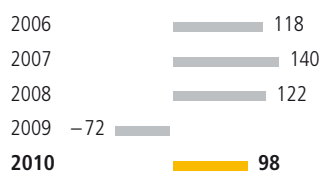


# Annual Report 2010



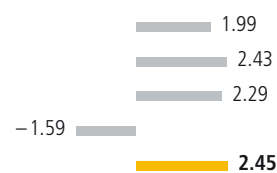
**Earnings before interest and taxes**  
in million €



**Net income**  
in million €



**Earnings per preferred share**  
in €



Jungheinrich Group		2010	2009	Change
				in %
<b>Incoming orders</b>	million €	1,924	1,654	16.3
<b>Net sales</b>				
Germany	million €	493	466	5.8
Abroad	million €	1,323	1,211	9.2
<b>Total</b>	million €	1,816	1,677	8.3
Foreign ratio	%	73	72	-
<b>Orders on hand (12/31)</b>	million €	281	208	35.1
<b>Production of material handling equipment</b>	units	60,400	48,300	25.1
<b>Balance sheet total</b>	million €	2,394	2,207	8.5
<b>Shareholders' equity</b>	million €	633	547	15.7
thereof subscribed capital	million €	102	102	-
<b>Capital expenditures<sup>1</sup></b>	million €	33	46	-28.3
<b>Research and development</b>	million €	36	39	-7.7
<b>Earnings before interest and taxes (EBIT)</b>	million €	98	-72	236.1
<b>EBIT return on sales (ROS)</b>	%	5.4	-4.3	-
<b>EBIT return on capital employed (ROCE)<sup>2</sup></b>	%	22.7	-16.8	-
<b>Net income</b>	million €	82	-55	249.1
<b>Employees</b>				
Germany	12/31	4,661	4,793	-2.8
Abroad	12/31	5,477	5,473	0.1
<b>Total</b>	12/31	10,138	10,266	-1.2
<b>Earnings per preferred share</b>	€	2.45	-1.59	254.1
<b>Dividend per share – ordinary share</b>	€	0.49 <sup>3</sup>	-	-
– preferred share	€	0.55 <sup>3</sup>	0.12	358.3

1 Tangible and intangible assets without capitalized development costs.  
2 EBIT as a percentage of employed interest-bearing capital.  
3 Proposal.



Cover: 'Shape the future'

# Annual Report 2010



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*Ladies and Gentlemen,*

Jungheinrich looks back on a successful fiscal 2010, marked by consolidation and budding growth. The company has largely overcome the consequences of the 2009 recession and rapidly returned to generating profitable growth, nearly regaining the strength it had previously.

Structural measures, savings and efficiency programs initiated in 2009—the year of the crisis—started showing positive effects as early as the first quarter of 2010. Our company boosted earnings to jump back into profitable territory. The earnings surge accelerated in the second quarter of 2010. This upward trend continued in the wake of the expanding economy, displaying differing momentum from one region to the next and resulting in strong increases in incoming orders and net sales for Jungheinrich. Following the loss experienced in the preceding year, this is reflected in a respectable result as well as in the other key financials for 2010. A contributing factor besides the encouraging development of incoming orders and the commensurate rise in plant capacity utilization in conjunction with an improved product mix was the resolute implementation of consolidation measures. Jungheinrich is now leaner and more effectively set up than before. These are ideal preconditions for making targeted use of ensuing sales and earnings opportunities.

We set the stage for the company's long-term development in the financial year that just ended. Our new factory in Landsberg (Saxony-Anhalt) was ramped up and the transfer of low-platform truck production from Norderstedt to Landsberg was completed on schedule. Manufacturing processes at the Norderstedt plant were realigned. Another point of focus was the expansion of sales activities on Asia's booming markets. In this context, the plant in Qingpu (China) that we use to supply the Asian market with products specific to the region was expanded and readied for the manufacture of a further piece of warehousing equipment. Moreover, we plan to build a new factory on the same site. New products for new segments and markets is also one of the many topics with which we will prove our ability to perform as an intralogistics service and solutions provider with manufacturing operations at the world's biggest trade show for the sector in Hanover, Germany, in May 2011: CeMAT.

Highlights of our appearance will primarily include innovative products from the 'Logistics Systems' Division. We developed them in close cooperation with the Austrian-based software firm ISA, in which Jungheinrich took a stake in 2009.

'Close cooperation' is also a very good description of the promising start of the still young sales partnership between Jungheinrich and MCFA (Mitsubishi Caterpillar Forklift America Inc.) in North America. It is bearing its first fruits, supported by our proprietary development centre in Houston (Texas, USA), which is constantly supplementing the product range for this region by adding new items.

Maintaining a high level of research and development activity for customer-oriented products requires robust corporate financing. This is what Jungheinrich stands for. After all, only with a secured basis, backed by premium-quality products and a highly motivated team, can one "shape the future"—a motto that will put its stamp on the current and future fiscal years and get customers excited about our brand.

We thus believe that we are well equipped and more than optimistic that we will be able to partake of the market's future growth. In sum, we expect the financial year underway to display a positive business trend and we anticipate further increases in orders received, sales and earnings, provided that the economic environment remains stable.

We thank our employees and our shareholders for their trust. Our gratitude goes out to our employees for their outstanding performance. This is the prerequisite for Jungheinrich returning to its former sales and earnings strength in the near future.

Hamburg, March 17, 2011



Hans-Georg Frey  
Chairman of the Board of Management

# The Jungheinrich share







2010 stock trading year dominated by economic recovery

Jungheinrich share on upward trend: earnings performance rewarded by investors

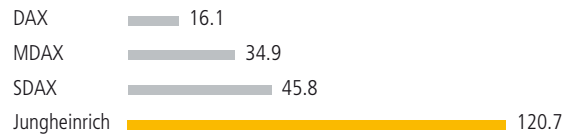
Share performance bests German stock indices

Stock market turnover more than doubled

Dividend payment to be increased

**Performance in 2010**

in %



The Jungheinrich share proved robust in a tumultuous year on the stock markets in 2010. The rising trend embarked on in the preceding year was continued impressively, with our share price outperforming the German stock indices once again. Demand for cyclical issues increased significantly in the wake of the global economic recovery. Jungheinrich share turnover on the stock markets more than doubled. The Jungheinrich share closed the 2010 stock trading year up 120.7 per cent. The dividend will be increased commensurate with the earnings trend.

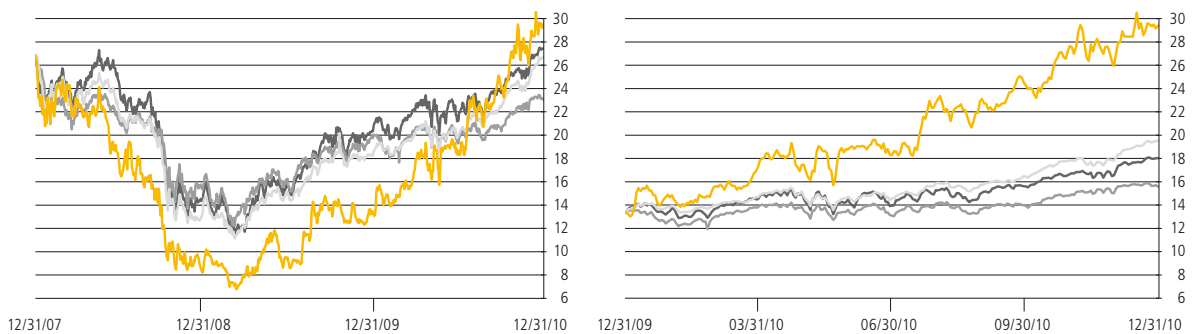
**2010 stock trading year: German shares post strong gains in a volatile environment**

The consequences of the financial and economic crisis as well as the increasingly severe European debt crisis determined developments on stock markets in 2010. Triggered by Greece's credit rating downgrade which spilled over to other Eurozone countries, the risk of mounting state indebtedness increasingly came into the focus of market participant awareness. As a result, developments on national and international stock markets were marked by substantial volatility and persistent uncertainty, although share price fluctuations decreased over the course of the year. Nevertheless, the upward trend on stock markets continued in this stock market environment. Reflected in good economic and corporate data, the economy's recovery provided fundamental support and resulted in strong gains in share prices. By the end of 2010, the DAX—Germany's leading share index—had reached 6,914 points (prior year: 5,957 points). This represented a climb of 16.1 per cent. Second-tier indices closed the reporting period with an even bigger gain. The MDAX jumped by 34.9 per cent to 10,128 points (prior year: 7,507 points). Winding up with 5,174 points on conclusion of the same period, the SDAX, in which the Jungheinrich share is listed, advanced by as much as 45.8 per cent (prior year: 3,549 points).

**Jungheinrich share performance**

in €<sup>1</sup>

Jungheinrich SDAX DAX MDAX



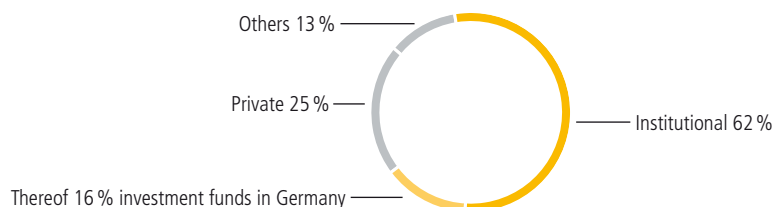
<sup>1</sup> All figures are indexed to the price of the Jungheinrich share.

**Analyst coverage in 2010**

Bankhaus Lampe	DZ Bank	M. M. Warburg
Berenberg Bank	Goldman Sachs	Montega
BHF-Bank	Hamburger Sparkasse	Steubing
CAI Cheuvreux	Hauck & Aufhäuser	UniCredit
Commerzbank	HSBC Trinkaus & Burkhardt	Viscardi
Deutsche Bank	Landesbank Baden-Württemberg	West LB

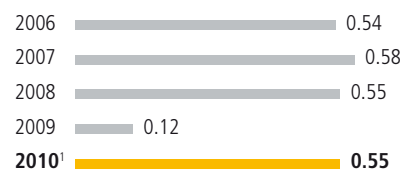
**Jungheinrich's strong share performance bests German stock indices**

At the beginning of fiscal 2010, the Jungheinrich share hit its low for the year of €13.05 on January 5, 2010, against the backdrop of the volatile environment on the stock market. This was followed by a significant rise in share price, resulting in several highs for the year en route to a quotation of up to €16.10 on March 11, 2010. Preliminary corporate figures published based on the 2009 financial statements on March 19, 2010 caused several financial analysts to raise their price targets for the Jungheinrich share. Thereupon, stock market turnover posted substantial growth, and the upward trend continued. The capital market also reacted positively to the 2009 financial statements presented on April 14, 2010 as well as to the corporate data on the first quarter of 2010 published on May 12, 2010. A number of financial analysts made further upward revisions to their Jungheinrich share price targets. This triggered another surge in demand as well as renewed rises in quotations. This trend continued after Jungheinrich AG's Annual General Meeting on June 15, 2010, leading to a new preliminary high for the year of €19.63 on June 20, 2010. Jungheinrich's share price maintained its momentum in the second half of 2010. It was bolstered by the capital market's positive reaction to the ad-hoc release published in July 26, 2010 on the company's earnings trend and by the publication of the interim report on the course of business in the first six months of 2010 on August 12, 2010. Most analysts lifted their targets for Jungheinrich's share price once again, resulting in a significant rise in quotations. New highs for the year were the consequence, the last one hitting €25.09 on September 28, 2010. The interim report for the period ending on 09/30/2010 published on November 11, 2010 caused the majority of analysts to adjust their earnings forecasts and increase their share price targets once again. Investor spending was stepped up, leading to stable quotations between €26 and €29. The company presented itself successfully at an investor conference in England: Jungheinrich's share price advanced further, quoted at €30.55 on December 15, 2010—its final high for the year. Jungheinrich shares closed 2010 at €29.58 (prior year: €13.40). Posting a gain of 120.7 per cent, the Jungheinrich share clearly outperformed the German stock indices in fiscal 2010. When compared year on year, Jungheinrich shares thus proved to be an attractive investment yet again.

**Investors**

**Dividend**

per preferred share in €



1 Proposal.

**Jungheinrich share in high demand: stock market turnover more than doubled**

The capital market maintained its keen interest in Jungheinrich last year. Equity research, which investors can use to support their decisions, remained extensive, as 18 financial institutions tracked the Jungheinrich share over the course of the year. The company promptly publishes analyst opinions on the internet at [www.jungheinrich.com](http://www.jungheinrich.com). Against the backdrop of the world economic recovery and the ensuing improvement in business development, investor propensity to spend increased markedly. As a result of this—and even more due to higher share prices—turnover on stock markets more than doubled in the 2010 reporting year. Turnover on the Frankfurt trading floor rose by a total of 123 per cent to €272.1 million (prior year: €122.2 million). At €47.1 million, November recorded the highest turnover for a single month (prior year: August—€20.4 million), posting a daily trading volume of 77,887 shares (prior year: 80,142 shares). By the end of December 2010, the Jungheinrich share's market capitalization had risen to €1,006 million (prior year: €456 million). Conversely, the company's shareholder's equity totalled €633 million, which was 37 per cent lower 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 53<sup>rd</sup> (prior year: 63<sup>rd</sup>) in Deutsche Börse AG's stock list in terms of market capitalization and 55<sup>th</sup> (prior year: 65<sup>th</sup>) in terms of turnover. Jungheinrich AG's ordinary shares are held by the families of the daughters of the company's founder. Each of the families still owns half of these shares.

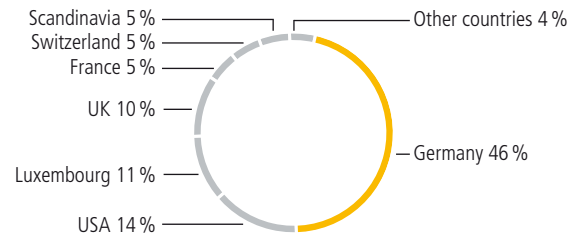
**Investor relations stepped up**

Relations between the company and the capital market are accorded substantial importance with a view to ensuring that the Jungheinrich share is valued appropriately. Contacts with potential investors were intensified to this end. Top-flight management reached many more investors than a year earlier—above all by participating in investor conferences and going on road shows to major financial hubs in Germany and abroad.

**Dividend set to be increased**

The Board of Management and the Supervisory Board will propose to the Annual General Meeting on June 15, 2011 that a dividend of €0.55 (prior year: €0.12) be paid per no-par-value preferred share for 2010 and that a dividend of €0.49 (prior year: no dividend) be paid per no-par-value ordinary share. Based on the share price quoted on December 30, 2010, the Jungheinrich preferred share will bear a dividend yield of 1.9 per cent (prior year: 0.9 per cent). The rise in the dividend to a level matching the one before the financial and economic crisis reflects the positive development of earnings in 2010. Our shareholders will partake of this appropriately.

### Shareholder structure by country



### Jungheinrich share: attractive long-term capital investment

The Jungheinrich share proved to be an attractive capital investment for long-term investors. The following table is a review of the development of the value of a sample Jungheinrich custodian account over periods of five and ten years. Based on an initial €10,000 in capital, it was assumed that dividends were reinvested in additional preferred shares.

#### Long-term performance of the Jungheinrich share

Investment period	10 years	5 years
Investment at the beginning of the year	2001	2006
Portfolio value at the end of 2010	€44,015	€16,150
Average annual return	16.0 %	10.1 %
Comparable return of German share indices		
DAX	0.9 %	4.9 %
MDAX	8.0 %	6.5 %
SDAX	n/a	3.8 %

Please note: €10,000 invested at the beginning of each investment period.

### Little change in shareholder structure

The custodian account survey conducted in November 2010 concerning Jungheinrich AG's shareholder structure revealed that the company's shareholder base remained stable. At some 9,500 custodian accounts, the number of Jungheinrich shareholders only changed marginally (prior year: 9,900 custodian accounts). Of the Jungheinrich preferred shares recorded, 54 per cent were owned by foreign shareholders (prior year: 57 per cent). Institutional investors in Germany and abroad held a combined 62 per cent (prior year: 66 per cent) of the company's preferred share capital. The portion accounted for by private investors dropped to 25 per cent (prior year: 28 per cent). Foreign shareholders were distributed among 41 countries (prior year: 47 countries).

### One ad-hoc report published

One ad-hoc release was occasioned by the German Securities Trading Act in the 2010 reporting period (prior year: two releases). The publication dated July 26, 2010 was related to the positive earnings trend in the first half of 2010, which clearly exceeded expectations.

**Capital market-oriented key data**

		2010	2009
Dividend per share	Ordinary share	€ 0.49 <sup>1</sup>	–
	Preferred share	€ 0.55 <sup>1</sup>	0.12
Dividend yield	Preferred share	% 1.9	0.9
Distribution volume		thousand € 17,620	1,920
Payout ratio		% 21.4	n/a
Earnings per share	Ordinary share	€ 2.39	–1.65
	Preferred share	€ 2.45	–1.59
EBIT <sup>2</sup> per share		€ 2.87	–2.11
EBITDA <sup>3</sup> per share		€ 7.03	2.94
Shareholders' equity per share		€ 18.61	16.08
Share price <sup>4</sup>	High	€ 30.55	14.78
	Low	€ 13.05	6.79
	End-of-year	€ 29.58	13.40
Performance over the year		% 120.7	48.1
Market capitalization		million € 1,005.7	455.6
Stock exchange trading volume in Frankfurt		million € 272.1	122.2
Average daily turnover		thousand shares 50.0	44.79
P/E ratio (basis: high)		factor 12.6	negative
P/E ratio (basis: low)		factor 5.4	negative
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





A row of yellow forklifts is shown in a factory setting. A worker is visible in the foreground, interacting with one of the machines. The forklifts are arranged in a line, receding into the distance. The background is a plain, light-colored wall.

Worldwide recovery of material handling equipment market

Fiscal 2010 marked by consolidation and growth

Incoming orders up substantially

Plant capacity utilization steadily improved

Back into profitable territory due to earnings boost

Production shift to Landsberg completed

Investment in the future: new powder-coating facility in Norderstedt

Jungheinrich emerged from the economic crisis a stronger player and looks back on a successful year. The direction taken in 2010 was determined by consolidation and growth. The material handling equipment sector benefited from the global economy's strong recovery, recording 45 per cent growth of the world market for material handling equipment, with the rate of expansion in Jungheinrich's core markets in Europe amounting to 32 per cent. The company improved its share of the European market across all product segments. Boosted by a huge jump in earnings, the Jungheinrich Group returned to profitable territory. The development of earnings benefited from a rise in plant capacity utilization and an improved product mix. The shift of battery-powered low-platform truck production to the Landsberg factory was completed. A forward-looking investment was made in a new powder-coating facility at the Norderstedt site. The expansion of sales and manufacturing in China progressed.

## 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 based on its business model. 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). 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, Jungheinrich products are distributed overseas via local dealers. Its operations are rounded off by a mail-order business flanked by a catalogue run as an online store.

## 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.

Jungheinrich's segment reporting is in line with its internal organizational and reporting structure. The two reportable segments, i.e. 'Intralogistics' and 'Financial Services,' continue to be 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 area.

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. Therefore, the company aims to enlarge this footprint by fortifying 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. The Group is expanding its sales network and production site in the Asian growth market, focusing on China. In North America, Jungheinrich started realigning its sales activities in the beginning of 2010 with a powerful sales partner that has a strong dealer presence.

### Compensation model

Jungheinrich's management pursues the principle of value-oriented management. The latter forms the basis for the remuneration schemes, which are linked to key value-added indicators such as the return on sales and capital employed as well as market share.

### 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 and determines the total remuneration and the annual variable pay performance targets proposed by the Personnel Committee, reviewing it for the emoluments' 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 performance-oriented. This is reflected in the ratio of the variable to the fixed component. If a very good performance is achieved, the variable component can account for more than 50 per cent of total emoluments. However, it should generally have a balanced relation to the fixed component. The variable element's success parameter is the Jungheinrich Group's 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 was revised in the period under review and will be adapted for employment contracts that are to be newly concluded from January 1, 2011 onwards. It will then feature the legally required compensation components with a basis of assessment of several years. The variable elements (net sales, return on sales and market share) of new employment contracts entered into with members of the Board of Management in 2010 have already been supplemented with components with a longer-term orientation.

### Supervisory Board compensation

Remuneration of the Supervisory Board is governed by Article 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 remuneration 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 of a Supervisory Board member. The respective committee decides on how it is divided among them.

A new compensation model for Supervisory Board members will be submitted to the Annual General Meeting on June 15, 2011 for the passage of a resolution.

## General economic situation

### Growth rates of select economic regions

Gross domestic product in %

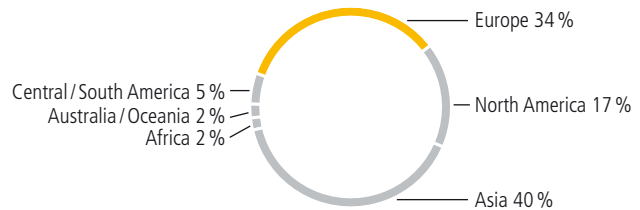
Region	2010	2009
World	5.0	-0.6
USA	2.9	-2.6
China	10.3	8.7
Eurozone	1.7	-4.0
Germany	3.6	-4.7

Source: Commerzbank & IMF (last updated in February 2011).

Following the global financial and economic crisis, which has largely been overcome, developments in the 2010 reporting period were completely dominated by the world economy's dynamic recovery. Leading economic research institutes updated their economic forecasts in ever-shorter intervals, painting an increasingly bright picture of the economy's future trend. The economic revitalization that began in the second half of 2009 carried over into the first quarter of 2010, displaying varied regional momentum. A strong, self-sustaining global upturn could not yet be detected at this early stage. The world economy maintained its course for recovery in the second quarter of 2010, albeit with greater regional differences. Economic prospects in Europe remained cautious in view of the debt crisis, to which the European Union reacted by launching a 750 billion euro stability program. Irrespective of this, the global economy continued to trend upwards in the second half of 2010—to varying degrees from a regional perspective as before—displaying accelerated growth in the closing quarter. The world economic upswing was primarily driven by emerging and developing countries, whereas the recovery in most industrialized countries began sluggishly, before gaining momentum as well. Despite the uncertainty surrounding the knock-on effects of the financial market and debt crisis, the steady improvement in underlying economic conditions increasingly overshadowed any danger of a relapse into a recession.

In 2010, the gross domestic product achieved by the world economy rose by 5.0 per cent (prior year: down 0.6 per cent). The significant economic growth was primarily recorded by emerging regions such as Asia and Latin America, with countries like China and Brazil leading the way. Growth in China accelerated, posting a rate of increase of 10.3 per cent (prior year: 8.7 per cent). However, the USA and Europe also contributed to the rise in economic output. In the USA, the economy expanded by 2.9 per cent (prior year: down 2.6 per cent). Eurozone economies gained 1.7 per cent (prior year: down 4.0 per cent). Economic developments in the euro region were very varied. Whereas the German economy powered itself out of the crisis, several peripheral countries were still battling the recession simultaneously. Sales countries of most importance to Jungheinrich such as France, Spain, Italy and the United Kingdom recorded growth rates between -0.1 and +1.5 per cent (prior year: -2.6 to -5.1 per cent). Most countries in Central and Eastern Europe also posted a renewed surge in economic output because they are closely interwoven with the Western European economies. Poland achieved a growth rate of 3.3 per cent (prior year: 1.7 per cent). Recording a rate of increase of 3.6 per cent (prior year: -4.7 per cent), Germany built up substantial

### Global market for material handling equipment by region in 2010



Source: WITS (World Industrial Truck Statistics).

momentum in the period being reviewed, proving to be Europe's growth engine. The upturn was shouldered by strong exports and the marked rise in capital expenditures on equipment. Exports advanced by 14.2 per cent (prior year: down 14.3 per cent), while equipment investments climbed by 9.4 per cent (prior year: down 22.6 per cent). Imports, which experienced a less severe collapse in 2009 when they dropped by 9.4 per cent, advanced by 13.0 per cent in 2010. Germany's very export-oriented mechanical engineering industry, which was especially hard hit by the global economic crisis, also posted a strong recovery. The sector's demand rose by 39 per cent for foreign capital goods (prior year: down 39 per cent) and by 29 per cent for domestic capital goods (prior year: down 37 per cent). Output produced by the mechanical engineering sector expanded by some 9 per cent, having shrunk by 24 per cent a year earlier.

## Development of the market for material handling equipment

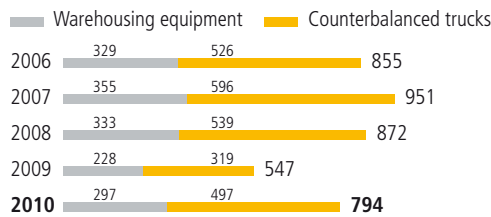
### Market volume of material handling equipment in thousand units

Region	2010	2009
World	794.5	546.8
Europe (including Turkey)	267.8	203.1
thereof Eastern Europe	39.9	20.5
North America	136.1	98.3
Asia	315.1	203.7
thereof China	200.3	117.9
Other regions	75.5	41.7

Source: WITS (World Industrial Truck Statistics).

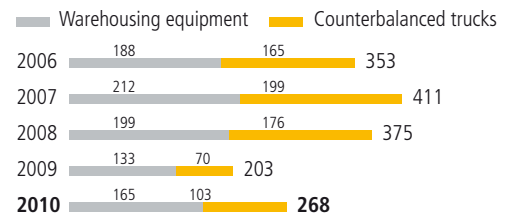
The material handling equipment industry benefited greatly from the worldwide economic upswing in the period under review. The market recovery experienced in the fourth quarter of 2009 continued over the course of 2010, with substantial momentum. Market volume in emerging sales regions posted especially strong gains over the relatively low levels seen in the preceding year. Global demand for material handling equipment rose by 45 per cent in the first quarter of 2010 and by some 54 per cent in the second quarter. Demand for material handling equipment maintained its momentum in the second six months of 2010, although it fell just short of the high rate of growth of 50 per cent witnessed in the first half. The main reason for this was that the market was much smaller in the first six months of 2009 than in the second half of the year. The world market, which encompassed 379.0 thousand forklifts in the first six months of 2010, expanded to 415.4 thousand units in the second half of 2010. This corresponded to an increase of 41 per cent in the second six months of 2010. All in all, the global market was enlarged by 45 per cent to 794.5 thousand trucks in the period being reviewed (prior year: 546.8 thousand). Market volume thus significantly bested the estimate made in the previous year, which had not envisaged global demand for material handling equipment recovering substantially before the second half of 2010. Market growth was driven by all regions, some of which displayed very different expansion rates. At 55 per cent, Asia recorded

### 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.

the largest increase, with its market swelling to 315.1 thousand forklifts (prior year: 203.7 thousand units). China—the Asian market's growth engine as before—made a disproportionately large contribution to this, posting a rise of 70 per cent to 200.3 thousand trucks (prior year: 117.9 thousand units). The North American market ended the declining trend observed for several years, as its market recovered considerably, expanding by 38 per cent to 136.1 thousand forklifts (prior year: 98.3 thousand units). European market volume was up 32 per cent to 267.8 thousand trucks (prior year: 203.1 thousand units). Eastern Europe contributed, growing by an above-average 95 per cent. However, this increase must be viewed against the backdrop of this market's collapse by 71 per cent in the preceding year. The trend shown by the Russian market—the single-largest one in Eastern Europe—was especially dynamic, posting a growth rate of 478 per cent following the huge collapse in the previous year (prior year: decrease of 87 per cent). Initially displaying restrained development at the beginning of the year, Western Europe recovered increasingly, recording 22 per cent growth for the year as a whole. Markets of importance to Jungheinrich, namely France, Spain, Italy, the United Kingdom and Germany, contributed to this, with rates of increase varying greatly in some cases, ranging from 12 to 38 per cent.

All product segments benefited from the worldwide market recovery. As expected, the 30 per cent gain posted by warehousing equipment clearly lagged the 56 per cent achieved by counterbalanced trucks. This is owed to the fact that counterbalanced trucks, dominated by IC engine-powered forklifts, which recorded a rate of increase of 63 per cent, had been hit by a disproportionately steep decline in 2009. As a result, the segment had more potential for recovery. The Jungheinrich Group took advantage of this market trend, on the strength of its new counterbalanced trucks. Despite the market's substantial recovery, the competitive pressure in this branch of industry remained high. Jungheinrich defended its share of the European market across all product segments.

### Focal points and activities

In view of the world industry's recovery, the Jungheinrich Group's points of focus in the 2010 financial year were to continue and complete the consolidation measures initiated in 2009 as well as partake of the resurgence in demand for material handling equipment. To this end, special attention was paid to setting the stage in sales and technology for achieving sustained earnings improvements.

Measures to adjust manpower to the reduction in demand continued as planned. Plant capacity utilization improved as the market and demand started to gain momentum during the year. In consequence, the short-time work introduced at the Norderstedt and Moosburg production sites in the spring of 2009 was gradually reduced and nearly completely discontinued. Furthermore, the Norderstedt location started hiring temporary workers again in the second half of the year.

As planned, additional variants from the battery-powered low-platform truck product line were transferred from Norderstedt to the new factory in Landsberg by the middle of 2010, and production was ramped up accordingly. On conclusion of this shift, management started redesigning manufacturing processes at the Norderstedt plant. This involved building a new powder-coating facility designed in line with the most advanced environmental aspects, which will make a substantial contribution to improving in-plant logistics.

Our factory in Qingpu (China), which supplies the Asian market with products tailored to the region, was expanded even further. In addition, preparations were made to handle the manufacture of yet another piece of warehousing equipment in 2011.

After acquiring a stake in ISA – Innovative Systemlösungen für Automation GmbH, headquartered in Graz (Austria), the shareholding was systematically integrated into our company's organization in 2010. This lastingly fortified our logistics systems operations in a fast-growing field of business that holds future promise for the Jungheinrich Group.

One of our main areas of activity in sales was the implementation of the cooperative venture with our distribution partner Mitsubishi Caterpillar Forklift America Inc. (MCFA for short), Houston, Texas (USA), at the beginning of 2010. Since January 1, 2010, MCFA has been operating a densely spun dealership network as the exclusive sales partner for Jungheinrich products with which the USA, Canada and Mexico are supplied, enabling us to continue expanding our business. These operations are supported by the proprietary development centre set up by Jungheinrich at its Houston location, which designs warehousing equipment customized to suit the North American market.

Important measures taken to refine information technology were the realignment of the IT organization and the adoption of a new IT strategy for the Jungheinrich Group. Groupwide consolidation efforts slowed IT networking with off-the-shelf software somewhat in 2010. Nevertheless, we succeeded in launching key new IT projects, for instance in the fields of fleet management and financial services. Among the projects continued was the CRM (Customer Relationship Management) system, which was introduced in the Czech Republic and Spain, and is thus now up and running in eight European countries. Furthermore, the standard SAP software GTS (Global Trade Service) was used to meet requirements arising from electronic customs clearance and shipment monitoring in accordance with compliance standards in additional areas within the Group.

Medium-term credit lines totalling over €300 million were extended early for a period of three years in order to secure the company's financing. This gives us access to the financial resources required to finance growth in the years ahead.

Towards the end of the year, Jungheinrich launched a newly structured and centrally oriented financing platform with a view to optimizing its financial services business, which is important from a strategic perspective. This platform can be used to process customer financing across borders in Europe both flexibly and efficiently. This will enable us to refinance activities matching the pace of the financial services business' expected growth.



## Business trend

### Business trend—key figures

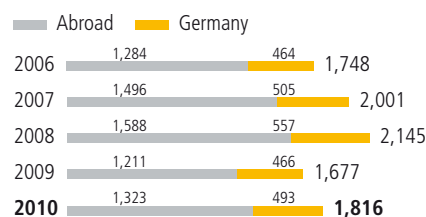
		2010	2009
Incoming orders	million €	1,924	1,654
Production	units	60,400	48,300
Orders on hand (12/31)	million €	281	208
Net sales	million €	1,816	1,677

The Jungheinrich Group emerged stronger from the economic crisis in the period under review, resuming its course for profitable growth. Business performance in 2010 was determined above all by the worldwide rise in demand for material handling equipment. Business volume posted a substantial increase since our used equipment and short-term hire operations as well as after-sales services also benefited from the economic upturn. Therefore, the Jungheinrich Group experienced a favourable business trend in 2010. Incoming orders in new truck business in terms of units advanced by 31 per cent to 64.9 thousand forklifts throughout the Group (prior year: 49.5 thousand units). The trend towards heavy trucks resulted in a significantly improved product mix. Besides higher demand from customers, many more trucks were transferred to the short-time hire fleet than in the preceding year. The value of incoming orders, encompassing all divisions, rose by 16 per cent to €1,924 million year on year (prior year: €1,654 million).

This already reflects the above-average rise in new truck business. However, account must be taken of the fact that the generally low growth rates recorded by after-sales services diluted the rate of increase. Production volume, which tracked the substantial climb in incoming orders with a time lag, advanced by 25 per cent in 2010 to 60.4 thousand forklifts (prior year: 48.3 thousand units). Contrary to incoming orders, production output at the beginning of the year was still largely determined by light warehousing equipment. Our Landsberg factory contributed to production volume by increasing its output of battery-powered low-platform trucks. Conversely, the capacity reductions caused by short-time work during the year still had an impact on our domestic production sites in Moosburg and Norderstedt. It declined steadily over the course of the year, owing to the improved order trend, before nearly being discontinued completely. The strong level of incoming orders in the fourth quarter of 2010 featuring an above-average share of heavy equipment will be mirrored in production output at the beginning of 2011. Orders on hand in new truck business climbed steeply over the course of the year, rising to €281 million as of December 31, 2010 (prior year: €208 million). This resulted in an increase of €73 million, or 35 per cent, compared to the value of orders on hand in the preceding year. Accordingly, the order range was extended to approximately four months (prior year: less than three months).

**Net sales**

in million €

**Net sales by region**

in million €

	2010	2009
Germany	493	466
Rest of Europe	1,197	1,119
Other countries	126	92
<b>Total</b>	<b>1,816</b>	<b>1,677</b>

Buoyed by the high production volume, consolidated net sales rose by 8 per cent in the year being reviewed to €1,816 million (prior year: €1,677 million). All regions contributed to this increase in net sales. Domestic business was up 6 per cent year on year to €493 million (prior year: €466 million). In contrast, foreign net sales advanced by 9 per cent to €1,323 million (prior year: €1,211 million). As a result, the foreign ratio rose to 73 per cent (prior year: 72 per cent). Net sales generated outside Europe were up 37 per cent to €126 million despite a temporary drop in sales in the USA caused by the realignment of the sales organization (prior year: €92 million). In consequence, the non-European share of sales grew to 7 per cent (prior year: 5 per cent).

**Net sales by business area**

in million €

	2010	2009
New truck business	914	811
Income from the short-term hire and sale of used equipment	328	305
After-sales services	607	578
<b>'Intralogistics' business segment</b>	<b>1,849</b>	<b>1,694</b>
<b>'Financial Services' business segment</b>	<b>395</b>	<b>378</b>
Reconciliation	-428	-395
<b>Jungheinrich Group</b>	<b>1,816</b>	<b>1,677</b>

All business areas contributed to the growth in net sales. In line with the market's development, the lion's share of this climb was attributable to new truck business, which posted an increase of about 13 per cent to €914 million (prior year: €811 million), followed by used equipment and short-term hire activities, which recorded a rise of some 8 per cent to €328 million (prior year: €305 million). In addition to the stable business trend displayed by used equipment, demand for short-term hire trucks, which was still restrained at the beginning of 2010, picked up tangibly in the second half of the year. Sales from after-sales services also started growing again, posting an increase of approximately 5 per cent to €607 million (prior year: €578 million). The portion of total net sales accounted for by after-sales services only decreased marginally, dropping to 33 per cent (prior year: 34 per cent), despite the marked rise in new truck business.

**Cost structure according to the income statement**

in million €	2010	2009
Cost of sales	1,280	1,291
Selling expenses	381	376
Research and development costs	36	49
General administrative expenses	27	28

The cost of sales declined by 1 per cent to €1,280 million (prior year: €1,291 million). In fiscal 2010, there were no one-off expenses associated with the extensive adjustments made to the plants going in hand in hand with a reduction in manpower comparable to those in 2009. Additional relief was provided by way of lower material prices—averaged for the year. The share of consolidated net sales accounted for by the cost of sales dropped to 70 per cent (prior year: 77 per cent). Selling expenses posted a very small advance in relative terms, rising by a mere 1 per cent to €381 million (prior year: €376 million). Their portion of consolidated net sales decreased to 21 per cent (prior year: 22 per cent). Here again, the absence of measures with adverse effects on costs taken in the preceding year was advantageous.

As a premium player, Jungheinrich continued to invest heavily in product development in 2010, seeking to provide its customers with tailor-made intralogistics solutions and make inroads in future-oriented technologies. As shown in the following table, at some €36 million, the Group's total research and development costs were on par with the prior year's level. In this context, account must be taken of the fact that a cost allocation was changed in a functional area and further cost savings were realized in the field of R&D thanks to process optimizations.

**Research and development costs**

in million €	2010	2009
Total research and development costs	36.3	38.7
thereof capitalized development costs	8.8	6.5
Capitalization ratio	24.2 %	16.8 %
Amortization of and impairment losses on capitalized development costs	8.1	16.5
Research and development costs according to the income statement	35.6	48.7

New product developments caused the capitalization ratio to increase significantly to 24.2 per cent (prior year: 16.8 per cent). Research and development costs according to the income statement dropped to approximately €36 million (prior year: €49 million). The decline stemmed from the rise in capitalization in the period under review as well as the €3 million in impairment losses on capitalized development costs, which were much lower than in 2009 (prior year: more than €8 million).

General administrative expenses decreased by 4 per cent to €27 million (prior year: €28 million). The prior-year's adverse impact of transfers to provisions for personnel and litigation was not contrasted by comparable sums in the year under review. However, the strong rise in the Group's operating income resulted in a need to increase provisions for the performance-linked compensation components of the Board of Management and holding company staff.

## Earnings, asset and financial position

### Earnings position

The market's dynamic recovery and the ensuing expansion of business as well as the improved plant capacity utilization led the Jungheinrich Group's return to profitability in 2010 on the back of a huge jump in earnings.

<b>Earnings trend</b>		
in million €	<b>2010</b>	<b>2009</b>
Gross profit on sales	536.4	385.9
Earnings before interest and taxes (EBIT)	97.6	-71.7
Financial income (loss)	-1.8	-2.8
Earnings before taxes (EBT)	95.8	-74.5
Income taxes	13.5	-19.3
Net income	82.3	-55.2

The Jungheinrich Group closed the 2010 financial year with a good level of earnings. The income trend benefited from the increase in incoming orders over the course of the year and the resulting substantial rise in production at its factories as well as from massive cost savings from efforts initiated in the preceding year.

The Jungheinrich Group achieved an earnings turnaround as early as the first quarter, returning to profitability on the strength of a jump in income although net sales were still trending downward. This furnished proof of the positive effects of the comprehensive measures taken to adapt personnel capacities and improve earnings initiated by Jungheinrich in 2009 in reaction to the severe decline in the size of the market and demand in new truck business. Earnings growth accelerated in the second quarter of 2010, continuing with increased momentum in the second six months of the year. The main drivers were the pick-up in net sales caused by the high level of incoming orders in conjunction with an improved product mix and the substantial rise in plant capacity utilization. Efforts to realize savings and the efficiency programs initiated in the preceding year also contributed to the increase in earnings, as did the steady growth of the after-sales services business. Compared to previous years, one should note that there were no one-off expenses in 2010.

The gross profit on sales advanced by €150 million, or 39 per cent, to €536 million (prior year: €386). The rise was predominantly due to the fact that net sales in new truck business climbed by more than €100 million.

Operating earnings before interest and taxes (EBIT) generated in the 2010 reporting period amounted to a positive €98 million (prior year: a negative €72 million including €80 million in one-off expenses). The corresponding EBIT return on sales was a positive 5.4 per cent (prior year: a negative 4.3 per cent). EBITDA (earnings before interest, taxes, depreciation and amortization) which reflects the earnings affecting operating liquidity, rose by €139 million in the year under review to €239 million (prior year: €100 million). Net of the depreciation of trucks for lease from financial services, EBITDA totalled €186 million (prior year: €46 million). Earnings before taxes (EBT) advanced to a positive €96 million (prior year: a negative €75 million). Compared to the previous year, the negative financial result improved above all as a consequence of the decrease in exchange-rate losses on financial transactions, with the persistently low level of interest on cash investments having a counteracting effect. The income tax payable for the Jungheinrich Group amounted to €14 million (prior year: income tax receivable of €19 million). This included the earnings-enhancing special item stemming from the remeasurement of tax loss carryforwards. As a result, net income rose disproportionately to a positive €82 million (prior year: a negative €55 million). Imputed earnings per preferred share were thus a positive €2.45 (prior year: a negative €1.59).

In view of the improved earnings trend, the Board of Management of Jungheinrich AG proposes that ordinary shareholders receive a dividend of €0.49 per ordinary share (prior year: no dividend) and that preferred shareholders receive a dividend of €0.55 per preferred share (prior year: minimum dividend of €0.12) per preferred share.

### **Asset and financial position**

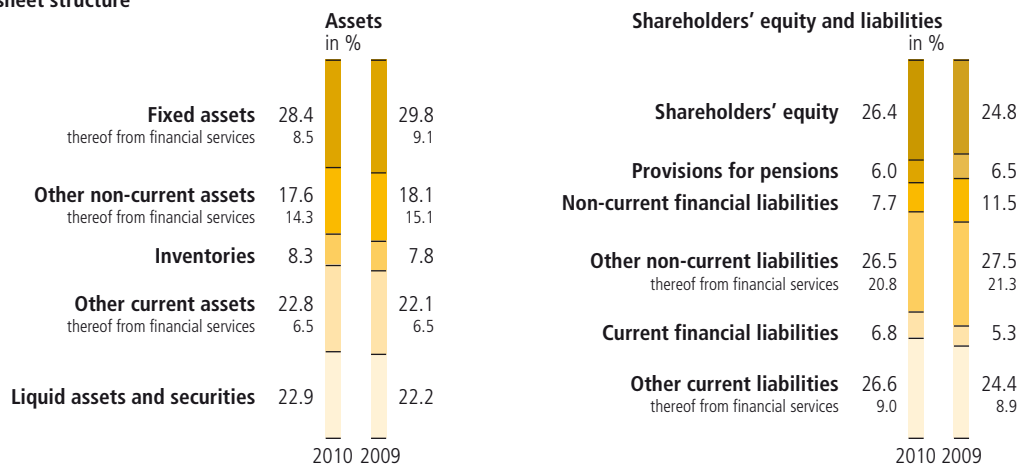
Jungheinrich AG is in charge of operations and strategic financial management for the Group and its subsidiaries. Financial resources and payment flows of domestic and foreign Group companies are optimized as regards interest and currency aspects via a cash and currency management system. Financing needs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

In the 2010 financial year, the Jungheinrich Group's asset and financial position was primarily determined by the tangible revitalization of business and the associated earnings growth. By year-end, the balance sheet total had risen by €187 million to €2,394 million (prior year: €2,207 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 for this business.

Further information on the financial service business is provided in the following detailed presentation in this report on the 'Financial Services' business segment and the consolidated financial statements of Jungheinrich AG.

## Balance sheet structure



## Asset structure

in million €

	12/31/2010	12/31/2009
<b>Non-current assets</b>	<b>1,101</b>	<b>1,087</b>
Fixed assets	679	657
Receivables from financial services	342	333
Other non-current assets	80	67
Securities	–	30
<b>Current assets</b>	<b>1,293</b>	<b>1,120</b>
Inventories	198	173
Trade accounts receivable	355	305
Receivables from financial services	155	144
Other current assets	36	39
Liquid assets and securities	549	459
<b>Balance sheet total</b>	<b>2,394</b>	<b>2,207</b>

Fixed assets were up by €22 million to €679 million (prior year: €657 million). Most of the increase was allocable to the cyclically-induced enlargement of the short-time hire fleet to some 23 thousand forklifts (prior year: 22 thousand units) and capital expenditures on production plants, with the Norderstedt site leading the way. Due to the pick-up in market and customer demand for leased forklifts, the value of trucks from the financial services business carried as assets recorded a slight increase, rising by €4 million to €204 million (prior year: €200 million), with non-current and current receivables from financial services advancing by a total of €20 million to €497 million (prior year: €477 million). Inventories swelled by €25 million to €198 million (prior year: €173 million) due to the economic cycle. Non-current trade accounts receivable as of the cut-off date were up by €50 million to €355 million (prior year: €305 million) owing to the strong climb in net sales in the fourth quarter of 2010. Cash and cash equivalents consisting of liquid assets and securities increased by €60 million to €549 million (prior year: €489 million) despite a heightened need for working capital because business expanded. This development reflects the company's successful business, driven by the positive earnings trend and the resolutely implemented management of working capital, which was stepped up in 2010.

**Equity ratio**

in %

**Capital structure**

in million €

	12/31/2010	12/31/2009
<b>Shareholders' equity</b>	<b>633</b>	<b>547</b>
<b>Non-current liabilities</b>	<b>962</b>	<b>1,004</b>
Provisions for pensions and similar obligations	144	143
Financial liabilities	184	253
Liabilities from financial services	499	471
Other non-current liabilities	135	137
<b>Current liabilities</b>	<b>799</b>	<b>656</b>
Other current provisions	152	140
Financial liabilities	162	117
Liabilities from financial services	216	197
Trade accounts payable	146	96
Other current liabilities	123	106
<b>Balance sheet total</b>	<b>2,394</b>	<b>2,207</b>

The significant rise in earnings in the period under review was contrasted by a small dividend payment for the 2009 financial year of around €2 million. This caused shareholders' equity to increase by €86 million to €633 million (prior year: €547 million). As a result, the equity ratio improved to 26 per cent (prior year: 25 per cent) despite the advance in the balance sheet total. As of the balance sheet date, 133 per cent (prior 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 economy's strong recovery. 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, as in the preceding year. At €144 million, provisions for pensions were on par with the 2009 level (prior year: €143 million), after scheduled transfers and one-off payments into the UK pension fund. In sum, other non-current and current provisions rose by a marginal €10 million to €207 million (prior year: €197 million). A major portion of the provisions according to the consolidated financial statements for the period ending on December 31, 2009 built for the manpower reduction in connection with capacity adjustment measures and the discontinuation of dealership agreements in the USA was used. This was contrasted above all by the provisions associated with the strong growth in business and earnings. The Group's non-current and current financial liabilities decreased by €24 million to €346 million (prior year: €370 million). Taking the €549 million in financial resources and securities into account, there was another net credit, amounting to €203 million (prior year: €118 million). Trade accounts payable experienced a growth-induced increase of €50 million to €146 million (prior year: €96 million),

with non-current and current liabilities from financial services rising by €47 million to €715 million for the same reason (prior year: €668 million).

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

#### Statement of cash flows

in million €	2010	2009
Net income	82	-55
Depreciation and impairment losses	142	172
Changes in trucks for short-term hire and trucks for lease (excl. depreciation) and receivables from financial services	-130	-73
Changes in liabilities from financing trucks for short-term hire and financial services	40	25
Changes in working capital	-12	133
Other changes	-9	5
<b>Cash flows from operating activities</b>	<b>113</b>	<b>207</b>
<b>Cash flows from investing activities<sup>1</sup></b>	<b>-40</b>	<b>-52</b>
<b>Cash flows from financing activities</b>	<b>-14</b>	<b>71</b>
<b>Net cash change in cash and cash equivalents<sup>1</sup></b>	<b>59</b>	<b>226</b>

<sup>1</sup> Excluding the balance of payments for the purchase/proceeds from the sale of securities amounting to a negative €36 million (prior year: a negative €2 million).

In the year under review, the development of the Jungheinrich Group's cash flow was determined by the pick-up in business activity, the associated but successfully limited build-up of working capital, and the substantial improvement in the earnings trend. Cash flows from operating activities in the reporting period amounted to €113 million (prior year: €207 million). The preceding year's figure was positively marked above all by the significant decline in working capital (+€133 million). This effect, which did not recur in the year being reviewed due to the growth achieved, could not be fully offset by the substantial improvement in net income (up €137 million) over the previous year, minus the change in depreciation, amortization and impairment losses (down €30 million). Furthermore, cash flows from operating activities were down owing to the considerable increase in the number of trucks for short-term hire and lease added, a development also experienced by receivables from financial services (down €57 million).

For reasons of comparability, a total of -€36 million (prior year: -€2 million) in payments for the purchase and proceeds from the sale of securities were deducted from cash flows from investing activities. Adjusted in this manner, cash flows from investing activities improved by €12 million to -€40 million (prior year: -€52 million). Compared to the capital spent in the preceding year—especially on the new Landsberg factory—no major investments were occasioned in the period being reviewed, partly in view of the fact that the economy's development was difficult to predict at the beginning of the year.



Cash flows from financing activities amounted to –€14 million (prior year: +€71 million). This figure reflects the marginal decrease in liabilities due to banks as well as the dividend payment totalling €1.9 million (prior year: €17.6 million). The significant deviation with respect to the previous year is due to the issuance of the €100 million promissory note in 2009. Changes in cash and cash equivalents affecting payments totalled +€59 million (prior year: +€226 million). Taking the purchase and sale of securities into account, changes in cash and cash equivalents affecting payments amounted to +€23 million (prior year: +€224 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 2010 financial year, minus all advance work and depreciation as well as its use. The Jungheinrich Group's value added developed as follows:

<b>Value added statement</b>				
in million €	2010	%	2009	%
<b>Source</b>				
Total Group output <sup>1</sup>	1,864	100.0	1,721	100.0
Cost of materials and equipment	1,002	53.8	1,013	59.0
Depreciation and impairment losses	142	7.6	172	10.0
<b>Net value added</b>	<b>720</b>	<b>38.6</b>	<b>536</b>	<b>31.2</b>
<b>Usage</b>				
Employees	582	80.8	572	106.8
Public sector	14	1.9	–19	–3.6
Lenders	42	5.8	38	7.1
Shareholders	2	0.3	18	3.3
Company	80	11.2	–73	–13.6
<b>Net value added</b>	<b>720</b>	<b>100.0</b>	<b>536</b>	<b>100.0</b>

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

Net value added created by the Jungheinrich Group in the fiscal year that just ended amounted to €720 million (prior year: €536 million). It was 34 per cent higher than in the preceding year. The usage calculation shows that, as in the previous year, the lion's share of net value added (€582 million, or 81 per cent) was used for employees (prior year: €572 million, or 107 per cent). The public sector received €14 million, or 2 per cent, from the company (prior year: refund of €19 million, or –4 per cent). Lenders partook of €42 million, or 6 per cent (prior year: €38 million, or 7 per cent). Only preferred shareholders had a share of some €2 million, or less than 1 per cent (prior year: €18 million, or 3 per cent for both ordinary and preferred shareholders). The company had €80 million, or 11 per cent, of net value added at its disposal for internal business financing (prior year: –€73 million, or –14 per cent).

**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).

**Return on sales and capital**

The marked improvement in the Jungheinrich Group's earnings and asset position is reflected in the positive development of the returns on sales and capital.

**Key return indicators**

in %

	2010	2009
EBIT return on sales (ROS)	5.4	-4.3
EBIT return on capital employed (ROCE)	22.7	-16.8
Return on equity	14.0	-9.4
Return on total capital employed	5.5	-3.3

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<sup>2</sup> + Interest expenses : Average total capital<sup>3</sup> x 100

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

<sup>2</sup> Net of the interest income from financial services.

<sup>3</sup> Net of liabilities from financial services.

The EBIT return on sales (ROS) improved to a positive 5.4 per cent (prior year: a negative 4.3 per cent and a positive 0.5 per cent net of one-off expenses). The corresponding return on interest-bearing capital employed (ROCE) rose to a positive 22.7 per cent (prior year: a negative 16.8 per cent), thus matching the Jungheinrich Group's long-term ROCE target of 20 per cent once again. In 2010, the return on equity improved to 14.0 per cent (prior year: a negative 9.4 per cent). The return on total capital employed, adjusted to exclude liabilities and interest income from financial services, was a positive 5.5 per cent (prior year: a negative 3.3 per cent).

**General statement on the economic situation**

After overcoming the worldwide financial and economic crisis, the Jungheinrich Group developed successfully and returned to generating profitable growth. In the year under review, the company's business performance was marked by consolidation, growth and earnings improvements. In this context, the rise in demand in new truck business was highly important to plant capacity utilization and the associated contribution to earnings. The global economic recovery had a positive impact on the material handling equipment sector and ensured growth across all business areas. The recovery was quicker and more significant than was expected at the beginning of the year. This enabled Jungheinrich to turn earnings around early on, generating a substantial amount of net income as opposed to the consolidated loss suffered a year earlier. This is an outstanding result for a 'post-crisis year,' but the pre-crisis level has not been reached yet. The Jungheinrich Group has already returned to a respectable level with respect to the long-term average.

**Return on equity after income taxes**

in %

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

in %

<sup>1</sup> Not including financial services.**Capital expenditures**

In the 2010 reporting year, capital expenditures by the Jungheinrich Group on tangible and intangible assets—net of capitalized development costs—amounted to €33 million (prior year: €46 million). This decline is due to the fact that no major investments were made compared to the preceding year, as had been the case with respect to the Landsberg factory. Moreover, propensity to spend capital was very restrained at the beginning of the year, because economic prospects were still uncertain. The capex-to-sales ratio dropped to 1.8 per cent (prior year: 2.7 per cent). In the period under review, capital expenditures were primarily dedicated to expanding domestic production plants, focussing on the Norderstedt site. On completion of the shift of trucks from the battery-powered low-platform production line to the Landsberg factory, management started to redesign and realign production processes at the Norderstedt factory. This included the construction of a new powder-coating facility doing justice to the most modern environmental issues, which is just about to be completed. Moreover, a focal point of Jungheinrich's capital spending was the further expansion of its proprietary sales companies abroad.

**Research and development**

Ranked among the world's leaders in the fields of material handling, warehousing and material flow technology, the Jungheinrich Group furnished renewed proof of its ability to perform in fiscal 2010, investing heavily in product engineering, with a view to providing its customers with tailor-made intra-logistics solutions and making inroads in forward-looking technologies. As before, the energy efficiency of drive systems was a key area of research.

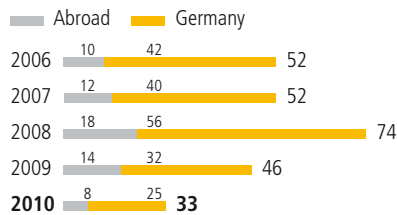
The Jungheinrich Group's capital expenditures on research and development including preparatory work in development-related areas and outsourcing amounted to some €36 million (prior year: €39 million). This accounted for 5.3 per cent (prior year: 6.5 per cent) of net sales in the new truck business, which grew substantially in the year being reviewed. Last year, an average of 322 people worked in the field of research and development throughout the Group (prior year: 339). The decline resulted in part from a change in the assignment of costs of a functional area and the improvement in process flows.

R&D work in the period under review focused on preparatory activities for new products aiming to make Jungheinrich more competitive over the long term. In 2010, 64 patent applications were filed (prior year: 77), and 66 patents were granted (prior year: 80). This enabled innovations to be turned into significant product improvements which help augment customer benefits substantially. Jungheinrich's new patent strategy envisages expanding into global markets in which the company will step up its core sales activities.

Development departments focused on the following fields of activity during the reporting period:

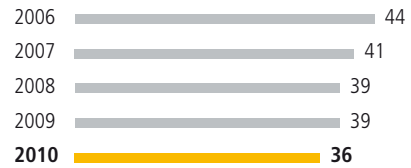
### Capital expenditures

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



### Research and development costs

in million €



### Fundamental research

Basic development work involved evaluating ways to increase energy efficiency and, in turn, environmental friendliness. In earlier years, these activities encompassed conducting research on energy storage units based on lithium-ion technology. Various concepts capitalize on the advantages in terms of weight, handling and rapid charging, among other things. This provides points of departure for designing products for new battery-powered vehicle applications. One of these concepts has already entered the serial production phase for a low-platform truck. Lithium-ion batteries were also considered as an option for powerful, fuel-saving hybrid drives. The first spate of profitable applications will emerge as soon as system costs drop further, as expected.

Studies on forklift driver assistance systems occasioned exploratory work on new sensor technologies designed to detect truck status and location. This technology found its way into a serial product, embedded in a navigation system for increasing productivity and reliability in the logistics process. In this context, an electronic interface was also created, which significantly facilitates and increases the reliability of the automation of mass-produced trucks.

Measures derived from this were successfully implemented in 2010 based on the process analyses carried out in the field of development in the preceding year. Among other things, the efficiency of centralized long-term tests was increased. Moreover, the product creation process was revised. This refined the process of identifying the degree of maturity achieved in the development phase and improved production capabilities.

The first round of projects was launched in the new department in charge of engineering components. The objective is to capitalize on economies of scale through standardization and to rapidly introduce innovations via a large number of truck variants. New tools for analyzing the temperature-dependent behaviour and service lives of forklifts subjected to dynamic stresses were introduced and will support the decentralized development departments.

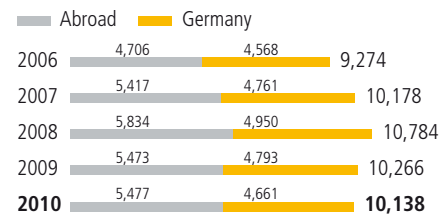
### Product engineering

Jungheinrich continuously modernized and supplemented its broad product spectrum in 2010. This included products serving to tap new segments and markets, which will be showcased at CeMAT in Hanover, the world's largest trade show for the sector, in May 2011. Verifying environmental compatibility is an integral part of the process of developing forklift trucks.

One of the special highlights in the period under review was the launch of a new battery-powered multi-directional stacker capable of handling payloads of up to 2.5 metric tons, underscoring Jungheinrich's market leadership in this product segment. In addition to the optimization of manufacturing, we started implementing concepts for a new generation of reach trucks. The human-machine interface was designed very ergonomically, seeking to facilitate the handling of the all-wheel steering truck. Its high degree of efficiency is achieved by recovering hydraulic energy when lowering payloads.

## Employees

as of 12/31



Further truck variants were derived from the resolute technological updates to all battery-powered high-platform trucks and brought to market. Thanks to the high degree of product modularity, Jungheinrich's offering is wide enough to optimally meet every customer need. High performance and reliability are a matter of course as regards these forklift trucks. The stackers' speed control feature makes them very energy efficient. Improvements in user friendliness have been achieved, for instance thanks to improved storage options.

Of very notable mention in terms of small series trucks is the innovative under pallet carrier (UPC)—a light stacker capable of moving within racks autonomously. Jungheinrich also supplies the matching special rack.

In 2010, progress was made regarding the first series of engineering projects concerned with warehousing equipment intended for the US market following the establishment of the new development centre in Houston, Texas.

Additional products tailored to suit the needs of the Asian market entered the serial production phase in our plant in Qingpu (China), and the share of components sourced from local suppliers was increased. The range of products manufactured there now consists of three and four-wheeled stackers in the 1.3 to 2.0 metric ton payload classes as well as pedestrian-controlled pallet trucks belonging to the low and high-platform truck and operator-stand platform truck categories.

In the 'Logistics Systems' Division, inroads were made to develop the 'Warehouse Management System' (WMS) in cooperation with the software firm ISA. WMS enables one to gain more efficient control over manually operable and automated warehouse systems. Newly developed software modules included, e.g. the stacker guidance and resource management systems.

## Employees

As a result of the manpower adjustments to the steep decline in demand for material handling equipment made in 2009, the Jungheinrich Group's permanent workforce shrank by an additional 275 employees in the first half of 2010, before about 150 people were hired in the second six months, as the market and demand picked up in the period being reviewed. Moreover, the improved development of incoming orders enabled management to gradually decrease and nearly completely discontinue the short-time work introduced at the Norderstedt and Moosburg factories as well as corporate headquarters in the spring of 2009. Furthermore, up to 180 temporary workers were hired at the Norderstedt site to bring order-driven production in line with the rise in demand in the second half of 2010. Personnel reductions implemented as part of the existing packages of measures will remain in force especially at the Moosburg plant until the spring of 2011. Ensuing expenses had already been fully considered in the 2009 financial statements.

**Employees by division**

	12/31/2010	12/31/2009
Sales and Marketing	7,421	7,479
Production	2,308	2,388
Service Centre/Administration	409	399
Total	10,138	10,266

By December 31, 2010, the Jungheinrich Group's permanent labour force had shrunk by a total of 128 people to 10,138 (prior year: 10,266) individuals. Our German factories as well as domestic and foreign sales companies were affected by this the most. Manpower increases in emerging countries such as China and Russia were contrasted by disproportionately steep declines in Western European countries. The continued decrease in permanent positions at the Norderstedt and Moosburg plants was partially offset by the enlargement of the workforce at the Landsberg factory and the expansion of the Qingpu (China) plant. The headcount included 300 (prior year: 292) trainees. This high figure is proof of the fact that Jungheinrich accords substantial importance to training budding professionals from within its own ranks. In the period being reviewed, the number of temporary workers employed throughout the Group rose by 208, with the Norderstedt factory accounting for the lion's share due to demand. All in all, the Jungheinrich Group posted a marginal increase in its workforce in fiscal 2010, adding 80 jobs (permanent and temporary staff). As before, 77 per cent of the permanent labour force worked in sales and administration, with production accounting for 23 per cent. As in the preceding year, more than 3,400 service engineers worked in the Sales Division. The share of employees working in the after-sales service organization amounted to 46 per cent, matching the year-earlier level.

**Employees by region**

in %	12/31/2010	12/31/2009
Germany	46.0	46.7
France	8.9	9.1
Italy	7.6	7.7
UK	7.2	7.4
Spain	3.3	3.4
Rest of Europe	22.0	21.2
Overseas	5.0	4.5
Total	100.0	100.0

As of December 31, 2010, 5,477 (prior year: 5,473) staff members worked outside Germany, while 4,661 (prior year: 4,793) were employed within the country. Thus, about 46 per cent (prior year: 47 per cent) of the labour force worked in Germany. In the rest of Europe, France still 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 to 5 per cent (prior year: over 4 per cent) due to the strategic expansion of our Asian operations. Since Jungheinrich AG is a member of the German Employers Association, the collective bargaining agreements reached in 2010 were adopted for our German business. The collective bargaining agreement expires on March 31, 2012.

### **Purchasing and logistics**

We set up an inter-locational procurement system for our manufacturing plants in the period under review. This included the development and establishment of a corporate function for purchasing methods, processes and standards as well as a centralized procurement controlling unit. We have thus laid the cornerstone for becoming even more professional and enhancing efficiency. The groupwide product group management system was expanded even further. In this context, strategies were formulated for all main product groups with the aim of safeguarding the quantitative and qualitative earnings contributions made by the product groups by taking appropriate measures. The task at hand here is to ensure the punctual supply of high-quality parts and material. Important levers in this regard are procurement market studies as well as the amassment of tools and expertise in the fields of cost and value analysis.

In 2010, the highest-volume main product groups were examined for their sales and earnings potential with the goal of tapping it in cooperation with the suppliers in question. Uniform and transparent calculation methods were developed and introduced in order to create a key tool designed to facilitate cost analyses for Jungheinrich and its suppliers significantly and allow for a cost and partnership-based formation of prices. This ensures that levers suited to reduce costs, for example in the fields of development, production technology and material management, can be identified and made use of more quickly. Supplemented by the implementation of price benchmarks and the use of industrial databases, these accomplishments make a major contribution to the commercial and technical competitiveness on both sides of the partnership.

The market's significant revitalization caused purchasing volume in the period under review to rise by 30 per cent to €1,181 million (prior year: €910 million). Driven by the increase in demand, the volume of production material was up 51 per cent to some €484 million (prior year: €320 million), accounting for 41 per cent (prior year: 35 per cent) of total sourcing. The portion of the purchasing volume accounted for by commodities amounted to €239 million, or 20 per cent (prior year: €250 million, or 28 per cent). Indirect material and all other general and logistics services advanced to €458 million, up to 39 per cent (prior year: €340 million, or 37 per cent) of groupwide procurement.

## Quality management

Jungheinrich's quality management maintained its high level of commitment in Europe's classical core markets. Product monitoring in the field using SAP-BW (Business Warehouse) and the following regular quality coordination among all divisions involved remain a key to the continuous improvement of the Group's quality levels.

As a result of the Qingpu factory's mounting production volume in China, one of the focal points in the financial year that just came to a close was to safeguard Jungheinrich's high quality standards in the forklifts manufactured by the plant. Thanks to the close cooperation between the manufacturer and sales organization on site, we succeeded in harmonizing local manufacturer and market requirements and making use of them to the customer's advantage. The immediate integration into the Group's standardized KPI matrix proved to be an important source of information, evidencing the strategic advantages of Jungheinrich's direct sales network in China as well.

We widened the scope of our quality-management system in 2010 in line with the expansion in production capacity and the tapping of new sales regions. SAP-BW coverage was extended to include further countries. As a result, products manufactured by every single Jungheinrich plant are subjected to field monitoring. In some cases, this applies to more than 80 per cent of all deliveries.

Jungheinrich's high product quality secures the company's status as premium provider and will serve as a guideline and yardstick for future factories.

## Environmental management

Jungheinrich views environmentally aware action as part of its entrepreneurial responsibility. Environmental protection is a social responsibility that Jungheinrich takes very seriously. It is reflected in all our products and processes which go above and beyond complying with statutory regulations to meet even higher standards. In light of the scarcity and mounting prices of raw materials, environmental protection and resource conservation are increasingly coming to the forefront of economic considerations and are determining the success of the company and its customers more and more.

In line with this orientation, energy efficiency, environmental compatibility and recyclability are major points of focus in the development of novel forklifts such as the new battery-powered counterbalanced truck. These aspects are pivotal to the properties of products manufactured by Jungheinrich and are a proposition that convinces our customers as well. The environmental management of our after-sales service operations ties into this seamlessly, establishing clear rules for the use, handling and disposal of substances paying due regard to environmental issues.

Capital was again spent on environmental measures at our production sites in 2010. A new colouring facility was commissioned at the Norderstedt factory, which replaces the process involving solvent-containing paint still in use in certain areas with powder coating, makes more thrifty use of water, and features built-in energy recovery.



Progress in protecting the environment was also made in terms of colouring at the Moosburg plant. By switching to low-temperature powder for coating frames, the baking temperature was lowered, reducing energy consumption by 10 to 15 per cent per component. Furthermore, work on overhauling the roofs of the Moosburg factory halls was completed in 2010. This step enables us to realize sustainable heat energy savings.

### Compliance

The compliance system introduced at Jungheinrich in 2008, which is designed to ensure adherence to guidelines and laws within the Group and its subsidiaries, was refined in the period under review. The system enables infringements and irregularities to be cleared up quickly by conducting special investigations of suspicious cases. This objective was achieved in a timely manner by conducting appropriate inspections in the year being reviewed. Moreover, up-to-date reports by other companies on their experience with potential sources of danger were factored into preventive investigations.

Once again, all executives were expressly instructed to remain aware of both internal and external performance targets and take account of them when making decisions. Our Chief Compliance Officer (CCO) presented the compliance function through various media. This affords customers and Jungheinrich staff the opportunity to take preventive action by pointing out potential infringements to the Board of Management or the CCO via a variety of information channels. Appropriate use was made of this option.

The Board of Management as well as the Supervisory Board's Finance and Audit Committee were informed of potential compliance incidents in a timely manner both verbally and in writing by the CCO.

### Data privacy

Pursuant to in-house security policies, all of the Group's executives and employees throughout the world are obliged to handle the personal data of customers and staff members as well as confidential company data responsibly. In the 2010 reporting year, the entire workforce was advised of this and obliged to comply with the policies once again.

Jungheinrich sees to the protection of personal customer and employee data in accordance with applicable data privacy regulations. Data privacy inquiries were reviewed and responded to by the Group's data privacy officer in a timely manner. In addition, all data privacy coordinators were trained for and continuously informed about potential changes in legislation and further impending problem areas by the data privacy officer.

No notable complaints or contraventions of in-house regulations for ensuring the protection of personal data were identified by the Corporate Audit Department as a result of its internal reviews.

## 'Financial Services' business segment

Reference to the commentary under the heading "Business and economic environment" is made with respect to the general presentation of the 'Financial Services' business segment.

### 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 generally 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 non-profit centre status. Therefore, it does not aim to earn money of its own accord. With the exception of customer credit and refinancing risks, all opportunities 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 structure of the 'Financial Services' segment

The Jungheinrich Group's financial service activities are pooled in the 'Financial Services' Division and are centrally managed 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 in Europe with its own financial service 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, with the Netherlands next on the agenda.

### Business trend

€334 million in long-term financial service agreements were concluded in fiscal 2010 (prior year: €336 million). Jungheinrich sales from more than every third new truck in Europe were thus generated through financial service transactions (rentals, leases, etc.). Some 74 per cent of the new contract volume was allocable to countries in which Jungheinrich has proprietary financial services companies. By the end of 2010, the volume of contracts on hand in Europe had risen by about 2 per cent to 96.7 thousand trucks (prior year: about 94.6 thousand units), corresponding to an original value of €1,531 million (prior year: €1,499 million).

#### Key figures for the financial services business

in million €	2010	2009
Original value of new contracts	334	336
Original value of contracts on hand as of 12/31	1,531	1,499

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

The accounting treatment of the 'Financial Services' Division encompasses the legally independent financial service companies as well as the sets of books presented separately for financial service operations in countries where Jungheinrich does not have legally independent financial service 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 growth in receivables from financial services (finance leases) are due to the rise in customer contracts with Jungheinrich-owned financial service companies. The volume of customer contracts with third-party leasing companies acting as intermediary was thus down.

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

in million €	12/31/2010	12/31/2009
<b>Non-current assets</b>	<b>608</b>	<b>591</b>
Trucks for lease from financial services	261	254
Receivables from financial services	342	333
Other non-current assets	5	4
<b>Current assets</b>	<b>292</b>	<b>266</b>
Inventories	25	17
Trade accounts receivable	48	48
Receivables from financial services	155	144
Other current assets	51	48
Liquid assets and securities	13	9
<b>Balance sheet total</b>	<b>900</b>	<b>857</b>

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

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

in million €	12/31/2010	12/31/2009
<b>Shareholders' equity</b>	<b>18</b>	<b>17</b>
<b>Non-current liabilities</b>	<b>545</b>	<b>526</b>
Liabilities from financial services	499	471
Other non-current liabilities	46	55
<b>Current liabilities</b>	<b>337</b>	<b>313</b>
Other current provisions	1	1
Financial liabilities	1	3
Liabilities from financial services	216	197
Trade accounts payable	77	61
Other current liabilities	42	51
<b>Balance sheet total</b>	<b>900</b>	<b>857</b>

#### Earnings position

In its role as service provider, the 'Financial Services' Division provides support to Jungheinrich's sales operations as a non-profit centre without aiming to achieve a profit on its own account.

#### Income statement of the 'Financial Services' Division

in million €	2010	2009
<b>Net sales</b>	<b>395</b>	<b>378</b>
Cost of sales	397	381
<b>Gross profit on sales</b>	<b>-2</b>	<b>-3</b>
Selling expenses	5	5
<b>Earnings before interest and taxes (EBIT)</b>	<b>-6</b>	<b>-8</b>
Financial income (loss)	12	9
<b>Earnings before taxes (EBT)</b>	<b>6</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 exclusively relate to the 'Intralogistics' business segment.

### Key financials of the Jungheinrich Group

		Jungheinrich Group incl. 'Financial Services'		Jungheinrich Group 'Intralogistics' segment	
		12/31/2010	12/31/2009	12/31/2010	12/31/2009
Shareholders' equity	million €	633	547	698	602
Balance sheet total	million €	2,394	2,207	1,693	1,536
<b>Equity ratio</b>	<b>%</b>	<b>26</b>	<b>25</b>	<b>41</b>	<b>39</b>
Financial liabilities	million €	346	370	345	367
Liabilities from financial services	million €	715	668	–	–
Other liabilities/receivables vis-à-vis affiliated companies	million €	–	–	31	24
	million €	1,061	1,038	376	391
Liquid assets and securities	million €	549	489	537	479
<b>Net financial liabilities</b>	<b>million €</b>	<b>512</b>	<b>549</b>	<b>–161</b>	<b>–88</b>
<b>Financial income (loss)</b>	<b>million €</b>	<b>–2</b>	<b>–3</b>	<b>–14</b>	<b>–12</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 (mainly SAP systems).
- A comprehensive knowledge management system is in place to regulate accountabilities and workflow for all processes and their interdependencies via policies. The risk management system in force throughout the Group is constantly adapted and refined.
- A comprehensive Group accounting manual, which is updated once a year and made available to all departments involved in the accounting process, ensures that business transactions are accounted for, measured and reported uniformly throughout the Group.
- Employees working in departments involved in the accounting process within the Jungheinrich Group as well as at its German and foreign subsidiaries have the requisite qualifications in both quantitative and qualitative terms.
- Sample inspections, plausibility checks and manual controls as well as software are used to verify the completeness and correctness of accounting data.
- Material processes of relevance to accounting are subjected to regular analytical reviews. Our early risk-detection system is examined for functionality and effectiveness by the independent auditor as part of the audit of the financial statements at year-end. Findings derived from this audit are taken into account as the existing groupwide, Jungheinrich-specific system is continuously refined.
- As a rule, the security principle is applied to all accounting-critical processes, which are reviewed by the 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 important elements 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 an integral part of regular reviews conducted by the Internal Audit Department on site and 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. In 2011, it was decided to include interest income and income taxes as further risk categories.

### 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
- Corporate Audit

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 during 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. Due to the regular reviews it conducts on site, which are coordinated and agreed with the Board of Management as well as the Supervisory Board's Finance and Audit Committee of Jungheinrich AG, and its special investigations occasioned by incidents, Corporate Audit is an important part of our risk management system.

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 service agreements, providing the foundation for a consistent risk-management system.

### Risk categories

The analysis of the most recent risk inventory, compiled in 2010 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 multi-faceted 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 the risk to Jungheinrich considerably. Also included in risk surveys are potential changes to the subsidiaries' financial situation stemming from market developments.

Following the massive collapse of the market in 2009 was a strong recovery in the period under review. In 2010, the size of the market for material handling equipment increased by 45 per cent worldwide and by some 32 per cent in Europe, with Eastern European countries posting growth rates as high as 95 per cent. However, markets failed to return to pre-crisis levels, with the exception of those in Asia and Latin America. Material handling equipment as well as warehousing and material flow technology markets are expected to continue recovering in 2011. From an earnings perspective, the rise in plant capacity utilization in 2011 will be contrasted by the mounting increase in the cost of materials. Capacity utilization improved considerably in 2010, following the significant shrinkage of the short-term hire fleet in 2009. In consequence, the short-term hire fleet is envisaged to expand again in the year underway. Jungheinrich anticipates the after-sales services business to post continuous growth in 2011.

The after-effects of the financial and economic crisis can still be felt. Nevertheless, owing to progressive globalization and the ensuing division of labour as well as the positive development displayed by the economies of Asia, South America and Europe, framework conditions still favour the return of intralogistics to a stable course for growth. A rising number of countries has a mounting need for modern material handling technology and logistic 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.

It is impossible to predict the influence political turmoil in North African countries will have on the world economy, especially as regards the risks that may arise from the likely increase in oil prices.

The consolidation of the material handling equipment sector continues to progress. This will probably 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.



### 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. The Jungheinrich Group reacts to this situation mainly by expanding its product and service offerings by way of tailor-made customer solutions. This improves its market penetration and customer loyalty.

The rising trend among customers to rent new trucks will continue again in the year underway. The financial crisis and the mounting demands placed on the financial environment (through Basel III, among other things) 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 'Risks associated with financial services'.

In 2010, Jungheinrich had a short-term hire fleet of an average of approximately 22 thousand trucks (prior year: 23 thousand units). The risk of prolonged standstill is minimized by constantly adapting the fleet's size and structure to market needs and customer requirements, thus ensuring a high degree of utilization.

### Purchasing and procurement risks

Purchasing and procurement risks that may arise from increasing commodity and material costs, disruptions in the supply chain and quality-related problems are managed by Jungheinrich through its risk management system. Among other things, Jungheinrich employs control systems to monitor and analyze the development of the price of raw materials of relevance to Jungheinrich such as steel, lead and copper. These systems help the company detect developments significantly affecting procurement prices early on and act accordingly. As demand on world markets is back on a strong upward trend, commodity markets can be expected to remain volatile and raw material prices are likely to rise significantly in 2011. Supply bottlenecks affecting electronic components needed to produce control units will probably persist and may lead to an increase in procurement prices. The pivotal task in the 2011 financial year is to ensure that our production operations receive the supplies they need of the required quality and quantity. So far, quality-related problems and supplier defaults have largely been avoided as a result of close cooperation with key vendors.

### **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. The company is increasing its number of trainees in order to create a pool of skilled workers large enough to meet its needs. However, it has become more and more difficult to recruit engineers—above all for development assignments, because salaries obtainable on the market are above Jungheinrich's pay scales—substantially so in some cases.

### **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. Moreover, a supplementary financing platform was created in 2010 in order to place corresponding refinancing on the capital market. 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 last year either, despite the difficult conditions prevailing on the market. The main reasons were the extensive credit checks carried out before concluding the agreements as well as revolving checks performed during the contractual period. In some cases, credit insurance is taken out in order to cover concentration risks. Furthermore, truck returns prematurely accepted by operating sales units are marketed in cooperation with the 'Financial Services' Division under firm return conditions. The professional marketing of used equipment within the Jungheinrich organization via the Europe-wide direct sales system and its supplementary 'Supralift' internet platform give Jungheinrich an outstanding set of reselling tools.

#### Residual value risk

The internal residual value guarantee offered by Sales to the 'Financial Services' Division gives rise to opportunities and risks from the resale of truck returns by the operating sales units. These residual value guarantees are calculated by the Used Equipment Division, which is assigned to Sales, on the basis of a conservative groupwide standard for maximum allowable residual values. Risks associated with all financial service agreements are assessed from the perspective of the Jungheinrich Group and of the 'Financial Services' Division. Each individual contract is valued based on the going market price of its residual value once a quarter using the lease database. 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

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

The aftermath of the global financial and economic crisis is not materially affecting Jungheinrich's financing at present. Despite the stricter risk standards of lending institutions, the company's good creditworthiness and robust positioning were valuable assets in securing credit financing for the years ahead. In addition to its short-term lines of credit, Jungheinrich has over €300 million in medium-term credit lines with terms of three years to finance its operating activities. Furthermore, a €100 million promissory note with an original term of five years placed in December 2009 as well as a €55 million promissory note expiring at the end of 2011 will bolster the Group's long-term financing. This ensures that our future growth will have robust financing. Neither the earnings expectations for 2011, 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, spending capital on select 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 existing underlying transactions against interest rate and currency risks. As of December 31, 2010, the Jungheinrich Group had €177 million in currency hedges on its books (prior year: €169 million). Outstanding currency hedges largely have maturities of less than one year. Jungheinrich had €63.8 million in interest rate hedges for underlying transactions on its books as of December 31, 2010 (prior year: €54.0 million).

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. Two lawsuits are pending in connection with the replacement of the dealer organization in the USA. Otherwise, the company is not facing any material risks associated with litigation with third parties.

## Events after the close of fiscal 2010

No transactions or events of major importance to the Jungheinrich Group occurred after the end of the 2010 financial year.

## Outlook and opportunities

Based on the growth forecasts issued by leading economic research institutes with respect to the development of the world economy, Jungheinrich expects that the global economy will continue to recover in 2011, albeit still exhibiting regional differences. However, if only because of the high growth rates witnessed in 2010, there is likely to be a considerable loss in growth momentum as the extensive stimulus packages adopted the world over—which have buoyed the economic upswing thus far—are phased out. Whereas western industrialized nations are anticipated to post relatively moderate growth, expansion in Eastern Europe should be more pronounced. The economies of Asia and Latin America, driven primarily by countries such as China and Brazil, will probably maintain their strong course for growth. As a result, the development of the Chinese economy should continue to serve as the engine of world trade, even if it weakens. These growth prognoses do not consider any effects political changes in North African countries may potentially have on the economy.

### Growth rates of select economic regions

Gross domestic product in %

<b>Region</b>	<b>Forecast 2011</b>	<b>Forecast 2012</b>
World	4.4	4.5
USA	4.0	3.5
China	8.2	7.5
Eurozone	1.7	1.8
Germany	3.0	2.5

Source: Commerzbank, IMF (last updated in February 2011).

The material handling equipment industry's prospects remain bright in view of the stable economic environment. Following the significant catch-up effect in 2010, however, the market is likely to lose momentum. Jungheinrich expects the world market for material handling equipment to expand by some 10 per cent in terms of units to approximately 870 thousand trucks. This would bring the figure close to the level witnessed before the crisis in 2008. This market growth will probably play out in all sales markets, albeit with regional differences. Rates of increase in the Asian and Latin American sales regions are expected to exceed those in Europe and North America, in line with the development of the market experienced so far. As the latter regions have not yet reached the end of their recovery phase since the recession, they still have bigger potential for growth. Europe's market trend may benefit from stronger growth in Eastern Europe. Last year, counterbalanced trucks posted much higher gains than warehousing equipment, but this year, the two product segments should make equal contributions to the market's growth. New sales opportunities will arise for the Jungheinrich Group as a result of the market's development as well as the counterbalanced trucks and warehousing equipment newly introduced to the market. Therefore, Jungheinrich anticipates that its business performance in 2011 will be favourable overall. If the global market expands as predicted, the company expects incoming orders to grow organically to over €1.95 billion and consolidated net sales to climb to more than €1.9 billion. The earnings trend will largely be determined by the increase in demand in new truck business and the plants' production capacity utilization along with the resultant jump in earnings. The high level of orders on hand at the end of 2010 forms a robust basis for this. Burdens will result in 2011 from mounting commodity prices and higher personnel costs, stemming in part from collectively bargained wage agreements. Nevertheless, the expansion in business volume in conjunction with a rise in plant capacity utilization and further efficiency enhancements as well as product price increases will cause operating income to surpass last year's level.

After a year of consolidation and earnings improvements, Jungheinrich's 2011 financial year will be dominated by growth and shaping the future. The reengineering of production processes at the Norderstedt factory, focussing on the completion and commissioning of a new powder coating facility will lead to a sustainable improvement in the efficiency of the production of warehousing equipment at this site. Among the further future-oriented key investment areas is the planned construction of the Qingpu plant in China to supply the Asian market with products tailored to suit the region's needs. Building activity is scheduled to start in the second half of 2011.

As one of the world's leading companies in the field of material handling, warehousing and material flow technology, Jungheinrich will maintain its high level of development activity going forward as well. This applies to the fundamental engineering of key technologies throughout the Group, among other things and

includes drive technologies as well as market-specific product developments. In 2011, the company will furnish proof of its ability to deliver as an intralogistics service and solution provider with manufacturing operations and showcase numerous new developments—above all in May, at CeMAT in Hanover, Germany, the world's largest trade show for the sector. This will strengthen the 'Jungheinrich' brand even more.

As regards sales, Jungheinrich will continue to adapt its worldwide direct sales and service network to regional requirements and strategically expand it in line with market-specific developments in individual cases. The company's financial clout provides an excellent basis from which to rapidly tap strategic growth regions. Moreover, Jungheinrich will make progress in expanding its global dealership business in countries where it does not have proprietary sales companies and expand the sales partnership with MCFA (Mitsubishi Caterpillar Forklift America Inc.) in North America even further. The latter is supported by Jungheinrich's development centre in Houston, which constantly updates the product range for the region and will supplement it by adding new products. Jungheinrich will fortify its logistics systems operations throughout Europe by cooperating closely with Austrian-based software firm ISA GmbH and continue to strengthen its expertise as a system provider. Jungheinrich will take advantage of the opportunities offered by the upturn in all areas to generate lasting, profitable growth. To this end, management intends to improve the company's position on markets in individual regions and enlarge its sales footprint on the Eastern European, Asian and Latin American growth markets. In addition, expanding activities relating to IC engine-power counterbalanced trucks will remain a major point of focus in 2011.

Capital expenditures—excluding spending on the short-term hire and financial services business—will rise substantially year on year and is likely to exceed €60 million. The lion's share will be allocable to our production plants. Furthermore, inroads will be made with regard to the establishment of financing companies in the Netherlands and the expansion of the financial services business in Europe. Our secured corporate financing including the refinancing of the financial services business have laid the foundation for future growth in this respect as well. Opportunities benefiting Jungheinrich's business trend may also arise from the increasing demand in the system business and the more favourable rate of exchange between the euro and the dollar and renminbi. Price-on-price competition in the material handling equipment industry is likely to remain fierce, despite the market's anticipated growth.

Business volume may conceivably expand further in 2012. The prerequisite for this would be that the world economic trend continue as prognosticated. This would provide positive stimulus to the business cycle of the material handling equipment sector and lead to a renewed rise in productivity in our plants through an increase in incoming orders, thus resulting in an improvement to the Jungheinrich Group's earnings trend.

### **General statement concerning the anticipated trend**

The Jungheinrich Group believes it is well equipped for the future and is on course towards returning to its former sales and earning power in the foreseeable future. The basis for this is the success achieved due to the adjustment measures implemented in order to react to the consequences of the financial and economic crisis. Since Jungheinrich has emerged from the crisis a much leaner player, the company will be able to post tangible increases in sales and achieve further efficiency improvements. Moreover, Jungheinrich will become active wherever it can take advantage of sales and earnings opportunities within the framework of its business model over the short term. Our technological engineering skills, focus on a single product brand, our integrated business model and—especially in Europe—our full-coverage proprietary sales and service network flanked by our robust financial power will serve as the basis from which the company will successfully master the challenges imposed on it by the market and the competition. The company has ample financial headroom to finance its future organic growth.

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 of some European countries and North America, the effects of the political turmoil in North Africa—arising especially due to the expected increase in oil prices—and the introduction of competing products.





# Group overview

Shift of production to the Landsberg plant completed

Expansion of sales and production in Asia

'Logistics Systems' Division further strengthened

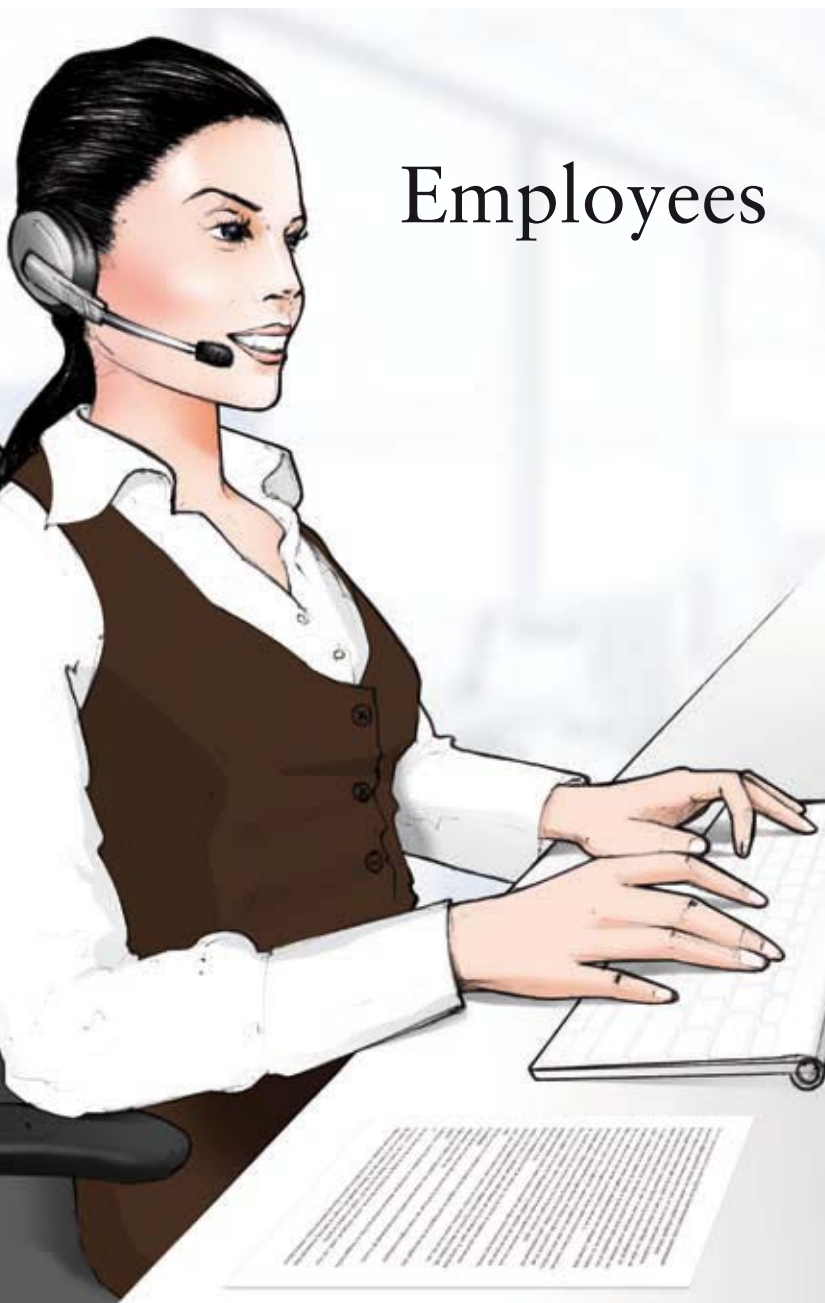
New products for new segments and markets





**J**ungheinrich 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. Fiscal 2010 was characterized by consolidation, growth and earnings improvements. The realignment of manufacturing processes at the Norderstedt site began on completion of the shift of production to the Landsberg plant. Additional points of focus included the expansion of sales and production in Asia as well as the strengthening of the strategic position in the 'Logistics Systems' Division.

**I**nnovative stackers, systems and processes help our customers reduce costs, increase productivity and raise service quality, in particular to improve their competitive edge. Jungheinrich takes a flexible and effective approach to dealing with fluctuations in its customers' internal flow of goods by offering tailor-made, holistic solutions, while considering future trends. Accordingly, in addition to premium-quality material handling equipment and logistics systems, our company's product range encompasses services for the entire field of intralogistics. Jungheinrich is present in approximately 100 countries, in 31 of which it has a powerful, proprietary direct sales and service network.



## Employees

### Headcount trend

As of December 31, 2010, Jungheinrich had 10,138 people on its payroll worldwide (prior year: 10,266), of whom 5,477 (prior year: 5,473) were abroad, while 4,661 (prior year: 4,793) worked in Germany. A total of 2,308 (prior year: 2,388) were production personnel, while 7,830 (prior year: 7,878) worked in sales and administration. The permanent workforce included 300 (prior year: 292) trainees. After-sales services accounted for 46 per cent of the labour force.

### Continuity pays off

Jungheinrich has been covering its growing need for budding professionals from within its own ranks ever since the company was established more than 50 years ago. The foundation for this is provided by a long-term training concept offering qualified and thorough training. Jungheinrich counters the danger of a lack of skilled labour by constantly increasing trainee figures

and offering a varied range of apprenticeable jobs in the fields of commerce and technology. In so doing, we managed to give all our trainees work contracts on the successful conclusion of their programs.

A total of 52 commercial and technical trainees will begin their traineeships at Jungheinrich headquarters, at our Norderstedt production site, and in our German sales organization as of August 1, 2011, embarking on a promising future.

Sandwich courses are becoming increasingly popular. This system alternates between temporary, compact university modules and practical stints in companies, enabling students to apply theoretical content immediately. Their above-average performance underscores the concept's success. In 2010, Jungheinrich trainees ranked among the most successful graduates in their year.

#### Motivate early, retain long-term

In its quest to familiarize young individuals with scientific topics and engineering at an early stage, Jungheinrich has launched the second term of the NaT (Natural Sciences and Technology) initiative. In-school presentations, guided factory tours and job application training sessions aim to kindle the interests of youths in intralogistics in general and the company in particular. It is for this purpose that Jungheinrich teamed up with campaign partners to organize 'Future Day,' a career-orientation project subsidized by the German Education and Research Ministry. The event afforded 80 pupils the opportunity to gain insight into the daily work of Jungheinrich engineers, obtaining extensive information about this field of work in the process.



Besides its conventional applicant marketing activities aiming to recruit skilled workers and high potential, the company is going to great lengths to strengthen its brand image as employer in a process termed 'employer branding.' This involves sharpening the company's profile at universities and other institutions of higher learning. Some 250 qualified and committed students do internships both at home and abroad every year. The students identify themselves with the Jungheinrich brand over the course of these internships, opting to work for the company later on, spurred by its image as employer.

#### Multi-faceted personalities with individual strengths

One of the integral components of the advancement of young professionals in the Jungheinrich organization is the international trainee program. Tailored to individual needs, the modular program offers young talent ideal prerequisites for embarking on the right path towards a successful expert or executive career. Trainees spend time in the sales, technology, finance, human resources, controlling, purchasing and IT departments to learn about the challenging mixture of routine and project work. In addition, they make their first contribution to achieving corporate goals. By absolving stints in each of these demanding areas, they build an international network and obtain a comprehensive overview of the Jungheinrich Group. Thanks to the intensive mentoring, the trainees are well equipped to take on responsible tasks both within and

outside Germany after a maximum of 24 months. The Group's trainee program can currently accommodate 15 positions.

### Jungheinrich is bolstering its image as employer substantially

#### Teamwork crowned by success

Jungheinrich brought 2010 to a successful conclusion, despite the challenging competitive environment. This positive development is in part due to the measures initiated during the recession in 2009 to consolidate the Group on the one hand and to the extremely motivated and committed work done by every single staff member on the other. The Board of Management wishes to express its gratitude for this to them and to Jungheinrich AG's employee representatives.

<b>Employees by function</b>	<b>2010</b>	<b>2009</b>
(As of 12/31)		
After-sales service engineers	3,425	3,428
Factory engineers	176	197
Production	1,381	1,481
Sales agents	742	763
Office staff	3,976	3,995
Temporary workers	138	110
Trainees	300	292
<b>Total</b>	<b>10,138</b>	<b>10,266</b>

# Technological innovations

As one of the world's leading companies in the fields of material handling equipment, warehousing and material flow technology, Jungheinrich maintained its high level of engineering work last year as well. The focal points of this activity were the gradual modernization and expansion of the product range. Once again, one of the main drivers of fundamental development work was energy efficiency, an issue which is gaining increasing significance as a competitive factor. Drive technologies employed today still harbour potential in terms of making better use of energy. Time and again, the company has confirmed the premier position it has achieved in this field, as proven by independent comparative measurements. Centre stage is always taken by the benefit to customers, to whom the total cost of the intralogistics system they use is pivotal. In addition to the purchasing cost, this expense includes maintenance and energy costs as well. Another factor is the performance of the system, which affects productivity and, in turn, manpower deployment and costs. New technologies must be gauged by these parameters and replace existing technologies if they have a lower total cost of ownership when in use. Lithium-ion batteries have the potential for meeting this condition in the future. Against this backdrop, another series of investigations was conducted in the period under review, in order to test the performance and economic feasibility of this innovative battery technology under real working conditions.

## Our high level of development work was maintained

Further innovative products were engineered in 2010 and will be presented to an international audience of experts at CeMAT, the world's largest trade show for the sector, in May 2011. Among the novel developments is a warehouse navigation system appropriate for use in wide aisles (and thus in the storage feed area), the driverless Jungheinrich Auto Pallet Mover (APM) transport system—a truck capable of driving through warehouses without an operator—and a stacker guidance system that employs intelligent strategies to avoid unnecessary load-free truck routes in the warehouse.

The current generation of Jungheinrich ETX 513/515 transverse-seat/three-way stackers was given a facelift with a view to making it even more effective in narrow-aisle warehouses.

Information on additional product novelties in the period being reviewed can be gleaned from the following paragraphs:

**ETV Q: new generation of multi-directional reach trucks**  
Jungheinrich showcased a new generation of multi-directional reach trucks by introducing a pilot series forklift in April at bauma, the world's largest expert construction equipment trade show. This innovative forklift enables the economical storage and transport of long loads in very tight spaces. The Jungheinrich battery-powered multi-directional ETV Q20/Q25 reach truck is equipped with electronically controlled all-wheel steering. Thanks to its standard 360-degree steering, this truck

is capable of travelling in virtually any direction. The forklift's high manoeuvrability allows for quick changes in direction and transporting payloads of up to eight metres in length in narrow aisles. A total of five different travel programs are available for optimized wheel positioning, including 'modified normal operation.' The program reduces the already small turning radius of the multi-directional truck by up to 34 per cent, thanks to simultaneous load wheel steering. This high degree of flexibility translates into smaller aisle width requirements, while at the same time supporting higher handling turnover rates. The forklift has been successful on the market since the autumn of 2010.

#### **EJC 212z/214z/216z: new generation of pedestrian controlled stackers with support arm lift**

At the beginning of 2011, a new generation of battery-powered stackers with support arm lifts replaced the existing truck series. The forklifts represent the EJC 212z/214z/216z line and are part of the new platform concept at the Norderstedt manufacturing site. Thanks to a new payload-capacity concept, these stackers can be deployed by customers with substantially

#### **The new battery-powered pedestrian-controlled trucks enable handling turnover rates to double**

more flexibility than before. What makes these EJC trucks so special is the support arm lift. The additional floor clearance gained by lifting the support arms allows the operator to effortlessly cope with conventional warehouse obstacles like ramps, metal bridging tracks and loading ramps—and of course the usual uneven floors. These new pedestrian trucks from Jungheinrich are especially deployable for stacking and retrieving. Thanks to the environmentally-friendly, maintenance-free Jungheinrich three-phase AC technology, the EJC is not only economical to operate, but also high-performing. Achieving lifting heights of substantially more than five metres, high residual weight capacities, fast acceleration and above-average operating times, these trucks guarantee extremely high handling turnover rates. A special option for the stacker series allows the operator to transport two pallets at a time. This puts the customer in a position to essentially double handling turnover rates.

#### **UPC/IPC: new shuttles for compact storage systems**

In the summer of 2010, Jungheinrich launched a new pallet carrier designed for deployment in compact shuttle storage





systems. Dubbed an 'Under Pallet Carrier' (UPC), it is an ideal supplement to the DIS Drive-in System, which has been successful in the marketplace for a number of years. Following the addition of the UPC, the Drive-in System is now available under the model designation 'In Pallet Carrier' (IPC). Shuttle systems enable storage in highly compact channel racking systems. This is made possible by autonomous load shuttles which load pallets into the rack channels on their own. The IPC loads the pallets onto its own forks and can be easily docked onto reach trucks, counterbalanced trucks or narrow-aisle trucks if need be. This is the most economical system, especially for short channels and order picking. In contrast, the UPC is primarily geared to storage systems that employ long channels needing to be continuously filled and emptied. Jungheinrich is thus the only company to offer both shuttle systems, satisfying the most diverse customer needs. Any currently available stacker with sufficient residual payload capacity can serve as a carrier. In principle, all Jungheinrich trucks with an FEM fork carriage are suitable. This ensures deployment in both narrow and wide aisles.

**IPC and UPC:  
Jungheinrich  
is the only  
supplier to  
offer both  
shuttle systems**

**SILENT DRIVE: noise-optimized version of the EJE**

Jungheinrich launched the EJE 116 SILENT DRIVE in March 2010. This is the noise-optimized variant of the EJE 116 type high-platform truck which has been popular for years—especially among retail customers. It is often used when deliveries are made (in the morning) to supermarkets located in residential areas and when stocking grocery stores during opening hours. The reduction in noise levels was the result of a series of technical modifications. The hoods of the pallet truck, for example, have been damped in order to modify the pallet truck's natural frequency and thus reduce resonance noise. And with a shore hardness of 75, the drive, load and support wheels are especially 'soft,' helping to reduce the impact load while the truck is in operation. A special, optionally available triple load roller reduces noise generated when driving on tiled floors or floors with numerous seams. The design engineers of the EJE 116 SILENT DRIVE truck took particular care to employ a low-noise pump, which has moreover been decoupled from the frame to ensure that vibration noise can no longer be transmitted to the frame.



# Logistics services



## Logistics systems

The 'Logistics Systems' business area maintained its course for growth in 2010. The unit's core competencies include the planning, project development and implementation of tailor-made complete solutions—be it manually operable warehousing systems with material handling equipment, racks, warehouse management software and wireless data communications, fully automated storage systems with rack feeders and material handling technology or combinations of the two. Warehousing systems can now be managed more efficiently, thanks to the expansion of the portfolio of offerings built around the Warehouse Management System (WMS) carried out with the software firm ISA.

Another product launched was the 'Under Pallet Carrier' (UPC), the aforementioned new shuttle system allowing numerous logistics customers, e.g. in Russia and the Netherlands, to substantially increase handling turnover rates.

Jungheinrich's warehouse navigation for narrow-aisle systems has long proven itself. Material handling equipment uses the

system to receive target coordinates of the next pallet slot from the Jungheinrich WMS, approaches the slot via the fastest route, and feeds or removes the target pallet. Warehouse operators have recorded efficiency enhancements

of up to 25 per cent. More than 300 trucks have shipped with this option thus far.

Project highlights in the year under review included UPC orders for a total of ten carriers placed by Universal Service and Resurs in Russia as well as the setup of a fully automated high-rack warehouse for Phoenix Mecano in Hungary and for Henkel in Russia. Moreover, we planned, equipped and started operating a variety of additional distribution centres in Europe.

### Short-term hire and used equipment

Business with used and short-term hire equipment benefited in particular from Europe's economic recovery. Demand rose considerably above all in the second half of 2010, resulting in a significant overall increase in net sales.

On successful consolidation of the short-term hire fleet in stock, we achieved a high utilization rate for the approximately 23,000 trucks around the world. Once again, the combination of the transparency of items in stock and their cross-country availability with the logistically and precisely coordinated deployment process chain were the key success factors.

As before, our resolute focus on the end-customer market in the used equipment business paid off. We posted a rise in the number of industrially reconditioned forklifts sold in 2010 compared to the preceding year, not least because truck availability in the used equipment centre in Klipphausen near Dresden (Saxony) was in line with market needs. Of decisive nature in this business besides uniform quality standards is—first and foremost—rapid deliverability.

Since demand for short-term hire and used equipment is rising on the internet, one of the focal points in the year being reviewed was the redesign of relevant web pages and the optimization of the search engine. Thanks to these measures, there was a marked rise in page visits and specific inquiries.

### After-sales services

Our after-sales service operations made use of the first half of 2010 to further stabilize the organization after the economic

crisis. In this context, the high proportion of services provided from a single source again proved to be the prime asset of Jungheinrich's integrated business model. Our densely spun network encompassing over 3,400 after-sales service technicians throughout Europe and our high spare parts availability are a convincing proposition for numerous of our existing and new customers. They cover their intralogistics service needs through Jungheinrich. This was reflected in the business trend—above all in the second half of the year.

### Financial services

The Jungheinrich Group's financial services activities displayed positive developments although the economic environment was still difficult in the period under review. Customized financing solutions in the form of usage transfers and sales financing are an integral component of the portfolio of services we offer on both a national and international basis. Innovative financing offerings and flexibility are capitalized on to tap further markets and win customers. Accordingly, the company plans to expand its proprietary financial services companies on markets of relevance to Jungheinrich and gradually establish new companies in additional countries.

### Mail-order business

Jungheinrich PROFISHOP recorded significant gains in net sales, thereby enlarging its share of the market for mail-ordered factory equipment.

Besides refining its e-commerce (online retailing and wholesaling), a tool successfully used to attract new customers, the product range was increased to 36,000 items. One of the focal points of marketing in 2010 was products from PROFISHOP's core business, including pallet trucks and racks. Furthermore, offerings in other areas of the assortment were brought more in line with the needs of targeted customer groups.

## Demand for short-term hire and used equipment rose

# International projects



## **Knorr-Bremse: simple material handling connections**

The Knorr-Bremse Group is the world leader in the manufacture of braking systems for railroad and commercial vehicles. In its role as technological pace-setter, the company has been instrumental to the progress made in the development, production, sales and servicing of modern braking systems. Further areas of production are door systems and air conditioning installations for rail vehicles as well as torsional vibration dampers for internal combustion engines.

The company manufactures bogie equipment components for rail vehicles, nearly the entire range of freight car equipment components and individual ventilation parts in its new factory at its Budapest (Hungary) location, which extends over 30,000 square metres.

In the plant's warehouse, Knorr-Bremse relies on tailor-made solutions by Jungheinrich to ensure simple material handling connections. The four alleys of the narrow-aisle warehouse are roamed by type EKX 515k high-rack stackers, equipped with warehouse navigation technology and a logistics interface, on routes to and from a total of 4,200 latticed box slots. They supply goods to the variety of forklifts in the feed area. In addition to the shelves, Jungheinrich's Moosburg (Bavaria) logistics system project task force installed extensive material handling technology for the pallets and containers on commission from the customer.

## **New logistics centre for Blickle**

Over more than 55 years, Blickle evolved into one of the world's leading wheel and roller manufacturers. Active at sites in more than 90 countries, the group employs in excess of 600 personnel, over 400 of whom work at corporate headquarters in Rosenfeld in the vicinity of Stuttgart. Due to the company's

steady growth, a new logistics centre was established at that location, complementing Blickle's French branch factory in Lyon, and encompassing an automated pallet warehouse with 15,300 slots and six rack devices, a small parts warehouse with 27,200 storage spaces and two rack devices as well as state-of-the-art material handling technology. All warehouse processes are controlled by the 'Jungheinrich WMS' warehouse management system.

Jungheinrich assisted Blickle during the construction phase as partner with overall responsibility—from the plan and concept, the coordination and organization of all logistical work assignments in the implementation phase to the handover of the turn 'key' solution.

#### **DEDON: bespoke solution for the furniture industry**

A manufacturer of innovative and exclusive outdoor furniture domiciled in Lüneburg near Hamburg, DEDON ranks among the world's premier suppliers in the sector. DEDON furniture is conceived of by international designers and manufactured by hand on the Philippine island of Cebu to German quality standards following the local tradition of wickerwork artists. The company is active in 80 countries and owns firms in Europe, Asia and the USA. Jungheinrich set up a new central warehouse for DEDON in Winsen (Luhe). One of the biggest challenges involved adapting the narrow and wide aisles to accommodate both conventional euro pallets as well as furniture

corletts. Included in the project's scope alongside racks and various pieces of material handling equipment were warehouse navigation and forklift guidance systems. Furthermore, the warehouse was fitted with the heart of modern logistics systems: the 'Jungheinrich WMS' warehouse management system, in addition to terminal and wireless data communications infrastructure including 22 access points.





## Production sites

**T**he resurgence in demand for material handling equipment experienced in the wake of the economic recovery had a positive impact on plant capacity utilization. Short-time work introduced at our Norderstedt and Moosburg manufacturing sites at the beginning of 2009 declined step by step, before being phased out nearly completely.

By the middle of 2010, the new battery-powered low platform truck plant in Landsberg was ramped up on schedule, capable of manufacturing up to 30,000 trucks a year. On completion of the transfer of certain product lines from

Norderstedt to Landsberg (Saxony-Anhalt), work on realigning manufacturing processes began at the former site. This involved a new powder coating plant beginning a trial run, designed taking account of absolutely up-to-date environmental aspects. Making use of it will ensure that the lion's share of the powder coating work is completed automatically, with only a small portion being done by hand. This high degree of automation translates into a major rise in process security and a huge increase in energy efficiency. Furthermore, preparations were made in the





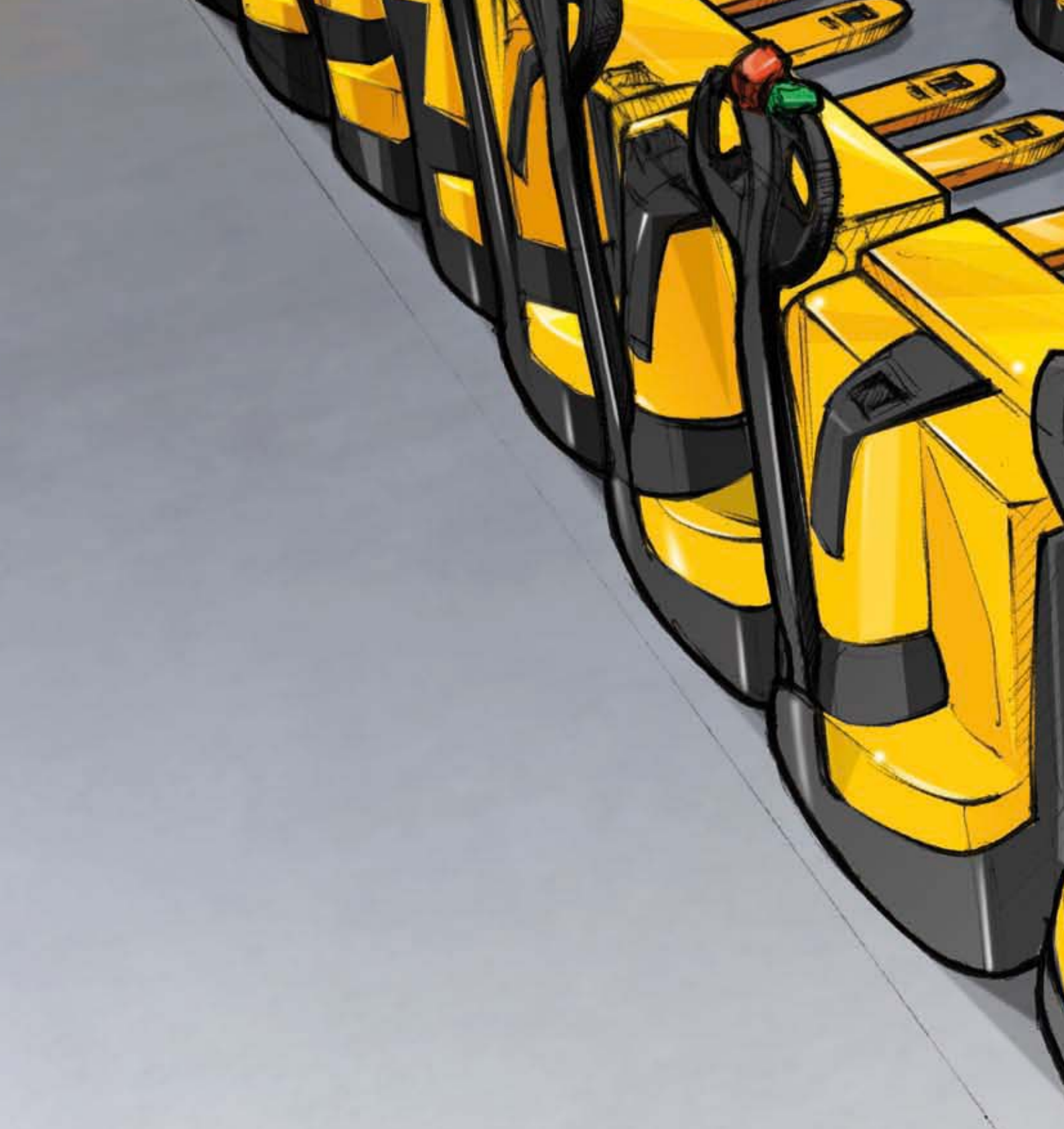
year under review for the installation of a new robot welding facility, the first cell of which was commissioned at the beginning of this year.

Figuring among yet other focal points of investment in the financial year that just ended was the expansion of the plant in Qingpu (China) triggered by the intensified sales activity in Asia. The strategic objective here is to supply the market with products tailored to suit the region's needs. At present, low-platform and battery-powered counterbalanced trucks are being manufactured at the production plant in the vicinity of

Shanghai. Additional forklift variants will follow and position the Jungheinrich brand even better in a sales territory that is important to the sector.

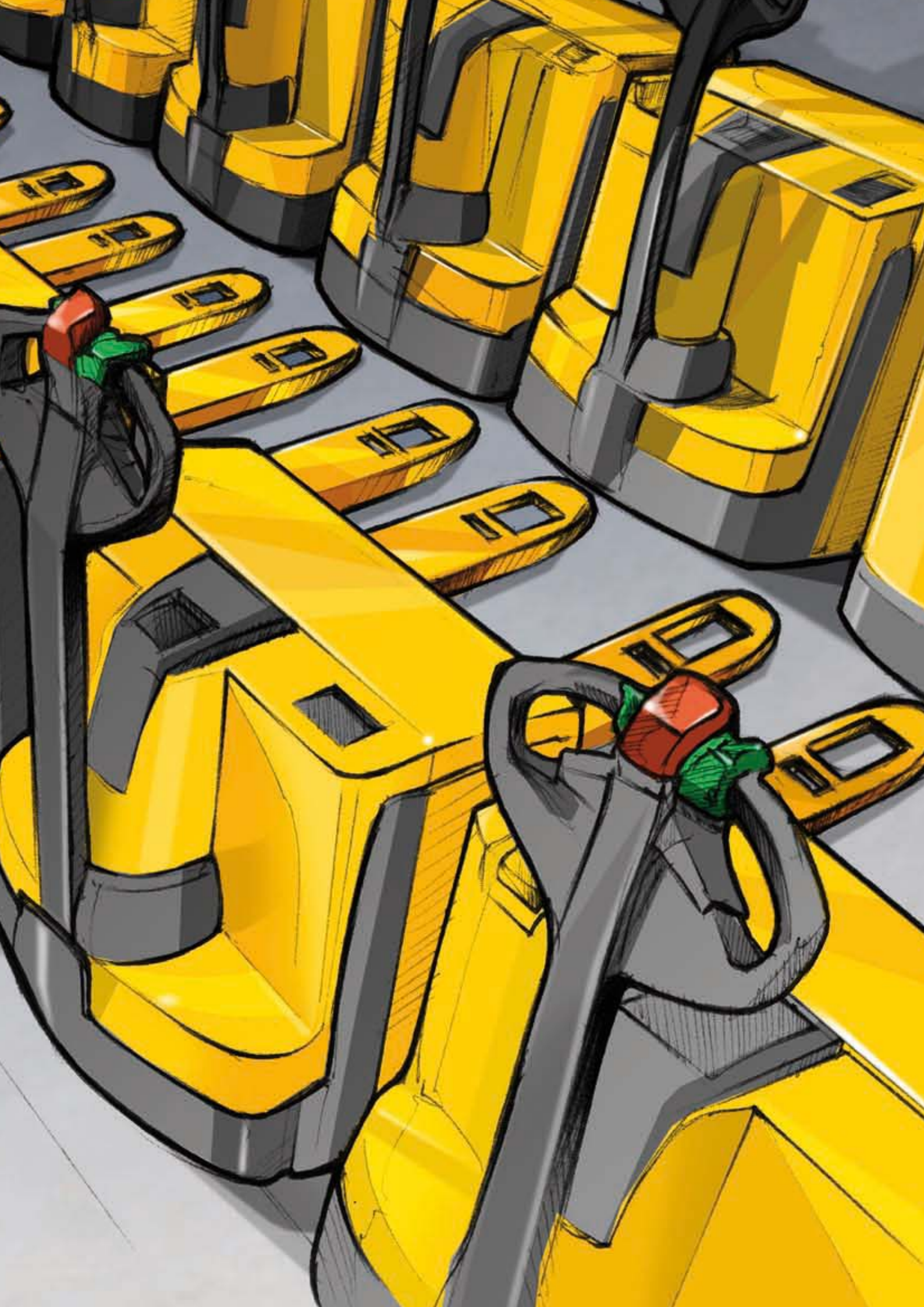
A promising start was put in by the still young partnership between Jungheinrich and MCFA (Mitsubishi Caterpillar Forklift America Inc.) in North America. The other entity involved was Jungheinrich's own development centre in Houston, Texas (USA), which is responsible for engineering warehousing equipment for the North American market.





# Consolidated financial statements





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

	Notes	Jungheinrich Group		Intralogistics <sup>1,2</sup>		Financial Services <sup>2</sup>	
		2010 in thousand €	2009 in thousand €	2010 in thousand €	2009 in thousand €	2010 in thousand €	2009 in thousand €
<b>Net sales</b>	(3)	<b>1,816,192</b>	<b>1,676,695</b>	<b>1,420,563</b>	<b>1,298,877</b>	<b>395,629</b>	<b>377,818</b>
Cost of sales	(4)	1,279,787	1,290,801	882,351	909,853	397,436	380,948
<b>Gross profit on sales</b>		<b>536,405</b>	<b>385,894</b>	<b>538,212</b>	<b>389,024</b>	<b>-1,807</b>	<b>-3,130</b>
Selling expenses		380,533	375,919	375,472	370,555	5,061	5,364
Research and development costs	(12)	35,598	48,744	35,598	48,744	-	-
General administrative expenses		26,549	27,543	26,549	27,543	-	-
Other operating income	(7)	4,468	4,558	3,942	4,102	526	456
Other operating expenses	(8)	3,655	8,552	3,653	8,434	2	118
Income (loss) from companies accounted for using the equity method	(16)	3,056	-1,276	3,056	-1,276	-	-
Other net income (loss) from investments	(9)	-	-150	-	-150	-	-
<b>Earnings before interest and income taxes</b>		<b>97,594</b>	<b>-71,732</b>	<b>103,938</b>	<b>-63,576</b>	<b>-6,344</b>	<b>-8,156</b>
Financial income (loss)	(10)	-1,753	-2,749	-14,032	-12,265	12,279	9,516
<b>Earnings before taxes</b>		<b>95,841</b>	<b>-74,481</b>	<b>89,906</b>	<b>-75,841</b>	<b>5,935</b>	<b>1,360</b>
Income taxes	(11)	13,502	-19,303				
<b>Net income (loss)</b>		<b>82,339</b>	<b>-55,178</b>				
<b>Earnings per share in € (diluted/undiluted)</b>	(38)						
<b>Ordinary shares</b>		<b>2.39</b>	<b>-1.65</b>				
<b>Preferred shares</b>		<b>2.45</b>	<b>-1.59</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 €	2010	2009
<b>Net income (loss)</b>	<b>82,339</b>	<b>-55,178</b>
Derivative financial instruments		
Unrealized gains/losses	-5,849	-5,336
Realized gains/losses	4,528	-1,923
Deferred taxes	532	260
Currency translation adjustment		
Unrealized gains/losses	6,452	1,318
Realized gains/losses	-	-3
<b>Other income (loss) after-tax</b>	<b>5,663</b>	<b>-5,684</b>
<b>Comprehensive income (loss)</b>	<b>88,002</b>	<b>-60,862</b>

## Consolidated balance sheet

### Assets

Notes	Jungheinrich Group		Intralogistics <sup>1,2</sup>		Financial Services <sup>2</sup>	
	12/31/2010	12/31/2009	12/31/2010	12/31/2009	12/31/2010	12/31/2009
	in thousand €	in thousand €	in thousand €	in thousand €	in thousand €	in thousand €
<b>Non-current assets</b>						
Intangible assets (12)	26,396	25,934	26,387	25,932	9	2
Tangible assets (13)	275,289	278,728	275,277	278,717	12	11
Trucks for short-term hire (14)	159,125	141,123	159,125	141,123	–	–
Trucks for lease from financial services (15)	203,850	199,536	(56,671)	(54,563)	260,521	254,099
Investments in companies accounted for using the equity method (16)	14,312	11,566	14,312	11,566	–	–
Other financial assets (16)	415	418	415	418	–	–
Trade accounts receivable (18)	7,439	7,782	7,439	7,782	–	–
Receivables from financial services (19)	341,563	333,317	–	–	341,563	333,317
Other receivables and other assets (20)	9,285	–	9,285	–	–	–
Securities (21)	–	30,078	–	30,078	–	–
Prepaid expenses (23)	273	351	(4,696)	(2,848)	4,969	3,199
Deferred tax assets (11)	62,813	58,348	62,620	58,059	193	289
	<b>1,100,760</b>	<b>1,087,181</b>	<b>493,493</b>	<b>496,264</b>	<b>607,267</b>	<b>590,917</b>
<b>Current assets</b>						
Inventories (17)	197,644	172,833	172,821	155,976	24,823	16,857
Trade accounts receivable (18)	355,118	305,331	307,227	257,202	47,891	48,129
Receivables from financial services (19)	154,590	143,588	–	–	154,590	143,588
Income tax receivables	8,161	7,402	7,183	7,402	978	–
Other receivables and other assets (20)	20,966	23,616	(26,362)	(21,782)	47,328	45,398
Securities (21)	100,700	35,002	100,700	35,002	–	–
Liquid assets (22)	448,716	423,546	435,983	414,245	12,733	9,301
Prepaid expenses (23)	7,595	8,173	3,702	5,744	3,893	2,429
	<b>1,293,490</b>	<b>1,119,491</b>	<b>1,001,254</b>	<b>853,789</b>	<b>292,236</b>	<b>265,702</b>
	<b>2,394,250</b>	<b>2,206,672</b>	<b>1,494,747</b>	<b>1,350,053</b>	<b>899,503</b>	<b>856,619</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>	
		12/31/2010	12/31/2009	12/31/2010	12/31/2009	12/31/2010	12/31/2009
		in thousand €	in thousand €	in thousand €	in thousand €	in thousand €	in thousand €
<b>Shareholders' equity</b>	(24)						
Subscribed capital		102,000	102,000	95,217	96,197	6,783	5,803
Capital reserve		78,385	78,385	78,350	78,350	35	35
Retained earnings		428,095	347,676	417,043	336,120	11,052	11,556
Accumulated other comprehensive income (loss)		24,167	18,504	23,867	18,477	300	27
		<b>632,647</b>	<b>546,565</b>	<b>614,477</b>	<b>529,144</b>	<b>18,170</b>	<b>17,421</b>
<b>Non-current liabilities</b>							
Provisions for pensions and similar obligations	(25)	144,377	143,216	144,338	143,179	39	37
Other non-current provisions	(26)	54,682	57,695	53,948	56,941	734	754
Deferred tax liabilities	(11)	8,188	7,301	4,507	1,108	3,681	6,193
Financial liabilities	(27)	184,569	253,128	184,569	253,128	–	–
Liabilities from financial services	(28)	499,441	471,113	–	–	499,441	471,113
Deferred income	(31)	70,924	72,040	30,290	24,212	40,634	47,828
		<b>962,181</b>	<b>1,004,493</b>	<b>417,652</b>	<b>478,568</b>	<b>544,529</b>	<b>525,925</b>
<b>Current liabilities</b>							
Income tax liabilities		3,593	4,422	3,073	3,207	520	1,215
Other current provisions	(26)	151,913	139,540	151,003	138,443	910	1,097
Financial liabilities	(27)	161,776	117,115	160,345	113,790	1,431	3,325
Liabilities from financial services	(28)	215,674	196,722	–	–	215,674	196,722
Trade accounts payable	(29)	146,130	96,222	68,903	35,249	77,227	60,973
Other liabilities	(30)	82,647	64,000	65,482	40,903	17,165	23,097
Deferred income	(31)	37,689	37,593	13,812	10,749	23,877	26,844
		<b>799,422</b>	<b>655,614</b>	<b>462,618</b>	<b>342,341</b>	<b>336,804</b>	<b>313,273</b>
		<b>2,394,250</b>	<b>2,206,672</b>	<b>1,494,747</b>	<b>1,350,053</b>	<b>899,503</b>	<b>856,619</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

in thousand €	2010	2009
Net income (loss)	82,339	-55,178
Depreciation and amortization of and impairment losses on tangible and intangible assets	45,399	59,560
Depreciation of trucks for short-term hire and lease	96,146	109,400
Impairment losses on financial assets	3	2,658
Changes in provisions	10,521	50,159
Changes in trucks for short-term hire and trucks for lease (excluding depreciation)	-111,041	-55,921
Income/loss from the disposal of tangible and financial as well as intangible assets	228	888
Results from equity accounting	-2,614	-1,224
Changes in deferred tax assets and liabilities	-3,578	-31,924
Changes in other balance sheet items		
Inventories	-24,811	74,060
Trade accounts receivable	-49,444	82,070
Receivables from financial services	-19,248	-17,041
Trade accounts payable	49,908	-20,672
Liabilities from financial services	47,280	24,664
Liabilities from financing trucks for short-term hire	-7,591	281
Other operating assets	-13,582	1,489
Other operating liabilities	12,976	-16,377
<b>Cash flows from operating activities</b>	<b>112,891</b>	<b>206,892</b>
Payments for investments in tangible and intangible assets	-41,147	-52,562
Proceeds from the disposal of tangible and intangible assets	1,606	2,279
Payments for the purchase/proceeds from the disposal of financial assets	-133	-2,057
Payments for the purchase/proceeds from the sale of securities	-35,620	-1,625
<b>Cash flows from investing activities</b>	<b>-75,294</b>	<b>-53,965</b>
Dividends paid	-1,920	-17,620
Changes in short-term liabilities due to banks	-8,664	-14,693
Proceeds from obtaining long-term financial loans	693	110,682
Repayment of long-term financial loans	-4,515	-7,302
<b>Cash flows from financing activities</b>	<b>-14,406</b>	<b>71,067</b>
<b>Net cash changes in cash and cash equivalents</b>	<b>23,191</b>	<b>223,994</b>
Changes in cash and cash equivalents due to changes in exchange rates	2,253	1,248
<b>Changes in cash and cash equivalents</b>	<b>25,444</b>	<b>225,242</b>
<b>Cash and cash equivalents as of 01/01</b>	<b>421,061</b>	<b>195,819</b>
<b>Cash and cash equivalents as of 12/31</b>	<b>446,505</b>	<b>421,061</b>

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

in thousand €	2010	2009
Interest paid	50,361	46,408
Interest received	40,547	38,246
Income taxes	17,356	22,551

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 01/01/2010</b>	<b>102,000</b>	<b>78,385</b>	<b>347,676</b>	<b>18,745</b>	<b>-241</b>	<b>546,565</b>
Dividend for the prior year	–	–	–1,920	–	–	–1,920
Comprehensive income (loss) in 2010	–	–	82,339	6,452	–789	88,002
<b>As of 12/31/2010</b>	<b>102,000</b>	<b>78,385</b>	<b>428,095</b>	<b>25,197</b>	<b>-1,030</b>	<b>632,647</b>
<b>As of 01/01/2009</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 (loss) in 2009	–	–	–55,178	1,315	–6,999	–60,862
<b>As of 12/31/2009</b>	<b>102,000</b>	<b>78,385</b>	<b>347,676</b>	<b>18,745</b>	<b>-241</b>	<b>546,565</b>

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

## Notes to the consolidated financial statements

### (1) Purpose of the company

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

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

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

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

Jungheinrich maintains a large and close-knit direct marketing network with 17 sales and distribution centres/branch establishments in Germany and 25 company-owned sales and service companies in other European countries. Further foreign companies are located in Brazil, China, Singapore and Thailand. Jungheinrich product distribution in North America is handled by an exclusive distribution partner.

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, 2010, 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, 2010, were approved for publication by the Board of Management on March 11, 2011.



## 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:

	Exchange rate at the balance sheet date		Annual average exchange rate	
	12/31/2010	12/31/2009	2010	2009
<b>Currency</b>	Basis 1 €			
GBP	0.86075	0.88810	0.85784	0.89094
CHF	1.25040	1.48360	1.38030	1.51000
PLN	3.97500	4.10450	3.99470	4.32760
NOK	7.80000	8.30000	8.00430	8.72780
SEK	8.96550	10.25200	9.53730	10.61910
DKK	7.45350	7.44180	7.44730	7.44620
CZK	25.06100	26.47300	25.28400	26.43500
TRY	2.06940	2.15470	1.99650	2.16310
RUB	40.82000	43.15400	40.26290	44.13760
HUF	277.95000	270.42000	275.48000	280.33000
CNY	8.82200	9.83500	8.97120	9.52770
USD	1.33620	1.44060	1.32570	1.39480

### 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 2010 and 2009 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. It is subjected to an impairment test at least once a year.

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

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

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

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

### Trucks for short-term hire

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

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

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

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

### Leasing and financial services

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

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

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

These long-term customer contracts ('finance leases' and 'operating leases') are financed by loans with maturities identical to those of the contracts. They are stated on the liabilities side under liabilities from financing in the item 'liabilities from financial services'. Besides truck-related loan financing, proceeds from the sale of future leasing rates from intragroup usage right agreements in the Jungheinrich Group are deferred as liabilities from financing and dissolved over the period of the usage right using the effective interest method. In addition, Jungheinrich started financing itself via Elbe River Capital S.A., Luxembourg, a company newly established exclusively for this purpose, starting at the end of 2010. In the future, this refinancing firm will buy all lease instalments from intragroup usage transfer agreements that fall due and refinance itself through issuance of promissory notes. Furthermore, trucks for lease are financed using the sale and leaseback method. Resulting gains from sales are deferred correspondingly and distributed over the period of the lease agreement with an effect on net income.

In the case of customer contracts with a leasing company acting as intermediary, the economic ownership lies with Jungheinrich Group companies due to the agreed residual value guarantee that accounts for more than 10 per cent of the value of the truck, so that according to IFRS, these trucks, which are sold to leasing companies, must be capitalized as trucks for lease from financial services. When they are capitalized, sales proceeds are recorded as 'deferred sales from financial services' under deferred income on the

liabilities side. Trucks for lease are depreciated over the term of the underlying leases between the leasing companies and the end customer. Deferred sales proceeds are dissolved using the straight-line method with an effect on sales until the residual value guarantee expires. Obligations from residual value guarantees are stated under the item 'liabilities from financial services'.

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

### Financial instruments

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

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

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

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

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

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

### Receivables

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

Amortized acquisition costs for trade accounts receivable correspond to the nominal value after the deduction of 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 financial 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 3 months.

### **Inventories**

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

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

### **Deferred taxes**

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

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

### **Accumulated other comprehensive income (loss)**

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

## Provisions

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

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

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

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

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

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

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

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

## Classification of accounts

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

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



## Estimates

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

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

Following the global financial and economic crisis, which was largely overcome in the preceding year, developments in the 2010 reporting period were dominated by the dynamic recovery of the world economy. The economy's revitalization that began in the second half of 2009 carried over into the first quarter of 2010, displaying varying momentum from one region to the next. A strong, self-supporting global upswing could not yet be identified at this early stage. The world economy maintained its course for recovery in the second quarter of 2010, with the regional differences becoming more pronounced. In Europe, economic prospects remained subdued in view of the debt crisis, to which the European Union had reacted with a 750 billion-euro stability program. Irrespective of this, the global economy continued to trend upward to varying degrees from a regional perspective in the second half of 2010, accelerating its growth in the final quarter. Despite the uncertainty surrounding the after-effects of the financial market and debt crisis, the steady improvement in underlying economic conditions increasingly overshadowed the danger of a relapse into a recession.

In the year under review, the material handling equipment industry benefited significantly from the worldwide economic upturn. The market recovery recorded in the fourth quarter of 2009 continued dynamically over the course of 2010. Emerging sales regions displayed especially strong gains compared to the relatively small market volumes seen in the previous year. Global demand for material handling equipment rose by 45 per cent in the first quarter of 2010, by some 54 per cent in the second quarter, and by another 41 per cent in the second half of 2010. Competitive pressure in the sector remained high despite the market's strong recovery.

After overcoming the worldwide financial and economic crisis, the Jungheinrich Group developed successfully, returning to profitable growth. In the year being reviewed, business performance was characterized by consolidation, growth and earnings improvements. In this context, the rise in demand in new truck business was of significant importance to plant capacity utilization and the resulting contribution to earnings. The global economic recovery had a positive impact on the material handling equipment industry, ensuring growth across all business areas. The recovery was quicker and more substantial than had been expected at the beginning of the year.

Based on the growth forecasts issued by leading economic research institutes concerning the development of the world economy, Jungheinrich estimates that the global economic recovery will continue while still displaying regional differences in fiscal 2011. However, if only due to the high growth rates witnessed in 2010, growth is likely to lose considerable momentum as the comprehensive economic stimulus packages implemented the world over, which have supported the economic upswing so far, are phased out.

After a year of consolidation and earnings improvements, at Jungheinrich, fiscal 2011 will be completely dominated by growth and shaping the future. The Jungheinrich Group believes it is well equipped for the future and is on course towards returning to its former sales and earnings power in the foreseeable future.

The basis for this is the success achieved by the adjustment measures taken in reaction to the financial and economic crisis. As Jungheinrich has emerged from the crisis much leaner, the company will be able to increase sales levels tangibly and achieve further efficiency improvements based on existing structures.

The impairment test performed on assets stated on the Jungheinrich Group's balance sheet as of December 31, 2010 only resulted in material impairment losses on capitalized development costs.

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 2011 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 within the Jungheinrich Group for the first time in the 2010 reporting year.

The new regulations specified by IFRS 3 "Business Combinations" primarily relate to the measurement of minority interests, the accounting of step acquisitions, and the treatment of conditional purchase price components as well as ancillary purchasing costs. Pursuant to the new regulations, minority interests may be measured at fair value (*full goodwill* method) or at the fair value of the identifiable proportionate share of net assets. Step acquisitions are remeasured with an effect on profit or loss at the fair value of the shares held when control is transferred. The adjustment of conditional purchase price components stated as liabilities at the time of purchase must be accounted for with an effect on profit or loss in the future. Ancillary purchasing costs are recognized as an expense when they are incurred. These changes did not have a material impact on the consolidated financial statements.

The material amendments to IAS 27 "Consolidated and Separate Financial Statements" relate to the accounting treatment of transactions which result in a company maintaining or losing a controlling interest. Transactions that do not lead to a loss of control are accounted for as equity transactions without an effect on profit or loss. Remaining shares are measured at the fair value they have at the point in time when the loss of control occurs. These changes did not have an impact on the consolidated financial statements.

The application of amendments to 12 existing standards and interpretations published in the second collection of amendments "Improvements to IFRSs" made within the scope of the annual improvement project in 2009 did not have a material impact on the consolidated financial statements.

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

### Issued accounting regulations not applied in advance

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

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 2 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.

In May 2010, the IASB published the third collection of amendments under “Improvements to IFRSs” as part of the annual improvement project. It primarily contains editorial changes to six existing standards and one interpretation. All these amendments become effective for fiscal years starting on or after January 1, 2011.

In November 2010, the IASB published amendments to IFRS 7 “Financial Instruments: Disclosures.” The revised version of IFRS 7, which becomes effective for fiscal years starting on or after January 1, 2011, mandates additional disclosures in the event of a transfer of financial assets. This additional information is to provide better insight into the risks remaining with the transferring company. It also requires that supplementary statements be made on transactions occurring close to the balance sheet date.

In its Official Journal dated February 19, 2011, the European Union published EU Directive No. 149/2011 dated February 18, 2011 to amend EC Directive No. 1126/2008 concerning the adoption of certain international accounting standards in compliance with EC Directive No. 1606/2002 of the European Parliament and the European Council.

The first-time application of these standards is not expected to have a material impact on the consolidated financial statements.

### 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 now encompasses 45 (prior year: 43) foreign and—as before—13 (prior year: 13) domestic companies. Four companies have been stated on the balance sheet through application of the equity method.

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

### Changes in the basis of consolidation

In the fourth quarter of 2010, the securitization vehicle Elbe River Capital S.A., Luxembourg, was established in order to expand the refinancing of the financial services business within the Jungheinrich Group.

As part of the process of rendering the company structure uniform in the financial services business, Jungheinrich Finance France SAS, Vélizy Villacoublay (France), was founded in the fourth quarter of 2010, analogously to the other countries which have their own financial service companies.

No differential amounts resulted from the first-time consolidation of the two newly established companies.

## Notes to the consolidated statement of income

### (3) Net sales

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

in thousand €	2010	2009
New truck business	914,354	811,101
Income from the short-term hire and sale of used equipment	327,639	304,957
After-sales services	606,705	577,794
<b>Intralogistics</b>	<b>1,848,698</b>	<b>1,693,852</b>
<b>Financial services</b>	<b>395,629</b>	<b>377,818</b>
<b>Segments total</b>	<b>2,244,327</b>	<b>2,071,670</b>
Reconciliation	-428,135	-394,975
<b>Jungheinrich Group</b>	<b>1,816,192</b>	<b>1,676,695</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 €883,908 thousand (prior year: €823,470 thousand).

The cost of materials includes €6,901 thousand in currency losses (prior year: €3,634 thousand in currency gains) 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 €	2010	2009
Wages and salaries	463,050	455,722
Social security contributions	98,375	98,782
Cost of pensions and other benefits		
Defined benefit plans	16,417	13,989
Defined contribution plans	2,183	1,318
Other costs for pensions and other benefits	2,316	2,554
Termination benefits	-3,631	31,796
	<b>578,710</b>	<b>604,161</b>

Termination benefits relate to personnel-adjustment measures adopted in fiscal 2009 at the Norderstedt and Moosburg plants as well as expenses associated with 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 with effect from the end of 2009.

Personnel expenses incurred in 2010 contain €3,631 thousand in income primarily stemming from the implementation of manpower adjustment measures at the Moosburg and Norderstedt factories adopted in the preceding year. €3,519 thousand in income (prior year: an expense of €28,784 thousand) associated with these personnel expenses are included in the cost of sales, and €112 thousand in income (prior year: an expense of €1,595 thousand) are included in the selling costs of the period under review.

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

	<b>2010</b>	<b>2009</b>
Hourly-paid employees	5,051	5,245
Salaried employees	4,749	4,955
Trainees and apprentices	275	275
	<b>10,075</b>	<b>10,475</b>

Besides personnel expenses, functional costs include the cost of temporary workers amounting to €6,577 thousand (prior year: €4,739 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 €474 thousand (prior year: €373 thousand) in income from the disposal of tangible and intangible assets as well as €770 thousand (prior year: €150 thousand) in reversals of deferred government grants.

Other operating income generated in 2009 includes €104 thousand in income from the disposal of a Chinese distribution company.

#### **(8) Other operating expenses**

Other operating expenses in the reporting year include €702 thousand (prior year: €1,361 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.

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

The other net income (loss) from investments in the preceding 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.

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

in thousand €	2010	2009
Interest and similar income	40,570	38,258
Interest and similar expenses	41,810	38,155
Other financial income (loss)	-513	-2,852
	<b>-1,753</b>	<b>-2,749</b>

The financial income (loss) includes €36,200 thousand in interest and similar income (prior year: €34,357 thousand) and €23,548 thousand in interest and similar expenses (prior year: €24,514 thousand) resulting from the Jungheinrich Group's financial services business.

The other financial income (loss) essentially includes currency gains and losses on foreign-currency financial transactions. These 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 €	2010	2009
Current taxes		
Germany	3,624	1,887
Other countries	13,502	10,385
Deferred taxes		
Germany	4,654	-22,309
Other countries	-8,278	-9,266
	<b>13,502</b>	<b>-19,303</b>

The current tax expense in Germany rose as companies that realized losses in 2009 are subject to minimum taxation due to the profits they earned in 2010. Furthermore, €2.2 million in income from prior-year taxes has been considered. The 2010 deferred tax expense in Germany is the result of the use of losses carried forward from 2009 and the write-up for deferred tax receivables on loss carryforwards.

The higher current tax expense vis-à-vis 2009 in other countries was caused by the increase in profits earned by the sales companies in the reporting year. The deferred tax income is due to the new estimates underlying the measurement of deferred tax receivables and deferred tax income from consolidations.

The domestic corporate income tax rate for fiscal 2010 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.

In the year under review, the applied local income tax rates for foreign companies varied between 12.5 per cent and 35.0 per cent.

As of December 31, 2010, the Group had about €154 million in corporate tax loss carryforwards (prior year: €189 million) as well as some €25 million in trade tax loss carryforwards (prior year: €59 million). The loss carryforwards can largely be carried forward without limitations. The reduction is primarily due to usage in Germany. €18.3 million (prior year: €28.2 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 €3.2 million (prior year: €6.7 million). Our present assessment of this point may alter depending

on changes in our earnings position in future years and may necessitate a higher or lower valuation allowance.

Deferred tax assets and liabilities result from accounting and valuation differences as well as tax loss carryforwards that have not yet been used as follows:

in thousand €	12/31/2010	12/31/2009
Tangible and intangible assets	99,382	97,946
Inventories	5,311	4,900
Receivables	16,136	1,594
Tax loss carryforwards	47,017	57,639
Provisions for pensions	8,563	9,886
Other provisions	7,220	10,077
Liabilities	208,192	214,458
Deferred income	18,124	19,052
Other	12,294	11,614
Valuation allowances	-29,893	-40,297
<b>Deferred tax assets</b>	<b>392,346</b>	<b>386,869</b>
Tangible and intangible assets	59,962	60,173
Inventories	4,600	5,171
Receivables	211,645	206,003
Provisions for pensions	149	29
Other provisions	814	471
Liabilities	58,740	62,589
Other	1,811	1,386
<b>Deferred tax liabilities</b>	<b>337,721</b>	<b>335,822</b>
<b>Net deferred taxes</b>	<b>54,625</b>	<b>51,047</b>

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

in thousand €	12/31/2010	12/31/2009
Deferred tax assets	62,813	58,348
Deferred tax liabilities	8,188	7,301
<b>Net deferred taxes</b>	<b>54,625</b>	<b>51,047</b>
thereof: netting against shareholders' equity	714	182

The following table shows the reconciliation from the expected to the disclosed tax expense (prior year: income). The expected tax expense (income) reported is 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 €	2010	2009
Expected tax expense (income)	28,752	-22,344
Change in the tax rate	-1	-2
Foreign tax differentials	-1,580	-1,024
Change in valuation allowances	-11,063	1,008
Change in taxes from the previous year	-2,206	501
Non-deductible operating expenses and tax-free gains	218	1,525
Other	-618	1,033
<b>Actual tax expense (income)</b>	<b>13,502</b>	<b>-19,303</b>

In 2010, the Group's tax quota was 14.1 per cent (prior year: 25.9 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	<b>Total</b>
<b>Acquisition and manufacturing costs</b>				
<b>Balance on 01/01/2010</b>	<b>23,208</b>	<b>69,234</b>	<b>6,181</b>	<b>98,623</b>
Changes in currency exchange rates	132	–	–	132
Additions	1,701	8,815	–	10,516
Disposals	343	3,520	–	3,863
Transfers	70	–	–	70
<b>Balance on 12/31/2010</b>	<b>24,768</b>	<b>74,529</b>	<b>6,181</b>	<b>105,478</b>
<b>Amortization and impairment losses</b>				
<b>Balance on 01/01/2010</b>	<b>19,693</b>	<b>48,697</b>	<b>4,299</b>	<b>72,689</b>
Changes in currency exchange rates	111	–	–	111
Amortization in the fiscal year	1,950	5,189	–	7,139
Impairment losses in the fiscal year	–	2,934	–	2,934
Accumulated amortization on disposals	302	3,489	–	3,791
<b>Balance on 12/31/2010</b>	<b>21,452</b>	<b>53,331</b>	<b>4,299</b>	<b>79,082</b>
<b>Carrying amount on 12/31/2010</b>	<b>3,316</b>	<b>21,198</b>	<b>1,882</b>	<b>26,396</b>

In the prior year, intangible assets developed as follows:

in thousand €	Licenses and software	Capitalized development costs	Goodwill	<b>Total</b>
<b>Acquisition and manufacturing costs</b>				
<b>Balance on 01/01/2009</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>Balance on 12/31/2009</b>	<b>23,208</b>	<b>69,234</b>	<b>6,181</b>	<b>98,623</b>
<b>Amortization and impairment losses</b>				
<b>Balance on 01/01/2009</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>Balance on 12/31/2009</b>	<b>19,693</b>	<b>48,697</b>	<b>4,299</b>	<b>72,689</b>
<b>Carrying amount on 12/31/2009</b>	<b>3,515</b>	<b>20,537</b>	<b>1,882</b>	<b>25,934</b>



€1,701 thousand in additions to the item 'Licenses and software' of the year under review primarily relate to software purchased from third parties (prior year: €1,045 thousand).

€8,815 thousand in development costs incurred in the year under review (prior year: €6,463 thousand) meet the capitalization criteria under IFRS.

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

in thousand €	2010	2009
Research costs and uncapitalized development costs	27,475	32,269
Amortization of capitalized development costs	5,189	7,941
Impairment losses on capitalized development costs	2,934	8,534
	<b>35,598</b>	<b>48,744</b>

The impairment test performed on the residual carrying amounts of capitalized development costs is broken down by product line on the basis of estimated discounted future cash flows. Impairment losses resulting from the impairment test for 4 truck model series conducted in 2010 totalled €2,934 thousand.

€1,771 thousand and €111 thousand in residual carrying amounts of goodwill on December 31, 2010 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. As in the preceding year, the WACC was 9.7 per cent.

Impairment tests performed on goodwill 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>Balance on 01/01/2010</b>	<b>254,701</b>	<b>100,242</b>	<b>171,140</b>	<b>3,252</b>	<b>529,335</b>
Changes in currency exchange rates	3,190	173	1,430	2	4,795
Additions	1,302	4,101	13,155	12,356	30,914
Disposals	447	2,809	11,368	6	14,630
Transfers	1,002	915	1,439	-3,426	-70
<b>Balance on 12/31/2010</b>	<b>259,748</b>	<b>102,622</b>	<b>175,796</b>	<b>12,178</b>	<b>550,344</b>
<b>Depreciation and impairment losses</b>					
<b>Balance on 01/01/2010</b>	<b>74,764</b>	<b>60,392</b>	<b>115,451</b>	<b>-</b>	<b>250,607</b>
Changes in currency exchange rates	973	112	905	-	1,990
Depreciation in the fiscal year	7,592	10,754	16,980	-	35,326
Accumulated depreciation and impairment losses on disposals	398	2,545	9,925	-	12,868
<b>Balance on 12/31/2010</b>	<b>82,931</b>	<b>68,713</b>	<b>123,411</b>	<b>-</b>	<b>275,055</b>
<b>Carrying amount on 12/31/2010</b>	<b>176,817</b>	<b>33,909</b>	<b>52,385</b>	<b>12,178</b>	<b>275,289</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>Balance on 01/01/2009</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>Balance on 12/31/2009</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>Balance on 01/01/2009</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>Balance on 12/31/2009</b>	<b>74,764</b>	<b>60,392</b>	<b>115,451</b>	<b>-</b>	<b>250,607</b>
<b>Carrying amount on 12/31/2009</b>	<b>179,937</b>	<b>39,850</b>	<b>55,689</b>	<b>3,252</b>	<b>278,728</b>

Tangible assets include €28,308 thousand (prior year: €31,582 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 €947 thousand (prior year: €989 thousand).

On the balance sheet date, land and buildings were put up as mortgage to back €32,595 thousand (prior year: €35,325 thousand) in liabilities due to banks.

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

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

in thousand €	2010	2009
<b>Acquisition and manufacturing costs</b>		
<b>Balance on 01/01</b>	<b>272,903</b>	<b>333,485</b>
Changes in currency exchange rates	8,285	6,030
Additions	83,903	35,924
Disposals	63,304	102,536
<b>Balance on 12/31</b>	<b>301,787</b>	<b>272,903</b>
<b>Depreciation</b>		
<b>Balance on 01/01</b>	<b>131,780</b>	<b>133,485</b>
Changes in currency exchange rates	3,893	2,830
Depreciation in the fiscal year	42,905	55,164
Accumulated depreciation on disposals	35,916	59,699
<b>Balance on 12/31</b>	<b>142,662</b>	<b>131,780</b>
<b>Carrying amount on 12/31</b>	<b>159,125</b>	<b>141,123</b>

The fleet includes leased trucks for short-term hire with an aggregate value of €3,284 thousand (prior year: €2,314 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 €741 thousand (prior year: €698 thousand).

Trucks for short-term hire with a total carrying amount of €53,874 thousand (prior year: €54,673 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 €	2010	2009
<b>Acquisition and manufacturing costs</b>		
<b>Balance on 01/01</b>	<b>312,290</b>	<b>284,473</b>
Changes in currency exchange rates	4,856	5,701
Additions	80,448	82,190
Disposals	64,591	60,074
<b>Balance on 12/31</b>	<b>333,003</b>	<b>312,290</b>
<b>Depreciation</b>		
<b>Balance on 01/01</b>	<b>112,754</b>	<b>97,231</b>
Changes in currency exchange rates	1,828	2,014
Depreciation in the fiscal year	53,241	54,236
Accumulated depreciation on disposals	38,670	40,727
<b>Balance on 12/31</b>	<b>129,153</b>	<b>112,754</b>
<b>Carrying amount on 12/31</b>	<b>203,850</b>	<b>199,536</b>

Trucks for lease from financial services are classified as follows:

in thousand €	12/31/2010	12/31/2009
'Operating lease' contracts with customers	145,974	129,932
Contracts concluded with a leasing company acting as an intermediary	57,876	69,604
	<b>203,850</b>	<b>199,536</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.

By the balance sheet date, trucks for lease with a residual carrying amount of €54,493 thousand (prior year: €49,096 thousand) had been pledged as collateral for liabilities from financial services.

Customer contracts concluded with a leasing company acting as an intermediary are also capitalized under the item 'Trucks for lease from financial services' on the basis of the amount of an agreed residual value guarantee at more than 10 per cent of the fair value of the equipment for lease.

The 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 €	12/31/2010	12/31/2009
Due within less than one year	56,120	48,404
Due in one to five years	91,466	87,924
Due in more than five years	339	168
	<b>147,925</b>	<b>136,496</b>

Trucks for lease with a carrying amount of €30,940 thousand (prior year: €24,001 thousand) are financed based on sale and leaseback agreements. Future minimum lease payments from sub-lease arrangements total €23,835 thousand (prior year: €20,399 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 01/01/2010</b>	<b>14,066</b>	<b>475</b>	<b>139</b>	<b>614</b>
Additions	2,746	–	–	–
Disposals	–	–	–	–
<b>As of 12/31/2010</b>	<b>16,812</b>	<b>475</b>	<b>139</b>	<b>614</b>
<b>Impairment losses</b>				
<b>As of 01/01/2010</b>	<b>2,500</b>	<b>150</b>	<b>46</b>	<b>196</b>
Impairment losses in the fiscal year	–	–	3	3
<b>As of 12/31/2010</b>	<b>2,500</b>	<b>150</b>	<b>49</b>	<b>199</b>
<b>Carrying amount on 12/31/2010</b>	<b>14,312</b>	<b>325</b>	<b>90</b>	<b>415</b>

The impairment test performed on investments in companies accounted for using the equity method as of the balance sheet date in 2010 did not result in any impairment losses.

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

in thousand €	Investments in companies accounted for using the equity method	Other financial assets		Total
		Investments in affiliated companies	Other loans	
<b>Acquisition costs</b>				
<b>As of 01/01/2009</b>	<b>10,684</b>	<b>475</b>	<b>139</b>	<b>614</b>
Additions	3,514	–	–	–
Disposals	132	–	–	–
<b>As of 12/31/2009</b>	<b>14,066</b>	<b>475</b>	<b>139</b>	<b>614</b>
<b>Impairment losses</b>				
<b>As of 01/01/2009</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 12/31/2009</b>	<b>2,500</b>	<b>150</b>	<b>46</b>	<b>196</b>
<b>Carrying amount on 12/31/2009</b>	<b>11,566</b>	<b>325</b>	<b>93</b>	<b>418</b>

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

in thousand €	Share in %	Carrying amounts	
		12/31/2010	12/31/2009
JULI Motorenwerk s.r.o., Czech Republic	50	8,476	6,373
Supralift GmbH & Co. KG, Germany	50	383	241
Ningbo Ruyi Joint Stock Co. Ltd., China	25	3,028	2,637
ISA – Innovative Systemlösungen für die Automation GmbH, Austria	25	2,400	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 €	2010		2009	
	Joint ventures	Associated companies	Joint ventures	Associated companies
Assets	21,510	10,704	17,966	8,578
Liabilities	10,234	5,386	9,793	4,181
Net sales	42,560	17,753	31,156	11,070
Net income	2,496	560	955	442

In addition to the €1,224 thousand in prorated results for 2009 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. The prorated income for the year generated by ISA – Innovative Systemlösungen für die Automation GmbH, Graz (Austria), was considered for the first time in the 2010 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.

### (17) Inventories

in thousand €	12/31/2010	12/31/2009
Raw materials and supplies	40,864	31,498
Work in process	12,013	10,133
Finished goods	55,407	39,128
Merchandise	49,224	55,761
Spare parts	29,653	28,126
Advance payments	10,483	8,187
	<b>197,644</b>	<b>172,833</b>

€24,721 thousand (prior year: €23,495 thousand) of the inventories are measured at their net realizable value. Write-downs recognized for inventories as of the balance sheet date amounted to €34,643 thousand (prior year: €44,346 thousand).

**(18) Trade accounts receivable**

in thousand €	12/31/2010	12/31/2009
Trade accounts receivable	377,602	327,749
Valuation allowances	-15,045	-14,636
	<b>362,557</b>	<b>313,113</b>

Trade accounts receivable include notes receivable in the amount of €5,835 thousand (prior year: €6,833 thousand). Notes receivable in the amount of €94 thousand (prior year: €142 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 €	2010	2009
Valuation allowances on 01/01	14,636	11,759
Changes in currency exchange rates	168	58
Utilizations	2,338	2,033
Releases	1,222	527
Additions	3,801	5,379
<b>Valuation allowances on 12/31</b>	<b>15,045</b>	<b>14,636</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 €	12/31/2010	12/31/2009
Less than 30 days overdue	46,127	36,489
Between 30 and 60 days overdue	10,926	10,262
Between 61 and 90 days overdue	3,826	4,827
Between 91 and 180 days overdue	3,768	4,102
More than 180 days overdue	162	89
<b>Total overdue trade accounts receivable, for which no valuation allowances were recognized</b>	<b>64,809</b>	<b>55,769</b>

As of the balance sheet date, no valuation allowances had been made for €277,379 thousand in trade accounts receivable (prior year: €237,367 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 €	12/31/2010	12/31/2009
<b>Total minimum lease payments receivable</b>	<b>566,612</b>	<b>545,684</b>
Due within less than one year	185,351	173,013
Due in one to five years	368,894	362,195
Due in more than five years	12,367	10,476
<b>Present value of minimum lease payments receivable</b>	<b>496,153</b>	<b>476,905</b>
Due within less than one year	154,590	143,588
Due in one to five years	329,874	323,560
Due in more than five years	11,689	9,757
<b>Unearned interest income</b>	<b>70,459</b>	<b>68,779</b>

Receivables from financial services include minimum lease payments from sublease arrangements amounting to €139,578 thousand (prior year: €123,590 thousand).

By the balance sheet date, receivables from financial services with a carrying amount of €265,223 thousand (prior year: €262,142 thousand) had been put up as collateral for liabilities from financial services.

## (20) Other receivables and other assets

in thousand €	12/31/2010	12/31/2009
Receivables from other taxes	10,065	11,518
Assets from the measurement of funded pension obligations	7,938	–
Derivative financial assets	1,736	1,941
Receivables from loans and advances granted to employees	598	718
Other receivables from affiliated companies	3	3
Other assets	9,911	9,436
	<b>30,251</b>	<b>23,616</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, 2010, there was a total of €100,700 thousand in bonds on the company's books (prior year: €65,080 thousand) which Jungheinrich intends to and is capable of holding to maturity. All the securities mature in 2011. The impairment test carried out on the securities did not reveal any long-term impairments.

All of the securities which were on Jungheinrich's books on December 31, 2009 and matured in 2010 were redeemed when they matured.

## (22) Liquid assets

Liquid assets include bank balances, cash balances, and checks. They have an original maturity of 3 months or less. As of the balance sheet date, bank balances totalled €2,211 thousand (prior year: €2,485 thousand), which have been pledged to banks.

## (23) Prepaid expenses

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

## (24) Shareholders' equity

### Subscribed capital

The subscribed capital of Jungheinrich AG, Hamburg (Germany) was fully paid up as of the balance sheet date and amounts to €102,000 thousand (prior year: €102,000 thousand). As in the preceding year, it was divided among 18,000,000 ordinary shares and 16,000,000 preferred shares, each accounting for an imputed €3.00 share of the subscribed capital. All of the shares had been issued as of the balance sheet date.

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

### Capital reserve

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

### Retained earnings

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

### Dividend proposal

Jungheinrich AG pays its dividend from the distributable profit stated in the annual financial statements of Jungheinrich AG, which are prepared in accordance with the German Commercial Code. The Board of Management of Jungheinrich AG proposes to use the €17,620 thousand distributable profit for the 2010 financial year to pay a dividend of €0.49 per ordinary share and a dividend of €0.55 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 the 'indebtedness ratio' as key ratios. 'Net gearing' is defined as the ratio of net indebtedness to shareholders' equity, expressed as a percentage. The 'indebtedness ratio' is defined as the ratio of net indebtedness to earnings before interest, taxes, depreciation and amortization (EBITDA).

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

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

in thousand €	12/31/2010	12/31/2009
Financial liabilities	346,345	370,243
Liquid assets and securities	-549,416	-488,626
<b>Net indebtedness</b>	<b>-203,071</b>	<b>-118,383</b>

The key ratios 'net gearing' and 'indebtedness ratio' posted another substantial improvement compared with the prior year:

in thousand €	12/31/2010	12/31/2009
Net indebtedness	-203,071	-118,383
Shareholders' equity	632,647	546,565
EBITDA (excluding the depreciation of trucks for lease from financial services)	185,902	45,650
<b>Net gearing</b> in %	<b>&lt; 0</b>	<b>&lt; 0</b>
<b>Indebtedness ratio</b> in years	<b>&lt; 0</b>	<b>&lt; 0</b>

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 year under review, a special payment of €12 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 %	12/31/2010	12/31/2009
Discount rate	5.1	5.4
Expected rate of compensation increase	3.1	3.5
Expected rate of pension increase	2.2	2.5

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

in %	2010	2009
Discount rate	5.4	5.7
Expected long-term return on plan assets	4.1	4.8
Expected rate of compensation increase	3.5	3.3
Expected rate of pension increase	2.5	2.4

### Funded status of defined benefit pension plans:

in thousand €	12/31/2010	12/31/2009
Present value of funded benefit obligations	177,377	154,433
Fair value of plan assets	166,891	136,283
Funding gap	10,486	18,150
Present value of unfunded benefit obligations	153,762	147,253
<b>Net obligation</b>	<b>164,248</b>	<b>165,403</b>
Unamortized actuarial gains (+) and losses (-)	-27,809	-22,187
<b>Net obligation recognized</b>	<b>136,439</b>	<b>143,216</b>
thereof provisions for pensions	144,377	143,216
thereof other assets	7,938	-

### Development of the defined benefit obligation:

in thousand €	2010	2009
Defined benefit obligation as of 01/01	301,686	265,784
Changes in currency exchange rates	7,169	8,173
Current service cost	5,320	4,990
Interest cost	16,335	15,261
Employee contributions	1,965	1,919
Actuarial gains (-) and losses (+)	10,169	15,698
Benefits paid	-11,692	-10,139
Plan reductions	187	-
<b>Defined benefit obligation as of 12/31</b>	<b>331,139</b>	<b>301,686</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, primarily consisting of fixed-interest securities on December 31, 2010.

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 %	12/31/2010	12/31/2009
Fixed-interest securities	87	94
Liquid assets	7	–
Real estate	4	4
Shares	1	1
Other	1	1
	<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 4.4 per cent (prior year: 4.1 per cent).

### Development of plan assets:

in thousand €	2010	2009
Fair value of plan assets on 01/01	136,283	123,988
Changes in currency exchange rates	6,295	7,951
Expected return on plan assets	5,848	6,380
Actuarial gains (+) and losses (–)	4,364	–4,944
Employer contributions	16,417	4,270
Employee contributions	1,965	1,919
Benefits paid	–4,281	–3,281
<b>Fair value of plan assets as of 12/31</b>	<b>166,891</b>	<b>136,283</b>

Employer contributions in the year under review include a one-time payment into the pension fund for defined benefit plans in the UK in the amount of €12 million.

Jungheinrich expects cash contributions to plan assets to total about €5.5 million in fiscal 2011, 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 €	2010	2009
Current service cost	5,320	4,990
Interest cost	16,335	15,261
Expected return on plan assets	–5,848	–6,380
Amortization of actuarial gains and losses	259	118
Cost of (+)/return on (–) plan reductions	351	–
	<b>16,417</b>	<b>13,989</b>

In the year under review, the actual return on plan assets amounted to €10,212 thousand (prior year: €1,436 thousand).

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

### Five-year overview:

in thousand €	2010	2009	2008	2007	2006
Defined benefit obligation on 12/31	331,139	301,686	265,784	311,908	314,331
Fair value of plan assets on 12/31	166,891	136,283	123,988	123,174	114,942
<b>Net obligation</b>	<b>164,248</b>	<b>165,403</b>	<b>141,796</b>	<b>188,734</b>	<b>199,389</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 on December 31, are presented in the following table:

in %	2010	2009
Experience-based increase (+)/decrease (-) in the defined benefit obligation	-1.1	-
Experience-based increase (+)/decrease (-) in plan assets	1.8	-4.0

### (26) Other provisions

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

in thousand €	As of 01/01/2010	Exchange rate differences	Additions	Utilizations	Releases	As of 12/31/2010
Provisions for personnel	133,095	905	74,385	63,801	7,473	137,111
Provisions for warranty obligations	19,457	303	30,846	29,073	1,014	20,519
Provisions for onerous contracts	26,464	501	9,441	5,049	1,543	29,814
Others	18,219	152	10,338	8,066	1,492	19,151
<b>Other provisions</b>	<b>197,235</b>	<b>1,861</b>	<b>125,010</b>	<b>105,989</b>	<b>11,522</b>	<b>206,595</b>

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

Termination benefit obligations within the scope of personnel adjustment measures adopted in the 2009 financial year for the Norderstedt and Moosburg plants developed as follows in the year being reviewed:

in thousand €	2010
<b>As of 01/01</b>	<b>29,630</b>
Interest accretion	52
Addition	1,386
Utilization	10,891
Release	4,957
<b>As of 12/31</b>	<b>15,220</b>

The €52 thousand in interest costs have been recognized as part of the cost of sales in the income statement.

Due to the findings resulting from the implementation of the manpower adjustment measures at the Norderstedt plant, termination benefit obligations were increased by another €1,386 thousand as of the balance sheet date. In contrast, €4,957 thousand in obligations were released in 2010 as a result of the improved economic situation and the associated rise in demand for material handling equipment in new truck business.

As of the balance sheet date, obligations arising from partial retirement agreements amounted to €19,798 thousand (prior year: €18,857 thousand), which have been netted against €10,047 thousand in securities (prior year: €8,059 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, €12,378 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: €8,987 thousand).

Additions to provisions for personnel include a total of €2,126 thousand in interest accretions (prior year: €1,761 thousand). €39,929 thousand (prior year: €49,247 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 2010 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. €11,884 thousand (prior year: €8,335 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.

Other provisions as of December 31, 2009 included €7.6 million in provisions for risks associated with the termination of all dealer agreements with effect from the end of 2009 within the scope of the realignment of the North American business. In the year under review, €4.0 million and €0.6 million of these provisions were utilized and released, respectively.

**(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>12/31/2010</b>						
<b>Total future cash flows</b>	<b>125,180</b>	<b>179,088</b>	<b>56,748</b>	<b>27,788</b>	<b>1,194</b>	<b>389,998</b>
Due within less than one year	86,922	62,738	19,077	3,882	1,194	173,813
Due in one to five years	19,319	116,350	33,376	9,272	–	178,317
Due in more than five years	18,939	–	4,295	14,634	–	37,868
<b>Present value of future cash flows</b>	<b>115,389</b>	<b>154,952</b>	<b>54,302</b>	<b>20,508</b>	<b>1,194</b>	<b>346,345</b>
Due within less than one year	84,441	54,952	18,160	3,029	1,194	161,776
Due in one to five years	14,434	100,000	31,922	6,401	–	152,757
Due in more than five years	16,514	–	4,220	11,078	–	31,812
<b>Future interest expenses</b>	<b>9,791</b>	<b>24,136</b>	<b>2,446</b>	<b>7,280</b>	<b>–</b>	<b>43,653</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>

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 12/31/2010	Nominal volume as of 12/31/2010 in thousand €	Bandwidth of effective interest rates 2010	Carrying amounts as of 12/31/2010 in thousand €	Nominal volume as of 12/31/2009 in thousand €	Bandwidth of effective interest rates 2009	Carrying amounts as of 12/31/2009 in thousand €
EUR	variable	< 1 year	10,644	EURIBOR + margin	10,644	9,092	EURIBOR + margin	9,092
USD	variable	< 1 year	10,465	LIBOR + margin	10,465	14,577	LIBOR + margin	14,577
GBP	variable	< 1 year	4,850	LIBOR + margin	4,850	14,067	LIBOR + margin	14,067
CNY	variable	< 1 year	13,118	LIBOR + margin	13,118	12,338	LIBOR + margin	12,338
SGD	variable	< 1 year	13,749	LIBOR + margin	13,749	10,744	LIBOR + margin	10,744
PLN	variable	< 1 year	12,435	LIBOR + margin	12,435	10,814	LIBOR + margin	10,814
Other	variable	< 1 year	11,118	LIBOR + margin	11,118	13,412	LIBOR + margin	13,412
EUR	fixed	9–16 years	34,124	4.7%–5.3%	28,626	34,251	4.0%–5.3%	31,134
BRL	fixed	< 1–2 years	9,152	17.2%–21.4%	6,415	9,161	15.0%–21.4%	7,451
Other	fixed	< 1–11 years	6,226	5.2%–6.7%	3,969	6,034	5.2%–21.4%	4,299
<b>Total liabilities due to banks</b>			<b>125,881</b>		<b>115,389</b>	<b>134,490</b>		<b>127,928</b>

As in the preceding year, the promissory notes on the Jungheinrich Group's books break down as follows:

	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>

An interest-rate hedge was concluded in order to secure the variable interest rates of a promissory note obtained in 2009. The nominal amount of this loan corresponds to the carrying amount.

Liabilities from the financing of trucks for short-term hire amount to €50,547 thousand (prior year: €59,270 thousand) and result from the sale of receivables from intragroup hire-purchase agreements.

Furthermore, €3,755 thousand (prior year: €2,623 thousand) in liabilities relate to the refinancing of trucks for short-term hire based on sale and leaseback agreements. €4,446 thousand (prior year: €2,965 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

€28,753 thousand (prior year: €32,164 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 €686,362 thousand (prior year: €635,671 thousand) in liabilities from financing. They result from the financing of long-term customer contracts with identical maturities. Depending on whether commercial ownership is attributed to Jungheinrich Group companies, these contracts are capitalized under receivables from financial services ('finance leases') or under trucks for lease from financial services ('operating leases').

Liabilities from financing include €7,489 thousand (prior year: € – thousand) in liabilities from the issuance of promissory notes via the securitization vehicle in Luxembourg.

Liabilities from financing, which are reduced over the term of the contracts, were due as of the balance sheet date as follows:

in thousand €	12/31/2010	12/31/2009
<b>Total future cash flows</b>	<b>748,298</b>	<b>699,286</b>
Due within less than one year	234,812	217,093
Due in one to five years	499,463	472,200
Due in more than five years	14,023	9,993
<b>Present value of future cash flows</b>	<b>686,362</b>	<b>635,671</b>
Due within less than one year	207,109	189,402
Due in one to five years	465,589	436,660
Due in more than five years	13,664	9,609
<b>Future interest expenses</b>	<b>61,936</b>	<b>63,615</b>

Liabilities from financing include future minimum lease payments from financing under sale and leaseback agreements in the amount of €175,872 thousand (prior year: €149,763 thousand).

## (29) Trade accounts payable

Trade accounts payable include €31 thousand (prior year: €30 thousand) in payables to affiliated companies and €4,235 thousand (prior year: €2,488 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 €	12/31/2010	12/31/2009
Advance payments received on orders	27,601	14,798
Liabilities from other taxes	28,913	27,736
Social security liabilities	9,194	9,221
Employee liabilities	1,920	1,732
Other liabilities to affiliated companies	203	250
Derivative financial liabilities	4,957	1,840
Others	9,859	8,423
	<b>82,647</b>	<b>64,000</b>

**(31) Deferred income**

in thousand €	Deferred sales from financial services	Deferred profit from financial services	Other deferrals	Deferred income
<b>12/31/2010</b>	<b>50,855</b>	<b>34,801</b>	<b>22,957</b>	<b>108,613</b>
Thereof maturities of up to 1 year	19,973	9,873	7,843	37,689
Thereof maturities of more than 1 year	30,882	24,928	15,114	70,924
<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

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 €7,018 thousand (prior year: €5,409 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 12/31/2010	Amount recognized in acc. with IAS 39		Amount recognized in acc. with IAS 17	Fair value	Fair value 12/31/2010
			Amortized acquisition costs	Fair value			
<b>Assets</b>							
Liquid assets	LaR	448,716	448,716	–	–	–	448,716
Trade accounts receivable	LaR	362,557	362,557	–	–	–	362,557
Receivables from financial services	n.a.	496,153	–	–	496,153	–	500,998
Securities	FAHtM	100,700	100,700	–	–	–	100,704
Other loans	LaR	90	90	–	–	–	90
Derivative financial assets	FAHfT	1,736	–	1,736	–	–	1,736
Other financial assets	LaR	598	598	–	–	–	598
<b>Liabilities</b>							
Trade accounts payable	FLAC	146,130	146,130	–	–	–	146,130
Liabilities due to banks	FLAC	115,389	115,389	–	–	–	115,090
Promissory note	FLAC	154,952	154,952	–	–	–	156,505
Liabilities from financing trucks for short-term hire	FLAC/n.a.	54,302	50,547	–	3,755	–	54,302
Leasing liabilities from tangible assets	n.a.	20,508	–	–	20,508	–	20,888
Other financial liabilities	FLAC	1,194	1,194	–	–	–	1,194
Liabilities from financial services	FLAC/n.a.	715,115	555,383	–	159,732	–	720,535
Derivative financial liabilities	FLHfT	4,957	–	4,957	–	–	4,957
Other financial liabilities	FLAC	436	436	–	–	–	436
<b>Of which aggregated by valuation category in acc. with IAS 39:</b>							
Loans and Receivables (LaR)		811,961	811,961	–	–	–	811,961
Financial Assets Held to Maturity (FAHtM)		100,700	100,700	–	–	–	100,704
Financial Assets Held for Trading (FAHfT)		1,736	–	1,736	–	–	1,736
Financial Liabilities Measured at Amortized Costs (FLAC)		1,024,031	1,024,031	–	–	–	1,029,471
Financial Liabilities Held for Trading (FLHfT)		4,957	–	4,957	–	–	4,957

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 12/31/2009	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 note	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
Derivative 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

Financial instruments recognized at fair value in the consolidated financial statements are assigned to one of 3 measurement levels pursuant to IFRS 7. Jungheinrich determines the fair values of these financial instruments solely based on level 2 information and input factors.

Further information on measurement levels is provided in the chapter on accounting principles.

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

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

The fair values of interest-bearing securities with maturities correspond to the market values available as of the balance sheet date.

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

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

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

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

#### Net results by valuation category:

in thousand €	from interest	from measurement after recognition		Net result 2010	Net result 2009
		at fair value	Valuation allowances		
Loans and Receivables (LaR)	3,264	–	–2,579	685	–2,332
Financial Assets Held to Maturity (FAHtM)	1,106	–	–	1,106	1,381
Financial Instruments Held for Trading (FAHfT/FLHfT)	–	–4,528	–	–4,528	1,923
Financial Liabilities Measured at Amortized Costs (FLAC)	–40,860	–	–	–40,860	–38,795

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, €2,211 thousand (prior year: €2,485 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 the financial impact expected in connection with court rulings, some of which are not yet definitive.

Two lawsuits in connection with the realignment of the North American business in 2009 involving distribution partners of Jungheinrich Lift Truck Corp. Richmond, Virginia (USA) are pending. 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 had done so within the last 2 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 €5 million as of the balance sheet date (prior year: €6 million).

At its various locations, Group companies have entered into rental agreements and leases ('operating leases') for business premises, data processing equipment, office equipment and vehicles. Future minimum lease payments up to the first contractually agreed termination date are due as follows:

in thousand €	12/31/2010	12/31/2009
Due within less than one year	34,765	37,355
Due in one to five years	57,040	60,346
Due in more than five years	20,160	20,210
	<b>111,965</b>	<b>117,911</b>

Recognized expenses associated with 'operating leases' in 2010 totalled €43,605 thousand (prior year: €41,262 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) on December 31, 2010, income would have been €764 thousand (December 31, 2009: €850 thousand) higher (lower).

### **Currency risks**

When calculating this risk position, the Jungheinrich Group considers foreign currency inflows and outflows, primarily from sales and purchases based on firm and flexible contracts. This risk position reflects the net currency exposure resulting from balancing counteracting cash flows in individual currencies while taking hedges already concluded for the period in question into account. Jungheinrich used currency futures and currency swaps to manage risks in the period under review.

The Jungheinrich Group applies the Value at Risk approach to quantify the 'currency risk' position. The Value at Risk indicates the maximum loss that may not be exceeded before the end of a 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, 2010, the maximum risk did not exceed €485 thousand (prior year: €244 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 €292 thousand (prior year: €244 thousand) and a maximum of €722 thousand (prior year: €1,290 thousand). The average for the year was €444 thousand (prior year: €715 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. Medium-term credit lines have been granted by the Group's principal banks and are supplemented by existing promissory notes and short-term credit lines of individual Group companies awarded by local banks.

The Group is exposed to a counterparty risk that arises from the non-fulfilment of contractual agreements by counterparties. 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.

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

Furthermore, the variable-interest liabilities existing for the purpose of financing the financial services business via the Group's financing company Elbe River Capital S.A., Luxembourg, since the end of 2010 are hedged against interest rate risks via interest rate swaps.

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

## Nominal values of hedging instruments

The nominal value of currency hedging contracts as of the balance sheet date was €176,881 thousand (prior year: €169,091 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 €63,802 thousand (prior year: €54,008 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 2016.

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. 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 €	12/31/2010	12/31/2009
Other assets	1,736	1,941
Other liabilities	4,957	1,840

The fair values of interest hedges of €1,196 thousand (prior year: €63 thousand) are a component of other liabilities (prior year: other assets).

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

### (37) Segment information

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

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

Segment reporting is in line with the internal organizational and reporting structure, thus encompassing the two reportable segments, i.e. 'Intralogistics' and 'Financial Services.'

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

Activities undertaken by the 'Financial Services' segment encompass the pan-European sales financing and usage transfer of material handling equipment and warehousing technology products. In line with Jungheinrich's business model, this independent business area supports the operating sales units of the 'Intralogistics' segment. In this context, the 'Financial Services' segment 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 €3,056 thousand (prior year: €1,224 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, income from investments, 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, 2010:

in thousand €	Intralogistics	Financial Services	Segment total	Recon- ciliation	Jungheinrich Group
External net sales	1,464,282	351,910	1,816,192	–	1,816,192
Intersegment net sales	384,416	43,719	428,135	–428,135	–
Total net sales	1,848,698	395,629	2,244,327	–428,135	1,816,192
<b>Segment income (loss) (EBIT)</b>	<b>119,625</b>	<b>–6,344</b>	<b>113,281</b>	<b>–15,687</b>	<b>97,594</b>
Interest and similar income	4,855	36,306	41,161	–591	40,570
Interest and similar expenses	18,374	24,027	42,401	–591	41,810
Other financial income (loss)	–513	–	–513	–	–513
Earnings before taxes (EBT)	105,593	5,935	111,528	–15,687	95,841
Income taxes					13,502
Net income					82,339
Non-current assets					
Capital expenditures	41,411	19	41,430	–	41,430
Depreciation and amortization	42,455	10	42,465	–	42,465
Impairment losses	2,934	–	2,934	–	2,934
Segment assets	1,693,457	899,503	2,592,960	–198,710	2,394,250
Shareholders' equity	697,966	18,170	716,136	–83,489	632,647
Liabilities	995,491	881,333	1,876,824	–115,221	1,761,603
Segment liabilities	1,693,457	899,503	2,592,960	–198,710	2,394,250

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

in thousand €	Intralogistics	Financial Services	Segment total	Reconciliation	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

Besides depreciation and amortization as well as impairment losses, the main non-cash items stated as part of 'Intralogistics' segment income are a total of €3.6 million in income (prior year: €29.6 million in expenses) from changes in provisions for termination benefits within the scope of personnel-adjustment measures taken at the Norderstedt and Moosburg factories with an effect on net income. 'Intralogistics' segment income of the preceding year also includes €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 €	2010	2009
Germany	493,399	466,300
Rest of Europe	1,196,973	1,118,249
Other countries	125,820	92,146
	<b>1,816,192</b>	<b>1,676,695</b>

### Non-current assets by region

in thousand €	12/31/2010	12/31/2009
Germany	212,307	215,449
Rest of Europe	86,432	86,600
Other countries	2,835	2,502
Consolidation	111	111
	<b>301,685</b>	<b>304,662</b>

There were no relations with individual external customers accounting for a material share of sales with respect to consolidated sales in the 2010 or 2009 fiscal years.

### (38) Earnings per share

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

		2010	2009
Consolidated earnings	in thousand €	82,339	-55,178
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>2.39</b>	<b>-1.65</b>
<b>Earnings per preferred share</b>	in €	<b>2.45</b>	<b>-1.59</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 2010 and 2009, 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 2010

No transactions or events of major importance to the Jungheinrich Group occurred after the end of the 2010 financial year.

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

Fees charged by the auditors of the consolidated financial statements, Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft, Hamburg, for the year being reviewed break down as follows:

in thousand €	2010	2009
Audit of the consolidated financial statements	478	402
Other assurance services	42	57
Tax services	26	24
Other services	52	109
	<b>598</b>	<b>592</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 %	2010	2009
JULI Motorenwerk s.r.o., Czech Republic	50	31,210	24,244
Supralift GmbH & Co. KG, Germany	50	219	218
Ningbo Ruyi Joint Stock Co. Ltd., China	25	7,322	3,240
ISA – Innovative Systemlösungen für die Automation GmbH, Austria	25	2,793	4,028

Liabilities:

in thousand €	Share in %	12/31/2010	12/31/2009
JULI Motorenwerk s.r.o., Czech Republic	50	2,397	1,691
Ningbo Ruyi Joint Stock Co. Ltd., China	25	1,014	678
ISA – Innovative Systemlösungen für die Automation GmbH, Austria	25	824	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 2010 amounted to €839 thousand (prior year: €323 thousand).

Total remuneration of members of the Board of Management for fiscal 2010 amounted to €4,684 thousand (prior year: €1,312 thousand). Furthermore, in fiscal 2010, €283 thousand (prior year: €262 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.

€651 thousand (prior year: €621 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 on December 31, 2010.

As of December 31, 2009, Jungheinrich AG had accrued a €9,633 thousand (prior year: €7,439 thousand) provision for pensions for former members of the Board of Management.



**(43) List of equity stakes held by Jungheinrich AG, Hamburg, in accordance with Section 313 (2) of the German Commercial Code**

As of December 31, 2010, the following companies were included in the consolidated financial statements of Jungheinrich AG, Hamburg, by way of full consolidation:

<b>Name and domicile</b>	<b>Share of capital %</b>
Jungheinrich Vertrieb Deutschland AG & Co. KG, Hamburg	100
Jungheinrich Norderstedt AG & Co. KG, Hamburg	100
Jungheinrich Export AG & Co. KG, Hamburg	100
Jungheinrich Ersatzteillogistik AG & Co. KG, Hamburg	100
Jungheinrich Beteiligungs-GmbH, Hamburg	100
Jungheinrich Moosburg GmbH, Moosburg	100
Jungheinrich Landsberg AG & Co. KG, Landsberg / Saalkreis	100
Jungheinrich Financial Services GmbH, Hamburg	100
Jungheinrich Finance AG & Co. KG, Hamburg	100
Elbe River Capital S.A., Luxembourg	100
Tinus Grundstücks-Vermietungsgesellschaft AG & Co. KG, Hamburg	94
Jungheinrich Katalog GmbH & Co. KG, Hamburg	100
Jungheinrich Profishop GmbH, Vienna, Austria	100
Gebrauchtergeräte-Zentrum Dresden GmbH & Co. KG, Klipphausen / Dresden	100
Jungheinrich Finances Holding SAS, Vélizy-Villacoublay, France	100
Jungheinrich France SAS, Vélizy-Villacoublay, France	100
Jungheinrich Finance France SAS, Vélizy-Villacoublay, France	100
Jungheinrich Financial Services SAS, Vélizy-Villacoublay, France	100
Jungheinrich UK Holdings Ltd., Milton Keynes, United Kingdom	100
Jungheinrich UK Ltd., Milton Keynes, United Kingdom	100
Boss Manufacturing Ltd., Leighton Buzzard, United Kingdom	100
Jungheinrich Lift Truck Finance Ltd., Milton Keynes, United Kingdom	100
Jungheinrich Financial Services Ltd., Milton Keynes, United Kingdom	100
Jungheinrich Italiana S.r.l., Rosate / Milan, Italy	100
Jungheinrich Finance S.r.l., Rosate / Milan, Italy	100
Jungheinrich Financial Services S.r.l., Rosate / Milan, Italy	100
Jungheinrich de España S.A.U., Abrera / Barcelona, Spain	100
Jungheinrich Rental S.L., Abrera / Barcelona, Spain	100
Jungheinrich Fleet Services S.L., Abrera / Barcelona, Spain	100
Jungheinrich Nederland B.V., Alphen a. d. Rijn, Netherlands	100
Jungheinrich AG, Hirschthal, Switzerland	100
Jungheinrich n.v./s.a., Leuven, Belgium	100
Jungheinrich Austria Vertriebsges. m.b.H., Vienna, Austria	100
Jungheinrich Polska Sp. z o.o., Ozarow Mazowiecki / Warsaw, Poland	100
Jungheinrich Norge AS, Oslo, Norway	100
Jungheinrich (ČR) s.r.o., Říčany / Prague, Czech Republic	100
Jungheinrich Svenska AB, Arlöv, Sweden	100
Jungheinrich Hungária Kft., Biatorbágy / Budapest, Hungary	100
Jungheinrich Danmark A/S, Tåstrup, Denmark	100
Jungheinrich d.o.o., Trzin, Slovenia	100

Name and domicile	Share of capital %
Jungheinrich Portugal Equipamentos de Transporte, Lda., Rio de Mouro /Lisbon, Portugal	100
Jungheinrich Lift Truck Ltd., Maynooth, Co. Kildare, Ireland	100
Jungheinrich Hellas EPE, Acharnes /Athens, Greece	100
Jungheinrich İstif Makinaları San. ve Tic. Ltd. Şti., Alemdağ /Istanbul, Turkey	100
Jungheinrich spol. s.r.o., Senec, Slovakia	100
Jungheinrich Lift Truck Singapore Pte Ltd., Singapore	100
Jungheinrich Lift Truck Comercio de Empilhadeiras Ltda., Jundiaí – SP, Brazil	100
Jungheinrich Lift Truck Corp., Richmond, Virginia, USA	100
Jungheinrich Lift Truck OOO, Moscow, Russia	100
Jungheinrich Lift Truck TOV, Kiev, Ukraine	100
Jungheinrich Lift Truck SIA, Riga, Latvia	100
Jungheinrich Lift Truck UAB, Vilnius, Lithuania	100
Jungheinrich Lift Truck Oy, Kerava, Finland	100
Jungheinrich Lift Truck (Shanghai) Co., Ltd., Shanghai, China	100
Jungheinrich Lift Truck Manufacturing (Shanghai) Co., Ltd., Qingpu /Shanghai, China	100
Jungheinrich Lift Truck Ltd., Samuthprakarn /Bangkok, Thailand	100
Jungheinrich Design Center Houston Corporation, Houston /Texas, USA	100
Soma Grundstücks- und Vermietungsgesellschaft mbH & Co. Objekt Berlin KG, Düsseldorf <sup>1</sup>	0

<sup>1</sup> Included as a special-purpose vehicle in accordance with SIC 12.

As of December 31, 2010, the following companies were included in the consolidated financial statements of Jungheinrich AG, Hamburg, at equity:

Name and domicile	Share of capital %
JULI Motorenwerk s.r.o., Moravany, Czech Republic	50
Supralift GmbH & Co. KG, Hofheim am Taunus	50
Ningbo Ruyi Joint Stock Co., Ltd., Ninghai, Zhejiang, China	25
ISA – Innovative Systemlösungen für die Automation Gesellschaft mit beschränkter Haftung, Graz, Austria	25

As of December 31, 2010, the following companies were not included in the consolidated financial statements of Jungheinrich AG, Hamburg:

Name and domicile	Share of capital %
Jungheinrich Katalog Verwaltungs-GmbH, Hamburg <sup>1</sup>	100
Gebrauchtgeräte-Zentrum Dresden Verwaltungs GmbH, Klipphausen /Dresden <sup>1</sup>	100
Mécanique Industrie Chimie MIC S.A., Rungis, France <sup>2</sup>	100
Ameise Lift Truck Ltd., Maynooth, Co. Kildare, Ireland <sup>1</sup>	100
Multiton MIC Corporation, Richmond, Virginia, USA <sup>1</sup>	100
Jungheinrich Unterstützungskasse GmbH, Hamburg <sup>1</sup>	100
FORTAL Administração e Participações S.A., Rio des Janeiro, Brazil <sup>1</sup>	100
Motorenwerk JULI CZ s.r.o., Moravany, Czech Republic <sup>1</sup>	50
Supralift Beteiligungs- und Kommunikations-Gesellschaft mbH, Hofheim am Taunus <sup>1</sup>	50

<sup>1</sup> Not included due to its subordinate importance.

<sup>2</sup> Not included due to its insolvency as of 12/14/2005.

#### **(44) Application of Section 264, Paragraph 3 and Section 264b of the German Commercial Code**

The following domestic subsidiaries included in the consolidated financial statements of Jungheinrich AG made use of the waiver pursuant to Section 264, Paragraph 3 and Section 264b of the German Commercial Code to a certain extent:

- Jungheinrich Vertrieb Deutschland AG & Co. KG, Hamburg
- Jungheinrich Norderstedt AG & Co. KG, Hamburg
- Jungheinrich Export AG & Co. KG, Hamburg
- Jungheinrich Ersatzteillogistik AG & Co. KG, Hamburg
- Jungheinrich Landsberg AG & Co. KG, Landsberg/Saalkreis
- Jungheinrich Finance AG & Co. KG, Hamburg
- Jungheinrich Financial Services GmbH, Hamburg
- Jungheinrich Katalog GmbH & Co. KG, Hamburg
- Gebrauchtgeräte-Zentrum Dresden GmbH & Co. KG, Klipphausen/Dresden
- Tinus Grundstücks-Vermietungsgesellschaft AG & Co. KG, Hamburg

#### **(45) Issuance of the declaration regarding the German Corporate Governance Code in accordance with Section 161 of the German Stock Corporation Act**

In December 2010, 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 11, 2011

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 11, 2011

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, 2010. 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 11, 2011

Deloitte & Touche GmbH  
Wirtschaftsprüfungsgesellschaft



(Dinter)  
Wirtschaftsprüfer  
(German Public Auditor)



(Reiher)  
Wirtschaftsprüfer  
(German Public Auditor)



## Report of the Supervisory Board

Following the huge challenges faced by the Board of Management and the Supervisory Board as well as by a large number of employees triggered by the Group's restructuring in 2009, the main focus of the Supervisory Board's activity in fiscal 2010 was to assist the Board of Management in pursuing the consolidation course on which the company had embarked.

The major collapse of the worldwide material handling equipment market in 2009 was followed by the rapid recovery of global markets in the second half of 2010. Thanks to its restructuring, the Group was well equipped for this, although neither the market nor consolidated sales have managed to return to levels witnessed before the crisis. Due to the market's strong revitalization, decision makers were able to scale up structures, thereby keeping with the momentum on all markets. This does not only apply to Asia, which was less affected by the crisis. Jungheinrich expanded its sales organization in that region and strengthened the plant site. The new cooperation with MCFA in North America, which entered into effect on January 1, 2010, has already borne fruit. In addition, the new factory in Landsberg (Saxony-Anhalt) was ramped up in 2010 and is now running at a stable level. Measures initiated and developments that occurred enabled short-time work at our German locations to be reduced and—in some cases—discontinued. All in all, measures initiated across the board to lower costs and raise efficiency have been effective, enabling earnings to post disproportionately strong growth. The task now at hand is to continue these efforts.

In the 2010 reporting year, the Supervisory Board fulfilled the tasks entrusted to it by the law, the company's statutes and the internal rules of procedure with respect to these topics and the rest of the operating activities. The Supervisory Board thoroughly advised the Board of Management in running the company and saw to it that the company's management was constantly monitored by the Board of Management.

The Supervisory Board was involved early on and extensively in all decisions made for the company. In particular, the Board of Management reported to the Supervisory Board on the business performance of the individual Group companies, the financial status, the personnel situation, as well as on major investment ventures and material projects. The Supervisory Board and the Finance and Audit Committee concerned themselves in detail with the material risks, risk management, the internal control system, compliance with statutory regulations and guidelines of company management as well as with the company's compliance organization. The reports of the Board of Management were submitted in writing or orally. Deviations in the business trend from the budget were disclosed in a timely manner and reviewed by the Supervisory Board based on the information communicated to it. In view of the consolidation phase in the 2010 financial year, special attention had to be paid to maintaining the Group's financing as the markets picked up. Management fulfilled this task successfully as well. 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.

The following topics were the focal points of Supervisory Board activity in the period being reviewed. They were addressed in six ordinary meetings and one extraordinary session.

Centre stage at the Supervisory Board's first meeting on February 16, 2010 was taken by the update to the Group's strategy designed by the Board of Management, the debate on the Board of Management's

new compensation system, and the reappointment of Dr. Rosenbach as member of the Board of Management responsible for technology for another three years starting on January 1, 2011.

The extraordinary session on March 12, 2010 exclusively dealt with the new remuneration model for the Board of Management, which was adopted by majority vote with effect from January 1, 2011. The Supervisory Board concerned itself in depth with the requirements and options of a new compensation system, consulting with external specialists in this regard.

The focal point of the Supervisory Board's balance-sheet meeting on April 7, 2010 was the in-depth inspection and approval of Jungheinrich's parent company and consolidated financial statements for the period ended December 31, 2009, 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 to the Supervisory Board on the material results of their audits. Furthermore, 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 were discussed and approved. The updated corporate strategy was approved and further action to be taken with respect to the audit of the Supervisory Board's efficiency was coordinated and approved.

The new contracts for the members of the Board of Management effective from January 1, 2011 onwards were adopted, and Mr. Frey was appointed Chairman of the Board of Management for another four years as of May 1, 2011 in the Supervisory Board meeting following the Annual General Meeting on June 15, 2010.

Mr. Frey was appointed Labour Director at the September 14, 2010 session once again.

The meetings on November 17 and December 7, 2010 were dominated by the discussion and approval of the budget for the 2011 financial year. In the session on December 7, 2010, a number of draft resolutions were passed, as was the proposal submitted to the 2011 Annual General Meeting on the adoption of a new Supervisory Board compensation system. Based on preparatory work done by the Finance and Audit Committee, during this session, the Supervisory Board also addressed the recommendations and suggestions of the German Corporate Governance Code revised in the middle of 2010, for which it adopted its annual declaration. In addition, the results of the efficiency test performed by the Supervisory Board in the year under review as well as individual suggestions for further improving Supervisory Board work were debated, coordinated and agreed in detail.

One of the key criteria in all the meetings of the Supervisory Board and its committees as well as regarding all resolutions passed was to ensure the long-term welfare of the company and its employees. Despite the differences in points of view, arguments and debates were always characterized by the willingness to arrive at the best possible solutions for the company and its workforce over the long term.

The Supervisory Board committees maintained their existing composition in parts of 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 again convened frequently. In six meetings, it performed all of the tasks entrusted to it in accordance with the company statutes and the internal rules of procedure both efficiently and transparently, 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 five ordinary and three extraordinary meetings in 2010. The two committees used in December 2006 (Corporate Headquarters Construction

and USA Committees) continued their work until the middle of 2010, after which they were dissolved due to the completion of their respective tasks.

Committee chairmen submitted detailed reports on the 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, 2010 prepared by the Board of Management as well as the management report of Jungheinrich AG and the accounts for the 2010 fiscal year were again audited by Hamburg-based Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft. The auditors did not express any reservations regarding the annual financial statements and confirmed this in their unqualified auditor's certification.

The consolidated financial statements for the period ending on December 31, 2010 and the Group management report have been audited by the same independent auditors as well 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 constantly coordinating its work with the auditors and submitted a report to the Supervisory Board thereon. These documents had also been at the entire Supervisory Board's disposal and were reviewed by it taking account of the report of the Finance and Audit Committee. The same applies to the Board of Management's proposal for the appropriation of the balance sheet profit. The auditors who signed the annual financial statements and the consolidated financial statements attended the March 17, 2011 Supervisory Board Meeting on the relevant item on the agenda and submitted their detailed and final report on the results of their audit of the parent company and consolidated financial statements at this meeting. Furthermore, the auditors reported that the internal control system, the risk management system and the compliance system were not objectionable.

On the basis of its own in-depth and final examination of the parent company's financial statements, the management report, the consolidated financial statements, and of the Group management report, the Supervisory Board did not raise any objections to these financial statements and approved the result of the independent auditor's report. At its March 17, 2011 meeting, the Supervisory Board approved the annual financial statements and the consolidated financial statements for the period ending on December 31, 2010. The annual financial statements are thus adopted. The Supervisory Board seconds the Board of Management's proposal for the appropriation of the balance sheet profit for the 2010 financial year.

There are no personnel changes on the Supervisory Board in the period under review to report on. The contracts of Mr. Frey as Chairman of the Board of Management and of Dr. Rosenbach as member of the Board of Management in charge of technology were extended by four and three years, respectively.

Hamburg, March 17, 2011

On behalf of the Supervisory Board



Jürgen Peddinghaus  
Chairman



## Corporate governance report

### Corporate governance at Jungheinrich

In accordance with Item 3.10 of the current version of the German Corporate Governance Code of May 26, 2010, the Supervisory Board and the Board of Management hereby 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 currently align their activity to these principles and have also done so in the past.

The Code, which was most recently revised by the German Corporate Governance Government Commission in May 2010 is an important guideline for Jungheinrich's efforts to ensure the sustainable, value-oriented management of the company, thereby increasing transparency both internally and externally. Investors, capital markets, business partners and the entire general public pay keen attention to this transparency. However, the company's employees are also interested in this in the long run. To this end, Jungheinrich worked with Group executives the world over to develop its own mission statement, primarily emphasizing the importance of value-oriented corporate governance given that it is a family-owned company and has already introduced it to a great extent.

A major basic premise 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 and steers the company's business independently and of its own authority, a task for which it receives advice 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 pillar. Compliance, namely adherence to statutory regulations and corporate guidelines, was an important issue in 2010 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. Further significant elements of corporate governance at Jungheinrich are proactive and transparent corporate communications as well as the responsible management of risks. Also of notable mention is the importance to Jungheinrich of the audit of our financial statements by an independent third party. The efficiency test regularly performed by the Supervisory Board, the most recent of which was conducted in the year being reviewed, is another principle of the company's corporate governance. At Jungheinrich, corporate governance is in line with all statutory regulations and largely complies with the recommendations and suggestions of the German Corporate Governance Code.

The necessity of adaptations to changes in the law and new developments in corporate governance and control standards is subjected to regular reviews and 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 corporate governance declaration, which has been published on our website ([www.jungheinrich.com](http://www.jungheinrich.com)). Our internet presence also 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 of the Supervisory Board.

In December 2010, 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 May 26, 2010 version of the recommendations of the 'German Corporate Governance Code Government Commission' at present, and complied with those of the June 18, 2009 version in the past.

The deviations follow and are commented below:

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

The D&O insurance policy is a group insurance policy for 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 was supplemented by a deductible for the members of the Board of Management by the point in time set forth in said law. As the legislator expressly renounced mandating the introduction of a corresponding deductible for Supervisory Board members, the Supervisory Board sees no reason to deviate from its practice thus far.

2. Jungheinrich AG's compensation system for members of its Board of Management will be adjusted for employment contracts concluded from January 1, 2011 onwards and will then feature the compensation components with a multi-year basis of assessment as required by law (Item 4.2.3 of the Code).

The company had already decided to adopt a compensation system for its boards consisting of fixed and variable components in the past. The variable elements were linked to the company's performance. Due to new statutory regulations, the variable pay components of service agreements newly entered into with members of the Board of Management will be supplemented by components with a longer-term orientation.

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

Naturally, women are given consideration equal to male candidates by the Supervisory Board when staffing positions on the Board of Management. However, the individual's professional and personal suitability with respect to the position on the Board of Management in question are the focal point.

4. 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.
5. 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.
6. The Supervisory Board has not yet stated any specific goals with respect to its composition (Item 5.4.1 of the Code).  
Over the course of 2011, the Supervisory Board will debate whether the Code's recommendation can be followed appropriately given the company's background.
7. The company renounces the determination of an age limit for Supervisory Board members (Item 5.4.1 of the Code).  
An age limit can lead to rigid rules, which may counteract the company's goal of staffing the Supervisory Board with extremely experienced individuals. Therefore, increased flexibility when making decisions on a case-by-case basis has been given preference.
8. In 2010, the consolidated financial statements could not yet be made available to the public within the recommended 90-day time limit after the end of the fiscal year. However, we will manage to do this with respect to the consolidated financial statements for the 2010 financial year, which will be published in 2011 (Item 7.1.2 of the Code).  
Whereas the recommended time limit of 45 days from the end of each reporting period has already been adhered to for interim reports in the past, it will not be possible to do so for the consolidated financial statements until the requisite systems have been upgraded in 2011, owing to the reduction in the intervals between the individual foreign-company financial statements.

Hamburg, December 2010"

The company's Annual General Meeting affords all of Jungheinrich AG's shareholders 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.

The company continues to believe that markets will grow in principle. Significant attention is paid to associated risks—a task performed by our risk management system, among others. 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. To this end, Jungheinrich makes increasing use of the possibilities provided by the internet, focussing above all on the company's homepage.

In line with good, established standards, another agreement was reached with the auditor of the financial statements for fiscal 2010, whereby the Chairman of the Supervisory Board was to be immediately informed of any grounds substantiating preclusion or prejudice becoming apparent during its audit. However, no such notification was necessary. The auditor of the financial statements is also obliged to instantaneously report on all findings and events material to the Supervisory Board fulfilling its tasks identified by the auditor 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.

As a rule, once a year, the Board of Management and Supervisory Board discuss whether Jungheinrich AG's corporate governance practices comply with the basic principles of the German Corporate Governance Code. These consultations focus on compliance with, and deviations from, the Code's recommendations and suggestions. The Finance and Audit Committee does the preparatory work for the resolutions passed by the Supervisory Board.

### **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.

In the year being reviewed, the Supervisory Board and its Personnel Committee thoroughly dealt with the revision of the Board of Management's compensation system. This involved working with external experts over the course of the reporting year to review the requirements against the backdrop of new statutory regulations, discussing the variety of ensuing options, and adopting a new compensation system for all contracts with members of the Board of Management concluded from January 1, 2011 onwards. As a whole, the Supervisory Board now plays a much more important role with regard to all compensation issues, due to new statutory regulations. Besides determining the remuneration system for the Board of Management along with material contractual elements, now, it also adopts the individual compensation components, especially with respect to the variable portion, in the context of which the performance targets for the following financial year and the degree to which goals have been achieved in the preceding financial year are of special importance. As before, remuneration paid to the members of the Board of

Management contains both fixed and variable components and is performance-oriented. Fixed and variable emoluments should generally be equal. Sustainable business development is being given even more attention than in the past. Therefore, the variable component is based on the Group's EBT and sales growth as well as on the shares of the market targeted for each product area. Performance targets are redetermined every year, in line with the company's strategic orientation. Payment of the variable remuneration element is staggered over a period of three years, with annual instalments being paid after the annual financial statements of the preceding year have been adopted and—with respect to the second and third years—measured based on the objectives of each preceding year. Pension provisions for the Board of Management are based on the number of years in service at Jungheinrich, subject to a waiting period that lasts until non-forfeiture status has been reached. A revision to the Board of Management's pension scheme is also being worked on, but has not yet been completed.

Not least in light of the re-staffing of the shareholder and employee representative positions on the Supervisory Board following the 2011 Annual General Meeting, the Supervisory Board also concerned itself in detail with a revision to the compensation system for the members of the Supervisory Board and made a suggestion to the 2011 Annual General Meeting regarding this matter.

Hamburg, March 17, 2011

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)  
(until December 31, 2010)  
Zwilling J. A. Henckels AG, Solingen  
Drägerwerk AG & Co. KGaA, Lübeck

## **Detlev Böger**

Deputy Chairman  
IG Metall Labour Union Secretary, Hamburg Region

## **Sedat Bodur**

Chairman of the Sales Works Council  
Norderstedt After-Sales Services

## **Klaus-Peter Butterweck**

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  
(until March 10, 2010)  
Member of the Norderstedt Technology  
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)  
(until June 23, 2010)

Hansa-Heemann AG, Rellingen (Chairman)

Wintersteiger AG, Ried/Austria (Chairman)

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

*Further offices held*

Supervisory Board:

Fielmann AG, Hamburg (since July 8, 2010)

**Dr. Volker Hues**

Member of the Board of Management

*Group-level office*

Supervisory Board:

Jungheinrich Moosburg GmbH,  
Moosburg (Deputy Chairman)

**Dr. Helmut Limberg**

Member of the Board of Management

**Dr. Klaus-Dieter Rosenbach**

Member of the Board of Management

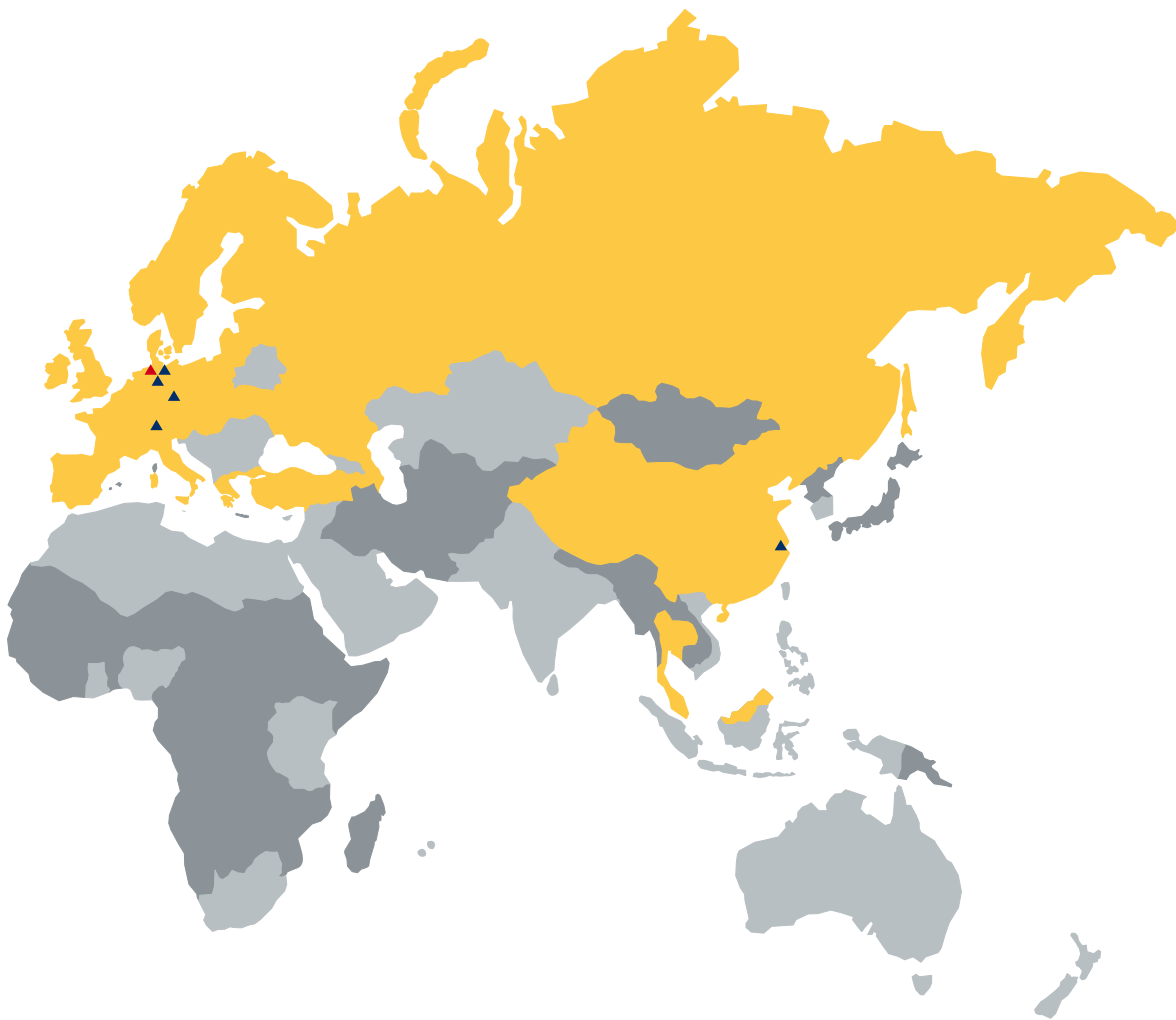
*Group-level office*

Supervisory Board:

Jungheinrich Moosburg GmbH,  
Moosburg (Chairman)

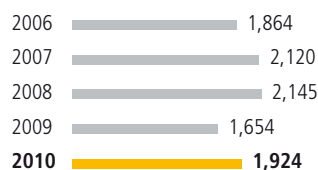
# Jungheinrich worldwide



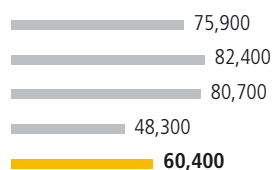


**Incoming orders**

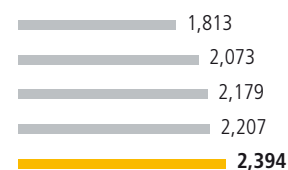
in million €

**Production**

in units

**Total assets**

in million €



<b>Jungheinrich Group</b>		<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
<b>Incoming orders, production and sales</b>						
Incoming orders <sup>1</sup>	million €	1,924	1,654	2,145	2,120	1,864
Production of material handling equipment	units	60,400	48,300	80,700	82,400	75,900
Net sales	million €	1,816	1,677	2,145	2,001	1,748
thereof in Germany	million €	493	466	557	505	464
thereof abroad	million €	1,323	1,211	1,588	1,496	1,284
Foreign ratio	%	73	72	74	75	73
<b>Employees</b>						
Total	12/31	10,138	10,266	10,784	10,178	9,274
thereof in Germany	12/31	4,661	4,793	4,950	4,761	4,568
thereof abroad	12/31	5,477	5,473	5,834	5,417	4,706
<b>Capital expenditures</b>						
Capital expenditures <sup>2</sup>	million €	33	46	74	52	52
Research and development	million €	36	39	39	41	44
<b>Asset structure</b>						
Fixed assets	million €	679	657	713	666	576
thereof trucks for lease from financial services	million €	204	200	187	166	147
Other assets	million €	1,715	1,550	1,466	1,407	1,237
thereof receivables from financial services	million €	496	477	460	403	340
thereof liquid assets and securities	million €	549	489	262	251	236
Total assets	million €	2,394	2,207	2,179	2,073	1,813
<b>Capital structure</b>						
Shareholders' equity	million €	633	547	625	554	485
thereof subscribed capital	million €	102	102	102	102	102
Provisions for pensions	million €	144	143	140	164	161
Other provisions	million €	207	197	150	156	170
Financial liabilities	million €	346	370	285	290	265
Liabilities from financial services	million €	715	668	643	541	423
Other liabilities	million €	349	282	336	368	309
Total capital	million €	2,394	2,207	2,179	2,073	1,813

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

2 Tangible and intangible assets without capitalized development costs.

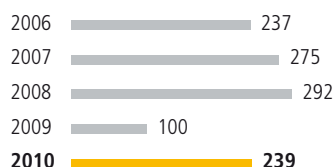
3 Proposal.

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	2010	2009	2008	2007	2006	
<b>Income statement</b>						
Earnings before interest, taxes, depreciation and amortization (EBITDA)	million €	239	100	292	275	237
Earnings before interest and taxes (EBIT)	million €	98	-72	122	140	118
Earnings before taxes (EBT)	million €	96	-74	121	139	118
Net income	million €	82	-55	77	82	67
Earnings per preferred share	€	2.45	-1.59	2.29	2.43	1.99
Dividend per share – ordinary share	€	0.49 <sup>3</sup>	–	0.49	0.52	0.48
– preferred share	€	0.55 <sup>3</sup>	0.12	0.55	0.58	0.54
<b>Key financial data</b>						
<b>Equity</b>						
Equity ratio	%	26	25	29	27	27
Equity-to-fixed assets ratio	%	133	119	119	111	113
<b>Returns on sales</b>						
EBIT return on sales (ROS)	%	5.4	-4.3	5.7	7.0	6.8
<b>Returns on capital</b>						
EBIT return on capital employed (ROCE)	%	23	-17	19	24	23
Return on equity after income taxes	%	14	-9	13	16	14
Return on total capital <sup>4</sup>	%	5	-3	6	6	5
<b>Indebtedness</b>						
Net indebtedness	million €	-203	-118	23	40	29
Indebtedness ratio	years	<0	<0	0.1	0.2	0.1
Net gearing	%	<0	<0	4	7	6
<b>Key financials of the 'Intralogistics' business segment</b>						
		2010	2009	2008		
Equity	million €	698	602	676		
Equity ratio	%	41	39	44		
Net financial liabilities <sup>7</sup>	million €	-161	-88	71		
Financial income (loss)	million €	-14	-12	-8		

**Explanatory notes to the key financial data**

Equity ratio	Shareholders' equity : Total capital x 100
Equity-to-fixed assets ratio	Shareholders' equity : Fixed assets (not including trucks for lease from financial services) x 100
EBIT return on sales (ROS)	EBIT : Net sales x 100
EBIT return on capital employed (ROCE)	EBIT : Employed interest-bearing capital <sup>5</sup> x 100
Return on equity after income taxes	Net income : Average shareholders' equity x 100
Return on total capital <sup>4</sup>	Net income + Interest expenses : Average total capital x 100
Indebtedness ratio	Net indebtedness <sup>6</sup> : EBITDA (excluding the depreciation of trucks for lease from financial services)
Net gearing	Net indebtedness <sup>6</sup> : Shareholders' equity x 100

# Financial calendar

Balance sheet press conference, Hamburg, publication of the 2010 Annual Report	March 31, 2011
Analyst conference, Frankfurt am Main	April 1, 2011
Interim report as of March 31, 2011	May 12, 2011
2011 Annual General Meeting, Congress Centrum Hamburg	June 15, 2011
Dividend payment	June 16, 2011
Interim report as of June 30, 2011	August 11, 2011
Interim report as of September 30, 2011	November 10, 2011

Published by:  
Jungheinrich Aktiengesellschaft  
Corporate Communications

Am Stadtrand 35  
22047 Hamburg, Germany  
Telephone: +49 40 6948-0  
Fax: +49 40 6948-1777  
Internet: [www.jungheinrich.com](http://www.jungheinrich.com)  
E-mail: [info@jungheinrich.com](mailto:info@jungheinrich.com)

Illustrations/Photographs:  
M. Freiboth, J. Scheffler

Production:  
Implementation: RAWA GmbH, Hamburg  
Printing: Druckerei Max Siemen KG, Hamburg



Print  compensated  
Ident-No. 119379