

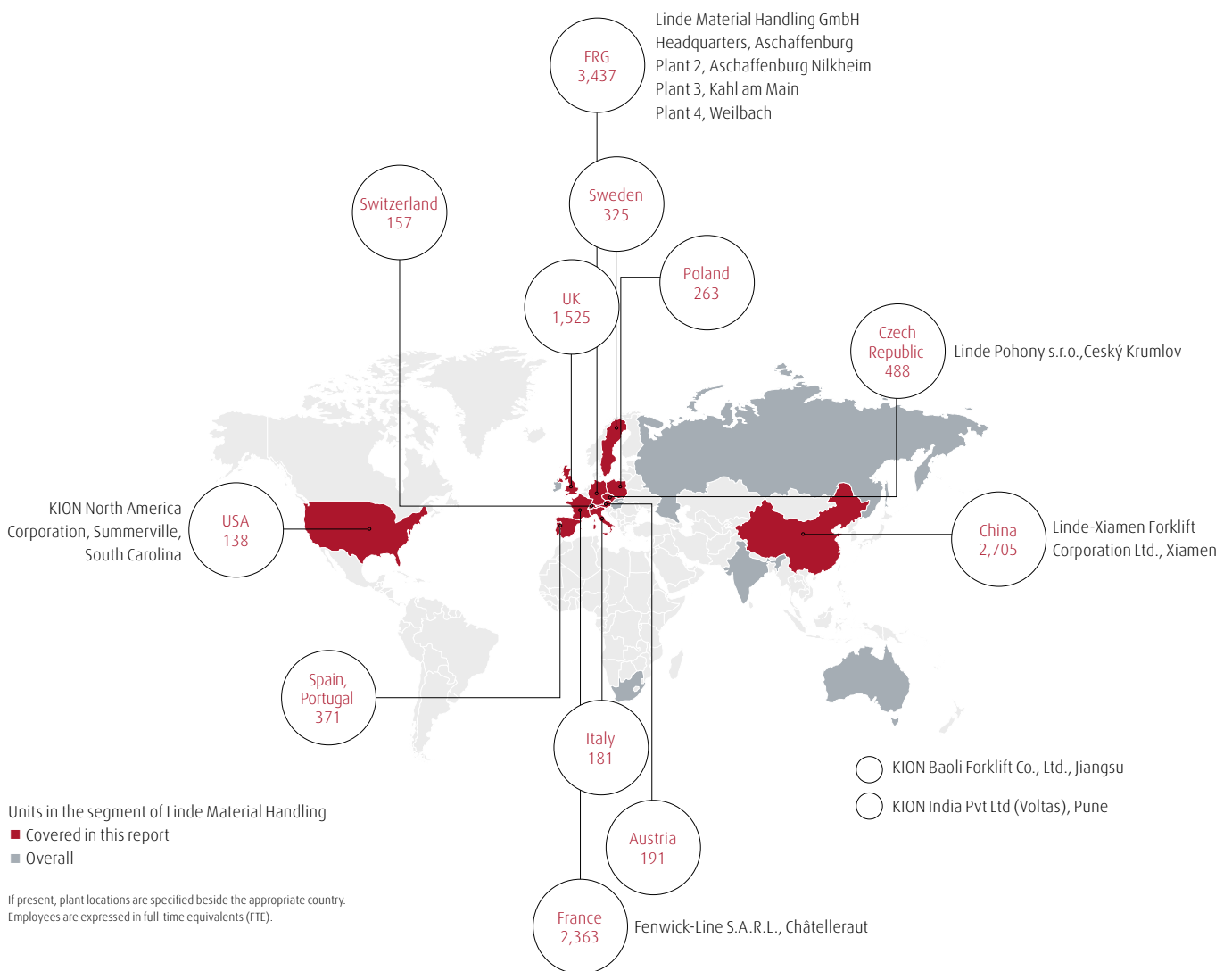
1

Company profile



Sustainably innovative

Forklifts trucks and warehouse trucks to the highest technical standards, for maximum productivity at low energy consumption – this is the hallmark of Linde Material Handling. As market leader in Europe, we strive to occupy key positions in all the important industrial markets.



Linde Material Handling is a global premium manufacturer of forklift trucks and warehouse trucks. As one of the three segments of KION Group AG, Linde Material Handling is the market leader in Europe. In 2014, the segment generated 59 % of revenue and 77 % of EBIT in the KION Group.

Linde Material Handling Segment in the KION Group

Linde*

Fenwick*

Baoli

Voltas

* Linde and Fenwick are constituent elements of this report.

The segment comprises the brands Linde, Fenwick, Baoli and Voltas. Linde as the global premium brand and technology leader is famous for the robustness, user-friendliness and performance of its products. In France, Linde products are marketed under the Fenwick brand. Fenwick-Linde is the biggest national material handling provider. The Baoli brand covers the economy segment in China and in other growth markets in Asia, Eastern Europe, the Middle East and Africa, as well as South and Central America. In China, the brand has been represented by Linde (China) Forklift Truck Corp. Ltd for over 22 years, and it is also positioned in the top segment there as the most important international supplier. Voltas is the brand of KION India Pvt. Ltd. with head office in Pune, India. Alongside KION segment Linde Material Handling, the Company Linde Material Handling GmbH provides operational management for the Linde and Fenwick brands – this forms the focus of this report. There were no significant changes for the company during the year under review.

More than 110 years of experience

Linde Material Handling was founded in 1904 by the entrepreneurs Dr Hugo Guldner, Dr Carl von Linde and Dr Georg von Krauss under the name Guldner Motoren-Gesellschaft. In 1929, Linde purchased all the shares in this company and the Company grew organically and through acquisitions over the subsequent decades. In 1959, Linde switched from diesel engines and tractors to industrial trucks and hydraulic components. The takeover of Baker Material Handling Corporation in 1977 enabled the Company to strengthen its position in North America. Other takeovers included France's biggest forklift truck manufacturer Fenwick in 1984 and British manufacturer Lansing Bagnall in 1989.

Since 1993, Linde Material Handling has been operating in China with its own production. In 2006, the material handling business was hived off from conglomerate Linde AG and was sold to Kohlberg Kravis Roberts & Co. and Goldman Sachs Capital Partners. The new owners launched it on the stock exchange under the name KION Group AG in an initial public offering. Since September 2014, the KION share has been listed in the MDAX Index. The head office of Linde Material Handling and the biggest plant are located in Aschaffenburg.

Active worldwide

As a company operating on the international stage, Linde Material Handling now has production and assembly plants in all the important regions of the world and a global sales and service network with representative offices in more than 100 countries. During the business year 2014, Linde Material Handling generated revenue of €3.1 billion* (2013: €2.9 billion*) with a workforce of just under 14,000 employees* – this represented an increase of 6.8%. EBIT grew by almost 10 % to €339.6 million compared with 2013*. In 2014, the biggest share in revenue growth was generated by the sale of electric forklift trucks and warehouse technology products, as well as a strengthened service and spare parts business. Europe is the core market for Linde Material Handling. The main markets here are Germany, France, the United Kingdom and Spain. Outside Europe China is the most important sales market. Growth markets in South America, Asia and Eastern Europe are increasingly important.

"Strategy 2020"

The KION Group is pursuing a multi-brand strategy. Within the framework of "Strategy 2020", the mission of the Linde brand is to strengthen its presence in North America and some emerging markets while continuing to strengthen its leading market position in Europe. The vehicles are produced close to the relevant sales markets within a global production network for these and other brands of the KION Group.

Linde Material Handling – strong brand values

Alignment with the established brand values of Linde will continue to play a key role in ensuring technology leadership over the long term in the context of these diverse challenges. Technological development, the changed purchase behaviour and new requirements of customers resulting from digitisation of industry and logistics will continue to define research and development work at Linde Material Handling in the future. Moreover, the demand for environmentally friendly products is undergoing tangible growth within the framework of "Green Logistics". This trend will continue to intensify when the new EU Emission Directive for Forklift Trucks comes into force in 2019.



Pallet truck
CiTi Truck



Tow tractor
P 30 C



Pallet stacker
L 14 - L 20



Reach truck
R 14 - R 25

Brand values - Engineered for your performance

Performance Profitability for customers	High productivity and closeness to customers through ▪ outstanding handling capacity ▪ integrated and efficient service ▪ very dense service network ▪ comprehensive service packages ▪ integrated customer support
User friendliness The operator has top priority	Safe and fatigue-free work through ▪ sensitive controls ▪ optimum manoeuvrability ▪ maximum operating comfort at automobile level ▪ uncompromising health protection
Robustness Safe, resilient and long-life products	Extraordinary quality surpassing the scope of any standard for ▪ vehicle design ▪ materials ▪ processing
Versatility Solutions for all requirements	The most comprehensive product range on the market with ▪ large variation within series ▪ special equipment and customer-specific bespoke production
Trust A reliable platform	Customers build their businesses on ▪ vehicles that are innovative, high-performance, long-life and a sound investment ▪ experience with a track record over decades ▪ personnel with outstanding training ▪ very dense sales and service network
Pride of ownership Unique, in demand and popular	The products are impressive on the back of ▪ innovative technologies ▪ excellent design ▪ great robustness, high level of operator comfort and manoeuvrability
Passion Fascinating products	At least one step ahead of the competition through ▪ technical excellence ▪ inimitable design ▪ high performance, robustness and agility



Electric truck
E 20 - E 35



Diesel and LPG truck
H 40 - H 50



Heavy truck
H 100 - H 180



Order picking truck
K

Innovative technology and environmental protection

Key products

Linde supplies a wide range of industrial trucks for deployment in the internal logistics of companies in industrial and commercial businesses. The spectrum ranges from pallet trucks through forklift trucks to reach trucks and large order pickers as well as automation solutions.

The hydrostatic drive defines the profile of Linde trucks in the marketplace. It is the epitome of smooth driving, precise positioning to the millimetre, and minimal wear and tear. By contrast with mechanical drives, this system delivers power with virtually no loss by means of a closed, maintenance-free oil circuit. The oil pressure applies the power uniformly from the hydraulic pump to the two hydraulic motors of the drive wheels. This innovative form of power transfer gives Linde vehicles their unique sensitivity and efficiency. Linde rose to assume market leadership in Europe with this invention, which was first manufactured on an industrial scale in 1960. The engineers in the Company have succeeded in transferring these outstanding features to the electric trucks launched in 1970 as well as to the warehouse trucks.

Safe and environmentally friendly

Innovations at Linde Material Handling have always been directed towards safety and environmental friendliness and not simply geared to productivity and efficiency. The vehicles help customers to save energy, reduce emissions and comply with high safety standards. Substantial synergies are used through organisation of research and development across brands within the KION Group. A sector comparison reveals that development costs are in themselves very high, and additionally result in unique products and solutions.

In the technologically advanced markets with very exacting standards for vehicles, the reduction of the customers' overall costs – for procurement, maintenance, repair and energy consumption – is a top priority without compromising a high level of productivity. Linde primarily develops and produces bespoke products for specific markets based on cost-efficient platforms in the emerging economies of Asia and South America. In general, the vehicle configuration and equipment are tailored to the technical requirements of the customers there.

Expansion of electric forklift trucks

Tighter emission standards for vehicles powered by internal combustion engines and the sustained trend towards electric drive technology have pushed up demand for electric forklift trucks and

consequently also for the development of electric trucks with larger load capacities (up to 8 tons). Together with these large electric trucks, Linde launched new electric forklift trucks with load capacities of 1.2 to 2 tons in 2014. They have 17 % lower energy consumption by comparison with the previous models. One current focus of R&D activities in the Company is on the introduction of lithium-ion batteries for electric vehicles, which are superior to rechargeable lead-acid batteries in many respects. The first models were introduced in October 2014. Pilot projects for the market launch of forklift trucks and warehouse trucks powered by fuel cells are currently being carried out.

Pre-owned and hire vehicles

Apart from new vehicles, Linde also offers its customers a large selection of used industrial trucks through its sales partners. The vehicles supplied under the label "Approved Trucks" are refurbished in conformity with global standards and present an attractive and



1st place in "Logistra Reader Survey"

In July 2014, Linde won a readers' vote in the trade journal "Logistra". The innovative fuel-cell powered trucks of Linde Material Handling were designated "best innovation" in the "industrial truck" category.

Award for Linde Safety Pilot

As already in the previous year, Linde UK was granted the FLTA Award by the British Forklift Truck Association (FLTA) in the category of safety. FLTA Managing Director Peter Harvey said "Linde plays an important role when it comes to reducing the risk of accident and injury to drivers and those people who work together with them."



cost-effective alternative for less intense applications or occasional use. Even large fleet operators make use of this savings potential and do not exclusively order new vehicles. Used trucks are generally former fleet vehicles which have been maintained right from the start in conformity with the manufacturer's recommendations under a leasing or full-service contract.

Linde and its dealers maintain one of the largest rental fleets in the market. Rental trucks – from compact small trucks to heavy trucks – offer opportunities to increase productivity of operational workflows in logistics quickly and flexibly when order peaks occur. The service packages include delivery, return, driver training and machinery failure insurance.

Fleet management and automation

IT-based fleet management and automation enable Linde to help customers enhance their profitability and structure by deploying vehicles more efficiently and therefore more sustainably. Modern fleet management with Linde Connected Solutions allows customers operating several Linde vehicles to record the usage data of their vehicles, transmit the data by wireless and evaluate it using software.

This means that they are continuously informed about the status of their logistics in production or in warehouse buildings, the deployment of the fleet becomes safer and more profitable, and the availability of the vehicles increases.

Depending on customers' needs, Linde Material Handling achieves automated material handling on the basis of different management and navigation technologies. The "Linde robotics – driven by Balyo" product range launched in 2014 uses laser-based geonavigation for driverless transport. This allows customers to make use of the most economical solution for automated systems currently available without having to install a technical infrastructure. Linde Material Handling GmbH holds a 10 % stake in Balyo SA.

Sustainability in our products

Active for more sustainability

Linde Material Handling actively promotes more sustainability in the sector and with customers through a series of initiatives. The Company has been cooperating with the Fraunhofer Institute for Building Physics (IBP) to develop a methodology for assessing the environmental impact of its forklift trucks and warehouse trucks throughout the product life-cycle. In addition, life-cycle assessments for the Company's seven main product groups were prepared (see from p. 33 for more information).

The safety-relevant innovations from Linde Material Handling include the Linde Safety Pilot launched in 2014. The intelligent driver assistance system helps forklift truck drivers to avoid operating and driving errors and thereby minimises the risk of accidents.

Linde BlueSpot is an innovative optical warning system for industrial trucks. It ensures more safety, particularly in aisles and at confusing intersections in a warehouse (more on safety and environmental features of products in the section "Products and Solutions" from page 28).



UKWA Technical Innovation Award

In July 2015, Linde Material Handling received an award from the Warehousing Association in the United Kingdom. The core idea was for "Dynamic Mast Control" to balance out the swaying of the mast by slight countermovements. This enables the driver to work safely and more efficiently at higher levels. Stacking pallets can also be carried out faster and damage to goods is also reduced.

"VerkehrsRundschau" Image Award 2015

In February 2015, Linde once again earned the Image Award from trade magazine "VerkehrsRundschau". A market research company surveyed 196 managers from logistics service providers, industry and commerce, and asked them about the image and public awareness profile of the most important providers of forklift trucks and warehouse trucks.

IMAGE-RANKING 2015

Beste Marke

Gabelstapler/
Lagertechnikgeräte

verkehrs
RUNDschau

6/2015

www.verkehrsrundschau.de

Sustainability Policy

Vision:

We want to have a leading position in our sector
while acting responsibly

Many global challenges influence the environment, society and our company. We acknowledge our responsibility resulting from these challenges. This involves developing solutions to those challenges and thereby contributing to sustainable development. This orientation is crucial to ensuring our customers' future business success and our own future viability. We want to create long-term value by integrating environmental and societal issues into the business units of Linde Material Handling. Our employees are an important success factor for sustainability. They actively contribute to our company achieving a leading position for responsible action within our industry through innovation and ideas for optimising our organisation and our solutions. Conducting our business in a responsible way is part of our self-perception and ensures that we include our stakeholders' expectations and provide the products that fit the best our customers' requirements.

Our approach involves ...

- performing a comprehensive assessment of our sustainability impacts,
- applying international best practice for sustainability in material handling,
- striving for perfection and continuous improvement of our sustainability performance,
- demanding responsibility from all employees of LMH especially top management and employees in managerial positions and ensuring they take responsibility for implementing this policy,
- fostering dialogue with our stakeholders, especially customers and employees.

Our way of doing business in a sustainable way means ...

- acting with high standards of business ethics and integrity and complying with the UN Convention Against Corruption (UNCAC),
- respecting and protecting international human rights and complying with the UN human rights declaration and fundamental ILO conventions,
- integrating sustainability criteria into decision-making and performance management,
- having a positive social and economic impact in the communities everywhere we do business,
- having a fair, equal and non-discriminatory relationship with our employees, providing a safe and decent workplace and helping them realise their full potential,
- improving our environmental impact by striving for sustainable solutions and improving efficiency,
- expecting our business partners to act responsibly and continuously improve their sustainable performance.

Our products...

- are sustainable and are setting benchmarks for performance, user-friendliness, robustness and versatility,
- provide best solutions for ergonomic design and safety,
- are exemplary for efficiency and longevity,
- are continuously improved to enhance their environmental, ergonomic and safety characteristics,
- support the development of economies and markets.