


**Jungheinrich Danmark A/S
Central Business Registration
No 26 71 48 18
Mårkærvej 3
2630 Taastrup**

Annual report 2016

The Annual General Meeting adopted the annual report on 04.05.2017

Chairman of the General Meeting



Name: Jesper Rothe

Contents

	<u>Page</u>
Entity details	1
Statement by Management on the annual report	2
Independent auditor's report	3
Management commentary	6
Accounting policies	8
Income statement for 2016	13
Balance sheet 31.12.2016	14
Statement of changes in equity for 2016	16
Notes	17

Entity details

Entity

Jungheinrich Danmark A/S

Mårkærvej 3

2630 Taastrup

Central Business Registration No: 26714818

Registered in: Høje-Taastrup

Financial year: 01.01.2016 - 31.12.2016

Board of Directors

Manuel Kurt Gimple

Jesper Rothe

Hans-Herbert Schultz, Chairman

Executive Board

Martina Möller, Managing Director

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

Postboks 1600

0900 København C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Jungheinrich Danmark A/S for the financial year 01.01.2016 - 31.12.2016.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2016 and of the results of its operations for the financial year 01.01.2016 - 31.12.2016.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

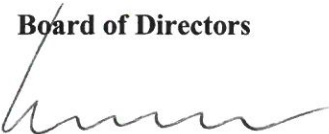
Taastrup, 04.05.2017

Executive Board



Martina Möller
Managing Director

Board of Directors



Hans-Herbert Schultz
Chairman



Jesper Rothe



Manuel Kurt Gimple

Independent auditor's report

To the shareholders of Jungheinrich Danmark A/S

Opinion

We have audited the financial statements of Jungheinrich Danmark A/S for the financial year 01.01.2016 - 31.12.2016, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2016 and of the results of its operations for the financial year 01.01.2016 - 31.12.2016 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's responsibilities for the audit of the financial statements section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individual-

ly or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

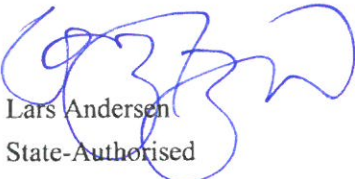
Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 04-05-2017

Deloitte

Statsautoriseret Revisionspartnerselskab

Business Registration No 33 96 35 56



Lars Andersen

State-Authorised

Public Accountant

Management commentary

	2016 DKK'000	2015 DKK'000	2014 DKK'000	2013 DKK'000	2012 DKK'000
Financial high-lights					
Key Figures					
Gross profit	50.337	47.021	45.743	40.259	38.742
Operating profit/loss	4.034	4.613	5.456	3.542	2.484
Net financials	(52)	(86)	(39)	(5)	(44)
Profit/loss for the year	3.054	3.421	4.077	2.948	1.587
Total assets	77.717	69.886	59.177	60.523	54.916
Investments in property, plant and equipment	19.923	16.045	14.876	8.522	13.827
Equity	27.462	24.408	20.988	16.911	13.963
Ratios					
Return on equity (%)	11,8	15,1	21,5	19,1	12,8
Solvency ratio (%)	35,3	34,9	35,5	27,9	25,4

Management commentary

Primary activities

As in prior years, the Entity's primary activity is to deal in battery-powered and engine-driven transport facilities, including lifting trucks, stacker trucks and forklifts. The Entity is the exclusive distributor of Jungheinrich products in the Danish market.

Development in activities and finances

The general economic situation in the financial year 2016 was very positive and the market for Material Handling Equipment increased. The Entity increased its operations in the market, which led to an increase in business activities in 2016 compared to prior years.

Net profit for the year is DKK 3,054 k. This performance is considered satisfactory. At financial year-end, the Entity's balance sheet shows equity of DKK 27,462 k.

The Entity has assessed its cash resources for 2016 against current activities and activities planned for 2017. The Entity's cash resources are considered adequate.

The management consider the result for the year as satisfactory and is in line with the expected development.

Uncertainty relating to recognition and measurement

No particular uncertainty relating to recognition and measurement is estimated to exist with respect to the annual report for the financial year 1 January to 31 December 2016.

Outlook

Expectations are that the Entity will continue to intensify market operations in 2017 as in past years.

Ratios	Calculation formula	Ratios reflect
Return on equity (%) vested	$\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity}}$	The Entity's return on capital in- in the Entity by the owners.
Soliditetsgrad (%)	$\frac{\text{Equity} \times 100}{\text{Total assets}}$	The financial strength of the Entity.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

The accounting policies applied for these financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods, cost of raw materials and consumables and external expenses.

Accounting policies

Revenue

Revenue is recognised in the income statement as invoiced sale of manufactured goods, rental income from rental equipment and services less value added tax and price reductions related directly to the sale. If a sales contract is classified as a finance lease, revenue is recognised at the time of delivery of goods and services. If a sales contract is classified as an operating lease, revenue is recognised over the term of the contract. For sales contracts containing buy-back commitments totalling more than 10% of the selling price, and under which the sale is effected through an external financing company, revenue is recognised over the term of the contract until a possible buy-back commitment occurs.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

Cost of sales

Cost of sales comprises costs of sales and freight for the financial year measured at cost, adjusted for ordinary inventory write-downs.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes write-downs of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Accounting policies

Income Taxes

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet

Property, plant and equipment

Rental equipment and tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line and diminishing balance depreciation is applied to rental equipment. Straight-line depreciation is performed on tools and equipment. Depreciation is based on the following assessment of the assets' expected useful lives:

Lease and rental equipment	5 to 9 years
Tools and equipment	3 to 14 years

Property, plant and equipment are written down to the lower of recoverable amount and carrying amount. Profit or loss from the divestment of rental activities is included in gross profit or loss. Profit or loss from current replacement of property, plant and equipment is recognised as income or expenses in Other external expenses.

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value. Cost consists of purchase price plus delivery costs.

Receivables

Write-downs for bad debts are determined on the basis of an individual assessment of each receivable, trade receivables as well as a general write-down based on the Company's experience.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Accounting policies

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Other provisions

Other provisions comprise complaints, non-recourse guarantee commitments and provisions for residual value commitments that are subject to uncertainty about the amounts or to the date of maturity.

Non-recourse guarantee commitments comprise commitments to remedy defects and deficiencies within the warranty period. Non-recourse guarantee commitments are recognised and measured at nominal value on the basis of prior years' experience.

Finance lease commitments

Finance lease commitments relate to residual value commitments, buy-back commitments and deferred income.

Buy-back commitments relate to sales contracts subject to a buy-back clause. The commitments are recognised in current and non-current liabilities other than provisions, respectively, in accordance with the expiry of the contracts and are, on initial recognition, measured at present value.

Deferred income relates to deferred revenue from sales contracts subject to a buy-back clause. The gross profit is recognised straight-line over the terms of the sales contracts.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

Income tax receivable or payable

Current tax payable or receivable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.

Accounting policies

Cash flow statement

Referring to Section 86(4) of the Danish Financial Statements Act, Jungheinrich Danmark A/S has decided not to prepare cash flow statement as this is included in consolidated financial statements of Jungheinrich Aktiengesellschaft in which Jungheinrich Danmark A/S is included.

Financial highlights

Financial highlights are defined and calculated in accordance with "Recommendations & Ratios 2010" issued by the Danish Society of Financial Analysts.

Income statement for 2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK</u>
Gross profit		50.337.005	47.020.905
Staff costs	1	(35.629.932)	(33.378.887)
Depreciation, amortisation and impairment losses	2	<u>(10.673.538)</u>	<u>(9.029.297)</u>
Operating profit/loss		4.033.535	4.612.721
Other financial expenses		<u>(51.756)</u>	<u>(86.202)</u>
Profit/loss from ordinary activities before tax		3.981.779	4.526.519
Tax on profit/loss from ordinary activities	3	<u>(927.805)</u>	<u>(1.105.963)</u>
Profit/loss for the year	4	<u>3.053.974</u>	<u>3.420.556</u>

Balance sheet 31.12.2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK</u>
Other fixtures and fittings, tools and equipment		40.308.966	35.071.088
Property, plant and equipment	5	<u>40.308.966</u>	<u>35.071.088</u>
Deposits		919.784	826.826
Fixed asset investments	6	<u>919.784</u>	<u>826.826</u>
Fixed assets		<u>41.228.750</u>	<u>35.897.914</u>
Manufactured goods and goods for resale		6.294.133	7.234.788
Inventories		<u>6.294.133</u>	<u>7.234.788</u>
Trade receivables		16.630.659	19.410.494
Receivables from group enterprises		1.971.119	1.081.273
Other short-term receivables		2.093	0
Prepayments	7	338.533	444.408
Receivables		<u>18.942.404</u>	<u>20.936.175</u>
Cash		<u>11.252.101</u>	<u>5.817.328</u>
Current assets		<u>36.488.638</u>	<u>33.988.291</u>
Assets		<u>77.717.388</u>	<u>69.886.205</u>

Balance sheet at 31.12.2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK</u>
Contributed capital		500.000	500.000
Retained earnings		<u>26.962.391</u>	<u>23.908.417</u>
Equity		<u>27.462.391</u>	<u>24.408.417</u>
Provisions for deferred tax		128.112	286.892
Other provisions	8	<u>2.446.188</u>	<u>1.744.393</u>
Provisions		<u>2.574.300</u>	<u>2.031.285</u>
Finance lease liabilities		<u>17.928.255</u>	<u>11.840.565</u>
Non-current liabilities other than provisions	9	<u>17.928.255</u>	<u>11.840.565</u>
Current portion of long-term liabilities other than provisions	9	6.155.258	4.695.167
Prepayments received from customers		1.468.050	585.305
Trade payables		1.549.083	1.835.692
Debt to group enterprises		11.315.912	12.929.411
Income tax payable		1.086.585	1.144.506
Other payables	10	<u>8.177.554</u>	<u>10.415.857</u>
Current liabilities other than provisions		<u>29.752.442</u>	<u>31.605.938</u>
Liabilities other than provisions		<u>47.680.697</u>	<u>43.446.503</u>
Equity and liabilities		<u><u>77.717.388</u></u>	<u><u>69.886.205</u></u>
Unrecognised rental and lease commitments	11		
Related parties with control	12		
Ownership	13		
Consolidation	14		
Events after the balance sheet date	15		

Statement of changes in equity for 2016

	Contributed capital DKK	Retained earnings DKK	Total Total DKK
Equity beginning of year	500.000	23.908.417	24.408.417
Profit/loss for the year	0	3.053.974	3.053.974
Equity end of year	500.000	26.962.391	27.462.391

Notes

	2016 DKK	2015 DKK
1. Staff costs		
Wages and salaries	32.290.877	30.461.913
Pension costs	1.427.767	1.445.845
Other social security costs	<u>1.911.288</u>	<u>1.471.129</u>
	<u>35.629.932</u>	<u>33.378.887</u>
Average number of employees	<u>67</u>	<u>66</u>

Referring to section 98b(3) of the Danish Financial Statements Act, the Company has decided not to disclose remuneration for the Management etc.

	2016 DKK	2015 DKK
2. Depreciation, amortization and impairment losses		
Depreciation of property, plant and equipment	<u>10.673.538</u>	<u>9.029.297</u>
	<u>10.673.538</u>	<u>9.029.297</u>

	2016 DKK	2015 DKK
3. Tax on ordinary profit/loss for the year		
Current tax	1.086.585	1.144.506
Change in deferred tax for the year	(158.780)	(57.261)
Adjustment relation to previous years	<u>0</u>	<u>18.718</u>
	<u>927.805</u>	<u>1.105.963</u>

	2016 DKK	2015 DKK
4. Proposed distribution of profit/loss		
Retained earnings	<u>3.053.974</u>	<u>3.420.556</u>
	<u>3.053.974</u>	<u>3.420.556</u>

Notes

	Other fixtures and fittings, tools and equipment DKK
	<u>DKK</u>
5. Property, plant and equipment	
Cost beginning of year	62.198.440
Additions	19.922.561
Disposals	<u>(12.081.886)</u>
Cost end of year	<u>70.039.115</u>
Depreciation and impairment losses beginning of the year	(27.127.352)
Depreciation for the year	(10.673.538)
Reversal regarding disposals	<u>8.070.741</u>
Depreciation and impairment losses end of the year	<u>(29.730.149)</u>
Carrying amount end of year	<u>40.308.966</u>
Recognised assets not owned by entity	<u>24.083.513</u>
	Deposits DKK
	<u>DKK</u>
6. Fixed asset investments	
Cost beginning of year	826.826
Additions	<u>92.958</u>
Cost end of year	<u>919.784</u>
Carrying amount end of year	<u>919.784</u>

7. Prepayments

Prepayments consists of prepaid costs including insurance and rent.

8. Other provisions

Residual value commitments relate to sales contracts subject to a buy-back clause, for which the repurchase value is estimated to exceed the expected market value at the buy-back date.

Non-recourse guarantee commitments comprise commitments to remedy defects and deficiencies within the warranty period. Non-recourse guarantee commitments are recognised and measured at nominal value on the basis of prior years' experience.

Notes

	Instalments within 12 months 2015 DKK	Instalments within 12 months 2016 DKK	Instalments beyond 12 months 2016 DKK	Outstanding after 5 years 2016 DKK
9. Long-term liabilities				
Other than provisions				
Finance lease liabilities	4.695.167	6.155.258	17.928.255	475.067
	<u>4.695.167</u>	<u>6.155.258</u>	<u>17.928.255</u>	<u>475.067</u>

	2016 DKK	2015 DKK
10. Other short-term payables		
VAT and duties	2.121.390	3.432.844
Wages and salaries, personal income taxes, social security costs, etc. payable	1.193.984	1.535.518
Holiday pay obligation	4.442.595	4.326.908
Other costs payable	419.585	1.119.951
	<u>8.177.554</u>	<u>10.415.221</u>
	2016 DKK	2015 DKK

11. Unrecognised rental and lease commitments

Commitments under rental agreements or leases until expiry	<u>20.459.000</u>	<u>12.674.000</u>
--	-------------------	-------------------

12. Related parties with control

The following related parties have a controlling interest in Jungheinrich Danmark A/S:

Jungheinrich Beteiligungs-GmbH, Germany

All business relations with related parties were a result of normal business activities and took place under normal market conditions.

Notes

13. Ownership

The company has registered following owners with 5% or more of the share capital nominal value or voting rights:

Jungheinrich Beteiligungs-GmbH, Germany.

14. Consolidation

Name and registered office of the Parent preparing consolidated financial statements for the largest group:

Jungheinrich AG, Friedrich-Ebert-Damm 129, D-22047 Hamburg.

15. Events after the balance sheet date

No events have occurred after the balance sheet date to this date which would influence the evaluation of this annual report.