

Group overview

New energy and efficiency solutions

Logistics systems on the rise

Two new battery-powered counterbalanced trucks presented

Prepared for future growth with Landsberg plant



Jungheinrich is a logistics service provider with manufacturing operations, which offers its customers a comprehensive range of forklift trucks, shelving systems, services and advice covering the entire field of intralogistics. In fiscal 2008, the company continued its strategic course for sustainable and profitable growth. Furthermore, Jungheinrich presented future development trends and provided proof of its innovative skills at CeMAT, the world's largest trade show for its sector.

Anyone purchasing products in the field of in-plant logistics expects more than just quality and features. Service and maintenance are of equal importance. Given its positioning as full-liner and intralogistics service provider, Jungheinrich meets these customer requirements precisely. The company backs a complete range of premium-class products and holistic solutions from a one-stop shop with its reputation.

Jungheinrich demonstrates its global commercial clout through its presence in some 100 countries, in 31 of which the company operates its own powerful direct sales and service networks.

Employees

Jungheinrich employed 10,784 people as of December 31, 2008—606 more than a year earlier. Production had a workforce of 2,389 employees, and Sales and Administration had a personnel headcount of 8,395. The after-sales service organization accounted for 45 per cent of the total labour force.

Training

Demands placed on intralogistics rise continuously. They always result in new and ambitious tasks. They present huge opportunities for young adults to learn modern and attractive professions. Jungheinrich has an especially broad spectrum of recognized training occupations. For instance, the Norderstedt production site offers a program for learning the trade of a versatile mechatronics engineer. This activity combines the fields of mechanics and electronics, supplementing them with control and information technology. The plant also offers coveted training occupations such as machine and plant operator, electronic technician and industrial mechanic. Jungheinrich offers applicants a variety of options to receive training in the field of commerce at its corporate headquarters and German sales locations.

Combined vocational training and degree programs in the fields of business management, business information technology and industrial engineering also offer a good point of entry into the company. They are a wonderful way of putting theory in a practical context, while enabling the program participant to obtain an internationally recognized diploma.

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1. Providing well-founded training means assuming responsibility
2. Selective service for sophisticated customers
3. Professional project management made by Jungheinrich



Trainees

Promoting tomorrow's talented junior employees today and preparing them to assume managerial positions is the holistic approach pursued by the Jungheinrich Trainee Program. The company-specific training model has an international orientation and offers successful university graduates both job and career prospects at home and abroad. Candidates become familiar with the company at various sites for up to 24 months, laying the cornerstone for their professional careers.

In 2008, eight trainees took up the program, two of whom signed up outside Germany (Russia and Spain). Plans are in place to expand the trainee program in China in 2009.

Talent management

Jungheinrich completely reorganized its management qualification program to meet the mounting demands placed on its executives. Systematic executive resource development under the moniker of 'talent management' identifies, promotes and challenges employees with special skills as well as managers. In the future, important key positions on various management levels can be staffed from within our own ranks by drawing on the resulting talent pool. A total of 31 individuals from eight countries participated in talent management programs in 2008. Moreover, the new talent management system assists in building international networks within the Group, thus ensuring that knowledge is transferred throughout the Jungheinrich organization.

Going Global

Involvement across country borders is the order of the day at Jungheinrich. Moreover, the constant change in the market and competitive environment necessitates international cooperation and networked thinking. Against this backdrop, the company banks on 'Going Global,' a program that sends employees on foreign assignments for periods of up to six months. When at work abroad, they can bring their know-how into play, gain experience, and develop intercultural skills. This results in synergies that boost knowledge transfer over the long term.

An example of this type of cross-fertilization is the 'After-Sales Services Engineer Pool.' This cooperation among technicians was initiated in 2007 and aims to promote the sharing of expertise.

Thanks to our employees

Highly motivated and performance-oriented action by our staff forms the basis for Jungheinrich's commercial success and future development. The company would like to take this opportunity to express its gratitude for their personal commitment. Jungheinrich also thanks the employee special-interest groups in Germany and abroad for their readiness to engage in dialogue and for their cooperation in the spirit of mutual respect.

Employees by function

As of Dec. 31	2008	2007
After-sales service engineers	3,561	3,337
Factory engineers	209	222
Production	1,528	1,480
Sales agents	843	806
Office staff	4,157	3,879
Temporary workers	196	187
Trainees	290	267
Total	10,784	10,178

Technological innovations

Globalization is relentless—a fact that intralogistics providers have had to face for a long time. The economic principle of procurement, production and sales only works if material and product flows are smooth. Organizing and steering such complex processes requires know-how, professionalism and willingness to innovate. Technological developments in the field of logistics are driven by ever-higher demands placed on information and communication systems, mounting energy prices resulting from scarce resources, and growing environmental awareness.

Jungheinrich recognized the sign of the times early on, focussing on energy efficiency and drive technology at CeMAT 2008 in Hanover, Germany, the sector's lead trade fair. Centre stage was taken by 'Concept '08,' a stacker featuring an entirely new energy storage and drive concept. Technology deployed in the concept truck, a battery-powered drive train fed by lithium-ion batteries, has the potential to become an alternative to drive trains running on hydrogen fuel cells, which are still being researched.

Jungheinrich also injected trend-setting stimulus into the field of radio communications, enabling wireless interaction among material handling equipment, payload carriers and warehouse management systems. The company has developed several ways of uniquely assigning pallets in warehouses. They run the gamut from the automated scanning of a single pallet's barcode to the sequential automatic detection of multiple pallets using RFID (Radio Frequency Identification) technology. Contactless item identification increases the transparency and efficiency of intralogistics processes.

In addition to these technological trends, Jungheinrich again used Hanover as a forum for demonstrating a host of new features and refinements integrated into its existing offering of warehousing equipment and counterbalanced trucks.

Jungheinrich's Concept '08: energy efficiency and ergonomics

The forklift study named 'Concept '08' showcases new solutions in the fields of energy efficiency and ergonomics. It is a low-platform truck accommodating an operator and a brand-new energy storage and drive concept: Rechargeable lithium-ion batteries mated to a direct drive could improve energy efficiency and supplement the three-phase alternating current technology that comes standard on Jungheinrich forklift trucks today. Energy storage systems based on lithium-ion are batteries doubling the life and

tripling the storage capacity of conventional same-size lead batteries. They have short recharge times, enabling their accumulators to regain a full charge in just an hour. This new battery technology will allow for much more compact designs, opening the door to entirely new truck concepts and improved ergonomics. In addition, 'Concept '08' has a highly efficient direct drive with gearless electric motors integrated into the wheels. When combined with the novel battery technology, this drive consumes about 15 per cent less energy compared with conventional battery-powered trucks. By taking this holistic approach, Jungheinrich is working on one of the future's most energy-efficient drive systems.

New reach truck: at home on every ground

Jungheinrich's new ETV C 16/20 reach truck has substantial ground clearance and is fitted with superelastic tyres. This makes the forklift particularly suitable for combined hall and yard applications. It can be used on smooth cement floors in warehouses or bumpy asphalt when loading and unloading lorries. In addition, the truck has a space-saving design, making stocking and de-stocking economical in narrow aisles as well. The stacker can hoist loads of up to 1,600 (ETV C 16) and 2,000 (ETV C 20) kilograms to heights of up to 7.10 and 7.40 metres. Thanks to the resolute refinement of the three-phase alternating current technology used in the truck, it achieves high handling turnover rates with reduced maintenance.

The new ETV C 16/20's cockpit offers very ergonomic working conditions. The controls and gauges have been selected, arranged and designed for optimum safety, user friendliness and comfort. The sideways seat arrangement and the appropriate masts on Jungheinrich reach trucks ensure excellent visibility even when transporting heavy loads.

Two strong performers: the new battery-powered counterbalanced trucks

The new EFG 213-220 (three-wheeler) and 316-320 (four-wheeler) front-cabin forklifts are capable of hoisting loads of up to 2,000 kilograms to heights of up to 6.50 metres. They have a maximum velocity of 17 kilometres per hour. Thanks to the use of the latest generation of Jungheinrich's environmentally friendly three-phase alternating current technology, these battery-powered trucks are very efficient and constantly keep consumption down. Their low energy costs are reduced even further as energy is recovered during braking. This eliminates the need for swapping out batteries during most dual-shift stints. Jungheinrich has developed a professional battery management system for single, dual and triple-shift operation. Four user-friendly modes provide comfortable working parameters for every operator. Another characteristic of these two model series is their significantly improved ergonomics. Also debuting in these forklift trucks is an electric steering system. It is easier to operate, requires fewer turns of the steering wheel, and has a smaller steering wheel.

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1. Setting trends: the Jungheinrich '08 Concept
2. Jack of all trades: the ETV C16/20 reach truck
3. Efficient: the new 2 and 3 Series battery-powered counterbalanced trucks



Logistics services

Logistics systems

Jungheinrich maintained the successful course the Logistics Systems Division has been charting for years. This involves the company acting as general contractor. The focus lies on tailor-made solutions, be it manual storage systems with warehouse management systems and radio data transmission, fully automated warehousing systems with shelving and material handling equipment or combinations of the two. Jungheinrich provides its customers with end-to-end assistance, from the first consulting session, budgeting and project planning to system integration and maintenance once the systems are up and running. Amongst the project highlights in 2008 were the establishment of a large-scale Jungheinrich DIS (Drive-in System) compact warehousing system for Kühne + Nagel (AG & Co.) KG, a complete logistics system at Deutsche Solar AG, and a sophisticated warehousing and order-picking system for KMS-Group Management GmbH.

Furthermore, Jungheinrich expanded its product range in this business by adding an RFID-based solution. Engineered in-house, the system enables the rapid recording and tracking of palettes transported several deep, as is the case in the beverage industry, for example.

Used equipment

The used equipment sales volume posted another year-on-year rise in 2008. Sales to end customers were a main guarantor of the encouraging business trend. The newly created reconditioning capacities at the Klipphausen site near Dresden (Saxony) and the resolute build-up of as-new truck inventory have ensured that availability at the sales outlets meets the market's demand. Jungheinrich derived substantial competitive advantages from the introduction of uniform processes for returned material handling equipment, centralized fleet coordination, and industrial reconditioning methods. Moreover, this ensures uniform reconditioning and delivery standards.

Short-term hire

Demand for short-term hire equipment in the financial year that just came to a close remained good both in Germany and abroad. This held true for all types of contracts and terms. Accordingly, the expansion of the hire station network was accelerated and the stacker portfolio was expanded. Approximately 26,000 trucks are now available in 29 countries. The centrally organized management of international short-term hire equipment deployment, as at the Olympic Games and major Formula One events, gained in importance significantly.

After-sales services

Customer demands rise incessantly, going hand in hand with the challenge to develop solutions which combine products and services in the best possible manner. The more complex the tailor-made solutions, the more important it is to offer competent and reliable after-sales services. Therefore, Jungheinrich stepped up its activities in this area in fiscal 2008 by adding new services covering such areas as 'batteries and chargers' and 'logistics systems and shelves.'

Furthermore, improvements were made to the spare parts supply infrastructure and after-sales service engineer dispatching in Germany and abroad, and these operations were set up where necessary. Owing to their low cyclical exposure, after-sales services provide much-needed support, especially in times of volatility on the market for new truck business.

Financial services

Demand for financial services remained strong in the period under review. Rental agreements—contracts with various terms, from a few months to as many as ten years—are becoming more important on the market. A strong selling point for concluding this type of agreement is the full service that they offer and is greatly appreciated by customers. In addition, fleet operators value service across countries which Jungheinrich can offer them as a central point of contact for all deployment-related matters. This is why the company is expediting the establishment of new financial service companies. Following Spain last year, plans now envision the foundation of a branch office in the Netherlands in 2009.

Mail-order business

Jungheinrich PROFISHOP grew its business in Germany and Austria considerably. The driver of expansion besides the classical catalogue with over 1,000 pages was the online store, which recorded a fifty per cent rise. Capital expenditures on the Internet portal's design and features achieved the desired success. A large number of customers now covers its need for plant equipment via the www.jh-profishop.de and www.jh-profishop.at websites.

In addition to products from Jungheinrich's core business, i.e. reach trucks and shelves, the market increasingly shops these sites for items falling under the transport, operation, occupational safety and environment categories as well. Jungheinrich PROFISHOP's product portfolio currently encompasses more than 30,000 individual items.

International projects

Keller & Kalmbach: modern logistics centre sets standards

Keller & Kalmbach ranks among Germany's leading wholesale traders for joining and fastening technology, special and drawing parts, manual and power tools as well as assembly products for the automotive, industrial and trade sectors. A specialist for small parts logistics, referred to as 'C parts management,' Keller & Kalmbach employs 500 people and runs branch offices in Germany as well as a number of country organizations, primarily in Eastern Europe.

By building a new warehouse and distribution centre in Hilpoltstein (Bavaria), the company recently completed the most important construction project in its corporate history. Buildings designed to handle the full range of logistics processes were erected on a surface area of 44,000 square metres adjacent to the A9 motorway. Facilities include an order-picking area, an automated small-parts warehouse with a capacity of 161,000 slots and a high-rack pallet warehouse with 37,000 storage positions. These highly dynamic areas are equipped with high-performance shelf-operating devices and state-of-the-art material handling technology. Jungheinrich assisted the customer in the construction of the central warehouse across all stages, from the first material flow advisory session, planning and concept phase to the coordination and organization of all logistical matters during the implementation phase and the handover of the keys to the facility. By commissioning the logistics centre in Hilpoltstein, Keller & Kalmbach succeeded in improving delivery capacity and quality as well as product turnover rates.

Fresh groceries for Moscow with system technology from Jungheinrich

Victorya CJSC, operator of a large distribution centre in the east of the Russian capital, offers logistics services in the foodstuff sector. The company was founded in 1954 and continued to specialize in fruit and vegetable wholesaling after it was privatized in 1992. Besides supplying fresh produce to central parts of Moscow, including the Kremlin, Victorya is active in the storage business and the rental of warehousing space. The company's distribution centre, which is constantly being expanded, can accommodate more than 24,500 pallets on nearly 17,250 square metres. It is divided into four areas of varying capacity and storage temperature. Equipping warehouses to technical specifications of this order is a huge logistical challenge. Therefore, the customer enlisted the services of Jungheinrich as general contractor, seeking to obtain a complete solution for stacking, transporting, storing and order picking. At Victorya, this encompasses material handling equipment, including six EKX 515k high-rack stackers and the entire shelving system.

Feldschlösschen: the new hydrostats for the beverage industry

Feldschlösschen Getränke AG has 14 proprietary beer and sparkling water brands and is Switzerland's leading brewery and largest beverage wholesaler. Headquartered in Rheinfelden (Aargau canton), the company has a labour force of some 1,500 employees working throughout the country. Feldschlösschen operates five manufacturing sites, producing more than 50 types of beverage, 37 of which are beers. Production output amounts to over 3 million hectolitres a year. Since 2000, Feldschlösschen has belonged to Danish-based Carlsberg Breweries and has benefited from the network of the global brewing company.

The Feldschlösschen beverage group's head office is located in Rheinfelden. Architecturally classified as a castle, it has a historic south wing. The factory is easily accessible via the public highway system and has a railroad connection over which it distributes goods to its customers. Feldschlösschen opted for a dozen newly developed diesel-powered, hydrostatic drive-equipped forklifts from Jungheinrich to handle the loading and unloading of lorries as well as containers. Given their outstanding travel comfort and extremely high turnover rates, these trucks are especially well suited to heavy-duty operation with numerous changes in direction typically occurring in the beverage industry. Moreover, by deploying these efficient stackers, Feldschlösschen is making a contribution to reducing CO₂ emissions continuously. The new hydrostats are fitted with powerful carbon particulate filters featuring automatic regeneration and are a convincing proposition, thanks to the low consumption, noise and exhaust emissions of their modern Volkswagen engines.

Production sites

In the financial year that just ended, capital expenditures were primarily earmarked for the expansion of production capacity. Construction work on a new plant for manufacturing battery-powered low-platform trucks in Landsberg near Halle (Saxony-Anhalt) continued as planned. This factory is to reduce the workload of the Norderstedt plant. We will complete this project in 2009.

In addition, a fundamental decision was taken to expand the Moosburg (Bavaria) manufacturing site by adding a new warehousing and system equipment factory. Plans for the new production facility in Degernpoint in the vicinity of Moosburg (Bavaria) envisage a substantial increase in production capacity as well as a further rise in productivity. However, the rollout of this project has been postponed due to the significant clouding of the market for the time being and will be implemented once the economy has experienced a marked recovery.

Located in the immediate vicinity, the main Moosburg plant benefited substantially from the expansion of the mast centre as manufacturing processes were automated further, in order to make the powder unit more environmentally friendly and improve the ergonomics of the assembly lines.

Production of reach truck masts at the Norderstedt site was refined in a similar manner. Commissioning an automated welding unit led to a significant improvement of both productivity and quality. Expansion of powder coating reduced manufacturing throughput times.

- 1. Keller & Kalmbach in Germany: growing logistics with Jungheinrich
- 2. Victorya in Russia: storing food properly
- 3. Feldschlösschen in Switzerland: power packs quench thirst

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