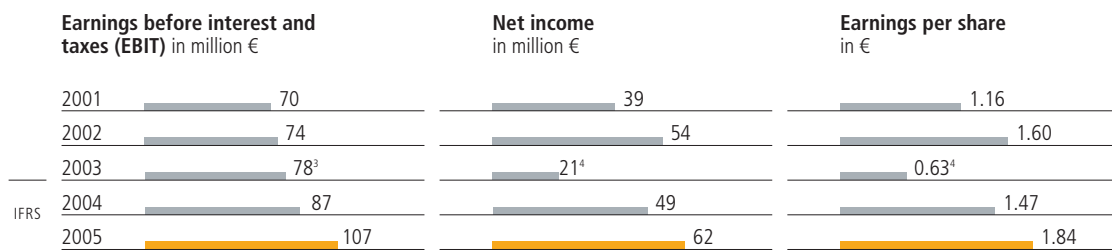


Annual Report 2005



**JUNGHEINRICH**



					According to IFRS		
		2001	2002	2003	2004	2005	Change 04/05 in %
Jungheinrich Group							
Net Sales							
Germany	million €	476	417	407	422	453	7.3
Abroad	million €	1,075	1,059	1,064	1,109	1,192	7.5
Total	million €	1,551	1,476	1,471	1,531	1,645	7.4
Foreign ratio	%	69	72	72	72	72	–
Production of material handling equipment	units	65,500	54,700	59,200	58,800	66,500	13.1
Balance sheet total	million €	1,471	1,485	1,498	1,538	1,700	10.5
Shareholders' equity	million €	316	346	358	384	437	13.8
thereof subscribed capital	million €	102	102	102	102	102	–
Capital expenditures¹	million €	32	36	61	33	42	27.3
Research and development	million €	28	30	33	38	40	5.3
Earnings before interest and taxes (EBIT)	million €	70	74	78 ³	87	107	23.0
EBIT return on sales (ROS)	%	4.5	5.0	5.3	5.7	6.5	–
EBIT return on capital employed (ROCE)²	%	19.5	21.3	22.5	24.2	25.2	–
Net income	million €	39	54	21 ⁴	49	62	26.5
Employees⁵							
Germany	Dec. 31	4,519	4,427	4,452	4,464	4,458	– 0.1
Abroad	Dec. 31	4,769	4,821	4,781	4,544	4,540	– 0.1
Total	Dec. 31	9,288	9,248	9,233	9,008	8,998	– 0.1
Earnings per share	€	1.16	1.60	0.63 ⁴	1.47	1.84	25.2
Dividend per share – ordinary shares	€	0.39	0.39	0.39	0.42	0.45 ⁶	7.1
– preferred shares	€	0.45	0.45	0.45	0.48	0.51 ⁶	6.3

¹ Not including trucks for short-term hire and lease, capitalized development costs and financial assets.

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

³ Not including expenses associated with the closure of MIC S.A.

⁴ Including expenses associated with the closure of MIC S.A.

⁵ Where reference is made in the text to employees, this is to be understood to include both male and female employees.

⁶ Proposal.

Title

A glimpse of the future of forklifts: the Concept 05 study.

Annual Report 2005

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Dear Shareholder!

Your company, Jungheinrich, looks back on a successful year. Once again, the Group improved all its key economic indicators, increasing both the return on sales and earnings in absolute terms. This success was achieved thanks to Jungheinrich's goal-oriented and resolute corporate policy, which positions the company's brand clearly, thus safeguarding its business in the material handling, warehousing and material flow equipment sectors for the long term.

Following years of consolidation and cost optimization, the goal of ensuring secure, profitable growth is increasingly taking centre stage.

The expansion of markets in Europe's eastern countries, which are determining the European market trend with double-digit growth rates, continued as did the expansion of business overseas. The United States of America and the People's Republic of China play a key role in this context. Growth rates in both these countries are higher than in Europe. In 2005 Asia surpassed North America in terms of market volume for the first time. We decided to build a plant for assembling warehousing equipment and commission it in 2006 in order to support our activities in the People's Republic of China. Our 25 per cent stake in Ningbo Ruyi Joint Stock Co., Ltd., Ninghai, displayed extremely positive developments, exceeding all established targets in terms of the number of hand pallet trucks manufactured and company earnings. In pursuing Jungheinrich's corporate strategy of expanding direct sales in an international scale, a new sales company was founded in Thailand. This is in line with the expansion of our own companies – above all in Asian countries.

In recent years financial services companies were set up in Germany as well as in Italy and France, with a view to covering the mounting need for leases and long-term hires from within the organization. In 2006 a leasing and financing firm will be established in the UK as well. These new companies present the Group with new ways of providing direct, comprehensive customer service in all matters relating to the financing of their material handling equipment.

We pay tribute to the rising demands placed by our customers worldwide on trucks and systems with state-of-the-art technology and prime quality. Accordingly, construction of a new development and testing centre at the Norderstedt site has begun. The Group's development and testing activities will be pooled there, increasing the efficiency with which development projects are implemented and fully capitalizing on additional synergy potential. Moreover, this is a prerequisite for markedly improving the company's quality assurance processes.

The fundamental changes to the Norderstedt and Moosburg plants' production methods and assembly processes are of special importance. We believe that this will significantly increase our plants' productivity and flexibility. We will invest about €40 million to this end. This is another clear pledge to Germany as a business site and proves that manufacturing operations can be profitable in this country as well, given the right basic conditions.

Adapting product development to the new assembly processes is the precondition for reorganizing the plants. Therefore, newly developed equipment was launched on the market across all product lines in 2005. CeMAT, the trade fair dedicated to the material handling equipment industry in October 2005 for the first time, was a platform suitable for showcasing the latest technological developments to an international audience. Warehousing products manufactured specifically for the American market drew special attention. They are the basis for acquiring new customers and obtaining additional solutions for applications.

Profitable growth will continue to be of utmost priority in the current financial year. Tapping new markets and developing new product applications are not opposed to this, but in fact secure the Group's earning power over the long term, in line with our motto "Jungheinrich – well worthwhile."

We thank our shareholders and customers for their loyalty to the company. We would also like to express our gratitude to our employees for their work and commitment. Jungheinrich's success would not have been possible without them.



Dr. C. v. Pichler

The Jungheinrich share

Share performance bests German stock indices
Earnings trend rewarded by investors
International interest raised
Share price achieves new all-time high
Further share price growth in the beginning of 2006
Jungheinrich increases dividend





EKV 410 drivers can commission individual items as well as stack and unstack entire pallets.

Performance in 2005
in %

Jungheinrich	42.0
MDAX	36.0
SDAX	35.2
DAX	27.1

The Jungheinrich share put in a successful showing in the 2005 stock trading year. Our share price posted an all-time high. Compared throughout the year, Jungheinrich's share outperformed Germany's leading stock indices. International interest in Jungheinrich shares grew further. The share price continued to rise in the first quarter of 2006. Jungheinrich will increase its dividend.

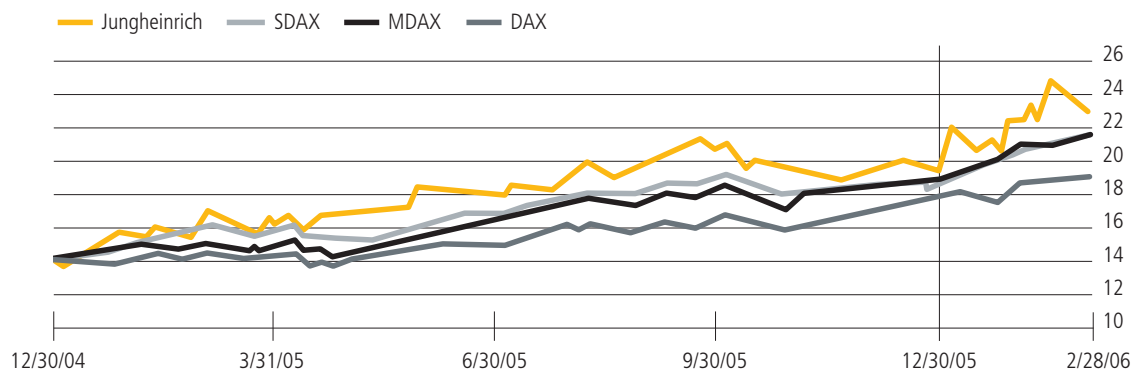
Germany's stock market sees rise in share prices

In 2005 the German stock market maintained its upward trend for the third straight year. This development unfolded despite adverse underlying conditions, which resulted primarily from the high level of oil prices, which steadily increased. They imposed a mounting burden on global economic growth. At the end of 2005 the DAX, Germany's lead stock index, was at 5,408 points (prior year: 4,256 points), thus posting a gain of 27.1 per cent. Indices of smaller cap stocks fared even better, since demand for shares with lower market capitalization rates continued to be strong. The MDAX recorded a gain of 36.0 per cent to 7,312 points (prior year: 5,376 points) and the SDAX posted a rise of 35.2 per cent to 4,249 points (prior year: 3,144 points).

Strong performance by the Jungheinrich share

In the 2005 financial year, the Jungheinrich share displayed a development that exceeded that of the aforementioned indices. At the beginning of the period under review, the share price benefited from institutional investors' increased willingness to buy. Demand was buoyed by the reports on the 2004 financial statements delivered at the annual balance sheet press and analyst conferences. Subsequent corporate presentations in Germany and abroad rounded off Jungheinrich's capital market communications. Positive feedback received from market participants on the financials published for the first quarter of 2005 and the coverage of the Annual General Meeting contributed to this upward trend. Earnings figures presented in August for the first half of 2005 caused a large number of financial analysts to upgrade their price targets for the Jungheinrich share. Multiple-year highs were recorded on several occasions, with the last record set on September 23, 2005, which was an all-time high of €21.40. Over the further course of the year, however, profit-taking resulted in a decrease in the share price. Although the earnings figures for the

Jungheinrich share



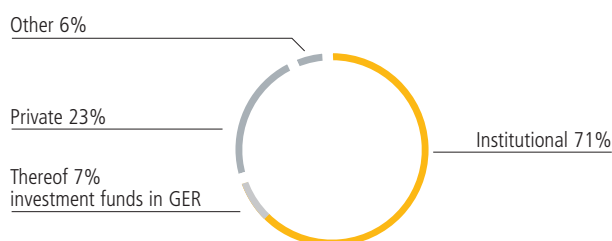
Analyst coverage in 2005

Berenberg Bank	Hamburger Sparkasse	Merck Finck
BHF-Bank	HSBC Trinkaus & Burkhardt	Sal. Oppenheim
CAI Cheuvreux	HypoVereinsbank	Steubing
Cazenove	Independent Research	West LB
Commerzbank	Landesbank Baden-Württemberg	
Dresdner Kleinwort Wasserstein	M. M. Warburg	
DZ Bank	Main First Bank	

third quarter of 2005 published in November exceeded the capital market's expectations, they had little stimulating effect on the share price's continued trend. At the end of 2005 the Jungheinrich share was listed at €19.74 and was thus 42.0 per cent up on the previous year's level of €13.90. Thanks to its performance, Jungheinrich's share proved to be an attractive investment and attained a higher valuation.

Market capitalization markedly up

Last year, the capital market's keen interest in the Jungheinrich share was reflected in extensive stock research conducted by nearly twenty financial institutions. The latest analyst opinions on the Jungheinrich share are constantly published on www.jungheinrich.com.

Investors

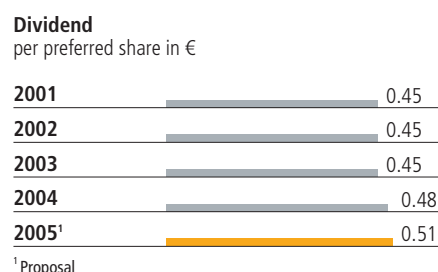
In the year under review, share turnover on the Frankfurt stock exchange (including the Xetra electronic trading platform) was up 16 per cent to a total of €133.2 million (prior year: €114.9 million). At €19.6 million, January recorded the highest turnover for a single month, with a daily trading volume of 66,932 shares. Thanks to the increase in the share price, Jungheinrich's market capitalization had risen to more than €670 million by the end of December 2005 (prior year: approx. €470 million). This was based on 34.0 million shares, compared with 33.64 million shares as of the end of 2004. Jungheinrich's preferred share – excluding DAX issues – was ranked 58th in Deutsche Börse AG's stock list in terms of market capitalization and 81st in terms of turnover. Jungheinrich AG's ordinary shares are held by the families of the company's founder. Each of the families still owns half of these shares.

Rise in share price since the beginning of 2006

The positive development of Jungheinrich's share price observed in the previous year continued in the beginning of 2006, recording a significant rise and a new all-time high of €24.95 on February 14. On February 28 the Jungheinrich share was listed at €23.13 – 17.2 per cent up on the closing quotation on December 30, 2005. At 5,796 points, the DAX recorded a 7.2 per cent gain during the same period. The MDAX rose 14.3 per cent to 8,357 points, while the SDAX posted 15.6 per cent growth to 4,911 points.

Dividend payment increased

The Board of Management and the Supervisory Board will propose to the June 13, 2006, Annual General Meeting to increase the dividend by €0.03 to €0.45 per non-par-value ordinary share and to €0.51 per non-par-value preferred share for fiscal 2005 compared with the previous year. Based on the share price quoted on December 30, 2005, the Jungheinrich preferred share will bear a dividend yield of 2.6 per cent (prior year: 3.5 per cent).



Attractive share price development over the long term

The development of the following sample Jungheinrich share deposit account shows how attractive an investment in the Jungheinrich preferred share has been over periods of three, five and ten years. Each sample is based on an initial investment of €10,000; dividends are re-invested in additional preferred shares.

Investment period		10 years	5 years	3 years
Year of investment at beginning of year		1996	2001	2003
Portfolio value at end of 2005	€	25,434	27,288	22,844
Average return per annum	%	9.8	22.2	31.7
Reference indices				
DAX	%	8.8	- 3.0	20.3
MDAX	%	n. a.	9.3	33.0

Own shares

In the third quarter of 2005, Jungheinrich AG sold 358.3 thousand own shares on the stock market. By consequence, the Jungheinrich preferred stock's free float increased by 2.24 per cent to 100 per cent of the preferred share capital.

A highlight of IR activities

As in the preceding years, the company's ongoing investor relations activities involved open dialogue between Jungheinrich's Board of Management and the capital market. One of the events of notable mention was the analyst conference in October 2005 that was held on the occasion of CeMAT, the world's largest trade show for the material handling equipment sector, in Hanover. The conference gave participants the opportunity to become acquainted with the future technical trends of intralogistics as well as innovations presented by Jungheinrich to an international audience of experts.

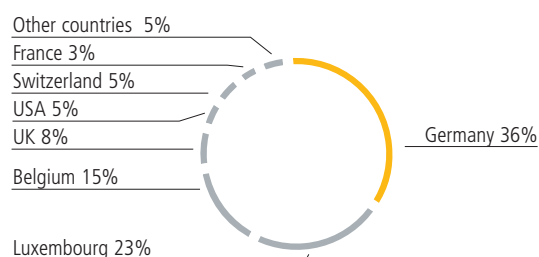
Minor change to the shareholder structure

According to the survey that was conducted anew in November 2005, the number of Jungheinrich shareholders rose to approximately 8,000 (2004: 7,600). Of the Jungheinrich preferred shares, 64 per cent (2004: 60 per cent) were held by foreign shareholders. Institutional investors in Germany and abroad held 71 per cent (2004: 69 per cent) of the company's preferred share capital. At 23 per cent, the portion accounted for by private investors did not change. Jungheinrich had shareholders in 35 countries (2004: 39 countries).

No ad-hoc reports

No ad-hoc releases were occasioned by the German Securities Trading Act in the 2005 reporting period.

Breakdown by country



Capital market-oriented key data

			2005	2004
Dividend per share	Ordinary shares	€	0.45 ¹	0.42
	Preferred shares	€	0.51 ¹	0.48
Dividend yield	Preferred shares	%	2.6	3.5
Distribution volume		thousand €	16,260	15,068
Payout ratio		%	26.2	30.5
Earnings per share		€	1.84	1.47
EBIT ² per share		€	3.14	2.60
EBITDA ³ per share		€	6.50	5.90
Shareholders' equity per share		€	12.84	11.41
Share price ⁴	High	€	21.40	19.95
	Low	€	13.54	13.00
	End-of-year	€	19.74	13.90
Performance over the year		%	42.0	-11.2
Market capitalization		million €	671.2	467.6
Stock exchange trading volume in Frankfurt		million €	133.18	114.87
Average daily turnover		thousand shares	29.60	26.98
P/E ratio (basis: high)		factor	11.6	13.6
P/E ratio (basis: low)		factor	7.4	8.8
No. of shares	Ordinary shares	million shares	18.00	18.00
	Preferred shares	million shares	16.00	15.64 ⁵
	Total	million shares	34.00	33.64 ⁵
Securities identification numbers	ISIN: DE0006219934 // WKN: 621993			
Ticker abbreviation on Reuters/Bloomberg	JUN_p.de / JUN3 GR			
Stock exchanges	Hamburg and Frankfurt Stock Exchanges (official trading) Other German exchanges (over the counter)			
Designated sponsors	Commerzbank and Sal. Oppenheim			
Going public	August 30, 1990			

¹ Proposal² Earnings before interest and taxes³ Earnings before interest, taxes, depreciation and amortization⁴ Xetra closing prices, Frankfurt⁵ Not including 0.36 million own shares

Group management report

Best year in Jungheinrich corporate history
High worldwide demand for material handling equipment
International sales presence expanded
Jungheinrich puts in impressive trade fair appearance
Production plant reorganization makes rapid progress
Earnings trend again improved





At the beginning of 2006, the EFG D30 rotating-cabin forklift truck received the Logistics Innovation Award from the Association of German Engineers (VDI).

Jungheinrich successfully proved itself in the financial year that just ended and looks back on the best year in the company's history. Worldwide demand for material handling equipment continued to rise. Jungheinrich stayed its course for profitable growth. Work on fundamentally reorganizing production processes was initiated in order to improve profitability and flexibility in the Norderstedt and Moosburg plants. Jungheinrich put in a convincing showing before the expert audience present at CeMAT, the world's largest trade show for its sector, in 2005.

Business and general environment

Established in 1953, Jungheinrich ranks among the world's leading companies in the material handling equipment, warehousing and material flow engineering sectors. The company has become a logistics service provider with manufacturing operations, which offers its customers a comprehensive range of forklift trucks, shelving systems and related services covering the entire field of intralogistics. These encompass the short-term hire and sales financing of products, equipment maintenance and repair as well as selling and preparing used equipment for first-time use by the customer. Jungheinrich manufactures all engine-powered material handling trucks in Germany. Warehousing equipment is manufactured in Norderstedt, while counterbalanced and narrow-aisle trucks are produced in Moosburg. Jungheinrich manufactures small-series and specialized trucks at its Lüneburg site. Hand pallet trucks are procured from China within the scope of a joint venture. Jungheinrich operates an efficient, global direct sales and service network with proprietary sales and service companies in Europe, Asia and America. Furthermore, dealers work for Jungheinrich on overseas markets.

Organization

Jungheinrich AG runs operations and is also the Jungheinrich Group's management company. In the latter capacity, the headquarters are responsible for determining and monitoring corporate goals. In addition, the parent company handles management, steering and controlling processes as well as risk management and resource allocation. Whereas subsidiaries are under Jungheinrich AG's control, the Group companies' legal autonomy is preserved. Operations are run by the individual management teams with the support of corporate headquarters. The economic ratios and reports submitted regularly to the entire management board are oriented to inter-divisional control variables.

Jungheinrich's strategic objectives are geared towards profitable growth throughout the Group. Earnings expectations are primarily oriented towards the EBIT return on sales, which is intended to be above the competition's average. Jungheinrich already commands a leading market position in Europe, above all in the warehouse technology sector. This is why the Group is principally concentrating on the expansion of growth markets in Eastern European countries and Asia, focusing mainly on China. In addition, the company aims to significantly strengthen its presence on the US markets in the years to come.

Value-oriented management

Jungheinrich's management pursues the principle of value-oriented management. This forms the basis for the value-oriented compensation systems introduced in fiscal 2002. The remuneration schemes are linked to key value-added indicators such as the return on sales and capital employed, with a view to increasing value lastingly for the Jungheinrich Group and its shareholders. A look at the Jungheinrich Group's earnings development in recent years shows that the principle has been put into practice successfully despite the economic environment, which was difficult at times. The uniform operating control parameters used throughout the Jungheinrich Group depicting the operating business trend are the EBIT return on sales (ROS) and EBIT return on capital employed (ROCE).

General economic situation

Economic growth of select economic regions (GDP¹) in %

Region	2005	2004
World	4.0	5.1
USA	3.6	4.2
China	9.9	9.5
Eurozone	1.3	2.1
Germany	0.9	1.6

¹ Gross domestic product.
Source: Commerzbank.

The world economy continued its course for growth in 2005. However, the economy lost momentum due to the marked rise in energy and basic commodities prices. Oil prices, which reached record highs in the second half of the year, had the most severe impact on the global economic trend. In 2005 the world economy grew by some 4 per cent, following 5.1 per cent in the prior year. Once again, the greatest growth stimuli came from Asia and the US. As in the previous year, Asia benefited from the dynamic development in China, which matched the growth of 9 per cent achieved in 2004. Economic growth in the US amounted to 3.6 per cent (prior year: 4.2 per cent) despite the downward trend. In contrast, Europe merely recorded moderate growth. Gross domestic product in Eurozone countries rose 1.3 per cent (prior year: 2.1 per cent). Some Central and Eastern European countries recorded substantially higher growth rates. Closing the reporting period with an 0.9 per cent increase in economic output (prior year: 1.6 per cent), Germany again clearly lagged developments in the Eurozone. As before, the pillars of economic growth were investment in equipment, which gained 5.5 per cent (prior year: 2.6 per cent) and exports, which advanced 6.5 per cent (prior year: 9.3 per cent).

Worldwide unit sales of material handling equipment¹
in thousands of units

	Counterbalanced trucks	Warehousing equipment	
2001	230	329	559
2002	228	335	563
2003	236	366	602
2004	269	435	704
2005	289	460	749

¹ According to WITS (World Industrial Truck Statistics).**Unit sales of material handling equipment in Europe^{1,2}**
in thousands of units

	Counterbalanced trucks	Warehousing equipment	
2001	136	126	262
2002	134	119	253
2003	141	121	262
2004	154	138	292
2005	163	141	304

¹ According to WITS (World Industrial Truck Statistics).² Including Turkey.**Development of the market for material handling equipment****Unit sales of material handling equipment** in thousands of units

Regions	2005	2004
Europe (incl. Turkey)	304.4	292.4
thereof Eastern Europe	36.5	30.1
North America	198.1	186.2
Asia	198.9	185.3
thereof China	69.1	63.8
World	749.4	704.2

In light of the favourable economic environment, the market for material handling equipment continued to grow. In terms of units sold, the world market volume totalled 749,000 units (prior year: 704,000 units) – an increase of 6 per cent. Units sales in North America were up 6 per cent to 198,000 trucks (prior year: 186,000 units), with the Asian market expanding by 7 per cent to 199,000 units (prior year: 185,000 units). China was again the growth engine in Asia, posting an 8 per cent rise. Demand for material handling equipment in Europe advanced by 4 per cent to 304,000 units (prior year: 292,000 units). Eastern Europe achieved an increase of 21 per cent, continuing to clearly outpace Western Europe's growth momentum. The market for warehousing equipment on the sales markets of importance to Jungheinrich in Europe expanded by approximately 6 per cent, with the market for counterbalanced trucks increasing by 2 per cent. European market volumes are stated based on World Industrial Truck Statistics (WITS) for the first time. These statistics are more comprehensive than those of the European Federation of Material Handling and Storage Equipment (FEM), since they include both Asian suppliers and the whole of Europe.

Focal points and activities

Fiscal 2005 was largely dominated by the following points of focus and activities:

Seeking to enhance and lastingly ensure the efficiency and flexibility of manufacturing processes at the Norderstedt and Moosburg plants, a far-reaching set of measures was initiated at the beginning of 2005. Jungheinrich is investing €40 million for this purpose – spread over two years – focusing on the Norderstedt site. Measures got underway in the middle of 2005 and have since been implemented swiftly and on schedule.

In addition, in the middle of the year, construction of a new development and testing centre at the Norderstedt site commenced. The vast majority of the Jungheinrich Group's testing activities will be pooled there.

The global market and service presence of Jungheinrich's direct sales network was further expanded through the establishment of a new sales company in Thailand and a second one in China as well as the increase in personnel capacity in the existing sales companies.

In the autumn of 2005 Jungheinrich showcased numerous new technological developments and innovative services to the international expert audience present at CeMAT, the world's largest trade fair for material handling equipment, which takes place once every three years in Hanover, Germany.

Global market for material handling equipment by region in 2005

Source: WITS 12/2005.

We established our own financial services company in France, following the ones set up in Germany and Italy, in order to expand our service business, which is of strategic importance on a pan-European basis.

As part of our groupwide IT strategy, at the end of 2005, we completed the migration of the entire Group to SAP R/3, a standard software package that supports business processes in our sales companies in European countries outside Germany. This ensures that business transactions representing 90 per cent of consolidated net sales are handled using uniform processes.

Business trend**Business trend – key figures**

		2005	2004
Incoming orders	million €	1,653	1,569
Production	units	66,500	58,800
Net sales	million €	1,645	1,531

In 2005 the Jungheinrich Group stayed its course for growth and significantly increased its business volume. This development was driven by the positive economic environment and the persistent growth of the world market for material handling equipment. Incoming orders from new truck business based on units rose 6 per cent to 66,000 trucks (prior year: 62,000 units). The Jungheinrich Group defended its share of the market in the face of the market's environment, which was characterized by fierce competition. The value of incoming orders including all business fields was up 5 per cent year on year to €1,653 million (prior year: €1,569 million). Orders on hand from new truck business as of December 31, 2005, were 14 per cent down to €169 million (prior year: €196 million) owing to the high total output. Accordingly, the range of orders decreased from three to two months. Total output of trucks in 2005 increased by 13 per cent to about 67,000 units (prior year: approx. 59,000 trucks) on the back of essentially unchanged personnel capacity. The company benefited from the release of production capacity previously tied down while production was shifted from France and the UK to Germany in 2004.

Net sales by region

in million €	2005	2004
Germany	453	422
Rest of Europe	1,126	1,062
Other countries	66	47
Total	1,645	1,531

Consolidated net sales totalled €1,645 million, surpassing the €1,531 million posted a year earlier by 7 per cent. Domestic business also recorded a 7 per cent rise year on year. Accordingly, the foreign share was flat, at 72 per cent. Net sales outside of Europe posted an above-average increase of 40 per cent to €66 million (prior year: €47 million). This reflects the expansion of Jungheinrich's sales operations outside Europe.

Net sales
in million €

Germany Abroad

2001	1,075	476	1,551
2002	1,059	417	1,476
2003	1,064	407	1,471
2004	1,109	422	1,531
2005	1,192	453	1,645

Net sales by product group

in million €	2005	2004
New truck business	877	793
Income from the hiring and sale of used equipment	247	233
After-sales service	521	505
Total	1,645	1,531

New truck business recorded 11 per cent growth, making the single-largest contribution to the increase in the Group's net sales. In the same period, the used and short-term hire equipment business rose by a combined 6 per cent. The used equipment business recorded the stronger increase, growing by 10 per cent. Sales volumes generated by the after-sales business, which benefited from the rise in the population of Jungheinrich trucks in Europe, advanced 3 per cent, with the share of net sales accounted for slipping slightly to 32 per cent (prior year: 33 per cent).

Cost structure (according to the income statement)

in million €	2005	2004
Cost of sales	1,202	1,122
Selling expenses	269	256
Research and development costs	39	35
General administrative expenses	30	33

The cost of sales rose by 7 per cent, in line with consolidated net sales, to €1,202 million (prior year: €1,122 million). Burdens arising from the high price of basic commodities, with steel and copper products leading the way, as well as for plastics, were offset by the overall improvement in the company's cost structure. As in the previous year, the cost of sales accounted for 73 per cent of the Group's net sales. Selling expenses posted a below-average increase of 5 per cent to €269 million (prior year: €256 million). This caused their share in consolidated net sales to drop to 16 per cent (prior year: 17 per cent). As evidenced by the following table, the Group's research and development costs advanced to €40 million (prior year: €38 million). At the same time, the capitalization ratio dropped from 21 per cent to 18 per cent owing to the progress made in the development of individual projects. Research and development costs according to the income statement rose to €39 million (prior year: €35 million).

Research and development costs

in million €	2005	2004
Total research and development costs	40.2	38.1
thereof capitalized	7.3	8.0
Capitalization ratio	18.2%	21.0%
Depreciation on capitalized development costs	6.1	5.2
Research and development costs according to the income statement	39.0	35.3

The decline in general administrative costs to €30 million (prior year: €33 million) is partially due to the previous year's one-time €2 million funding of the Dr. Friedrich Jungheinrich Foundation, which was established in 2004, and the significant reduction in IT project costs.

Earnings, asset and financial position

Adoption of IFRS

Jungheinrich AG prepared its consolidated financial statements for fiscal 2005 according to International Financial Reporting Standards (IFRS) for the first time. Prior-year figures have been adjusted accordingly. The transition required a number of reclassifications and revaluations in the consolidated financial statements. The most significant changes to the previous accounting methods under US GAAP related to the treatment of development costs (partial capitalization) and provisions for pensions ("fresh start"). Changes resulting from the transition from the previous US GAAP-compliant accounting principles were offset against the Group's shareholders' equity in the opening balance without an effect on net income.

The summarized reconciliation of shareholders' equity as of December 31, 2004, is shown on the following table. The effects are described individually in note 3 to the consolidated financial statements.

Reconciliation from US GAAP to IFRS

in million €

US GAAP shareholders' equity as of December 31, 2004	391.8
Capitalization of development costs	28.0
Pension obligations	– 14.5
Deferred taxes on transition effects	– 13.9
Deferred taxes on consolidating entries	– 8.6
Other reconciliations	0.9
IFRS shareholders' equity as of December 31, 2004	383.7

Earnings position

Earnings trend of the Jungheinrich Group

in million €

	2005	2004
Gross profit on sales	443.3	408.2
Earnings before interest and taxes (EBIT)	106.9	87.4
Financial income	– 0.1	– 4.0
Earnings before taxes (EBT)	106.8	83.4
Income taxes	– 44.7	– 34.1
Net income	62.1	49.3

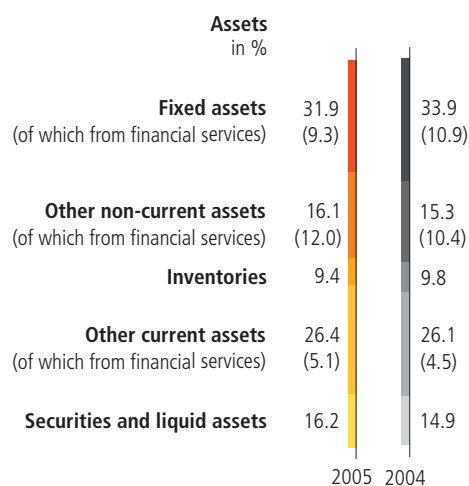
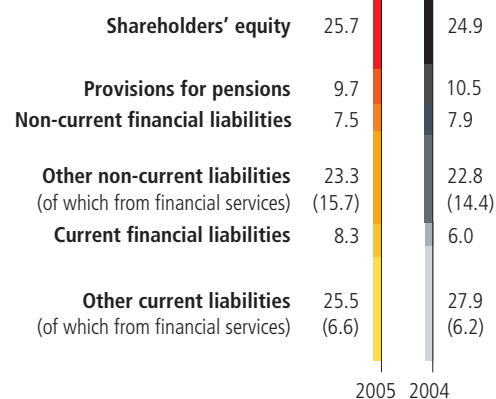
Jungheinrich's earnings trend benefited from the positive incoming orders and the optimization of manufacturing processes, which enabled the domestic plants in Norderstedt and Moosburg to achieve a high level of total output. Earnings were dampened by high basic commodities prices, resulting in an additional burden to the tune of about €10 million, and fierce competition, above all in new truck business. The gross profit on sales rose by €35 million, or 9 per cent, to €443 million (prior year: €408 million).

Earnings before interest and taxes (EBIT) increased for the sixth straight year. They improved by 23 per cent to €107 million (prior year: €87 million). The corresponding return on sales was up 6.5 per cent (prior year: 5.7 per cent). The Jungheinrich Group clearly improved its returns in comparison to earlier economic cycles. EBITDA (earnings before interest, taxes, depreciation and amortization) which reflect operating income affecting liquidity, rose by €23 million to €221 million (prior year: €198 million). Earnings before taxes (EBT) climbed to €107 million (prior year: €83 million). The Group's income taxes advanced slightly more than earnings to €45 million (prior year: €34 million). This takes into account the discontinuation of amortization carried on Jungheinrich AG's books for tax purposes in 2004. The tax quota rose to 41.8 per cent (prior year: 40.9 per cent). Net income was 26 per cent up year on year to €62 million (prior year: €49 million). In light of the positive earnings trend, the Board of Management will propose that the dividend be increased by €0.03 to €0.45 per ordinary share and to €0.51 per preferred share.

Asset and financial position

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

In fiscal 2005 the Jungheinrich Group's asset and financial positions were characterized by the significant expansion of the Group's business and the marked improvement in its earnings trend. By yearend, the balance sheet total had risen by 10 per cent to €1,700 million (prior year: €1,538 million). In connection with the figure stated for the financial services business, it must be noted that, in accordance with IFRS, depending on the type of lease, long-term leasing and rental agreements concluded with customers and Jungheinrich companies directly or via leasing companies must be carried as fixed or current assets (as trucks for lease under financial services or as receivables from financial services). These long-term customer agreements are refinanced with identical maturities and disclosed as liabilities from financial services. This extends the balance sheet. Furthermore deferred sales stemming from sales proceeds already generated with an intermediate leasing company are stated under deferred income. Cash flows from customer contracts are largely congruent with refinancing instalments paid to lending institutions in this business. The volume of contracts outstanding throughout Europe advanced by another 8 per cent to 70,000 units (prior year: 65,000 units) and now has an original value in excess of €1,110 million (prior year: more than €1,050 million).

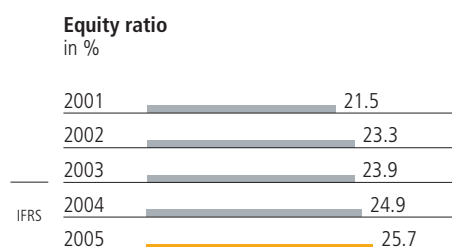
Balance sheet structure**Shareholders' equity and liabilities**
in %

In line with IAS 1, the balance sheet's structure now reflects maturities, replacing the liquidity-oriented breakdown used in the past.

Asset structure of the Jungheinrich Group

in million €	Dec. 31, 2005	Dec. 31, 2004
Non-current assets		
Fixed assets	543	522
Receivables from financial services	204	159
Other non-current assets	69	76
Current assets		
Inventories	161	151
Trade accounts receivable	325	298
Receivables from financial services	86	69
Liquid assets and securities	274	228
Other current assets	38	35
Balance sheet total	1,700	1,538

Fixed assets increased to €543 million (prior year: €522 million). This rise is largely due to the increase in trucks for short-term hire and capital expenditures in connection with the reorganization of the Norderstedt and Moosburg plants. This was contrasted by a decrease in trucks for leasing from financial services. Current and non-current receivables from financial services rose due to the expansion of Jungheinrich's business, above all as a result of the success of the company's financial services company in Italy following the takeover of the business on its own account. These items rose by a combined €62 million to €290 million (prior year: €228 million). As of the balance sheet date, inventories totalled €161 million – some €10 million up on the previous year (prior year: €151 million). Current trade accounts receivable increased to €325 million (prior year: €298 million) owing to the high invoicing volume at the end of the year. Cash and cash equivalents (liquid assets and securities) were up €46 million to €274 million (prior year: €228 million). The entire complement of 358,316 own shares was sold for €7.1 million in the previous year.



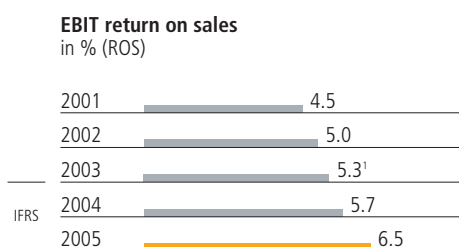
Capital structure of the Jungheinrich Group

in million €	Dec. 31, 2005	Dec. 31, 2004
Shareholders' equity	437	384
Non-current liabilities		
Provisions for pensions and similar obligations	165	161
Financial liabilities	127	122
Liabilities from financial services	266	221
Other non-current liabilities	131	129
Current liabilities		
Other current provisions	122	130
Financial liabilities	141	92
Liabilities from financial services	113	95
Trade accounts payable	74	74
Other current liabilities	124	130
Balance sheet total	1,700	1,538

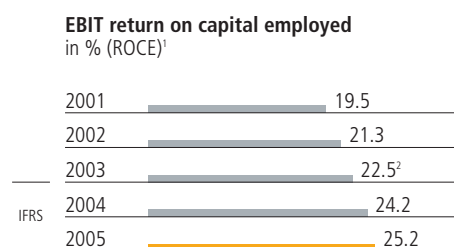
Shareholders' equity rose from €384 million to €437 million as a result of the high level of net income. In consequence, the equity ratio improved to 26 per cent (prior year: 25 per cent). As of the balance sheet date, 114 per cent (prior year: 108 per cent) of fixed assets (excluding trucks for lease in the financial services business) were covered by shareholders' equity. The Jungheinrich Group was capable of meeting its payment obligations at all times. As in the prior year, excluding liabilities from financial services, which were covered by corresponding accounts receivable from customers, the company did not have any net debt. Once again, Jungheinrich's degree of indebtedness, defined as the ratio of net debt to EBITDA, was zero. Current and non-current provisions including provisions for pensions totalled €320 million (prior year: €318 million). Non-current provisions rose by €9 million. This increase was contrasted by the development of current provisions, which decreased by almost the same order (€7 million).

Current and non-current financial liabilities were up €54 million to €268 million (prior year: €214 million). Due to the high level of cash and cash equivalents of €274 million (prior year: €228 million), the Jungheinrich Group still had a net financial asset position of €6 million (prior year: €14 million). Trade accounts payable amounted to €74 million, as in the previous year. Current and non-current liabilities from financial services increased by €63 million to €379 million in line with business growth (prior year: €316 million).

The Jungheinrich Group's complete balance sheet has been included in the consolidated financial statements of Jungheinrich AG.



¹ Not including expenses associated with the closure of MIC S.A.



¹ EBIT as a % of the interest-bearing capital employed (excluding liabilities from financial services and provisions for pensions).

² Not including expenses associated with the closure of MIC S.A.

Statement of cash flows

in million €	2005	2004
Net income	62	49
Depreciation of fixed assets	118	111
Changes in the short-term hire fleet and trucks for lease	- 84	- 68
Changes in receivables/liabilities from financial services	1	- 6
Change in working capital	- 49	- 62
Cash flows from operating activities	48	24
Cash flows from investing activities	- 40	- 22
Cash flows from financing activities	36	20
Changes in cash and cash equivalents with effect on payments	44	22

Cash flows from operating activities totalled €48 million – €24 million up on the previous year's comparable level. The increase was driven by the €13 million climb in net income and the €7 million rise in depreciation. The change in working capital caused locked-up funds to decrease by a total of €13 million. An increase in funds tied down due to the rise in business volume – above all as regards inventories and trade accounts receivable – was contrasted by an increase in the refinancing of tangible assets via lease agreements. Furthermore, one must take into account the fact that leasing liabilities in connection with the properties leased at the Moosburg site were replaced by long-term finance loans. Cash flows from investing activities totalled €40 million – nearly double the amount recorded in the previous year (€22 million). Capital expenditures including capitalized development costs and financial assets surpassed the year-earlier figure by €10 million. Fixed asset disposals had an effect that was €9 million less than in the prior year. Cash flows from financing activities rose to €36 million (prior year: €20 million). This was primarily due to the increase in current liabilities due to banks and the sale of the company's own shares.

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

Return on sales and capital

Key return indicators of the Jungheinrich Group

in %	2005	2004
EBIT return on sales (ROS)	6.5	5.7
EBIT return on capital employed (ROCE)	25.2	24.2
Return on equity	15.1	13.5
Return on total capital employed	5.5	4.8

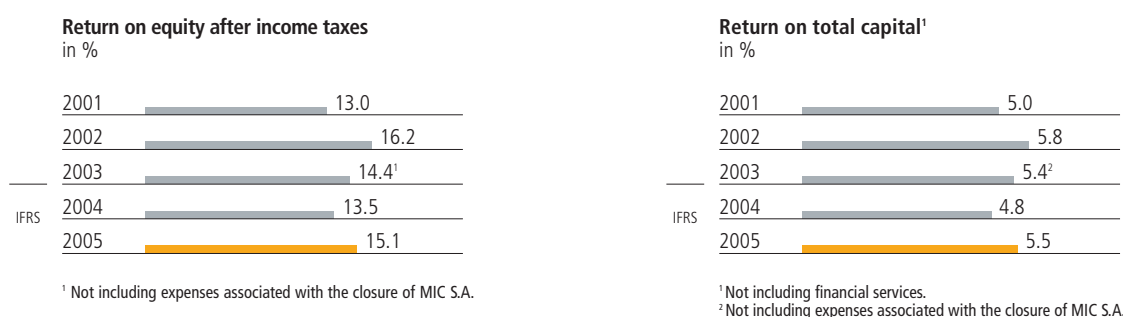
EBIT return on sales (ROS) = EBIT : Net sales x 100

EBIT return on capital employed (ROCE) = EBIT : Employed interest-bearing capital¹ x 100

Return on equity after income taxes = Net income : Average shareholders' equity x 100

Return on total capital = Net income + interest expenses : average total capital x 100

¹ Shareholders' equity + financial liabilities – bills receivable – accounts receivable from affiliated companies – liquid assets and securities.



The Jungheinrich Group's positive earnings and asset position is reflected in the key return indicators. Jungheinrich's return on sales (ROS) significantly improved to 6.5 per cent (prior year: 5.7 per cent). As in the previous year, the corresponding return on interest-bearing capital employed (ROCE) exceeded the Group's long-term ROCE target of 20 per cent, amounting to 25.2 per cent (prior year: 24.2 per cent). The return on shareholders' equity rose to 15.1 percent, following 13.5 percent in 2004. The return on total capital employed, adjusted to exclude liabilities and interest income from financial services, improved from 4.8 per cent to 5.5 per cent.

Capital expenditures

In the year under review, capital expenditures – excluding additions to trucks for short-term hire and leasing as well as to capitalized development costs and financial assets – increased to €42 million. They were thus up €9 million, or 27 per cent, on the previous year's level of €33 million. Consequently, the capital spending-to-sales ratio rose to 2.6 per cent (prior year: 2.2 per cent). The lion's share of the capex volume was allocated to the expansion of the company's proprietary sales companies in Europe and overseas as well as to the reorganization of production processes at the Norderstedt site. This measure, which drew around €10 million, will be completed in 2006. In addition, work commenced on the construction of a new development and testing centre in Norderstedt, on which approximately €4 million was spent.

Research and development

In the 2005 financial year, the Jungheinrich Group invested heavily in the development of its products, underscoring its role as a leading supplier of material handling equipment once again. The company's innovation process has been accelerated by the degree to which development activities have been focused in recent years. This will benefit our customers. Product engineering must be adapted to the fundamental changes in the manufacturing and assembly methods used in Jungheinrich's plants. Therefore, newly developed equipment was launched on the market across all product lines in 2005. Last fall, new trucks and major innovations were showcased in Hanover at CeMAT, the world's leading trade fair for material handling equipment, with a view to strengthening the Jungheinrich brand. Research and development costs including preparatory work in development-related areas and outsourcing, which was largely attributable to product and process-centric developments, rose to €40 million (prior year: €38 million). This represents 5.9 per cent of sales generated from the new truck business (prior year: 6.2 per cent). An average of 366 employees were active in the field of development throughout the Group in 2005 (prior year: 360).

In the year under review, Jungheinrich expanded its modular production processes for truck series and further standardized subassemblies within the series throughout the Group. These measures were a key focal point of the company's development work. A hundred and fifteen patent applications were filed in 2005 (prior year: 116), and 31 patents were granted (prior year: 34). Once again, this enabled the Jungheinrich Group to improve its products substantially. Development departments focused on the following issues during the reporting period:

Capital expenditures in million €

(not including trucks for short-term hire and lease, capitalized development costs and financial assets)

	Germany	Abroad	
2001	13	19	32
2002	16	20	36
2003	30	31	61
2004	13	20	33
2005	16	26	42

Employees

As of 12/31

	Germany	Abroad	
2001	4,769	4,519	9,288
2002	4,821	4,427	9,248
2003	4,781	4,452	9,233
2004	4,544	4,464	9,008
2005	4,540	4,458	8,998

Fundamental research

Concepts were developed to improve logistics across locations using radio frequency identification (RFID) technology. 'JetPilot' is a newly developed operating concept that consists of a multifunctional steering wheel assisting counterbalanced truck drivers in improving their productivity. New methods and identification processes were developed to maximize the service lives of newly designed material handling equipment. Novel drive concepts were engineered building on Jungheinrich's core expertise in the field of three-phase AC technology. In addition, the new product data management (PDM) system for use throughout the Group went online.

Truck engineering

Developments at the Norderstedt site included a new battery-powered reach truck, characterized by its extremely narrow dimensions and a new operating concept. Drivability and traction properties of several vehicle variants were improved, including a reach truck and pedestrian-controlled trucks. Two new tractors were engineered at the Lüneburg plant to expand Jungheinrich's product portfolio. Two order pickers were developed, with unique designs due to the various modes of operation specific to the American market, which Jungheinrich increasingly intends to tap into.

Employees**Employees by division**

	Dec. 31, 2005	Dec. 31, 2004
Sales	6,501	6,505
Production	2,067	2,075
Service Centre/Administration	430	428
Total	8,998	9,008

By December 31, 2005, the Group's personnel headcount had decreased marginally to 8,998 (prior year: 9,008). This figure included 250 trainees (prior year: 251). As in the previous year, 72 per cent of the staff worked in sales, with production still accounting for 23 per cent. Analogously to the preceding year, some 3,000 after-sales service engineers were on duty. The share of employees working in the after-sales service organization amounted to 49 per cent (prior year: 50 per cent).

Employees by region

in %	Dec. 31, 2005	Dec. 31, 2004
Germany	49.5	49.6
France	10.1	11.6
UK	9.7	10.1
Italy	8.3	8.0
Rest of Europe	20.4	19.9
Overseas	2.0	0.9
Total	100.0	100.0

At the reporting cut-off date, 4,540 (prior year: 4,544) staff members worked outside Germany, while 4,458 (prior year: 4,464) were employed in Germany. Thus, about 50 per cent of the labour force worked in Germany. In the rest of Europe, the leaders were France and the UK, accounting for the biggest share (10 per cent each), followed by Italy with 8 per cent. The proportion of employees working overseas rose to 2 per cent.

Since Jungheinrich AG is a member of the German Employers Association, the collective bargaining agreements reached in 2004 were adopted for the German business. The collective bargaining agreement expires on February 28, 2006. The company decided to replace the cash payment of the incentive bonus for Jungheinrich AG employees by a performance-linked contribution to a direct life insurance policy. This change improves the company's social security benefits and makes a contribution to the staff members in Germany partaking of the company's success.

Purchasing and logistics

As in the previous year, procurement in 2005 was marked by mounting prices for all basic commodities. Therefore, the resulting price increases were the determining factors in Jungheinrich's purchasing activity. Steel prices exceeded their previous highs between September 2004 and April 2005, before starting to decrease in July 2005. Nevertheless, after July 2005, they were still 30 per cent above the average level recorded in 2003. Jungheinrich succeeded in limiting these effects by concluding agreements early on, thus ensuring moderate increases. We negotiated more favourable conditions with our major suppliers through pool purchasing. Moreover, in parallel to the development, we succeeded in implementing further cost-cutting measures.

Taking into account the rise in basic commodity prices, the renewed growth in demand for material handling equipment combined with an above-average growth in counterbalanced trucks led to a further increase in the Group's purchasing volume. Since the first set of investment packages for the modernization of the company's production plants were approved, aggregate procurement advanced by nearly 20 per cent to €1,022 million (prior year: €855 million). As in the previous year, additional savings were realized for the lion's share of the purchasing volume that was not allocable to production material by signing new master agreements with efficient international service providers. A new supply concept was introduced for C parts management, and for the commodities in the system business, new partners were won for sales and training and integrated in the company's logistics. Highlights are the improved

punctuality and shipment quality among all major production material vendors. Despite the marked rise in demand, turnaround times were kept short and orders were delivered at short notice.

Quality management

Jungheinrich's Quality Task Force, the main driver of product and process improvements, was expanded further last year. Keeping an eye on customer orientation, since the beginning of 2005, the service organization's employees have been an integral component and major influence in the direct implementation of quality-enhancing measures in cooperation with our product lines. Standardized product audits carried out with select experts from the Group's operating service units were introduced across product lines.

Starting in the fourth quarter of 2005, the quality reporting system was migrated to SAP Business Warehouse and adapted to the Group's IT system. Accordingly, about 80 per cent of the equipment shipped by the Group is under permanent observation for quality-related purposes. The quality key performance indicator system was fundamentally revised and further detailed as part of the migration process. Since the data is updated daily, room for improvement can be identified more rapidly and suitable corrective and preventive measures can be initiated earlier on. Of notable mention is Jungheinrich's achievement of process-oriented certification for its entire European sales organization (core sales processes) as a 'Group certificate' in accordance with DIN ISO 9001:2000 for the first time. Jungheinrich thus guarantees its customers uniform sales and service quality throughout Europe.

Environmental management

In fiscal 2005, Jungheinrich's environmental management activities focused on waste avoidance, energy savings and water use reduction. For instance, modern controls were installed in the plants' hall heaters, replacing the 'cold/warm controls,' which were not very effective. In addition, the replacement of the heating boilers was initiated at the Norderstedt plant, aiming to scale back gas consumption by more than 5 per cent. As the modernization of the Moosburg plant progressed, the hall roofs and sanitary equipment was refurbished. Effective insulating material and cutting-edge technology were employed to conserve resources. In 2005 the Jungheinrich Group spent €0.5 million (prior year: €0.6 million) on environmental protection measures.

Vehicle engineering operations harmonized the environmental audits of Jungheinrich OEM trucks across locations and brought them up to date.

Data privacy

Jungheinrich committed itself to comply with EU statutory regulations on data privacy in 2005 as well, developing its own groupwide guidelines on this basis. Security guidelines specific to the Group's information technology and other Group policies were communicated to the Group's entire workforce. This creates the basis for the responsible handling of data relating to customers, companies and employees at all times. Data privacy issues in Germany and abroad were reviewed by the Group's data privacy officer, taking legal requirements into account. Furthermore, all of Jungheinrich's data privacy coordinators were constantly informed by the data privacy officer of possible changes. As in earlier years, the Group's Audit Department collaborated with the data privacy coordinators within the scope of its general audit activities to conduct spot checks for data privacy compliance by the company's German and foreign operating units and did not find any material shortcomings.

Risk management

Within the framework of its global business activities in the field of material handling, warehousing, and material flow technology, the Jungheinrich Group is exposed to a large number of risks. To limit these risks, the company has set up a comprehensive groupwide risk management system that is refined on an ongoing basis. The risk management system is an integral part of our management, budgeting and controlling processes. Besides the early recognition of risks, the Group Risk Committee that meets at least once a quarter is the pivotal element of our risk management system.

Systematic opportunity identification was added to the risk management system in 2005. This achieves comprehensive transparency of opportunities and risks, which improves the Group controlling process. Opportunity detection is subjected to the same threshold values as risk identification.

The managers of our operating companies are responsible for risk management within their spheres of responsibility. An essential key element alongside the regular review of risk-related issues conducted during management meetings is their obligation to compile risk inventories four times a year. Results are consolidated by the Risk Committee at the Group level, taking account of appropriate value limits, resulting in a Group risk inventory, which is regularly passed on to and discussed with the Supervisory Board. If individual risks arise in the meantime, separate reports taking account of specially defined threshold values are immediately submitted to the Risk Committee.

A scheduled inventory of risks was compiled at the end of 2005. Results were analyzed in depth at a Group Risk Committee meeting. There are still no developments that could jeopardize the Jungheinrich Group's continued existence.

Within the scope of its comprehensive range of services, the Jungheinrich Group rents out and finances equipment, largely consisting of material handling equipment, to or on behalf of its customers. Jungheinrich may be exposed to residual value risks when trucks are returned for further marketing on expiry of the leases. These risks are recorded throughout Europe by means of a quarterly independent examination of all outstanding leases with residual value guarantees. If the comparison of current market values with the guaranteed residual values for leased trucks reveals a shortfall, these risks are covered by appropriate provisions and valuation allowances for used equipment inventories when the balance sheet is drawn up.

In contrast to the diverse range of services offered in the field of logistics, the production and sale of new trucks are heavily dependent on the cyclical trends displayed by demand. This is why we keep a close watch on the general economic trend – above all in Europe. Market assessments are therefore carried out regularly, paying special attention to trends in the economy, competition and capital markets especially as regards fluctuations in currency exchange and interest rates. Since Jungheinrich's activities are largely focused on Europe, the Group was only slightly affected by the euro's weakness.

Changes in interest and currency exchange rates expose the Jungheinrich Group to operating risks which are controlled by our risk management system. Jungheinrich makes use of financial instruments such as currency futures, currency swaps and interest rate swaps to control these risks. Building on the demands placed on corporate risk management by the German Corporate Sector Control and Transparency Act, Jungheinrich defined a procedural directive including control mechanisms governing the use of financial instruments. Among other things, it mandates the clear separation of trading, settlement, accounting and controlling.

The Group is exposed to a counterparty risk that arises from the non-fulfilment of contractual agreements by counterparties, which are generally international financial institutions. On the basis of their credit rating, which is determined by reputable rating agencies, no major risk ensues for Jungheinrich from the dependence on individual counterparties. The general credit risk arising from the derivative financial instruments used is considered to be immaterial. Derivative financial instruments are exclusively used to hedge interest rate and currency risks. As of December 31, 2005, the Group had €92 million in currency hedges on its books (prior year: €67 million). Outstanding currency hedges largely have maturities of less than one year. As in the previous year, no interest rate hedges had been concluded as of December 31, 2005.

Strong demand for basic commodities on world markets carried over into 2005 from 2004, principally resulting from the development of China's economy, causing the price of basic commodities to rise substantially, leading to supply bottlenecks for some manufacturers. Jungheinrich was unable to fend off the effects of rising material prices. Jungheinrich expects the price of basic commodities to be very high in the 2006 financial year as well.

After the closure of the plant in Argentan (France), MIC S.A.'s operations were supposed to have been discontinued in 2004 within the scope of an arranged liquidation. This was obstructed by complaints filed by employees against MIC S.A. Once the extensive, ample financial resources voluntarily made available primarily to fund the redundancy scheme had been depleted at the end of 2005, MIC S.A. filed for insolvency with the court. On December 14, 2005, the court in charge opened the insolvency proceedings. The company's deconsolidation from the Jungheinrich Group was effected as of the end of 2005.

General contract risks are largely eliminated by applying groupwide policies. In addition, material contracts are centrally managed and administered. No material lawsuits are pending at present.

Events after the close of fiscal 2005

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

Outlook and opportunities

Based on positive forecasts for the economy as a whole, we expect the global economy to post moderate growth in fiscal 2006. Growth in Asia, Central and Eastern Europe as well as the US is likely to exceed that in Western Europe's economies.

Estimated economic growth (GDP¹) in %

Region	2006	2007
World	3.8	3.3
USA	3.3	2.5
China	8.5	8.0
Eurozone	1.8	1.8
Germany	1.5	1.0

¹Gross domestic product.
Source: Commerzbank.

Based on this growth, Jungheinrich expects that the world market for material handling equipment will expand to 790,000 units. This rise, which includes 3 per cent growth to some 315,000 trucks on the European market, is likely to offer the Jungheinrich Group additional sales opportunities. Therefore, we anticipate that the business trend will continue to be positive in 2006. All in all, we expect that incoming orders and net sales will each improve by 6 per cent to approximately €1.75 billion in the fiscal year. In 2006 the business trend will be determined by the following factors in addition to the anticipated increase in demand and the associated rise in output by Jungheinrich's German plants. In the year underway, investing activity will concentrate above all on the completion of the reorganization of production processes in Norderstedt and Moosburg. Moreover, capital will continue to be spent on the establishment and expansion of the global direct sales network. The budget is likely to exceed the previous year's.

In 2006 the Jungheinrich Group will maintain its high level of development work in order to keep the broad range of products abreast of the state of the art by constantly renewing and supplementing it with attractive products with a view to defending and strengthening its competitive position.

Following several years of consolidation to improve the Jungheinrich Group's profitability, the business trend will be increasingly marked by a growth strategy from 2006 onwards. Jungheinrich will step up its activities outside Europe in the Asian growth region as well as in the North American market. An assembly plant for battery-powered pedestrian-controlled pallet trucks will be completed by autumn 2006 in Qingpu in the vicinity of Shanghai, China, to serve overseas markets. This will enable the company to meet the substantial demand for warehousing equipment above all in China. We will strengthen Jungheinrich Lift Truck Corporation, our US sales company, with products engineered specifically for the US market. Jungheinrich will be afforded the opportunity to steadily expand its US full-line distribution business over a longer period of time. In Europe Jungheinrich is directing its efforts to intensively expand its counterbalanced truck business. From the summer of 2006 onwards, the Jungheinrich Group will conduct its catalogue operations as an independent commercial business with a view to expanding its business activities.

In 2006 the company's earnings trend will be significantly influenced by the following factors: The cyclically-induced rise in demand and the higher capacity utilization rate in the Norderstedt and Moosburg production plants are expected to generate positive stimuli. Despite the generally expected moderate market growth, the crowding-out and price competition will continue to increase. Basic commodities are not anticipated to drop in price. In addition, Jungheinrich is pursuing a growth strategy by making required financial resources available. Moreover, the collective bargaining negotiations in Germany are expected to lead to wage agreements that will impose additional burdens on costs. Overall, Jungheinrich anticipates that the 2006 financial year will produce a satisfactory earnings trend. Due to the growth strategy pursued outside Europe, for which preparatory work needs to be done, the company expects earnings contributions to temporarily fall below average, in sum leading to a decrease in returns.

As long as the general economic and sector-specific conditions do not change considerably after 2006, Jungheinrich expects to continue its positive business trend in 2007. The world's distribution flows will probably trigger further growth of the global market, from which Jungheinrich could derive a benefit. Dwindling sales opportunities in Germany owing to the impending rise in the country's sales tax in 2007 might be offset by increasingly positive sales performances in Eastern Europe and overseas as well as by the expansion of business generated with counterbalanced trucks. All in all, Jungheinrich expects incoming orders and net sales to advance further. The Jungheinrich Group's earnings trend is anticipated to benefit from improved productivity from the new manufacturing processes introduced at the Norderstedt and Moosburg sites, despite the fierce predatory competition. This will have a positive impact on the level of returns.

The Jungheinrich Group is confident that it is well equipped to continue meeting the needs imposed on it by the market, competition and the underlying conditions.

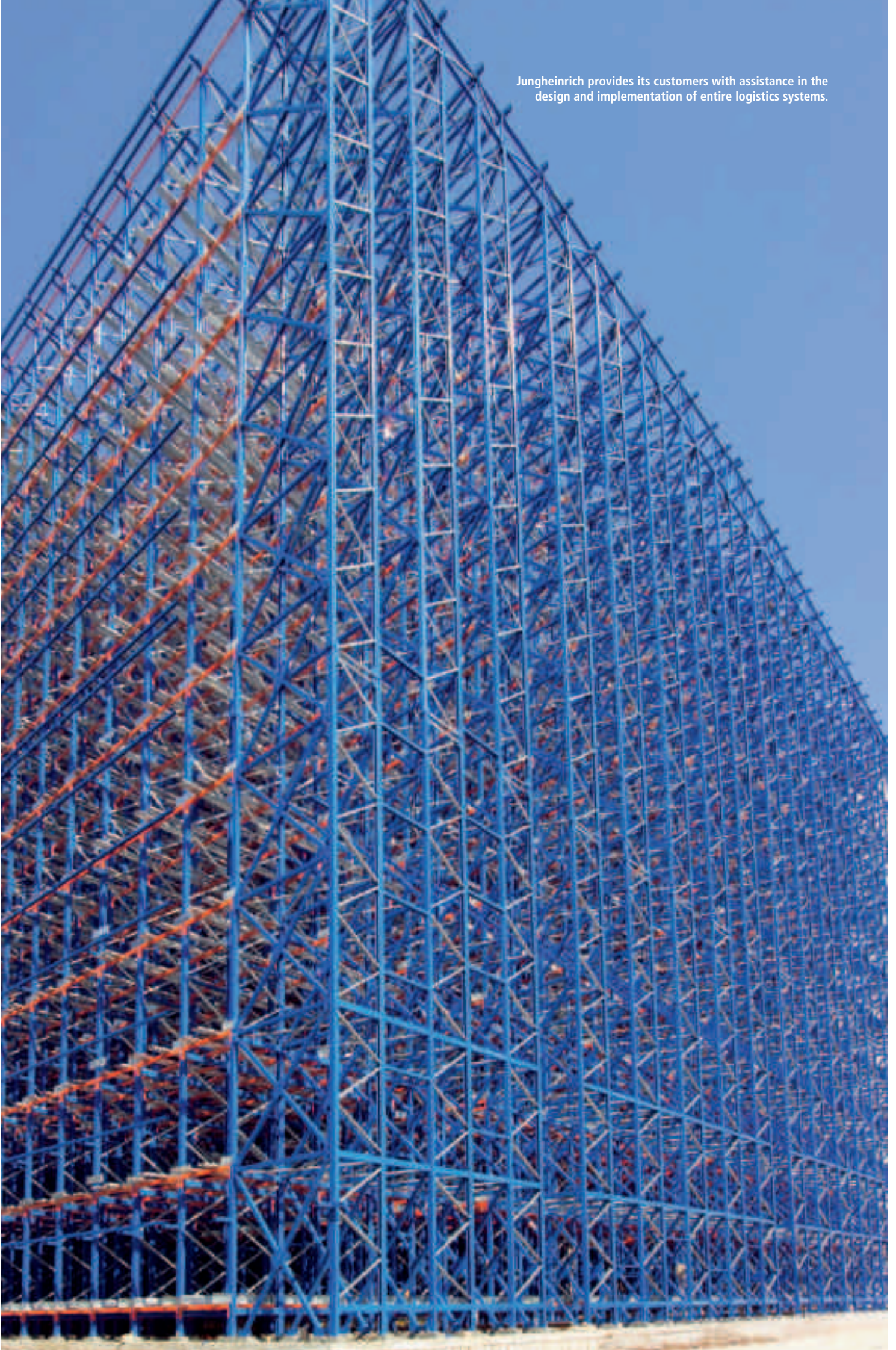
Unforeseen developments may cause the actual business trend to deviate from expectations, which are based on assumptions and estimates made by Jungheinrich company management. Factors that can lead to such deviations include changes in the economic and business environment, exchange and interest rate fluctuations, and the introduction of competing products.

Group overview

Logistics systems business expanded
Sales company established in Thailand
Productivity enhanced
New assembly plant in China



Jungheinrich provides its customers with assistance in the design and implementation of entire logistics systems.



Jungheinrich is further widening its footprint on growth markets in Eastern Europe and overseas. By developing new products, the company pays tribute to several factors, including the mounting demands of international customers. Fundamental changes in manufacturing and assembly processes enhance the plants' productivity and flexibility.

Jungheinrich fortified its global direct sales network by establishing its own sales and service company in Thailand. Thanks to its powerful direct sales and service network, Jungheinrich has a presence in over 100 locations in 30 countries within and outside Europe. Furthermore, the company is present in about 60 countries via representative offices.

Jungheinrich develops material handling equipment, warehousing products and logistics solutions using cutting-edge technology and of the utmost quality, designed to meet individual customer needs. Warehousing equipment was engineered especially to suit the operating conditions prevailing on the American market.

'Logistics systems,' the business field responsible for the design and implementation of holistic warehousing and material flow solutions, was expanded. Jungheinrich offers complete solutions from a single source and provides its customers with support from the first material flow planning and design stage to project planning, construction (as main contractor) and warehouse operation.

Manufacturing and assembly methods at Jungheinrich's German production sites are being restructured in order to significantly improve productivity and flexibility. A new development and testing centre is being built at the Norderstedt plant. The company expects to generate synergistic effects and accelerate development projects by pooling its activities in this field. A new plant for the assembly of warehousing equipment will be commissioned in Qingpu (China) near Shanghai in 2006. This is where Jungheinrich will manufacture trucks for the Chinese and overseas markets.

Employees

Jungheinrich employed 8,998 people as of December 31, 2005. This was 10 staff members fewer than in 2004. Labour force reductions were made among workshop technicians, whereas additional specialized consultants were hired. All in all, the slight decrease in production personnel was contrasted by growth in service staff, which now accounts for 49 per cent of the total workforce.

Executive development and project work

In 2005 personnel development activities were even more focused on the development of executives. A training program dedicated to young executives was introduced to this end. It is designed to give participants the best possible preparation in anticipation of their new management tasks and subsequently provide them with assistance. Topics covered by the training scheme include team development, employee motivation, conflict management and self-reflection on one's definition of management. Attendees benefit primarily from sharing experience.

- 1. Finance manager
- 2. On-site truck service
- 3. Advice on complex logistics solutions

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Efficient project work is one of the keys to success at Jungheinrich. The company tailors the programs it offers for budding executives against this backdrop: Both the trainee as well as the JUMP management programs place emphasis on project work. In Moosburg (Germany) trainees already work on their own projects. Assuming responsibility, learning from topics resulting from real-life situations, and thinking beyond the borders of one's field of expertise create added value for Jungheinrich.

Jungheinrich trainees increasingly take advantage of the possibility to complete a commercial training program following their industrial training. More and more, such dual qualifications are appreciated in both sales and purchasing. Staff members receive broadly diversified training and the company benefits from highly qualified employees who can fulfil a variety of tasks.

The in-house management system for coping with the mounting number of temporary employees that has already proven itself in Moosburg will be introduced in Norderstedt in the first quarter of 2006. Carried out in cooperation with a temp agency, this joint project promotes the integration of temporary staff at Jungheinrich from both an organisational and social point of view.

Internationalization

Cross-border work is a major building block towards ensuring lasting international structures within the Group. Once again, employees involved in projects outside their local companies for three to six months received support from the 'Going Global' program in 2005. Staff members were transferred for considerable periods of time worldwide as well. Target countries included the growth markets Brazil, China and the US.

Trainees hired in 2005 came from various countries, amongst which Germany, the Netherlands, the US and New Zealand. All participants do at least one training stint outside Germany. In the summer of 2005, a major share of the commercial trainees was seconded to Scandinavia, the UK, Ireland, France, Poland, Spain, Portugal and the US.

As a company with operations in various countries, Jungheinrich presents itself at university fairs as an attractive employer, giving students a first impression of traineeships and positions for students, enabling them to work on their theses or dissertations while being involved in projects at Jungheinrich.

Restructuring of production processes

The restructuring of the Norderstedt plant will be concluded by the end of 2006. Many resulting changes took effect as early as 2005. Production line work has now been clocked in a fixed sequence of manufacturing steps, enabling smooth production flows. Employees were extensively trained for this purpose. Stan-

Standard times for individual work steps are now calculated based on a new method and can thus be planned for more accurately. Workplace ergonomics are being significantly improved. In sum, these measures will safeguard the production sites and, in turn, jobs.

Employees by function

As of December 31	2005	2004
Service engineers	2,995	2,999
Workshop technicians	258	295
Manufacturing	1,366	1,376
Technical consultants	660	625
Administration service	3,318	3,317
Temporary workers	151	145
Trainees and apprentices	250	251
Total	8,998	9,008

Technological innovations

Jungheinrich engineers gave the audience at the sector's trade show CeMAT a glimpse of the future of forklift trucks by showcasing its 'Concept 05' study. Its multifunction steering wheel enables drivers to centrally control all of the truck's operating features. Steering locks of just 100 degrees in either direction enable virtually fatigueless steering. RFID (radio frequency identification) elements have also been integrated in the concept truck. This technology, which is rapidly spreading throughout the logistics sector, allows the truck to communicate with its surroundings. For example, pallets and storage slots are automatically detected, and the flow of information within the logistical chain is supported. Moreover, RFID technology is used in a driver-assistance system, which transmits traffic-related information to the driver and indicates hazardous areas. These innovations are currently being evaluated for market acceptance as part of Concept 05. If they receive positive feedback, Jungheinrich will plan to swiftly introduce mass-produced equipment.

Jungheinrich was the first supplier to launch a battery-powered, rotating-cabin forklift truck on the market. The advantage is that, if the payload obstructs the operator's view, he can rotate the cabin 180 degrees and drive with the cargo behind him, with good ergonomics and a clear view. Another new feature introduced with this truck is the side-loaded battery, which can easily be removed. Conventional battery-powered trucks need a crane for this. The truck received the Logistics Innovation Award from the German Engineers Association VDI in early 2006.

Trucks developed for the US market

Jungheinrich underscores the importance of its US operations by engineering trucks designed to meet this market's needs. This was done for several reasons, amongst which the operating requirements, which differ from those in Europe. The EKS 314 battery-powered vertical order picker is equipped with a plate clamp and an operator platform that is open towards the loading fork end. It has a maximum payload capacity of 3,000 lbs (1.36 metric tons) and a perpendicular picking reach of almost 10 metres. The ECR 327/336 battery-powered low-platform truck is used for transportation, order-picking and the loading and unloading of lorries. Its suspension-damped standing platform provides operators with a comfortable workspace. Its maximum payload capacity is 6,000 or 8,000 lbs (2.7/3.6 metric tons), with a vehicle speed of up to 15 km/h. Low-maintenance three-phase AC technology used in these trucks affords them a competitive advantage. Unlike in Europe, the less dynamic DC technology, which is more expensive over the truck's lifecycle, is more widespread in the American market.

Reach trucks for narrow shelf aisles

ETV 110-116, the new generation of battery-powered reach trucks, is designed for use in narrow shelf aisles with lift heights of up to 7.7 metres. Despite its extremely small width, the truck can lift euro pallets longitudinally between its wheel masts. Optionally available electric 360-degree endless steering lets the operator rapidly change the direction in which the truck moves without switching the drive direction.

The new ERE 120 pedestrian-controlled pallet truck has a suspension-damped drive train, standing platform and support wheels. For the first time in the sector, Jungheinrich engineers found a way to satisfy demands placed on driver convenience and extended lifetimes without compromising traction or lateral stability.

Versatile tractors in demand

For several years, tractors have been increasingly used above all in manufacturing plants to supply production processes with components, for instance. A number of different payloads can be transported with just one truck, requiring little personnel. Furthermore, tractor trains are used as rolling shelves that can offset fluctuations in production cycles. With the EZS 130 and the EZS 330/350, Jungheinrich presents a new generation of multi-purpose tractors for use, e.g., in the automotive industry or the wholesale sector. Tractors can be manufactured very profitably since they are technologically based on large-series equipment. Due to their performance specifications, the new trucks cover about half of the applications in the tractor market.

- 1. New reach truck for narrow aisles
- 2. Order picker built to US market specifications
- 3. Lorry unloading with a suspension-damped low platform truck

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Logistics services

Logistics systems

Jungheinrich provides its customers with assistance as planner and main contractor in the design, planning and rollout of 'greenfield' warehousing and logistics projects as well as in warehouse expansions.

Jungheinrich has been resolutely growing this business field since 2004.

Here the series-produced material handling equipment business is being enlarged through the addition of automated systems solutions, including shelf-serving equipment, material handling technology, warehouse management software and wireless data components. Jungheinrich thus offers its clients holistic warehousing and material flow solutions to suit their specific needs. In so doing, the company assists its customers from the first material flow consulting phase, design, project planning and the integration of all technological areas (as main contractor) to maintenance and service, independent of the degree of automation.

An in-house 'Logistics Systems' department at the Moosburg site engineers and implements complete logistics solutions throughout Europe in close cooperation with the regional sales units. One of the highlights in 2005 was the realization of an automated warehouse for finished goods at Cargill Bottled Oils in Izegem (Belgium). Jungheinrich's internationally staffed project team included employees with experience from various fields of expertise. Know-how is constantly transferred via such project teams. Best practice approaches are thus rapidly spread internally.

Material flow analytics

Jungheinrich uses proprietary material flow analytics software to streamline its customers' warehouses. Following an in-depth stocktaking during which all transport tasks, routes and modes are recorded, the software provides help in composing the 'ideal' fleet. Analyses conducted in 2005 regularly identified fleet savings of 20 to 30 per cent per customer in terms of procurement costs alone. Energy, maintenance and personnel cost savings were detected as well.

Spare parts logistics

Jungheinrich has already been a leading player in the field of spare parts logistics for years. In more and more countries, the company offers an in-night service that delivers spare parts ordered during the day in the following night directly to the customer service vehicle. Great Britain was included in this service in 2005. England, Wales and Scotland are now served daily via air freight. In exchange, Jungheinrich's regional spare parts warehouse in England was decommissioned. Following the abolition of customs frontiers to Eastern European EU states the supply of spare parts in these markets will be accelerated to reach Western European levels before the end of 2006. The spare parts warehouse opened in Shanghai in 2004 has been operated by Jungheinrich itself since 2005.

Financial services

By establishing European subsidiaries in the field of financial services – with one added in France in 2005 – Jungheinrich is meeting mounting demand for pan-European framework agreements. It is above all

international key accounts that increasingly expect uniform contracts, regardless of whether their trucks are operated in Germany, Italy or France.

Short-term hire/used equipment

Jungheinrich created a framework within which rental agreements can be concluded with terms of between one day and 120 months. Customers have the flexibility to adjust the size of the hired fleet as well as the term of the contract during the rental period to meet their needs.

The expansive range of products is reflected by the used trucks on stock at Jungheinrich. The company is capable of offering any truck needed in all of the Group's markets thanks to the intense sharing of information among local companies. In terms of price, used trucks are an interesting alternative to new equipment primarily for small customers.

Besides the markets in Western and Central Europe, markets in Eastern Europe are increasingly gaining significance in the short-term hire and used equipment business. Russia occupies a special position in this context.

International projects

Strong presence at Mercadona in Spain

With over 930 outlets, Mercadona S.A. is Spain's leading supermarket chain. Headquartered in Valencia, the company employs more than 54,000 people.

In 2005 Jungheinrich supplied Mercadona with some 720 pieces of material handling equipment. This customer's fleet thus grew to about 4,500 Jungheinrich trucks.

Pedestrian-controlled pallet trucks and stackers as well as battery-powered counterbalanced trucks are in operation in the supermarkets, which have an average sales floorspace of 1,300 square metres.

Mercadona distributes goods to its Spanish outlets from six central warehouses. For instance, the south Spain region is supplied from the Huevar site in the vicinity of Seville. Approximately 180 Jungheinrich material handling trucks are in use on 20,000 metres of dry warehouse space and 15,000 square metres of deep freeze space. High-rack order pickers are used for stacking and unstacking in the high-rack warehouse, while pedestrian-controlled pallet trucks and double stackers are used for transport tasks. Roughly 4,000 pallets are turned over daily in three shifts in Huevar.

International framework agreement with SPAR

SPAR, which has international operations, is one of the world's largest retail chains and is present in 30 countries in Europe, Africa, Asia and Australia with approximately 15,000 supermarkets. SPAR's international headquarters are located in Amsterdam (Netherlands).

Some 1,100 Jungheinrich trucks are in use at SPAR in almost all European countries. SPAR has an international framework agreement with Jungheinrich and purchases about 100 Jungheinrich trucks a year. The company generally buys the equipment and concludes full-service agreements. In 2004 Jungheinrich received the supplier of the year award.

Its supermarkets and outlets are supplied with goods from over 70 distribution centres throughout the world. In Ljubljana (Slovenia) for example, 56 Jungheinrich trucks are in use: pedestrian-controlled pallet trucks, reach trucks, horizontal order pickers, pedestrian-controlled stackers and battery-powered counter-balanced trucks. The main warehouse has Jungheinrich shelf systems with approximately 17,000 pallet slots. Plans for 2006 include the expansion of the warehouse by another 5,000 square metres with roughly 3,000 pallet slots and the acquisition of about 30 more Jungheinrich trucks.

Jungheinrich forklift trucks at SKF in Singapore

The SKF Group is the world's leading supplier of products, customer solutions and services in the field of rolling bearings and seals for the mechanical engineering industry and related sectors. It has 100 manufacturing sites the world over. Thanks to its sales companies in 70 countries, supported by about 15,000 authorized distributors and dealers, its e-business marketplace and a global distribution system, SKF is always close to its customers – as regards both products and services. The company makes use of roughly 150 Jungheinrich forklift trucks in eight countries in Europe and Asia.

Headquartered in Singapore, SKF South East Asia & Pacific is responsible for marketing rolling bearings and associated products to the industrial aftermarket in 22 countries in Asia Pacific, from the Indian sub-continent to Korea and from China to New Zealand. SKF South East Asia & Pacific operates 21 Jungheinrich trucks in its Singapore distribution centre, including vertical order pickers, battery-powered counterbalanced trucks, reach trucks, pedestrian-controlled stackers and hand pallet trucks.

Production sites

Jungheinrich invests in the future of its manufacturing locations with a view to safeguarding its international competitiveness. Production lines are modernized and logistical processes are optimized. The aim is to considerably increase productivity and flexibility. Jungheinrich will commission an assembly plant for battery-powered pallet trucks in Qingpu near Shanghai (China) in 2006. Some of the trucks' components will be sourced from the plant in Norderstedt (Germany). Qingpu will supply markets in Asia and overseas.

Battery-powered pallet trucks and reach trucks are manufactured in the Norderstedt facility. Furthermore, the plant produces mast carriages, electronic truck controllers and battery chargers. The restructuring of all plant areas initiated in 2005 will be completed by the end of 2006 and result in a significant improvement in productivity. In the future, a new development and testing centre will pool prototype and tool engineering, vehicle test stands, component and fundamental development as well as test routes.

The plant in Lüneburg (Germany), which handles small series and customized production, has been under expansion since 2005 as well, in order to deal with the increase in manufacturing output.

In 2005 a dedicated pre-assembly facility for large-scale components was set up in the 'Counterbalanced Trucks' unit of the plant in Moosburg (Germany), significantly enlarging assembly space in the production lines. Investments were also made in a new experiment and testing department as well as in a test instrument laboratory for quality assurance.

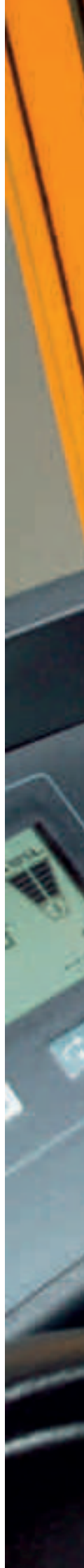
By adding 2,000 square metres in warehouse and production space in the 'Warehouse and System Trucks' product line, the prerequisites for expanding production were established.

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- 1. SKF warehouse with high-rack stackers
- 2. Hired stackers in use in the Singapore centre
- 3. Mercadona distribution centre in Spain



Consolidated financial statements





The Range 1 generation of reach trucks presented in 2005 is equipped with a newly developed Solo Pilot with key integrated operating elements.

Consolidated statement of income
Consolidated balance sheet
Consolidated statement of cash flows
Consolidated statement of changes in shareholders' equity
Consolidated statement of changes in fixed assets
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Consolidated statement of income

	Notes	2005 in thousand €	2004 in thousand €
Net sales	(4)	1,644,851	1,530,678
Cost of sales	(5)	1,201,595	1,122,436
Gross profit on sales		443,256	408,242
Selling expenses		268,920	255,739
Research and development costs	(13)	39,027	35,352
General administrative expenses		29,839	32,925
Other operating income	(8)	8,418	13,804
Other operating expenses	(9)	5,731	11,658
Income from associated companies		1,987	997
Other net income (loss) from investments	(10)	- 3,249	-
Earnings before interest and taxes		106,895	87,369
Financial income (loss)	(11)	- 117	- 3,948
Income taxes	(12)	44,674	34,093
Net income		62,104	49,328
Earnings per share in €	(38)	1.84	1.47

Consolidated balance sheet

Assets

	Notes	Dec. 31, 2005 in thousand €	Dec. 31, 2004 in thousand €
Non-current assets			
Fixed assets			
Intangible assets	(13)	38,476	37,451
Tangible assets	(14)	208,265	194,771
Trucks for short-term hire	(15)	123,404	107,353
Trucks for lease from financial services	(16)	158,066	167,111
Investments in associated companies	(17)	10,409	8,797
Other financial assets	(17)	4,021	6,561
		542,641	522,044
Other non-current assets			
Trade accounts receivable	(19)	5,278	4,634
Receivables from financial services	(20)	204,410	159,470
Other receivables and other assets	(21)	96	413
Deferred tax assets	(12)	63,804	71,039
		273,588	235,556
		816,229	757,600
Current assets			
Inventories	(18)	160,579	150,529
Trade accounts receivable	(19)	324,676	297,895
Receivables from financial services	(20)	86,453	69,390
Current tax receivables		3,093	4,800
Other receivables and other assets	(21)	26,440	21,149
Securities	(22)	41,867	40,994
Liquid assets	(23)	232,549	187,462
Prepaid expenses	(24)	8,252	8,468
		883,909	780,687
		1,700,138	1,538,287

Consolidated balance sheet

Shareholders' equity and liabilities

	Notes	Dec. 31, 2005 in thousand €	Dec. 31, 2004 in thousand €
Shareholders' equity			
Subscribed capital		102,000	102,000
Capital reserve		78,385	76,957
Retained earnings		251,876	204,840
Accumulated other comprehensive income (loss)		4,435	5,579
Own shares		–	(5,661)
		436,696	383,715
Non-current liabilities			
Provisions for pensions and similar obligations	(26)	164,670	160,511
Other non-current provisions	(27)	33,362	28,113
Deferred tax liabilities	(12)	17,124	15,244
Financial liabilities	(28)	127,137	121,819
Liabilities from financial services	(29)	266,265	221,444
Deferred income	(32)	80,587	86,542
		689,145	633,673
Current liabilities			
Current tax liabilities		20,567	16,278
Other current provisions	(27)	121,807	129,531
Financial liabilities	(28)	141,435	91,879
Liabilities from financial services	(29)	112,735	94,639
Trade accounts payable	(30)	74,301	74,358
Other current liabilities	(31)	51,481	55,838
Deferred income	(32)	51,971	58,376
		574,297	520,899
		1,700,138	1,538,287

Consolidated statement of cash flows

	2005 in thousand €	2004 in thousand €
Net income	62,104	49,328
Depreciation and amortization of tangible and intangible assets	34,445	32,441
Depreciation of trucks for short-term hire and lease	79,668	78,579
Write-downs of financial assets	3,366	–
Changes in provisions	216	– 14,764
Changes in trucks for short-term hire and trucks for lease (excl. depreciation)	– 84,041	– 68,330
Changes in tangible assets from finance leases (excl. depreciation)	– 9,361	– 6,144
Other non-cash changes in income and expenses	507	1,573
Income/loss from the disposal of fixed assets	– 351	– 8,614
Results from equity accounting	– 1,612	1,211
Changes in deferred tax assets and liabilities	9,115	10,588
Changes in other balance sheet items		
Inventories	– 7,195	4,808
Trade accounts receivable	– 29,811	9,018
Receivables from financial services	– 62,003	– 26,540
Trade accounts payable	880	– 7,148
Liabilities from financial services	62,918	20,506
Leasing liabilities	8,711	– 31,595
Other operating assets	– 7,987	– 11,359
Other operating liabilities	– 11,314	– 9,605
Cash flows from operating activities	48,255	23,953
Payments for investments in tangible and intangible assets	– 49,034	– 34,853
Proceeds from the disposal of tangible and intangible assets	10,993	20,095
Payments for investments in financial assets	– 3,087	– 6,829
Proceeds from the disposal of financial assets	682	–
Cash flows from investing activities	– 40,446	– 21,587
Dividends paid	– 15,068	– 14,058
Proceeds from the sale of own shares	7,089	31
Changes in short-term liabilities due to banks	50,736	– 19,154
Proceeds from obtaining long-term financial loans	–	85,705
Repayment of long-term financial loans	– 6,415	– 32,462
Cash flows from financing activities	36,342	20,062
Changes in cash and cash equivalents affecting payments	44,151	22,428
Changes in cash and cash equivalents due to changes in exchange rates and other valuations	1,809	1,308
Changes in cash and cash equivalents	45,960	23,736
Cash and cash equivalents as of January 1	228,419	204,683
Cash and cash equivalents as of December 31	274,379	228,419

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

Consolidated statement of changes in shareholders' equity

	Subscribed capital	Capital reserve	Retained earnings	Accumulated other comprehensive income (loss)		Own shares	Total
				Currency translation adjustment	Derivative financial instruments		
in thousand €							
As of December 31, 2003	102,000	76,952	171,569	3,289	327	- 5,687	348,450
Currency translation adjustment	-	-	-	2,475	-	-	2,475
Dividend for the prior year	-	-	- 14,058	-	-	-	- 14,058
Sale of own shares	-	5	-	-	-	26	31
Net income 2004	-	-	49,328	-	-	-	49,328
Other changes	-	-	- 1,999	-	- 512	-	- 2,511
As of December 31, 2004	102,000	76,957	204,840	5,764	- 185	- 5,661	383,715
Currency translation adjustment	-	-	-	- 1,207	-	-	- 1,207
Dividend for the prior year	-	-	- 15,068	-	-	-	- 15,068
Sale of own shares	-	1,428	-	-	-	5,661	7,089
Net income 2005	-	-	62,104	-	-	-	62,104
Other changes	-	-	-	-	63	-	63
As of December 31, 2005	102,000	78,385	251,876	4,557	- 122	-	436,696

The development of the Group's shareholders' equity is commented on in note 25.

Consolidated statement of changes in fixed assets

	Acquisition and manufacturing costs					Transfers	As of Dec. 31, 2005
	As of Jan. 1, 2005	Changes in currency exchange rates	Changes in the scope of consolidation	Additions	Disposals		
in thousand €							
Intangible assets							
Licenses and software	15,782	72	31	3,755	490	–	19,150
Capitalized development costs	40,929	–	–	7,300	–	–	48,229
Goodwill	6,181	–	–	–	–	–	6,181
	62,892	72	31	11,055	490	–	73,560
Tangible assets							
Land, land rights and buildings including buildings on land owned by others	194,907	488	94	6,222	575	3,493	204,629
Technical equipment and machinery	50,021	13	–	3,840	1,526	2,520	54,868
Other equipment, factory and office equipment	123,167	381	559	11,479	8,697	1,782	128,671
Construction in progress	2,778	2	–	16,476	174	(7,795)	11,287
	370,873	884	653	38,017	10,972	–	399,455
Trucks for short-term hire	179,977	1,681	485	74,908	59,748	–	197,303
Trucks for lease from financial services	272,859	2,101	–	62,693	75,552	–	262,101
Investments in associated companies	8,797	–	–	1,612	–	–	10,409
Other financial assets							
Investments in affiliated companies	5,807	–	(1,579)	3,087	40	–	7,275
Long-term securities	725	–	–	–	725	–	–
Other loans	2,436	–	–	–	–	–	2,436
	8,968	–	(1,579)	3,087	765	–	9,711
Total fixed assets	904,366	4,738	(410)	191,372	147,527	–	952,539

Accumulated depreciation	Carrying amount	Carrying amount	Depreciation and amortization					Accumulated depreciation on disposals	Accumulated depreciation
			Dec. 31, 2005	Dec. 31, 2005	Dec. 31, 2004	Accumulated depreciation	Changes in currency exchange rates		
14,732	4,418	3,303	12,479	61	8	2,674	490	14,732	
19,069	29,160	27,967	12,962	–	–	6,107	–	19,069	
1,283	4,898	6,181	–	–	–	1,283	–	1,283	
35,084	38,476	37,451	25,441	61	8	10,064	490	35,084	
62,832	141,797	136,584	58,323	50	–	5,290	831	62,832	
36,337	18,531	17,585	32,436	5	–	4,964	1,068	36,337	
92,021	36,650	37,824	85,343	230	76	14,126	7,754	92,021	
–	11,287	2,778	–	–	–	–	–	–	
191,190	208,265	194,771	176,102	285	76	24,380	9,653	191,190	
73,899	123,404	107,353	72,624	644	51	35,399	34,819	73,899	
104,035	158,066	167,111	105,748	941	–	44,270	46,924	104,035	
–	10,409	8,797	–	–	–	–	–	–	
3,366	3,909	5,807	–	–	–	3,366	–	3,366	
–	–	642	83	–	–	–	83	–	
2,324	112	112	2,324	–	–	–	–	2,324	
5,690	4,021	6,561	2,407	–	–	3,366	83	5,690	
409,898	542,641	522,044	382,322	1,931	135	117,479	91,969	409,898	

Notes to the consolidated financial statements

(1) Object of the company

The company operates at the international level – with the main focus on Europe – as a manufacturer and supplier of products in the fields of material handling equipment and warehousing technology as well as of all services connected with these activities. These encompass the lease/short-term hire and sales financing of the products, the maintenance and repair of forklift trucks and equipment, the sale of used forklift trucks 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 systems.

The production pool consists of the plants in Norderstedt and Moosburg (both in Germany). In addition, hand pallet trucks are procured from China.

For the Jungheinrich product brand, the company maintains a large and close-knit direct marketing network with 18 sales and distribution centres/branch establishments in Germany and 24 company-owned sales and service companies in other European countries. Further foreign companies are located in Brazil, China, Singapore, Thailand, and in the USA. In addition, overseas, Jungheinrich products are distributed via local dealers. Supplementary to Jungheinrich's direct sales in Europe, a partial assortment is offered in certain defined regions under the operating responsibility of the relevant national Jungheinrich organisation under the MIC brand name via independent dealers who are not under contract.

(2) Accounting principles

Basis

Jungheinrich AG prepared consolidated financial statements for the financial year ending on December 31, 2005, in compliance with International Financial Reporting Standards (IFRS) for the first time. All standards and interpretations of the International Financial Reporting Interpretations Committee (IFRIC) endorsed by the EU effective as of the balance sheet date were taken into account, and prior year figures were adjusted accordingly. The term IFRS also encompasses the International Accounting Standards (IAS) that are still valid. 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 method.

Adjustments to accounting and valuation methods made in transitioning to IFRS and their impact on the consolidated financial statements of Jungheinrich AG are stated in the notes under item (3).

Consolidation

Subsidiaries that are under the legal or factual control of Jungheinrich Aktiengesellschaft, Hamburg, are included in the consolidated financial statements. Active companies in which Jungheinrich holds a share of 20 to 50 per cent, and on which the Group exerts a significant influence without controlling them, are carried on the balance sheet in accordance with the equity method ('associated companies'). Other investments in other companies are carried at their acquisition cost.

Financial statements of Jungheinrich AG as the parent company and of included subsidiaries that are to be consolidated are prepared using uniform accounting and valuation methods as per the balance sheet date of the parent company.

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

Consolidated subsidiaries are accounted for using the purchase method by offsetting the acquisition costs against the portion of shareholders' equity held by the parent company at the acquisition date. Differences between the acquisition costs and attributable shareholders' equity are wholly or partially allocated to the subsidiary's assets and liabilities. Differential amounts remaining on the assets side once silent reserves and charges have been written back are capitalized as goodwill. Goodwill is tested for impairment at least once a year. If the fair value of acquired net assets exceeds the acquisition costs, negative goodwill is recognized. In such cases, negative goodwill is recognized immediately with an effect on net income.

All receivables and liabilities, all sales, expenses and income as well as intercompany results within the scope of consolidation are eliminated within the framework of the consolidation.

Investments in associated companies, including joint ventures, are accounted for using the equity method and 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 associated companies include goodwill arising at the time of the acquisition. Since this goodwill is not stated separately, it does not have to be separately tested for impairment pursuant to IAS 36. Instead, the entire carrying amount of the investment 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.

Foreign currency translation

Receivables and liabilities in foreign currency in the annual financial statements of the Group companies are translated at the exchange rate valid at the balance sheet date and any differences resulting from such translation are stated affecting net income.

The annual financial statements of the foreign subsidiary companies included in the consolidated financial statements are translated according to the functional currency concept. This is in each case the local currency if the subsidiary companies are integrated into the currency area of the country in which they are domiciled as economically independent entities. As regards the companies of the Jungheinrich Group, the functional currency is the local currency.

With the exception of shareholders' equity, all assets and liabilities in annual financial statements prepared in foreign currencies are translated at the exchange rate valid at the balance sheet date. Shareholders' equity is translated at historical rates. The statements of income are translated at the annual average exchange rates.

Differences deriving from foreign currency translation in the case of assets and liabilities as compared with the translation of the prior year or as regards shareholders' equity as against historical rates, as well as translation differences between the statement of income and the balance sheet are stated in shareholders' equity within the item 'accumulated other comprehensive income (loss)' not affecting net income.

The exchange rates of major currencies for the Jungheinrich Group outside the European Monetary Union changed as follows:

	Basis €1	Exchange rate at the balance sheet date		Annual average rate	
		12/31/2005	12/31/2004	2005	2004
Currency					
GBP		0.68530	0.70505	0.68436	0.67870
CHF		1.55510	1.54290	1.54883	1.54380
PLN		3.86000	4.08450	4.01754	4.52680
NOK		7.98500	8.23650	8.01058	8.36970
SEK		9.38850	9.02060	9.28489	9.12430
DKK		7.46050	7.43880	7.45219	7.43990
CZK		29.00000	30.46400	29.77510	31.89100
HUF		252.87000	245.97000	247.97000	251.66000
CNY		9.52040	11.26270	10.19470	10.3047
USD		1.17970	1.36210	1.24299	1.24390

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.

Sales from financial service transactions are stated in the amount of the selling value of the leased object if the contract is classified as a 'finance lease' and in the amount of the leasing rates in the case of an 'operating lease.' 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 truck's value, the proceeds from the sale are deferred and liquidated over time affecting sales until the residual value guarantee falls due.

Product-related expenses

Expenses for advertising and sales promotion as well as other sales-related expenses affect net income when they are incurred. Freight and dispatch costs are carried under the cost of sales.

Product-related expenses also include additions to provisions for warranty obligations as well as to provisions for impending losses from pending transactions.

Research expenses and uncapitalizable development costs are stated affecting net income in the period in which they are incurred.

Earnings per share

Net income per share is based on the average number of shares outstanding during a fiscal year. In the 2005 and 2004 fiscal years, no shareholders' equity instruments existed that could potentially have diluted the earnings per share on the basis of shares issued.

Intangible and tangible assets

Purchased intangible assets are measured at acquisition costs and reduced by straight-line amortization over their useful life of 3 to 5 years insofar as their useful life is finite.

Development costs are capitalized at manufacturing costs 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. Manufacturing costs comprise all costs directly allocable to the development process, including development-related overheads. From the beginning of production onwards, capitalized development costs are amortized using the straight-line method over the series production's expected duration, which is normally between 4 and 7 years.

Goodwill from consolidation is capitalized and allocated to intangible assets. Goodwill stemming from the acquisition of associated companies is included in the carrying amount of investments in associated companies.

Tangible assets are valued 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. Borrowing costs are not capitalized. 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 standard straight-line depreciation. If objects are sold or scrapped, the relevant items are retired from fixed assets; any resulting profits or losses are taken into account affecting net income.

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

Buildings	10 – 50 years
Land improvements, improvements in buildings	10 – 50 years
Plant facility	10 – 15 years
Technical equipment and machines	5 – 10 years
Office and factory equipment	3 – 10 years

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

All intangible and tangible assets are tested for impairment at least once a year whenever there is an indication of a potential reduction in value. In such cases, the recoverable amount of the asset is offset against its carrying amount. The recoverable amount is the higher of the fair value of the asset less selling costs and the value in use, which is the estimated discounted cash flow. If the carrying amount exceeds the recoverable amount of the asset, an impairment loss is recognized.

If the reason for an impairment carried out in previous years no longer exists, a reversal of the impairment loss up to depreciated acquisition or manufacturing costs is performed. Impairment losses recorded for goodwill are not recovered in subsequent reporting periods.

Leasing

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 leased object. In the case of 'finance lease' contracts, the economic ownership lies with the lessee. At the Jungheinrich Group companies, as the lessor, this leads to a statement of leasing rates due in the future as receivables from financial services in the amount of their net investment value. Interest income realized in instalments over the term to maturity ensure that a stable return on outstanding net investment 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 lease back method are depreciated over the period of the underlying lease agreements. In all other cases, trucks for lease are depreciated at 20 per cent each over the first three years, after which they are reduced using the straight-line method until the end of their economic useful lives. Lease income is recorded with an effect on results over the period of the contracts using the straight-line method.

These long-term customer contracts ('finance and operating leases') are financed with maturities identical to those of the contracts. They are stated on the liabilities side under liabilities from financial services in the item 'liabilities from financing.' Proceeds from the sale of future leasing rates from intragroup transfer agreements in the Jungheinrich Group are deferred in the item 'liabilities from financing' and dissolved over the period of the usage transfer using the effective interest method. Trucks for lease are also financed using the sale and lease-back method. Resulting capital gains are deferred correspondingly and distributed over the period of the lease agreement with an effect on results.

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 economic useful life of the material handling equipment. Deferred sales proceeds are dissolved using the straight-line method with an effect on sales until the residual value guarantee expires. Agreed residual value guarantees are stated under liabilities from financial services in the item 'liabilities from residual value guarantees.'

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,' they capitalize the objects as fixed assets and state leasing liabilities in the same amount as the cash value of the leasing rates. The leasing liabilities are carried in the item 'financial liabilities.' Depreciation of fixed assets and the reversal of liabilities are effected over the basic period for which the contract is agreed. In the event of an 'operating lease,' rental and leasing rates paid by Jungheinrich are recorded as an expense over the contractual period using the straight-line method.

Financial instruments

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

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

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

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

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

Receivables

Amortized acquisition costs for receivables correspond to the nominal value after the deduction of bonuses, discounts and individual valuation allowances. Individual valuation allowances are only made if receivables are wholly or partially uncollectible or likely to be uncollectible, in which case it must be possible to determine the amount of the valuation allowances with sufficient accuracy. The notes on the treatment of lease agreements contain further information on receivables from financial services.

Liabilities

Amortized acquisition costs for liabilities correspond to the repayment amounts. Differences between the historical acquisition costs and the repayment amounts are taken into account using the effective interest method. Liabilities from finance leases and financial services are measured at the cash value of the leasing rates; please turn to the notes on the treatment of lease arrangements for further details.

Investments in affiliated and associated companies

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

Securities

Securities held by Jungheinrich are intended to be sold. Therefore, they are measured at fair value on the balance sheet date. Furthermore, Jungheinrich holds securities that are not disposable in order to secure its obligations under the partial retirement plan. These securities are also measured at their fair value. Unrealized gains and losses resulting from fair valuation are included in the result.

Derivative financial instruments

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

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

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 ('lower of cost and 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. Borrowing costs are not capitalized. 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-down ceases to exist, a reversal of the write-down is carried out.

Deferred taxes

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

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

Accumulated other comprehensive income (loss)

Stated in this item are changes in the shareholders' equity not affecting net income insofar as these are not based on capital transactions with shareholders. These include the currency translation adjustment and differences from the valuation of derivative financial instruments.

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 as well as expected increases in salaries and pensions as well as biometric accounting principles. Pension obligations and similar obligations of some foreign companies are covered by pension funds. These pension funds are qualifying plan assets pursuant to IAS 19.

Actuarial gains and losses are recognized with an effect on results only once they exceed a bandwidth of 10 per cent of the higher of the obligation and fair value of the plan assets. In such cases, they are distributed over the employees' expected average remaining working lives.

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

Furthermore, provisions have been accrued for claims of employees which fall due according to national regulations after the employees in question leave the company as well as for other long-term employee benefits. Obligations are accounted for in compliance with IAS 19.

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

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 deferred tax 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 summerized. They are shown separately in the notes.

Estimates

In the consolidated financial statements, to a certain degree, it is necessary to make estimates and assumptions that have an impact on the assets and liabilities included in the balance sheet, on the statements of income and expenses and on the statement of contingent liabilities during the reporting period and at the balance sheet date. Estimates and assumptions must be made primarily to determine 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, lawsuits and warranty obligations. Estimates and assumptions are made on the basis of premises based on the latest knowledge available and on historical experience as well as on additional factors such as future expectations.

It is possible for the actual amounts to deviate from the estimates. When the actual course of events deviates from the expectations, the premises, and if necessary, the carrying amounts of the affected assets and liabilities are adjusted accordingly. No material risks were associated with the assumptions and estimates used as a basis 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.

Although the expenses resulting from a necessary adjustment in provisions in the period under review can have a significant impact on Jungheinrich's results, it is expected that – including provisions already accrued for this purpose – potentially ensuing obligations will not have a material effect on the Group's economic situation.

New accounting policies

IAS 19 (amended) is effective from January 1, 2006, onwards. This affords one the option to record actuarial gains and losses regarding disclosed pension obligations without an effect on net income. Jungheinrich still plans to record actuarial gains and losses with an effect on net income over the employees' average remaining working lives, as described in the accounting principles under 'provisions,' if the gains and losses exceed 10 per cent of the higher of the total benefit obligation and the fair value of the plan assets. The amendment to IAS 19 also requires information regarding defined benefit pension plans to be modified and expanded. Jungheinrich is taking advantage of the possibility of early application of IAS 19 in its amended form.

IAS 39 (amended) is effective from January 1, 2006, onwards. One of the changes limits to a certain extent the possibility of measuring financial assets and financial liabilities at fair value. However, in sum, securities held within the Jungheinrich Group as of the balance sheet date still meet the criteria for being measured at fair value.

IFRS 7 becomes effective on January 1, 2007. This results in additional disclosure requirements for financial instruments, for example in terms of the risks associated with these financial instruments.

According to IFRIC 4, which became effective on January 1, 2006, contractual arrangements must be examined to determine whether assets, which are under the legal ownership of the contractual partner, are under the physical and economic control of the entity carrying the asset on its balance sheet. For example, this precludes third parties from using the asset and keeps third parties from purchasing more than an immaterial share of the output generated from such assets. As regards the usage of such assets, classification of these embedded lease arrangements and the resulting impact on their recognition in the accounts would have to be examined in accordance with IAS 17. Due to the conditions prevailing on the balance sheet date, however, the application of IFRIC 4 is not expected to have a material effect on the Group's net assets or earnings.

Pursuant to IAS 1 (amended), which took effect on January 1, 2006, information on the composition and control of economic equity must be disclosed. This includes external capital requirements and capital restrictions. Based on the status quo on the balance sheet date, the change to this standard will be inconsequential to Jungheinrich.

Scope of consolidation

The parent company Jungheinrich Aktiengesellschaft, Hamburg, and all its subsidiaries are included in the consolidated financial statements. The scope of consolidation changed compared with the prior year and now includes 26 foreign and 7 German companies. Three companies are carried on the balance sheet in accordance with the equity method.

The full list of Jungheinrich Aktiengesellschaft's shareholdings has been separately deposited with the Hamburg District Court and entered into the Commercial Register, Department B, under No. 44885.

Changes in the scope of consolidation

Mécanique Industrie Chimie MIC S.A., Rungis (France), was deconsolidated on December 14, 2005, after the insolvency proceedings against this subsidiary had been opened. Taking account of the required valuation adjustment made to outstanding receivables from this subsidiary, income from the deconsolidation amounted to €599 thousand.

After the sale of the shares held in Jungheinrich Lift Truck Ltd., Dublin (Ireland), to Jungheinrich Beteiligungs-GmbH, Hamburg, in fiscal 2005, Ameise Lift Truck Ltd., Dublin (Ireland), which had acted as an intermediary holding company until then, was deconsolidated as of the balance sheet date. An expense of €29 thousand was recognized with an effect on results due to the deconsolidation.

Jungheinrich Lift Truck Trading (Shanghai) Co. Ltd., Shanghai (China), was included in the scope of consolidation for the first time as of December 31, 2005. No differential amounts resulted from the first-time consolidation.

Jungheinrich Katalog GmbH & Co. KG, Hamburg, was founded in Germany in the year under review. Jungheinrich Finance SAS and Jungheinrich Financial Services SAS, both based in Vélizy-Villacoublay (France), were established in 2005 to expand the French financial services business. The first-time consolidation of these three companies as of June 30, 2005, did not result in any differential amounts.

(3) Notes on the adoption of IFRS**Basis**

Jungheinrich AG's consolidated financial statements for the period that ended on December 31, 2005, were prepared applying International Financial Reporting Standards (IFRS) and the binding interpretations of the International Financial Reporting Interpretations Committee (IFRIC) for the first time. The accounting and valuation methods comply with all the IFRSs effective as of the balance sheet date.

The consolidated financial statements for the financial year ending on December 31, 2004, and the interim reports for 2005 were prepared in accordance with US Generally Accepted Accounting Principles (US GAAP).

The adoption of IFRS is in line with the adoption rules included in IFRS 1 'First-time adoption of International Financial Reporting Standards.' The previous year's figures have been adjusted accordingly. Differential amounts resulting from the transition of accounting and valuation methods to IFRS effective January 1, 2004, were recognized in retained earnings without an effect on results.

Reconciliation of the Group's shareholders' equity as of January 1, 2004, (time of adoption of IFRS) and as of December 31, 2004

in thousand €	12/31/2004	01/01/2004
US GAAP Group shareholders' equity	391,772	358,285
Goodwill adjustment	(2,527)	(2,527)
First-time consolidations in 2004	1,258	–
Capitalization of development costs	27,967	25,224
Reversal of fixed asset impairment loss	1,599	1,825
Inventory valuation	1,714	1,447
Provisions for pensions		
Recognition of all actuarial gains and losses (fresh start)	(29,523)	(31,112)
Dissolution of the minimum pension liability recognized in shareholders' equity	15,016	14,932
Other long-term employee benefits	(1,663)	(705)
Other items	630	631
Deferred taxes		
on consolidation bookings with an effect on results	(8,607)	(8,892)
on the effects of the adoption of IFRS	(13,921)	(10,658)
IFRS Group shareholders' equity	383,715	348,450

Notes on major adoption effects

IFRS 1 exempts companies from the obligation to retrospectively apply IFRS 3 'Business Combinations' when preparing the opening IFRS balance sheet. Jungheinrich has chosen to exercise this option for business combinations occurring before January 1, 2002. Goodwill recognized in the 2003 consolidated financial statements according to US GAAP was transferred to the opening IFRS balance sheet at its carrying amount, with the exception of the goodwill stemming from the acquisition of Jungheinrich Moosburg GmbH, Moosburg. Pursuant to IFRS, the subsidiary's capitalizable development costs would have had to have been stated as intangible assets when it was consolidated for the first time. Pursuant to US GAAP, these development costs were not capitalized separately and thus became part of capitalized goodwill in the consolidated financial statements. Due to the adoption of IFRS, this goodwill has been reduced to the portion allocable to the development costs capitalizable in accordance with IFRS.

In line with US GAAP, Jungheinrich stopped amortizing goodwill on January 1, 2002, and instead subjects it to an impairment test at least once a year. Jungheinrich is applying IFRS 3 retrospectively starting on January 1, 2002. Goodwill accounting will remain unchanged.

Negative goodwill resulting from the first-time consolidation of Jungheinrich Portugal Equipamentos de Transporte Lda., Lisbon, was reduced pro rata against acquired non-current assets under US GAAP, and the remainder was recorded with an effect on net income. Conversely, pursuant to IFRS, negative goodwill is recognized with an effect on net income without a prior reduction.

Unlike under US GAAP, pursuant to IAS 38, development costs are capitalized as intangible assets as long as the recognition criteria of IAS 38.57 have been cumulatively fulfilled and the manufacture of the developed products is expected to be of economic benefit to the Jungheinrich Group.

An impairment loss is recognized for fixed assets once their value decreases, both under IFRS and US GAAP. If the reason for an impairment carried out in previous years no longer exists, according to IAS 36, a reversal to depreciated acquisition or manufacturing costs is performed. Conversely, US GAAP prohibits reversals.

Pursuant to IAS 2, inventories are measured at the lower of acquisition or manufacturing cost and their net realizable value. Therefore, using the procurement market as an additional point of orientation when determining the lowest value, which is done for US GAAP consolidated financial statements, is not allowed. Corresponding valuation allowances for raw materials and supplies were reversed without an effect on results when transitioning to IFRS.

Provisions for pensions and similar obligations are measured based on actuarial calculations using the projected unit credit method both under IFRS and US GAAP. Jungheinrich is exercising the option under IFRS 1 to recognize in provisions for pensions in the opening IFRS balance sheet all of the actuarial gains and losses from the valuation of defined benefit pension plans accumulated until the adoption of IFRS (fresh start).

IAS 19 does not include the policy mandated under US GAAP to state a minimum pension liability in the amount of the projected benefit obligation without taking future salary increases into account. The excess of provisions for pensions formerly recognized without an effect on results in shareholders' equity is thus reversed under IFRS, and the provisions for pensions carried on the balance sheet are reduced correspondingly.

Vested employee benefits that come due pursuant to local regulations once they leave the company as well as other long-term employee benefits are now calculated and valued actuarially since IAS 19 replaces the valuation options under US GAAP.

When recognizing deferred taxes for the elimination of intercompany results, IFRS considers the future ongoing tax effect of the company purchasing the products, whereas US GAAP stipulates that the ongoing tax effect of the supplier company should be used.

Deferred taxes were recognized for differences resulting from the adoption of IFRS accounting and valuation.

Reconciliation of consolidated net income for fiscal 2004

in thousand €	2004
US GAAP net income	45,568
First-time consolidations in 2004	1,182
Capitalization of development costs	2,743
Reversal of fixed asset impairment loss	(226)
Inventory valuation	267
Provisions for pensions	
Recognition of all actuarial gains and losses (fresh start)	1,589
Other long-term employee benefits	(958)
Other items	42
Deferred taxes	
on consolidation bookings with an effect on results	285
on the effects of the adoption of IFRS	(1,164)
IFRS net income	49,328

Changes in balance sheet presentation

Advance payments received on orders are no longer deducted from inventories. In IFRS consolidated financial statements, they are stated under other liabilities.

Receivables from affiliated companies and associated companies are no longer fully stated under other receivables and other assets. In IFRS consolidated financial statements, they are stated in line with their nature under trade accounts receivable or other receivables and other assets. The statement of payables to affiliated companies and associated companies has been changed accordingly.

Reinsurance policies used to finance provisions for pensions previously stated under other assets qualify as insurance policies under IAS 19 and are netted out against corresponding provisions for pensions in IFRS consolidated financial statements.

Proceeds from the sale of trucks relating to customer contracts with a leasing company acting as intermediary and with an agreed residual value guarantee of more than 10 per cent of the truck value were previously deferred under liabilities from financial services and are stated under deferred income in IFRS consolidated financial statements.

Current tax receivables and liabilities previously stated under other assets, other liabilities and other provisions are stated as separate items on the consolidated balance sheets of IFRS consolidated financial statements.

Deferred taxes on consolidation bookings with an effect on results are now stated as deferred tax assets instead of as other receivables and other assets.

Changes in the presentation of the statement of cash flows

Due to changes in the interpretation of entries and the allocation of cash flows for the short-term hire and financial services business and finance leases, the statement of cash flows deviates substantially to the previous one. The reclassification described below ensures that only cash transactions will be classified as cash flows from investing and financing activities in accordance with IAS 7 in the future.

The following table shows the reclassification of items as of December 31, 2004:

in thousand €	Before reclassification	reclassification	After reclassification
Cash flows from operating activities	114,610	- 90,657	23,953
Cash flows from investing activities	- 87,896	66,309	- 21,587
Cash flows from financing activities	- 4,286	24,348	20,062
Changes in cash and cash equivalents	22,428	-	22,428
Cash and cash equivalents as of 1/1/2004	204,683	-	204,683
Changes in cash and cash equivalents due to changes in exchange rates and other valuations	1,308	-	1,308
Cash and cash equivalents as of 12/31/2004	228,419	-	228,419

Additions to and disposals of trucks for short-term hire and lease as well as tangible assets from finance leases previously allocated to cash flows from investing activities will be stated under cash flows from operating activities in the future. The reclassification of trucks for short-term hire and lease is primarily due to the ratio of dwell time and/or the contractual period to the trucks' economic useful lives as well as to the degree to which the asset disposals are tied up in connection with the operating activities of the used equipment business. The reclassification of finance leases ensures that non-cash transactions are not allocated to cash flows from investing activities in accordance with IAS 7.43.

Changes in liabilities from financial services and in leasing liabilities previously presented in cash flows from financing activities will be allocated to cash flows from operating activities in the future. Finance transactions ('finance leases') concluded within the scope of the financial services business using the sale and lease back method and for certain tangible assets as well as deferred sales and income from the sale of trucks and future lease rates are not part of classical credit financing. In the future, the presentation will be made by stating cash flows through cash flows from operating activities derived using the indirect method. This will be done together with the aforementioned changes in the carrying amounts of the associated assets.

Notes to the consolidated statement of income

(4) Net sales

Net sales are generated from the following business fields:

in thousand €	2005	2004
New truck business	876,791	792,491
Income from the short-term hire and sale of used equipment	246,606	232,929
After-sales service	521,454	505,258
	1,644,851	1,530,678

(5) Cost of sales

The cost of sales includes the cost of materials consisting of the cost of raw materials and supplies as well as for purchased goods and services totalling €830,346 thousand (prior year: €747,767 thousand).

The cost of materials contains currency gains and losses amounting to €2,332 thousand (prior year: €2,669 thousand) and €4,389 thousand (prior year: €3,268 thousand) stemming from purchases made in foreign currencies.

(6) Personnel expenses

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

in thousand €	2005	2004
Wages and salaries	400,463	386,746
Social security contributions	88,161	86,899
Costs for pensions and other benefits		
Defined benefit plans	12,589	13,111
Defined contribution plans	665	352
Other costs for pensions and other benefits	1,265	1,485
	503,143	488,593

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

	2005	2004
Hourly-paid employees	4,695	4,784
Salaried employees	4,001	3,989
Trainees and apprentices	234	239
	8,930	9,012

(7) Depreciation and amortization

Depreciation and amortization are shown in the consolidated statement of changes in fixed assets.

(8) Other operating income

Other operating income includes €1,143 thousand (prior year: €9,521 thousand) in income from the disposal of fixed assets as well as currency gains from financing in foreign currencies totalling €565 thousand (prior year: €457 thousand).

Other operating income includes €570 thousand in income from the disposal of investments. The chapter on changes in the scope of consolidation contains additional relevant information.

(9) Other operating expenses

In the year under review, other operating expenses consisted of €1,283 thousand in expenses incurred due to the impairment loss recognized for the goodwill of Jungheinrich Lift Truck Corp., Richmond (USA).

Other operating expenses include €792 thousand (prior year: €908 thousand) in losses from the disposal of fixed assets as well as currency losses from financing in foreign currencies totalling €447 thousand (prior year: €855 thousand).

(10) Other net income (loss) from investments

Expenses incurred due to impairment losses recognized for investments in affiliated companies amount to €3,366 thousand and are included in other net income (loss) from investments for fiscal 2005.

(11) Financial income (loss)

in thousand €	2005	2004
Interest and similar income	23,491	19,062
Interest and similar expenses	23,608	23,040
Income from securities and loans	–	30
	– 117	– 3,948

In the year under review, the financial services division accrued €16,081 thousand in interest income (prior year: €13,485 thousand) and incurred €11,048 thousand in interest expenses (prior year: €9,723 thousand).

(12) Income taxes

The Group's income taxes break down as follows:

in thousand €	2005	2004
Current taxes		
Germany	24,671	7,831
Other countries	10,991	16,074
Deferred taxes		
Germany	5,301	8,780
Other countries	3,711	1,408
	44,674	34,093

The effective tax burden in Germany is affected by the fact that additional depreciations for tax purposes at Jungheinrich Aktiengesellschaft that are due to the reorganization process in 1989, which reduced the tax burden by approximately €9.2 million per annum were used for the last time in 2004. The additional increase in 2005 is due to the improved earnings situation in Germany and the utilization of commercial tax loss carryforwards.

The difference in foreign current taxes is largely due to effects from the prior year.

In the consolidated financial statements for the periods ending on December 31, 2005, and December 31, 2004, the deferred taxes allocable to Germany are calculated based on an overall tax rate of 38.7 per cent (corporate income tax rate of 25.0 per cent plus a solidarity surcharge of 5.5 per cent on the corporate income tax rate; trade tax rate of 12.325 per cent).

The applied local income tax rates for foreign companies varied between 12.5 per cent and 40.0 per cent.

As of December 31, 2005, the Group had about €137 million in corporate tax loss carryforwards (prior year: €141 million). The loss carryforwards can largely be carried forward without limitations. €17.8 million (prior year: €19.6 million) in value reductions were recognized for deferred tax assets for these loss carryforwards.

When stating deferred tax assets on the balance sheet, one must assess the extent to which future effective tax relief might result from existing tax loss carryforwards and the differences in accounting and valuation. In this context, all positive and negative influential factors have been taken into account. Our present assessment of this point may alter depending on changes in our earnings position in future years and may necessitate a higher or lower valuation allowance.

Deferred tax assets and liabilities result from the accounting and valuation differences in the following balance sheet items:

in thousand €	12/31/2005	12/31/2004
Tangible and intangible assets	49,066	37,510
Inventories	9,659	2,855
Receivables	1,597	7,945
Tax loss carryforwards	41,647	43,370
Provisions for pensions	16,332	15,940
Other provisions	18,407	24,346
Liabilities	134,952	127,329
Deferred income	7,921	7,605
Other	22,876	10,250
Valuation allowances	(33,413)	(38,090)
Deferred tax assets	269,044	239,060
Tangible and intangible assets	73,153	85,469
Inventories	5,099	6,231
Receivables	123,471	73,615
Provisions for pensions	215	117
Other provisions	15,431	8,060
Liabilities	2,767	4,602
Other	2,228	5,171
Deferred tax liabilities	222,364	183,265
Net deferred taxes	46,680	55,795

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

in thousand €	12/31/2005	12/31/2004
Deferred tax assets	63,804	71,039
Deferred tax liabilities	17,124	15,244
Net deferred taxes	46,680	55,795

The following table shows the reconciliation from the expected tax expenses to the disclosed tax expenses. The expected tax expenses reported are the sum resulting from applying the overall tax rate of 38.7 per cent (prior year: 38.7 per cent) applicable to the parent company to consolidated earnings before income taxes.

in thousand €	2005	2004
Expected tax expenses	41,323	32,284
Change in the tax rate	212	624
Foreign tax differentials	- 940	1,442
Change in valuation allowances	2,934	2,302
Non-deductible operating expenses and tax-free gains	- 679	- 5,077
Other	1,824	2,518
Actual income tax expense	44,674	34,093

At 41.8 per cent, the Group's tax quota was up on the previous year (40.9 per cent).

Notes to the consolidated balance sheet

Changes in fixed assets in the year under review are shown in detail in the consolidated statement of changes in fixed assets.

Changes in fixed assets in the previous year are shown in the following table.

in thousand €	Intangible assets	Tangible assets	Trucks for short-term hire	Trucks for lease from financial services	Investments in associated companies	Other financial assets	Total fixed assets
Acquisition and manufacturing costs							
As of Jan. 1, 2004	49,689	421,896	180,502	281,141	7,209	8,352	948,789
Changes in currency exchanges rates and changes in the scope of consolidation	4,397	4,419	4,093	4,179	–	(3,395)	13,693
Additions	10,617	30,436	61,638	54,055	2,799	4,030	163,575
Disposals	1,654	86,042	66,249	66,516	1,211	19	221,691
Transfers	(157)	164	(7)	–	–	–	–
As of Dec. 31, 2004	62,892	370,873	179,977	272,859	8,797	8,968	904,366
Depreciation and amortization							
As of Jan. 1, 2004	19,179	222,418	79,981	103,322	–	2,426	427,326
Changes in currency exchanges rates and changes in the scope of consolidation	58	2,234	1,222	677	–	–	4,191
Depreciation in the fiscal year	7,465	24,976	32,876	45,703	–	–	111,020
Accumulated depreciation on disposals	1,255	73,532	41,455	43,954	–	19	160,215
Transfers	(6)	6	–	–	–	–	–
As of Dec. 31, 2004	25,441	176,102	72,624	105,748	–	2,407	382,322
Carrying amount Dec. 31, 2004	37,451	194,771	107,353	167,111	8,797	6,561	522,044

(13) Intangible assets

Intangible assets include €4,898 thousand in goodwill (prior year: €6,181 thousand). Impairment tests carried out on goodwill were based on future estimated discounted cash flows derived from the multi-year budget.

Due to the postponement in expected positive cash flows, Jungheinrich Lift Truck Corp., Richmond (USA) posted a negative value in use. Therefore, a €1,283 thousand impairment loss was recognized. Impairment tests performed on all of the remaining goodwill did not result in further impairment losses.

In addition, capitalized development costs amounting to €29,160 thousand (prior year: €27,967 thousand) were the major item stated under intangible assets. In the year under review, development costs totalling €7,300 thousand (prior year: €7,991 thousand) met the recognition criteria under IFRS.

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

in thousand €	2005	2004
Research costs and uncapitalized development costs	32,920	30,104
Amortization of capitalized development costs	6,107	5,248
	39,027	35,352

€3,755 thousand in additions to the item 'licenses and software' primarily relate to software purchased from third parties.

(14) Tangible assets

Tangible assets include €35,783 thousand (prior year: €27,616 thousand) in leased real estate, which classify the Group as commercial owner due to the nature of the underlying leases ('finance leases'). Depreciation on leased and rented property in the year under review totalled €1,375 thousand (prior year: €1,738 thousand). The decrease in depreciation is related to the reclassification of real estate in Moosburg that was rented from third parties in the previous year.

(15) Trucks for short-term hire

The fleet includes leased trucks for short-term hire with an aggregate value of €18,285 thousand (prior year: €20,827 thousand) which classify the Group as commercial owner due to the nature of the underlying leases ('finance leases'). Corresponding depreciation on these trucks amounts to €8,104 thousand (prior year: €10,373 thousand).

(16) Trucks for lease from financial services

Trucks for lease from financial services are classified as follows:

in thousand €	12/31/2005	12/31/2004
'Operating lease' contracts with customers	49,691	44,996
Contracts concluded with a leasing company acting as an intermediary	108,375	122,115
	158,066	167,111

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.

Customer contracts concluded with a leasing company acting as an intermediary are also capitalized under this item on the basis of the amount of an agreed residual value guarantee at more than 10 per cent of the truck value.

The following future minimum lease payments will arise from non-cancellable operating leases:

in thousand €	12/31/2005
Due within less than one year	18,087
Due in one to five years	20,606
Due in more than five years	–
	38,693

Trucks for lease with a carrying amount of €14,288 thousand (prior year: €25,116 thousand) are financed based on sale and leaseback agreements. Future minimum lease payments from sub-lease arrangements total €6,645 thousand.

(17) Investments in associated companies/Other financial assets

The following figures are attributable to the Group due to the shares held in joint ventures:

in thousand €	2005	2004
Assets	16,533	15,318
Liabilities	9,668	8,725
Net sales	33,392	30,001
Net income	623	877

In fiscal 2004 equity accounting for one associated company was discontinued. In the year under review, an additional share of losses of €291 thousand was not recognized. In total, a share of losses of €411 thousand was not taken into account at the balance sheet date.

Due to a change in statutory regulations, in the year under review, the company was able to sell long-term securities, principally consisting of fixed-interest government bonds held to cover provisions accrued on Austrian balance sheets for employee benefits due upon their leaving the company.

(18) Inventories

in thousand €	12/31/2005	12/31/2004
Raw materials and supplies	40,959	37,274
Work in process	13,703	14,597
Finished goods	40,405	34,983
Merchandise	38,982	32,662
Spare parts	22,670	26,704
Advance payments	3,860	4,309
	160,579	150,529

€26,304 thousand (prior year: €27,205 thousand) of the inventories are measured at their net realizable value.

(19) Trade accounts receivable

in thousand €	12/31/2005	12/31/2004
Trade accounts receivable	338,745	314,519
Valuation allowances	– 8,791	– 11,990
	329,954	302,529

Trade accounts receivable include €8,217 thousand (prior year: €6,403 thousand) in receivables from affiliated companies and €1,844 thousand (prior year: €828 thousand) in receivables from associated companies.

(20) Receivables from financial services

Within the framework of the financial services business in which Jungheinrich Group companies act as lessors, the net investment value of customer leases classified as 'finance leases' in accordance with IFRS are capitalized as receivables from financial services.

Receivables from financial services are based on the following data:

in thousand €	12/31/2005	12/31/2004
Total minimum lease payments receivable	323,671	255,075
due within less than one year	100,491	80,933
due in one to five years	218,687	169,998
due in more than five years	4,493	4,144
Present value of minimum lease payments receivable	290,863	228,860
due within less than one year	86,453	69,390
due in one to five years	200,122	155,484
due in more than five years	4,288	3,986
Unearned interest income	32,808	26,215

Receivables from financial services include minimum lease payments from sublease arrangements amounting to €115,431 thousand (prior year: €114,094 thousand).

(21) Other receivables and other assets

in thousand €	12/31/2005	12/31/2004
Other receivables from affiliated companies	2,355	3,702
Other receivables from associated companies	500	200
Other assets	23,681	17,660
	26,536	21,562

Receivables from affiliated companies primarily comprise loans.

Other assets include €14,172 thousand (prior year: €3,439 thousand) in other current tax receivables. Receivables from loans and advances granted to personnel amount to €1,065 thousand (prior year: €1,028 thousand).

(22) Securities

As of the balance sheet date, Jungheinrich held €41,830 thousand (prior year: €40,957 thousand) in freely available shares in money market funds. €873 thousand in unrealized gains from changes in the fair value of securities were booked with an effect on net income (prior year: €839 thousand).

(23) Liquid assets

Liquid assets include bank balances, cash balances, balances at the German central bank, and checks. They have an original maturity of three months or less.

(24) Prepaid expenses

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

(25) Shareholders' equity**Number of shares issued**

The subscribed capital is divided into 18,000,000 non-par-value ordinary shares and 16,000,000 non-par-value preferred shares.

Own shares

In accordance with the authorization issued by the general meeting on June 22, 1999, and with the consent of the Supervisory Board, the Board of Management purchased shares in Jungheinrich Aktiengesellschaft, which are held for resale.

Of the 360,000 preferred shares that were purchased between June 28 and July 2, 1999, at an average price of €15.75 per share, 1,684 were sold for €18.51 per share in fiscal 2004, and 358,316 were sold for between €19.29 and €20.35 per share in fiscal 2005.

Retained earnings

The following transactions are reflected in other changes in retained earnings of the previous year.

This item includes part of the reserve accrued for real estate owned by Boss Manufacturing Ltd., Leighton Buzzard (UK), amounting to €1,373 thousand, which had to be released once the lion's share of the property at that site had been sold. Income from the release of these reserves was recorded in operating income.

A Group provision for pensions of €739 thousand was accrued for the first time for the pension plans of Jungheinrich Nederland B.V., Alphen a.d. Rijn (Netherlands). Net of taxes, this addition resulted in a €480 thousand charge against retained earnings.

A negative share of capital amounting to €144 thousand attributable to the minority shareholders of Tinus Grundstücksvermietungsgesellschaft mbH, Hamburg, was offset against the Group's retained earnings.

Dividend proposal

Jungheinrich AG pays its dividend from the distributable profit stated in the financial statements of Jungheinrich AG, which are prepared in accordance with the German Commercial Code. The Board of Management of Jungheinrich AG proposes to use the €17,770 thousand distributable profit for the 2005 financial year to pay a dividend of €0.45 per ordinary share and €0.51 per preferred share, amounting to a total dividend payment of €16,260 thousand, and transfer €1,510 thousand to other retained earnings.

(26) 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. Current contributions are recorded as a pension expense of the corresponding year.

Provisions for pensions mainly include the commitments entered into in Germany and regulated in individual and collective agreements regarding defined benefit plans for members of the Board of Management, managing directors, and employees of Jungheinrich Aktiengesellschaft and Jungheinrich Moosburg GmbH. When pension benefits are committed within the framework of collective agreements, the amount of the pension claim depends on the number of eligible years of service when the pension payment is scheduled to start as well as on the monthly average salary of the beneficiary. The company pension plans of Jungheinrich Aktiengesellschaft and of Jungheinrich Moosburg GmbH have been closed to wage earners and salaried employees since July 1, 1987, and April 14, 1994, respectively.

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

The pension obligations have been measured in accordance with IAS 19.

The following tables show the pension obligations stated on the consolidated balance sheet and the pension expenses relating to defined benefit pension commitments disclosed in the consolidated statement of income.

Actuarial gains and losses can arise owing to increases or decreases in the present value of the defined benefit obligation or in the fair value of plan assets, in part stemming from changes in the parameters of actuarial calculations (both financial and biometric). Accumulated unrecognized actuarial gains and losses exceeding 10 per cent of the higher of the defined benefit obligation and the fair value of plan assets are recognized over the expected average remaining working lives of the employees covered by the pension plan.

Pension obligations were calculated based on the following weighted average assumptions:

	12/31/2005	12/31/2004
Discount rate	4.6%	5.3%
Expected rate of compensation increase	3.1%	3.0%
Expected rate of pension increase	2.0%	2.1%

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

	2005	2004
Discount rate	5.3%	5.6%
Expected long-term return on plan assets	7.5%	7.5%
Expected rate of compensation increase	3.0%	3.4%
Expected rate of pension increase	2.1%	2.4%

Funded status of defined benefit pension plans:

in thousand €	12/31/2005	12/31/2004
Present value of funded benefit obligations	141,757	111,790
Fair value of plan assets	101,488	76,601
Funding gap	40,269	35,189
Present value of unfunded benefit obligations	144,974	127,264
Net obligation	185,243	162,453
Unrecognized actuarial gains (+)/losses (-)	- 20,573	- 1,942
Net amount recognized	164,670	160,511

The net amount recognized is only included in the balance sheet item 'provisions for pensions and similar obligations.'

Reconciliation of the defined benefit obligation

in thousand €	2005	2004
Defined benefit obligation at the beginning of the year	239,054	216,382
Changes in the currency exchange rates	2,981	17
Current service cost	5,411	5,521
Interest cost	12,996	12,467
Plan participants' contributions	2,300	1,870
Actuarial gains (-) and losses (+)	32,780	3,094
Benefits paid	- 9,001	- 7,055
Other changes	210	6,758
Defined benefit obligation at the end of the year	286,731	239,054

Other changes in the previous year's defined benefit obligation and plan assets result from the pension plans in place at Jungheinrich Nederland B.V., Alphen a.d. Rijn (Netherlands) that had to be added for the first time to comply with IAS 19.

Plan assets

Plan assets largely comprise separate plans set up to cover pension obligations in the UK. The plan assets and income from the pension funds are exclusively earmarked for pension benefits and to cover the cost of administering the pension plans. Jungheinrich works with outside asset managers to invest in the plan assets.

Plan assets are distributed among various portfolios primarily consisting of shares and fixed-interest securities.

Our long-term investment strategy complies with minimum capital cover requirements and the goal of maximizing income from the plan assets while keeping volatility at a reasonable level, in order to minimize the long-term costs of defined benefit pension plans. Plan asset investments are made while ensuring that cash and cash equivalents are sufficient to cover pension benefits that come due.

Portfolio structure of plan assets:

	12/31/2005	12/31/2004
Shares	69%	67%
Fixed-interest securities	26%	27%
Real estate	5%	5%
Other	–	1%
	100%	100%

Reconciliation of plan assets:

in thousand €	2005	2004
Fair value of plan assets at the beginning of the year	76,601	59,354
Changes in currency exchange rates	2,005	19
Expected return on plan assets	5,818	4,877
Actuarial gains (+) and losses (–)	14,064	1,777
Employer contributions	3,948	5,287
Plan participants' contributions	2,300	1,870
Benefit paid	– 3,248	– 2,076
Other changes	–	5,493
Fair value of plan assets at the end of the year	101,488	76,601

Jungheinrich expects cash contributions to plan assets to total about €5.2 million in fiscal 2006, in order to comply with minimum statutory and contractual requirements.

Composition of pension expense for defined benefit plans in the statement of income:

in thousand €	2005	2004
Current service cost	5,411	5,521
Interest cost	12,996	12,467
Expected return on plan assets	– 5,818	– 4,877
	12,589	13,111

In the year under review, the actual return on plan assets amounted to €19,882 thousand (prior year: €6,654 thousand).

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

Three-year overview

in thousand €	2005	2004	2003
Defined benefit obligation at the end of the year	286,731	239,054	216,382
Fair value of plan assets at the end of the year	101,488	76,601	59,354
Net obligation	185,243	162,453	157,028
Actuarial gains (-)/losses (+) – defined benefit obligation for the year	32,780	3,094	–
Actuarial gains (-)/losses (+) – plan assets for the year	– 14,064	– 1,777	–
Actuarial gains (-)/losses (+) for the year	18,716	1,317	–

(27) Other Provisions

Other provisions are shown in the following table:

in thousand €	As of Jan. 1, 2005	Exchange rate differences	Changes in the scope of consolidation	Utilizations	Release	Additions	As of Dec. 31, 2005
Provisions for personnel	77,109	130	– 9	37,005	2,185	47,278	85,318
Provisions for outstanding incoming invoices	19,146	41	–	18,149	296	22,001	22,743
Provisions for warranty obligations	14,837	72	72	29,196	61	31,821	17,545
Other	46,552	117	252	24,947	5,171	12,760	29,563
Other provisions	157,644	360	315	109,297	7,713	113,860	155,169

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

As of the balance sheet date, obligations from partial retirement agreements amounted to €13,629 thousand (prior year: €13,277 thousand), which were netted out against €6,140 thousand in securities (prior year: €5,628 thousand). These securities are exclusively held to secure benefits due to employees within the scope of partial retirement agreements in the long term and are classified as plan assets under IAS 19. These securities are money market fund shares which, however, are not freely available at present due to the role they play as back-up for these agreements. All partial retirement agreements are fully covered at present.

Additions to provisions for personnel include €1,306 thousand in interest accretions. €33,331 thousand (prior year: €28,051 thousand) of the provisions for personnel have a remaining maturity of more than one year. This includes €14,458 thousand (prior year: €13,561 thousand) with a remaining maturity of more than 5 years.

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 2005 for material handling equipment sold in 2005.

Other provisions relate to impending losses from pending transactions, customer bonuses, lawsuits, environmental risks as well as other obligations. Jungheinrich was caused to largely make use of the provisions for restructuring amounting to €15,115 thousand included in this item at the beginning of the year, above all to cover the cost of closing MIC S.A., Rungis (France).

(28) Financial liabilities

in thousand €	Liabilities due to banks	Promissory note bonds	Leasing liabilities	Drafts and notes payable	Financial liabilities
12/31/2005	155,550	54,689	55,263	3,070	268,572
due within less than one year	124,873	–	13,492	3,070	141,435
due in one to five years	14,661	–	23,070	–	37,731
due in more than five years	16,016	54,689	18,701	–	89,406
12/31/2004	109,811	54,636	46,553	2,698	213,698
due within less than one year	76,887	–	12,294	2,698	91,879
due in one to five years	15,678	–	18,079	–	33,757
due in more than five years	17,246	54,636	16,180	–	88,062

The promissory note bond covers a nominal €55,000 thousand and has a maturity ending in 2011. The nominal interest rate is 4.25 per cent p.a. and the effective interest rate is 4.41 per cent p.a. As of the balance sheet date, the fair value of the promissory note bond was €55,462 thousand (prior year: €54,632 thousand).

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

In the year under review, €34,139 thousand (prior year: €37,108 thousand) in liabilities due to banks was secured by mortgage liens.

The following table provides details on liabilities due to banks:

Currency	Interest conditions	Remaining term of the interest conditions	Nominal volume in '000 €	Effective interest rate range 2005	Carrying amounts as of 12/31/2005 in '000 €	Effective interest rate range 2004	Carrying amounts as of 12/31/2004 in '000 €
EUR	variable	< 1 year	43,089	EURIBOR + margin	43,089	EURIBOR + margin	27,004
USD	variable	< 1 year	14,944	LIBOR + margin	14,944	LIBOR + margin	1,214
GBP	variable	< 1 year	61,389	LIBOR + margin	61,389	LIBOR + margin	37,561
Other	variable	< 1 year	3,494	LIBOR + margin	3,153	LIBOR + margin	4,781
EUR	fixed	< 1–14 years	45,130	4.8% – 5.6%	30,697	2.5% – 5.7%	36,682
GBP	fixed	5 years	2,884	7.0%	1,313	7.0%	1,532
Other	fixed	4 years	1,071	3.5%	965	3.5%	1,037
Total liabilities due to banks			172,001		155,550		109,811
Fair value as of December 31					156,561		110,095

Leasing liabilities exist in connection with the financing of tangible assets and trucks for short-term hire via leases which, according to IFRS, are classified as 'finance leases.' Thus Jungheinrich must capitalize these assets as fixed assets in its capacity as lessee.

Leasing liabilities are amortized over the leases' basic lease term and fall due as follows as of the balance sheet date:

in thousand €	12/31/2005	12/31/2004
Total future minimum lease payments	71,345	61,589
due within less than one year	16,233	14,599
due in one to five years	31,143	24,418
due in more than five years	23,969	22,572
Present value of future minimum lease payments	55,263	46,553
due within less than one year	13,492	12,294
due in one to five years	23,070	18,079
due in more than five years	18,701	16,180
Future interest expenses	16,082	15,036

As of the balance sheet date, the fair value of leasing liabilities totalled €55,169 thousand (prior year: €46,585 thousand).

(29) Liabilities from financial services

€44,697 thousand (prior year: €53,076 thousand) of the liabilities from financial services consisted of liabilities from residual value guarantees relating to lease contracts with a leasing company acting as intermediary and with residual values of more than 10 per cent of the truck value.

This item also contains €334,303 thousand (prior year: €263,007 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, which are reduced over the term of the leases, were due as follows as of the balance sheet date:

in thousand €	12/31/2005	12/31/2004
Total future minimum lease payments	361,344	285,859
due within less than one year	111,664	90,752
due in one to five years	244,171	190,102
due in more than five years	5,509	5,005
Net present value of future minimum lease payments	334,303	263,007
due within less than one year	99,897	80,542
due in one to five years	229,060	177,610
due in more than five years	5,346	4,855
Future interest expenses	27,041	22,852

Liabilities from financing include future minimum lease payments from financing under sale and lease-back agreements in the amount of €128,965 thousand (prior year: €130,908 thousand).

(30) Trade accounts payable

Trade accounts payable include €191 thousand (prior year: €372 thousand) in payables to affiliated companies and €1,278 thousand (prior year: €1,032 thousand) in payables to associated companies.

(31) Other liabilities

All other liabilities are due within one year and break down as follows:

in thousand €	12/31/2005	12/31/2004
Advance payments received on orders	6,271	6,633
Other advance payments received	176	161
Other tax liabilities	23,036	21,162
Social security liabilities	13,797	15,116
Employee liabilities	2,250	1,505
Other liabilities to affiliated companies	831	648
Other liabilities to associated companies	–	290
Other	5,120	10,323
	51,481	55,838

(32) Deferred income

in thousand €	12/31/2005	Thereof maturities of		12/31/2004
		up to 1 year	more than 1 year	
Deferred sales from financial services	91,119	35,799	55,320	104,336
Deferred profit from financial services	33,247	13,486	19,761	31,944
Other deferrals	8,192	2,686	5,506	8,638
	132,558	51,971	80,587	144,918

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 achieved through the leasing company. These deferred sales proceeds are reduced using the straight-line method over the terms affecting sales until the residual value guarantee falls due.

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

Additional information

(33) Consolidated statement of cash flows

The statement of cash flows presents cash flows independently of the balance sheet structure, breaking them down among cash flows from operating activities, investing activities and financing activities. Cash flows from investing and financing activities are directly attributed corresponding cash flows. Cash flows from operating activities are derived indirectly.

Cash flows from operating activities are derived from net income, which is adjusted to exclude non-cash income and expenses – mainly consisting of depreciation – and taking into account changes in working capital. Changes in working capital include changes in the carrying amounts of trucks for short-term hire and lease and of certain tangible assets from finance leases primarily consisting of real estate as well as liabilities and deferred sales and income stemming from the financing of these assets.

Cash flows from investing activities comprise additions and disposals of tangible and financial assets not financed via finance leases as well as of intangible assets, primarily consisting of additions to capitalized development costs.

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

The effects of reclassification on fiscal 2004 are explained in the notes on changes in the presentation of the statement of cash flows under item 3.

Cash and cash equivalents at the end of the year correspond to the liquid assets disclosed on the balance sheet, plus the freely available securities of Jungheinrich Aktiengesellschaft, Hamburg, with an original term to maturity of up to three months amounting to €41,830 thousand (prior year: €40,957 thousand).

Changes in cash and cash equivalents due to changes in exchange rates and other valuations include €585 thousand (prior year: €793 thousand) in net value added by first-time consolidations and deconsolidations in the year under review. The notes on the changes in the scope of consolidation provide further related information.

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

in thousand €	2005	2004
Interest paid	25,354	22,697
Interest received	23,489	18,227
Income taxes paid	29,655	14,215

(34) Litigation

In connection with the closure of MIC S.A., Rungis (France) and the insolvency proceedings initiated at the end of 2005, various lawsuits, legal proceedings and claims from affected employees against this subsidiary are pending, or may be filed or asserted in the future. Since it is impossible to predict the outcome of such litigation and its effect on Jungheinrich, no provisions had to be recognized as a liability in the consolidated financial statements.

Furthermore, no Group companies are involved in ongoing legal or arbitration proceedings that could have a considerable impact on the Group's economic situation, are likely to become involved in such litigation, or have 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.

(35) Contingent liabilities and other financial obligations

in thousand €	12/31/2005	12/31/2004
Contingent liabilities from discounted bills of exchange	7,035	6,456
Contingent liabilities from guarantees	17,301	19,550
	24,336	26,006

Liabilities from guarantees result above all from letters of comfort issued to banks that secure credit lines of non-consolidated affiliated companies. The maturities of these guarantees generally correspond to the maturities of the corresponding liabilities of the non-consolidated affiliated companies. The Group's parent company, Jungheinrich Aktiengesellschaft, Hamburg, has also issued letters of comfort in the amount of €106,238 thousand to secure credit lines of consolidated affiliated companies. All intercompany guarantees are eliminated due to consolidation and are therefore not included in the table above. As of the balance sheet date, no provisions had to be carried for the contingencies described above.

Rental agreements and leases

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

in thousand €	12/31/2005	12/31/2004
Due within less than one year	36,377	32,492
Due in one to five years	46,167	43,136
Due in more than five years	2,758	3,393
	85,302	79,021

Recognized expenses associated with operating leases in 2005 total €37,708 thousand (prior year: €31,067 thousand).

(36) Derivative financial instruments**Use of derivative financial instruments**

Changes in interest and currency exchange rates entail operating risks for the Jungheinrich Group that are actively controlled in the course of risk management. Jungheinrich uses the following financial instruments to manage these risks: currency forwards, cross-currency swaps and interest rate swaps.

We have defined control mechanisms for the use of financial instruments in a procedural guideline based on the requirements imposed by the German Corporate Sector Control and Transparency Act (KonTraG) on company risk management systems. They include, among other things, a clear separation of trading, settlement, accounting and controlling activities.

Nominal values and counterparty risk

The nominal values of derivative financial instruments amount to:

in thousand €	12/31/2005	12/31/2004
Currency hedging contracts	91,832	66,686

The currency hedging contracts contain forward exchange transactions that are used to hedge against rolling 12-month exposure in individual currencies. As a rule, the term of such contracts does not exceed a period of 12 months.

The Group is exposed to a counterparty risk that arises from the non-fulfilment of contractual agreements by counterparties. The contractual partners concerned are generally international financial institutions. On the basis of their credit rating, which is determined by reputable rating agencies, no major risk ensues for Jungheinrich from its dependence on individual counterparties. The general credit risk from the derivative financial instruments used is considered to be negligible.

The contract volumes stated and the nominal values of derivative financial instruments do not always represent volumes that are exchanged by counterparties, and they are therefore not necessarily a yardstick for the risk to which Jungheinrich is exposed through their use.

Fair values of financial instruments

The fair value of a 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 below that are based on specific prices. In view of the varying influencing factors, the values stated here may differ from the values realized on the market later on.

The fair value of forward exchange transactions is determined on the basis of current reference prices published by the European Central Bank taking account of forward premiums and discounts.

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

in thousand €	12/31/2005	12/31/2004
Assets		
Currency hedging contracts	543	447
Liabilities		
Currency hedging contracts	626	740

The capitalized amount for currency hedging contracts is part of the balance sheet item 'other assets.' The amounts for currency hedging contracts that are carried as a liability are part of the balance sheet item 'other liabilities.'

In the year under review, no unrealized gains from changes in the fair value of derivative financial instruments resulting from the non-effectiveness of hedges or failure to examine hedges for their hedging effectiveness were included in the statement of income in accordance with IAS 39. Likewise, no profits or losses resulted from hedged transactions that became unlikely.

(37) Segment information

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

Jungheinrich's Board of Management assumes overall responsibility as it acts and makes decisions on behalf of all the Group's divisions. The economic key figures and reports submitted monthly to the entire management board are oriented to inter-divisional control variables.

The Group defines itself as a single company since it classifies all its product ranges and services as a single business segment. None of the Group's business or geographical areas can be demarcated due to a difference in risks and returns, making Jungheinrich a single-segment company in its core business. Therefore, there is no need to present detailed information in the primary reporting format set forth in IAS 14.

The following tables show net sales by region as well as the assets, capital expenditures and depreciation attributable to intangible and tangible assets, also broken down by region.

Net sales by region

in thousand €	2005	2004
Germany	452,536	422,389
Rest of Europe	1,126,103	1,061,579
Other countries	66,212	46,710
	1,644,851	1,530,678

Further segment information by region:

		Germany	Rest of Europe	Other countries	Consolidation	Total
Assets as of 12/31/2005	in thousand €	162,796	79,515	1,304	3,126	246,741
Capital expenditure	in thousand €	33,092	15,525	455	–	49,072
Depreciation and amortization	in thousand €	25,046	7,835	280	1,283	34,444
Employees as of 12/31/2005		4,458	4,364	176	–	8,998

(38) Earnings per share

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

		2005	2004
Consolidated earnings	in thousand €	62,104	49,328
Weighted average number of shares issued	in thousands	33,778	33,641
Earnings per share	in €	1.84	1.47

Earnings per share are based on the weighted average number of individual share certificates issued (ordinary and preferred shares).

In fiscal 2005 and 2004, no equity instruments existed that dilute the earnings per share on the basis of the shares issued.

(39) Events after the balance sheet date

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

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

A total of €983 thousand in fees for the auditor, PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Hamburg, in fiscal 2005 were recorded as an expense, broken down into €880 thousand in fees for the audit of the financial statements and €103 thousand in fees for other services rendered, primarily in the field of tax consulting.

(41) Related party disclosures

Related parties as defined in IAS 24 are individuals and enterprises that can be materially influenced by the reporting company or are capable of exerting a material influence on the company.

Jungheinrich AG's major ordinary shareholders are LJH-Holding GmbH and WJH-Holding GmbH, both of which are headquartered in Wohltorf.

In addition to the subsidiaries included in the consolidated financial statements, Jungheinrich Aktiengesellschaft has relations to non-consolidated affiliated subsidiaries, joint ventures and other associated companies. All business relations with these companies are maintained at arm's length conditions.

Products and services traded between fully consolidated Jungheinrich Group companies and these related enterprises are shown in the following table.

in thousand €	Share in %	Products and services supplied		Products and services received	
		2005	2004	2005	2004
Juli Motorenwerk s.r.o., Czech Republic	50	–	–	18,849	16,372
Supralift GmbH & Co. KG, Germany	50	–	–	214	n.a.
Ningbo Ruyi Joint Stock Co. Ltd., China	25	–	–	38,776	35,696
Jungheinrich d.o.o., Slovenia	100	5,346	4,842	–	–
Jungheinrich Hellas EPE, Greece	100	5,206	3,712	–	–
Jungheinrich spol. s.r.o., Slovakia	100	4,933	3,291	–	–
Jungheinrich Lift Truck Pte Ltd., Singapore	100	4,976	2,844	–	–
Jungheinrich Lift Truck OOO, Russia	100	4,299	1,738	–	–
Jungheinrich Lift Truck Ltda., Brazil	100	2,638	1,448	–	–
Other affiliated companies	100	10,368	4,333	–	–

in thousand €	Share in %	Receivables from		Payables to	
		2005	2004	2005	2004
Juli Motorenwerk s.r.o., Czech Republic	50	–	–	1,061	1,032
Supralift GmbH & Co. KG, Germany	50	500	–	–	290
Ningbo Ruyi Joint Stock Co. Ltd., China	25	3	200	214	–
Jungheinrich d.o.o., Slovenia	100	1,360	1,678	43	–
Jungheinrich Hellas EPE, Greece	100	1,608	2,559	21	17
Jungheinrich spol. s.r.o., Slovakia	100	734	633	76	15
Jungheinrich Lift Truck Pte Ltd., Singapore	100	890	669	7	78
Jungheinrich Lift Truck OOO, Russia	100	1,717	245	–	138
Jungheinrich Lift Truck Ltda., Brazil	100	735	287	–	4
Other affiliated companies	100	3,528	1,850	875	768

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 with third parties at arm's length conditions.

(42) Remuneration paid to the Board of Management and the Supervisory Board

Total remuneration paid to members of the Supervisory Board for fiscal 2005 amounted to €718 thousand (prior year: €839 thousand).

Total remuneration paid to members of the Board of Management for fiscal 2005 amounted to €3,434 thousand (prior year: €2,476 thousand).

In the year under review, €205 thousand (prior year: €236 thousand) in additions to provisions for pensions for members of the Board of Management were recorded with an effect on net income.

Former members of the Board of management received €578 thousand in compensation (prior year: €412 thousand).

No advances or loans to members of the Board of Management or Supervisory Board of Jungheinrich Aktiengesellschaft existed as of December 31, 2005.

As of December 31, 2005, Jungheinrich Aktiengesellschaft had accrued a €5,945 thousand (prior year: €6,051 thousand) provision for pensions for former members of the Board of Management.

(43) Issuance of the declaration regarding the German Corporate Governance Code in accordance with Sec. 161 of the German Stock Corporation Act

In December 2005 the Board of Management and the Supervisory Board issued a declaration of conformance with Sec. 161 of the German Stock Corporation Act and then made it permanently accessible to shareholders on the website of Jungheinrich Aktiengesellschaft.

Hamburg, March 9, 2006

Jungheinrich Aktiengesellschaft
The Board of Management



Dr. Cletus von Pichler



Dr. Erich Kirschneck



Dr. Michael Lüer

Statement of the Board of Management

The Board of Management of Jungheinrich Aktiengesellschaft is responsible for preparing the consolidated financial statements and the Group management report. For the first time, reporting was conducted in compliance with International Financial Reporting Standards (IFRS), taking into account the interpretations of the International Financial Reporting Interpretations Committee (IFRIC). The Group management report is prepared in accordance with the rules set forth in the German Commercial Code (HGB).

In order to ensure compliance with the pertinent accounting principles as well as to ensure the adequacy of corporate reporting, we implement effective active and passive internal control systems. They involve the application of uniform standards throughout the Group, the use of reliable software, the selection and training of suitably qualified personnel, and ongoing audits by our internal audit department.

We combined the early warning systems existing within the Group to create a risk management system, taking applicable statutory regulations into account. This enables the Board of Management to recognize material risks at an early stage and to initiate appropriate countermeasures, if necessary.

In line with the resolution passed by the Annual General Meeting, PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Hamburg, has examined the consolidated financial statements and the Group management report as an independent Group auditor and has issued the unqualified independent auditor's report printed hereafter.

The consolidated financial statements, the Group management report and the audit report were discussed in detail with the auditors by the Supervisory Board's Audit Committee and at the Supervisory Board's meeting dedicated to the balance sheet. The results of the Supervisory Board's examination are included in the report of the Supervisory Board.

Jungheinrich Aktiengesellschaft
The Board of Management

Auditors' report

We have audited the consolidated financial statements prepared by Jungheinrich Aktiengesellschaft, Hamburg, comprising the balance sheet, the income statement, statement of changes in equity, cash flow statement and the notes to the consolidated financial statements, together with the group management report for the business year from January 1 to December 31, 2005. The preparation of the consolidated financial statements and the group management report in accordance with the IFRSs, as adopted by the EU, and the additional requirements of German commercial law pursuant to § (article) 315a Abs. (paragraph) 1 HGB ("Handelsgesetzbuch": German Commercial Code) are the responsibility of the Company's Board of 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 (Institute of Public Auditors in Germany) (IDW). 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 the entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by the Company's Board of 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 comply with the IFRSs as adopted by the EU, 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 10, 2006

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft



Rosorius
Wirtschaftsprüfer
(German Public Auditor)



Arlitt (by proxy)
Wirtschaftsprüferin
(German Public Auditor)



Report of the Supervisory Board

In the year under review, the Supervisory Board constantly supervised company management, also providing advisory assistance. At six meetings, the Supervisory Board received detailed verbal and written reports from the Board of Management on the course of affairs and the development of the company and the Group as well as on the earnings position and strategic orientation and discussed these in depth with the Board of Management as well as dealing with all other matters which according to the law, the statutes of the company, or the internal rules of procedure of the Board of Management require the consent of the Supervisory Board. The establishment of Jungheinrich Lift Truck Manufacturing (Shanghai) Co., Ltd. was approved by the Supervisory Board by written circular.

The Supervisory Board has three committees. The Personnel Committee and the Finance and Audit Committee each convened six times in fiscal 2005. The joint committee, which is equally composed of representatives of the shareholders and the employees, did not meet during the reporting period.

In addition, the Chairman of the Supervisory Board was regularly in contact with the Chairman of the Board of Management in between Supervisory Board sessions and discussed significant business transactions with him in numerous meetings.

The Supervisory Board was informed of risks associated with the company's development through regular reports of the Board of Management presented at Supervisory Board meetings and written monthly reports. Special attention was paid to risk management.

The Supervisory Board again obtained detailed information on Jungheinrich's long-term strategy and discussed possible changes to the company's future orientation and positioning with the Board of Management. Emphasis was placed on the examination of plant structures and the improvement of plant efficiency. The Board of Management's proposal to introduce new assembly and logistics processes to the plants in Norderstedt and Moosburg to increase productivity was approved. The Supervisory Board monitors substantial, long-term investments and is regularly kept abreast of their implementation.

Jungheinrich AG employees, who fall under collective bargaining agreements, have received bonuses linked to the result of the company since 1975. In light of the Group's realignment, the Board of Management suggested that the performance-linked bonus for employees be paid as a performance-based contribution to a direct life insurance policy for each employee, instead of being paid in cash. The Supervisory Board approved this change, since it is convinced that it will further improve the company's social security benefits and contribute to the wage earners' sharing in the company's success.

A survey was conducted among Supervisory Board members to determine the efficiency of the Supervisory Board's work and cooperation among the members as well as between the Supervisory Board and the Board of Management. The generally expressed wish to have regular reporting refined is being complied with.

As in previous years, the Board of Management and the Supervisory Board thoroughly discussed the recommendations and suggestions of the German Corporate Governance Code. Both corporate bodies declare that Jungheinrich will largely comply with the recommendations of the Corporate Governance Code Government Commission in the future and has done so in the past. The recommendations of the German Corporate Governance Code were taken into account in the internal rules of procedure of the

Supervisory Board as well as of the Board of Management. For details, please see the corporate governance report by the Board of Management and the Supervisory Board elsewhere in this annual report.

Jungheinrich began preparing its consolidated financial statements in compliance with International Financial Reporting Standards (IFRS) starting with fiscal 2005; prior-year figures have been adjusted accordingly. Changes resulting from the transition from the previous US GAAP-compliant accounting principles were offset against the Group's shareholders' equity in the opening balance without an effect on net income.

The annual financial statements for the period ending December 31, 2005 prepared by the Board of Management as well as the management report of Jungheinrich AG and the accounts for the 2005 fiscal year were audited by Hamburg-based PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft. The auditors did not express any reservations regarding the annual financial statements and confirmed this by issuing an unqualified auditor's certification.

The consolidated financial statements for the period ending December 31, 2005 and the Group management report have also been confirmed by an unqualified auditor's certification.

The documents supporting the financial statements and the audit reports have been presented to and examined by the Supervisory Board along with the Board of Management's profit distribution proposal. The auditors who signed the annual financial statements and the consolidated financial statements attended the March 28, 2006 Supervisory Board meeting on the relevant topic on the agenda and submitted their final report on their audit of the annual financial statements and on the consolidated financial statements.

On the basis of its own examination of the annual financial statements, the management report, the consolidated financial statements and of the Group management report, the Supervisory Board approves the result of the auditors. At its March 28, 2006 meeting, the Supervisory Board approved the annual financial statements and the consolidated financial statements for the period ending December 31, 2005. The annual financial statements are thus adopted. The Supervisory Board endorses the Board of Management's proposal for the appropriation of the balance sheet profit.

Effective as of the end of the 2005 Annual General Meeting, Ms. Karin Martin resigned as member of the Supervisory Board. Mr. Wolff Lange was appointed to the Supervisory Board effective until the end of the 2010 Annual General Meeting by Wohltorf-based LJH-Holding GmbH, which holds registered shares in the company. In this context, the Finance and Audit Committee as well as the Personnel Committee of the Supervisory Board were re-staffed. In agreement with the Supervisory Board, Mr. Matthias Fischer retired his post as the member of the Board of Management in charge of sales on September 20, 2005, in lieu of fulfilling his contract, which expires as of June 30, 2006. The Supervisory Board thanks Ms. Martin and Mr. Fischer for their commitment to the company.

The Supervisory Board thanks all the company's employees and their representatives for their dedicated work to the benefit of the company and its shareholders.



Prof. Dr. E. Rohkamm March 28, 2006

Corporate governance report

German Corporate Governance Code in the Jungheinrich Group

The Board of Management and Supervisory Board of Jungheinrich AG are committed to the principles of transparent, responsible corporate governance and control oriented toward increasing the company's value over the long term. One of the key elements of corporate governance within the Jungheinrich Group is the clear distribution of tasks and responsibilities among the Board of Management, the Supervisory Board and the Annual General Meeting, as stipulated by German stock corporation law and the German Corporate Governance Code. In addition, significant importance is attached to the audit of our financial statements by an independent third party. Jungheinrich AG's corporate governance meets all statutory regulations and largely complies with the recommendations of the German Corporate Governance Code. Furthermore, Jungheinrich AG has taken up a lot of the suggestions included in the Code.

Jungheinrich AG's corporate governance practices were adopted by the Board of Management and the Supervisory Board in 2002 and are regularly adapted to changes in legal requirements as well as in corporate governance and control standards. The last update took place in December 2005.

In December 2005 the Board of Management and Supervisory Board of Jungheinrich AG issued their latest annual statement of compliance with the recommendations and suggestions of the German Corporate Governance Code Government Commission pursuant to Sec. 161 of the German Stock Corporation Act. This declaration has been published on our website and reads as follows:

"Valid for the past and future corporate governance of Jungheinrich AG is the following declaration, which relates to the requirements of the German Corporate Governance Code in the version dated June 2, 2005.

Declaration according to Section 161 of the German Stock Corporation Act

The Board of Management and the Supervisory Board of Jungheinrich AG declare that the recommendations for behaviour of the "German Corporate Governance Code Government Commission" in the version dated June 2, 2005, have been met and will be met in the future by Jungheinrich AG in accordance with this declaration.

The deviations from the individual recommendations of the Code relate to the fact that the D&O insurance policy of the company for the Board of Management and the Supervisory Board does not state any own-risk deductible, the fact that Jungheinrich does not run a stock option scheme so that the recommendations based on this are not relevant, the fact that the remuneration of the members of the Board of Management and of the Supervisory Board is not stated in the annex of the annual report or in the corporate governance report in an itemized and individualized manner, the fact that no age limit is set for the members of the Supervisory Board, and the fact that the consolidated financial statements will not yet be made publicly accessible within the recommended period of 90 days."

Jungheinrich AG shareholders exercise their rights at the Annual General Meeting. Holders of ordinary shares can exercise their voting rights at the Annual General Meeting in person, by proxy, or by a proxy appointed by the company.

The members of the Board of Management and Supervisory Board are listed on pages 98 to 100 of the Jungheinrich Group's 2005 annual report as well as on the company's website (Board of Management & Supervisory Board). Information on cooperation between the Board of Management and the Supervisory Board in fiscal 2005 is included in the Report of the Supervisory Board, which has been published on pages 94 to 95 of the Jungheinrich Group's 2005 annual report as well as on the company's website (Report of the Supervisory Board).

Jungheinrich AG's bylaws have been made available to the public on the company's website (Bylaws).

The Jungheinrich Group is a family of companies with a diverse range of opportunities on the international marketplace. However, sustainable, value-added growth can only be achieved if the risks of entrepreneurial action are identified and sufficiently taken into account alongside the opportunities. This is why effective risk management is among the core elements of Jungheinrich AG's corporate governance practices. Details pertaining to this issue are included in the Group management report on pages 28 and 29 of the 2005 annual report.

Shareholders, investors, analysts and the general public are equally and promptly informed by Jungheinrich AG of developments in compliance with statutory regulations. The company's website is an important medium in this regard. Major documents made available via this platform in addition to the corporate governance practices, bylaws and information on the composition of the Board of Management and Supervisory Board of Jungheinrich AG are financial reports, documents pertaining to the Annual General Meeting, ad-hoc releases and other communications mandated by the German Securities Trading Act (above all reportable securities transactions) as well as the report of the Supervisory Board.

As in prior years, an agreement was reached with the auditor of the financial statements for fiscal 2005 that the Chairman of the Supervisory Board be immediately informed of any grounds substantiating preclusion or prejudice if they are not cast aside immediately. In addition, an agreement was reached pursuant to which the auditor of the financial statements is obligated to immediately report on findings and events evidenced by the audit that are material to the tasks of the Supervisory Board. Furthermore, the auditor of the financial statements was obliged to report to the Supervisory Board and/or include a comment in the auditor's report on facts established while conducting the audit that would result in a deviation from the statement on the German Corporate Governance Code by the Board of Management and Supervisory Board.

The Board of Management and Supervisory Board of Jungheinrich AG discuss at least once a year (most recently in the Board of Management and Supervisory Board meetings convened in December 2005) whether Jungheinrich AG's corporate governance practices have complied with the basic principles of the German Corporate Governance Code and whether they should be complied with in the future and determine the recommendations and suggestions of the Code that will be deviated from.

The Board of Management

The Supervisory Board

The Supervisory Board

Professor Dr. Eckhard Rohkamm
Chairman
Engineer

Further offices held

Supervisory Board:
HDI Haftpflichtverband der Deutschen Industrie
VvaG, Hanover (Deputy Chairman)
Talanx AG, Hanover (Deputy Chairman)
DBT GmbH, Lünen
ThyssenKrupp Elevator AG, Düsseldorf
(until November 30, 2005)
ThyssenKrupp Steel AG, Duisburg
(until December 2, 2005)
ThyssenKrupp Technologies AG, Essen
(until November 30, 2005)
ThyssenKrupp Marine Systems AG, Hamburg

Advisory Board:
Grupo ThyssenKrupp S.A., Madrid/Spain

Detlev Böger
Deputy Chairman
Labour Union Secretary

Further offices held

Supervisory Board:
Rheinmetall Defence Electronics GmbH, Bremen

Sedat Bodur
Member of the Works Council
at the Norderstedt Plant

Wolfgang Erdmann
Chairman of the Works Council
at the Norderstedt Plant

Rolf Haucke
IG Metall, Landshut

Further offices held

Supervisory Board:
RWE Solutions AG, Neu Isenburg
SAG Netz- und Energietechnik GmbH, Langen

Wolfgang Kiel
Management Consultant

Joachim Kleinwort
Senior Executive

Wolff Lange
(from June 7, 2005)
Managing Partner with
Lange Vermögensverwaltung GbR, Hamburg

Further offices held

Supervisory Board:
Kühlhaus Zentrum AG, Hamburg (Chairman)
(from June 22, 2005)
Hansa-Heemann AG, Rellingen (Chairman)
(from June 28, 2005)

Karl-Helmut Lechner
Chairman of the Group Works Council

Dr. Albrecht Leuschner
Barrister

Further offices held
Supervisory Board:
Hagen Batterie AG, Soest (Chairman)
Deutsche EXIDE GmbH, Büdingen (Chairman)
CEAG AG, Bad Homburg (Deputy Chairman)
OEB Traktionsbatterien AG, Zürich/Switzerland
Deta Douglas Battery LLC, Winston-Salem/USA

Advisory Board:
Langguth-Erben GmbH & Co. KG,
Traben-Trarbach (Chairman)

Karin Martin
(until June 7, 2005)
Managing Director of GSA
Verwaltungsgesellschaft mbH, Hamburg

Further offices held
Supervisory Board:
Hamburg Messe und Congress GmbH, Hamburg

Jürgen Peddinghaus
Management Consultant

Further offices held
Supervisory Board:
Faber-Castell AG, Nuremberg (Chairman)
Kühlhaus Zentrum AG, Hamburg (Chairman)
(until June 30, 2005)
MAY-Holding GmbH & Co. KG, Erftstadt
(Chairman)
Schwarz-Pharma AG, Monheim
Zwilling J.A. Henckels AG, Solingen

Advisory Board:
Norddeutsche Private Equity GmbH,
Hamburg (Chairman)
Booz Allen Hamilton GmbH, Munich
Biolabor GmbH & Co. KG, Bremen
(from September 2005)

Franz Günter Wolf
Chairman of the Advisory Board of
LACKFA Isolierstoff GmbH & Co., Rellingen

The Board of Management

Besides having individual control functions in Group companies and in 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:

Dr. Cletus von Pichler

Chairman of the Board of Management

External offices held

Supervisory Board:
KMPT AG, Vierkirchen
Minimax Management GmbH, Bad Oldesloe
(until May 31, 2005)

Board of Directors:

Dr. Joachim Schmidt AG & Co. Holding-KG, Berlin

Matthias Fischer

Member of the Board of Management
(office exercised until September 20, 2005)

Dr. Erich Kirschneck

Member of the Board of Management

Other offices held within the Group

Supervisory Board:
Jungheinrich Moosburg GmbH, Moosburg
(Chairman)

Dr. Michael Lürer

Member of the Board of Management

Other offices held within the Group

Supervisory Board:
Jungheinrich Moosburg GmbH, Moosburg

Jungheinrich worldwide



Addresses are available at www.jungheinrich.com

	EBITDA in million €	EBT in million €	Net Gearing in %
2001	189	67	14
2002	202	73	1
2003	194	38	
2004	198	83	
IFRS 2005	221	107	

					According to IFRS	
Five-Year overview of the Jungheinrich Group		2001	2002	2003	2004	2005
Incoming orders, production and sales						
Incoming orders ¹	million €	1,576	1,493	1,476	1,569	1,653
Production of material handling equipment	units	65,500	54,700	59,200	58,800	66,500
Net sales	million €	1,551	1,476	1,471	1,531	1,645
thereof in Germany	million €	476	417	407	422	453
thereof abroad	million €	1,075	1,059	1,064	1,109	1,192
Foreign ratio	%	69	72	72	72	72
Employees						
Total	Dec. 31	9,288	9,248	9,233	9,008	8,998
thereof in Germany	Dec. 31	4,519	4,427	4,452	4,464	4,458
thereof abroad	Dec. 31	4,769	4,821	4,781	4,544	4,540
Capital expenditures on fixed assets						
Capital expenditures on fixed assets ²	million €	32	36	61	33	42
Research and development	million €	28	30	33	38	40
Assets and liabilities structure						
Fixed assets	million €	538	509	501	522	543
thereof trucks for leasing from financial services	million €	188	191	178	167	158
Current assets	million €	933	976	997	1,016	1,157
thereof receivables from financial services	million €	152	188	202	229	291
thereof liquid assets and securities	million €	185	204	210	228	274
Total assets	million €	1,471	1,485	1,498	1,538	1,700
Capital structure						
Shareholders' equity	million €	316	346	358	384	437
thereof subscribed capital	million €	102	102	102	102	102
Accrued pension liabilities	million €	124	144	144	161	165
Other accrued liabilities	million €	195	188	208	158	155
Financial liabilities	million €	238	216	212	214	269
Liabilities from financial services	million €	397	410	410	316	379
Other liabilities	million €	201	181	166	305	295
Total capital	million €	1,471	1,485	1,498	1,538	1,700

¹ Sales of new products, after-sales service, short-term hire and used equipment.

² Not including trucks for short-term hire and lease, capitalized development costs and financial assets.

		According to IFRS				
		2001	2002	2003	2004	2005
Income statement						
Earnings before interest, taxes, depreciation and amortization (EBITDA) million €						
		189	202	194	198	221
Earnings before interest and taxes (EBIT) million €						
		70	74	78 ³	87	107
Earnings before taxes (EBT) million €						
		67	73	38 ⁴	83	107
Net income million €						
		39	54	21 ⁴	49	62
Earnings per share €						
		1.16	1.60	0.63 ⁴	1.47	1.84
Dividend per share – Ordinary shares €						
		0.39	0.39	0.39	0.42	0.45 ⁵
– Preferred shares €						
		0.45	0.45	0.45	0.48	0.51 ⁵
Key financial data						
Equity ratio %						
		21	23	24	25	26
Equity to fixed assets ratio %						
		90	109	111	108	114
EBIT return on sales (ROS) %						
		4.5	5.0	5.3	5.7	6.5
EBIT return on capital employed (ROCE) %						
		19	21	22	24	25
Return on equity after income taxes %						
		13	16	6 ⁴	13	15
Return on total capital ⁶ %						
		5	6	3 ⁴	5	5
Dynamic indebtedness ratio years						
		0.2	< 0.1	–	–	–
Net gearing %						
		14	1	–	–	–
Equity turnover years						
		1.1	1.0	1.0	1.0	1.0

³ Not including expenses associated with the closure of MIC S.A.

⁴ Including expenses associated with the closure of MIC S.A.

⁵ Proposal.

⁶ Not including financial services.

⁷ Shareholders' equity + financial liabilities – bills receivable – accounts receivable from affiliated companies – liquid assets and securities.

⁸ Financial liabilities – bills receivable – accounts receivable from affiliated companies – liquid assets and securities.

Explanatory notes to the key financial data

Equity ratio	Shareholders' equity : total capital x 100
Equity to fixed assets ratio	Shareholders' equity : fixed assets (not including trucks for lease from financial services) x 100
EBIT return on sales (ROS)	EBIT : net sales x 100
EBIT return on capital employed (ROCE)	EBIT : employed interest-bearing capital ⁷ x 100
Return on equity after income taxes	Net income : average shareholders' equity x 100
Return on total capital ⁶	Net income + interest expenses : average total capital x 100
Dynamic indebtedness ratio	Net indebtedness ⁸ : EBITDA
Net gearing	Net indebtedness ⁸ : shareholders' equity x 100
Equity turnover	Net sales : average total capital

Dates 2006

Balance sheet press conference, Hamburg	April 11, 2006
Analyst conference, Frankfurt am Main	April 12, 2006
Interim report on the first quarter of 2006	May 4, 2006
Annual General Meeting, Congress Centrum Hamburg (CCH)	June 13, 2006
Dividend payment	June 14, 2006
Interim report on the first half of 2006	August 2, 2006
Interim report on the first three quarters of 2006	November 2, 2006

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