibilized by Jungheinrich AG management are used. The last budgeted year is beyond the budget horizon for cash flows as well.

A pretax interest rate in line with market conditions is used as the discount rate. The weighted average cost of capital (WACC) is based on the risk-free interest rate as well as the Group unit and country-specific risk premia for equity and debt. The WACC was 9.7 per cent.

A comparison of the value in use determined for Jungheinrich Lift Truck Ltd., Dublin (Ireland) and the carrying amount of net shareholders' equity including goodwill revealed that the carrying amount exceeds the value in use. The €3,015 thousand in goodwill recognized on the balance sheet so far was fully impaired. No other intragroup synergies had to be considered for the Irish sales unit.

Impairment losses were recognized in other operating expenses.

Impairment tests performed on other goodwill remaining on the balance sheet date did not result in further impairment losses.

**(13) Tangible assets**

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

in thousand €	Land, land rights and buildings including buildings on third-party land	Technical equipment and machinery	Factory and office equipment	Construction in progress	<b>Total</b>
<b>Acquisition and manufacturing costs</b>					
<b>As of January 1, 2009</b>	<b>233,004</b>	<b>88,638</b>	<b>161,191</b>	<b>19,061</b>	<b>501,894</b>
Changes in currency exchange rates	763	105	390	9	1,267
Additions	6,358	2,159	10,268	26,269	45,054
Disposals	1,579	4,882	11,138	1,281	18,880
Transfers and other changes	16,155	14,222	10,429	-40,806	-
<b>As of December 31, 2009</b>	<b>254,701</b>	<b>100,242</b>	<b>171,140</b>	<b>3,252</b>	<b>529,335</b>
<b>Depreciation and impairment losses</b>					
<b>As of January 1, 2009</b>	<b>68,560</b>	<b>51,927</b>	<b>106,948</b>	<b>-</b>	<b>227,435</b>
Changes in currency exchange rates	234	59	380	-	673
Depreciation in the fiscal year	7,266	11,167	16,595	-	35,028
Impairment losses in the fiscal year	-	2,288	753	-	3,041
Accumulated depreciation on disposals	1,296	5,049	9,225	-	15,570
<b>As of December 31, 2009</b>	<b>74,764</b>	<b>60,392</b>	<b>115,451</b>	<b>-</b>	<b>250,607</b>
<b>Carrying amount December 31, 2009</b>	<b>179,937</b>	<b>39,850</b>	<b>55,689</b>	<b>3,252</b>	<b>278,728</b>

In the prior year, tangible assets developed as follows:

in thousand €	Land, land rights and buildings including buildings on third-party land	Technical equipment and machinery	Factory and office equipment	Construction in progress	<b>Total</b>
<b>Acquisition and manufacturing costs</b>					
<b>As of January 1, 2008</b>	<b>212,926</b>	<b>78,221</b>	<b>149,748</b>	<b>7,244</b>	<b>448,139</b>
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
<b>As of December 31, 2008</b>	<b>233,004</b>	<b>88,638</b>	<b>161,191</b>	<b>19,061</b>	<b>501,894</b>
<b>Depreciation and impairment losses</b>					
<b>As of January 1, 2008</b>	<b>62,483</b>	<b>43,605</b>	<b>97,665</b>	<b>-</b>	<b>203,753</b>
Changes in currency exchange rates	-172	-165	-1,148	-	-1,485
Depreciation in the fiscal year	6,443	9,390	17,088	-	32,921
Impairment losses in the fiscal year	-	-	1,287	-	1,287
Accumulated depreciation on disposals	194	903	7,944	-	9,041
<b>As of December 31, 2008</b>	<b>68,560</b>	<b>51,927</b>	<b>106,948</b>	<b>-</b>	<b>227,435</b>
<b>Carrying amount December 31, 2008</b>	<b>164,444</b>	<b>36,711</b>	<b>54,243</b>	<b>19,061</b>	<b>274,459</b>



Tangible assets include €31,582 thousand (prior year: €32,546 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 €989 thousand (prior year: €1,006 thousand).

In the year under review, land and buildings were put up as mortgage to back €35,325 thousand (prior year: €35,159 thousand) in liabilities due to banks.

The residual carrying amounts of all the tangible assets of a product line at the Moosburg plant were reviewed on the basis of discounted future cash flows. Impairment tests performed on this product line resulted in a total of €2,903 thousand in impairment losses, which were primarily recognized in the cost of sales.

The €1,287 thousand in impairment losses for factory and office equipment disclosed in the preceding year were recognized in selling expenses.

#### (14) Trucks for short-term hire

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

in thousand €	2009	2008
<b>Acquisition and manufacturing costs</b>		
<b>As of January 1</b>	<b>333,485</b>	<b>302,491</b>
Changes in currency exchange rates	6,030	-13,717
Additions	35,924	123,352
Disposals	102,536	78,641
<b>As of December 31</b>	<b>272,903</b>	<b>333,485</b>
<b>Depreciation and impairment losses</b>		
<b>As of January 1</b>	<b>133,485</b>	<b>102,086</b>
Changes in currency exchange rates	2,830	-5,741
Depreciation in the fiscal year	55,164	66,141
Impairment losses in the fiscal year	-	8,847
Accumulated depreciation of and impairment losses on disposals	59,699	37,848
<b>As of December 31</b>	<b>131,780</b>	<b>133,485</b>
<b>Carrying amount December 31</b>	<b>141,123</b>	<b>200,000</b>

The fleet includes leased trucks for short-term hire with an aggregate value of €2,314 thousand (prior year: €3,793 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 €698 thousand (prior year: €1,827 thousand).

The preceding year's impairment losses were recognized in the cost of sales. In 2009, the corresponding trucks for short-term hire were transferred to the used equipment warehouse at their net realizable value as part of a decommissioning program.

Trucks for short-term hire with a total carrying amount of €54,673 thousand (prior year: €50,446 thousand) were put up as collateral for their associated financial liabilities within the scope of sales of receivables from intragroup hire-purchase agreements.

## (15) Trucks for lease from financial services

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

in thousand €	2009	2008
<b>Acquisition and manufacturing costs</b>		
<b>As of January 1</b>	<b>284,473</b>	<b>262,729</b>
Changes in currency exchange rates	5,701	-14,431
Additions	82,190	103,652
Disposals	60,074	67,477
<b>As of December 31</b>	<b>312,290</b>	<b>284,473</b>
<b>Depreciation</b>		
<b>As of January 1</b>	<b>97,231</b>	<b>96,574</b>
Changes in currency exchange rates	2,014	-4,966
Depreciation in the fiscal year	54,236	50,582
Accumulated depreciation on disposals	40,727	44,959
<b>As of December 31</b>	<b>112,754</b>	<b>97,231</b>
<b>Carrying amount December 31</b>	<b>199,536</b>	<b>187,242</b>

Trucks for lease from financial services are classified as follows:

in thousand €	12/31/2009	12/31/2008
'Operating lease' contracts with customers	129,932	115,434
Contracts concluded with a leasing company acting as an intermediary	69,604	71,808
	<b>199,536</b>	<b>187,242</b>

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 €49,096 thousand (prior year: €43,916 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 €	12/31/2009	12/31/2008
Due within less than one year	48,404	42,479
Due in one to five years	87,924	77,589
Due in more than five years	168	383
	<b>136,496</b>	<b>120,451</b>

Trucks for lease with a carrying amount of €24,001 thousand (prior year: €18,657 thousand) are financed based on sale and leaseback agreements. Future minimum lease payments from sub-lease arrangements total €20,399 thousand (prior year: €17,763 thousand).

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

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

in thousand €	Investments in companies accounted for using the equity method	Other financial assets		Total
		Investments in affiliated companies	Other loans	
<b>Acquisition costs</b>				
<b>As of January 1, 2009</b>	<b>10,684</b>	<b>475</b>	<b>139</b>	<b>614</b>
Additions	3,514	–	–	–
Disposals	132	–	–	–
<b>As of December 31, 2009</b>	<b>14,066</b>	<b>475</b>	<b>139</b>	<b>614</b>
<b>Impairment losses</b>				
<b>As of January 1, 2009</b>	<b>–</b>	<b>–</b>	<b>38</b>	<b>38</b>
Impairment losses in the fiscal year	2,500	150	8	158
<b>As of December 31, 2009</b>	<b>2,500</b>	<b>150</b>	<b>46</b>	<b>196</b>
<b>Carrying amount December 31, 2009</b>	<b>11,566</b>	<b>325</b>	<b>93</b>	<b>418</b>

€2,290 thousand in additions to the line item 'Investments in companies accounted for using the equity method' in the 2009 reporting year are attributable to the acquisition of a 25 per cent stake in ISA – Innovative Systemlösungen für die Automation GmbH, a company domiciled in Graz (Austria).

The impairment test performed on 'Investments in companies accounted for using the equity method' as of the balance sheet date resulted in €2,500 thousand in impairment losses on the stake in Ningbo Ruyi Joint Stock Co. Ltd., China, in 2009.

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

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

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

in thousand €	Share in %	Carrying amounts	
		12/31/2009	12/31/2008
JULI Motorenwerk s.r.o., Czech Republic	50	6,373	5,658
Supralift GmbH & Co. KG, Germany	50	241	133
Ningbo Ruyi Joint Stock Co. Ltd., China	25	2,637	4,868
ISA – Innovative Systemlösungen für die Automation GmbH, Austria	25	2,290	–

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

in thousand €	2009		2008	
	Joint ventures	Associated companies	Joint ventures	Associated companies
Assets	17,966	8,578	19,797	8,660
Liabilities	9,793	4,181	13,871	4,702
Net sales	31,156	11,070	47,358	15,338
Net income	955	442	–1,081	269

Figures for associated companies for 2009 include the prorated amounts allocable to ISA – Innovative Systemlösungen für die Automation GmbH, Graz (Austria) for the first time.

In addition to the €1,224 thousand (prior year: –€812 thousand) in prorated results for the year from companies accounted for using the equity method, the income (loss) from companies accounted for using the equity method in the year under review includes €2,500 thousand in impairment losses (prior year: €– thousand). The prorated income for the year generated by ISA – Innovative Systemlösungen für die Automation GmbH, Graz (Austria), was not considered in the 2009 consolidated financial statements because Jungheinrich could not exert material influence on the company until it had purchased the shares with effect from the end of 2009. The notes on the changes in the basis of consolidation provide further related information.

The impairment test performed on ‘Investments in affiliated companies’ as of the balance sheet date resulted in €150 thousand in impairment losses for the former Irish holding company in 2009.

### (17) Inventories

in thousand €	12/31/2009	12/31/2008
Raw materials and supplies	31,498	48,581
Work in process	10,133	14,948
Finished goods	39,128	70,698
Merchandise	55,761	62,925
Spare parts	28,126	35,278
Advance payments	8,187	14,462
	<b>172,833</b>	<b>246,892</b>

€23,495 thousand (prior year: €20,934 thousand) of the inventories are measured at their net realizable value. Write-downs recognized for inventories as of the balance sheet date amounted to €44,346 thousand (prior year: €27,174 thousand). Write-downs as of December 31, 2009 include €8,847 thousand (prior year: €– thousand) allocable to former trucks for short-term hire that were transferred to inventories as part of a decommissioning program in the year being reviewed. Furthermore, used equipment that was part of the inventory as of the balance sheet date was written down to their lower net realizable value of €7,418 thousand (prior year: €– thousand).

### (18) Trade accounts receivable

in thousand €	12/31/2009	12/31/2008
Trade accounts receivable	327,749	406,942
Valuation allowances	-14,636	-11,759
	<b>313,113</b>	<b>395,183</b>

Trade accounts receivable include notes receivable in the amount of €6,833 thousand (prior year: €10,378 thousand). Notes receivable in the amount of €142 thousand (prior year: €266 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 €	2009	2008
Valuation allowances at the beginning of the year	11,759	9,804
Changes in currency exchange rates	58	-195
Utilizations	2,033	2,582
Releases	527	544
Additions	5,379	5,276
<b>Valuation allowances at the end of the year</b>	<b>14,636</b>	<b>11,759</b>

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

in thousand €	12/31/2009	12/31/2008
Less than 30 days overdue	36,489	51,671
Between 30 and 60 days overdue	10,262	20,405
Between 61 and 90 days overdue	4,827	6,030
Between 91 and 180 days overdue	4,102	5,398
More than 180 days overdue	89	700
<b>Total overdue trade accounts receivable, for which no valuation allowances were recognized</b>	<b>55,769</b>	<b>84,204</b>

As of the balance sheet date, no valuation allowances had been made for €237,367 thousand in trade accounts receivable (prior year: €293,379 thousand), nor were they overdue. As of the balance sheet date, there was no indication that the debtors could not meet their payment obligations.

## (19) Receivables from financial services

Within the framework of the financial services business in which Jungheinrich Group companies act as lessors, the net investment values of customer leases classified as 'finance leases' in accordance with IFRS are capitalized as receivables from financial services.

Receivables from financial services are based on the following data:

in thousand €	12/31/2009	12/31/2008
<b>Total minimum lease payments receivable</b>	<b>545,684</b>	<b>525,340</b>
Due within less than one year	173,013	158,324
Due in one to five years	362,195	354,974
Due in more than five years	10,476	12,042
<b>Present value of minimum lease payments receivable</b>	<b>476,905</b>	<b>459,864</b>
Due within less than one year	143,588	131,206
Due in one to five years	323,560	317,225
Due in more than five years	9,757	11,433
<b>Unearned interest income</b>	<b>68,779</b>	<b>65,476</b>

Receivables from financial services include minimum lease payments from sublease arrangements amounting to €123,590 thousand (prior year: €119,112 thousand).

Receivables from financial services with a carrying amount of €262,142 thousand (prior year: €251,308 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 €	12/31/2009	12/31/2008
Receivables from other taxes	11,518	17,389
Derivative financial assets	1,941	12,931
Receivables from loans and advances granted to employees	718	824
Other receivables from affiliated companies	3	2
Other assets	9,436	11,302
	<b>23,616</b>	<b>42,448</b>

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

On December 31, 2009, there was a total of €65,080 thousand in bonds on the company's books (prior year: €63,455 in bonds and promissory notes) which Jungheinrich intends to and is capable of holding to maturity. €35,002 thousand and €30,078 thousand of the bonds mature in 2010 and 2011, respectively. German local authorities are directly or indirectly liable for all of the securities. The impairment test carried out on the securities did not reveal any long-term impairments.

All of the securities on Jungheinrich's books on December 31, 2008 which matured were redeemed in the year being reviewed.

## **(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.

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

The distribution of distributable profit for fiscal 2009 will be limited to the €0.12 share of the profit per preferred share.

### **Capital reserve**

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

### **Retained earnings**

Retained earnings contain undistributed earnings generated by Jungheinrich AG and consolidated subsidiaries in preceding years as well as consolidated net income for the period under review.

Furthermore, differential amounts resulting from the transition of accounting and measurement methods to IFRS effective January 1, 2004, were recognized in retained earnings without an effect on results.

### **Dividend proposal**

Jungheinrich AG pays its dividend from the distributable profit stated in the annual financial statements of Jungheinrich AG, which are prepared in accordance with the German Commercial Code. The Board of Management of Jungheinrich AG proposes to use the €1,920 thousand distributable profit for the 2009 financial year to pay the minimum dividend of €0.12 per preferred share.

## Managing capital

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

The capital and finance structure of the Group and its companies is managed using 'net gearing' and 'indebtedness ratio' as key ratios. 'Net gearing' is defined as the ratio of net indebtedness to shareholders' equity, expressed as a percentage. 'Indebtedness ratio' is defined as the ratio of net indebtedness to earnings before interest, taxes, depreciation and amortization (EBITDA). Due to a change in definition in 2009, EBITDA will be adjusted to exclude the depreciation of trucks for lease from financial services in order to determine the key performance indicator 'indebtedness ratio'.

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

The net indebtedness factored into these two key ratios is the result of the Group's financial liabilities, minus liquid assets and securities: Due to a change in definition in 2009, notes receivable and the balance of other liabilities and receivables vis-à-vis affiliated companies and companies accounted for using the equity method are no longer elements of net indebtedness. Prior-year figures have been adjusted accordingly for the purpose of comparability.

in thousand €	12/31/2009	12/31/2008
Financial liabilities	370,243	284,647
Liquid assets and securities	-488,626	-261,516
<b>Net indebtedness</b>	<b>-118,383</b>	<b>23,131</b>

The key ratios 'net gearing' and 'indebtedness ratio' improved substantially compared with the prior year:

in thousand €	12/31/2009	12/31/2008
Net indebtedness	-118,383	23,131
Shareholders' equity	546,565	625,047
EBITDA (excluding the depreciation of trucks for lease from financial services)	45,650	241,422
<b>Net gearing</b> in %	<b>&lt; 0</b>	<b>4</b>
<b>Indebtedness ratio</b> in years	<b>&lt; 0</b>	<b>0.1</b>

The main reason for the improvement of the key performance indicators is the rise in liquidity resulting from the reduction in working capital.

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



## (25) Provisions for pensions and similar obligations

### Pension plans

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

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

Actuarial gains and losses can arise owing to increases or decreases in the net present value of a defined benefit commitment or in the fair value of plan assets, in part stemming from changes in the parameters of actuarial calculations (both financial and demographic). Accumulated unrealized actuarial gains and losses exceeding 10 per cent of the higher of the pension obligation and the fair value of plan assets are amortized over the expected average service lives of the employees covered by the pension plan.

Pension obligations were calculated based on the following weighted average assumptions:

in %	12/31/2009	12/31/2008
Discount rate	5.4	5.7
Expected rate of compensation increase	3.5	3.3
Expected rate of pension increase	2.5	2.4

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

in %	2009	2008
Discount rate	5.7	5.4
Expected long-term return on plan assets	4.8	5.3
Expected rate of compensation increase	3.3	3.8
Expected rate of pension increase	2.4	2.5

### Funded status of defined benefit pension plans:

in thousand €	12/31/2009	12/31/2008
Present value of funded benefit obligations	154,433	128,392
Fair value of plan assets	136,283	123,988
Funding gap	18,150	4,404
Present value of unfunded benefit obligations	147,253	137,392
<b>Net obligation</b>	<b>165,403</b>	<b>141,796</b>
Unamortized actuarial gains (+) and losses (-)	-22,187	-1,645
<b>Net amount recognized</b>	<b>143,216</b>	<b>140,151</b>

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 €	2009	2008
Defined benefit obligation as of January 1	265,784	311,908
Changes in currency exchange rates	8,173	-34,062
Current service cost	4,990	5,531
Interest cost	15,261	16,022
Employee contributions	1,919	1,899
Actuarial gains (-) and losses (+)	15,698	-24,114
Benefits paid	-10,139	-11,400
<b>Defined benefit obligation as of December 31</b>	<b>301,686</b>	<b>265,784</b>

### 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, 2009, primarily consisting of fixed-interest securities.

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 %	12/31/2009	12/31/2008
Fixed-interest securities	94	56
Liquid assets	–	37
Real estate	4	4
Shares	1	1
Other	1	2
	<b>100</b>	<b>100</b>

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 4.1 per cent (prior year: 4.9 per cent).

### Development of plan assets:

in thousand €	2009	2008
Fair value of plan assets as of January 1	123,988	123,174
Changes in currency exchange rates	7,951	–27,376
Expected return on plan assets	6,380	6,713
Actuarial gains (+) and losses (–)	–4,944	–5,176
Employer contributions	4,270	29,341
Employee contributions	1,919	1,899
Benefits paid	–3,281	–4,587
<b>Fair value of plan assets as of December 31</b>	<b>136,283</b>	<b>123,988</b>

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

Jungheinrich expects cash contributions to plan assets to total about €4.4 million in fiscal 2010, 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 €	2009	2008
Current service cost	4,990	5,531
Interest cost	15,261	16,022
Expected return on plan assets	–6,380	–6,713
Amortization of actuarial gains and losses	118	288
	<b>13,989</b>	<b>15,128</b>

In the year under review, the actual return on plan assets amounted to €1,436 thousand (prior year: €1,537 thousand).

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

### Five-year overview:

in thousand €	2009	2008	2007	2006	2005
Defined benefit obligation as of December 31	301,686	265,784	311,908	314,331	286,731
Fair value of plan assets as of December 31	136,283	123,988	123,174	114,942	101,488
<b>Net obligation</b>	<b>165,403</b>	<b>141,796</b>	<b>188,734</b>	<b>199,389</b>	<b>185,243</b>

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 %	2009	2008
Experience-based increase (+)/decrease (-) in the defined benefit obligation	-	0.2
Experience-based increase (+)/decrease (-) in plan assets	-4.0	-4.2

### (26) Other provisions

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

in thousand €	As of 01/01/2009	Exchange rate differences	Additions	Utilizations	Releases	As of 12/31/2009
Provisions for personnel	98,719	598	86,246	50,326	2,142	133,095
Provisions for warranty obligations	23,640	120	26,685	30,984	4	19,457
Provisions for onerous contracts	20,579	281	14,127	7,077	1,446	26,464
Others	7,203	28	15,094	3,404	702	18,219
<b>Other provisions</b>	<b>150,141</b>	<b>1,027</b>	<b>142,152</b>	<b>91,791</b>	<b>4,294</b>	<b>197,235</b>

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

Additions to provisions for personnel in 2009 include €29,630 thousand (prior year: €- thousand) in termination benefits within the scope of personnel adjustment measures taken at the Norderstedt and Moosburg plants.

As of the balance sheet date, obligations arising from partial retirement agreements amounted to €18,857 thousand (prior year: €15,526 thousand), which have been netted against €8,059 thousand in securities (prior year: €7,403 thousand). These securities are exclusively held to secure benefits due to employees within the scope of partial retirement agreements in the long term and are classified as plan assets under IAS 19. These securities are money market fund shares which, however, are not freely available at present due to the role they play as back-up for these agreements. All partial retirement agreements are fully covered at present. Furthermore, €8,987 thousand in provisions were accrued to cover the claims of candidates potentially qualifying for partial retirement arrangements commensurate to their probability of occurrence (prior year: €2,746 thousand).

Additions to provisions for personnel include €1,761 thousand in interest accretions (prior year: €1,780 thousand). €49,247 thousand (prior year: €35,622 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 2009 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. €8,335 thousand (prior year: €6,705 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.

Additions to other provisions in the reporting year also take account of €7.6 million in existing risks associated with the realignment of the North American business and the ensuing termination of all dealer agreements with effect from the end of 2009.

**(27) Financial liabilities**

The contractually agreed (undiscounted) cash flows and underlying carrying amounts for financial liabilities are shown in the following table:

in thousand €	Liabilities due to banks	Promissory notes	Liabilities from financing trucks for short-term hire	Leasing liabilities from tangible assets	Notes payable	<b>Financial liabilities</b>
<b>12/31/2009</b>						
<b>Total future cash flows</b>	<b>140,149</b>	<b>186,821</b>	<b>65,107</b>	<b>33,041</b>	<b>1,095</b>	<b>426,213</b>
Due within less than one year	93,237	7,786	22,043	5,871	1,095	130,032
Due in one to five years	23,776	179,035	37,246	11,442	–	251,499
Due in more than five years	23,136	–	5,818	15,728	–	44,682
<b>Present value of future cash flows</b>	<b>127,928</b>	<b>154,899</b>	<b>61,893</b>	<b>24,428</b>	<b>1,095</b>	<b>370,243</b>
Due within less than one year	90,461	–	20,848	4,711	1,095	117,115
Due in one to five years	17,650	154,899	35,353	8,141	–	216,043
Due in more than five years	19,817	–	5,692	11,576	–	37,085
<b>Future interest expenses</b>	<b>12,221</b>	<b>31,922</b>	<b>3,214</b>	<b>8,613</b>	<b>–</b>	<b>55,970</b>
<b>12/31/2008</b>						
<b>Total future cash flows</b>	<b>149,498</b>	<b>62,014</b>	<b>70,616</b>	<b>37,440</b>	<b>1,690</b>	<b>321,258</b>
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
<b>Present value of future cash flows</b>	<b>139,295</b>	<b>54,846</b>	<b>61,612</b>	<b>27,204</b>	<b>1,690</b>	<b>284,647</b>
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
<b>Future interest expenses</b>	<b>10,203</b>	<b>7,168</b>	<b>9,004</b>	<b>10,236</b>	<b>–</b>	<b>36,611</b>

Financial liabilities that can be repaid any time are disclosed as being due within one year.

The following table provides details on liabilities due to banks:

Currency	Interest conditions	Remaining term of the interest conditions as of 12/31/2009	Nominal volume as of 12/31/2009 in thousand €	Bandwidth of effective interest rates 2009	Carrying amounts as of 12/31/2009 in thousand €	Nominal volume as of 12/31/2008 in thousand €	Bandwidth of effective interest rates 2008	Carrying amounts as of 12/31/2008 in thousand €
EUR	variable	< 1 year	9,092	EURIBOR + margin	9,092	12,695	EURIBOR + margin	12,695
USD	variable	< 1 year	14,577	LIBOR + margin	14,577	12,934	LIBOR + margin	12,934
GBP	variable	< 1 year	14,067	LIBOR + margin	14,067	14,508	LIBOR + margin	14,508
Other	variable	< 1 year	47,308	LIBOR + margin	47,308	59,600	LIBOR + margin	59,600
EUR	fixed	1–17 years	34,251	4,0%–5,3%	31,134	31,643	4,5%–5,3%	30,083
Other	fixed	<1–12 years	15,195	5,2%–21,4%	11,750	12,983	3,5%–22,6%	9,475
<b>Total liabilities due to banks</b>			<b>134,490</b>		<b>127,928</b>	<b>144,363</b>		<b>139,295</b>

The following table provides a breakdown of the promissory notes on the Jungheinrich Group's books as of December 31, 2009:

	Maturity in	Nominal interest rate	Nominal amount in thousand €
Jungheinrich AG 2004	2011	Fixed interest rate + margin	55,000
Jungheinrich AG 2009 (I)	2014	Fixed interest rate + margin	46,500
Jungheinrich AG 2009 (II)	2014	EURIBOR + margin	53,500
<b>Promissory notes</b>			<b>155,000</b>

A 5-year €100,000 thousand promissory note was issued in the year under review. An interest-rate hedge was concluded in order to secure the variable interest rates. The nominal amount of this loan corresponds to the carrying amount.

Liabilities from the financing of trucks for short-term hire amount to €59,270 thousand (prior year: €59,373 thousand) and result from the sale of receivables from intragroup hire-purchase agreements.

Furthermore, €2,623 thousand (prior year: €2,239 thousand) in liabilities relate to the refinancing of trucks for short-term hire based on sale and leaseback agreements. €2,965 thousand (prior year: €2,487 thousand) in future minimum lease payments for these leases classified as 'finance lease' agreements under IFRS are included in cash flows for liabilities from the financing of trucks for short-term hire. Thus, Jungheinrich must capitalize these assets in its capacity as lessee. Leasing liabilities are repaid over the leases' basic lease periods.

The aforementioned accounting method also applies to leasing liabilities from tangible assets, which are almost all based on real estate lease agreements. Some of the real estate lease agreements include purchase options at agreed residual values.

## (28) Liabilities from financial services

€32,164 thousand (prior year: €32,107 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 €635,671 thousand (prior year: €611,063 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 €	12/31/2009	12/31/2008
<b>Total future cash flows</b>	<b>699,286</b>	<b>680,885</b>
Due within less than one year	217,093	199,289
Due in one to five years	472,200	466,348
Due in more than five years	9,993	15,248
<b>Present value of future cash flows</b>	<b>635,671</b>	<b>611,063</b>
Due within less than one year	189,402	170,714
Due in one to five years	436,660	425,786
Due in more than five years	9,609	14,563
<b>Future interest expenses</b>	<b>63,615</b>	<b>69,822</b>

Liabilities from financing include future minimum lease payments from financing under sale and leaseback agreements in the amount of €149,763 thousand (prior year: €139,146 thousand).

## (29) Trade accounts payable

Trade accounts payable include €30 thousand (prior year: €31 thousand) in payables to affiliated companies and €2,488 thousand (prior year: €2,278 thousand) in payables to companies accounted for using the equity method.

All trade accounts payable are accounted for at their repayment amounts and are due within one year.



### (30) Other liabilities

All other liabilities are due within one year and break down as follows:

in thousand €	12/31/2009	12/31/2008
Advance payments received on orders	14,798	17,020
Liabilities from other taxes	27,736	31,879
Social security liabilities	9,221	7,816
Employee liabilities	1,732	1,886
Other liabilities to affiliated companies	250	304
Derivative financial liabilities	1,840	3,432
Others	8,423	7,900
	<b>64,000</b>	<b>70,237</b>

### (31) Deferred income

in thousand €	Deferred sales from financial services	Deferred profit from financial services	Other deferrals	Deferred income
<b>12/31/2009</b>	<b>61,145</b>	<b>29,100</b>	<b>19,388</b>	<b>109,633</b>
Thereof maturities of up to 1 year	23,083	8,813	5,697	37,593
Thereof maturities of more than 1 year	38,062	20,287	13,691	72,040
<b>12/31/2008</b>	<b>64,855</b>	<b>27,146</b>	<b>12,829</b>	<b>104,830</b>
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

Deferred sales from financial services relate to lease agreements concluded via a leasing company. In such cases, due to the agreed residual value guarantee of more than 10 per cent of the truck value, Jungheinrich Group companies have commercial ownership despite the sale of the trucks to the leasing company. The resultant obligation according to IFRS to capitalize this ownership leads to the deferral of the sales proceeds that have already been received from the leasing company. These deferred sales proceeds are reduced using the straight-line method over the terms affecting sales until the residual value guarantee falls due.

Deferred profit from financial services includes deferred profit from the financing of trucks for lease. Deferred profit is reduced pro rata temporis over the terms of the leases.

Other deferrals in the reporting year include €5,409 thousand (prior year: €– thousand) in government grants.

**(32) Additional disclosure on financial instruments**

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

in thousand €	Valuation category in acc. with IAS 39	Carrying amount 12/31/2009	Amount recognized in acc. with IAS 39		Amount recognized in acc. with IAS 17	Fair value 12/31/2009
			Amortized acquisition costs	Fair value		
<b>Assets</b>						
Liquid assets	LaR	423,546	423,546	–	–	423,546
Trade accounts receivable	LaR	313,113	313,113	–	–	313,113
Receivables from financial services	n.a.	476,905	–	–	476,905	483,216
Securities	FAHtM	65,080	65,080	–	–	64,945
Other loans	LaR	93	93	–	–	93
Derivative financial assets	FAHfT	1,941	–	1,941	–	1,941
Other financial assets	LaR	718	718	–	–	718
<b>Liabilities</b>						
Trade accounts payable	FLAC	96,222	96,222	–	–	96,222
Liabilities due to banks	FLAC	127,928	127,928	–	–	127,736
Promissory notes	FLAC	154,899	154,899	–	–	154,606
Liabilities from financing trucks for short-term hire	FLAC/n.a.	61,893	59,270	–	2,623	61,893
Leasing liabilities from tangible assets	n.a.	24,428	–	–	24,428	24,560
Other financial liabilities	FLAC	1,095	1,095	–	–	1,095
Liabilities from financial services	FLAC/n.a.	667,835	532,705	–	135,130	677,963
Derivate financial liabilities	FLHfT	1,840	–	1,840	–	1,840
Other financial liabilities	FLAC	423	423	–	–	423
<b>Of which aggregated by valuation category in acc. with IAS 39:</b>						
Loans and Receivables (LaR)		737,470	737,470	–	–	737,470
Financial Assets Held to Maturity (FAHtM)		65,080	65,080	–	–	64,945
Financial Assets Held for Trading (FAHfT)		1,941	–	1,941	–	1,941
Financial Liabilities Measured at Amortized Costs (FLAC)		972,542	972,542	–	–	980,517
Financial Liabilities Held for Trading (FLHfT)		1,840	–	1,840	–	1,840

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

in thousand €	Valuation category in acc. with IAS 39	Carrying amount 12/31/2008	Amount recognized in acc. with IAS 39		Amount recognized in acc. with IAS 17	Fair value 12/31/2008
			Amortized acquisition costs	Fair value		
<b>Aktiva</b>						
Assets	LaR	198,061	198,061	–	–	198,061
Liquid assets	LaR	395,183	395,183	–	–	395,183
Trade accounts receivable	n.a.	459,864	–	–	459,864	468,280
Receivables from financial services	FAHtM	63,455	63,455	–	–	63,455
Securities	LaR	101	101	–	–	101
Other loans	FAHfT	12,931	–	12,931	–	12,931
Derivative financial assets	LaR	824	824	–	–	824
<b>Liabilities</b>						
Trade accounts payable	FLAC	116,895	116,895	–	–	116,895
Liabilities due to banks	FLAC	139,295	139,295	–	–	139,521
Promissory note	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	FLHfT	3,432	–	3,432	–	3,432
Other financial liabilities	FLAC	424	424	–	–	424
<b>Of which aggregated by valuation category in acc. with IAS 39:</b>						
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

Financial instruments recognized at fair value in the consolidated financial statements are assigned to one of three measurement levels pursuant to IFRS 7. Jungheinrich determines the fair values of these financial instruments solely based on level 2 information and input factors.

Further information on measurement levels is provided in the chapter entitled 'Accounting principles'.

The fair values of the financial instruments listed in the tables were determined on the basis of market-related information available on the balance sheet date and using the methods and assumptions described below. Fair values are determined using generally accepted valuation methods based on discounted cash flow analyses and using current market prices observed for similar instruments.

Current interest rates at which comparable loans with identical maturities as of the balance sheet date could have been taken out are used to determine fair values of liabilities due to banks and promissory notes as well as of receivables and liabilities from financial services.

The carrying amounts of interest-bearing securities with short-term maturities nearly correspond to their fair values. The fair values of interest-bearing securities with long maturities correspond to the market values available as of the balance sheet date.

Liquid assets, trade accounts receivable and other financial assets largely have short maturities. Therefore, their carrying amounts as of the balance sheet date roughly correspond to their fair values.

It is assumed that the fair values of trade accounts payable and other financial liabilities correspond to the carrying amounts of these financial instruments owing to their short remaining terms to maturity.

As regards liabilities from the financing of trucks for short-term hire with variable interest rates, for reasons of simplicity, it is assumed that their fair values correspond to their carrying amounts since the interest rates agreed and realizable on the market are almost identical.

The carrying amounts of current, interest-bearing financial liabilities nearly correspond to their fair values.

#### Net results by valuation category:

in thousand €	from interest	from measurement after recognition		Net result 2009	Net result 2008
		at fair value	Valuation allowances		
Loans and Receivables (LaR)	2,520	–	–4,852	–2,332	5,023
Financial Assets Held to Maturity (FAHtM)	1,381	–	–	1,381	637
Financial Instruments Held for Trading (FAHfT/FLHfT)		1,923	–	1,923	3,719
Financial Liabilities Measured at Amortized Costs (FLAC)	–38,795	–	–	–38,795	–38,527

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

Net results from securities measured at amortized acquisition costs (FAHtM) are stated in the financial income (loss).

Net results from derivative financial instruments (FAHfT/FLHfT) recognized at fair value are included in the cost of sales and in the financial income (loss).

## Additional information

### (33) Consolidated statement of cash flows

The statement of cash flows presents cash flows independently of the balance sheet structure, breaking them down among cash flows from operating activities, investing activities and financing activities. Cash flows from investing and financing activities are directly attributed corresponding cash flows. Cash flows from operating activities are derived indirectly.

Cash flows from operating activities are derived from net income, which is adjusted to exclude non-cash income and expenses—mainly consisting of depreciation—and taking into account changes in working capital. Changes in working capital include changes in the carrying amounts of trucks for short-term hire and lease and of certain tangible assets from ‘finance leases’ primarily consisting of real estate as well as liabilities and deferred sales and income stemming from the financing of these assets.

Cash flows from investing activities comprise additions and disposals of tangible and financial assets not financed via ‘finance leases’ as well as of intangible assets, primarily consisting of additions to capitalized development costs. Furthermore, purchases and sales of held-to-maturity securities with an original remaining term to maturity of more than 3 months are also recognized.

Cash flows from financing activities include capital-related measures, dividend payments, cash flows from obtaining and repaying long-term financial loans, and changes in short-term liabilities due to banks.

Cash and cash equivalents at the end of the year correspond to the amount disclosed for liquid assets on the balance sheet, minus the liquid assets not freely available to Jungheinrich. As of the balance sheet date, €2,485 thousand (prior year: €2,242 thousand) in bank credit balances were pledged to banks. As before, cash and cash equivalents in the period under review nearly exclusively consisted of bank credit balances.

### (34) Contingent liabilities

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. Appropriate provisions were accrued in the year being reviewed in order to cover some court rulings, which have not yet taken legal effect.

Court and arbitration court proceedings in connection with the realignment of the North American business, especially involving distribution partners of Jungheinrich Lift Truck Corp. Richmond, Virginia (USA), cannot be ruled out. Suitable provisions were accrued for this 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 €6 million as of the balance sheet date (prior year: €12 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 €	12/31/2009	12/31/2008
Due within less than one year	37,355	36,204
Due in one to five years	60,346	53,758
Due in more than five years	20,210	16,176
	<b>117,911</b>	<b>106,138</b>

Recognized expenses associated with 'operating leases' in 2009 totalled €41,262 thousand (prior year: €44,529 thousand).

### (36) Risk management and financial instruments

#### Risk management principles

The Jungheinrich Group's risk management system is designed to enable the company to identify developments in financial price risks—resulting above all from interest rate and currency risks—early on and react to them via systematic courses of action both rapidly and effectively. Furthermore, it ensures that the Group only concludes financial transactions for which it possesses the necessary expertise and technical preconditions.

Financial markets afford one the opportunity to transfer risks to other market participants, who have a comparative advantage or a higher capacity for accepting risks. The Jungheinrich Group makes use of these opportunities solely to hedge risks arising from underlying operating transactions and to invest or raise liquid funds. Group guidelines do not allow the conclusion of financial transactions that are speculative in nature. As a rule, the Jungheinrich Group's financial transactions may only be concluded with banks or leasing companies as contractual partners.

The Board of Management as a whole bears responsibility for the initiation of organizational measures required to limit financial price risks. Jungheinrich has established a risk controlling and risk management system that enables it to identify, measure, monitor and control its risk positions. Risk management encompasses the development and determination of methods to measure risk and performance, monitor established risk limits, and set up the associated reporting system.

Jungheinrich controls financial risks arising from its core business centrally as part of the Group strategy. Risks stemming from the Jungheinrich Group's financial services operations are subject to a separate risk management system.

Risks specific to the financial services business are determined by the refinancing risk, the creditworthiness risk arising from customer receivables and the residual value risk.

A pan-European contract database running on an SAP platform enabling the uniform recording, analysis and measurement of risks associated with financial service agreements throughout the Group as an end-to-end risk management system is a key element of risk management in the financial services business.

Financial service contracts are refinanced in accordance with the principle of matching maturities and interest rates for customer and refinancing contracts.

Reference is made to the commentary on credit risks as regards general creditworthiness and contingent loss risks in connection with customers.

Groupwide sales guidelines are applied to establish groupwide parameters concerning maximal allowable residual values for calculating residual value guarantees. Financial service contracts on hand are subjected to a risk assessment once a quarter. This mainly involves measuring all individual agreements at residual value based on current market prices. If a residual value exceeds the current market price, an appropriate provision is accrued to cover the associated risk.

Break clauses agreed on in customer contracts are limited by central parameters and linked to risk-minimizing performance targets. The earnings risk potentially resulting from break clauses is also covered by accruing suitable provisions.

### **Market price risks**

Market price risks are risks arising from changes in an item's realizable income or value, whereby the item is defined as an item on the assets or liabilities side of the balance sheet. These risks result from changes in interest rates, foreign exchange rates, share prices and other items and factors affecting the formation of prices. These parameters are used to determine the interest rate and currency risk exposure of the Jungheinrich Group. Changes in share prices 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, 2009, income would have been €850 thousand (December 31, 2008: €1,045 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, 2009, the maximum risk did not exceed €244 thousand (prior year: €1,111 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 €244 thousand (prior year: €345 thousand) and a maximum of €1,290 thousand (prior year: €1,111 thousand). The average for the year was €715 thousand (prior year: €792 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 financiers, the permanent monitoring of customers via information portals and the purchase of credit insurance.

The maximum credit risk is reflected by the carrying amounts of the financial assets recognized on the balance sheet. As of the balance sheet date, there were no major agreements that reduced the maximum credit risk such as offsetting arrangements.

### Liquidity risks

A liquidity reserve consisting of lines of credit and of cash is kept in order to ensure that the Jungheinrich Group can meet its payment obligations and maintain its financial flexibility at all times. Besides the existing short-term and medium-term credit lines, a promissory note was issued in the year under review. The 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, among other things. Comprehensive documentation ensures the clear assignment of hedges and underlying transactions. No more than 75 per cent of the hedged amounts are designated as underlying transactions, which, in turn, can be fully hedged.

Furthermore, cash flows from variable-interest non-current liabilities due to banks and promissory notes are hedged against interest-rate risks with identical maturities and in line with the payment schedule.

The hedges can prospectively be classified as highly effective. An assessment of the retrospective effectiveness of hedges is conducted at the end of every quarter.

## Nominal values of hedging instruments

The nominal value of currency hedging contracts as of the balance sheet date was €169,091 thousand (prior year: €177,773 thousand).

The currency hedging contracts contain forward exchange transactions 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 €54,008 thousand (prior year: €663 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 2014.

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. No currency options were issued as of the balance sheet date. Currency options of the prior year were measured as of December 31, 2008 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 €	12/31/2009	12/31/2008
Other assets	1,941	12,931
Other liabilities	1,840	3,432

The fair values of interest hedges of €63 thousand (prior year: €16 thousand) are a component of other liabilities.

Hedges concluded as of the balance sheet date did not display any material ineffectiveness.

### (37) Segment information

Jungheinrich operates at the international level—focussing mainly on Europe—as a manufacturer and supplier of products in the fields of material handling equipment, warehousing and material flow technology as well as of the full range of services related to these fields.

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

Jungheinrich introduced segment reporting in line with its internal organizational and reporting structure effective January 1, 2009, when IFRS 8 "Business Segments" entered into force. The two reportable segments, i.e. 'Intralogistics' and 'Financial Services' are thus now presented within the scope of segment reporting.

The 'Intralogistics' segment encompasses the development, production, sale and short-term hire of new material handling equipment and warehousing technology products including logistics systems as well as the sale and short-term hire of used equipment and after-sales services, consisting of maintenance, repair and spare parts.

Activities undertaken by the 'Financial Services' segment encompass the pan-European sales financing and usage transfer of material handling equipment and warehousing technology products. In line with Jungheinrich's business model, this independent business area supports the operating sales units of the 'Intralogistics' segment. In this context, the 'Financial Services' segment is also in charge of its own financing structure.

Segment information is generally subject to the disclosure and measurement methods applied in the consolidated financial statements. A summary of the business segments was not prepared.

The segment income (loss) is presented as earnings before interest and taxes (EBIT). The reconciliation to consolidated earnings before taxes is an integral part of the presentation. Earnings generated by the 'Intralogistics' business segment include all of the prorated earnings for the year of companies accounted for using the equity method, amounting to €1,224 thousand (prior year: –€812 thousand). Income taxes are not included in the presentation since they are not reported or managed by segment at Jungheinrich. Therefore, income taxes are only stated as a summarized item at the Group level. Accordingly, net income is only stated for the Jungheinrich Group.

Capital expenditures, depreciation, amortization and impairment losses concern intangible and tangible assets. Segment assets and segment liabilities encompass all assets and liabilities allocable to the segment in question and correspond to the balance sheet total. All balance sheet items relating to current and deferred income taxes are thus also included.

The reconciliation items include the intragroup sales, interest and intragroup profits as well as receivables and liabilities that must be eliminated within the scope of consolidation.

The following table displays the segment information valid as of December 31, 2009:

in thousand €	Intralogistics	Financial Services	Segment total	Recon- ciliation	Jungheinrich Group
External net sales	1,339,986	336,709	1,676,695	–	1,676,695
Intersegment net sales	353,866	41,109	394,975	–394,975	–
Total net sales	1,693,852	377,818	2,071,670	–394,975	1,676,695
<b>Segment income (loss) (EBIT)</b>	<b>–56,246</b>	<b>–8,156</b>	<b>–64,402</b>	<b>–7,330</b>	<b>–71,732</b>
Interest and similar income	4,456	34,585	39,041	–783	38,258
Interest and similar expenses	13,869	25,069	38,938	–783	38,155
Other financial income (loss)	–2,852	–	–2,852	–	–2,852
Earnings before taxes (EBT)	–68,511	1,360	–67,151	–7,330	–74,481
Income taxes	–	–	–	–	–19,303
Net income	–	–	–	–	–55,178
Non-current assets	–	–	–	–	–
Capital expenditures	52,559	3	52,562	–	52,562
Depreciation and amortization	44,959	11	44,970	–	44,970
Impairment losses	14,590	–	14,590	–	14,590
Segment assets	1,536,078	856,619	2,392,697	–186,025	2,206,672
Shareholders' equity	601,875	17,421	619,296	–72,731	546,565
Liabilities	934,203	839,198	1,773,401	–113,294	1,660,107
Segment liabilities	1,536,078	856,619	2,392,697	–186,025	2,206,672

The following table displays the segment information valid as of December 31, 2008:

in thousand €	Intralogistics	Financial Services	Segment total	Recon- ciliation	Jungheinrich Group
External net sales	1,802,612	342,520	2,145,132	–	2,145,132
Intersegment net sales	404,242	26,612	430,854	–430,854	–
Total net sales	2,206,854	369,132	2,575,986	–430,854	2,145,132
<b>Segment income (loss) (EBIT)</b>	<b>134,246</b>	<b>–6,740</b>	<b>127,506</b>	<b>–5,739</b>	<b>121,767</b>
Interest and similar income	11,096	30,882	41,978	–1,893	40,085
Interest and similar expenses	19,199	23,089	42,288	–1,893	40,395
Earning before taxes (EBT)	126,143	1,053	–310	–5,739	121,457
Income taxes					44,731
Net income					76,726
Non-current assets					
Capital expenditures	79,392	10	79,402	–	79,402
Depreciation and amortization	43,372	8	43,380	–	43,380
Impairment losses	1,287	–	1,287	–	1,287
Segment assets	1,523,803	828,614	2,352,417	–173,403	2,179,014
Shareholders' equity	676,027	15,539	691,566	–66,519	625,047
Liabilities	847,776	813,075	1,660,851	–106,884	1,553,967
Segment liabilities	1,523,803	828,614	2,352,417	–173,403	2,179,014

Besides depreciation and amortization as well as impairment losses, the main non-cash items stated as part of 'Intralogistics' segment income are the €29.6 million in additions to provisions for termination benefits within the scope of personnel-adjustment measures taken at the Norderstedt and Moosburg factories as well as €7.6 million in additions to other provisions for existing risks arising from the realignment of the North American business.

The following tables report net sales by region and show the split of non-current assets into intangible and tangible assets, also broken down by region.

### Net sales by region

in thousand €	2009	2008
Germany	466,300	556,552
Rest of Europe	1,118,249	1,467,491
Other countries	92,146	121,089
	<b>1,676,695</b>	<b>2,145,132</b>

### Non-current assets by region

in thousand €	12/31/2009	12/31/2008
Germany	215,449	225,652
Rest of Europe	86,600	82,648
Other countries	2,502	2,940
Consolidation	111	3,126
	<b>304,662</b>	<b>314,366</b>

There were no relations with individual external customers accounting for a material share of sales with respect to consolidated sales in the 2009 or 2008 fiscal years.

### (38) Earnings per share

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

		2009	2008
Consolidated earnings	in thousand €	-55,178	76,726
Shares outstanding			
Ordinary shares	in thousands	18,000	18,000
Preferred shares	in thousands	16,000	16,000
Earnings per share (diluted / undiluted)			
<b>Earnings per ordinary share</b>	in €	<b>-1.65</b>	<b>2.23</b>
<b>Earnings per preferred share</b>	in €	<b>-1.59</b>	<b>2.29</b>

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

In fiscal 2009 and 2008, no shareholders' equity instruments existed that dilute the earnings per share on the basis of the respective shares issued.

### (39) Events after the close of fiscal 2009

No transactions or events of major importance to the Jungheinrich Group occurred after the end of the 2009 financial year.

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

Fees paid to the auditors of the consolidated financial statements, Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft, Hamburg, which were recognized as an expense in the year being reviewed, break down as follows:

in thousand €	2009	2008
Audit of the consolidated financial statements	402	409
Other assurance services	57	54
Tax services	24	-
Other services	109	21
	<b>592</b>	<b>484</b>

#### (41) Related party disclosures

Jungheinrich AG's major ordinary shareholders are LJH-Holding GmbH and WJH-Holding GmbH, both of which are headquartered in Wohltorf (Germany).

In addition to the subsidiaries included in the consolidated financial statements, Jungheinrich AG has relations to joint ventures and other associated companies. All business relations with these companies are maintained at arm's length conditions.

Products and services traded between fully consolidated Jungheinrich Group companies and these related enterprises are shown in the following table.

Products and services received:

in thousand €	Share in %	2009	2008
JULI Motorenwerk s.r.o., Czech Republic	50	24,244	34,462
Supralift GmbH & Co. KG, Germany	50	218	218
Ningbo Ruyi Joint Stock Co. Ltd., China	25	3,240	8,866
ISA – Innovative Systemlösungen für die Automation GmbH, Austria	25	4,028	–

Liabilities:

in thousand €	Share in %	12/31/2009	12/31/2008
JULI Motorenwerk s.r.o., Czech Republic	50	1,691	1,639
Ningbo Ruyi Joint Stock Co. Ltd., China	25	678	639
ISA – Innovative Systemlösungen für die Automation GmbH, Austria	25	119	–

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 2009 amounted to €323 thousand (prior year: €925 thousand).

Total remuneration of members of the Board of Management for fiscal 2009 amounted to €1,312 thousand (prior year: €1,652 thousand). Furthermore, in fiscal 2009, €262 thousand (prior year: €244 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.

€621 thousand (prior year: €1,080 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 AG existed as of December 31, 2009.

As of December 31, 2009, Jungheinrich AG had accrued a €7,439 thousand (prior year: €7,529 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 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 2009, 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 AG.

Hamburg, March 12, 2010

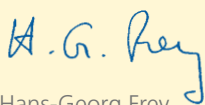
Jungheinrich Aktiengesellschaft  
The Board of Management

## 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 12, 2010


Jungheinrich Aktiengesellschaft  
The Board of Management



Hans-Georg Frey



Dr. Volker Hues



Dr. Helmut Limberg



Dr. Klaus-Dieter Rosenbach



## Independent Auditor's Report

We have audited the consolidated financial statements prepared by Jungheinrich Aktiengesellschaft, Hamburg—comprising the income statement, the statement of comprehensive income (loss), the balance sheet, cash flow statement, the statement of changes in equity and the notes to the consolidated financial statements—and the group management report for the business year from January 1 to December 31, 2009. 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.

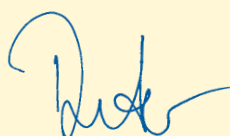
We conducted our audit of the consolidated financial statements in accordance with § 317 HGB ('German Commercial Code') and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer. Those standards require that we plan and perform the 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 12, 2010

Deloitte & Touche GmbH  
Wirtschaftsprüfungsgesellschaft



(Dinter)  
Wirtschaftsprüfer  
(German Public Auditor)



(Reiher)  
Wirtschaftsprüfer  
(German Public Auditor)



## Report of the Supervisory Board

Work done by the Supervisory Board in 2009 was greatly influenced by the dramatic effects of the world financial and economic crisis on the material handling equipment market, which shrank by 37 per cent worldwide and by as much as 46 per cent in Europe, our core market, compared to 2008. The task at hand was to take timely and necessary measures to adjust sales, production, purchasing and administrative functions the world over in both operative and strategic terms and implement them rapidly.

The company's two management and monitoring bodies—the Board of Management and the Supervisory Board—worked very closely together and constructively in order to set the course towards sustained cost reductions and efficiency enhancements as well as international growth very early on. The latter involved realigning our North American operations, acquiring a stake in a software engineering company of importance to the 'Logistics Systems' Division, starting production at our new low-platform truck factory in Landsberg, and expanding production in Qingpu, Shanghai (China).

Fiscal 2009 was extremely demanding for all our company's employees, their representatives on the Supervisory Board, and for the company's shareholder representatives. The year was marked by our joint efforts to ensure that the unavoidable incisive measures and financial losses caused by redundancies and short-time work as well as the renouncement of vested benefits were as fair and socially acceptable as possible.

Fortunately, the Board of Management was fully staffed once again in the year under review, as a new member in charge of finance and controlling was appointed—one of the key prerequisites for handling the huge range of tasks.

In the 2009 reporting year, as usual, 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 with respect to other areas of the business. The Supervisory Board thoroughly advised the Board of Management in matters concerning company management and saw to it that the management of the company was constantly monitored.

The Supervisory Board was involved in all decisions of material importance to the company both extensively and at an early stage. In particular, the Board of Management comprehensively and promptly reported to the Supervisory Board on the individual 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 also directed a lot of their attention to major risks and risk management, company management in compliance with the law and guidelines as well as the company's compliance structures. Information was received from the Board of Management both in writing and verbally, and deviations in the business trend from the budget were presented and reviewed by the Supervisory Board on the basis of the information obtained. During the situation of crisis in the financial year that just came to a close, the Supervisory Board placed special emphasis on strengthening and maintaining the company's financial power. Appropriate measures were prepared and implemented for this purpose. The Chairman of the Supervisory Board and the chairmen of the committees also regularly met with the Board of Management when the Supervisory Board and its committees were out of session

to discuss various issues in a timely manner and prepare decisions to be taken by the Supervisory Board and its committees.

In addition to the main item on the agenda, i.e. 'crisis management' mentioned in opening, the following topics were *the focal points* of Supervisory Board activity in the period being reviewed. They were addressed in five ordinary meetings and one extraordinary meeting as well as in writing in the form of a draft resolution.

Centre stage in the first of the Supervisory Board's meetings on February 10, 2009 was taken by a debate over possible scenarios for the 2009 financial year, addressing worst-case situations and measures that these would occasion.

The main focal point of the Supervisory Board's balance-sheet meeting on March 26, 2009, 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. The independent auditors reported in detail to the Supervisory Board on 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. In this session, Dr. Limberg was re-elected to the Board of Management as the member in charge of sales. The head of the south east Asian sales region gave the Supervisory Board a detailed report of the status of the implementation of the strategy for this important region.

A major topic at the Supervisory Board meeting following the Annual General Meeting on June 9, 2009 was the preparation of the decision on how to proceed on the North American market.

During an extraordinary session on August 4, 2009, the Supervisory Board concerned itself in depth with the Group's then current situation against the backdrop of the world economic crisis that was unfolding. The second major issue was the decision regarding the realignment of the North American business. This envisages cooperating with a US material handling equipment manufacturer in distribution. Furthermore, a resolution was passed to establish a central Group company in charge of refinancing the financial services business.

At the meeting on September 15, 2009, a resolution was adopted to establish a development centre in the USA within the scope of the realignment of our North American activities. Other topics addressed were the formal adoption of the information policy for the Board of Management and the approval of capital expenditures on the development of new trucks.

A resolution passed using the circular procedure in September 2009 was the decision to issue a new promissory note in order to increase our financing headroom.

In the meeting convened on December 8, 2009, the Board of Management delivered a detailed report on measures that had been taken in the interim to manage the crisis and on their effects on earnings. Another pivotal issue was the adoption of the 2010 budget following an in-depth discussion of the uncertainties associated with it. Moreover, in this meeting, the Supervisory Board concerned itself with the recommendations and suggestions of the German Corporate Governance Code which had been revised once again in the middle of 2009 and adopted its annual statement in this matter.

Great attention was paid to ensuring the long-term welfare of the company and its employees during all of the meetings of the Supervisory Board and its committees as well as when passing resolutions. Debates were characterized by the willingness to arrive at the best possible solutions for the company and its workforce.

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 performed all of the tasks entrusted to it in accordance with the company statutes and the internal rules of procedure very efficiently, largely in preparation of decisions to be taken by the Supervisory Board in its plenary sessions and in part by exercising the discretionary powers conferred upon it.

Composed of five members, the Personnel Committee convened at six meetings in 2009. The two committees used in December 2006 (Corporate Headquarters Construction and USA Committees) continued their work by holding sessions in 2009 as well.

Committee chairmen submitted detailed reports on the material contents of the resolutions passed at all committee meetings in the subsequent Supervisory Board sessions.

The **parent company's financial statements for the period ended December 31, 2009**, prepared by the Board of Management as well as the management report of Jungheinrich AG and the accounts for the 2009 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 December 31, 2009**, and the Group management report have also been audited 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 April 7, 2010 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. Furthermore, the auditors reported that the internal control system and the risk management system were not objectionable.

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 April 7, 2010 meeting, the Supervisory Board approved the annual financial statements and the consolidated financial statements for the period ending on December 31, 2009. The annual financial statements are thus adopted. Although the balance sheet profit was much lower, the

Supervisory Board is of the opinion that the Board of Management's proposal for the appropriation of the balance sheet profit for the 2009 financial year is correct and agrees with it.

There are no *personnel changes* on the Supervisory Board in the period under review to report on. Dr. Hues joined the company as member of the Board of Management responsible for finance and controlling effective April 1, 2009. Dr. Limberg's contract as member of the Board of Management in charge of sales was extended by three years.

Hamburg, April 7, 2010

On behalf of the Supervisory Board



Jürgen Peddinghaus  
Chairman

## Corporate governance report

### Corporate governance at Jungheinrich

In accordance with Item 3.10 of the provisions of the current version of the German Corporate Governance Code of June 18, 2009, the Supervisory Board and the Board of Management hereby submit the following report on corporate governance at Jungheinrich:

The term 'corporate governance' designates 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 already aligned their activity to these principles in the past.

The Code, which was developed by the German Corporate Governance Government Commission and most recently revised in June 2009, is a decisive maxim for efforts undertaken by Jungheinrich as a whole and its bodies aiming to enhance transparency in company management and control. In addition, this plays a substantial role for investors, capital markets, our business partners, our employees and the public at large in their perception of the company, especially in recognizing that it 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 assistance from the Supervisory Board and which is monitored by the Supervisory Board by maintaining constant dialogue. The Annual General Meeting completes the distribution of power within the company as the third major body. Compliance, i.e., adherence to statutory regulations and corporate guidelines, gained increasing importance in the year under review as well. In response, Jungheinrich established structures back in 2008 through which the Board of Management constantly and comprehensively reports to the Supervisory Board and/or its Finance and Audit Committee. One of the key elements of corporate governance at Jungheinrich is proactive, open and transparent corporate communications, and another one is the highly 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 subjected to constant reviews and adaptations to changes in the law and new developments in corporate governance and control standards, which are decided on formally once a year.

Further information on the work done by the Supervisory Board and its committees and on the cooperation between the Supervisory Board and Board of Management can be found in the report of the Supervisory Board included in this annual report as well as in the business management report, which has been published on our website ([www.jungheinrich.com](http://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 2009, 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:

"The Board of Management and the Supervisory Board of Jungheinrich AG declare that, in line with this declaration, Jungheinrich AG is complying with the June 18, 2009 version of the recommendations of the 'German Corporate Governance Code Government Commission' at present, and complied with those of the June 6, 2008 version in the past.

The deviations follow and are commented below:

1. The company's D&O insurance policy will include an appropriate deductible for the members of the Board of Management at the point in time prescribed by law. The Supervisory Board will decide on the introduction of a deductible for its members at a later point in time (Item 3.8 of the Code).  
The D&O insurance policy is a group insurance policy for a large number of the Group's employees in Germany and abroad. Differentiating between employees and board members was deemed improper in the past. In view of the mandatory provisions of the German law on the appropriateness of management board compensation that entered into force on August 5, 2009, the insurance policy will be supplemented by a deductible for the members of the Board of Management by the point in time set forth in said law. The Supervisory Board has not decided to introduce an identical deductible for its members yet, opting instead to postpone the decision as it does not yet have the overview of the insurance market it needs to secure the deductible.
2. Jungheinrich AG's compensation system for members of its Board of Management is being reviewed, and the compensation components required by law are to be introduced in 2010, based on a basis of assessment of several years. The decision to adjust the compensation model for the members of the Supervisory Board will be reached as soon as the new compensation system for the Board of Management has been adopted (Item 4.2.3 of the Code).  
In the past, the company decided to adopt a compensation system for its boards consisting of fixed and variable components. The variable components were linked to the company's performance. Due to new statutory regulations, the variable compensation elements of service agreements newly entered into with members of the Board of Management must be supplemented by components with a longer-term orientation. This is uncharted territory, which requires a thorough analysis. A decision concerning the members of the Supervisory Board will be reached as soon as the new rule has been adopted for the Board of Management in 2010.
3. The compensation of the members of the Board of Management and Supervisory Board is not itemized or broken down by member in the compensation report, which is part of the corporate governance report, or in the notes to the consolidated financial statements (Items 4.2.4 and 5.4.6 of the Code).

The company is not implementing the Code's recommendation to present the emoluments of the members of the Board of Management or Supervisory Board in itemized or individualized form. These corporate bodies are boards, which makes disclosure by board member irrelevant. Furthermore, the company believes that the correlation between the disadvantages associated with such disclosure and the benefits this may have for investors is unreasonable—also as regards each of the board members' right to privacy. After all, per its resolution dated June 13, 2006, the Annual General Meeting waived the obligation of the members of the Board of Management to provide individualized disclosure over a period of five years.

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

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

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

The introduction of an age limit would lead to rigid rules, which may counteract the company's goal of staffing the Supervisory Board with extremely experienced individuals. Therefore, increased flexibility when making decisions on a case-by-case basis has been given preference.

6. The consolidated financial statements are not yet available to the public within the recommended 90-day time limit after the end of the fiscal year (Item 7.1.2 of the Code).

Whereas the recommended time limit of 45 days from the end of each reporting period is adhered to for interim reports, it is impossible to do so for the consolidated financial statements using current systems, owing to the large number of individual foreign-company financial statements that have to be prepared.

Hamburg, December 2009".

The company's Annual General Meeting affords all of Jungheinrich AG's shareholders with the opportunity to exercise their rights. Holders of ordinary shares exercise their voting rights there in person, by personal 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.

Now that the crisis has ended, and following the subsequent phase of consolidation, we expect the market to grow again. This will usher in both opportunities and risks, which must be paid the necessary degree of attention. 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.

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



In fiscal 2009, 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 its audit. Moreover, the auditor of the financial statements must 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.

At least 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 verify 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.

The Supervisory Board adopted an information policy for the Board of Management in the year under review in order to formalize the Board of Management's reporting duties.

### **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 and redetermined to ensure it is aligned with the strategy. Payment of the variable component is made annually, 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. In compliance with the binding rules stipulated by the German law on the appropriateness of management board compensation, the Supervisory Board concerned itself in depth with the necessary quantitative and qualitative changes to the system for remunerating the Board of Management, starting in the second half of 2009. This review culminated in the adoption of a new compensation system for the Board of Management in the first quarter of 2010, which will be applied from 2011 onwards. It encompasses a balanced relation of fixed to variable pay, target parameters as a basis for variable compensation with a longer-term effect, and a payment of variable annual remuneration staggered over three years.

Hamburg, April 7, 2010

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, Erfstadt (Chairman)  
Zwilling J.A. Henckels AG, Solingen  
Drägerwerk AG & Co. KGaA, Lübeck

## **Detlev Böger**

Deputy Chairman  
Labour Union Secretary

## **Sedat Bodur**

Member of the Norderstedt Technology  
Works Council  
(until September 30, 2009)  
Chairman of the Norderstedt After-Sales Services  
Sales Works Council (since October 1, 2009)

## **Klaus-Peter Butterweck**

Chairman of the General Works Council of  
Jungheinrich Vertrieb Deutschland AG & Co. KG,  
Hamburg (until September 21, 2009)  
Chairman of the South West Sales Centre  
Works Council of Jungheinrich Vertrieb  
Deutschland AG & Co. KG, Hamburg

## **Wolfgang Erdmann**

Chairman of the  
Group Works Council

## **Birgit von Garrel**

2<sup>nd</sup> Authorized Representative, IG Metall, Landshut

## **Wolfgang Kiel**

Management Consultant

**Wolff Lange**

Managing Director of LJH-Holding GmbH, Wohltorf

*Further offices held*

Supervisory Board:

Kühlhaus Zentrum AG, Hamburg (Chairman)

Hansa-Heemann AG, Rellingen (Chairman)

Wintersteiger AG, Ried/Austria

(Chairman since January 15, 2009)

BKN biostrom AG, Vechta

Advisory Board:

WAGO Kontakttechnik GmbH & Co. KG, Minden

**Dr. Albrecht Leuschner**

Barrister

**Dr. Peter Schäfer**

Business Manager

**Reinhard Skibbe**

Executive Employee of Jungheinrich AG

**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

*Group-level office*

Supervisory Board:

Jungheinrich Moosburg GmbH,

Moosburg (Deputy Chairman)

(until October 26, 2009)

**Dr. Volker Hues**

Member of the Board of Management

(since April 1, 2009)

*Group-level office*

Supervisory Board:

Jungheinrich Moosburg GmbH,

Moosburg (Deputy Chairman)

(since October 26, 2009)

**Dr. Helmut Limberg**

Member of the Board of Management

**Dr. Klaus-Dieter Rosenbach**

Member of the Board of Management

*Group-level office*

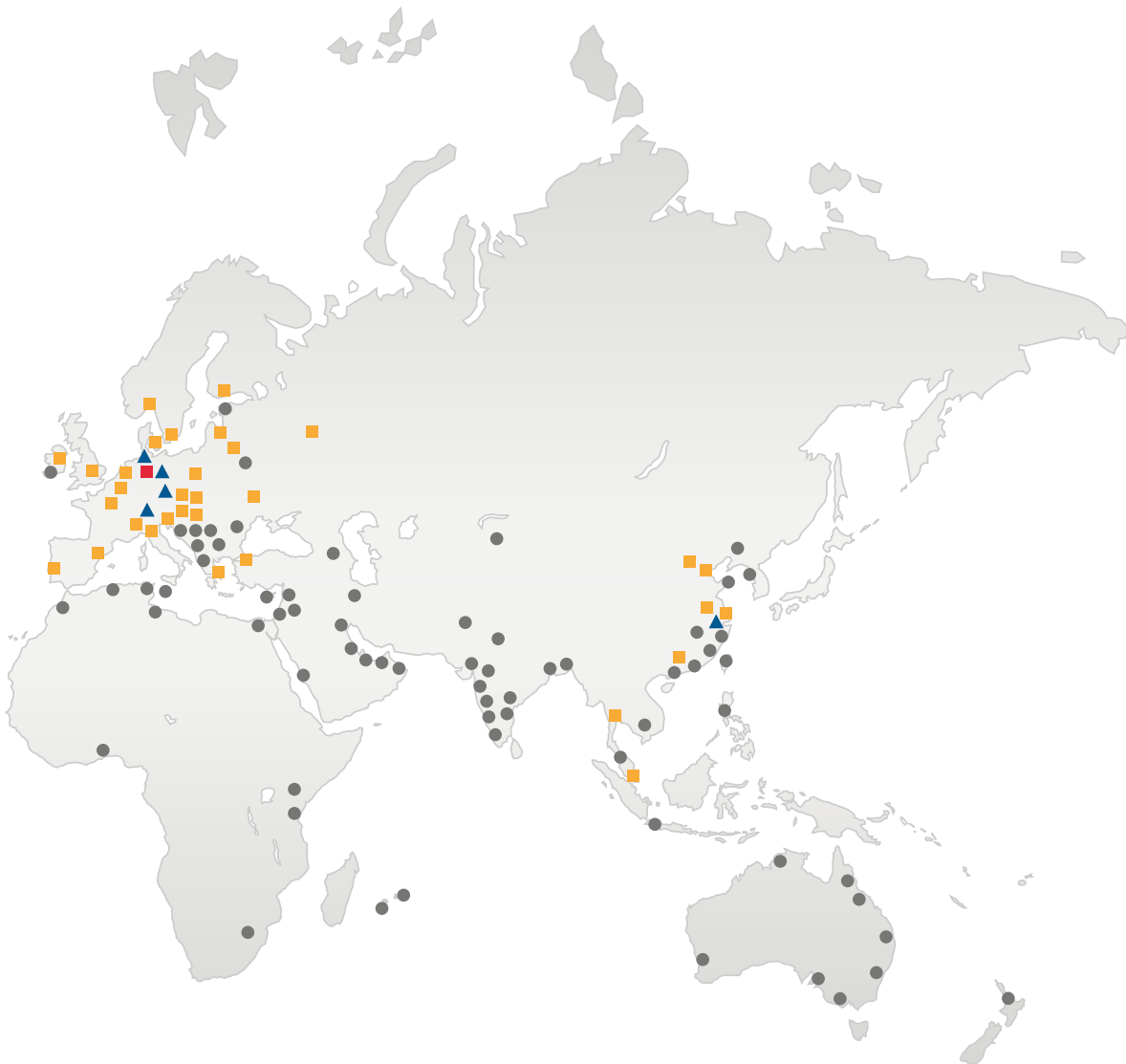
Supervisory Board:

Jungheinrich Moosburg GmbH,

Moosburg (Chairman)

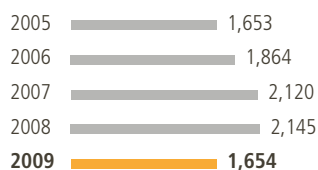
# Jungheinrich worldwide



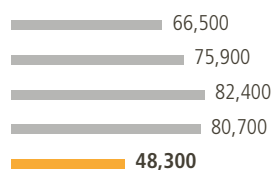


**Incoming orders**

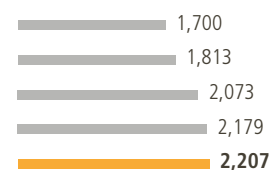
in million €

**Production**

in units

**Total assets**

in million €



<b>Jungheinrich Group</b>		<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>
<b>Incoming orders, production and sales</b>						
Incoming orders <sup>1</sup>	million €	1,654	2,145	2,120	1,864	1,653
Production of material handling equipment	units	48,300	80,700	82,400	75,900	66,500
Net sales	million €	1,677	2,145	2,001	1,748	1,645
thereof in Germany	million €	466	557	505	464	453
thereof abroad	million €	1,211	1,588	1,496	1,284	1,192
Foreign ratio	%	72	74	75	73	72
<b>Employees</b>						
Total	12/31	10,266	10,784	10,178	9,274	8,998
thereof in Germany	12/31	4,793	4,950	4,761	4,568	4,458
thereof abroad	12/31	5,473	5,834	5,417	4,706	4,540
<b>Capital expenditures</b>						
Capital expenditures <sup>2</sup>	million €	46	74	52	52	42
Research and development	million €	39	39	41	44	40
<b>Asset structure</b>						
Fixed assets	million €	657	713	666	576	543
thereof trucks for lease from financial services	million €	200	187	166	147	158
Other assets	million €	1,550	1,466	1,407	1,237	1,157
thereof receivables from financial services	million €	477	460	403	340	291
thereof liquid assets and securities	million €	489	262	251	236	274
Total assets	million €	2,207	2,179	2,073	1,813	1,700
<b>Capital structure</b>						
Shareholders' equity	million €	547	625	554	485	437
thereof subscribed capital	million €	102	102	102	102	102
Provisions for pensions	million €	143	140	164	161	165
Other provisions	million €	197	150	156	170	155
Financial liabilities	million €	370	285	290	265	269
Liabilities from financial services	million €	668	643	541	423	379
Other liabilities	million €	282	336	368	309	295
Total capital	million €	2,207	2,179	2,073	1,813	1,700

1 New truck business, after-sales services, short-term hire and used equipment.

2 Tangible and intangible assets without capitalized development costs.

3 Proposal.

4 Not including financial services.

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

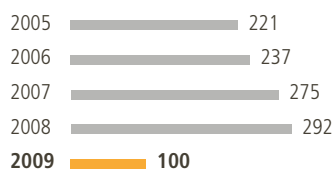
6 Financial liabilities – Liquid assets and securities.

7 Financial liabilities + Liabilities from financial services +/- Other liabilities/receivables vis-à-vis affiliated and associated companies and companies accounted for using the equity method – Liquid assets and securities.



**EBITDA**

in million €

**EBT**

in million €

**Indebtedness ratio**

in years



Jungheinrich Group	2009	2008	2007	2006	2005	
<b>Income statement</b>						
Earnings before interest, taxes, depreciation and amortization (EBITDA)	million €	292	275	237	221	
Earnings before interest and taxes (EBIT)	million €	-72	140	118	107	
Earnings before taxes (EBT)	million €	-74	139	118	107	
Net income	million €	-55	82	67	62	
Earnings per share	€	-1.62	2.26	2.40	1.96	1.84
Dividend per share – ordinary share	€	- <sup>3</sup>	0.49	0.52	0.48	0.45
– preferred share	€	0.12 <sup>3</sup>	0.55	0.58	0.54	0.51
<b>Key financial data</b>						
<b>Equity</b>						
Equity ratio	%	25	27	27	26	
Equity to fixed assets ratio	%	119	111	113	114	
<b>Returns on sales</b>						
EBIT return on sales (ROS)	%	-4.3	7.0	6.8	6.5	
<b>Returns on capital</b>						
EBIT return on capital employed (ROCE)	%	-17	24	23	25	
Return on equity after income taxes	%	-9	16	14	15	
Return on total capital <sup>4</sup>	%	-3	6	5	5	
<b>Indebtedness</b>						
Net indebtedness	million €	-118	40	29	-8	
Indebtedness ratio	years	<0	0.2	0.1	<0	
Net gearing	%	<0	7	6	<0	
<b>Key financials of the 'Intralogistics' business segment</b>						
Equity	million €	602	676			
Equity ratio	%	39	44			
Net financial liabilities <sup>7</sup>	million €	-88	71			
Financial income (loss)	million €	-12	-8			

**Explanatory notes to the key financial data**

Equity ratio

Equity to fixed assets ratio

EBIT return on sales (ROS)

EBIT return on capital employed (ROCE)

Return on equity after income taxes

Return on total capital<sup>4</sup>

Indebtedness ratio

Net gearing

Shareholders' equity : Total capital x 100

Shareholders' equity : Fixed assets (not including trucks for lease from financial services) x 100

EBIT : Net sales x 100

EBIT : Employed interest-bearing capital<sup>5</sup> x 100

Net income : Average shareholders' equity x 100

Net income + Interest expenses : Average total capital x 100

Net indebtedness<sup>6</sup> : EBITDA (excluding the depreciation of trucks for lease from financial services)Net indebtedness<sup>6</sup> : Shareholders' equity x 100

# Dates 2010

Balance sheet press conference, Hamburg	April 14, 2010
Analyst conference, Frankfurt am Main	April 15, 2010
Interim report as of March 31, 2010	May 12, 2010
2010 Annual General Meeting, Congress Centrum Hamburg	June 15, 2010
Dividend payment	June 16, 2010
Interim report as of June 30, 2010	August 12, 2010
Interim report as of September 30, 2010	November 11, 2010

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