Growing with Passion
Annual Report 2015

JUNGHEINRICH
Machines. Ideas. Solutions.

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At a glance

Jungheinrich Group		2015	2014	Change in %
Incoming orders	million €	2,817	2,535	11.1
	units	97,100	85,600	13.4
Net sales				
Germany	million €	701	655	7.0
Abroad	million €	2,053	1,843	11.4
Total	million €	2,754	2,498	10.2
Foreign ratio	%	75	74	–
Orders on hand 12/31	million €	477	379	25.9
Production of material handling equipment	units	91,200	83,500	9.2
Balance sheet total 12/31	million €	3,349	3,040	10.2
Shareholders' equity 12/31	million €	1,026	900	14.0
thereof subscribed capital	million €	102	102	–
Capital expenditures [1]	million €	87	84	3.6
Research and development expenditures	million €	55	50	10.0
Earnings before interest and taxes (EBIT)	million €	213	193	10.4
EBIT return on sales (EBIT ROS)	%	7.7	7.7	–
EBIT return on capital employed (ROCE) [2]	%	17.9	18.4	–
Earnings before taxes (EBT)	million €	198	175	13.1
EBT return on sales (EBT ROS)	%	7.2	7.0	–
Net income	million €	138	126	9.5
Employees 12/31				
Germany	FTE [3]	6,078	5,638	7.8
Abroad	FTE [3]	7,884	6,911	14.1
Total	FTE [3]	13,962	12,549	11.3
Earnings per preferred share	€	4.08	3.73	9.4
Dividend per share – ordinary share	€	1.13 [4]	0.98	–
– preferred share	€	1.19 [4]	1.04	–

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 foto:
The acquisition of the MIAS Group makes Jungheinrich an expert supplier of stacker cranes – another step in the resolute expansion of the logistic system business.

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

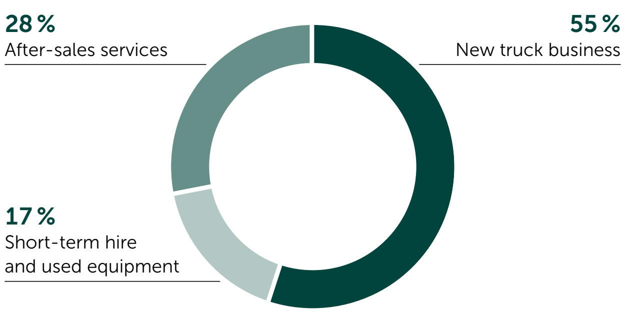
Financial Services

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

Breakdown of net sales

Net sales 2015—Intralogistics Segment

by business fields



Net sales 2015 by region

Growing with Passion
Annual Report 2015

Jungheinrich is a corporation with the values of a family-run company. As a leading provider of intralogistics, we unite mechanical engineering with high innovativeness and a focus on solutions. This is expressed by our brand claim: ‘Jungheinrich – Machines. Ideas. Solutions.’

Our group strategy is geared towards sustainable, profitable growth and thus increasing the company’s value. We intend to grow at an above-average rate and increase the Group’s profitability. Our goal is to become the number one brand in intralogistics on all European markets and in the long term to rank among the world’s top three intralogistics providers. We want to earn 4 billion euros in net sales by 2020. The very good results achieved in 2015 are yet a further step on this journey.

To our shareholders

Hamburg, March 15, 2016

Ladies and Gentlemen,

Only rarely has our mission statement 'Growing with Passion' been as fitting as it was in the 2015 financial year. We stayed our course for growth with continued success and great passion.

The most important question is: Where are we on our path to growth?

In line with the Group's strategy, we expanded the logistic system business substantially. To this end, we acquired Munich-based MIAS Group last year, enlarging our portfolio through the addition of stacker cranes. The creation of an office on the Board of Management dedicated to logistics systems was a resolute step in our evolution to system supplier. Furthermore, in the last 18 months, we have grown our global sales network significantly. We now operate with proprietary sales companies in Australia, Chile, Malaysia, Romania and South Africa as well, raising the total count to 36 countries the world over. Having upgraded our factories, we now have state-of-the-art production facilities that are designed for the long term—a major prerequisite for our growth strategy. A large number of jobs was created in Germany and worldwide over the course of this development. We hit a new record high of nearly 14,000 employees within the Jungheinrich organization. In addition, gains were posted across all relevant key performance indicators. The value of incoming orders increased by 11 per cent to 2.82 billion euros, with net sales and EBIT each posting rises of 10 per cent to 2.75 billion euros and 213 million euros, respectively. In terms of production figures, we surpassed the 90,000-unit mark for the first time in our corporate history. Fiscal 2015 was a strong year and we are on track to achieving our goal of 4 billion euros in net sales in 2020.

'Growing with Passion' is the guiding principle of the work we do as a robust and successful mechanical engineering firm. This is a mission statement to which we abide both inwardly and outwardly. In so doing, in times of rapidly changing markets and myriad global challenges, we have always stayed true to entrepreneurial values and our character as a family-run company.

Our mission statement is also testament to the fact that Jungheinrich is undergoing a process of transformation. The press rightly refers to us as: “more than just a forklift manufacturer.” Our future increasingly lies in the field of logistics systems and thus end-to-end solutions from a one-stop shop. As a pioneer of Intralogistics 4.0, we intend to maintain this evolutionary course with resolve. What is important in this context is to deepen this understanding internally as well. To this end, in line with our internal leadership model entitled the ‘Jungheinrich Way of Leadership,’ we strive to further deepen the entrepreneurial concept that exists at Jungheinrich—building on the motto of our company founder Dr. Friedrich Jungheinrich: “Go for it!” A standout highlight last year was the occupancy of the new corporate headquarters at our traditional address ‘Friedrich-Ebert-Damm 129’ in Hamburg-Wandsbek. This move is a return to our company’s roots. As a Hamburg family-run company, continuing our successful course for growth here is something very special to us.

Our gratitude goes out particularly to Jungheinrich’s employees the world over as well as to the members of the Supervisory Board and our family shareowners. Moreover, we would also like to express our heartfelt thanks to you, our shareholders, for the trust you place in Jungheinrich, and hope that you remain loyal to us as we proceed on our journey together.

Sincerely yours,

H. G. Frey

Hans-Georg Frey
Chairman of the Board of Management

Report of the Supervisory Board

Focal points of Supervisory Board activity

In 2015, Jungheinrich spurred its strategic and operational development decisively. The Supervisory Board assisted and advised the Board of Management to this end—both in preparing and making its decisions.

Events of strategic importance were the acquisition of Munich-based MIAS Group (MIAS) to expand the logistics systems business, the acquisition of a majority stake in Adelaide-based NTP Forklifts Australia (NTP) to strengthen the presence in the Asia-Pacific (APAC) region, and the establishment of a 50:50 rental joint venture in China with Anhui Heli Co. Ltd. (Heli), China's largest manufacturer of material handling equipment.

The Supervisory Board and the Board of Management concurrently took the corresponding personnel-related measures by redistributing responsibilities and enlarging the Board of Management to five members. The fixed compensation of the members of the Board of Management was adjusted as of January 1, 2015.

Besides these extremely important topics, the Supervisory Board supported the Board of Management in expanding the company's international direct sales network in Malaysia, South Africa, Romania and Chile through the complete or partial acquisition of the existing local dealership operations.

The Supervisory Board was especially pleased to find that the enlarged five-member Board of Management cooperates constructively, executive and non-executive HR development is fostered in line with the corporate culture, and progress made on the market is reflected in incoming orders, net sales and EBIT.

In adherence to the standards of the German Corporate Governance Code, the Supervisory Board conducted the regular review of its efficiency.

Cooperation between the Supervisory Board and the Board of Management

The Supervisory Board was extensively involved in all of the major decisions made by the Board of Management at an early stage. The reports delivered by the Board of Management during and in between meetings addressed the development of business in the Group companies, the financial position, the headcount trend as well as 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. 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 at Supervisory Board meetings

In the balance sheet session on March 17, 2015, in addition to the main topic, namely the discussion and approval of Jungheinrich AG's financial statements for the parent company and the Group as of December 31, 2014, the agenda included the acquisition of a dealership in Malaysia, the establishment of a regional warehouse in Russia, and the agenda of the Ordinary General Meeting, which took place on May 19, 2015.

The sole topic of debate at the extraordinary meeting on March 18, 2015 was the in-depth discussion and approval of the 2020 strategy developed by the Board of Management.

In the Supervisory Board's session immediately following the Annual General Meeting on May 19, 2015, decisions were made regarding the Board of Management's staffing, and the draft proposal for the acquisition of MIAS was approved.

At a meeting that was conducted using the written procedure in August 2015, the Supervisory Board approved the acquisition of NTP, the dealership to date.

In the session on September 29, 2015, the target parameters in relation to the proportion of female members of the Supervisory Board and Board of Management were adopted. In this context, the Supervisory Board passed a resolution stipulating that the statutory minimum quota be fulfilled by the shareholder representatives and the employee representatives separately. The foundation of a joint venture with Heli for material handling equipment rentals on the Chinese market was a major point of debate during the meeting. The Board of Management's corresponding draft resolution was passed. Furthermore, clearance was given for the establishment of a direct sales company and the intended acquisition of the dealership operations in each of the following countries: South Africa, Romania and Chile.

At the last meeting of 2015, which was held on December 16, the budget for the 2016 financial year was discussed thoroughly and adopted. Among other things, the Supervisory Board's declaration of compliance 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 again 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 2015, the Personnel Committee convened at four meetings and prepared all the topics entrusted to it—in particular the appointment of an additional member to the Board of Management as well as imminent contract extensions and compensation matters—for the Supervisory Board's plenary session. The Committee concerned itself in depth with the potential future staffing of executive positions within the Group with budding professionals.

The Construction Committee, which dealt with the planning and design of the construction of the new corporate headquarters, was dissolved with effect from the end of 2015.

Financial statements for the period ended December 31, 2015

The parent company's financial statements for the period ended December 31, 2015 prepared by the Board

of Management as well as the management report of Jungheinrich AG and the accounts for the 2015 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, 2015 and the Group management report were also issued an unqualified auditor's opinion 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 meeting 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 2015 financial year. The auditors of the annual financial statements attended the relevant meeting of the Finance and Audit Committee and of the Supervisory Board. 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, the Supervisory Board did not raise any objections to these financial statements and approved the result of the audit conducted by the independent auditors at its meeting on March 15, 2016. The Supervisory Board thus approved the parent company and consolidated financial statements of Jungheinrich AG as of December 31, 2015.

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 2015 financial year.

Personnel matters

Dr. Oliver Lücke, the former Head of the Norderstedt and Lüneburg factories, was appointed to the Board of Management as the member responsible for engineering as of July 1, 2015 at the Supervisory Board meeting that was held on May 19, 2015. Concurrently, Dr. Klaus-Dieter Rosenbach, who had been in charge of engineering until then, assumed responsibility for the newly created office on the Board of Management, 'Logistics Systems'.

The Supervisory Board thanks the Board of Management and the workforce for their contributions to the huge success achieved in the 2015 financial year.

Hamburg, March 15, 2016
On behalf of the Supervisory Board

Jürgen Peddinghaus
Chairman

Corporate governance report

Corporate governance at Jungheinrich

In accordance with Item 3.10 of the current version of the German Corporate Governance Code of May 5, 2015, the Supervisory Board and the Board of Management hereby report on corporate governance 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 May 2015, to be an important guideline for both inwardly and outwardly oriented corporate governance. In the financial year that just ended, the Board of Management and the Supervisory Board scrutinized the new version of the Code critically yet again, in particular to determine which of the recommendations and suggestions of the Code were suited to the nature of a family-run company and its objectives. Based on the review, it was decided that nearly all of the Code's recommendations and suggestions would be followed and implemented without restriction. Only for a few recommendations and suggestions was this not the case in part or in full. These deviations were scrutinized in depth and communicated thereafter.

The foundations of Jungheinrich's entrepreneurial activity include 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, which is now composed of five members, runs the company's operations and assumes responsibility for this.

Composed of six shareholder representatives and six employee representatives, the Supervisory Board has equal representation and monitors the Board of Management's business management activities, advising it 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 shareholders to exercise their rights.

The auditors of the annual financial statements support the Supervisory Board through their comprehensive work. Compliance with statutory regulations and internal guidelines is of major importance to the company and its committees. The Board of Management regularly reports on the compliance organization and its work to the Finance and Audit Committee, which promptly discusses compliance issues. The company takes a cautious and restrained approach to risks.

In supplementing this report, 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 corporate 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 2015, following the Finance and Audit Committee's preparatory work, the Board of Management and the Supervisory Board's standard annual statement of compliance with the recommendations and suggestions of the German Corporate Governance Code Government Commission pursuant to Section 161 of the German Stock Corporation Act was adopted and published on the company's website. It reads as follows:

"Jungheinrich AG has complied with the recommendations of the German Corporate Governance Code Government Commission in the May 5, 2015 version of the Code published by the German Federal Ministry of Justice in the official section of the German Federal

Gazette on June 12, 2015 since its last statement of compliance in December 2014, 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 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.

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

   In light of the company's nature, which can be likened to that 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.

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

   Over the course of 2012, the Supervisory Board debated whether the Code's recommendation can 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, which will be held in 2016.

6. The company renounces the determination of an age limit and a limit of the tenure of membership (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. The Supervisory Board deems it inappropriate to limit the tenure of the members of the Supervisory Board.

7. 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 candidates for the four remaining shareholder representatives, which 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 2015."

Voting rights are exercised by ordinary shareholders at the Annual General Meeting. However, all shareholders are given an equal right to be heard on all matters.

The auditors of the annual financial statements report on all findings and events material to the Supervisory Board's tasks. This includes deviations between practices in the company and the declaration regarding the German Corporate Governance Code adopted by the Board of Management and the Supervisory Board. The auditors of the annual financial statements confirmed adherence with the declaration of compliance. The auditors of the annual financial statements did not issue any notification on any grounds for disqualification or partiality identified by them before or during the audit of the annual financial statements.

Hamburg, March 15, 2016

The Supervisory Board The Board of Management

The Supervisory Board

Jürgen Peddinghaus
Chairman
Management Consultant

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

Detlev Böger*
Deputy Chairman
Jurist

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

Further offices held
Supervisory Board:
Kabel Deutschland Holding AG, Unterföhring
(until June 30, 2015)
ProSiebenSat.1 Media SE, Unterföhring

Similar control body:
Sanoma Group, Helsinki/Finland (until April 8, 2015)
a.s.r. Nederland N.V., Utrecht/Netherlands
Thomas Cook PLC, London/UK
ASML N.V., Veldhoven/Netherlands (as of April 22, 2015)

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

Markus Haase*
Chairman of the Group Works Council

Rolf Uwe Haschke*
Chairman of the Information Technology Works Council
of Jungheinrich AG

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 (until December 31, 2015)
Wolff Lange (Chairman)
Rolf Uwe 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:

Hans-Georg Frey
Chairman of the Board of Management
Labour Director

Further offices held
Supervisory Board:
Fielmann AG, Hamburg

Dr. Lars Brzoska
Member of the Board of Management
Marketing & Sales

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

Dr. Volker Hues
Member of the Board of Management
Finance

Further offices held
Supervisory Board:
A.S. Création Tapeten AG, Gummersbach
(as of May 7, 2015)

Dr. Oliver Lücke
Member of the Board of Management
Engineering (as of July 1, 2015)

Dr. Klaus-Dieter Rosenbach
Member of the Board of Management
Logistics Systems (as of July 1, 2015)
Engineering (until June 30, 2015)

2

shifts without swapping batteries—thanks to the EKX's weight reduction and more efficient power consumption.

93%

of the power is converted to performance by the EKX's reluctance motor.

30%

faster on uneven surfaces, courtesy of the optional EKX Floor Pro module.

Growing with Passion

Fiscal 2015 was a very eventful and hugely successful year. Our course for growth was dotted by milestones in the form of strategic projects. We set new standards in the sector with our completely revised EKX 514–516 high-rack stacker. Its myriad automation options are testament to and part and parcel of our extensive expertise in the field of logistics systems. By acquiring the MIAS Group, which ranks among the world's leading suppliers of stacker cranes and load handling technology, and creating an office on the Board of Management dedicated to this field, we greatly expanded this important division strategically in 2015.

Substantial capital expenditures on our production sites strengthened our competitiveness. Thanks to the completed expansion of the Dresden Used Equipment Centre in 2015, capacity for high-quality reconditioned forklift trucks was increased significantly. We enlarged our global direct sales network considerably as well. Now, we have a proprietary sales company in 36 countries the world over. A recent cooperation arrangement with Zeppelin Rental enabled us to triple our footprint in the German short-term hire business.

The opening of our new training centre in Norderstedt does justice to our growing need for qualified staff, while the Dr. Friedrich Jungheinrich Foundation is dedicated to promoting education, science and research. Cooperation with the Institute for Technical Logistics at the Hamburg University of Technology was stepped up, among other things.

As a system provider, Jungheinrich has the entire program on offer, as we just added stacker cranes to our range of products and services.

Systematic logistics and the bird's eye view

Growing with Passion

The Board of Management's newly created logistics systems office does justice to the strong trend towards increased automation and more sophisticated in-house logistics processes. Dr. Klaus-Dieter Rosenbach is responsible for this office and fields our questions.

Dr. Rosenbach, 'Industry 4.0' is all the rave. What exactly does this structural change in the industry mean for the intralogistics sector?

Dr. Rosenbach: This change has been ongoing in the industry and logistics sector for many years. The pace of innovation is growing incessantly. Centre stage is taken by the digitization and automation of entire value-added chains and the intelligent networking of humans and machines. In addition, this transformation is not limited to industry alone. It already affects our daily lives. Every click of an order button in the Internet triggers a complex logistical process. Mastering this complexity is the task we have termed 'Intralogistics 4.0.'

What does this look like in practice?

Dr. Rosenbach: Imagine buying a book online. Two or three days later, it is delivered to your doorstep. You don't see any of the necessary intralogistic activity that takes place in between—it's all handled by Jungheinrich. It starts with our warehouse management system, which receives the vendor's inventory control data, processes it for warehouse management, and transmits it to the warehouse system. It continues via our logistics interface, which establishes communication with our warehouse vehicles and sends them to the right slot in our racking system. And it ends with our forklift, which loads and unloads the lorry. We provide all of this from a single source.

Dr. Klaus-Dieter Rosenbach,
Member of the Board of Management, Logistics Systems

Does this mean that Jungheinrich is repositioning itself? Moving away from being a forklift manufacturer and service provider with production operations towards being a full-service intralogistics provider?

Dr. Rosenbach: To me, this is more a continuous development rather than anything else. Jungheinrich has already been offering complete intralogistics systems along with the associated intelligence for a great many years. Since then, we have built our system business systematically. Major steps recently taken to this end are the full acquisition of ISA, which specializes in software for warehousing and material flow equipment as well as the

establishment of the ‘Logistics Systems’ Division in 2013 along with the creation of the associated office on the Board of Management in the middle of 2015.

As an intralogistics and system supplier, Jungheinrich is a full-liner, offering everything from hand pallet trucks, forklifts of all types and warehousing equipment to fully automated warehousing systems with multiple zones and the Warehouse Management System. And we just added stacker cranes through the acquisition of the MIAS Group. Jungheinrich thus covers the entire spectrum.

Can’t other companies do this as well?

Dr. Rosenbach: Not with our constellation. There are producers of material handling equipment that can’t build systems and there are system providers that don’t have material handling equipment in their portfolio. Jungheinrich—and this is the key difference—can offer both—completely irrespective of the degree of automation. And completely irrespective of whether we’re talking about simple or very large systems. And we have another unique selling proposition: With over 4,300 service engineers and a top-notch spare parts supply system, we offer our customers global availability that is second to none.

What’s your take on the development of intralogistics, especially when it comes to end-to-end logistics system solutions?

Dr. Rosenbach: We’re convinced that the trend towards complete solutions is here to stay and will intensify going forward. The world market is programmed for growth. And by the way, this also holds true for Asia. Logistics systems currently account for some 15 per cent of Jungheinrich’s business. We want to grow far above average. With ‘Intralogistics 4.0.—made by Jungheinrich,’ we will succeed.

$2\ m/s^2$

is the maximum acceleration of the MIAS stacker cranes.

$5\ m/s$

is the load-dependent maximum speed of the MIAS stacker cranes.

The acquisition of the MIAS Group in 2015 is a resolute continuation of our growth strategy. As a leading provider of stacker cranes and load handling technology, the company, which was founded in 1985, optimally extends our offering in a rapidly expanding logistics system business and opens the door to new opportunities on the market.

Successful worldwide

Headquartered in Munich, the MIAS Group is an international mechanical engineering company active in the fields of warehousing and transportation technology. MIAS is the world market leader in load handling technology for pallets. In addition the company, which was independent until the acquisition, ranks among the premier pallet stacker crane specialists.

In the 2014 financial year, the group generated about 40 million euros in net sales. It employs more than 300 people at its five locations in Germany, Hungary, Italy, China and the USA. This makes MIAS one of the few medium-sized enterprises that manufacture and market intralogistics components on these three major continents.

A perfect match

There were several reasons for our acquisition of the family-owned company. Besides the actual product offering, it was the employees' outstanding expertise. Furthermore, thanks to its entrepreneurial mindset, the MIAS Group and its dedicated, highly qualified staff members are an ideal fit for Jungheinrich's corporate culture. Another factor was the company's international setup, including production operations in China.

MIAS (the brand will be maintained) also derives huge benefits. Jungheinrich's strong capital base and manpower enable large-scale projects to be financed and mitigate the risks to which medium-sized enterprises are exposed on today's world markets. Working in tandem, new projects can be tackled and new target groups can be addressed. Jobs are thus safeguarded over the long term through the continuous evolution of products and services.

Universal, tall and fast

Stacker cranes and the load handling technology specific to them are used in a wide variety of sectors. They are generally deployed wherever goods and products must be placed in interim storage automatically, running the gamut from a pharmaceutical article weighing just a few grams to a product made of steel weighing up to 40 tons. MIAS offers solutions for everything: in the fields of automobiles, mechanical engineering, beverage production, wood and paper processing and many other sectors.

Compared to high-rack warehouses with narrow-aisle forklift trucks, which have maximum lifting heights of about 17.5 metres, stacker crane facilities have maximum ceiling heights of just over 40 metres. This allows far more articles to be stored on the same floor space, which translates into a significant cost reduction. Moreover, stacker cranes operate at higher speeds. This results in shorter work cycles and higher turnover rates.

Robust, user-friendly technology

Says Walter Kennerknecht, Head of the MIAS Stacker Crane Division, describing the design of a stacker crane, "A stacker crane is a robot with at least three axles, on which horizontal movements are carried out along the x-axis, vertical movements are carried out along a mast on the y-axis, and movements into the storage slot are carried out along the z-axis. In addition, auxiliary axles can be fitted to the cable-operated lift frame, which holds the load handling means, in order to secure the load or accelerate handover."

"Positioning is effected through measuring systems and sensors," adds Stefan Ott, Co-Head of the MIAS Stacker Crane Division. "The stacker crane receives the transport orders from a control unit over an infrared or WLAN link. The electric motors are powered via a contact line. Analogously to the technique employed in elevators, a safety catch prevents the lift frame from falling should the cable break. Standout features of MIAS stacker cranes are the standard maintenance platforms, adjustable wheels and oversized guide rollers."

43 m
is the height MIAS stacker cranes can reach.

64
stacker cranes is the biggest order won by MIAS thus far.

Roughly
1,000
MIAS stacker cranes have already been installed worldwide.

Walter Kennerknecht (left) and Stefan Ott, joint Heads of the MIAS Stacker Crane Division, agree, "Our accomplishments are the result of teamwork. And that's a guarantor of success."

Getting more done together

Walter Kennerknecht and Stefan Ott expect the integration into the Jungheinrich Group to deliver clear advantages: "So far, MIAS has only supplied OEM hardware. Control technology was in the hands of third-party companies. This has changed, as Jungheinrich is extremely active in this field and has a wealth of experience in integrating systems.

Furthermore, in its former role as supplier to general contractors, MIAS was unable to maintain very strong contacts to the end-customer. Jungheinrich, however, is networked very tightly with end-users. This will definitely provide us with more information on the market and—of course—sales volume.

Whereas only moderate growth can be expected in Europe, potential is probably higher in North America and huge in China. The advantage in this context is that the two companies have an international setup and a global footprint. In addition, Jungheinrich offers first-rate worldwide service. All of this will increase our share of the market even further."

60% to 70%
of the original price is fetched by every Jungheinrich JungSTAR.

50%
of the reconditioning time was saved through new processes and processing machines in 2015.

85%
of the 1,894 parts of every Jungheinrich EFG 320 battery-powered forklift truck are reviewed during reconditioning.

Ralf Bangert, Managing Director of the Dresden Used Equipment Centre, “Once ‘Made and Remade in Germany’ is equated to ‘Made and Remade by Jungheinrich’, we’ve made it. We’re making good progress.”

Highest quality down to the smallest detail

Growing with Passion

The market for used material handling equipment is growing. Demand for high-quality equipment meeting strict quality standards is on the rise. Jungheinrich identified this trend early on. We have been reconditioning 4 Star quality material handling equipment at the Dresden Used Equipment Centre since 2006. In 2013, we initiated the plant's expansion, which has nearly been completed. This paves the way to increasing production from 5,500 units today to 8,000 units in 2018.

Mounting demands

Whereas second-hand forklift purchases used to be based on price, other factors are relevant today. Sustainability and environmental protection are important to many decision makers. Verified quality of everything—right up to the underside of the hood—is what customers are willing to pay more for. In addition to demand from medium-sized enterprises, we are increasingly receiving orders from key accounts. Used truck financing is also constantly gaining significance.

Some 92 per cent of our used equipment potential is harboured by returns under rental and financing agreements. The remainder is accounted for by trade-ins. Forklifts that are more than ten years old are disposed of professionally and in an environmentally friendly manner.

The secret behind our premium quality

Jungheinrich used equipment is reconditioned in adherence with an ambitious, standardized 4 Star concept. The stars stand for safety, technology, appearance and reliability. This is why every forklift that leaves our Used Equipment Centre in Klipphausen, which is near Dresden, bears the name 'Jungheinrich JungSTAR.' We ship them to all countries in which Jungheinrich is active.

Reconditioning encompasses six steps. Following the vehicle check, which has been standardized groupwide, we dismantle the forklifts down to their components and clean them thoroughly. As a rule, we replace all of the parts that are important for ensuring truck safety or are worn. Once the surfaces have been cleaned and painted, the components are placed in interim storage. All of the

Reconditioned and quality-checked forklift components are reassembled. This is how a 4 Star truck is built—step by step.

About
85%
is the degree to which drying time has been shortened thanks to new coating techniques.

Surface working is followed by coating in state-of-the-art booths. Now it is virtually impossible to distinguish a Jungheinrich JungSTAR from a new truck.

parts, the truck body and mast are sourced from the interim storage facility and assembled to order. Outgoing quality assurance including performance checks and the issuance of a safety certificate rounds off our premium-quality industrial reconditioning process.

“Dismantling the forklift trucks completely ensures that all of the defects are detected and eliminated,” explains Ralf Bangert, Managing Director of the Used Equipment Centre. “Our inspected components increase the quality of the entire reconditioning process. The complete final assembly of every forklift and platform truck is carried out by an employee. The employee personally guarantees the quality of his or her work with a tag bearing his or her signature and picture affixed to the forklift truck. Customers who believed this was merely a marketing ploy were often dumbfounded and convinced otherwise on guided tours of the facility.”

Aligned for growth

The structural expansions and changes in Klipphausen went hand in hand with the optimization of work processes and material flows. As Ralf Bangert comments, “Similar to building new forklifts, we focus primarily on component production. New facilities make individual operations easier and accelerate them. For example, we shortened surface working times while reducing pollution caused by solvent residue significantly. We now employ monolayer paints in the painting booths that do not require primer and, by temporarily heating them to 60°C, we reduced the entire drying time from between seven and eight hours to just one.

We have our sights firmly set on the future. The new room concept will even allow us to switch to processing lines without making major changes. This will enable us to increase unit figures substantially.”

Tripled—
this is the extent of the increase in Jungheinrich forklift rental stations in Germany.

1,000 mt
is the total payload capacity of our Zeppelin rental fleet.

2016
is when Jungheinrich sales training programs will be offered to Zeppelin rental staff.

Benjamin Vetter, Key Account Manager Rental at the Bavaria Sales Centre: "For me the top priority is ensuring cooperation between two companies that are equally established on the market, but bring entirely different experiences and corporate cultures to the table."

Position more broadly with strong partners

Growing with Passion

Zeppelin Rental, a business unit of the globally active Zeppelin Group, has expanded its high-quality rental offering with Jungheinrich forklifts. This is the result of a comprehensive cooperative endeavour between Zeppelin Rental and Jungheinrich in the rental sector. The venture is expected to provide significant growth stimuli. The contacts for all those involved are the rental specialists of our Bavaria Sales Centre.

Frank Strasmann, Managing Director Jungheinrich Sales Germany, (left) and Wolfgang Hahnenberg, Head of the Zeppelin Rental Strategic Business Unit, look forward to a successful cooperation.

Rental expertise expanded

The market for rented material handling equipment is very heterogeneous. Well-known manufacturers are represented supra-regionally with their own rental equipment, but there are many small dealerships that largely market forklifts of various brands locally.

Zeppelin Rental GmbH & Co. KG, which runs 120 rental stations in Germany alone, is one of the major players in this sector. The long-established company recently started offering Jungheinrich forklifts to its rental customers.

A winning proposition: our RFM concept

The cooperative venture followed an invitation to tender. Zeppelin Rental was looking for a provider of high-quality forklifts with diesel, LPG and battery-powered drives. Jungheinrich submitted the winning bid, thanks to our optimal Rental Fleet Management (RFM) concept.

The advantage of this sourcing model is that Zeppelin Rental rents the trucks from us instead of buying them. This saves the company from tying down substantial amounts of capital. Whenever the equipment made available to Zeppelin Rental exclusively in Germany fails to satisfy demand, we avail ourselves of our pan-European forklift fleet in order to fill the gaps caused by short and medium-term spikes. Vice-versa, Zeppelin Rental can return trucks to Jungheinrich, which we then reintegrate into our overall rental fleet. We thus assume the capacity utilization risk. However, thanks to the substantial demand for these products throughout Europe, it is very manageable. And last but not least, our after-sales services guarantee that trucks remain in working order—with the most densely spun service network in Germany and an extremely high level of spare part availability.

New target groups in sight

This also provides Jungheinrich with tangible benefits. Zeppelin Rental has a tradition of being a strong partner to the construction industry and is known for its widely diversified portfolio of high-quality products. The cooperation now gives us access to a major new target group.

Says Benjamin Vetter, Key Account Manager Rental at the Bavaria Sales Centre, “So far, we have received remarkably positive feedback on our forklift trucks from Zeppelin Rental customers.”

A real win-win situation

The collaborative venture with Zeppelin Rental has raised the profile of Jungheinrich used equipment on the market significantly. We now have a presence at approximately 120 sites in Germany. In exchange, Jungheinrich’s rental organization benefits from Zeppelin’s rental offering that includes boom lifts and telehandlers. This puts our position on the market on a wider basis.

Benjamin Vetter has a positive outlook on the future: “I see a host of growth opportunities for both companies. And I’m sure that we will succeed in working constructively with one another with a lot of motivation. After all, as a team we can achieve more.”

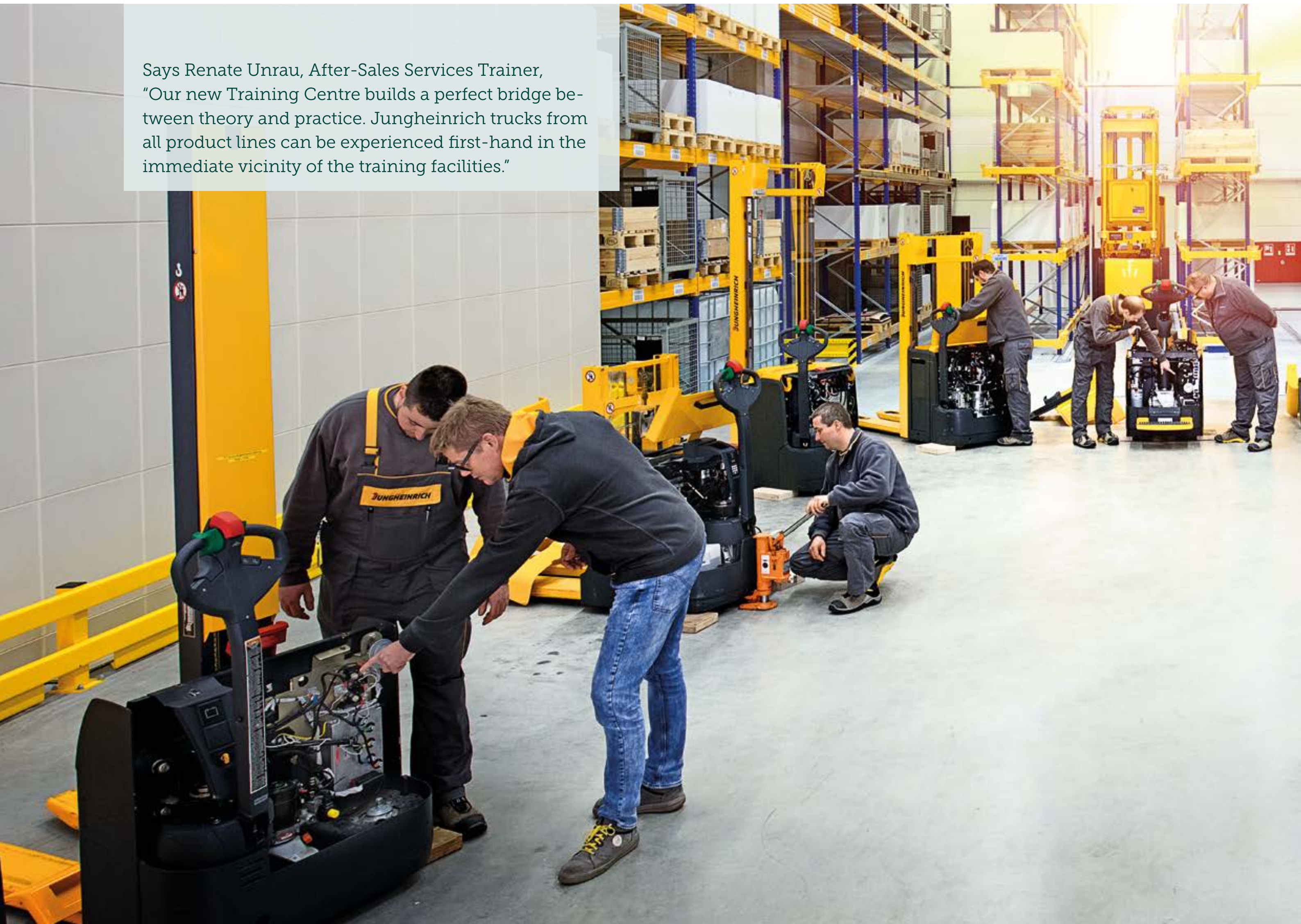
Three rental specialists are fine-tuning the program: Tobias Binzek, Zeppelin Rental customer service advisor at the Hamburg-Glinde site, Benjamin Vetter from the Jungheinrich Bavaria Sales Centre, and Stefan Schimkowski, Rental Fleet Manager at Jungheinrich AG (left to right).

4,400
people completed a training program in 2015.

238
individual training programs were conducted in 2015.

80
different forklifts from all Jungheinrich series are constantly available.

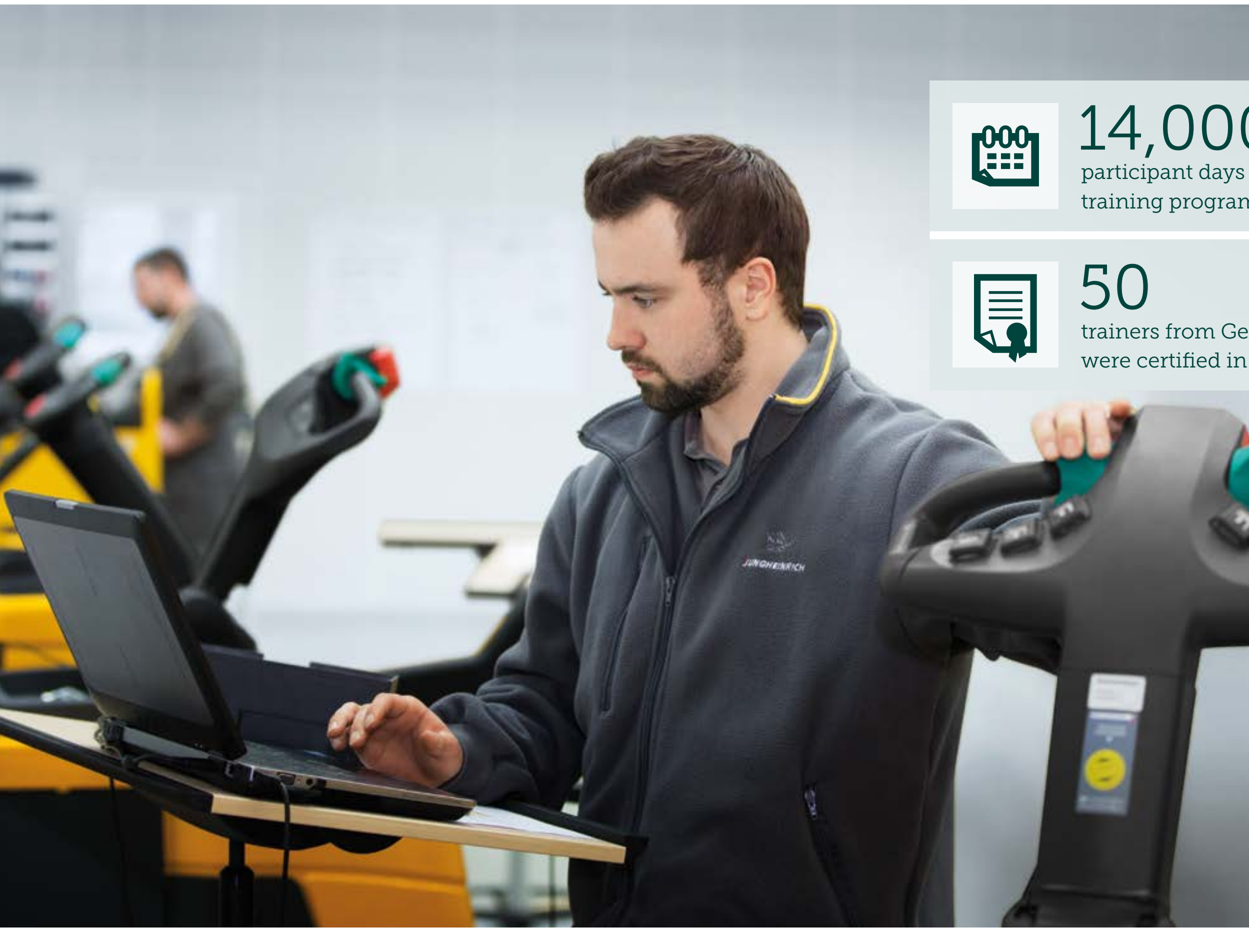
Says Renate Unrau, After-Sales Services Trainer, "Our new Training Centre builds a perfect bridge between theory and practice. Jungheinrich trucks from all product lines can be experienced first-hand in the immediate vicinity of the training facilities."



Expanding knowledge with systematic training

Growing with Passion

With the inauguration of the new Jungheinrich Training Centre in September 2015, we are doing justice to the rising employee figures, more complex technology, and our increasingly global presence. Modern training rooms and ample space for working and learning using forklifts and racks from all Jungheinrich lines have been provided on a floor space spanning nearly 8,000 square metres. As many as 5,000 people can obtain their qualifications here every year.



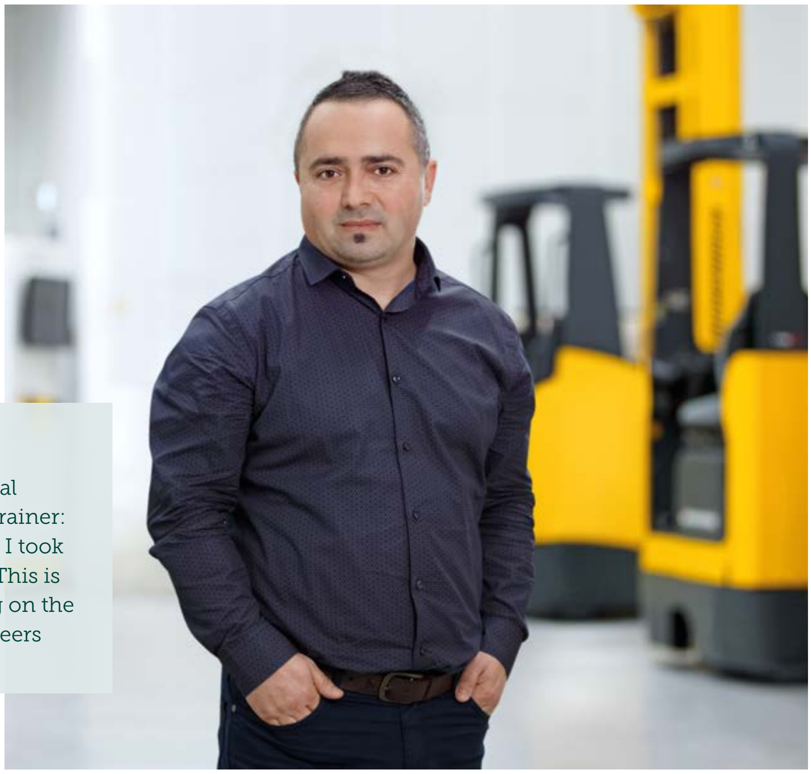
14,000
participant days were covered by training programs in 2015.

50
trainers from Germany and abroad were certified in 2015.

New rooms, new possibilities

Demand for the courses offered by the Jungheinrich training organization rises by 15 to 30 per cent every year. This is a trend that will intensify given our course for growth. Since the rooms previously used for training purposes did not allow for noteworthy expansion, laying the foundation for a new training centre was the logical step.

The basic and advanced training facility opened on the Jungheinrich factory premises in Norderstedt near Hamburg in September 2015 consists of a four-storey administration building and an annexed hall complex. Theory courses are held in generously sized rooms that can be furnished individually and are immediately adjacent to the practical work areas. Renate Unrau, After-Sales Service Trainer and Certified Electrical Engineer, is thrilled with her new workplace: “The subject matter that we have just gone through in theory can be practiced on the forklift trucks that are just a few steps away. One of the highlights is our hall with a height of twelve metres, which has been fitted with a representative range of our warehousing equipment. This is where we rehearse situations that occur when material handling equipment, racks and high-level system technology are brought together.”



Murat Bulut of Jungheinrich Istanbul's Technical Support successfully competed his training as trainer: "Besides my very strong personal development, I took a high level of professionalism back to Turkey. This is evidenced by our pilot project entitled 'Training on the Job' with which we promote new service engineers individually."

Modern methods

The training centre is also home to a production studio for e-learning modules. Participants can prepare for a course or deepen the lessons they have already learned via these training units over the Web. Virtual classrooms allow them to communicate with the trainers in webinars. A final test verifies whether the objective of the training program has been achieved. This enables people from all over the world to benefit from Jungheinrich training. Furthermore, the studio is capable of localizing the standard offering, which consists of German, English, French, Spanish and Italian, in other languages.

Train the trainer

Jungheinrich's basic and advanced training adheres to a uniform quality standard—worldwide. This is why every trainer from Germany and abroad has to complete the four modules offered by the Jungheinrich Trainer Academy. If they pass the final exam, they receive certification from TÜV Rheinland, the technical inspection agency of the Rhine region. Our goal is to increase the number of qualified salespeople and technicians in Jungheinrich's countries of operation via competent disseminators. We aim to have 150 certified trainers throughout the Group by 2020. With their help, we could then train up to 8,000 people per annum.

65

is the number of scholarships awarded by the Dr. Friedrich Jungheinrich Foundation so far.

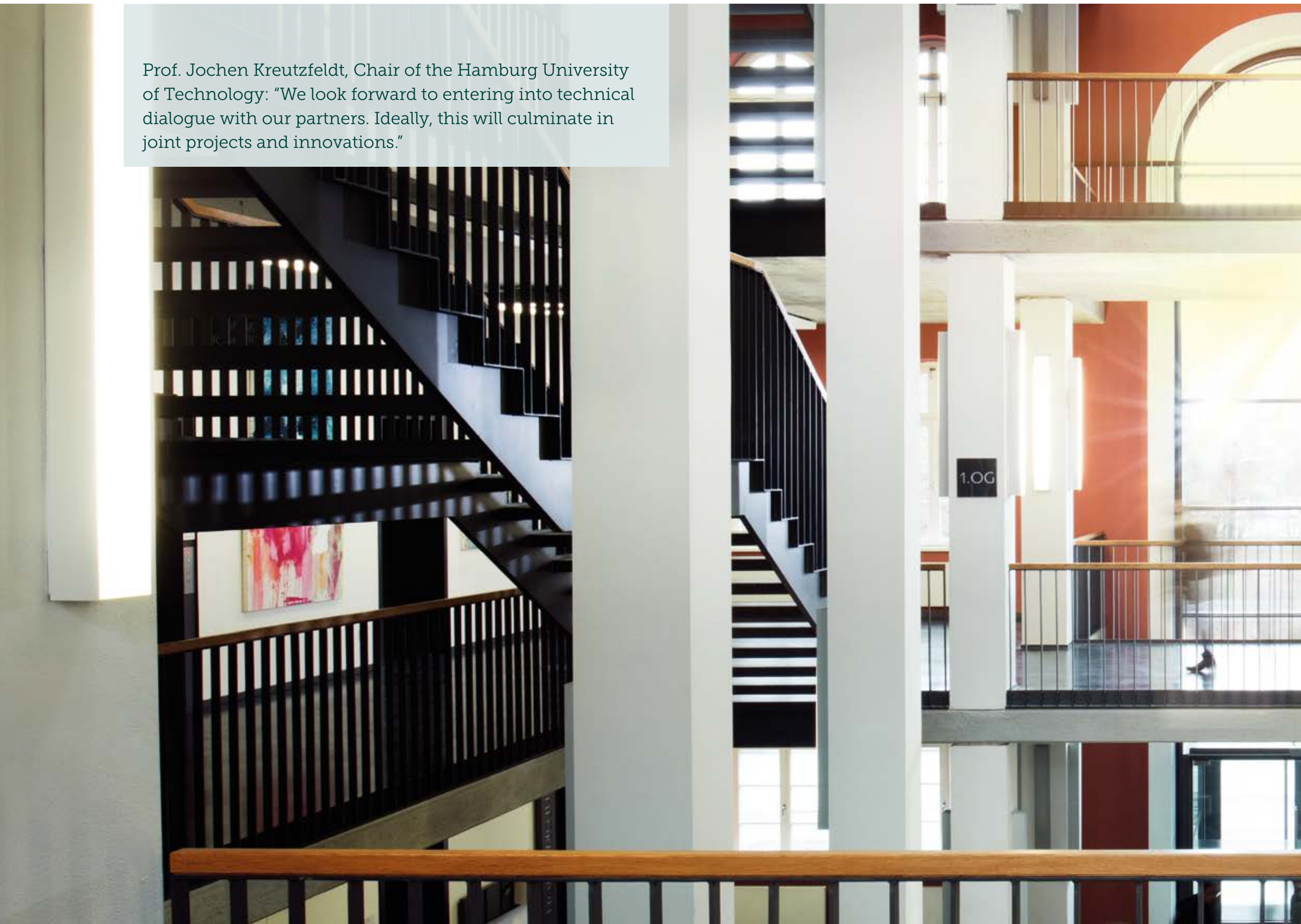
5

countries witness the Foundation’s activity.

18

chairs have applied for the 2016 Excellence Awards.

Prof. Jochen Kreutzfeldt, Chair of the Hamburg University of Technology: “We look forward to entering into technical dialogue with our partners. Ideally, this will culminate in joint projects and innovations.”



Strengthen stimulus via active involvement

Growing with Passion

Established in 2004, the Dr. Friedrich Jungheinrich Foundation is dedicated to the promotion of education, science and research in the fields of electronics, electrical and mechanical engineering, and logistics. Special emphasis is placed on collaborating with institutions of higher learning and research establishments. The most recent example is the cooperation with the Institute for Technical Logistics at Hamburg Technical University.

Support at various levels

The Dr. Friedrich Jungheinrich Foundation spends its 10 million euros in capital on scholarship awards, research projects and the promotion of chairs at universities. Moreover, outstanding university graduates and research findings have been recognized with the Excellence Awards once every two years since 2012.

“For example, we actively supported a post-doctorate thesis on 3D printing and a project for detecting obstacles through autonomous transport vehicles,” explains Thomas Heyn, Chairman of the Board of the Foundation and International and Executive HR Director of Jungheinrich AG. “In 2016, we want to step up our international collaboration with partners including the German-Turkish University in Istanbul. At the national level, we strive, among other things, to establish long-term cooperation with the Institute for Technical Logistics at Hamburg Technical University.”

Thomas Heyn, Chairman of the Board of the Dr. Friedrich Jungheinrich Foundation and International and Executive HR Director of Jungheinrich AG, (left) discusses the potential elements of an effective cooperation with Prof. Jochen Kreutzfeldt.

The main auditorium of Hamburg Technical University, which was founded in 1978. Some 100 professors teach approximately 7,000 students in 42 Bachelor and Master programs. Technical Logistics is one of the newest institutes.

Research for practice

Prof. Jochen Kreutzfeldt, Chair of the newly created institute, summarises the collaboration from his perspective: "We build on basic knowledge to develop new applications for logistics companies. By working with industrial partners, we can identify need for action and evaluate our solutions together. Our cooperation with Jungheinrich is extremely valuable for several reasons. Of notable mention in this context are the innovative products, their fields of application and the wealth of experience that has been amassed over decades. To my knowledge, Jungheinrich will add new points of focus when engineering logistics systems. These warehouse, conveyor, order picking and sorting applications are extremely exciting to us. Our vicinity to the Foundation and Jungheinrich's sites here in Hamburg rounds off this setup perfectly."

Business activity in technical logistics

Prof. Kreutzfeldt is convinced that the conditions are ideal for his institute's work: "In the last few years, developments in mechatronics and information processing have given rise to a plethora of new possibilities. RFID systems, wireless data interchange, automation technology as well as location, navigation and image processing solutions have opened the door to entirely new opportunities for technical logistics with a view to accelerating logistics processes and making them flexible. This is why technical logistics combined with information technology is a key prerequisite for the concepts of Industry 4.0 and the Internet of Things. Specifically, this involves the digitization and networking of processes and machines. These solutions must be put into practice so that they actually add value for people—be they employees or customers.

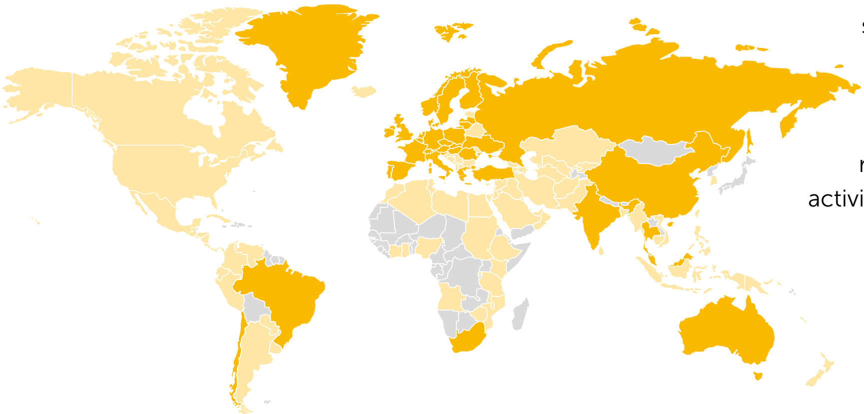
Spotlight in 2015

Growing with Passion

Global footprint enlarged

Worldwide market proximity via international direct sales—this is the goal towards which Jungheinrich took another major step in 2015. We set up Jungheinrich direct sales operations in a total of five of our partner sales markets the world over.

By acquiring the Jungheinrich business of our dealership in Romania, we strengthened our presence in Eastern Europe. On the other side of the globe, we laid the foundation for further growth in the extremely important Asia-Pacific region by acquiring our Australian partner and our dealer in Malaysia. Furthermore, proprietary sales companies fortify our position as an international direct supplier in South Africa and Chile (established at the beginning of 2016). Jungheinrich is now represented through its own direct sales activities in 36 countries around the world.



Recognized yet again

IFOY Award 2015

A Jungheinrich stacker was the winning entrant yet again at the 2015 International Forklift Truck of the Year (IFOY) Awards. Our EFG 30s won the coveted prize in the 'Counter Balanced Trucks up to 3.5 Metric Tons' category. The battery-powered counterbalanced trucks produced at our Moosburg factory earned points for its state-of-the-art ergonomics and the energy savings concept entitled 'Pure Energy.'

Our Jungheinrich logistics interface wins

Industry, science and media representatives elected the Jungheinrich logistics interface the top innovation at LogiMAT 2015. It prevailed as 'BEST PRODUCT' in the 'Software, Communication, IT' category. Known as 'middleware,' the interface software facilitates communication with warehouse trucks and integration in any warehouse management system.

ISM Online with added feature

Our successful ISM Online fleet management system has been expanded by a service module. In so doing, we have addressed the needs of customers with existing service agreements seeking to obtain information on pending, completed and overdue maintenance as well as safety checks. Given that it is a Web-based system, ISM Online ensures the location-independent transparency of the technical and business-related data of material handling equipment fleets.

New generation of order pickers

Our newly developed ECE 220/225 horizontal order picker made its debut at LogiMAT 2015. Thanks to its completely revised drive and control technology, its driving performance and acceleration are outstanding. The interplay between the engine developed in-house and Jungheinrich software ensures the sparing use of the energy that the ECE can optionally obtain from our new lithium-ion battery. It then takes only 80 minutes to fully recharge the forklift and ready it for an entire shift.

10%
more handling turnover can be achieved with our new horizontal order picker.

22%
less energy is consumed by the new ECE 220/225 with the Drive & Eco Plus package than by its predecessor.

Support for action medeor

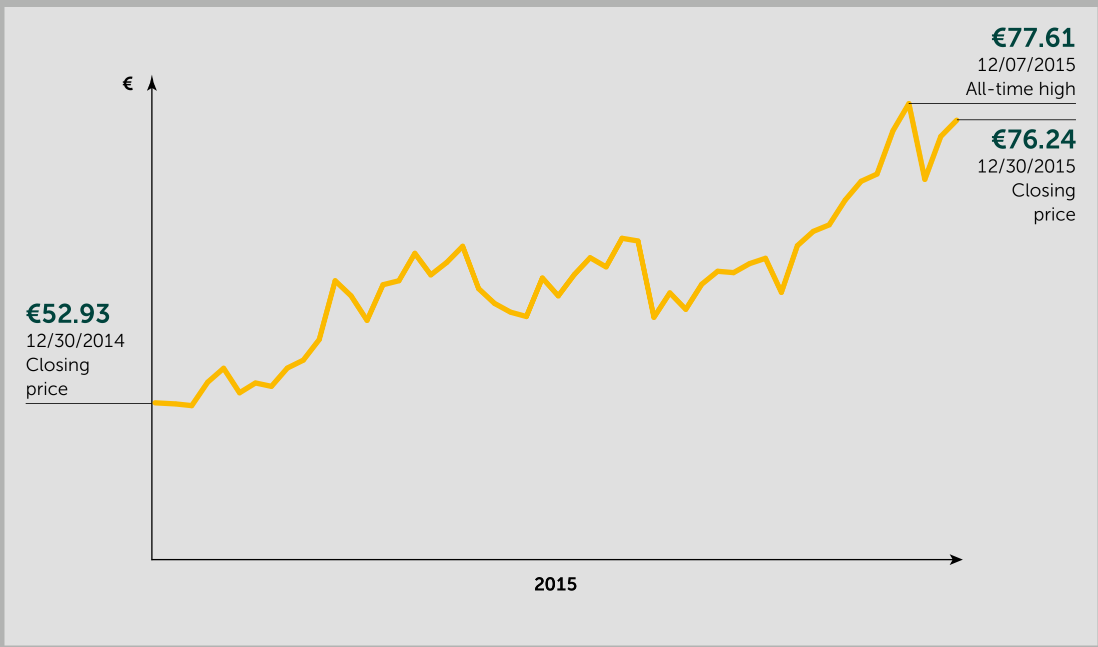
Our charitable work for the pharmaceutical product aid organization action medeor bore further fruit in 2015. By donating a pallet racking facility and a battery-powered pedestrian-controlled platform truck, we were of assistance in setting up a medication distribution station in Malawi, one of the world's poorest countries.

Jungheinrich share

Jungheinrich share price up 44 per cent, outperforming MDAX

Quotation hits all-time high of €77.61

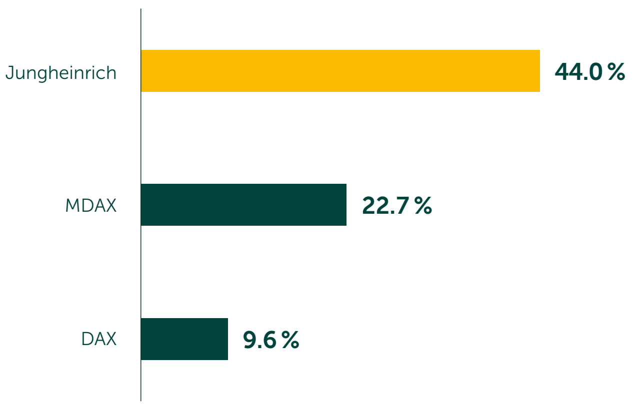
Dividend for preferred shares jumps 14 per cent



The Jungheinrich share

The Jungheinrich share enjoyed a very successful 2015. It rose in price by 44 per cent. The fourth quarter saw it reach its all-time high of €77.61. The shareholders will partake of the company's success by receiving a much higher dividend.

Performance in 2015



Turbulent 2015 share trading year

Overall, stock markets were characterized by an upward trend in 2015. This was driven above all by strong momentum in the first and fourth quarters. At the same time, quotations displayed significant fluctuation over the course of the year.

At the beginning of the year, the onset of bond purchases by the European Central Bank and improved economic data in the Eurozone gave rise to a positive mood on international financial markets. As the year progressed, however, especially the Greek debt crisis and debates concerning the US Federal Reserve's future policy led to uncertainty on the stock markets. Furthermore, weak economic data in China had a negative effect on sentiment. By contrast, the third aid package for Greece, the European Central Bank's announcement to potentially extend its expansionary monetary policy, and initial indications of the first rise in the US Federal Reserve's prime rate in nearly ten years lent support in the second half of the year. Moreover, robust economic data in the Eurozone and USA raised confidence among financial market participants.

In 2015, Germany's major lead indices all posted substantial gains. Hitting an all-time high of 12,375 points in April 2015, the DAX rose by 10 per cent to 10,743 points over the course of the year (previous year: 9,806 points). The MDAX, in which the Jungheinrich share has been included since December 2014, gained 23 per cent in value during the same period, advancing from 16,935 to 20,775 points.

Jungheinrich share records all-time high

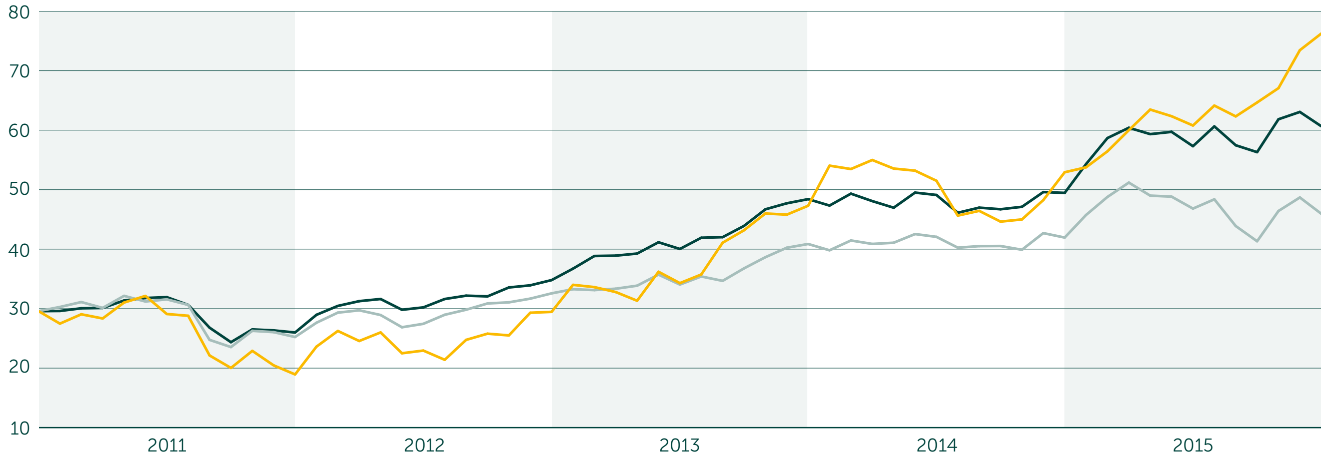
Jungheinrich stock posted 44 per cent value growth for the year compared to its closing quotation in 2014. Whereas the share certificates dropped to their low for the year of €51.26 on January 6, 2015, their performance gained substantial momentum in the second half of the reporting period. On December 7, 2015, the quotation hit an all-time high of €77.61, closing the last trading day of 2015 at €76.24.

The strong share performance had a positive impact on market capitalization, which rose by €792 million from €1,800 million to €2,592 million in the period under review. In December 2015, Jungheinrich's preferred share improved its position in terms of market capitalization from 51st to 46th in the ranking of Deutsche Börse AG, which encompasses a total of 100 companies included in the MDAX and SDAX. Based on turnover, its position improved from 55th to 51st.

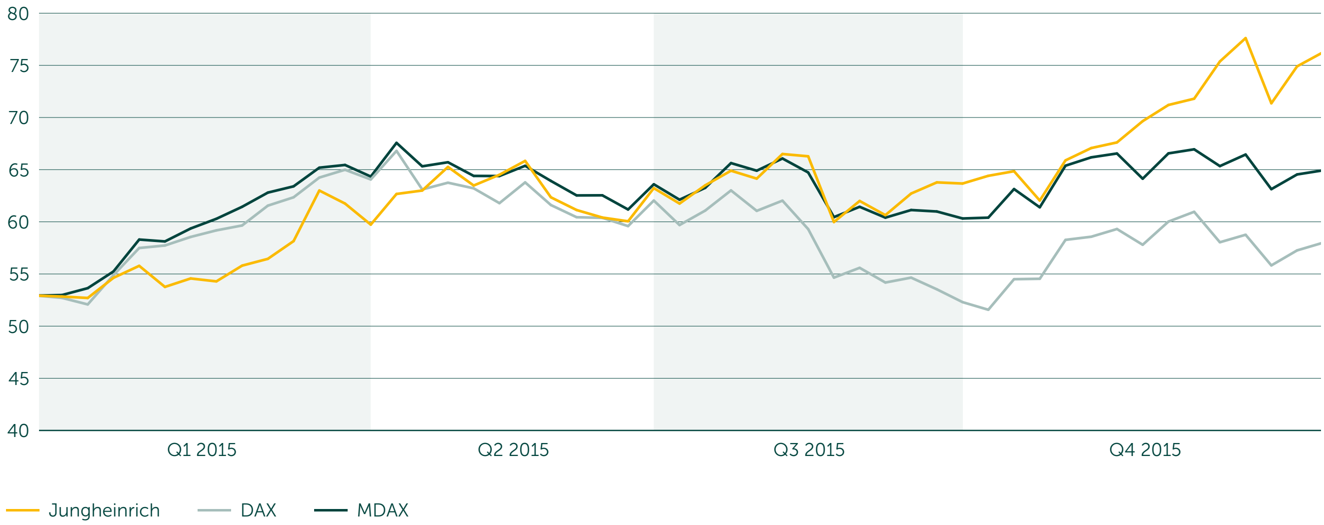
Share price development over time

in €[1]

Share price from 2011 to 2015



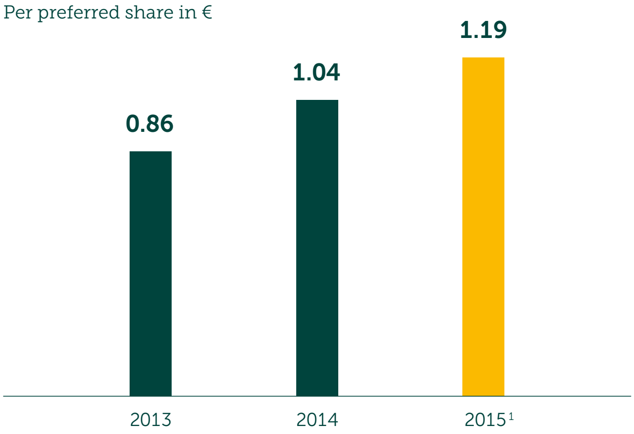
Share price in 2015



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

The Jungheinrich share belongs to Deutsche Börse's Prime Standard quality segment and is traded on all German stock exchanges. In 2015, the Jungheinrich share's trading volume (Xetra and Frankfurt) totalled 14.6 million and was thus 13 per cent up on the preceding year (12.9 million). Average turnover per trading day amounted to 57,700, also surpassing the year-earlier figure (51,200) by 13 per cent.

Dividend



1 Proposal.

Dividend for preferred shares jumps 14 per cent

The Board of Management and the Supervisory Board of Jungheinrich AG will propose to the Annual General Meeting on May 24, 2016 that dividends of €1.19 and €1.13 be paid per no-par-value preferred and no-par-value ordinary share, respectively. The dividend proposal envisages increasing the payout ratio for preferred stock by 14 per cent. Subject to the approval of the Annual General Meeting, this would result in a dividend payment of €39.4 million. The payout ratio, which reflects the relation of the dividend payment to net income, would rise from 27.3 per cent for fiscal 2014 to 28.6 per cent for the 2015 financial year.

Long-term performance of the Jungheinrich share

Investment period	10 years	5 years
Investment date	01/01/2006	01/01/2011
Portfolio value at the end of 2015	€48,336	€28,666
Average annual return	17.1 %	23.5 %
Comparable return of German share indices		
DAX	7.0 %	9.0 %
MDAX	10.9 %	15.5 %

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

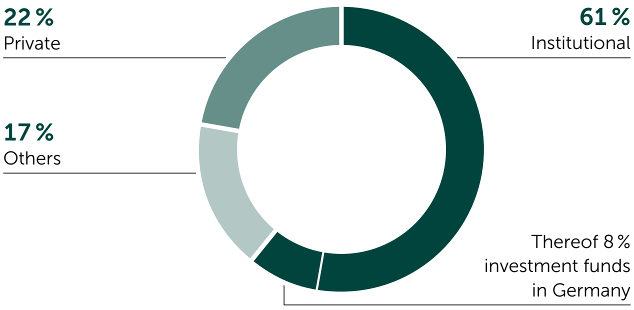
Jungheinrich share value trend bests German stock indices

The Jungheinrich share proved to be a robust capital investment for long-term investors in the 2015 stock trading year once again. Compared to the two peer indices, the share yielded better performance during the ten-year period and a significantly stronger performance over the five-year period. This was mainly due to the extremely positive development displayed by the Jungheinrich share in 2013 and 2015.

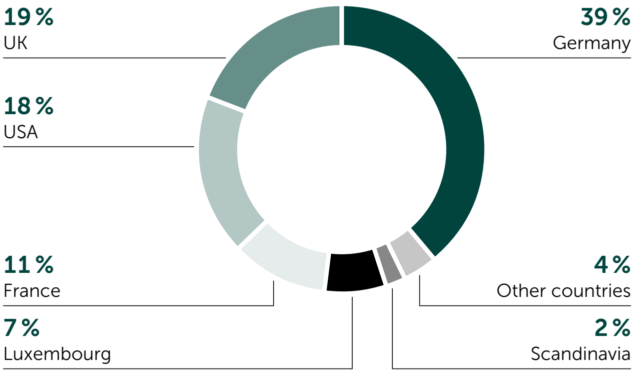
Shareholder structure

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

Investors



Shareholder structure by country



50:50. The total of 16.0 million non-voting preferred shares are widely held.

Jungheinrich conducted another shareholder structure survey with respect to its preferred shares in November 2015. The number of Jungheinrich shareowners rose by 11 per cent, reflected in 9,300 custodian accounts (prior year: 8,400 custodian accounts). The geographical distribution of the stock surveyed continued to shift abroad. Foreign countries accounted for 61 per cent (prior year: 57 per cent), while the domestic share dropped to 39 per cent from 43 per cent in the preceding year. Institutional stock ownership decreased to 61 per cent (prior year: 73 per cent), whereas the proportion held by private investors was essentially unchanged, at 22 per cent (prior year: 21 per cent). Companies, asset management firms and other investors accounted for 17 per cent (prior year: 6 per cent). Foreign shareholders were distributed among 57 countries (prior year: 53 countries).

Analyst valuations

By the end of the year being reviewed, the Jungheinrich share had been tracked and evaluated by 18 financial institutions. Nine analysts recommended the share as a 'buy' and just as many issued a 'hold' recommendation.

Based on the underlying analyst evaluations, the average target share price was €74. The lowest projected target was €63, and the highest was €85.

Dialogue with the capital market

The Board of Management and the Investor Relations Department remain in constant contact with analysts and investors. In this context, the business model, value drivers, business performance and corporate strategy were discussed extensively with capital market participants at conferences and roadshows. The objective of Jungheinrich's investor relations work is to help ensure that the Jungheinrich share is valued appropriately by the capital market.

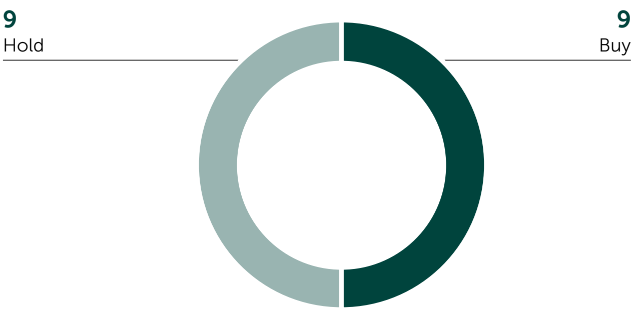
Furthermore, numerous talks were held with investors and analysts during their visits to Jungheinrich and on conference calls. Jungheinrich provided detailed information on the Group's current business trend on conference calls on each of its interim reports.

In September 2015, the company held a capital market day at the warehouse and system equipment factory in Degernpoint in the vicinity of Munich at which analysts and investors were afforded the opportunity to gain a first-hand impression of the logistics systems business and its strategic importance for the Jungheinrich Group.

In Germany's nationwide contest entitled 'Investors' Darling,' Jungheinrich's financial communication placed sixth out of 50 MDAX companies. The competition, which evaluates the quality of communications on the capital market, was hosted for the second time by the

Analyst recommendations

As of 12/31/2015



Analyst coverage in 2015

Baader Bank	Berenberg Bank
Bankhaus Lampe	Deutsche Bank
Commerzbank	DZ Bank
Hamburger Sparkasse	Hauck & Aufhäuser
HSBC Trinkaus & Burkhardt	Jefferies
Kepler Cheuvreux	Landesbank Baden-Württemberg
Main First	M. M. Warburg
Montega	SRH AlsterResearch
Nord LB	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

trade journal *manager magazin* in cooperation with HHL Leipzig Graduate School of Management.

The investor relations team was available in a timely manner in order to provide comprehensive responses to written and telephone inquiries. Jungheinrich AG's website (www.jungheinrich.com) features the presentations held at the company's annual press and analyst conferences as well as during conference calls on the company's interim reports along with the latest version of the investor relations presentation.

Capital market-oriented key data

			2015	2014
Dividend per share	Ordinary share	€	1.13[1]	0.98
	Preferred share	€	1.19[1]	1.04
Dividend yield	Preferred share	%	1.6	2.0
Earnings per share	Ordinary share	€	4.02	3.67
	Preferred share	€	4.08	3.73
Shareholders' equity per share		€	30.18	26.48
Share price[2]	High	€	77.61	56.48
	Low	€	51.26	39.22
	End-of-year	€	76.24	52.93
Performance over the year		%	44.0	11.9
Market capitalization		million €	2,592.2	1,799.6
Stock exchange trading volume[3]		million €	911.6	629.5
Average daily turnover		thousand shares	57.7	51.2
P/E ratio[4]		factor	18.7	14.2
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 2015

Fiscal 2015 was an extremely successful year for the Jungheinrich Group. Record highs were again achieved in terms of incoming orders, net sales and EBIT. For the first time, production volume surpassed 90,000 forklift trucks. Western Europe and North America were the main growth regions in the material handling equipment market, whereas globally, the market remained relatively stable. Jungheinrich increased its shares of the markets in Europe and worldwide.

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 is 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 businesses;
- 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. The objective of Jungheinrich's business model is to serve customers from a single source over a product's entire life cycle.

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 abroad. In addition, Jungheinrich products are also distributed via local dealers—especially overseas. In North America, Jungheinrich cooperates with Mitsubishi Caterpillar Forklift America Inc. (MCFA), a strong sales partner with a large dealership footprint. Our activities are rounded off by a catalogue-based mail-order business that is run as an online store.

On October 1, 2015, Jungheinrich acquired the Munich-based MIAS Group (MIAS) to fortify the logistics systems business. MIAS is active in the warehousing and transport engineering sectors in which it offers stacker cranes and load handling equipment.

In April of the year under review, the Jungheinrich dealership in Malaysia was acquired with a view to enlarging the global footprint in direct sales. The end of October saw Jungheinrich purchasing Adelaide-based NTP Forklifts Australia (NTP). Since 2008, NTP had been Jungheinrich's exclusive sales partner for material handling equipment on the Australian market.

Furthermore, proprietary companies were founded in South Africa and Romania in connection with the acquisition of the local dealership activities.

Factories and product portfolio

The company has six state-of-the-art factories in Germany. One of the plants is solely dedicated to reconditioning material handling equipment. Moreover, Jungheinrich runs a factory in China. MIAS owns production sites in Germany, Hungary and China.

Jungheinrich Group production sites

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

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. They receive assistance from corporate headquarters in fulfilling their tasks, but are legally independent. The consolidated financial statements include Jungheinrich AG along with 80 companies, all of which are fully consolidated.

As the 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 and opportunity 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.

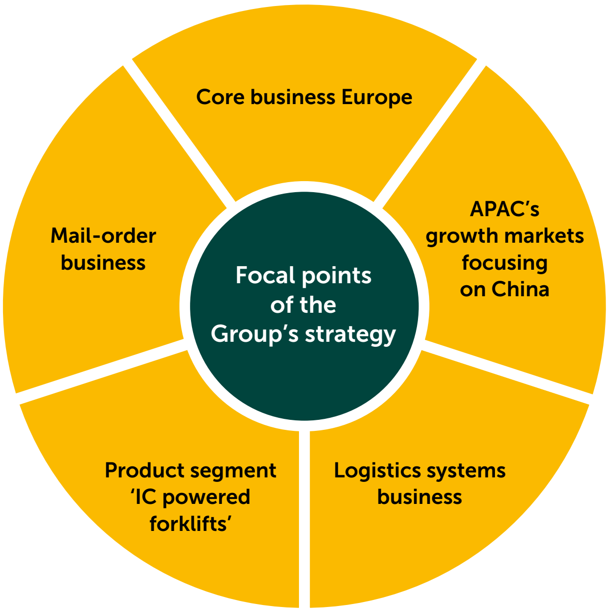
Goals and strategy

Jungheinrich strives 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 company's goal in Europe is to become the number one brand among material handling equipment manufacturers on all markets.

The net sales target underlying this corporate vision is of an order of magnitude of 4 billion euros for the 2020 financial year. 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). Jungheinrich pursues a single-brand strategy focussing on products and services in the premium segment of the global material handling equipment market. The Jungheinrich Group 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—particularly by purchasing technology—to expand our global direct sales network and mail-order business.

To achieve it's long-term growth objectives, Jungheinrich mainly focuses on the five following strategic points:

The Jungheinrich Group's growth strategy



1. Expansion of the core business in Europe

Accounting for about one-third of the size of the world material handling equipment market, Europe is of particular significance. In turn, 86 per cent is attributable to Western Europe. Jungheinrich commands leading positions on the European markets—above all in the warehouse technology product segment. Although the European market grew by 8 per cent compared to the previous year, encompassing 373,300 forklift trucks, it was still 9 per cent smaller than prior to the onset of the financial crisis in 2007. Therefore, this region still generally has room for recovery. Market volume in 2015 in both Germany and the United Kingdom has already surpassed the pre-crisis level. The largest markets in Western Europe are Germany, France, the United Kingdom and Italy. The biggest market in Eastern Europe after the collapse of the Russian market is Poland, followed by Russia and the Czech Republic.

In sum, Jungheinrich increased its share of the European market from 20.7 per cent to 21.5 per cent against the backdrop of a persistently fierce competitive environment. Jungheinrich is already the No. 1 brand among manufacturers of material handling equipment on numerous European markets, for example in Austria and Switzerland, where it owns shares of 42 per cent and 37 per cent, respectively.

Manpower was expanded significantly at our European sales companies in the period under review. Besides Germany, the countries with the strongest increases were Poland, the United Kingdom, Italy and France. The company's European footprint was enlarged through the establishment of a sales company in Romania in connection with the acquisition of the local dealership business in December of 2015. In the year under review, Romania was the fifth-largest market in Eastern Europe, accounting for some 3,200 forklift trucks.

Furthermore, a new regional warehouse was set up in order to support the over 70 service points in Russia. Customers in Russia and its neighbouring countries are supplied with spare parts from this warehouse even faster than in the past.

2. Expansion in the Asia-Pacific region (APAC) focusing on China

Asia accounts for a 38 per cent share of the world material handling equipment market, with China alone owning 22 per cent. Jungheinrich has sales companies in China, Thailand, Singapore, India and Malaysia.

The acquisition of the Jungheinrich dealer NTP in Australia, which has 223 employees, fortified our presence in the APAC region. In 2015, market volume in Australia amounted to 15,800 pieces of material handling equipment.

In the financial year that just came to a close, manpower in sales—including the aforementioned acquisition—in the APAC region rose by 354 to 1,000 employees. Forty-two per cent of the staff now works for the sales company in China. With a view to stepping up Jungheinrich's presence even further in Asia, the Malaysian branch office was strengthened by 38 employees in April of the year being reviewed.

The Chinese short-term hire fleet was enlarged significantly in 2015. The number of trucks for short-term hire averaged a good 1,600 (prior year: 1,300 forklifts). The Jungheinrich Group plans to expand its rental business in China even further (see page 70 of the supplementary report).

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

On the strength of its logistics systems business which encompasses planning, project engineering, implementation and servicing entire warehouses when taken full advantage of, Jungheinrich is positioning itself in line with the trend on the market towards automation, distinguishing itself from the competition. Jungheinrich expects global demand for logistics system solutions to rise in the years to come. All in all, sales capacity was further increased in the logistics systems business. Going above and beyond the existing point of focus in Europe, centres of excellence were set up in Shanghai, Singapore and Moscow. As part of the resolute implementation of the company's strategy, an office for logistics systems was created on the Board of Management with effect from July 1, 2015. The objective is to lift the division's net sales to more than €500 million by 2017 and over €700 million by 2020.

Jungheinrich expanded its logistics systems business and enlarged its technology portfolio in the field of automated warehousing solutions through the acquisition of MIAS in October of 2015.

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

Accounting for a share of 40 per cent, or 437,800 forklift trucks, the IC engine-powered truck product segment continued to command a very big portion of the world market in 2015, following the warehousing equipment segment (43 per cent). In the year being reviewed, Jungheinrich produced nearly 5,700 IC engine-powered trucks—9 per cent more than a year before. 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 2014. In 2015, the first full year of sales of this product, approximately 3,300 trucks were manufactured (previous year: 1,500 forklifts). All in all, the share of the European market in the IC engine-powered counterbalanced truck product segment was increased from 7 per cent in 2014 to just under 8 per cent in the year under review.

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

The mail-order business is a convincing proposition, as evidenced by its continuous strong growth. In the year under review, net sales increased by 13 per cent to €57 million. Centre stage was taken by the introduction of a new web store system. The offering of the in-house brand 'AMEISE' was expanded via the launch of new transportation equipment. The mail-order organization builds on a wide-based multi-channel system, through which it is active in Germany, Austria and the Netherlands. In Poland, Spain, France and Belgium, business was stepped up as new web shops were opened.

Management system

The Jungheinrich Group 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 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.

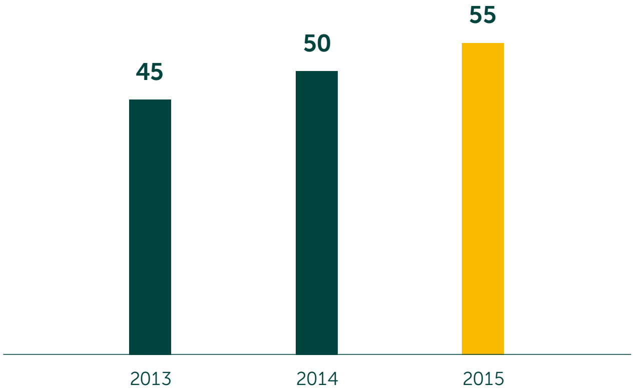
The Board of Management monitors these KPIs based on regular reporting. Appropriate countermeasures are taken whenever material deviations are identified through the permanent monitoring of actual and target figures.

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 incoming orders in terms of units, 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 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 €54.5 million (prior year: €50.2 million). This represented 4.7 per cent (prior year: 4.9 per cent) of net sales generated with new trucks of relevance to R&D. In 2015, an average of 434 employees (prior year: 418) worked in R&D throughout the Group, an area in which manpower was increased once again.

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. Therefore, one of the focal points of R&D work in 2015 was the optimization of existing drive components in terms of resource and energy efficiency. In line with this, besides reducing overall truck weight, Jungheinrich also seeks to improve energy storage.

Last year, these efforts culminated in several truck types being approved for dual-shift use without battery swaps. In other words, Jungheinrich guarantees that certain equipment can run for the duration of a double shift on a single battery charge, increasing both efficiency and profitability. This enables the customer to reduce energy costs and carbon emissions while achieving substantial savings due to the lack of the need to exchange batteries, to have charging stations, to maintain expensive infrastructure, and to set aside manpower to switch batteries.

Automation

The automation of logistical tasks continues to be a major trend in in-house logistics. From the customer's point of view, this harbours substantial potential for increasing productivity. In the future, the intelligent and flexible networking of forklifts and information systems in particular will make a major contribution to rendering logistic processes more efficient.

In this context, Jungheinrich is involved in various research projects. One example is '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

Research and development

in million €	2015	2014	2013
Total R&D expenditures	54.5	50.2	44.9
thereof capitalized development expenditures	11.4	12.3	12.1
Capitalization ratio	20.9 %	24.5 %	26.9 %
Amortization of capitalized development expenditures	7.0	5.8	5.4
R&D costs according to the statement of income	50.1	43.7	38.1
Ratio of R&D expenditures to net sales from new trucks	4.7 %	4.9 %	5.1 %
Ø R&D personnel (in FTE)	434	418	400
Number of IPR filings	87	86	53
Number of patents granted	71	98	158

Technology. Jungheinrich is in charge of the project's overall coordination.

Product design

Effective product design is also important as regards capital goods. For instance, design features can increase safety and improve ergonomics. By introducing the revised EKX and ECE model series in 2015, Jungheinrich established a new design line on the market. Clean shapes put the products' outstanding performance in an excellent light. Safety features are an integral component of the design. For example 'dayLEDs' enhance forklift visibility in the warehouse. The change in paint scheme—employing a light grey tone—makes it easier to identify the trucks. The new design will be reflected in all forklift trucks developed going forward.

Economic and sector environment

The regional points of focus of Jungheinrich's business activity are above all Europe—with Western Europe leading the way—as well as the Asia-Pacific region and the USA. As a key indicator of macroeconomic growth, the development of gross domestic product (GDP) plays a pivotal role for Jungheinrich in assessing its business trend.

Economic environment

The global economy experienced a moderate upswing overall in 2015. The USA posted strong growth, whereas the momentum of the Chinese economy was less pronounced than in the prior year.

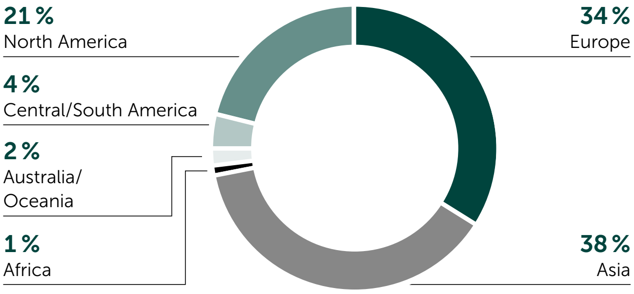
Despite the ramifications of the Greek debt crisis, the Eurozone saw GDP rise by 1.5 per cent (prior year: 0.9 per cent), posting robust growth. Strong stimuli were injected by the expansionary monetary policy of the European Central Bank. In 2015, Germany's economy recorded a commendable upward trend (1.7 per cent after 1.6 per cent in the previous year) as did France's (1.2 per cent after 0.2 per cent in the prior year). Italy achieved a turnaround, posting a gain of 0.6 per cent following the 0.4 per cent decline in economic output in 2014. Momentum in the United Kingdom slowed somewhat, with GDP rising by 2.2 per cent (prior year: 2.9 per cent). Jungheinrich generates just over half of its consolidated net sales in these four Western and Southern European countries. Poland and Russia, the two Eastern European economies of importance to Jungheinrich, displayed disparate developments. Whereas Polish GDP advanced by 3.6 per cent (prior year: 3.4 per cent) in 2015, growth in Russia remained much lower in the same period, amounting to 0.6 per cent.

Growth rates of selected economic regions

Gross domestic product in %	2015	2014
World	2.9	3.2
USA	2.4	2.4
China	6.8	7.3
Eurozone	1.5	0.9
Germany	1.7	1.6

Source: Commerzbank (as of February 2016).

Global market for material handling equipment by region in 2015



Incoming orders in thousand units	2015	2014
World	1,099.9	1,094.0
Europe	373.3	344.5
thereof Eastern Europe	53.3	57.4
Asia	413.8	443.9
thereof China	238.3	273.3
North America	235.1	219.4
Other regions	77.7	86.2

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

Sector environment

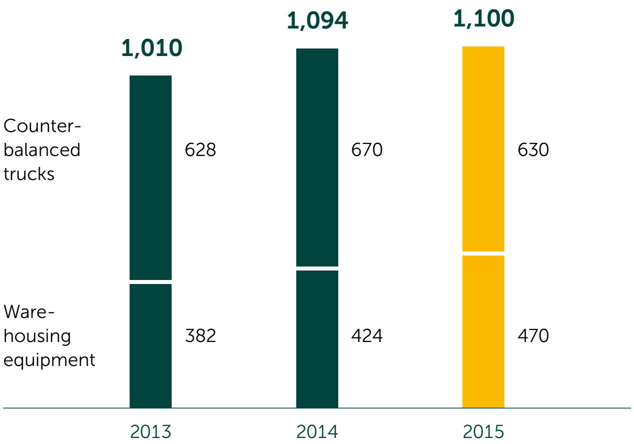
In 2015, the world material handling equipment market was stable relative to the preceding year. Whereas the Chinese market experienced a decline—primarily as regards IC engine-powered counterbalanced trucks—market volume posted a tangible rise in Europe and North America. The increase in Europe was mainly driven by the 11 per cent rise in demand in Western Europe. Eastern Europe's market shrank by 7 per cent, owing to the considerable, 39 per cent, decrease in Russia. Excluding Russia, the Eastern European market gained 10 per cent in size. The market for material handling equipment displayed dynamic growth in North America. The 13 per cent shrinkage of the Chinese market was due to the significant decline in demand for counterbalanced trucks. Disregarding China, the Asian market expanded by 3 per cent.

In 2015, the warehousing equipment product segment posted a gain of 11 per cent—the strongest increase the world over. Western Europe and North America each contributed 13 per cent growth, with China posting a rise of 12 per cent. During the same period, the world market for battery-powered counterbalanced trucks expanded by 5 per cent, whereas global demand for forklifts with IC engine-powered drives dropped by 10 per cent—particularly due to the considerable reduction in the size of the Chinese market (18 per cent).

The European market for IC engine-powered forklifts contracted by a total of 2 per cent, with demand in Western Europe increasing 4 per cent beyond the size it had in the preceding year. Pan-European market volume in the battery-powered counterbalanced truck segment rose by 11 per cent, with Western Europe achieving an increase of as much as 13 per cent.

Worldwide market volume of material handling equipment

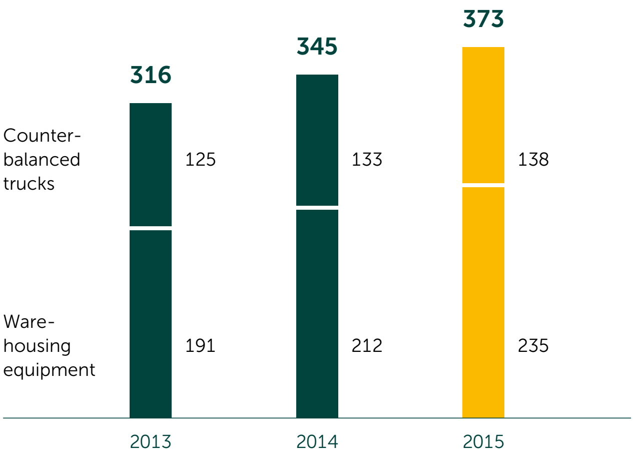
Incoming orders in thousand units



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

Market volume of material handling equipment in Europe

Incoming orders in thousand units



Source: WITS (World Industrial Truck Statistics).

General information provided by the Board of Management on the development of business in 2015

The 2015 financial year was extremely successful. Incoming orders, production, net sales, EBIT and EBT as well as net income grew yet again, despite the persistently challenging market and competitive arena. All-time highs were recorded for all these key performance indicators.

Major events

Adding to its outstanding operating performance, the Jungheinrich Group made major strategic progress in the reporting year as well. We enlarged our global direct sales footprint by acquiring the dealership businesses in Malaysia, Australia, South Africa and Romania. To expand its technology portfolio in the logistics systems business, Jungheinrich took another major step forward in acquiring MIAS.

Despite the acquisitions and considerable additions to the short-term hire fleet, Jungheinrich had a net credit (liquid assets and securities – financial liabilities) of €75 million as of December 31, 2015.

Target-to-actual comparison in 2015

Thanks to robust demand in Western Europe, the size of the world market for material handling equipment displayed stable development, despite the significant contraction of the Chinese market. Jungheinrich's goal in terms of market share is to achieve a proportion of clearly more than 20 per cent in Europe. In the year under review, Jungheinrich took a further step towards achieving this objective, commanding a share of 21.5 per cent of the market.

Production volume was up 9 per cent year on year, rising from 83.5 thousand forklifts in 2014 to 91.2 thousand trucks in 2015. This is the highest unit figure in our 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 and consolidated net sales of between €2.6 billion and €2.7 billion. Following the good start to the year being reviewed, we took the report on the first half of 2015 as an opportunity to lift our forecast for incoming orders to between €2.7 billion and €2.8 billion. At the same time, we raised our prognosis for net sales to between €2.65 billion and €2.75 billion. Looking back on fiscal 2015, the Jungheinrich Group recorded incoming orders of €2,817 million (prior year: €2,535 million). Consolidated net sales amounted to €2,754 million (prior year: €2,498 million). We thus slightly exceeded both of the forecast ranges.

At the beginning of 2015, the prognosis was from €190 million to €200 million for EBIT and between €170 million and €180 million for EBT. In the report on the first six months of 2015, we raised these forecast ranges to between €195 million and €205 million as well as €180 million and €190 million, respectively. We outperformed these estimates in terms of both EBIT (€213 million) and EBT (€198 million), achieving record highs in both cases. The EBIT and EBT returns of 7.7 per cent and 7.2 per cent also exceeded our targets of at least 7 and 6 per cent, respectively.

Our plan to achieve a higher net credit than in the preceding year was adjusted to below €100 million within the scope of half-year reporting due to the substantial enlargement of the short-term hire fleet.

As the acquisitions of MIAS and NTP were completed in the fourth quarter of 2015, we only updated the forecast for the net credit when we reported on the third quarter of 2015 in November. Although the acquisitions were financed using cash flows and the short-term hire fleet continued to be expanded significantly, our goal was not to have substantial net debt by the end of the year. We outperformed our target in this regard as well in fiscal 2015, achieving a net credit of €75 million.

With regard to research and development, we anticipated expenditures in the order of €50 million. We spent €55 million, surpassing this figure. Capital expenditures on fixed assets amounted to €81 million, which was below than the envisaged range of €90 million to €100 million. Major construction projects and capital expenditures were on schedule and in conformity with the budgets. However, numerous planned capital expenditures were delayed or reduced.

According to our forecast, ROCE should have been between 15 and 20 per cent in the period under review. At 17.9 per cent, this ratio closed the year in line with our expectations.

All in all, the Jungheinrich Group performed better in fiscal 2015 than anticipated by the forecast for the year. On top of that, the Group got off to a good start in 2016, on the back of very robust orders on hand.

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 13 per cent compared to the prior year, from 85.6 thousand units to 97.1 thousand units. In addition to stronger demand in Europe, the significant rise in truck orders for the short-term hire fleet came to bear. In sum, Jungheinrich increased its share of the European market from 20.7 per cent to 21.5 per cent. The company's share of the global market climbed from 7.7 per cent to 8.7 per cent. Despite the substantial contraction of the Russian market (39 per cent smaller) new truck orders were only down 12 per cent year on year. Jungheinrich's share of this market rose considerably against this backdrop. Posting a 22 per cent gain in warehousing equipment orders in China, the company outgrew the local market in this product segment, which recorded a rise of just 12 per cent. In relation to battery-powered counterbalanced trucks, we actually managed to increase incoming orders, despite the shrinking 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 year on year, totalling €2,817 million (prior year: €2,535 million). Slightly over 60 per cent of the rise was owed to new truck business. This includes a very large order, valued in mid-range, double-digit million euro territory, in the 'Logistics Systems' division.

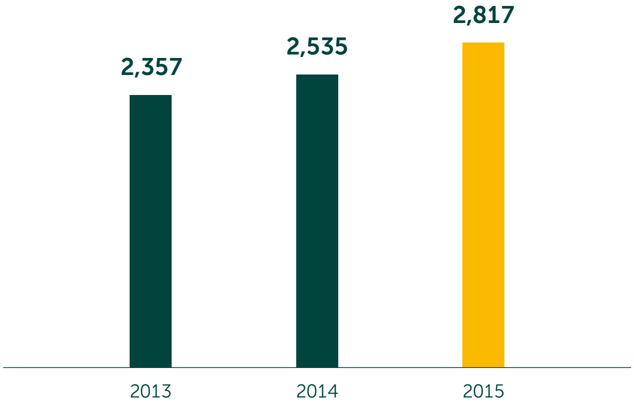
Orders on hand in new truck business totalled €477 million as of December 31, 2015 (prior year: €379 million). The order range was thus almost four months.

Production

Output tracks the development of incoming orders with a time lag. In the period under review, production amounted to 91.2 thousand units—9 per cent up on the 83.5 thousand units recorded in the preceding year. This was due to a rise in warehousing equipment unit figures. Accounting for 80 per cent of total production volume, it is the company's single-largest product segment. IC engine-powered counterbalanced trucks also posted a significant gain, rising 9 per cent to 5.7 thousand forklifts. Production by the factory in Qingpu in 2015 totalled some 3,900 trucks.

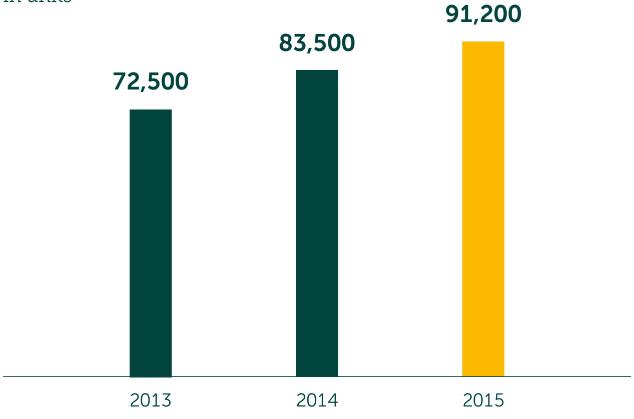
Incoming orders

in million €

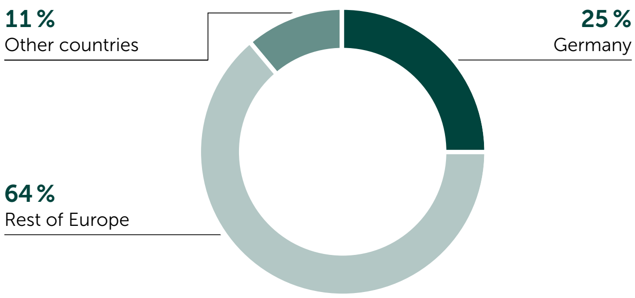


Production

in units



Net sales in 2015 by region



in million €	2015	2014
Germany	701	655
Rest of Europe	1,755	1,614
Other countries	298	229
Total	**2,754**	**2,498**

Net sales

In 2015, consolidated net sales surpassed the year-earlier figure (€2,498 million) by €256 million, or 10 per cent, amounting to €2,754 million. Eighty-nine per cent thereof was attributable to Europe (prior year: 91 per cent) where gains were driven by a 7 per cent rise in net sales in Germany to €701 million (prior year: €655 million) and above all increases in the United Kingdom, France, Italy, Switzerland and Poland. Foreign net sales advanced by 11 per cent to €2,053 million (prior year: €1,843 million). The foreign ratio thus increased from 74 per cent to 75 per cent in the year being reviewed. Net sales generated outside Europe totaled €298 million (prior year: €229 million). In 2015, the share of consolidated net sales accounted for outside Europe amounted to 11 per cent (prior year: 9 per cent).

All business areas contributed to the uptick in net sales. In particular, new truck business expanded above average, growing by 12 per cent, from €1,375 million in the previous year to €1,539 million in 2015. Net sales in new truck business included €381 million in sales of the 'Logistics Systems' division (prior year: €339 million) and €57 million in sales from the 'Mail Order' division (prior year: €50 million). Overall, short-term hire and used equipment activities grew by €53 million, or 12 per cent, to €482 million (prior year: €429 million). The short-term hire business made a slightly larger contribution to this than used equipment operations. This was due to the significant expansion of the short-term hire fleet by an average of 6.4 thousand trucks to 44.5 thousand forklifts (prior year: 38.1 thousand trucks). After-sales services increased their net sales by 8 per cent to €795 million (prior year: €737 million), posting very strong growth. The share of total net sales accounted for by after-sales services thus amounted to 29 per cent (prior year: 30 per cent). Posting net sales of €645 million, the financial services business bested the year-earlier figure (€579 million) by 11 per cent.

Earnings trend

The cost of sales increased to €1,903 million (prior year: €1,720 million) accounting for 69 per cent of consolidated net sales, as in the previous year. Selling expenses rose slightly less than consolidated net sales, advancing by 9 per cent to €517 million (prior year: €476 million). Research and development costs amounted to

Breakdown of net sales

in million €	2015	2014
New truck business	1,539	1,375
Short-term hire and used equipment	482	429
After-sales services	795	737
'Intralogistics' segment	**2,815**	**2,541**
'Financial Services' segment	**645**	**579**
Reconciliation	–707	–622
Jungheinrich Group	**2,754**	**2,498**

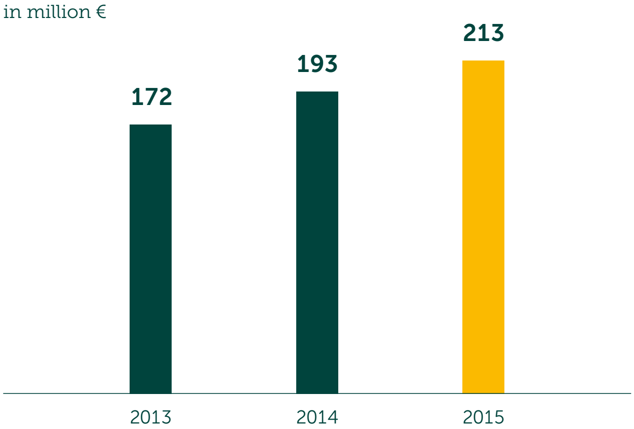
Figures may differ due to rounding.

Cost structure according to the statement of income

in million €	2015	2014
Cost of sales	1,903	1,720
Selling expenses	517	476
Research and development costs	50	44
General administrative expenses	77	70

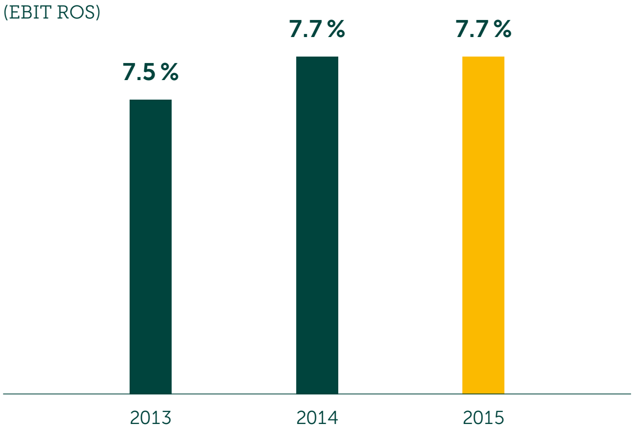
Earnings before interest and taxes (EBIT)

in million €



EBIT return on sales

(EBIT ROS)



€50 million—14 per cent more than in 2014. General administrative expenses developed analogously to net sales, totalling €77 million (previous year: €70 million).

Driven by the high unit production figures and the continued positive development across all business fields and in the 'Financial Services' segment, earnings before interest and taxes (EBIT) rose by €20 million, or 10 per cent, to €213 million (prior year: €193 million). Jungheinrich thus achieved record-high EBIT in the 2015 financial year. As in the preceding year, the EBIT return on sales (EBIT ROS) was 7.7 per cent. In this context, account should be taken of the fact that the figure for the previous year benefited from a positive exceptional effect of €6.7 million, which resulted from the adjustment to the Dutch pension plan.

In 2015, ROCE was 17.9 per cent, following 18.4 per cent in the preceding year. As before, the main reason for the slight decline was major capital expenditures that caused interest-bearing capital to outgrow EBIT.

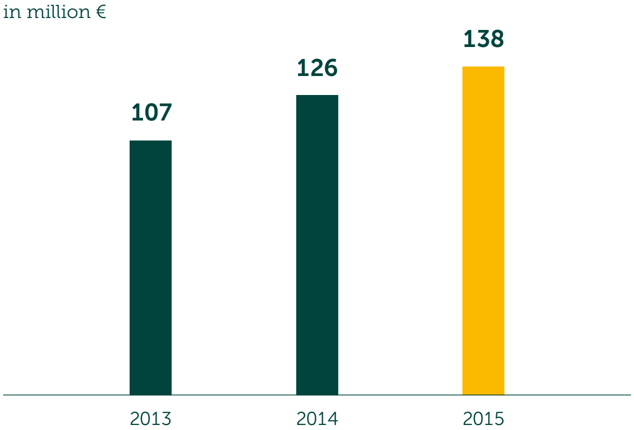
A financial loss of €15 million was incurred (prior year: a loss of €18 million)—a significant improvement over the previous year. This was due to the significant reduction in expenses associated with the addition of accrued interest to net defined benefit liabilities caused by the substantial drop in discount rates compared to the prior year. In addition, the drop in the interest expense had a positive impact due to the attractive conditions at which the €100 million promissory note was placed at the end of 2014. Earnings before taxes (EBT) totalled €198 million—13 per cent up on the previous year (€175 million). The EBT return on sales (EBT ROS) was 7.2 per cent (prior year: 7.0 per cent).

In line with the development of earnings, income taxes for 2015 rose to €60 million (prior year: €49 million). In the year being reviewed, income from the measurement of deferred tax assets was lower than in 2014 (€0.4 million versus €6.0 million a year earlier). This resulted in a Group tax quota of 30.6 per cent as opposed to 28.2 per cent a year before. Net income increased by €12 million to €138 million (prior year: €126 million) and earnings per preferred share grew commensurately to €4.08 (prior year: €3.73).

In view of the positive earnings trend, the Board of Management of Jungheinrich AG proposes to pay a dividend that is much higher than last year, namely of €1.13 per ordinary share (prior year: €0.98) and of €1.19 per preferred share (prior year: €1.04). This corresponds to a dividend payment of €39.4 million (prior year: €34.3 million).

Net income

in million €



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 company'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—also in periods of economic difficulty. 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. As of December 31, 2015, committed medium-term credit lines totalled €225 million. These are supplemented by short-term, bilateral lines of credit taken out by individual foreign subsidiaries. Against the backdrop of the favourable market environment, the maturity profile was further optimized. Furthermore, none of the credit facility and promissory note bond agreements contain financial covenants.

Despite the acquisitions, the Group did not have any net debt in the year under review, instead closing the period with a net credit of €75 million (prior year: €132 million). The decline was primarily owed to the cash outflows for the acquisitions of MIAS and NTP as well as for the significant expansion of the short-term hire fleet. The degree of indebtedness, defined as the ratio of net debt to EBITDA, was less than zero, as in the preceding year. Underlying EBITDA is adjusted to exclude the depreciation of trucks for lease from financial services and improved to €356 million in the year being reviewed due to the positive earnings trend (prior year: €315 million).

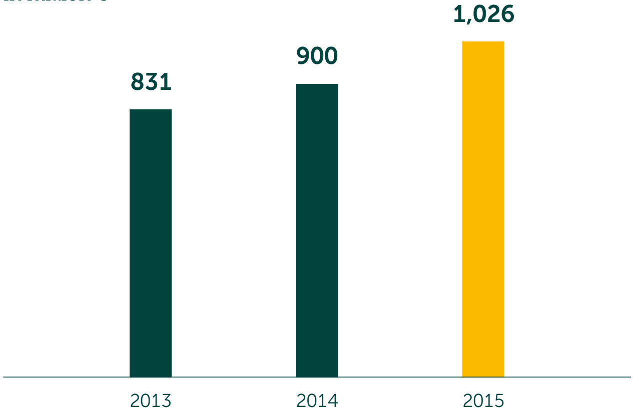
As of the balance sheet date, shareholders' equity surpassed the 1 billion-euro mark for the first time. The main drivers of the €126 million rise were the very good income trend and the positive changes in shareholders'

Capital structure

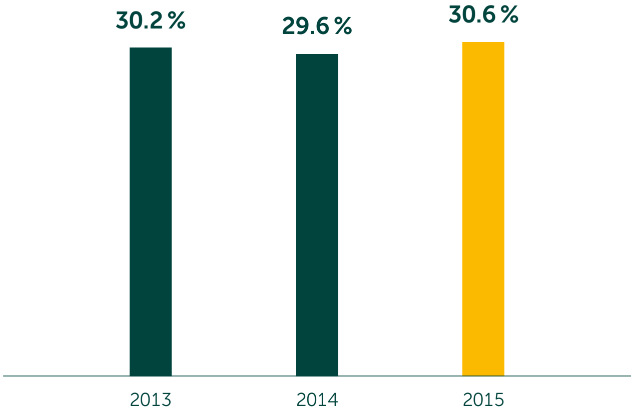
in million €	12/31/2015	12/31/2014
Equity	**1,026**	**900**
Non-current liabilities	**1,316**	**1,258**
Provisions for pensions and similar obligations	202	241
Financial liabilities	200	210
Liabilities from financial services	754	663
Other liabilities	160	144
Current liabilities	**1,007**	**882**
Other provisions	162	151
Financial liabilities	117	124
Liabilities from financial services	318	279
Trade accounts payable	241	188
Other liabilities	169	140
Balance sheet total	**3,349**	**3,040**

Shareholders' equity

in million €



Equity ratio



equity resulting from the remeasurement of pension plans amounting to €18 million after taxes, which were contrasted by the dividend payment of €34 million (prior year: €28 million). The equity ratio was 30.6 per cent (previous year: 29.6 per cent). 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 47.6 per cent (prior year: 46.0 per cent).

Provisions for pensions and similar obligations decreased by €39 million to €202 million (prior year: €241 million). This was predominantly due to the effects of the measurement of provisions for pensions, because the discount rate in the Eurozone rose from 2.0 per cent at the end of 2014 to 2.4 per cent as of the balance sheet date. Furthermore, provisions for pensions declined in Germany owing to the fulfilment of pension obligations via lump-sum payments. At €1,072 million, non-current and current liabilities from financial services were €130 million up on the figure recorded on December 31, 2014 (€942 million) due to the significant rise in new contract financing. The gain in other non-current liabilities was mainly caused by the increase in deferred tax liabilities resulting from initial consolidations in the reporting year. The €29 million rise in other current liabilities compared to the previous year was largely caused by the increase in advance payments received for orders and higher liabilities associated with taxes on payroll and sales taxes as of the balance sheet date. Trade accounts payable were €53 million up year on year due to the expansion of business.

Liquidity

The €34 million increase in cash flows from operating activities to €144 million in the year being reviewed (prior year: €110 million) was essentially due to the €41 million rise in cash flows from net income combined with depreciation. The much higher volume of additions to trucks for short-term hire and lease as well as to receivables from financial services resulted in a €60 million rise in cash outflows compared to the previous year, taking account of the financing of this equipment. This was more than offset by the positive development of working capital.

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 −€17 million (prior year: +€59 million). The resulting cash flows from investing activities of −€168 million were mainly characterized by payments made to purchase companies, less liquid assets acquired, totalling €73 million. Disregarding investing activities, cash flows were of the previous year's order.

In 2015, cash flows from financing activities amounted to −€51 million (prior year: +€23 million). The positive figure recorded a year earlier largely stemmed from the issuance of a net €54 million in promissory note bonds.

Statement of cash flows

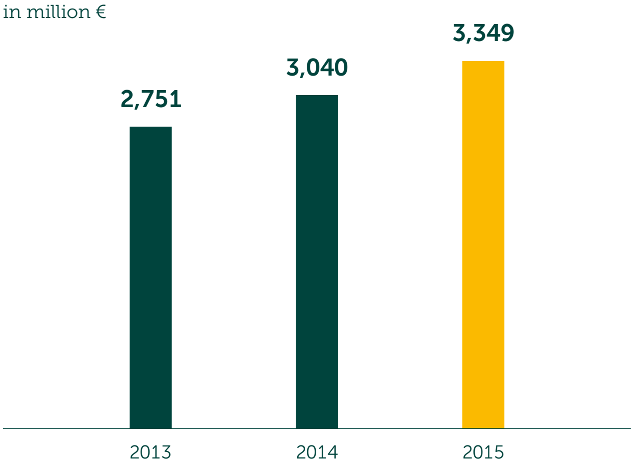
in million €	2015	2014
Net income	138	126
Depreciation	219	190
Changes in trucks for short-term hire and trucks for lease (excluding depreciation) and receivables from financial services	–307	–235
Changes in liabilities from financing trucks for short-term hire and financial services	97	85
Changes in working capital	10	–54
Other changes	–13	–2
Cash flows from operating activities	**144**	**110**
Cash flows from investing activities [1]	**–168**	**–93**
Cash flows from financing activities	**–51**	**23**
Net cash changes in cash and cash equivalents [1]	**–75**	**40**

1 Excluding the balance of payments made to purchase/proceeds from the sale of securities amounting to –€17 million (prior year: +€59 million).

Asset position

Balance sheet total

in million €



By December 31, 2015, the Jungheinrich Group's balance sheet total had increased by €309 million to €3,349 million (prior year: €3,040 million).

Intangible and tangible assets rose by €108 million to €569 million (prior year: €461 million). The marked change primarily stemmed from the expansion of the scope of consolidation which—besides additions to tangible assets—led to an increase in intangible assets and goodwill of €63 million. The Group's large-scale construction projects—in particular the new corporate headquarters in Hamburg and the modernization of production at the Moosburg factory—also came to bear.

Asset structure

in million €	12/31/2015	12/31/2014
Non-current assets	**1,870**	**1,625**
Intangible and tangible assets	569	461
Trucks for short-term hire and lease	662	531
Receivables from financial services	489	449
Other assets (including financial assets)	135	139
Securities	15	45
Current assets	**1,479**	**1,415**
Inventories	317	299
Trade accounts receivable	514	454
Receivables from financial services	203	190
Other assets	68	51
Liquid assets and securities	377	421
Balance sheet total	**3,349**	**3,040**

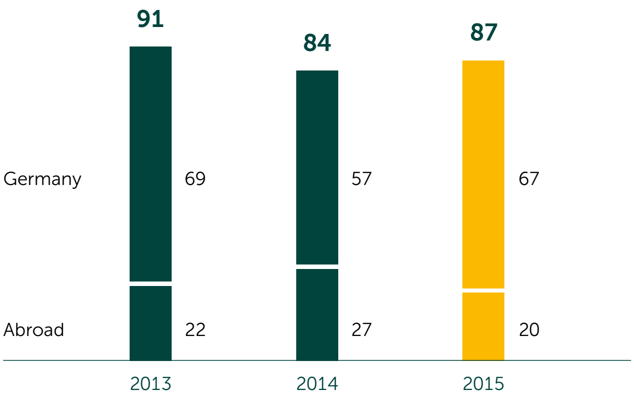
The value of trucks for short-term hire increased by €51 million to €299 million (prior year: €248 million). The value of trucks for lease from financial services grew by €80 million to €363 million (prior year: €283 million). €35 million thereof result from the expansion of the scope of consolidation.

Non-current and current receivables from financial services rose due to the growth of business by €53 million to €692 million (prior year: €639 million). The increase in inventories by €18 million to €317 million (prior year: €299 million) was almost exclusively caused by the expansion of the scope of consolidation. Due to the large volume invoiced in the last two months of the period being reviewed and changes to the scope of consolidation, current trade accounts receivable amounted to €514 million, clearly exceeding the figure recorded in the previous year (€454 million). Liquid assets and current securities dropped by €44 million to €377 million (prior year: €421 million) in connection with the acquisitions financed with cash flows.

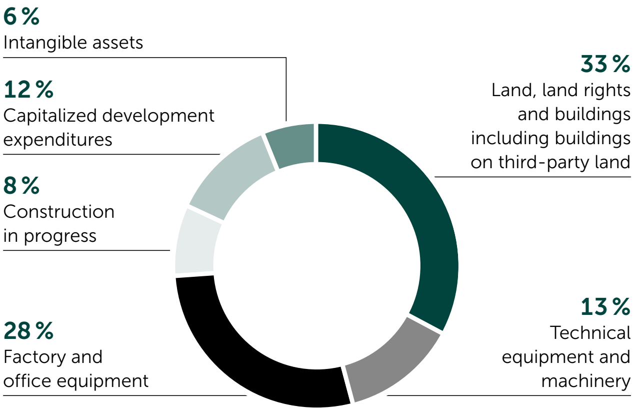
Capital expenditures

Capital expenditures

in million €; tangible and intangible assets excluding capitalized development expenditures



Distribution of capital expenditures 2015



Jungheinrich regularly invests in maintenance and replacements. Furthermore, the company spends capital on the future growth and expansion of its sales infrastructure. As in 2014, in the year being reviewed, the points of focus were:

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

Apart from the modernization of the Moosburg plant, which is scheduled to be finished by the middle of 2016, all construction projects were completed on time and in line with their budgets.

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 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 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.

In the year under review, the group of Jungheinrich financial services companies in Germany, Italy, France, the United Kingdom, Spain, the Netherlands and Austria was expanded through the addition of NTP's financial services company in Australia.

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. Moreover, refinancing on the capital market can be handled by Luxembourg-based Elbe River Capital S.A., a company established solely for refinancing purposes. As of December 31, 2015, the financing platform's refinancing volume amounted to about €250 million.

The objective of the business model is to serve the customer 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 contract and accounting

Jungheinrich companies enter into financial service agreements with customers directly or indirectly via leasing companies or banks (referred to as vendor agreements). In compliance with IFRS accounting policies, financial service agreements concluded directly with customers 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. 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. For vendor agreements, deferred sales stemming from sales proceeds already generated with an intermediate leasing company are stated under deferred income.

Financial services—key figures

in million €	12/31/2015	12/31/2014
Original value of new contracts[1]	548	464
Original value of contracts on hand	2,072	1,841
Trucks for lease from financial services	436	349
Receivables from financial services	692	639
Equity	75	51
Liabilities	1,318	1,148
Net sales[1]	645	579
EBIT[1]	14	15

1 January 1 to December 31.

Business trend

In 2015, the volume of long-term financial service agreements rose by €84 million. From a regional perspective, the highlights were the United Kingdom and Italy, which recorded rises in the value of forklifts added of 59 per cent and 39 per cent, respectively. Seventy-five per cent of the new contract volume (prior year: 77 per cent) was allocable to the eight countries in which Jungheinrich has proprietary financial services companies.

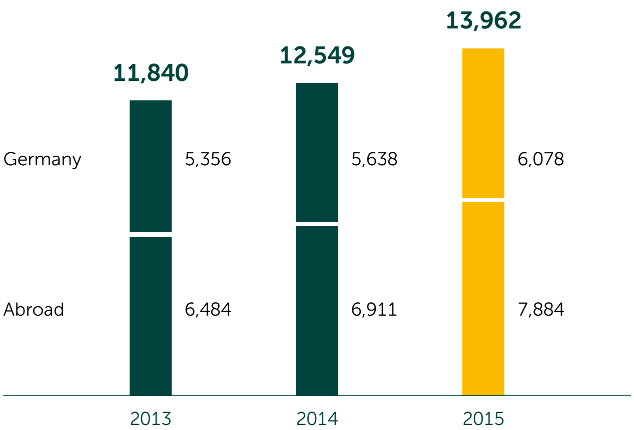
By the end of 2015, the volume of contracts on hand had risen by a total of 10 per cent to 124.4 thousand forklift trucks (prior year: 113.0 thousand units). This corresponded to an original value of €2,072 million (prior year: €1,841 million). Orders on hand included NTP contracts for a total of some 3,100 forklifts with an original value of €69 million.

Relative to the number of new trucks sold, 39 per cent (prior year: 36 per cent) was sold via financial service agreements. 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.

Employees

Employees

in FTE; as of 12/31

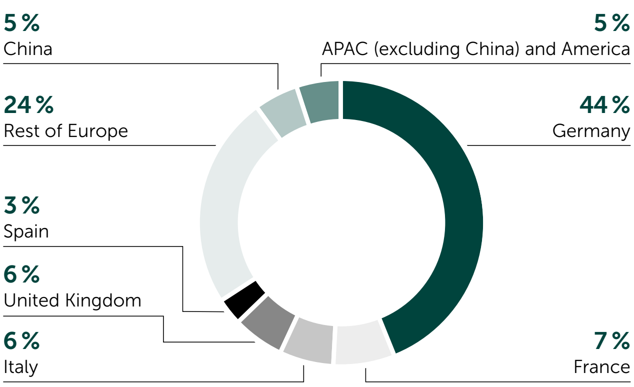


In the year under review, the Jungheinrich Group enlarged its workforce, primarily fortifying its sales operations. As of December 31, 2015, 13,962 (prior year: 12,549) people (in terms of full-time equivalent—FTE) were employed throughout the Group. This corresponds to a rise of 11 per cent, or 1,413 staff members. A total of 590 employees were added as companies were acquired and established.

In the period being reviewed, temporary personnel was again used to offset capacity fluctuations in manufacturing operations. Averaged over the year, the number of temporary workers climbed from 488 to 506 against the backdrop of the increase in production output in the financial year that just ended. Seventy-five per cent were active in German factories. As of December 31, 2015, 494 (prior year: 487) temporary workers were active within the Group.

Employees in 2015 by region

As of 12/31/2015



in FTE	2015	2014
Germany	6,078	5,638
France	1,045	1,005
Italy	862	821
United Kingdom	805	755
Spain	370	336
Rest of Europe	3,393	2,960
China	655	597
APAC (excluding China) and America	754	437
Total	**13,962**	**12,549**

Focal points of the workforce increase

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

As part of the growth strategy pursued for the Asia-Pacific region, the labour force of Jungheinrich sales companies in Asia was enlarged by 354 staff members in fiscal 2015, from 646 to 1,000 employees, 223 of whom were accounted for by NTP in Australia. As a result of the acquisition of the dealership in Malaysia, which has 38 people on its payroll, the headcount in that country rose to 62 by the end of the year. The workforce of the Chinese sales company was increased by 52 to 416 employees over the course of the year.

By the end of the financial year, the company established in South Africa already had a personnel count of 25.

The acquisition of MIAS increased the Group's labour force by 304 employees as of year-end. Another 64 staff members were added through the organic expansion of the 'Logistics Systems' division, causing sales manpower (without MIAS) to total 629.

After-sales services accounted for 44 per cent of personnel (prior year: 45 per cent), corresponding to 6,159 (prior year: 5,672) employees, 4,327 (prior year: 4,019) of whom were service engineers around the world. This workforce expansion reflects the significance of the high-margin service business.

Changes in personnel

Dr. Oliver Lücke was appointed Vice President Engineering of Jungheinrich AG as of July 1, 2015. Lücke is the former head of the Norderstedt and Lüneburg factories. Dr. Klaus-Dieter Rosenbach, who had held the engineering mandate until then, took the 'Logistics Systems' office on the Board of Management with effect from July 1, 2015.

HR development

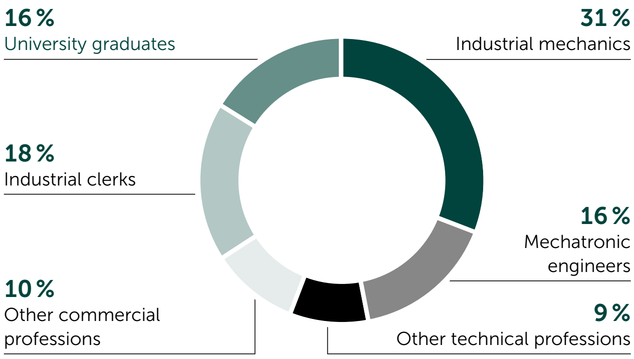
Jungheinrich believes that the company's strategic goals are inextricably linked to sensible investments in its employees. In line with this conviction, a total of approximately €8 million was spent on the new training centre at the Norderstedt plant in 2014 and 2015. It features newly equipped training rooms and an in-house production studio for e-learning modules where, for example, salespeople and customer service engineers receive basic and advanced training. In addition, the creation of the 'Corporate Training & HR Development' division established the organizational prerequisite for furthering the development of personnel both strategically and holistically. The company's leadership mission statement 'Jungheinrich Way of Leadership' was refined under the motto 'Excellent Leadership—Excellent Results.' This was the basis on which an extensive training program for executives was initiated, which will be continuously expanded over the years to come.

Training

As of December 31, 2015, the company employed 440 (prior year 403) apprentices, 280 (prior year: 275) of whom worked in Germany, where the Jungheinrich Group offers training programs for 18 apprenticeable professions. Collaborative courses of study are also offered. 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 2015, the share of apprentices pursuing collaborative courses of study relative to the number of apprentices in Germany rose from 20 per cent to 21 per cent.

Apprenticeable professions in 2015[1]

As of 12/31/2015



1 Basis: 280 apprentices in Germany.

Social data

Turnover in the period being reviewed remained low, at 4.2 per cent. At 5.8 per cent, the sickness rate, which is only calculated for domestic staff members, was above the sector average for comparable companies that are members of the Nordmetall employer association (5.1 per cent). At 19.6 per cent, the women quota exceeded the sector's comparable level (VDMA) of 16.4 per cent.

Employee data

		2015	2014
Average age	years	41	41
Years of service	years	11	11
Fluctuation	%	4.2	3.5
Sickness rate[1]	%	5.8	5.4
Reportable working and commuting accidents[1, 2]	number	29	34
Women quota	%	19.6	19.2

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

Compensation 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 each of the remuneration schemes, which are linked to the Group control parameters. These are the 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 consists of a fixed and variable component and includes the legally required compensation components that have a basis of assessment of several years. The variable compensation component should generally correspond to the fixed compensation. However, if goals are achieved to a very significant degree, it may also amount to more than 50 per cent of total remuneration. The success parameters of the variable component, which are recorded separately, 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 budget for the year. The variable compensation component is paid in instalments over a period of three years.

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

In addition to the reimbursement of out-of-pocket expenses, the remuneration system for the Supervisory Board stipulates that 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 HR Committee and of one 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.

Executive compensation

The remuneration system for executives contains variable compensation components that are generally based on the Group's management parameters applicable to the remuneration of the Board of Management.

Corporate social responsibility

Established by the Wolf and Lange shareholder families and Jungheinrich AG in 2004, the Dr. Friedrich Jungheinrich Foundation is dedicated to the promotion of education, science and research in the fields of electronics, electrical engineering, mechanical engineering and logistics. The Foundation's endowment was increased from €6 million to €10 million in 2014. In the year under review, the Foundation stepped up its activity by becoming involved in various domestic and international cooperative endeavours as well as offering financial aid and scholarships. The most recent example is the long-term financing and collaboration with the Institute of Technical Logistics of Hamburg Technical University.

The strategic partnership with action medeor, Europe's largest medical supply aid organization, located in Tönisvorst (North Rhine-Westphalia), was expanded. By donating conveyor systems, Jungheinrich provided vital support in setting up a pharmaceutical distribution centre in Malawi (Africa), one of the world's poorest countries.

In 2015, employees and management donated a total of €27.4 thousand (prior year: €26.2 thousand) under the 'loose change' campaign which involves Jungheinrich staff voluntarily renouncing the cents behind the decimal point of their monthly wage or salary. The donations are used to help fund various aid projects by action medeor, including the supply of medication to HIV-positive people in the Democratic Republic of Congo and humanitarian aid for the Iraqi population.

The relaunch of the 'Kinder-Uni Hamburg' project entered its third phase in 2015. 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.

Volunteers were provided with Jungheinrich forklifts to facilitate their work in clothing stations as refugee figures rose. Moreover, an internal fundraiser took place in cooperation with Arche Hamburg. Some of the furniture from Jungheinrich's former head office was donated to the city so it could be used in refugee accommodations after the employees' move.

Moreover, in the financial year that just came to a close, Jungheinrich supported various charitable organizations and establishments by donating cash or material handling equipment.

As a traditional family-owned business, Jungheinrich's value-oriented action provides an important basis on which the company makes decisions. This is reflected in measures taken to ensure a healthy work-life balance, a wide range of continued education and advanced training programs available to employees, and equipment providing for a safe work environment and protecting employee health such as ergonomically optimized workplaces.

Jungheinrich always sees to it that resource consumption is reduced—and not just in production. For instance, the new corporate headquarters was built in a manner satisfying the requirements of the Gold certificate awarded by DGNB, the German Sustainable Building Council. It thus meets high environmental and sustainability standards.

Purchasing

Breakdown of purchasing volume in 2015

in million €	2015	2014
Production material	790	732
Merchandise	409	321
Indirect material	546	459
Total	**1,745**	**1,512**

In 2015, the Jungheinrich Group's procurement volume totalled €1,745 million (prior year: €1,512 million) and broke down into:

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

As a rule, all procurement requests are processed via the groupwide product group management system. The long-term purchasing strategy that has been designed in compliance with the principles of sustainable management ensures that purchasing conditions are optimized in terms of price when products are sourced. This approach is underpinned by well-founded cost engineering and holistic cost assessment. Moreover, consistent, cross-functional cooperation across all development and procurement processes ensures savings along the entire value-added chain.

Slightly more than 90 per cent of the purchasing volume in 2015 was attributable to Europe. This was due to the company's strong presence in the region. In addition, most of Jungheinrich's production sites are in Germany.

The product groups with the largest shares in purchasing volume were batteries, accounting for €171 million (prior year: €153 million); steel assemblies, accounting for €103 million (prior year: €98 million); facility management, accounting for €100 million (prior year: €59 million) and storage equipment, accounting for €97 million (prior year: €78 million). In 2015, the facility management product group included work and products for the Group's construction projects—especially for the corporate headquarters.

Environment

Jungheinrich strives to engineer and manufacture efficient and resource-saving products. In its quest to reduce ensuing effects on the environment, the Jungheinrich Group 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.

The German production plants, the factory in Qingpu (China) and the spare part centre in Kaltenkirchen (Germany) have a quality management system that is certified to ISO 9001 as well as an environmental management system that is certified to ISO 14001. In 2015, the German production plants started to implement an environmental management system certified to ISO 50001. Certification is scheduled to be completed by the end of 2016.

Product eco balance

Documenting the company's environmentally aware actions is the material handling equipment sector's first product eco balance certified by the German Technical Inspection Authority (TÜV). The balance—a systematic analysis of the environmental impact of products over their entire lifecycle—includes the analysis of the environmental impact of the Jungheinrich truck fleet (excluding high-rack stackers and vertical order pickers) from 2000 to 2010. In this period, CO_{2e} emissions[1] were reduced by 25 per cent.

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. Efficiency was improved for new developments in several product clusters last year, leading to a further reduction in energy consumption. Measures to improve efficiency at the manufacturing sites reduced CO_{2e} emissions occurring during production. A drop of 11 per cent was achieved from 2010 to 2015.

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 impact 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

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), a major global standard for sustainability reporting.

Usage, emissions and waste volume at Jungheinrich's sites are primarily determined by the products themselves, the number of units manufactured, and the degree of vertical integration.

A series of tailor-made measures was taken at the German sites in 2015 in order to reduce the environmental impact. Examples include:

- conversion of lighting to LED technology with presence sensors,
- reduction of solvent-containing emissions and lacquer slurries in wet coating processes by eliminating the primer and using a single-coat lacquer and new plant technology, and
- use of a mini block-type thermal power station to feed electricity into the plant grid and to heat water in the winter.

Environmental indicators[1]

		2015[2]	2014
Electricity	MWh	36,409	34,501
Natural gas/district heat/oil	MWh	40,682	41,466
CO_{2e} emissions	mt	28,360	29,266
Water consumption	cubic metres	34,136	32,229
Wastewater	cubic metres	31,832	29,596
Waste	mt	7,544	7,618

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 2015 are based on extrapolations and empirical values.

Supplementary report

In January of 2016, Jungheinrich AG and Anhui Heli Co. Ltd. (Heli), based in Hefei, China, signed the contract for the establishment of a joint venture for material handling equipment rentals on the Chinese market, Jungheinrich possesses global know-how in the rental business and Heli, China's largest manufacturer of material handling equipment, has the most expansive sales and service network in China. Jungheinrich and Heli will each hold a 50 per cent stake in the joint venture. It will have a capital stock of CNY 190 million and be headquartered in Shanghai. Business operations are scheduled to begin in the middle of 2016.

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 existence 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 viewed on the intranet by the entire workforce.
- 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 is 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 auditors 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, of the business heads and of the heads of cross-divisional or groupwide 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. The 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, which forms an integral part of the latest forecast, 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 finalized risk inventory, compiled in 2015 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 and generally valid given the business model are listed hereinafter.

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 2.9 per cent and the Eurozone to expand by 1.3 per cent in 2016. However, the stability of the global economy can be curtailed by looming debt problems or geopolitical uncertainty. It remains to be seen whether individual countries experience crises again and to what extent the initial success of efforts to reform the economies of individual countries is felt over the long term.

Sector-specific risks largely result from changes in market volume and the competitive environment. The size of the European material handling equipment market rose by 8 per cent in the year being reviewed, whereas world market volume was flat. An economic downturn—especially in Europe—could result in a significant reduction in the number of forklift trucks produced or in 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 Jungheinrich 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. Furthermore, measures to improve productivity are constantly taken throughout the Group.

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 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 2016 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, the use of modern backup systems, and regular reviews of the effectiveness of the protective measures. 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. Jungheinrich 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, on an international level, executives and employees with special skill sets are identified around the world, 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. The expansion of the international trainee program to include scientific engineers is a further step in this direction. The number of trainee positions is being kept high in order to ensure that all future needs for skilled workers is covered. It remains difficult to recruit engineers that are in high demand in the industry to staff certain specialized positions. Jungheinrich employs temporary workers in order to avoid capacity utilization risks.

Service data and accident-related information are evaluated in order to minimize product risks. Processes designed for this purpose have been established in groupwide guidelines and receive the efficient support of the direct sales organization and of the rapid notification system regarding product safety behaviour it implements. Anomalies are immediately examined jointly by the people responsible for the product line in question, after-sales services, and the quality unit. Safety matters are investigated by the Legal Department. 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, an established financing platform 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.

Customer receivable 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 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. As of December 31, 2015, Jungheinrich had a total of €255 million in credit facilities at its disposal, which 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 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 fulfil the associated reporting duties when concluding financial transactions. A uniform, groupwide process is in place to ensure compliance with their regulations. It fulfils the reporting obligations and satisfies the risk-related 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. Material general 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 sector 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 position. Therefore, the greatest opportunity for Jungheinrich would present itself if Europe's economy developed much better than currently expected.

Our outlook for 2016 is based on expert assessments of the economic trend and our own assessments of the market.

Should the world economy—especially the European economy—grow more and faster than anticipated, this would have a positive impact on the global sales market for material handling equipment. Consequently, incoming orders, net sales and EBIT may exceed the 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 threaten our existence. 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 sector risks—are considered to be controllable and manageable.

Forecast report

The company's strategy focuses on sustainable, 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

In 2016, the world economy should record growth about as moderate as in 2015. The main drivers are expected to be China, North America and some European countries. Experts anticipate that global economic output will increase by 2.9 per cent, as last year. Gross domestic product (GDP) in the USA is likely to rise by 2.0 per cent, which would be less than in 2015 (2.4 per cent). The prognosis for China envisages the country's economy losing momentum compared to last year (6.3 per cent growth vs. 6.8 per cent in 2015).

In 2016, economies in the Eurozone are expected to post combined economic growth of 1.3 per cent (2015: 1.5 per cent). Germany may well see its economic output rise less in 2016 (1.3 per cent) than in 2015 (1.7 per cent). The German Engineering Federation anticipates that production will stagnate in 2016. France's gross domestic product is likely to rise by 1.0 per cent in 2016 (2015: 1.2 per cent). The Italian economy is also expected to grow by 1.0 per cent, following 0.6 per cent expansion last year. Analogously to 2015, the forecast for the UK economy envisages 2.2 per cent growth. The rate of increase of the Polish economy should slow somewhat (3.1 per cent vs. 3.6 per cent in 2015). It is anticipated that Russia's gross domestic product will drop sharply this year, falling by 2.5 per cent (2015: increase of 0.6 per cent).

Growth rates of select economic regions

Gross domestic product in %	Forecast 2016
World	2.9
USA	2.0
China	6.3
Eurozone	1.3
Germany	1.3

Source: Commerzbank (as of February 2016).

France, the United Kingdom and Italy are the most important material handling equipment markets in Western Europe after Germany.

We expect the volume of the world material handling equipment market to rise slightly in 2016. However, we believe it is highly unlikely that global market volume will increase noticeably as long as the Chinese market continues its steep downward trend—especially with regard to IC engine-powered counterbalanced trucks. We currently anticipate European market volume to display positive development. Demand in Western Europe may well continue to rise, albeit to a lesser degree than last year. This also applies to Eastern Europe, with the exception of Russia. A significant improvement of the Russian market is not foreseeable at present. We expect Asia—excluding China—to see an enlargement of it markets, whereas in China, only the warehousing equipment segment is likely to grow. The expansion of the North American market should continue. We do not expect the importance of individual product segments for the Jungheinrich Group to change significantly.

Further development of the Jungheinrich Group

Taking account of the economic and sector outlook set out above, Jungheinrich anticipates that incoming orders will range between €3.0 billion and €3.1 billion in 2016 (2015: €2.82 billion). We aim to improve our share of the European market marginally (2015: 21.5 per cent). Consolidated net sales should range between €2.9 billion and €3.0 billion (2015: €2.75 billion). Current estimates have earnings before interest and taxes (EBIT) amounting to between €220 million and €230 million in 2016 (2015: €213 million). We anticipate an EBIT ROS of at least 7.6 per cent. We do not expect to see any unusual changes in the cost of materials. R&D expenditures will amount to between €60 million and €65 million. Earnings before taxes should total from €200 million to €215 million (2015: €198 million). The EBT ROS should be at least 6.9 per cent.

Capital expenditures on tangible assets are expected to total between €90 million and €100 million in the year underway. A large portion of this outlay will be used to strengthen our sales structure even further.

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. We expect to have a net credit of last year's order (€75 million) by the end of 2016.

The return on our capital employed (ROCE) should be between 15 and 20 per cent, given the rise in shareholders' equity.

This forecast includes the effects of the acquisitions on the full year.

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 2016, our financial service operations focussed on the continued expansion of business in growth markets. All in all, we expect the number of products sold via financial services to rise substantially in 2016.

Furthermore, in 2016, we will focus particularly on the successful integration of the acquired companies.

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 2016 financial year, we expect the economic environment to be positive overall. We anticipate that the global material handling equipment market will grow slightly. Political risks and conflicts due to terrorist activity or warfare may lead to significant, unexpected changes in framework conditions. Global developments in the field of intralogistics, such as the trend to modernizing warehouses as well as towards automated solutions and customer focus on intralogistics, provide our integrated business model with huge opportunities. We are well positioned for the future.

We have our sights firmly set on achieving our growth target of €4 billion in net sales in 2020. Our integrated business model including the new Truck Business, Short-Term Hire and Used Equipment, and After-Sales Services business areas along with our strong financial service operations provide us with a solid basis. We will spur the company's further strategic development with vigour.

Therefore, we expect incoming orders, net sales and earnings to rise this year, albeit to a lesser extent than in 2015. This assessment is based on the assumption that the economy develops as prognosticated and that our sales markets do not experience further drastic recessionary trends in addition to the current decline of the Chinese and Russian markets. Against this backdrop, we are also counting on a slight improvement of our share of the European market.

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 31 per cent, or—adjusted to exclude the influence of the 'Financial Services' segment—48 per cent and is thus very robust. We will continue to attach substantial importance to this in the future as well.

In sum, we anticipate our business to display positive development in 2016.

Consolidated financial statements

Consolidated statement of income

in thousand €	Notes	Jungheinrich Group 2015	Jungheinrich Group 2014	Intralogistics [1, 2] 2015	Intralogistics [1, 2] 2014	Financial Services [2] 2015	Financial Services [2] 2014
Net Sales	(3)	**2,753,896**	**2,497,769**	**2,108,438**	**1,919,152**	**645,458**	**578,617**
Cost of sales	(4)	1,902,901	1,720,052	1,278,376	1,165,310	624,525	554,742
Gross profit on sales		**850,995**	**777,717**	**830,062**	**753,842**	**20,933**	**23,875**
Selling expenses		516,838	476,034	509,453	467,261	7,385	8,773
Research and development costs	(12)	50,147	43,745	50,147	43,745	–	–
General administrative expenses		76,870	70,106	76,870	70,106	–	–
Other operating income	(7)	4,507	2,912	4,507	2,912	–	–
Other operating expenses	(8)	1,746	1,644	1,735	1,644	11	–
Income (loss) from companies accounted for using the equity method	(16)	3,202	3,584	3,202	3,584	–	–
Earnings before interest and income taxes		**213,103**	**192,684**	**199,566**	**177,582**	**13,537**	**15,102**
Interest income	(9)	2,544	1,751	2,384	1,588	160	163
Interest expenses	(9)	10,281	11,348	9,543	10,638	738	710
Other financial income (loss)	(10)	−7,070	−7,968	−7,068	−7,965	−2	−3
Financial income (loss)		**−14,807**	**−17,565**	**−14,227**	**−17,015**	**−580**	**−550**
Earnings before taxes		**198,296**	**175,119**	**185,339**	**160,567**	**12,957**	**14,552**
Income taxes	(11)	60,710	49,342				
Net income		**137,586**	**125,777**				
Earnings per share in € (diluted/undiluted)	(38)						
Ordinary shares		**4.02**	**3.67**				
Preferred shares		**4.08**	**3.73**				

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 €	2015	2014
Net income	**137,586**	**125,777**
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	3,239	–903
Income (loss) from the measurement of financial instruments available for sale	–771	703
Income (loss) from currency translation	2,171	–1,288
Items which will not be reclassified to the consolidated statement of income		
Income (loss) from the measurement of pensions	17,971	–27,337
Other comprehensive income (loss)	**22,610**	**–28,825**
Comprehensive income (loss)	**160,196**	**96,952**

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

Consolidated balance sheet

Assets

in thousand €	Notes	Jungheinrich Group 12/31/2015	Jungheinrich Group 12/31/2014	Intralogistics [1,2] 12/31/2015	Intralogistics [1,2] 12/31/2014	Financial Services [2] 12/31/2015	Financial Services [2] 12/31/2014
Non-current assets							
Intangible assets	(12)	136,277	68,198	125,964	68,189	10,313	9
Tangible assets	(13)	433,109	392,545	433,041	392,528	68	17
Trucks for short-term hire	(14)	299,265	248,218	299,265	248,218	–	–
Trucks for lease from financial services	(15)	362,334	282,292	(73,594)	(66,407)	435,928	348,699
Investments in companies accounted for using the equity method	(16)	10,695	12,095	10,695	12,095	–	–
Other financial assets	(16)	108	103	108	103	–	–
Trade accounts receivable	(18)	12,275	10,434	12,275	10,434	–	–
Receivables from financial services	(19)	489,421	449,025	–	–	489,421	449,025
Derivative financial assets	(36)	755	44	739	26	16	18
Other receivables and other assets	(20)	12,057	7,436	12,057	7,436	–	–
Securities	(21)	15,000	45,057	15,000	45,057	–	–
Prepaid expenses	(23)	4	6	(23,351)	(18,661)	23,355	18,667
Deferred tax assets	(11)	98,460	109,192	88,004	100,298	10,456	8,894
		1,869,760	**1,624,645**	**900,203**	**799,316**	**969,557**	**825,329**
Current assets							
Inventories	(17)	316,698	299,260	278,301	265,221	38,397	34,039
Trade accounts receivable	(18)	514,074	453,913	451,206	397,215	62,868	56,698
Receivables from financial services	(19)	203,291	190,015	–	–	203,291	190,015
Income tax receivables		9,627	7,328	9,597	7,283	30	45
Derivative financial assets	(36)	5,438	3,834	5,438	3,834	–	–
Other receivables and other assets	(20)	41,107	30,060	(40,423)	(22,708)	81,530	52,768
Securities	(21)	166,989	120,711	166,989	120,711	–	–
Liquid assets	(22)	210,479	300,803	188,798	273,572	21,681	27,231
Prepaid expenses	(23)	11,257	9,274	(4,779)	(3,457)	16,036	12,731
		1,478,960	**1,415,198**	**1,055,127**	**1,041,671**	**423,833**	**373,527**
		3,348,720	**3,039,843**	**1,955,330**	**1,840,987**	**1,393,390**	**1,198,856**

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

Consolidated balance sheet

Shareholders' equity and liabilities

		Jungheinrich Group		Intralogistics [1, 2]		Financial Services [2]	
in thousand €	Notes	12/31/2015	12/31/2014	12/31/2015	12/31/2014	12/31/2015	12/31/2014
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		884,738	781,432	824,012	742,684	60,726	38,748
Accumulated other comprehensive income (loss)		(38,927)	(61,537)	(40,950)	(61,416)	2,023	(121)
		1,026,196	**900,280**	**951,263**	**849,469**	**74,933**	**50,811**
Non-current liabilities							
Provisions for pensions and similar obligations	(25)	201,572	240,662	201,489	240,568	83	94
Other provisions	(26)	67,200	65,404	66,003	64,078	1,197	1,326
Deferred tax liabilities	(11)	20,266	8,721	14,878	6,770	5,388	1,951
Financial liabilities	(27)	200,396	210,200	200,347	210,200	49	–
Liabilities from financial services	(28)	753,767	663,421	–	–	753,767	663,421
Derivative financial liabilities	(36)	2,020	1,984	302	205	1,718	1,779
Deferred income	(31)	70,484	67,800	40,098	35,826	30,386	31,974
		1,315,705	**1,258,192**	**523,117**	**557,647**	**792,588**	**700,545**
Current liabilities							
Income tax liabilities		11,535	8,178	9,924	7,144	1,611	1,034
Other provisions	(26)	161,857	150,963	160,908	149,985	949	978
Financial liabilities	(27)	116,693	124,407	115,147	121,653	1,546	2,754
Liabilities from financial services	(28)	318,410	279,251	–	–	318,410	279,251
Trade accounts payable	(29)	241,150	188,052	114,270	86,379	126,880	101,673
Derivative financial liabilities	(36)	2,303	3,334	2,251	3,323	52	11
Other liabilities	(30)	119,260	92,897	58,383	47,283	60,877	45,614
Deferred income	(31)	35,611	34,289	20,067	18,104	15,544	16,185
		1,006,819	**881,371**	**480,950**	**433,871**	**525,869**	**447,500**
		3,348,720	**3,039,843**	**1,955,330**	**1,840,987**	**1,393,390**	**1,198,856**

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 €	2015	2014
Net income	137,586	125,777
Depreciation and amortization of tangible and intangible assets	58,581	53,437
Depreciation of trucks for short-term hire and lease	160,674	136,858
Changes in provisions	−29,890	51,606
Changes in trucks for short-term hire and trucks for lease (excluding depreciation)	−253,352	−201,002
Income (loss) from the disposal of tangible and intangible assets	294	−231
Income (loss) from/changes deriving from companies accounted for using the equity method and of other financial assets	1,400	48
Changes in deferred tax assets and liabilities	12,297	−23,620
Changes in		
inventories	−850	−27,830
trade accounts receivable	−46,973	−47,181
receivables from financial services	−53,672	−33,869
trade accounts payable	40,922	28,128
liabilities from financial services	104,291	71,392
liabilities from financing trucks for short-term hire	−7,107	14,012
other operating assets	−22,465	−13,837
other operating liabilities	42,494	−23,493
Cash flow from operating activities	**144,230**	**110,195**
Payments for investments in tangible and intangible assets	−98,161	−96,244
Proceeds from the disposal of tangible and intangible assets	2,974	2,932
Payments for the acquisition of companies and other business areas, net of acquired cash and cash equivalents	−72,677	–
Payments for the purchase of securities	−121,350	−61,039
Proceeds from the sale/maturity of securities	104,425	119,752
Cash flow from investing activities	**−184,789**	**−34,599**
Dividends paid	−34,280	−28,160
Changes in short-term liabilities due to banks	−16,286	3,960
Proceeds from obtaining long-term financial loans	15,457	104,668
Repayment of long-term financial loans	−16,292	−57,317
Cash flow from financing activities	**−51,401**	**23,151**
Net cash changes in cash and cash equivalents	**−91,960**	**98,747**
Changes in cash and cash equivalents due to changes in exchange rates	−89	−796
Changes in cash and cash equivalents	**−92,049**	**97,951**
Cash and cash equivalents on 01/01	**293,633**	**195,682**
Cash and cash equivalents on 12/31	**201,584**	**293,633**

Receipts and payments relating to cash flows from operating activities

in thousand €	2015	2014
Interest paid	38,562	41,160
Interest received	48,957	45,814
Dividends received	4,601	3,632
Income taxes	54,943	57,916

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 income (loss)				Total
						Measurement of financial instruments		
				Currency translation	Remeasure-ment of pensions	available for sale	with a hedging relationship	
As of 01/01/2015	102,000	78,385	781,432	19,496	−80,273	761	−1,521	900,280
Dividend for the prior year	–	–	−34,280	–	–	–	–	−34,280
Comprehensive income (loss)	–	–	137,586	2,171	17,971	−771	3,239	160,196
As of 12/31/2015	**102,000**	**78,385**	**884,738**	**21,667**	**−62,302**	**−10**	**1,718**	**1,026,196**
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**

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 'Friedrich-Ebert-Damm 129' 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 sales network with 17 sales and distribution centres/branch establishments in Germany and 26 proprietary sales companies in other European countries. Further foreign companies are located in Brazil, China, India, Singapore, Malaysia, Thailand and Australia. 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.

As a result of the acquisition of the MIAS Group, Munich (Germany) as of October 1, 2015, stacker cranes and load handling technology are now also manufactured by the Jungheinrich Group. The products are manufactured in Munich (Germany), Gyöngyös (Hungary) and Kunshan (China) and sold under the MIAS brand the world over.

(2) Accounting principles

Basis

Jungheinrich AG prepared consolidated financial statements for the financial year ending on December 31, 2015 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, 2015 were approved for publication by the Board of Management on March 2, 2016.

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.

Business combinations, i.e. acquisitions of companies and business areas, are accounted for using the acquisition method in compliance with IFRS 3. Accordingly, at the acquisition date, the consideration transferred is set off against the net assets measured at fair value at the acquisition date. Transaction costs associated with business combinations are generally recognized with an effect on profit or loss. If the consideration transferred includes contingent consideration, the latter is measured at its fair value at the acquisition date. Identifiable assets acquired and liabilities assumed are also measured at their fair values at the acquisition date. If the acquisition costs are higher than the fair value of the identified net asset, the positive balance is capitalized as goodwill. If the fair value of the acquired net asset is higher than the acquisition costs, the negative balance is recognized as badwill. The latter is immediately booked in the year of acquisition with an effect on profit or loss. If the acquisition-date fair values of the business combination can only be determined provisionally until their initial reporting date, the business combination is accounted for on the basis of these provisional figures. In accordance with IFRS 3.45, initial accounting observes the 12-month measurement period from the acquisition date. All necessary adjustments to the determined fair values are booked against the provisional goodwill or negative goodwill within this measurement period.

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.

Key exchange rates for the Jungheinrich Group

Currency	Basis 1 €	Mean exchange rate at the balance sheet date		Annual average exchange rate	
		12/31/2015	12/31/2014	2015	2014
AUD		1.48970	1.48290	1.47648	1.47240
BRL		4.31170	3.22070	3.69160	3.12277
CHF		1.08350	1.20240	1.06763	1.21463
CNY		7.06080	7.53580	6.97300	8.18825
CZK		27.02300	27.73500	27.28500	27.53580
DKK		7.46260	7.44530	7.45864	7.45492
GBP		0.73395	0.77890	0.72599	0.80643
HUF		315.98000	315.54000	309.89800	308.70400
INR		72.02150	76.71900	71.17520	81.06890
MYR		4.69590	4.24730	4.33120	4.16480
NOK		9.60300	9.04200	8.94170	8.35511
PLN		4.26390	4.27320	4.18278	4.18447
RUB		80.67360	72.33700	68.00680	51.01130
SEK		9.18950	9.39300	9.35448	9.09689
SGD		1.54170	1.60580	1.52507	1.68300
THB		39.24800	39.91000	38.00070	43.16270
TRY		3.17650	2.83200	3.02185	2.90700
UAH		26.06170	19.16570	24.23200	15.88150
USD		1.08870	1.21410	1.10963	1.32884

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.

To prepare the consolidated financial statements, assets and liabilities reported in local currency are converted to euros at the mean exchange rate on the balance sheet date. Changes during the year, the items on the statement of income and the components of the other comprehensive income (loss) are translated at the average exchange rate for the financial year in question. Equity is carried at historic exchange rates. Translation differences are recognized in the 'accumulated other comprehensive income (loss)' item without an effect on profit or loss until the subsidiary is removed from the scope of consolidation. 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 construction 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). The degree of completion of automation projects in the field of logistic systems is determined using the 'milestone' method, i.e. work performed is put in relation to total work. The degree of completion of manufacturing orders for stacker cranes under the MIAS brand is determined using the 'cost-to-cost' 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 2015 and 2014 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. Intangible assets with limited useful lives acquired as part of business combinations primarily relate to customer relationships, technologies and customer contracts. The economic useful lives determined are between six and 17 years for these customer relationships and technologies and 20 years for the customer contracts. 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.

At initial recognition, goodwill from business combinations is measured at acquisition cost and classified as an intangible asset. Acquisition costs are the positive balance of the consideration transferred and the fair value of the acquired net asset. In subsequent periods, goodwill is accounted for at acquisition cost less—if necessary–accumulated impairments. Goodwill is tested for impairment at least once a year. The impairment test is performed on the basis of the determined useful value of a cash generating unit (CGU) using the discounted cash flow method. The CGUs are generally identical to the Group's legal entities. The MIAS Group is the designated CGU to which goodwill from the acquisition of MIAS has been assigned. As a rule, the cash flows budgeted in the bottom-up five-year budget plausibilized by Jungheinrich AG management are used. Long-term net sales and return expectations are the basis for cash flows beyond the budget period. A pre-tax interest rate in line with the conditions prevailing on the market is used as the discount rate. The total cost of capital is based on the risk-free interest rate and risk premiums for equity and debt specific to the Group units and countries. If the recoverable amount of a CGU falls below its carrying amount, the impairment is immediately recognized with an effect on profit or loss. Write-ups are not performed in later years—not even for impairments recognized during the 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

The impairment test for goodwill is commented on in the section headed “Intangible and tangible assets.”

All other 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.

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 o 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.' This item has also included securities in the special fund, all of which are classified as 'available for sale' at their time of purchase.

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 three months.

Inventories

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

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

Deferred taxes

Deferred tax assets and liabilities are stated in accordance with the balance sheet-oriented 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.

An impairment is recognized for deferred tax assets, the recovery of which is improbable.

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 2015 financial year

The standards which became mandatory in the EU for the first time as of January 1, 2015 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. In September of 2015, the IASB decided that, if adopted by the EU, IFRS 15 will be mandatory for the first time for financial years starting on or after January 1, 2018.

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 15 and IFRS 9 will have on the consolidated financial statements. Currently, the first-time application of the standards is not expected to have a material effect on the consolidated financial statements.

In January of 2016, the IASB published the new standard IFRS 16 "Leases." It replaces the rules governing the accounting treatment of leases included in

IAS 17 "Leases" and the associated interpretations IFRIC 4, SIC-15 and SIC-27. In particular, the resulting changes require lessees to carry all leases and the contractual rights pertaining thereto on their balance sheets in the future. Exceptions are made for leases with a maximum term of twelve months and for low-value leased items, which may continue to be accounted or as "operating leases." The accounting policies for lessors have largely remained unchanged—primarily with respect to the continued need to classify leases. The new leasing standard mandates more extensive disclosure in the notes—from both the lessee and the lessor. Once adopted by the EU, IFRS 16 will become mandatory for the first time for financial years starting on or after January 1, 2019. IFRS 16 may be applied before it is adopted by the EU as long as IFRS 15 is already being applied by that time. Jungheinrich does not plan to apply it early. We are still examining the effects that the application of IFRS 16 will have 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 65 (prior year: 52) foreign and 16 (prior year: 15) domestic companies. The basis of consolidation includes 79 (prior year: 65) 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

In the first quarter of 2015, Jungheinrich Design Center Houston Corporation, Houston/Texas (USA) was folded into the former sales company Jungheinrich Lift Truck Corporation, Richmond/Virginia (USA). At the same time, the headquarters of the absorbing company was moved to Houston/Texas (USA) where it continues to run the operating activities of the absorbed company. Jungheinrich Lift Truck Corporation, Richmond/Virginia (USA) was not included in the basis of consolidation in the consolidated financial statements for the period ended December 31, 2014.

Jungheinrich Parts OOO, Moscow (Russia), was established as a regional spare parts warehouse in the third quarter of 2015.

The sales companies Jungheinrich South Africa (Pty) Ltd., Edenvale/Johannesburg (South Africa) and Jungheinrich România S.R.L., Ploiesti (Romania) were founded in the fourth quarter of 2015 to expand the direct sales organization. The South African company took up operation as early as the fourth quarter of 2015, with the Romanian company beginning its operating activities in January 2016.

Jungheinrich Australia Holdings Pty Ltd., Adelaide (Australia), was established in the fourth quarter of 2015.

The first-time consolidation of the newly established companies did not result in differential amounts.

Jungheinrich paid €44.4 million to gain control of the MIAS Group (MIAS) as of October 1, 2015 and has held a 100 per cent voting and equity stake in MIAS Maschinenbau, Industrieanlagen & Service GmbH, Munich (Germany), and its subsidiaries since then. This resulted in the basis of consolidation being enlarged by the eight following companies:

- MIAS Maschinenbau, Industrieanlagen & Service GmbH, Munich (Germany),
- MIAS Hungary Kft., Gyöngyös (Hungary),
- MIAS Holding Inc., Charlotte/North Carolina (USA),
- MIAS Property LLC, Charlotte/North Carolina (USA),
- MIAS Inc., Charlotte/North Carolina (USA),
- MIAS Italia S.r.l., Bolzano (Italy),
- MIAS Asia Holding Pte. Ltd. (Singapore),
- MIAS Materials Handling (Kunshan) Co., Ltd., Kunshan (China).

Pursuant to the business share acquisition and transfer agreement, the purchase price was allocated as follows: €26.6 million to MIAS Maschinenbau, Industrieanlagen & Service GmbH, Munich (Germany), €6.5 million to MIAS Hungary Kft., Gyöngyös (Hungary), €1.1 million to MIAS Holding Inc., Charlotte/North Carolina (USA), €0.2 million to MIAS Italia S.r.l., Bolzano (Italy), and €10.0 million to MIAS Asia Holding Pte. Ltd. (Singapore).

Headquartered in Munich, MIAS is a mechanical engineering company with international operations in the field of warehousing and transportation technology, in which it is the world market leader in load handling technology for pallets and a specialist in stacker cranes. Jungheinrich thus expanded its technology portfolio in the field of automated warehousing solutions. MIAS has been fully assigned to the Intralogistics segment.

The purchase price was fully paid using liquid assets. €4.5 million of the purchase price have been deposited to a trust account for a period of 12 months to cover potential warranty and indemnity claims. Jungheinrich expects that the general assurances and warranties will be fulfilled and the purchase price will thus be fully transferred to the seller. The €0.6 million in transactional costs was recognized with an effect on profit or loss in 2015.

For time-related reasons, the analysis of acquired assets and assumed liabilities could not be completed before the consolidated financial statements were published. The first-time consolidation should be regarded as preliminary with respect to the fair valuation of the acquired net assets. The preliminary allocation of the purchase price among the acquired net assets has been presented in the following table.

Purchase price allocation at the acquisition date: MIAS

in million €	Carrying amount	Fair value
Assets		
Intangible assets	1.0	16.6
Tangible assets	5.3	5.3
Inventories	7.5	7.5
Trade accounts receivable	10.1	10.1
Other receivables and other assets	1.3	1.3
Liquid assets	5.0	5.0
	30.2	**45.8**
Liabilities		
Other provisions	2.2	2.2
Financial liabilities	3.5	3.5
Trade accounts payable	6.0	6.0
Deferred tax liabilities	1.0	5.6
Other liabilities	8.2	8.2
	20.9	**25.5**
Net assets acquired	**9.3**	**20.3**
Transferred consideration		44.4
Goodwill		**24.1**

€15.6 million in intangible assets and €24.1 million in goodwill were identified within the scope of the purchase price allocation. It is not expected that a part of the goodwill can be offset against income taxes. The goodwill is the result of the fact that the consideration transferred included amounts that take account of the benefits of the market's expected future growth and of net sales as well as of the resulting positive development in earnings. These advantages are not stated separately from goodwill, as they do not meet the recognition criteria for intangible assets.

The intangible assets identified within the scope of the purchase price allocation essentially related to customer relationships totalling €8.6 million and technologies totalling €4.5 million, each with useful lives of 6 to 10 years.

Assumed receivables only included receivables that can probably be collected. The determined fair values did not include any impairments.

Since the acquisition date, MIAS has contributed €12.2 million to the net sales recognized in the consolidated statement of income. Considering the effects of the purchase price allocation, its share of consolidated earnings after taxes amounted to €0.2 million for the same period.

Had MIAS been included in the basis of consolidation since January 1, 2015, it would have had an effect of some €48 million and some €2 million on consolidated net sales and consolidated earnings, respectively, in the twelve-month period.

To expand the direct sales organization in the Asia-Pacific region, Jungheinrich gained control of NTP Forklifts Australia (NTP) as of November 1, 2015 by paying a purchase price of €28.7 million. The basis of consolidation was thus expanded by another two companies, namely the sales company NTP Pty Ltd., Adelaide (Australia) and the financial services company NTP Fleet Management Pty Ltd., Adelaide (Australia). Jungheinrich has held 90 per cent of the voting and equity stake of these companies since the acquisition date. A further 10 per cent of the voting and equity stake is held for Jungheinrich by a trust. The purchase price was paid using liquid assets. At the acquisition date, NTP was the exclusive sales partner to a major material handling equipment manufacturer in Australia. As part of the acquisition, a contingent purchase price payment was agreed, based on the survival of this exclusive sales partnership. Therefore, €5.8 million of the purchase price was deposited to a trust account as of the acquisition date. This sum will be paid to the sellers in three equal instalments plus interest from 2016 to 2018 as long as the exclusive sales partnership is still in effect or it has been replaced by an adequate agreement. Jungheinrich did not receive any indication that the exclusive sales partnership would be ended. It was thus expected that the purchase price plus interest would be fully transferred to the sellers. The transactional costs of €0.3 million were recognized with an effect on profit or loss in 2015.

The first-time consolidation is to be regarded as preliminary as regards the fair valuation of the acquired assets and the assumed liabilities. The preliminary allocation of the purchase price among the acquired net assets has been presented in the table below.

Purchase price allocation at the acquisition date: NTP

in million €	Carrying amount	Fair value
Assets		
Intangible assets	0.6	16.7
Tangible assets	0.9	0.9
Trucks for lease from financial services	34.6	34.6
Inventories	8.3	8.3
Trade accounts receivable	4.9	4.9
Other receivables and other assets	0.2	0.2
Liquid assets	0.5	0.5
	50.0	**66.1**
Liabilities		
Other provisions	1.3	1.3
Financial liabilities	12.3	12.3
Liabilities from financial services	17.0	17.0
Trade accounts payable	6.2	6.2
Deferred tax liabilities	–0.2	4.6
Other liabilities	0.9	0.9
	37.5	**42.3**
Net assets acquired	**12.5**	**23.8**
Transferred consideration		28.7
Goodwill		**4.9**

€16.1 million in intangible assets and €4.9 million in goodwill were identified within the scope of the purchase price allocation. It is not expected that a part of the goodwill can be offset against income taxes. The goodwill is the result of the fact that the consideration transferred included amounts that take account of the benefits of the market's expected future growth and of net sales as well as of the resulting positive development in earnings. These advantages are not stated separately from goodwill, as they do not meet the recognition criteria for intangible assets.

The intangible assets identified within the scope of the purchase price allocation essentially related to acquired customer contracts totalling €9.7 million with a useful life of 20 years and customer relationships totalling €4.8 million with useful lives of 12 to 17 years.

Assumed receivables only included receivables that can probably be collected. The determined fair values included €0.1 million in impairments.

For time-related reasons, the assessment of the acquired net assets could not be completed before the consolidated financial statements were published. The analysis of the acquired end-customer leases of NTP Fleet Management Pty Ltd., Adelaide (Australia), which includes their classification and measurement, had not been concluded yet. Therefore, all usage transfer agreements have been preliminarily accounted for as operating leases. All of the trucks acquired from this company have been recognized at their carrying amounts and subsumed under 'trucks for lease from financial services.' The lease installments and the amortization of capitalized trucks have been recognized in the consolidated statement of income. Jungheinrich expects about 40 per cent of the acquired leases to be classified as 'finance leases,' which would require them to be accounted for as 'receivables from financial services.' The effect of the adjustment of the preliminarily determined fair value of the acquired net assets and, in turn, on the goodwill when the consolidated financial statements were published has been estimated to amount to a low, single-digit million euro sum.

Since the acquisition date, NTP has contributed €9.5 million in net sales to the net sales recognized in the consolidated statement of income. Its share of consolidated earnings after taxes including the effects of the purchase price allocation during the same period amounted to €0.4 million. These figures stem from the preliminary accounting of all trucks as 'operating leases.'

NTP had been the exclusive sales partner for Jungheinrich products in Australia since 2008. Consolidated net sales and consolidated earnings after taxes included truck sales to NTP until the company was acquired. In addition, the effects on consolidated net sales and consolidated earnings after taxes had NTP been acquired as of January 1, 2015 will largely depend on the results of the analysis of acquired end-customer leases, which has not yet been completed, and could not be determined before the consolidated financial statements were published.

Furthermore, the direct sales companies newly established in Malaysia and South Africa in 2014 and 2015 acquired the business of the former local sales partners in fiscal 2015 by transferring cash and cash equivalents. These acquisitions did not change the basis of consolidation. Considered individually and altogether, they were of minor importance to the assets, finances and earnings of the Jungheinrich Group. The purchase price for these acquisitions totalled €5.1 million. The €4.9 million in acquired net assets essentially included trucks for short-term hire and the customer contracts associated with them. The €0.2 million in resulting goodwill is not tax-deductible.

Notes to the consolidated statement of income

(3) Net sales

Composition of net sales

in thousand €	2015	2014
New truck business	1,538,720	1,374,754
Short-term hire and used equipment	481,569	429,353
After-sales services	795,100	736,998
Intralogistics	**2,815,389**	**2,541,105**
Financial services	**645,458**	**578,617**
Segments total	**3,460,847**	**3,119,722**
Reconciliation	**–706,951**	**–621,953**
Jungheinrich Group	**2,753,896**	**2,497,769**

Net sales generated by the 'Intralogistics' segment include €41,189 thousand in contract revenue calculated using the 'percentage of completion' method (prior year: €46,152 thousand).

Net sales generated by the 'Financial Services' segment include €46,526 thousand in interest income from 'finance lease' customer contracts (prior year: €44,067 thousand).

(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 €1,394,449 thousand (prior year: €1,242,749 thousand).

The cost of materials includes €4,885 thousand in currency losses (prior year: €8,617 thousand) primarily stemming from purchases by non-German sales companies in Group currency and the associated currency hedges.

The cost of sales includes €27,550 thousand (prior year: €28,481 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 €	2015	2014
Salaries	670,114	614,551
Social security contributions	134,223	127,313
Cost of pensions and other benefits		
Defined benefit plans	9,091	6,940
Defined contribution plans	5,990	3,901
Other costs for pensions and other benefits	647	439
	820,065	**753,144**

In 2015, the costs of defined benefit pension plans included income of €2,870 thousand from the settlement of benefit obligations in Germany. In the preceding year, it had included income of €6,668 thousand from the pension plan adjustment in the Netherlands.

Average number of employees during the year

	2015	2014
Hourly-paid employees	6,132	5,811
Salaried employees	6,613	6,073
Trainees and apprentices	385	351
	13,130	**12,235**

Besides personnel expenses, functional costs include the cost of temporary workers amounting to €25,546 thousand (prior year: €24,834 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 €775 thousand (prior year: €1,350 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 €1,070 thousand (prior year: €1,120 thousand) in losses from the disposal of tangible and intangible assets.

(9) Net interest

Composition of net interest

in thousand €	2015	2014
Interest and similar income on securities	1,096	978
Other interest and similar income	1,448	773
Interest income	**2,544**	**1,751**
Interest expenses	**10,281**	**11,348**
Net interest	**–7,737**	**–9,597**

(10) Other financial income (loss)

Composition of other financial imcome (loss)

in thousand €	2015	2014
Income (loss) from derivatives	–1,357	848
Net interest on defined benefit pension plans	–4,226	–7,086
Sundry financial income (loss)	–1,487	–1,730
Other financial income (loss)	**–7,070**	**–7,968**

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.

Sundry financial income (loss) includes €675 thousand (prior year: €1,026 thousand) in interest accretions to non-current provisions for personnel.

(11) Income taxes

Composition of tax expenses

in thousand €	2015	2014
Current taxes		
Germany	30,075	26,605
Other countries	26,294	30,762
Deferred taxes		
Germany	1,695	2,437
Other countries	2,646	–10,462
Tax expenses	**60,710**	**49,342**

The current tax expense in Germany increased compared to the previous year due to the positive earnings trend. It includes income from the preceding year's taxes in the amount of €1.2 million (prior year: tax expense of €2.4 million).

The current tax expense incurred abroad dropped compared to the preceding year primarily owing to taxes recognized for the prior year. The figure for 2015 includes €1.1 million in tax income for earlier years (prior year: tax expense of €2.0 million). Deferred taxes of foreign origin rose considerably compared to the previous year. In the prior year, the figure included income from write-ups of deferred tax claims for which an impairment had previously been recognized, as well as positive effects in connection with consolidations, whereas the figure for 2015 was burdened by a one-off expense of €2.8 million due to changes in the tax rates.

The domestic corporate income tax rate for fiscal 2015 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.

Composition of deferred tax assets and liabilities

	Deferred tax assets		Deferred tax liabilities	
in thousand €	12/31/2015	12/31/2014	12/31/2015	12/31/2014
Tangible and intangible assets	150,325	146,856	68,684	56,170
Inventories	11,212	11,078	7,785	6,191
Receivables and other assets	69,194	53,876	281,251	249,183
Tax loss carryforwards	8,164	11,625	–	–
Provisions for pensions	27,491	34,993	4,397	2,923
Other provisions	16,190	19,255	530	3,748
Liabilities	161,667	152,322	24,371	28,188
Deferred income	11,682	12,590	–	–
Other	16,161	9,218	6,874	4,939
Deferred taxes prior to offsetting	**472,086**	**451,813**	**393,892**	**351,342**
Offsetting	–373,626	–342,621	–373,626	–342,621
Balance sheet recognition	**98,460**	**109,192**	**20,266**	**8,721**

The applied local income tax rates for foreign companies varied between 12.5 per cent (prior year: 12.5 per cent) and 35.0 per cent (prior year: 38.0 per cent).

As of December 31, 2015, the Group had about €66 million in corporate tax loss carryforwards (prior year: €37 million). Corporate tax loss carryforwards were higher year on year, because the loss carryforward of a formerly deconsolidated US company must now be stated again as a result of its merger with another US company. The loss carried forward (US) amounted to approximately €39 million as of December 31, 2015. Deferred tax assets were not recognized with respect to future possible uses at the date of the merger or as of the end of the year. Most of the loss carryforward (US) can be carried forward until 2026. €10 million of the loss carryforwards already on the books at the end of the prior year were utilized in 2015. On December 31, 2015, these loss carryforwards amounted to €27 million. They could be carried forward indefinitely. An impairment of €0.1 million was recognized for deferred tax assets in connection with these loss carryforwards (prior year: €0.9 million).

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 €0.4 million in deferred tax income (prior year: €6.0 million). Our present assessment of this point may alter depending on changes in our earnings position in future years and may necessitate a higher or lower valuation allowance.

€23,223 thousand (prior year: €31,092 thousand) of the net amount of the deferred taxes of €78,194 thousand (prior year: €100,471 thousand) was recognized directly in shareholders' equity.

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 €	2015	2014
Expected tax expense	59,489	52,536
Change in the tax rate	2,799	–333
Foreign tax differentials	–1,150	–2,492
Change in valuation allowances	–352	–6,031
Changes in taxes from the previous year	–2,782	4,794
Non-deductible operating expenses and tax-free gains	1,821	250
Other	885	618
Actual tax expense	**60,710**	**49,342**

In 2015, the Group's tax quota was 30.6 per cent (prior year: 28.2 per cent).

Notes to the consolidated balance sheet

(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 01/01/2015	61,363	88,882	4,999	155,244
Changes in currency exchange rates	915	–5	–33	877
Changes in the scope of consolidation	33,907	–	29,011	62,918
Additions	5,985	11,391	253	17,629
Disposals	538	1,889	–	2,427
Transfers	222	–	–	222
Balance on 12/31/2015	**101,854**	**98,379**	**34,230**	**234,463**
Amortization and impairment losses Balance on 01/01/2015	30,639	53,392	3,015	87,046
Changes in currency exchange rates	–22	–	–	–22
Changes in the scope of consolidation	499	–	–	499
Amortization in the fiscal year	5,940	7,025	–	12,965
Accumulated amortization on disposals	413	1,889	–	2,302
Balance on 12/31/2015	**36,643**	**58,528**	**3,015**	**98,186**
Carrying amount on 12/31/2015	**65,211**	**39,851**	**31,215**	**136,277**

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 01/01/2014	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**

Additions due to changes in the scope of consolidation during the reporting year to the item ‘acquired intangible assets’ were essentially attributable to customer relationships and customer contracts. In this context, reference is made to the commentary on the changes in the basis of consolidation. In 2014, the additions to this item included 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.

Internally generated intangible assets include the Jungheinrich Group's capitalized development expenditures. €11,391 thousand in development expenditures (prior year: €12,281 thousand) met the capitalization criteria under IFRS.

Research and development costs in the consolidated statement of income

in thousand €	2015	2014
Research costs and uncapitalized development expenditures	43,122	37,955
Amortization of capitalized development expenditures	7,025	5,790
	50,147	**43,745**

The impairment test performed on the 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 2015 did not result in an impairment expense.

The acquisitions of MIAS and NTP led to €29,011 thousand in additions due to changes to the basis of consolidation in the 'goodwill' item. The other additions in the year under review, which totalled €253 thousand, stemmed from the acquisition of the dealership activities of the former local sales partners in Malaysia and South Africa. In this context, reference is made to the commentary on the changes in the basis of consolidation.

The €24,109 thousand carrying amount of the goodwill stemming from the acquisition of MIAS was assigned to the MIAS Group in its function as a cash generating unit. The €4,902 thousand carrying amount of the goodwill resulting from the acquisition of NTP was assigned to the sales company NTP Pty Ltd., Adelaide (Australia). Furthermore, the carrying amounts of the goodwill as of December 31, 2015 were assigned to the sales company in Austria (€1,771 thousand), the sales company in South Africa (€135 thousand), the sales company in Poland (€111 thousand), Jungheinrich Systemlösungen GmbH, Graz (Austria) (€102 thousand) and the sales company in Malaysia (€85 thousand).

Discount rates of 11.3 per cent and 10.6 per cent before taxes were applied to the impairment tests of the goodwill of MIAS and NTP as of the balance sheet date. In the year being reviewed, the long-term growth rates for MIAS and NTP were 1.0 per cent and 1.5 per cent, respectively. The goodwill impairment tests did not lead to any impairment expenses. The material assumptions made in determining the value in use of a CGU were free cash flows, the discount rate and the long-term growth rate. An 0.5 per cent increase in the applied discount rates in each case or an 0.5 per cent decrease in the growth rates would not have resulted in an impairment expense.

(13) Tangible assets

Development of tangible assets during the reporting year

in thousand €	Land 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 01/01/2015	359,207	138,607	224,136	34,094	756,044
Changes in currency exchange rates	3,466	−48	22	22	3,462
Changes in the scope of consolidation	3,627	4,988	5,879	12	14,506
Additions	31,709	13,007	27,716	8,101	80,533
Disposals	1,468	6,513	11,436	–	19,417
Transfers	22,467	3,433	2,283	−28,405	−222
Balance on 12/31/2015	**419,008**	**153,474**	**248,600**	**13,824**	**834,906**
Depreciation Balance on 01/01/2015	121,677	96,595	145,227	–	363,499
Changes in currency exchange rates	956	32	−201	–	787
Changes in the scope of consolidation	453	3,537	4,179	–	8,169
Depreciation in the fiscal year	12,032	11,102	22,482	–	45,616
Accumulated depreciation on disposals	1,326	4,608	10,340	–	16,274
Transfers	–	15	−15	–	–
Balance on 12/31/2015	**133,792**	**106,673**	**161,332**	**–**	**401,797**
Carrying amount on 12/31/2015	**285,216**	**46,801**	**87,268**	**13,824**	**433,109**

Development of tangible assets during the prior year

in thousand €	Land 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**

Additions to tangible assets in the reporting year primarily related to the construction of the new corporate headquarters in Hamburg (Germany) that was completed at the end of 2015 and to the ongoing modernization of production facilities at the factory in Moosburg (Germany).

Tangible assets included €11,288 thousand (prior year: €13,545 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 €531 thousand (prior year: €527 thousand).

On the balance sheet date, land and buildings were put up as mortgage to back €37,425 thousand (prior year: €40,179 thousand) in liabilities due to banks.

(14) Trucks for short-term hire

Development of trucks for short-term hire

in thousand €	2015	2014
Acquisition and manufacturing costs Balance on 01/01	449,618	397,232
Changes in currency exchange rates	−4,751	−11,311
Additions	180,090	144,298
Disposals	90,935	80,601
Balance on 12/31	**534,022**	**449,618**
Depreciation Balance on 01/01	201,400	182,901
Changes in currency exchange rates	−2,439	−4,283
Depreciation in the fiscal year	84,294	68,673
Accumulated depreciation on disposals	48,498	45,891
Balance on 12/31	**234,757**	**201,400**
Carrying amount on 12/31	**299,265**	**248,218**

The fleet of trucks for short-term hire includes leased trucks for short-term hire with an aggregate value of €6,792 thousand (prior year: €6,140 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 €1,593 thousand (prior year: €1,760 thousand).

Trucks for short-term hire with a total carrying amount of €56,414 thousand (prior year: €65,260 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 €	2015	2014
Acquisition and manufacturing costs Balance on 01/01	439,498	405,896
Changes in currency exchange rates	5,695	1,196
Changes in the scope of consolidation	65,869	–
Additions	155,974	127,959
Disposals	91,506	95,553
Balance on 12/31	**575,530**	**439,498**
Depreciation Balance on 01/01	157,206	147,507
Changes in currency exchange rates	2,375	522
Changes in the scope of consolidation	31,211	–
Depreciation in the fiscal year	76,380	68,185
Accumulated depreciation on disposals	53,976	59,008
Balance on 12/31	**213,196**	**157,206**
Carrying amount on 12/31	**362,334**	**282,292**

In the fourth quarter of 2015, trucks for lease from financial services with a fair value of €34,658 thousand were acquired as a result of the acquisition of NTP Fleet Management Pty Ltd., Adelaide (Australia). The portfolio included forklifts with a carrying amount of €28,058 thousand, which were financed on the basis of sale and leaseback agreements. The financing of these trucks was carried over. In this context, reference is made to the commentary on the changes in the basis of consolidation.

Composition of trucks for lease from financial services

in thousand €	12/31/2015	12/31/2014
Operating lease' contracts with customers	323,221	243,089
Contracts concluded with a leasing company acting as an intermediary	39,113	39,203
	362,334	**282,292**

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 €201,157 thousand (prior year: €171,471 thousand) were pledged as collateral for liabilities from financial services on the balance sheet date.

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 €54,356 thousand (prior year: €38,521 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 lease payments to be paid to Jungheinrich are presented in the following table, broken down by maturity.

Maturities of the minimum lease payments from remaining 'operating leases'

in thousand €	12/31/2015	12/31/2014
Due within less than one year	94,649	72,831
Due in one to five years	160,939	127,090
Due in more than five years	1,252	958
	256,840	**200,879**

Trucks for lease with a carrying amount of €76,896 thousand (prior year: €37,813 thousand) are financed based on sale and leaseback agreements. Future minimum lease payments from sublease arrangements total €55,728 thousand (prior year: €27,548 thousand).

As of December 31, 2015, all of the use transfer agreements of NTP Fleet Management Pty Ltd., Adelaide (Australia) were preliminarily accounted for as 'operating leases.' They have been considered in the minimum lease payments from remaining customer contracts ('operating leases') and the future minimum lease payments based on sub-leases in the amount of €28,787 thousand and €20,151 thousand, respectively. In this context, reference is made to the commentary on the changes in the basis of consolidation.

(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 Balance on 01/01/2015	12,095	75	52	127
Additions	–	8	–	8
Disposals	1,400	–	–	–
Balance on 12/31/2015	**10,695**	**83**	**52**	**135**
Impairment losses Balance on 01/01/2015	–	–	24	24
Impairment losses in the fiscal year	–	–	3	3
Balance on 12/31/2015	**–**	**–**	**27**	**27**
Carrying amount on 12/31/2015	**10,695**	**83**	**25**	**108**

The impairment test performed on investments in companies accounted for using the equity method as of the balance sheet date in 2015 did not result in any impairment losses.

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

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

Summarized financial information on companies accounted for using the equity method

in thousand €	2015	2014
Assets	46,901	44,935
Liabilities	22,429	18,696
Net sales	114,591	106,442
Net income/comprehensive income	6,404	7,169

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. Additional information can be found in note 43.

(17) Inventories

Composition of inventories

In thousand €	12/31/2015	12/31/2014
Raw materials and supplies	68,315	64,186
Work in process	19,494	16,254
Finished goods	100,490	94,860
Merchandise	74,647	77,548
Spare parts	47,030	40,339
Advance payments	6,722	6,073
	316,698	**299,260**

€32,733 thousand (prior year: €26,454 thousand) of the inventories are measured at their net realizable value. Write-downs recognized for inventories as of the balance sheet date amounted to €41,533 thousand (prior year: €38,040 thousand).

(18) Trade accounts receivable

Composition of trade accounts receivable

in thousand €	12/31/2015	12/31/2014
Trade accounts receivable (excluding receivables from construction contracts)	520,333	462,583
Receivables from construction contracts	20,099	17,573
Valuation allowances	−14,083	−15,809
	526,349	**464,347**

Trade accounts receivable include notes receivable in the amount of €6,018 thousand (prior year: €5,594 thousand). €848 thousand in notes receivable presented for a discount (prior year: €259 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 €	2015	2014
Valuation allowances on 01/01	15,809	14,772
Changes in currency exchange rates	−34	25
Changes in the scope of consolidation	99	–
Utilizations	3,855	2,204
Releases	631	573
Additions	2,695	3,789
Valuation allowances on 31/12	**14,083**	**15,809**

Overdue trade accounts receivable without valuation allowances

in thousand €	12/31/2015	12/31/2014
Less than 30 days overdue	58,335	54,892
Between 30 and 60 days overdue	18,132	15,861
Between 61 and 90 days overdue	7,213	6,321
Between 91 and 180 days overdue	5,983	5,892
More than 180 days overdue	1,444	1,215
Total overdue trade accounts receivable, for which no valuation allowances were recognized	**91,107**	**84,181**

As of the balance sheet date, no valuation allowances had been made for €400,046 thousand in trade accounts receivable (prior year: €345,298 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 €	12/31/2015	12/31/2014
Costs incurred and profits stated (minus losses stated)	50,323	31,473
Advance payments received	−30,224	−13,900
Receivables from construction contracts	**20,099**	**17,573**

(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 €	12/31/2015	12/31/2014
Total minimum lease payments	**786,081**	**727,748**
Due within less than one year	242,393	227,437
Due in one to five years	519,703	481,315
Due in more than five years	23,985	18,996
Present value of minimum lease payments	**692,712**	**639,040**
Due within less than one year	203,291	190,015
Due in one to five years	466,502	430,890
Due in more than five years	22,919	18,135
Unrealized interest income	**93,369**	**88,708**

Receivables from financial services include minimum lease payments from sublease arrangements amounting to €186,397 thousand (prior year: €170,297 thousand).

Receivables from financial services with a carrying amount of €420,627 thousand (prior year: €387,544 thousand) were pledged as collateral for liabilities from financial services on the balance sheet date.

(20) Other receivables and other assets

Composition of other receivables and other assets

in thousand €	12/31/2015	12/31/2014
Receivables from other taxes	32,191	22,056
Assets from the measurement of funded pension plans	11,351	6,370
Receivables from loans and advances granted to employees	745	550
Other receivables from affiliated companies	–	35
Other assets	8,877	8,485
	53,164	**37,496**

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 €	12/31/2015	12/31/2014
Bonds and debenture bonds	150,120	127,554
Investment funds	19,434	7,117
Shares	7,406	5,599
Covered bonds	5,029	10,498
Promissory notes	–	15,000
Securities	**181,989**	**165,768**

€30,500 thousand (prior year: €65,558 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, 2015 will mature from 2016 to 2018. The impairment test carried out on the securities as of the balance sheet date did not result in any impairment expenses in 2015. All of the securities which were on Jungheinrich's books on December 31, 2014 and matured in 2015 were redeemed when they matured.

In the reporting year, an additional €50,000 thousand in liquid assets were invested in the special fund. The securities held in the special fund on December 31, 2015 had a carrying amount of €151,489 thousand (prior year: €100,210 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 €1,406 thousand (prior year: €2,612 thousand) in bank balances of the special fund. As of the balance sheet date, the Jungheinrich Group's bank balances totalled €8,895 thousand (prior year: €7,170 thousand), which were pledged to banks.

(23) Prepaid expenses

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

(24) Shareholder's 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 €76,451 thousand distributable profit for the 2015 financial year to make a dividend payment of €39,380 thousand, corresponding to a dividend of €1.13 per ordinary share and a dividend of €1.19 per preferred share, and to transfer €37,071 thousand to other retained earnings.

Accumulated other comprehensive income (loss)

Details on change in accumulated other comprehensive income (loss)

in thousand €	2015	2014
Income (loss) from the measurement of financial instruments with a hedging relationship	**3,239**	**–903**
Unrealized income (loss)	2,161	–1,956
Realized income (loss)	1,852	865
Deferred taxes	–774	188
Income (loss) from the measurement of financial instruments available for sale	**–771**	**703**
Unrealized income (loss)	–647	1,198
Realized income (loss)	–454	–195
Deferred taxes	330	–300
Income (loss) from currency translation	**2,171**	**–1,288**
Unrealized income (loss)	2,171	–1,288
Income (loss) from the measurement of pensions	**17,971**	**–27,337**
Income (loss) from the remeasurement of defined benefit pension plans	25,396	–43,172
Deferred taxes	–7,425	15,835
Other comprehensive income (loss)	**22,610**	**–28,825**

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 17.9 per cent (prior year: 18.4 per cent).

EBIT return on capital employed (ROCE)

in thousand €		2015	2014
Interest-bearing capital 12/31		1,187,413	1,047,065
EBIT		213,103	192,684
ROCE	in %	**17.9**	**18.4**

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 €	12/31/2015	12/31/2014
Financial liabilities	317,089	334,607
Liquid assets and securities	–392,468	–466,571
Net indebtedness	**–75,379**	**–131,964**

The Jungheinrich Group maintained its positive balance. As in the prior year, the indebtedness ratio was negative and remained at a good level.

Indebtedness ratio

in thousand €		12/31/2015	12/31/2014
Net indebtedness		–75,379	–131,964
EBITDA (adjusted to exclude depreciation on trucks for lease from financial services)		355,981	314,794
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 managing directors and 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 plant 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.

In the year under review, Jungheinrich offered pensioners entitled to German pension obligations a lump sum to settle their existing pension entitlements. Payments made to fulfil these benefit obligations in this manner resulted in €2,870 thousand in income, which is included in the costs of pensions for defined benefit plans in 2015. An adjustment to the Dutch pension plan in the preceding year resulted in €6,668 thousand in income, which was included in the costs of pensions for defined benefit plans in 2014.

Composition of the net defined benefit liability

in thousand €	12/31/2015	12/31/2014
Present value of funded defined benefit obligations	309,158	302,466
Fair value of plan assets	305,979	291,369
Funding gap	3,179	11,097
Present value of unfunded defined benefit obligations	187,042	223,195
Net defined benefit liability	**190,221**	**234,292**
Germany	184,359	220,160
United Kingdom	–11,351	–6,370
Other countries	17,213	20,502

Of the net defined benefit liability from defined benefit pension plans, €201,572 thousand (prior year: €240,662 thousand) is contained in the item 'provisions for pensions and similar obligations' and €11,351 thousand (prior year: €6,370 thousand) is contained in the item 'other assets'.

Development of the present value of defined benefit obligations

in thousand €	2015	2014
Present value of defined benefit obligations on 01/01	525,661	427,274
Changes in currency exchange rates	17,713	13,625
Current service cost	7,918	6,232
Settlement gains	–2,870	–
Past service cost	–995	–7,081
Interest cost	14,254	17,034
Actuarial gains (–)/losses (+) on		
changes in financial assumptions	–27,518	85,626
changes in demographic assumptions	–1,646	–663
experience adjustments	–2,943	–1,404
Employee contributions	1,884	2,290
Pension payments made using company assets	–22,053	–9,133
Pension payments made using plan assets	–12,789	–7,741
Other changes	–416	–398
Present value of defined benefit obligations on 12/31	**496,200**	**525,661**
Germany	184,359	220,160
United Kingdom	231,137	223,052
Other countries	80,704	82,449

€13,126 thousand in pension payments made paid using company assets in the year under review were paid in connection with settlements.

In fiscal 2015 and 2014, 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 €	12/31/2015	12/31/2014
Discount rate 0.5 % higher	–42,221	–43,178
Discount rate 0.5 % lower	44,775	49,136
Expected rate of pension increase 0.5 % higher	26,461	29,970

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 4.2 per cent and 2.5 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 13 years in Germany (prior year: 14 years), about 22 years in the United Kingdom (prior year: 22 years) and about 21 years in other countries (prior year: 22 years).

Jungheinrich expects to make some €8.2 million (prior year: €9.2 million) in pension payments using company assets in the 2016 financial year.

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

	Germany		United Kingdom		Other countries	
in %	12/31/2015	12/31/2014	12/31/2015	12/31/2014	12/31/2015	12/31/2014
Discount rate	2.4	2.0	3.9	3.7	1.6	1.5
Expected rate of pension increase	1.5	1.8	3.1	3.0	–	–

Development of the fair value of plan assets

in thousand €	2015	2014
Fair value of plan assets on 01/01	291,369	226,040
Changes in currency exchange rates	16,644	13,805
Interest income	10,028	9,948
Actuarial gains (+) and losses (–)	–6,711	40,387
Employer contributions	6,782	7,741
Employee contributions	1,884	2,290
Pension payments made	–12,789	–7,741
Other changes	–1,228	–1,101
Fair value of plan assets on 12/31	**305,979**	**291,369**
United Kingdom	242,488	229,422
Other countries	63,491	61,947

In the year being reviewed, the actual return on plan assets amounted to €2,505 thousand (prior year: €49,632 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.

The 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 €	12/31/2015	12/31/2014
Cash and cash equivalents	**454**	**3,805**
Equity instruments	**43,743**	**38,851**
Stock index funds in the United Kingdom	25,556	23,083
Stock index funds in Europe (excluding the UK)	18,187	15,768
Debt instruments	**198,291**	**186,766**
UK government bonds	175,982	165,848
Corporate bonds	22,309	20,918
Fair value on 12/31	**242,488**	**229,422**

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 €63,491 thousand (prior year: €61,947 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 €7.1 million for the 2016 financial year (prior year: €6.6 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 €	2015	2014
Current service cost	–7,918	–6,232
Settlement gains	2,870	–
Past service cost	995	7,081
Net interest	–4,226	–7,086
Plan administration cost	–812	–703
Income (loss) before taxes	**–9,091**	**–6,940**
Remeasurement of defined benefit obligations	32,107	–83,559
Remeasurement of plan assets	–6,711	40,387
Other comprehensive income (loss) before taxes	**25,396**	**–43,172**
Comprehensive income (loss) before taxes from defined benefit pension plans	**16,305**	**–50,112**

Current service costs, settlement gains 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 01/01/2015	Exchange rate differences	Changes in the scope of consolidation	Additions	Utilizations	Releases	**As of 12/31/2015**
Provisions for personnel	137,097	662	2,443	91,842	80,694	4,712	146,638
Provisions for warranty obligations	25,146	126	–	31,600	28,687	2,212	25,973
Provisions for onerous contracts	36,432	804	–	8,459	6,549	389	38,757
Others	17,692	196	1,095	10,844	10,274	1,864	17,689
Other provisions	**216,367**	**1,788**	**3,538**	**142,745**	**126,204**	**9,177**	**229,057**

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 €14,235 thousand (prior year: €13,644 thousand), which were netted against €6,937 thousand in financial assets (prior year: €6,435 thousand). In the year under review, liquid assets were transferred to a trust in order to finance these obligations. These trust assets are solely being held to secure benefits to which employees are entitled within the scope of partial retirement arrangements in the long term and qualify as plan assets in compliance with IAS 19. The liquid assets are not freely available due to the role they play as back-up for these agreements. On December 31, 2014, Jungheinrich held securities that were not freely available in order to secure partial retirement obligations. These securities were sold in 2015. Furthermore, €8,863 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: €5,764 thousand).

Additions to provisions for personnel included a total of €675 thousand in interest accretions (prior year: €1,026 thousand). €46,375 thousand (prior year: €44,456 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 2015 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. €19,014 thousand (prior year: €19,547 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**
12/31/2015						
Total future cash flows	**147,372**	**106,568**	**70,346**	**14,877**	**1,982**	**341,145**
Due within less than one year	95,262	1,271	22,433	1,524	1,982	122,472
Due in one to five years	35,608	54,556	40,422	4,921	–	135,507
Due in more than five years	16,502	50,741	7,491	8,432	–	83,166
Present value of future cash flows	**136,566**	**100,000**	**67,373**	**11,168**	**1,982**	**317,089**
Due within less than one year	92,437	–	21,330	944	1,982	116,693
Due in one to five years	30,563	50,000	38,687	3,033	–	122,283
Due in more than five years	13,566	50,000	7,356	7,191	–	78,113
Future interest expenses	**10,806**	**6,568**	**2,973**	**3,709**	**–**	**24,056**
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**

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 12/31/2015	Nominal volume as of 12/31/2015 in thousand €	Bandwidth of effective interest rates 2015	Carrying amounts as of 12/31/2015 in thousand €	Nominal volume as of 12/31/2014 in thousand €	Bandwidth of effective interest rates 2014	Carrying amounts as of 12/31/2014 in thousand €
EUR	variable	< 1 year	12,626	EURIBOR + margin	12,626	19,217	EURIBOR + margin	19,217
GBP	variable	< 1 year	10,878	LIBOR + margin	10,878	8,015	LIBOR + margin	8,015
CNY	variable	< 1 year	32,178	LIBOR + margin	32,178	27,518	LIBOR + margin	27,518
SGD	variable	< 1 year	8,153	LIBOR + margin	8,153	9,573	LIBOR + margin	9,573
PLN	variable	< 1 year	8,933	LIBOR + margin	8,933	8,109	LIBOR + margin	8,109
Other	variable	< 1 year	6,388	LIBOR + margin	6,388	15,883	LIBOR + margin	15,883
EUR	fixed	2–11 years	67,513	1.9 %–5.3 %	41,709	66,238	3.4 %–5.3 %	45,039
BRL	fixed	< 1–4 years	8,892	14.9 %–20.8 %	6,425	6,014	14.7 %–17.6 %	3,564
CNY	fixed	1–2 years	7,224	6.4 %	4,040	6,768	6.4 %	5,139
Other	fixed	< 1–7 years	8,424	5.2 %–11.3 %	5,236	8,424	5.2 %–7.2 %	4,391
Total liabilities due to banks			**171,209**		**136,566**	**175,759**		**146,448**

Composition of the promissory note as of December 31, 2015

	Maturity in	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

An interest-rate hedge was used for the variable interest. The nominal volume of this loan corresponds to its carrying amount.

Liabilities from the financing of trucks for short-term hire amount to €59,443 thousand (prior year: €67,625 thousand) and result from the sale of receivables from intragroup hire-purchase agreements.

Furthermore, €7,930 thousand (prior year: €6,855 thousand) in liabilities relate to the refinancing of trucks for short-term hire based on sale and leaseback agreements. €8,677 thousand (prior year: €7,512 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

€18,707 thousand (prior year: €18,722 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 €1,053,470 thousand (prior year: €923,950 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 €218,224 thousand (prior year: €178,507 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 €	12/31/2015	12/31/2014
Total future cash flows	**1,111,449**	**981,311**
Due within less than one year	339,608	300,689
Due in one to five years	744,749	659,615
Due in more than five years	27,092	21,007
Present value of future cash flows	**1,053,470**	**923,950**
Due within less than one year	314,370	275,522
Due in one to five years	712,558	627,879
Due in more than five years	26,542	20,549
Future interest expenses	**57,979**	**57,361**

Liabilities from financing include future minimum lease payments from financing under sale and leaseback agreements in the amount of €265,396 thousand (prior year: €210,297 thousand).

(29) Trade accounts payable

Trade accounts payable include €31 thousand (prior year: €31 thousand) in payables to affiliated companies and €3,117 thousand (prior year: €2,989 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 €	12/31/2015	12/31/2014
Liabilities from other taxes	55,324	47,096
Advance payments received on orders	36,107	19,225
Social security liabilities	11,611	10,932
Employee liabilities	2,413	2,521
Liabilities to companies accounted for using the equity method	80	235
Liabilities from construction contracts	1,417	209
Other liabilities	12,308	12,679
	119,260	**92,897**

All other liabilities are due within one year.

Composition of liabilities from construction contracts

in thousand €	12/31/2015	12/31/2014
Costs incurred and profits stated (minus losses stated)	411	11,661
Advance payments received	–1,828	–11,870
Liabilities from construction contracts	**–1,417**	**–209**

(31) Deferred income

Composition of deferred income

in thousand €	Deferred sales from financial services	Deferred profit from financial services	Other deferrals	**Deferred income**
12/31/2015	**33,899**	**52,345**	**19,851**	**106,095**
Thereof maturities of up to one year	12,737	16,235	6,639	35,611
Thereof maturities of more than one year	21,162	36,110	13,212	70,484
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

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 €4,640 thousand (prior year: €4,811 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	12/31/2015 Carrying amount	12/31/2015 Fair value	12/31/2014 Carrying amount	12/31/2014 Fair value
Assets					
Liquid assets	LaR	210,479	210,479	300,803	300,803
Trade accounts receivable	LaR	526,349	526,349	464,347	464,347
Receivables from financial services	n.a.	692,712	702,845	639,040	652,319
Securities	HtM	30,500	30,505	65,558	65,576
Securities	AfS	151,489	151,489	100,210	100,210
Investments in affiliated companies	AfS	83	83	75	75
Investments in companies accounted for using the equity method	AfS	10,695	10,695	12,095	12,095
Other loans	LaR	25	25	28	28
Derivative financial assets					
Derivatives without a hedging relationship	FAHfT	1,463	1,463	2,889	2,889
Derivatives with a hedging relationship	n.a.	4,730	4,730	989	989
Other financial assets	LaR	745	745	585	585
Liabilities					
Trade accounts payable	FLAC	241,150	241,150	188,052	188,052
Liabilities due to banks	FLAC	136,566	141,572	146,448	152,988
Promissory notes	FLAC	100,000	98,309	100,000	97,690
Liabilities from financing trucks for short-term hire	FLAC	59,443	59,443	67,625	67,625
Liabilities from financing trucks for short-term hire	n.a.	7,930	7,930	6,855	6,855
Leasing liabilities from tangible assets	n.a.	11,168	13,443	12,564	15,250
Notes payable	FLAC	1,982	1,982	1,115	1,115
Liabilities from financial services	FLAC	824,404	830,909	747,083	757,033
Liabilities from financial services	n.a.	247,773	253,362	195,589	200,064
Derivative financial liabilities					
Derivatives without a hedging relationship	FLHfT	1,731	1,731	2,452	2,452
Derivatives with a hedging relationship	n.a.	2,592	2,592	2,866	2,866
Other financial liabilities	FLAC	1,470	1,470	1,905	1,905
Of which aggregated by valuation category in acc. with IAS 39:					
Loans and Receivables (LaR)		737,598	737,598	765,763	765,763
Financial Investments Held to Maturity (HtM)		30,500	30,505	65,558	65,576
Financial Assets Available for Sale (AfS) [1]		162,267	162,267	112,380	112,380
Financial Assets Held for Trading (FAHfT)		1,463	1,463	2,889	2,889
Financial Liabilities Measured at Amortized Costs (FLAC)		1,365,015	1,374,835	1,252,228	1,266,408
Financial Liabilities Held for Trading (FLHfT)		1,731	1,731	2,452	2,452

1 Includes €83 thousand (prior year: €75 thousand) in equity interests measured at acquisition costs and €10,695 thousand (prior year: €12,095 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

in thousand €	12/31/2015 Level 1	12/31/2015 Level 2	12/31/2015 Total	12/31/2014 Level 1	12/31/2014 Level 2	12/31/2014 Total
Assets						
Securities (AfS)	151,489	–	**151,489**	100,210	–	**100,210**
Derivatives without a hedging relationship (FAHfT)	180	1,283	**1,463**	510	2,379	**2,889**
Derivatives with a hedging relationship (n.a.)	–	4,730	**4,730**	–	989	**989**
Liabilities						
Derivatives without a hedging relationship (FLHfT)	68	1,663	**1,731**	–	2,452	**2,452**
Derivatives with a hedging relationship (n.a.)	–	2,592	**2,592**	–	2,866	**2,866**

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

	12/31/2015			12/31/2014		
in thousand €	Level 1	Level 2	Total	Level 1	Level 2	Total
Assets						
Receivables from financial services	–	702,845	**702,845**	–	652,319	**652,319**
Securities (HtM)	30,505	–	**30,505**	65,576	–	**65,576**
Liabilities						
Liabilities due to banks	–	141,572	**141,572**	–	152,988	**152,988**
Promissory notes	–	98,309	**98,309**	–	97,690	**97,690**
Leasing liabilities from tangible assets	–	13,443	**13,443**	–	15,250	**15,250**
Liabilities from financial services	–	1,084,271	**1,084,271**	–	957,097	**957,097**

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 2015	Net result 2014
in thousand €		at fair value	Valuation allowances		
Loans and Receivables (LaR)	1,427	–	–2,064	**–637**	–2,443
Financial Investments Held to Maturity (HtM)	207	–	–	**207**	512
Financial Assets Available for Sale (AfS)	78	454	–	**532**	464
Financial Instruments Held for Trading (FAHfT/FLHfT)	–	–1,602	–	**–1,602**	886
Financial Liabilities Measured at Amortized Costs (FLAC)	–30,071	–	–	**–30,071**	–32,361

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

(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 and in particular additions to capitalized development costs, purchases and sales of securities as well as payments made to acquire companies.

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, €8,895 thousand (prior year: €7,170 thousand) in bank balances were pledged to banks. As before, cash and cash equivalents consisted almost exclusively of bank 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 €11 million as of the balance sheet date (prior year: €29 million).

At its various locations, Group companies have entered into rental agreements and leases ('operating leases') for land and 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 €	12/31/2015	12/31/2014
Due within less than one year	42,444	38,373
Due in one to five years	60,195	57,101
Due in more than five years	25,684	28,693
	128,323	**124,167**

Recognized expenses of rental and lease instalments from 'operating leases' in 2015 totalled €44,152 thousand (prior year: €45,055 thousand).

(36) Risk management und 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, 2015, income would have been €792 thousand (prior year: €883 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, 2015, the maximum risk did not exceed €1,031 thousand (prior year: €664 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 €830 thousand (prior year: €455 thousand) and a maximum of €1,513 thousand (prior year: €679 thousand). The average for the year was €1,218 thousand (prior year: €612 thousand).

Share price risks

Jungheinrich has invested €150,000 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, 2015, the fund contained a total share exposure of €20,775 thousand (prior year: €11,953 thousand). If the share price had been 10 per cent higher (lower) on December 31, 2015, shareholders' equity would have been €2,078 thousand (prior year: €1,195 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 the variable tranche of the promissory note 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

	Nominal volume of hedging instruments for cash flow hedges		Nominal volume of other derivatives	
in thousand €	Currency hedges	Interest-rate swaps	Currency hedges	Other
12/31/2015				
Total nominal volume	**142,936**	**247,157**	**185,113**	**35,398**
Maturities of up to one year	124,034	60,518	185,113	35,398
Maturities of one to five years	18,902	185,125	–	–
Maturities of more than five years	–	1,514	–	–
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 one to five years	8,474	163,276	353	–
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 €	12/31/2015	12/31/2014
Derivative financial assets	**6,193**	**3,878**
Derivatives with a hedging relationship	**4,730**	**989**
Foreign exchange forwards/ currency swaps	4,714	971
Interest-rate swaps	16	18
Derivatives without a hedging relationship	**1,463**	**2,889**
Foreign exchange forwards/ currency swaps	1,283	2,379
Futures	180	510
Derivative financial liabilities	**4,323**	**5,318**
Derivatives with a hedging relationship	**2,592**	**2,866**
Foreign exchange forwards/ currency swaps	588	996
Interest-rate swaps	2,004	1,870
Derivatives without a hedging relationship	**1,731**	**2,452**
Foreign exchange forwards/ currency swaps	1,663	2,452
Futures	68	–

(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.

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 mainly 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 €3,202 thousand (prior year: €3,584 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 expenditures. Segment assets and segment liabilities encompass all assets and liabilities allocable to the segment in question. 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 for 2015

in thousand €	Intralogistics	Financial Services	Segment total	Reconciliation	**Jungheinrich Group**
External net sales	2,197,361	556,535	2,753,896	–	2,753,896
Intersegment net sales	618,028	88,923	706,951	–706,951	–
Total net sales	2,815,389	645,458	3,460,847	–706,951	2,753,896
Segment income (loss) (EBIT)	**221,709**	**13,537**	**235,246**	**–22,143**	**213,103**
Interest income	3,096	160	3,256	–712	2,544
Interest expenses	10,255	738	10,993	–712	10,281
Other financial income (loss)	–7,068	–2	–7,070	–	–7,070
Earnings before taxes (EBT)	207,482	12,957	220,439	–22,143	198,296
Income taxes					60,710
Net income					137,586
Non-current assets					
Capital expenditures	86,761	10	86,771	–	86,771
Depreciation and amortization	51,415	141	51,556	–	51,556
Assets 12/31	2,319,802	1,393,390	3,713,192	–364,472	3,348,720
Shareholders' equity 12/31	1,104,683	74,933	1,179,616	–153,420	1,026,196
Liabilities 12/31	1,215,119	1,318,457	2,533,576	–211,052	2,322,524
Shareholders' equity and liabilities 12/31	2,319,802	1,393,390	3,713,192	–364,472	3,348,720

Segment information for 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
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
Shareholder's equity and liabilities 12/31	2,102,403	1,198,856	3,301,259	–261,416	3,039,843

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 €	2015	2014
Germany	701,167	654,685
France	281,272	269,638
Italy	264,855	239,488
United Kingdom	244,035	196,855
Rest of Europe	964,115	908,255
Other countries	298,452	228,848
	2,753,896	**2,497,769**

Non-current assets by region

in thousand €	12/31/2015	12/31/2014
Germany	379,273	329,776
Rest of Europe	101,767	93,845
Other countries	59,123	36,909
Consolidation	29,223	213
	569,386	**460,743**

There were no relations with individual external customers accounting for a material share of sales with respect to consolidated sales in the 2015 or 2014 fiscal years.

(38) Earnings per share

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

Earnings per share

		2015	2014
Net income	in thousand €	137,586	125,777
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 €	**4.02**	**3.67**
Earnings per preferred share	in €	**4.08**	**3.73**

1 Weighted average.

In the 2015 and 2014 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 2015

In January of 2016, Jungheinrich AG and Anhui Heli Co. Ltd. (Heli), Hefei, China signed the agreement for the establishment of a joint venture for material handling equipment rentals on the Chinese market. Jungheinrich has global expertise in the rental business and Heli, China's largest producer of material handling equipment, owns the most expansive sales and service network in China. Jungheinrich and Heli will each hold a 50 per cent stake in the company. The joint venture's capital stock will amount to CNY 190 million. The company will be headquartered in Shanghai. Business operations are scheduled to begin in the middle of 2016.

(40) Fees for the auditors 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 auditors

in thousand €	2015	2014
Audit services	721	463
Other assurance services	301	41
Tax services	71	22
Other services	–	24
	1,093	**550**

(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 %	2015	2014
JULI Motorenwerk s.r.o., Czech Republic	50	45,664	42,710
Supralift GmbH & Co. KG, Germany	50	219	219
JULI Motor (Putian) Co. Ltd., China	50[1]	1,930	2,023

1 Indirect.

Trade accounts payable

in thousand €	Share in %	12/31/2015	12/31/2014
JULI Motorenwerk s.r.o., Czech Republic	50	2,938	2,861
JULI Motor (Putian) Co. Ltd., China	50[1]	179	128

1 Indirect.

On December 31, 2015, other liabilities from financing vis-à-vis Supralift GmbH & Co. KG (Germany) amounted to €80 thousand (prior year: €235 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 2015 amounted to €1,139 thousand (prior year: €1,139 thousand).

Total remuneration of members of the Board of Management for fiscal 2015 amounted to €6,835 thousand (prior year: €3,439 thousand). Furthermore, in fiscal 2015, €546 thousand (prior year: €344 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 Section 314, Paragraph 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 €1,627 thousand (prior year: €672 thousand).

No advances or loans to members of the Board of Management or Supervisory Board of Jungheinrich AG existed on December 31, 2015.

As of December 31, 2015, Jungheinrich AG had accrued a €12,402 thousand (prior year: €15,881 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, 2015, 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 Service & Parts AG & Co. KG (formerly 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, Luxembourg	100
Jungheinrich PROFISHOP AG & Co. KG (formerly 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., Kamnik, 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, 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 Parts 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 Lift Truck Corporation, Houston/Texas, USA	100
Jungheinrich Systemlösungen GmbH, Graz, Austria	100
Jungheinrich South Africa (Pty) Ltd, Edenvale/Johannesburg, South Africa	100
Jungheinrich România S.R.L., Ploieşti, Romania	100
MIAS Maschinenbau, Industrieanlagen & Service GmbH, Munich	100
MIAS Hungary Kft., Gyöngyös, Hungary	100
MIAS Holding Inc., Charlotte/North Carolina, USA	100
MIAS Property LLC, Charlotte/North Carolina, USA	100
MIAS Inc., Charlotte/North Carolina, USA	100
MIAS Italia S.r.l., Bolzano, Italy	100
MIAS Asia Holding Pte. Ltd., Singapore, Singapore	100
MIAS Materials Handling (Kunshan) Co., Ltd., Kunshan, China	100
Jungheinrich Australia Holdings Pty Ltd., Adelaide, Australia	100
NTP Pty Ltd., Adelaide, Australia	100[1]
NTP Fleet Management Pty Ltd., Adelaide, Australia	100[1]
Universal-FORMICA-Fonds, Frankfurt/Main[2]	0

1 10 per cent of the shares are held indirectly via a trust.
2 Included as a structured entity in accordance with IFRS 10.

As of December 31, 2015, 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, 2015, 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
NTP Unit Trust, Adelaide, Australia[1]	100
Jungheinrich Latinoamérica y Caribe Ltda., Pudahuel/Santiago de Chile, Chile[1]	100
Jungheinrich Lift Truck Middle East (FZE), Sharjah, UAE[1]	100
Mécanique Industrie Chimie MIC S.A., Rungis, France[2]	100
Multiton MIC Corporation, 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 Service & Parts 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 PROFISHOP AG & 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 2015, 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 2, 2016

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 2, 2016

Jungheinrich Aktiengesellschaft
The Board of Management

Hans-Georg Frey   Dr. Lars Brzoska   Dr. Volker Hues   Dr. Oliver Lücke   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, 2015. 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.

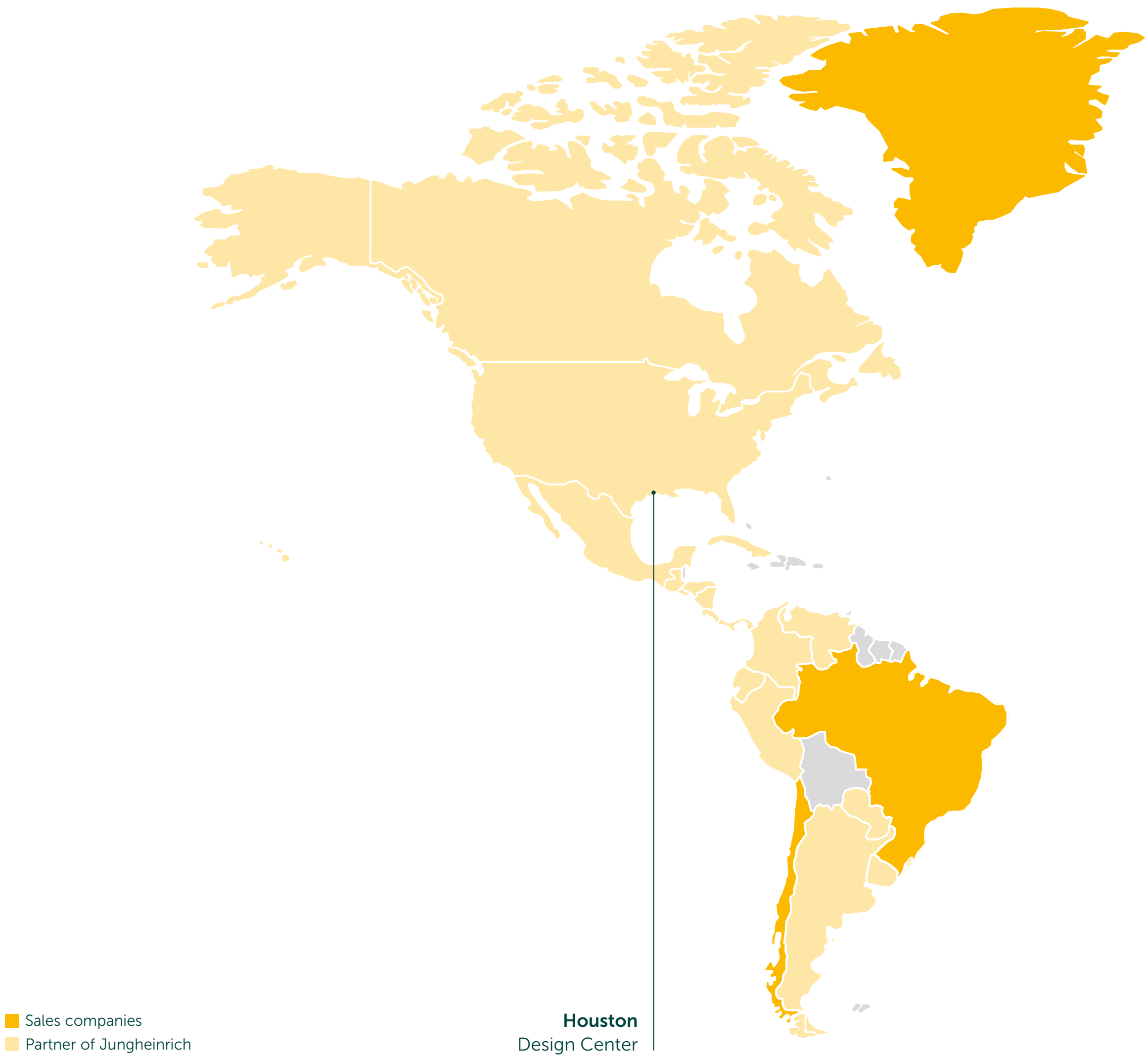
Hamburg, March 2, 2016

Deloitte & Touche GmbH
Wirtschaftsprüfungsgesellschaft

(Reiher)	(Deutsch)
Wirtschaftsprüfer	Wirtschaftsprüferin
(German Public Auditor)	(German Public Auditor)

Jungheinrich worldwide

Locations



North America

Canada	□
Mexico	□
USA	□

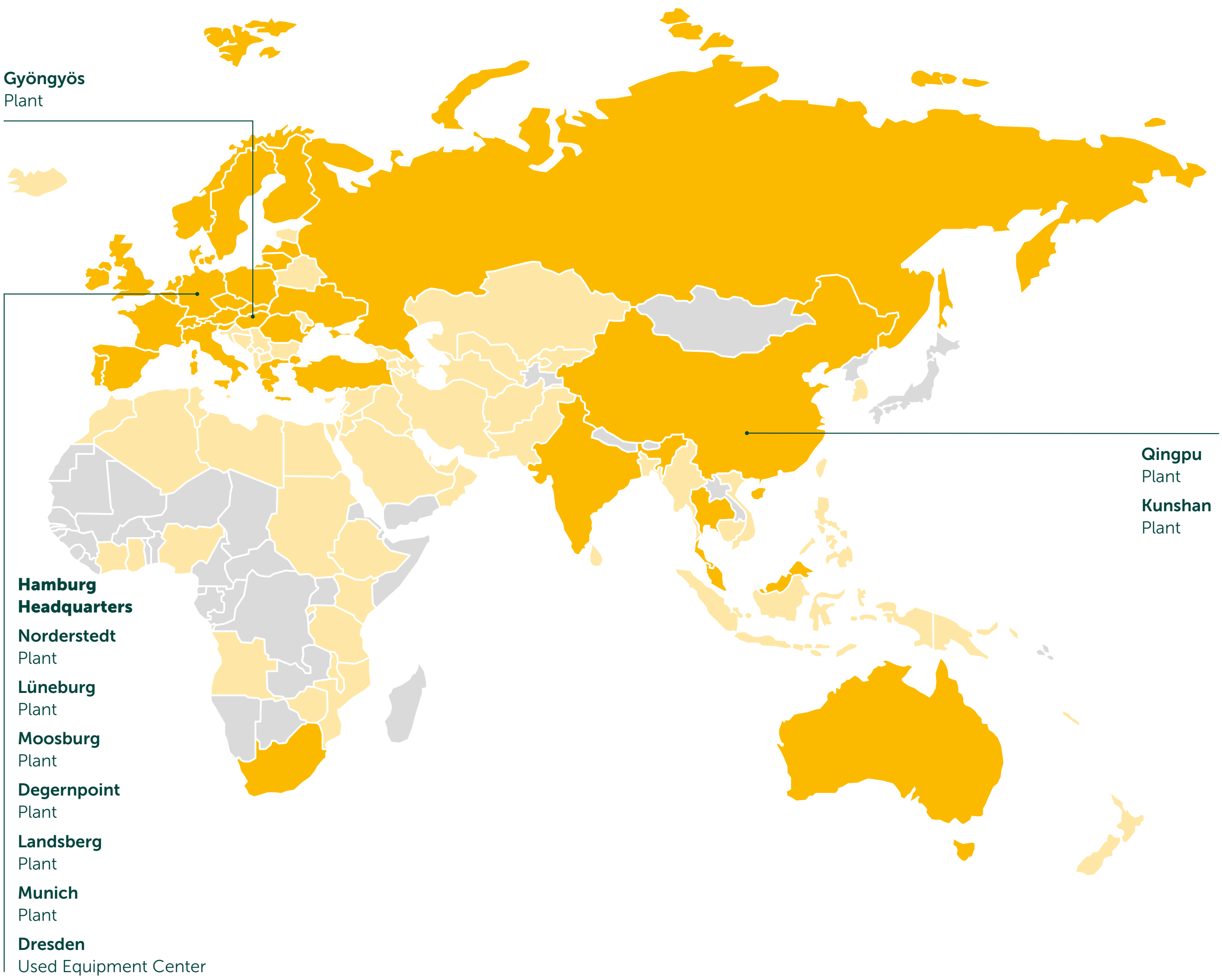
Latin America

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

Europe

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

Addresses are available at www.jungheinrich.com



Middle East and Africa

- Algeria
- Angola
- Bahrain
- Egypt
- Ethiopia
- Ghana
- Iran
- Iraq
- Israel
- Ivory Coast
- Jordan
- Kenia
- Kuwait
- Lebanon
- Libya
- Malawi
- Mauritius
- Morocco
- Mozambique
- Nigeria
- Oman
- Qatar
- Rwanda
- Saudi Arabia
- South Africa
- Sudan
- Syria
- Tanzania
- Tunisia
- United Arab Emirates
- Zimbabwe

Central Asia

- Afghanistan
- Armenia
- Azerbaijan
- Georgia
- Kazakhstan
- Kyrgyzstan
- Pakistan
- Uzbekistan

Asia Pacific

- Australia
- Bangladesh
- Cambodia
- China
- Hong Kong
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- Indonesia
- Malaysia
- Myanmar
- New Caledonia
- New Zealand
- Papua New Guinea
- Philippines
- Singapore
- South Korea
- Sri Lanka
- Taiwan
- Thailand
- Turkmenistan
- Vietnam

Five-year overview

Jungheinrich Group		2015	2014	2013 (Change in accounting policies[1])	2012 (Change in accounting policies[1])	2011
Incoming orders[2]	million €	2,817	2,535	2,357	2,251	2,178
	units	97,100	85,600	78,200	73,200	78,700
Production of material handling equipment	units	91,200	83,500	72,500	73,200	75,700
Net sales	million €	2,754	2,498	2,290	2,270	2,116
Germany	million €	701	655	613	607	571
Abroad	million €	2,053	1,843	1,677	1,663	1,545
Foreign ratio	%	75	74	73	73	73
Capital expenditures[3]	million €	87	84	91	78	52
Research and development expenditures	million €	55	50	45	44	38
Earnings before interest, taxes, depreciation and amortization (EBITDA)	million €	432	383	347	351	298
Earnings before interest and taxes (EBIT)	million €	213	193	172	177	146
Earnings before taxes (EBT)	million €	198	175	150	156	148
Net income	million €	138	126	107	112	106
Earnings per preferred share	€	4.08	3.73	3.18	3.33	3.13
Dividend per share – ordinary share	€	1.13[4]	0.98	0.80	0.80	0.70
– preferred share	€	1.19[4]	1.04	0.86	0.86	0.76
Employees 12/31	FTE[5]	13,962	12,549	11,840	11,261	10,711
Germany	FTE[5]	6,078	5,638	5,356	5,167	4,925
Abroad	FTE[5]	7,884	6,911	6,484	6,094	5,786
Balance sheet total 12/31	million €	3,349	3,040	2,751	2,759	2,580
Trucks for short-term hire	million €	299	248	214	223	221
Trucks for lease from financial services	million €	363	283	259	244	211
Receivables from financial services	million €	692	639	605	584	535
Liabilities from financial services	million €	1,072	942	871	840	767
Shareholders' equity 12/31	million €	1,026	900	831	754	718
thereof subscribed capital	million €	102	102	102	102	102
Equity ratio (Group)	%	31	30	30	27	28
Equity ratio (Intralogistics)	%	48	46	47	42	43
EBIT return on sales (EBIT ROS)	%	7.7	7.7	7.5	7.8	6.9
EBT return on sales (EBT ROS)	%	7.2	7.0	6.6	6.9	7.0
EBIT return on capital employed (ROCE)	%	18	18	19	22	26
Return on equity after income taxes (ROE)	%	14	15	14	15	16
Net indebtedness	million €	–75	–132	–154	–183	–162
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.

Published by:
Jungheinrich Aktiengesellschaft
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Photographs:
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T. Oechler, J. Scheffler, N. Schubert,
J. Tian, Zeppelin Rental

Production:
Concept and design:
RAWA GmbH, Hamburg
Printing: Langebartels & Jürgens
Druckereigesellschaft mbH

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Financial calendar

Balance sheet press conference, Hamburg Publication of the 2015 Annual Report	March 23, 2016
Analyst conference, Frankfurt am Main	March 24, 2016
Interim statement as of March 31, 2016	May 10, 2016
2016 Annual General Meeting, Theater Neue Flora, Hamburg	May 24, 2016
Dividend payment	May 25, 2016
Interim report as of June 30, 2016	August 9, 2016
Interim statement as of September 30, 2016	November 8, 2016

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