



**Visionary thinking.  
Inspirational action.  
Holistic problem-solving.  
Annual Report  
2011**

**JUNGHEINRICH**  
Machines. Ideas. Solutions.



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

2007	140
2008	122
2009	-72
2010	98
2011	146

**Net income**  
in million €

2007	82
2008	77
2009	-55
2010	82
2011	106

**Earnings per preferred share**  
in €

2007	2.43
2008	2.29
2009	-1.59
2010	2.45
2011	3.13

<b>Jungheinrich Group</b>		<b>2011</b>	<b>2010</b>	<b>Change</b> in %
<b>Incoming orders</b>	million €	<b>2,178</b>	1,924	13.2
<b>Net sales</b>				
Germany	million €	571	493	15.8
Abroad	million €	1,545	1,323	16.8
<b>Total</b>	million €	<b>2,116</b>	1,816	16.5
Foreign ratio	%	73	73	-
<b>Orders on hand (12/31)</b>	million €	<b>329</b>	281	17.1
<b>Production of material handling equipment</b>	units	<b>75,700</b>	60,400	25.3
<b>Balance sheet total</b>	million €	<b>2,580</b>	2,394	7.8
<b>Shareholders' equity</b>	million €	<b>718</b>	633	13.4
thereof subscribed capital	million €	102	102	-
<b>Capital expenditures<sup>1</sup></b>	million €	<b>52</b>	33	57.6
<b>Research and development</b>	million €	<b>38</b>	36	5.6
<b>Earnings before interest and taxes (EBIT)</b>	million €	<b>146</b>	98	49.0
<b>EBIT return on sales (ROS)</b>	%	<b>6.9</b>	5.4	-
<b>EBIT return on capital employed (ROCE)<sup>2</sup></b>	%	<b>26.2</b>	22.7	-
<b>Net income</b>	million €	<b>106</b>	82	29.3
<b>Employees</b>				
Germany	12/31	4,925	4,661	5.7
Abroad	12/31	5,786	5,477	5.6
<b>Total</b>	12/31	<b>10,711</b>	10,138	5.7
<b>Earnings per preferred share</b>	€	<b>3.13</b>	2.45	27.8
<b>Dividend per share – ordinary share</b>	€	<b>0.70<sup>3</sup></b>	0.49	42.9
– preferred share	€	<b>0.76<sup>3</sup></b>	0.55	38.2

1 Tangible and intangible assets without capitalized development costs.

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

3 Proposal.

# **Annual Report 2011**



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## Ladies and gentlemen,

at Jungheinrich, fiscal 2011 was dominated by growth and shaping the future. Given that the conditions underlying the world economy were stable overall in the period being reviewed, the company benefited from another dynamic development of the market in the sector in which Jungheinrich is active. Strong demand for material handling equipment caused incoming orders to rise and plant capacity utilization to grow. Substantial gains were recorded in the first half of 2011.

The bottom line for us last year was a very respectable result. It confirms Jungheinrich's return to its traditional sales and earning power. One of the main prerequisites for the successful business performance was the scheduled completion of the consolidation measures we initiated in 2009, the year of the crisis. The company now has more effective and flexible structures in administration, sales and production.

For example, the reengineering of production steps and the optimization of manufacturing processes at the Norderstedt factory were completed in 2011. Centre stage was taken by the new powder coating unit. It is instrumental in improving transportation within the plant.

Jungheinrich is also investing in expanding progressive production capacity in China with a view to satisfying the mounting demand

for material handling equipment in Asia. The ground-breaking ceremony for the new plant in Qingpu (Shanghai) took place at the end of 2011. Once completed, it will replace the current factory and be designed to supply this key sales region with additional truck series and products tailored to suit the region even better than before.

We are also doing justice to our company's international growth based on a new logistical concept with the construction of a spare parts centre north of Hamburg. In so doing, Jungheinrich is reacting to the expansion of its product range (spare parts) resulting from the enlarged portfolio of forklifts and to the mounting demands imposed by the sales organization and the dealership business.

We are stepping up our international sales activities in Europe and on the booming markets of Asia and Latin America—most prominently in countries such as China and Brazil, which are a key element of profitable growth.

All these measures are tailored to raise our customers' enthusiasm for the Jungheinrich brand and put us a step ahead of the competition with our wide range of products and services! Which is exactly what we did in May 2011 at CeMAT, the world's largest trade show for our sector in Hanover, where we demonstrated what drives us yet again: the concept of combining



mechanical engineering expertise with the pleasure of innovating and solution orientation. This is expressed in our new brand claim 'Jungheinrich—Machines. Ideas. Solutions.,' which summarizes the brand's properties in a few clear messages.

A major driver of our company's success is the strong commitment of the people who do our groupwide fundamental research. They identify promising and sustainable forward-looking technologies, explore them, and verify whether they can be implemented in products and processes. One of the focal topics in 2011 was the energy efficiency of drive systems, to which Jungheinrich made a contribution by introducing the world's first mass-produced piece of material handling equipment based on lithium ion technology.

Pioneering spirit needs solid financing. We attach high importance to this and spend available funds with great care in all our divisions. Securing Jungheinrich's financial leeway continues to be among our top priorities—especially in economically challenging times.

We have the commitment and cooperation of our approximately 10,700 employees the world over to thank for our rapid return to lasting profitable growth after 2009, the year of the crisis—especially in the financial year that just ended. In the autumn of last year, they

participated in an extensive staff survey running under the motto 'Jungheinrich ECHO 2011,' which has been conducted in Germany so far. The results are proof of the employees' strong ties and identification with Jungheinrich. Thanks to this dedicated team, we are well positioned to partake of the market's future growth, which is likely to be somewhat less pronounced in 2012 than it was last year, owing to the sovereign debt crises in the Eurozone and in the USA. In addition, it will probably differ from one region to the next—significantly in some cases. We expect the global market to display lateral movement, and we will capitalize on the ensuing business opportunities wherever and whenever possible.

We thank our staff members for the work they have done and our customers and our shareholders for their trust. We look forward to continuing the course for success on which we have embarked together with you this year.

Hamburg, March 20, 2012

A handwritten signature in blue ink that reads "H.-G. Frey". The signature is written in a cursive style.

Hans-Georg Frey  
Chairman of the Board of Management

## Report of the Supervisory Board

In the first half of 2011, the company's activity was determined by the strong demand for the Group's products and services triggered by the pronounced growth of the world's material handling equipment markets. Conversely, the second six months were characterized by mounting concern about a recession following the sovereign debt crisis in Europe and western industrialized nations. Fortunately, the feared collapse in demand did not materialize, although uncertainty was tangibly omnipresent. As a result of the Group's restructuring in 2009, the company had a much more flexible setup—as regards both strong growth and potential declines in demand. In this situation, which was marked by uncertainty, the focal point of the Supervisory Board's work in fiscal 2011 involved advising the Board of Management in establishing the company's strategic goals over the medium term.

Besides the supervisory work with which it is charged by the law, the Articles of Association and the Bylaws, the Supervisory Board and its committees conducted lengthy discussions on the Group's strategic orientation. The Supervisory Board thoroughly advised the Board of Management in matters concerning company management and constantly monitored the management activities of the Board of Management. The yardsticks for this monitoring work were the legality, orderliness, suitability and profitability of management and Group leadership. A major basis for fulfilling the monitoring task were the oral and written reports by the Board of Management.

As had always been the case in preceding years, the Supervisory Board was involved early on in all the decisions of importance to the company. The information and reports presented to the Supervisory Board by the Board of Management related to the strategic cornerstones, the financial status and the personnel situation as well as to very large capital expenditures and projects. The Supervisory Board as well as the Finance and Audit Committee concerned themselves in detail with the risks and risk management, the internal control system, business administration in line with statutory regulations and guidelines, and the company's compliance organization. The members of the Board of Management delivered verbal reports at the meetings of the Supervisory Board and its committees on the basis of detailed supporting documents. They were supplemented by written reports by the Board of Management on a monthly, quarterly and semi-annual basis, in accordance with the rules of information for the Board of Management. Besides information on the general business trend, the reports covered the prompt reactions to deviations in the development of business from the company's budget. Safeguarding Group financing, which was a focal issue in the consolidation phase during the 2010 financial year, was a core topic owing to the strong growth achieved and the scarcity of resources available for loans in the period under review. The Chairman of the Supervisory Board and the Chairman of the Finance and Audit Committee debated numerous topics and





prepared the decisions of the Supervisory Board and its committees with the Board of Management both at and in between meetings.

In the 2011 reporting period, the Supervisory Board dealt with the following issues especially intensively in five ordinary and one extraordinary session.

The focal point of the Supervisory Board's balance-sheet meeting, which was held much earlier than in the past—namely on March 17, 2011, was the in-depth inspection and approval of Jungheinrich's parent company and consolidated financial statements for the period ended December 31, 2010, in the presence of the independent auditors. To this end, the Finance and Audit Committee made a detailed presentation on its up-front analysis of the independent auditors' audit reports. The draft reports of the independent auditors were sent to the Finance and Audit Committee—and concurrently to all the Supervisory Board members—affording every member of the Supervisory Board the possibility early on of getting an overview of the audit reports and asking questions or making comments on them in addition to their attendance at the Finance and Audit Committee's preparatory meetings. The independent auditors reported to the Supervisory Board on the material findings of their audits. Furthermore, the report of the Supervisory Board, the corporate governance report by the Board of Management and the Supervisory Board to the Annual General Meeting and the Corporate Governance Declaration were discussed and approved. Once the consolidated financial

statements had been adopted, it was possible to approve the variable compensation of the members of the Board of Management for fiscal 2010 as well. Moreover, the draft resolution setting the stage for the construction of the new factory in China was passed, and the draft resolution for the Group's new logistics concept for the After-Sales Services Division was prepared. Last but not least, the Supervisory Board addressed the issue of diversity in the Group and approved a thoroughly prepared handout on the new rules governing the remuneration of the Supervisory Board for distribution at the Annual General Meeting.

In an extraordinary Supervisory Board session on May 31, 2011, Dr. Hues was re-appointed to the Board of Management as the member responsible for finance for another three years. The meeting focussed on passing the draft resolution for the construction of a new logistics centre in northern Germany based on the Group's new spare parts management concept. In addition, the Board of Management presented extensively on the IT strategy.

The newly elected Supervisory Board and its committees were constituted at the meeting of the Supervisory Board following the Annual General Meeting on June 15, 2011.

The mail-order business was presented and the basics of the international personnel strategy were discussed and adopted at the meeting on September 13, 2011. Furthermore, the Supervisory Board concerned itself in detail with the Board of Management's draft resolution on

the construction of a new plant for producing warehousing and system equipment in Moosburg, which was passed. The establishment of a direct sales company in India, which is an important market, was also approved.

The session of November 17, 2011 was dedicated to the developments on world markets and in particular to the draft resolution on the standardization of complex SAP systems in the field of technology.

At the meeting on December 22, 2011, the Supervisory Board's work centred on the adoption of the budget for 2012. Uncertainty surrounding the economy's future trend on the world markets of relevance to the Group had to be weighed and taken into account when determining the goals. Additional topics were the targets for the variable compensation of the Board of Management for the 2012 financial year based on a proposal submitted by the Personnel Committee and the adoption of the Supervisory Board's annual declaration on the corporate governance code in accordance with Section 161 of the German Stock Corporation Act. A further point of focus of the session was the adoption of a draft resolution of strategic importance with regard to the development of new products in the counterbalanced truck segment along with the associated measures for tapping the market.

Naturally, there were differences in points of view and the contributions made to the debates at the meetings of the Supervisory Board and its committees. These were always extremely objective and driven by the intention to give the Group a good long-term alignment and thus ensure its independence, its growth and its profitability.

Owing to personnel changes, the Supervisory Board committees changed their existing compositions in parts during the year under review. Once again, there was no need for the joint committee to convene during the reporting period. Composed of three members, the Finance and Audit Committee convened seven times in the year being reviewed. In these meetings, this important committee performed all of the tasks entrusted to it in accordance with the law, Articles of Association and bylaws both efficiently and very thoroughly, making an outstanding contribution to preparing the decisions to be taken by the Supervisory Board in its plenary sessions. In between sessions, this task was fulfilled by the committee's Chairman.

Composed of five members, the Personnel Committee convened at four ordinary meetings and one extraordinary meeting in 2011.

Committee chairmen submitted detailed reports on the discussions and the process of developing recommendations and resolutions for all committee meetings in the subsequent Supervisory Board sessions.

The parent company's financial statements for the period ended December 31, 2011 prepared by the Board of Management as well as the management report of Jungheinrich AG and the accounts for the 2011 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, 2011 and the Group management report were also audited by

Deloitte and also issued an unqualified auditor's certification.

The Finance and Audit Committee analyzed the documents supporting the annual financial statements and Deloitte's audit reports in depth, discussed them thoroughly and submitted a detailed report to the Supervisory Board thereon. These documents had also been at the disposal of all the Supervisory Board's members and were reviewed by them taking account of the report of the Finance and Audit Committee. The same applies to the Board of Management's proposal for the appropriation of the balance sheet profit. The auditors who signed the annual financial statements and the consolidated financial statements attended the March 20, 2012 Supervisory Board meeting on the relevant item on the agenda and submitted their detailed and final report on the findings of their audit of the annual financial statements and the consolidated financial statements at this meeting. In this context, the auditors found that the internal control system, the risk management system and the compliance system were not objectionable.

On the basis of its in-depth and final examination of the parent company's financial statements, the management report, the consolidated financial statements, and the Group management report, the Supervisory Board did not raise any objections to these financial statements and approved the result of the audit conducted by the independent auditor. At its March 20, 2012 meeting, the Supervisory Board approved the parent company's financial statements and the consolidated financial statements for the period ending on December 31, 2011. The parent company financial statements are thus adopted. The Supervisory Board endorses the Board of

Management's proposal for the appropriation of the balance sheet profit for the 2011 financial year.

### **Changes in personnel**

Dr. Hues' appointment and employment contract as Chief Financial Officer were extended by three years.

The Supervisory Board was recomposed in the year under review. The German workforce elected the employee representatives anew. The June 15, 2011 Annual General Meeting elected two new shareholder representatives. The Supervisory Board wishes to thank the members who retired from the Supervisory Board with effect from the end of the 2011 Annual General Meeting for their intense and creative work on this board in the company's long-term interest.

Hamburg, March 20, 2012

On behalf of the Supervisory Board



Jürgen Peddinghaus  
Chairman

## Corporate governance report

### Corporate governance at Jungheinrich

In accordance with Item 3.10 of the version of the German Corporate Governance Code of May 26, 2010, which is still current, the Supervisory Board and the Board of Management hereby report on corporate governance at Jungheinrich:

Transparent, good and responsible business management and control of a company, oriented towards increasing value over the long term which—in a nutshell—is referred to as corporate governance, was paid substantial attention by the Supervisory Board and the Board of Management in the year under review yet again. The Board of Management and the Supervisory Board of Jungheinrich AG regard the Code, which was last amended by the 'German Corporate Governance Code Government Commission' in May 2010, as an important guideline that provides an authoritative framework for the concrete implementation of sustainable, value-oriented business management. At the same time, the company pursues an open information policy and aims for a high degree of transparency of decisions pertaining to the company and of its readjustment process vis-à-vis investors and capital markets, business partners and the general public. The company's employees are also very interested in this transparency in the long run. To this end, Jungheinrich developed and introduced an independent mission statement that emphasizes the company's value-oriented alignment as a family enterprise. Part of this effort includes the Jungheinrich ECHO 2011 employee survey, which was conducted in the German part of the

Group for the first time in 2011 and serves as a basis for deriving major stimuli for improving the company's leadership culture even further.

For years, the starting point of the activity of the Board of Management and the Supervisory Board at the Jungheinrich Group has been the clear distribution of tasks, powers and responsibilities among the company's three bodies: The company's Board of Management runs the company's business independently and of its own authority. The Supervisory Board monitors the management activities of the Board of Management. In addition to this monitoring task, it maintains constant dialogue with the Board of Management in order to provide it with advice and discuss with it the Group's ongoing strategic orientation as well as individual projects and major capital expenditures. The Annual General Meeting is the forum for exercising shareholder rights and is regarded the definitive decision-making committee within the Group. The external audit of the financial statements assists the Supervisory Board in fulfilling its task of monitoring the management activities of the Board of Management and is a major element in analyzing matters pertaining to the financial statements, which are becoming increasingly complex. Compliance, which consists of the adherence to statutory regulations and in-company guidelines, is accounting for a growing portion of the reports delivered by the Board of Management to the Supervisory Board and of the debates on the Board of Management as well as between the Board of Management and

the Supervisory Board. The Board of Management regularly reports to the Finance and Audit Committee, which was commissioned by the Supervisory Board to this end, on the activities of the organizational unit established for this purpose. Moreover, Jungheinrich has open, i.e. transparent, corporate communications, which it regards as an additional component of corporate governance. In addition, the company has a cautious and conservative approach to risks. The responsible treatment of this issue, aiming to limit risks lastingly within the Group, is an element of Jungheinrich's risk management system. At Jungheinrich, corporate governance is thus in line with all statutory regulations and largely complies with the recommendations and suggestions of the German Corporate Governance Code.

Business management standards are constantly refined and updated.

Supplementary information on the work of the Supervisory Board, its committees—including cooperation with the Board of Management—is included in the report of the Supervisory Board in this annual report as well as in the corporate governance declaration, which is available on the company's website ([www.jungheinrich.com](http://www.jungheinrich.com)). Our internet presence also contains the company's financial publications, information and documents relating to the Annual General Meeting, the annual financial calendar with key dates, ad-hoc releases and other communications pursuant to the German Securities Trading Act primarily pertaining to reportable securities transactions (directors' dealings), as well as press releases. Our website also features Jungheinrich AG's current articles of association as well as information concerning the composition of

the Board of Management and the Supervisory Board.

In December 2011, 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 Section 161 of the German Stock Corporation Act. The declaration specifies the deviations from the Code's recommendations and has been published on the company's website as follows:

"The Board of Management and the Supervisory Board of Jungheinrich AG declare that Jungheinrich AG will comply with the recommendations of the 'German Corporate Governance Code Government Commission' in the May 26, 2010 version of the code and has done so in the past, on the basis of this declaration.

The deviations follow and are commented below:

1. The company's D&O insurance policy does not include a deductible for the members of the Supervisory Board (Item 3.8 of the Code). The D&O insurance policy is a group insurance policy for 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. 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.
3. The compensation of the members of the Board of Management and Supervisory Board is not itemized or broken down by member in the compensation report, which is part of the corporate governance report, or in the notes to the consolidated financial statements (Items 4.2.4 and 5.4.6 of the Code). The company is not implementing the Code's recommendation to present the emoluments of the members of the Board of Management or Supervisory Board in itemized or individualized form. These corporate bodies are boards, which makes disclosure by board member irrelevant. Furthermore, the company believes that the correlation between the disadvantages associated with such disclosure and the benefits this may have for investors is unreasonable—also as regards each of the board members' right to privacy. After all, per its resolution dated June 15, 2011, the Annual

General Meeting again waived the obligation of the members of the Board of Management to provide individualized disclosure over a period of five years.

4. A nomination committee for proposing suitable Supervisory Board candidates to the Annual General Meeting has not been established (Item 5.3.3 of the Code).  
In light of the nature of a family-owned company, the company believes that such a committee is dispensable. Two Supervisory Board members are seconded by the registered shareholders, and the candidates for the four remaining shareholder representatives, which are proposed to the Annual General Meeting, are chosen in close coordination with the holders of ordinary shares.
5. The Supervisory Board has not yet stated any specific goals with respect to its composition (Item 5.4.1 of the Code).  
Over the course of 2012, the Supervisory Board will debate whether the Code's recommendation can be followed appropriately given the company's background.
6. The company renounces the determination of an age limit for Supervisory Board members (Item 5.4.1 of the Code).  
An age limit can lead to rigid rules, which may counteract the company's goal of staffing the Supervisory Board with extremely experienced individuals. Therefore, increased flexibility when making decisions on a case-by-case basis has been given preference.

Hamburg, December 2011."

All of Jungheinrich AG's shareholders can exercise their rights at the company's Annual General Meeting. 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 at the Annual General Meeting to discuss the business trend with other shareholders, the Board of Management and the Supervisory Board. In addition, the Board of Management and the Supervisory Board are available to answer questions.

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

As in the preceding years, the auditor of the financial statements was instructed to immediately inform the Chairman of the Supervisory Board of any grounds substantiating preclusion or prejudice becoming apparent during its audit. Once again, no such notification was

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

As a rule, once a year, the Board of Management and the Supervisory Board discuss in their respective bodies whether Jungheinrich AG's corporate governance practices comply with the recommendations and suggestions of the German Corporate Governance Code. The points of focus are the 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 15, 2011 Annual General Meeting again 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 preceding year, the Supervisory Board and the Personnel Committee had thoroughly dealt with the revision of the Board of Management's compensation system and approved it. It was applied for the first time in the year being reviewed. Pursuant to the amended German Stock Corporation Act, the full Supervisory Board plays a larger role in all matters pertaining to the compensation of the Board of Management than in the past. Besides the compensation system for the Board of Management and the material contractual elements, the Supervisory Board is also responsible for passing resolutions on individual compensation components. This also includes the variable pay and the determination of performance targets for the next financial year as well as of the degree to which they have been achieved in the preceding fiscal year. As before, remuneration paid to the members of the Board of Management of Jungheinrich AG contains both fixed and variable components, which are determined based on the concept of performance-orientation and increasing the company's value lastingly. In general, fixed and variable emoluments should be roughly equal. The variable component is based on the Group's EBT and sales growth as well as on the increase in the shares of the market for certain product groups.

The performance targets are reviewed annually in accordance with the company's strategic orientation and adjusted in line with the multi-year goals. The variable component is paid in installments over three years, with the annual installments coming due once the financial statements of the preceding year are adopted. Pension regulations 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.

Furthermore, in line with the recommendations of the German Corporate Governance Code, the Supervisory Board concerned itself in depth with the revision of the compensation system for the members of the Supervisory Board. The share accounted for by variable compensation was reduced significantly, the dividend was replaced by ROCE as the forward-looking basis of assessment, and the significance of the Finance and Audit Committee was considered in the remuneration, but the total emoluments of the Supervisory Board in earlier years were used as a yardstick of appropriateness. A corresponding proposal was made to the Annual General Meeting on June 15, 2011, which was approved unamended by the Annual General Meeting.

Hamburg, March 20, 2012

Supervisory Board

Board of Management





# The Supervisory Board

## **Jürgen Peddinghaus**

Chairman  
Management Consultant

### **Further offices held**

Supervisory Board:  
Faber-Castell AG, Nuremberg (Chairman)  
(until July 31, 2011)  
Zwilling J.A. Henckels AG, Solingen  
Drägerwerk AG & Co. KGaA, Lübeck

## **Detlev Böger**

Deputy Chairman  
IG Metall Labour Union Secretary, Hamburg Region

## **Dipl.-Ing. Antoinette P. Aris, MBA**

(since June 15, 2011)  
Adjunct Professor of Strategy at INSEAD  
(Fontainebleau/France)

### **Further offices held**

Supervisory Board:  
Hansa-Heemann AG, Rellingen  
(Deputy Chairwoman)  
Kabel Deutschland Holding AG, Unterföhring  
(since November 1, 2011)  
Tomorrow Focus AG, Munich (since June 1, 2011)

Similar control body:

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

## **Sedat Bodur** (until June 15, 2011)

Chairman of the Norderstedt Sales and  
After-Sales Services Works Council

## **Klaus-Peter Butterweck** (until June 15, 2011)

Chairman of the South West Sales Centre  
Works Council of Jungheinrich Vertrieb  
Deutschland AG & Co. KG, Hamburg

## **Wolfgang Erdmann** (until June 15, 2011)

Member of the Norderstedt Technology  
Works Council

## **Birgit von Garrel**

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

## **Markus Haase** (since June 15, 2011)

Chairman of the Group Works Council

## **Rolf Uwe Haschke** (since June 15, 2011)

Member of the General Works Council of  
Jungheinrich AG

**Joachim Kiel** (since June 15, 2011)  
Executive Employee of Jungheinrich AG

**Wolfgang Kiel** (until June 15, 2011)  
Management Consultant

**Wolff Lange**  
Managing Director of LJH-Holding GmbH,  
Wohltorf

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

Similar control body:  
WAGO Kontakttechnik GmbH & Co. KG, Minden

**Dr. Albrecht Leuschner** (until June 15, 2011)  
Barrister

**Hubertus Freiherr von der Recke**  
(since June 15, 2011)  
Barrister, Certified Public Accountant  
and Tax Consultant

**Further offices held**  
Supervisory Board:  
Hardenberg-Wilthen AG, Göttingen  
(Deputy Chairman)

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

**Dr. Peter Schäfer**  
Business Manager

**Steffen Schwarz** (since June 15, 2011)  
Deputy Chairman of the Group Works Council

**Reinhard Skibbe** (until June 15, 2011)  
Executive Employee of Jungheinrich AG

**Franz Günter Wolf**  
Managing Director of WJH-Holding GmbH,  
Wohltorf

**Further offices held**  
Similar control body:  
LACKFA Isolierstoff GmbH & Co., Rellingen  
(Chairman)

# The Board of Management

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

**Hans-Georg Frey**

Chairman of the Board of Management

**Further offices held**

Supervisory Board:  
Fielmann AG, Hamburg

**Dr. Volker Hues**

Member of the Board of Management

**Group-level office**

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

**Dr. Helmut Limberg**

Member of the Board of Management

**Dr. Klaus-Dieter Rosenbach**

Member of the Board of Management

**Group-level office**

Supervisory Board:  
Jungheinrich Moosburg GmbH,  
Moosburg (Chairman)

A photograph of a middle-aged man with light-colored hair, smiling broadly and looking upwards. He is wearing a light purple dress shirt and a patterned tie. He is holding a black pen in his right hand, pointing it upwards. The background is a bright, slightly blurred office setting. A yellow vertical bar is on the left side of the image.

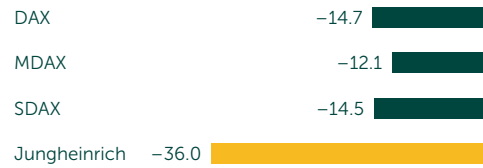
## The Jungheinrich share

- >>> 2011 stock trading year overshadowed by debt crisis and economic concerns
- >>> Share performance lags German stock indices >>> Earnings growth not reflected by share price >>> Stock market turnover further increased
- >>> Shareholders partake of the company's success: dividend to be raised



**Performance in 2011**

in %



The 2011 stock trading year was dominated by the sovereign debt crisis in the Eurozone and the ensuing clouded economic prospects the world over. Demand for cyclical issues suffered substantially as a result. This is mirrored in our share’s negative performance. The Jungheinrich share closed the 2011 stock trading year down 36 per cent. In contrast, stock market turnover continued to grow. Our shareholders will partake of the company’s success by way of an increased dividend.

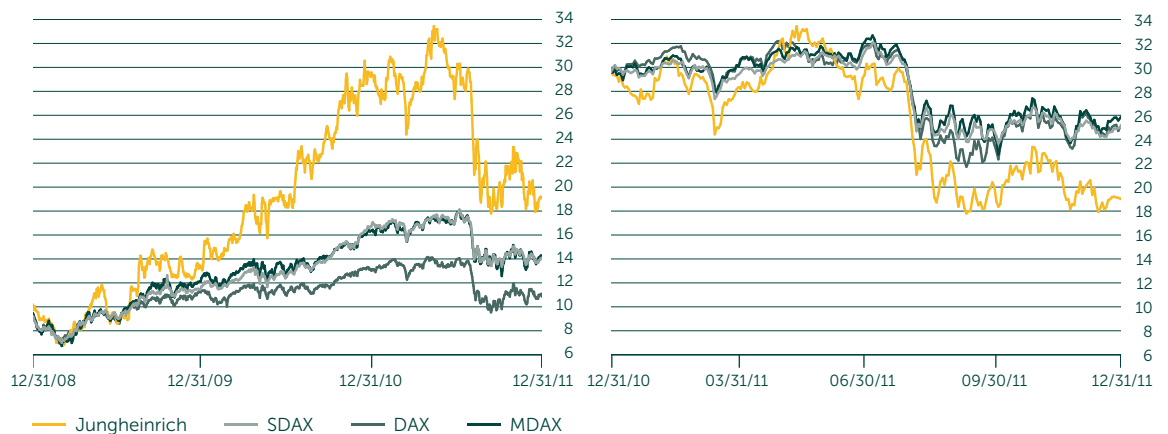
**2011 stock trading year: considerable drops in German share prices**

Developments on national and international stock markets were two-fold in the 2011 stock trading year. In the first six months, stock markets were buoyed by progressively improving economic data, strong profits in the first quarter, and a high degree of M&A activity. However, quotations experienced substantial temporary

corrections early on as a consequence of the earthquake in Japan and its knock-on effects, the political turmoil in North Africa, and the persistent sovereign debt crisis in the Eurozone. In the second half of 2011, the Eurozone’s increasingly severe sovereign debt crisis along with the mounting probability of the Greek state’s bankruptcy, the downgrade to the USA’s creditworthiness performed by a rating agency,

**Share price development over time**

in €<sup>1</sup>



<sup>1</sup> All figures are indexed to Jungheinrich's share price.



and weaker economic data worldwide indicating a deterioration in economic outlooks resulted in a collapse in share prices on global stock markets. It was not until the fourth quarter of 2011 that stock markets recovered somewhat. New governments in Italy, Spain and Greece; two base lending rate reductions by the European Central Bank (ECB) and robust US economic data supported the recovery process. By the end of 2011, the DAX—Germany’s leading share index—was at 5,898 points (prior year: 6,914 points). This represented a decline of 14.7 per cent. By the middle of the year, the DAX had risen by 6.7 per cent, to 7,376 points. Secondtier indices hardly closed the year better. The MDAX lost 12.1 per cent in value, dropping to 8,898 points (prior year: 10,128 points). By the same point in time, the SDAX, in which the Jungheinrich share is listed, was down 14.5 per cent to 4,421 points (prior year: 5,174 points).

### **Jungheinrich share: earnings increase not reflected in share price**

Contrary to the good earnings trend, Jungheinrich stock performance was unsatisfactory in the 2011 reporting year. At the beginning of fiscal 2011, Jungheinrich shares displayed a stable performance of between €27 and €31 before hitting their high for the year of €30.89 on February 9, 2011. The ad-hoc release on the company’s positive sales and business trend in the 2010 financial year published on February 23, 2011 stabilized the development of the share price. It was not until the catastrophic earthquake in Japan that quotations declined significantly on the back of high stock market turnover. The 2010 financial statements presented at the annual press conference on March 31, 2011

aided the resurgence in share price during the general recovery of global stock markets. Jungheinrich shares were among the volatile issues over the remaining course of the year, which was characterized by substantial changes in quotations. Our shares, which managed to elude the general trend initially, posted strong increases in price, recording several highs for the year, the last one of which was €33.44 on May 13, 2011. This development was triggered by the capital market’s positive reaction to the 2010 consolidated financial statements presented on March 31, 2011 and the corporate data on the first quarter of 2011 published on May 12, 2011. Several financial analysts made upward corrections to their earnings estimations and price targets for the Jungheinrich share. This was followed by declining quotations caused by profit-taking. Jungheinrich AG’s Annual General Meeting on June 15, 2011 had a stabilizing effect. In the second half of the year, the Jungheinrich share was unable to continue extricating itself from the general downward spiral, suffering significant drops in price. Main drivers were sales conducted by investors, who started shedding cyclical issues as well as small-cap stocks due to the clouding economies in the Eurozone and the USA. The capital market’s reaction to the interim report on the financials of the first six months of 2011 published on August 11, 2011 was positive. With just one exception, analysts confirmed their buy recommendations for the Jungheinrich share, stabilizing quotations temporarily. However, this was followed by a continued decline in share price: On September 12, 2011, the Jungheinrich share dropped to its low for the year of €17.80. A slight recovery set in after this, on the tails of the market’s general trend.

**Analyst coverage in 2011**

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

The interim report on the positive business performance as of September 30, 2011 published on November 10, 2011 injected positive short-term stimuli. Developments of the share prices of cyclical companies were hampered considerably, above all by investor concerns over the significant deterioration in economic prospects—especially in Europe. Our successful attendance at an investor conference in England was also unable to initiate a turnaround. The Jungheinrich share ended the 2011 stock trading year with a closing quotation of €18.94 (prior year: €29.58) which does not reflect the company's earnings growth. Consequently, Jungheinrich shares lost 36.0 per cent in value, underperforming Germany's stock indices.

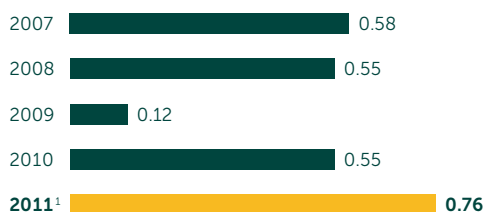
**Strong coverage of the Jungheinrich share: turnover rises further**

Coverage of the Jungheinrich share remained extensive in the year under review. In making decisions, investors were able to avail themselves of comprehensive research conducted and put at their disposal by 20 financial institutions that monitored the Jungheinrich share throughout the year. In the period being reviewed, there was a preponderance of analyst recommendations to buy Jungheinrich shares—with just a few exceptions. The company promptly publishes analyst opinions on the internet at [www.jungheinrich.com](http://www.jungheinrich.com). In view of the improved earnings trend, investor inclination to buy rose

significantly in the first six months of 2011. In contrast, purchasing propensity declined markedly in the second half of 2011 as a result of the onset of economic concern. Nevertheless, turnover on the Frankfurt Stock Exchange increased by a total of 24 per cent to €337.9 million (prior year: €272.1 million). August was the strongest month, achieving a trading volume of €52.0 million (prior year: November—€47.1 million) and a daily turnover of 102,913 shares (prior year: 77,887 shares). By December 31, 2011, the Jungheinrich share's market capitalization had decreased to €644 million (prior year: €1,006 million). Conversely, the company's shareholder's equity totalled €718 million, which was 11 per cent higher than its market capitalization. As of the balance sheet date, the underlying number of Jungheinrich shares was unchanged, at 34.0 million. Jungheinrich's preferred share dropped in ranking—excluding DAX issues—to 60<sup>th</sup> in Deutsche Börse AG's stock list in terms of market capitalization (prior year: 53<sup>rd</sup>) and in terms of turnover (prior year: 55<sup>th</sup>). The Jungheinrich preferred share is represented in Deutsche Börse's Prime Standard quality segment and is traded on all German stock exchanges. Jungheinrich AG's ordinary shares are held by the families of the daughters of the company's founder, Dr. Friedrich Jungheinrich. Each of the families still owns half of these shares.

## Dividend

per preferred share in €



1 Proposal.

### Communication with the capital market stepped up further

In the 2011 financial year, Jungheinrich continued to communicate with the capital market based on the principles of transparent, timely and regular reporting. Top-flight management showcased Jungheinrich on road shows and by participating in investor conferences at 20 major financial hubs in Germany and abroad. This further deepened and strengthened the ties between the company and the capital market, which are accorded substantial importance with a view to ensuring that the Jungheinrich share is valued appropriately. In so doing, yet again, more contacts with potential investors were established than a year earlier.

### Dividend set to achieve all-time high

The improved earnings trend in 2011 is to be reflected in a higher dividend paid to our shareholders. The Board of Management and the Supervisory Board will propose to the Annual General Meeting on June 12, 2012 that a dividend of €0.76 (prior year: €0.55) be paid per no-par-value preferred share for 2011 and that a

dividend of €0.70 (prior year: €0.49) be paid per no-par-value ordinary share. This corresponds to a 38 per cent rise in the dividend paid on preferred shares. In consequence, the dividend payment will climb to a record level. Based on the quotation on December 30, 2011, this will result in a dividend yield of 4.0 per cent (prior year: 1.9 per cent) for preferred shares.

### Jungheinrich share proves to be a solid long-term capital investment

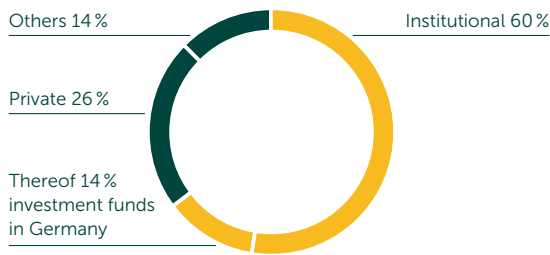
The Jungheinrich share evidenced that it was a robust capital investment for long-term investors—even in 2011, which was a difficult stock trading year. The following table is a review of the development of the value of a sample Jungheinrich custodian account over periods of five and ten years. Based on an initial €10,000 in capital, it was assumed that dividends were reinvested in additional preferred shares. However, both the Jungheinrich share and its benchmark indices posted a loss for the five-year period in 2011, owing to the substantial downturn on stock markets.

### Long-term performance of the Jungheinrich share

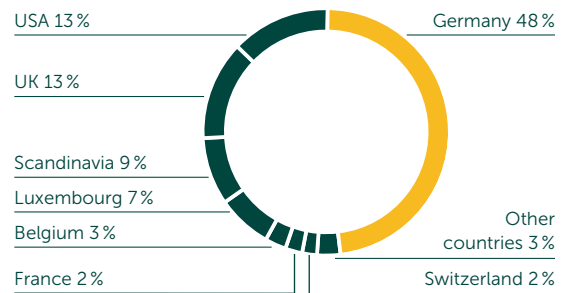
Investment period	10 years	5 years
Date of investment	01/01/2002	01/01/2007
Portfolio value at the end of 2011	€29,470	€8,996
Average annual return	11.4%	-2.1%
Comparable return of German share indices		
DAX	1.3%	-2.5%
MDAX	7.5%	-1.4%
SDAX	n.a.	-4.8%

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

### Investors



### Shareholder structure by country



### Shareholder base widened

The custodian account survey of Jungheinrich AG's shareholder structure conducted in November 2011 revealed a marginal change in the company's shareholder base. At 10,300 custodian accounts, the number of Jungheinrich shareholders rose slightly (prior year: 9,500 custodian accounts). Of the Jungheinrich preferred shares recorded, 52 per cent were owned by foreign investors (prior year: 54 per cent). Institutional investors in Germany and abroad held a combined 60 per cent (prior year: 62 per cent) of the company's preferred share capital. The portion accounted for by private investors advanced to 26 per cent (prior year: 25 per cent). Companies, asset management institutions and other investors combined for 14 per cent (prior year: 13 per cent). Foreign shareholders were distributed among 45 countries (prior year: 41 countries).

### 2011 Annual General Meeting: new Supervisory Board members elected

On conclusion of the Annual General Meeting on June 15, 2011, the following individuals retired from the Supervisory Board of Jungheinrich AG: Mr. Sedat Bodur<sup>1</sup>, Mr. Klaus-Peter Butterweck<sup>1</sup>, Mr. Wolfgang Erdmann<sup>1</sup>, Mr. Wolfgang Kiel, Dr. Albrecht Leuschner, and Mr. Reinhard Skibbe<sup>2</sup>. In turn, the following individuals were elected to the Supervisory Board: Ms. Antoinette P. Aris, Mr. Markus Haase<sup>1</sup>, Mr. Rolf Uwe Haschke<sup>1</sup>, Mr. Joachim Kiel<sup>2</sup>, Hubertus Freiherr von der Recke, and Mr. Steffen Schwarz<sup>1</sup>. In the Supervisory Board session following the Annual General Meeting, Mr. Jürgen Peddinghaus was elected Chairman of the Supervisory Board, and Mr. Detlev Böger<sup>1</sup> was elected his deputy.

<sup>1</sup> Employee representative.  
<sup>2</sup> Executive representative.

### One ad-hoc release published

As in the preceding year, one ad-hoc release was occasioned by the German Securities Trading Act in the 2011 reporting period. The publication dated February 23, 2011 was related to the positive sales and earnings growth in 2010, which exceeded expectations.

### Capital market-oriented key data

			<b>2011</b>	<b>2010</b>
Dividend per share	Ordinary share	€	<b>0.70</b> <sup>1</sup>	0.49
	Preferred share	€	<b>0.76</b> <sup>1</sup>	0.55
Dividend yield	Preferred share	%	<b>4.0</b>	1.9
Distribution volume		thousand €	<b>24,760</b>	17,620
Payout ratio		%	<b>23.5</b>	21.4
Earnings per share	Ordinary share	€	<b>3.07</b>	2.39
	Preferred share	€	<b>3.13</b>	2.45
EBIT <sup>2</sup> per share		€	<b>4.29</b>	2.87
EBITDA <sup>3</sup> per share		€	<b>8.75</b>	7.03
Shareholders' equity per share		€	<b>21.11</b>	18.61
Share price <sup>4</sup>	High	€	<b>33.44</b>	30.55
	Low	€	<b>17.80</b>	13.05
	End-of-year	€	<b>18.94</b>	29.58
Performance over the year		%	<b>-36.0</b>	120.7
Market capitalization		million €	<b>644.0</b>	1,005.7
Stock exchange trading volume in Frankfurt		million €	<b>337.9</b>	272.1
Average daily turnover		thousand shares	<b>53.0</b>	50.0
P/E ratio (basis: high)		factor	<b>10.8</b>	12.6
P/E ratio (basis: low)		factor	<b>5.7</b>	5.4
P/E ratio (basis: closing quotation)		factor	<b>6.1</b>	12.2
Number of shares	Ordinary share	million shares	<b>18.0</b>	18.0
	Preferred share	million shares	<b>16.0</b>	16.0
	Total	million shares	<b>34.0</b>	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

- >>> Dynamic growth of the material handling equipment market worldwide
- >>> Business trend dominated by growth and shaping the future
- >>> Incoming orders markedly up >>> Higher plant capacity utilization
- >>> Earnings trend at record level >>> Motto for 2012: 'Investing in the Future'



Jungheinrich benefited from economic growth around the globe and looks back on the most earnings-strong year in its corporate history. Growth and shaping the future determined the business trend in 2011. The material handling equipment sector maintained its course for recovery, enlarging the world market for material handling equipment by 23 per cent, and thereby surpassing the previous record set in 2007. Jungheinrich's core markets in Europe grew by some 24 per cent. The company defended its share of the market across all product segments in Europe. The Jungheinrich Group closed the year under review with record earnings. The earnings trend benefited from the increase in plant capacity utilization and a more favourable product mix. 'Investing in the Future' is the motto for 2012. Investment magnets are a new spare parts centre and two new manufacturing plants.

## **Business and economic environment**

### **Corporate profile**

Established in 1953, Jungheinrich is one of 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 world-wide 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,' are 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, primarily 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—in particular 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 relies on a powerful sales partner that has a strong dealer presence.

**Growth rates of selected economic regions**

Gross domestic product in %

<b>Region</b>	<b>2011</b>	<b>2010</b>
World	3.7	4.9
USA	1.7	3.0
China	9.2	10.3
Eurozone	1.5	1.7
Germany	3.0	3.6

Source: Commerzbank (last updated in February 2012).

**General economic situation**

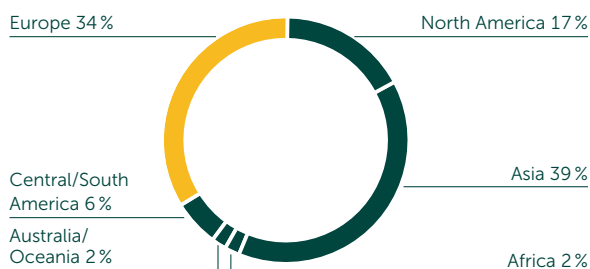
The global economy stayed its course for growth in the 2011 reporting period, albeit increasingly losing momentum over the course of the year. Regional differences became more pronounced. In rapid succession, leading economic research institutes adjusted their forecasts to the changes in economic scenarios. Having portrayed a positive picture of future economic development in the first few months of 2011, they lowered their growth expectations early on, at the beginning of the second half of 2011. The economy's dynamic development observed in 2010 initially carried over into the first quarter of 2011. However, growth lost some momentum owing to the high rates of increase witnessed in the preceding year. Encouragingly, Japan's economy rapidly regained its footing after the dramatic natural disaster in March 2011. As a result, the effects on the

world economic trend were limited. Political rifts in North Africa, which temporarily led to a rise in crude oil prices, had not had a major impact on the global economy until then. Economic prospects clouded nevertheless. The reasons for this were the weak growth observed in the USA, the tapering out of the stability programs initiated throughout the world in 2009, and the waning economic momentum in emerging countries. The first set of early indicators such as the Ifo Business Climate Index pointed to the weakening economic trend. Europe's economic development was curtailed by the sovereign debt and euro crises on financial markets in the second half of 2011. There were great differences among Eurozone countries. Once again, the key growth stimuli for the world economy thus came from emerging and developing countries, whereas most industrialized nations recorded moderate expansion.

The world's gross domestic product climbed by 3.7 per cent in 2011 (prior year: 4.9 per cent) with growth losing momentum. Stronger economic growth was posted above all in Asia, where China and India posted substantial gains. Nevertheless, growth in these countries slowed somewhat as well. Whereas China recorded a rate of increase of 9.2 per cent (prior year: 10.3 per cent) India achieved a gain of 7.6 per cent (prior year: 9.2 per cent). Despite the increasingly severe sovereign debt crisis, the USA and Europe also contributed to the rise in economic output. Economies in Eurozone countries displayed slightly weaker year-on-year growth by 1.5 per cent (prior year: 1.7 per cent). Jungheinrich's main sales countries besides Germany, namely France, Italy, the United Kingdom and Spain, posted growth rates of between 0.6 per cent and 1.6 per cent (prior year: -0.1 per cent to +1.5 per cent). The economic output of most Central and Eastern European countries continued to display

dynamic development as they are tightly intertwined with the economies of Western Europe. In the USA, growth slowed considerably, dropping to 1.7 per cent (prior year: 3.0 per cent). With a rate of increase of 3.0 per cent (prior year: 3.6 per cent) Germany displayed disproportionately strong growth in Europe. This development was buoyed to a great extent by the 8.2 per cent rise in exports (prior year: 14.2 per cent) and the 8.3 per cent increase in capital expenditures on equipment (prior year: 10.5 per cent). Germany's mechanical engineering sector, which is very export-oriented, recovered further, although it was unable to match the dynamic growth rates achieved in the preceding year. In this branch of industry, demand advanced by 9 per cent for foreign (prior year: 39 per cent) and by 13 per cent for domestic investment goods (prior year: 29 per cent). Output produced by the mechanical engineering sector rose by 12 per cent (prior year: 9 per cent).

### Global market for material handling equipment by region in 2011



Source: WITS (World Industrial Truck Statistics).

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

Region	2011	2010
World	974.6	794.5
Europe	330.6	267.4
thereof Eastern Europe	54.2	39.2
Asia	380.0	315.4
thereof China	238.3	200.3
North America	169.6	136.1
Other regions	94.4	75.6

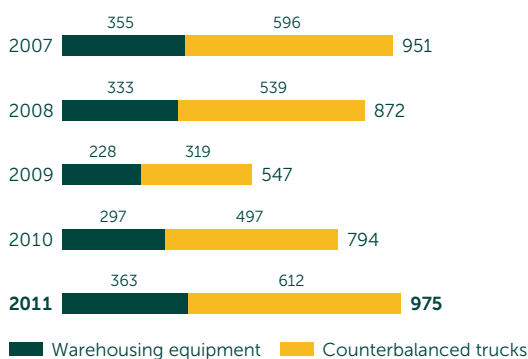
Source: WITS (World Industrial Truck Statistics).

### Development of the market for material handling equipment

In the period under review, the material handling equipment sector benefited from global economic growth, with the market's dynamic recovery that began in the preceding year carrying over into the first half of 2011, enlarging the market considerably. Only during the second six months of 2011 did the rates of increase shrink as expected, owing to the prior year's higher baseline. In the European and US sales regions, growth driven by the recovery continued in the first half of the year, resulting in especially strong gains before momentum in these markets declined as well. In the period being reviewed, the world market expanded by about 23 per cent in volume to 974.6 thousand trucks (prior year: 794.5 thousand units), surpassing the previous record of 951 thousand forklifts achieved in 2007. The market thus achieved a size clearly exceeding estimates made at the beginning of 2011, which expected the market to lose more momentum due to the substantial catch-up effect in 2010 and envisaged the market expanding by approximately 10 per cent.

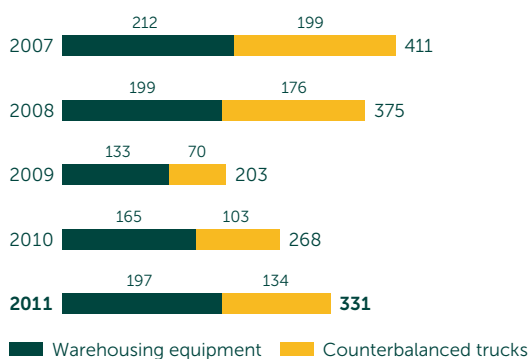
All regions contributed to the market's growth, posting double-digit rates of increase of a virtually equal order. Europe, Jungheinrich's most important sales market, achieved an encouraging gain, growing by some 24 per cent to 330.6 thousand forklifts (prior year: 267.4 thousand units). Demand in Western Europe was up 21 per cent, with Eastern Europe achieving a disproportionately strong rise of 38 per cent, underscoring its mounting significance and accounting for 16 per cent of European market volume. The development of the Russian market, the single-largest one in Eastern Europe, was extremely dynamic, posting a growth rate of 51 per cent. Germany, France, Italy, the United Kingdom and Spain—Jungheinrich's major markets in Western Europe—displayed widely disparate rates of increase, ranging from 4 per cent to 27 per cent. Market volume in Europe and North America remained below the record level achieved in 2007 nevertheless. Asia's market expanded slightly below average, increasing by 20 per cent to 380.0 thousand trucks (prior year: 315.4 thousand units). China's contribution was a marginally smaller rise of 19 per cent to 238.3 thousand

### 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).

forklifts (prior year: 200.3 thousand units). Posting a gain of 25 per cent to 169.6 thousand trucks (prior year: 136.1 thousand units) the North American market recorded yet another surge in market volume.

All product segments benefited from the market's worldwide enlargement. At 22 per cent, the increase posted by warehousing equipment was slightly weaker than the 23 per cent achieved by counterbalanced trucks. IC engine-powered forklifts recorded a slightly higher growth rate, posting a gain of nearly 24 per cent. This drive variant continues to dominate the product spectrum in the Asian and Latin American sales regions. In China, the 42 per cent growth rate recorded by warehousing equipment indicates that a shift towards warehousing technology is already taking place. In the future, the Jungheinrich Group will benefit from this market trend even more, thanks to the enlargement of its product range and the expansion of its manufacturing capacity in China.

## Focal points and activities

The Jungheinrich Group's 2011 financial year was dominated by 'Growth and Shaping the Future.' All the consolidation measures initiated in 2009, the year of the crisis, had been taken by the first few months of the period under review. After that, the points of focus were partaking of the market's continued dynamic development, the start of the construction of a new production plant and a spare parts centre, the company's appearance at the CeMAT trade show in Hanover, and the continuation of the IT projects.

The strong rise in demand for material handling equipment led to increasing plant capacity utilization, requiring a further, substantial rise in headcount at our production sites. Both the permanent workforce and the number of temporary staff members were increased.

The reengineering of production processes and the optimization of manufacturing procedures at the Norderstedt plant were completed. Centre stage was taken by the new powder coating facility which was built taking account of the latest environmental considerations, which is instrumental in improving intra-company transport.

In China, work on building a new factory in Qingpu (Shanghai) began in the autumn, in order to do justice to mounting demand in Asia. Once completed, the new facility will replace the current plant in Qingpu, which is being operated on a leased space. The present factory's capacity has largely been exhausted since it started producing a reach truck to supply the Asian market with products tailored to suit the region's needs.

Based on a new logistics concept, construction of a spare parts centre got underway in Kaltenkirchen, north of Hamburg, in the autumn of 2011. This investment project has a budget of over €35 million and is primarily designed to do justice to the company's international growth, the expansion of its product range resulting from the extended truck portfolio, as well as the mounting demands of the sales organization and the dealership business. Construction of the spare parts centre is scheduled for completion by the end of this year, with full operation slated for the middle of 2013.

In May 2011, Jungheinrich was hugely successful in showcasing numerous product

novelties and customized intralogistics solutions at CeMAT in Hanover, Germany, the world's largest trade fair for the sector, which takes place once every three years. One of the focal issues was the energy efficiency of drive systems. In this context, special attention was paid to the first battery-powered pedestrian-controlled pallet truck using forward-looking lithium-ion technology ready for mass production. Further product novelties included a reach truck with much improved performance, an auto pallet mover (driverless transportation system) as well as tow tractors for payloads of up to 4 metric tons. Newly designed stacker software such as the warehouse navigation and stacker guidance system rounded off the varied spectrum.

A major point of focus in sales was sharpening the brand profile. A new brand claim was developed to this end, reinforcing the uniform appearance we have had worldwide since 2003. The 'Jungheinrich—Machines. Ideas. Solutions.' claim, which summarizes the brand's attributes in a few, clear messages, was presented for the first time at CeMAT in May 2011.

In the field of information technology, attention was mainly directed to making IT systems and

processes more productive, secure, and affordable. A series of IT projects was implemented and initiated in the period being reviewed, including the modernization of IT infrastructure and upgrades of all workstations to the latest versions of Windows and Microsoft products.

## Business trend

In the period under review, the Jungheinrich Group maintained its course for profitable growth which it had also steered in the preceding year, closing fiscal 2011 with strong gains in terms of incoming orders, net sales and earnings. Buoyed by stable world economic conditions, the rise in global demand for material handling equipment was the primary driver of the development of business in 2011. As short-term hire operations and—even more so—after-sales services also benefited from the economic trend, business volume rose considerably. Therefore, the development of business in the 2011 reporting period was favourable to the Jungheinrich Group.

### Business trend—key figures

		<b>2011</b>	<b>2010</b>
Incoming orders	million €	<b>2,178</b>	1,924
Production	units	<b>75,700</b>	60,400
Orders on hand (12/31)	million €	<b>329</b>	281
Net sales	million €	<b>2,116</b>	1,816

### **Incoming orders**

Incoming orders in new truck business in terms of units rose by 21 per cent to 78.7 thousand forklifts throughout the Group (prior year: 64.9 thousand units). The trend towards heavy trucks, which led to a significantly improved product mix, was sustained. Concurrently to strong customer-side demand, due to the increased capacity utilization, a much larger number of forklifts was again added to the short-term hire fleet than in the preceding year. The value of incoming orders, encompassing all divisions, rose by 13 per cent year on year to €2,178 million (prior year: €1,924 million). When comparing this to the increase of incoming orders in new truck business based on units, one must take into account the fact that growth rates in after-sales services are generally slightly lower.

### **Production**

Production output, which tracks the development of incoming orders with a time lag, was up 25 per cent in 2011 to 75.7 thousand forklifts (prior year: 60.4 thousand units). For the first time, the Landsberg factory, which had commenced production in 2010, contributed to this on the strength of its manufacturing activities, which cover the entire range of

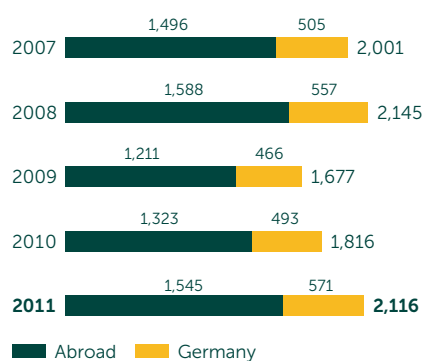
battery-powered low platform trucks, from the beginning of the year. Production volume achieved by the domestic plants at Norderstedt and Moosburg also rose, leading to much higher capacity utilization. Overall, however, the Jungheinrich Group's production output was 9 per cent down on the level it had in 2007, before the crisis. The number of temporary workers at the Norderstedt site was further increased, while short-time work in Moosburg was gradually reduced owing to the improved order trend, until it was completely discontinued at the end of May 2011. In consequence, the company had an increasing amount of production capacity at its disposal in the second half of 2011, which was reflected in a corresponding rise in production output.

### **Orders on hand**

Orders on hand in new truck business rose substantially over the course of the year, advancing to €329 million as of December 31, 2011 (prior year: €281 million). This caused the value of orders on hand to increase by €48 million, or 17 per cent, year on year. Commensurate to the climb in production output, the order reach was shortened to about three months (prior year: about four months).

### Net sales

in million €



### Net sales by region

in million €	2011	2010
Germany	571	493
Rest of Europe	1,394	1,197
Other countries	151	126
<b>Total</b>	<b>2,116</b>	<b>1,816</b>

### Net sales

Net sales were buoyed by the marked growth in production volume, rising by €300 million, or nearly 17 per cent, in the 2011 reporting year to €2,116 million (prior year: € 1,816 million). All regions contributed to this increase in net sales. Domestic business was up 16 per cent to €571 million (prior year: €493 million). Foreign net sales

advanced somewhat more, climbing by 17 per cent to €1,545 million (prior year: €1,323 million). As in the preceding year, the foreign ratio was 73 per cent. Net sales generated outside Europe rose by 20 per cent to €151 million (prior year: €126 million). Nevertheless, the non-European share of consolidated net sales amounted to 7 per cent, on par with the year-earlier level.

### Net sales by business area

in million €	2011	2010
New truck business	1,135	914
Income from the short-term hire and sale of used equipment	349	328
After-sales services	649	607
<b>'Intralogistics' business segment</b>	<b>2,133</b>	<b>1,849</b>
<b>'Financial Services' business segment</b>	<b>451</b>	<b>395</b>
Reconciliation	-468	-428
<b>Jungheinrich Group</b>	<b>2,116</b>	<b>1,816</b>

Nearly all the business areas contributed to the substantial 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 24 per cent to €1,135 million (prior year: €914 million). In sum, short-term hire and used equipment activities recorded a rise of 6 per cent to €349 million (prior year: €328 million). Whereas demand for short-term hire equipment advanced considerably, business with used equipment experienced a

marginal decline in net sales. This was mainly due to the high level of sales achieved in the previous year owing to the sale of large numbers of trucks in order to reduce the short-term hire fleet. Sales from after-sales services advanced by 7 per cent to €649 million (prior year: €607 million)—growth that is above average for this division. Nevertheless, the portion of total net sales accounted for by after-sales services decreased to 31 per cent (prior year: 33 per cent), owing to the very disproportionately strong rise in new truck business.



### Cost structure according to the income statement

in million €	2011	2010
Cost of sales <sup>1</sup>	1,482	1,271
Selling expenses <sup>1</sup>	396	362
Research and development costs	37	36
General administrative expenses <sup>1</sup>	59	53

<sup>1</sup> A change in the intercompany settlement of corporate costs resulted in a new cost structure in the year under review. Previous year amounts stated as part of the cost of sales and selling expenses were reclassified to general administrative expenses.

The cost of sales developed proportionately to the consolidated net sales trend, increasing by 17 per cent to €1,482 million (prior year: €1,271 million). The share of Group net sales accounted for by the cost of sales was maintained at the 70 per cent recorded in the prior year. Selling expenses posted a much smaller advance in relative terms rising by 9 per cent to €369 million (prior year: €362 million). Correspondingly, their portion of consolidated net sales decreased to 19 per cent (prior year: 20 per cent). Here, the expansion of the worldwide sales network in line with regional

requirements and with good measure was advantageous.

As a premium player, Jungheinrich continued to invest heavily in product development, seeking to provide its customers with tailor-made intralogistics solutions and make inroads in future-oriented technologies. Product novelties of this kind were presented at CeMAT in Hanover, the world's largest trade show for the sector, with great success in May 2011. As shown in the following table, at some €38 million, the Group's total research and development costs increased (prior year: €36 million).

### Research and development costs

in million €	2011	2010
Total research and development costs	37.6	36.3
thereof capitalized development costs	5.4	8.8
Capitalization ratio	14.4%	24.2%
Amortization of and impairment losses on capitalized development costs	4.6	8.1
Research and development costs according to the income statement	36.8	35.6

The reduction in capitalizable development costs caused the capitalization ratio to drop significantly, to 14.4 per cent (prior year: 24.2 per cent). Research and development costs according to the income statement rose marginally, to €37 million

(prior year: €36 million). In this context, reduced capitalization was contrasted by lower amortization. No impairment losses were recognized for capitalized development costs in the period under review (prior year: €3 million).

General administrative expenses rose less than consolidated net sales, advancing by 11 per cent to €59 million (prior year: €53 million). The increase compared to the previous year is largely due to the workforce increase, in particular to strengthen the IT Department.

## Earnings, asset and financial position

### Earnings position

The Jungheinrich Group maintained the upward trend on which it had embarked in the preceding year, posting another strong rise in earnings in the 2011 reporting period. The basis for this growth was primarily the dynamic development of the market and demand for material handling equipment as well as the ensuing jump in earnings at the factories.

### Earnings trend

in million €	2011	2010
Gross profit on sales	633.9	544.9
Earnings before interest, taxes, depreciation and amortization (EBITDA)	297.5	239.1
Earnings before interest and taxes (EBIT)	145.8	97.6
Financial income (loss)	2.5	-1.8
Earnings before taxes (EBT)	148.3	95.8
Income taxes	42.8	13.5
Net income	105.5	82.3

The Jungheinrich Group closed the 2011 financial year with a record level of earnings. The income trend benefited above all from the rise in production at the factories and the associated increase in capacity utilization as well as from an improved product mix. The finalization of the release of the provisions for personnel adjustment measures built in 2009 was contrasted by the accrual of provisions for warranties. Another contributor to the rise in earnings was the strong growth of the short-term hire and after-sales services businesses.

The gross profit on sales advanced by €89 million, or 16 per cent, to €634 million (prior year: €545 million). The rise was predominantly due to the fact that net sales in new truck business climbed by €221 million. EBITDA (earnings before interest, taxes, depreciation and amortization) which reflects the earnings affecting operating liquidity, rose by €59 million in the year under review to €298 million (prior year: €239 million). Net of the depreciation of trucks for lease from financial services, EBITDA totalled €245 million (prior year: €186 million). Operating earnings

before interest and taxes (EBIT) generated in the 2011 reporting period advanced by €48 million, or 49 per cent, to €146 million (prior year: €98 million), surpassing the record level achieved in 2007. The corresponding EBIT return on sales climbed to 6.9 per cent (prior year: 5.4 per cent). Earnings before taxes (EBT) jumped to €148 million (prior year: €96 million). Compared to the previous year, the financial result was positive, above all as a consequence of the persistently high level of liquid funds and the company's optimized investment policy, which however, remains conservative. The income tax payable for the Jungheinrich Group increased to €43 million (prior year: €14 million). This strong rise is owed to the fact that special items which had to be considered fiscally in the preceding year did not recur. Net income improved by €24 million to €106 million (prior year: €82 million). In consequence, the record earnings to date, which were generated in the previous year, were clearly exceeded. Accordingly, earnings per preferred share rose to €3.13 (prior year: €2.45).

In view of the considerably improved earnings trend, the Board of Management of Jungheinrich AG proposes a dividend of €0.70 per ordinary share (prior year: €0.49) and of €0.76 per preferred share (prior year: €0.55).

### **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.

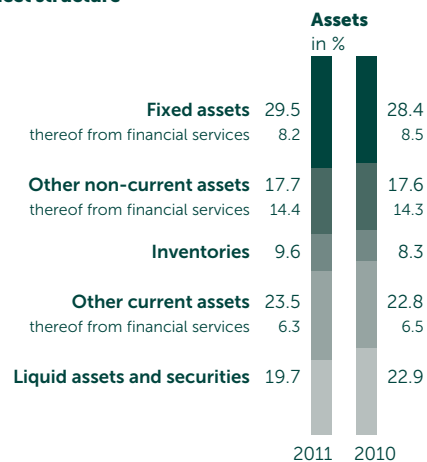
In the 2011 financial year, the Jungheinrich Group's asset and financial position was primarily determined by the significant revitalization of business and the associated earnings growth. By year-end, the balance sheet total had risen by €186 million to €2,580 million (prior year: €2,394 million).

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 enterprises must be carried as fixed assets as trucks for lease ('operating leases') or as receivables from financial services ('finance leases'). 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.

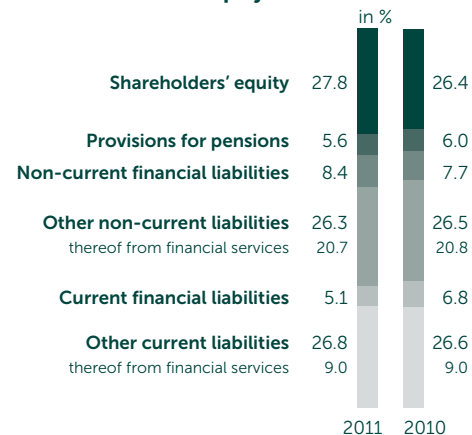
Further information on the financial service business is provided in the following detailed presentation in this report on the 'Financial Services' business segment and the consolidated financial statements of Jungheinrich AG.

### Balance sheet structure

As of 12/31



### Shareholders' equity and liabilities



42 | 43

### Asset structure

in million €

	12/31/2011	12/31/2010
<b>Non-current assets</b>	<b>1,329</b>	<b>1,101</b>
Fixed assets	761	679
Receivables from financial services	372	342
Other non-current assets	84	80
Securities	112	–
<b>Current assets</b>	<b>1,251</b>	<b>1,293</b>
Inventories	248	198
Trade accounts receivable	407	355
Receivables from financial services	163	155
Other current assets	36	36
Liquid assets and securities	397	549
<b>Balance sheet total</b>	<b>2,580</b>	<b>2,394</b>

Fixed assets were up by €82 million to €761 million (prior year: €679 million). Most of the increase was allocable to the enlargement of the capitalized short-time hire fleet to some 26 thousand forklifts (prior year: 23 thousand units) caused by the cyclically-induced rise in demand. The value of short-term hire equipment on hand advanced by €62 million to €221 million (prior year: €159 million). Moreover, capital expenditures on production plants, with the Norderstedt and Qingpu sites leading the way, as well as the spare parts centre in Kaltenkirchen, which is under construction, made a strong contribution to the increase. Furthermore, due to the pick-up in demand for leased forklifts, the value of trucks from the financial services business carried as assets rose by €7 million to €211 million (prior year: €204 million).

Non-current and current receivables from financial services advanced by a total of €38 million to €535 million (prior year: €497 million). Inventories swelled by €50 million to €248 million

(prior year: €198 million) due to the economic cycle. Non-current trade accounts receivable as of the cut-off date were up by €52 million to €407 million (prior year: €355 million) owing to the strong climb in net sales in the fourth quarter of 2011. Cash and cash equivalents consisting of liquid assets and securities decreased by €40 million to €509 million (prior year: €549 million). This was primarily due to the redemption of the €55 million promissory note bond issued in 2004 that fell due in 2011.

### Equity ratio

in %



### Capital structure

in million €

	12/31/2011	12/31/2010
<b>Shareholders' equity</b>	<b>718</b>	<b>633</b>
<b>Non-current liabilities</b>	<b>1,040</b>	<b>962</b>
Provisions for pensions and similar obligations	146	144
Financial liabilities	216	184
Liabilities from financial services	534	499
Other non-current liabilities	144	135
<b>Current liabilities</b>	<b>822</b>	<b>799</b>
Other current provisions	154	152
Financial liabilities	131	162
Liabilities from financial services	233	216
Trade accounts payable	172	146
Other current liabilities	132	123
<b>Balance sheet total</b>	<b>2,580</b>	<b>2,394</b>

The significant rise in earnings in the period under review, which essentially was only contrasted by the dividend payment for the 2010 financial year of around €18 million (prior year: €2 million), caused shareholders' equity to increase by €85 million to €718 million (prior year: €633 million). As a result, the equity ratio improved to 28 per cent (prior year: 26 per cent) despite the advance in the balance sheet total. As of the balance sheet date, 131 per cent (prior year: 133 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. 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. In the line with the scheduled transfers, at €146 million, provisions for pensions were nearly on par with the 2010 level (prior year: €144 million). In sum, other non-current and current provisions rose by a marginal €3 million to €210 million (prior year: €207 million). In this context, the finalization of the release 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 was primarily contrasted by the provisions in the period being reviewed associated with the renewed, strong growth in business. The Group's non-current and current financial liabilities experienced a slight increase, advancing by €2 million to €348 million (prior year: €346 million). In this context, the redemption of a €55 million promissory note bond issued in 2004 was contrasted by the strong expansion of the refinancing of the short-term hire fleet. Taking

the €509 million in financial resources and securities into account, there was another net credit, amounting to €161 million (prior year: €203 million). Trade accounts payable experienced a growth-induced increase of €26 million to €172 million (prior year: €146 million), with

non-current and current liabilities from financial services rising by €52 million to €767 million for the same reason (prior year: €715 million).

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

#### Statement of cash flows

in million €	2011	2010
Net income	106	82
Depreciation, amortization and impairment losses	152	142
Changes in trucks for short-term hire and trucks for lease (excluding depreciation) and receivables from financial services	-218	-130
Changes in liabilities from financing trucks for short-term hire and financial services	89	40
Changes in working capital	-78	-12
Other changes	14	-9
<b>Cash flows from operating activities</b>	<b>65</b>	<b>113</b>
<b>Cash flows from investing activities<sup>1</sup></b>	<b>-56</b>	<b>-40</b>
<b>Cash flows from financing activities</b>	<b>-51</b>	<b>-14</b>
<b>Net cash changes in cash and cash equivalents<sup>1</sup></b>	<b>-42</b>	<b>59</b>

<sup>1</sup> Excluding the balance of payments for the purchase/proceeds from the sale of securities amounting to a negative €26 million (prior year: a negative €36 million).

In the year under review, the development of the Jungheinrich Group's cash flow was determined by the substantial pick-up in business activity, the associated build-up of working capital, and the substantial improvement in the earnings trend. Cash flows from operating activities in the reporting period amounted to €65 million (prior year: €113 million). The improved net income (up €24 million) compared to the previous year, plus the change in depreciation, amortization and impairment losses (up €10 million) was contrasted by the considerable increase in the volume of trucks for short-term hire and for lease added, as well as receivables from financial services (down €88 million) minus the change in

associated financing (up €49 million). Furthermore, there was a growth-driven rise year on year in the need for working capital (down €66 million), which was essentially caused by invoices made out at the end of the year and the ensuing increase in trade accounts receivable.

For reasons of comparability, the balance of payments for the purchase and proceeds from the sale of securities totalling -€26 million (prior year: -€36 million) was deducted from cash flows from investing activities. The resultant cash flows from investing activities amounted to -€56 million, which was €16 million higher than the year-earlier level (-€40 million). Compared to the preceding year, investing activity started

picking up again somewhat. Construction projects initiated in the autumn of 2011 have initially been considered pro-rata, essentially in the expense incurred for the acquisition of real estate and a land usage right.

Cash flows from financing activities amounted to –€51 million (prior year: –€14 million). In this context, the redemption of a €55 million promissory note bond and the €18 million dividend payment (prior year: €2 million) were contrasted by an increase in liabilities due to banks resulting from taking out long-term investment loans.

Changes in cash and cash equivalents affecting payments totalled –€42 million (prior year: +€59 million). Taking the purchase and sale of securities into account, changes in cash and cash equivalents affecting payments amounted to –€68 million (prior year: +€23 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 2011 financial year, minus all advance work and depreciation as well as its use. The Jungheinrich Group's value added developed as follows:

#### Value added statement

in million €	2011	%	2010	%
<b>Source</b>				
Total Group output <sup>1</sup>	2,169	100.0	1,864	100.0
Cost of materials and equipment	1,197	55.2	1,002	53.8
Depreciation, amortization and impairment losses	152	7.0	142	7.6
<b>Net value added</b>	<b>820</b>	<b>37.8</b>	<b>720</b>	<b>38.6</b>
<b>Usage</b>				
Employees	629	76.7	582	80.8
Public sector	43	5.3	14	1.9
Lenders	43	5.3	42	5.8
Shareholders	18	2.1	2	0.3
Company	87	10.6	80	11.2
<b>Net value added</b>	<b>820</b>	<b>100.0</b>	<b>720</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, which reflects the successful business performance achieved in the 2011 fiscal year, amounted to €820 million (prior year: €720 million). It was 14 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 (€629 million, or 77 per cent) was used for employees (prior year: €582 million, or 81 per cent). The public sector received

**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).

€43 million, or 5 per cent, from the company (prior year: €14 million, or 2 per cent). Lenders partook of €43 million, or 5 per cent (prior year: €42 million, or 6 per cent). Ordinary and preferred shareholders had a share of some €18 million, or 2 per cent (prior year: about €2 million for preferred shareholders, or less than 1 per cent). The company had €87 million, or 11 per cent, of net value added at its disposal

for internal business financing (prior year: €80 million, or 11 per cent).

**Return on sales and capital**

The continued improvement in the Jungheinrich Group's earnings and asset position in the 2011 financial year is reflected in the positive development of the returns on sales and capital.

**Key return indicators**

in %

	2011	2010
EBIT return on sales (ROS)	6.9	5.4
EBIT return on capital employed (ROCE)	26.2	22.7
Return on equity	15.6	14.0
Return on total capital employed	6.3	5.5

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) posted a strong improvement, rising to 6.9 per cent (prior year: 5.4 per cent). It thus fell only slightly short of the 7.0 per cent record achieved in 2007. This is due to the disproportionately steep climb in net sales in new truck business in the period under review. The corresponding return on interest-bearing capital employed (ROCE) rose to 26.2 per cent (prior year: 22.7 per cent), thus significantly exceeding the Jungheinrich Group's long-term ROCE target of 20 per cent. In 2011, the return on equity improved to 15.6 per cent (prior year: 14.0 per cent). The return on total capital employed, adjusted to exclude liabilities and

interest income from financial services, advanced to 6.3 per cent (prior year: 5.5 per cent).

**General statement on the economic situation**

Despite the sovereign debt crises in Europe and the USA, the Jungheinrich Group, which in fiscal 2011 stayed the course for profitable growth it had charted in the preceding year, benefited from the stable conditions underlying the global economy, which led to another considerable enlargement of the world market for material handling equipment compared to 2010. In particular, the significant growth of the European market—Jungheinrich's core market—



### Return on equity after income taxes

in %



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

in %



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

buoyed new truck business as well as the other divisions. Accordingly, the company's business trend was dominated by growth and further earnings improvements. An increase in demand in new truck business, the ensuing rise in plant capacity utilization and the resultant earnings lift were the main drivers. This development, along with more effective and flexible structures in administration, sales and production, enabled the Jungheinrich Group to regain its traditional sales and earnings power. Jungheinrich closed the 2011 financial year with earnings hitting record levels. Such a positive development could not have been anticipated at the beginning of the 2011 reporting year.

## Capital expenditures

In the 2011 reporting year, capital expenditures by the Jungheinrich Group on tangible and intangible assets—net of capitalized development costs—rose by €19 million to €52 million (prior year: €33 million). This increase signals the Jungheinrich Group's return to investing activity for the purposes of growth and shaping the future. The two major capex projects initiated in 2011 are an example of this: the construction of a new spare parts centre in Kaltenkirchen, north of Hamburg, and the erection of the Qingpu factory, which is supplying the Asian market with products designed to satisfy the region's requirements. Last autumn, a cornerstone was laid at one of the sites, and a ground-breaking ceremony took place at the other. The capex-to-sales ratio rose to 2.5 per cent (prior year: 1.8 per cent). Moreover, investments were made

in the expansion of German production plants in the period being reviewed, focusing on the Norderstedt site. In addition, Group sales companies were expanded further.

## Research and development

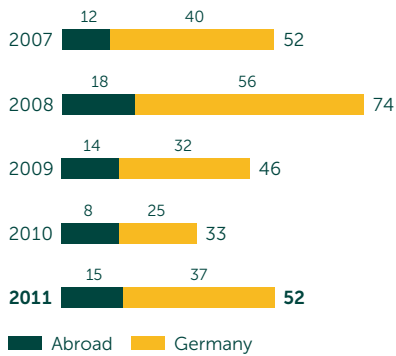
Ranked among the world's leaders in the fields of material handling, warehousing and material flow technology, in fiscal 2011, the Jungheinrich Group continued to invest heavily in product engineering, with a view to providing its customers with tailor-made intralogistics solutions and making inroads in forward-looking technologies. As before, the energy efficiency of drive systems was a key area of research. The company furnished convincing proof of its ability to perform at CeMAT 2011 in Hanover, the world's lead trade show for the intralogistics sector.

The Jungheinrich Group's capital expenditures on research and development including outsourcing amounted to €38 million (prior year: €36 million). This accounted for 4.4 per cent (prior year: 5.3 per cent) of net sales in new truck business, which grew substantially in the year being reviewed. Last year, an average of 342 people worked in the field of research and development throughout the Group, which was given a higher headcount (prior year: 322).

R&D work in the year under review focused on preparatory activities for new products aiming to make Jungheinrich more competitive over the long term. In 2011, 80 patent applications were filed (prior year: 64), and 47 patents were granted (prior year: 66). This enabled further

### Capital expenditures

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



### Research and development expenses

in million €



innovations to be turned into significant product improvements which help augment customer benefits substantially.

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

#### Fundamental research

Basic development work produced a technology roadmap involving all major divisions including Sales, Product Management, Purchasing and Production as well as the affected engineering departments. The roadmap is a planning tool for identifying promising forward-looking technologies and their links to upcoming series developments.

Lithium-ion batteries, which for several years have been explored as a way to store energy in the future, were used in a mass-produced product for the first time in the year being reviewed. The battery's short charging times and low weight open the door to new applications. Jungheinrich is developing the battery management system and is manufacturing the batteries using cells procured from its proprietary factory in Norderstedt. The engineering of larger lithium-ion batteries is being explored, and technological progress made by battery cell manufacturers is being monitored.

Research work in the field of material handling equipment automation was stepped up. The trend is moving away from project-specific customized solutions to standard solutions based on mass-produced forklifts and standardized control units. This change in approach enables quality to be improved and efficient after-sales services to be ensured.

The Corporate Engineering Department began designing further universal components that can be used across all of the Group's vehicle platforms.

Jungheinrich became the first material handling equipment manufacturer to be awarded 'Audited Product Eco Balance' environmental certification by TÜV Nord, the Technical Inspection Authority for the north of Germany. It recognizes the significant reduction in carbon dioxide emissions across the entire vehicle fleet. The savings achieved have amounted to more than 25 per cent in the conventional battery, diesel and LPG-powered forklift and reach truck segment over the last 10 years. Up to 90 per cent of all carbon dioxide emissions are produced in the usage phase. A reduction thus automatically results in a decline in energy costs and an increase in operating range.

Via new methods, Jungheinrich will continue to set standards for achieving further improvements in the energy efficiency of its trucks, thereby making a major contribution to the sustainability of operating material handling equipment.

#### Product engineering

In May 2011, Jungheinrich showcased its latest products at CeMAT in Hanover, the world's largest trade fair for the sector. A trend towards systems and products aiming to improve processes became apparent, e.g. ISM Online, a stacker management information system. Thanks to Jungheinrich's powerful EDP network as well as operator and truck data, customers can manage material handling equipment fleets of all sizes and complexity. Another of the truck-neutral systems is the forklift guidance system that strategically distributes transportation jobs

among suitable material handling equipment devices within a warehouse.

Trade show highlights included a driverless transportation system (auto pallet mover) that is based on mass-produced trucks and orients itself using laser navigation technology. Jungheinrich has begun equipping mass-produced truck models with these automation capabilities.

The first mass-produced piece of material handling equipment fitted with a lithium-ion battery (EJE 112i) gave a world premiere. Thanks to the use of the technology, which has been explored thoroughly in recent years, truck length was shortened considerably and battery weight was reduced from 150 to 14 kilogrammes. This enables the battery to be swapped rapidly, while the forklift is in operation. The battery is maintenance-free, 15 per cent more efficient than conventional batteries and can obtain up to 50 per cent charge using a special Jungheinrich charger (SLH 40i) in 30 minutes. Branch offices and lorries are potential applications.

The first variant of a new powerful generation of reach trucks (ETM/ETV 214/216) was also presented. One of its main features is its handling turnover rate, which can be up to 10 per cent higher. This primarily stems from the increase in hoist and lowering speed as well as the truck's significantly improved acceleration. Despite the higher handling turnover rate, energy consumption was reduced by another 10 per cent.

A tow tractor (EZS C40) with super elastic tires and substantial floor clearance for outdoor use was introduced at the trade show as well.

Work on engineering battery-powered high-platform trucks was nearly completed in the period under review. It addresses various

variants of two pedestrian-controlled model series (the ERC and EJC). Responsive and controllable hydraulics ensure safe handling at elevated hoist rates. Electrical steering and slot-in chargers are available options. Thorough tests of new materials culminated in the use of durable plastics, enabling the realization of the compartments required by customers in high quality.

A pedestrian-controlled stacker featuring an operator platform (ECR 327/336) was developed specifically for the US market as an end rider by Jungheinrich's Houston Design Centre (Texas). This forklift is manufactured by MCFA (Mitsubishi Caterpillar Forklift America Inc.) in Houston and sold under the Jungheinrich and Mitsubishi brands.

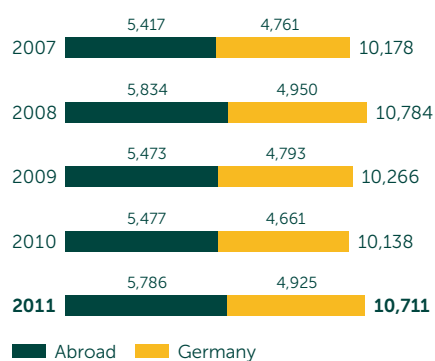
A reach truck (ETV 114/116n) supplementing the existing product range was made fit for mass production at Jungheinrich's factory in Qingpu (Shanghai) in China. In addition to adapting the truck to the requirements of Asian customers, emphasis was placed on maximizing the number of high-quality, locally-sourced components.

## Employees

By December 31, 2011, manpower adjustments to the dynamic development of the market and demand had caused the Jungheinrich Group's permanent labour force to rise by a total of 573 to 10,711 staff members (prior year: 10,138).

**Employees**

As of 12/31

**Employees by division**

	12/31/2011	12/31/2010
Sales and Marketing	7,877	7,421
Production	2,374	2,308
Service Centre/Administration	460	409
Total	10,711	10,138

The lion's share of the increase was attributable to German and foreign sales companies as well as to the Qingpu plant (China). Expansion in Russia and Asia resulted in disproportionately strong growth in those emerging regions. Development displayed by the Norderstedt and Moosburg factories was essentially flat. The headcount included 309 (prior year: 300) 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 personnel employed throughout the Group rose by 197, with the factories accounting for the lion's share. Norderstedt enlarged its temporary workforce by 42 individuals in view of the improved order situation. Short-time work at

Moosburg ended in May 2011, before the plant employed more than 100 temporary workers in the second half of 2011 in order to adjust order-based manufacturing to the rise in demand. Another 20 temporary staff members increased the Landsberg factory's production capacity.

All in all, the Jungheinrich Group enlarged its workforce in fiscal 2011, adding 770 jobs (permanent and temporary staff). 78 per cent (prior year: 77 per cent) of the permanent labour force worked in sales and administration, with production accounting for 22 per cent (prior year: 23 per cent). As in the preceding year, about 46 per cent of the labour force worked in the after-sales service organization. More than 3,550 service engineers (prior year: more than 3,400) worked in the service organization.

**Employees by region**

in %	12/31/2011	12/31/2010
Germany	46.0	46.0
France	8.6	8.9
Italy	7.4	7.6
UK	6.8	7.2
Spain	3.1	3.3
Rest of Europe	22.2	22.0
China	3.6	2.8
Other regions	2.3	2.2
Total	100.0	100.0

As of December 31, 2011, 5,786 (prior year: 5,477) staff members worked outside Germany, while 4,925 (prior year: 4,661) were employed within the country. Thus, as in the preceding year, about 46 per cent of the labour force worked in Germany. In the rest of Europe, France still accounted for the biggest share (nearly 9 per cent), followed by Italy and the UK, each with about 7 per cent. The share of our personnel active overseas rose to 6 per cent (prior year: 5 per cent) due to the scheduled expansion of our sales operations outside Europe. The proportion of the sales and production staff accounted for by China grew to 3.6 per cent (prior year: 2.8 per cent).

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.

### **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. These are made up of growth, market share and earnings components as well as returns on capital.

### **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 remuneration and the annual variable pay performance targets prepared by the Personnel Committee, reviewing them for the emoluments'

appropriateness at regular intervals. Jungheinrich AG's revised compensation system was applied to members of the Board of Management with employment agreements concluded from January 1, 2011 onwards. Remuneration of members of the Board of Management includes a fixed and a variable component and takes into account the legally required compensation components having a basis of assessment of several years. The Board of Management's compensation system is performance-oriented. This is reflected in the ratio of the variable to the fixed component. If a very good performance is achieved, the variable component can account for more than 50 per cent of total emoluments. However, it should generally be in line with the fixed component. The variable element's success parameters are the Jungheinrich Group's earnings before tax (EBT) and net sales growth as well as the increase in market share for individual product groups. The performance targets are reviewed annually in accordance with the company's strategic orientation and adjusted in line with the multi-year goals. The variable component is paid in installments over three years, with the annual installments coming due once the financial statements of the preceding year are adopted. Pensions for members of the Board of Management are calculated based on the individual's years of service at Jungheinrich with a lead-in period until the member has a right of non-forfeiture.

### **Supervisory Board compensation**

Remuneration of the Supervisory Board is governed by Article 18 of Jungheinrich AG's Articles of Association. The amounts 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.

The June 15, 2011 Annual General Meeting approved a new compensation model for the members of the Supervisory Board as of January 1, 2012, which replaced the rules approved by the June 3, 2003 Annual General Meeting. According to the new rules, in addition to the reimbursement of out-of-pocket expenses, each Supervisory Board member receives €20,000 in fixed annual compensation as well as an variable annual compensation, which depends on the EBIT return on capital employed (ROCE) achieved by the Jungheinrich Group. Variable annual compensation amounts to €4,000 for every full percentage point by which the achieved EBIT return on capital employed (ROCE) exceeds the threshold value of 15 per cent. Therefore, variable annual compensation amounts to €20,000 if the achieved EBIT return on capital employed (ROCE) reaches the target of 20 per cent. If the achieved EBIT return on capital employed (ROCE) exceeds the target, variable annual compensation is increased

by an additional €4,000 for every full percentage point above the target, until the maximal variable annual compensation of €40,000 is reached. The Chairman receives three times and the Deputy Chairman one-and-a-half times the aforementioned sums.

Furthermore, members of Supervisory Board committees receive an additional fixed annual compensation amounting to €25,000 for every member of the Personnel Committee and of the Ad-hoc Committees of the Supervisory Board. The chairmen of these committees receive twice this remuneration. Every member of the Finance and Audit Committee receives €30,000. The committee chairman receives two-and-a-half times this compensation.

## Purchasing and logistics

Jungheinrich's procurement operations break down as follows:

- sourcing of technology for production materials;
- corporate procurement of indirect consumer goods, services and commodities; and
- spare parts sourcing for the after-sales business.

In the period under review, purchasing focused on continuing the projects and initiatives launched in 2010 to further standardize methods and processes as well as on implementing procurement projects and measures defined at the product group level. Of notable mention in this regard is the restructuring of the battery business, which remained the largest main product group, accounting for a sourcing volume of more than €140 million.

Another focal point was the performance of several worldwide procurement market analyses for A components and new technologies.

The natural disaster in Japan at the beginning of 2011 gave rise to a procurement risk, the effect of which, however, was limited. It was manifested in temporary supply bottlenecks for electronic components and a few other supplied parts. A task force was immediately established to manage the purchasing situation. It permanently monitored all affected components and ensured the supply of parts. Alternative solutions were developed and implemented wherever necessary. This included identifying and establishing new procurement sources.

The creation of the Method and Processes Department was completed in the year under review. Besides introducing a purchasing cockpit based on the SAP Business Warehouse for managing and monitoring procurement activity, new purchasing methods and standards were developed and procurement projects received methodological support.

The continued growth of the material handling equipment market caused purchasing volume in the period under review to rise by 14 per cent to €1.35 billion (prior year: €1.18 billion). Driven by the increase in demand, the volume of production material was up approximately 26 per cent to €612 million (prior year: €484 million), accounting for 45 per cent (prior year: 41 per cent) of total sourcing. Rising by 27 per cent, the portion of the purchasing volume accounted for by commodities amounted to €304 million, or 23 per cent (prior year: €239 million, or 20 per cent). In contrast, indirect material sourcing was down 6 per cent to €430 million, corresponding

to just 32 per cent (prior year: €458 million, or 39 per cent) of groupwide procurement.

## Information technology

In view of the developments in the field of information technology, the measures and decisions relating to the IT strategy established in 2010 to harmonize and centralize processes demonstrated their effects in 2011. Major IT projects were launched with a view to making further inroads in networking using off-the-shelf software. Work on consolidating the legacy SAP systems used by the Technology Division to a shared system base commenced. IT infrastructure was modernized further, the virtualization of servers was continued, and a private cloud was created. The groupwide upgrade of all workstations to the latest versions of Windows and Microsoft programs was initiated.

Major customer-centric projects requiring direct interaction with the customer, simplifying the management of large customer fleets, and offering customers a direct information service were set up and made available to customers. Examples are the rental fleet management system and the innovative ISM Online fleet management module.

In building the Europe Platform for the Financial Services Division, on successful completion in Germany, the rollout of the ABCP (Asset-Backed Commercial Papers) Refinancing Program was expanded to encompass France.

In the future, use of the SAP-FSCM Dispute & Collections Management component within the

scope of working capital management will make groupwide receivables management even more effective and efficient.

In line with the principles of IT governance, an IT Board and an Architecture and Infrastructure Council were created as key elements of corporate governance. These two bodies have been staffed with executives from the divisions and the IT Department. They make essential decisions regarding IT projects and capital expenditures. This ensures that core processes receive reliable support ensuring a future-proof, groupwide networked IT base.

## Quality and Environmental management

Once again, Jungheinrich's quality management system rose to the challenge of further improving on the Group products' high level of quality even further in the 2011 financial year. This enabled quality and warranty costs—two major indicators—to be reduced substantially. To do justice to its self-image of premium material handling equipment manufacturer, the company raised its quality targets for the years ahead once again.

The foundation of success in terms of quality is provided by the product and service data furnished by Jungheinrich's direct sales which—pooled in SAP-BW (Business Warehouse)—ensure a high degree of transparency and reactivity to quality-related matters in the field. In line with this principle, Russia, which is increasingly gaining importance, became the next sales unit to be covered by the quality reporting system via the introduction of SAP. The same applies to the

used equipment from the Group's reconditioning facility in Klipphausen near Dresden (Saxony) for which dedicated reporting was set up within SAP-BW.

In the first half of 2011, the quality management system of the Landsberg factory, the Group's youngest production site, was successfully certified to the ISO 9001:2008 Standard by the external service provider SGS-International.

Parallel to these measures, basic principles were developed in order to be able to subject processes across all Jungheinrich plants to uniform internal audits. The joint audit management system's main goals are to further optimize interfaces in the production network and to have all the facilities become involved in the best practice approaches of a single site.

Jungheinrich is aware of the responsibility it shoulders vis-à-vis the society to minimize the influence its business activities and commercial success have on the environment. The company engineers and manufactures high-quality products that satisfy the demands of its customers in terms of environmental compatibility, economic feasibility, safety and quality in equal measure. In the manufacture, use and reconditioning of products, as well as in rendering services, the Jungheinrich Group sees to it that resources are conserved and environmental compatibility is constantly improved. The company maintains an open dialogue with stakeholders, provides the media with information on environmental issues, and works trustingly with public authorities, associations and other institutions. For instance, Jungheinrich is involved in a research project entitled 'The Effects of Intralogistics on the Environment' at Helmut-Schmidt-Universität



in Hamburg, in cooperation, inter alia, with representatives of the German Mechanical and Plant Engineering Association (VDMA).

Special proof of the responsibility assumed by Jungheinrich to act in an environmentally-aware manner was furnished by the first product eco balance for the material handling equipment sector systematically analyzed by the North German Technical Inspection Authority TÜV Nord and certified to DIN EN ISO 14040. The eco balance encompasses the analysis of the environmental impact of the Jungheinrich material handling equipment fleet from 2000 to 2010. This inspection covers raw material usage, production, truck transport in the manufacturing phase, energy usage over the trucks' service life, and the reconditioning of trucks for a second usage period.

The study revealed that the carbon dioxide emissions of the entire forklift program have been reduced considerably in the last 10 years, in part as a result of a series of technological innovations, which serve as a benchmark for carbon dioxide emissions today. The reduction achieved in the classical battery, diesel and LPG-powered forklift segment amounted to more than 25 per cent.

Innovations for the reduction of carbon dioxide emissions have left their mark on Jungheinrich's entire product lifecycle. High-tech solutions by Jungheinrich are a yardstick especially in the usage phase, during which 80 to 90 per cent of all emissions are produced. Significant reductions in carbon dioxide emissions combined with peak handling turnover rates translate into a substantial decrease in the burden placed on the environment as well as lower energy costs for the benefit of our customers

and the environment. Having become the first material handling equipment manufacturer to be awarded the environmental seal of approval encourages Jungheinrich to stay this course and achieve further improvements.

## Compliance and Data privacy

Compliance was accorded high significance once again in the 2011 reporting year. To Jungheinrich, compliance consists of adherence to statutory regulations and the company's internal guidelines. The company has linked this function centrally to the tasks of the Corporate Audit Department.

All of the executives were requested by the Board of Management and the Chief Compliance Officer (CCO) to adhere to the variety of internal rules and external statutory regulations at work.

Assisted by the compliance system implemented in the past, a large number of issues were analyzed by being subjected to special audit inspections worldwide and throughout the Group. The CCO received leads that primarily originated internally, from all areas within the company. Externally, customers and interested parties can provide information on potential irregularities in confidence via the internet.

In addition to scheduled review inspections, further elements of internal processes were reviewed for adherence to external and internal performance targets. Every review inspection contains a special notice of compliance which is supplemented by further recommended procedures where necessary.

The Board of Management as well as the Supervisory Board's Finance and Audit Committee

were constantly informed of potential compliance incidents by the CCO.

Pursuant to Jungheinrich's 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 responsibly, while complying with applicable data privacy regulations. In the 2011 reporting year, the entire workforce was advised of this comprehensively and obliged to comply with the policies—and above all local legislation—once again.

A variety of inquiries relating to issues of data privacy law concerning the storage of data, employee security checks and the use of new media were promptly reviewed and answered by the Group's data privacy officers. These inquiries aimed for pragmatic solutions enabling performance targets concerning the Jungheinrich business model to be maintained. Individual data privacy coordinators assisted the departments' data privacy officers in their work. The registers of processing operations, which provide an accurate overview of the data processing procedures applied within the Jungheinrich organization, were updated throughout the Group.

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 from a single source for the duration of their equipment's life cycle. 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, the Netherlands and Spain. Plans envision the continuous expansion of independent financial service companies in other core markets, with Austria next on the agenda.

### **Business trend**

In the 2011 reporting period, pan-European orders on hand exceeded 100 thousand forklift trucks for the first time.

### **Key figures for the financial services business**

in million €

	<b>2011</b>	<b>2010</b>
Original value of new contracts	<b>391</b>	334
Original value of contracts on hand as of 12/31	<b>1,611</b>	1,531

€391 million in long-term financial service agreements were concluded in fiscal 2011 (prior year: €334 million). Jungheinrich sales from more than every third new truck in Europe were thus generated through financial service transactions (rentals, leases, etc.). Some 79 per cent of the new contract volume was allocable to countries in which Jungheinrich has proprietary financial service companies. By the end of 2011, the volume of contracts on hand in Europe had risen by about 5 per cent to 101.2 thousand trucks (prior year: 96.7 thousand units), corresponding to an original value of €1,611 million (prior year: €1,531 million).

### **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 €	12/31/2011	12/31/2010
<b>Non-current assets</b>	<b>647</b>	<b>608</b>
Trucks for lease from financial services	269	261
Receivables from financial services	372	342
Other non-current assets	6	5
<b>Current assets</b>	<b>314</b>	<b>292</b>
Inventories	23	25
Trade accounts receivable	58	48
Receivables from financial services	163	155
Other current assets	50	51
Liquid assets and securities	20	13
<b>Balance sheet total</b>	<b>961</b>	<b>900</b>

The increase in liabilities from financial services stems from the matched-maturity and matched interest-rate refinancing of the higher number

of 'operating lease' and 'finance lease' customer contracts.

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

in million €	12/31/2011	12/31/2010
<b>Shareholders' equity</b>	<b>26</b>	<b>18</b>
<b>Non-current liabilities</b>	<b>577</b>	<b>545</b>
Liabilities from financial services	534	499
Other non-current liabilities	43	46
<b>Current liabilities</b>	<b>358</b>	<b>337</b>
Liabilities from financial services	233	216
Trade accounts payable	78	77
Other current liabilities	47	44
<b>Balance sheet total</b>	<b>961</b>	<b>900</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 €	2011	2010
<b>Net sales</b>	<b>451</b>	<b>395</b>
Cost of sales	448	397
<b>Gross profit on sales</b>	<b>3</b>	<b>-2</b>
Selling expenses	6	5
<b>Earnings before interest and taxes (EBIT)</b>	<b>-3</b>	<b>-6</b>
Financial income (loss)	14	12
<b>Earnings before taxes (EBT)</b>	<b>11</b>	<b>6</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	
		12/31/2011	12/31/2010	12/31/2011	12/31/2010
Shareholders' equity	million €	718	633	783	698
Balance sheet total	million €	2,580	2,394	1,823	1,693
<b>Equity ratio</b>	%	<b>28</b>	<b>26</b>	<b>43</b>	<b>41</b>
Financial liabilities	million €	348	346	344	345
Liabilities from financial services	million €	767	715	-	-
Other liabilities/receivables vis-à-vis affiliated companies	million €	-	-	25	31
	million €	1,115	1,061	369	376
Liquid assets and securities	million €	509	549	490	537
<b>Net financial liabilities</b>	million €	<b>606</b>	<b>512</b>	<b>-121</b>	<b>-161</b>
<b>Financial income (loss)</b>	million €	<b>2</b>	<b>-2</b>	<b>-12</b>	<b>-14</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.

### 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 the risk management process. 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 the planned business performance. 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 identified between inventory cut-off dates.

Due to its varied and systematic audits of all the areas of responsibility of the Board of Management throughout the Group, the Corporate Audit department is a key element of Jungheinrich's risk management system. Audits were conducted in all the Group's divisions and companies in the year being reviewed. They were based on an audit schedule established by the Board of Management and are expanded to review specific points where necessary. Risk aspects were detailed in the audit reports and discussed with the managing directors and division heads affected. Measures for limiting risks were agreed on immediately, and their implementation was verified by the Corporate Audit Department within the scope of follow-ups. Moreover, the most recent risk-related topics (largely relating to

organizational changes) were promptly subjected to special reviews.

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 centralized 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 2011 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 sovereign debt crises in Europe and the USA. They include risks associated with company financing, liquidity, residual values, counterparty defaults, currency and suppliers.

### **General risks 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—focussing on Europe—is constantly monitored and evaluated based on regular estimates made concerning the material handling equipment market, the competitive environment and capital markets—

especially with regard to fluctuations in currency exchange and interest rates. The objective is to detect indications of the future order trend. Production schedules and capacity are constantly brought in line with the forecast level of incoming orders. Considerably this reduces the risk of plant capacity under-utilization to which Jungheinrich is exposed. 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 that began in 2010 and continued in the period under review. In 2011, the size of the market for material handling equipment increased by 23 per cent worldwide. The European market grew by some 24 per cent, with Eastern European countries posting rates of increase as high as 38 per cent. Nevertheless, the European market has not yet returned to the pre-crisis level.

The heightened risk resulting from the Eurozone's sovereign debt crisis will determine the business trend in 2012. Indicators of economic sentiment and the downward corrections made to growth forecasts thereafter—especially for Germany and the Eurozone—are proof of the effects of the sovereign debt crisis spilling over to the real economy. The political solution to lastingly stabilizing financial markets and, in turn, the development of the world economy, will be of pivotal importance. Therefore, against the backdrop of the deterioration in framework conditions, from our current perspective, the European material handling equipment, warehousing and material flow technology



markets are unlikely to post further growth in the 2012 financial year. Substantial uncertainty continues to surround estimates of the extent to which the global economy may cool down. However, a recessionary scenario, the type of which was observed in 2009, is deemed improbable.

From an earnings perspective, given stable plant capacity utilization, the cost of materials is only expected to rise moderately in 2012, whereas personnel costs will increase significantly. Based on the enlargement of the short-term hire fleet driven by strong demand in 2011, stable development is anticipated in 2012 as long as capacity utilization remains good. Jungheinrich expects the rate of growth displayed by the after-sales services business to weaken moderately in 2012 compared to 2011.

The European sovereign debt crisis will likely affect the business trend in 2012. Nevertheless, progressing globalization and the ensuing division of labour and economic developments in Asia and South America continue to provide for advantageous framework conditions enabling regional growth opportunities in the field of intralogistics. A rising number of countries has a mounting need for modern material handling technology and logistic systems. Thanks to the expansion of its local sites in growth regions, 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 still impossible to predict the risks that may arise from the political turmoil in North African

countries and further crisis-plagued regions as well as in particular from increases in oil prices.

The consolidation of the material handling equipment sector continues to progress, as evidenced by the merger of two Japanese manufacturers announced recently. 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, both now and in the future.

### **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. Jungheinrich 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 2011, Jungheinrich had a short-term hire fleet of an average of approximately 24 thousand trucks (prior year: 22 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. These systems help company management detect developments significantly affecting procurement prices early on and act accordingly.

No material risks are currently expected to arise in 2012 from the development of the price of commodities. Following highs in the second and third quarters of 2011, the prices of steel, aluminium, copper and lead declined substantially towards the end of the year, falling below the levels seen at the beginning of the 2011 reporting year.

Commodities are expected to display disparate price trends in 2012. Whereas steel prices are likely to be slightly above last year's average, copper and aluminium price levels are expected to be lower—a forecast that applies to lead in particular. It cannot be ruled out that the weakening of the global economy becoming

apparent the world over might cause the cost prices of commodity-intensive products to drop further compared to the averages recorded in 2011.

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

#### **Risks pertaining to information technology**

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

#### **Personnel risks**

Jungheinrich's corporate culture is based on trust. Independent entrepreneurial thinking and performance-oriented action by employees and executives are the foundation of Jungheinrich's commercial success and future development. To this end, as part of our university marketing campaigns, we nurture close ties to, and work closely together with, technical universities with a view to recruiting the young engineering talent

that is important to the company. The company reacts to the fierce competition for skilled labour and executives and mitigates the associated risk of a loss of know-how caused by staff turnover by offering attractive qualification options and a performance-oriented compensation system. For instance, 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 remains difficult to recruit engineers—above all for development assignments, because they are highly sought after in the industry.

#### **Risks associated with financial services**

Material risks to which Jungheinrich may be exposed through its financial services business include the 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, the financing platform created in 2010 also enables us to obtain refinancing on the capital market. Sufficient lines of credit are at the company's disposal for financing the growing new truck business.

##### **Creditworthiness risk**

Customer receivable defaults were kept very low in the last few years. Jungheinrich's creditworthiness risk exposure 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. 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 central 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 Eurozone's persistent sovereign debt crisis (euro crisis) and its impact on the financial markets do not have a material effect on securing Jungheinrich's financial room for manoeuvre at present. Despite the stricter risk standards of lending institutions, the company's good creditworthiness and robust positioning were valuable assets in securing credit financing for the years ahead. In addition

to its short-term lines of credit, Jungheinrich has over € 300 million in medium-term credit lines to finance its operating activities. Furthermore, the company has a €100 million promissory note with an original term of five years placed in December 2009. This ensures that our future growth will have robust financing. Neither the earnings expectations for 2012, 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. As it still has a 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 the risk indicators used in the Jungheinrich Group—in particular the credit ratings of contractual partners, which are determined and regularly updated by reputable rating agencies, no major risk ensues 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, 2011, the Jungheinrich Group had €196.9 million in currency hedges on its books (prior year: €177.0 million). Outstanding currency hedges largely have maturities of less than one year. Jungheinrich had €93.6 million in interest rate hedges for underlying transactions on its books as of December 31, 2011 (prior year: €63.8 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. Appropriate provisions have been built to cover potential financial burdens resulting from risks relating to lawsuits. Otherwise, the company is not facing any material risks associated with litigation with third parties.

### Events after the close of fiscal 2011

No transactions or events of major importance to the Jungheinrich Group occurred after the end of the 2011 financial year.

### Outlook and opportunities

In assessing the development of world trade in 2012, Jungheinrich anticipates the economy losing momentum, continuing to display significant regional differences. The main cause is the clouding economy, which is becoming apparent worldwide as a consequence of the sovereign debt crises in the Eurozone and the USA. Downwardly adjusted economic forecasts for the Eurozone point to a marginal

economic downturn. However, the industrial nations' most recent economic indicators have already brightened somewhat, signalling a more friendly economic trend from the spring of 2012 onwards. In contrast, Eastern Europe is likely to post marginal growth. Moderate expansion is also predicted for the USA. The economies of Asia and Latin America will continue to benefit from the strong momentum and domestic demand in emerging countries (China, India and Brazil) as well as the 'business launch' situation unique to Japan. This will have a stabilizing effect on world economic growth. Potential economic effects of political changes in North African countries remain uncertain and have not been considered in the growth forecasts.

#### Growth rates of selected economic regions

Gross domestic product in %

Region	Forecast 2012	Forecast 2013
World	3.4	3.8
USA	2.0	2.5
China	7.5	7.5
Eurozone	-0.4	0.8
Germany	0.5	1.3

Source: Commerzbank (last updated in February 2012).

Despite the considerable deterioration of the economic environment—especially in Europe—the material handling equipment industry's prospects should remain stable overall, displaying lateral movement with small opportunities for growth, albeit differing substantially from one region to the next in some cases. Therefore, the market will probably lose a lot of momentum,

following the strong growth it achieved last year. Jungheinrich thus expects the world market for material handling equipment to grow only by under 5 per cent to some 1 million units. This market enlargement is likely to take place primarily in Asia, Latin America and the USA. Since counterbalanced trucks play a dominating role in this part of the world, the gains posted

by this product segment should be slightly higher than those achieved by the warehousing equipment segment. The development of the European market may benefit from a solid basis in Germany, France and the United Kingdom as well as from the stronger growth displayed by Eastern Europe. This will be contrasted by weakening markets, e.g. in Spain. Additional sales opportunities will be presented to the Jungheinrich Group as a result of the market trend and the trucks recently launched as well as due to the company's intensified marketing activities. In sum, Jungheinrich anticipates that the development of business in 2012 will display lateral movement and harbour small opportunities for growth. Based on the market's expected growth and in line with the business performance observed in the first few weeks of the year underway, the company expects incoming orders to range at least between €2.0 billion and €2.1 billion, with consolidated net sales developing accordingly. The sales trend should benefit from the high level of orders on hand at the beginning of the year. It cannot be ruled out that the sovereign debt crises may cause the market to shrink substantially, contrary to this assessment. In such an event, the company would be well positioned to survive such a negative scenario successfully, given its optimized and more flexible structures in administration, sales and production, and thanks to the position it commands as a full-line supplier and intralogistics service provider focussing on the less volatile food sector and to the large portion of overall business accounted for by services.

The company's 2012 earnings trend will be determined above all by demand in new truck business and the associated utilization of manufacturing capacity in its production plants as well as by the continued growth displayed by the after-sales services business. Earnings contributed by new truck business will largely depend on the development of the markets in major European countries and the product mix. The high level of orders on hand at the end of 2011 provides a solid basis for plant capacity utilization. In 2012, earnings will be curtailed primarily owing to higher personnel costs resulting from collectively bargained wage agreements in Germany, among other things. Provided that the world material handling equipment markets develop as prognosticated and business develops accordingly, the Jungheinrich Group stands a good chance of generating operating earnings before interest and taxes (EBIT) matching last year's level.

In 2012, the Jungheinrich Group will step up its development work, doing justice to its role as one of the world's leading companies in the field of material handling, warehousing and material flow technology in the current year as well. This applies to the fundamental engineering of key technologies like drive systems throughout the Group as well as to market-specific product developments. On the strength of new developments, Jungheinrich will furnish proof of its ability to deliver as an intralogistics service and solution provider with manufacturing operations yet again in 2012. This is summarized in the brand claim 'Jungheinrich—Machines. Ideas. Solutions.'

After a potential growth dip in 2012, Jungheinrich expects markets to start expanding again. In line with this assessment, the company will make substantial investments in 2012 under the motto 'Investing in the Future' in order to generate long-term, profitable growth. Work on building the new factory in Qingpu (Shanghai) began with a view to meeting mounting demand for material handling equipment in Asia. On completion, it will replace the existing plant, ensuring an even better supply of regionally-specific products to this key sales region. Further forward-looking projects include the establishment of the new spare parts centre to expand the after-sales services business and the construction of sales centres to strengthen the sales organization. By firing the starting shot for the construction of a narrow-aisle stacker factory at the Degernpoint site (Bavaria) the stage was set in February 2012 for a further independent centre of excellence for warehousing and system equipment. These trucks are currently produced at the main plant in Moosburg. The new factory project has a budget of approximately €40 million. Its commissioning in the second half of 2013 will be followed by the modernization of the manufacturing areas for the counterbalanced trucks that will continue to be produced at the Moosburg site. The objective is to tap cost savings potential.

Excluding investments in the short-term hire and financial services businesses, capital expenditures will exceed €80 million, clearly surpassing last year's level in 2012 owing to these major future-oriented capex projects, the implementation of which will last for a period of

two years. Moreover, the establishment of new financial service companies in Austria will spur the expansion of the financial services business in Europe. Thanks to the secured company financing and the refinancing of the financial services business, the foundation for future growth has been laid in this line of business as well.

As regards sales, our shares of the markets in specific regions will be improved and our sales presence on the growth markets of Eastern Europe, Asia and Latin America will be expanded. In 2012, the Indian market will be canvassed via a sales company that is yet to be established. Furthermore, Jungheinrich will make inroads in the expansion of its worldwide dealership network in countries in which it does not have proprietary sales companies as well as in regions of strategic importance. In addition, stepping up business with IC engine-powered counterbalanced trucks and the expansion of the system business will continue to be essential points of focus.

One might be able to expect a significant increase in business volume once again in 2013. The prerequisite for this would be that the global economic trend continue as prognosticated. This would inject positive stimuli into the material handling equipment sector's business cycle. Rising incoming orders in new truck business causing production capacity utilization to advance at our factories would contribute to an improvement in the Jungheinrich Group's earnings trend.



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

Thanks to its effective and flexible structures, the Jungheinrich Group is well positioned to prevail against the competition in the future as well—irrespective of the consolidation process in the material handling equipment sector. By virtue of the major capex projects initiated, the stage has been set for the Jungheinrich Group growing profitably and expanding its market share over the long term both in Europe and beyond. As a result of the strategic investment decisions made by the company, its production sites are fully in line with growth prospects. Jungheinrich will step up its activity wherever it can take advantage of sales and earnings opportunities within the framework of its business model and in line with its strategic orientation over the short and medium term. This applies to tapping emerging markets such as India as well as to product development. 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.

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



## Group overview

- >>> Brand profile even sharper >>> Eco balance for material handling equipment program certified >>> Construction of a spare parts centre in Kaltenkirchen
- >>> Cooperation with action medeor





Jungheinrich as an intralogistics service and solution provider with manufacturing operations offers its customers a comprehensive range of forklift trucks, shelving systems, services and advice. The company is represented in some 100 countries worldwide, in 31 of which it operates its own powerful direct sales and service network.

The 2011 reporting year at Jungheinrich was dominated by growth and shaping the future. Business performance benefited from the conditions underlying the global economy, which were generally stable. As premium supplier, the Group continued to invest heavily in the development of energy-efficient products and tailor-made logistics solutions as well as in the expansion of progressive production facilities and spare parts centres.

In developing its brand strategically, the brand profile was sharpened even further and brand recognition was strengthened worldwide. The result is the new claim: 'Jungheinrich—Machines. Ideas. Solutions.' which combines mechanical engineering expertise with a passion to innovate and solution orientation. This clearly sets the company apart from the competition.



## Social responsibility

### Commitment to work and employment

Jungheinrich has kept the character traits of a family-owned company despite being a listed company. In our quest to act in a profitable, ecologically aware and socially responsible manner, we aim to safeguard the company's future viability and innovative capabilities on the basis of economic success. Given the sector in which we operate and taking account of the variety of circumstances prevailing on the markets, sustainability concepts are an integral part of our corporate strategy. This is why Jungheinrich is particularly dedicated to providing employment prospects, to promoting education and the sciences, and to protecting the environment. One of the main challenges is to recruit and retain qualified staff. Jungheinrich creates incentives to this end, including

advanced training, continued education and equal opportunity options as well as ways to strike a good work-life balance. Externally, the company invests in academic and vocational training, focusing on natural sciences and technology. This is a field in which the company, which has manufacturing operations primarily in Germany (Norderstedt, Lüneburg, Moosburg

> One of the main challenges is to recruit and retain qualified staff.

and Landsberg), plays an important role from a local perspective, as it offers jobs, traineeships and apprenticeships in regions harbouring the potential to develop as economic sites. This is a commitment that is perceptible to people who live in the vicinity of our production sites and farther away. Our employees are encouraged to rise to this commitment.

### **Promoting academia and the sciences**

The Dr. Friedrich Jungheinrich Foundation contributes to advancing science and research as well as education and training in the fields of electrical engineering, mechanical engineering and logistics. For instance, young adults with outstanding qualifications are supported by being awarded scholarships and research projects conducted in partnerships such as those with Helmut Schmidt University (HSU) in Hamburg, Hamburg-Harburg Technical University, Munich Technical University and Tongji University in Shanghai. Another of the Foundation's missions is to support educational and training institutes as well as the chairs of various academic fields.

### **Environmental protection and resource conservation**

Thanks to novel energy saving technologies integrated into processes, the Jungheinrich Group can increase the efficiency of its production operations substantially and over the life cycle of its products. These technologies enable resource consumption per item produced to drop, which is very beneficial to the environment and an expression of the company's ecological responsibility. Moreover, making reasonable use of resources and developing energy-saving products makes us more competitive.

### **Eco balance for Jungheinrich's material handling equipment offering certified**

Jungheinrich was the first manufacturer of material handling equipment to be awarded the 'Audited Product Eco Balance' environmental seal of quality. It was conferred on the company by TÜV Nord, the Technical Inspection Authority for the north of Germany. TÜV systematically an-

alyzed the eco balance prepared by Jungheinrich and certified it to ISO 14040. It includes average carbon dioxide emissions across the entire range of Jungheinrich products. According to the balance, the carbon dioxide emissions of the classical segments including battery, diesel and LPG-powered forklifts has been reduced by more than 25 per cent in the last ten years. The lion's share of the eco balance of a piece of material

> Jungheinrich was the first manufacturer of material handling equipment to be awarded the 'Audited Product Eco Balance' environmental seal of quality.

handling equipment is accounted for by the usage phase. This is where over 80 per cent of a forklift truck's total carbon dioxide emissions is produced. The significant reduction in the energy consumption of material handling equipment affects the energy balance and, in turn, the user's budget.

### **Jungheinrich supports action medeor**

The Jungheinrich Group believes that its commitment to society is not limited to employment, education, training, science or environmental protection. The company is open to other ways of assuming its responsibility for sustainable development and making a contribution to conserving resources as well as to the development of society and the economy. This includes being supportive of aid organizations by donating material handling equipment and intralogistics expertise. It is for this reason that Jungheinrich

## Employees by function

(As of 12/31)

	2011	2010
After-sales service engineers	3,561	3,425
Factory engineers	213	176
Production	1,376	1,381
Sales agents	760	742
Office staff	4,313	3,976
Temporary workers	179	138
Trainees	309	300
<b>Total</b>	<b>10,711</b>	<b>10,138</b>

began cooperating with the pharmaceuticals aid organization action medeor within the scope of a partnership at the beginning of this year. In concert with local partners, action medeor supplies about 10,000 medical units with pharmaceuticals and medical supplies in 140 countries the world over. The assistance of the aid organization, which is based in Tönisvorst (North Rhine-Westphalia), is sought after especially in the event of disasters. For medeor, sustainable help starts on site: This is why the aid organization promotes the education and training of medical staff, the equipment of laboratories and the local production of pharmaceuticals. Educational campaigns are conducted and therapies are enabled with local partners.

> For medeor, sustainable help starts on site.

The collaboration also involves Jungheinrich supporting action medeor in the provision and distribution of aid resources and pharmaceuticals to protect people in humanitarian distress. Lasting assistance is also provided in setting up local factories and warehouses for aid resources and pharmaceuticals in Germany and developing countries.

## Employees

### Increase in the workforce

As of December 31, 2011, Jungheinrich employed 10,711 people worldwide (prior year: 10,138), of which 5,786 (prior year: 5,605) worked abroad and 4,925 (prior year: 4,661) worked in Germany. Production had a labour force of 2,374 employees (prior year: 2,308), while sales and administration had a personnel headcount of 8,337 (prior year: 7,830). The permanent workforce included 309 (prior year: 300) trainees. The after-sales service organization accounted for 46 per cent of all employees.

### Anticipating change

The shift in our society's age structure and its effects on the economy pose a huge challenge to Jungheinrich's personnel policy. Although population trends cannot be stopped by the company, effects such as the dearth of skilled labour and declining technological competitiveness can be influenced.

In view of the increase in retirement age to 67 years in Germany and the tapering out of the German Employment Agency's old-age part-time work subsidies, Jungheinrich concluded a future-oriented shop agreement with its employee representatives. It enables us to react flexibly to the demographic development. The agreement envisages prolonging employee participation in professional life individually and in line with requirements.



### **Place of employment of the future**

One of the focal points of human resources work in the year under review was the improvement of work processes through the use of new IT systems. At the beginning of 2011, the starting shot was fired for the groupwide introduction of the Microsoft Windows 7 operating system and the 2010 Office Suite. An interdisciplinary team consisting of IT, purchasing and HR staff members was responsible for implementing the project, which was ambitious in terms of logistics. Besides replacing hardware, the workforce received instruction for using the new software via training videos. The introduction of the new hardware and software ensures rapid and efficient communication among employees, customers and suppliers worldwide.

### **Modern training**

The careful and qualified basic and advanced training of skilled workers has always been accorded substantial importance at Jungheinrich. Only well trained and responsible staff members who work independently are capable of meeting the increasing requirements they face at work.

> The careful and qualified basic and advanced training of skilled workers has always been accorded substantial importance at Jungheinrich.

By opening a new training facility at the Norderstedt production site, Jungheinrich has established outstanding prerequisites for conveying practical knowledge and professional expertise that can be put into action. The plant thus ranks among the most modern training operations in Schleswig-Holstein.





### **Accomplishing more together**

Under the motto 'Jungheinrich ECHO 2011,' the first groupwide employee survey in the company's history was launched in the autumn of last year. Sixty-two per cent of the labour force participated in the survey's first round, seizing the opportunity to express their opinion on the working environment at Jungheinrich and identify room for improvement in this manner. Anonymity and data privacy were ensured as the results were collected and evaluated by an external cooperating institute. Findings obtained have been presented to the employees and discussed with their superiors since the beginning of 2012.

The poll will be repeated at regular intervals and is an important tool for further increasing Jungheinrich's attractiveness as an employer.

### **Thanks to the employees and their elected representatives**

Jungheinrich closed the 2011 financial year with a very good result. Our German and foreign personnel's high level of commitment and loyalty were essential contributors. The Board of Management wishes to express its appreciation to them for their performance.

Our gratitude also goes out to the employee representatives, with whom we always find solutions that benefit the Group and its workforce.



## Technological innovations

### **EJE 112i: first mass-produced piece of material handling equipment featuring lithium-ion technology**

As one of the world's leading companies in the field of material handling, warehousing and material flow technology, Jungheinrich maintained its high level of development activity last year as well. Exploring alternative drive systems continued to be a key research activity.

> One of the main advantages of lithium-ion technology is the design of the battery.

Jungheinrich presented the world's first mass-produced piece of material handling equipment featuring lithium-ion technology at CeMAT 2011,

the intralogistics sector's lead trade show. The showcased truck is an EJE 112i battery-powered pedestrian fork lift truck.

One of the main advantages of lithium-ion technology is the design of the battery. The one used in the EJE 112i weighs only slightly more than 14 kilograms, reducing the forklift's weight by about 150 kilograms compared to the EJE 116, which is the baseline Jungheinrich truck. This represents a truck weight reduction of approximately 30 per cent, allowing the chassis to be shortened significantly. This simplifies the usage of the pedestrian-controlled pallet truck both in tight quarters and in areas where caution must be exercised in terms of weight, for example when working on lorry lifter shutter walls. The lithium-ion battery's higher efficiency combined with the truck's reduced weight improves energy consumption significantly. Presented at CeMAT 2011, the forklift solution combines the robustness and economic viability of Jungheinrich's battery-powered pallet trucks with the advantages of forward-looking lithium-ion technology.



### **VFG 540s–550s: hydrostat series completed**

Energy-efficient drive technology is also at the core of the large Jungheinrich hydrostat introduced at the beginning of 2012. The VFG 540s–550s rounds up the hydrostat series, which was successfully launched on the market when the VFG 425s–435s was presented in 2008. Both the diesel (DFG) and liquefied petroleum gas (TFG) versions of the new forklift truck are powered by a Volkswagen engine. The variable displacement pump and the wheel motors are from Bosch Rexroth. The basis for the truck's peak performance and very high energy efficiency is provided by the system's control unit, which runs on software developed by Jungheinrich.

Compared to hydrodynamic drive technology, hydrostatics have fewer mechanical components and are thus service-friendlier and lower-maintenance. The use of Volkswagen's latest common rail engine technology has brought numerous advantages from the automotive industry to Jungheinrich's forklift trucks powered by internal combustion engines. Sourced from the auto-

mobile industry, the drive motor has low consumption and vibration figures, while ensuring low exhaust gas and noise emissions.

> Jungheinrich thus offers the cleanest diesel-powered stacker in its class.

Fitted with the standard diesel particle filter, the engine already meets Exhaust Gas Emission Stage III b requirements, which will become effective in 2013. Jungheinrich thus offers the cleanest diesel-powered stacker in its class. Measurements have shown that in sum, the use of the hydrostatic drive results in fuel savings of up to two litres of diesel or two kilograms of liquefied petroleum gas per hour. This lowers costs and reduces carbon dioxide emissions, thereby sparing the environment.

**EFG 420–430:  
battery-powered stacker portfolio  
supplemented by two forklifts**

During the same period of time, Jungheinrich introduced a new counterbalanced truck powered by an electric motor. The EFG 420–430 is a powerful, energy and resource-efficient truck. The range of battery-powered forklifts has been extended by two new trucks with a payload capacity of three metric tons belonging to the new model series. One of the forklifts has an extended load centre of 600 millimetres, and the other has an extremely short frame, which reduces its turning radius.

Thanks to the use of the latest generation of Jungheinrich's environmentally friendly three-phase alternating current technology, these battery-powered trucks are very efficient and constantly keep consumption down. Based on measurements according to the cycle defined by the Association of German Engineers, consumption was reduced by 13 per cent compared to the predecessor generation. The new forklift thus has an outstanding degree of energy efficiency while delivering exceptional performance. Jungheinrich calls this 'pure energy.'

The new EFG 425–430 comes in two variants across all payload classes. The new 'Efficiency' and 'Drive&LiftPlus' feature packages allow the stacker to be configured with respect to performance. This allows the truck's characteristics to be adapted precisely to suit customer needs.

**ETM/ETV 214–216:  
lower energy consumption,  
higher handling turnover rate**

Also among the company's technological innovations is a model series 2 reach truck. Although its energy consumption has been decreased significantly, the ETM/ETV 214–216 achieves handling turnover rates that are up to ten per cent higher than the predecessor model. This mainly stems from the increased hoist and lowering speeds under load as well as the new stacker's considerably improved acceleration. The new reach truck's electronic control unit was tailored to the forklift's engine performance with software that was engineered by Jungheinrich as well. The development of this forklift thus fits seamlessly into the push to make drive systems energy-efficient—a field in which Jungheinrich has been making inroads successfully for years.

**EZS C40:  
Jungheinrich tow tractor  
with superelastic tires**

The type EZS C40 tow tractor presented to a world audience for the first time at CeMAT 2011 was designed specifically for use on various surfaces. The tow truck is capable of manoeuvring safely over smooth industrial floors as well as slightly uneven surfaces, for example when in use outdoors. The necessary traction is provided by the drive wheel's superelastic tires. At the same time, the tread absorbs small jolts when travelling over bumps.

**Efficient processes:  
warehouse navigation, auto pallet mover  
and WMS**

In the last few years, Jungheinrich has brought its research and development work more in line with the more efficient handling of processes in its customers' warehouses. An example of this is warehouse navigation in wide aisles. The use of this module has made it possible to take advantage of the capabilities of the Jungheinrich warehouse navigation system launched on the market in 2008 in freely drivable material handling equipment since CeMAT 2011. The module works similarly to the navigation systems used in passenger cars. Navigation in wide aisles differs fundamentally from that in narrow aisles of warehouses. Whereas stackers are located using RFID technology and transponders embedded in the floor in narrow aisles, a special position-finding system is used in wide aisles. This is because trucks in wide aisles are freely drivable as opposed to those in narrow aisles, which are guided. Integrating all the material handling equipment in use in a warehouse into the user's end-to-end process chain—from goods receipt/lorry unloading to shipment/lorry loading is the basis for making sensible use of a warehouse navigation system in wide aisles. Wide-aisle navigation can simply be fitted to various Jungheinrich forklifts as a module—be it reach trucks, order pickers, or battery-powered stackers.

**BestInvest:  
Jungheinrich's response to  
the customer's cost perspective**

An important element in the operation of material handling equipment fleets is the costs arising over the lifetime of an investment, referred to as the total cost of ownership. In addition to acquisition and usage costs, the operating costs of a forklift truck or a logistics facility also include the cost of energy and maintenance. However, the lion's share is accounted for by personnel costs. Based on

> At Jungheinrich, customers receive the best performance for their money.

surveys conducted by the German Engineering Federation, 70 per cent of the companies in Germany and the USA deem the consideration of operating costs over the lifespan of a capital good important. Jungheinrich has given this customer perspective on costs a new name: BestInvest. This is based on a very clear concept: At Jungheinrich, customers receive the best performance for their money.



## Logistics services

### Logistics systems

The 'Logistics Systems' Division displayed successful development in 2011. The company's competitive pricing, years-long expertise and extensive range of customized solutions to intra-logistics problems make it one of today's leading providers. This holds true for manual, semi-automatic and fully automatic material flows.

Jungheinrich's 'Warehouse Management System' (WMS) software controls all of a warehouse's product flows efficiently. The 'Forklift Guidance System' extension module ensures that the truck fleet is used as evenly as possible. The software was validated again this year by the Fraunhofer Institute (IML).

High acceptance is also achieved by the 'Jungheinrich Logistics Interface' that forms the interface between the WMS and forklift control unit. Process solutions such as the warehouse navigation system for narrow and wide aisles are connected to the customer's IT system via the logistics interface. By virtue of being the only provider of this middleware solution, the

company has proven its innovation leadership yet again. Jungheinrich now looks back on more than 200 projects involving logistics systems that it has implemented successfully on an international basis.

### Short-term hire and used equipment

Global demand for short-term hire equipment remained strong in the 2011 financial year. Significant sales growth was achieved above all in the growth regions, namely Russia and China. The circumspect and flexible alignment of the short-term hire fleet is a guarantor of success. Accordingly, we increased our stock of short-term hire stackers to some 26,000 trucks worldwide, with a view to meeting the market's mounting demands.

Business with used equipment stabilized at the high level it had in the preceding year. A major reason for the good sales figures was purchasing by end customers, which has been on the rise for several years. Buyers benefited considerably from the uniform standard of quality of the industrial reconditioning of forklift trucks in the



used equipment centre in Klipphausen near Dresden (Saxony). The 'Jungheinrich JungSTARS' name, which has been given to this type of reconditioning, has been patented and given trade mark protection in numerous countries.

#### **After-sales services**

After-sales services, which consist of maintenance, repair and spare parts service, look back on a successful 2011. The business cycle, which was dynamic especially in the first half of the year, was responsible for our full order books.

A key milestone for the organization's further professionalization is the new spare parts centre which is under construction north of Hamburg. This is where the Group's international spare parts business will be managed centrally from 2013 onwards.

Besides conventional maintenance services, business with replacement batteries and additional services was stepped up. Among other things, the international expert audience attending the CeMAT sector trade show in May was presented with the 'ISM Online' (Information System for Forklift Management) fleet

management system, for which Jungheinrich won the German Service Management Award soon thereafter. Designed for the analytical collection, observation and assessment of stacker fleet data, the system was developed in-house. Thanks to ISM Online, users can manage their material handling equipment fleets efficiently across numerous sites.

#### **Financial services**

The Jungheinrich Group pursues ambitious strategic goals in the 'Financial Services' business segment. To this end, the company is strengthening its international presence via proprietary financial service companies in its main core markets. In 2011, this was done in the Netherlands. A foundation of this kind enables Jungheinrich to offer companies with global operations both uniform and flexible usage concepts. Customers benefit from tailor-made solutions that go far above and beyond financing, extending into the field of comprehensive fleet management. In many markets, more than a third of all material handling equipment is sold via customized financial services concepts.



Jungheinrich constantly enlarges its share of the market in this field of business.

#### **Mail-order business**

Jungheinrich PROFISHOP stayed the course for growth on which it had embarked in the previous year, lifted net sales, and underscored its strong position on the factory equipment mail order market. A major contributor to this positive performance alongside the catalogue and sales were the e-commerce channels including the new web shop, which was opened in August 2011. Another focal point of investing activity was online marketing, the capacities of which were fortified significantly. A large number of key accounts availed themselves of the e-procurement offerings and opted for the electronic purchasing solution provided by PROFISHOP.

Processes in the fields of customer service and logistics were optimized in order to provide customers with even better service.

## **International projects**

#### **Agility: logistic meets intralogistic**

Agility is a world leader in the provision of integrated logistics solutions, with more than 22,000 employees and 550 offices in 100 countries. The company concentrates on modern supply chain solutions and operates through two business areas: Agility's Global Integrated Logistics (GIL) is headquartered in Switzerland and provides its customers rapid access to freight management, warehouse and distribution solutions as well as to specialized services for fairs and events, chemicals and project logistics.

The Agility's Portfolio Division encompasses Agility Defense & Government Services, a logistics provider to governments, defense ministries, international organizations, aid organizations and non-governmental organizations (NGOs) the world over. Agility Infrastructure manages industrial property and offers solutions in the fields of customs optimization and clearance, waste management, recycling and aviation services.

Agility's GIL maintains a central warehouse including a container freight station in the Jebel





Ali Free Zone (JAFZ), a free trade area of the Emirate of Dubai in the United Arab Emirates, for its logistics operations in the Middle East. Spanning nearly 60,000 square metres and over 92,000 pallet slots, the state-of-the-art warehouse ranks among the ten largest in the region. A total of 55 pieces of Jungheinrich material handling equipment are in use there, including 14 EKX 515 k high-rack stackers ensuring ultimate performance in narrow-aisle warehouses.

**Lagerhäuser Aarau AG:  
a special kind of automatic  
high-rack warehouse**

Lagerhäuser Aarau AG, a company of Lagerhäuser der Centralschweiz AG, is a well-established Swiss firm and was founded in 1873 as a pure transportation and warehousing company. Today, it owns logistics centres in Spreitenbach, Schafisheim, Hunzenschwil and Buchs (all of which are in the Canton of Aargau). Lagerhäuser Aarau AG specializes in holistic logistics solutions for customers in the most diverse of sectors. These include Nestlé, Coca Cola, Ricola, Disch, Gustav Gerig and Blattmann-Cerestar in the

foodstuff and semi-luxury segment as well as Limmatdruck, SIBIR, ABB, Elcotherm, Swatch, Piaggio, Vespa and Electrolux in the non-food segment.

In addition to transporting and storing goods, Lagerhäuser Aarau AG ensures that further logistical services are rendered hassle-free. The latter include inventory management and quality control as well as order picking, price labelling and co-packing—for example shrinking, banderol application and packaging in special containers—as well as the production of displays.

Jungheinrich erected a new automated high-rack warehouse for Lagerhäuser Aarau AG on approximately 10,000 square metres in Hunzenschwil. Its special features are six order-picking aisles right in the high-rack warehouse beside the five alleys, redundant conveyor systems capable of providing mutual assistance as well as shelf operating devices capable of adapting performance to the order situation.



## Production sites and spare parts centres

Jungheinrich is significantly expanding its production capacity in China in order to satisfy the mounting demand for material handling equipment in Asia. To this end, the ground-breaking ceremony for the new plant of Jungheinrich Lift Truck Manufacturing (Shanghai) Co., Ltd. in Qingpu (Shanghai District) took place in early November 2011. A factory designed according to the state of the art is being built on a plot of land covering more than 60,000 square metres. It is located about three kilometres from the current plant, which will be fully relocated on completion of the new factory. The new plant will enable both optimized logistics as well as the production of additional truck model series. The objective is to position

Jungheinrich forklifts even better in this central sales region.

Another investment magnet in the fiscal year that just came to a close was the planning and beginning of the construction of a new spare parts centre north of Hamburg. The aim is to do justice in particular to the company's

> The objective is to position Jungheinrich forklifts even better in this central sales region.

international growth, the expansion of the spare parts range in line with the enlarged truck portfolio, and the mounting demands placed on the sales organization and the dealership business. Construction of the spare parts centre will be based on a new logistics concept and



is scheduled to finish at the end of 2012. The capital expenditure amounts to approximately 35 million euros.

Jungheinrich's current spare parts logistics network is based on the three warehouses in Norderstedt (since 1984), in Lahr in the south of Baden (since 2001) and in Bratislava/Slovakia (since 2007). Given the volume of spare parts forecast for 2014, their capacities will have been exhausted by then. Comprehensive preliminary analyses have shown that it would be impossible to enlarge the existing locations to meet the future requirements. Therefore, the current spare parts warehouse and management will be transferred from Norderstedt to the new spare parts centre.



## **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>	
		2011 in thousand €	2010 in thousand €	2011 in thousand €	2010 in thousand €	2011 in thousand €	2010 in thousand €
<b>Net sales</b>	(3)	<b>2,116,283</b>	<b>1,816,192</b>	<b>1,664,893</b>	<b>1,420,563</b>	<b>451,390</b>	<b>395,629</b>
Cost of sales <sup>3</sup>	(4)	<b>1,482,383</b>	1,271,325	<b>1,034,652</b>	873,889	<b>447,731</b>	397,436
<b>Gross profit on sales</b>		<b>633,900</b>	<b>544,867</b>	<b>630,241</b>	<b>546,674</b>	<b>3,659</b>	<b>-1,807</b>
Selling expenses <sup>3</sup>		<b>395,670</b>	362,193	<b>389,360</b>	357,132	<b>6,310</b>	5,061
Research and development costs	(12)	<b>36,846</b>	35,598	<b>36,846</b>	35,598	-	-
General administrative expenses <sup>3</sup>		<b>59,278</b>	53,351	<b>59,278</b>	53,351	-	-
Other operating income	(7)	<b>4,071</b>	4,468	<b>4,071</b>	3,942	-	526
Other operating expenses	(8)	<b>2,474</b>	3,655	<b>2,473</b>	3,653	<b>1</b>	2
Income (loss) from companies accounted for using the equity method	(16)	<b>2,182</b>	3,056	<b>2,182</b>	3,056	-	-
Other net income (loss) from investments	(9)	<b>-70</b>	-	<b>-70</b>	-	-	-
<b>Earnings before interest and income taxes</b>		<b>145,815</b>	<b>97,594</b>	<b>148,467</b>	<b>103,938</b>	<b>-2,652</b>	<b>-6,344</b>
Financial income (loss)	(10)	<b>2,488</b>	-1,753	<b>-11,545</b>	-14,032	<b>14,033</b>	12,279
<b>Earnings before taxes</b>		<b>148,303</b>	<b>95,841</b>	<b>136,922</b>	<b>89,906</b>	<b>11,381</b>	<b>5,935</b>
Income taxes	(11)	<b>42,761</b>	13,502				
<b>Net income</b>		<b>105,542</b>	<b>82,339</b>				
<b>Earnings per share</b> in € (diluted/undiluted)	(38)						
<b>Ordinary shares</b>		<b>3.07</b>	<b>2.39</b>				
<b>Preferred shares</b>		<b>3.13</b>	<b>2.45</b>				

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

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

3 A change in the intercompany settlement of corporate costs resulted in a new cost structure in the year under review. Previous year amounts stated as part of the cost of sales (€8.5 million) and of selling expenses (€18.3 million) were reclassified to general administrative expenses (€26.8 million).

## Consolidated statement of comprehensive income (loss)

in thousand €	2011	2010
<b>Net income</b>	<b>105,542</b>	<b>82,339</b>
Derivative financial instruments		
Unrealized gains/losses	<b>-3,285</b>	-5,849
Realized gains/losses	<b>-287</b>	4,528
Deferred taxes	<b>682</b>	532
Currency translation adjustment		
Unrealized gains/losses	<b>81</b>	6,452
<b>Other income (loss) after-tax</b>	<b>-2,809</b>	<b>5,663</b>
<b>Comprehensive income (loss)</b>	<b>102,733</b>	<b>88,002</b>

## Consolidated balance sheet

### Assets

	Notes	Jungheinrich Group		Intralogistics <sup>1,2</sup>		Financial Services <sup>2</sup>	
		12/31/2011	12/31/2010	12/31/2011	12/31/2010	12/31/2011	12/31/2010
		in thousand €	in thousand €	in thousand €	in thousand €	in thousand €	in thousand €
<b>Non-current assets</b>							
Intangible assets	(12)	<b>31,681</b>	26,396	<b>31,672</b>	26,387	<b>9</b>	9
Tangible assets	(13)	<b>283,724</b>	275,289	<b>283,711</b>	275,277	<b>13</b>	12
Trucks for short-term hire	(14)	<b>220,569</b>	159,125	<b>220,569</b>	159,125	–	–
Trucks for lease from financial services	(15)	<b>210,995</b>	203,850	<b>(58,189)</b>	(56,671)	<b>269,184</b>	260,521
Investments in companies accounted for using the equity method	(16)	<b>13,708</b>	14,312	<b>13,708</b>	14,312	–	–
Other financial assets	(16)	<b>163</b>	415	<b>163</b>	415	–	–
Trade accounts receivable	(18)	<b>8,378</b>	7,439	<b>8,378</b>	7,439	–	–
Receivables from financial services	(19)	<b>371,721</b>	341,563	–	–	<b>371,721</b>	341,563
Derivative financial assets	(36)	<b>68</b>	–	<b>68</b>	–	–	–
Other receivables and other assets	(20)	<b>9,225</b>	9,285	<b>9,225</b>	9,285	–	–
Securities	(21)	<b>111,949</b>	–	<b>111,949</b>	–	–	–
Prepaid expenses	(23)	<b>161</b>	273	<b>(5,704)</b>	(4,696)	<b>5,865</b>	4,969
Deferred tax assets	(11)	<b>66,907</b>	62,813	<b>66,600</b>	62,620	<b>307</b>	193
		<b>1,329,249</b>	<b>1,100,760</b>	<b>682,150</b>	<b>493,493</b>	<b>647,099</b>	<b>607,267</b>
<b>Current assets</b>							
Inventories	(17)	<b>248,038</b>	197,644	<b>224,626</b>	172,821	<b>23,412</b>	24,823
Trade accounts receivable	(18)	<b>406,578</b>	355,118	<b>348,393</b>	307,227	<b>58,185</b>	47,891
Receivables from financial services	(19)	<b>163,403</b>	154,590	–	–	<b>163,403</b>	154,590
Income tax receivables		<b>869</b>	8,161	<b>807</b>	7,183	<b>62</b>	978
Derivative financial assets	(36)	<b>1,130</b>	1,736	<b>1,130</b>	1,736	–	–
Other receivables and other assets	(20)	<b>24,144</b>	19,230	<b>(20,474)</b>	(28,098)	<b>44,618</b>	47,328
Securities	(21)	<b>14,563</b>	100,700	<b>14,563</b>	100,700	–	–
Liquid assets	(22)	<b>382,815</b>	448,716	<b>363,233</b>	435,983	<b>19,582</b>	12,733
Prepaid expenses	(23)	<b>9,211</b>	7,595	<b>4,490</b>	3,702	<b>4,721</b>	3,893
		<b>1,250,751</b>	<b>1,293,490</b>	<b>936,768</b>	<b>1,001,254</b>	<b>313,983</b>	<b>292,236</b>
		<b>2,580,000</b>	<b>2,394,250</b>	<b>1,618,918</b>	<b>1,494,747</b>	<b>961,082</b>	<b>899,503</b>

1 Including the assignment of consolidation between the 'Intralogistics' and 'Financial Services' business 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>	
	12/31/2011 in thousand €	12/31/2010 in thousand €	12/31/2011 in thousand €	12/31/2010 in thousand €	12/31/2011 in thousand €	12/31/2010 in thousand €
<b>Shareholders' equity</b> (24)						
Subscribed capital	102,000	102,000	93,284	95,217	8,716	6,783
Capital reserve	78,385	78,385	78,350	78,350	35	35
Retained earnings	516,017	428,095	498,387	417,043	17,630	11,052
Accumulated other comprehensive income (loss)	21,358	24,167	21,584	23,867	(226)	300
	<b>717,760</b>	<b>632,647</b>	<b>691,605</b>	<b>614,477</b>	<b>26,155</b>	<b>18,170</b>
<b>Non-current liabilities</b>						
Provisions for pensions and similar obligations (25)	145,631	144,377	145,590	144,338	41	39
Other provisions (26)	55,694	54,682	55,020	53,948	674	734
Deferred tax liabilities (11)	12,970	8,188	9,667	4,507	3,303	3,681
Financial liabilities (27)	216,023	184,569	216,023	184,569	–	–
Liabilities from financial services (28)	533,884	499,441	–	–	533,884	499,441
Derivative financial liabilities (36)	3,550	–	2,633	–	917	–
Deferred income (31)	72,470	70,924	34,274	30,290	38,196	40,634
	<b>1,040,222</b>	<b>962,181</b>	<b>463,207</b>	<b>417,652</b>	<b>577,015</b>	<b>544,529</b>
<b>Current liabilities</b>						
Income tax liabilities	9,499	3,593	8,845	3,073	654	520
Other provisions (26)	153,846	151,913	152,140	151,003	1,706	910
Financial liabilities (27)	131,540	161,776	128,309	160,345	3,231	1,431
Liabilities from financial services (28)	232,748	215,674	–	–	232,748	215,674
Trade accounts payable (29)	172,111	146,130	94,080	68,903	78,031	77,227
Derivative financial liabilities (36)	3,146	4,957	3,146	4,921	–	36
Other liabilities (30)	83,152	77,690	61,711	60,561	21,441	17,129
Deferred income (31)	35,976	37,689	15,875	13,812	20,101	23,877
	<b>822,018</b>	<b>799,422</b>	<b>464,106</b>	<b>462,618</b>	<b>357,912</b>	<b>336,804</b>
	<b>2,580,000</b>	<b>2,394,250</b>	<b>1,618,918</b>	<b>1,494,747</b>	<b>961,082</b>	<b>899,503</b>

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

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

## Consolidated statement of cash flows

in thousand €	2011	2010
Net income	105,542	82,339
Depreciation and amortization of and impairment losses on tangible and intangible assets	42,410	45,399
Depreciation of trucks for short-term hire and lease	109,285	96,146
Impairment losses on financial assets	2	3
Changes in provisions	4,199	10,521
Changes in trucks for short-term hire and trucks for lease (excluding depreciation)	-179,097	-111,041
Income/loss from the disposal of tangible and financial as well as intangible assets	161	228
Results from equity accounting	604	-2,614
Changes in deferred tax assets and liabilities	688	-3,578
Changes in other balance sheet items		
Inventories	-50,394	-24,811
Trade accounts receivable	-52,398	-49,444
Receivables from financial services	-38,971	-19,248
Trade accounts payable	25,981	49,908
Liabilities from financial services	51,517	47,280
Liabilities from financing trucks for short-term hire	37,519	-7,591
Other operating assets	-1,917	-13,582
Other operating liabilities	9,584	12,976
<b>Cash flows from operating activities</b>	<b>64,715</b>	<b>112,891</b>
Payments for investments in tangible and intangible assets	-57,137	-41,147
Proceeds from the disposal of tangible and intangible assets	903	1,606
Payments for the purchase/proceeds from the disposal of financial assets	180	-133
Payments for the purchase/proceeds from the sale of securities	-25,812	-35,620
<b>Cash flows from investing activities</b>	<b>-81,866</b>	<b>-75,294</b>
Dividends paid	-17,620	-1,920
Changes in short-term liabilities due to banks	15,983	-8,664
Proceeds from obtaining long-term financial loans	14,462	693
Repayment of long-term financial loans	-63,389	-4,515
<b>Cash flows from financing activities</b>	<b>-50,564</b>	<b>-14,406</b>
<b>Net cash changes in cash and cash equivalents</b>	<b>-67,715</b>	<b>23,191</b>
Changes in cash and cash equivalents due to changes in exchange rates	-51	2,253
<b>Changes in cash and cash equivalents</b>	<b>-67,766</b>	<b>25,444</b>
<b>Cash and cash equivalents on 01/01</b>	<b>446,505</b>	<b>421,061</b>
<b>Cash and cash equivalents on 12/31</b>	<b>378,739</b>	<b>446,505</b>

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

in thousand €	2011	2010
Interest paid	51,703	50,361
Interest received	45,592	40,547
Income taxes	32,533	17,356

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

## Consolidated statement of changes in shareholders' equity

	Subscribed capital	Capital reserve	Retained earnings	Accumulated other comprehensive income (loss)		Total
				Currency translation adjustment	Derivative financial instruments	
in thousand €						
<b>As of 01/01/2011</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>
Dividend for the prior year	-	-	-17,620	-	-	-17,620
Comprehensive income (loss) in 2011	-	-	105,542	81	-2,890	102,733
<b>As of 12/31/2011</b>	<b>102,000</b>	<b>78,385</b>	<b>516,017</b>	<b>25,278</b>	<b>-3,920</b>	<b>717,760</b>
<hr/>						
<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>

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, 2011, 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, 2011, were approved for publication by the Board of Management on March 6, 2012.

#### Consolidation

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

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

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

Assets and liabilities of subsidiaries consolidated for the first time are recognized at their fair values at the time of acquisition. In cases where the investment's acquisition costs exceed the recognized assets and liabilities, the difference on the assets side is capitalized as goodwill. Goodwill is tested for impairment at least once a year. 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:

Currency	Basis 1 €	Exchange rate at the balance sheet date		Annual average exchange rate	
		12/31/2011	12/31/2010	2011	2010
GBP		0.83530	0.86075	0.86788	0.85784
CHF		1.21560	1.25040	1.23260	1.38030
PLN		4.45800	3.97500	4.12060	3.99470
NOK		7.75400	7.80000	7.79340	8.00430
SEK		8.91200	8.96550	9.02980	9.53730
DKK		7.43420	7.45350	7.45060	7.44730
CZK		25.78700	25.06100	24.59000	25.28400
TRY		2.44320	2.06940	2.33780	1.99650
RUB		41.76500	40.82000	40.88460	40.26290
HUF		314.58000	277.95000	279.37000	275.48000
CNY		8.15880	8.82200	8.99600	8.97120
USD		1.29390	1.33620	1.39200	1.32570

### 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 2011 and 2010 fiscal years, no shareholders' equity instruments diluted the earnings per share on the basis of the respective shares issued.

### Intangible and tangible assets

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

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

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



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

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

### Financial instruments

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

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

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

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

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

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

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

### Receivables

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

Amortized acquisition costs for trade accounts receivable correspond to the nominal value after the deduction of individual valuation allowances. Individual valuation allowances are only made if receivables are wholly or partially uncollectible or likely to be uncollectible, in which case it must be possible to determine the amount of the valuation allowances with sufficient accuracy.

The notes on the treatment of lease agreements contain further information on receivables from financial services.

### Liabilities

Liabilities are measured at amortized acquisition cost using the effective interest method, whereby the interest cost is recognized according to the effective interest rate.

Liabilities from finance leases and financial services are measured at the cash value of the leasing rates. Please turn to the notes for the treatment of lease arrangements for further details.

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

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

### Securities

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

### Derivative financial instruments

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

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

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

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

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

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

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

### Liquid assets

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

### Inventories

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

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

### Deferred taxes

Deferred tax assets and liabilities are stated in accordance with the balance sheet-oriented liability method for all temporary differences between group and tax-based valuation.

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

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

### Accumulated other comprehensive income (loss)

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

### Provisions

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

obligations and similar obligations of some foreign companies are covered by pension funds. These pension funds are qualifying plan assets pursuant to IAS 19.

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

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

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

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

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

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

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

### **Classification of accounts**

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

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

### **Estimates**

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

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

In the 2011 reporting period, the global economy maintained its course for growth, albeit increasingly losing momentum as the year progressed. The economy initially continued to develop dynamically in the first quarter of 2011. However, momentum waned due to the high growth rates achieved in the preceding year. Encouragingly, the Japanese economy quickly regained its footing after the dramatic natural disaster in March 2011, limiting the effects on the world economic trend. Political rifts in North Africa, which led to a temporary rise in crude oil prices, have not had a material impact on the global business cycle thus far. Economic outlooks clouded nevertheless. This was caused by the weak growth observed in the USA, the tapering out of the stability programs initiated the world over in 2009, and the decline in momentum in emerging countries. In Europe, economic developments were hampered by the sovereign debt and euro crisis on financial markets in the second half of 2011.

In the period under review, the material handling equipment industry benefited from global economic growth, with the market's dynamic recovery which began in the previous year carrying over into the first half of 2011, posting strong growth. Only during the second six months of 2011 did rates of increase decline as expected, as a result of the higher comparable level seen in the preceding year.

The Jungheinrich Group, which in fiscal 2011 stayed the course for profitable growth on which it had embarked a year earlier, benefited from the stable conditions underlying the world economy, which led to another significant increase in the size of the world material handling equipment market compared to 2010—despite the sovereign debt crises in Europe and the USA. In this context, new truck business was buoyed in particular by the considerable expansion of markets in Europe—Jungheinrich's core market—as were the other divisions. Accordingly, the company's

business performance was characterized by growth and further earnings improvements. The rise in demand in new truck business along with the rising utilization of plant capacity and the ensuing earnings lift were major contributing factors. Combined with more effective and flexible structures in administration, sales and production, this development enabled the Jungheinrich Group to return to its traditional sales and earnings strength. Jungheinrich closed the 2011 financial year with record earnings.

Based on its assessment of the development of world trade in 2012, Jungheinrich expects growth to lose momentum, continuing to display significant regional differences. The main reason for this is the economic clouding that is becoming apparent the world over as a consequence of the sovereign debt crises in the Eurozone and the USA. Downwardly adjusted economic outlooks for the Eurozone thus envisage the economy shrinking marginally. However, the latest economic indicators in industrial nations have already brightened somewhat, pointing to a return to a more friendly economic development from the spring of 2012 onwards. Thanks to its effective and flexible structures, the Jungheinrich Group is convinced it is well prepared for successfully prevailing against the competition in the future as well—irrespective of the material handling equipment sector's consolidation process. Given the large-scale investment projects initiated, the stage has been set for the Jungheinrich Group generating lasting profitable growth and enlarging its share of the market over the long term both within and outside of Europe.

The impairment test performed on assets stated on the Jungheinrich Group's balance sheet as of December 31, 2011 did not result in any impairment losses.

Since developments cannot be foreseen, 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 2012 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 amendments to standards and interpretations, which have been published by the IASB and adopted by the EU and became mandatory for the first time in the 2011 reporting year as of January 1, 2011, did not have a material impact on the consolidated financial statements.

### **Issued accounting regulations not applied in advance**

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

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 July 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. The new IFRS 7 was adopted by the EU in 2011.

The following standards have not yet been adopted by the EU:

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

IFRS 11 "Joint Arrangements" includes new rules for the accounting treatment of jointly conducted activities. In the future, a distinction will have to be made between a jointly conducted activity and a joint venture. The equity method is the mandatory accounting treatment for joint ventures, abolishing the former discretionary right to make use of proportionate consolidation. The former version of IAS 28 "Investments in Associates" was adapted in view of the publication of IFRS 10 and IFRS 11. IFRS 12 "Disclosure of Interests in Other Entities" combines the disclosure obligations for investments in subsidiaries, joint arrangements, associates and non-consolidated structured entities in a single, comprehensive standard. To this end, many of the disclosure obligations of the former versions of IAS 27, IAS 31 and IAS 28 were included and supplemented by new disclosure obligations. The five standards become effective for the first time for fiscal years beginning on or after January 1, 2013. IFRS 10 and IFRS 11 require retrospective application, whereas IFRS 12 must be applied prospectively. Jungheinrich is currently assessing the effects of the new standards. However, their first-time application is not expected to have a material impact on the consolidated financial statements. Proportionate consolidation has not been made use of at Jungheinrich thus far.

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

In May 2011, the IASB published IFRS 13 “Fair Value Measurement.” This standard defines how to determine fair values and extends the disclosure on fair value. However, the standard does not determine whether and when items must be measured at fair value. IFRS becomes effective for the first time for reporting periods starting on or after January 1, 2013.

Within the scope of a project for revising the accounting policies applicable to financial instruments, in November 2009, the IASB published IFRS 9 “Financial Instruments,” which related to financial assets. In October 2010, the regulations of IAS 39 were adopted unamended for financial liabilities, with the exception of new rules for considering one’s own credit risk when exercising the fair value option. The new standard regulates the accounting treatment of financial assets and financial liabilities with respect to their classification and measurement. IFRS 9 becomes effective retroactively for the first time for reporting years starting on or after January 1, 2015.

Jungheinrich is currently assessing the effects that these new standards will have on the consolidated financial statements. However, their first-time application is not expected to have a material impact on the consolidated financial statements.

In June 2011, the IASB published amendments to IAS 19 “Employee Benefits,” which result in the abolition of the corridor method. In the future, actuarial gains and losses must be recognized directly in other income. Returns on plan assets may only be considered in the income statement with an effect on profit or loss in the amount of the discount rate used to determine the net present value of benefit obligations. The amendments to IAS 19 become effective retroactively for the first time for fiscal years beginning on or after January 1, 2013. Jungheinrich is currently assessing the effects of the new version of IAS 19. One material effect of the first-time application of the changed standard will be that the balance of actuarial losses that have not been recognized so far will have to be recognized in equity without an effect on profit or loss, which will reduce the Group’s shareholders’ equity.

In December 2011, the IASB published amendments to IAS 32 “Financial Instruments: Presentation” as well as to IFRS 7 “Financial Instruments: Disclosure.” The prerequisites established in IAS 32 for offsetting financial assets and financial liabilities were maintained in principle and detailed through the inclusion of additional application guidelines. IFRS 7 was extended by additional disclosure in the notes in connection with certain offsetting arrangements. The supplementary guidelines in IAS 32 become effective for the first time for financial years beginning on or after January 1, 2014, with the new disclosure regulations in IFRS 7 becoming effective for the first time earlier on, namely for reporting periods starting on or after January 1, 2013. Jungheinrich is currently assessing the effects these changes may have 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 48 (prior year: 45) 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 third quarter of 2011, Jungheinrich Financial Services B.V. and Jungheinrich Finance B.V., both domiciled in Alphen a. d. Rijn (Netherlands), were established in order to expand the Dutch financial services business.

In the fourth quarter of 2011, Jungheinrich Finance Austria GmbH, Vienna (Austria) was founded in preparation for the expansion of the financial services business in Austria planned for 2012.

No differential amounts resulted from the first-time consolidation of the three 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 €	2011	2010
New truck business	1,135,132	914,354
Income from the short-term hire and sale of used equipment	349,223	327,639
After-sales services	648,987	606,705
<b>Intralogistics</b>	<b>2,133,342</b>	<b>1,848,698</b>
<b>Financial services</b>	<b>451,390</b>	<b>395,629</b>
<b>Segments total</b>	<b>2,584,732</b>	<b>2,244,327</b>
Reconciliation	-468,449	-428,135
<b>Jungheinrich Group</b>	<b>2,116,283</b>	<b>1,816,192</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 €1,079,185 thousand (prior year: €883,908 thousand).

The cost of materials includes €2,311 thousand in currency losses (prior year: €6,901 thousand)

primarily stemming from purchases by non-German sales companies in Group currency and the associated currency hedges.

### (5) Personnel expenses

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

in thousand €	2011	2010
Wages and salaries	505,102	463,050
Social security contributions	104,791	98,375
Cost of pensions and other benefits		
Defined benefit plans	14,490	16,417
Defined contribution plans	2,374	2,183
Other costs for pensions and other benefits	2,224	2,316
Termination benefits	-9,125	-3,631
	<b>619,856</b>	<b>578,710</b>

Termination benefits in the year under review include income from the release of provisions for the personnel-adjustment measures adopted

in fiscal 2009 at the Norderstedt and Moosburg plants (prior year: €3,519 thousand) This income was recognized in the cost of sales.



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

	<b>2011</b>	<b>2010</b>
Hourly-paid employees	<b>5,139</b>	5,051
Salaried employees	<b>4,981</b>	4,749
Trainees and apprentices	<b>285</b>	275
	<b>10,405</b>	<b>10,075</b>

Besides personnel expenses, functional costs include the cost of temporary workers amounting to €16,932 thousand (prior year: €6,577 thousand).

### **(6) Depreciation, amortization and impairment losses**

Depreciation, amortization and impairment losses are shown in the development of intangible assets, tangible assets, trucks for short-term hire and lease, 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 €739 thousand (prior year: €474 thousand) in income from the disposal

of tangible and intangible assets as well as €793 thousand (prior year: €770 thousand) in reversals of deferred government grants.

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

Other operating expenses in the reporting year include €830 thousand (prior year: €702 thousand) in losses from the disposal of tangible and intangible assets.

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

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

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

in thousand €	<b>2011</b>	<b>2010</b>
Interest and similar income	<b>45,909</b>	40,570
Interest and similar expenses	<b>42,672</b>	41,810
Other financial income (loss)	<b>-749</b>	-513
	<b>2,488</b>	<b>-1,753</b>

The financial income (loss) includes €38,383 thousand in interest and similar income (prior year: €36,200 thousand) and €23,788 thousand in interest and similar expenses (prior year: €23,548 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 results mainly stem from intragroup financing in foreign currencies and the associated currency hedges.

## (11) Income taxes

The Group's income tax breaks down as follows:

in thousand €	2011	2010
Current taxes		
Germany	19,246	3,624
Other countries	22,149	13,502
Deferred taxes		
Germany	11,482	4,654
Other countries	-10,116	-8,278
<b>Tax expense</b>	<b>42,761</b>	<b>13,502</b>

The current tax expense in Germany rose because existing tax loss carryforwards were fully used in the 2011 reporting year. Profits generated in 2010 were subject to the minimum tax rate, whereas profits achieved in the 2011 reporting year were fully taxed to the extent that the losses carried forward were used. Furthermore, a €1.4 million expense relating to prior-year taxes has been considered. The deferred tax expense for Germany in 2011 essentially stems from the realization of deferred tax assets for losses carried forward.

The higher current tax expense vis-à-vis 2010 in other countries was caused by the increase in profits earned by the sales companies in the reporting year. The deferred tax income is mainly due to deferred tax income from consolidations.

The domestic corporate income tax rate for fiscal 2011 was 30.5 per cent (prior year: 30.0 per cent). It is made up of the unchanged corporate income tax burden of 15.0 per cent plus the unchanged solidarity surcharge of 5.5 per cent of the corporate income tax burden. The trade tax rate rose from 14.2 per cent to 14.7 per cent.

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

As of December 31, 2011, the Group had about €95 million in corporate tax loss carry-

forwards (prior year: €154 million) as well as some €3 million in trade tax loss carryforwards (prior year: €25 million). The loss carryforwards can largely be carried forward without limitations. The reduction is primarily due to usage in Germany and France. €12.9 million (prior year: €18.3 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 €1.4 million (prior year: €3.2 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 €	12/31/2011	12/31/2010
Tangible and intangible assets	117,915	99,382
Inventories	9,813	5,311
Receivables and other assets	31,546	16,136
Tax loss carryforwards	32,029	47,017
Provisions for pensions	7,863	8,563
Other provisions	16,939	7,220
Liabilities	232,608	208,192
Deferred income	14,745	18,124
Other	6,209	12,294
Valuation allowances	-29,815	-29,893
<b>Deferred tax assets</b>	<b>439,852</b>	<b>392,346</b>
Tangible and intangible assets	57,196	59,962
Inventories	6,495	4,600
Receivables	234,926	211,645
Provisions for pensions	181	149
Other provisions	4,279	814
Liabilities	80,199	58,740
Other	2,639	1,811
<b>Deferred tax liabilities</b>	<b>385,915</b>	<b>337,721</b>
<b>Net deferred taxes</b>	<b>53,937</b>	<b>54,625</b>

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

in thousand €	12/31/2011	12/31/2010
Deferred tax assets	66,907	62,813
Deferred tax liabilities	12,970	8,188
<b>Net deferred taxes</b>	<b>53,937</b>	<b>54,625</b>
thereof: netting against shareholders' equity	1,396	714

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

30.5 per cent (prior year: 30.0 per cent) applicable to the parent company to consolidated earnings before income taxes.

in thousand €	2011	2010
Expected tax expense	45,232	28,752
Change in the tax rate	-765	-1
Foreign tax differentials	-3,593	-1,580
Change in valuation allowances	-1,387	-11,063
Change in taxes from the previous year	1,385	-2,206
Non-deductible operating expenses and tax-free gains	2,849	218
Other	-960	-618
<b>Actual tax expense</b>	<b>42,761</b>	<b>13,502</b>

In 2011, the Group's tax quota was 28.8 per cent (prior year: 14.1 per cent).

## Notes to the consolidated balance sheet

### (12) Intangible assets

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

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

In the prior year, intangible assets developed as follows:

in thousand €	Licenses and software	Capitalized development costs	Goodwill	Total
<b>Acquisition and manufacturing costs</b>				
<b>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>

€6,148 thousand in additions to the 'licenses and software' item of the year under review (prior year: €1,701 thousand) include €2,211 thousand relating to the acquisition of a 50-year license to a Chinese property. The other additions in this item primarily relate to acquired software licenses.

€5,382 thousand in development costs incurred in the year under review (prior year: €8,815 thousand) meet the capitalization criteria under IFRS.

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

in thousand €	2011	2010
Research costs and uncapitalized development costs	32,250	27,475
Amortization of capitalized development costs	4,596	5,189
Impairment losses on capitalized development costs	–	2,934
	<b>36,846</b>	<b>35,598</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. The impairment test conducted in 2011 did not result in an impairment expense.

€1,771 thousand and €111 thousand in residual carrying amounts of goodwill on December 31, 2011 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. In 2011, the WACC was 8.5 per cent (prior year: 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	Construc- tion in progress	<b>Total</b>
<b>Acquisition and manufacturing costs</b>					
<b>Balance on 01/01/2011</b>	<b>259,748</b>	<b>102,622</b>	<b>175,796</b>	<b>12,178</b>	<b>550,344</b>
Changes in currency exchange rates	-298	108	-172	38	-324
Additions	3,397	5,928	19,629	16,653	45,607
Disposals	14	1,965	10,559	6	12,544
Transfers	9,121	4,967	3,045	-17,133	-
<b>Balance on 12/31/2011</b>	<b>271,954</b>	<b>111,660</b>	<b>187,739</b>	<b>11,730</b>	<b>583,083</b>
<b>Depreciation</b>					
<b>Balance on 01/01/2011</b>	<b>82,931</b>	<b>68,713</b>	<b>123,411</b>	-	<b>275,055</b>
Changes in currency exchange rates	25	52	-162	-	-85
Depreciation in the fiscal year	7,881	11,043	17,017	-	35,941
Accumulated depreciation of disposals	12	1,870	9,670	-	11,552
Transfers	4,171	-3,774	-397	-	-
<b>Balance on 12/31/2011</b>	<b>94,996</b>	<b>74,164</b>	<b>130,199</b>	-	<b>299,359</b>
<b>Carrying amount on 12/31/2011</b>	<b>176,958</b>	<b>37,496</b>	<b>57,540</b>	<b>11,730</b>	<b>283,724</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	Construc- tion 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</b>					
<b>Balance on 01/01/2010</b>	<b>74,764</b>	<b>60,392</b>	<b>115,451</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 of 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>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>

Tangible assets include €27,166 thousand (prior year: €28,308 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 €897 thousand (prior year: €947 thousand).

On the balance sheet date, land and buildings were put up as mortgage to back €33,365 thousand (prior year: €32,595 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 €	2011	2010
<b>Acquisition and manufacturing costs</b>		
<b>Balance on 01/01</b>	<b>301,787</b>	<b>272,903</b>
Changes in currency exchange rates	-4,067	8,285
Additions	151,220	83,903
Disposals	70,297	63,304
<b>Balance on 12/31</b>	<b>378,643</b>	<b>301,787</b>
<b>Depreciation</b>		
<b>Balance on 01/01</b>	<b>142,662</b>	<b>131,780</b>
Changes in currency exchange rates	-1,797	3,893
Depreciation in the fiscal year	57,014	42,905
Accumulated depreciation on disposals	39,805	35,916
<b>Balance on 12/31</b>	<b>158,074</b>	<b>142,662</b>
<b>Carrying amount on 12/31</b>	<b>220,569</b>	<b>159,125</b>

The fleet includes leased trucks for short-term hire with an aggregate value of €4,773 thousand (prior year: €3,284 thousand) which classify the Group as commercial owner due to the nature of the underlying leases ('finance leases'). Corresponding depreciation on these trucks in the fiscal year amounts to €1,173 thousand (prior year: €741 thousand).

Trucks for short-term hire with a total carrying amount of €83,305 thousand (prior year: €53,874 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 €	2011	2010
<b>Acquisition and manufacturing costs</b>		
<b>Balance on 01/01</b>	<b>333,003</b>	<b>312,290</b>
Changes in currency exchange rates	1,626	4,856
Additions	81,816	80,448
Disposals	78,421	64,591
<b>Balance on 12/31</b>	<b>338,024</b>	<b>333,003</b>
<b>Depreciation</b>		
<b>Balance on 01/01</b>	<b>129,153</b>	<b>112,754</b>
Changes in currency exchange rates	579	1,828
Depreciation in the fiscal year	52,271	53,241
Accumulated depreciation on disposals	54,974	38,670
<b>Balance on 12/31</b>	<b>127,029</b>	<b>129,153</b>
<b>Carrying amount on 12/31</b>	<b>210,995</b>	<b>203,850</b>

Trucks for lease from financial services are classified as follows:

in thousand €	12/31/2011	12/31/2010
'Operating lease' contracts with customers	162,553	145,974
Contracts concluded with a leasing company acting as an intermediary	48,442	57,876
	<b>210,995</b>	<b>203,850</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 €98,210 thousand (prior year: €86,161 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 €	12/31/2011	12/31/2010
Due within less than one year	62,120	56,120
Due in one to five years	92,996	91,466
Due in more than five years	457	339
	<b>155,573</b>	<b>147,925</b>

Trucks for lease with a carrying amount of €36,245 thousand (prior year: €30,940 thousand) are financed based on sale and leaseback agree-

ments. Future minimum lease payments from sublease arrangements total €27,240 thousand (prior year: €23,835 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 01/01/2011</b>	<b>16,812</b>	<b>475</b>	<b>139</b>	<b>614</b>
Additions	–	–	–	–
Disposals	604	400	–	400
<b>As of 12/31/2011</b>	<b>16,208</b>	<b>75</b>	<b>139</b>	<b>214</b>
<b>Impairment losses</b>				
<b>As of 01/01/2011</b>	<b>2,500</b>	<b>150</b>	<b>49</b>	<b>199</b>
Impairment losses in the fiscal year	–	–	2	2
Accumulated impairment losses on disposals	–	150	–	150
<b>As of 12/31/2011</b>	<b>2,500</b>	<b>–</b>	<b>51</b>	<b>51</b>
<b>Carrying amount on 12/31/2011</b>	<b>13,708</b>	<b>75</b>	<b>88</b>	<b>163</b>

The impairment test performed on investments in companies accounted for using the equity method as of the balance sheet date in 2011 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 01/01/2010</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 following is an overview of material investments in companies accounted for using the equity method:

in thousand €	Share in %	Carrying amounts	
		12/31/2011	12/31/2010
JULI Motorenwerk s.r.o., Czech Republic	50	<b>8,201</b>	8,476
Supralift GmbH & Co. KG, Germany	50	<b>402</b>	383
Ningbo Ruyi Joint Stock Co. Ltd., China	25	<b>2,716</b>	3,028
ISA – Innovative Systemlösungen für die Automation GmbH, Austria	25	<b>2,364</b>	2,400

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

in thousand €	2011		2010	
	Joint ventures	Associated companies	Joint ventures	Associated companies
Assets	<b>21,502</b>	<b>10,924</b>	21,510	10,704
Liabilities	<b>11,060</b>	<b>5,623</b>	10,234	5,386
Net sales	<b>52,750</b>	<b>18,705</b>	42,560	17,753
Net income	<b>2,384</b>	<b>-202</b>	2,496	560

## (17) Inventories

in thousand €	12/31/2011	12/31/2010
Raw materials and supplies	<b>57,832</b>	40,864
Work in process	<b>14,593</b>	12,013
Finished goods	<b>68,260</b>	55,407
Merchandise	<b>60,844</b>	49,224
Spare parts	<b>37,037</b>	29,653
Advance payments	<b>9,472</b>	10,483
	<b>248,038</b>	<b>197,644</b>

€22,871 thousand (prior year: €24,721 thousand) of the inventories are measured at their net realizable value. Write-downs recognized for

inventories as of the balance sheet date amounted to €33,387 thousand (prior year: €34,643 thousand).

## (18) Trade accounts receivable

in thousand €	12/31/2011	12/31/2010
Trade accounts receivable	430,504	377,602
Valuation allowances	-15,548	-15,045
	<b>414,956</b>	<b>362,557</b>

Trade accounts receivable include notes receivable in the amount of €7,147 thousand (prior year: €5,835 thousand). No notes receivable were presented for a discount on the balance sheet date (prior year: €94 thousand).

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

in thousand €	2011	2010
Valuation allowances on 01/01	15,045	14,636
Changes in currency exchange rates	-28	168
Utilizations	3,035	2,338
Releases	960	1,222
Additions	4,526	3,801
<b>Valuation allowances on 12/31</b>	<b>15,548</b>	<b>15,045</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 €	12/31/2011	12/31/2010
Less than 30 days overdue	55,609	46,127
Between 30 and 60 days overdue	13,545	10,926
Between 61 and 90 days overdue	6,983	3,826
Between 91 and 180 days overdue	3,675	3,768
More than 180 days overdue	131	162
<b>Total overdue trade accounts receivable, for which no valuation allowances were recognized</b>	<b>79,943</b>	<b>64,809</b>

As of the balance sheet date, no valuation allowances had been made for €315,362 thousand in trade accounts receivable (prior year: €277,379 thousand), nor were they overdue. As of

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

### (19) Receivables from financial services

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

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

Receivables from financial services are based on the following data:

in thousand €	12/31/2011	12/31/2010
<b>Total minimum lease payments receivable</b>	<b>612,438</b>	<b>566,612</b>
Due within less than one year	196,274	185,351
Due in one to five years	400,002	368,894
Due in more than five years	16,162	12,367
<b>Present value of minimum lease payments receivable</b>	<b>535,124</b>	<b>496,153</b>
Due within less than one year	163,403	154,590
Due in one to five years	356,394	329,874
Due in more than five years	15,327	11,689
<b>Unearned interest income</b>	<b>77,314</b>	<b>70,459</b>

Receivables from financial services include minimum lease payments from sublease arrangements amounting to €164,555 thousand (prior year: €139,578 thousand).

By the balance sheet date, receivables from financial services with a carrying amount of €286,404 thousand (prior year: €265,223 thousand) had been put up as collateral for liabilities from financial services.

### (20) Other receivables and other assets

in thousand €	12/31/2011	12/31/2010
Receivables from other taxes	13,712	10,065
Assets from the measurement of funded pension obligations	9,225	7,938
Receivables from loans and advances granted to employees	558	598
Other receivables from affiliated companies	2	3
Other assets	9,872	9,911
	<b>33,369</b>	<b>28,515</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

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

in thousand €	12/31/2011	12/31/2010
Debenture bonds	66,519	5,000
Bonds	34,993	25,375
Promissory notes	15,000	–
Covered bonds	10,000	20,305
Treasury bonds	–	40,015
Other securities	–	10,005
	<b>126,512</b>	<b>100,700</b>

Jungheinrich intends to, and can, hold all its securities until they mature. The securities on Jungheinrich's books on December 31, 2011 will mature from 2012 to 2014. The impairment test carried out on the securities as of the balance sheet date did not result in any impairment expenses in 2011. All of the securities which were on Jungheinrich's books on December 31, 2010 and matured in 2011 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 €4,076 thousand (prior year: €2,211 thousand), which were pledged to banks.

## (23) Prepaid expenses

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

## (24) Shareholders' equity

### Subscribed capital

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

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

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

### Capital reserve

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

### Retained earnings

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

### Dividend proposal

Jungheinrich AG pays its dividend from the distributable profit stated in the annual financial statements of Jungheinrich AG, which are prepared in accordance with the German Commercial Code. The Board of Management of Jungheinrich AG proposes to use the €24,760 thousand distributable profit for the 2011 financial year to pay a dividend of €0.70 per ordinary share and a dividend of €0.76 per preferred share.

### Managing capital

Jungheinrich is not subject to any minimum capital requirements pursuant to its articles of association.

The Group manages the way in which its capital is used commercially via the return on capital employed (ROCE).

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

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

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

in thousand €	12/31/2011	12/31/2010
Financial liabilities	347,563	346,345
Liquid assets and securities	-509,327	-549,416
<b>Net indebtedness</b>	<b>-161,764</b>	<b>-203,071</b>

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

in thousand €	12/31/2011	12/31/2010
Net indebtedness	-161,764	-203,071
Shareholders' equity	717,760	632,647
EBITDA (excluding the depreciation of trucks for lease from financial services)	245,241	185,902
<b>Net gearing</b>	in %	<b>&lt; 0</b>
<b>Indebtedness ratio</b>	in years	<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.

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 %	12/31/2011	12/31/2010
Discount rate	4.8	5.1
Expected rate of compensation increase	2.9	3.1
Expected rate of pension increase	2.3	2.2

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

in %	2011	2010
Discount rate	5.1	5.4
Expected long-term return on plan assets	4.4	4.1
Expected rate of compensation increase	3.1	3.5
Expected rate of pension increase	2.2	2.5

## Funded status of defined benefit pension plans:

in thousand €	12/31/2011	12/31/2010
Present value of funded benefit obligations	203,665	177,377
Fair value of plan assets	201,334	166,891
Funding gap	2,331	10,486
Present value of unfunded benefit obligations	159,811	153,762
<b>Net obligation</b>	<b>162,142</b>	<b>164,248</b>
Unamortized actuarial gains (+) and losses (-)	-25,736	-27,809
<b>Net obligation recognized</b>	<b>136,406</b>	<b>136,439</b>
thereof provisions for pensions	145,631	144,377
thereof other assets	9,225	7,938

## Development of the defined benefit obligation:

in thousand €	2011	2010
Defined benefit obligation as of 01/01	331,139	301,686
Changes in currency exchange rates	5,031	7,169
Current service cost	5,102	5,320
Interest cost	16,648	16,335
Employee contributions	2,054	1,965
Actuarial gains (-) and losses (+)	16,948	10,169
Benefits paid	-13,425	-11,692
Plan reductions	-21	187
<b>Defined benefit obligation as of 12/31</b>	<b>363,476</b>	<b>331,139</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, 2011.

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 %	12/31/2011	12/31/2010
Fixed-interest securities	84	87
Shares	13	1
Real estate	2	4
Liquid assets	–	7
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 3.7 per cent (prior year: 4.4 per cent).

### Development of plan assets:

in thousand €	2011	2010
Fair value of plan assets on 01/01	166,891	136,283
Changes in currency exchange rates	4,863	6,295
Expected return on plan assets	7,388	5,848
Actuarial gains (+) and losses (–)	19,206	4,364
Employer contributions	6,329	16,417
Employee contributions	2,054	1,965
Benefits paid	–5,397	–4,281
<b>Fair value of plan assets as of 12/31</b>	<b>201,334</b>	<b>166,891</b>

Employer contributions in 2010 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 €7.1 million in fiscal 2012, 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 €	2011	2010
Current service cost	5,102	5,320
Interest cost	16,648	16,335
Expected return on plan assets	–7,388	–5,848
Amortization of actuarial gains and losses	149	259
Cost of (+)/return on (–) plan reductions	–21	351
	<b>14,490</b>	<b>16,417</b>

In the year under review, the actual return on plan assets amounted to €26,594 thousand (prior year: €10,212 thousand).

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

### Five-year overview:

in thousand €	2011	2010	2009	2008	2007
Defined benefit obligation on 12/31	363,476	331,139	301,686	265,784	311,908
Fair value of plan assets on 12/31	201,334	166,891	136,283	123,988	123,174
<b>Net obligation</b>	<b>162,142</b>	<b>164,248</b>	<b>165,403</b>	<b>141,796</b>	<b>188,734</b>

Adjustments made based on empirical findings, namely the differences between earlier actuarial assumptions and actual developments relative

to the defined benefit obligation and plan assets on December 31, are presented in the following table:

in %	2011	2010	2009	2008	2007
Experience-based increase (+)/decrease (-) in the defined benefit obligation	-0.1	-1.1	-	0.2	6.3
Experience-based increase (+)/decrease (-) in plan assets	9.5	1.8	-4.0	-4.2	-2.1

### (26) Other provisions

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

in thousand €	As of 01/01/2011	Exchange rate differences	Additions	Utilizations	Releases	As of 12/31/2011
Provisions for personnel	137,111	173	86,497	83,695	11,373	128,713
Provisions for warranty obligations	20,519	34	39,809	31,313	1,133	27,916
Provisions for onerous contracts	29,814	143	11,441	5,099	1,506	34,793
Others	19,151	18	10,142	6,215	4,978	18,118
<b>Other provisions</b>	<b>206,595</b>	<b>368</b>	<b>147,889</b>	<b>126,322</b>	<b>18,990</b>	<b>209,540</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 and in the preceding year:

in thousand €	2011	2010
<b>As of 01/01</b>	<b>15,220</b>	<b>29,630</b>
Interest accretion	-	52
Addition	-	1,386
Utilization	5,828	10,891
Release	9,125	4,957
<b>As of 12/31</b>	<b>267</b>	<b>15,220</b>

€9,125 thousand in obligations were released in 2011 as a result of the persistently stable 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 €17,622 thousand (prior year: €19,798 thousand), which were netted against €10,197 thousand in securities (prior year: €10,047 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, €12,359 thousand in provisions were accrued to cover the claims of candidates potentially qualifying for partial retirement arrangements commensurate to their probability of occurrence (prior year: €12,378 thousand).

Additions to provisions for personnel include a total of €1,733 thousand in interest accretions (prior year: €2,126 thousand). €38,866 thousand (prior year: €39,929 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 2011 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. €14,621 thousand (prior year: €11,884 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, 2011 included €2.0 million for risks that continue to exist due to the termination of all dealer agreements within the scope of the realignment of the North American business.

## (27) Financial liabilities

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

in thousand €	Liabilities due to banks	Promissory notes	Liabilities from financing trucks for short-term hire	Leasing liabilities from tangible assets	Notes payable	Financial liabilities
<b>12/31/2011</b>						
<b>Total future cash flows</b>	<b>147,080</b>	<b>116,346</b>	<b>99,367</b>	<b>23,763</b>	<b>1,014</b>	<b>387,570</b>
Due within less than one year	99,206	5,449	33,530	3,577	1,014	142,776
Due in one to five years	26,708	110,897	56,354	7,049	–	201,008
Due in more than five years	21,166	–	9,483	13,137	–	43,786
<b>Present value of future cash flows</b>	<b>137,398</b>	<b>100,000</b>	<b>91,820</b>	<b>17,331</b>	<b>1,014</b>	<b>347,563</b>
Due within less than one year	97,040	–	30,708	2,778	1,014	131,540
Due in one to five years	21,316	100,000	52,028	4,368	–	177,712
Due in more than five years	19,042	–	9,084	10,185	–	38,311
<b>Future interest expenses</b>	<b>9,682</b>	<b>16,346</b>	<b>7,547</b>	<b>6,432</b>	<b>–</b>	<b>40,007</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>

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 12/31/2011	Nominal volume as of 12/31/2011 in thousand €	Bandwidth of effective interest rates 2011	Carrying amounts as of 12/31/2011 in thousand €	Nominal volume as of 12/31/2010 in thousand €	Bandwidth of effective interest rates 2010	Carrying amounts as of 12/31/2010 in thousand €
EUR	variable	< 1 year	10,302	EURIBOR + margin	<b>10,302</b>	10,644	EURIBOR + margin	10,644
USD	variable	< 1 year	11,417	LIBOR + margin	<b>11,417</b>	10,465	LIBOR + margin	10,465
GBP	variable	< 1 year	5,247	LIBOR + margin	<b>5,247</b>	4,850	LIBOR + margin	4,850
BRL	variable	< 1 year	7,631	LIBOR + margin	<b>7,631</b>	4,460	LIBOR + margin	4,460
CNY	variable	< 1 year	17,553	LIBOR + margin	<b>17,553</b>	13,118	LIBOR + margin	13,118
SGD	variable	< 1 year	14,216	LIBOR + margin	<b>14,216</b>	13,749	LIBOR + margin	13,749
PLN	variable	< 1 year	15,007	LIBOR + margin	<b>15,007</b>	12,435	LIBOR + margin	12,435
Other	variable	< 1 year	10,990	LIBOR + margin	<b>10,990</b>	6,658	LIBOR + margin	6,658
EUR	fixed	8–15 years	46,624	3,1%–5,3%	<b>38,622</b>	34,124	4,7%–5,3%	28,626
BRL	fixed	< 1–2 years	4,476	16,9%–19,3%	<b>1,413</b>	9,152	17,2%–21,4%	6,415
Other	fixed	< 1–11 years	7,557	5,2%–13,9%	<b>5,000</b>	6,226	5,2%–6,7%	3,969
<b>Total liabilities due to banks</b>			<b>151,020</b>		<b>137,398</b>	<b>125,881</b>		<b>115,389</b>

As of December 31, 2011, the promissory note on the Jungheinrich Group's books consisted of the two following tranches:

	Maturity in	Nominal interest rate	Nominal amount in thousand €
Jungheinrich AG 2009 (I)	2014	Fixed interest rate + margin	46,500
Jungheinrich AG 2009 (II)	2014	EURIBOR + margin	53,500
<b>Promissory note</b>			<b>100,000</b>

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

A promissory note taken out in 2004 was redeemed when it matured in the year under review. The nominal amount of the promissory note was €55,000 thousand.

Liabilities from the financing of trucks for short-term hire amount to €85,988 thousand (prior year: €50,547 thousand) and result from

the sale of receivables from intragroup hire-purchase agreements.

Furthermore, €5,832 thousand (prior year: €3,755 thousand) in liabilities relate to the refinancing of trucks for short-term hire based on sale and leaseback agreements. €6,647 thousand (prior year: €4,446 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**

€24,292 thousand (prior year: €28,753 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 €742,340 thousand (prior year: €686,362 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 €38,250 thousand (prior year: €7,489 thousand) in liabilities from the issuance of promissory notes via the consolidated securitization vehicle in Luxembourg.

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

in thousand €	<b>12/31/2011</b>	<b>12/31/2010</b>
<b>Total future cash flows</b>	<b>808,196</b>	<b>748,298</b>
Due within less than one year	255,890	234,812
Due in one to five years	534,450	499,463
Due in more than five years	17,856	14,023
<b>Present value of future cash flows</b>	<b>742,340</b>	<b>686,362</b>
Due within less than one year	227,154	207,109
Due in one to five years	497,818	465,589
Due in more than five years	17,368	13,664
<b>Future interest expenses</b>	<b>65,856</b>	<b>61,936</b>

Liabilities from financing include future minimum lease payments from financing under sale and leaseback agreements in the amount of €205,326 thousand (prior year: €175,872 thousand).

#### **(29) Trade accounts payable**

Trade accounts payable include €32 thousand (prior year: €31 thousand) in payables to affiliated companies and €5,712 thousand (prior year: €4,235 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 €	12/31/2011	12/31/2010
Advance payments received on orders	26,421	27,601
Liabilities from other taxes	34,771	28,913
Social security liabilities	11,099	9,194
Employee liabilities	2,616	1,920
Other liabilities to affiliated companies	–	203
Other liabilities	8,245	9,859
	<b>83,152</b>	<b>77,690</b>

### (31) Deferred income

in thousand €	Deferred sales from financial services	Deferred profit from financial services	Other deferrals	Deferred income
<b>12/31/2011</b>	<b>44,540</b>	<b>41,499</b>	<b>22,407</b>	<b>108,446</b>
Thereof maturities of up to one year	17,263	12,161	6,552	35,976
Thereof maturities of more than one year	27,277	29,338	15,855	72,470
<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 one year	19,973	9,873	7,843	37,689
Thereof maturities of more than one year	30,882	24,928	15,114	70,924

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 €6,440 thousand (prior year: €7,018 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 12/31/2011	Amount recognized in acc. with IAS 39		Amount recognized in acc. with IAS 17	Fair value 12/31/2011
			Amortized acquisition costs	Fair value		
<b>Assets</b>						
Liquid assets	LaR	382,815	382,815	-	-	382,815
Trade accounts receivable	LaR	414,956	414,956	-	-	414,956
Receivables from financial services	n.a.	535,124	-	-	535,124	539,842
Securities	FAHtM	126,512	126,512	-	-	126,321
Other loans	LaR	88	88	-	-	88
Derivative financial assets						
Derivatives without a hedging relationship	FAHfT	705	-	705	-	705
Derivatives with a hedging relationship	n.a.	493	-	493	-	493
Other financial assets	LaR	558	558	-	-	558
<b>Liabilities</b>						
Trade accounts payable	FLAC	172,111	172,111	-	-	172,111
Liabilities due to banks	FLAC	137,398	137,398	-	-	138,230
Promissory note	FLAC	100,000	100,000	-	-	102,509
Liabilities from financing trucks for short-term hire	FLAC/n.a.	91,820	85,988	-	5,832	91,820
Leasing liabilities from tangible assets	n.a.	17,331	-	-	17,331	18,038
Notes payable	FLAC	1,014	1,014	-	-	1,014
Liabilities from financial services	FLAC/n.a.	766,632	579,617	-	187,015	774,134
Derivative financial liabilities						
Derivatives without a hedging relationship	FLHfT	886	-	886	-	886
Derivatives with a hedging relationship	n.a.	5,810	-	5,810	-	5,810
Other financial liabilities	FLAC	1,182	1,182	-	-	1,182
<b>Of which aggregated by valuation category in acc. with IAS 39:</b>						
Loans and Receivables (LaR)		798,417	798,417	-	-	798,417
Financial Assets Held to Maturity (FAHtM)		126,512	126,512	-	-	126,321
Financial Assets Held for Trading (FAHfT)		705	-	705	-	705
Financial Liabilities Measured at Amortized Costs (FLAC)		1,077,310	1,077,310	-	-	1,086,163
Financial Liabilities Held for Trading (FLHfT)		886	-	886	-	886



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 12/31/2010	Amount recognized in acc. with IAS 39		Amount recognized in acc. with IAS 17	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						
Derivatives without a hedging relationship	FAHfT	525	–	525	–	525
Derivatives with a hedging relationship	n.a.	1,211	–	1,211	–	1,211
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
Notes payable	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						
Derivatives without a hedging relationship	FLHfT	2,002	–	2,002	–	2,002
Derivatives with a hedging relationship	n.a.	2,955	–	2,955	–	2,955
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)		525	–	525	–	525
Financial Liabilities Measured at Amortized Costs (FLAC)		1,024,031	1,024,031	–	–	1,029,471
Financial Liabilities Held for Trading (FLHfT)		2,002	–	2,002	–	2,002

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 2011	Net result 2010
		at fair value	Valuation allowances		
Loans and Receivables (LaR)	5,317	–	–3,566	1,751	685
Financial Assets Held to Maturity (FAHtM)	2,209	–	–	2,209	1,106
Financial Instruments Held for Trading (FAHfT/FLHfT)	–	–287	–	–287	–4,528
Financial Liabilities Measured at Amortized Costs (FLAC)	–40,815	–	–	–40,815	–40,860

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, €4,076 thousand (prior year: €2,211 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 could not be quantified.

### Litigation

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 €20 million as of the balance sheet date (prior year: €5 million). They primarily relate to the construction of a new spare parts centre in Kaltenkirchen (Germany).

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 €	12/31/2011	12/31/2010
Due within less than one year	36,744	34,765
Due in one to five years	51,615	57,040
Due in more than five years	17,305	20,160
	<b>105,664</b>	<b>111,965</b>

Recognized expenses associated with 'operating leases' in 2011 totalled €44,299 thousand (prior year: €43,605 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. These financial risks were analyzed as follows based on the assumption that the amount of liabilities outstanding at the end of the reporting period was outstanding for the full year.

If going interest rates had been 100 basis points higher (lower) on December 31, 2011, income would have been €924 thousand (December 31, 2010: €764 thousand) higher (lower).

### Currency risks

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

The Jungheinrich Group applies the Value at Risk approach to quantify the 'currency risk' position. The Value at Risk indicates the maximum loss that may not be exceeded before the end of a predetermined holding period and with a certain probability (confidence interval). Parameters and market volatility, which are used to quantify risk, are calculated based on the standard deviation of logarithmized changes in the last 180 trading days and converted to a one-day holding period with a one-sided confidence interval of 95 per cent.

To manage risk, a loss limit for the entire Group is determined based on the company's planning. Furthermore, corresponding lower limits are determined at the individual Group company level. These limits are compared to the current Value at Risk for all open positions as part of monthly reporting.

By applying the Value at Risk method, as of December 31, 2011, the maximum risk did not exceed €686 thousand (prior year: €485 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 €499 thousand (prior year: €292 thousand) and a maximum of €1,355 thousand (prior year: €722 thousand). The average for the year was €841 thousand (prior year: €444 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 an existing promissory note and short-term credit lines of individual Group companies awarded by local banks.

The Group is exposed to a counterparty risk that arises from the non-fulfilment of contractual agreements by counterparties. To mitigate this risk, such contracts are only

concluded with selected financial institutions, which meet the internal demands placed on the creditworthiness of business partners. The creditworthiness of contractual partners is constantly monitored on the basis of their credit rating, which is determined by reputable rating agencies, as well as of additional risk indicators. No major risk ensued for Jungheinrich from its dependence on individual counterparties as of the balance sheet date.

The general liquidity risk from the financial instruments used, which arises if a counterparty fails to meet its payment obligations or only meets them to a limited extent, is considered to be negligible.

### Hedges

The Jungheinrich Group concludes cash flow hedges to secure future cash flows resulting from sales and purchases of materials that are partially realized and partially forecasted, but highly probable, among other things. Comprehensive documentation ensures the clear assignment of hedges and underlying transactions. No more than 75 per cent of the hedged amounts are designated as underlying transactions, which, in turn, can be fully hedged.

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

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

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

## Nominal values of hedging instruments

The nominal volume of derivative financial instruments had the following maturities as of the balance sheet date:

in thousand €	Nominal volume of hedging instruments for cash flow hedges		Nominal volume of other derivatives
	Currency hedges	Interest-rate swaps	Currency hedges
<b>12/31/2011</b>			
<b>Total nominal volume</b>	<b>106,101</b>	<b>93,622</b>	<b>90,797</b>
Maturities of up to one year	88,008	8,634	90,797
Maturities of between one and five years	18,093	84,988	–
Maturities of more than five years	–	–	–
<b>12/31/2010</b>			
<b>Total nominal volume</b>	<b>102,127</b>	<b>63,802</b>	<b>74,754</b>
Maturities of up to one year	86,197	2,157	74,754
Maturities of between one and five years	15,930	61,574	–
Maturities of more than five years	–	71	–

The nominal values of the currency hedging contracts contain forward exchange transactions that are used to hedge against rolling 12-month exposure in individual currencies.

The nominal values of the interest hedges include interest-rate hedges concluded to hedge

long-term interest rates for variable-interest financing.

The transactions underlying the cash flow hedges are expected to be realized in line with the maturities of the hedges shown in the table.

### Fair values of hedging instruments

The fair value of a hedging instrument is the price at which the instrument could have been sold on the market as of the balance sheet date. Fair values were calculated on the basis of market-related information available as of the balance sheet date and on the basis of valuation methods stated below that are based on specific prices. In view of the varying influencing factors, the values stated here may differ from the values realized on the market later on.

The fair value of forward exchange transactions is determined on the basis of current reference prices taking account of forward premiums and discounts. The fair value of interest derivatives is determined on the basis of current reference interest rates, taking account of the respective payment due dates.

The following table shows the fair values of derivative financial instruments:

in thousand €	12/31/2011	12/31/2010
<b>Derivative financial assets</b>	<b>1,198</b>	<b>1,736</b>
Currency forwards	1,198	1,736
<b>Derivative financial liabilities</b>	<b>6,696</b>	<b>4,957</b>
Currency forwards	3,636	3,761
Interest-rate swaps	3,060	1,196

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 €2,182 thousand (prior year: €3,056 thousand). Income taxes are not included in the presentation since they are not reported or managed by segment at



Jungheinrich. Therefore, income taxes are only stated as a summarized item at the Group level. Accordingly, net income is only stated for the Jungheinrich Group.

Capital expenditures, depreciation, amortization and impairment losses concern intangible and tangible assets. Segment assets and segment liabilities encompass all assets and

liabilities allocable to the segment in question and correspond to the balance sheet total. All balance sheet items relating to current and deferred income taxes are thus also included.

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

The following table displays the segment information valid as of December 31, 2011:

in thousand €	Intralogistics	Financial Services	Segment total	Reconciliation	<b>Jungheinrich Group</b>
External net sales	1,712,321	403,962	2,116,283	–	<b>2,116,283</b>
Intersegment net sales	421,020	47,428	468,448	–468,448	–
Total net sales	2,133,341	451,390	2,584,731	–468,448	<b>2,116,283</b>
<b>Segment income (loss) (EBIT)</b>	<b>159,056</b>	<b>–2,652</b>	<b>156,404</b>	<b>–10,589</b>	<b>145,815</b>
Interest and similar income	8,284	38,579	46,863	–954	<b>45,909</b>
Interest and similar expenses	19,080	24,546	43,626	–954	<b>42,672</b>
Other financial income (loss)	–749	–	–749	–	<b>–749</b>
Earnings before taxes (EBT)	147,511	11,381	158,892	–10,589	<b>148,303</b>
Income taxes					<b>42,761</b>
Net income					<b>105,542</b>
Non-current assets					
Capital expenditures	57,127	10	57,137	–	<b>57,137</b>
Depreciation and amortization	42,401	9	42,410	–	<b>42,410</b>
Segment assets	1,822,855	961,082	2,783,937	–203,937	<b>2,580,000</b>
Shareholders' equity	782,610	26,155	808,765	–91,005	<b>717,760</b>
Liabilities	1,040,245	934,927	1,975,172	–112,932	<b>1,862,240</b>
Segment liabilities	1,822,855	961,082	2,783,937	–203,937	<b>2,580,000</b>

The following table displays the segment information valid as of December 31, 2010:

in thousand €	Intralogistics	Financial Services	Segment total	Reconciliation	Jungheinrich Group
External net sales	1,464,282	351,910	1,816,192	–	<b>1,816,192</b>
Intersegment net sales	384,416	43,719	428,135	–428,135	–
Total net sales	1,848,698	395,629	2,244,327	–428,135	<b>1,816,192</b>
<b>Segment income (loss) (EBIT)</b>	<b>116,105</b>	<b>–6,344</b>	<b>109,761</b>	<b>–12,167</b>	<b>97,594</b>
Interest and similar income	4,855	36,306	41,161	–591	<b>40,570</b>
Interest and similar expenses	18,374	24,027	42,401	–591	<b>41,810</b>
Other financial income (loss)	–513	–	–513	–	<b>–513</b>
Earnings before taxes (EBT)	102,073	5,935	108,008	–12,167	<b>95,841</b>
Income taxes					<b>13,502</b>
Net income					<b>82,339</b>
Non-current assets					
Capital expenditures	41,411	19	41,430	–	<b>41,430</b>
Depreciation and amortization	42,455	10	42,465	–	<b>42,465</b>
Impairment losses	2,934	–	2,934	–	<b>2,934</b>
Segment assets	1,693,457	899,503	2,592,960	–198,710	<b>2,394,250</b>
Shareholders' equity	697,966	18,170	716,136	–83,489	<b>632,647</b>
Liabilities	995,491	881,333	1,876,824	–115,221	<b>1,761,603</b>
Segment liabilities	1,693,457	899,503	2,592,960	–198,710	<b>2,394,250</b>

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 €9.1 million (prior year: €3.6 million) in income from changes in provisions for termination benefits within the scope of personnel-adjustment measures taken at the Norder-

stedt and Moosburg factories with an effect on net income as well as changes in provisions for pensions with an effect on net income.

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

### Net sales by region

in thousand €	2011	2010
Germany	<b>571,145</b>	493,399
Rest of Europe	<b>1,393,918</b>	1,196,973
Other countries	<b>151,220</b>	125,820
	<b>2,116,283</b>	<b>1,816,192</b>

## Non-current assets by region

in thousand €	12/31/2011	12/31/2010
Germany	222,180	212,307
Rest of Europe	86,398	86,432
Other countries	6,716	2,835
Consolidation	111	111
	<b>315,405</b>	<b>301,685</b>

There were no relations with individual external customers accounting for a material share of sales with respect to consolidated sales in the 2011 or 2010 fiscal years.

### (38) Earnings per share

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

		2011	2010
Consolidated earnings	in thousand €	105,542	82,339
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>3.07</b>	<b>2.39</b>
<b>Earnings per preferred share</b>	in €	<b>3.13</b>	<b>2.45</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 2011 and 2010, 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 2011

No transactions or events of major importance to the Jungheinrich Group occurred after the end of the 2011 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 and the preceding year break down as follows:

in thousand €	2011	2010
Audit of the consolidated financial statements	492	478
Other assurance services	54	42
Tax services	18	26
Other services	96	52
	<b>660</b>	<b>598</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 %	2011	2010
JULI Motorenwerk s.r.o., Czech Republic	50	39,903	31,210
Supralift GmbH & Co. KG, Germany	50	221	219
Ningbo Ruyi Joint Stock Co. Ltd., China	25	10,776	7,322
ISA – Innovative Systemlösungen für die Automation GmbH, Austria	25	4,260	2,793

Trade accounts payable:

in thousand €	Share in %	12/31/2011	12/31/2010
JULI Motorenwerk s.r.o., Czech Republic	50	2,055	2,397
Ningbo Ruyi Joint Stock Co. Ltd., China	25	2,212	1,014
ISA – Innovative Systemlösungen für die Automation GmbH, Austria	25	1,445	824

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 2011 amounted to €998 thousand (prior year: €839 thousand).

Total remuneration of members of the Board of Management for fiscal 2011 amounted to €3,451 thousand (prior year: €4,684 thousand). Furthermore, in fiscal 2011, €311 thousand (prior year: €283 thousand) were added to provisions

for pensions for members of the Board of Management. Remuneration of the Board of Management itemized by member, basic and performance-related components in accordance with Sec. 314, Para. 1, Item 6a, Sentences 5 to 8 of the German Commercial Code (HGB) has not been disclosed because the Annual General Meeting on June 15, 2011, passed a resolution to this effect for a period of 5 years.

No advances or loans to members of the Board of Management or Supervisory Board of Jungheinrich AG existed on December 31, 2011.

The total emoluments of former members of the Board of Management amounted to €659 thousand (prior year: €651 thousand).

As of December 31, 2011, Jungheinrich AG had accrued a €9,783 thousand (prior year: €9,633 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, 2011, the following companies were included in the consolidated financial statements of Jungheinrich AG, Hamburg, by way of full consolidation:

Name and domicile	Share of capital %
Jungheinrich Vertrieb Deutschland AG & Co. KG, Hamburg	100
Jungheinrich Norderstedt AG & Co. KG, Hamburg	100
Jungheinrich Export AG & Co. KG, Hamburg	100
Jungheinrich Ersatzteillogistik AG & Co. KG, Hamburg	100
Jungheinrich Beteiligungs-GmbH, Hamburg	100
Jungheinrich Moosburg GmbH, Moosburg	100
Jungheinrich Landsberg AG & Co. KG, Landsberg/Saalekreis	100
Jungheinrich Financial Services GmbH, Hamburg	100
Jungheinrich Finance AG & Co. KG, Hamburg	100
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
Gebrauchtgeräte-Zentrum Dresden GmbH & Co. KG, Klipphausen/Dresden	100
Jungheinrich Finances Holding SAS, Vélizy-Villacoublay, France	100
Jungheinrich France SAS, Vélizy-Villacoublay, France	100
Jungheinrich Finance France SAS, Vélizy-Villacoublay, France	100
Jungheinrich Financial Services SAS, Vélizy-Villacoublay, France	100
Jungheinrich UK Holdings Ltd., Milton Keynes, United Kingdom	100
Jungheinrich UK Ltd., Milton Keynes, United Kingdom	100
Boss Manufacturing Ltd., Leighton Buzzard, United Kingdom	100
Jungheinrich Lift Truck Finance Ltd., Milton Keynes, United Kingdom	100
Jungheinrich Financial Services Ltd., Milton Keynes, United Kingdom	100
Jungheinrich Italiana S.r.l., Rosate/Milan, Italy	100
Jungheinrich 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 Finance B.V., Alphen a. d. Rijn, Netherlands	100
Jungheinrich Financial Services B.V., Alphen a. d. Rijn, Netherlands	100
Jungheinrich AG, Hirschthal, Switzerland	100
Jungheinrich n.v./s.a., Leuven, Belgium	100
Jungheinrich Austria Vertriebsges. m.b.H., Vienna, Austria	100
Jungheinrich Finance Austria GmbH, Vienna, Austria	100
Jungheinrich Polska Sp. z o.o., Ozarow Mazowiecki/Warsaw, Poland	100
Jungheinrich Norge AS, Oslo, Norway	100
Jungheinrich (ČR) s.r.o., Říčany/Prague, Czech Republic	100
Jungheinrich Svenska AB, Arlöv, Sweden	100
Jungheinrich Hungária Kft., Biatorbágy/Budapest, Hungary	100
Jungheinrich Danmark A/S, Tåstrup, Denmark	100

<b>Name and domicile</b>	<b>Share of capital %</b>
Jungheinrich d.o.o., Trzin, Slovenia	100
Jungheinrich Portugal Equipamentos de Transporte, Lda., Rio de Mouro/Lisbon, Portugal	100
Jungheinrich Lift Truck Ltd., Maynooth, Co. Kildare, Ireland	100
Jungheinrich Hellas EPE, Acharnes/Athens, Greece	100
Jungheinrich İstif Makinaları San. ve Tic. Ltd. Şti., Ateşdağ/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, 2011, the following companies were included in the consolidated financial statements of Jungheinrich AG, Hamburg, at equity:

<b>Name and domicile</b>	<b>Share of capital %</b>
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, 2011, the following companies were not included in the consolidated financial statements of Jungheinrich AG, Hamburg:

<b>Name and domicile</b>	<b>Share of capital %</b>
Jungheinrich Katalog Verwaltungs-GmbH, Hamburg <sup>1</sup>	100
Gebrauchtergeräte-Zentrum Dresden Verwaltungs-GmbH, Klipphausen/Dresden <sup>1</sup>	100
Mécanique Industrie Chimie MIC S.A., Rungis, France <sup>2</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 Dec 14, 2005.

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

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

- Jungheinrich Vertrieb Deutschland AG & Co. KG, Hamburg
- Jungheinrich Norderstedt AG & Co. KG, Hamburg
- Jungheinrich Export AG & Co. KG, Hamburg
- Jungheinrich Ersatzteillogistik AG & Co. KG, Hamburg
- Jungheinrich Landsberg AG & Co. KG, Landsberg/Saalekreis
- Jungheinrich Finance AG & Co. KG, Hamburg
- Jungheinrich Financial Services GmbH, Hamburg
- Jungheinrich Katalog GmbH & Co. KG, Hamburg
- Gebrauchtgeräte-Zentrum Dresden GmbH & Co. KG, Klipphausen/Dresden
- 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 2011, the Board of Management and the Supervisory Board issued a declaration of conformance with Section 161 of the German Stock Corporation Act and made it permanently and publicly accessible on the website of Jungheinrich AG.

Hamburg, March 6, 2012

Jungheinrich Aktiengesellschaft  
The Board of Management

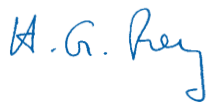
## Responsibility Statement

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 6, 2012

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, 2011. The preparation of the consolidated financial statements and the group management report in accordance with IFRS, as adopted by the EU, and the additional requirements of German commercial law pursuant to § 315a Abs. 1 HGB are the responsibility of the Company's management. Our responsibility is to express an opinion on the consolidated financial statements and on the group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with § 317 HGB ('German Commercial Code') and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer. Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable financial reporting framework and in the group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations as

to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the group management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements and the group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the consolidated financial statements of Jungheinrich Aktiengesellschaft, Hamburg, comply with IFRS, as adopted by the EU, and the additional requirements of German commercial law pursuant to § 315a Abs. 1 HGB and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these requirements. The group management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development.

Hamburg, March 6, 2012

Deloitte & Touche GmbH  
Wirtschaftsprüfungsgesellschaft



(Dinter)  
Wirtschaftsprüfer  
(German Public Auditor)



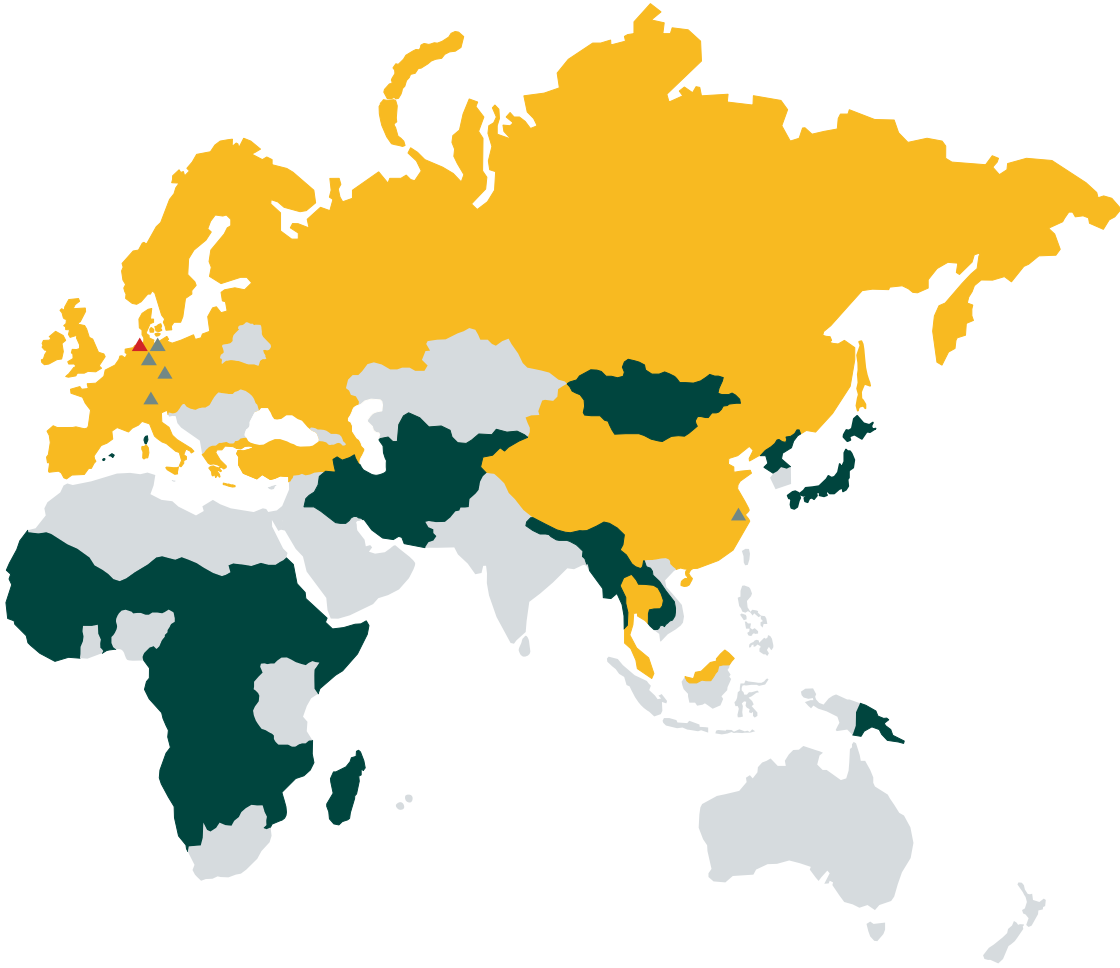
(ppa. Deutsch)  
Wirtschaftsprüferin  
(German Public Auditor)

# Jungheinrich worldwide



- Sales companies
- Representative offices
- ▲ Headquarter
- ▲ Plants

Addresses are available at [www.jungheinrich.com](http://www.jungheinrich.com)



	<b>Incoming orders</b> in million €	<b>Production</b> in units	<b>Total assets</b> in million €
2007	2,120	82,400	2,073
2008	2,145	80,700	2,179
2009	1,654	48,300	2,207
2010	1,924	60,400	2,394
<b>2011</b>	<b>2,178</b>	<b>75,700</b>	<b>2,580</b>

<b>Jungheinrich Group</b>		<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
<b>Incoming orders, production and sales</b>						
Incoming orders <sup>1</sup>	million €	<b>2,178</b>	1,924	1,654	2,145	2,120
Production of material handling equipment	units	<b>75,700</b>	60,400	48,300	80,700	82,400
Net sales	million €	<b>2,116</b>	1,816	1,677	2,145	2,001
thereof in Germany	million €	<b>571</b>	493	466	557	505
thereof abroad	million €	<b>1,545</b>	1,323	1,211	1,588	1,496
Foreign ratio	%	<b>73</b>	73	72	74	75
<b>Employees</b>						
Total	12/31	<b>10,711</b>	10,138	10,266	10,784	10,178
thereof in Germany	12/31	<b>4,925</b>	4,661	4,793	4,950	4,761
thereof abroad	12/31	<b>5,786</b>	5,477	5,473	5,834	5,417
<b>Capital expenditures</b>						
Capital expenditures <sup>2</sup>	million €	<b>52</b>	33	46	74	52
Research and development	million €	<b>38</b>	36	39	39	41
<b>Asset structure</b>						
Fixed assets	million €	<b>761</b>	679	657	713	666
thereof trucks for lease from financial services	million €	<b>211</b>	204	200	187	166
Other assets	million €	<b>1,819</b>	1,715	1,550	1,466	1,407
thereof receivables from financial services	million €	<b>535</b>	496	477	460	403
thereof liquid assets and securities	million €	<b>509</b>	549	489	262	251
Total assets	million €	<b>2,580</b>	2,394	2,207	2,179	2,073
<b>Capital structure</b>						
Shareholders' equity	million €	<b>718</b>	633	547	625	554
thereof subscribed capital	million €	<b>102</b>	102	102	102	102
Provisions for pensions	million €	<b>146</b>	144	143	140	164
Other provisions	million €	<b>210</b>	207	197	150	156
Financial liabilities	million €	<b>347</b>	346	370	285	290
Liabilities from financial services	million €	<b>767</b>	715	668	643	541
Other liabilities	million €	<b>392</b>	349	282	336	368
Total capital	million €	<b>2,580</b>	2,394	2,207	2,179	2,073

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.

<b>EBITDA</b> in million €	<b>EBT</b> in million €	<b>Indebtedness ratio</b> in years
2007 275	139	0.2
2008 292	121	0.1
2009 100	-74	<0
2010 239	96	<0
<b>2011 298</b>	<b>148</b>	<b>&lt;0</b>

<b>Jungheinrich Group</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
<b>Income statement</b>					
Earnings before interest, taxes, depreciation and amortization (EBITDA) million €	298	239	100	292	275
Earnings before interest and taxes (EBIT) million €	146	98	-72	122	140
Earnings before taxes (EBT) million €	148	96	-74	121	139
Net income million €	106	82	-55	77	82
Earnings per preferred share €	3.13	2.45	-1.59	2.29	2.43
Dividend per share – ordinary share €	0.70 <sup>3</sup>	0.49	-	0.49	0.52
– preferred share €	0.76 <sup>3</sup>	0.55	0.12	0.55	0.58
<b>Key financial data</b>					
<b>Equity</b>					
Equity ratio %	28	26	25	29	27
Equity-to-fixed assets ratio %	131	133	119	119	111
<b>Returns on sales</b>					
EBIT return on sales (ROS) %	6.9	5.4	-4.3	5.7	7.0
<b>Returns on capital</b>					
EBIT return on capital employed (ROCE) %	26	23	-17	19	24
Return on equity after income taxes %	16	14	-9	13	16
Return on total capital <sup>4</sup> %	6	5	-3	6	6
<b>Indebtedness</b>					
Net indebtedness million €	-162	-203	-118	23	40
Indebtedness ratio years	<0	<0	<0	0.1	0.2
Net gearing %	<0	<0	<0	4	7

<b>Key financials of the 'Intralogistics' business segment</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
Equity million €	783	698	602	676
Equity ratio %	43	41	39	44
Net financial liabilities <sup>7</sup> million €	-121	-161	-88	71
Financial income (loss) million €	-12	-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 2011 Annual Report	March 29, 2012
Analyst conference, Frankfurt am Main	March 30, 2012
Interim report as of March 31, 2012	May 10, 2012
2012 Annual General Meeting, Congress Centrum Hamburg	June 12, 2012
Dividend payment	June 13, 2012
Interim report as of June 30, 2012	August 9, 2012
Interim report as of September 30, 2012	November 8, 2012

**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)

**Photographs:**

J. Scheffler, B. Betzelt

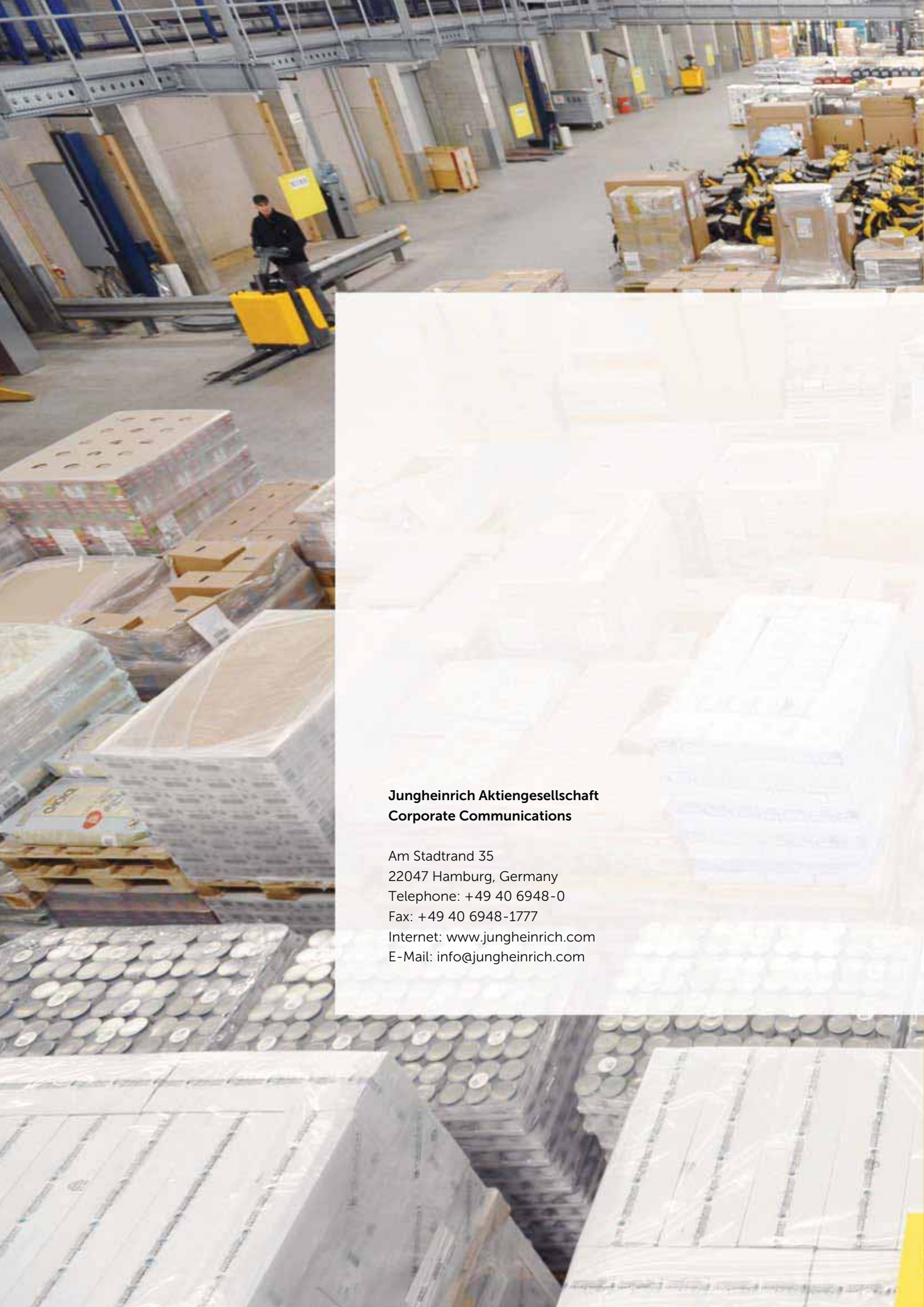
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Lagerhäuser Aarau AG (Switzerland)

**Production:**

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





**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)