Growing with Passion
Annual Report 2014

JUNGHEINRICH
Machines. Ideas. Solutions.

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At a glance

Jungheinrich Group		2014	2013	Change in %
Incoming orders	million €	2,535	2,357	7.6
Net sales				
Germany	million €	655	613	6.9
Abroad	million €	1,843	1,677	9.9
Total	million €	2,498	2,290	9.1
Foreign ratio	%	74	73	–
Orders on hand 12/31	million €	379	366	3.6
Production of material handling equipment	units	83,500	72,500	15.2
Balance sheet total 12/31	million €	3,040	2,751	10.5
Shareholders' equity 12/31	million €	900	831	8.3
thereof subscribed capital	million €	102	102	–
Capital expenditures [1]	million €	84	91	–7.7
Research and development expenditures	million €	50	45	11.1
Earnings before interest and taxes (EBIT)	million €	193	172	12.2
EBIT return on sales (EBIT ROS)	%	7.7	7.5	–
EBIT return on capital employed (ROCE) [2]	%	18.4	18.7	–
Earnings before taxes (EBT)	million €	175	150	16.7
EBT return on sales (EBT ROS)	%	7.0	6.6	–
Net income	million €	126	107	17.8
Employees 12/31				
Germany	FTE [3]	5,638	5,356	5.3
Abroad	FTE [3]	6,911	6,484	6.6
Total	FTE [3]	12,549	11,840	6.0
Earnings per preferred share	€	3.73	3.18	17.3
Dividend per share – ordinary share	€	0.98 [4]	0.80	–
– preferred share	€	1.04 [4]	0.86	–

1 Tangible and intangible assets excluding capitalized development expenditures.
2 EBIT as a percentage of employed interest-bearing capital (cut-off date).
3 FTE = full-time equivalents.
4 Proposal.

Cover photo:
The EFG S40s battery-powered counterbalanced truck is extremely robust and ideal for heavy-duty indoor or outdoor use. In May 2014, the EFG S40s was recognized with the International Forklift Truck of the Year (IFOY) Award.

Jungheinrich Group Segments

Intralogistics

New truck business
Development, production and sale of new trucks including logistics systems and the mail-order business

Short-term hire
Rental of new and used material handling equipment

Used equipment
Reconditioning and sale of used equipment

After-sales services
Maintenance, repair and spare parts business

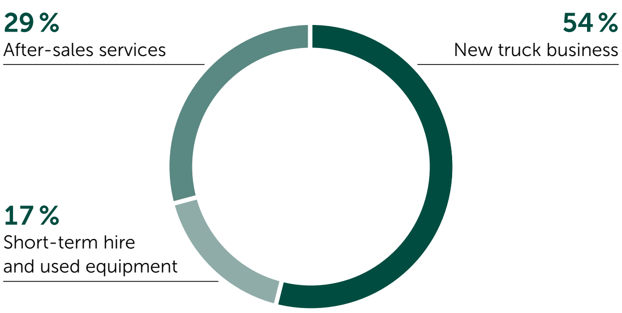
Financial Services

Usage transfer and sales financing of material handling equipment and warehousing technology products

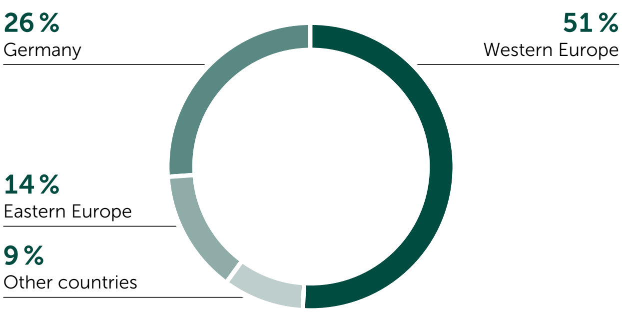
Breakdown of net sales

Net sales—Intralogistics Segment

by business fields



Net sales by region



Growing with Passion
Annual Report 2014

Jungheinrich is an independent corporation with the values of a family-run company, a long-term strategy and an orientation towards profitable growth.

As an intralogistic service and solution provider with manufacturing operations, we unite expertise in mechanical engineering with high innovativeness and focus on solutions. This is expressed by our brand claim: 'Jungheinrich – Machines. Ideas. Solutions.'

Our Group strategy is designed to safeguard our competitiveness and increase the company's value. In concrete terms, this means that we rank among the world's top 3 intralogistic providers. We intend to be more profitable than the average and improve our position on the market. Our goal is to achieve 3 billion euros in net sales by 2017. The good results we achieved in 2014 are yet a further step on this journey.

To our shareholders

Hamburg, March 17, 2015

Ladies and Gentlemen,

We look back on a very successful 2014 financial year. We have taken a major step towards achieving our net sales goal of 3 million euros by 2017.

In the financial year that just ended, our company posted record net sales of 2.5 billion euros, which translates into 9 per cent organic growth. EBIT rose 12 per cent to a new all-time high of 193 million euros. The EBIT return on sales was increased to 7.7 per cent. At 46 per cent, our equity ratio—disregarding the 'Financial Services' Segment—remained encouragingly high in light of our strong net sales growth.

In sum, we can be satisfied with this result—especially against the backdrop of the world economic environment and geopolitical trends. Fiscal 2014 was definitely not the easiest of years.

New truck business developed particularly well. At 83,500 units, our production figures surpassed the level recorded in 2007 before the onset of the financial crisis. What was pleasing in this context was the contribution made by our new factories in Degernpoint (Bavaria) and Qingpu (China) which put in their first full year of production.

In May 2014, we proved our innovative prowess by showcasing 24 new products at CeMAT, the world's leading intra-logistics trade show, which takes place in Hanover, Germany. Last year, research and development expenditures totalled 50 million euros—another record figure.

We continued to invest heavily in the financial year under review. Of especially notable mention are the modernization of production at the Moosburg plant, the expansion of the Dresden Used Equipment Centre as well as the construction of a training centre at the Norderstedt factory and of the new corporate headquarters in Hamburg. All of these projects are ongoing and will draw substantial funds in the current financial year. We spent 84 million euros in capital to make our company even more fit for the future.

Having concentrated on upgrading our production facilities to the state of the art in recent years, our focus now lies on investing heavily in sales. The five main levers for our future business growth are the expansion of our sales activities in Europe, the enlargement of growth markets in Asia, the logistics systems business, the IC engine-powered counterbalanced truck product segment, and the mail-order business.

We are determined to enlarge our global footprint—by expanding the existing sales and service centres and by establishing new sales companies. This holds true above all for growth markets, in which we see huge potential.

Our company is well prepared to take on the challenges of the future. Thanks to the prospects for the current year, we can look into the future with optimism. We expect the positive trend displayed in the material handling equipment sector last year to continue, as long as the global economic environment remains essentially unchanged. In addition, we anticipate that Jungheinrich will continue posting decent growth in 2015. Furthermore, we will largely complete our large-scale capex projects.

Our employees are of prime importance for the success of our company. Following the creation of 700 jobs in 2014, our workforce will grow by at least a similar order of magnitude this year as well. Therefore, it is paramount that we do not relent in investing to train our staff and broaden their qualifications. This holds true in particular for the strong growth regions in which we intend to enlarge our labour force much more than elsewhere in the years ahead.

Seeking to extend the international reach of our Group even further, we launched the ‘Jungheinrich Working World-Wide’ program. It affords experienced employees the opportunity to pass their knowledge on to new colleagues when on assignment in any of the growth markets. In turn, staff members working for our foreign sales companies can take advantage of the opportunity to broaden their knowledge and widen their company network through stays in Germany or at other European country operations. We will also refine our leadership culture in order to be able to act with an even stronger entrepreneurial mindset throughout the entire organization. Only outstanding executives deliver outstanding results.

We would like to thank every single employee for their successful work and great dedication last year. A very sincere word of gratitude also goes out to the Supervisory Board and, most importantly, to our family shareholders for the constructive support they lent us in our work.

I would also like to take this opportunity to express my special appreciation of you, our esteemed shareholders. August 30, 2015 marks the 25th anniversary of Jungheinrich AG’s initial public offering. Some of you have been loyal to our company since its IPO. We are pleased about the trust you have placed in us so far and hope that you will continue to accompany us on our course for stable growth.

H. G. Frey

Hans-Georg Frey
Chairman of the Board of Management

Report of the Supervisory Board

Focal points of Supervisory Board activity against the backdrop of the general environment

Europe continues to be Jungheinrich's main sales market for products and services.

However, since strong stimuli have been injected into the world material handling equipment market from Asia and the Americas for some time as well, the strategy developed by management through 2015 envisaged various points of focus for the Group's continued development. One was the resolute strengthening of the company's presence on the market, including the necessary increase of the workforce on the Asian markets as well as in the Americas. Companies were established in Thailand (2005) and India (2012) followed by Malaysia (2014). In North America, we started cooperating with Mitsubishi Caterpillar Forklift America Inc. in 2010—a collaboration which has since proven successful, as evidenced by the enlarged dealership network. In South America, Brazil is a particularly important market, which was thoroughly scrutinized for its suitability for the company's further expansion. Another point of focus was the optimization of processes in the Group. The production technology employed in the existing factories was upgraded to a level which is probably the most advanced in our branch of industry. This is elementary if the German factory sites want to stand a chance of surviving in the face of foreign plants, which are often lower cost, and thus of international competition. Management also had its sights set on networking the entire value-added chain as well as accelerating digitization in the company's most diverse of areas. The strategic capital expenditure projects that have been completed and are underway—above all those of the last three years—have formed the basis for a leading position in qualitative, procedural and cost-optimized processes in all core functions sought after by the company. The foundation for growth in the years ahead was laid by taking additional strategic measures—in particular by expanding the logistics systems business, optimizing after-sales services, expanding production, enlarging the product range (also for emerging markets) and securing the Group's financing over the long term. Besides these underlying conditions, the system for staffing key positions in Germany and abroad was optimized and personnel development was spurred as a key and basic prerequisite for the Group's continued growth. In this context, expanding the workforce in order to grow net sales was not the only step taking centre stage. Significant resources were used to improve the qualifications of employees as well as make them more efficient and capable. Substantial significance will be accorded to recruiting, retaining and developing outstanding staff members in the future as well.

The Supervisory Board was of considerable assistance to Group management with respect to these strategic developments.

In the year under review, management extended the strategy through 2020 and determined how to strengthen and develop the Group's leadership culture to this end.

Furthermore, in the year being reviewed, the Supervisory Board carefully and diligently fulfilled the task of monitoring the work of the Board of Management entrusted to it by the law, Articles of Association and the Bylaws. The yardsticks for this monitoring work were the legality, orderliness, suitability and profitability of management and Group leadership. The Board of Management and the Supervisory Board consulted each other in-depth when the Supervisory Board was in session, at its committee meetings, and in between meetings. The Supervisory Board was informed comprehensively, regularly and promptly at all times. This was primarily done based on detailed and regular reports by the Board of Management which were presented orally and in writing.

Cooperation between the Supervisory Board and the Board of Management

The Supervisory Board was always extensively involved in all of the major decisions made by the Board of Management at an early stage—especially regarding the Group's continued operational and strategic development. The detailed reports of the Board of Management addressed the development of business in the Group companies, the financial position, the headcount trend, and the status of major investment undertakings and projects. In addition, the Supervisory Board and its Finance and Audit Committee concerned themselves with the company's opportunity and risk management, internal control system and compliance. All of the members of the Board of Management delivered detailed reports on their areas of responsibility at the meetings of the Supervisory Board and its committees. 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. The Chairman of the Supervisory Board and the Chairman of the Finance and Audit Committee discussed matters with the Board of Management and prepared the associated decisions of the plenary session between meetings as well.

Main issues addressed in Supervisory Board meetings

In 2014, the Supervisory Board addressed the strategic and operational development of the Group, its segments, its business fields and divisions as well as its subsidiaries and associated companies in Germany and abroad at all four of its meetings.

In the balance sheet session on March 18, 2014, Jungheinrich AG's financial statements for the parent company and the Group as of December 31, 2013 were discussed and approved in the presence of the independent auditors after the Finance and Audit Committee had presented the results of its thorough preliminary audit and the independent auditors had presented the results of their audit to the Supervisory Board. Nearly all of the members of the Supervisory Board had already attended the preparatory sessions of the Finance and Audit Committee on this topic. Another item on the agenda was the approval of a major investment in the modernization of the factory in Moosburg. Once this step has been taken, all of Jungheinrich's plants will be at the same highly modern technological level. Moreover, the agenda of the Annual General Meeting was adopted.

The Supervisory Board's proposal to the Annual General Meeting to adjust variable compensation as of January 1, 2014 was adopted by the Annual General Meeting on May 15, 2014.

At the Supervisory Board meeting following the Annual General Meeting on May 15, 2014, the Construction Committee reported on the status of the construction of the new corporate headquarters in Hamburg. The establishment of another sales company in Malaysia to strengthen our presence on the local market was approved.

In the meeting on September 16, 2014, a detailed report on the business trend and the strategy of the 'Mail-Order' division was delivered. Furthermore, a draft resolution by the Board of Management for the development of a new truck platform and a draft resolution for the transformation of the legal form of a company abroad were passed.

During the last session of 2014, which was held on December 2, the ambitious budget for fiscal 2015 was discussed and approved. Moreover, draft resolutions for the establishment of a service company in the United Arab Emirates, an investment in a specific SAP module and the issuance of a new promissory note bond were prepared. Last but not least, a statement of compliance by the Supervisory Board in accordance with Section 161 of the German Stock Corporation Act ('Corporate Governance Code Declaration') was adopted.

Work of the Supervisory Board Committees

The Finance and Audit Committee held five sessions in the year under review. It concerned itself with all matters relating to the financial statements and the independent auditors (results of the independent auditors' audits of the annual financial statements, determination of the focal points of the audits, fees and preparation of the appointment), the state of the foreign pension fund, Jungheinrich's risk management and compliance system, and the Corporate Audit Department's work.

In 2014, the Personnel Committee, which is composed of five members, convened at four meetings and prepared all the topics entrusted to it—in particular contract extensions, compensation matters and the development of budding executives for the plenary session.

The Construction Committee, which deals with the planning and design of the construction of the new corporate headquarters in Hamburg, was in session three times in the year being reviewed.

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.

Financial statements for the period ended December 31, 2014

The parent company's financial statements for the period ended December 31, 2014 prepared by the Board of Management as well as the management report of Jungheinrich AG and the accounts for the 2014 fiscal year were again audited by Hamburg-based Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft. The auditors did not express any reservations regarding the parent company financial statements and confirmed this in their unqualified auditor's certification. The consolidated financial statements of Jungheinrich AG for the period ending on December 31, 2014 and the Group management report were also audited and issued an unqualified auditor's certification by Deloitte. The Finance and Audit Committee analyzed the documents supporting the parent company financial statements and Deloitte's audit reports in depth and submitted a report to the Supervisory Board thereon. Supervisory Board members had already attended the meetings of the Finance and Audit Committee for the preparation of the resolutions to be passed by the Supervisory Board and acknowledged the audit reports submitted by the independent auditors. The same applies to the Board of Management's proposal for the appropriation of the balance sheet profit for the 2014 financial year. The certified public auditors who signed the financial statements of the parent company and the Group also attended the relevant meetings of the Finance and Audit Committee. The independent auditors found that the internal control system, the risk management system and the compliance system were not objectionable. In addition, there were no observations concerning the declaration of compliance in accordance with Section 161 of the German Stock Corporation Act.

On the basis of the in-depth examination of the parent company's financial statements, the management report, the consolidated financial statements, and the Group management report by the Supervisory Board, it did not raise any objections to these financial statements and approved the result of the audit conducted by the independent auditor at its meeting on March 17, 2015. The Supervisory Board thus approved the parent company and consolidated financial statements of Jungheinrich AG as of December 31, 2014.

The financial statements of Jungheinrich AG are thus adopted. The Supervisory Board endorses the Board of Management's proposal for the appropriation of the balance sheet profit for the 2014 financial year.

Personnel matters

Dr. Lars Brzoska, the member of the Group's Board of Management in charge of marketing & sales, took office on April 1, 2014 as scheduled.

At the meeting of the Supervisory Board on May 15, 2014, Mr. Hans-Georg Frey was appointed Chairman of the Board of Management and Labour Director for another four years with effect from May 1, 2015 and Dr. Volker Hues was appointed Chief Financial Officer for another three years with effect from April 1, 2015.

The Supervisory Board thanks the Board of Management and the workforce for their contribution to the success achieved in the 2014 financial year.

Hamburg, March 17, 2015
On behalf of the Supervisory Board

Jürgen Peddinghaus
Chairman

Corporate governance report

Corporate governance at Jungheinrich

In accordance with Item 3.10 of the current version of the German Corporate Governance Code, dated June 24, 2014, the Supervisory Board and the Board of Management hereby report on corporate governance at Jungheinrich:

Good and responsible business management and control oriented towards increasing value over the long term is extremely important at Jungheinrich. The Board of Management and the Supervisory Board of Jungheinrich AG consider the Code, which was most recently amended by the 'German Corporate Governance Code Government Commission' in June 2014, to be an important guideline for both inwardly and outwardly oriented global corporate governance. In the financial year that just ended, the Board of Management and the Supervisory Board of Jungheinrich AG scrutinized this framework critically yet again, in particular to determine which of the recommendations and suggestions of the Code were perfectly suited to the nature of the company and could thus be fully adopted and implemented, and to which recommendations and suggestions this did not apply at all or only to a limited extent. As this is not a one-off effort, but a continuous process, it puts us in a position to make changes for the future at any time. From the Code's perspective, it is important that the reviews be thorough, self-critical and tailored to the circumstances actually prevailing within the company as well as that their results be communicated transparently.

The Supervisory Board and the Board of Management believe that the basis for Jungheinrich's success lies in the company's orientation towards creating value as a family-run business, the clear and balanced distribution of tasks, authorities and responsibilities among the company's corporate bodies, the close and efficient cooperation between the Board of Management and the Supervisory Board, open internal and external corporate communications, orderly accounting and audits of the financial statements, and responsible risk management.

The Board of Management runs the company's operations autonomously and assumes responsibility for this in compliance with statutory regulations.

Composed of six shareholder representatives and six employee representatives, the Supervisory Board monitors the Board of Management's business management activities and advises the Board of Management on matters concerning the Group's continuous strategic and operational development.

The Annual General Meeting is the company's highest corporate body—a forum for the shareholders to exercise their rights.

By performing in-depth reviews within the scope of their audits of the annual financial statements, the independent auditors support the monitoring activities of the Supervisory Board. Compliance with statutory regulations and internal guidelines continues to be of major importance to the company and its committees. The Board of Management regularly reports to the Finance and Audit Committee on the compliance organization and its work. In the year under review, the compliance organization was further expanded in both personnel and organizational terms. Compliance issues are discussed by the Finance and Audit Committee in a timely manner. The company uses a conservative and cautious yardstick to assess risks. This is why addressing this issue within the Group with a view to increasing the company's value lastingly is also an element of Jungheinrich's opportunity and risk management system. Corporate governance at Jungheinrich satisfies applicable legal requirements.

In this context, reference is made to the report of the Supervisory Board in this annual report as well as to the corporate governance declaration, which has been published on the company's website (www.jungheinrich.com). Jungheinrich's website also includes financial publications, documents and commentary on the Annual General Meeting, the annual financial calendar containing all of the key dates and publications, ad-hoc and press releases and notifications pursuant to the German Securities Trading Act—primarily regarding reportable securities transactions (directors' dealings)—as well as further information on the company.

In December 2014, the Board of Management and the Supervisory Board of Jungheinrich AG issued their annual statement of compliance with the recommendations and suggestions of the German Corporate Governance Code Government Commission pursuant to Sec. 161 of the German Stock Corporation Act. The declaration related to the version of the Code dated June 24, 2014. The Finance and Audit Committee did the preparatory work for the passage of the Supervisory Board's resolution. The statements of compliance by the Board of Management and the Supervisory Board are identical and have been published on the company's website as follows:

"With the exception of the following deviations from certain recommendations, Jungheinrich AG has complied with the recommendations of the German Corporate Governance Code Government Commission in the June 24, 2014 version of the Code published by the German Federal Ministry of Justice in the official section of the German Federal Gazette on September 30, 2014 since its last statement of compliance in December 2013, and will continue to do so:

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 the company's board members (Board of Management and Supervisory Board) as well as for a large number of the Group's employees in Germany and abroad. Differentiating between employees and board members in principle was deemed improper in the past. However, in view of the German law on the appropriateness of management board compensation, the company's insurance policy was supplemented by a deductible for the members of the Board of Management in line with the sum specified by the law and the Code. However, the legislator expressly renounced mandating the introduction of a corresponding deductible for Supervisory Board members. Only the Code includes a recommendation to this effect. Therefore, the Supervisory Board still does not see any reason to deviate from its current practice. The Supervisory Board's deliberations in this connection are based on the conviction that the prime objective is to recruit to the Supervisory Board suitable individuals whose experience is beneficial to the Supervisory Board's work in the company's interest. These goals would be counteracted if the recruited Supervisory Board members satisfying these requirements merely had limited insurance coverage for their activity.

2. In 2014, the Supervisory Board began analyzing the relation of the compensation of the Board of Management to that of the company's senior executives and non-executive employees and compiling informative figures (Items 4.2.2 and 4.2.3 of the Code).

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

   Naturally, female candidates 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. The Supervisory Board does not believe that a female quota irrespective of each candidate's suitability would lead to the desired results or comply with the asset management duties which the Supervisory Board, among others, is obliged to fulfill.

4. The compensation of the members of the Board of Management and Supervisory Board is not published in itemized or individualized form (Items 4.2.4, 4.2.5 and 5.4.6 of the Code).

   The company is still 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 in the notes or the management report. These corporate bodies are boards, which makes disclosure by board member irrelevant in principle. Furthermore, the company believes that the benefits of such disclosure for the public and investors are not significant enough to disregard the associated disadvantages—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.

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

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

6. The Supervisory Board has not yet stated any specific goals with respect to its composition (Item 5.4.1 of the Code).

   Over the course of 2012, the Supervisory Board debated whether the Code's recommendation could be followed appropriately given the company's background. This debate resulted in the resolution to consider this issue and possibly a determination of specific goals again in good time before the next Supervisory Board elections in 2016.

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

   An age limit can lead to rigid rules, which may counteract the company's goal of recruiting extremely experienced individuals to work on the Supervisory Board. Therefore, increased flexibility when making decisions on a case-by-case basis has been given preference over a rigid limit.

8. The Supervisory Board's composition may not meet the criteria set forth in Item 5.4.2 of the Code regarding the number of independent Supervisory Board members.

   The Supervisory Board of Jungheinrich AG consists of a total of twelve members, six of whom are elected by the employees. Two shareholder representatives are seconded to the Supervisory Board by the ordinary shareholders who own registered shares. The four remaining shareholder representatives are elected by the Annual General Meeting. The candidates for these four remaining shareholder representatives, who are proposed to the Annual General Meeting, are already being chosen in close coordination with the holders of ordinary shares. In turn, only the ordinary shareholders are entitled to cast votes at the Annual General Meeting. The system for staffing the shareholder representative positions reflects the fact that the nature of the company is that of a family-owned business.

Hamburg, December 2014."

Jungheinrich AG's Annual General Meeting is the annual forum for all shareholders to share opinions and exchange ideas, inform themselves of the past financial year and the company's prospects as well as to conduct debates with the company's corporate bodies and employees and make suggestions, ask questions and voice criticism. Voting rights are only exercised by ordinary shareholders.

Shareholders, investors, analysts and the public receive important information pertaining to the company promptly and in the same manner. The Internet is becoming increasingly important in this respect.

Appointed by the Annual General Meeting and commissioned by the Supervisory Board, 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 also applies to deviations of company practice from the statement issued by the Board of Management and Supervisory Board concerning the German Corporate Governance Code. The independent auditor confirmed that Jungheinrich adhered to its declaration of compliance. Furthermore, the auditor of the financial statements is obligated to inform the Chairman of the Supervisory Board of any grounds for disqualification or partiality identified by the independent auditor both before and during the audit of the annual financial statements. No such notifications were made.

Hamburg, March 17, 2015

The Supervisory Board The Board of Management

Compensation report

The following compensation report covering the current remuneration system for the Board of Management, the Supervisory Board, and the company's executives is part of the Group management report.

Jungheinrich's entire management pursues the principle of value-oriented management that aims to make the company increasingly successful over the long term. This principle forms the basis for the individual compensation schemes, which are linked to key value-added indicators. These are made up of growth, market share and earnings components, with the focus lying on the earnings component.

Board of Management compensation

The remuneration of the members of the Board of Management includes a fixed and a variable component and, since the revision of the compensation system in 2010, it has taken into account the legally required remuneration 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. The variable component should generally be in line with the fixed salary. If the degree to which goals have been achieved is very good, it can account for more than 50 per cent of total emoluments. The variable element's success parameters are the Jungheinrich Group's net sales growth, the increase in the share of the core market Europe, and the return on sales of earnings before taxes (EBT). The performance targets are reviewed annually in accordance with the company's strategic orientation and adjusted in line with the multi-year goals and the annual budget. The variable component is paid in installments over three years, with the annual installments being determined based on the degree to which the member has achieved his or her goals and coming due once the financial statements of the preceding year are adopted. The Supervisory Board refined the variable compensation system as of January 1, 2014 by changing the per cent weighting of the individual success parameters—and thus their share of the overall target parameter—and by determining the degree to which goals are achieved by the individual success parameters separately. Moreover, the lower entitlement limit was reduced to the level customary in other companies, and the degree to which partial sums paid in subsequent years can change was limited to a more realistic range. Pensions for members of the Board of Management are calculated based on the individual's years of service with a lead-in period until the member has a right of non-forfeiture.

Supervisory Board compensation

The compensation system for the Supervisory Board was slightly modified with effect from January 1, 2014 and now stipulates that, in addition to the reimbursement of out-of-pocket expenses, each Supervisory Board member receive €20,000 in fixed annual compensation as well as a variable annual remuneration, which depends on the return on equity achieved by the Jungheinrich Group in the three preceding financial years (including the baseline year). The threshold for this average is 10 per cent. Variable annual compensation is increased by €4,000 for every half percentage point by which the threshold is exceeded, the maximum annual variable remuneration being capped at €40,000. 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 Chairman of the Finance and Audit Committee receives two-and-a-half times this compensation.

The adjustment to the compensation system for the Supervisory Board as of January 1, 2014 was occasioned by changes in the accounting policies applicable to the Jungheinrich Group resulting from the first-time adoption of the amended version of IAS 19 as of January 1, 2013 as well as by reclassifications for reasons of transparency—in particular in the 'Financial Services' segment—having a material effect on the EBIT return on capital employed, which was the former basis of assessment. Therefore, on May 15, 2014, the Annual General Meeting introduced the return on equity (ROE) as a new basis of assessment, which now reflects the Group's entire business activity in a simple ratio, retroactively to January 1, 2014. Furthermore, the sustainability of the variable compensation system is to be underscored by using the ratio's three-year average as a basis of assessment.

Executive compensation

A new remuneration system was introduced for executives in 2013. Its variable components are generally based on the key performance indicators applicable to the compensation of the Board of Management. This system was not modified in the year being reviewed. In line with the recommendations of the German Corporate Governance Code Government Commission in Items 4.2.2 and 4.2.3 of the version of the Code dated June 24, 2014, in the year under review, the Supervisory Board began to analyze the relation of the compensation of the Board of Management to that of the company's executives and employees as well as compiling figures of relevance to the various assessment options.

Hamburg, March 17, 2015

Supervisory Board

The Supervisory Board

Jürgen Peddinghaus
Chairman
Management Consultant

Further offices held
Supervisory Board:
Zwilling J. A. Henckels AG, Solingen

Detlev Böger*
Deputy Chairman
IG Metall Labour Union Secretary,
Hamburg Region (until July 31, 2014)

Dipl.-Ing. Antoinette P. Aris, MBA
Honorary Professor of Strategy at INSEAD
(Fontainebleau/France)

Further offices held
Supervisory Board:
Hansa-Heemann AG, Rellingen
(Deputy Chairwoman) (until March 26, 2014)
Kabel Deutschland Holding AG, Unterföhring
Tomorrow Focus AG, Munich (until July 1, 2014)
ProSiebenSat.1 Media AG, Unterföhring
(as of June 26, 2014)

Similar control body:
Sanoma Group, Helsinki/Finland
ASR Nederland N.V., Utrecht/the Netherlands
Thomas Cook PLC, London/UK (as of July 1, 2014)

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

Markus Haase*
Chairman of the Group Works Council

Rolf Uwe Haschke*
Chairman of the General Works Council
Information technology
of Jungheinrich AG (as of April 4, 2014)

Joachim Kiel*
Vice President New Sales
of Jungheinrich AG
Executive Staff Representative

Wolff Lange
Managing Director of LJH-Holding GmbH, Wohltorf

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

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

Hubertus Freiherr von der Recke
Barrister, Certified Public Accountant and Tax Consultant

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

Dr. Peter Schäfer
Business Manager

Steffen Schwarz*
Deputy Chairman of the Group Works Council

Franz Günter Wolf
Managing Director of WJH-Holding GmbH, Aumühle

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

Committees of the Supervisory Board:

Finance and Audit Committee
Dr. Peter Schäfer (Chairman)
Hubertus Freiherr von der Recke (Deputy Chairman)
Steffen Schwarz*

Personnel Committee
Jürgen Peddinghaus (Chairman)
Detlev Böger* (Deputy Chairman)
Markus Haase*
Wolff Lange
Franz Günter Wolf

Joint Committee
Jürgen Peddinghaus (Chairman)
Detlev Böger* (Deputy Chairman)
Birgit von Garrel*
Franz Günter Wolf

Construction Committee
Wolff Lange (Chairman)
Rolf Günter Haschke*
Franz Günter Wolf

* Non-Executive Staff Representative

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:

The Board of Management of Jungheinrich AG (from left): Dr. Klaus-Dieter Rosenbach, Hans-Georg Frey, Dr. Volker Hues, Dr. Lars Brzoska

Hans-Georg Frey
Chairman of the Board of Management
Labour Director
Marketing & Sales (interim, until March 31, 2014)

Further offices held
Supervisory Board:
Fielmann AG, Hamburg

Dr. Lars Brzoska
Member of the Board of Management
(as of April 1, 2014)
Marketing & Sales

Dr. Volker Hues
Member of the Board of Management
Finance

Group-level office
Supervisory Board:
Jungheinrich Moosburg GmbH,
Moosburg (Deputy Chairman) (until May 16, 2014)

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

Group-level office
Supervisory Board:
Jungheinrich Moosburg GmbH,
Moosburg (Chairman) (until May 16, 2014)

83,500

industrial trucks were produced by Jungheinrich in 2014—a record in the company's history. A major contributor to this achievement was the IC engine-powered counterbalanced trucks segment. Jungheinrich presented a completely re-engineered version of its hydrostatic drive trucks. The picture shows the DFG 435s.

Growing with Passion

Increasing international flows of goods, dynamic economic development in aspiring emerging markets and digital interconnection pose steadily growing challenges for the global economy. Jungheinrich, in third place worldwide in the intralogistics industry, is part of this dynamic process and is developing new solutions for the material handling of the future.

The successes of fiscal 2014 are both a spur and a challenge to our commitment to growing in the future, too. New product development and extensive investment in our factory locations will be crucial, together with a strong focus on our logistics systems business. This is our unique distinction from competitors, and its importance is growing fast in the light of the latest advances in warehouse automation.

For any globally-operating enterprise, highly qualified technical and executive staff deployed all around the world are indispensable. Jungheinrich supports its employees when on secondment in other countries and promotes international networking across continents and the boundaries of different cultures.

A special responsibility that Jungheinrich, together with the founder's family, takes very seriously is the promotion of education, science and research in the fields of electrical and mechanical engineering and logistics. The Dr. Friedrich Jungheinrich Foundation has been supporting these causes for over ten years.

Tow trains can speed up goods handling by optimizing route planning and enhancing pick performance. The illustration shows a type EZS 570 towing four GTP portal trailers.

Efficient logistics solutions for manufacturing

Launched in 2014, the completely new Jungheinrich tow train system comprises a combination of tractor and trailers, a professional analysis of the field of deployment, an all-round consideration of the operational environment and necessary material handling technology. This addition to the product range opens up good opportunities for growth in a dynamic market segment.

The efficiency of industrial production processes has risen sharply in recent years. This is particularly true of the automotive industry, but also for automotive suppliers and other industries. Parallel advances have been made in production logistics: the growing demand for customized products has increased the complexity and sophistication of ordering production supplies.

Tow trains: safe and time-saving

Tow trains are the perfect solution in response to these expectations. They enable the efficient, high-frequency provision of different carriers for various payloads in versatile batch sizes at several different places. Tow trains are often used for the fast and regular supply of production areas where space is at a premium and many different parts are required. Tow train solutions save time and ensure reliable goods transportation in manufacturing facilities.

Tow train planning calls for precise knowledge of intralogistic processes. It involves the identification of the optimum transportation routes, the analysis of all relevant storage and picking areas, the definition of the location and number of stops in combination with an accurate timetable, and last but not least, the selection of the most suitable tractor and trailer equipment for the supply process in question.

Trailers for different applications

Two elementary components for Jungheinrich's tow train system are the new GTP and GTE trailers developed at Jungheinrich's plant in Lüneburg. The heavy-duty Type GTP portal trailer with portal heights of up to 2,000 mm carries payloads of up to 1,000 kilograms. The GTE trailer consists of a frame and platform and transports loads weighing up to 1,200 kilograms.

Arne Kraase, who engineered the GTE type trailer, explains, "These two trailer variants enable us to cover a wide range of intra-operational logistics. The electro-hydraulic option, GTE 312, is a novel development that no other manufacturer can supply."

Project engineers Nico Friedrich and Arne Kraase—shown here at the GTE trailer production line—oversaw the market launch of the two trailer types.

Flow manufacturing at the production line for IC-engine powered, converter-driven counter-balanced trucks at the Moosburg factory. After each step of the work, the forklifts move to the next station at timed intervals.

Productivity leap in counterbalanced truck manufacturing

Modernization work at the Moosburg factory site is forging ahead. After the successful commissioning of the warehouse and system truck factory in nearby Degernpoint in the autumn of 2013, the on-site move of counterbalanced truck production at the main plant site in Moosburg is now underway. In early 2014, the new production line for Series 3 and 4 IC-engine powered counterbalanced trucks with converter gear drives came on-stream. The new assembly line for hydrostatic-drive counterbalanced trucks started production in late 2014.

Production capacity: 30,000 trucks

The restructuring includes not only the lines for counterbalanced trucks with internal combustion engines, but also the assembly facilities for battery-powered forklifts. By the time the building alterations are completed, production capacity at the Moosburg facility will have doubled.

In addition to providing extra space and ultra-modern production equipment, production processes will also be redesigned as part of the capacity expansion program. This means optimized individual processes, reduced distances and faster and more flexible manufacturing cycles. The Work Planning, Workflow Control, Quality Assurance and Construction Works Departments are all involved in the project.

Synchronized production, enhanced quality assurance

A new feature is that the converters and hydrostats are produced in a synchronized workflow, i.e. driverless transportation systems continuously move the vehicles in a synchronized rhythm to the next station, where the assembly worker carries out the next step. "This method of manufacturing increases both cyclic accuracy and the frequency of assembled vehicles. In addition, ergonomic aspects of workplace design will be taken into consideration and quality further improved with computerized test benches," explains Thomas Schäffler, the master technician responsible for the 'converter' assembly line. His wealth of practical experience has been a valuable asset in planning the new production line and helped to bring it on-stream.

Thomas Schäffler played an instrumental part in transferring 'converter' production to the new flow system.

A major lever for raising productivity is the improvement of manufacturing logistic processes. To this end, a dedicated logistic centre has been established in the factory. From there, parts are delivered directly to the assembly line. This assures an order-specific supply of material to the workplaces, or 'just in sequence' truck assembly.

The introduction of flow manufacturing has radically changed work processes in production, resulting in the need for intensive workflow training for the assembly personnel. The training courses, like the building alterations, have taken place without interrupting production and under normal working conditions. The completion of the new assembly line in Moosburg at the end of 2015 will largely conclude the modernization work throughout the Jungheinrich manufacturing facilities.

Several customers in China—such as Peacebird—already use partially automated solutions combined with warehouse navigation. In the future, market demand for complete logistics systems solutions will rise.

Mounting demand for warehouse automation in China

The sale of logistics systems is a key element of Jungheinrich's growth strategy. Overseen by Jungheinrich Logistiksysteme GmbH since January 1, 2014, the logistics systems business sets us apart from the competition and made another major contribution to the Group's growth in the financial year that just ended.

Thanks to our expertise in planning, project engineering and the implementation of sophisticated intralogistic solutions, we have been successful in Europe for a great many years. In the future, China—the world's single-largest material handling equipment market—will become much more important. As regards the efficiency and automation of warehouses and intralogistic processes, the Chinese market has some ground to make up in relation to Europe. This is primarily reflected in sectors harbouring substantial market potential for Jungheinrich: China is posting strong growth in the field of e-commerce, and reliable food logistics including the refrigeration chains of port cities in major conurbations is becoming increasingly important.

Chinese operations are being expanded considerably

These developments form the basis for the expansion of our logistics systems business in China. In recent years, our Chinese country operation has stepped up sales of logistics systems solutions continuously. Since 2010, Jungheinrich has been offering its local customers partially automated solutions such as rack shuttle and warehouse navigation systems.

Peacebird, a large Chinese textile company that has combined 14 small storage facilities into a large distribution centre in Ningbo, is using a warehouse navigation system. On its premises, 14 Jungheinrich narrow-aisle stackers with integrated warehouse navigation units ensure no-hitch transportation inside the warehouse. Besides the substantial time savings, Peacebird benefits from declining energy consumption and high process security—an important factor given the 66,000 pallet slots spread over a floor space of 12,800 square metres.

Positive expectations of the market

Ping Wang, Head of Logistics Systems at Jungheinrich Lift Truck (Shanghai) Co. Ltd, believes automated warehouse solutions harbour substantial potential: "The combination of logistic software from Europe with the products designed specifically for the Chinese market, which are manufactured in our Qingpu factory, and the planning of major logistic centres tailored to Chinese customers will present us with huge opportunities in the next few years." In 2015, Jungheinrich will commission the first warehouse management system on a Chinese customer's premises.

Ping Wang, Head of Logistics Systems in China, expects the need for holistic intralogistic solutions to grow in the next few years.

Existing customer relations play a key role in the expansion. China's economy has grown steadily for years and has come to be supported by the consumption the country's growing middle class. As the movement of goods rises, our customers are also faced with new logistical challenges—to which Jungheinrich reacts by offering solutions that fit like a glove. Our offering of forklift trucks in combination with our expertise in complete logistic solutions puts us in the position to master all the tasks of in-house material flows.

Jason Dunigan, Market Developer for North America, with two colleagues in the MCFA production facility in Houston, where Jungheinrich equipment is produced specifically for the North American market.

Jungheinrich Working WorldWide: talent management around the globe

Skills shortages, progressive demographic change, globalization of employment markets—these are all developments in human resource management that Jungheinrich is addressing thoroughly. At the same time, the company is pursuing ambitious sales and profit targets up to the year 2020, which also influence human resource planning. The Jungheinrich Group is taking specific action to adapt its human resources strategy.

The strategy centres on employee qualification—a major distinction between Jungheinrich and its competitors. This means taking up the 'fight for the brightest minds' in order to remain competitive and win the loyalty of new carefully selected, highly qualified employees to the company. An equally important aspect is to make sure that every employee is given the most appropriate place in the company to best suit their qualifications.

Worldwide exchange of highly qualified employees

In 2014, the company launched the 'Jungheinrich Working WorldWide' program to advance the global exchange of qualified personnel within the Group. The purpose of the program is to strengthen the exchange of experience and know-how among our 32 sales companies the world over. Jungheinrich Working WorldWide offers employees two different ways of gathering experience abroad: for up to six months in the 'Going Global' exchange program, or for up to five years on secondment to another country operation.

Working abroad in a different cultural environment is an irreplaceable experience for employees—raising the standard of intercultural skills, cross-networking, making our own corporate culture more international. Opportunities arise to share knowledge with others and acquire new knowledge for themselves, and they act as ambassadors for their own country, bringing the Jungheinrich culture to their new working environment.

New challenges in the old country

Jason Dunigan was seconded to Houston (Texas) in 2014 as a market developer and has been working since then to expand strategic cooperation with the Jungheinrich dealers in North America. He is an experienced sales pro. After completing a trainee program at Jungheinrich in his home country, the U.S.A., he managed international key accounts from Hamburg and helped build the key account management business in China. He was happy to take on the new challenge: "The work is very varied: I represent Jungheinrich's interests vis-à-vis the dealerships and customers. At the same time, I develop new strategies for future market expansion. To do this, good knowledge of the market is essential."

Candy Zhang has been working for Jungheinrich since 2008 and is currently Head of Purchasing at the Qingpu factory. She familiarized herself with the technical purchasing operations at the German facility in Norderstedt during a two-month secondment as part of the Going Global program. It was particularly important to her to extend her network within the Group and gain insight into the purchasing organization in a large German factory. "I learned a lot about the cultural differences between Germany and China, and will recommend participation in the program to my colleagues as well," she concludes.

Candy Zhang, Head of Purchasing at the Qingpu factory in China, is taking away new experience and impressions from her stay at the Norderstedt plant.

Gabriel Fischer, PhD candidate at Munich Technical University, at work. This is where he did his research on human vibrations, which earned him the Excellence Award.

Ten years of promoting education, science and research

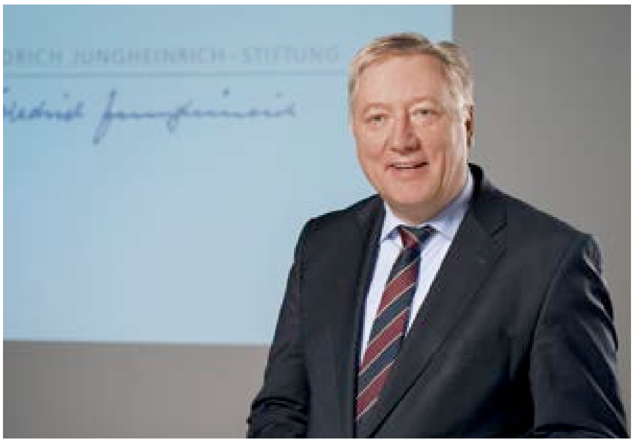
Jungheinrich is a stock corporation with the traits of a family-run business. Taking social responsibility is corporate culture in practice for us. The Dr. Friedrich Jungheinrich Foundation, which celebrated its tenth anniversary in 2014, makes one of the most important contributions to this commitment.

The idea of establishing a charitable trust originated from the founder's daughters, Ursula Lang and Hildegard Wolf, and the Board of Management of Jungheinrich AG at the time. The agreed purpose of the foundation was to contribute to the advancement of education, science and research in the fields of electrical and mechanical engineering and logistics. "The objective of the foundation's activities is to reinforce the German education system structurally and create favourable conditions for the transfer of knowledge between educational institutions and industry," explains Thomas Heyn, Chairman of the Board of the Dr. Friedrich Jungheinrich Foundation.

Extensive cooperation with numerous universities

The Foundation's work has been steadily expanded over the last ten years. It now offers scholarships to young adults with exceptional qualifications in science or technology. It also supports research projects and endows prizes and university professorships. This has given rise to networking with several universities, including Tongji University in Shanghai, where the Dr. Friedrich Jungheinrich Foundation funds a Chair of Technical Logistics.

In 2012, the Excellence Awards were introduced to rally the cause for the promotion of outstanding talent. As part of the Foundation's anniversary celebrations on October 7, 2014, the Excellence Awards were presented for the second time to high achievers representing the new generation of academics, in recognition of remarkable accomplishments in their courses of study and research work.



Thomas Heyn, Chairman of the Board of Dr. Friedrich Jungheinrich Foundation: "The Foundation's work helps us to win outstanding young talent for Jungheinrich."

Goal: further expansion of activities to promote excellence

One of the award winners is Gabriel Fischer, who is working on his PhD at the Munich Technical University, where he is researching the factors that influence vibrations in the body of material handling equipment drivers. The findings gained from the research provide the basis for more advanced developments in ergonomic solutions to reduce human vibrations caused by forklift trucks. Gabriel Fischer's memories of the cooperation with Jungheinrich on his research project are positive. "I received active support from everyone involved when I carried out measurements on the trucks, so that I could build suitable simulation models," he recalls.

Together with Jungheinrich AG and the Dr. Friedrich Jungheinrich Foundation, the Lang and Wolf families, the company's major shareholders, decided on the occasion of the Foundation's tenth anniversary to increase its capital endowment from 6 to 10 million euros. "This gives us more latitude to promote excellence in Germany as well as in the other countries where Jungheinrich is represented," says Thomas Heyn.

2014 Highlights

Logistics systems in focus

In May 2014, Jungheinrich showcased several innovations and novel products at the sector's leading trade show, CeMAT in Hanover, Germany. One of the main topics was 'Holistic Logistics Solutions.' In a separate pavilion at the fair, demonstrations were given of the interplay between automated material handling trucks in a complex warehouse environment, illustrated by the type ETXa (back) and EKS 210a automatic pallet movers.

More efficient stacking

Jungheinrich presented the new type ETM/ETV 320–325 reach trucks in the spring of 2014. These forklifts can stack a 1,000 kilogram payload to a height of 13 metres—a good half-metre higher than their predecessor models. What's more, our reach trucks are top of the league in energy efficiency. Although the new-generation trucks consume ten per cent less energy, their performance has improved by up to ten per cent.

Ten years of growth

In October 2014, the Jungheinrich sales branch office in China was able to look back on ten years of success and continuous growth. Jungheinrich now has eight other locations in China in addition to the headquarters in Shanghai. Jungheinrich has been the owner of a factory in Qingpu (near Shanghai) since 2006. Fiscal 2013 saw the opening of a new local production facility with an in-house development centre.

Awards

An international panel of high-profile trade journalists, acting as judges at the International Forklift Truck of the Year (IFOY) Awards in May 2014, picked the Jungheinrich Type EFG S40s battery forklift truck as the winner in the Counter Balanced Trucks over 3.5 tons category. The truck was developed and is manufactured in Moosburg.

Expansion of social commitment

In Jungheinrich's third year of cooperation with the pharmaceutical aid charity action medeor, employees again actively supported its work by donating the cents after the decimal point on their pay as part of the 'Loose Change' campaign. As a result, the total donation amounted to 26,227 euros. This sum was used to buy medical supplies to treat refugees from the civil war in Syria and to fight Ebola in West Africa.

Jungheinrich share

Jungheinrich share advances into the MDAX

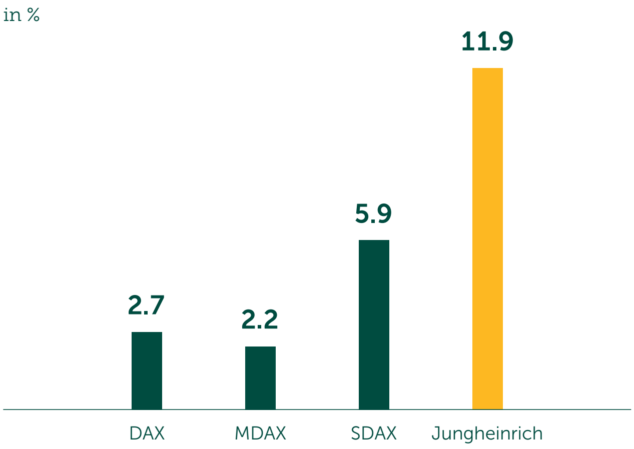
Share price reaches of all-time high of €56.48

Board of Management and Supervisory Board propose significantly increased dividend

The Jungheinrich share

With a year-on-year gain of 12 per cent, 2014 was another very successful stock-market year for the Jungheinrich share. During the first quarter, the share reached its all-time high of €56.48. On December 4, 2014 the share became part of the MDAX. Shareholders will also benefit from this outstanding performance by receiving a significantly higher dividend.

Performance 2014



Stock markets in good shape in 2014

The stock markets moved higher in 2014, thanks to robust increases in the fourth quarter. Stock prices, however, were quite volatile during the year, mainly as a result of the ongoing conflict in Ukraine and other geopolitical tensions. Uncertainty was also fuelled from time to time by weaker economic data from the Eurozone and China. On the other hand, positive factors included the European Central Bank's package of measures, featuring an interest rate cut, a long-term refinancing programme and the introduction of negative interest rates on deposits, and the steady recovery in the US economy. In December, the announcement of new elections in Greece paired with the depreciation of the Russian rouble and falling oil prices caused the stock markets to stagnate.

Mild increases were registered for Germany's most important stock indices in 2014. The DAX, which hit a new all-time high of 10,087 points in December 2014, rose by 3 per cent to 9,806 points during the year (previous year: 9,552 points). During the same period, the MDAX rose by 2 per cent from 16,574 points to an index level of 16,935. The SDAX ended 2014 with a gain of 6 per cent, closing the year at 7,186 points (previous year: 6,789 points).

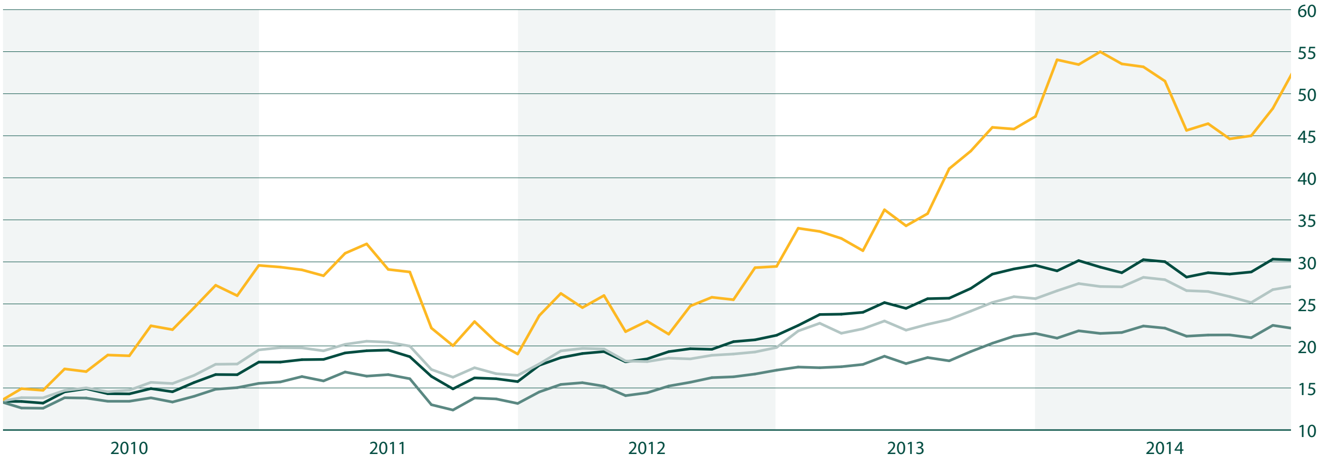
Jungheinrich share included in the MDAX

On December 4, 2014, the Jungheinrich share was included in the MDAX stock index, as part of an unscheduled change in the index's composition. This listing in the mid-cap index, which covers the 50 largest listed companies in Germany below the DAX index, will generate additional interest in the Jungheinrich share among potential investors.

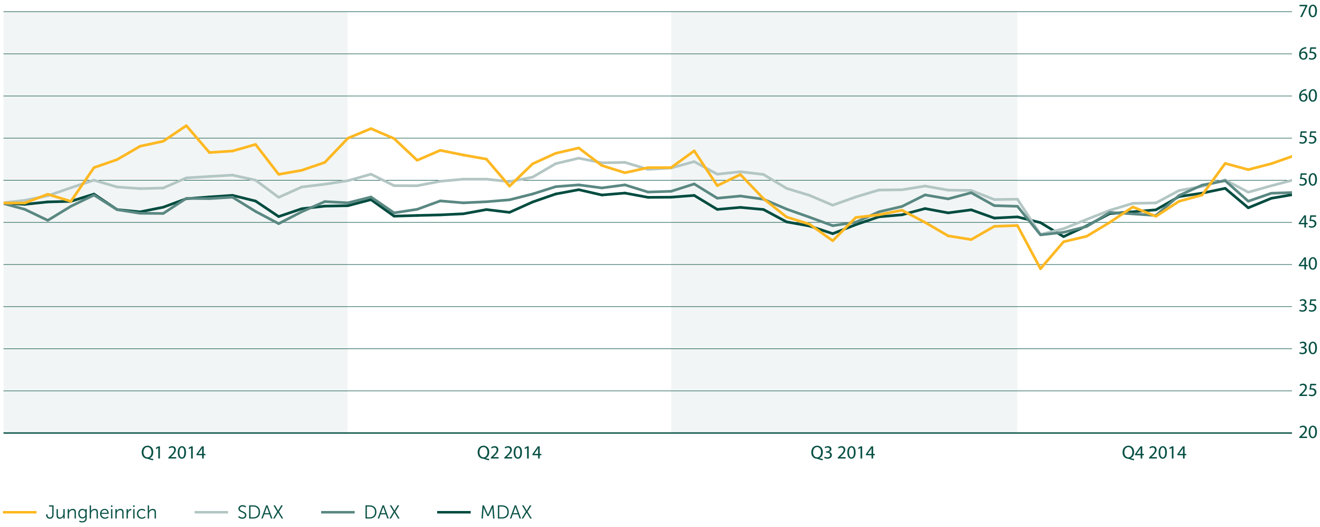
Share price development over time

in €[1]

Share price from 2010 to 2014



Share price 2014



1 All figures are indexed to Jungheinrich's share price.

Jungheinrich share hits new all-time high

At the end of the first quarter of 2014, the Jungheinrich share was quoted at €54.99, representing a gain of 16 per cent vis-à-vis the 2013 year-end share price (€47.30). The share rose to a new record high of €56.48 on February 14, 2014. The upward trend in the share price weakened considerably in the second half of 2014. After July 22, 2014, the closing quotation remained steadily below the 50-euro mark, touching its low for the year at €39.22 on October 13, 2014. After being included in the MDAX in early December 2014, the share price posted a strong recovery and closed at €52.93 on the final trading day of the year, posting a gain of 12 per cent compared to the closing quotation for 2013.

The good stock market performance had a positive impact on market capitalization, which rose from €1,608 million to €1,800 million during the reporting period. In Deutsche Börse AG's ranking of listed companies, which encompasses a total of 100 companies included in the MDAX and SDAX, the position of Jungheinrich's preferred share was 51st (2013: 52nd) in terms of market capitalization. As regards stock market turnover, its ranking improved to 55th place, from 60th in the previous year.

The turnover of the Jungheinrich share on the Xetra system and the Frankfurt Stock Exchange in 2014 amounted to 12.9 million and was thus 30 per cent higher than the volume in 2013 (9.9 million). On average, the share achieved a turnover of 51,200 per trading day as opposed to 39,000 in the preceding year. In 2014, the highest monthly volume of trading was recorded in October, at €75.0 million (prior year: October, €53.6 million) or 80,900 shares per trading day (prior year: 49,850 shares).

27,3
per cent
payout ratio for fiscal 2014

Board of Management and Supervisory Board propose a significant increase in the dividend

The Board of Management and the Supervisory Board of Jungheinrich AG will propose to the Annual General Meeting on May 19, 2015 that a dividend of €1.04 be paid per no-par-value preferred share and €0.98 per no-par-value ordinary share. Subject to the approval of the Annual General Meeting, this would result in a dividend payment of €34.3 million. The payout ratio, which reflects the relation of the dividend payment to net income, would rise from 26.4 per cent for fiscal 2013 to 27.3 per cent for fiscal 2014. This underlines the continuity of our dividend policy, which targets a payout ratio of 25 to 30 per cent of consolidated net income.

Jungheinrich share outperforms the German share indices

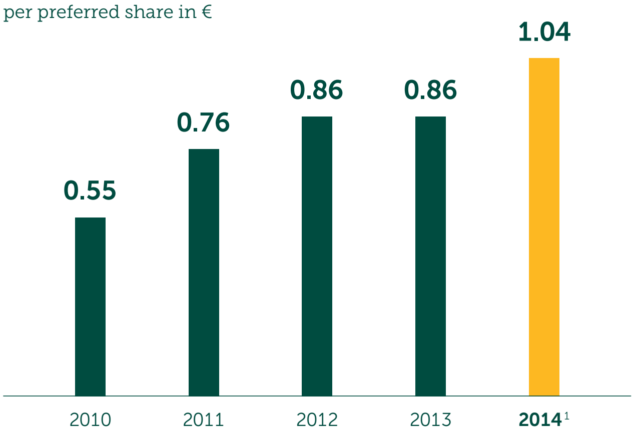
Once again, the Jungheinrich share proved to be a robust capital investment for long-term investors in the 2014 stock market year. Compared to all three indices, the share yielded better performance for the 10-year period and a significantly better performance for the 5-year period. This was mainly due to the relatively stronger price performance of the Jungheinrich share in the years 2013 and 2014.

Shareholder base

The 18.0 million ordinary shares in Jungheinrich AG are held by the families of the two daughters of the company's founder, Dr. Friedrich Jungheinrich, at a ratio of 50:50. The total of 16.0 million non-voting preferred shares are widely held.

Dividend

per preferred share in €



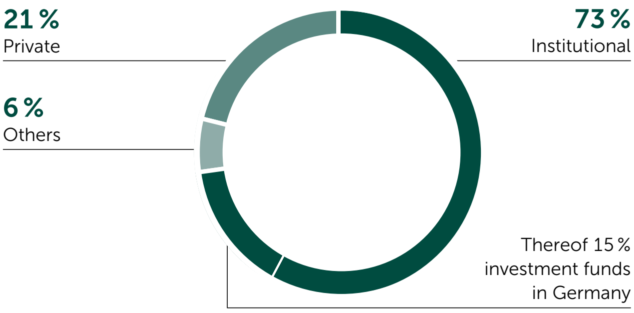
1 Proposal.

Long-term performance of the Jungheinrich share

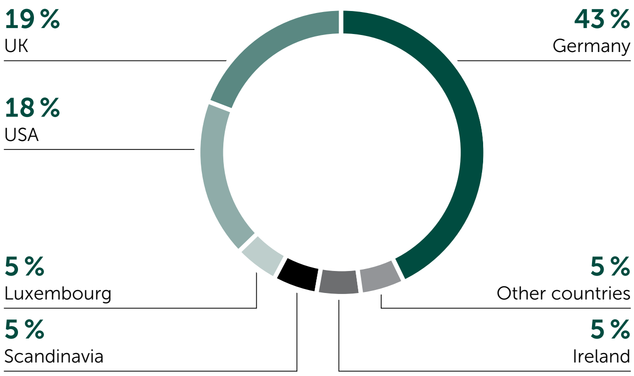
Investment period	10 years	5 years
Investment date	01/01/2005	01/01/2010
Portfolio value at the end of 2014	€48,166	€43,773
Average annual return	17.0 %	34.4 %
Comparable return of German share indices		
DAX	8.6 %	10.2 %
MDAX	12.1 %	17.1 %
SDAX	8.7 %	14.7 %

Please note: Based on an initial investment of €10,000 and assuming that annual dividends received were reinvested in additional preferred shares.

Investors



Shareholder structure by country



As in the preceding years, Jungheinrich conducted a shareholder structure survey with respect to its preferred shares in November 2014. The turnout represented 83 per cent (prior year: 85 per cent) of Jungheinrich's preferred share capital. The number of Jungheinrich shareholders declined by 11 per cent, held in 8,400 custodian accounts (prior year: 9,500 custodian accounts). The geographical distribution of the Jungheinrich preferred shares surveyed continued to shift abroad. Foreign countries accounted for 57 per cent (prior year: 55 per cent), while the domestic share dropped to 43 per cent from 45 per cent in the preceding year. Driven by the rise in the number of foreign institutional investors, institutional share ownership increased to 73 per cent (prior year: 72 per cent), whereas the proportion held by private investors fell from 23 per cent in the preceding year to 21 per cent in 2014. Companies, asset management firms and other investors accounted for 6 per cent (prior year: 5 per cent). Foreign shareholders were distributed among 53 countries (prior year: 48 countries).

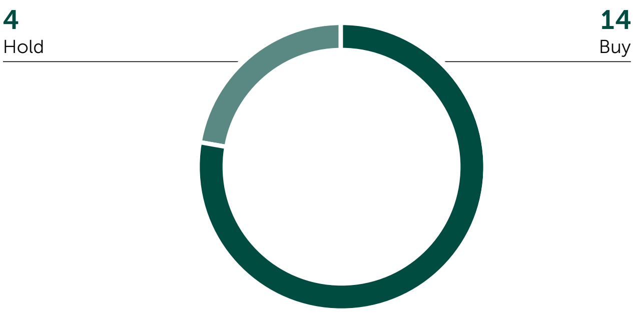
Analyst coverage

By the end of the year being reviewed, the Jungheinrich share was being tracked and evaluated by a total of 18 financial institutions. By the end of the period, 14 analysts had recommended the share as a 'buy' and four issued a 'hold' recommendation.

Based on the underlying analyst evaluations, the average target share price was €58. The lowest projected target was €49, and the highest was €66.

Analyst recommendations

As of 12/31/2014



Analyst coverage in 2014

Baader Bank	HSBC Trinkaus & Burkhardt
Bankhaus Lampe	Kepler Cheuvreux
Berenberg Bank	Landesbank Baden-Württemberg
BHF-Bank	Main First
Commerzbank	MM Warburg
Deutsche Bank	Montega
DZ Bank	Nord LB
Hamburger Sparkasse	SRH Alsterresearch
Hauck & Aufhäuser	Steubing

Jungheinrich share profile

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 AG
Going public	August 30, 1990

Investor relations

The goal of Jungheinrich's investor relations work is to help ensure proper assessment of the Jungheinrich share. At conferences and roadshows, the Board of Management and the Investor Relations Department met with capital market participants to discuss the company's business model and value drivers as well as its performance and strategic positioning.

Furthermore, numerous meetings were held with investors and analysts at the corporate headquarters and in the form of conference calls. Jungheinrich provided detailed information on the Group's current business trend in conference calls on each of its interim reports.

In May, analysts were able to see Jungheinrich's latest product developments up close at CeMAT, the world's leading trade show for materials handling equipment in Hanover.

Naturally, the investor relations team was also always available to respond to written and telephone inquiries. Jungheinrich AG's website (www.jungheinrich.com) features the presentations held at the company's balance-sheet press conference, the analyst conference and the analyst conference calls on the company's interim reports.

Capital market-oriented key data

			2014	2013
Dividend per share	Ordinary share	€	0.98[1]	0.80
	Preferred share	€	1.04[1]	0.86
Dividend yield	Preferred share	%	1.9	1.8
Earnings per share	Ordinary share	€	3.67	3.12
	Preferred share	€	3.73	3.18
Shareholders' equity per share		€	26.48	24.46
Share price[2]	High	€	56.48	49.40
	Low	€	39.22	29.55
	End-of-Year	€	52.93	47.30
Performance over the year		%	11.9	60.6
Market capitalization		million €	1,799.6	1,608.2
Stock exchange trading volume[3]		million €	629.5	381.1
Average daily turnover		thousand shares	51.2	39.0
P/E ratio[4]		factor	14.2	14.9
Number of shares	Ordinary share	million shares	18.0	18.0
	Preferred share	million shares	16.0	16.0
	Total	million shares	34.0	34.0

1 Proposal.
2 Xetra closing price.
3 Xetra and Frankfurt.
4 Closing price / Earnings per preferred share.

Group management report

Jungheinrich AG Group management report for fiscal 2014

Jungheinrich posted record figures for incoming orders, net sales and EBIT in fiscal 2014. At 83.5 thousand forklift trucks, production volume surpassed the figure recorded in 2007 before the onset of the financial crisis (82.4 thousand units). The world material handling equipment market displayed a tangible upward trend, expanding by 8 per cent. Western Europe and China were the main growth drivers.

Business activity and organizational structure

Business model

An intralogistics specialist, Jungheinrich ranks among the world's leading companies in the material handling equipment, warehousing and material flow engineering sectors. Relative to its branch of industry, the company ranks second in Europe and third worldwide among producers of material handling equipment in terms of net sales.

Jungheinrich's integrated business model encompasses the following business areas:

- new truck business: development, production and sale of new forklifts including the logistics systems as well as the mail-order business;
- short-term hire: rental of new and used material handling equipment;
- used equipment: reconditioning and sale of used equipment; and
- after-sales services: maintenance, repair and spare parts businesses,

combined with comprehensive financial service operations. Jungheinrich's business model is designed to serve customers from a single source over a product's entire life cycle.

The Group earns the lion's share of consolidated net sales from sales of new material handling equipment. Orders on hand in new truck business generally have a reach of three to four months. Forklifts are only manufactured to fill orders placed by customers. It usually takes one to two years to process large orders in the logistics systems business. New truck sales increase the number of forklifts on the market, which forms the basis for after-sales services. Spare part, maintenance and repair operations, which are less dependent on economic cycles, accounted for 30 per cent of consolidated net sales in 2014.

Jungheinrich runs an efficient, global direct sales and service network with its own sales centres and branch offices in Germany and proprietary sales and service companies in the rest of Europe and the world. In addition, Jungheinrich products are also distributed via local dealers—especially overseas. In North America, Jungheinrich relies on its strong sales partner Mitsubishi Caterpillar Forklift America Inc. (MCFA) which has a large dealership footprint. Its activities are rounded off by a catalogue-based mail-order business in Germany, Austria and the Netherlands, which is run as an online store.

Jungheinrich Group production sites

	Germany						China
	Norderstedt	Lüneburg	Moosburg	Degernpoint	Landsberg	Dresden	Qingpu
Low-lift trucks					•		•
Stacker trucks	•						•
Battery-powered counterbalanced trucks			•				•
IC engine-powered counterbalanced trucks			•				
Reach trucks	•						•
Order pickers	•	•		•			
High-rack stackers				•			
Tow tractors		•					
Small-series and customized trucks		•					
Control units, batteries and chargers	•						
Reconditioning of used equipment						•	

Factories and product portfolio

Our IC engine-powered material handling equipment is nearly exclusively manufactured in Germany. A selection of forklifts is produced for the Asian market in China. Used equipment is industrially reconditioned for the European market in a facility near Dresden.

Group structure

Jungheinrich AG primarily operates as a management holding company. The Board of Management assumes overall responsibility as it acts and makes decisions regarding all the Group's activities. In addition to the holding functions, corporate research and development as well as facility management are assigned to Jungheinrich AG from an organizational perspective. As the Group's parent company, it holds direct and indirect stakes in subsidiaries and joint ventures in Germany and abroad. Operational management is entrusted to the subsidiaries' managing bodies which receive the support of corporate headquarters in fulfilling their tasks. This constellation allows the Group companies to retain their legal autonomy. The consolidated financial statements include Jungheinrich AG along with 66 companies, all of which are fully consolidated.

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. The economic ratios and reports submitted regularly to the Board of Management are oriented to business-management control variables applicable to all business lines.

Goals and strategy

Part of Jungheinrich's corporate strategy is to achieve profitable growth throughout the Group and to permanently rank among the world's three leading intralogistics service and solution providers in terms of net sales.

The Jungheinrich Group's growth strategy

The net sales target underlying this corporate vision is of an order of magnitude which should exceed the 3 billion-euro mark in 2017. We aim to own a share of significantly more than 20 per cent of the European market (based on incoming orders in terms of units). Long-term earnings expectations are primarily oriented towards the EBIT return on sales, which is intended to be above the competition's average. Jungheinrich pursues a single-brand strategy focussing on products and services in the premium segment of the global material handling equipment market and generally has its sights set on organic net sales growth. However, we do not rule out making strategic acquisitions to round off the product portfolio.

Jungheinrich is primarily taking the following measures with a view to achieving its long-term growth objective:

1. Expansion of the core business in Europe

Jungheinrich has long commanded leading positions on the European markets—above all in the warehouse technology product segment. Although the European market grew by 9 per cent compared to the previous year, encompassing 344,500 forklift trucks, it was still 16 per cent smaller than before the financial crisis in 2007. Therefore, this region still has some room for recovery. Moreover, current trends in intralogistics present new prospects for growth. Significant pressure on prices, consumer behaviour characterized by the increasing diversity of variants and rising product customization, mounting consumer expectations regarding the reliability and quality of deliveries, the expansion of Internet commerce and the high volume of mail-order business require innovative solutions to manage increasingly complex logistic processes. Driven by the ever-stronger desire for process reliability with reduced human resources, the need for automated solutions is rising steadily. The largest markets in Western Europe are Germany, France, the United Kingdom and Italy. In Eastern Europe, Russia and Poland lead the way, followed by the Czech Republic.

Manpower was expanded significantly at our European sales companies in the period under review. Besides Germany, countries of focus were Russia, France, Poland, Spain and Turkey.

In sum, we succeeded in defending our position on the European market, commanding a share of just under 21 per cent against the backdrop of a persistently hotly contested market.

2. Expansion of the strategic position in the logistics systems business

With its logistics systems operations, which encompass the planning, project engineering and implementation of complete warehouses when their potential is fully tapped, the company pursues a strategy that sets it apart from the competition in the material handling equipment business. Jungheinrich expects global demand for logistics systems solutions to increase further in the years to come. Going beyond Europe, which is our current point of focus, centres of excellence have been planned in Asia and Russia in this field. At the beginning of the year being reviewed, the logistics systems business and the production of warehousing and system equipment were combined and placed under common management with a view to establishing an even stronger presence on the market as a provider of end-to-end intralogistic services.

Furthermore, the sales force of the logistics systems business was increased by 40 employees to a total of 565 staff members. This includes the expansion of the labour force of Jungheinrich Systemlösungen GmbH, Graz (Austria) by 13 employees to a total of 89 staff members. The subsidiary's offering encompasses software for integrated, holistic material flow and warehouse logistic solutions as well as the associated services (project design, implementation, training and service).

The warehouse and system equipment factory at Degernpoint (Bavaria), which took up operation in September 2013, produced nearly 2,600 forklifts in 2014, its first full year of operation.

3. Increase in the share of the IC engine-powered counterbalanced truck market

At about 44 per cent, or some 486,700 trucks, the IC engine-powered truck product segment continued to account for the single-largest portion of the world market in 2014. In the year under review, Jungheinrich manufactured 5,200 IC engine-powered forklifts. Jungheinrich launched two new IC engine-powered counterbalanced truck model series featuring hydrodynamic drives (converters) at CeMAT, the world-leading trade show for the intralogistics sector, in May of the year being reviewed. Manufactured in the Moosburg plant, these forklift trucks are both robust and reliable, suitable for universal use, and achieve above-average handling turnover rates for their class, while keeping energy consumption low. Some 1,500 units were produced in

2014. All in all, we increased our share of the European market in the IC engine-powered counterbalanced truck product segment from just under 6 per cent in 2013 to approximately 7 per cent in the year under review.

4. Expansion in Asia's growth markets, focusing on China

Asia accounts for a 41 per cent share of the world material handling equipment market, with China alone owning 25 per cent. Jungheinrich is enlarging its sales footprint in Asia accordingly. In the year being reviewed, Jungheinrich had five sales companies in Asia. We already run nine branch offices in China. Furthermore, the network of dealerships and sales agents was expanded in 2014 by three new dealers.

At the same time, the Asian sales force was increased by 54 employees, or 9 per cent, to a total of 646. More than 50 per cent the personnel works for the Chinese sales company. Seeking to strengthen our presence in Asia even further, the site maintained in Malaysia, which had been run as a branch office of the sales company in Singapore, was transformed into an independent sales company in 2014. By December 31, 2014, the newly established company had 30 people on its payroll. In our quest to step up our activities in Singapore, we purchased a new property for the sales company in the year being reviewed.

Chinese production up

74
per cent

Production at the newly constructed plant in Qingpu, China, commenced in August 2013 and rose by 74 per cent to 3,700 units in 2014, the factory's first full year of production. All three product categories—platform trucks, battery-powered counterbalanced trucks and reach trucks—contributed to this increase. This enabled Jungheinrich to partake of local market growth to an extent disproportionate to its size. The workshop for reconditioning used equipment was integrated into the plant in the year under review. Our Chinese short-term hire fleet was enlarged by 35 per cent in 2014. The average number of pieces of equipment for short-term hire thus totalled a good 1,300 forklifts.

5. Expansion and international growth of the mail-order business

Our mail-order operations posted further strong growth in 2014. In the year being reviewed, net sales were driven up by some 19 per cent to €50 million by expanding the range of offerings. Products in the stacking and hoisting, transportation, warehousing, operation, occupational safety and environment categories are offered via online stores and a factory equipment catalogue of more than 1,000 pages. So far, the business model has become established in Germany, Austria and the Netherlands and continues to harbour substantial potential for growth.

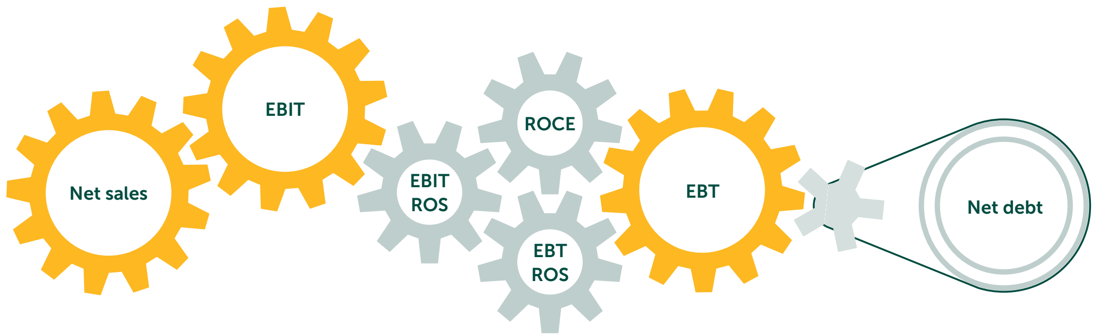
In addition to the five aforementioned strategic points of focus, we also intend to expand the after-sales services and short-term hire and used equipment business areas.

The future potential of after-sales services, which contributed 30 per cent of consolidated net sales in the financial year that just ended, depends on the strong growth of new truck business. In 2014, the number of service engineers working for Jungheinrich rose to over 4,000, representing about 32 per cent of the workforce.

Averaged for the year, in 2014 we maintained a short-term hire fleet of approximately 38,100 forklift trucks (prior year: about 33,600 units). A significant rise in demand for trucks for short-term hire was recorded in the year being reviewed in Eastern Europe, the Asia-Pacific region and on the core markets of Central Europe.

Demand for used equipment in Eastern Europe, the Asia-Pacific region and on the core markets of Central Europe was much higher than in the previous year. In the period being reviewed, over 5,100 used pieces of material handling equipment from the whole of Europe were reconditioned at the Dresden Used Equipment Centre. Subsequent to reconditioning, the forklifts are sold the world over via the direct sales and dealer networks. Capacity was expanded significantly at the Dresden Used Equipment Centre in the year under review. Work on the shell has been completed. By the middle of 2015, we will have finished the internal conversion work, e.g. on the new surface technology as well as the new coating and drying chambers.

The Jungheinrich Group's financial performance indicators



Management system

Jungheinrich defines its budgetary goals and the company's medium to long-term objectives based on select key performance indicators (KPIs). The Board of Management primarily benchmarks corporate management against key financial data. Besides net sales, earnings before interest and taxes (EBIT) and the EBIT return on sales (EBIT ROS), earnings before taxes (EBT) and the EBT return on sales (EBT ROS) net debt as well as the return on capital employed (ROCE) are particularly used for management purposes.

Net debt is the result of the subtraction of liquid assets and securities from financial liabilities. Financial liabilities include liabilities due to banks, the promissory note bond, liabilities from financing trucks for short-term hire, leasing liabilities associated with tangible assets, and notes payable, but do not include liabilities from financial services.

ROCE is the benchmark for determining the profitability of capital employed. ROCE is the relation of EBIT to interest-bearing capital (as of the balance sheet date). Interest-bearing capital consists of shareholders' equity, financial liabilities, provisions for pensions and similar obligations as well as non-current provisions for personnel, minus liquid assets and securities.

Material non-financial key performance indicators are market share by region—primarily in Europe—and by product group, based on incoming orders in terms of units.

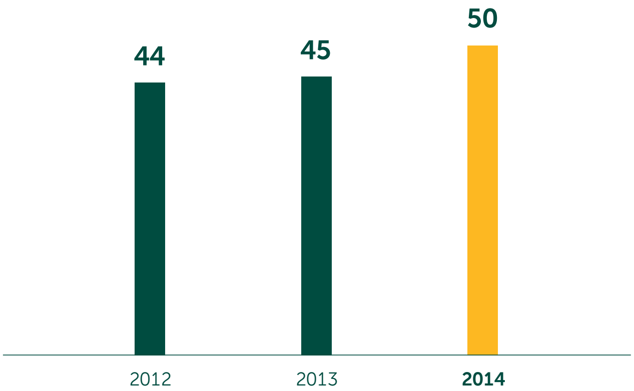
The Board of Management monitors these KPIs based on regular reporting. Appropriate countermeasures are taken whenever material deviations are identified through the permanent monitoring of actual and target figures.

Changes in various early indicators are tracked and analyzed in order to predict the company's potential future developments early on and to establish a further basis for making decisions regarding business policy. The main early indicators are unit-based incoming orders, orders on hand, and the forecasts of economic experts relating to the development of the gross domestic products of Jungheinrich's key markets. Prognoses regarding the development of incoming orders made by the company's own sales organization are also taken into account.

Research and development

Research and development expenditures

in million €



In the year being reviewed, Jungheinrich made further inroads in research and development activities designed to enhance its technological expertise and set itself apart from the competition. Expenditures on research and development (R&D) including work performed by third parties hit yet another record high, totalling €50.2 million (prior year: €44.9 million). This represented 4.9 per cent (prior year: 5.1 per cent) of net sales generated with new trucks of relevance to R&D. Last year, an average of 418 employees (prior year: 400) worked in R&D throughout the Group, an area in which manpower was increased once again.

Against the backdrop of the capitalization ratio of 24.5 per cent (prior year: 26.9 per cent) research and development costs according to the income statement rose from €38 million to €44 million. In the 2014 financial year, 86 (prior year: 53) applications were filed to protect industrial property rights, and 98 (prior year: 158) patents were granted. Jungheinrich protects its innovations and its products' distinguishing features via patents.

Efficiency enhancement and emission reduction

Using resources following the principle of sustainable development while optimizing energy consumption is a key element of all development projects. One of the focal points of R&D work in 2014 was the optimization of existing drive components in terms of resource and energy efficiency.

In another project, Jungheinrich engineered an innovative electric drive system featuring cutting-edge control technology and increased efficiency, which is to be used in numerous battery-powered forklifts in the future.

An approach to lowering energy consumption is the development of forklift trucks with low overall weight. Therefore, Jungheinrich explored new designs made of high-tensile steel, which are several times lighter than conventional ones, without sacrificing tensile strength.

We are still pressing ahead with the development of lithium-ion batteries and the networking of the vehicle control and battery management systems. What sets powerful lithium-ion energy storage units apart from conventional lead batteries is their longer lifecycle and much higher efficiency of over 95 per cent.

Research and development

in million €	2014	2013	2012	2011	2010
Total R&D expenditures	50.2	44.9	44.0	37.6	36.3
thereof capitalized development expenditures	12.3	12.1	5.5	5.4	8.8
Capitalization ratio	24.5 %	26.9 %	12.5 %	14.4 %	24.2 %
Amortization[1] of capitalized development expenditures	5.8	5.4	5.2	4.6	8.1
R&D costs according to the income statement	43.7	38.1	43.8	36.8	35.6
Ratio of R&D expenditures to net sales from new trucks	4.9 %	5.1 %	5.1 %	4.4 %	5.3 %
Ø R&D personnel (in FTEs)	418	400	378	342	322
Number of IPR filings	86	53	65	80	64
Number of patents granted	98	158	172	47	66

Figures may differ due to rounding.
1 Figures for 2010 include amortization and impairment losses.

Centre stage regarding IC engine-powered drivetrains was taken by development work on the reduction of exhaust emissions. Modern electrically controlled common rail diesel engines with integrated particulate filters were fitted to various forklift variants and tested. The exhaust emissions of some of Jungheinrich's diesel-powered stackers are far below legal limits.

Automation

The trend towards automation of logistical functions continues. From the customer's point of view, this harbours substantial potential for increasing productivity. In the future, new sensors and the intelligent, flexible networking of forklifts and information systems will make a major contribution to rendering logistics more efficient.

In this context, Jungheinrich conducts research, e.g. within the scope of 'FTF out of the box,' a project for the development of cognitive techniques for interactive driverless transport vehicles, which is subsidized by the German Ministry for Economics and Technology. Jungheinrich is in charge of the project's overall coordination.

In addition to the continuous refinement of driverless transport systems (auto pallet movers) the company is also expediting the development of semi-automated solutions. For instance, we created a concept that enables an order picker to be remote-controlled. This allows routes to be shortened, resulting in faster material handling.

In line with technological progress made in image processing, Jungheinrich is exploring new potential applications for the automated detection of pallets and easy orientation in warehouse environments.

Recognition for innovation

Jungheinrich's firm commitment to research and development was honoured twice in 2014. The EFG S40s counterbalanced truck received the 2014 IFOY (International Forklift Truck of the Year) Award in the Counter Balanced Trucks over 3.5 Metric Tons category. The counterbalanced truck's standout features were its technological concept, dubbed 'Pure Energy,' which reduces power consumption while increasing handling turnover rates.

Jungheinrich's ISM Online fleet management system won a prize in the Business category at the first IT Innovation Summit. We teamed up with Device Insight, a leading supplier of remote service platforms for machines, plants and vehicles, to engineer a cloud-based M2M (machine-to-machine) platform for ISM Online.

Economic, sectoral and regulatory environment

As an indicator of economic growth, the development of gross domestic product (GDP) plays a pivotal role for Jungheinrich in assessing the development of its business.

Economic environment

In the year being reviewed, the world economy developed slightly better than a year earlier. The USA experienced strong growth. Although the Chinese economy recorded a high level of economic growth in 2014, it fell short of the rates of increase witnessed in preceding years.

Following the recession in 2013, the Eurozone posted a slight gain. Nevertheless, political conflict in Ukraine and the ensuing uncertainty over future relations between the European Union and the USA with Russia as well as the steep cyclical downturn in the Eurozone weighed on the economy's development. In contrast, strong stimuli were injected by the expansionary monetary policy of the European Central Bank. Germany's economy recorded a respectable upward trend. In the second half of the year, the ifo Business Climate Index, considered the early indicator of Germany's economic development, dropped to 103.2 points in October 2014—the lowest level in the year under review—before recovering towards yearend, closing December 2014 at 105.5 points.

The world's gross domestic product climbed by 3.1 per cent in 2014 (prior year: 2.9 per cent). The rate of increase in the USA was 2.5 per cent after 2.2 per cent in 2013. China's economy expanded by 7.3 per cent, slightly less than in the preceding year (7.7 per cent). Economic output in Eurozone countries was up 0.8 per cent (prior year: down 0.4 per cent). Posting a gain of 1.5 per cent, the German economy recorded much stronger growth than in the previous year (0.1 per cent) and was thus the Eurozone's growth driver. Gross domestic product in France matched the increase of 0.4 per cent experienced a year before. In Italy, economic output declined by 0.3 per cent, falling less than in 2013 (down 1.7 per cent). In the United Kingdom, growth amounted to 2.6 per cent, besting the prior year's performance (1.7 per cent). Jungheinrich generates more than 50 per cent of its consolidated net sales in these four European countries. Poland and Russia, the two Eastern European economies of importance to Jungheinrich, displayed disparate developments. Whereas gross domestic product advanced by 3.3 per cent in Poland (prior year: 1.6 per cent) Russia's economy expanded by a mere 0.6 per cent (prior year: 1.3 per cent).

Growth rates of selected economic regions

Gross domestic product in %

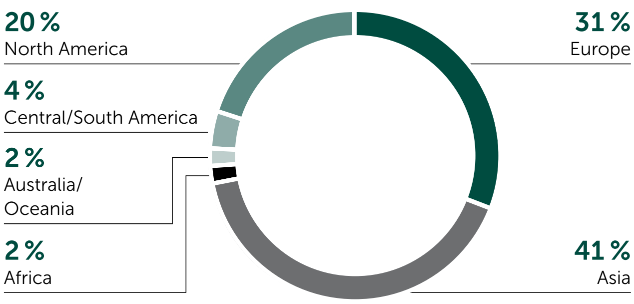
Region	2014	2013
World	3.1	2.9
USA	2.5	2.2
China	7.3	7.7
Eurozone	0.8	–0.4
Germany	1.5	0.1

Source: Commerzbank (as of February 2015).

Sectoral environment

The global material handling equipment market posted solid growth in the year under review. The main

Global market for material handling equipment by region in 2014



Volume in thousand units

Region	2014	2013
World	1,094.0	1,009.8
Europe	344.5	315.5
thereof Eastern Europe	57.4	57.7
Asia	443.9	401.3
thereof China	273.3	248.0
North America	219.4	200.9
Other regions	86.2	92.1

Source: WITS (World Industrial Truck Statistics), SIMHEM (Society of Indian Material Handling Equipment Manufacturers).

expansionary stimuli stemmed from Western Europe, China and North America.

In terms of volume, the world market expanded by 8 per cent, from 1,009.8 thousand forklift trucks in 2013 to 1,094.0 thousand trucks in the year being reviewed.

Europe, Jungheinrich's main sales market, encompassed 344.5 thousand forklifts, growing by 9 per cent (prior year: 315.5 thousand trucks). Whereas demand in Western Europe climbed by 11 per cent, the size of the Eastern European market was essentially unchanged (down 0.4 per cent). The reason for the development in Eastern Europe was the marked, 19 per cent, shrinkage of the Russian material handling equipment market. Asia's market volume rose by 11 per cent to 443.9 thousand (prior year: 401.3 thousand) trucks. This includes China, which reported a gain of 10 per cent to 273.3 thousand (prior year: 248.0 thousand) forklifts. The North American market also experienced a substantial increase, expanding by 9 per cent to 219.4 thousand (prior year: 200.9 thousand) trucks.

Developments by product segment were extremely disparate. The size of the world market for warehousing equipment rose by 11 per cent, to which China, North America and Europe contributed gains of 25, 12 and 11 per cent, respectively. In terms of volume, the global electric counterbalanced truck market was enlarged by 14 per cent, while stackers with IC engine-powered drives recorded 4 per cent growth year on year. On the European market, this vehicle class was essentially on par with the level recorded in the previous year, whereas the size of the battery-powered counterbalanced truck market increased by 15 per cent in Europe.

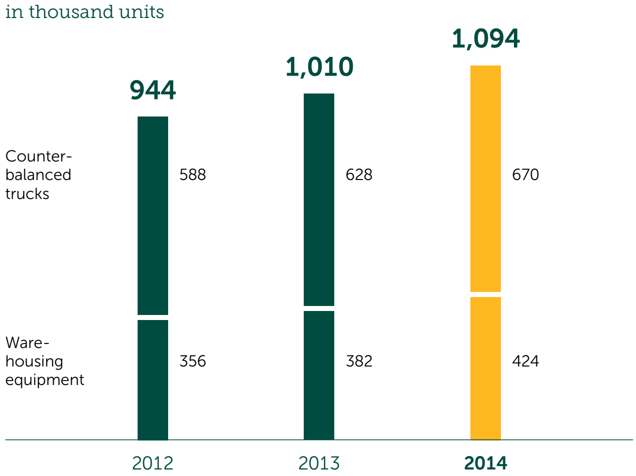
Regulatory environment

Jungheinrich's products and services have to comply with certain regulatory requirements both in Germany and abroad. These requirements are primarily imposed to limit hazards to operators, other individuals, facilities and the environment. Product and service compliance with the provisions of these regulations must be verified via suitable internal control mechanisms or certified by an authority. A large number of statutory regulations are laid out in product-specific norms and other standards (for example EN, ISO or DIN). Jungheinrich's objective is to ensure that it complies with the minimal regulatory requirements applicable to its products and services. Jungheinrich's processes guarantee that statutory regulations of this nature are adhered to efficiently.

The construction and operation of production plants are also subject to specific statutory regulations addressing various issues including the avoidance of air pollution, noise abatement, waste production and disposal as well as safety and health protection. The Group's major building projects, e.g. the construction of the new corporate headquarters in Hamburg, are being handled professionally by Jungheinrich AG's Corporate Real Estate Management and external partner companies.

Worldwide market volume of material handling equipment

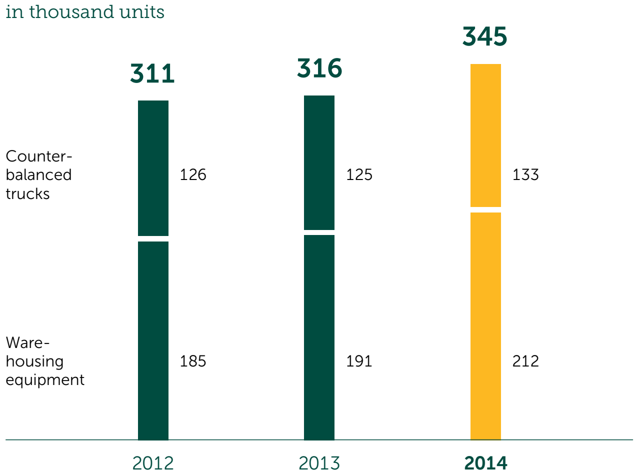
in thousand units



Source: WITS (World Industrial Truck Statistics), SIMHEM (Society of Indian Material Handling Equipment Manufacturers).

Market volume of material handling equipment in Europe

in thousand units



Source: WITS (World Industrial Truck Statistics).

General information provided by the Board of Management on the development of business in 2014

In light of the moderate economic growth of 0.8 per cent recorded in the Eurozone countries, our assessment of the business trend in the year being reviewed is very positive. Jungheinrich posted all-time highs in terms of incoming orders, production, net sales, EBT and EBIT as well as net income.

In Europe, demand for material handling equipment rose by 9 per cent. Developments in Western and Eastern Europe differed greatly from each other. Whereas demand in the Western European market was up 11 per cent compared to the preceding year, it was virtually flat in the countries of Eastern Europe. The backdrop to this was the considerably shrinkage of the Russian market. Jungheinrich further consolidated its share of the market of nearly 21 per cent. As before, just over 90 per cent of consolidated net sales are generated in Europe.

Year on year, our production volume rose by 15 per cent, from 72.5 thousand to 83.5 thousand forklift trucks, surpassing the pre-crisis level achieved in 2007 for the first time (82.4 thousand trucks). This is the highest level ever recorded in Jungheinrich's corporate history.

Based on our expectation of Jungheinrich's business trend benefiting from the economic growth forecast for the Eurozone, at the beginning of the year, we had anticipated incoming orders of between €2.4 billion and €2.5 billion and net sales of between €2.3 billion and €2.4 billion. Following the good start to the year being reviewed, based on the figures reported for the first quarter of 2014, we lifted our net sales forecast to between €2.4 billion and €2.5 billion. By posting €2,535 million in incoming orders in the financial year that just ended (prior year: €2,357 million) we surpassed our target by €35 million and achieved a new record high. Our net sales of €2,498 million (prior year: €2,290 million) were at the upper end of the range.

When we published the 2013 consolidated financial statements in March 2014, we had prognosticated earnings before interest and taxes (EBIT) of between €170 million and €180 million as well as earnings before taxes (EBT) of between €150 million and €160 million. In our report on the first quarter of 2014, we raised our EBIT forecast to between €175 million and €185 million and our EBT forecast to between €155 million and €165 million. In our reporting on the third quarter of 2014, we set our EBIT forecast at between €180 million and €185 million and our EBT forecast at between €163 million and €168 million. These prognoses were exceeded in terms of both EBIT, which totalled €193 million, and EBT, which amounted to €175 million—both hitting all-time highs. These earnings figures reflect a one-off effect on income of €6.7 million resulting from the adjustment of the Dutch pension plan. At 7.7 per cent and 7.0 per cent, the EBIT ROS and EBT ROS exceeded our targets (at least 7 and 6 per cent for the EBIT and EBT ROS, respectively).

193
million euros
in earnings before interest and taxes (EBIT)

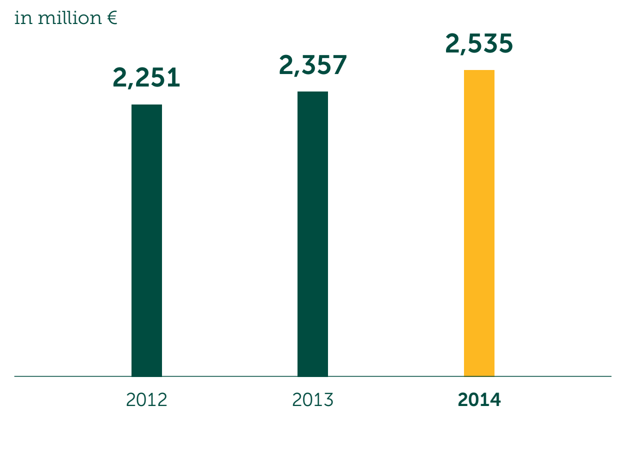
As in the previous year, instead of having net debt, we had a substantial net credit of €132 million (prior year: €154 million). The original plan for a net credit exceeding the year-earlier level was adjusted downward in the report on the first six months owing to the significant enlargement of the short-term hire fleet and the build-up of working capital.

Within the scope of our half-year reporting, we made an upward correction to the research and development expenditure target from €45 million to a range of €45 million to €50 million. At €50 million, this figure is in line with our planning. Capital expenditures on tangible assets and on the right to use the property in Singapore totalled €80 million and were thus below the envisaged range of €85 million to €95 million. Progress on major construction projects and capital expenditures was made on schedule and in conformity with the budgets.

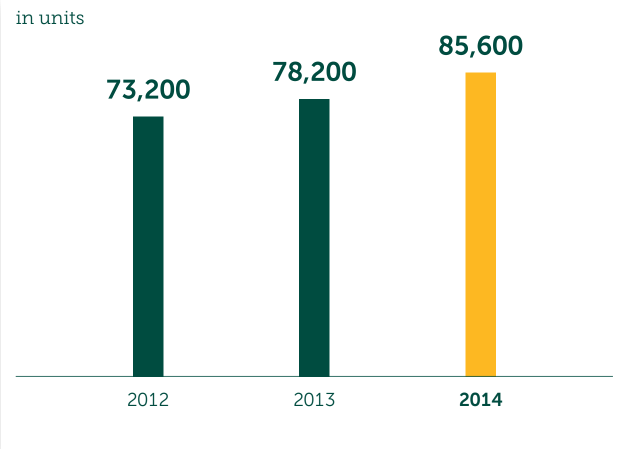
In sum, the Jungheinrich Group displayed very positive development in the year being reviewed. In the fourth quarter of 2014, operating income was higher than expected, owing to an unplanned positive valuation effect.

Key business trend figures

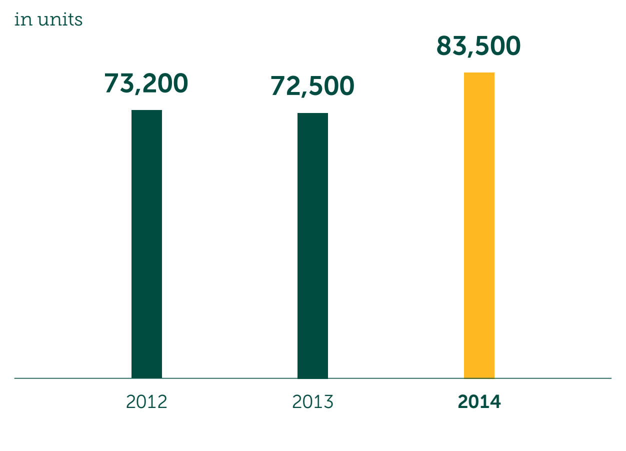
Incoming orders



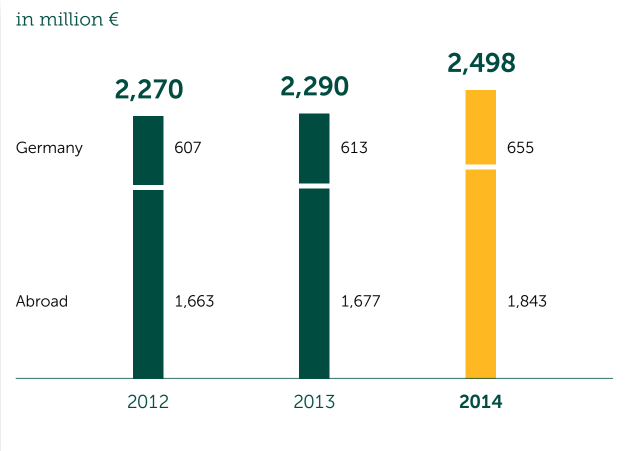
Incoming orders



Production



Net sales



Business trend and earnings position

Incoming orders and orders on hand

Incoming orders in terms of units in new truck business, which include orders placed for new forklifts and trucks for short-term hire, increased by 9 per cent, from 78.2 thousand units to 85.6 thousand units. Besides the cyclically-induced rise in demand (world up 8 per cent; Europe up 9 per cent) the significant year-on-year growth in the number of truck orders received for the short-term hire fleet came to bear. In Russia, we succeeded in increasing incoming orders in terms of units by 9 per cent compared to the previous year, despite the 19 per cent decline in the size of the country's market.

The value of incoming orders encompassing all business fields—new truck business, short-term hire and used equipment as well as after-sales services—was up 8 per cent year on year to €2,535 million (prior year: €2,357 million). New truck business displayed a particularly good development, advancing by €114 million. About half of the growth was attributable to the logistics systems business, which is part of the New Truck business area.

Orders on hand in new truck business totalled €379 million as of December 31, 2014 (December 31, 2013: €366 million). As in the previous year, the order range exceeded three months.

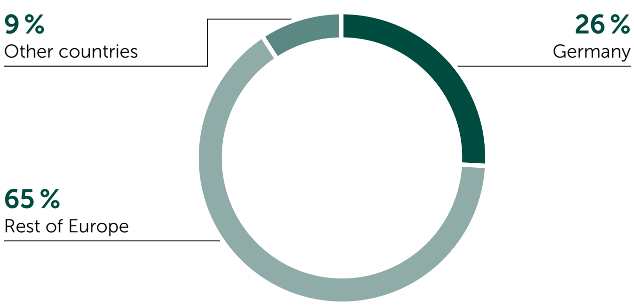
Production

Output tracks the development of incoming orders with a time lag. In the period under review, production amounted to 83.5 thousand units—15 per cent up on the 72.5 thousand units recorded in the preceding year. This was due to double-digit percent increases in unit manufacturing figures across all product groups. Warehousing equipment is the company's single-largest product segment, accounting for a share of 80 per cent. Very big rates of increase were recorded by the system equipment at the Degernpoint factory, which posted a gain of 51 per cent to 2.6 thousand forklifts, and IC engine-powered counterbalanced trucks at the Moosburg plant, which recorded a rise of 23 per cent to 5.2 thousand trucks. As in the Degernpoint factory, production output rose substantially in the new Chinese plant, as it put in its first full year of operation. Following 2.1 thousand pieces of material handling equipment manufactured a year earlier, 3.7 thousand forklift trucks rolled off the production line in 2014, representing an increase of 74 per cent.

Net sales

In the reporting year, net sales were up €208 million, or 9 per cent, to €2,498 million (prior year: €2,290 million). Jungheinrich generated 91 per cent of its consolidated net sales in Europe (prior year: 92 per cent). The increase in net sales relative to the previous year was more pronounced in Eastern Europe than in Western Europe, buoyed above all by growth in the Czech Republic, Poland and Turkey. In Germany, the single-most important market, net sales climbed by 7 per cent to €655 million (prior year: €613 million). Foreign net sales posted a more significant rise, advancing by 10 per cent to €1,843 million (prior year: €1,677 million). The foreign ratio thus

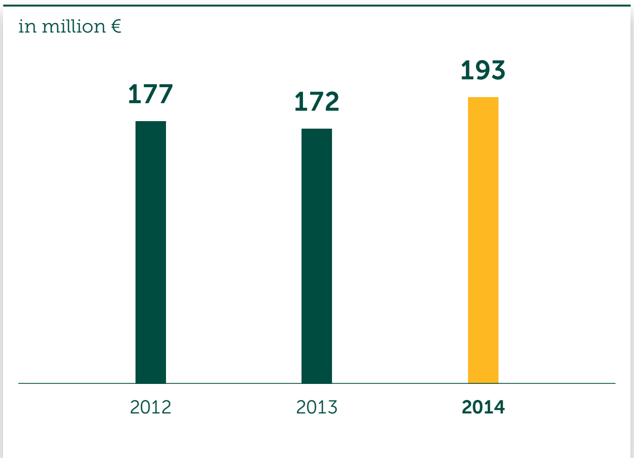
Net sales by region



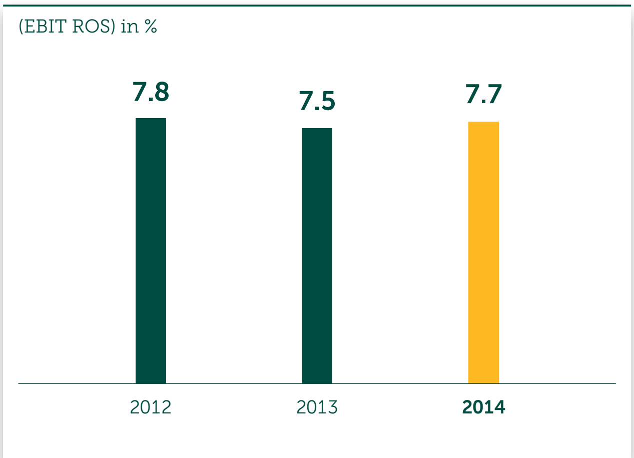
in million €	2014	2013
Germany	655	613
Rest of Europe	1,614	1,493
Other countries	229	184
Total	**2,498**	**2,290**

Key earnings figures

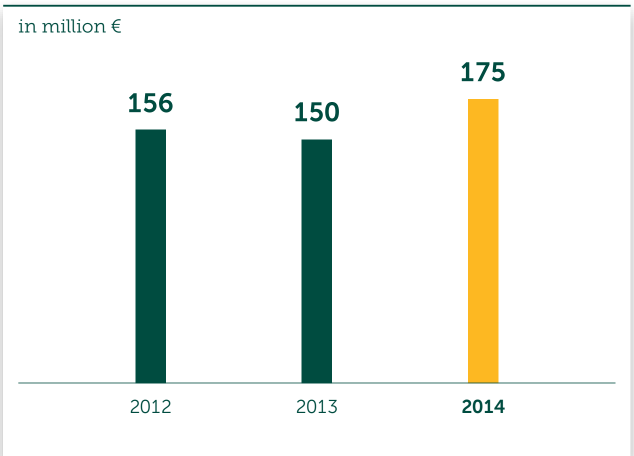
Earnings before interest and taxes (EBIT)



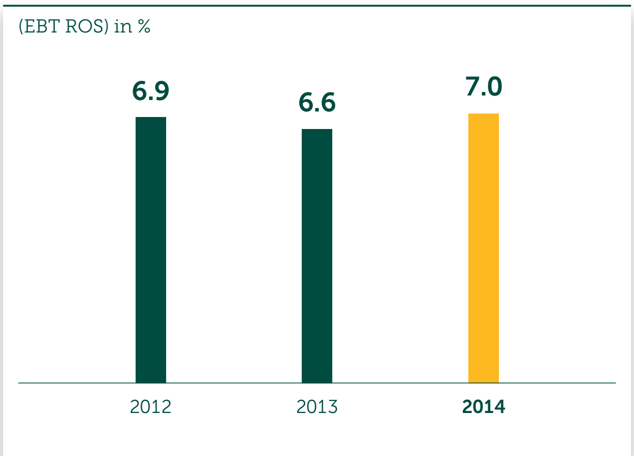
EBIT return on sales



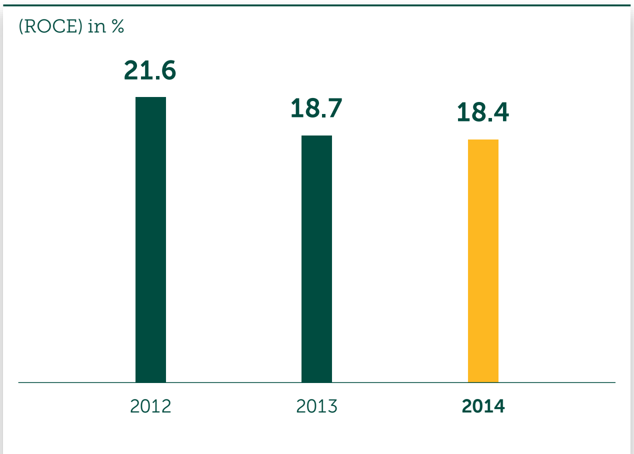
Earnings before taxes (EBT)



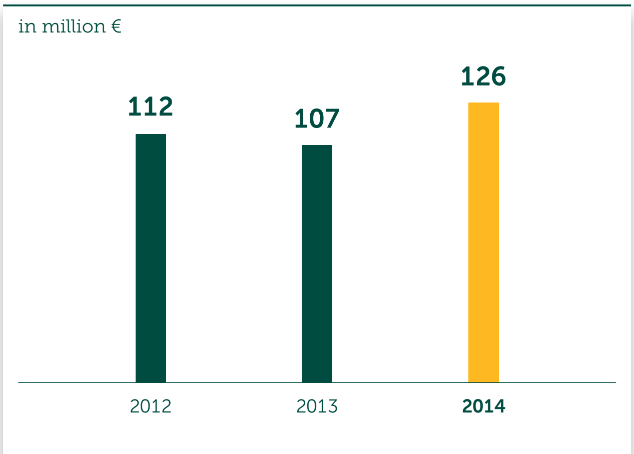
EBT return on sales



EBIT return on capital employed



Net income



increased from 73 per cent to 74 per cent in the year being reviewed. At €229 million, net sales outside Europe recorded a substantial gain, jumping by 24 per cent compared to the preceding year (€184 million). Net sales achieved in China displayed a disproportionately strong gain of 33 per cent. The portion of consolidated net sales accounted for by countries outside Europe was 9 per cent (prior year: 8 per cent).

All business areas contributed to the uptick in net sales. In particular, new truck business expanded above average, growing by 13 per cent, from €1,213 million in the previous year to €1,375 million in 2014. Net sales in new truck business included €339 million in sales of the 'Logistics Systems' division (prior year: €288 million) and €50 million in sales from the 'Mail Order' division (prior year: €42 million). Overall, short-term hire and used equipment activities grew by €32 million, or 8 per cent, to €429 million (prior year: €397 million). The short-term hire business made a larger contribution to this than used equipment operations. The rise in net sales in the short-term hire equipment business stemmed from the expansion of the short-term hire fleet by an average of 4.5 thousand trucks to 38.1 thousand forklifts (prior year: 33.6 thousand trucks). After-sales services lifted their net sales by 5 per cent to €737 million (prior year: €705 million), posting steady growth. The share of total net sales accounted for by after-sales services thus amounted to 30 per cent (prior year: 31 per cent). We generated €579 million in net sales from financial service operations (prior year: €547 million) representing a 6 per cent rise.

Earnings trend

The cost of sales increased to €1,720 million (prior year: €1,586 million) accounting for 69 per cent of consolidated net sales, as in the previous year. The year-on-year rise in the cost of sales caused by the increase in the share of net sales accounted for by the lower-margin new truck business was contrasted by the improved plant capacity utilization. Selling expenses were up 10 per cent to €476 million (prior year: €433 million) rising slightly more than consolidated net sales. The planned strengthening of the sales force came to bear here. In the year being reviewed, the Jungheinrich Group continued to invest heavily in the development of its products. Research and development costs according to the income statement amounted to €44 million following €38 million in the previous year. General administrative expenses rose by 8 per cent to €70 million (prior year: €65 million) increasing less than consolidated net sales.

Earnings before interest and taxes (EBIT) increased by €21 million, or 12 per cent, to €193 million (prior year: €172 million). Jungheinrich thus achieved a record-high EBIT in the 2014 financial year. The EBIT return on sales (EBIT ROS) was 7.7 per cent (prior year: 7.5 per cent). The significant rise in net sales generated by the lower-margin new truck business, the one-off transfer of funds to the assets of the Dr. Friedrich Jungheinrich Foundation (€1.3 million) and the costs incurred for our appearance at the world's largest trade show for our sector, CeMAT, curtailed profitability. A positive exceptional effect of €6.7 million resulted from the adjustment to the Dutch pension plan at the end of the year under review.

Breakdown of net sales

in million €	2014	2013
New truck business	1,375	1,213
Short-term hire and used equipment	429	397
After-sales services	737	705
'Intralogistics' segment	**2,541**	**2,315**
'Financial Services' segment	**579**	**547**
Reconciliation	–622	–572
Jungheinrich Group	**2,498**	**2,290**

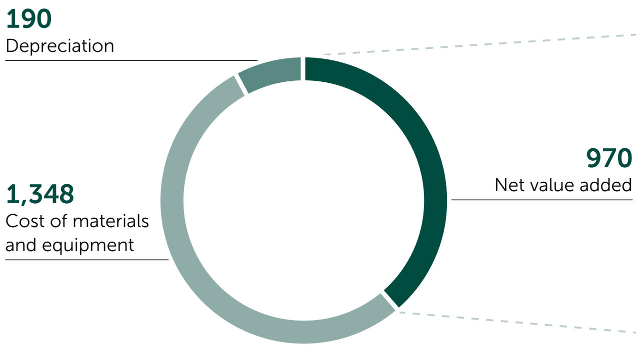
Figures may differ due to rounding.

Cost structure according to the income statement

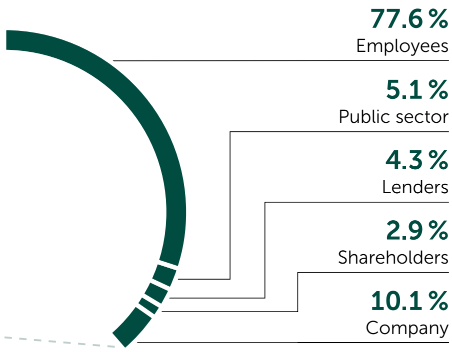
in million €	2014	2013
Cost of sales	1,720	1,586
Selling expenses	476	433
Research and development costs	44	38
General administrative expenses	70	65

Value added statement

Creation of net value added in € million



Use of net value added



In 2014, ROCE was 18.4 per cent, following 18.7 per cent in the preceding year. As before, the main reason for the marginal decline was major capital expenditures that caused interest-bearing capital to outgrow EBIT.

A financial loss of €18 million was incurred (prior year: a loss of €22 million) resulting in much better financial income than in the previous year. The main reason was the lower interest burden in the year being reviewed owing to the early redemption of the €54 million variable tranche of the 2009 promissory note bond in July 2013. Accordingly, earnings before taxes (EBT) climbed to €175 million (prior year: €150 million) and the EBT return on sales (EBT ROS) was 7.0 per cent (prior year: 6.6 per cent).

In line with the development of earnings, income taxes paid by Jungheinrich for 2014 rose to €49 million (prior year: €43 million). The Group's tax quota was thus 28 per cent, following 29 per cent in the preceding year. Net income increased by €19 million to €126 million (prior year: €107 million). Earnings per preferred share grew commensurately to €3.73 (prior year: €3.18).

In view of the earnings trend, the Board of Management of Jungheinrich AG proposes a much higher dividend of €0.98 per ordinary share (prior year: €0.80) and of €1.04 per preferred share (prior year: €0.86). This corresponds to a dividend payment of €34.3 million (prior year: €28.2 million).

Value added

The following value added statement shows the work performed by the Jungheinrich Group in the 2014 finan-

Value added statement by year

in million €	2014	%	2013	%
Source				
Total Group output[1]	2,508	100.0	2,297	100.0
Cost of materials and equipment	1,348	53.7	1,217	53.0
Depreciation	190	7.6	175	7.6
Net value added	**970**	**38.7**	**905**	**39.4**
Usage				
Employees	753	77.6	707	78.1
Public sector	49	5.1	43	4.8
Lenders	42	4.3	48	5.3
Shareholders	28	2.9	28	3.1
Company	98	10.1	79	8.7
Net value added	**970**	**100.0**	**905**	**100.0**

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

cial year, minus all advance work and depreciation as well as its usage.

Net value added by the Group amounted to €970 million (prior year: €905 million)—7 per cent more than in the preceding year. The usage statement shows that, as before, the lion's share of net value added (€753 million, or 78 per cent) was used for employees (prior year: €707 million, or 78 per cent). The public sector received €49 million, representing 5 per cent (prior year: €43 million, or 5 per cent). Lenders partook of €42 million, or 4 per cent (prior year: €48 million, or 5 per cent). As in the previous year, ordinary and preferred shareholders received €28 million, or 3 per cent. The company had €98 million, or 10 per cent, of net value added at its disposal for internal business financing (prior year: €79 million, or 9 per cent).

Financial position, capital structure and liquidity

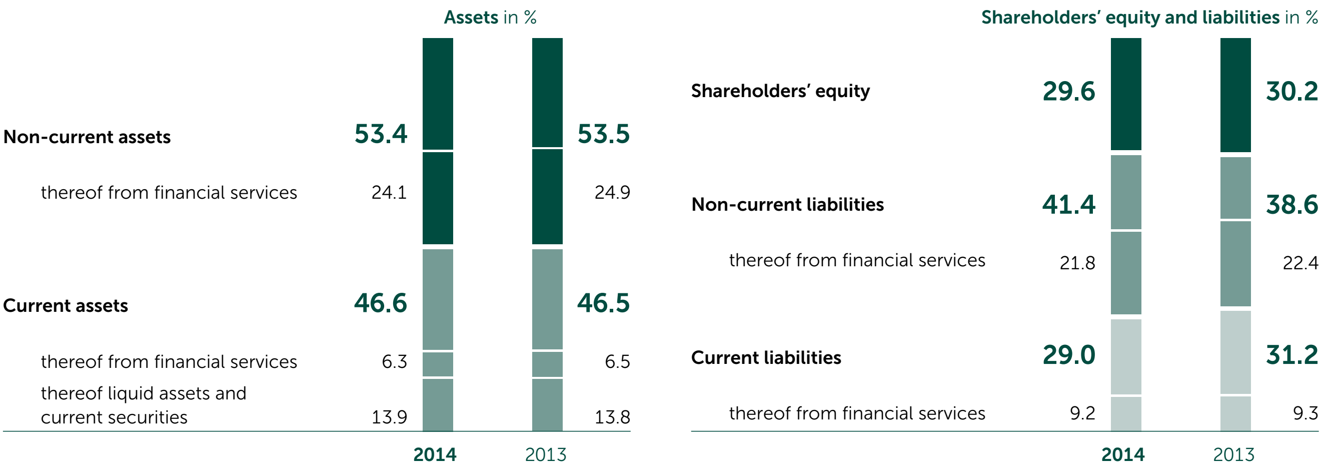
Financial position and capital structure

In its role as Group holding company, Jungheinrich AG is responsible for the Jungheinrich Group's financial management and makes enough funds available to meet strategic and operational financial needs.

Corporate Treasury is primarily in charge of cash and currency management aiming to ensure a supply of funds optimized in terms of interest and currency as well as of managing cash flows of the Group companies. The procurement of funds required in the short, medium and long term is ensured by exhausting all possible financing options on international money and capital markets. The Jungheinrich Group's high creditworthiness guarantees unrestricted access to these markets. Jungheinrich attaches substantial importance to keeping a sufficient level of liquidity in reserve, in order to be able to implement necessary strategic measures and safeguard the Group's financial independence at all times. A conservative policy is pursued when investing surplus liquidity reserves that focuses on preserving assets instead of maximizing profits. To increase internal financing power, a centralized working capital management system is employed, which is designed to optimize and standardize major processes and systems. As in the preceding financial years, off-balance-sheet financial instruments were not made use of.

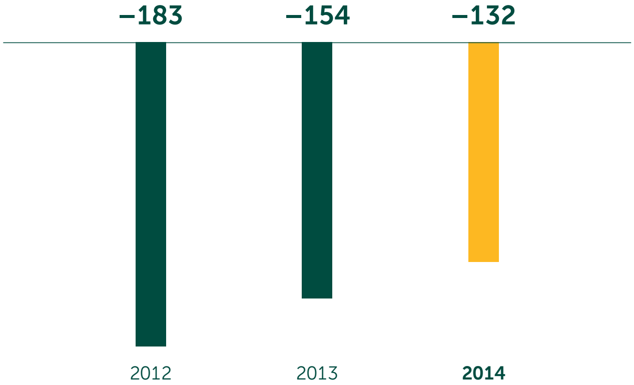
The need for capital is covered by operating cash flows as well as through short and long-term financing. Committed medium-term credit lines total €225 million. These are supplemented by short-term, bilateral lines of credit taken out by individual foreign subsidiaries. We successfully placed a €100 million promissory note bond on the market in December 2014. This additional strategic liquidity reserve was used to redeem the €46 million fixed-interest tranche of the promissory note bond that

Balance sheet structure as of 12/31



Net indebtedness

in million €



was issued in 2009 on schedule and to refinance several large-scale projects of recent years. Against the backdrop of the favourable market environment, early loan agreement negotiations and the re-subscription of the promissory note bond optimized the maturity profile in 2014. Furthermore, all credit facility and promissory note bond agreements were concluded without financial covenants.

In the year under review, the Group still had no net debt on its books. Instead, it had a net credit of €132 million (prior year: €154 million). The decline resulted from the significant expansion of the short-term hire fleet and the build-up of working capital. The degree of indebtedness, defined as the ratio of net debt to EBITDA, was negative, as in the preceding year. Underlying EBITDA is adjusted to exclude the depreciation of trucks for lease from financial services and improved to €315 million in the year being reviewed due to the positive earnings trend (prior year: €283 million).

Given its assets and associated liabilities, the 'Financial Services' segment (see the section on financial services on page 59) exerts significant influence on the Jungheinrich Group's balance sheet structure. Therefore, the effects of the 'Financial Services' segment are eliminated from certain key figures, in order to improve informational value and comparability to other companies. In consequence, as regards key performance indicators of relevance to creditworthiness and credit ratings, the Group manages its finances in line with the principles and objectives of the 'captive finance' approach.

Shareholders' equity was up €69 million to €900 million (prior year: €831 million). The rise in shareholders' equity primarily stemmed from the positive earnings trend, which was contrasted by the €28 million dividend payment (prior year: €28 million) and the burden resulting from the €27 million post-tax remeasurement of provisions for pensions as of the balance sheet date.

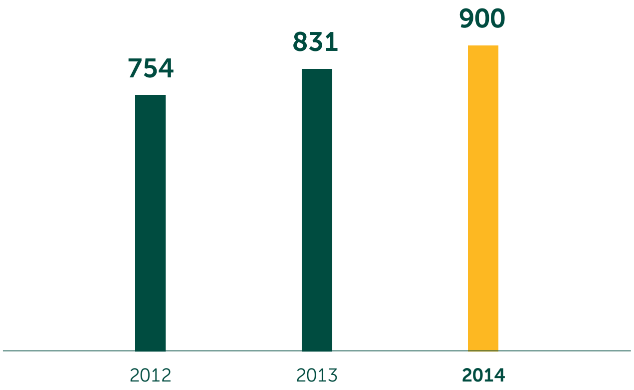
Thanks to the very good net income, the Group's equity ratio of 29.6 per cent was nearly on par with the quota achieved in the previous year (30.2 per cent) despite the significant rise in the balance sheet total. Adjusting the consolidated figures to exclude all of the effects of the 'Financial Services' segment results in an equity ratio relative to the 'Intralogistics' segment of 46.0 per cent (prior year: 47.1 per cent). Provisions for pensions were up considerably due to their remeasurement as of the balance sheet date, advancing by 20 per cent to €241 million (prior year: €201 million). The increase

Capital structure

in million €	12/31/2014	12/31/2013
Equity	**900**	**831**
Non-current liabilities	**1,258**	**1,063**
Provisions for pensions and similar obligations	241	201
Financial liabilities	210	107
Liabilities from financial services	663	616
Other non-current liabilities	144	139
Current liabilities	**882**	**857**
Other provisions	151	145
Financial liabilities	124	163
Liabilities from financial services	279	255
Trade accounts payable	188	160
Other current liabilities	140	134
Balance sheet total	**3,040**	**2,751**

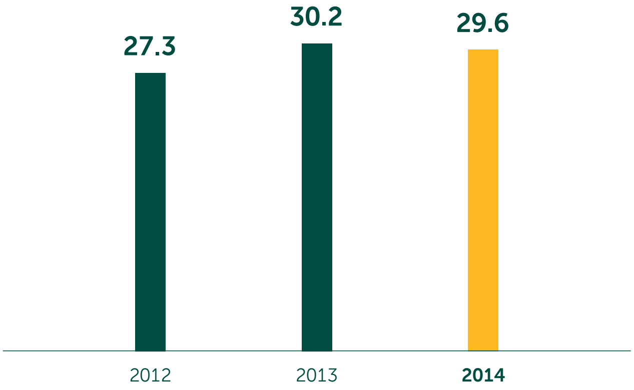
Shareholders' equity

in million €



Equity ratio

in %



was primarily due to the substantial decrease in the imputed interest rate in Germany, which was down to 2.0 per cent as of the balance sheet date. Other non-current and current provisions rose by a total of €12 million to €216 million (prior year: €204 million). The increase was primarily caused by higher warranty obligations and provisions for personnel. The latter had to be increased with an effect on costs owing to the considerable reduction in the imputed interest rate in the Eurozone applicable to non-current obligations as of the balance sheet date. The Group's non-current and current financial liabilities were up €64 million to €334 million (prior year: €270 million). The main reasons for the change were the scheduled redemption of the €46 million fixed tranche of the 2009 promissory note bond as well as the assumption of a new €100 million promissory note bond in December 2014. At €943 million, non-current and current liabilities from financial services were €72 million higher than the €871 million recorded a year earlier due to the increase in new contract financing. Trade accounts payable amounted to €188 million (prior year: € 160 million).

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

Liquidity

Cash flows from operating activities in 2014 improved substantially compared to the previous year, amounting to €110 million (prior year: €68 million). The increase primarily stemmed from the rise in net income combined with depreciation, totalling €34 million. Furthermore, the rise in the value of trucks for short-term hire and lease added and in receivables from financial services driven by stronger demand on the market in the period under review (down €68 million) was contrasted by growth in associated financing (up €88 million). One factor that should be taken into account in this context is the redemption of €28 million in external financing for the short-term hire fleet in the preceding year. A counteracting development was displayed in the financial year that just ended by the €28 million larger need for working capital, which was primarily due to net sales growth in 2014 and the associated increase in trade accounts receivable.

Cash flows from investing activities were adjusted to exclude payments made for the purchase and proceeds from the sale of securities included in this item totalling €59 million (prior year: –€73 million). The resultant cash flows from investing activities amounted to –€93 million. The –€101 million recorded in the previous year was marked by the major strategic investment projects (see 'Capital expenditures' on page 58). In the period under review, cash flows from investing activities were mainly associated with the purchase of a property for the sales branch office in Singapore, the construction of the corporate headquarters in Hamburg and of the training centre at the Norderstedt factory as well as the modernization of the production plant at Moosburg and the expansion of the Dresden Used Equipment Centre.

Cash flows from financing activities amounted to €23 million in 2014, predominantly stemming from issuing a net €54 million in promissory note bonds. In the preceding year, the –€93 million in cash flows reflected the marked negative effect of the premature redemption of the €54 million variable interest-bearing tranche of the promissory note bond issued in 2009.

By consequence, the net cash changes in cash and cash equivalents were actually positive, totalling €40 million (prior year: –€126 million).

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

Statement of cash flows

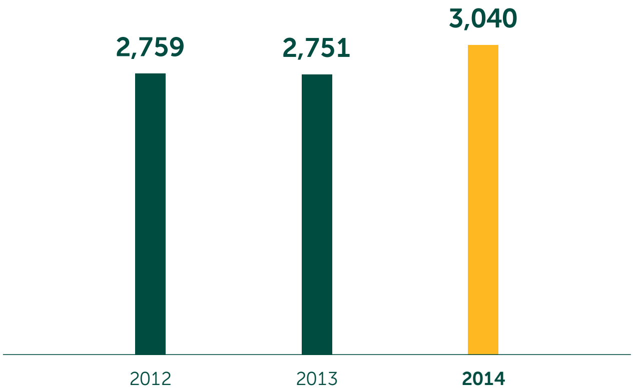
in million €	2014	2013
Net income	126	107
Depreciation/write-ups	190	175
Changes in trucks for short-term hire and trucks for lease (ex-cluding depreciation) and receivables from financial services	–235	–167
Changes in liabilities from financing trucks for short-term hire and financial services	85	–3
Changes in working capital	–54	–26
Other changes	–2	–18
Cash flows from operating activities	**110**	**68**
Cash flows from investing activities [1]	**–93**	**–101**
Cash flows from financing activities	**23**	**–93**
Net cash changes in cash and cash equivalents [1]	**40**	**–126**

1 Excluding the balance of payments made to purchase/proceeds from the sale of securities amounting to a positive €59 million (prior year: –€73 million).

Asset position

Balance sheet total

in million €



By the end of 2014, the balance sheet total had increased by €289 million to €3,040 million (12/31/2013: €2,751 million).

Intangible and tangible assets rose by €43 million to €461 million (prior year: €418 million). In particular, the major construction undertakings and investments mentioned under 'Capital expenditures' (page 58) came to bear.

The value of trucks for short-term hire and lease on hand grew considerably, jumping by €58 million to €531 million (prior year: €473 million). The value of trucks for short-term hire rose by €34 million to €248 million (prior year: €214 million) owing to the marked increase in the fleet. The increase in contracts on hand caused the value of trucks for lease from financial services to climb by €24 million to €283 million (prior year: €259 million) and of non-current and current receivables from financial services to post even stronger growth, advancing by €33 million to €639 million (prior year: €606 million).

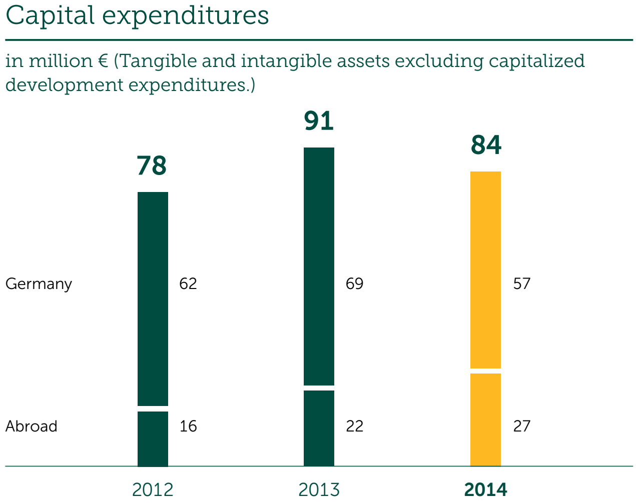
Other non-current assets were up €30 million to €139 million (prior year: €109 million)—above all due to a rise in deferred tax and other assets due to the revaluation of pension plans as of the balance sheet date. Inventories rose by €28 million to €299 million, driven by the expansion of business (prior year: €271 million) with the stockpiling of finished goods and merchandise in sales worth a good €25 million essentially being based on customer orders that had not yet been invoiced. Current trade accounts receivable increased by €47 million to €454 million (prior year: €407 million) because consolidated net sales were much higher year on year in the fourth quarter of 2014.

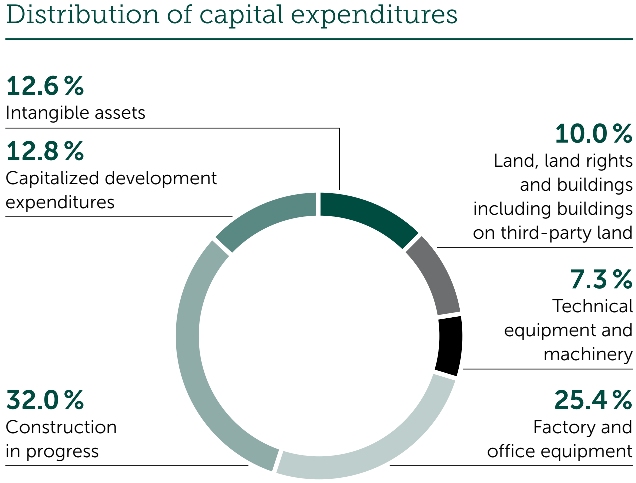
Liquid assets and short-term securities were up €42 million to €421 million (prior year: €379 million). The main reasons for the change were the scheduled redemption of the €46 million fixed-interest tranche of the 2009 promissory note bond as well as the issuance of a new €100 million promissory note bond in December 2014.

Asset structure

in million €	12/31/2014	12/31/2013
Non-current assets	**1,625**	**1,472**
Intangible and tangible assets	461	418
Trucks for short-term hire and lease	531	473
Receivables from financial services	449	427
Other non-current assets (including financial assets)	139	109
Securities	45	45
Current assets	**1,415**	**1,279**
Inventories	299	271
Trade accounts receivable	454	407
Receivables from financial services	190	179
Other current assets	51	43
Liquid assets and securities	421	379
Balance sheet total	**3,040**	**2,751**

Capital expenditures





Capital spent by the Jungheinrich Group on tangible and intangible assets excluding capitalized development expenditures amounted to €84 million (prior year: €91 million).

Jungheinrich regularly invests in maintenance and replacements. Furthermore, the company spends capital on the future growth and expansion of its sales infrastructure. In the year being reviewed, the points of focus were:

- the construction of a training centre at the Norderstedt factory,
- the modernization of production facilities in the Moosburg plant,
- the expansion of the Dresden Used Equipment Centre,
- the acquisition of a property in Singapore, and
- the construction of new corporate headquarters in Hamburg.

All building projects are on schedule and in line with their budgets.

In the preceding year, the three large-scale strategic capital expenditure projects—the spare part centre in Kaltenkirchen, the warehousing and system equipment factory at the location in Degernpoint (Bavaria) and the plant in Qingpu (China)—were completed as planned.

Financial services

Organization and business model

All of the Jungheinrich Group's financial service activities are pooled in the 'Financial Services' segment and are managed centrally via Jungheinrich Financial Services International GmbH and Jungheinrich Rental International AG & Co. KG. Within the Jungheinrich Group, the 'Financial Services' segment renders services to Jungheinrich's sales operations. By offering a range of individual, flexible and competitive financial services and drawing on its pan-European direct sales network and in-house service operations, the sales organization can meet customer expectations—also with respect to providing forklift truck support across country borders. The financing offering covers all of the products within Jungheinrich's portfolio which includes new and used material handling equipment, racking systems, warehousing equipment and system solutions.

Jungheinrich has proprietary financial service companies in its key markets in Europe, i.e. Germany, Italy, France, the United Kingdom, Spain, the Netherlands and Austria. Continuous expansion is envisaged in further European countries over the medium term.

The 'Financial Services' segment'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 uniform throughout Europe. Moreover, refinancing on the capital market was facilitated by virtue of Luxembourg-based Elbe River Capital S.A., a company established in 2010 solely for refinancing purposes. As of December 31, 2014, the financing platform's refinancing volume amounted to slightly more than €200 million.

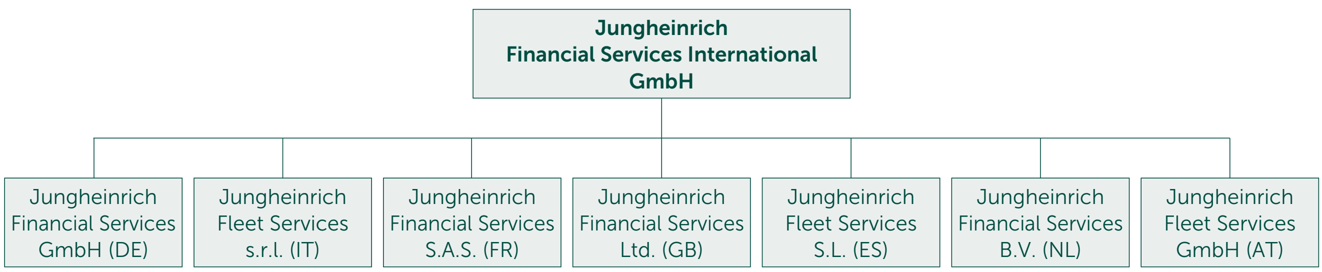
Jungheinrich's business model is designed to serve customers over a product's entire life cycle. As a rule, the financial service agreements offered are connected to a full-service or maintenance contract. Against this backdrop, the individualized usage transfer offerings and sales financing serve the purpose of promoting sales and retaining customers over the long term. With the exception of counterparty default and refinancing risks, all income and risks resulting from financial service agreements entered into with customers are assigned to the operating sales units.

Types of contracts and accounting

In compliance with IFRS accounting policies, financial service agreements concluded directly between customers and Jungheinrich companies or between customers and Jungheinrich with an external leasing company or bank as intermediary (referred to as vendor agreements) are recognized as leased equipment ('operating leases') or as receivables from financial services ('finance leases'). The average maturity of the financial service agreements is five years. Due to the strategic focus, about three-quarters of all contracts are 'finance leases.'

These long-term customer agreements are refinanced with identical maturities and interest rates and disclosed as liabilities from financial services. Cash flows from customer contracts usually at least cover refinancing instalments paid to lending institutions for this business.

Financial services companies in Europe



Furthermore, deferred sales stemming from sales proceeds already generated with an intermediate leasing company are stated under deferred income.

Business trend

€464 million in long-term financial service agreements were concluded in fiscal 2014 (prior year: €415 million). The €49 million rise was due to stronger demand for financial service solutions. From a regional perspective, the highlights in Western Europe were the United Kingdom and Italy, which recorded rises in the value of forklifts added of 24 per cent and 21 per cent, respectively.

Seventy-seven per cent of the new contract volume in terms of value (prior year: 78 per cent) was allocable to the seven countries in which Jungheinrich has proprietary financial services companies. By the end of 2014, the volume of contracts on hand had risen by a total of 4 per cent to 113.0 thousand forklift trucks (prior year: 109.0 thousand units). This corresponded to an original value of €1,841 million (prior year: €1,745 million). In terms of value, the increase amounted to €96 million. Relative to the number of new trucks sold, more than one in three new forklifts was sold as part of a financial service transaction. The leasing ratios varied from one country to the next. Jungheinrich had leasing ratios of more than 60 per cent in Italy, the United Kingdom and Sweden.

Net sales were up €32 million to €579 million from €547 million. Business continued to focus on 'finance lease' contracts. EBIT climbed to €15 million (prior year: €9 million). The surge was due to the improvement in interest income caused by the expansion of business and—to a significant extent—the reassessment of risks leading to a revaluation of provisions.

Financial services—key figures

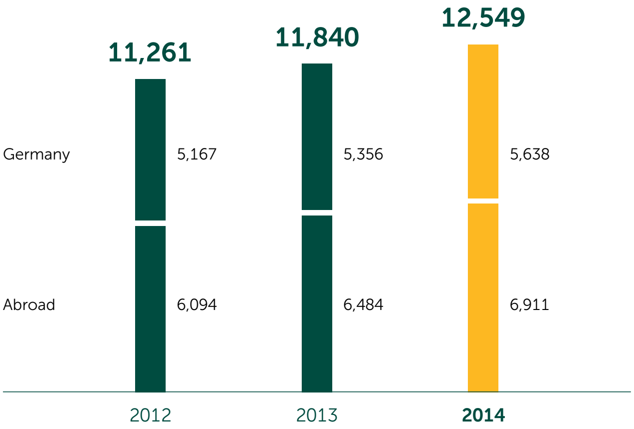
in million €	12/31/2014	12/31/2013
Original value of new contracts[1]	464	415
Original value of contracts on hand	1,841	1,745
Trucks for lease from financial services	349	319
Receivables from financial services	639	605
Equity	51	40
Liabilities	1,148	1,069
Net sales[1]	579	547
EBIT[1]	15	9

1 January 1 to December 31.

Employees

Employees

As of 12/31



In the period under review, the Jungheinrich Group enlarged its workforce, primarily fortifying its sales operations. Groupwide headcount (in terms of full-time equivalents—FTEs) was up by 709 staff members, or 6 per cent, to 12,549 (prior year: 11,840) by the end of 2014. The lion's share of the manpower increase was attributable to the sales companies in Europe and Asia. Another point of focus was the strengthening of the logistics systems business.

Personnel expenses rose by €46 million to €753 million. (prior year: €707 million). Of this sum, €615 million (prior year: €570 million) was allocable to wages and salaries, while €127 million (prior year: €119 million) was allocable to social security contributions.

In the period being reviewed, temporary personnel was again used to offset capacity fluctuations in manufacturing operations. Averaged over the year, the number to temporary workers climbed by 29 per cent to 488 compared to the previous year against the backdrop of the significant increase in production output. Approximately 73 per cent (prior year: 70 per cent) were active in German factories. As of December 31, 2014, 487 (prior year: 454) temporary workers were active within the Group.

Focal points of the workforce increase

In Europe, the highest numbers of hires after Germany were recorded by the sales companies in France, Spain, Poland, Russia and Turkey.

As part of the growth strategy pursued for Asia, the labour force of Jungheinrich sales companies in the region was enlarged by 54 per cent, from 592 to 646 employees. The focus was on China where the workforce was increased by 24 staff members.

Headcount in Brazil grew by 21 to 130.

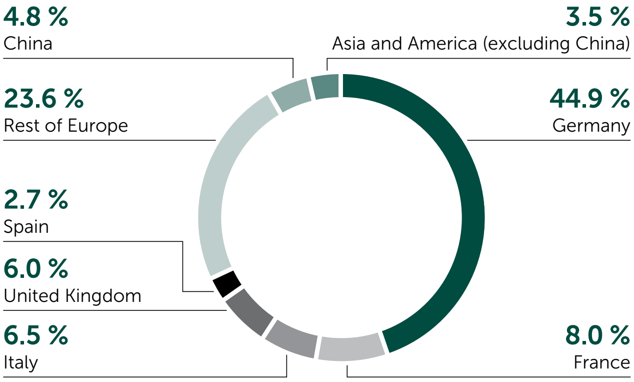
Furthermore, the logistics systems and mail-order businesses also increased manpower in order to set themselves further apart from the competition. In order to expand the sales force in the logistics systems business, headcount was increased by 40. Manpower in logistics systems sales thus totalled 565. Personnel figures in the mail-order business grew by 16 to 131 (prior year: 115).

Employees by function

As in the preceding year, 79 per cent of the permanent staff (excluding temporary workers) were in sales and administration and 21 per cent were active in manufacturing. Forty-five per cent of the workforce was allocable to the after-sales service organization (prior year: 46 per cent) accounting for 5,672 (prior year: 5,451) employees. Worldwide, 4,019 (prior year: 3,875) after-sales service engineers were active in the service organization.

Employees by region

As of 12/31/2014



in FTE	2014	2013
Germany	5,638	5,356
France	1,005	973
Italy	813	795
United Kingdom	748	732
Spain	336	313
Rest of Europe	2,975	2,760
China	597	526
Asia and America (excluding China)	437	385
	12,549	**11,840**

Regional distribution

Effective December 31, 2014, 6,911 (prior year: 6,484) employees, or 55 per cent of the labour force, worked abroad. Germany accounted for 5,638 (prior year: 5,356) staff members. This corresponded to 45 per cent of the labour force.

Changes in personnel

Dr. Lars Brzoska became the member of the Board of Management in charge of marketing & sales at Jungheinrich AG as of April 1, 2014. The Chairman of the Board of Management, Mr. Hans-Georg Frey, assumed the position of interim head of the marketing & sales mandate for the transitional period from November 15, 2013 to March 31, 2014.

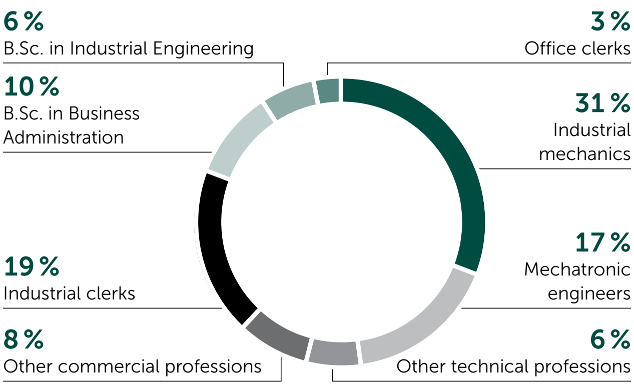
Training in the Jungheinrich Group

As of December 31, 2014, the Jungheinrich Group employed 403 (prior year: 346) apprentices, 275 (prior year: 246) of whom worked in Germany, where the company offers training for 14 apprenticeable professions.

In addition, a selection of collaborative courses of study is offered in Germany. This educational model alternates between compact units at universities and assignments in companies. This enables program participants to obtain an internationally recognized Bachelor in business management, business computer sciences or economic engineering in a mere six to seven semesters. In 2014, the share of apprentices pursuing collaborative courses of study relative to the number of apprentices in Germany rose from 19 per cent to 20 per cent.

Apprenticeable professions[1]

As of 12/31/2014



1 Basis: 275 apprentices in Germany.

Employee data

		2014	2013
Average age	years	40.9	41.1
Years of service	years	11.4	11.4
Fluctuations	%	3.5	3.5
Sickness rate [1]	%	5.4	5.4
Reportable working and commuting accidents [1, 2]	number	34	35
Women quota	%	19.2	19.6

1 Relative to employees in Germany.
2 For every 1,000 employees.

Social data

The average age of the Jungheinrich Group's workforce dropped by 0.2 years to 40.9 years compared to the previous year. Years of service—one of the indicators of employee satisfaction with their company—remained at just over eleven years. In Germany, the staff's average years of service were even higher, at just under 14 years. Turnover in the period being reviewed was 3.5 per cent, which was on par year on year. In Germany, turnover was 1 per cent—another indication of the high level of employee satisfaction at Jungheinrich. At 5.4 per cent, the sickness rate, which is only calculated for domestic staff members, was the same as in the preceding year. The sector average for comparable companies that are members of the Nordmetall employer association was 5.0 per cent in the year under review. The number of reportable working and commuting accidents for every 1,000 employees in Germany decreased from 35 in the previous year to 34 in 2014. At 19.2 per cent, the women quota remained above the 16.1 per cent yardstick commonly applied to our branch of industry (source: German Engineering Federation).

Compensation system

The framework of the compensation system for the Board of Management, the Supervisory Board and executives is presented in the compensation report, which is part of the 2014 Group management report and can be found on pages 10 and 11 of this annual report.

Social engagement

The Dr. Friedrich Jungheinrich Foundation celebrated its tenth anniversary on May 17, 2014. It works closely together with public training and educational institutions to strategically promote technological excellence in the field of natural sciences. The daughters of the company founder and Jungheinrich AG took the anniversary as an occasion to increase the foundation's endowment from €6 million to €10 million—each accounting for one-third of the increase. Jungheinrich AG recognized its budding professionals at the Foundation's Excellence Awards for young talent in the mathematics, information technology, natural sciences and technology (MINT) categories on October 7, 2014. The Excellence Awards have been conferred every two years since 2012.

In its role as economic mentor, Jungheinrich promotes education in the MINT subjects in order to counter the scarcity of skilled labour in Germany. Among other things, the company expanded the scope of the cooperation between the plant in Norderstedt and the nearby Coppernicus high school as part of the initiative named 'Natural Sciences & Technology' (NaT). The goal of the collaborative efforts with schools in the Hamburg metropolitan area is to give young adults practical insight into the working world and enable them to gain an early orientation regarding their future course of study and profession.

The relaunch of the 'Kinder-Uni Hamburg' project entered its second phase in 2014. It is a series of lectures for children from the ages of eight to twelve, which is financed by a consortium to which Jungheinrich belongs.

Moreover, in the financial year that just ended, Jungheinrich supported various charitable and scientific institutions and aid organizations with donations: The food banks in Heide and Munich, which hand out leftovers to the needy, the Hanstedt Volunteer Fire Department, the Hamburg University of Applied Sciences and the UK-based international aid organization Transaid received new and reconditioned forklifts as contributions in kind from Jungheinrich.

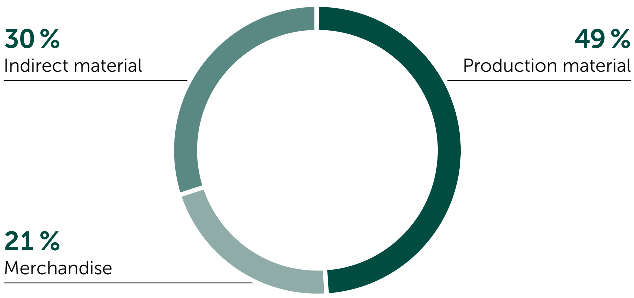
We further expanded the strategic sponsoring partnership with Europe's largest medical supply aid organization, action medeor, which is based in Tönisvorst (North Rhine-Westphalia). Having set up a new distribution centre for medical supplies in Masasi (Tanzania) in the preceding year, Jungheinrich provided its assistance to the aid organization in a similar project in 2014, albeit to a much greater degree, contributing its consulting and planning expertise in the field of intralogistics through the Rhine-Ruhr Sales Centre. The primary objective is the commissioning of a pharmaceutical warehouse in Lilongwe (the capital of Malawi) in the second quarter of this year, which will supply charitable healthcare centres with affordable, quality-assured medicine and medical supplies. Jungheinrich financed €40.0 thousand in warehousing equipment.

In 2014, coworkers donated a total of €26.2 thousand (prior year: €23.0 thousand) under the 'loose change' campaign which involves employees voluntarily renouncing the cents behind the decimal point of their monthly wage or salary. The sum was invested in various aid projects, for instance, to provide the desperately needed assistance to the victims of the war in Syria and to assist in the fight against the Ebola epidemic that has been spreading throughout West Africa since March 2014. Some 1,500 Jungheinrich employees throughout the Group are currently participating in the company's voluntary program.

The Bertelsmann Foundation ranked Jungheinrich first in the mechanical and plant engineering sector in its 2013 Corporate Responsibility Index (CRI). In so doing, the authors of the study prepared in collaboration with the University of Bayreuth highlighted the company's outstanding social commitment. The study is conducted every two years and examines the success factors of relevance to entrepreneurial responsibility.

Purchasing

Breakdown of purchasing volume



in million €	2014	2013
Production material	732	646
Merchandise	321	323
Indirect material	459	482
Total	**1,512**	**1,451**

In 2014, the procurement volume totalled €1.51 billion (prior year: €1.45 billion) and broke down into

- production material and post-serial material,
- merchandise and
- indirect material.

Sourcing needs for serial and non-serial production operations are managed by the groupwide product group management system.

The product groups with the largest shares in purchasing volume were batteries, accounting for €153 million (prior year: €131 million); electric drive trains, accounting for €99 million (prior year: €80 million); steel assemblies, accounting for €98 million (prior year: €83 million); and storage equipment, accounting for €78 million (prior year: €84 million).

Environment

Jungheinrich strives to engineer efficient and environmentally friendly products and manufacture them in an environmentally compatible manner. In its quest to reduce ensuing effects on the environment, the company adheres to the basic principle of the continual improvement process (CIP), an indispensable component of ISO 9001 and ISO 14001, as part of its quality and environmental management work.

When producing, using and reconditioning products as well as developing and providing services, Jungheinrich sees to it that resources are used efficiently and that environmental management is constantly improved.

The production plants in Norderstedt, Lüneburg, Moosburg, Degernpoint, Landsberg (all in Germany) and Qingpu (China) as well as the spare part centre in Kaltenkirchen (Germany) have a quality management system that is certified to ISO 9001. Having obtained ISO 14001 certification in February 2015 for the Landsberg factory, these sites now also work in compliance with the ISO 9001 Quality Management System as well as with the ISO 14001 Environmental Management System. The production plant opened in Qingpu in 2013 has a sophisticated energy concept, for which it received silver Leed certification for ecological construction from the U.S. Green Building Council.

Increasing energy efficiency is an integral part of the product engineering process and is mirrored in the savings achieved during the usage phase in the lifecycle analysis which forms part of the eco balance.

Product eco balance

Documenting the Jungheinrich Group's environmentally aware actions is the material handling equipment sector's first product eco balance certified by the German Technical Inspection Authority (TÜV). In 2011, the northern division of the German Technical Inspection Authority TÜV Nord had systematically analyzed the balance—a systematic analysis of the environmental impact of products over their entire lifecycle—and certified it in accordance with DIN EN ISO 14040. CO_{2e} emissions[1] were reduced by 25 per cent between 2000 and 2010.

The original version of the balance consisted of the analysis of the environmental impact of Jungheinrich's material handling equipment fleet (excluding high-rack stackers and vertical order pickers) in the period from 2000 to 2010. It covered

- the use of commodities, production and transportation during the manufacturing phase,
- energy usage in the usage phase, and
- the reconditioning of equipment for a second period of use.

High-rack stackers and vertical order pickers have been included in the product eco balance since 2012. The objective is to reduce CO_{2e} emissions by another 20 per cent by 2020, compared to the levels recorded in 2010. CO_{2e} emissions resulting from the manufacturing and reconditioning phase were only about 2 per cent higher, although unit production figures rose by 13 per cent. Per truck, CO_{2e} emissions thus declined further. Efficiency was improved for new developments in several product clusters last year, leading to a reduction in energy consumption. CO_{2e} emissions were lowered by 7 per cent from 2010 to 2014.

Innovative measures for reducing CO_{2e} are of importance to the entire Jungheinrich product cycle. High-tech solutions developed in-house serve as a dual yardstick with respect to the competition—especially in the usage phase, during which 80 to 90 per cent of the emissions occur. The significant reduction in CO_{2e} emissions despite high handling turnover rates minimizes the effects on the environment, and customers benefit from permanently low energy costs.

1 CO_{2e} encompasses carbon dioxide as well as other greenhouse gases such as methane, nitrous oxide (laughing gas) and chlorofluorocarbons.

Environmental indicators[1]

		2014[2]	2013
Electricity	MWh	34,501	32,645
Natural gas/district heat/oil	MWh	41,478	43,222
CO_{2e} emissions	t	29,269	28,648
Water consumption	cubic metres	31,940	31,041
Wastewater	cubic metres	29,664	29,032
Waste	t	7,677	8,256

1 For the Norderstedt, Moosburg, Degernpoint, Landsberg and Lüneburg sites as well as for the Dresden Used Equipment Centre.
2 Pro-forma figures. Some figures for December 2014 are based on extrapolations and empirical values.

Environmental indicators

Internal KPI systems are used to benchmark the environmental performance of the Group's individual units. Jungheinrich collects key figures of relevance to the environment for its domestic plants based on the specifications and recommendations of the Global Reporting Initiative (GRI), the de-facto global standard for sustainability reporting (G4 Guidelines).

Usage, emissions and waste volume at the individual sites are primarily determined by the number of units manufactured, the product itself, and the degree of vertical integration.

Unit figures (production and reconditioning excluding China) were 13 per cent higher year on year. Power consumption rose moderately, advancing by some 6 per cent. Usage of district heat, natural gas and oil dropped by about 4 per cent. Modernization work to optimize the energy consumption of the administrative building in Norderstedt and the use of low-energy powder for coating components in Landsberg made a contribution to this.

Water consumption was up a mere 3 per cent despite the significant rise in the number of units produced, with wastewater usage increasing by just 2 per cent. This partially resulted from the improved and more efficient utilization of washing water in the powder coating facility in Norderstedt and the collection of rainwater in cisterns for washing forklifts and parts during the reconditioning process in Dresden.

Supplementary report

There were no reportable events after the balance sheet date.

Internal control and risk management system regarding the consolidated accounting process

The Jungheinrich Group's risk management system encompasses principles, methods and measures for ensuring the effectiveness of management decisions, the economic viability of business activities and the correctness of accounting as well as for ensuring compliance with applicable statutory regulations and in-house policies.

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 consolidated accounting process:

- The Jungheinrich Group has a diverse organizational and corporate structure that ensures purposive performance checks.
- 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 Group accounting process departments (e.g. financial accounting, controlling and the treasury) are clearly assigned.
- IT systems employed in accounting are protected from unauthorized access and are largely off-the-shelf software (essentially SAP systems).
- The Jungheinrich Group has policies in place determining accountabilities, workflow and controls for all material processes. The policies can be accessed by the entire workforce on the intranet.
- A comprehensive Group accounting manual regulates the Group accounting process of the individual companies and consolidation at the Group level, ensuring that business transactions are accounted for, measured and reported uniformly throughout the Group. The manual is updated once a year and made available to the areas involved in the Group accounting process. Regular sample inspections and plausibility checks are performed to verify the completeness and correctness of Group accounting data. This can be done either manually or using software.
- 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 groupwide, Jungheinrich-specific system is continuously refined. The Group Audit Department reviews the effectiveness of the accounting-related internal controls.
- As a rule, the security principle is applied to all accounting-critical processes.
- Among other things, the Supervisory Board and its Finance and Audit Committee concern themselves with material issues pertaining to Group accounting and risk management as well as the audit assignments and focal points of audits conducted by the independent auditors and the Group Audit Department.

There is no absolute certainty that Group accounting does not contain incorrect information or misstatements, that erroneous assessments are identified, or that all statutory regulations and internal policies are complied with.

Risk and opportunity report

The early detection of risks and opportunities as well as the measures derivable therefrom are key elements of corporate governance at Jungheinrich. Basic principles and courses of action have been defined in a groupwide guideline within the scope of a risk management system.

Risk and opportunity management

Jungheinrich's risk management system is an integral part of the company's management, budgeting and controlling processes. All measures for mitigating risks are incorporated in the Jungheinrich Group's risk management system. Precautionary risk measures are duly identified and reported to the Group Controlling Department as part of the risk reporting procedure. This ensures that Group reporting and risk management are tightly intermeshed with each other. The groupwide risk management system is constantly adapted and refined, involving the constant review of the risk management process. Adjustments consist of organizational measures, changes in risk quantification methods and constant updates of relevant parameters. The risk management system comprises the following elements:

- the Group Risk Management Policy,
- the Group Risk Committee,
- the operative risk inventories of the sales and production companies,
- the central risk inventories of the people responsible for the divisions and the directors of the corporate functions,
- the general Group reporting structure, and
- the Corporate Audit Department.

The managers of the local operating companies (sales and production) are responsible for risk management within their units. Besides discussing issues pertaining to risks and opportunities at regular management board meetings, the unit managers are obliged to take inventory of risks three times a year as part of the risk management process. The goal is to identify and assess the risk position as realistically as possible. When taking inventory for the first time in a year, opportunities and risks are assessed based on the planned business trend. Inventories taken thereafter are assessed on the basis of the latest earnings forecast. These resulting figures are condensed to two aggregated figures—one for risks and one for opportunities—in a Group risk inventory, taking appropriate threshold values and their probability of occurrence into account. The Group risk inventory is discussed and suitable measures are developed in the quarterly meetings of the Group Risk Committee, which the Board of Management attends. A summary is regularly made available to the Supervisory Board. Reporting units must immediately submit ad-hoc risk reports to the Group Risk Committee whenever they identify risks or opportunities exceeding certain threshold values between the inventory cut-off dates. The Group Audit Department is also involved in the risk management process through its regular audits and special audits performed on a case by case basis. An additional, stringent risk management system specifically designed for financial services is in place in order to be able to identify the financial service business' potential risk exposure and assess it on an ongoing basis. A centralized pan-European lease database running on SAP ERP software enables financial service agreements to be recorded and the risks arising from them to be assessed uniformly throughout the Group.

Risks and opportunities

The analysis of the most recent risk inventory, compiled in 2014 by the Group Risk Committee, revealed that none of the quantified risks are material. There are currently no risks that could jeopardize the Jungheinrich Group's continued existence. Risks and opportunities that are most important to the Jungheinrich Group are listed below.

General and sector-specific risks

The Jungheinrich Group is exposed to general risks arising above all from the development of the world economy. Cyclical fluctuations subject the business trend to risks above all in key European markets. Experts currently expect the global economy to grow by some 3 per cent and the Eurozone to expand by about 1 per cent in 2015. However, the economy's stability may be curtailed by the problems associated with the sovereign debt crises in several European countries, which have not been resolved so far. Whether some countries become faced with a crisis situation and the degree to which initial success starts having a lasting effect in other countries remains to be seen. The persistently politically unstable situation in Ukraine may also have an impact on the development of the economy.

In the year being reviewed, the material handling equipment market grew by approximately 8 per cent worldwide and expanded by as much as about 9 per cent in Europe. An economic downturn—especially in Europe—could result in a significant reduction in the number of forklift trucks produced or realizable margins.

The material handling equipment market is characterized by fierce competition and increasing consolidation tendencies.

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 are constantly brought in line with the forecast level of incoming orders. This reduces the risk of plant capacity under-utilization. Also included in risk surveys are potential changes to the subsidiaries' financial situation stemming from market developments.

The risk of losing market share and/or business declining is mitigated by the company constantly refining its product range, expanding its service offering, further increasing its sales force, providing attractive financing solutions, and further intensifying its differentiation strategy, for example by expanding the logistics systems business.

Operational risks

Operational risks originate from the business model, for example from the range of new trucks as well as short-term hire and used equipment on offer, and from the company's back-office functions such as purchasing, IT and human resources.

The consolidation of demand witnessed for several years causes the pressure on prices on the market to rise and thus constitutes an operational risk. The Group mitigates this risk mainly by supplementing its product and service offerings by way of tailor-made customer solutions. This improves its market penetration and customer loyalty.

Jungheinrich protects itself from the general bad debt risk by using a computerized system to constantly monitor outstanding receivables and their structure and regularly analyzing them. The lion's share of the foreign net sales we generate from business with third parties is covered by credit insurance policies. Above and beyond this, Jungheinrich makes use of additional hedging options in the international arena such as letters of credit.

The rising trend among customers to hire and lease new trucks for extended periods of time will continue again in the year underway. The financial crisis and the mounting demands placed on the financial environment—as a result of the introduction of the 'Basel III' set of banking regulations, 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 customers 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 service business. A summary presentation of these risks can be found under 'Risks associated with financial services.'

In 2014, the average size of Jungheinrich's short-term hire fleet was 38.1 thousand (prior year: 33.6 thousand) trucks. The risk of prolonged standstill is minimized by constantly adapting the fleet's size and structure to market needs and customer requirements, thus ensuring a high degree of utilization.

The company manages potential purchasing risks that may arise from increasing commodity and material costs, disruptions in the supply chain and quality-related problems via its risk management system. Among other things, the company employs control systems to monitor and analyze the development of the price of relevant commodities. These systems help management detect developments significantly affecting procurement prices early on in order to be able to act accordingly. No unusual risks are currently expected to arise in 2015 from the development of the price of commodities.

Information technology systems are constantly reviewed and refined in order to limit IT risks and ensure that business processes are carried out securely, reliably and efficiently. Besides its effective IT emergency management system, Jungheinrich uses industry standards, redundant network connections and a mirror computing centre with a view to limiting failures of application-critical systems and infrastructure components. Jungheinrich mitigates the risk of unauthorized access to corporate data and of tampering with or sabotaging IT systems with groupwide information security standards and the use of modern backup systems, whereby the Group's information security management system uses the international ISO/IEC 27001 standard as a reference.

Highly qualified personnel and executives are the basis for a company's success. Personnel risks may arise in the event of a failure to recruit or retain qualified staff in sufficient numbers—especially those in managerial and key positions. As part of its university marketing campaigns, Jungheinrich nurtures close ties to and works 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, executives and employees with special skill sets are identified, 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 over the long term. In the year being reviewed, the company increased 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. Nevertheless, all vacant development engineer positions in the year under review were filled with qualified professionals. Jungheinrich employs temporary workers in order to avoid capacity utilization risks.

Service data and accident-related information including information on product performance in terms of safety are evaluated in order to minimize product risks. Irregularities are immediately examined together with the people responsible for the product line, after-sales services, the legal department and the quality assurance unit. The process in place for this is supported by specific groupwide guidelines and the direct sales organization via a rapid notification system. In cases requiring action, corrective measures such as precautionary alterations are adopted immediately and implemented worldwide. Furthermore, pilot customers are involved in product and truck tests in order to prevent risks associated with the lack of acceptance of product developments. Of course, we also protect our product know-how by filing patents.

Risks associated with financial services

Risk management has to address residual value, refinancing and counterparty default risks due to the business and risk policies of Jungheinrich's financial service business. Detailed rules governing the identification and assessment of risks are documented in groupwide guidelines and the financial service companies' internal process descriptions.

Residual value risks

The internal residual value guarantee offered by Sales to the 'Financial Services' segment 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. All financial service agreements are subjected to a risk assessment from the perspective of the Jungheinrich Group and of the 'Financial Services' segment. The residual values of all individual contracts are subjected to a quarterly evaluation using the central financial service contractual database on the basis of their going fair value. 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. Other cases in which the going fair value exceeds the residual value of a contract present an economic opportunity. The potential gain on the economic exploitation is also regularly calculated internally.

Refinancing risks

The refinancing risk is limited by resolutely applying the principle of matching maturities and interest rates for customer and refinancing agreements (no risk of a change in interest rates during the term of the contract) when refinancing financial service contracts. The 'Financial Services' segment'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.

Counterparty default risks

Comprehensive computerized creditworthiness checks performed before contracts are concluded as well as revolving inspections during the terms of agreements contribute to keeping defaults on receivables from customers at a very low level. Jungheinrich's counterparty default risk exposure again remained far below the sector average in the year being reviewed, despite the challenging conditions prevailing on the market. Forklift trucks recovered from customers prematurely are handed over to the operational sales units. The return conditions are determined by the 'Financial Services' segment. The professional external marketing of used equipment within the Jungheinrich organization via the pan-European direct sales network and the 'Supralift' web-based platform minimizes risks related to economic exploitation.

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, it mandates the clear separation of trading, settlement, accounting and controlling.

Jungheinrich's financing situation continues to be stable. The company's good creditworthiness and robust positioning were valuable assets in the field of credit financing. Evidence of this was primarily furnished by the new €100 million promissory note bond, which we issued benefiting from the favourable environment on the capital market. This successful transaction further increased Jungheinrich's financial headroom. Jungheinrich has a total of €255 million in credit facilities that have been pledged over the medium term. Early loan extensions served to optimize the refinancing maturity profile. None of the master loan agreements or promissory note arrangements include financial covenants.

As there is still a high level of liquid assets, which the Group can use to meet its payment obligations at all times, there is no liquidity risk exposure. Financial resources and payment flows of domestic and foreign Group companies are optimized across companies and countries as regards interest and currency aspects via a central cash and currency management system for the Jungheinrich Group.

Jungheinrich continues to pursue a conservative investment policy throughout the Group, exclusively spending capital on select asset classes of outstanding creditworthiness. Part of the liquidity has been invested in a special fund which was created in order to limit risks arising from fluctuations in market prices—essentially consisting of changes in interest rates and share prices—with a view to protecting value.

The Jungheinrich 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 credit ratings that are determined and regularly updated by reputable rating agencies—as well as the spreads of credit default insurance policies (credit default swaps) no major risk ensues 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.

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

Due to new measures taken to regulate international financial markets such as the European Market Infrastructure Regulation (EMIR) Jungheinrich is obligated to observe these extensive sets of rules and reporting duties when concluding financial transactions. To comply with the regulations, new processes were implemented in order to fulfill the reporting duties and satisfy the risk requirements.

Legal risks

The Group is exposed to the legal risks customary in its branch of industry, in particular as regards the liability for alleged non-compliance with contractual obligations and for allegedly faulty products. General material contract risks are eliminated by applying groupwide policies whenever possible. In addition, material contracts and other transactions of legal importance are centrally managed and administered by the departments responsible for them, which also provide the legal advice pertaining to them. All Group companies are parties to or involved in legal or out-of-court disputes to a normal extent, the outcomes of which cannot be predicted with certainty. Appropriate provisions have been built to cover potential financial burdens resulting from risks relating to lawsuits. The Group has adequate insurance coverage for claims filed against Group companies on grounds of allegedly faulty products.

General opportunities and opportunities resulting from sectoral developments

The general economic environment and the development of the material handling equipment market affect the Jungheinrich Group's business activity as well as its earnings and financial positions. Therefore, the greatest opportunity for Jungheinrich would present itself if Europe's economy developed much better than currently expected.

Our outlook for 2015 is based on expert assessments of the economic trend and our own assessments of the market. Should the recovery of the world economy—in particular of the European economy—be faster and stronger than anticipated and the development of market volume be more positive as a result, incoming orders, net sales and EBIT could exceed the company's forecast.

Operational business opportunities

The development of Jungheinrich's business may be presented with opportunities arising from a reduction in procurement costs resulting from decreases in commodity and material prices and from the appreciation of main currencies, e.g. the US dollar, over the euro.

Opportunities may also be created by new products. The launch of the new generation of IC engine-powered trucks with hydrodynamic drivetrains presents the company with an opportunity to strengthen its position in this segment of the market. Furthermore, new service offerings in the field of fleet management and the expansion of business activities in the field of integrated holistic solutions for intralogistics may present additional opportunities.

Overall assessment of the risk situation and opportunities by company management

Material and controllable risks have been identified and evaluated based on our risk management system. They are limited to the extent possible by taking appropriate measures. The development of material risks over time is regularly tracked at the Group level.

At present, no risks are discernible which could tangibly or sustainably jeopardize our earnings, financial or asset positions either individually or in combination with other risks or could jeopardize our subsistence. This applies to the reporting period as well as to activities that have been planned or initiated.

All risks—with the exception of cyclical and sectoral risks—are considered to be controllable and manageable.

Forecast report

Jungheinrich's strategy focuses on sustainably profitable and organic growth. We do not envisage changing our business model or strategic orientation. Our financing policy remains conservative especially as regards our liquidity position, enabling us to maintain our flexibility.

Economic and sector outlook

The world economy is likely to post growth similar to last year. Major contributors will probably be China, North America and certain European countries. Experts anticipate an increase in global economic output of 3.2 per cent in 2015 following 3.1 per cent last year. US GDP will probably rise by 3.2 per cent after expanding by 2.5 per cent last year. Growth prognosticated for the Chinese economy is also substantial, albeit less dynamic, amounting to 6.5 per cent (2014: 7.3 per cent).

Economies in the Eurozone are expected to post combined economic growth of 1.1 per cent (2014: 0.8 per cent). Germany will probably see its economic output increase by 1.5 per cent in the year underway, representing an order of magnitude similar to that of 2014. The German Engineering Federation anticipates a 2 per cent increase in production. The development of the economies of France and Italy, Jungheinrich's other two main markets alongside Germany, should be slightly more positive than in 2014. France's gross domestic product is likely to rise by 0.7 per cent in 2015 (2014: 0.4 per cent). Growth of 0.1 per cent has been forecast for the Italian economy, following a negative 0.3 per cent last year. The economy of the United Kingdom—another of Jungheinrich's core markets—is expected to expand by 2.4 per cent, which would be marginally less than in 2014 (2.6 per cent). In Poland, growth should improve slightly, to 3.5 per cent (2014: 3.3 per cent). It is anticipated that Russian economic output will drop considerably, falling by 3.7 per cent (2014: increase of 0.6 per cent).

Growth rates of selected economic regions

Gross domestic product in %

Region	Forecast for 2015
World	3.2
USA	3.2
China	6.5
Eurozone	1.1
Germany	1.5

Source: Commerzbank (as of February 2015).

The world material handling equipment market has been posting tangible growth since the fourth quarter of 2013. Against the backdrop of the global economic growth forecast for 2015—considering the slightly improved development of the Eurozone's economy expected compared to last year—we currently anticipate that the world material handling equipment market will continue to expand and that European market volume will display positive development as well. Demand in Western Europe may well continue to rise, albeit to a lesser degree than last year. Market volume in Eastern Europe should remain stable. However, demand in this region will strongly depend on how the Russian market continues to develop. We expect the Asian market to maintain its growth trend. The North American market should also continue to expand. We do not expect the importance of individual product segments to change significantly.

Future development of the Jungheinrich Group

In light of the positive economic forecasts for nearly all of the world's regions—especially for the Eurozone, which is important to Jungheinrich—and the positive development of market volume expected in consequence, Jungheinrich anticipates that incoming orders in 2015 will range between €2.6 billion and €2.7 billion (2014: €2.54 billion). Consolidated net sales should also amount to between €2.6 billion and €2.7 billion (2014: €2.50 billion). As in the preceding years, our focus will be on organic growth, to which all business fields are expected to contribute, albeit displaying less momentum than last year.

Current estimates have earnings before interest and taxes (EBIT) amounting to between €190 million and €200 million (2014: €193 million). The corresponding EBIT ROS would be at least 7 per cent. We do not expect to see any unusual changes in the cost of materials. We will accelerate the expansion of our sales infrastructure considerably in the year underway. R&D expenditure will also be in the order of €50 million. Income before tax—with financial income being of an order similar to last year—should range between €170 million and €180 million (2014: €175 million) resulting in an expected EBT ROS of at least 6 per cent.

We plan to spend slightly more capital than last year. The main construction projects and capital expenditures, the training centre at the Norderstedt factory, the modernization of production of counterbalanced trucks at the Moosburg plant, the expansion of the Dresden Used Equipment Centre as well as the construction of the corporate headquarters in Hamburg remained key elements of our investing activities, going above and beyond maintenance and replacement investments. Now that the modernization and expansion investments in the plants have largely been completed, capital will increasingly be spent on sales infrastructure. In sum, this will cause the amount of capital spent on tangible assets in 2015 to amount to between €90 million and €100 million.

Since our capital structure remains conservative, our Group's financial position should prove to be extremely robust. We will maintain our high level of liquidity with a view to remaining financially independent and keeping an appropriate degree of financial room for manoeuvre. The €46 million fixed-interest tranche of the 2009 promissory note bond was redeemed as scheduled and a new €100 million promissory note bond was issued in the year being reviewed. We are aiming for a net credit exceeding last year's level by the end of 2014.

As shareholders' equity increases, the return on capital employed (ROCE) should be between 15 per cent and 20 per cent.

We generally pursue a policy of paying steady dividends. The objective is to pay between 25 per cent and 30 per cent of net income to the shareholders.

In 2015, our financial service operations focussed on the continued expansion of business in growth markets. All in all, we expect the number of new trucks and logistic systems sold via financial services to rise substantially.

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 may lead to such deviations include changes in the economic environment, changes within the material handling equipment sector as well as exchange and interest rate fluctuations. Therefore, no responsibility is taken for forward-looking statements made in this Group management report.

General statement concerning the Jungheinrich Group's anticipated development

In the 2015 financial year, we expect the economic environment to be positive overall and the global material handling equipment market to grow. However, we do not expect the world economy to expand much more than last year. We also believe that the growth of the material handling equipment market will lose momentum compared to 2014. Geopolitical factors may result in unanticipated changes to framework conditions. Global developments in the field of intralogistics, such as the trend to modernizing warehouses, the trend towards automated solutions, and customer focus on intralogistics continue to provide our integrated business model with huge opportunities.

We are confident of being positioned well enough to succeed in the future and will continue to work on structural improvements within the Group and press ahead with the refinement of our strategy. We will invest in employees, in tangible assets in line with our strategic positioning, and in our short-term hire fleet. Our integrated business model including the New Truck, Short-Term Hire and Used Equipment and After-Sales Services business fields along with our strong financial service operations form a robust basis for this. The large-scale capital expenditure projects initiated last year will largely be completed in the year underway.

Fortifying our presence on the Asian market, expanding the IC engine business and strategically refining our logistics systems operations are the focal points of our work in 2015. Against this backdrop, we continue to invest heavily in our worldwide sales infrastructure.

We expect to record tangible growth in incoming orders, net sales and earnings. The preconditions for this are that the economy develops in line with our forecast and our sales markets do not display drastic recessionary developments.

Jungheinrich has a robust balance sheet and enough liquidity to implement measures required to position itself strategically over the long term even in the event that the development of the economy and market fails to meet our expectations. Our financial position benefits from an equity ratio of about 30 per cent, or—adjusted to exclude the influence of the 'Financial Services' segment—over 45 per cent, and our persistently high net credit, making it very robust. We will continue to attach substantial importance to this in the future as well. The payout ratio is again intended to be between 25 per cent and 30 per cent of net income. In sum, we anticipate our business to display positive development in 2015.

Consolidated financial statements

Consolidated statement of income

in thousand €	Notes	Jungheinrich Group 2014	Jungheinrich Group 2013	Intralogistics [1, 2] 2014	Intralogistics [1, 2] 2013	Financial Services [2] 2014	Financial Services [2] 2013
Net sales	(3)	**2,497,769**	**2,289,783**	**1,919,152**	**1,743,088**	**578,617**	**546,695**
Cost of sales	(4)	1,720,052	1,586,429	1,165,310	1,056,937	554,742	529,492
Gross profit on sales		**777,717**	**703,354**	**753,842**	**686,151**	**23,875**	**17,203**
Selling expenses		476,034	432,925	467,261	424,940	8,773	7,985
Research and development costs	(12)	43,745	38,149	43,745	38,149	–	–
General administrative expenses		70,106	65,229	70,106	65,229	–	–
Other operating income	(7)	2,912	3,801	2,912	3,799	–	2
Other operating expenses	(8)	1,644	881	1,644	881	–	–
Income (loss) from companies accounted for using the equity method	(16)	3,584	2,398	3,584	2,398	–	–
Earnings before interest and income taxes		**192,684**	**172,369**	**177,582**	**163,149**	**15,102**	**9,220**
Interest income	(9)	1,751	2,186	1,588	2,083	163	103
Interest expenses	(9)	11,348	13,115	10,638	12,189	710	926
Other financial income (loss)	(10)	−7,968	−11,092	−7,965	−11,082	−3	−10
Financial income (loss)		**−17,565**	**−22,021**	**−17,015**	**−21,188**	**−550**	**−833**
Earnings before taxes		**175,119**	**150,348**	**160,567**	**141,961**	**14,552**	**8,387**
Income taxes	(11)	49,342	43,419				
Net income		**125,777**	**106,929**				
Earnings per share in € (diluted/undiluted)	(38)						
Ordinary shares		**3.67**	**3.12**				
Preferred shares		**3.73**	**3.18**				

1 Including the assignment of consolidation between the 'Intralogistics' and 'Financial Services' segments.
2 The breakdown is not mandated by IFRS and was thus not audited.

Consolidated statement of comprehensive income (loss)

in thousand €	2014	2013
Net income	**125,777**	**106,929**
Items which may be reclassified to the consolidated statement of income in the future		
Income (loss) from the measurement of financial instruments with a hedging relationship	–903	2,093
Income (loss) from the measurement of financial instruments available for sale	703	58
Income (loss) from currency translation	–1,288	–6,821
Items which will not be reclassified to the consolidated statement of income		
Income (loss) from the measurement of pensions	–27,337	3,143
Other comprehensive income (loss)	**–28,825**	**–1,527**
Comprehensive income (loss)	**96,952**	**105,402**

The consolidated statement of comprehensive income (loss) is commented on in note 24.

Consolidated balance sheet

Assets

in thousand €	Notes	Jungheinrich Group 12/31/2014	Jungheinrich Group 12/31/2013	Intralogistics [1, 2] 12/31/2014	Intralogistics [1, 2] 12/31/2013	Financial Services [2] 12/31/2014	Financial Services [2] 12/31/2013
Non-current assets							
Intangible assets	(12)	68,198	53,552	68,189	53,540	9	12
Tangible assets	(13)	392,545	364,742	392,528	364,722	17	20
Trucks for short-term hire	(14)	248,218	214,331	248,218	214,331	–	–
Trucks for lease from financial services	(15)	282,292	258,389	(66,407)	(60,453)	348,699	318,842
Investments in companies accounted for using the equity method	(16)	12,095	12,143	12,095	12,143	–	–
Other financial assets	(16)	103	103	103	103	–	–
Trade accounts receivable	(18)	10,434	9,601	10,434	9,601	–	–
Receivables from financial services	(19)	449,025	426,539	–	–	449,025	426,539
Derivative financial assets	(36)	44	212	26	4	18	208
Other receivables and other assets	(20)	7,436	295	7,436	295	–	–
Securities	(21)	45,057	44,993	45,057	44,993	–	–
Prepaid expenses	(23)	6	9	(18,661)	(10,862)	18,667	10,871
Deferred tax assets	(11)	109,192	87,466	100,298	87,275	8,894	191
		1,624,645	**1,472,375**	**799,316**	**715,692**	**825,329**	**756,683**
Current assets							
Inventories	(17)	299,260	271,430	265,221	242,263	34,039	29,167
Trade accounts receivable	(18)	453,913	407,565	397,215	338,644	56,698	68,921
Receivables from financial services	(19)	190,015	178,632	–	–	190,015	178,632
Income tax receivables		7,328	6,244	7,283	6,155	45	89
Derivative financial assets	(36)	3,834	894	3,834	894	–	–
Other receivables and other assets	(20)	30,060	26,070	(22,708)	(27,055)	52,768	53,125
Securities	(21)	120,711	178,604	120,711	178,604	–	–
Liquid assets	(22)	300,803	200,603	273,572	186,344	27,231	14,259
Prepaid expenses	(23)	9,274	8,748	(3,457)	243	12,731	8,505
		1,415,198	**1,278,790**	**1,041,671**	**926,092**	**373,527**	**352,698**
		3,039,843	**2,751,165**	**1,840,987**	**1,641,784**	**1,198,856**	**1,109,381**

1 Including the assignment of consolidation between the 'Intralogistics' and 'Financial Services' segments.
2 The breakdown is not mandated by IFRS and was thus not audited.

Consolidated balance sheet

Liabilities

in thousand €	Notes	Jungheinrich Group 12/31/2014	Jungheinrich Group 12/31/2013	Intralogistics[1,2] 12/31/2014	Intralogistics[1,2] 12/31/2013	Financial Services[2] 12/31/2014	Financial Services[2] 12/31/2013
Shareholders' equity	(24)						
Subscribed capital		102,000	102,000	89,851	89,851	12,149	12,149
Capital reserve		78,385	78,385	78,350	78,350	35	35
Retained earnings		781,432	683,815	742,684	655,622	38,748	28,193
Accumulated other comprehensive income (loss)		(61,537)	(32,712)	(61,416)	(32,723)	(121)	11
		900,280	**831,488**	**849,469**	**791,100**	**50,811**	**40,388**
Non-current liabilities							
Provisions for pensions and similar obligations	(25)	240,662	201,234	240,568	201,163	94	71
Other provisions	(26)	65,404	59,129	64,078	57,919	1,326	1,210
Deferred tax liabilities	(11)	8,721	10,615	6,770	8,690	1,951	1,925
Financial liabilities	(27)	210,200	107,157	210,200	107,157	–	–
Liabilities from financial services	(28)	663,421	616,555	–	–	663,421	616,555
Derivative financial liabilities	(36)	1,984	799	205	22	1,779	777
Deferred income	(31)	67,800	67,616	35,826	33,983	31,974	33,633
		1,258,192	**1,063,105**	**557,647**	**408,934**	**700,545**	**654,171**
Current liabilities							
Income tax liabilities		8,178	6,986	7,144	6,789	1,034	197
Other provisions	(26)	150,963	145,060	149,985	140,847	978	4,213
Financial liabilities	(27)	124,407	163,423	121,653	160,460	2,754	2,963
Liabilities from financial services	(28)	279,251	254,725	–	–	279,251	254,725
Trade accounts payable	(29)	188,052	159,924	86,379	55,775	101,673	104,149
Derivative financial liabilities	(36)	3,334	869	3,323	869	11	–
Other liabilities	(30)	92,897	91,091	47,283	59,950	45,614	31,141
Deferred income	(31)	34,289	34,494	18,104	17,060	16,185	17,434
		881,371	**856,572**	**433,871**	**441,750**	**447,500**	**414,822**
		3,039,843	**2,751,165**	**1,840,987**	**1,641,784**	**1,198,856**	**1,109,381**

1 Including the assignment of consolidation between the 'Intralogistics' and 'Financial Services' segments.
2 The breakdown is not mandated by IFRS and was thus not audited.

Consolidated statement of cash flows

in thousand €	2014	2013
Net income	125,777	106,929
Depreciation and amortization of and write-ups on tangible and intangible assets	53,437	45,639
Depreciation of trucks for short-term hire and lease	136,858	129,245
Changes in provisions	51,606	–11,385
Changes in trucks for short-term hire and trucks for lease (excluding depreciation)	–201,002	–146,191
Income (loss) from the disposal of tangible and financial as well as intangible assets	–231	–354
Income (loss) from/changes deriving from companies accounted for using the equity method and of other financial assets	48	–761
Changes in deferred tax assets and liabilities	–23,620	–2,705
Changes in		
inventories	–27,830	–17,084
trade accounts receivable	–47,181	–11,554
receivables from financial services	–33,869	–21,352
trade accounts payable	28,128	1,821
liabilities from financial services	71,392	31,229
liabilities from financing trucks for short-term hire	14,012	–34,294
other operating assets	–13,837	11,680
other operating liabilities	–23,493	–12,993
Cash flow from operating activities	**110,195**	**67,870**
Payments for investments in tangible and intangible assets	–96,244	–102,768
Proceeds from the disposal of tangible and intangible assets	2,932	1,926
Proceeds from the disposal of financial assets	–	10
Payments for the purchase of securities	–61,039	–164,911
Proceeds from the sale/maturity of securities	119,752	92,066
Cash flow from investing activities	**–34,599**	**–173,677**
Dividends paid	–28,160	–28,160
Changes in short-term liabilities due to banks	3,960	–28,708
Proceeds from obtaining long-term financial loans	104,668	31,202
Repayment of long-term financial loans	–57,317	–67,606
Cash flow from financing activities	**23,151**	**–93,272**
Net cash changes in cash and cash equivalents	**98,747**	**–199,079**
Changes in cash and cash equivalents due to changes in exchange rates	–796	–1,341
Changes in cash and cash equivalents	**97,951**	**–200,420**
Cash and cash equivalents on 01/01	**195,682**	**396,102**
Cash and cash equivalents on 12/31	**293,633**	**195,682**

Income and expenses in cash flows from operating activities

in thousand €	2014	2013
Interest paid	41,160	45,541
Interest received	45,814	45,005
Dividends received	3,632	1,737
Income taxes	57,916	61,473

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

Consolidated statement of changes in shareholders' equity

in thousand €	Subscribed capital	Capital reserve	Retained earnings	Accumulated other comprehensive (loss)				Total
						Measurement of financial instruments		
				Currency translation	Remeasurement of pensions	available for sale	with a hedging relationship	
As of 01/01/2014	102,000	78,385	683,815	20,784	−52,936	58	−618	831,488
Dividend for the prior year	–	–	−28,160	–	–	–	–	−28,160
Comprehensive income (loss)	–	–	125,777	−1,288	−27,337	703	−903	96,952
As of 12/31/2014	**102,000**	**78,385**	**781,432**	**19,496**	**−80,273**	**761**	**−1,521**	**900,280**
As of 01/01/2013	102,000	78,385	605,046	27,605	−56,079	–	−2,711	754,246
Dividend for the prior year	–	–	−28,160	–	–	–	–	−28,160
Comprehensive income (loss)	–	–	106,929	−6,821	3,143	58	2,093	105,402
As of 12/31/2013	**102,000**	**78,385**	**683,815**	**20,784**	**−52,936**	**58**	**−618**	**831,488**

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

Notes to the consolidated financial statements

General information

(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 reconditioning and 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 consists of the plants in Norderstedt, Moosburg, Degernpoint, Landsberg and Lüneburg (all of which are located in Germany). Production for the Asian market takes place in the plant in Qingpu/Shanghai (China). Hand pallet trucks are still sourced from third parties in China.

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

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

In addition, Jungheinrich products are also distributed via local dealers—especially overseas.

(2) Accounting principles

Basis

Jungheinrich AG prepared consolidated financial statements for the financial year ending on December 31, 2014 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, 2014 were approved for publication by the Board of Management on March 5, 2015.

Consolidation

Subsidiaries including structured entities over which Jungheinrich AG, Hamburg, can exercise direct or indirect control are included in the consolidated financial statements. Control can be exercised if the parent company has control over the subsidiary on the basis of voting rights or other rights, participates in the variable returns and can use its control to influence these returns. Structured entities which are controlled are also included in the scope of consolidation. Structured entities are companies in which the voting rights or comparable rights are not definitive for the determination of control. For example, this is the case if the voting rights only pertain to the administrative responsibilities and the material activities are regulated by way of contractual agreements.

Joint ventures are reported using the equity method. A joint venture is a joint arrangement, according to which Jungheinrich exercises control together with a partner company and has rights in the net assets of the investment together with this partner.

Subsidiaries and joint ventures, which are of subordinated importance to the Group and the presentation of the actual asset, financial and earnings position due to dormancy or minimal business activity, are carried at their acquisition cost since they do not have a quoted market price and their fair value cannot be determined reliably.

Subsidiary companies are included in the scope of consolidation starting from the point in time at which Jungheinrich AG obtains control over the company until the point in time at which control by Jungheinrich AG ends.

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 an 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. 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. 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. If the realizable amount is lower than the carrying amount of a company accounted for using the equity method, an impairment loss in the amount of the difference is recognized. Write-ups in subsequent reporting periods are recognized with an effect on profit or loss.

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

Key exchange rates for the Jungheinrich Group

Currency	Basis 1 €	Exchange rate at the balance sheet date 12/31/2014	Exchange rate at the balance sheet date 12/31/2013	Annual average exchange rate 2014	Annual average exchange rate 2013
BRL		3.22070	3.25760	3.12277	2.86870
CHF		1.20240	1.22760	1.21463	1.23110
CNY		7.53580	8.34910	8.18825	8.16460
CZK		27.73500	27.42700	27.53580	25.98000
DKK		7.44530	7.45930	7.45492	7.45790
GBP		0.77890	0.83370	0.80643	0.84926
HUF		315.54000	297.04000	308.70400	296.87000
INR		76.71900	85.36600	81.06890	77.93000
NOK		9.04200	8.36300	8.35511	7.80670
PLN		4.27320	4.15430	4.18447	4.19750
RUB		72.33700	45.32460	51.01130	42.33700
SEK		9.39300	8.85910	9.09689	8.65150
SGD		1.60580	1.74140	1.68300	1.66190
THB		39.91000	45.17800	43.16270	40.83000
TRY		2.83200	2.96050	2.90700	2.53350
UAH		19.16570	11.34772	15.88150	10.83300
USD		1.21410	1.37910	1.32884	1.32810

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 until the disposal of the subsidiary. The respective cumulative translation differences are reversed with an effect on profit or loss when Group companies are deconsolidated.

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.

If the result of long-term construction contracts can be estimated reliably, revenue and costs associated with these production orders are recognized under net sales and the cost of sales in accordance with their degree of completion (referred to as the 'percentage of completion' method). Revenue realized corresponds to the sum of the costs incurred for the contracts and the prorated profit achieved due to the percentage of completion.
If the result of a construction contract cannot be determined reliably, contract revenue is only recognized to match the contract-related costs incurred that are probably profitable. Contract-related costs are recognized as an expense in the period in which they are incurred.

When classifying contracts from financial service transactions as an 'operating lease,' revenue is recognized in the amount of the lease instalments over the terms of the contracts using the straight-line method. For contracts classified as a 'finance lease,' revenue is recognized in the amount of the sales value of the leased item at the beginning of the contract, and interest income is realized over the terms of the contracts using the effective interest method. 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 sales value, the proceeds from the sale are deferred and recognized 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 costs and uncapitalizable development expenses 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 2014 and 2013 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 useful lives of customer relationships obtained as a result of a business combination and purchased technological know-how are 15 years each. Usage rights in land acquired in China and Singapore are limited to 50 and 36 years, respectively.

Development expenses 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 expenses comprise all costs directly allocable to the development process, including development-related overheads. From the beginning of production onwards, capitalized development expenses 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.

Useful lives for tangible assets

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. Short-term hire equipment is measured at historical acquisition or manufacturing costs, less accumulated depreciation. Depending on the product group, they are depreciated at 30 or 20 per cent in each of 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 future lease instalments as receivables from financial services in the amount of their net investment value. Interest income realized in instalments over the term to maturity ensures 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 in each of 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 lease instalments 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. This refinancing firm buys all lease instalments from intragroup usage transfer agreements that fall due in the future and refinances 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. The 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 lease instalments. 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 lease instalments paid by Jungheinrich are recorded as an expense over the contractual period using the straight-line method.

Financial instruments

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

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

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

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, other receivables and financial assets, other payables and financial liabilities, receivables and liabilities from financial services as well as financial liabilities.

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. Differences between the original amount and the amount repayable at maturity are distributed over their terms and recognized in financial income (loss). If there are material objective indications of an impairment, the impairment expenses calculated are recognized in financial income (loss).

Securities classified as 'financial assets available for sale' at initial recognition are measured at fair value. The fair value corresponds to the market prices quoted on active markets. Unrealized gains and losses on changes in fair value are recognized in shareholders' equity (accumulated other comprehensive income [loss]) without an effect on net income until the securities are removed from the books. The accumulated gains and losses generated by shareholders' equity previously recognized in other comprehensive income (loss) are transferred to the statement of income at the time of sale of the securities. If the decline in the fair value is significant or lasts for an extended period of time, the impairment of the underlying asset is recognized with an effect on net income even if the security has not been taken off the books. Write-ups of debt instruments in subsequent reporting periods are recognized with an effect on earnings.

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 uncollectable or likely to be uncollectable, 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, where by 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 lease instalments. Please turn to the notes on 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 at equity are measured using the equity method.

Securities

Financial investments classified as securities include all 'held-to-maturity financial investments.' Since 2013, this item has also included securities in the special fund, all of which are classified as 'available for sale' at their time of purchase. 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 mainly 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, gains and losses on changes in the fair value of the derivative are taken into account in the result or—without affecting net income—in 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 recognized 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 recognized in the financial result.

Derivative financial instruments that are not designated as hedges are classified as 'financial assets and liabilities at fair value through profit or loss.' 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 are 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 as well as differences resulting from the remeasurement of defined benefit pension obligations and from the measurement of financial instruments. Changes in the year under review are presented 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. Remeasurements relating to actuarial gains and losses and the return on plan assets at Jungheinrich (excluding amounts included in the net interest on the net defined benefit liability) are recognized in other comprehensive income (loss) as soon as they occur and are thus disclosed directly on the balance sheet. Remeasurements recognized in other comprehensive income (loss) are a component of accumulated other comprehensive income (loss) and are not transferred to the statement of income in subsequent periods. The cost component 'service cost' is recognized in the personnel costs of the corresponding functional areas with an effect on earnings. Net interest on the net defined benefit liability from defined benefit pension plans is recognized in financial income (loss) with an effect on earnings. 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.

The defined benefit obligation stated on the consolidated balance sheet represents the current funding gap of the Jungheinrich Group's defined benefit pension plans.

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. 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 level and recognition of assets and liabilities stated on the balance sheet at the balance sheet date and 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.

The amounts which actually materialize may 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. Underlying assumptions and estimates were not exposed to any material risks when the consolidated financial statements were prepared.

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. Further information can be found in note 26.

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.

Published IFRSs adopted by the EU and applied for the first time in the 2014 financial year

The new standard 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." IFRS 10 also replaces SIC-12 "Consolidation – Special Purpose Entities." The new version of IAS 27 "Separate Financial Statements" now only includes the former rules for separate financial statements. The first-time application of the control and consolidation principles set forth in IFRS 10 did not result in any changes to Jungheinrich's scope of consolidation. Companies previously consolidated in accordance with IAS 27 and SIC-12 remain fully consolidated.

The new standard IFRS 11 "Joint Arrangements" contains rules for accounting for joint ventures and joint operations, if at least two companies exercise joint control. The equity method is the mandatory accounting treatment for joint ventures, abolishing the former discretionary right to make use of proportionate consolidation. However, proportionate consolidation must be applied when accounting for joint operations. The new standard replaces IAS 31 "Interests in Joint Ventures." The former IAS 28 "Investments in Associates" was adapted. The new version of IAS 28 contains rules for the accounting treatment of investments in associates and the application of the equity method to investments in associates and joint ventures. Jungheinrich examined the classification of the Group's involvement in joint arrangements and re-evaluated it in accordance with the rules set forth in IFRS 11. Joint ventures previously accounted for using the equity method were classified as joint ventures and continue to be accounted for using the equity method from fiscal 2014 onwards.

IFRS 12 "Disclosure of Interests in Other Entities" combines the required 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. Jungheinrich has added these expanded disclosures in the notes, insofar as such were material in relation to the Jungheinrich Group.

As a rule, the new and revised consolidation standards must be applied retrospectively.

The remaining standards which became mandatory in the EU for the first time as of January 1, 2014 did not have a material effect on the consolidated financial statements.

Published IFRSs not yet adopted by the EU and not yet applied

In May 2014, the IASB published the new standard IFRS 15 "Revenue from Contracts with Customers." This replaces the regulations governing the recognition of revenue contained in the previous IAS 18 "Revenue" and IAS 11 "Construction Contracts." IFRS 15 stipulates to what amount and at what point in time revenue is to be recognized and expands the disclosure requirements. The new standard introduces a single, five-step model for realizing revenue from customer contracts. Initially, the customer contract and the separate performance obligations contained therein must be identified. Subsequently, the transaction price of the customer contract must be determined and allocated to the individual performance obligations. As soon as the agreed performance is rendered, revenue in the amount of the pro-rata transaction price is to be recognized for each performance obligation. If adopted by the EU, IFRS 15 becomes effective for the first time for fiscal years beginning on or after January 1, 2017. We are still examining the effects that the application of IFRS 15 will have on the consolidated financial statements.

The IASB completed its project for the replacement of IAS 39 "Financial Instruments: Recognition and Measurement" in July 2014 with publication of the final version of IFRS 9 "Financial Instruments." The new standard regulates the accounting treatment of financial assets and financial liabilities with respect to their classification, recognition and measurement, including the recognition of impairment. Above and beyond this, IFRS 9 contains rules for the treatment of hedge accounting. The regulations on the classification and measurement of financial assets were thoroughly revised, whereas the regulations on the accounting treatment of financial liabilities were taken from IFRS 9 without almost any changes. Furthermore, the recognition of impairments on financial assets was fundamentally changed, as expected loss impairments must now be recognized, in addition to actual losses. Furthermore, the treatment of hedge accounting was changed, with the goal of aligning hedge accounting more strongly with the economic risk management activities of the company. The regulations issued in IFRS 9 take new approaches to and facilitate designation options, effectiveness checks and the termination of hedging relationships. If adopted by the EU, IFRS 9 becomes effective for the first time for fiscal years beginning on or after January 1, 2018. We are still examining the effects that the application of IFRS 9 will have on the consolidated financial statements. However, the first-time application of the standard is not expected to have a material effect on the consolidated financial statements.

The other amended standards published but not adopted by the EU are not expected to have a material impact on the Jungheinrich Group's asset, financial and earnings position. Jungheinrich does not currently plan to apply these standards, which have been endorsed by the EU, until they become mandatory in later financial years.

Basis of consolidation

Besides the parent company, Jungheinrich AG, Hamburg, the consolidated financial statements include 52 (prior year: 51) foreign and 15 (prior year: 15) domestic companies. The basis of consolidation includes 65 (prior year: 64) fully consolidated subsidiaries, including one structured entity, which are directly or indirectly controlled by Jungheinrich AG. Two (prior year: 2) joint ventures have been stated on the balance sheet through application of the equity method.

Universal-FORMICA-Fonds, Frankfurt/Main, in which Jungheinrich holds 100 per cent of the shares, is included in the scope of consolidation as a structured entity. On the basis of contractual agreements, Jungheinrich is able to steer the activities of the special fund and thus influence the amount of return. The purpose of investments in funds is to take advantage of opportunities to earn returns on the capital market while limiting risk. The special fund is managed to maintain value in order to limit risks.

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

Changes in the basis of consolidation

During the third quarter of 2014, the sales company Jungheinrich Lift Truck Malaysia Sdn. Bhd., Shah Alam/Kuala Lumpur (Malaysia), was founded, with the goal of expanding direct sales in Asia. The first-time consolidation of this company did not result in a differential amount.

Notes to the consolidated statement of income

(3) Net sales

Composition of net sales

in thousand €	2014	2013
New truck business	1,374,754	1,212,703
Short-term hire and used equipment	429,353	397,018
After-sales services	736,998	704,803
Intralogistics	**2,541,105**	**2,314,524**
Financial services	**578,617**	**546,695**
Segments total	**3,119,722**	**2,861,219**
Reconciliation	**−621,953**	**−571,436**
Jungheinrich Group	**2,497,769**	**2,289,783**

Net sales generated by the 'Intralogistics' segment include €46,152 thousand in contract revenue calculated using the 'percentage of completion' method (prior year: €20,993 thousand).

Net sales generated by the 'Financial Services' segment include €44,067 thousand in interest income from 'finance lease' customer contracts (prior year: €42,819 thousand).

The intragroup net sales achieved in 2013 which must be eliminated include €9,635 thousand in truck sales by the 'Intralogistics' segment to the 'Financial Services' segment relating to truck fleets, the capacities of which are made available to key accounts for extended periods of time so that they can use them flexibly. As scheduled, these truck fleets were refinanced with matching maturities and interest rates by the 'Financial Services' segment.

(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 €1,242,749 thousand (prior year: €1,087,435 thousand).

The cost of materials includes €8,617 thousand in currency losses (prior year: €941 thousand) primarily stemming from purchases by non-German sales companies in Group currency and the associated currency hedges.

The cost of sales includes €28,481 thousand (prior year: €30,791 thousand) in interest expenses associated with the matching-term refinancing of long-term customer contracts in the 'Financial Services' segment.

(5) Personnel expenses

Personnel expenses in the consolidated statement of income

in thousand €	2014	2013
Salaries	614,551	569,826
Social security contributions	127,313	119,368
Cost of pensions and other benefits		
Defined benefit plans	6,940	14,354
Defined contribution plans	3,901	3,017
Other costs for pensions and other benefits	439	479
	753,144	**707,044**

During the reporting year, costs of pensions for defined benefit plans include income of €6,668 thousand from the pension plan adjustment in the Netherlands.

Average number of employees during the year

	2014	2013
Hourly-paid employees	5,811	5,552
Salaried employees	6,073	5,681
Trainees and apprentices	351	311
	12,235	**11,544**

Besides personnel expenses, functional costs include the cost of temporary workers amounting to €24,834 thousand (prior year: €16,874 thousand).

(6) Depreciation, amortization, impairment losses and write-ups

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

(7) Other operating income

Other operating income of the year being reviewed includes €1,350 thousand (prior year: €981 thousand) in income from the disposal of tangible and intangible assets as well as €768 thousand (prior year: €768 thousand) in reversals of deferred government grants.

(8) Other operating expenses

Other operating expenses in the reporting year include €1,120 thousand (prior year: €627 thousand) in losses from the disposal of tangible and intangible assets.

(9) Net interest

Composition of net interest

in thousand €	2014	2013
Interest and similar income on securities	978	735
Other interest and similar income	773	1,451
Interest income	**1,751**	**2,186**
Interest expenses	**11,348**	**13,115**
Net interest	**−9,597**	**−10,929**

The net interest of −€15 thousand (prior year: −€371 thousand) in 2014 is allocable to the 'Financial Services' segment.

(10) Other financial income (loss)

Composition of financial income (loss)

in thousand €	2014	2013
Income (loss) from derivatives	848	−2,428
Net interest on defined benefit pension plans	−7,086	−6,893
Sundry financial income (loss)	−1,730	−1,771
Other financial income (loss)	**−7,968**	**−11,092**

Income (loss) from derivatives includes all income (loss) from derivative financial instruments that do not relate to supplies and services and were not designated as hedges on the balance sheet date. These primarily include derivative financial instruments used to hedge foreign exchange rates when concluding intragroup financial transactions as well as derivatives in the special fund. Income (loss) from derivatives also include currency translation differences pertaining to intragroup financing. Income (loss) from derivatives in connection with supplies and services is stated as part of the cost of sales.

Income (loss) from derivatives in 2013 includes €2,041 thousand in expenses associated with the early redemption of an interest hedge for the variable interest-bearing tranche of the promissory note bond. This portion of the promissory note bond was redeemed early in the third quarter of 2013.

Sundry financial income (loss) includes €1,026 thousand (prior year: €1,066 thousand) in interest accretions to non-current provisions for personnel.

'Other financial income' of −€3 thousand (prior year: −€10 thousand) in 2014 is allocable to the 'Financial Services' segment.

(11) Income taxes

Composition of tax expenses

in thousand €	2014	2013
Current taxes		
Germany	26,605	24,253
Other countries	30,762	27,931
Deferred taxes		
Germany	2,437	−1,715
Other countries	−10,462	−7,050
Tax expenses	**49,342**	**43,419**

The current tax expense in Germany increased slightly compared to the previous year. It includes an expense associated with the preceding year's taxes in the amount of €2.4 million (prior year: €3.8 million). Furthermore, in 2014, there was €2.4 million in deferred tax expense in Germany (prior year: tax income of €1.7 million).

In line with the positive development of earnings, the current tax expense incurred abroad was also higher compared to 2013. The rise in deferred tax income compared to 2013 was primarily caused by changes in the assumptions regarding the recoverability of deferred tax receivables and by deferred tax income in connection with consolidations.

The domestic corporate income tax rate for fiscal 2014 was 30.0 per cent (prior year: 30.0 per cent). As before, it is made up of the corporate income tax burden of 15.0 per cent plus the solidarity surcharge of 5.5 per cent of the corporate income tax burden and a trade tax rate of 14.2 per cent.

The applied local income tax rates for foreign companies varied between 12.5 per cent (prior year: 12.5 per cent) and 38.0 per cent (prior year: 36.1 per cent).

As of December 31, 2014, the Group had about €37 million in corporate tax loss carryforwards (prior year: €33 million). These were not subject to any restrictions on carryforward and pertained primarily to France. The rise in loss carryforwards in 2014 was related to a correction for previous years which was carried out in France. €0.9 million (prior year: €1.1 million) in valuation allowances were recognized for deferred tax assets for these loss carryforwards.

When stating deferred tax assets on the balance sheet, one must assess the extent to which future effective tax relief might result from existing tax loss carryforwards and the differences in accounting and valuation. In this context, all positive and negative influential factors have been taken into account. Compared to the preceding year, our assessment has changed, leading to €6.0 million in deferred tax income (prior year: €0.3 million), which was primarily related to the United Kingdom. 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.

Composition of deferred tax assets and liabilities prior to offsetting

in thousand €	12/31/2014	12/31/2013
Tangible and intangible assets	148,662	136,356
Inventories	11,864	17,288
Receivables and other assets	53,892	41,952
Tax loss carryforwards	12,650	11,080
Provisions for pensions	36,513	22,801
Other provisions	19,255	15,307
Liabilities	152,751	154,271
Deferred income	12,590	10,597
Other	9,219	6,320
Valuation allowances	–5,583	–11,639
Deferred tax assets	**451,813**	**404,333**
Tangible and intangible assets	56,170	50,519
Inventories	6,191	9,425
Receivables	249,183	234,407
Provisions for pensions	2,923	494
Other provisions	3,748	387
Liabilities	28,188	28,226
Other	4,939	4,024
Deferred tax liabilities	**351,342**	**327,482**
Net deferred taxes	**100,471**	**76,851**

Deferred tax assets and liabilities after offsetting

in thousand €	12/31/2014	12/31/2013
Deferred tax assets	109,192	87,466
Deferred tax liabilities	8,721	10,615
Net deferred taxes	**100,471**	**76,851**
thereof: netting against shareholders' equity	31,092	15,369

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

Reconciliation from the expected to the disclosed tax expense

in thousand €	2014	2013
Expected tax expense	52,536	45,104
Change in the tax rate	–333	1,478
Foreign tax differentials	–2,492	–5,926
Change in valuation allowances	–6,031	–324
Changes in taxes from the previous year	4,794	2,131
Non-deductible operating expenses and tax-free gains	250	838
Other	618	118
Actual tax expense	**49,342**	**43,419**

In 2014, the Group's tax quota was 28.2 per cent (prior year: 28.9 per cent).

(12) Intangible assets

Development of intangible assets during the reporting year

in thousand €	Acquired intangible assets	Internally generated intangible assets	Goodwill	**Total**
Acquisition and manufacturing costs Balance on 01/01/2014	49,958	77,015	4,999	131,972
Changes in currency exchange rates	499	–	–	499
Additions	12,136	12,281	–	24,417
Disposals	1,230	414	–	1,644
Balance on 12/31/2014	**61,363**	**88,882**	**4,999**	**155,244**
Amortization and impairment losses Balance on 01/01/2014	27,389	48,016	3,015	78,420
Changes in currency exchange rates	63	–	–	63
Amortization in the fiscal year	4,401	5,790	–	10,191
Accumulated amortization on disposals	1,214	414	–	1,628
Balance on 12/31/2014	**30,639**	**53,392**	**3,015**	**87,046**
Carrying amount on 12/31/2014	**30,724**	**35,490**	**1,984**	**68,198**

Development of intangible assets during the prior year

in thousand €	Acquired intangible assets	Internally generated intangible assets	Goodwill	**Total**
Acquisition and manufacturing costs Balance on 01/01/2013	32,579	74,503	4,897	111,979
Changes in currency exchange rates	−278	–	–	−278
Changes in the scope of consolidation	10,874	–	102	10,976
Additions	6,438	12,147	–	18,585
Disposals	911	9,635	–	10,546
Transfers	1,256	–	–	1,256
Balance on 12/31/2013	**49,958**	**77,015**	**4,999**	**131,972**
Amortization and impairment losses Balance on 01/01/2013	24,680	52,290	3,015	79,985
Changes in currency exchange rates	−182	–	–	−182
Changes in the scope of consolidation	127	–	–	127
Amortization in the fiscal year	3,671	5,361	–	9,032
Accumulated amortization on disposals	907	9,635	–	10,542
Balance on 12/31/2013	**27,389**	**48,016**	**3,015**	**78,420**
Carrying amount on 12/31/2013	**22,569**	**28,999**	**1,984**	**53,552**

Additions during the reporting year to the item ‘acquired intangible assets’ in the amount of €12,136 thousand (prior year: €6,438 thousand) contain the acquisition of a right of use to land in Singapore which is limited to 36 years in the amount of €8,468 thousand. Other additions to this item mainly related to software and software licences. Additions resulting from changes in the scope of consolidation concerning acquired intangible assets in 2013 primarily related to technological know-how.

Internally generated intangible assets include the Jungheinrich Group's capitalized development expenditures. €12,281 thousand in development expenditures (prior year: €12,147 thousand) met the capitalization criteria under IFRS.

Research and development costs in the consolidated statement of income

in thousand €	2014	2013
Research costs and uncapitalized development expenditures	37,955	32,788
Amortization of capitalized development expenditures	5,790	5,361
	43,745	**38,149**

The impairment test performed on the residual carrying amounts of capitalized development expenditures is broken down by product line on the basis of estimated discounted future cash flows. The impairment test conducted in 2014 did not result in an impairment expense.

Of the residual carrying amounts of goodwill on December 31, 2014, €1,771 thousand, €111 thousand and €102 thousand are allocable to the sales company in Vienna (Austria), the sales company in Warsaw (Poland) and Jungheinrich Systemlösungen GmbH in Graz (Austria), respectively.

The discount rate applied to the impairment tests performed on goodwill on the balance sheet date was 6.2 per cent (prior year: 6.3 per cent). The test did not result in impairment losses.

(13) Tangible assets

Development of tangible assets during the reporting year

in thousand €	Land, land rights and buildings including buildings on third-party land	Technical equipment and machinery	Factory and office equipment	Construction in progress	**Total**
Acquisition and manufacturing costs Balance on 01/01/2014	351,129	131,388	212,168	7,432	702,117
Changes in currency exchange rates	2,004	44	–1,290	40	798
Additions	9,644	6,980	24,445	30,758	71,827
Disposals	3,765	1,669	13,264	–	18,698
Transfers	195	1,864	2,077	–4,136	–
Balance on 12/31/2014	**359,207**	**138,607**	**224,136**	**34,094**	**756,044**
Depreciation Balance on 01/01/2014	111,843	87,722	137,810	–	337,375
Changes in currency exchange rates	210	4	–1,321	–	–1,107
Depreciation in the fiscal year	11,729	10,440	21,077	–	43,246
Accumulated depreciation on disposals	2,054	1,571	12,390	–	16,015
Transfers	–51	–	51	–	–
Balance on 12/31/2014	**121,677**	**96,595**	**145,227**	**–**	**363,499**
Carrying amount on 12/31/2014	**237,530**	**42,012**	**78,909**	**34,094**	**392,545**

Development of tangible assets during the prior year

in thousand €	Land, land rights and buildings including buildings on third-party land	Technical equipment and machinery	Factory and office equipment	Construction in progress	**Total**
Acquisition and manufacturing costs Balance on 01/01/2013	279,395	118,897	202,275	47,172	647,739
Changes in currency exchange rates	–1,633	–345	–1,703	37	–3,644
Changes in the scope of consolidation	–	93	312	–	405
Additions	38,405	13,877	25,409	6,492	84,183
Disposals	777	4,899	19,634	–	25,310
Transfers	35,739	3,765	5,509	–46,269	–1,256
Balance on 12/31/2013	**351,129**	**131,388**	**212,168**	**7,432**	**702,117**
Depreciation Balance on 01/01/2013	102,067	83,614	140,220	–	325,901
Changes in currency exchange rates	–488	–170	–1,083	–	–1,741
Changes in the scope of consolidation	–	92	259	–	351
Depreciation in the fiscal year	10,383	9,518	17,348	–	37,249
Write-ups in the fiscal year	–	642	–	–	642
Accumulated depreciation on disposals	440	4,779	18,524	–	23,743
Transfers	321	89	–410	–	–
Balance on 12/31/2013	**111,843**	**87,722**	**137,810**	**–**	**337,375**
Carrying amount on 12/31/2013	**239,286**	**43,666**	**74,358**	**7,432**	**364,742**

Additions to the item 'construction in progress' amounted to €30,758 thousand (prior year: €6,492 thousand), mainly in relation to new construction of the corporate headquarters in Hamburg (Germany).

Additions and transfers in 2013 mainly related to the strategic large-scale capital expenditure projects designed to increase capacity: the warehousing and system equipment plant in Degernpoint (Germany), the factory in Qingpu (China) and the spare parts centre in Kaltenkirchen (Germany).

Tangible assets included €13,545 thousand (prior year: €14,126 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 property in the year under review totalled €527 thousand (prior year: €761 thousand).

On the balance sheet date, land and buildings were put up as mortgage to back €40,179 thousand (prior year: €45,436 thousand) in liabilities due to banks.

(14) Trucks for short-term hire

Development of trucks for short-term hire

in thousand €	2014	2013
Acquisition and manufacturing costs Balance on 01/01	397,232	393,761
Changes in currency exchange rates	–11,311	–14,161
Additions	144,298	101,888
Disposals	80,601	74,030
Transfers	–	–10,226
Balance on 12/31	**449,618**	**397,232**
Depreciation Balance on 01/01	182,901	171,046
Changes in currency exchange rates	–4,283	–6,387
Depreciation in the fiscal year	68,673	65,080
Accumulated depreciation on disposals	45,891	45,041
Transfers	–	–1,797
Balance on 12/31	**201,400**	**182,901**
Carrying amount on 12/31	**248,218**	**214,331**

Trucks for short-term hire, the capacities of which are made available to key accounts for extended periods of time so that they can make flexible use of them, are refinanced by the 'Financial Services' segment with matching maturities and interest rates. In 2013, these trucks were reclassified to trucks for lease from financial services at their carrying value of €8,429 thousand.

The fleet of trucks for short-term hire includes leased trucks for short-term hire with an aggregate value of €6,140 thousand (prior year: €5,614 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 €1,760 thousand (prior year: €1,823 thousand).

Trucks for short-term hire with a total carrying amount of €65,260 thousand (prior year: €52,988 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

Development of trucks for lease from financial services

in thousand €	2014	2013
Acquisition and manufacturing costs Balance on 01/01	405,896	387,220
Changes in currency exchange rates	1,196	–4,901
Additions	127,959	108,804
Disposals	95,553	95,453
Transfers	–	10,226
Balance on 12/31	**439,498**	**405,896**
Depreciation Balance on 01/01	147,507	143,246
Changes in currency exchange rates	522	–1,760
Depreciation in the fiscal year	68,185	64,165
Accumulated depreciation on disposals	59,008	59,941
Transfers	–	1,797
Balance on 12/31	**157,206**	**147,507**
Carrying amount on 12/31	**282,292**	**258,389**

Transfers have been commented on in note 14.

Composition of trucks for lease from financial services

in thousand €	12/31/2014	12/31/2013
'Operating lease' contracts with customers	243,089	215,513
Contracts concluded with a leasing company acting as an intermediary	39,203	42,876
	282,292	**258,389**

Within the framework of financial services offered by Jungheinrich Group companies acting as lessors, trucks for which a lease classified as an 'operating lease' in accordance with IFRS has been concluded with the ultimate customer are capitalized as trucks for lease.

Trucks for lease with a carrying amount of €171,471 thousand (prior year: €150,244 thousand) are financed based on sale and leaseback agreements.

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

The 'operating leases' existing on the balance sheet date include €38,521 thousand (prior year: €32,020 thousand) in truck fleets, which are made available to key accounts so that they can make flexible use of them.

In relation to the remaining non-cancellable 'operating leases' valid as of the balance sheet date, the future leasing instalments to be paid to Jungheinrich are presented in the following table, broken down by maturity.

Maturities of the minimum leasing instalment from remaining 'operating leases'

in thousand €	12/31/2014	12/31/2013
Due within less than one year	72,831	66,692
Due in one to five years	127,090	112,727
Due in more than five years	958	796
	200,879	**180,215**

Trucks for lease with a carrying amount of €37,813 thousand (prior year: €36,325 thousand) are financed based on sale and leaseback agreements. Future minimum lease payments from sublease arrangements total €27,548 thousand (prior year: €26,880 thousand).

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

Development of investments in companies accounted for using the equity method/ Other financial assets during the reporting period

in thousand €	Investments in companies accounted for using the equity method	Other financial assets		
		Investments in affiliated companies	Other loans	Total
Acquisition costs As of 01/01/2014	12,143	75	52	127
Additions	–	–	–	–
Disposals	48	–	–	–
As of 12/31/2014	**12,095**	**75**	**52**	**127**
Impairment losses As of 01/01/2014	–	–	24	24
Impairment losses in the fiscal year	–	–	–	–
As of 12/31/2014	**–**	**–**	**24**	**24**
Carrying amount on 12/31/2014	**12,095**	**75**	**28**	**103**

The impairment test performed on investments in companies accounted for using the equity method as of the balance sheet date in 2014 did not result in any impairment losses.

Development of investments in companies accounted for using the equity method/ Other financial assets during the previous year

in thousand €	Investments in companies accounted for using the equity method	Other financial assets		
		Investments in affiliated companies	Other loans	Total
Acquisition costs As of 01/01/2013	13,709	75	52	127
Additions	764	–	–	–
Disposals	2,330	–	–	–
As of 12/31/2013	**12,143**	**75**	**52**	**127**
Impairment losses As of 01/01/2013	–	–	21	21
Impairment losses in the fiscal year	–	–	3	3
As of 12/31/2013	**–**	**–**	**24**	**24**
Carrying amount on 12/31/2013	**12,143**	**75**	**28**	**103**

In 2013, €2,320 thousand in disposals in the 'investments in companies accounted for using the equity method' item related to the carrying amount of the 25 per cent stake formerly held in Jungheinrich Systemlösungen GmbH, Graz (Austria). The company has been included in the consolidated financial statements as a fully consolidated company since January 1, 2013.

Summarized financial information on companies accounted for using the equity method

in thousand €	2014	2013
Assets	44,935	45,964
Liabilities	18,696	20,516
Net sales	106,442	101,074
Net income	7,169	4,795

The financial investments stated in the 'investments in companies accounted for using the equity method' item related exclusively to two joint ventures, in which the Jungheinrich Group holds 50 per cent each.

(17) Inventories

Composition of inventories

in thousand €	12/31/2014	12/31/2013
Raw materials and supplies	64,186	55,243
Work in process	16,254	21,535
Finished goods	94,860	81,321
Merchandise	77,548	66,136
Spare parts	40,339	40,391
Advance payments	6,073	6,804
	299,260	**271,430**

€26,454 thousand (prior year: €28,914 thousand) of the inventories are measured at their net realizable value. Write-downs recognized for inventories as of the balance sheet date amounted to €38,040 thousand (prior year: €35,923 thousand).

(18) Trade accounts receivable

Composition of trade accounts receivable

in thousand €	12/31/2014	12/31/2013
Trade accounts receivable (excluding receivables from construction contracts)	462,583	429,688
Receivables from construction contracts	17,573	2,250
Valuation allowances	–15,809	–14,772
	464,347	**417,166**

Trade accounts receivable include notes receivable in the amount of €5,594 thousand (prior year: €4,020 thousand). €259 thousand in notes receivable presented for a discount (prior year: €374 thousand) were not derecognized from the accounts because Jungheinrich was exposed to the risk of default on the balance sheet date. The related notes payable are recognized as financial liabilities.

Development of valuation allowances on trade accounts receivable

in thousand €	2014	2013
Valuation allowances on 01/01	14,772	14,808
Changes in currency exchange rates	25	–173
Changes in the scope of consolidation	–	26
Utilizations	2,204	2,902
Releases	573	1,327
Additions	3,789	4,340
Valuation allowances on 31/12	**15,809**	**14,772**

Overdue trade accounts receivable without valuation allowances

in thousand €	12/31/2014	12/31/2013
Less than 30 days overdue	54,892	51,183
Between 30 and 60 days overdue	15,861	11,893
Between 61 and 90 days overdue	6,321	4,640
Between 91 and 180 days overdue	5,892	3,486
More than 180 days overdue	1,215	563
Total overdue trade accounts receivable, for which no valuation allowances were recognized	**84,181**	**71,765**

As of the balance sheet date, no valuation allowances had been made for €345,298 thousand in trade accounts receivable (prior year: €326,110 thousand), nor were they overdue. As of the balance sheet date, there was no indication that the debtors could not meet their payment obligations.

Credit insurance policies had been taken out for a portion of the trade accounts receivable as of the balance sheet date.

Composition of receivables from construction contracts

in thousand €	12/31/2014	12/31/2013
Costs incurred and profits stated (minus losses stated)	31,473	3,050
Advance payments received	–13,900	–800
Receivables from construction contracts	**17,573**	**2,250**

(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 from the beginning of the lease onwards. Only lease payments due in the future are stated as receivables from financial services. Therefore, amounts overdue and valuation allowances for amounts transferred to trade accounts receivable when the lease payments fall due are recognized in note 18.

Receivables from financial services: Reconciliation from total minimum lease payments to their present value

in thousand €	12/31/2014	12/31/2013
Total receivable minimum lease payments	**727,748**	**693,007**
Due within less than one year	227,437	215,516
Due in one to five years	481,315	459,112
Due in more than five years	18,996	18,379
Present value of receivable minimum lease payments	**639,040**	**605,171**
Due within less than one year	190,015	178,632
Due in one to five years	430,890	409,076
Due in more than five years	18,135	17,463
Unrealized interest income	**88,708**	**87,836**

Receivables from financial services include minimum lease payments from sublease arrangements amounting to €170,297 thousand (prior year: €164,232 thousand).

Receivables from financial services with a residual carrying amount of €387,544 thousand (prior year: €354,653 thousand) are financed based on sale and leaseback agreements.

(20) Other receivables and other assets

Composition of other receivables and other assets

in thousand €	12/31/2014	12/31/2013
Receivables from other taxes	22,056	16,863
Assets from the measurement of funded pension plans	6,370	–
Receivables from loans and advances granted to employees	550	444
Other receivables from affiliated companies	35	–
Other assets	8,485	9,058
	37,496	**26,365**

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

Composition of securities

in thousand €	12/31/2014	12/31/2013
Bonds and debenture bonds	127,554	177,069
Promissory notes	15,000	30,249
Covered bonds	10,498	6,652
Investment funds	7,117	6,905
Shares	5,599	2,722
Securities	**165,768**	**223,597**

€65,558 thousand (prior year: €135,243 thousand) of the securities are financial instruments classified as 'financial assets held to maturity.' Jungheinrich intends to, and can, hold these securities until they mature. The securities on Jungheinrich's books on December 31, 2014 will mature from 2015 to 2017. The impairment test carried out on the securities as of the balance sheet date did not result in any impairment expenses in 2014. All of the securities which were on Jungheinrich's books on December 31, 2013 and matured in 2014 were redeemed when they matured.

The securities held in the special fund on December 31, 2014 had a carrying amount of €100,210 thousand (prior year: €88,354 thousand) and were designated as 'available for sale.'

(22) Liquid assets

Liquid assets include bank balances, cash balances, and checks. They have an original maturity of 3 months or less. Liquid assets include €2,612 thousand (prior year: €11,521 thousand) in bank balances of the special fund. As of the balance sheet date, the Jungheinrich Group's bank balances totalled €7,170 thousand (prior year: €4,921 thousand), which were pledged to banks.

(23) Deferred income

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 amounted 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 €43,457 thousand distributable profit for the 2014 financial year to make a dividend payment of €34,280 thousand, corresponding to a dividend of €0.98 per ordinary share and a dividend of €1.04 per preferred share, and to transfer €9,177 thousand to other retained earnings.

Accumulated other comprehensive income (loss)

Details on change in accumulated other comprehensive income (loss)

in thousand €	2014	2013
Income (loss) from the measurement of financial instruments with a hedging relationship	**–903**	**2,093**
Unrealized income (loss)	–1,956	1,535
Realized income (loss)	865	1,413
Deferred taxes	188	–855
Income (loss) from the measurement of financial instruments available for sale	**703**	**58**
Unrealized income (loss)	1,198	79
Realized income (loss)	–195	5
Deferred taxes	–300	–26
Income (loss) from currency translation	**–1,288**	**–6,821**
Unrealized income (loss)	–1,288	–6,821
Income (loss) from the measurement of pensions	**–27,337**	**3,143**
Income (loss) from the remeasurement of defined benefit pension plans	–43,172	5,144
Deferred taxes	15,835	–2,001
Other comprehensive income (loss)	**–28,825**	**–1,527**

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 interest-bearing capital employed (ROCE). ROCE in the year under review was 18.4 per cent (prior year: 18.7 per cent).

EBIT return on capital employed (ROCE)

in thousand €		2014	2013
Interest-bearing capital 12/31		1,047,065	919,983
EBIT		192,684	172,369
ROCE	in %	**18.4**	**18.7**

The capital and finance structure of the Group and its companies is managed primarily using the 'indebtedness ratio' as a key ratio. The 'indebtedness ratio' is defined as the ratio of net indebtedness to earnings before interest, taxes, depreciation and amortization (EBITDA) adjusted to exclude deprecation on trucks for lease from financial services.

Net indebtedness

in thousand €	12/31/2014	12/31/2013
Financial liabilities	334,607	270,580
Liquid assets and securities	–466,571	–424,200
Net indebtedness	**–131,964**	**–153,620**

The good indebtedness ratio of the preceding years was maintained.

Indebtedness ratio

in thousand €		12/31/2014	12/31/2013
Net indebtedness		–131,964	–153,620
EBITDA (adjusted to exclude depreciation on trucks for lease from financial services)		314,794	283,091
Indebtedness ratio	in years	**< 0**	**< 0**

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.

(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.

In Germany, major obligations have been assumed for defined benefit pension commitments regulated in individual and collective agreements for members of the Board of Management, managing directors, and employees of Jungheinrich AG and its German subsidiaries as well as Jungheinrich Moosburg AG & Co. KG. 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. German pension plans are funded by provisions. The company pension plans of Jungheinrich AG and of Jungheinrich

Moosburg AG & Co. KG have been closed to employees since July 1, 1987, and April 14, 1994, respectively.

In the United Kingdom, major obligations have been assumed to fulfil defined benefit pension commitments regulated in shop agreements to employees of Jungheinrich UK Ltd. and former employees of the Boss Manufacturing Ltd. production pant which was closed in 2004. The pension plans of these companies were merged in 2003. The level of the committed benefits depends on the average compensation received by the beneficiaries during their years of service. The pension plan is funded by an externalized fund and has been closed to new employees since October 1, 2002 and January 18, 2003, respectively. Jungheinrich UK Ltd. and employee contributions are still being paid for beneficiaries of the pension plan.

In other countries outside Germany, several companies have pension plans for managing directors and employees. Material foreign pension claims are covered by separate funds.

The pension plan was adjusted in the Netherlands during the year under review. This pension plan adjustment resulted in income of €6,668 thousand, which is included in the costs of pensions for defined benefit plans in 2014.

Composition of the net defined benefit liability

in thousand €	12/31/2014	12/31/2013
Present value of funded defined benefit obligations	302,466	242,042
Fair value of plan assets	291,369	226,040
Funding gap	11,097	16,002
Present value of unfunded defined benefit obligations	223,195	185,232
Net defined benefit liability	**234,292**	**201,234**
Germany	220,160	182,714
United Kingdom	–6,370	3,838
Other countries	20,502	14,682

Of the net defined benefit liability from defined benefit pension plans, €240,662 thousand (prior year: €201,234 thousand) is contained in the item 'provisions for pensions and similar obligations' and €6,370 thousand (prior year: €– thousand) is contained in the item 'other assets'.

Development of the present value of defined benefit obligations

in thousand €	2014	2013
Present value of defined benefit obligations on 01/01	427,274	425,860
Changes in currency exchange rates	13,625	–5,025
Current service cost	6,232	6,756
Past service cost	–7,081	–
Interest cost	17,034	15,695
Actuarial gains (–)/losses (+) on		
changes in financial assumptions	85,626	–1,299
changes in demographic assumptions	–663	–5,398
experience adjustments	–1,404	1,954
Employee contributions	2,290	2,185
Pension payments made using company assets	–9,133	–8,762
Pension payments made using plan assets	–7,741	–4,360
Other changes	–398	–332
Present value of defined benefit obligations on 12/31	**525,661**	**427,274**
Germany	220,160	182,714
United Kingdom	223,052	177,236
Other countries	82,449	67,324

Major financial assumptions (weighted average) for determining the present value of defined benefit obligations

	Germany		United Kingdom		Other countries	
in %	12/31/2014	12/31/2013	12/31/2014	12/31/2013	12/31/2014	12/31/2013
Discount rate	2.0	3.7	3.7	4.6	1.5	3.1
Expected rate of pension increase	1.8	2.0	3.0	3.3	–	0.5

In fiscal 2014 and 2013, demographic assumptions for Germany were based on Prof. Klaus Heubeck's 2005G reference tables. The life expectancies used to measure plans in the United Kingdom and other countries were based on local mortality tables.

Jungheinrich primarily derives the interest-rate risk, the pension increase risk and the longevity risk from the pension plans. The sensitivity analyses presented below were performed on the basis of reasonable potential changes in the assumptions as of the balance sheet date, with the other assumptions remaining unchanged.

Sensitivity analysis of the major financial assumptions for determining the present value of defined benefit obligations

in thousand €	12/31/2014	12/31/2013
Discount rate 0.5 % higher	–43,178	–34,786
Discount rate 0.5 % lower	49,136	38,772
Expected rate of pension increase 0.5 % higher	29,970	25,064

A one-year increase in life expectancy would cause the present value of the defined benefit obligations in Germany and the United Kingdom to rise by about 4.5 per cent and 2.8 per cent, respectively.

The actual change in defined benefit obligations cannot be derived from the aforementioned sensitivity analysis. One cannot expect the deviations to occur in isolation from one another as some of the assumptions are related to each other.

Otherwise, Jungheinrich is not exposed to any material risks arising from pension obligations.

The weighted average duration of defined benefit obligations on the balance sheet date was about 14 years in Germany (prior year: 13 years), about 22 years in the United Kingdom (prior year: 22 years) and about 22 years in other countries (prior year: 20 years).

Jungheinrich expects to make some €9.2 million (prior year: €8.9 million) in pension payments using company assets in the 2015 financial year.

Development of the fair value of plan assets

in thousand €	2014	2013
Fair value of plan assets on 01/01	226,040	218,343
Changes in currency exchange rates	13,805	–4,524
Interest income	9,948	8,802
Actuarial gains (+) and losses (–)	40,387	401
Employer contributions	7,741	6,230
Employee contributions	2,290	2,185
Pension payments made	–7,741	–4,360
Other changes	–1,101	–1,037
Fair value of plan assets on 12/31	**291,369**	**226,040**
United Kingdom	229,422	173,398
Other countries	61,947	52,642

In the year being reviewed, the actual return on plan assets amounted to €49,632 thousand (prior year: €8,498 thousand). As in the previous year, there were no effects from the limitation to the asset ceiling.

Plan assets largely comprise the externalized fund set up to cover pension obligations in the UK. The assets and return of the pension fund are intended exclusively for benefits and for administrative expenses for the pension plan. Jungheinrich works with outside asset managers to invest in the plan assets.

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 benefits that come due.

Composition of the fair value of the assets of the pension plan in the United Kingdom

in thousand €	12/31/2014	12/31/2013
Cash and cash equivalents	**3,805**	**293**
Equity instruments	**38,851**	**35,769**
Stock index funds in the United Kingdom	23,083	21,357
Stock index funds in Europe (excluding the UK)	15,768	14,412
Debt instruments	**186,766**	**137,336**
UK government bonds	165,848	119,476
Corporate bonds	20,918	17,860
Fair value on 12/31	**229,422**	**173,398**

The fair values of the aforementioned equity and debt instruments were determined on the basis of prices quoted on active markets.

The fair value of plan assets in the Netherlands, Norway and Switzerland totalled €61,947 thousand (prior year: €52,642 thousand) and cannot be broken down into asset classes as these plan assets are qualifying insurance policies.

As in the preceding year, externalized pension funds did not include any own financial instruments or real estate used by Group companies as of the balance sheet date.

Jungheinrich expects to make cash-effective employer contributions totalling approximately €6.6 million for the 2015 financial year (prior year: €7.0 million) in order to comply with minimum statutory requirements.

Costs in connection with defined benefit pension plans recognized in the statement of comprehensive income

in thousand €	2014	2013
Current service cost	–6,232	–6,756
Past service cost	7,081	–
Net interest	–7,086	–6,893
Plan administration costs	–703	–705
Income (loss) before taxes	**–6,940**	**–14,354**
Remeasurement of defined benefit obligations	–83,559	4,743
Remeasurement of plan assets	40,387	401
Other comprehensive income (loss) before taxes	**–43,172**	**5,144**
Comprehensive income (loss) before taxes from defined benefit pension plans	**–50,112**	**–9,210**

Current and past service costs were recognized in the personnel costs of the corresponding functional areas. The net interest and the plan administration costs were included in financial income (loss).

(26) Other provisions

Development of other provisions

in thousand €	As of 01/01/2014	Exchange rate differences	Additions	Utilizations	Releases	As of 12/31/2014
Provisions for personnel	127,019	192	84,358	70,434	4,038	137,097
Provisions for warranty obligations	22,069	33	29,104	22,983	3,077	25,146
Provisions for onerous contracts	35,989	184	7,373	4,128	2,986	36,432
Others	19,112	–43	10,413	7,813	3,977	17,692
Other provisions	**204,189**	**366**	**131,248**	**105,358**	**14,078**	**216,367**

Provisions for personnel primarily relate to provisions for obligations arising from partial retirement agreements, anniversary obligations, performance-based compensation and vacation entitlements.

As of the balance sheet date, obligations arising from partial retirement agreements amounted to €13,644 thousand (prior year: €13,867 thousand), which were netted against €6,435 thousand in securities (prior year: €6,262 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 qualified 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, €5,764 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: €6,694 thousand).

Additions to provisions for personnel included a total of €1,026 thousand in interest accretions (prior year: €1,066 thousand). €44,456 thousand (prior year: €40,881 thousand) of the provisions for personnel had 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 2014 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.€19,547 thousand (prior year: €17,214 thousand) of the provisions for onerous contracts had a remaining maturity of more than one year.

Other provisions include provisions for customer bonuses, lawsuits, environmental risks and other obligations.

(27) Financial liabilities

Composition and maturity of financial liabilities

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**
12/31/2014						
Total future cash flows	**158,985**	**107,842**	**78,008**	**16,980**	**1,115**	**362,930**
Due within less than one year	102,346	1,274	24,267	1,483	1,115	130,485
Due in one to five years	36,584	55,088	44,170	5,887	–	141,729
Due in more than five years	20,055	51,480	9,571	9,610	–	90,716
Present value of future cash flows	**146,448**	**100,000**	**74,480**	**12,564**	**1,115**	**334,607**
Due within less than one year	99,468	–	22,993	831	1,115	124,407
Due in one to five years	30,735	50,000	42,113	3,774	–	126,622
Due in more than five years	16,245	50,000	9,374	7,959	–	83,578
Future interest expenses	**12,537**	**7,842**	**3,528**	**4,416**	**–**	**28,323**
12/31/2013						
Total future cash flows	**163,883**	**49,022**	**63,811**	**18,559**	**1,560**	**296,835**
Due within less than one year	98,115	49,022	20,835	1,513	1,560	171,045
Due in one to five years	39,346	–	35,802	6,219	–	81,367
Due in more than five years	26,422	–	7,174	10,827	–	44,423
Present value of future cash flows	**148,637**	**46,500**	**60,468**	**13,415**	**1,560**	**270,580**
Due within less than one year	94,940	46,500	19,608	815	1,560	163,423
Due in one to five years	32,181	–	33,869	3,883	–	69,933
Due in more than five years	21,516	–	6,991	8,717	–	37,224
Future interest expenses	**15,246**	**2,522**	**3,343**	**5,144**	**–**	**26,255**

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

Details on liabilities due to banks

Currency	Interest conditions	Remaining term of the interest conditions as of 12/31/2014	Nominal volume as of 12/31/2014 in thousand €	Bandwidth of effective interest rates 2014	Carrying amounts as of 12/31/2014 in thousand €	Nominal volume as of 12/31/2013 in thousand €	Bandwidth of effective interest rates 2013	Carrying amounts as of 12/31/2013 in thousand €
EUR	variable	< 1 year	19,217	EURIBOR + margin	19,217	23,410	EURIBOR + margin	23,410
GBP	variable	< 1 year	8,015	LIBOR + margin	8,015	4,634	LIBOR + margin	4,634
CNY	variable	< 1 year	27,518	LIBOR + margin	27,518	19,109	LIBOR + margin	19,109
SGD	variable	< 1 year	9,573	LIBOR + margin	9,573	11,720	LIBOR + margin	11,720
PLN	variable	< 1 year	8,109	LIBOR + margin	8,109	16,455	LIBOR + margin	16,455
Other	variable	< 1 year	15,883	LIBOR + margin	15,883	9,027	LIBOR + margin	9,027
EUR	fixed	6–15 years	66,238	3.4 %–5.3 %	45,039	57,613	3.1 %–5.3 %	50,930
BRL	fixed	< 1–3 years	6,014	14.7 %–17.6 %	3,564	4,859	14.74 %–16.75 %	3,502
CNY	fixed	3–4 years	6,768	6.4 %	5,139	6,108	6.4 %	5,860
Other	fixed	< 1–9 years	8,424	5.2 %–7.2 %	4,391	9,218	5.2 %–14.8 %	3,990
Total liabilities due to banks			**175,759**		**146,448**	**162,153**		**148,637**

Composition of the promissory note as of December 31, 2014

	Maturity in year	Nominal interest rate	Nominal amount in thousand €
Jungheinrich AG 2014 (I)	2019	Fixed interest	25,000
Jungheinrich AG 2014 (II)	2019	Euribor + margin	25,000
Jungheinrich AG 2014 (III)	2021	Fixed interest	50,000

During the reporting period, a promissory note was issued in the amount of €100,000 thousand. An interest-rate hedge was used for the variable interest. The nominal volume of this loan corresponds to its carrying amount. The fixed-interest tranche of a promissory note issued in 2009 was repaid during the year under review when maturity was reached. The nominal amount of the tranche was €46,500 thousand.

Liabilities from the financing of trucks for short-term hire amount to €67,625 thousand (prior year: €53,820 thousand) and result from the sale of receivables from intragroup hire-purchase agreements.

Furthermore, €6,855 thousand (prior year: €6,648 thousand) in liabilities relate to the refinancing of trucks for short-term hire based on sale and leaseback agreements. €7,512 thousand (prior year: €7,209 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 non-cancellable 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 included purchase options at agreed residual values.

(28) Liabilities from financial services

€18,722 thousand (prior year: €20,309 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 contained €923,950 thousand (prior year: €850,971 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 included €178,507 thousand (prior year: €119,395 thousand) in liabilities from the issuance of promissory notes via the consolidated securitization vehicle in Luxembourg.

Liabilities from financing: Reconciliation from total future cash flows to their present value

in thousand €	12/31/2014	12/31/2013
Total future cash flows	**981,311**	**912,982**
Due within less than one year	300,689	276,829
Due in one to five years	659,615	617,578
Due in more than five years	21,007	18,575
Present value of future cash flows	**923,950**	**850,971**
Due within less than one year	275,522	249,746
Due in one to five years	627,879	583,112
Due in more than five years	20,549	18,113
Future interest expenses	**57,361**	**62,011**

Liabilities from financing include future minimum lease payments from financing under sale and leaseback agreements in the amount of €210,297 thousand (prior year: €202,214 thousand).

(29) Trade accounts payable

Trade accounts payable include €31 thousand (prior year: €62 thousand) in payables to affiliated companies and €2,989 thousand (prior year: €2,297 thousand) in payables to companies accounted for using the equity method.

All trade accounts payable are due within one year.

(30) Other liabilities

Composition of other liabilities

in thousand €	12/31/2014	12/31/2013
Liabilities from other taxes	47,096	43,522
Advance payments received on orders	19,225	26,513
Social security liabilities	10,932	10,838
Employee liabilities	2,521	1,906
Liabilities to companies accounted for using the equity method	235	335
Liabilities from construction contracts	209	1,083
Other liabilities	12,679	6,894
	92,897	**91,091**

All other liabilities are due within one year.

Composition of liabilities from construction contracts

in thousand €	12/31/2014	12/31/2013
Costs incurred and profits stated (minus losses stated)	11,661	17,943
Advance payments received	−11,870	−19,026
Liabilities from construction contracts	**−209**	**−1,083**

(31) Deferred income

Composition of deferred income

in thousand €	Deferred sales from financial services	Deferred profit from financial services	Other deferrals	**Deferred income**
12/31/2014	**34,844**	**45,700**	**21,545**	**102,089**
Thereof maturities of up to one year	12,826	14,018	7,445	34,289
Thereof maturities of more than one year	22,018	31,682	14,100	67,800
12/31/2013	**37,095**	**44,497**	**20,518**	**102,110**
Thereof maturities of up to one year	14,064	14,133	6,297	34,494
Thereof maturities of more than one year	23,031	30,364	14,221	67,616

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. This deferred income is dissolved using the straight-line method with an effect on sales until the residual value guarantee expires.

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

Other deferrals in the reporting year include €4,811 thousand (prior year: €4,711 thousand) in government grants.

(32) Additional disclosure on financial instruments

Carrying amounts and fair value of financial instruments by valuation category

in thousand €	Valuation category in acc. IAS 39	12/31/2014 Carrying amount	12/31/2014 Fair value	12/31/2013 Carrying amount	12/31/2013 Fair value
Assets					
Liquid assets	LaR	300,803	300,803	200,603	200,603
Trade accounts receivable	LaR	464,347	464,347	417,166	417,166
Receivables from financial services	n.a.	639,040	652,319	605,171	617,342
Securities	HtM	65,558	65,576	135,243	135,227
Securities	AfS	100,210	100,210	88,354	88,354
Investments in affiliated companies	AfS	75	75	75	75
Investments in companies accounted for using the equity method	AfS	12,095	12,095	12,143	12,143
Other loans	LaR	28	28	28	28
Derivative financial assets					
Derivatives without a hedging relationship	FAHfT	2,889	2,889	778	778
Derivatives with a hedging relationship	n.a.	989	989	328	328
Other financial assets	LaR	585	585	444	444
Liabilities					
Trade accounts payable	FLAC	188,052	188,052	159,924	159,924
Liabilities due to banks	FLAC	146,448	152,988	148,637	152,736
Promissory notes	FLAC	100,000	97,690	46,500	48,038
Liabilities from financing trucks for short-term hire	FLAC	67,625	67,625	53,820	53,820
Liabilities from financing trucks for short-term hire	n.a.	6,855	6,855	6,648	6,648
Leasing liabilities from tangible assets	n.a.	12,564	15,250	13,415	15,043
Notes payable	FLAC	1,115	1,115	1,560	1,560
Liabilities from financial services	FLAC	747,083	757,033	684,050	692,671
Liabilities from financial services	n.a.	195,589	200,064	187,230	191,167
Derivative financial liabilities					
Derivatives without a hedging relationship	FLHfT	2,452	2,452	554	554
Derivatives with a hedging relationship	n.a.	2,866	2,866	1,114	1,114
Other financial liabilities	FLAC	1,905	1,905	1,101	1,101
Of which aggregated by valuation category in acc. with IAS 39:					
Loans and Receivables (LaR)		765,763	765,763	618,241	618,241
Financial Investments Held to Maturity (HtM)		65,558	65,576	135,243	135,227
Financial Assets Available for Sale (AfS) [1]		112,380	112,380	100,572	100,572
Financial Assets Held for Trading (FAHfT)		2,889	2,889	778	778
Financial Liabilities Measured at Amortized Costs (FLAC)		1,252,228	1,266,408	1,095,592	1,114,262
Financial Liabilities Held for Trading (FLHfT)		2,452	2,452	554	554

1 Includes €75 thousand (prior year: €75 thousand) in equity interests measured at acquisition costs and €12,095 thousand (prior year: €12,143 thousand) in equity interests accounted for using the equity method, for which fair values cannot be determined reliably.

The carrying amounts of the financial instruments measured at fair value in the consolidated financial statements as of the balance sheet date have been categorized by their fair value hierarchy level pursuant to IFRS 13 based on the information and input factors used to determine them.

Hierarchy levels for financial instruments recognized at fair value

	12/31/2014			12/31/2013		
in thousand €	Level 1	Level 2	Total	Level 1	Level 2	Total
Assets						
Securities (AfS)	100,210	–	**100,210**	88,354	–	**88,354**
Derivatives without a hedging relationship (FAHfT)	510	2,379	**2,889**	226	552	**778**
Derivatives with a hedging relationship (n.a.)	–	989	**989**	–	328	**328**
Liabilities						
Derivatives without a hedging relationship (FLHfT)	–	2,452	**2,452**	59	495	**554**
Derivatives with a hedging relationship (n.a.)	–	2,866	**2,866**	–	1,114	**1,114**

No transfers between levels 1 and 2 were made during the period under review.

The fair values of level 1 financial instruments were determined based on exchange quotations as of the balance sheet date.

In accordance with generally accepted valuation models, the fair value of level 2 financial instruments is determined based on discounted cash flow analyses using observable current market prices of similar instruments. Fair values of currency forwards are determined based on the mean spot rates valid as of the balance sheet date, taking account of forward surcharges and discounts on the transactions' remaining terms. Fair values of interest-rate derivatives are determined based on the market interest rates and interest-rate curves valid on the balance sheet date, taking account of their maturities. Jungheinrich has taken counterparty risks into consideration in determining fair values.

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

Current interest rates at which comparable loans with identical maturities as of the balance sheet date could have been taken out were 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 designated as 'financial investments held to maturity' corresponded to the fair 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 corresponded to their fair values.

Investments in affiliated companies were measured at acquisition costs in the consolidated financial statements. They did not have a listed market price and their fair value could not be determined reliably.

Investments in companies accounted for at equity were measured using the equity method. They did not have a listed market price and their fair value could not be determined reliably.

It was assumed that the fair values of trade accounts payable and other financial liabilities corresponded 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 was assumed that their fair values corresponded to their carrying amounts since the interest rates agreed and realizable on the market were almost identical.

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

Hierarchy levels for financial instruments which are not measured at fair value and the carrying amounts of which are not assumed to be close to their fair values

	12/31/2014			12/31/2013		
in thousand €	Level 1	Level 2	Total	Level 1	Level 2	Total
Assets						
Receivables from financial services	–	652,319	**652,319**	–	617,342	**617,342**
Securities (HtM)	65,576	–	**65,576**	135,227	–	**135,227**
Liabilities						
Liabilities due to banks	–	152,988	**152,988**	–	152,736	**152,736**
Promissory notes	–	97,690	**97,690**	–	48,038	**48,038**
Leasing liabilities from tangible assets	–	15,250	**15,250**	–	15,043	**15,043**
Liabilities from financial services	–	957,097	**957,097**	–	883,838	**883,838**

The net results of financial instruments recognized in the statement of income are presented by valuation category in the following table.

Net results of financial instruments

	from interest and dividends	from subsequent measurement		Net result 2014	Net result 2013
in thousand €		at fair value	Valuation allowances		
Loans and Receivables (LaR)	773	–	−3,216	**−2,443**	−1,562
Financial Investments Held to Maturity (HtM)	512	–	–	**512**	857
Financial Assets Available for Sale (AfS)	269	195	–	**464**	−22
Financial Instruments Held for Trading (FAHfT/FLHfT)	–	886	–	**886**	−1,469
Financial Liabilities Measured at Amortized Costs (FLAC)	−32,361	–	–	**−32,361**	−36,308

Interest and dividends from financial instruments are stated as part of interest income and interest expenses in financial income (loss) and in cost of sales.

Net results from the subsequent measurement of securities classified as 'financial assets available for sale' (AfS) recognized at fair value are reclassified from shareholders' equity to the statement of income on the date of their sale. These net results are recognized as part of interest income in financial income (loss).

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

Valuation allowances recognized for loans and receivables (LaR) are stated as part of the cost of sales.

Additional information

(33) Consolidated statement of cash flows

The statement of cash flows presented 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 were directly attributed corresponding cash flows. Cash flows from operating activities were derived indirectly.

Cash flows from operating activities were derived from net income, which was adjusted to exclude non-cash income and expenses—mainly consisting of depreciation—and taking into account changes in working capital. Cash flows from operating activities also included 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 comprised additions and disposals of tangible and financial assets not financed via 'finance lease' contracts, of intangible assets primarily consisting of additions to capitalized development costs as well as purchases and sales of securities.

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

Cash and cash equivalents at the end of the year corresponded 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, €7,170 thousand (prior year: €4,921 thousand) in bank credit balances were pledged to banks. As before, cash and cash equivalents consisted almost exclusively of bank credit balances as of the balance sheet date.

(34) Contingent liabilities

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 two years.

The respective Group companies have accrued provisions sufficient to cover financial burdens potentially resulting from other legal or arbitration proceedings.

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 €29 million as of the balance sheet date (prior year: €6 million).

At its various locations, Group companies have entered into rental agreements and leases ('operating leases') for business premises, data processing equipment, office equipment and vehicles. The agreements include extension and purchase options, as well as price adjustment clauses. The maturities of future minimum lease payments up to the first contractually agreed termination date are shown in the following table.

Future financial liabilities from non-cancellable rental and lease agreements

in thousand €	**12/31/2014**	**12/31/2013**
Due within less than one year	38,270	37,777
Due in one to five years	56,691	59,212
Due in more than five years	25,617	29,348
	120,578	**126,337**

Recognized expenses of rental and lease instalments from 'operating leases' in 2014 totalled €45,055 thousand (prior year: €44,338 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 residual value risks, refinancing risks and counterparty default risks.

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 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 risk, the currency risk and the share price risk exposure of the Jungheinrich Group.

Interest rate risks

Interest rate risks result from the Group's financing and cash investment activity. Fixed and variable-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 for which no interest-rate hedges have been concluded. 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, 2014, income would have been €883 thousand (prior year: €844 thousand) lower (higher).

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, 2014, the maximum risk did not exceed €664 thousand (prior year: €568 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 €455 thousand (prior year: €440 thousand) and a maximum of €679 thousand (prior year: €721 thousand). The average for the year was €612 thousand (prior year: €603 thousand).

Share price risks

In 2013, Jungheinrich invested €100,000 thousand in liquid assets in a special fund. Shares, stock index funds and share derivatives held in this fund expose the Jungheinrich Group to share price risks. On December 31, 2014, the fund contained a total share exposure of €11,953 thousand (prior year: €11,051 thousand). If the share price had been 10 per cent higher (lower) on December 31, 2014, shareholders' equity would have been €1,195 thousand (prior year: €1,105 thousand) higher (lower).

The special fund is managed to maintain value in order to limit share price risks.

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 prepayments made by customers, the sharing of risks with financers, the permanent monitoring of customers via information portals and the purchase of credit insurance.

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

Liquidity risks

A liquidity reserve consisting of lines of credit and of cash is kept in order to ensure that the Jungheinrich Group can meet its payment obligations and maintain its financial flexibility at all times. 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.

Counterparty risks

The Group is exposed to counterparty risks that arise from the non-fulfilment of contractual agreements by counterparties. To mitigate these risks, 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 risks ensued for Jungheinrich from its dependence on individual counterparties as of the balance sheet date. The fair values of derivative financial instruments are adjusted by the risk values calculated using analytical tools (credit value adjustment/debit value adjustment).

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.

Hedging relationships

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

Nominal values of derivative financial instruments

Nominal volumes of derivative financial instruments

in thousand €	Nominal volume of hedging instruments for cash flow hedges: Currency hedges	Interest-rate swaps	Nominal volume of other derivatives: Currency hedges	Other
12/31/2014				
Total nominal volume	**75,357**	**210,886**	**139,247**	**26,563**
Maturities of up to one year	66,883	47,610	138,894	26,563
Maturities of up to one year	8,474	163,276	353	–
Maturities of more than five years	–	–	–	–
12/31/2013				
Total nominal volume	**48,792**	**127,421**	**95,448**	**10,531**
Maturities of up to one year	45,130	31,341	95,448	10,531
Maturities of up to one year	3,662	96,080	–	–
Maturities of more than five years	–	–	–	–

The nominal values of the currency hedging contracts primarily contain forward exchange transactions that are used to hedge against rolling twelve-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 nominal volumes of other derivative financial instruments exclusively include futures held in the special fund.

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

Hedging measures were not associated with any material ineffectiveness until the balance sheet date.

Fair values of derivative financial instruments

The fair value of a derivative financial 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 in note 32 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.

Fair values of derivative financial instruments

in thousand €	12/31/2014	12/31/2013
Derivative financial assets	**3,878**	**1,106**
Derivatives with a hedging relationship	**989**	**328**
Foreign exchange forwards/ currency swaps	971	120
Interest rate swaps	18	208
Derivatives without a hedging relationship	**2,889**	**778**
Foreign exchange forwards/ currency swaps	2,379	552
Futures	510	226
Derivative financial liabilities	**5,318**	**1,668**
Derivatives with a hedging relationship	**2,866**	**1,114**
Foreign exchange forwards/ currency swaps	996	337
Interest rate swaps	1,870	777
Derivatives without a hedging relationship	**2,452**	**554**
Foreign exchange forwards/ currency swaps	2,452	495
Futures	–	59

(37) Segment information

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.

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 finances itself autonomously.

Segment information is generally subject to the disclosure and measurement methods applied in the consolidated financial statements. Business segments were not aggregated.

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' segment include all of the prorated earnings for the year of companies accounted for using the equity method, amounting to €3,584 thousand (prior year: €2,398 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 and amortization concern tangible and intangible assets, excluding capitalized development expenses. 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.

Segment information as of December 31, 2014

in thousand €	Intralogistics	Financial Services	Segment total	Reconciliation	**Jungheinrich Group**
External net sales	1,999,598	498,171	2,497,769	–	2,497,769
Intersegment net sales	541,507	80,446	621,953	−621,953	–
Total net sales	2,541,105	578,617	3,119,722	−621,953	2,497,769
Segment income (loss) (EBIT)	**197,523**	**15,102**	**212,625**	**−19,941**	**192,684**
Interest income	2,329	163	2,492	−741	1,751
Interest expenses	11,379	710	12,089	−741	11,348
Other financial income (loss)	−7,965	−3	−7,968	–	−7,968
Earnings before taxes (EBT)	180,508	14,552	195,060	−19,941	175,119
Income taxes					49,342
Net income					125,777
Non-current assets					
Capital expenditures	83,960	3	83,963	–	83,963
Depreciation and amortization	47,639	8	47,647	–	47,647
Segment assets 12/31	2,102,403	1,198,856	3,301,259	−261,416	3,039,843
Shareholders' equity 12/31	966,519	50,811	1,017,330	−117,050	900,280
Liabilities 12/31	1,135,884	1,148,045	2,283,929	−144,366	2,139,563
Segment liabilities 12/31	2,102,403	1,198,856	3,301,259	−261,416	3,039,843

Segment information as of December 31, 2013

in thousand €	Intralogistics	Financial Services	Segment total	Reconciliation	**Jungheinrich Group**
External net sales	1,816,756	473,027	2,289,783	–	2,289,783
Intersegment net sales	497,768	73,668	571,436	−571,436	–
Total net sales	2,314,524	546,695	2,861,219	−571,436	2,289,783
Segment income (loss) (EBIT)	**169,895**	**9,220**	**179,115**	**−6,746**	**172,369**
Interest income	2,629	103	2,732	−546	2,186
Interest expenses	12,735	926	13,661	−546	13,115
Other financial income (loss)	−11,082	−10	−11,092	–	−11,092
Earnings before taxes (EBT)	148,707	8,387	157,094	−6,746	150,348
Income taxes					43,419
Net income					106,929
Non-current assets					
Capital expenditures	90,613	8	90,621	–	90,621
Depreciation and amortization/write-ups	40,267	11	40,278	–	40,278
Segment assets 12/31	1,897,232	1,109,381	3,006,613	−255,448	2,751,165
Shareholders' equity 12/31	894,160	40,388	934,548	−103,060	831,488
Liabilities 12/31	1,003,072	1,068,993	2,072,065	−152,388	1,919,677
Segment liabilities 12/31	1,897,232	1,109,381	3,006,613	−255,448	2,751,165

Besides the scheduled depreciation of tangible assets as well as trucks for short-term hire, the main non-cash items stated as part of 'Intralogistics' segment income are changes in provisions for pensions and provisions for personnel with an effect on net income.

The following tables report net sales by region and show non-current assets regarding intangible and tangible assets, broken down by region.

Net sales by region

in thousand €	2014	2013
Germany	654,685	613,473
France	269,638	269,366
Italy	239,488	226,252
United Kingdom	196,855	162,615
Rest of Europe	908,255	833,709
Other countries	228,848	184,368
	2,497,769	**2,289,783**

Non-current assets by region

in thousand €	12/31/2014	12/31/2013
Germany	329,776	302,059
Rest of Europe	93,845	93,901
Other countries	36,909	22,121
Consolidation	213	213
	460,743	**418,294**

There were no relations with individual external customers accounting for a material share of sales with respect to consolidated sales in the 2014 or 2013 fiscal years.

(38) Earnings per share

The basis for calculation is net income as reported in the consolidated income statement, as this is attributable in full to the shareholders of Jungheinrich AG.

Earnings per share

		2014	2013
Net income	in thousand €	125,777	106,929
Shares outstanding[1]			
Ordinary shares	in thousands	18,000	18,000
Preferred shares	in thousands	16,000	16,000
Earnings per share (diluted/undiluted)			
Earnings per ordinary share	in €	**3.67**	**3.12**
Earnings per preferred share	in €	**3.73**	**3.18**

1 Weighted average.

In the 2014 and 2013 fiscal years, no shareholders' equity instruments diluted the earnings per share on the basis of the respective shares issued.

(39) Events after the close of fiscal 2014

There were no transactions or events of material importance after the close of fiscal 2014.

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

Details on the fees charged by the auditors of the consolidated financial statements, Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft, Hamburg, for the year being reviewed and the preceding year are presented in the following table.

Fees charged by the auditor

in thousand €	2014	2013
Audit of the consolidated financial statements	463	454
Other assurance services	41	30
Tax services	22	44
Other services	24	29
	550	**557**

(41) Related party disclosures

Jungheinrich AG's major ordinary shareholders are LJH-Holding GmbH, Wohltorf (Germany), and WJH-Holding GmbH, Aumühle (Germany).

In addition to the subsidiaries included in the consolidated financial statements, Jungheinrich AG has relations to joint ventures. 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 %	2014	2013
JULI Motorenwerk s.r.o., Czech Republic	50	42,710	37,497
Supralift GmbH & Co. KG, Germany	50	219	220
JULI Motor (Putian) Co. Ltd., China	50[1]	2,023	425

1 Indirect.

Trade accounts payable

in thousand €	Share in %	12/31/2014	12/31/2013
JULI Motorenwerk s.r.o., Czech Republic	50	2,861	2,297
JULI Motor (Putian) Co. Ltd., China	50[1]	128	–

1 Indirect.

On December 31, 2014, other liabilities from financing vis-à-vis Supralift GmbH & Co. KG (Germany) amounted to €235 thousand (prior year: €335 thousand).

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.

(42) Total remuneration of the Supervisory Board and the Board of Management

Total remuneration of members of the Supervisory Board for fiscal 2014 amounted to €1,139 thousand (prior year: €907 thousand).

Total remuneration of members of the Board of Management for fiscal 2014 amounted to €3,439 thousand (prior year: €4,523 thousand). Furthermore, in fiscal 2014, €344 thousand (prior year: €465 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.

Emoluments of former members of the Board of Management amounted to €672 thousand (prior year: €2,082 thousand) and were recognized as an expense.

No advances or loans to members of the Board of Management or Supervisory Board of Jungheinrich AG existed on December 31, 2014.

As of December 31, 2014, Jungheinrich AG had accrued a €15,881 thousand (prior year: €13,049 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, 2014, the following companies were included in the consolidated financial statements of Jungheinrich AG, Hamburg, by way of full consolidation:

Name and domicile	Share of voting rights and capital in %
Jungheinrich Vertrieb Deutschland AG & Co. KG, Hamburg	100
Jungheinrich Norderstedt AG & Co. KG, Hamburg	100
Jungheinrich Export AG & Co. KG, Hamburg	100
Jungheinrich Ersatzteilmanagement AG & Co. KG, Hamburg	100
Jungheinrich Beteiligungs-GmbH, Hamburg	100
Jungheinrich Moosburg AG & Co. KG, Moosburg	100
Jungheinrich Logistiksysteme GmbH, Moosburg	100
Jungheinrich Landsberg AG & Co. KG, Landsberg/Saalekreis	100
Jungheinrich Financial Services GmbH, Hamburg	100
Jungheinrich Rental International AG & Co. KG, Hamburg	100
Jungheinrich Financial Services International GmbH, Hamburg	100
Elbe River Capital S.A., Luxembourg	100
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 Rental S.r.l., Rosate/Milan, Italy	100
Jungheinrich Fleet 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 Fleet Services GmbH, 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

Name and domicile	Share of voting rights and capital in %
Jungheinrich Svenska AB, Arlöv, Sweden	100
Jungheinrich Hungária Kft., Biatorbágy/Budapest, Hungary	100
Jungheinrich Danmark A/S, Tåstrup, Denmark	100
Jungheinrich d.o.o., Trzin, Slovenia	100
Jungheinrich Portugal Equipamentos de Transporte, Lda., Rio de Mouro/Lisbon, Portugal	100
Jungheinrich Lift Truck Ltd., Maynooth, Co. Kildare, Ireland	100
Jungheinrich Hellas EPE, Acharnes/Athens, Greece	100
Jungheinrich İstif Makinaları San. ve Tic. Ltd. Şti., Alemdağ/Istanbul, Turkey	100
Jungheinrich spol. s.r.o., Senec, Slovakia	100
Jungheinrich Lift Truck Singapore Pte Ltd., Singapore	100
Jungheinrich Lift Truck Malaysia Sdn. Bhd., Shah Alam/Kuala Lumpur, Malaysia	100
Jungheinrich Lift Truck Comercio de Empilhadeiras Ltda., Itupeva – SP, Brazil	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 Lift Truck India Private Ltd., Mumbai, India	100
Jungheinrich Design Center Houston Corporation, Houston/Texas, USA	100
Jungheinrich Systemlösungen GmbH, Graz, Austria	100
Universal-FORMICA-Fonds, Frankfurt/Main [1]	0

1 Included as a structured entity in accordance with IFRS 10.

As of December 31, 2014, the following companies were included in the consolidated financial statements of Jungheinrich AG, Hamburg, at equity:

Name and domicile	Share of voting rights and capital in %
JULI Motorenwerk s.r.o., Moravany, Czech Republic	50
Supralift GmbH & Co. KG, Hofheim am Taunus	50
JULI Motor (Putian) Co. Ltd., Putian, China	50 [1]

1 Indirectly via JULI Motorenwerk s.r.o., Moravany, Czech Republic.

As of December 31, 2014, the following companies were not included in the consolidated financial statements of Jungheinrich AG, Hamburg:

Name and domicile	Share of voting rights and capital in %
Jungheinrich Katalog Verwaltungs-GmbH, Hamburg [1]	100
Gebrauchtgeräte-Zentrum Dresden Verwaltungs-GmbH, Klipphausen/Dresden [1]	100
Jungheinrich Latinoamérica y Caribe Ltda., Santiago de Chile, Chile [1]	100
Mécanique Industrie Chimie MIC S.A., Rungis, France [2]	100
Multiton MIC Corporation, Richmond/Virginia, USA [1]	100
Jungheinrich Lift Truck Corp., Richmond/Virginia, USA [1]	100
Jungheinrich Unterstützungskasse GmbH, Hamburg [1]	100
FORTAL Administracào e Participacoes S.A., Rio des Janeiro, Brazil [1]	100
Motorenwerk JULI CZ s.r.o., Moravany, Czech Republic [1]	50
Supralift Beteiligungs- und Kommunikations-Gesellschaft mbH, Hofheim am Taunus [1]	50

1 Not included due to its subordinate importance.
2 Not included due to its insolvency as of December 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 Ersatzteilmanagement AG & Co. KG, Hamburg
- Jungheinrich Moosburg AG & Co. KG, Moosburg
- Jungheinrich Landsberg AG & Co. KG, Landsberg/Saalekreis
- Jungheinrich Rental International AG & Co. KG, Hamburg
- Jungheinrich Beteiligungs-GmbH, Hamburg
- Jungheinrich Financial Services GmbH, Hamburg
- Jungheinrich Financial Services International GmbH, Hamburg
- Jungheinrich Logistiksysteme GmbH, Moosburg
- Jungheinrich Katalog GmbH & Co. KG, Hamburg
- Gebrauchtgeräte-Zentrum Dresden GmbH & Co. KG, Klipphausen/Dresden

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

In December 2014, 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 Aktiengesellschaft.

Hamburg, March 5, 2015

Jungheinrich Aktiengesellschaft
The Board of Management

Responsibility statement

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the Group management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Hamburg, March 5, 2015

Jungheinrich Aktiengesellschaft
The Board of Management

Hans-Georg Frey Dr. Lars Brzoska Dr. Volker Hues 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, 2014. 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 ('German Commercial Code') 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 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 5, 2015

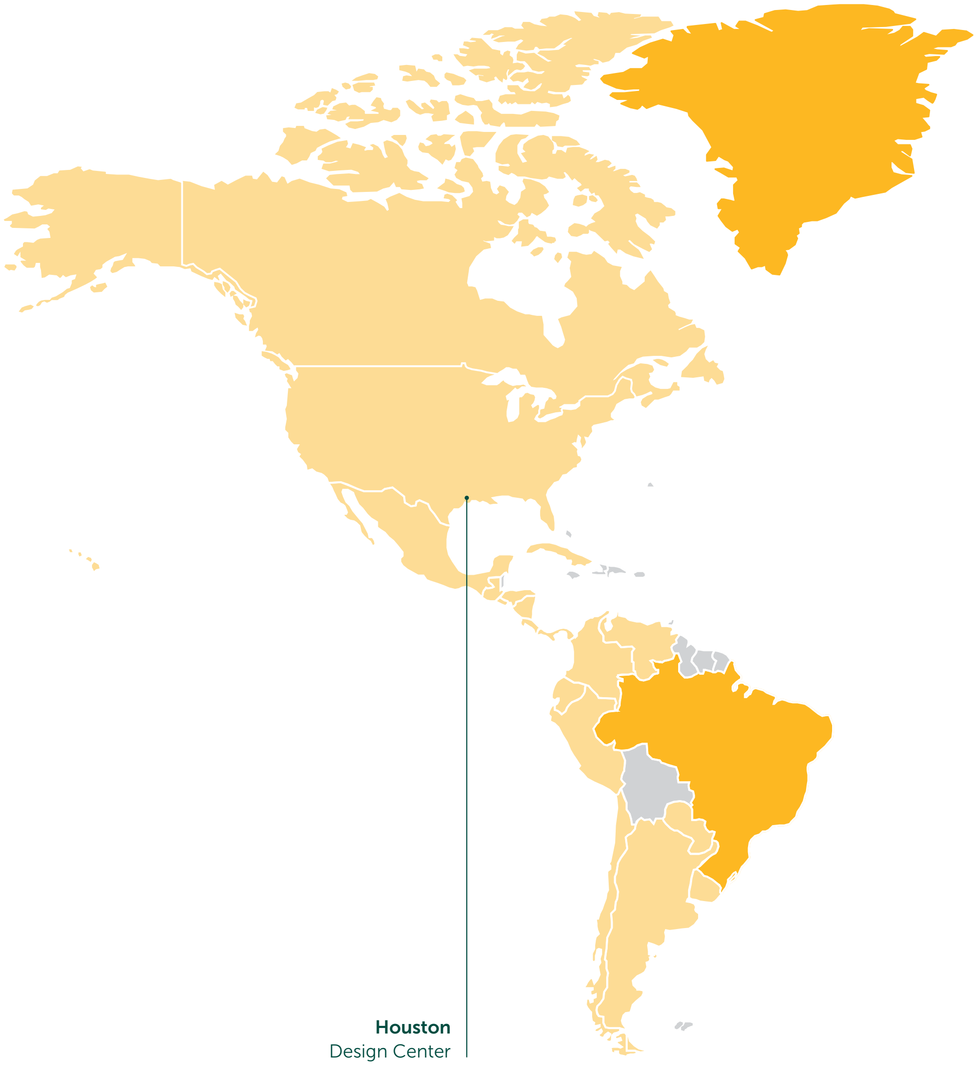
Deloitte & Touche GmbH
Wirtschaftsprüfungsgesellschaft

(Reiher)
Wirtschaftsprüfer
(German Public Auditor)

(ppa. Deutsch)
Wirtschaftsprüferin
(German Public Auditor)

Jungheinrich worldwide

Locations



Sales companies
Representative offices

North America

Canada	USA
Mexico	

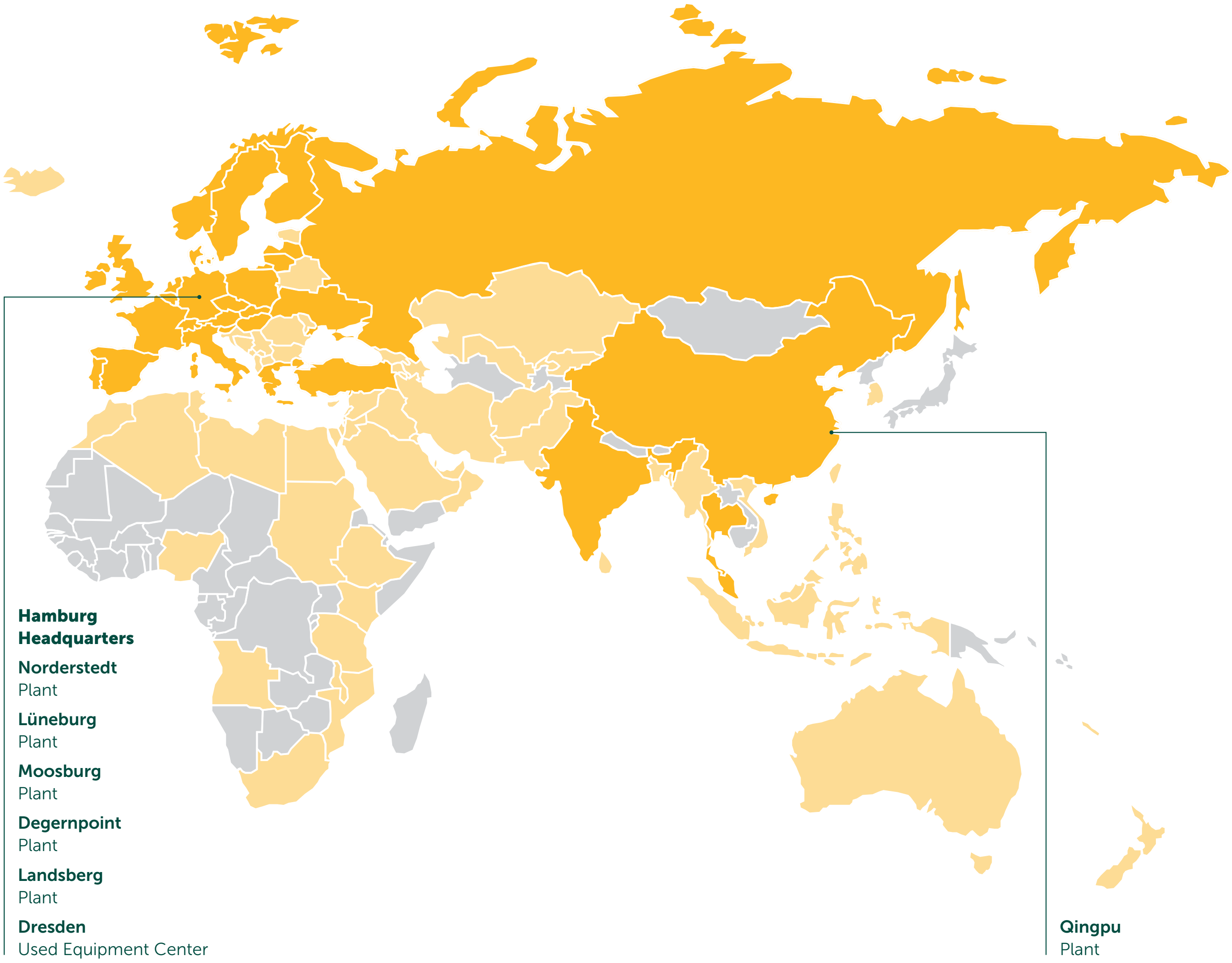
Latin America

Argentina	Guatemala
Brazil	Honduras
Chile	Nicaragua
Colombia	Panama
Costa Rica	Paraguay
Cuba	Peru
Ecuador	Uruguay
El Salvador	Venezuela

Europe

Albania	Finland	Macedonia	Slovenia
Austria	France	Malta	Spain
Belarus	Germany	Moldavia	Sweden
Belgium	Greece	Montenegro	Switzerland
Bosnia and Herzegovina	Hungary	Netherlands	Turkey
	Iceland	Norway	Ukraine
Bulgaria	Ireland	Poland	United Kingdom
Croatia	Italy	Portugal	
Cyprus	Kosovo	Romania	
Czech Republic	Latvia	Russia	
Denmark	Lithuania	Serbia	
Estonia	Luxembourg	Slovakia	

Addresses are available at www.jungheinrich.com



Middle East and Africa

Algeria	Kuwait	Saudi Arabia
Angola	Lebanon	South Africa
Bahrain	Libya	Sudan
Egypt	Malawi	Syria
Ethiopia	Mauritius	Tanzania
Iran	Morocco	Tunisia
Iraq	Mozambique	UAE
Israel	Nigeria	
Jordan	Oman	
Kenia	Qatar	

Central Asia

Afghanistan
Armenia
Azerbaijan
Georgia
Kazakhstan
Kyrgyzstan
Pakistan
Uzbekistan

Asia Pacific

Australia	Philippines
Bangladesh	Singapore
China	South Korea
Hong Kong	Sri Lanka
India	Taiwan
Indonesia	Thailand
Malaysia	Vietnam
Myanmar	
New Caledonia	
New Zealand	

Five-year overview

Jungheinrich Group		2014	2013	2012	2011	2010
			Change in accounting policies[1]			
Incoming orders[2]	million €	2,535	2,357	2,251	2,178	1,924
Production of material handling equiment	units	83,500	72,500	73,200	75,700	60,400
Net sales	million €	2,498	2,290	2,270	2,116	1,816
thereof in Germany	million €	655	613	607	571	493
thereof abroad	million €	1,843	1,677	1,663	1,545	1,323
Foreign ratio	%	74	73	73	73	73
Capital expenditures[3]	million €	84	91	78	52	33
Research and development expenditures	million €	50	45	44	38	36
Earnings before interest, taxes, depreciation and amortization (EBITDA)	million €	383	347	351	298	239
Earnings before interest and taxes (EBIT)	million €	193	172	177	146	98
Earnings before taxes (EBT)	million €	175	150	156	148	96
Net income	million €	126	107	112	106	82
Earnings per preferred share	€	3.73	3.18	3.33	3.13	2.45
Dividend per share – ordinary share	€	0.98[4]	0.80	0.80	0.70	0.49
– preferred share	€	1.04[4]	0.86	0.86	0.76	0.55
Employees 12/31	FTE[5]	12,549	11,840	11,261	10,711	10,138
thereof in Germany	FTE[5]	5,638	5,356	5,167	4,925	4,661
thereof abroad	FTE[5]	6,911	6,484	6,094	5,786	5,477
Balance sheet total 12/31	million €	3,040	2,751	2,759	2,580	2,394
Trucks for short-terme hire	million €	248	214	223	221	159
Trucks for lease from financial services	million €	282	259	244	211	204
Receivables from financial services	million €	639	605	584	535	496
Liabilities from financial services	million €	943	871	840	767	715
Shareholders' equity 12/31	million €	900	831	754	718	633
thereof subscribed capital	million €	102	102	102	102	102
Equity ratio (Group)	%	30	30	27	28	26
Equity ratio (Intralogistics)	%	46	47	42	43	41
EBIT return on sales (EBIT ROS)	%	7.7	7.5	7.8	6.9	5.4
EBT return on sales (EBT ROS)	%	7.0	6.6	6.9	7.0	5.3
EBIT return on capital employed (ROCE)	%	18	19	22	26	23
Return on equity after income taxes (ROE)	%	15	14	15	16	14
Net indebtedness	million €	–132	–154	–183	–162	–203
Indebtedness ratio	years	<0	<0	<0	<0	<0

Explanatory notes to the key financial data

Equity ratio	Shareholders' equity / Total capital x 100
EBIT return on sales (EBIT ROS)	EBIT / Net sales x 100
EBT return on sales (EBT ROS)	EBT / Net sales x 100
EBIT return on capital employed (ROCE)	Employed interest-bearing capital[6] x 100
Return on equity after income taxes (ROE)	Net income / Average shareholders' equity x 100
Net indebtedness	Financial liabilities – Liquid assets and securities
Indebtedness ratio	Net indebtedness / EBITDA (excluding the depreciation of trucks for lease from financial services)

1 Figures for 2012 were adjusted due to changes in accounting treatment as of January 1, 2013. Information on changes in accounting treatment is included in the notes to the consolidated financial statements of the 2013 Annual Report.
2 New truck business, short-term-hire and used equipment and after-sales services.
3 Tangible and intangible assets excluding capitalized development expenditures.
4 Proposal.
5 FTE: full-time equivalents.
6 Shareholders' equity + Financial liabilities – Liquid assets and securities,
from 2012 onwards: Shareholders' equity + Financial liabilities – Liquid assets and securities + Provisions for pensions and long-term personnel obligations.

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Financial calendar

Balance sheet press conference, Hamburg, publication of the 2014 Annual Report	March 25, 2015
Analyst conference, Frankfurt am Main	March 26, 2015
Interim report as of March 31, 2015	May 8, 2015
2015 Annual General Meeting, Theater Neue Flora, Hamburg	May 19, 2015
Dividend payment	May 20, 2015
Interim report as of June 30, 2015	August 11, 2015
Interim report as of September 30, 2015	November 10, 2015

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