

Other disclosures

[38] CONSOLIDATED STATEMENT OF CASH FLOWS

The consolidated statement of cash flows shows the changes in cash and cash equivalents in the KION Group resulting from cash inflows and outflows in the year under review, broken down into cash flow from operating, investing and financing activities. The effects on cash from changes in exchange rates are shown separately. Cash flow from operating activities is presented using the indirect method in which the profit or loss for the year is adjusted for non-cash operating items.

The KION Group's net cash provided by operating activities totalled €765.5 million, which was significantly higher than the prior-year figure (2017: €711.9 million). This increase made up for the higher net working capital, the rise in the volume of rentals and leasing, and higher tax payments.

Net cash used for investing activities amounted to €245.6 million (2017: net cash used of €237.6 million). Cash payments for development (R&D) and for property, plant and equipment (excluding right-of-use assets related to procurement leases) amounted to €258.5 million (2017: €218.3 million).

Free cash flow – the sum of cash flow from operating activities and investing activities – improved to €519.9 million in the reporting period (2017: €474.3 million).

Net cash used for financing activities came to €514.5 million (2017: €568.5 million). While financial debt taken on during the year came to €1,811.7 million (2017: €2,425.3 million), repayments were higher at €2,042.6 million (2017: €3,340.0 million). Net cash of €40.4 million was also used for interest payments (2017: net cash used of €50.6 million). The costs of obtaining financing in the year under review amounted to €5.0 million (2017: €7.4 million). Payments made for interest portions and principal portions under procurement leases amounted to €114.0 million in the reporting year (2017: €109.0 million). The distribution of a dividend of €0.99 per share (2017: €0.80 per share) resulted in a cash outflow of €116.8 million (2017: €86.9 million), while the acquisition of 66,000 treasury shares (2017: 60,000 treasury shares) required an outflow of €3.6 million (2017: €4.3 million). Additional information for 2018 on the changes to liabilities arising from financing activities can be found in > TABLES 106–107.

Negative currency effects reduced cash and cash equivalents by €3.2 million (2017: €12.2 million). Overall, cash and cash equivalents increased only slightly year on year, from €173.2 million as at 31 December 2017 to €175.3 million as at 31 December 2018.

Reconciliation of liabilities arising from financing activities 2018

TABLE 106

in € million	01/01/2018	Cash flows	Non-cash changes		31/12/2018
			Foreign exchange movement	Other changes	
Non-current financial liabilities	2,024.8	–200.0	8.0	–14.1	1,818.7
Current financial liabilities	243.9	–30.9	–7.9	21.5	226.5
Liabilities from accrued interest	14.5	–42.9	–0.0	43.7	15.2
Liabilities from procurement leases	369.1	–114.0	–1.6	167.7	421.2
Total liabilities financial activities	2,652.3	–387.8	–1.5	218.7	2,481.7

Reconciliation of liabilities arising from financing activities 2017

TABLE 107

in € million	01/01/2017	Cash flows	Non-cash changes		31/12/2017
			Foreign exchange movement	Other changes	
Non-current financial liabilities	2,889.1	-860.5	-0.5	-3.2	2,024.8
Current financial liabilities	293.9	-54.2	-4.4	8.5	243.9
Liabilities from accrued interest	12.4	-58.1	-0.0	60.3	14.5
Liabilities from procurement leases*	283.6	-109.0	-0.4	194.9	369.1
Total liabilities financial activities	3,478.9	-1,081.8	-5.3	260.5	2,652.3

* Liabilities from procurement leases for 2017 were restated due to the initial application of IFRS 15 and IFRS 16

[39] INFORMATION ON FINANCIAL INSTRUMENTS

The KION Group uses both primary and derivative financial instruments. The following section summarises the relevance of these financial instruments for the KION Group.

The following tables show the measurement categories used in accordance with IFRS 9 (2017: in accordance with IAS 39). In

line with IFRS 7, the tables show the carrying amounts and fair values of financial assets and liabilities. Derivative financial instruments forming part of a documented hedge are not assigned to any of the IFRS 9 or IAS 39 measurement categories and are therefore not included in > TABLES 108–109. The lease receivables, lease liabilities, liabilities from procurement leases and liabilities from short-term rental fleet financing shown in these tables fall within the scope of IFRS 16 and are therefore not assigned to any of the IFRS 9 and IAS 39 measurement categories.

Carrying amounts and fair values broken down by class 2018

TABLE 108

Classes	Carrying amount	Categories			Fair value
		FVPL	AC	FVOCI	
in € million					
Financial assets					
Financial investments	5.2			5.2	5.2
Financial receivables	35.9		35.9		35.9
Other financial investments	21.0	21.0			21.0
Lease receivables ¹	1,097.3				1,102.0
Trade receivables	1,036.4	15.6	1,020.9		1,036.4
Other financial receivables	51.2				51.2
thereof non-derivative receivables	41.2		41.2		41.2
thereof derivative financial instruments	9.9	6.5			9.9
Cash and cash equivalents	175.3		175.3		175.3
Financial liabilities					
Liabilities to banks	826.4		826.4		829.1
Promissory notes	1,214.3		1,214.3		1,222.0
Other financial liabilities to non-banks	4.6		4.6		4.6
Liabilities from financial services	1,472.4		1,472.4		1,477.0
Lease liabilities ¹	740.6				743.0
Trade payables	904.2		904.2		904.2
Other financial liabilities	813.2				822.1
thereof liabilities from procurement leases ¹	421.2				429.2
thereof liabilities from short-term rental fleet financing ¹	289.9				290.8
thereof non-derivative liabilities	87.8		87.8		87.8
thereof derivative financial instruments	14.3	2.5			14.3

1 as defined by IFRS 16

Carrying amounts and fair values broken down by class 2017 *

TABLE 109

Classes	Carrying amount	Categories					Fair value
		FAHfT	AfS	LaR	FLaC	FLHfT	
in € million							
Financial assets							
Investments in non-consolidated subsidiaries and other investments	36.0		36.0				36.0
Loans receivable	2.2			2.2			2.2
Financial receivables	30.3			30.3			30.3
Other financial investments	18.9		0.5	18.4			18.9
Lease receivables ¹	875.8						878.2
Trade receivables	999.4			999.4			999.4
Other financial receivables	88.7						88.7
thereof non-derivative receivables	58.7			58.7			58.7
thereof derivative financial instruments	30.0	22.2					30.0
Cash and cash equivalents	173.2			173.2			173.2
Financial liabilities							
Liabilities to banks	1,253.7				1,253.7		1,259.6
Promissory note	1,007.3				1,007.3		1,021.0
Other financial liabilities to non-banks	7.7				7.7		7.7
Liabilities from financial services	437.4				437.4		439.7
Lease liabilities ¹	1,131.1						1,138.1
Trade payables	923.9				923.9		923.9
Other financial liabilities	962.2						963.8
thereof liabilities from procurement leases ¹	369.1						367.7
thereof liabilities from short-term rental fleet financing ¹	515.7						518.8
thereof non-derivative liabilities	72.1				72.1		72.1
thereof derivative financial instruments	5.2					1.0	5.2

¹ as defined by IFRS 16

* Financial liabilities for 2017 were restated due to the initial application of IFRS 15 and IFRS 16

The net gains and losses on financial instruments in 2018 are broken down by IFRS 9 categories as shown in > **TABLE 110**. The measurement categories shown for 2017 are based on the categorisation rules in IAS 39. Gains and losses on financial instruments do not include gains/losses arising on hedging transactions that are part of a documented hedge (see also note [41]).

In 2018, the measurement at fair value of the equity instruments in the FVOCI category led to a loss of €6.4 million that was recognised in other comprehensive income; accumulated gains and losses from these financial instruments will not be reclassified to profit or loss upon disposal.

The net gains and losses include interest income of €6.2 million (2017: €7.8 million) and interest expenses of €57.7 million (2017: €72.9 million) that result from financial instruments measured at amortised cost (AC category) and are recognised within net financial income/expenses. Currency translation gains and losses, dividends, valuation allowances for expected and incurred losses, the marking-to-market of derivatives that are not part of a documented hedge and other measurement effects are also included in the net gains and losses.

As at the reporting date, the KION Group's trade receivables of €1.3 million (31 December 2017: €0.4 million) were offset by

trade payables of the same amount. In addition, there was a potential offsetting volume of €4.6 million in connection with derivative financial instruments as at 31 December 2018 (31 December 2017: €3.1 million). The potential offsetting volume essentially arose from netting arrangements in framework agreements governing derivatives trading that the KION Group had entered into with commercial banks.

Fair value measurement

The majority of the cash and cash equivalents, financial receivables, other non-derivative receivables and liabilities, and trade receivables and trade payables recognised at amortised cost have short remaining terms to maturity. The carrying amounts of these financial instruments are roughly equal to their fair values.

The fair value of liabilities to banks, of promissory notes and of liabilities from financial services corresponds to the present value of the outstanding payments, taking account of the current interest-rate curve and the Group's own default risk. This fair value, calculated for the purposes of disclosure in the notes to the financial statements, is classified as Level 2 of the fair value hierarchy.

Net gains and losses on financial instruments broken down by category

TABLE 110

in € million	2018
Financial assets measured at amortised cost (AC)	-1.9
Equity instruments measured at fair value through other comprehensive income (FVOCI)	-6.4
Financial instruments measured at fair value through profit or loss (FVPL)	-16.9
Financial liabilities measured at amortised cost (AC)	-58.1
in € million	2017
Loans and receivables (LaR)	-7.3
Available-for-sale investments (AfS)	15.1
Financial instruments held for trading (FAHfT, FLHfT)	35.8
Financial liabilities carried at amortised cost (FLaC)	-94.6

The fair value of lease receivables, lease liabilities, liabilities from short-term rental fleet financing and liabilities from procurement leases corresponds to the present value of the net lease payments, taking account of the current market interest rate for similar leases.

The following tables show the assignment of fair values to the individual classification levels as defined by IFRS 7 for financial instruments measured at fair value. > TABLES 111–112

Financial instruments measured at fair value

TABLE 111

in € million	Fair Value Hierarchy		2018
	Level 1	Level 2	
Financial assets			51.7
thereof financial investments	5.2		5.2
thereof other financial investments		21.0	21.0
thereof trade receivables		15.6	15.6
thereof derivative financial instruments		9.9	9.9
Financial liabilities			14.3
thereof derivative financial instruments		14.3	14.3

Financial instruments measured at fair value

TABLE 112

in € million	Fair Value Hierarchy		2017
	Level 1	Level 2	
Financial assets			42.1
thereof investments in non-consolidated subsidiaries and other investments	11.7		11.7
thereof other financial investments	0.5		0.5
thereof derivative financial instruments		30.0	30.0
Financial liabilities			5.2
thereof derivative financial instruments		5.2	5.2

Level 1 essentially comprises the financial investment in Balyo SA, for which the fair value is calculated using prices quoted in an active market.

The fair value of other financial investments is determined using prices quoted in an active market and other observable inputs. They are assigned to Level 2.

Trade receivables that are recognised at fair value through profit or loss are assigned to Level 2. Their fair value is calculated using the transaction price achievable in an active market. The transaction price is largely influenced by the default risk of the counterparty.

Interest-rate swaps and currency forwards are also classified as Level 2. The fair value of derivative financial instruments is determined by the system using appropriate valuation methods on the basis of the observable market information at the reporting date. The default risk for the Group and for the counterparty is taken into account on the basis of gross figures. The fair value of interest-rate swaps is calculated as the present value of the future cash flows. Both contractually agreed payments and forward interest rates are used to calculate the cash flows, which are then discounted on the basis of a yield curve that is observable in the market. The fair value of the currency forwards is calculated by the system using the discounting method based on forward rates on the reporting date.

In order to eliminate default risk to the greatest possible extent, the KION Group only enters into derivatives with investment-grade counterparties.

If events or changes in circumstances make it necessary to reclassify financial instruments to a different level, they are reclassified at the end of a reporting period. As had also been the case in 2017, no financial instruments were transferred between the levels of the fair value hierarchy in 2018.

[40] FINANCIAL RISK REPORTING

Capital management

One of the prime objectives of capital management is to ensure liquidity at all times. Measures aimed at achieving these objectives include the optimisation of the capital structure, the reduction of liabilities and ongoing Group cash flow planning and management. Close cooperation between local units and the Group head office ensures that the local legal and regulatory requirements faced by foreign Group companies are taken into account in capital management.

Net financial debt – defined as the difference between financial liabilities and cash and cash equivalents – is the key performance measure used in liquidity planning at Group level and amounted to €1,869.9 million as at 31 December 2018 (31 December 2017: €2,095.5 million).

The financial liabilities reported by the KION Group as at 31 December 2018 consisted of liabilities under the syndicated loan agreement (SFA), liabilities under the loan for the financing of the Dematic acquisition (AFA) and promissory notes (see also note [29]). The SFA comprises a floating-rate revolving credit facility of €1,150.0 million maturing in February 2023, of which €101.8 million was drawn down as at 31 December 2018 (31 December 2017: €184.7 million). As at 31 December 2018, the drawdown under the AFA consisted of a floating-rate bullet loan in a nominal amount of €600.0 million (31 December 2017: €1,000.0 million) maturing in October 2021. The nominal amount of the promissory notes issued totalled €1,210.0 million as at 31 December 2018 (31 December 2017: €1,010.0 million).

Taking into account credit facilities that had not yet been utilised, the unrestricted cash and cash equivalents available to the KION Group as at 31 December 2018 amounted to €1,219.8 million (31 December 2017: €1,138.0 million).

Default risk

In certain finance and operating activities, the KION Group is subject to credit risk, i.e. the risk that partners will fail to meet their contractual obligations. This risk is defined as the risk that a counterparty will default, and hence is limited to a maximum of the carrying amount of the assets relating to the counterparty involved. Default risk is limited by diversifying business partners based on certain credit ratings. The Group only enters into transactions with business partners and banks holding a good credit rating and subject to fixed limits. The potential default risk attaching to financial assets is also mitigated by secured forms of lending such as reservation of title, credit insurance and guarantees, and potential netting agreements. Apart from this, the Group does not hold any significant collateral.

Counterparty risks involving our customers are managed by the individual Group companies. To reflect the default risk, valuation allowances are recognised for defaults that have occurred and for expected defaults (see note [25]). Valuation allowances are based on the credit risk associated with the receivables, the level of loss in the event of a default and, taking account of any collateral, the estimated loss given default. This risk is assessed mainly using factors such as customer credit rating and failure to adhere to payment terms.

Financial transactions are only entered into with selected partners that have an investment-grade credit rating. The underlying default risk remains insignificant.

Liquidity risk

Based on the definitions in IFRS 7, a liquidity risk arises if an entity is unable to meet its financial liabilities. In order to ensure financial flexibility and solvency, the KION Group maintains a liquidity reserve in the form of cash and a revolving credit facility agreed with a syndicate of international banks under the SFA. The age structure of financial liabilities is reviewed and optimised continually.

The KION Group is assigned credit ratings by Fitch Ratings and Standard & Poor's. These credit ratings have not changed since 2017. In January 2017, Fitch Ratings gave the Group an investment-grade long-term issuer rating of BBB– with a stable outlook. The rating awarded by the rating agency Standard & Poor's for the KION Group has been BB+ with a positive outlook since September 2017.

The following tables show all of the contractually agreed undiscounted payments under recognised financial liabilities as at 31 December 2018 and 2017, including derivative financial instruments with negative fair values. > TABLES 113–114

Liquidity analysis of financial liabilities and derivatives 2018

TABLE 113

in € million	Carrying amount 2018	Cash flow 2019	Cash flow 2020–2023	Cash flow from 2024
Primary financial liabilities				
Liabilities to banks	826.4	–233.3	–646.0	–
Promissory notes	1,214.3	–14.5	–798.8	–476.4
Other financial liabilities to non-banks	4.6	–4.6	–	–
Liabilities from financial services	1,472.4	–589.7	–867.7	–82.5
Lease liabilities	740.6	–291.5	–500.7	–9.4
Trade payables	904.2	–904.2	–	–
Other financial liabilities	798.9	–316.4	–403.9	–146.6
Derivative financial liabilities				
Derivatives with negative fair value	14.3			
+ Cash in		310.2	13.4	0.2
– Cash out		–324.5	–21.7	–

Liquidity analysis of financial liabilities and derivatives 2017 *

TABLE 114

in € million	Carrying amount 2017	Cash flow 2018	Cash flow 2019–2022	Cash flow from 2023
Primary financial liabilities				
Liabilities to banks	1,253.7	–267.1	–1,083.2	–
Promissory note	1,007.3	–	–788.8	–295.5
Other financial liabilities to non-banks	7.7	–7.4	–0.3	–
Liabilities from financial services	437.4	–187.2	–245.7	–23.2
Lease liabilities	1,131.1	–363.1	–806.1	–34.7
Trade payables	923.9	–923.9	–	–
Other financial liabilities	957.0	–351.9	–542.8	–131.4
Derivative financial liabilities				
Derivatives with negative fair value	5.2			
+ Cash in		182.5	16.2	2.6
– Cash out		–189.9	–18.9	–1.6

* Financial liabilities for 2017 were restated due to the initial application of IFRS 15 and IFRS 16

The calculation of future cash flows for derivative financial liabilities includes all transactions that have negative fair values as at the reporting date.

In 2018, the KION Group sold financial assets with a total value of €152.3 million (2017: €132.0 million) in factoring transactions. In some cases, the KION Group retains insignificant rights and obligations in connection with fully derecognised financial assets, primarily the provision of limited reserves for defaults. The recognised assets that serve as reserves for defaults and are reported under other current financial assets stood at €3.1 million as at 31 December 2018 (31 December 2017: €2.6 million). The short remaining term of these financial assets means their carrying amount was almost the same as their fair value. The maximum downside risk arising on the transferred financial assets that are to be fully derecognised amounted to €19.9 million as at 31 December 2018 (31 December 2017: €16.2 million).

Risks arising from financial services

The leasing activities of the Industrial Trucks & Services segment mean that the KION Group may be exposed to residual value risks from the marketing of trucks that are returned by the lessee at the end of a long-term lease and subsequently sold or re-rented. Residual values in the markets for used trucks are therefore constantly monitored and forecast. The KION Group regularly assesses its aggregate risk position arising from financial services.

The risks identified are immediately taken into account by the Company by recognising impairments or provisions and in the costing of new lease contracts by adjusting the residual values. Risk-mitigating factors include the demand for used trucks, which stabilises the residual values of the KION Group's industrial trucks. The majority of the residual values have underlying

remarketing agreements that transfer any residual-value risk to the leasing company. This had a positive impact on the financial results in 2018. Groupwide standards to ensure that residual values are calculated conservatively, combined with an IT system for residual-value risk management, reduce risk and provide the basis on which to create the transparency required.

The KION Group mitigates its liquidity risk and interest-rate risk attaching to financial services by ensuring that most of its transactions and funding loans have matching maturities and by constantly updating its liquidity planning. Long-term leases are primarily based on fixed-interest agreements. The credit facilities provided by various banks and an effective dunning process ensure that the Group has sufficient liquidity.

In order to exclude currency risk, the KION Group generally finances its leasing business in the local currency used in each market.

The counterparty risk inherent in the leasing business continues to be insignificant. The Group also mitigates any losses from defaults by its receipt of the proceeds from the sale of repossessed trucks. Furthermore, receivables management and credit risk management are refined on an ongoing basis. Besides the design of the business processes, it also encompasses the risk management and control processes.

Currency risk

In accordance with its treasury risk policy, the KION Group hedges exchange rate risks both locally at the level of the individual companies and centrally via KION GROUP AG using prescribed hedging ratios.

The main hedging instruments employed are foreign-currency forwards, provided that there are no country-specific restrictions on their use.

In the Industrial Trucks & Services segment, hedges are entered into at company level for highly probable future transactions on the basis of rolling 15-month forecasts, as well as for firm obligations not reported in the statement of financial position. Currency risk arising from customer-specific project business contracts in the Supply Chain Solutions segment is hedged on a project-specific basis at individual company level. Some of these hedges are classified as cash flow hedges for accounting purposes in accordance with IFRS 9 (see note [41]).

In addition, foreign-currency forwards are employed to hedge the currency risks arising in the course of internal financing. > **TABLE 115** shows an overview of the foreign-currency forwards entered into by the KION Group.

Foreign-currency forwards

TABLE 115

in € million		Fair value		Notional amount	
		2018	2017	2018	2017
Foreign-currency forwards (assets)	Cash flow hedge	2.4	7.8	180.4	224.8
	Held for trading	6.5	22.1	332.1	502.1
Foreign-currency forwards (liabilities)	Cash flow hedge	4.6	2.3	211.8	100.3
	Held for trading	1.9	1.0	112.8	95.3

Significant currency risk arising from financial instruments is measured using a currency sensitivity method. Currency risks from financial instruments as defined by IFRS 7 are only included in calculating currency sensitivity if the financial instruments are denominated in a currency other than the functional currency of the reporting entity concerned. This means that currency risks resulting from the translation of the separate financial statements of subsidiaries into the Group reporting currency, i.e. currency translation risks, are not included.

Currency risk relevant to currency sensitivity in the KION Group arises mainly in connection with derivative financial instruments, trade receivables and trade payables. It is assumed that the portfolio of financial instruments as at the reporting date is representative of the portfolio over the whole of the year. The sensitivity analysis for the relevant currencies is shown in > **TABLE 116**. The table shows the after-tax impact from changes in exchange rates considered to be possible (+10.0 per cent: increase in the value of the euro against the other currencies of 10.0 per cent; –10.0 per cent: fall in the value of the euro against the other currencies of 10.0 per cent).

Interest-rate risk

Interest-rate risk within the KION Group is managed centrally. The basis for decision-making includes sensitivity analyses of interest-rate risk positions in key currencies.

The Group's financing takes the form of floating-rate and fixed-rate financial liabilities. It has entered into interest-rate swaps in order to hedge interest-rate risk arising on the floating-rate financial liabilities. The majority of these hedges are accounted for as cash flow hedges for accounting purposes in accordance with IFRS 9. An interest-rate swap has also been entered into to hedge the risk of a change in the fair value of a fixed-rate financial liability. This is accounted for as a fair value hedge (see note [41]). > **TABLE 117** provides an overview of the interest-rate derivatives used by the KION Group.

A shift in the relevant yield curve of +/–50 basis points (bps) (2017: +/–50 bps) was simulated to assess interest-rate risk. The cumulative effect after tax resulted from variable-rate exposures and is shown in > **TABLE 118**.

Foreign-currency sensitivity

TABLE 116

	Impact on net income		Impact on other comprehensive income (loss)	
	Increase in the value of the euro of +10.0%	Fall in the value of the euro of –10.0%	Increase in the value of the euro of +10.0%	Fall in the value of the euro of –10.0%
in € million	2018			
GBP	0.2	–0.3	7.6	–11.9
USD	20.5	–9.4	6.3	–2.9
in € million	2017			
GBP	0.2	–0.3	9.2	–11.2
USD	11.4	–13.9	5.1	–6.3

Interest-rate swaps

TABLE 117

in € million		Fair value		Notional amount	
		2018	2017	2018	2017
Interest-rate swaps (assets)	Fair value hedge	1.0	–	100.0	–
	Held for trading	–	0.1	–	50.0
Interest-rate swaps (liabilities)	Cash flow hedge	7.3	1.9	760.0	760.0
	Held for trading	0.6	–	90.0	–

Interest-rate sensitivity

TABLE 118

in € million	+ 50 bps	– 50 bps	+ 50 bps	– 50 bps
	2018	2018	2017*	2017*
Net income	–0.6	–0.4	–0.1	–1.2
Other comprehensive income (loss)	7.3	–2.5	9.9	–4.9

* Financial liabilities for 2017 were restated due to the initial application of IFRS 15 and IFRS 16

[41] HEDGE ACCOUNTING

Hedging currency risk

In accordance with its treasury risk policy, the KION Group applies cash flow hedge accounting in hedging the currency risks arising from highly probable future transactions and firm obligations not reported in the statement of financial position in various currencies. Foreign-currency forwards with settlement dates in the same month as the expected cash flows from the Group's operating activities are used as hedges. The critical terms of the hedging instruments and the hedged items are therefore matched. The hedge ratio for these hedges is 1:1. The currency forwards used as hedges will mature in 2020 at the latest.

The main currency hedges relate to pound sterling and the US dollar. The currency forwards in existence as at 31 Decem-

ber 2018 were entered into at average hedging rates of £0.8984 to €1 (2017: £0.8962 to €1) and US\$1.2077 to €1 (2017: US\$1.1675 to €1).

The critical-terms-match method is used to measure the prospective effectiveness of the hedges. Ineffective portions can arise if the critical terms of the hedged item and hedge no longer match; this is determined using the dollar-offset method.

On account of the short-term nature of the Group's payment terms, reclassifications to the income statement and the recognition of the corresponding cash flows generally take place in the same reporting period. A foreign-currency receivable or liability is recognised when goods are despatched or received. Until the corresponding payment is received, changes in the fair value of the derivative are recognised in the income statement such that they largely offset the effect of the measurement of the foreign-currency receivable or liability at the reporting date.

In total, foreign-currency cash flows of €392.1 million (2017: €325.2 million) were hedged and designated as hedged items, of

which €372.4 million is expected by 31 December 2019 (2017: €306.7 million expected by 31 December 2018). The remaining cash flows designated as hedged items fall due in the period up to 31 December 2020 (2017: 31 December 2019).

Hedging of interest-rate risk

The KION Group uses cash flow hedge accounting in connection with the hedging of interest-rate risk. It also uses a fair value hedge to hedge the risk of a change in the fair value of fixed-rate financial liabilities. The hedge ratio used in both cases is 1:1. The critical terms of the hedging instruments and the hedged items are matched. The interest-rate swaps used as hedges reflect the maturity profile of the hedged items and will mature in 2025.

The KION Group has issued floating-rate and fixed-rate promissory notes as part of its financing (see also note [29]). It has hedged the interest-rate risk arising on the variable-rate tranches of the promissory note by entering into a number of interest-rate swaps, thereby transforming the variable interest-rate exposure into fixed-rate obligations. In 2018, the weighted, hedged risk-free fixed interest rate remained unchanged year on year at 0.5 per cent. In total, variable cash flows of €4.1 million (2017: €12.9 million) were hedged and designated as hedged items, of which €3.4 million relates to cash flows that are expected in 2020 to 2023 (2017: €10.2 million expected in 2019 to 2022). The remaining cash flows of €0.7 million (2017: €2.6 million expected as from 2023) are likely to materialise in 2024. Because the hedge is highly effective, the change in the fair value of the hedged item corresponds to the change in the fair value of the hedging instrument.

Moreover, the risk of a change in the fair value of a fixed-rate tranche of the promissory note that was issued in 2018 and will mature in 2025 is hedged using an interest-rate swap, thereby creating a EURIBOR-based variable-rate obligation. The carrying amount of the hedged promissory note tranche (€100.0 million), which is recognised under financial liabilities, included an adjustment of €6.8 million as at 31 December 2018 that was attributable to the change in fair value resulting from the hedged risk. Because the hedge is highly effective, this change in fair value corresponds to the change in the fair value of the hedging instrument.

The critical-terms-match method is used to measure the prospective effectiveness of the hedges. Ineffective portions can arise if the critical terms of the hedged item and hedge no longer match; this is determined using the dollar-offset method.

Change in the hedge reserve

The change in the hedge reserves within other comprehensive income (loss) is presented in > TABLE 119. Because the cash flow hedges are highly effective, the change in the fair value of the hedged items corresponds to the change in the fair value of the hedging instruments. These changes in fair value can be seen from the unrealised gains and losses in other comprehensive income (loss).

[42] SEGMENT REPORT

The Executive Board, as the chief operating decision-maker (CODM), manages the KION Group on the basis of the following segments: Industrial Trucks & Services, Supply Chain Solutions and Corporate Services. Segment reporting therefore takes into account the organisational and strategic focus of the KION Group.

Reconciliation of hedge reserves resulting from hedges of currency and interest rate risks

TABLE 119

in € million	Currency risk	Interest-rate risk
Balance as at 01/01/2017	-2.2	0.3
Changes in unrealised gains and losses	12.9	-1.3
Changes in gains (-) and losses (+) to revenue	-1.5	-
Changes in gains (-) and losses (+) to cost of sales	-4.0	-
Tax effect of changes in reserves	-2.8	0.4
Balance as at 31/12/2017	2.4	-0.6
in € million	Currency risk	Interest-rate risk
Balance as at 01/01/2018	2.4	-0.6
Changes in unrealised gains and losses	-4.9	-11.1
Changes in gains (-) and losses (+) to revenue	-0.2	-
Changes in gains (-) and losses (+) to cost of sales	-1.1	-
Tax effect of changes in reserves	1.7	3.4
Balance as at 31/12/2018	-2.2	-8.3

Description of the segments

Industrial Trucks & Services

So that it can fully cater to the needs of material handling customers worldwide, the business model of the Industrial Trucks & Services segment covers key steps of the value chain: product development, manufacturing, sales and service, truck rental and used trucks, fleet management and financial services that support the core industrial truck business. The segment operates a multi-brand strategy involving the three international brands Linde, STILL and Baoli plus the two local brands Fenwick and OM Voltas.

Supply Chain Solutions

The Supply Chain Solutions segment, with its Dematic Operating Unit, is a strategic partner to customers in a variety of industries, supplying them with integrated technology and software solutions with which to optimise their supply chains. Manual and automated solutions are provided for all functions along customers' supply chains, from goods inward and multishuttle warehouse systems

to picking and value-added packing. This segment is primarily involved in customer-specific, longer-term project business operated under the leadership of the Dematic brand. With global resources, eleven production facilities worldwide and regional teams of experts, Dematic is able to plan and deliver logistics solutions with varying degrees of complexity anywhere in the world.

Corporate Services

The Corporate Services segment comprises the other activities of the holding and service companies in the KION Group. The service companies provide services for all segments in the KION Group. The bulk of the total revenue in this segment is generated by internal IT and logistics services.

Segment management

The KPIs used to manage the segments are order intake, revenue and adjusted EBIT. Segment reporting therefore includes a reconciliation of externally reported consolidated earnings before interest and tax (EBIT) – including effects from purchase price allocations and non-recurring items – to the adjusted EBIT for the

segments ('adjusted EBIT'). Intra-group transactions are generally conducted on an arm's-length basis. Segment reports are prepared in accordance with the same accounting policies as the consolidated financial statements, as described in note [6].

> TABLES 120–121 show information on the KION Group's operating segments for 2018 and 2017.

Segment report 2018

TABLE 120

in € million	Industrial Trucks & Services	Supply Chain Solutions	Corporate Services	Consolidation/ Reconciliation	Total
Revenue from external customers	5,916.3	2,052.1	27.3	–	7,995.7
Intersegment revenue	5.7	3.1	271.9	–280.7	–
Total revenue	5,922.0	2,055.2	299.2	–280.7	7,995.7
Earnings before taxes	569.6	47.5	343.6	–415.3	545.3
Net financial expenses/income	–55.6	–16.9	–24.9	–	–97.4
EBIT	625.2	64.4	368.5	–415.3	642.8
+ Non-recurring items	12.6	7.2	1.1	–	21.0
+ PPA items	17.6	108.6	–	–	126.2
= Adjusted EBIT	655.4	180.2	369.6	–415.3	789.9
Segment assets	9,645.6	4,909.6	1,784.8	–3,371.2	12,968.8
Segment liabilities	6,881.0	2,084.2	4,080.3	–3,381.8	9,663.7
Capital expenditure ¹	195.4	47.8	15.4	–	258.5
Amortisation and depreciation ²	113.2	29.2	15.7	–	158.1
Order intake	6,210.6	2,425.2	299.2	–278.3	8,656.7
Number of employees ³	25,533	6,799	796	–	33,128

1 Capital expenditure including capitalised development costs, excluding right-of-use assets

2 On intangible assets and property, plant and equipment (excluding right-of-use assets and PPA items)

3 Number of employees (full-time equivalents) as at balance sheet date 31/12/; allocation according to the contractual relationship

Segment report 2017 *

TABLE 121

in € million	Industrial Trucks & Services	Supply Chain Solutions	Corporate Services	Consolidation/ Reconciliation	Total
Revenue from external customers	5,568.2	2,005.1	24.8	–	7,598.1
Intersegment revenue	4.0	4.5	241.8	–250.3	–
Total revenue	5,572.2	2,009.5	266.6	–250.3	7,598.1
Earnings before taxes	584.0	–18.1	486.5	–587.7	464.7
Net financial expenses/income	–56.2	–1.5	–37.5	–1.1	–96.3
EBIT	640.2	–16.6	523.9	–586.5	561.0
+ Non-recurring items	1.7	29.9	8.5	0.0	40.1
+ PPA items	0.9	175.3	–	–	176.2
= Adjusted EBIT	642.7	188.7	532.4	–586.5	777.3
Segment assets	9,031.3	4,770.0	1,894.6	–3,358.2	12,337.7
Segment liabilities	6,342.7	2,040.6	4,328.7	–3,366.5	9,345.4
Capital expenditure ¹	153.7	47.0	17.5	–	218.3
Amortisation and depreciation ²	104.7	26.7	14.9	–	146.3
Order intake	5,859.5	2,099.2	266.6	–246.2	7,979.1
Number of employees ³	24,090	6,820	698	–	31,608

1 Capital expenditure including capitalised development costs, excluding right-of-use assets

2 On intangible assets and property, plant and equipment (excluding right-of-use assets and PPA items)

3 Number of employees (full-time equivalents) as at balance sheet date 31/12/; allocation according to the contractual relationship

* Segment report for 2017 was restated due to the initial application of IFRS 15 and IFRS 16

External revenue by region is presented in > **TABLE 122**.

Revenue in Germany came to €1,533.2 million in 2018 (2017: €1,400.5 million). There are no relationships with individual customers that generate revenue deemed to be significant as a proportion of total consolidated revenue.

Financial income and expenses including all interest income and expenses are described in notes [11] and [12].

The non-recurring items mainly comprised consultancy costs totalling €21.0 million in 2018 (2017: €40.1 million). They are now attributable to process standardisation as part of the integration of Dematic and to the redirection of sales activities in South Africa.

The effects from purchase price allocations comprised net write-downs and other expenses in relation to the hidden reserves and charges identified as part of the acquisition processes.

Capital expenditure includes additions to intangible assets and property, plant and equipment. Leased assets are described in note [17]. > **TABLE 123**

Capital expenditure in Germany came to €156.3 million in 2018 (2017: €122.6 million).

Depreciation/amortisation relates to intangible assets with finite useful lives and property, plant and equipment.

The regional breakdown of non-current assets excluding financial assets, financial instruments, deferred tax assets and post-employment benefits is shown in > **TABLE 124**.

Non-current assets attributable to Germany amounted to €3,395.7 million as at 31 December 2018 (31 December 2017: €3,399.4 million).

Revenue with third parties broken down by customer location

TABLE 122

in € million	2018	2017*
Western Europe	4,769.9	4,567.1
Eastern Europe	592.3	548.2
Middle East and Africa	94.5	153.6
North America	1,486.3	1,266.7
Central and South America	173.5	163.1
Asia-Pacific	879.3	899.3
Total revenue	7,995.7	7,598.1

* Revenue for 2017 was restated due to the initial application of IFRS 15 and IFRS 16

Capital expenditure broken down by company location *

TABLE 123

in € million	2018	2017
Western Europe	190.2	162.8
Eastern Europe	14.6	6.6
Middle East and Africa	0.1	0.6
North America	34.6	31.6
Central and South America	1.6	3.5
Asia-Pacific	17.3	13.3
Total capital expenditure	258.5	218.3

* Capital expenditure including capitalised development costs, excluding right-of-use assets

Non-current assets broken down by company location

TABLE 124

in € million	2018	2017*
Western Europe	5,295.7	5,174.0
Eastern Europe	344.1	273.5
Middle East and Africa	5.0	20.3
North America	2,422.4	2,395.0
Central and South America	98.7	99.4
Asia-Pacific	565.8	603.9
Total non-current assets (IFRS 8)	8,731.8	8,566.0

* Non-current assets for 2017 were restated due to the initial application of IFRS 15 and IFRS 16

[43] EMPLOYEES

The KION Group employed an average of 32,524 full-time equivalents (including trainees and apprentices) in the reporting year (2017: 31,064). The number of employees (with part-time staff included on a pro rata basis) is shown by region in > TABLE 125.

The KION Group employed an average of 547 trainees and apprentices in 2018 (2017: 541).

[44] RELATED PARTY DISCLOSURES

In addition to the subsidiaries included in the consolidated financial statements, the KION Group has direct or indirect business relationships with a number of non-consolidated subsidiaries, joint ventures and associates in the course of its ordinary business activities.

The related parties that are solely or jointly controlled by the KION Group or over which significant influence can be exercised are included in the list of shareholdings as at 31 December 2018 (see note [48]).

In July 2018, Weichai Power (Luxembourg) Holding S.à.r.l., Luxembourg ('Weichai Power'), increased its stake in KION GROUP AG from 43.3 per cent to 45.0 per cent. Weichai Power Co. Ltd., Weifang, People's Republic of China, therefore indirectly holds a 45.0 per cent stake in KION GROUP AG. The distribution of a dividend of €0.99 per share (2017: €0.80 per share) to Weichai Power resulted in an outflow of funds from KION GROUP AG of €50.6 million (2017: €37.7 million).

The revenue that the KION Group generated in 2018 and 2017 from selling goods and services to related parties, and vice versa, is shown in > TABLES 126–127 along with the associated receivables and liabilities as at the reporting date. The receivables include a loan that the KION Group has granted to Linde Hydraulics GmbH & Co. KG, Aschaffenburg. This involved a commitment of €9.3 million (31 December 2017: €9.3 million), from which the KION Group had a loan receivable of €8.0 million as at 31 December 2018 (31 December 2017: €8.0 million) with a variable interest rate.

Employees (average)

TABLE 125

	2018	2017
Germany	9,887	9,127
France	3,619	3,508
United Kingdom	2,383	2,396
Italy	1,212	1,094
Rest of Europe	5,673	5,100
USA	2,938	3,038
Asia	4,402	4,267
Rest of world	2,410	2,534
Total employees	32,524	31,064

Related party disclosures 2018

TABLE 126

in € million	Receivables	Liabilities	Sales of goods and services	Purchases of goods and services
Non-consolidated subsidiaries	29.3	12.9	30.9	22.1
Associates (equity-accounted)	36.0	10.8	179.6	133.1
Joint ventures (equity-accounted)	3.0	92.8	63.1	78.6
Other related parties*	15.3	5.0	38.8	11.5
Total	83.6	121.5	312.3	245.3

* 'Other related parties' include, among others, transactions with Weichai Power and its affiliated companies

Related party disclosures 2017 *

TABLE 127

in € million	Receivables	Liabilities	Sales of goods and services	Purchases of goods and services
Non-consolidated subsidiaries	28.7	15.8	31.1	21.7
Associates (equity-accounted)	25.1	11.2	158.1	126.4
Joint ventures (equity-accounted)	1.5	56.0	56.8	83.2
Other related parties**	10.9	2.7	23.5	7.7
Total	66.2	85.7	269.4	239.0

* Key figures for 2017 were restated due to the initial application of IFRS 15 and IFRS 16

** 'Other related parties' include, among others, transactions with Weichai Power and its affiliated companies

The members of the Executive Board and Supervisory Board of KION GROUP AG are also related parties. Details of the remuneration of the Executive Board and Supervisory Board can be found in note [46].

In its consolidated financial statements, which are published on the website of the Hong Kong Stock Exchange, Weichai Power Co. Ltd. states that its highest-level parent company is Shandong Heavy Industry Group Co., Ltd., Jinan, People's Republic of China, which itself is owned by the State-owned

Assets Supervision and Administration Commission of Shandong People's Government of the People's Republic of China, Jinan, People's Republic of China. This Commission acts on behalf of the People's Republic of China. The exemption for government-related entities was applied. There were no transactions that were significant, either individually or taken together, between the KION Group and companies with which the KION Group is closely associated solely because of its relationship with Shandong Heavy Industry Group Co., Ltd.

[45] VARIABLE REMUNERATION

KEEP employee equity programme

On 1 October 2018, the Executive Board of KION GROUP AG decided to launch a further share option programme for employees (KEEP 2018). In addition to the employees in the countries that had been included in the previous year, employees in the United States were permitted to participate for the first time. The period during which eligible employees could take up this offer by making a declaration of acceptance ran from 2 to 19 October 2018. To be eligible to participate in KEEP 2018, employees needed, at the start of the offer phase, to have had a permanent, uninterrupted employment contract with a participating KION Group company for at least one year. Currently, KION GROUP AG plus 19 German (2017: 17) and 62 foreign (2017: 60) subsidiaries are eligible to take part in KEEP. The Company is considering whether to extend the employee share option programme to other countries over the coming years.

KEEP is a share matching plan. Participating employees acquire KION shares for their own investment purposes. Each set of three KION shares represents a share package. Once the three-year holding period has expired, employees are entitled to one free matching share (bonus share) for each share package.

However, KION GROUP AG has the right to satisfy each programme participant's entitlement by paying a cash settlement instead of granting a bonus share. For employees taking part for the first time, the KION Group offers a special incentive in the form of starter packages. Under KEEP 2018, the KION Group will bear the cost of one KION share (free share) in each of the first seven share packages that an employee takes up.

The right to obtain a bonus share lapses if participants sell their own investment in KION shares or cease to work for the KION Group. The change in the number of bonus shares to be granted is shown in > TABLE 128.

In 2018, 4,225 free shares were issued to employees as part of their starter packages (2017: 2,545 free shares).

The free shares to be issued are measured at their fair value on the day on which employees obtain the right to acquire shares as their own investment. The fair value on the grant date is determined on the basis of Monte Carlo simulation. The measurement parameters used are shown in > TABLE 129.

For KEEP 2018, the fair value of a bonus share was €42.03 (KEEP 2017: €62.02; KEEP 2016: €52.51).

The fair value of the bonus shares to be granted is recognised as an expense and paid into capital reserves over the three-year holding period. The holding period for KEEP 2015 ended on 1 October 2018 and the bonus shares were issued to the eligible employees at no cost.

Development of the granted bonus shares

TABLE 128

in units	2018	2017
Balance as at 01/01/	50,166	67,106
Granted bonus shares	17,455	12,098
Exercised bonus shares	-22,580	-27,363
Forfeited bonus shares	-1,386	-1,675
Balance as at 31/12/	43,655	50,166

Significant measurement parameters for the KION GROUP AG Share Matching Programme

TABLE 129

Measurement parameters	KEEP 2018	KEEP 2017	KEEP 2016
Expected dividend	€0.99	€0.88	€0.88
Price of the KION share as at grant date	€44.59	€64.62	€55.02

In 2018, an expense totalling €1.0 million was recognised under functional costs for free shares and bonus shares in connection with the employee share option programme (2017: €0.9 million). Of this amount, €0.3 million related to KEEP 2018, €0.2 million to KEEP 2017 (2017: €0.2 million), €0.2 million to KEEP 2016 (2017: €0.2 million) and €0.2 million to KEEP 2015 (2017: €0.3 million). In 2017, there had also been an amount of €0.2 million relating to KEEP 2014.

Each year, the Executive Board of KION GROUP AG decides whether there will be an offer made under the employee share option programme that year and which companies will participate.

KION performance share plan (PSP) for managers

The 2018 tranche of the long-term, variable remuneration component for the managers in the KION Group (LTI 2018) with a defined period (three years) was granted with effect from 1 January 2018. The remuneration component measured over the long term is based in equal parts on the total shareholder return (TSR) of KION GROUP AG shares compared with the performance of the MDAX index as a measure of market performance, and with return on capital employed (ROCE) as an internal measure. It also depends on the performance of KION GROUP AG shares during the relevant period.

The performance period for the 2018 tranche ends on 31 December 2020 (2017 tranche: 31 December 2019). The 2016 tranche expired on 31 December 2018 and will be paid out in the first quarter of 2019.

At the beginning of the performance period on 1 January 2018 (2017 tranche: 1 January 2017; 2016 tranche: 1 January 2016), the managers were allocated a total of 188,531 phantom shares for this tranche (2017 tranche: 171,573 phantom shares; 2016 tranche: 180,963 phantom shares). The allocation was based on a particular percentage of each manager's individual gross annual remuneration at the time of grant. At the end of the performance period, the number of the phantom shares is amended depending on the degree to which the relevant targets are achieved. The resulting final number of phantom shares multiplied by the smoothed price of KION GROUP AG shares at the end of the performance period determines the amount of cash actually paid. The KION Group has the right to adjust the amount payable at the end of the performance period in the event of exceptional occurrences or developments. The maximum amount payable is limited to 200.0 per cent of the value of the shares allotted to an individual at the grant date.

The pro-rata expense calculation based on the fair value of the phantom shares on each valuation date is carried out using Monte Carlo simulation. The measurement parameters shown in > TABLE 130 were used to value the phantom shares on the reporting date.

Significant measurement parameters of the KION Performance Share Plans

TABLE 130

Measurement parameters	Valuation date 31/12/2018	
	Tranche 2018	Tranche 2017
Expected volatility of the KION share	25.0%	30.0%
Expected volatility of the MDAX Index	10.0%	15.0%
Risk-free interest rate	-0.63%	-0.69%
Expected dividend	€0.99	€0.99
Price of the KION share at valuation date	€41.41	€41.41
Price of the MDAX Index at valuation date	€21,523.65	€21,523.65
Initial value of the KION share (60-days average)	€69.85	€53.85
Initial value of the MDAX Index (60-days average)	€26,396.86	€21,178.13

Taking account of the remaining term of two years (2018 tranche) and one year (2017 tranche), the historic volatility of KION shares was used to determine the volatility on which the valuation is based. As at 31 December 2018, the fair value of one phantom share was €23.76 for the 2017 tranche (31 December 2017: €65.60) and €24.25 for the 2018 tranche. On that date, the total fair value based on 153,909 phantom shares was €3.7 million (2017 tranche; 31 December 2017: €11.6 million) and €4.3 million (2018 tranche based on 176,360 phantom shares). The amount of €3.8 million that is expected to be paid out for the 2016 tranche (2017: €11.4 million for the 2015 tranche) is calculated on the basis of a preliminary total target achievement rate. In March 2018, a payment from the 2015 tranche was made on the basis of the achievement of the long-term targets that were defined in 2015 at the start of the performance period.

The total carrying amount for liabilities in connection with share-based remuneration was €7.7 million as at 31 December 2018 (31 December 2017: €23.0 million). Of this amount, €3.8 million related to the 2016 tranche (31 December 2017: €7.8 million), €2.4 million to the 2017 tranche (31 December 2017: €3.9 million) and €1.4 million to the 2018 tranche. In 2017, there had also been an amount of €11.4 million relating to the 2015 tranche. In 2018, income of €4.0 million in respect of the 2016 tranche (2017: expense of €5.2 million), income of €1.4 million for

the 2017 tranche (2017: expense of €3.9 million) and a pro-rata expense for twelve months of €1.4 million for the 2018 tranche were recognised under functional costs. Furthermore, an expense of €4.3 million for the 2015 tranche had been recognised under functional costs in 2017.

KION performance share plan (PSP) for the Executive Board

The members of the Executive Board have been promised a multiple-year variable remuneration component in the form of a performance share plan with a three-year term in each case. The remuneration component measured over the long term is based in equal parts on the total shareholder return (TSR) of KION GROUP AG shares compared with the performance of the MDAX index as a measure of market performance, and with return on capital employed (ROCE) as an internal measure. It also depends on the performance of KION GROUP AG shares during the relevant period.

The performance period for the 2018 tranche ends on 31 December 2020 (2017 tranche: 31 December 2019). The 2016 tranche expired on 31 December 2018 and will be paid out in the first quarter of 2019. At the beginning of the performance period

on 1 January 2018 (2017 tranche: 1 January 2017; 2016 tranche: 1 January 2016), the Executive Board members were allocated a total of 72,170 phantom shares for this tranche (2017 tranche: 82,265 phantom shares; 2016 tranche: 104,438 phantom shares) on the basis of the starting price of KION shares (60-day average). The shares were allocated on the basis of an allocation value in euros specified in each Executive Board member's service contract.

At the end of the performance period, the number of the phantom shares is amended depending on the degree to which the relevant targets are achieved. The resulting final number of phantom shares multiplied by the smoothed price of KION GROUP AG shares at the end of the performance period determines the amount of cash actually paid. The Supervisory Board can also use a discretionary personal performance multiplier to adjust the final payment at the end of the performance period by +/-30.0 per cent. The maximum amount payable is limited to 200.0 per cent of the value of the shares allotted to an individual at the grant date.

The pro-rata expense calculation based on the fair value of the phantom shares on each valuation date is carried out using Monte Carlo simulation. The measurement parameters shown in **> TABLE 130** were used to value the phantom shares on the reporting date.

Taking account of the remaining term of two years (2018 tranche) and one year (2017 tranche), the historic volatility of KION shares was used to determine the volatility on which the valuation is based. As at 31 December 2018, the fair value of one phantom share was €23.76 for the 2017 tranche (31 December 2017: €65.60) and €24.25 for the 2018 tranche. On that date, the total fair value based on 63,695 phantom shares was €1.5 million (2017 tranche; 31 December 2017: €4.2 million) and €1.8 million (2018 tranche based on 72,170 phantom shares). The amount of €2.1 million that is expected to be paid out for the 2016 tranche (2017: €9.5 million for the 2015 tranche) is calculated on the basis of a preliminary total target achievement rate. In March 2018, a payment from the 2015 tranche was made on the basis of the achievement of the long-term targets that were defined in 2015 at the start of the performance period.

The total carrying amount for liabilities in connection with share-based remuneration was €3.8 million as at 31 December 2018 (31 December 2017: €15.1 million). Of this amount, €2.1 million related to the 2016 tranche (31 December 2017:

€4.0 million), €1.1 million to the 2017 tranche (31 December 2017: €1.6 million) and €0.5 million to the 2018 tranche. In 2017, there had also been an amount of €9.5 million relating to the 2015 tranche. In 2018, income of €1.9 million in respect of the 2016 tranche (2017: expense of €2.3 million), income of €0.4 million for the 2017 tranche (2017: expense of €1.6 million) and a pro-rata expense for twelve months of €0.5 million for the 2018 tranche were recognised under functional costs. Furthermore, an expense of €3.6 million for the 2015 tranche had been recognised under functional costs in 2017.

[46] REMUNERATION OF THE EXECUTIVE BOARD AND SUPERVISORY BOARD

Executive Board

Responsibilities

Gordon Riske, Chief Executive Officer (CEO), is responsible for the LMH EMEA, STILL EMEA and KION Americas Operating Units in the Industrial Trucks & Services segment. He also remains in charge of the following group functions: corporate office, corporate communications, corporate strategy, internal audit, corporate compliance and KION Invest.

Dr Eike Böhm, in his role as Chief Technology Officer (CTO), has groupwide responsibility for research and development in both the Industrial Trucks & Services and the Supply Chain Solutions segments, including modules & components, and for procurement, quality, the production system and the KION Product Development Optimisation (KPDO) initiative.

Anke Groth, in her role as Chief Financial Officer (CFO), is in charge of corporate accounting & tax, corporate controlling, corporate finance/M&A, investor relations, financial services, legal affairs and logistics/Urban. As Labour Relations Director, she is further responsible for corporate HR and health, safety & environment.

Ching Pong Quek, Chief Asia Pacific Officer, heads up the KION APAC Operating Unit and thus the entire Asia business within the Industrial Trucks & Services segment.

Susanna Schneeberger, in the newly created role of Chief Digital Officer (CDO), is responsible for the Dematic Operating Unit in the Supply Chain Solutions segment and for the groupwide areas of software development, KION Group IT, data protection, mobile automation and the Digital Campus.

Remuneration

The remuneration paid to the Executive Board comprises a fixed salary and non-cash benefits, pension entitlements and performance-related components. The variable performance-related components comprise an annually recurring component linked to business performance and a multi-year performance-related component in the form of the KION performance share plan for all members of the Executive Board. The pension entitlements consist of retirement, invalidity and surviving dependants' benefits.

An expense of €5.7 million was recognised for the total remuneration for members of the Executive Board in 2018 (2017: €13.6 million). This consisted of short-term remuneration amounting to €6.5 million (2017: €5.0 million), post-employment benefits totalling €1.0 million (2017: €1.1 million) and share-based payments of minus €1.8 million (2017: €7.5 million). The short-term remuneration comprised non-performance-related components amounting to €4.5 million (2017: €3.1 million) and performance-related components amounting to €2.1 million (2017: €1.9 million). The current service cost resulting from pension provisions for the Executive Board is reported under post-employment benefits. The long-term incentive components take the form of a performance share plan (see also note [45]).

Under section 314 HGB, disclosure of the expense for share-based payments is not required. Rather, the payments must be included in the Executive Board members' remuneration for the year in which they are paid on the basis of the fair value at the individual grant dates. The fair value of the share-based payments at their individual grant dates, including tax equalisation, amounted to €5.5 million (2017: €3.9 million). Furthermore, disclosure of post-employment benefits (expense of €1.0 million; 2017: expense of €1.1 million) is not required. On this basis, the total remuneration of the members of the Executive Board pursuant to section 314 HGB came to €12.0 million (2017: €8.9 million).

As in the previous year, no loans or advances were made to members of the Executive Board in 2018. The present value of the defined benefit obligation in respect of Executive Board members as at 31 December 2018 was €8.3 million (31 December 2017: €8.3 million).

The total remuneration paid to former members of the Executive Board in 2018 amounted to €0.3 million (2017: €0.3 million). Defined benefit obligations to former members of the Executive Board or their surviving dependants amounting to €10.5 million (31 December 2017: €9.8 million) were recognised in accordance with IAS 19.

Further details of Executive Board remuneration, including the individual amounts for each member, can be found in the remuneration report within the combined management report (see pages 113 to 131).

Supervisory Board

The total remuneration paid to the members of the Supervisory Board for the performance of their tasks at the parent company and subsidiaries in 2018 amounted to €1.5 million (2017: €1.4 million). There were no loans or advances to members of the Supervisory Board in 2018. Furthermore, the members of the Supervisory Board did not receive any remuneration or benefits for services provided as individuals, such as consulting or brokerage activities.

Members of the Supervisory Board also received short-term employee benefits of €0.7 million for employee services (2017: €0.8 million).

Further details of Supervisory Board remuneration, including the individual amounts for each member, can be found in the remuneration report within the combined management report (see pages 132 to 133).

[47] MEMBERS OF THE EXECUTIVE BOARD AND SUPERVISORY BOARD

Executive Board

Gordon Riske

Chief Executive Officer (CEO)

Chairman of the Board of Directors of Linde (China) Forklift Truck Co., Ltd., Xiamen, People's Republic of China

Non-Executive Director of Weichai Power Co., Ltd., Weifang, People's Republic of China

Member of the Executive Board of the non-profit Hertie Foundation, Frankfurt am Main

Dr Eike Böhm

Member of the Executive Board/CTO

Member of the Advisory Board of JULI Motorenwerke s.r.o., Moravany, Czech Republic (since 29 August 2018)

Member of the Board of Directors of Linde (China) Forklift Truck Co., Ltd., Xiamen, People's Republic of China (since 8 November 2018)

Member of the Supervisory Board of e.GO Mobile AG, Aachen

Anke Groth

Member of the Executive Board/CFO (since 1 June 2018)

Ching Pong Quek

Member of the Executive Board/Chief Asia Pacific Officer

Member of the Board of KION South Asia Pte Ltd., Singapore, Singapore

President and CEO of KION Asia Ltd., Hong Kong, People's Republic of China

Chairman of KION Baoli Forklift Co., Ltd., Jiangsu, People's Republic of China

Member of the Board of Directors of KION India Pvt. Ltd., Pune, India

Member of the Board of Directors of Linde Material Handling Asia Pacific Pte., Ltd., Singapore, Singapore

Chairman of the Board of Directors of Linde Material Handling Hong Kong Ltd., Hong Kong, People's Republic of China

Member of the Advisory Board of Fujian JULI Motor Co., Ltd., Putian, People's Republic of China

Chairman of the APAC Advisory Board of Euro Asia Consulting Co., Ltd. Shanghai, People's Republic of China (since 1 November 2018)

Susanna Schneeberger

Member of the Executive Board/CDO (since 1 October 2018)

Member of the Supervisory Board of Concentric AB, Linköping, Sweden

Member of the Supervisory Board of Hempel A/S, Kongens Lyngby, Denmark

Dr Thomas Toepfer

Member of the Executive Board/CFO (until 31 March 2018)

Chairman of the Supervisory Board of STILL GmbH, Hamburg (until 31 March 2018)

Chairman of the Supervisory Board of Linde Material Handling GmbH, Aschaffenburg (until 31 March 2018)

Chairman of the Board of Directors of KION North America Corp., Summerville, USA (until 8 March 2018)

Supervisory Board

Dr John Feldmann

Chairman of the Supervisory Board

Former member of the Board of Executive Directors of BASF SE, Ludwigshafen

Member of the Supervisory Board of HORNBACH Baumarkt AG, Bornheim

Chairman of the Supervisory Board of HORNBACH Holding AG & Co. KGaA, Neustadt an der Weinstrasse (since 6 July 2018)

Member of the Supervisory Board of HORNBACH Management AG, Annweiler am Trifels

Özcan Pancarci¹

Deputy Chairman of the Supervisory Board

Chairman of the Plants I and II Works Council, Linde Material Handling GmbH, Aschaffenburg

Chairman of the Group Works Council of the KION Group

Deputy Chairman of the Supervisory Board of Linde Material Handling GmbH, Aschaffenburg

Birgit A. Behrendt

Vice President of Joint Ventures, Alliances and Commercial Affairs at Ford of Europe GmbH, Cologne

Member of the Executive Board of Ford of Europe GmbH, Cologne

Member of the Supervisory Board of Ford Werke GmbH, Cologne

Member of the Supervisory Board of Ford Deutschland Holding GmbH, Cologne

Member of the Board of Directors of Ford Sollers Holding LLC, Chelny, Russia

Member of the Audit Committee of Ford Sollers Holding LLC, Chelny, Russia

Member of the Board of Directors of Ford Otosan (Ford Otomotiv Sanayi A.S.), Istanbul, Turkey (since 19 March 2018)

Member of the Advisory Board of Getrag Ford Transmission GmbH, Cologne (since 1 January 2018)

Stefan Casper¹

Chairman of the Works Council of KION Warehouse Systems GmbH, Reutlingen

Dr Alexander Dibelius

Managing Partner at CVC Capital Partners (Deutschland) GmbH, Frankfurt am Main

Deputy Chairman of the Board of Directors of Breitling S.A., Grenchen, Switzerland

Member of the Board of Directors of CVC Capital Partners (Luxembourg) SARL, Luxembourg

Chairman of the Supervisory Board of Diebold Nixdorf AG, Paderborn

Chairman of the Supervisory Board of Diebold Nixdorf International GmbH, Paderborn

Member of the Board of Directors of Diebold Nixdorf Inc., Ohio, USA

Member of the Supervisory Board of Douglas GmbH, Düsseldorf

Member of the Supervisory Board of Douglas Holding AG, Düsseldorf

Member of the Supervisory Board of Kirk Beauty Investments SA, Luxembourg

Member of the Shareholders' Committee of Tipico Group Ltd., Malta

Martin Fahrendorf¹ (since 10 May 2018)

Chairman of the Works Council of Dematic GmbH and Dematic Services GmbH, Heusenstamm

Denis Heljic¹ (until 9 May 2018)

Head of Service at the Dortmund/Krefeld main branch of STILL GmbH, Hamburg

Jiang Kui

President of Shandong Heavy Industry Group Co., Ltd., Jinan, People's Republic of China

Member of the Board of Directors of Ferretti International Holding S.p.A., Milan, Italy

Member of the Board of Directors of Ferretti S.p.A., Milan, Italy

Member of the Executive Board of Hydraulics Drive Technology Beteiligungs GmbH, Aschaffenburg

Member of the Supervisory Board of Linde Hydraulics Verwaltungs GmbH, Aschaffenburg

Member of the Board of Directors of PSI, Delaware, USA

Member of the Board of Directors of Shandong Heavy Industry India Private Ltd., Pune, India

Member of the Board of Directors of Shantui Construction Machinery Co. Ltd. Jining, People's Republic of China

Member of the Board of Directors of Sinotruk (BVI) Limited, British Virgin Islands (since 23 November 2018)

Member of the Board of Directors of Sinotruk (Hong Kong) Limited, Hong Kong, People's Republic of China (since 23 November 2018)

Member of the Board of Directors of Sinotruk Jinan Power Co. Ltd, Jinan, People's Republic of China (since 23 November 2018)

Member of the Board of Directors of Ballard Power Systems Inc., Burnaby, Canada (since 23 November 2018)

Chairman of the Board of Directors of Weichai Ballard Hy-Energy Technologies Co. Ltd., Weifang, People's Republic of China (since 26 November 2018)

Member of the Board of Directors of Weichai Power Co., Ltd., Weifang, People's Republic of China

Olaf Kunz¹

Head of Collective Bargaining at IG Metall District Office for the Coast, Hamburg

Member of the Supervisory Board of STILL GmbH, Hamburg

Dr Michael Macht (since 9 October 2018)

Shareholder and member of the Supervisory Board of Endurance Capital Aktiengesellschaft, Munich

Member of the Supervisory Board of Ferretti S.p.A., Milan, Italy

Member of the Supervisory Board of Linde & Wiemann SE&Co. KG, Dillenburg

Chairman of the Advisory Board of Schweizer Group GmbH & Co. KG, Hattenhofen

Member of the Supervisory Board of Weichai Power Co. Ltd., Weifang, People's Republic of China

Jörg Milla¹

Chairman of the Works Council of STILL GmbH, Hamburg

Deputy Chairman of the Supervisory Board of STILL GmbH, Hamburg

Dr Christina Reuter

Head of Central Manufacturing Engineering & Operational Excellence for Space Equipment Operations at Airbus Defence and Space GmbH, Taufkirchen

Hans Peter Ring

Management Consultant, Munich

Member of the Supervisory Board of Airbus Defence and Space GmbH, Taufkirchen

Member of the Supervisory Board of Fokker Technologies Holding B.V., Papendrecht, Netherlands

Alexandra Schädler¹

Trade Union Secretary on the National Executive of IG Metall, Frankfurt am Main

Member of the Supervisory Board of Linde Material Handling GmbH, Aschaffenburg

Member of the Supervisory Board of Opel Automobile GmbH, Rüsselsheim (since 1 June 2018)

Dr Frank Schepp²

Vice President of Quality at KION GROUP AG, Frankfurt am Main (based in Aschaffenburg)

Tan Xuguang (until 30 September 2018)

Chairman of the Board of Directors and President of Shandong Heavy Industry Group Co., Ltd., Jinan, People's Republic of China

Chairman of the Board of Directors of China National Heavy Duty Truck Group Co., Ltd., Jinan, People's Republic of China (since 1 September 2018)

Chairman of the Board of Directors of Ferretti International Holding S.p.A., Milan, Italy

Chairman of the Board of Directors of Ferretti S.p.A., Milan, Italy

Chairman of the Board of Directors of Weichai Holding Group Co., Ltd., Weifang, People's Republic of China

Chairman of the Board of Directors and Chief Executive Officer of Weichai Power Co., Ltd., Weifang, People's Republic of China

Claudia Wenzel¹

Full-time works council member, HQ and plant 2 at Linde Material Handling GmbH, Aschaffenburg

Xu Ping

Partner and Member of the Management Committee at King & Wood Mallesons, Beijing, People's Republic of China

Member of the Board of Directors of Ferretti International Holding S.p.A., Milan, Italy

¹ Employee representatives

² Executive representatives

[48] LIST OF THE SHAREHOLDINGS OF KION GROUP AG, FRANKFURT AM MAIN

The shareholdings of the KION Group as at 31 December 2018 are listed below. > **TABLE 131**

List of shareholdings as at 31 December 2018

TABLE 131

No.	Name	Registered office	Country	Parent company	Shareholding 2018	Shareholding 2017	Note
1	KION GROUP AG	Frankfurt am Main	Germany				

Consolidated subsidiaries

Domestic

2	BlackForxx GmbH	Stuhr	Germany	23	100.00%	100.00%	
3	Dematic GmbH	Heusenstamm	Germany	56	100.00%	100.00%	
4	Dematic Holdings GmbH	Frankfurt am Main	Germany	1	100.00%	100.00%	[1]
5	Dematic Logistics GmbH	Bielefeld	Germany	56	100.00%	100.00%	
6	Dematic Services GmbH	Heusenstamm	Germany	3	100.00%	100.00%	
7	DH Services GmbH	Frankfurt am Main	Germany	53	100.00%	100.00%	[2]
8	Eisengießerei Dinklage GmbH	Dinklage	Germany	23	100.00%	100.00%	
9	Eisenwerk Weilbach GmbH	Frankfurt am Main	Germany	15	100.00%	100.00%	
10	Fahrzeugbau GmbH Geisa	Geisa	Germany	23	100.00%	100.00%	
11	KION Financial Services GmbH	Frankfurt am Main	Germany	15	100.00%	100.00%	
12	KION Information Management Services GmbH	Frankfurt am Main	Germany	1	100.00%	100.00%	
13	KION Warehouse Systems GmbH	Reutlingen	Germany	23	100.00%	100.00%	
14	Klaus Pahlke GmbH & Co. Fördertechnik KG	Haan	Germany	15	100.00%	100.00%	
15	Linde Material Handling GmbH	Aschaffenburg	Germany	1	100.00%	100.00%	
16	LMH Immobilien GmbH & Co. KG	Aschaffenburg	Germany	15 & 17	99.64%	99.64%	
17	LMH Immobilien Holding GmbH & Co. KG	Aschaffenburg	Germany	15	94.00%	94.00%	
18	LMH Immobilien Holding Verwaltungs-GmbH	Aschaffenburg	Germany	15	100.00%	100.00%	
19	LMH Immobilien Verwaltungs-GmbH	Aschaffenburg	Germany	15	100.00%	100.00%	
20	LR Intralogistik GmbH	Wörth a. d. Isar	Germany	23	100.00%	100.00%	
21	Schrader Industriefahrzeuge GmbH & Co. KG	Essen	Germany	15	100.00%	100.00%	
22	STILL Financial Services GmbH	Hamburg	Germany	11	100.00%	100.00%	
23	STILL Gesellschaft mit beschränkter Haftung	Hamburg	Germany	15	100.00%	100.00%	

List of shareholdings as at 31 December 2018 (continued)

TABLE 131

No.	Name	Registered office	Country	Parent company	Share-holding 2018	Share-holding 2017	Note
24	Urban-Transporte Gesellschaft mit beschränkter Haftung	Unterschleißheim	Germany	15	100.00%	100.00%	
25	Willenbrock Fördertechnik GmbH & Co. KG	Bremen	Germany	27	74.00%	74.00%	
26	Willenbrock Fördertechnik GmbH & Co. KG	Hannover	Germany	27	74.00%	74.00%	
27	Willenbrock Fördertechnik Holding GmbH	Bremen	Germany	15	74.00%	74.00%	
Foreign							
28	Dematic Holdings Pty. Ltd.	Belrose	Australia	56	100.00%	100.00%	
29	Dematic Pty. Ltd.	Belrose	Australia	28	100.00%	100.00%	
30	Linde Material Handling Pty. Ltd.	Huntingwood	Australia	15	100.00%	100.00%	
31	Dematic NV	Zwijndrecht	Belgium	56 & 3	100.00%	100.00%	
32	STILL NV	Wijnegem	Belgium	23 & 87	100.00%	100.00%	
33	Dematic Sistemas e Equipamentos de Movimentação de Materiais Ltda.	Indaiatuba / São Paulo	Brazil	81 & 3	100.00%	100.00%	
34	KION South America Fabricação de Equipamentos para Armazenagem Ltda.	Indaiatuba / São Paulo	Brazil	23	100.00%	100.00%	
35	Dematic Logistics de Chile Ltda.	Santiago de Chile	Chile	54 & 111	100.00%	100.00%	
36	STILL DANMARK A/S	Kolding	Denmark	23	100.00%	100.00%	
37	BARTHELEMY MANUTENTION SAS	Vitrolles	France	43	80.00%	82.00%	
38	Bastide Manutention SAS	Bruguières	France	43	100.00%	100.00%	
39	Bretagne Manutention SAS	Pacé	France	43	100.00%	100.00%	
40	Dematic SAS	Bussy-Saint-Georges	France	56	100.00%	100.00%	
41	FENWICK FINANCIAL SERVICES SAS	Elancourt	France	44	100.00%	100.00%	
42	FENWICK-LINDE OPERATIONS SAS	Cenon-sur-Vienne	France	43	100.00%	100.00%	
43	FENWICK-LINDE SAS	Elancourt	France	44	100.00%	100.00%	
44	KION France SERVICES SAS	Elancourt	France	15	100.00%	100.00%	
45	LOIRE OCEAN MANUTENTION SAS	Saint-Herblain	France	43	71.18%	74.04%	
46	Manuchar SAS	Gond-Pontouvre	France	43	100.00%	100.00%	
47	MANUSOM SAS	Rivery	France	51	100.00%	100.00%	
48	Société Angoumoisine de Manutention (SAMA) SAS	Champniers	France	51	100.00%	100.00%	
49	SM Rental SAS	Roissy-Charles-de-Gaulle	France	43	100.00%	100.00%	
50	STILL Location Services SAS	Marne-la-Vallée	France	44	100.00%	100.00%	
51	STILL SAS	Marne-la-Vallée	France	44	100.00%	100.00%	
52	URBAN LOGISTIQUE SAS	Elancourt	France	24	100.00%	100.00%	

List of shareholdings as at 31 December 2018 (continued)

TABLE 131

No.	Name	Registered office	Country	Parent company	Share-holding 2018	Share-holding 2017	Note
53	Dematic (Services) Ltd.	Banbury	UK	4	100.00%	100.00%	
54	Dematic Ltd.	Banbury	UK	56	100.00%	100.00%	
55	Dematic Group Ltd.	Banbury	UK	7	100.00%	100.00%	
56	Dematic Holdings UK Ltd.	Banbury	UK	81	100.00%	100.00%	
57	KION FINANCIAL SERVICES Ltd.	Basingstoke	UK	70	100.00%	100.00%	
58	Linde Castle Ltd.	Basingstoke	UK	62	100.00%	100.00%	
59	Linde Creighton Ltd.	Basingstoke	UK	62	100.00%	100.00%	
60	Linde Holdings Ltd.	Basingstoke	UK	70	100.00%	100.00%	
61	Linde Jewsbury's Ltd.	Basingstoke	UK	62	100.00%	100.00%	
62	Linde Material Handling (UK) Ltd.	Basingstoke	UK	60	100.00%	100.00%	
63	Linde Material Handling East Ltd.	Basingstoke	UK	62	100.00%	100.00%	
64	Linde Material Handling Scotland Ltd.	Basingstoke	UK	62	100.00%	100.00%	
65	Linde Material Handling South East Ltd.	Basingstoke	UK	62	100.00%	100.00%	
66	Linde Severnside Ltd.	Basingstoke	UK	62	100.00%	100.00%	
67	Linde Sterling Ltd.	Basingstoke	UK	62	100.00%	100.00%	
68	Mirror Bidco Ltd.	Banbury	UK	7	100.00%	100.00%	
69	STILL Materials Handling Ltd.	Exeter	UK	70	100.00%	100.00%	
70	Superlift UK Ltd.	Basingstoke	UK	15	100.00%	100.00%	
71	KION India Pvt. Ltd.	Pune	India	107	100.00%	100.00%	
72	Linde Material Handling (Ireland) Ltd.	Walkinstown	Ireland	60	100.00%	100.00%	
73	Baoli EMEA S.p.A.	Lainate	Italy	23	100.00%	100.00%	
74	Dematic S.r.l.	Cernusco sul Naviglio	Italy	56	100.00%	100.00%	
75	Emhilia Material Handling S.p.A.	Modena	Italy	77	100.00%	100.00%	
76	KION Rental Services S.p.A.	Milan	Italy	73 & 77 & 78	100.00%	100.00%	
77	Linde Material Handling Italia S.p.A.	Buguggiate	Italy	15	100.00%	100.00%	
78	STILL S.p.A. (until 2018: OM Carrelli Elevatori S.p.A.)	Lainate	Italy	15 & 73	100.00%	100.00%	
79	Dematic Ltd.	Mississauga	Canada	81	100.00%	100.00%	
80	K-LIFT S.A.	Luxembourg	Luxembourg	–	–	–	[3], [4]
81	Dematic Group S.à r.l.	Senningerberg	Luxembourg	7	100.00%	100.00%	
82	Dematic (Malaysia) Sdn. Bhd.	Petaling Jaya	Malaysia	105	100.00%	100.00%	
83	Dematic Logistics de Mexico S. de R.L. de C.V.	Monterrey	Mexico	54 & 111	100.00%	100.00%	
84	DMTC Technology Services, S. de R.L. de C.V.	Monterrey	Mexico	54 & 111	100.00%	100.00%	
85	Dematic Trading de Mexico S. de R.L. de C.V.	Monterrey	Mexico	54 & 111	100.00%	100.00%	

List of shareholdings as at 31 December 2018 (continued)

TABLE 131

No.	Name	Registered office	Country	Parent company	Share-holding 2018	Share-holding 2017	Note
86	Dematic B.V.	s'Hertogenbosch	Netherlands	6	100.00%	100.00%	
87	STILL Intern Transport B.V.	Hendrik-Ido-Ambacht	Netherlands	23	100.00%	100.00%	
88	STILL Norge AS	Heimdal	Norway	23	100.00%	100.00%	
89	AUSTRO OM PIMESPO Fördertechnik GmbH	Linz	Austria	78	100.00%	100.00%	
90	Linde Material Handling Austria GmbH	Linz	Austria	15 & 89	100.00%	100.00%	
91	STILL Gesellschaft m.b.H.	Wiener Neudorf	Austria	23	100.00%	100.00%	
92	Dematic Poland Sp. z o.o.	Poznań	Poland	3	100.00%	100.00%	
93	Linde Material Handling Polska Sp. z o.o.	Warsaw	Poland	15	100.00%	100.00%	
94	STILL POLSKA Sp. z o.o.	Gadki	Poland	23	100.00%	100.00%	
95	STILL MATERIAL HANDLING ROMANIA SRL	Giurgiu	Romania	15 & 23	100.00%	100.00%	
96	OOO "Linde Material Handling Rus"	Moscow	Russia	15 & 9	100.00%	100.00%	
97	OOO "STILL Forklifttrucks"	Moscow	Russia	15 & 23	100.00%	100.00%	
98	Linde Material Handling AB	Örebro	Sweden	15	100.00%	100.00%	
99	Linde Material Handling Financial Services AB	Örebro	Sweden	98	100.00%	100.00%	
100	Nordtruck AB	Örnsköldsvik	Sweden	98	100.00%	100.00%	
101	STILL Sverige AB	Malmö	Sweden	23	100.00%	100.00%	
102	Dematic Suisse Sagl	Lugano	Switzerland	56	100.00%	100.00%	
103	Linde Material Handling Schweiz AG	Dietlikon	Switzerland	15	100.00%	100.00%	
104	STILL AG	Otelfingen	Switzerland	23	100.00%	100.00%	
105	Dematic S.E.A. Pte. Ltd.	Singapore	Singapore	56	100.00%	100.00%	
106	KION South Asia Pte. Ltd.	Singapore	Singapore	15	100.00%	100.00%	
107	Linde Material Handling Asia Pacific Pte. Ltd.	Singapore	Singapore	15	100.00%	100.00%	
108	Linde Material Handling Slovenská republika s.r.o.	Trenčín	Slovakia	15 & 118	100.00%	100.00%	
109	STILL SR, spol. s.r.o.	Nitra	Slovakia	23 & 121	100.00%	100.00%	
110	Linde Viličar d.o.o.	Celje	Slovenia	15	100.00%	100.00%	
111	Dematic Logistic Systems S.A.U.	Coslada	Spain	56	100.00%	100.00%	
112	Islavista Spain S.A.U.	L'Hospitalet de Llobregat	Spain	15	100.00%	100.00%	
113	KION Rental Services S.A.U.	Barcelona	Spain	112	100.00%	100.00%	
114	Linde Material Handling Ibérica, S.A.U.	Pallejá	Spain	112	100.00%	100.00%	
115	STILL, S.A.U.	L'Hospitalet de Llobregat	Spain	112	100.00%	100.00%	
116	Linde Material Handling (Pty) Ltd.	Linbro Park	South Africa	15	100.00%	100.00%	

List of shareholdings as at 31 December 2018 (continued)

TABLE 131

No.	Name	Registered office	Country	Parent company	Share-holding 2018	Share-holding 2017	Note
117	KION Supply Chain Solutions Czech, s.r.o.	Český Krumlov	Czech Republic	55	100.00%	100.00%	
118	Linde Material Handling Česká republika s.r.o.	Prague	Czech Republic	15 & 23	100.00%	100.00%	
119	Linde Material Handling Parts Distribution CZ s.r.o.	Český Krumlov	Czech Republic	15	100.00%	100.00%	
120	Linde Pohony s.r.o.	Český Krumlov	Czech Republic	15	100.00%	100.00%	
121	STILL ČR spol. s.r.o.	Prague	Czech Republic	15 & 23	100.00%	100.00%	
122	STILL Regional Service Center, s.r.o.	Prague	Czech Republic	23	100.00%	100.00%	
123	STILL ARSER İş Makineleri Servis ve Ticaret A.Ş.	Izmir	Turkey	23	51.00%	51.00%	
124	Linde Magyarország Anyagmozgatási Kft.	Dunaharaszti	Hungary	15	100.00%	100.00%	
125	STILL Kft.	Környe	Hungary	23	100.00%	100.00%	
126	Dematic Corp.	Grand Rapids	United States	68	100.00%	100.00%	
127	KION North America Corp.	Summerville	United States	15	100.00%	100.00%	
128	Dematic International Trading Ltd.	Shanghai	People's Republic of China	81	100.00%	100.00%	
129	Dematic Logistics Systems Ltd.	Suzhou	People's Republic of China	81	100.00%	100.00%	
130	Egemin Asia Pacific Automation Ltd.	Causeway Bay – Hong Kong	People's Republic of China	31	100.00%	100.00%	
131	Egemin (Shanghai) Trading Company Ltd.	Shanghai	People's Republic of China	130	100.00%	100.00%	
132	KION ASIA (HONG KONG) Ltd.	Kwai Chung – Hong Kong	People's Republic of China	15	100.00%	100.00%	
133	KION Baoli (Jiangsu) Forklift Co., Ltd.	Jiangjiang	People's Republic of China	132	100.00%	100.00%	
134	Linde Material Handling Hong Kong Ltd.	Kwai Chung – Hong Kong	People's Republic of China	15	100.00%	100.00%	
135	Linde (China) Forklift Truck Corporation Ltd.	Xiamen	People's Republic of China	15	100.00%	100.00%	

List of shareholdings as at 31 December 2018 (continued)

TABLE 131

No.	Name	Registered office	Country	Parent company	Share-holding 2018	Share-holding 2017	Note
Non-consolidated subsidiaries							
Domestic							
136	Comnovo GmbH	Dortmund	Germany	15	100.00%	100.00%	
137	KION IoT Systems GmbH	Frankfurt am Main	Germany	1	100.00%	100.00%	
138	Klaus Pahlke Betriebsführungs-GmbH	Haan	Germany	15	100.00%	100.00%	
139	Linde Material Handling Rental Services GmbH	Aschaffenburg	Germany	15	100.00%	100.00%	
140	OM Deutschland GmbH	Neuhausen a. d. Fildern	Germany	78	100.00%	100.00%	[R]
141	proplan Transport- und Lagersysteme GmbH	Aschaffenburg	Germany	1	100.00%	100.00%	
142	Schrader Industriefahrzeuge Verwaltung GmbH	Essen	Germany	15	100.00%	100.00%	
143	Trainingscenter für Sicherheit und Transport GmbH	Bremen	Germany	27	74.00%	74.00%	
144	Willenbrock Fördertechnik Beteiligungs-GmbH	Bremen	Germany	27	74.00%	74.00%	
145	Willenbrock Fördertechnik Beteiligungs-GmbH	Hannover	Germany	27	74.00%	74.00%	
Foreign							
146	Lansing Bagnall (Aust.) Pty. Ltd.	Huntingwood	Australia	62 & 15	100.00%	100.00%	[R]
147	NDC Automation Pty. Ltd.	Belrose	Australia	29	100.00%	100.00%	[R]
148	NDC Manage Pty. Ltd.	Belrose	Australia	29	100.00%	100.00%	[R]
149	Baoli France SAS	Elancourt	France	44	100.00%	100.00%	
150	SCI Champ Lagarde	Elancourt	France	43	100.00%	100.00%	
151	Castle Lift Trucks Ltd.	Basingstoke	UK	62	100.00%	100.00%	[R]
152	Creighton Materials Handling Ltd.	Basingstoke	UK	62	100.00%	100.00%	[R]
153	D.B.S. Brand Factors Ltd.	Basingstoke	UK	67	100.00%	100.00%	[R]
154	Fork Truck Rentals Ltd.	Basingstoke	UK	62	100.00%	100.00%	[R]
155	Fork Truck Training Ltd.	Basingstoke	UK	62	100.00%	100.00%	[R]
156	FSU Investments Ltd.	Banbury	UK	81	100.00%	100.00%	
157	Lancashire (Fork Truck) Services Ltd.	Basingstoke	UK	67	100.00%	100.00%	[R]
158	Linde Heavy Truck Division Ltd.	Basingstoke	UK	62	100.00%	100.00%	
159	McLEMAN FORK LIFT SERVICES LTD.	Basingstoke	UK	59	100.00%	100.00%	
160	Regentruck Ltd.	Basingstoke	UK	62	100.00%	100.00%	[R]
161	SDI Group Ltd.	Banbury	UK	156 & 81	100.00%	100.00%	
162	SDI Group UK Ltd.	Banbury	UK	161	100.00%	100.00%	

List of shareholdings as at 31 December 2018 (continued)

TABLE 131

No.	Name	Registered office	Country	Parent company	Share-holding 2018	Share-holding 2017	Note
163	Stephensons Enterprise Fork Trucks Ltd.	Basingstoke	UK	67	100.00%	100.00%	[R]
164	Sterling Mechanical Handling Ltd.	Basingstoke	UK	62	100.00%	100.00%	[R]
165	Trifik Services Ltd.	Basingstoke	UK	62	100.00%	100.00%	[R]
166	Urban Logistics (UK) Ltd.	Basingstoke	UK	24	100.00%	100.00%	
167	Handling & Storage Equipment (Ireland) Ltd.	Walkinstown	Ireland	72	100.00%	100.00%	[R]
168	Parmacarr Service Srl.	Torile	Italy	78	100.00%	–	[3]
169	QUALIFT S.p.A.	Verona	Italy	77	100.00%	100.00%	
170	URBAN LOGISTICA S.R.L.	Lainate	Italy	24	100.00%	100.00%	
171	WHO Real Estate UAB	Vilnius	Lithuania	27	74.00%	74.00%	
172	Linde Material Handling (Malaysia) Sdn. Bhd.	Petaling Jaya	Malaysia	107	100.00%	100.00%	
173	Linde Viljuškari d.o.o.	Vrčin	Serbia	90	100.00%	100.00%	
174	IBER-MICAR S.L.U.	Gavà	Spain	15	100.00%	100.00%	
175	Dematic Thailand Co. Ltd.	Bangkok	Thailand	105 & 198	73.89%	73.89%	
176	Linde Material Handling (Thailand) Co., Ltd.	Pathum Thani	Thailand	107	100.00%	100.00%	
177	Baoli Material Handling Europe s.r.o.	Prague	Czech Republic	133	100.00%	100.00%	
178	Použitý Vozík CZ, s.r.o.	Prague	Czech Republic	118	100.00%	100.00%	
179	Urban Transporte spol. s.r.o.	Moravany	Czech Republic	24	100.00%	100.00%	
180	TOV "Linde Material Handling Ukraine"	Kiev	Ukraine	15 & 9	100.00%	100.00%	

Associates (equity-accounted investments)

Domestic

181	Carl Beuthauser Kommunal- und Fördertechnik GmbH & Co. KG	Hagelstadt	Germany	15	25.00%	25.00%	
182	Hans Joachim Jetschke Industriefahrzeuge (GmbH & Co.) KG	Hamburg	Germany	15	21.00%	21.00%	
183	Linde Hydraulics GmbH & Co. KG	Aschaffenburg	Germany	15	10.00%	10.00%	
184	Pelzer Fördertechnik GmbH	Kerpen	Germany	15	24.96%	24.96%	

Foreign

185	Linde High Lift Chile S.A.	Santiago de Chile	Chile	15	45.00%	45.00%	
186	Labrosse Equipement SAS	Saint-Péray	France	43	34.00%	34.00%	
187	Normandie Manutention SAS	Saint-Etienne-du-Rouvray	France	43	34.00%	34.00%	

List of shareholdings as at 31 December 2018 (continued)

TABLE 131

No.	Name	Registered office	Country	Parent company	Share-holding 2018	Share-holding 2017	Note
Joint Ventures (equity-accounted investments)							
Domestic							
188	Linde Leasing GmbH	Wiesbaden	Germany	15	45.00%	45.00%	
Foreign							
189	JULI Motorenwerk s.r.o.	Moravany	Czech Republic	15 & 23	50.00%	50.00%	
Associates (at cost)							
Domestic							
190	JETSCHKE GmbH	Hamburg	Germany	15	21.00%	21.00%	
191	Linde Hydraulics Verwaltungs GmbH	Aschaffenburg	Germany	15	10.00%	10.00%	
192	MV Fördertechnik GmbH	Blankenhain	Germany	15	25.00%	25.00%	
193	Supralift Beteiligungs- und Kommunikationsgesellschaft mbH	Hofheim am Taunus	Germany	15	50.00%	50.00%	
194	Supralift GmbH & Co. KG	Hofheim am Taunus	Germany	15	50.00%	50.00%	
Foreign							
195	Chadwick Materials Handling Ltd.	Corsham	UK	62	48.00%	48.00%	
196	Bari Servizi Industriali S.c.a.r.l.	Modugno	Italy	78	25.00%	25.00%	
197	Carretilas Elevadoras Sudeste S.A.	Murcia	Spain	114	38.54%	38.54%	
198	Dematic Holding (Thailand) Co., Ltd.	Bangkok	Thailand	105	48.90%	48.90%	
199	Motorové závody JULI CZ s.r.o.	Moravany	Czech Republic	15	50.00%	50.00%	
200	DEMATIC ELECTROMECHANICAL SYSTEMS MIDDLE EAST L.L.C.	Dubai	United Arab Emirates	3	49.00%	49.00%	

Other disclosures

List of shareholdings as at 31 December 2018 (continued)

TABLE 131

No.	Name	Registered office	Country	Parent company	Share-holding 2018	Share-holding 2017	Note
Financial investments							
Foreign							
201	Balyo SA	Ivry-sur-Seine	France	15	6.48%	6.48%	[5]
202	TPZ Linde Viličari Hrvatska d.o.o.	Zagreb	Croatia	15	20.00%	20.00%	[5]

[1] Formerly 'DH Services Luxembourg Holding S.à r.l.', change of registered office from Luxembourg to Germany

[2] Formerly 'DH Services Luxembourg S.à r.l.', change of registered office from Luxembourg to Germany

[3] Addition during 2018

[4] Consolidated in accordance with IFRS 10 as structured entity

[5] No material influence

[R] Dormant company

[49] AUDITORS' FEES

The fees recognised as an expense and paid to the auditors of the consolidated financial statements in 2018 amounted to €2.3 million (2017: €2.1 million) for the audit of the financial statements, €0.1 million (2017: €0.1 million) for other attestation services, €0.0 million (2017: €0.0 million) for tax consultancy services and €0.0 million (2017: €0.1 million) for other services.

[50] COMPLY-OR-EXPLAIN STATEMENT REGARDING THE GERMAN CORPORATE GOVERNANCE CODE (DCGK)

In December 2018, the Executive Board and Supervisory Board of KION GROUP AG submitted their comply-or-explain statement for 2018 relating to the recommendations of the German Corporate Governance Code government commission pursuant to section 161 AktG. The comply-or-explain statement has been made permanently available to shareholders on the website of KION GROUP AG at kiongroup.com/comply_statement.

[51] EVENTS AFTER THE REPORTING DATE

On 5 February 2019, Dr Feldmann informed KION GROUP AG that he will be stepping down as chairman of the Supervisory Board and as a member of the Supervisory Board at the end of the upcoming Annual General Meeting.

[52] INFORMATION ON PREPARATION AND APPROVAL

The Executive Board of KION GROUP AG prepared the consolidated financial statements on 20 February 2019 and approved them for forwarding to the Supervisory Board. The Supervisory Board has the task of examining and deciding whether to approve the consolidated financial statements.

Frankfurt am Main, 20 February 2019

The Executive Board



Gordon Riske



Dr Eike Böhm



Anke Groth



Ching Pong Quek



Susanna Schneeberger