ZEPPELIN®
WE CREATE SOLUTIONS

ANNUAL REPORT

2013

www.zeppelin.com

ZEPPELIN AT A GLANCE

		2013	2012	2011	2010	2009
SALES						
Construction Equipment EU SBU	EURm	1,036	1,070	1,126	985	-
Construction Equipment CIS SBU	EURm	573	665	516	337	-
Rental SBU	EURm	290	288	254	222	-
Power Systems SBU	EURm	311	344	365	316	-
Subtotal (former Trade division) [1]	EURm	2,135	2,268	2,195	1,797	1,558
Plant Engineering SBU	EURm	299	282	234	249	238
Total for Zeppelin Group [2]	**EURm**	**2,434**	**2,550**	**2,429**	**2,046**	**1,796**
EMPLOYEES (AVERAGE FOR YEAR, INCLUDING TRAINEES)						
Construction Equipment EU SBU		2,661	2,687	2,660	2,597	-
Construction Equipment CIS SBU		1,733	1,491	1,211	964	-
Rental SBU		1,048	1,052	898	744	-
Power Systems SBU		773	750	716	657	-
Subtotal (former Trade division)		6,215	5,980	5,485	4,962	5,088
Plant Engineering SBU		1,381	1,302	1,122	1,115	1,144
Total for Zeppelin Group [2]		**7,648**	**7,332**	**6,647**	**6,113**	**6,268**
FIXED ASSETS						
Additions	EURm	118.2	160.4	151.5	109.8	99.6
Changes in consolidated companies	EURm	0.1	-3.2	9.8	-	31.5
Depreciation	EURm	72.2	73.2	75.8	63.9	67.8
	% additions	61	46	50	58	68
Thereof, rental assets						
Additions	EURm	63.4	102.9	98.3	71.3	52.3
Changes in consolidated companies	EURm	-	0.1	2.0	-	-
Depreciation	EURm	38.2	41.8	36.6	29.3	30.8
RESULT OF ORDINARY ACTIVITIES	EURm	80.5[3]	98.4	85.7	26.2	26.7
NET CONSOLIDATED PROFITS OF GROUP	EURm	42.7	68.7	55.8	10.0	12.8
NET CASH FLOW	EURm	122.5	152.0	154.3	80.7	92.3
GROUP EQUITY	EURm	513.9	507.8	449.3	396.0	383.2
Thereof:						
Subscribed capital	EURm	100.0	100.0	100.0	100.0	100.0
Capital reserves	EURm	60.0	60.0	60.0	60.0	60.0
Retained earnings	EURm	353.5	337.8	277.5	224.1	212.0
Minority interests	EURm	0.5	10.1	11.8	11.9	11.2

[1] Consolidated. [2] Incl. ZEPPELIN GmbH.
[3] Without considering negative effects of acquiring mining equipment activities from Caterpillar (EURm 12.9).
SBU: strategic business unit

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MANAGEMENT BOARD

PETER GERSTMANN
Chairman of the Management Board

Corporate Development, IT, Auditing,
Corporate Communication;
Plant Engineering and Construction Equipment CIS
Strategic Business Units

Diplom-Betriebswirt (roughly equivalent to MBA)

Member of the Management Board of ZEPPELIN GmbH since 2007 and Chairman since 2010

MICHAEL HEIDEMANN
Vice Chairman of the Management Board

Sales, Marketing, Service;
Construction Equipment EU and Rental Strategic Business Units

Industrial Manager

Member of the Management Board of ZEPPELIN GmbH since 2000 and Vice Chairman since 2010

Also a member of the Management Board of Zeppelin Baumaschinen GmbH since 1999, and Chairman since 2008

CHRISTIAN DUMMLER
Member of the Management Board

Finance, Controlling,
Real Estate Management

Certified Banking Specialist

Member of the Management Board of
ZEPPELIN GmbH since 2011

JÜRGEN-PHILIPP KNEPPER
Member of the Management Board

Human Resources (Labor Director), Legal Affairs,
Compliance;
Power Systems Strategic Business Unit

Lawyer

Member of the Management Board of
ZEPPELIN GmbH since 2008

MANAGEMENT BOARD REPORT

» As expressed in our slogan “We Create Solutions”, in all of our activities we are continuing to focus on our service commitment and our employees’ solutions competence for meeting our customers’ needs and expectations. This will ensure that we remain a reliable partner to our customers in the future. «

Despite its excellent market position, the Zeppelin Group fell short of its ambitious growth targets for the 2013 fiscal year. Some markets in Germany and elsewhere contracted, resulting in correspondingly smaller sales. The market for new construction equipment shrank across all of the territories served by the Construction Equipment EU business unit, reducing its sales even as it significantly enlarged its market shares. The demand for machines and vehicles from the Construction Equipment CIS business unit (CIS = Commonwealth of Independent States) was dampened by the mostly stagnant global market for raw materials. The Power Systems business unit, despite brisk demand for energy solutions and industrial engines, did not quite match its results of the previous year, which had been buoyed by large orders. The Rental business unit registered growth in nearly all of its territories. Although the Plant Engineering business unit achieved a record sales volume, its earnings remained below our expectations. This business unit grew rapidly in the years following the crisis (2008/2009). Because of this market success, however, necessary restructuring measures were not taken quickly enough. This ultimately had a negative impact on both the business unit's bottom line and the earnings of the overall Zeppelin Group in fiscal 2013.

The Zeppelin Group's sales amounted to EUR 2.43b, or slightly less than the previous year's level of EUR 2.55b. Its pretax profit for the 2013 fiscal year was EUR 77.3m (previous year: EUR 95.5m). This figure does not consider negative effects of EUR 12.9m in connection with the acquisition of sales and servicing activities for Bucyrus mining equipment from Caterpillar by the Construction Equipment EU and CIS strategic business units. The posted pretax profit thus amounted to EUR 64.4m. The Group had an average of 7,648 employees (including trainees) during the year under review.

In 2013, Zeppelin continued expanding and renewing its infrastructure, investing about EUR 63.3m in these and other measures. It paid great attention to advancing the renovation of its network of branches, enlarging production and logistics facilities, and setting up service and repair centers in our Eastern European sales territories. The construction of a new sales and service center in Hamm, Germany for North Rhine-Westphalia deserves special mention. In June 2013, the Construction Equipment EU business unit celebrated the 50th anniversary of the site's establishment by inaugurating this new facility, in which EUR 12m had been invested. The Construction Equipment CIS business unit also opened a Component Rebuild Center near Komsomolsk, Ukraine, to offer customers in the extraction industries complete technical overhauls of Caterpillar construction and mining equipment. This investment marked an important step in steadily improving the quality of services and strengthening customer loyalty.

Peter Gerstmann

In 2013, the Zeppelin Group's creditworthiness was once again given an "A" evaluation by the rating agency Creditreform Rating AG. This rating attests to Zeppelin's good financial standing, low risk of insolvency, and stable outlook for the future. It also confirms that we are continuing to fortify our position in the market and strengthen the confidence that our business partners, customers, and suppliers place in our company. Owing to the general economic situation and insecurities arising from the increasing tensions between Russia on the one hand and the EU and USA on the other in connection with the Crimean conflict, in March 2014 a "watch" tag was appended to the "A" rating.

The 2013 edition of the international bauma trade show for construction equipment, which takes place every three years, was a resounding success for Zeppelin. The Group set a new record with sales of more than 2,000 units worth EUR 260m. Attention focused on technologies that save fuel and reduce CO_2 emissions. The Caterpillar 336E hybrid excavator and 966K XE wheel loader with optimized fuel efficiency are good examples.

To ensure the Zeppelin Group's future success in the interests of our customers, we launched a project called ZEP-Up in 2013. This Group-wide, multiyear project will enable Zeppelin to improve efficiency and tap potentials over the long term. As a result, our customers can look forward to even better services. In this way, Zeppelin is continuing on its strategic course. In 2011 we worked to improve our personnel management with the slogan "Focus on Our People", and in 2012 we turned our attention to increasing customer benefits under the banner of "Focus on Customer Value". In 2013 we concentrated on performance, which is the second pillar of our GPS (Growth, Performance, Stability) corporate strategy.

A milestone in the Zeppelin Group's evolution was the acquisition of a sales and servicing organization for surface and underground mining equipment from our manufacturing partner, Caterpillar, which took effect on December 1, 2013. As a result of this acquisition, our Construction Equipment EU and CIS business units now offer the world's largest range of products and comprehensive services for both surface and underground mining.

For the Plant Engineering business unit, 2013 was a difficult year despite a high order intake. At the end of the fiscal year under review, the decision was made to implement a broad restructuring program that includes measures to adjust the business unit's organizational structure, processes, and capacities. The goals of this realignment are to significantly boost the business unit's efficiency and position it in the market to respond more sensitively to customer requirements. A very positive factor in this context is the current order backlog, which optimally meets the prerequisites for the business unit to continue its winning streak in 2014.

In 2013, the Zeppelin Group published a comprehensive sustainability brochure titled "Living Responsibly". This publication addresses our customers, our employees, and the public. In it, our company presents its involvement and innovativeness as the forces driving its evolution into an integrated service group. The brochure also delivers an example of sustainability in practice that illustrates our commitment to actively shouldering our corporate responsibilities. We will continue our approach of thinking and acting sustainably with dedication and perseverance.

For the first time, in November 2013 the Zeppelin Group carried out a Germany-wide survey of its employees to ascertain their views on the company's management, culture, and strategy. The results of the employee survey are being applied to define action areas and measures for enhancing Zeppelin's attractiveness as an employer, strengthening the loyalty of staff, and thus securing the Group's long-term business success.

The outlook for 2014 is quite mixed. The order situation in Germany's construction industry may be assessed as good. The new federal government has acknowledged the need to invest in infrastructure. This is opening up opportunities for our construction equipment business and also establishing a good basis for our rental offering. The expected recovery of the Austrian market should also stimulate growth. In the Czech and Slovak Republics, it may be safely assumed that the slump in the construction equipment market is ending. On the other hand, we are cautious in our estimate of the prospects in the Eastern European mining sector, which is important to us. We do not expect any growth in sales of our mining services and products. We are quite pessimistic, in fact, about the outcome of the Crimean crisis and its repercussions on the markets in Russia and Ukraine that are important to Zeppelin. The current investment cycle of the plastics producing and processing industry is nearing its end and will not regain momentum until late in the new fiscal year at the earliest.

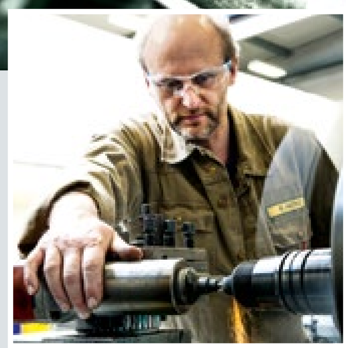
As expressed in our slogan "We Create Solutions", in all of our activities we are continuing to focus on our service commitment and our employees' solutions competence for meeting our customers' needs and expectations. This will ensure that we remain a reliable partner to our customers in the future.

The year 2013 was an important one for Zeppelin in many respects. We set changes in motion, we significantly enlarged our portfolio, and we continued to invest in our network of branches. We want to thank our customers worldwide for the confidence they have placed in us in a spirit of partnership. We also extend thanks to our employee councils for their unflagging support, and to the members of our Supervisory Board and our shareholders for their trust. Special thanks go to all of our employees for their hard work and loyalty. Working together as a team, we have created very good prospects for our future. Our long-term commitment is to developing and strengthening Zeppelin.

Garching near Munich, Germany
April 30, 2014

On behalf of the Management Board

Peter Gerstmann
Chairman of the Management Board of
ZEPPELIN GmbH



SUPERVISORY BOARD

The Supervisory Board, constituted in accordance with Article 7 of the German Codetermination Act (Mitbestimmungsgesetz), comprises the following members:

Shareholder Representatives

Andreas Brand
Chairman, Mayor of the City of Friedrichshafen

Dipl.-Ing. Werner Baier
Chairman of the Supervisory Board of Webasto SE

Dr. Reinhold Festge
Until December 31, 2013: Managing Partner of HAVER & BOECKER OHG
Since January 1, 2014: Partner of HAVER & BOECKER OHG

Dr. Werner Pöhlmann
Lawyer, Tax Adviser, Certified Public Accountant

Univ.-Prof. Dr.-Ing. Dr.-Ing. e. h. Dieter Spath
Until September 30, 2013: Head of the Fraunhofer Institute IAO/IAT
Since October 1, 2013: Management Board Chairman of WITTENSTEIN AG

Univ.-Prof. Dr. Dr. h. c. mult. Horst Wildemann
Chair for Business Studies, Management, Logistics,
and Manufacturing at Technische Universität München (TUM)

Employee Representatives

Heribert Hierholzer
Vice Chairman, Production Foreman and Chairman of the General Employee Council of Zeppelin Systems GmbH

Manfred Enger
Service Technician, Zeppelin Baumaschinen GmbH

Roswita Feineis
Head of Personnel at ZEPPELIN GmbH and Zeppelin Baumaschinen GmbH, Management Representative

Ludwig Maier
Head of the Economics Section of the German Federation of Trade Unions (DGB), Bavarian Chapter

Ralph Misselwitz
Senior Field Sales Representative,
Chairman of the General Employee Council of Zeppelin Baumaschinen GmbH

Vincenzo Savarino
1st Authorized Representative of the Friedrichshafen/Upper Swabia Chapter of the IG Metall Trade Union

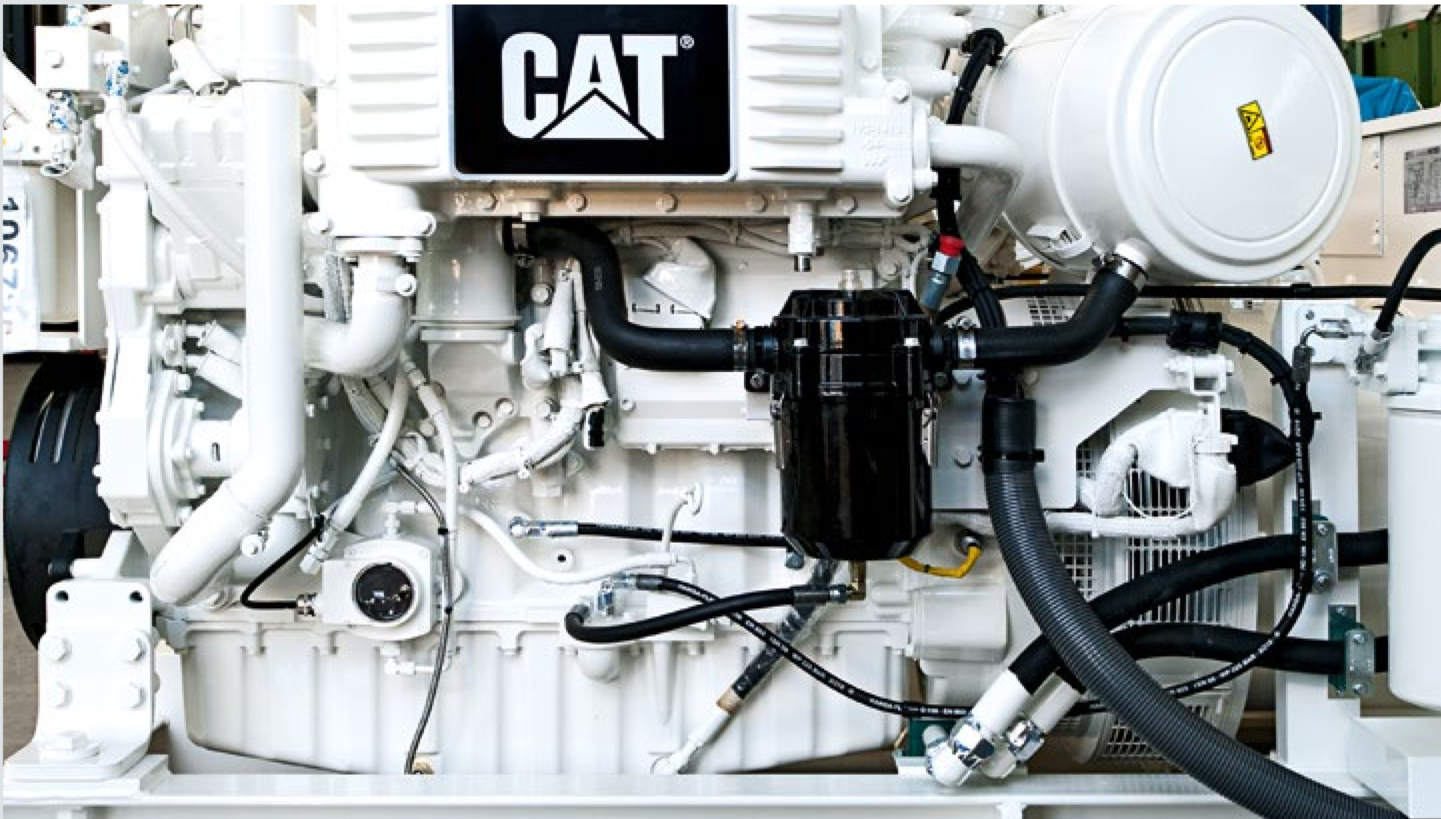
SUPERVISORY BOARD REPORT

In the 2013 fiscal year as well, the Supervisory Board of ZEPPELIN GmbH properly complied with its duties and obligations as dictated by law and the applicable articles of incorporation and rules of procedure. The Supervisory Board, represented by its Chairman and Vice Chairman, thoroughly and intensively informed itself about all relevant aspects of the business activities of the company and the Zeppelin Group in regular meetings with the Management Board.

Monthly reports kept all of the Supervisory Board's members comprehensively and broadly informed. Summaries facilitated and focused attention on the most important data concerning the company. In four sessions, the Supervisory Board made use of documents, reports, and presentations on its strategy and plans, profit, asset, and financial situation, as well as of the quarterly risk and compliance reports, to monitor and check the company's development and the Management Board. In addition, the Group's financial auditors reported in detail on the activities and results of the audit carried out for the 2013 fiscal year at a Supervisory Board session on November 28, 2013.

The cooperation both within the Supervisory Board and between the Supervisory Board and the Management Board was characterized by intensive dialog and mutual trust. The Supervisory Board sees itself as a constructively critical monitoring body. Its members therefore proactively raised and addressed a variety of topics.

The annual business, investment, and financial planning was thoroughly discussed by the Supervisory Board.



Andreas Brand

Following in-depth consultation with the Management Board, a number of projects and measures were vetted that, by law or according to the Supervisory Board's articles of incorporation or rules of procedure, require its approval. These primarily concerned:

- the acquisition of the remaining minority shares of Phoenix-Zeppelin, spol. s r.o., in Modletice near Prague;
- the acquisition of a sales and service organization for Caterpillar mining equipment in Zeppelin territories;
- acquisition projects in connection with container rentals and plant engineering for the beverage industry;
- exiting the forklift business;
- corporate actions at Group companies;
- investment planning for the 2014 fiscal year; and
- the appointment and reaffirmation of managing directors of ZEPPELIN GmbH and its subsidiaries.

At an early stage, the Supervisory Board deliberated on the negative development of business at the Plant Engineering business unit and discussed it with the Management Board. The two bodies agreed on clear goals and approaches for resolving the issues. In connection with the realignment of Plant Engineering's lead company, the Supervisory Board also relieved a managing director of his position.

The Supervisory Board deliberated the strategies and measures proposed by the Management Board for ensuring stability and future growth and exploiting potentials more effectively. The most important of these involved recruiting and developing personnel, steps to improve financial, risk, and compliance management throughout the Group, and Group-wide projects launched in the 2013 fiscal year to tap potentials and introduce a harmonized corporate design. In addition, the Supervisory Board was informed in detail by the Management Board about the implementation status of important strategic projects, the 2013 Strategy Meeting in Hamburg, and the strategic planning for and integration status and business development of the acquisitions made during the last three fiscal years.

The work of the Supervisory Board in general, and in particular its checks of the Management Board, did not reveal any grounds for criticism.

The personnel committee held three sessions to discuss important questions related to the company's development and strategy, personnel issues, and succession planning for the Group's management.

The annual financial statements that were prepared by ZEPPELIN GmbH in compliance with the rules of the German Commercial Code, the management report on the company's situation, the consolidated Group financial statements, and the management report on the Group's situation as of December 31, 2013 were audited by the Munich branch of the accountancy PricewaterhouseCoopers Aktiengesellschaft, which had been chosen at the annual general shareholders' meeting on May 14, 2013 to perform the final audits and then contracted by the Supervisory Board. The auditors presented an unqualified opinion in every case.

The annual financial statements, management reports, and auditors' reports were all submitted punctually to the Supervisory Board. Prior to the Supervisory Board's balance sheet session, the auditors met twice with members of the Supervisory Board to discuss the details and findings of the year-end audits. In the balance sheet session on April 30, 2014, the auditors informed the Supervisory Board about the focuses and principal findings of the audits. As contracted, the audits also covered the internal monitoring and risk management systems; the auditors concluded that they are free of flaws and that the internal monitoring, internal auditing, and risk management systems fully satisfy the relevant requirements.

The Supervisory Board examined and approved the annual financial statements, Group financial statements, management report, and Group management report submitted by the Management Board. The annual financial statements and Group financial statements as of December 31, 2013 prepared by ZEPPELIN GmbH were approved, thus making the annual financial statements official. The Supervisory Board also approved the Management Board's proposal for use of the balance-sheet profit.

The Supervisory Board thanks the Management Board, the workforce representatives, and all employees of the Zeppelin Group for their hard work, performance, and commitment during the year under review. Although the result did not match the very good level of the previous year, their effort nevertheless deserves considerable praise.

Friedrichshafen, Germany
April 30, 2014

On behalf of the Supervisory Board

Andreas Brand
Chairman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CAT 8750

ZEPPELIN WORLDWIDE

Construction Equipment EU

Austria / Czech Republic / Germany / Hungary[1] / Poland[1] / Slovak Republic

Construction Equipment CIS

Armenia / Belarus / Russia / Tajikistan / Turkmenistan / Ukraine / Uzbekistan

Rental

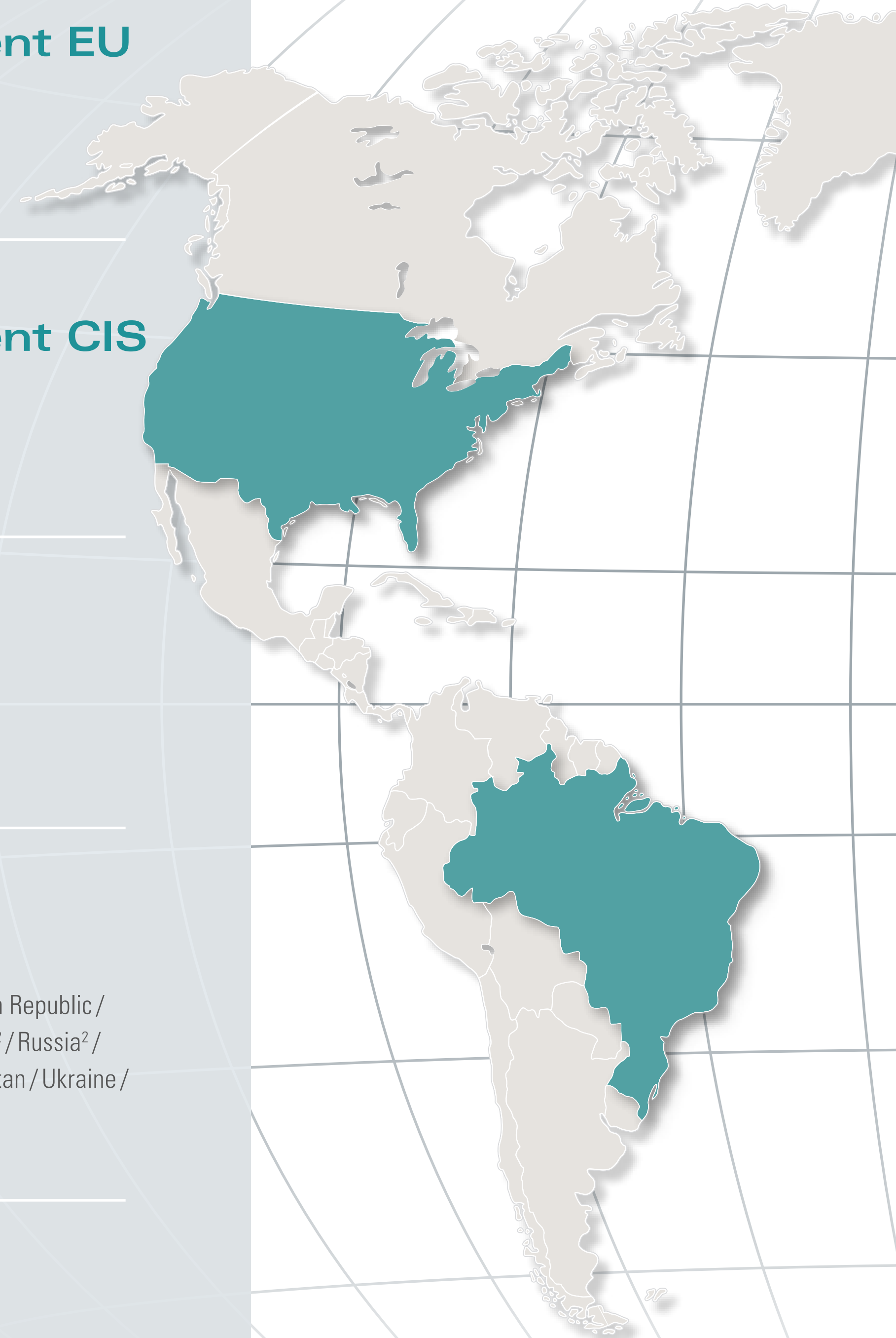
Austria / Czech Republic / Germany / Russia / Slovak Republic

Power Systems

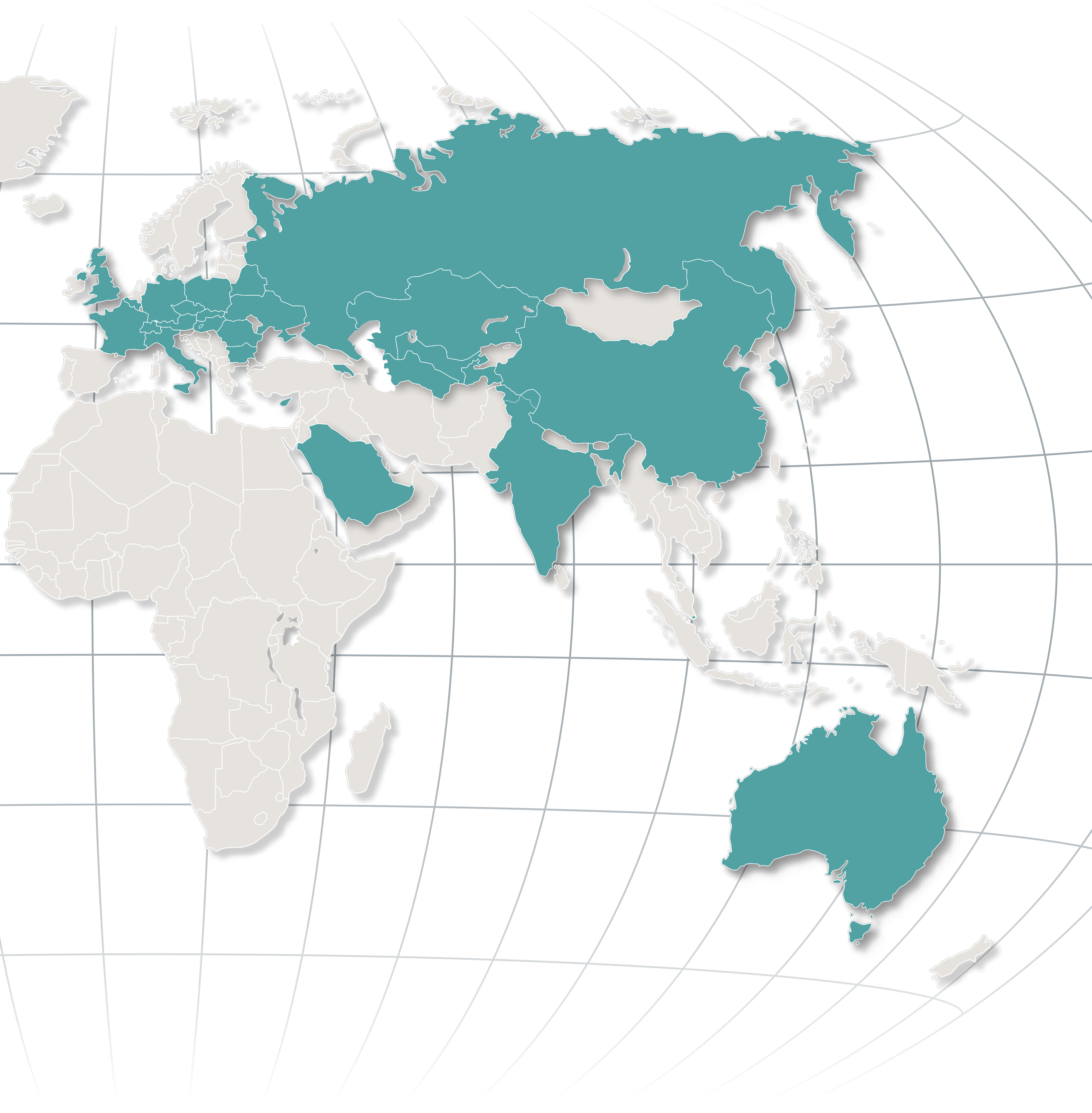
Armenia / Austria / Belarus / Bulgaria[2] / Cyprus[2] / Czech Republic / Germany / Hungary[2] / Kazakhstan[2] / Poland[2] / Romania[2] / Russia[2] / Slovak Republic / Switzerland[2] / Tajikistan / Turkmenistan / Ukraine / Uzbekistan

Plant Engineering

Australia / Belgium / Brazil / China / Czech Republic / France / Germany / India / Italy / Russia / Saudi Arabia / Singapore / South Korea / United Kingdom / USA



[1] Hyster forklifts only
[2] MaK engines only



Leveraging its unique solutions competence at 190 locations worldwide,
Zeppelin works day in, day out to give its customers a clear competitive edge.

THE ZEPPELIN GROUP AT A GLANCE

The corporate roots of today's Zeppelin Group reach back to the establishment of the Zeppelin Foundation in the year 1908. Today the Foundation continues to own a stake in ZEPPELIN GmbH via Luftschiffbau Zeppelin GmbH.

ZEPPELIN GmbH is the Group's management holding company. It has its legal seat in Friedrichshafen, Germany and its headquarters in Garching near Munich.

The Zeppelin Group is organized in five strategic business units with the following activities: sales and servicing of construction equipment in Europe and the CIS (Construction Equipment EU and CIS), rentals of construction machines and equipment (Rental), drive, propulsion, traction, and energy systems (Power Systems), and development and production of systems and components for high-quality bulk materials and liquids (Plant Engineering).

More than 7,700 employees (including trainees) at 190 locations contribute to the Zeppelin Group's success. In the 2013 fiscal year, the company generated sales of more than EUR 2.4b.

The basis of all of the Zeppelin Group's operations is its GPS corporate strategy. This strategy, comprising the three pillars of Growth, Performance, and Stability, ensures that the company will continue navigating into a successful future.

Construction Equipment EU
Sales and servicing of construction equipment

Construction Equipment CIS
Sales and servicing of construction and agricultural equipment

Rental
Rental solutions for construction and industry

Power Systems
Drive, propulsion, traction, and energy systems

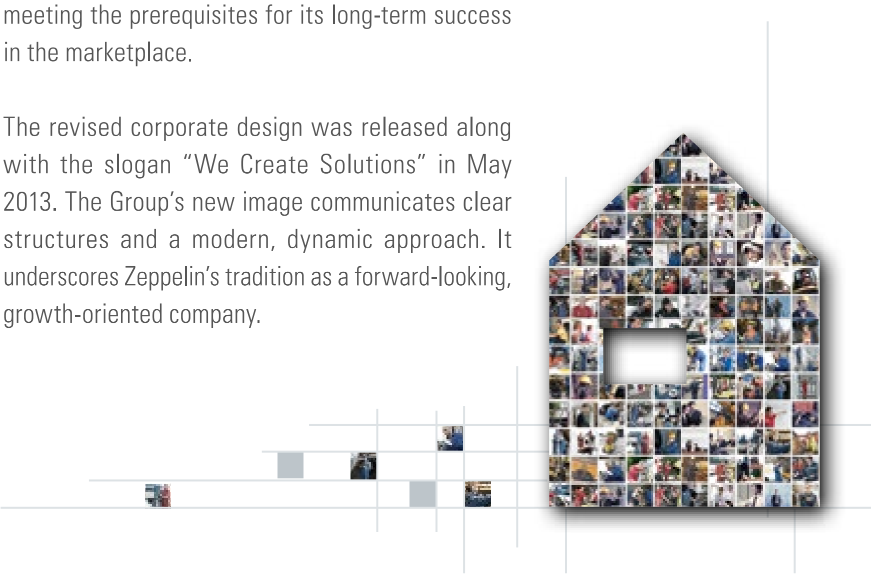
Plant Engineering
Development and production of plants, components, and systems

PRESENTING ONE FACE TO THE WORLD WITH Z BRAND

In recent years the Zeppelin Group has steadily enlarged its portfolio of products, services, and customized solutions while entering and developing new markets, which requires it to master new challenges. In order for Zeppelin to continue operating as a dynamic global group, it is crucial for it to convey a strong identity both internally and externally—an identity that is based on a long tradition and links together all of the Group's business units.

This also means that Zeppelin needs to present itself to the market as a single, unified enterprise with a clear image and strong brand. Zeppelin therefore launched its Z BRAND project to create a uniform corporate design. The new image makes the Zeppelin Group visible and recognizable, thus meeting the prerequisites for its long-term success in the marketplace.

The revised corporate design was released along with the slogan "We Create Solutions" in May 2013. The Group's new image communicates clear structures and a modern, dynamic approach. It underscores Zeppelin's tradition as a forward-looking, growth-oriented company.



WE CREATE SOLUTIONS

A dynamically growing company, Zeppelin provides strong solutions for construction machines, rentals, drives and energy, and plant engineering. In doing so, the Group stresses high-value products and excellent services, backed by a commitment to top quality.

This generates a steady string of successes, making the company a reliable partner to its customers and a leader in both new and established markets. The new slogan, "We Create Solutions", focuses attention on Zeppelin's service philosophy and the solutions competence that characterize all of the employees of its various business units.

For Zeppelin's employees, solutions competence means being familiar with customers' needs and expectations and offering them tailored answers from the company's diverse portfolio of products and services. This passion for solutions drives innovations and ensures consistent success, turning challenges into solutions. The slogan "We Create Solutions" concisely expresses this promise to customers.

Vision 2025

Zeppelin is a dynamic provider of retail, engineering, and customer services with exceptional competence in solutions for construction machines, rentals, energy, and industrial plants.

This is the Zeppelin Group's business goal for the next decade.

HIGHLIGHTS 2013

Sales Record at bauma 2013

At bauma 2013 from April 15 to 21, the international trade show for construction machinery, building material machines, mining machines, construction vehicles, and construction equipment, the Zeppelin Group did better business than at any other trade show in its history. Zeppelin was represented at bauma, the world's largest capital goods exhibition, by its Construction Equipment EU and CIS, Rental, and Power Systems business units. In three areas spanning total space of more than 12,000 square meters, the Group joined forces with world market leader Caterpillar to showcase its large portfolio and impress visitors with the high quality and diversity of its trendsetting new products. The focus was on technologies that allow customers to operate more productively and sustainably by saving fuel and slashing CO_2 emissions.

Zeppelin's participation in bauma 2013 surpassed all expectations. Zeppelin and Caterpillar impressively demonstrated their competencies there with the motto "Committed to Your Success. All Day. Every Day." More than 2,000 new and used construction machines, forklifts, and engines worth about EUR 260m were sold, in addition to concluding a considerable volume of rental contracts.

Ideally Positioned for the Future

In order to continue convincing customers of its capabilities as a solutions provider with comprehensive services and a high level of expertise, Zeppelin constantly invests to upgrade and expand its network of branches and portfolio.

In July, the Zeppelin branch in Hamm, Germany had two reasons to celebrate: the 50th anniversary of its founding and the inauguration of a new building. The Construction Equipment EU business unit had invested EUR 12m to build a new office building, new workshops, the branch's own paint shop and washing facility, and a spare parts warehouse. As a result of these additions, Hamm is now one of Zeppelin's most up-to-date branches with optimal working conditions for its 70 employees.

In October, Zeppelin Ukraine opened a new Component Rebuild Center (CRC) near Komsomolsk. This is the Construction Equipment CIS business unit's third CRC for offering Zeppelin customers complete technical overhauls of Caterpillar construction and mining equipment. This investment was an important step in the Group's ongoing activities to improve the quality of its services. The CRC also marks Zeppelin as a trendsetting service provider in the CIS market. In addition, a spare parts warehouse was built so

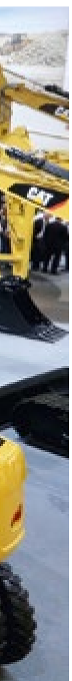
customers can benefit from a high level of parts availability and fast delivery.

The Zeppelin Group now offers solutions for both surface and underground mining. With effect on December 1, 2013, the Construction Equipment EU and CIS business units took over the sales and service organization of Caterpillar Global Mining in the countries they serve, and since then have been offering the entire range of products made by Bucyrus, which Caterpillar bought in 2011. Professional advice on their use and highly specialized services round out this technologically sophisticated, market-leading product portfolio. The acquisition has significantly enlarged the two business units' offering for surface mining while unlocking a completely new field of business in underground mining.

In the year under review, the Rental business unit extended its environmentally friendly ecoRent line. The new solutions of this green product family include a tracked excavator and on material work platforms with hybrid drives. The ecoRent program is the business unit's reply to new emissions ceilings and growing environmental awareness.

The Power Systems business unit invested heavily in construction projects in 2013. Work to expand its Achim site near Bremen, Germany had begun in 2004. In 2013, three new warehouse halls were completed. Activities to erect a new office building and install an engine test rig also got underway. The expansion project for the Achim site is scheduled for completion in 2015.

The Plant Engineering business unit invested in a new decoiling and trimming system for unwinding materials, which will considerably improve the competitiveness of silo production at the business unit's Friedrichshafen, Germany site.



Zeppelin Carries Out Employee Survey in Germany

In November 2013, the Zeppelin Group worked with geva-institut to carry out its first Germany-wide employee survey. The focus was on the topics of management, corporate culture, and strategy. Questions must lead to action, so the next step is to evaluate the findings. Employee surveys are not only valuable as an instrument for providing feedback to the Management Board. The results also provide a basis for defining action areas and measures to enhance Zeppelin's attractiveness as an employer, strengthen employees' loyalty, and ensure the company's long-term business success.

Employee surveys will now be held regularly about every three years. A Group-wide survey including all foreign sites is also planned.

Successes in 2013

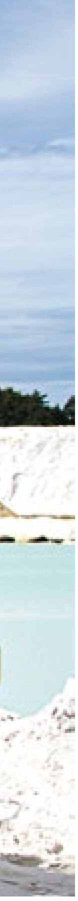
2013 was a year of successful trade shows. bauma set a new record with 530,000 visitors, and the Construction Equipment EU business unit also outdid itself. At this trade show of superlatives, it sold some 1,800 new and used machines worth EUR 200m. That is the largest sales volume Zeppelin has ever achieved at a trade show. The business unit also racked up successes at NordBau in Neumünster, Germany and Agritechnica in Hanover, Germany. The demand for Caterpillar's hybrid excavators and wheel loaders with optimized fuel efficiency was particularly great. Zeppelin Austria and Phoenix-Zeppelin, which operates in the Czech and Slovak Republics, both also successfully exhibited at major national trade shows for the industries they serve.

Although the German market for new construction equipment contracted by 13%, Zeppelin was able to boost its own sales of new machines while increasing its market shares by 2.3%.

In 2013, the Construction Equipment EU business unit was distinguished as the "Best Caterpillar Partner", thus officially confirming its status as Europe's leading sales and service organization for Caterpillar machines. An important criterion for choosing the winner of this coveted accolade was good customer relations, an area in which Zeppelin continuously invests. Digital media and web-based solutions are also integral parts of its activities to communicate with customers and cement their loyalty. The website at www.zeppelin-cat.de, with more than 2.6m pageviews a year, is one of the industry's most important. The new web-based Zeppelin customer portal is also a great success. Customers placed no fewer than 60,000 online orders during its first year of operation.

The Construction Equipment EU business unit invests steadily to expand and renovate its network of branches. EUR 12m alone went for the construction of a new sales and service center in Hamm, Germany for serving the state of North Rhine-Westphalia. The Westerstede branch was also enlarged.

In late 2013, the business unit also took over the sales and service organization of Caterpillar Global Mining in Germany and the Czech Republic. The acquisition significantly added to its product portfolio for surface mining and enabled it to develop a new field of business in underground mining. In connection with the transaction, Phoenix-Zeppelin gained 88 new employees and various properties in Ostrava in the Czech Republic, which it is leveraging to ensure good support for its underground mining customers. In Germany, services for underground mining customers continue to be the responsibility of the Hamm site.



Outlook for 2014

Optimism about the future is returning to the German economy. Munich-based ifo Institut has forecast growth of 3.9 % in investments in construction projects in 2014. There are also many signs that the construction machine market will expand. Construction companies' order books are fuller than they have been for a long time, especially for housing projects. The severe flooding that afflicted parts of Germany in July 2013 also revealed major flood protection deficits that need to be remedied by carrying out appropriate construction projects. The Construction Equipment EU business unit's comprehensive portfolio includes ideal solutions for meeting customers' exacting requirements. The latest-generation Caterpillar machines let building contractors work more cost-effectively than ever before. Also relevant are new, stricter rules for new machines. Starting in 2014, these are only allowed to have about 10 % of the previous particulate and NO_x emissions ceilings. The new requirements can only be met with extensively modified engines and exhaust gas systems. The business unit is excellently prepared to satisfy this need.

The economy of the Czech Republic is also expected to continue growing in 2014, although that country's construction industry will probably move sideways at best. The market for new construction machines will thus remain at its current historically low level. Because of political tensions and that country's difficult economic situation, the public sector is unlikely to provide any stimuli for growth. In the Slovak Republic, a roughly 1.7 % increase in construction orders is anticipated. This could also have positive repercussions on the construction machine market. In Austria, sales are expected to increase by about 2 %.

In order to concentrate even more heavily on its core business of construction and mining equipment, the business unit stopped selling Hyster forklifts in nearly all of its territories on February 28, 2014.

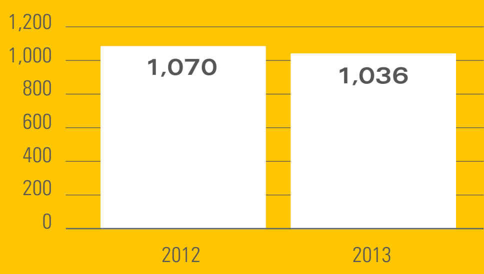
Having taken over sales and service activities from Caterpillar Global Mining, the business unit sees itself as well-positioned for helping the mining industry meet the increasing global demand for raw materials, especially in the Czech Republic. The first orders for repairs of mining equipment in Germany and the Czech Republic bear out this assessment.

Construction Equipment EU

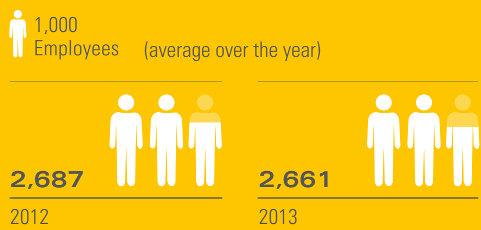
The Construction Equipment EU business unit is Europe's leading sales and service organization for construction equipment. As such, it reliably serves its customers with a combination of high-quality products from Caterpillar, which is the world market leader, and Zeppelin's unique services. Its customers benefit from a broad product portfolio that embraces everything from wheel loaders across dump trucks and tracked tractors to hybrid excavators. Within the scope of the Caterpillar Certified Rebuild program, the business unit also performs complete overhauls of used construction machines. State-of-the-art fleet management systems and GPS-assisted drives round out the offering.

Figures

Sales in EURm (consolidated)



Employees



Successes in 2013

The Construction Equipment CIS business unit did quite well in the 2013 fiscal year despite stagnating demand and a difficult market, once again adding 5% to its machine sales. Its spare parts and service organization also contributed greatly to its success and stability.

This business unit also exhibited successfully at bauma 2013, selling more than 200 machines worth over EUR 60m. The highlights included the sale of six Cat 789 dump trucks for extracting raw materials and a large order for 87 Caterpillar construction machines for a road building project in Ukraine.

To additionally strengthen and expand its spare parts and service organization, the Construction Equipment CIS business unit inaugurated a new Component Rebuild Center (CRC) in Ukraine in October 2013. Following the opening of CRCs in Russia and Armenia, now mining machines and their components can also be maintained, repaired, and overhauled in Ukraine, while meeting the highest standards.

Rights to sell AGCO agricultural equipment in Ukraine and Turkmenistan were acquired, thus laying the groundwork for tapping into additional market segments. The business unit's position in Russia's agricultural market was additionally strengthened by restructuring the Zeppelin organization.

The Construction Equipment CIS business unit recorded its first successes in the market for material handling machines. For example, Zeppelin Belarus received Caterpillar's award for the best performance in developing a CIS country's market for these dedicated machines for the recycling industry.

Sales of Caterpillar construction machines developed very well in the Central Asian countries. Not least because of attractive financing offers for customers, Zeppelin Tajikistan was able to secure its involvement in large-scale construction projects that included hydroelectric plants.

With effect on December 1, 2013, the Construction Equipment CIS business unit acquired from Caterpillar Global Mining the rights to sell and service products made by the former company of Bucyrus. This significantly enlarged its surface mining portfolio and enabled it to develop a new area of business in underground mining. In connection with the transaction, the business unit took over the company of Caterpillar Global Mining Ukraine and gained seven new employees.

A CRM system was also implemented throughout the business unit's territories as a prerequisite for providing even more professional support to customers.

Outlook for 2014

The Construction Equipment CIS business unit expects its sales of new and used machines to develop only modestly in 2014, while its spare parts and service business will probably grow somewhat. A CRM system introduced in 2013 is being configured for the customer service organization to use. An online platform for spare parts will also be launched, thus adding another sales channel.

In the business unit's core markets, falling raw material prices, fluctuating exchange rates, and in some cases political instability are expected to result in stagnant or slightly declining market volumes. It is therefore focusing on additionally strengthening its market position in traditional sectors such as the mining and other extractive industries while increasing its share of the market for compact machines.

The escalating tensions between Russia on the one side and the European Union and the United States on the other in connection with the Crimean crisis will have a clearly negative impact on the economic situation in Russia and Ukraine, which are the business unit's most important markets.

The business unit sees great potential in its acquisition of the sales and service organization for mining equipment. In 2014 it will advance the integration of the company acquired in Ukraine and train its sales and service staff for the new, significantly enlarged product portfolio. The main goals are to additionally expand its business by offering professional customer services and spare parts for mining equipment and successfully sell the new products in its markets.

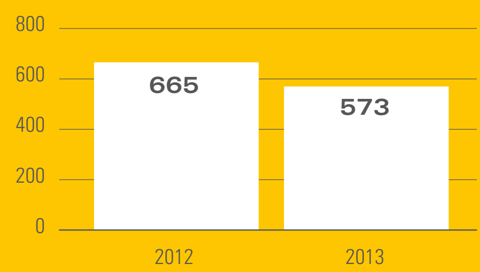
In 2014, the business unit will also consolidate its agricultural equipment business and continue to develop it in response to market demand. Additional measures are planned to strengthen sales and services in this segment.

Construction Equipment CIS

The Construction Equipment CIS business unit is well-positioned in the markets of Eastern Europe and Central Asia. Its focus is on selling and servicing high-quality construction and mining equipment from Caterpillar. Construction equipment made by Chinese manufacturer SEM, a Caterpillar subsidiary, supplement its extensive offering. An important role is played by large Cat brand equipment and systems for mines and quarries. The portfolio is rounded out by internationally leading makes of agricultural and forestry equipment. Zeppelin is already leading the way with a number of Component Rebuild Centers for overhauling mining machines and components.

Figures

Sales in EURm (consolidated)



Employees

1,000 Employees (average over the year)

1,491	1,733
2012	2013

Successes in 2013

After getting off to a slow start in 2013 for weather-related reasons, the Rental business unit picked up speed in the second half of the year. In Germany, Austria, and the Czech and Slovak Republics, it was able to improve considerably on its sales volume in 2012, which overall had already been a very good year. The business unit's total sales rose significantly in Russia, in part due to the first regular sales of used equipment in collaboration with the Construction Equipment CIS business unit.

The Rental business unit also demonstrated its innovativeness and strength at bauma 2013. With more than 20,000 visitors to its booth and about 1,100 qualified leads, it set a new trade show record, enhanced its image in the rental market, and closed a large number of rental contracts. Its sales-and-leaseback program also evoked huge interest. This new service provides a solution when a customer consistently uses individual machines at less than their capacity. Customers can sell them to Rental and then conclude an agreement to rent them back, with a guarantee that the machines will be available when they are needed. This lets the customer free up liquid funds, operate more cost-effectively, and budget costs more accurately.

The establishment of an Industrial Services range on April 1, 2013 extended the business unit's portfolio of services by adding professional industry management for plant engineering, pipeline construction, building and operating wind energy systems, and building and dismantling power plants. The Rental business unit also expanded its ecoRent line and invested in hybrid technology and space systems with state-of-the-art thermal insulation.

Management of the business unit's fleet of construction and material handling equipment was successfully centralized in 2013 for all of the countries served. This has enabled far better and more efficient deployment of these products. The introduction of a flexible new sales pricing model has provided yet another instrument for structuring and systematically optimizing price management and monitoring.

The ongoing efforts to extend sales activities also continued, accompanied by extensive training of specialists. The business unit effectively realigned its sales activities and positioned itself strongly in the market, based on the findings of various projects that were carried out in 2013 to assign customers to different segments and analyze their satisfaction levels. Customers derive greater benefits from rental services and solutions that are tailored to their needs and thus allow them to carry out projects more efficiently and cost-effectively.

In Germany, a competence management system was also introduced to identify and foster employees' potentials and help them in areas in need of development even more effectively. This is enabling proactive early planning and steps to meet medium- to long-term succession planning needs.

Outlook for 2014

The rental market is expected to grow steadily in 2014. The Rental business unit is endeavoring to expand its rental business while continuing to raise its profitability. Needs-based fleet and project solutions are being added to the portfolio, along with industrial trucks. The goal is to win more market share with first-class services and customer-oriented solutions. The focus is on both organic growth and making targeted acquisitions to strengthen the business unit's market position in the face of international competition.

Crucial for the Rental business unit's long-term success, as well as for its ability to comply with its social responsibilities, are vocational training, continuing employee education, and activities to foster junior employees. All of these continue to play important roles in the business unit. In order to keep raising employees' professional qualifications, the competence management system is gaining a training module for identifying deficits and offering appropriately designed courses.

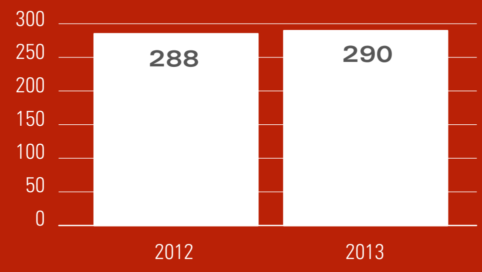
To optimally meet customers' needs, there is now a centralized system for managing the fleet of construction equipment, which until recently was the responsibility of individual sites. This model is already proving its worth for construction machines and industrial trucks. It enables significantly faster Germany-wide deployment of the approximately 12,000 pieces of construction equipment, thus improving their availability to customers.

Rental

The Rental business unit offers customized, cost-effective rental services for customers active in construction, industry, the manual trades, and organizing events. Its comprehensive rental portfolio includes construction machines and other equipment, space and sanitary systems, construction site and traffic guidance systems, working and aerial platforms, forklifts, agricultural machines, vehicles, and trailers. Rental has also added professional industrial management to its offering by establishing an Industrial Services range.

Figures

Sales in EURm (consolidated)



Employees

1,000 Employees (average over the year)

2012	2013
1,052	1,048

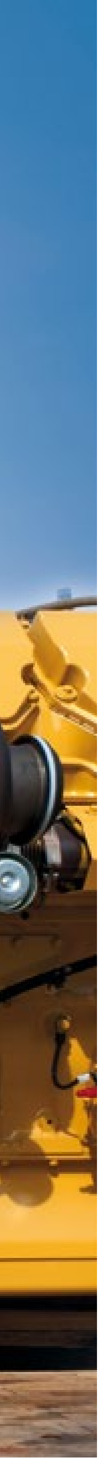
Successes in 2013

In 2013, the Power Systems business unit grew vigorously in the energy, offshore wind farm, and oil & gas segments. The order situation for gas-fueled, backup, and cogeneration plants for supplying heat and power was good in Germany. Notable successes were recorded in connection with emergency power supplies for data centers. In the oil & gas sector, the business unit won two major orders: one to plan and supply gas engine plants for gas compression, and another to supply diesel-fueled power generators for land-based drilling rigs. The industrial engines unit, after successfully introducing new low-emissions engines that conform to the U.S. EPA Tier 4 Final exhaust gas regulation, was able to win several orders from OEMs in Germany and Austria. The agricultural and harvesting equipment segment proved to have considerable growth potential. The business unit equipped the latest new models from a German manufacturer of forage harvesters for use in the U.S.

The marine division continues to be well-positioned in the river cruise ship market. In 2013, it took in orders to equip 17 ships with five engines each, with 10 of them due for delivery in 2014. A new service facility with a direct connection from the waterway to the repair center was inaugurated in Duisburg's harbor. It enables faster repairs and direct supply of spare parts without requiring customers to travel long distances. Another success is a forward-looking concept for mobile, distributed power supply from a gas-fired power plant to ships moored in a harbor. The first such system is being implemented at the Hamburg cruise ship terminal in 2014. The aim is to significantly reduce ships' emissions with the aid of environmentally friendly gas engines.

The Power Systems business unit expanded its service portfolio by introducing mobile load testers for on-site inspection and maintenance work. Several large maintenance projects were gained in 2013 for locomotives, data centers, and cruise ships. Another achievement was an award from Germanischer Lloyd for the MaK Marine Service division. It was the second time that the business unit has received a platinum certificate for its excellent customer services.

A "Premium Pre-owned" program introduced the business unit's own quality standard for completely overhauled used generator sets. Its used generator set unit registered considerable demand for customized solutions in multiple countries. The first sales of used third-party equipment also enabled the Power Systems business unit to make strides by developing yet another promising pillar of its business.



Outlook for 2014

Overall, the Power Systems business unit expects its sales to grow in 2014. Owing to the persistent demand for backup and distributed power supply systems and greater demand for these products from domestic OEMs for use in the Russian oil & gas market, the greatest gains are anticipated in the areas of heat and power generation and oil & gas.

The industrial engines division is enlarging its portfolio further to satisfy the growing demand for package and complete solutions. It will additionally diversify its range of engine gearbox and pump units in order to meet customers' requests for solutions from a one-stop shop even better.

The forecast for marine applications remains conservative. The difficult container ship market is unlikely to recover, but an increasing demand for dual-fuel and gas engines is expected. The segments of river cruise ships and special and offshore applications continue to grow. Ten ships are being equipped with a total of 50 engines in 2014.

Where rail vehicles are concerned, the expectation is that the demand for engines for new locomotives as well as for retrofits and modifications will keep increasing in the Eastern European markets. A Europe-wide trend toward multi-system locomotives, which began in 2012, is also gaining momentum. In addition to classic locomotive applications, this division will be increasingly extending its focus to include rail vehicles of all kinds, including railcars, train power supplies, and track laying machines.

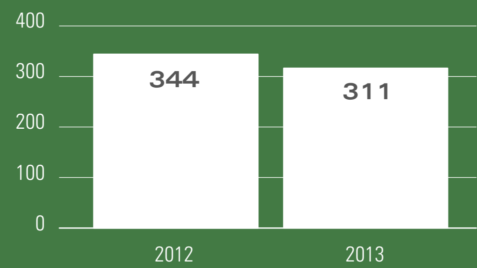
The trend to customized solutions is also accelerating in connection with used generator sets, a market that is driven by increasing international demand. The business unit is also working to expand its portfolio. New products such as turbochargers, smaller two-stroke engines, and propulsion units are expected to tap additional growth potential in the industrial and marine segments.

Power Systems

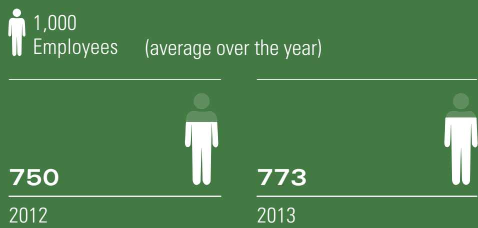
The Power Systems business unit is a leading provider of drive, propulsion, traction, and energy systems and solutions. It offers sales, engineering, and servicing of Caterpillar engines of the Cat and MaK brands for industrial and marine applications, rail vehicles, the oil & gas industry, and heat and power generation. Besides gas- and diesel-fueled generator sets, Power Systems offers powerful drive and energy solutions. These are used in industry and agriculture, in rail applications, on seagoing and inland waterway ships, and for petroleum and natural gas production.

Figures

Sales in EURm (consolidated)



Employees



Successes in 2013

After enjoying high order intake levels in the preceding years, the Plant Engineering business unit was challenged in 2013. Despite excellent sales, its bottom line fell well short of expectations. At the end of the fiscal year, the decision was made to implement a comprehensive restructuring program that includes measures to adjust the business unit's organizational structure, processes, and management responsibilities.

The integration of Zeppelin Reimelt GmbH, with its Rödermark and Kassel sites, into Zeppelin Systems GmbH was legally finalized by merging the two companies, thus meeting the prerequisites for the required organizational realignments. All parts of the resulting organization share the name Zeppelin Systems GmbH.

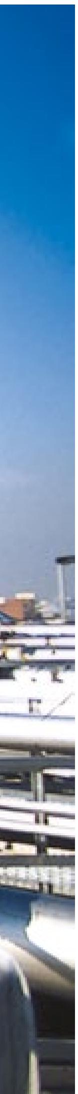
Production of components for conveyor systems was concentrated at the Friedrichshafen site and is now being optimized. Also at the Friedrichshafen site, a new decoiling and trimming system for mechanically unwinding materials was installed and commissioned. It will significantly increase the competitiveness of silo production.

The importance of serving a greatly diversified range of industries and markets was illustrated by the Plant Engineering business unit's development in 2013. Although orders for the food processing industry got off to a weak start in the first half of the year, plastics production generated notable contracts during the same period. In the second half of the year, exactly the opposite occurred. Rubber and plastics processing orders remained at a good level throughout the year, while the high-margin business activities of service, spare parts, and components delivered a weaker overall result. The new generation of easy-to-assemble, bolt-together BOLT-TEC silos was very readily accepted by customers

and achieved the expected sales volumes. The total order intake in 2013 was large, confirming the Plant Engineering business unit's good market position despite its weak earnings.

Outlook for 2014

The Plant Engineering business unit started 2014 with a high order backlog that already went a long way toward meeting its sales target for the year. The required organizational adjustments and the business unit's rapid growth call for a sustained consolidation process aimed at restoring and lastingly bolstering its earning power. Appropriate efficiency-enhancing programs are systematically advancing the initiated restructuring and integration processes. The projects are focusing on organizationally integrating the food processing activities and streamlining production operations, in addition to optimizing component processes, also by improving order processing, and aligning the administrative departments with the target structure.



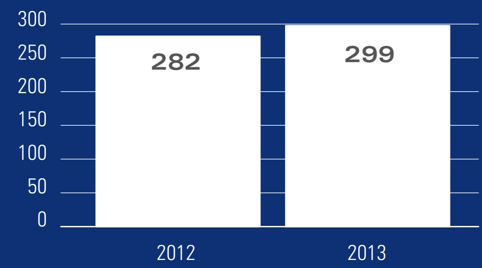
The Plant Engineering business unit expects the market for plastics processing plants and plants for processing rubber for tire production to cool in 2014. No major contracts for plastics processing are expected before the second half of the year. Because of this, and also in view of the continuing good demand for food processing plants, the overall market assessment for the Plant Engineering business unit is positive. The planned launch of a new BOLT-TEC silo version with capacities of up to 1,000 cubic meters in 2014 is also expected to generate good business.

Plant Engineering

The Plant Engineering business unit is specialized in developing and manufacturing components and systems for conveying high-quality bulk materials and liquids. They are used worldwide by customers in the chemical, plastics, rubber and tire, food, and beverage industries. Zeppelin supports its customers in everything from project planning, engineering, and production across on-site assembly and provision of turnkey systems to quality management and after-sales services.

Figures

Sales in EURm (consolidated)



Employees

1,000 Employees (average over the year)

2012	2013
1,302	1,381

GROUP MANAGEMENT REPORT AND GROUP FINANCIAL STATEMENTS

2013

GROUP MANAGEMENT REPORT FOR THE 2013 FISCAL YEAR

A. Business Activities

Strategic Business Units

The Zeppelin Group is operationally and strategically managed via five strategic business units (SBUs). This organizational structure ensures its ability to focus on individual markets, customer groups, and products segments while managing activities across multiple countries and companies. The SBUs are Construction Equipment EU, Construction Equipment CIS, Rental, Power Systems, and Plant Engineering. Zeppelin's business activities include sales and servicing of Caterpillar construction machines, mining equipment, diesel engines, MaK marine engines, and agricultural and forestry equipment of the Case New Holland, AGCO, and Ponsse brands. In Germany and various countries of Central and Eastern Europe and Central Asia, Zeppelin is the sales partner of Caterpillar Inc. headquartered in Peoria, Illinois (USA). The other brands are sold in several Central and Eastern European countries. The Rental business unit rents out construction machines as well as a wide range of construction equipment, space systems, construction site and traffic guidance systems, aerial work platforms and lifts, and vehicles.

The business activities of the Plant Engineering business unit involve developing, implementing, and selling systems for producing and processing high-quality bulk materials and liquids in the worldwide market for plastics, rubber and tires, food, and pharmaceuticals. Zeppelin is a world market leader in solutions for bulk materials.

B. Business Report

1. Economic Conditions

In 2013, global economic output increased by 2.7%[1] (previous year: 2.0%). The German economy only grew by 0.4% (previous year: 0.7%). Although the situation improved during the course of the year, the German economy was hindered by a continuing recession in some European countries and modest growth of the world economy. The European debt crisis has still not yet been completely resolved. In the euro zone, economic output in 2013 remained virtually unchanged from the previous year, at +0.6%. The Russian economy expanded by 1.2% (down from 3.4% the previous year). The economic situation in the Czech Republic and Poland was also poor (-1.5%, previous year: -1.3% and 1.4%, previous year: 1.9%). China recorded economic growth of 7.7%, roughly as much as in the previous year (7.8%). India's economy grew relatively fast, gaining 5.0% (previous year: 4.5%), and Brazil's also did well (growing by 2.5% after 1.0% the preceding year). The U.S. economy exceeded expectation by gaining 1.7%. Although this was less than the previous year's performance (+2.3%), the decrease was much milder than anticipated.[2]

The European Central Bank continued its low-interest policy in 2013 as well, intensifying it in early November 2013 by reducing its key refinancing interest rate to a record low of 0.25%. The federal funds rate in the United States also remained at the low level of 0.25%.

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[1] Cf. IMF World Economic and Financial Surveys, Oct. 2013 and Euroconstruct, Nov. 2013.
[2] Cf. IMF World Economic and Financial Surveys, Oct. 2013, Euroconstruct, Nov. 2013, and Commerzbank, Konjunktur und Finanzmärkte Research, Jan. 22, 2014.

The important currencies for the Zeppelin Group are the U.S. dollar (USD), the Russian ruble (RUB), and the Ukrainian hryvnia (UAH). The USD / EUR exchange rate was 1.33 at the start of the year and climbed to 1.37 in December 2013, although it slid as low as 1.29 USD / EUR during the course of the year. The Russian ruble was noticeably undervalued in 2013, ending the year with an exchange rate of 44.99 RUB / EUR. The Ukrainian hryvnia also declined significantly in value, falling to 11.4 UAH / EUR at the end of 2013. Due to the recent developments in Ukraine, both the Russian ruble and the Ukrainian hryvnia have come under massive pressure in the first months of the current year.

2. Market Development

In 2013, the markets of importance to Zeppelin developed as follows:

After performing very modestly in the first half of 2013, the German construction industry has been growing vigorously ever since. Sales by the main construction trades (those engaged in civil engineering, building construction, and road construction) increased through December 2013 by nominally 3.1 %. The order intake in 2013 rose by nominally 3.7 % (1.9 % in real terms). Overall investments in construction remained at the level of 2012, however. Although housing construction grew by a hefty 1.5 %, commercial construction was hit by a 3.5 % decline. Public civil engineering stagnated at the level of 2012. Commercial civil engineering lost 1.0 %, thus pushing the overall civil engineering industry down by about 0.4 %.

The overall German market for new construction machines comprised 23,774 units sold as of the end of 2013, considerably less (-13.3 %) than in the previous year (27,369 units) and thus also well below the long-term average of 25,000 units. The retail market (i.e. sales to final customers) amounted to 16,233 units, down by 6.9 %, while the rental segment (i.e. first-time rentals of new machines by rental companies) shrank by 24.4 % to 7,541 units. Zeppelin's German companies performed relatively well in this market environment. Despite selling and renting out 3,962 units, considerably fewer than in the previous year (4,525), they succeeded in strengthening their market position and raising their share of the market to 16.7 %. In the retail market, the previous year's level was sustained almost exactly with 3,470 machines sold, yielding a market share of 21.4 %.

In the 2013 fiscal year, the market for earthmoving and road construction machines amounted to an estimated EUR 1.7b (previous year: EUR 1.8b). The retail / rental split shifted to 68 / 32 (from 64 / 36 the previous year).

An important event in fiscal 2013 was the world's largest construction equipment trade show, bauma in Munich. Zeppelin was highly successful at it, setting a new record by selling more than 2,000 pieces of equipment worth about EUR 260m.

After dipping slightly in 2012 (down 5.2 %), the German forklift market shed another 4.2 % in 2013. Zeppelin sold 9.2 % fewer new forklifts in 2013 than in the preceding year, which was largely the consequence of its announcement that it would be pulling out of the forklift business.

The overall Austrian market for new construction machines declined once again in 2013, to 1,695 units (previous year: 1,754), but Zeppelin bucked the market trend by boosting its sales and enlarging its market share to 17.5 %. In the Czech Republic, the main construction trades are still losing ground fast. Their market shrank by

8.2% in 2013 (previous year: -7.7%). In the civil engineering segment, the market contracted by 9.2%, an even more pronounced reduction than in building construction (-7.8%). The construction sector in the Slovak Republic lost 7.8% (previous year: -13.8%). That country's civil engineering market remained at a low level, losing another 2.0% (previous year: -25.5%). The market for new construction machines diminished by 15% in both the Czech Republic and the Slovak Republic. Zeppelin was almost able to hold onto its market shares at 18.5% and 22.1%, respectively.

Russia's construction industry grew by 4.9% in 2013, while the mining sector dipped by 2.1%. In Ukraine, the construction sector lost 14.6% and the mining industry was down by 1.0%. The market for new construction machines grew in most of Zeppelin's sales territories in the Commonwealth of Independent States (CIS), the one exception being Russia.

The European Rental Association reckons that the rental market relevant to Zeppelin in Germany amounts to around EUR 3.1b and assumes that it grew slightly in the 2013 fiscal year. The corresponding markets stagnated in Austria, the Czech Republic, and the Slovak Republic while growing by more than 3% in Russia.

The German market for locomotives stayed at the same very low level in fiscal 2013. The privately owned railways had only limited willingness to invest, and almost no orders at all came from the state-owned railways. The German energy market, by contrast, is continuing to develop well, with a healthy demand for highly efficient, flexible cogeneration plants. The slump in the global markets for cargo ships also continued in 2013. The excessively low demand for ships is related to excess shipping capacity. The market for MaK engines is still at a very low level. Most of the other ship markets have developed well, however. In Eastern Europe and the CIS countries, most of the markets are dominated by energy, gas, and oil projects. Their development was crucially influenced by the price of oil, which depends on macroeconomic, political, and environmental factors and therefore poses a market risk in these sectors.

Orders from German companies engaged in mechanical and plant engineering dropped by 2% in 2013 (previous year: 3%). Domestic and foreign orders were equally affected by this shortfall. In the 2013 fiscal year, production in the chemical industry rose slightly by 1.5%, according to Verband der Chemischen Industrie (VCI), the industry federation. Although employment and investments increased by about EUR 6.4b, due to falling prices the industry was only able to add 0.5% to its sales volume of EUR 188b. Sales by German producers of plastics and rubber machines dipped by 1% in the year under review. The order intake remained at the previous year's level. Orders for food processing and packaging machines increased by 1%, with sales receipts growing by roughly 4%.

3. Development of the Company's Business

Development of Revenues and Orders

Despite unfavorable economic conditions in some sectors, most of the strategic business units of the Zeppelin Group were able to expand their market position, although they did not match the previous year's very good order, sales, and profitability situation in all cases.

The Group's overall revenues in the year under review dropped by EUR 115.6m or 4.5% to EUR 2.434b (previous year: EUR 2.550b). This was mainly due to smaller project volumes for mining machines and power systems applications in the CIS and the fact that the Construction Equipment EU business unit sold slightly fewer used machines. As a result, the share of revenues made outside Germany fell to 51.9% (previous year: 54.2%).

The strategic business units of the Zeppelin Group that rent, sell, and service construction machines and engines saw their revenues decline by EUR 156.0m or 6.6% in 2013. The Construction Equipment CIS business unit accounted for EUR 91.8m (-13.8%) of the difference, while the Construction Equipment EU business unit sold EUR 34.0m less (-3.2%) and revenues by the Power Systems business unit dropped by EUR 32.7m (-9.5%).

Revenues by Strategic Business Units

BREAKDOWN OF GROUP REVENUES (EURm)	2013	2012	CHANGE (%)
Construction Equipment EU	1,036	1,070	-3 %
Construction Equipment CIS	573	665	-14 %
Rental	290	288	1 %
Power Systems	311	344	-10 %
Plant Engineering	299	282	6 %
ZEPPELIN GmbH Group (consolidated)	**2,434**	**2,550**	**-5%**

In the 2013 fiscal year, a total of 16,797 machines and engines were sold, corresponding to a decline of 1,281 units or 7%. The breakdown was as follows: new construction machines down 901 units (-12%), used construction machines down 82 units (-2%), forklifts down 199 units (-8%), and engines up 134 units (+5%).

In the 2013 fiscal year, the Plant Engineering strategic business boosted its revenues by EUR 17.1m or 6.1% over the previous year to EUR 298.9m. This was mainly the accomplishment of its companies outside Germany, which boosted their revenues by EUR 28.2m or 25.5% to about EUR 138.9m.

The total order intake of all Group companies remained at the very good level of the previous year, namely EUR 2.4b. The order backlog at the end of the year, worth EUR 511.3m (previous year: EUR 517m), constituted a good starting point for fiscal 2014. The Plant Engineering business unit accounted for EUR 315.3m of the orders received (previous year: EUR 344m) and EUR 256.2m of the order backlog (previous year: EUR 240m).

Workforce

In response to the significantly expanded business with customer services and spare parts and the growth prospects through 2016, the Zeppelin Group increased its personnel capacities by 3.4% in the 2013 fiscal year. At the end of 2013, it had 7,774 employees, including 294 trainees (previous year: 7,518 and 318, respectively). The figure also included six new employees as a result of first-time consolidations and 88 employees from the acquisition of a Caterpillar sales and service organization for mining machines. The Construction Equipment CIS business unit accounted for most of the increase in personnel (+163 employees including trainees).

At the end of the year under review, the foreign companies of the Zeppelin Group had 3,670 employees, corresponding to 47.2% of the overall workforce (previous year: 46.2%).

In 2013 as well, the high level of basic and advanced training of the Group's employees was maintained and improved further by means of technical and commercial courses, sales training, and programs to foster junior employees and extend the competencies of managers.

The Zeppelin Group's activities to develop its specialists and managers are influenced by the fact that the shares of its business activities and workforce outside Germany are growing. The focus continues to be on ensuring that Zeppelin is an attractive employer, in order to successfully meet the challenges of future growth and demographic change. This is effectively supported by Group-wide additional training and continuing employee education based on cooperative education programs with universities.

Employees by Strategic Business Units

AT END OF YEAR	2013	2012	CHANGE (%)
Construction Equipment EU	2,496	2,452	2%
Construction Equipment CIS	1,777	1,596	11%
Rental	1,064	1,055	1%
Power Systems	753	742	1%
Plant Engineering	1,335	1,305	2%
Trainees in Group	294	318	-8%
ZEPPELIN GmbH Group [1)]	**7,774**	**7,518**	**3%**
Germany	4,104	4,041	2%
Other countries	3,670	3,477	6%

[1)] Incl. ZEPPELIN GmbH

Important Activities During the Year Under Review

To optimally respond to the growing differentiation of international markets and the steadily increasing requirements of customers, the Zeppelin Group is organized into strategic business units for managing its activities. The management responsibilities and personnel of the strategic business units are clearly defined, and the Group-level management process is institutionalized in a clearly designated Group Management Board. The 2013 strategy process, which stressed the Group-wide "Focus on Our Potentials" initiative, examined and confirmed the Group's fundamental strategic orientation. The concrete projects, goals, tasks, and measures were appropriately supplemented by aspects of this focal theme. At the Group Strategy Meeting in the fall of 2013, Zeppelin's top management validated and confirmed the overall strategy for the years until 2017.

The navigation instruments defined for measuring the achievement of goals within the scope of the Zeppelin Group's "Growth, Performance, Stability" (GPS) strategy continued to be applied without any changes. Caterpillar's strategies in connection with the Vision 2020 continued to be pursued in 2013 in strong agreement with Zeppelin's own strategic orientation. Zeppelin also played an important role in shaping Caterpillar's global "Across the Table" initiative. It was back in 1926 that Caterpillar wrote the basic rules and prerequisites for working with dealers within the scope of "Across the Table". The goal of this initiative has been to achieve better market coverage and improve Caterpillar's collaboration with its dealers in order to serve customers' interests.

In September 2013, the syndicated five-year credit facility for EUR 500m concluded in the 2011 fiscal year was extended ahead of time by two additional years (to run until September 2018) and increased to EUR 525m. The extended and increased syndicated credit facility is available for cash drawdowns (of up to EUR 400m, unchanged from the previous year) and providing guarantees (EUR 125m, previous year: EUR 100m).

Since December 1, 2013, the Zeppelin Group has also been offering solutions for the mining industry from what is now the world's most comprehensive portfolio of products for surface and underground mining. In all of the relevant sales territories, Zeppelin acquired the sales and service activities for mining machines manufactured by Bucyrus, which Caterpillar bought in 2011. This acquisition has appreciably enlarged Zeppelin's portfolio for surface mining while opening up a completely new field of business in underground mining. The operating result for the 2013 fiscal year was depressed by EUR 12.9m as a result of this transaction.

By signing an agreement on March 28, 2013, ZEPPELIN GmbH acquired the remaining shares of Phoenix-Zeppelin, spol. s r.o. in Modletice in the Czech Republic from its minority shareholders. In addition to the payment of a fixed purchase price, it was agreed that the sellers would receive a share of the profits from the 2013 to 2015 fiscal years. The goodwill resulting from this takeover was immediately offset against the revenue reserves for accounting and tax purposes. ZEPPELIN GmbH is now therefore the sole shareholder of Phoenix-Zeppelin, spol. s r.o. in Modletice in the Czech Republic.

For the **Construction Equipment EU business unit**, the 2013 fiscal year was highlighted by the world's largest trade show for construction equipment, bauma in Munich. The business unit set a new sales record and impressed visitors with an excellent exhibit showcasing the strong product portfolio of world market leader Caterpillar as well as Zeppelin's first-class consulting and service competencies. Also presented at the show was a selection of new products that exemplify two major trends in the construction equipment industry: energy efficiency and fuel economy. The 966K XE wheel loader and 336E tracked excavator with hybrid drive premiered there.

In the middle of the year under review, Zeppelin Baumaschinen GmbH was singled out as the "Best Caterpillar Sales and Service Organization in Europe" in Caterpillar's worldwide "Circle of Excellence" competition. In 2013, the strategy of the Construction Equipment EU business unit focused on performance. Processes and structures were analyzed to identify potentials, culminating in a large number of projects and specific measures that have been in progress since mid-2013.

After collaborating with NACCO Materials Handling Ltd. in Hampshire, United Kingdom for more than 10 years, in the 2013 fiscal year Zeppelin decided to end the alliance and terminate its existing dealer contracts. This step was taken in accordance with the Zeppelin Group's strategic orientation. The associated rental business was transferred to the Rental business unit with effect on December 1, 2013, where it is being continued as an addition to the business unit's conveyor equipment unit. Zeppelin will honor existing obligations to customers, which are mainly the result of service contracts.

The Construction Equipment EU business unit made large investments in various branches in order to lastingly meet increasing customer expectations and comply with environmental protection regulations. A good example is the inauguration of a new building at the Hamm, Germany site in June 2013.

EUR 1.7m were invested to expand the capacity of the central spare parts warehouse in Cologne and redesign its processes for greater efficiency. In connection with the acquisition of sales and service activities for mining equipment from Caterpillar, the business unit also took over operations in Hamm, Germany and Ostrava in the Czech Republic with a total of 88 employees.

In the 2013 fiscal year, the **Construction Equipment CIS business unit** continued to expand its network of sites. To strengthen the business unit's spare parts and customer services business, Component Rebuild Centers were completed in Komsomolsk, Ukraine and Archangelsk, Russia and began operating. In Minsk, Belarus, work began to build a new service center that is scheduled for completion in 2014. A property was acquired in St. Petersburg for constructing a new branch. In view of the current situation in Russia and Ukraine, most other investments to additionally expand the sales and service infrastructure have been temporarily postponed.

In connection with taking over mining equipment activities from Caterpillar, the Construction Equipment business unit acquired all shares of Caterpillar Global Mining Ukraine TOV, which was then immediately renamed Zeppelin Ukraine Technologies TOV. The company has seven employees and mainly provides services to Ukrainian customers in the underground mining sector.

The **Rental business unit** stepped up its cross-country collaboration in the 2013 fiscal year. In an expanded and unified fleet model, rental products are now managed and deployed as needed among Germany, Austria, the Czech Republic, and the Slovak Republic. This approach enables fuller use of the equipment.

Zeppelin Rental Russland OOO in Moscow gained a new managing director. It still produced a negative result in 2013, despite measures that mainly included restructuring unprofitable sites and making adjustments to the rental fleet.

Following a test phase, Zeppelin Rental GmbH & Co. KG implemented a dynamic pricing tool throughout the organization. Its core function is computer-assisted dynamic pricing of rentals.

In August 2013, Fritz Berndt Verkehrstechnik GmbH was retroactively merged into Zeppelin Rental GmbH & Co. KG with effect as of January 1, 2013.

Germany's shift toward renewable energy sources has sparked dynamic growth of the national energy market. The **Power Systems business unit** benefited from this more than most, winning a number of new customers. It continues to do brisk business with cogeneration plant projects.

The business unit's high-volume industrial engines unit continued to ensure high utilization of its production capacities in 2013. The successful introduction of low-emissions engines generated additional orders in Germany and Austria. A large manufacturer of agricultural and harvesting equipment was gained as a new customer.

In Eastern Europe and the CIS countries, the market was mainly dominated by energy, oil, and gas projects. Slowing economic growth, together with consolidations in the Russian oil and gas markets and the fact that most investments are being channeled into high-prestige projects, has caused projects to be delayed and depressed the order intake. However, the ongoing projects continue to indicate a high level of demand for distributed energy supply and gas compression plants for pipelines.

Work to construct a new office building began at the Achim, Germany site; it is due for completion in 2015.

In the 2013 fiscal year, the **Plant Engineering business unit's** lead company, Zeppelin Systems GmbH, was merged into Zeppelin Reimelt GmbH and then renamed Zeppelin Systems GmbH. The merger took effect on January 1, 2013.

SAP software also went live at Zeppelin Systems GmbH on January 1, 2013 following a more than two-year project phase. The new system mainly helps to effectively support cross-site processes in Germany and the overall logistical flow.

A new decoiling and trimming system began operating at the Friedrichshafen site. This investment enables specially shaped cuts in connection with new, state-of-the-art silo production technologies.

Although nearly all of the Plant Engineering business unit's subsidiaries exceeded their targets for sales and profits, the lead company generated a clearly negative result. The rapid growth of recent years had hindered necessary restructuring measures, leading to shortfalls, eroding margins, excessive costs, and a net loss for the 2013 fiscal year. A restructuring program has been launched to slim down the company's organization, significantly boost the efficiency of its project work, and lastingly restore its earning power. The required adjustments to personnel capacities are being made in a way that inflicts a minimum of hardships. Leadership of the Plant Engineering business unit was assumed on January 1, 2014 by Dieter Brücher, who took the reins from Bernhard Scherer.

4. Results of Operations, Financial Position, Net Assets

The Zeppelin Group mainly judges its performance by means of three indicators: revenues, earnings before tax, and return on capital employed (ROCE).

The earnings, financial, and net assets situation of the overall Zeppelin Group was influenced by partly unfavorable industry-specific conditions, despite predominantly improved market positioning, and by the Plant Engineering business unit's bottom line. Its overall operating performance dropped by 3.9% from the previous year. The net assets fell by only 2.9%, which was primarily due to very good sales in December 2013, thus increasing the volume of receivables for provided products and services. Rental assets and inventories were down significantly, while cash and cash equivalents were above the corresponding levels of the preceding year. The equity ratio improved, gratifyingly, to 40.1% (previous year: 38.5%).

Results of Operations

Due to a 4.5% decline revenues to EUR 2.434b (previous year: EUR 2.550b), the total operating performance dropped to EUR 2.448b (previous year: EUR 2.546b) despite an increase in inventory. Stocks grew by EUR 13.1m in 2013 (previous year: EUR -4.5m). Other operating income amounted to EUR 65.7m, down 13.6% or EUR 10.3m from the previous year (EUR 76.0m). This was mainly due to reduced currency exchange gains (down EUR 6m) and the lack of revenues from sales of real estate (previous year: EUR 2.5m).

The cost of materials decreased at a faster rate than total operating performance, namely by 5.2% to EUR 1.737b (previous year: EUR 1.832b), causing costs for materials to drop to 71.0% of the total operating performance (previous year: 71.9%). The gross profit[3] edged down by EUR 3.4m (0.5%) to EUR 710.8m (previous year: EUR 714.2m).

Personnel expenses climbed by EUR 16.6m or 4.3% to EUR 407.2m (previous year: EUR 390.6m). This was due to increasing personnel capacities in connection with the significantly expanded business with customer services and spare parts as well as the takeover from Caterpillar of sales and service activities for mining machines. Personnel costs thus amounted to 16.6% of the total operating performance (previous year: 15.3%).

Amortization of intangible assets and depreciation of property, plant, and equipment amounted to EUR 33.0m, or more than the previous year (EUR 31.4m). The depreciation on tangible assets for rentals (rental fleet) dropped to EUR 38.2m (previous year: EUR 41.8m). It is included in the cost of materials.

Other operating expenses rose slightly to EUR 249.2m (previous year: EUR 248.1m). Although sales-related costs fell by EUR 5.4m because of increased warranty payouts, and other costs diminished by EUR 5.8m, the operating expenses increased by EUR 3.5m. This was mainly because of greater costs for repairs and maintenance (EUR +2.0m) and for energy (EUR +0.4m). The neutral expenses rose by EUR 10.0m. Costs amounting to EUR 12.6m in connection with the takeover from Caterpillar of sales and service activities for mining equipment were added to the other neutral expenses. Another reason for the increase was the reposting of costs for currency hedges (EUR 2.1m) to neutral expenses. At the same time, currency exchange losses fell by EUR 4.5m.

The financial result improved by EUR 2.3m to EUR -19.4m (previous year: EUR -21.7m). The net interest result amounted to EUR -19.2m or EUR 3.0m less than the previous year's level of EUR -22.2m. Investment earnings worsened by EUR 0.8m to EUR -0.2m (previous year: EUR 0.6m), which was mostly the result of writing down financial assets by EUR 0.9m.

The Group's earnings from operations before taxes fell to EUR 77.3m (previous year: EUR 95.5m). Considering negative effects associated with the acquisition of mining equipment activities from Caterpillar, the earnings before taxes amounted to EUR 64.4m. The net operating margin was thus 3.2% (previous year: 3.7%). The operating equity ratio[4] before tax dropped to 15.1% (previous year: 20.0%) and return on assets[5] from operations to 7.7% (previous year: 9.3%). Without the above-mentioned effects, the return on total capital employed (ROCE) dropped to 7.9% (previous year: 9.4%).

Deducting taxes on income and earnings amounting to EUR 21.7m (previous year: EUR 26.8m), in the 2013 fiscal year the Zeppelin Group generated a net income of EUR 42.7m (previous year: EUR 68.7m). The overall tax ratio for 2013 is 33.7% (previous year: 28.1%).

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[3] Revenues plus changes in inventory and other own work capitalized minus the cost of materials.

[4] Earnings before tax / (equity in previous year + equity in year under review) / 2

[5] (Earnings before tax + interest expenses) / (balance sheet total of previous year + balance sheet total of year under review) / 2

Result of Ordinary Operations by Strategic Business Units

BREAKDOWN OF GROUP RESULT (EURk)	2013 [1]	2012	CHANGE (%)
Construction Equipment EU	29,642	24,077	23 %
Construction Equipment CIS	38,681	43,946	-12 %
Rental	15,910	14,952	6 %
Power Systems	25,674	27,556	-7 %
Plant Engineering	-12,831	4,737	-371 %
ZEPPELIN GmbH Group (consolidated)	**80,507**	**98,398**	**-18 %**
Thereof, foreign companies	55,607	49,455	12 %

[1] Without considering negative effects of acquiring mining equipment activities from Caterpillar (EUR 12.9m)

Financial Position

The financial demands on the Zeppelin Group are defined by long-term fixed assets (including a large rental fleet), which account for over a third of net assets, and other stocks and receivables needed in order to trade in construction equipment and other high-value capital goods that are characterized by relatively rapid turnover.

The Group's equity increased in the 2013 fiscal year by EUR 6.1m to EUR 513.9m (previous year: EUR 507.8m). With net assets falling by 2.9 % to EUR 1.281b, the equity ratio improved to 40.1 % (previous year: 38.5 %). As of the balance sheet date, the total long-term assets amounted to EUR 898.9m (previous year: EUR 876.2m)—comprising equity (EUR 513.9m), pension accruals (EUR 102.4m) and other long-term provisions (EUR 6.3m), as well as liabilities to banks and other creditors due to be liquidated in more than a year (EUR 276.3m)—and thus exceeded by EUR 453.2m (previous year: EUR 407.2m) the fixed assets and the portion of current assets that are tied up on a long-term basis, which together amounted to EUR 445.7m (previous year: EUR 469.0m). They therefore also covered 103.1 % of the Zeppelin Group's inventories. The increase in long-term assets is due to greater equity (EUR +6.1m) and an increase in liabilities to banks with a future benefit exceeding one year (EUR +10.9m).

The short-term provisions and liabilities at the end of the fiscal year amounted to EUR 373.8m (previous year: EUR 435.4m), or EUR 61.6m less. They mostly consisted of trade liabilities amounting to EUR 75.5m (previous year: EUR 85.6m), liabilities to banks amounting to EUR 18.2m (previous year EUR 77.8m), tax and other provisions of EUR 167.6m (previous year: EUR 168.2m), and partial payments received and other liabilities amounting to EUR 110.8m (previous year: EUR 103.6m).

At the end of 2013, a syndicated credit facility that was originally taken out in 2011 and firmly pledged for five years was available to the Zeppelin Group as a major financing instrument. In September 2013, the syndicated credit facility was extended under identical terms until September 2018 and raised by EUR 25m to a total of EUR 525m. It is available for cash drawdowns (of up to EUR 400m, unchanged from the previous year) and for providing guarantees (up to EUR 125m, up from EUR 100m in the previous year). As of the end of 2013, 41 % of it had been used (EUR 217.0m, thereof EUR 83.0m for guarantees). At the end of 2013 the Zeppelin Group also had access to other bank credit facilities amounting to about EUR 57m, of which EUR 5.2m had been used. As a further source of funding, an ABS (asset-backed security) program comprising EUR 25m continues to be available.

In addition, the Zeppelin Group funds itself on a long-term basis by placing bonded loans. At the end of the year under review, the total volume of outstanding bonded loans amounted to EUR 157.5m. A EUR 50m bonded loan that matured in mid-2013 was repaid by making corresponding drawdowns under the syndicated credit facility. The Group also adhered in 2013 to the financial covenants that had been agreed and determined on the basis of its financial data in connection with the syndicated credit facility and bonded loans.

In the fall of 2013, Creditreform Rating AG confirmed the Zeppelin Group's "A" rating with a stable outlook. In view of the recent developments in Russia and Ukraine and the importance of these markets for the Zeppelin Group, on March 12, 2014 Creditreform Rating AG added a "watch" tag to its rating.

The companies of the Construction Equipment EU and CIS and Power Systems strategic business units were able to continue taking advantage of extensive credit facilities from Caterpillar Financial Services and other specialized institutions for financing their sales activities in Germany and elsewhere. In addition, the Group is utilizing the instrument of asset leasing for making large investments in its rental fleet and for financing vehicles and computer hardware and software.

In the 2013 fiscal year, the Zeppelin Group switched entirely over to the SEPA (Single Euro Payments Area) system within the euro zone, thus complying with the corresponding EU directive ahead of time.

The Zeppelin Group took the necessary steps to comply with the stipulations of the European Market Infrastructure Regulation (EMIR) on reporting of OTC derivatives and mitigation of the associated risks. Compliance with the EMIR requirements by February 2014 (when the EMIR regulation entered into force) was thus ensured.

The additions to the Zeppelin Group's assets, amounting to EUR 118.2m (including EUR 63.4m of rental assets), were offset in the year under review by depreciations of EUR 72.2m (of which EUR 38.2m were on the rental fleet, contained in material expenses), which thus covered 61.1% of the capital expenditures made (previous year: 45.0%).

Development of Group Investments

EURk	2013	2012	2011	2010	2009
Intangible assets	14,461	14,302	8,796	2,308	7,701
Property, plant, and equipment	99,580	145,628	130,416	95,983	86,941
Land and buildings	6,927	7,740	4,927	7,163	18,292
Plant and machinery, and operating and business equipment	20,767	24,688	15,920	10,579	10,308
Rental assets	63,405	102,862	98,255	71,256	52,258
Other tangible assets	8,481	10,338	11,314	6,985	6,083
Financial assets	4,167	510	12,280	11,523	4,944
Total investments [1)]	**118,208**	**160,440**	**151,492**	**109,814**	**99,586**
[1)] Additionally: changes to the group of consolidated companies	76	-3,225	9,847	0	31,511

The Zeppelin Group's net cash flow in 2013 dropped by EUR 29.5m or 19.4% to EUR 122.5m (previous year: EUR 152m). The cash flow ratio[6] was 5.0% of revenues (previous year: 6.0%).

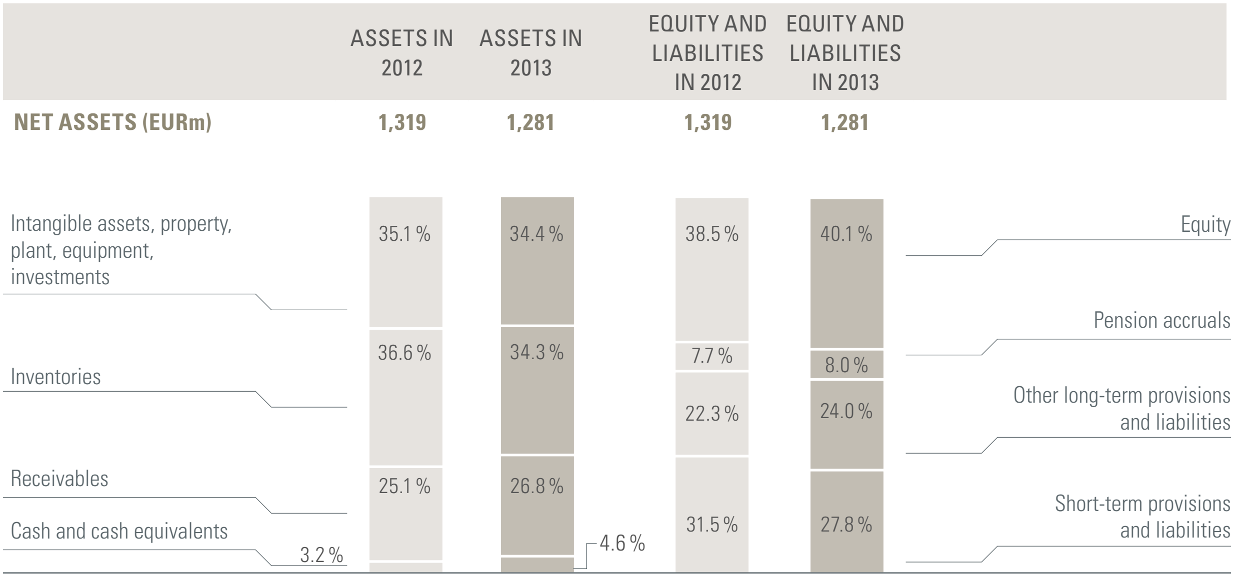
Net Assets

The net assets of the Zeppelin Group decreased in fiscal 2013 by EUR 38.7m (2.9%) to EUR 1.28b (previous year: EUR 1.32b). This was mainly due to reducing inventories by EUR 43.1m (previous year: an increase of EUR 12.0m) and decreasing the fixed assets by EUR 22.9m (previous year: a rise of EUR 40.1m), while cash and cash equivalents rose by EUR 16.0m (previous year: a reduction of EUR 31.4m). The drop in assets was primarily driven by the rental fleet. Trade receivables climbed by EUR 5.7m over the previous year.

The assets breakdown in the Group balance sheet did not change appreciably from the previous year. While the relative share of fixed assets (EUR 440.0m) diminished to 34.4% (previous year: 35.1%), the proportion of receivables and other assets (EUR 333.4m) climbed to 26.0% (previous year: 24.3%) and the share of cash and cash equivalents (EUR 58.3m) rose to 4.6% (previous year: 3.2%).

[6] Net cash flow / revenues

Breakdown of Group Assets, Equity, and Liabilities



The capital turnover ratio worsened marginally to 1.9 p.a. (previous year: 2.0 p.a.) as a consequence of slightly lower revenues and a disproportionately mild decline in net assets. The calculated collection period for trade receivables increased to 42 days (previous year: 39 days) as of the balance sheet date, as a consequence of the relatively high sales volume in the month of December 2013.

Apart from the balance sheet assets, the companies of the Zeppelin Group leased plant and equipment (motor pool, computer hardware and software) and machines for the rental fleet for a total of EUR 268.7m (previous year: EUR 226.8m), of which EUR 233.3m (previous year: EUR 207.1m) went for the rental fleet.

Comparison of Current Situation with Forecast

The following table shows how the principal Group metrics deviated from the forecasts of 2012.

METRIC	FORECAST DEC. 31, 2013	VALUE ON DEC. 31, 2013	RELATIVE DEVIATION
Revenues	EUR 2.51b	EUR 2.43b	-3.2 %
Earnings before tax	EUR 80.0m	EUR 77.3m[1]	-3.4 %
ROCE	8.2 %	7.9 %[1]	-

[1] Without considering negative effects of the acquisition of mining equipment activities from Caterpillar (EUR 12.9m)

Due to reduced sales of mining machines and Power Systems applications in the CIS and slightly lower business by the Construction Equipment EU business unit, the revenues deviated from the 2012 forecast. The earnings before tax are given without the negative effects of acquiring the mining equipment activities from Caterpillar (EUR 12.9m). They were negatively impacted above all by the unfavorable earnings situation of the Plant Engineering business unit's lead company.

C. Events Subsequent to the Balance Sheet Date

In early 2014, Zeppelin Rental GmbH & Co. KG concluded a combined asset and share deal to acquire the Project Services division of Streif Baulogistik GmbH, a wholly owned subsidiary of HOCHTIEF Solutions AG. For this purpose, Zeppelin Rental GmbH & Co. KG founded the company of Zeppelin BL GmbH, which has taken over both the Project Services in Germany and 100% of the shares of Streif Baulogistik Österreich GmbH. The Project Services division devotes itself to managing and organizing entire construction sites and is the leading provider of solutions in the German market. It provides logistical, consulting, and management services, rents out mobile space solutions, and plans and implements complete energy supply concepts. Due to its business model and market position, the acquisition of the Project Services division ideally supports the Rental business unit in achieving its strategic aims. The transaction is still pending approval by the anti-trust authorities.

By signing a contract on January 29, 2014, Zeppelin Rental GmbH & Co. KG acquired all of BIS Blohm + Voss Inspection Service GmbH to supplement and extend the activities of Zeppelin Industrial Services GmbH.

Apart from this, no other significant events occurred after the conclusion of the 2013 fiscal year that would have had a major impact on or jeopardized the Group's situation.

D. Opportunity and Risk Report

1. Risk Report

General Aspects

Being an internationally active corporate group, Zeppelin confronts diverse risks. The Zeppelin Group is mainly subject to macroeconomic and industry-specific risks, as well as performance-related, personnel-related, and financial risks.

Macroeconomic and Industry-Specific Risks

Via its subsidiaries and investments, ZEPPELIN GmbH is strongly diversified across multiple countries, industries, and activities. By widely spreading its macroeconomic and industry-specific risks like this, the Zeppelin Group improves its position in the markets it operates in.

Zeppelin is one of the largest dealers selling Caterpillar construction equipment and engines. The dealership agreement between Caterpillar and Zeppelin can be terminated with six months' notice. In view of the decades-long successful collaboration between the two enterprises, there is no identifiable risk of this contractual constellation ending. Zeppelin will continue expanding into the growing markets for power generation and oil and gas extraction. Effective management of receivables and credits offsets the risk of defaults on receivables in the construction, energy, and shipping industries. Currency risks in the CIS countries are contained as far as possible by central currency hedging activities carried out by the Group's treasury department.

Most of the target markets served by the Plant Engineering business unit are outside Germany. As a result of acquiring the Reimelt-Henschel Group in 2009, Zeppelin is now more active for global food, cosmetics, and pharmaceutical producers, which are less volatile markets. Del credere risks are avoided by agreeing on down payments and guarantees. To protect itself against economic and political risks, Zeppelin takes advantage of German government-backed trade export credit guarantees.

Performance-Related Risks

The main risk to Zeppelin's performance—Caterpillar's ability to deliver on time—was minimized in 2013, and availability was additionally improved by ordering machines with standardized configurations. In addition, planning of orders was improved and the capacities of some manufacturing partners increased. Zeppelin maintains sufficient stocks to compensate for supply bottlenecks and delays on the part of suppliers.

In addition, cross-country supply management at the strategic business unit level reduced risks further and optimized inventories.

Personnel Risks

Zeppelin carried out an employee survey in the 2013 fiscal year. Employee surveys are an important instrument for developing the organization. They serve to capture and evaluate personnel risks and provide new stimuli for improving the company's work culture. In November 2013, Zeppelin's employees in Germany were surveyed on the topics of leadership, corporate culture, and strategy. The participation rate was 66%. In addition to clearly pointing out areas in need of action, the findings revealed that the workforce is characterized by strong commitment and loyalty to the company.

In 2013, attention focused on planning and implementing an attractive employer brand. The goals were to strengthen Zeppelin's profile and make it better known as an employer. "Growing with Zeppelin" is the promise that Zeppelin makes to its employees. The next step is to implement a specially developed campaign to communicate the main messages to the appropriate target groups.

In order to continue binding young new hirees to the company at the earliest possible stage, the work-study programs for technical and commercial professions and the cooperative education activities in collaboration with the Baden-Württemberg Cooperative State University were also strengthened in the year under review.

In addition to gaining qualified employees and building their loyalty, other crucial requirements for Zeppelin's success are correctly assigning and appropriately fostering staff. Group-wide development programs were therefore expanded for managers and employees at many different levels.

Financial Risks

The Zeppelin Group's high equity ratio limits its financial risks. In 2013, this amounted to 40.1%. Another EUR 102.4m of long-term pension accruals are also available to ZEPPELIN GmbH and its German subsidiaries.

The Zeppelin Group's financial leeway is primarily ensured by the syndicated credit facility that was set up in 2011 and then extended by two years in 2013 to run until 2018. In addition, in order to spread its outside sources of capital more widely, the Group makes use of bonded loans, sales financing via several specialized institutions, and an ABS (asset-backed securities) program. Extensive credit facilities are also available for sale-and-leaseback transactions, especially for financing the rental fleet.

The Zeppelin Group's long-term liabilities to banks rose in the 2013 fiscal year to EUR 270.7m, accounting for 93.7% of all bank liabilities (previous year: 77%) and 21.1% of net assets (previous year: 20%). In this connection, all drawdowns under the syndicated credit facility are classified as long-term.

In accordance with its financial strategy of hedging a large share of its average financial liabilities against interest rate risks, the Zeppelin Group also makes use of interest rate swaps. The Group's business activities in emerging markets and developing countries expose it to currency risks. To contain them, cash flows in other currencies from individual transactions or projects are hedged with currency forwards and futures. In addition, the Zeppelin Group limits currency risks by financing its subsidiaries in emerging economies and developing countries in local currencies. For monitoring currency risks, the Zeppelin Group operates a value-at-risk limit system that is integrated in the Group-wide treasury management system. The foreign currency limit defined for the Zeppelin Group was consistently observed throughout 2013.

In order to increase the efficiency and transparency of transactions in foreign currencies, in early 2013 the Zeppelin Group introduced the 360T electronic platform. To further improve interest rates, Zeppelin Österreich GmbH became the second Group company to be admitted to the existing euro cash pool.

In 2013, all Group companies continued to experience relatively few defaults by external customers, amounting to EUR 2.0m or 0.08% of sales (previous year: EUR 3.5m or 0.14%) and once again confirming the success of the steps taken to improve solvency checking and manage receivables and debt collection better. Risks were additionally reduced by collaborating extensively with sales financing companies and securing down payments from customers for projects and plants.

To protect itself against the financial consequences of large liability risks, which could result in having to pay substantial damages, the Group takes out insurance policies. Zeppelin itself bears limited risks. Special attention is paid to claims management and associated preventive measures. Within the scope of an international insurance management system, coverage is continually monitored and adjusted as required. In addition, insurance coverage is centrally coordinated and managed for the entire Group. The real estate investments in Russia have been insured against political risks by obtaining German government-backed guarantees for direct investments in other countries.

Risk Management System

The Zeppelin Group meets current operational, market-related, and legal requirements with the aid of a continually improved risk management system. Risk management is an integral part of the Group's business and decision-making processes. It serves on the one hand to identify, quantify, and report risks at an early stage, and on the other to support appropriate measures for preventing and containing existential risks.

The core of the risk management system consists of comprehensive planning and reporting systems to make sure that risks are completely identified and captured. This ensures that all responsible individuals are involved in analyzing and evaluating risks and in developing and implementing countermeasures. The risk reporting system, which continued to be improved in 2013, is part of the Group reporting system and constitutes the basis for efficient, documented risk management.

Quarterly risk reports assign risk factors to 12 different types, describe their magnitude and likelihood of occurrence, analyze them, and report them along with appropriate preventive countermeasures. The development of these risks and associated preventive measures is monitored on a rolling basis for several quarters. In addition, an ad hoc risk alarm process ensures that appropriate measures can be initiated without delay to counter substantial risks for the Group. A risk panel established within the Zeppelin Group makes sure that identified risks are adequately monitored and effective countermeasures implemented. In order to assess future business risks even more comprehensively, in past years suitable early warning indicators were defined for revealing potential negative impacts on the Zeppelin Group's assets, finances, and earnings.

In 2013, the Group auditing department carried out standard checks of four of the Group's sales companies: Zeppelin Baumaschinen GmbH, Zeppelin International AG, Zeppelin Power Systems GmbH & Co. KG, and Zeppelin Rental Russland OOO. It also audited the Group Treasury Center of ZEPPELIN GmbH. Three follow-up checks were also performed, in addition to conducting additional fraud and compliance checks.

Assessment of Risk Categories

The above-mentioned 12 risk types are contained in the following four risk categories:

- Asset risks (inventories / stocks, receivables, risk to the rental fleet)
- Currency risks (currency transaction and translation risks)
- Contractual risks (risks of breach of contract, warranty risks, risks in connection with agreements with financing companies, so-called rental purchase options)
- Financial risks (order backlog risks, sales risks, compliance risks, market-related earning risks, other risks)

A matrix is used to assess risks in terms of their probability of occurrence and their potential impacts on earnings. The definitions used are explained below.

Definitions

Degrees of Impact

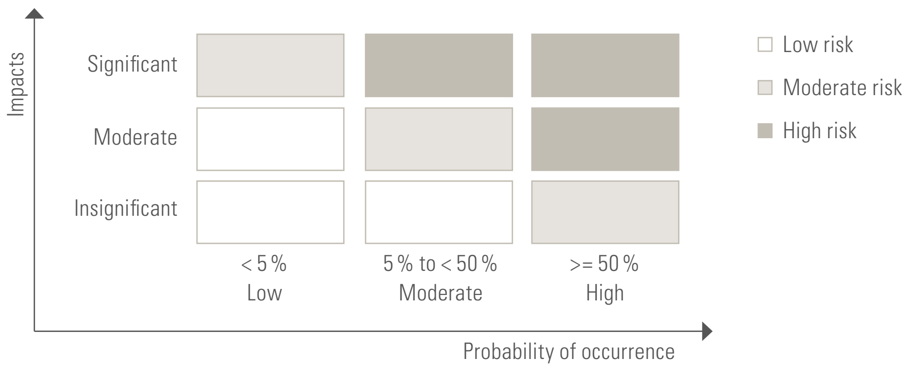
DEGREE OF IMPACT	DEFINITION OF IMPACT
Insignificant	Only insignificant, limited impacts on the earnings situation (net losses < EUR 10m [1])
Moderate	Some negative impacts on the earnings situation (net losses >= EUR 10m and < EUR 20m [1])
Significant	Considerable negative impacts on the earnings situation (net losses >= EUR 20m [1])

[1] Depending on risk category

Probability of Occurrence

PROBABILITY OF OCCURRENCE	DESCRIPTION
< 5 %	Low
5 % to < 50 %	Moderate
>= 50 %	High

Evaluation Matrix



Relative Importance of Risk Categories

RISK CATEGORY	RISK OF OCCURRING	IMPACT ON EARNINGS [1]	RISK ASSESSMENT
Asset risks	Moderate	Insignificant	Low
Currency risks	N / A	Insignificant	Low / moderate
Contractual risks	Low	Insignificant	Low
Financial risks	Moderate	Insignificant	Low

[1] Depending on risk category

Overall Assessment of the Risk Situation

Risk management plays a very important role at Zeppelin: as a management tool, for identifying and influencing individual risks, and for taking advantage of opportunities. Over the years, Zeppelin has continually adjusted its risk management system to meet growing requirements while introducing new activities to supplement and extend it. The Group's management controlling department and risk panel continually monitor the risk reporting system and take steps to keep improving the quality of risk management, which is checked and assessed each year to ensure that it is being properly and effectively practiced.

No risks that could endanger the continued existence of ZEPPELIN GmbH or its participations existed during the year under review, nor are any such risks now discernible for the future, nor has there been any appreciable change in this regard since the previous year. Based on current knowledge, the potential impacts of the Crimean crisis are not regarded as an existential risk.

2. Opportunities

Actively searching for opportunities, developing and utilizing resources, and creating and applying innovations while simultaneously weighing the associated risks are the core components of all entrepreneurial activity and thus also of that of ZEPPELIN GmbH and all of its subsidiaries. The goal is to strengthen and additionally expand Zeppelin's position as one of the leading providers of retail, service, and engineering services with above-average success.

Rights to sell and service capital goods from major, mostly market-leading, suppliers, enable Zeppelin to tap potentials in the relevant markets even better. Predominantly nationwide sales and service organizations in those countries, leadership of nearly all local construction equipment markets, excellently trained, motivated, and loyal managers and staff, and a stable long-term financial base will enable Zeppelin to continue taking advantage of these opportunities in the future as well.

On March 1, 2013, the Rental strategic business unit gained a new unit, Industrial Services. It is based on the business activities of GSL Zeppelin GmbH, which has been renamed Zeppelin Industrial Services GmbH. The equipment rental portfolio has thus been supplemented by temporary infrastructure and height access solutions, mobile material inspections, workplace safety training, and comprehensive services for welding equipment. This integration has brought together all of the expertise for professional industrial management under one roof so that it can be offered to customers in the form of complete, integrated solutions. The acquisition of BIS Blohm + Voss Inspection Service GmbH has ideally reinforced the unit.

Since December 1, 2013, the Zeppelin Group has also been offering solutions to the mining industry, based on the world's broadest product portfolio for surface and underground mining. The Construction Equipment EU and CIS strategic business units acquired from Caterpillar sales and service activities for Bucyrus mining machines, thus significantly enlarging its portfolio of surface mining equipment while opening up an entirely new field of business in underground mining.

The acquisition of the Project Services division of Streif Baulogistik GmbH by Zeppelin Rental GmbH & Co. KG in early 2014 will appropriately enlarge the Rental business unit as soon as the anti-trust authorities approve the transaction. The business model and market position of the Project Services division are supplementing the Rental business unit's strategy.

Like in the previous year, ZEPPELIN GmbH received the high rating of "A" from Creditreform Rating AG for its financial standing. This evaluation confirms Zeppelin's good creditworthiness and low risk of insolvency with a stable economic outlook for the next 12 months. In view of recent developments in Russia and Ukraine and the importance that these markets have for the Zeppelin Group, on March 12, 2014 Creditreform Rating AG added a "watch" tag to its rating.

The acquisition of mining equipment activities from Caterpillar in particular is giving the Zeppelin Group new opportunities that it had not yet enjoyed in the previous year.

3. Compliance

Compliance at Zeppelin is based on the conviction that social responsibility, observance of the law, and ethical conduct are essential for long-term business success. Complying with legal requirements, official regulations, and internal corporate guidelines is a key part of Zeppelin's management and corporate culture.

The Zeppelin Group's code of conduct is the cornerstone of its compliance program. Employees can contact the corporate compliance officer or internal compliance organization via the Zeppelin website or a special e-mail address. Alternatively, an external lawyer is available for confidential consultations, acting as a compliance ombudsman. The regular compliance classes provided to staff were supplemented by a multilingual e-learning program in 2013.

The Group's compliance program has been strengthened by introducing compliance management to the strategic business units. The compliance officers responsible for implementing the program continually receive special training to qualify them for their roles.

E. Forecast

The World Bank regards the prospects for global economic growth in 2014 as basically good. Economic output is expected to increase by about 3.3%. The emerging economies and developing countries in particular will once again make strong gains, and the outlook for the industrialized nations is now better in the wake of the crisis years. Growth of around 1.2% is anticipated in the euro zone.[7] In Germany, the Bundesbank reckons that the economy will continue to pick up speed, driving a roughly 1.8% increase in GDP. While the economies of countries like Ireland and Portugal are slowly starting to grow again, there are still no signs of an upswing in Italy or France. The prospects for 2014 are favorable in the United States, where the economy is expected to expand by 2.3%. The forecasts for Russia and Ukraine also point to faster growth than in 2013, although they will probably have to be revised downward in the light of recent events. After years of recession, the Czech Republic is expected to once again experience mild growth of 0.8%. The economy of the Slovak Republic also appears to be expanding faster, by an expected 2.2% instead of the 0.8% achieved in 2013.

The European Central Bank is expected to loosen its monetary policy in 2014. It may reduce the key refinancing interest rate further to 0.1% and the deposit rate to -0.1% in order to accelerate the economic recovery.

[7] Cf. IMF, World Economic and Financial Surveys, Oct. 2013 and Euroconstruct, Nov. 2013.

From a global perspective, the imminent turnaround in U.S. monetary policy is especially important, since it could cause global growth to slow even more. This would hit the emerging economies and developing countries particularly hard.[8]

Zeppelin's core markets will develop in different ways in 2014. The business climate index of the main German construction trades (civil engineering, building construction, and road construction) has deteriorated slightly. Although the business situation remains at a high level, lately it has been assessed less well. The prevailing optimism has also diminished somewhat with a view to the next six months. Most of Germany's construction machine dealers expect the market volume to stagnate or contract slightly, in contrast to 2013. The construction markets of the Czech Republic and Slovak Republic will continue to lose ground, while the Austrian market is expected to grow. The Russian market is expected to develop analogously to Germany, although the repercussions of the Crimean crisis could very negatively impact the situation in Russia and especially in Ukraine. The rental markets of Germany and Austria are predicted to stagnate or experience a mild downturn. No growth is expected in the Czech Republic or Slovak Republic, either. By comparison, growth prospects of between 3% and 5% are attributed to the Russian rental market, although the current events might have a mitigating effect. Mixed growth of the world's shipping markets is expected, with a modest but improving outlook for the cargo sector. The still-high demand for local energy supplies and gas compression projects for pipelines, as well as the very large number of projects in Eastern Europe and the CIS, point to increasing order intake in the energy, oil, and gas markets in those regions. In connection with Germany's energy policies, trends are appearing that may lastingly depress the demand. Production of machines and plants is expected to increase by 3.0% in 2014. The outlook for the coming year is also encouraging in the segments of plastics and rubber machines, food systems, and packaging equipment.

The Zeppelin Group expects to achieve a sales volume of between EUR 2.4b and EUR 2.5b in the 2014 fiscal year and earnings before tax of EUR 75.0m to EUR 82.0m. The expectation is that the return on capital employed (ROCE) could reach an average figure of 8.2% if earnings reach the upper end of this range.

The plans call for personnel capacities to be bolstered in 2014 to up to 7,948 employees, including trainees, to secure future growth and the significantly expanded customer service and spare parts business. According to the investment plan for 2014, some EUR 81.2m will be spent on measures (not counting rental fleets). The investments will mainly be in operating and business equipment, land, and buildings. An additional EUR 132.8m is to be invested in rental fleets, although this will be predominantly financed off the balance sheet via sale-and-leaseback contracts.

The mounting tensions between Russia on the one hand and the European Union and the U.S. on the other in connection with the Crimean crisis will negatively impact the economic situation in Russia and Ukraine, which are important markets for Zeppelin. Above all, this will very probably have an unfavorable impact on the predicted performance figures for the 2014 fiscal year, thus resulting in the sales and earnings forecasts in the indicated ranges.

Most of the Zeppelin Group got off to a good start in the 2014 fiscal year. The mild weather in Central Europe was favorable for the construction equipment and rental businesses. The revenues as of February 2014 exceeded the previous year's levels in nearly all of the Group's important units. Only the Construction Equipment

[8] Cf. Deutsche Bundesbank, Oct. 10, 2013.

CIS business unit began the year poorly, with revenues down 10% from the corresponding period of the preceding year. With revenues of EUR 264.8m (previous year: EUR 251.0m), due to seasonal factors the Zeppelin Group still generated a negative profit before tax of EUR -15.5m (previous year: EUR -21.1m).

The order intake of EUR 350.1m is roughly comparable with that of the previous year (EUR 357.2m), but the picture is heterogeneous. Although the Construction Equipment EU, Power Systems, and Rental strategic business units registered significantly stronger demand, the order situation worsened at the Plant Engineering business unit (-5%) and dropped significantly at the Construction Equipment CIS business unit (-44%).

The planning assumptions and scenarios for the 2014 fiscal year give appropriate consideration to possible risks. However, the Crimean crisis and its repercussions may have a noticeable negative impact on the Zeppelin Group's business development.

Friedrichshafen, Germany
March 28, 2014

The Management Board of ZEPPELIN GmbH

Peter Gerstmann   Michael Heidemann   Christian Dummler   Jürgen-Philipp Knepper

GROUP BALANCE SHEET AS OF DECEMBER 31, 2013

ASSETS EURk		DEC. 31, 2013	DEC. 31, 2012
A. FIXED ASSETS			
I.	INTANGIBLE ASSETS		
1.	Purchased industrial and intellectual property, similar rights and assets, and licenses for rights of these kinds	10,002	6,658
2.	Goodwill	17,351	10,760
3.	Down payments made	110	4,162
		27,463	**21,580**
II.	PROPERTY, PLANT, AND EQUIPMENT		
1.	Land, land rights, and buildings, including buildings on third-party land	185,406	179,892
2.	Plant and machinery	14,805	10,610
3.	Other operating and business equipment, furniture, and fixtures	38,036	40,541
4.	Rental assets	140,528	173,412
5.	Down payments made and assets under construction	5,790	11,497
		384,565	**415,952**
III.	FINANCIAL ASSETS		
1.	Investments in affiliated companies	15,914	11,756
2.	Loans to affiliated companies	229	229
3.	Participations	11,367	12,836
4.	Securities held as fixed assets	141	197
5.	Other loans	311	345
		27,962	**25,363**
		439,990	**462,895**
B. CURRENT ASSETS			
I.	INVENTORIES		
1.	Raw materials, consumables, and supplies	24,189	24,558
2.	Work in progress	76,204	67,063
3.	Finished goods and merchandise	367,232	419,881
4.	Down payments made	20,750	28,007
5.	Down payments received on orders	-48,831	-56,814
		439,544	**482,695**
II.	RECEIVABLES AND OTHER ASSETS		
1.	Trade receivables	278,502	272,776
2.	Receivables from affiliated companies	11,786	6,942
3.	Receivables from companies with which a participation relationship exists	7,156	6,436
4.	Other assets	35,971	34,726
		333,415	**320,880**
III.	CASH ON HAND, BANK BALANCES, CHECKS	58,288	42,289
		831,247	**845,864**
C. PREPAID EXPENSES		8,685	9,791
D. DEFERRED TAX ASSETS		567	884
E. NET PLAN ASSETS FOR POST-EMPLOYMENT BENEFITS		290	45
		1,280,779	**1.319.479**

EQUITY AND LIABILITIES EURk		DEC. 31, 2013	DEC. 31, 2012
A. EQUITY			
I.	SUBSCRIBED CAPITAL	100,000	100,000
II.	CAPITAL RESERVES	60,000	60,000
III.	REVENUE RESERVES		
1.	Reserve for shares of a controlling company	11,276	11,276
2.	Other revenue reserves	342,201	326,496
		353,477	**337,772**
IV.	MINORITY INTERESTS	466	10,074
		513,943	**507,846**
B. PROVISIONS			
1.	Accruals for pensions and other post-employment benefits	102,400	101,509
2.	Tax provisions	9,499	10,214
3.	Other provisions	164,369	163,784
		276,268	**275,507**
C. LIABILITIES			
1.	Liabilities to banks	288,878	337,514
2.	Down payments received on orders	66,415	54,247
3.	Trade payables	75,545	85,656
4.	Liabilities to affiliated companies	1,616	133
5.	Liabilities to companies with which a participation relationship exists	34	19
6.	Other liabilities	50,011	50,699
		482,499	**528,268**
D. DEFERRED INCOME		1,535	1,346
E. DEFERRED TAX LIABILITIES		6,534	6,512
		1,280,779	**1,319,479**

GROUP INCOME STATEMENT FOR THE 2013 FISCAL YEAR

EURk	JAN. 1, 2013 TO DEC. 31, 2013	JAN. 1, 2012 TO DEC. 31, 2012
1. Revenues	2,434,108	2,549,695
2. Increase (+) / decrease (-) in finished goods and work in progress	13,067	-4,536
3. Other own work capitalized	438	968
4. Other operating income	65,696	76,040
	2,513,309	**2,622,167**
5. Cost of materials		
a) Cost of raw materials, consumables, supplies, and purchased merchandise	1,595,869	1,741,396[1]
b) Cost of purchased services	140,937	90,500[1]
	1,736,806	**1,831,896**
6. Personnel expenses		
a) Wages and salaries	338,125	322,998
b) Social security and other benefits	63,732	61,975
c) Pension costs	5,393	5,660
	407,250	**390,633**
7. Amortization, depreciation, and write-downs of intangible assets and property, plant, and equipment	32,957	31,448
8. Other operating expenses	249,235	248,130
	87,061	**120,060**
9. Income from participations	754	779
10. Income from other securities and loans classified as fixed financial assets	16	187
11. Other interest and similar income	4,164	3,755
12. Write-downs on financial assets and securities held as current assets	977	192
13. Interest and similar expenses	23,395	26,191
14. Result of ordinary activities	**67,623**	**98,398**
15. Extraordinary income	0	5
16. Extraordinary expenses	5	4
17. Extraordinary result	**-5**	**1**
18. Income taxes	21,678	26,814
19. Other taxes	3,250	2,904
20. Net group income	**42,690**	**68,681**
21. Income attributable to minority interests	28	-818
22. Group share of net income for the year	**42,662**	**69,499**
23. Allocation to Group's revenue reserves	-42,662	-69,499

[1] Adjusted to reflect consolidation measures within the material costs. The previous year's value (EUR 43.7m) was not adjusted.

GROUP CASH FLOW STATEMENT FOR THE 2013 FISCAL YEAR

EURk	2013	2012	CHANGE
Net income / loss	42,690	68,681	-25,991
Income taxes	21,678	26,814	-5,136
Earnings before income taxes	64,368	95,495	-31,127
BALANCE OF WRITE-DOWNS (+) / WRITE-UPS(-)			
Intangible assets	8,083	8,043	40
Property, plant, and equipment excluding rented-out construction machinery	24,874	22,929	1,945
Rented-out construction machinery (fixed and current assets)	52,355	55,369	-3,014
Financial assets	977	507	470
Change in pension accruals (+ increase)	856	450	406
Change in long-term provisions (+ increase / - decrease)	-1,994	844	-2,838
Unrealized currency exchange losses (+) / gains (-)	360	-32	392
Other non-cash expenses (+) / income (-)	-5,736	-4,772	-964
Gross cash flow	**144,143**	**178,833**	**-34,690**
Income taxes	-21,678	-26,814	5,136
Net cash flow	**122,465**	**152,019**	**-29,554**
Loss (+) / gain (-) resulting from disposals of fixed assets	-586	487	-1,073
Decrease (+) / increase (-) in inventories	29,330	-19,954	49,284
Decrease (+) / increase (-) in trade receivables	-5,512	-13,661	8,149
Increase (-) / decrease (+) in other receivables and assets [1]	-3,314	12,270	-15,584
Decrease (+) / increase (-) in trade payables and other liabilities [1]	109	-90,587	90,696
= Cash flow from operating activities	**142,492**	**40,574**	**101,918**
PAYMENTS FOR INVESTMENTS IN			
Intangible assets	-14,461	-6,692	
Property, plant, and equipment excluding rental assets	-36,175	-42,765	
Rental assets (balance of payments received for disposals/payments for investments)	-6,297	-65,845	
Financial assets	-4,166	-510	
PAYMENTS (-) RECEIVED (+) FOR DISPOSALS OF			
Intangible assets	0	10	
Property, plant, and equipment (excluding rental assets)	4,498	4,043	
Fixed financial assets	155	188	
= Cash flow from investing activities	**-56,446**	**-111,571**	
Dividends to shareholders of ZEPPELIN GmbH	-7,000	-7,000	
Dividends / payments to minority interests	-10,800	-995	
Proceeds (+) from long-term borrowing	17,900	126,801	
Repayment (-) of long-term financial liabilities	0	-50,000	
Proceeds (+) / repayment (-) of short-term financial liabilities	-66,536	-35,727	
Change in loan receivables/liabilities from/to affiliated companies [1]	-1,693	-259	
Cash flow from financing activities	**-68,129**	**32,820**	
Change in cash and cash equivalents	17,917	-38,177	
Cash and cash equivalents at start of fiscal year	42,289	73,679	
Consolidation group-related changes in cash and cash equivalents	645	6,752	
Exchange rate-related changes in cash and cash equivalents	-2,563	35	
= Cash and cash equivalents at end of fiscal year	**58,288**	**42,289**	

[1] For better clarity and ease of reference, the items for receivables and other assets, as well for liabilities from deliveries and services received and other liabilities, have been rearranged to show the changes in loan receivables/liabilities from/to affiliated companies (primarily Luftschiffbau Zeppelin GmbH). The values for the previous year (EURk 119.0 and EURk 140.0) have also been correspondingly adjusted.

STATEMENT OF CHANGES IN THE GROUP'S FIXED ASSETS IN FISCAL 2013

	ACQUISITION AND PRODUCTION COSTS					
EURk	JAN. 1, 2013	CURRENCY DIFFERENCES	ADDITIONS	ADDITIONS TO CONSOLIDATION GROUP	DISPOSALS	RECLASSIFICATIONS
I. INTANGIBLE ASSETS						
1. Purchased industrial and intellectual property, similar rights and assets, and licenses for rights of these kinds	34,282	-1,109	3,499	1	-168	4,808
2. Goodwill	40,096	-553	10,320	0	0	0
3. Down payments made	4,162	0	642	0	0	-4,694
	78,540	**-1,662**	**14,461**	**1**	**-168**	**114**
II. PROPERTY, PLANT, AND EQUIPMENT						
1. Land, land rights, and buildings, including buildings on third-party land	292,483	-3,841	6,927	0	-4,331	12,189
2. Plant and machinery	48,871	-1,166	6,991	0	-404	1,730
3. Other operating and business equipment, furniture, and fixtures	126,258	-3,392	13,776	75	-5,803	-5,736
4. Rental assets	269,407	-3,585	63,405	0	-91,118	4,773
5. Down payments made and assets under construction	11,497	-276	8,481	0	-653	-13,193
	748,516	**-12,260**	**99,580**	**75**	**-102,309**	**-237**
III. FINANCIAL ASSETS						
1. Investments in affiliated companies	12,127	0	4,101	0	0	413
2. Loans to affiliated companies	4,280	0	0	0	0	0
3. Participations	26,414	-434	0	0	0	-413
4. Securities held as fixed assets	197	0	0	0	-56	0
5. Other loans	3,167	0	66	0	-100	0
	46,185	**-434**	**4,167**	**0**	**-156**	**0**
	873,241	**-14,356**	**118,208**	**76**	**-102,633**	**-123**

[1] Settled against expenses for materials.

	DEPRECIATIONS							REINSTATED DEPRECIATIONS	NET BOOK VALUES	
DEC. 31, 2013	JAN. 1, 2013	CURRENCY DIFFERENCES	ADDITIONS	ADDITIONS TO CONSOLIDA-TION GROUP	DISPOSALS	RECLASSIFI-CATIONS	DEC. 31, 2013	DEC. 31, 2013	DEC. 31, 2013	DEC. 31, 2012
41,313	27,624	-977	4,805	0	-165	24	31,311	0	10,002	6,658
49,863	29,336	-104	3,280	0	0	0	32,512	0	17,351	10,760
110	0	0	0	0	0	0	0	0	110	4,162
91,286	**56,960**	**-1,081**	**8,085**	**0**	**-165**	**24**	**63,823**	**0**	**27,463**	**21,580**
303,427	112,591	-1,250	9,104	0	-2,426	2	118,021	0	185,406	179,892
56,022	38,261	-820	3,110	0	-247	913	41,217	0	14,805	10,610
125,178	85,717	-2,084	12,588	43	-5,145	-3,977	87,142	0	38,036	40,541
242,882	95,995	-1,329	38,237[1)]	0	-33,471	2,929	102,354	7	140,528	173,412
5,856	0	-4	70	0	0	0	66	0	5,790	11,497
733,365	**332,564**	**-5,487**	**63,109**	**43**	**-41,289**	**-133**	**348,800**	**7**	**384,565**	**415,952**
16,641	371	0	356	0	0	0	727	0	15,914	11,756
4,280	4,051	0	0	0	0	0	4,051	0	229	229
25,567	13,578	0	622	0	0	0	14,200	0	11,367	12,836
141	0	0	0	0	0	0	0	0	141	197
3,133	2,822	0	0	0	0	0	2,822	0	311	345
49,762	**20,822**	**0**	**978**	**0**	**0**	**0**	**21,800**	**0**	**27,962**	**25,363**
874,413	**410,346**	**-6,568**	**72,172**	**43**	**-41,454**	**-109**	**434,423**	**7**	**439,990**	**462,895**

STATEMENT OF CHANGES IN GROUP EQUITY IN FISCAL 2013

	PARENT COMPANY		
EURk	SUBSCRIBED CAPITAL	CAPITAL RESERVES	EQUITY EARNED BY GROUP
JAN. 1, 2012	100,000	60,000	284,365
Dividend payments			-7,000
Other changes			-165
	100,000	**60,000**	**277,200**
Net Group income			69,499
Other Group results			
Total Group result			**69,499**
Dec. 31, 2012	**100,000**	**60,000**	**346,699**
JAN. 1, 2013	100,000	60,000	346,699
Dividend payments			-7,000
Transactions with minority interests			
Other changes			
	100,000	**60,000**	**339,699**
Net Group income			42,662
Other Group results			
Total Group result			**42,662**
Dec. 31, 2013	**100,000**	**60,000**	**382,361**

[1] The reported sum includes EUR 27,730k (previous year: EUR 23,646k) of goodwill from capital consolidation.

			MINORITY INTERESTS			GROUP EQUITY
OTHER ACCUMULATED GROUP RESULTS				OTHER ACCUMULATED GROUP RESULTS		
ADJUSTMENT ITEMS FROM CURRENCY TRANSLATION	OTHER NON-OPERATING TRANSACTIONS	EQUITY	MINORITY INTERESTS	ADJUSTMENT ITEMS FROM CURRENCY TRANSLATION	EQUITY	
3,257	-10,084	437,538	10,385	1,417	11,802	449,340
		-7,000	-1,009		-1,009	-8,009
		-165	-78		-78	-243
3,257	**-10,084**	**430,373**	**9,298**	**1,417**	**10,715**	**441,088**
		69,499	-818		-818	68,681
-2,100		-2,100		177	177	-1,923
-2,100		**67,399**	**-818**	**177**	**-641**	**66,758**
1,157	**-10,084**	**497,772**	**8,480**	**1,594**	**10,074**	**507,846**
1,157	-10,084	497,772	8,480	1,594	10,074	507,846
		-7,000				-7,000
	-4,081	-4,081	-8,313	-1,130	-9,443	-13,524
	9	9				9
1,157	**-14,156**	**486,700**	**167**	**464**	**631**	**487,331**
		42,662	28		28	42,690
-15,885		-15,885		-193	-193	-16,078
-15,885		**26,777**	**28**	**-193**	**-165**	**26,612**
-14,728	**-14,156**[1)]	**513,477**	**195**	**271**	**466**	**513,943**

NOTES TO THE GROUP FINANCIAL STATEMENTS FOR THE 2013 FISCAL YEAR

I. General

These Group financial statements have been prepared in accordance with Sections 290 ff. of the German Commercial Code (HGB). The figures in the Group financial statements are stated in thousands of euros (EURk).

The Group income statement is presented using the "nature of expense" method.

For greater clarity, these Group financial statements include notes indicating when figures are also included in other items, as well as detailed breakdowns.

II. Accounting and Valuation Methods

The financial statements of ZEPPELIN GmbH and the other included companies have been prepared according to consistent accounting and valuation principles.

Acquired intangible assets and property, plant, and equipment are recognized at cost and, when depreciable, reduced by systematic amortization and depreciation.

The customary useful life of intangible assets is generally assumed to be between three and five years. Acquired goodwill is generally amortized over a period of five years. Amortization of the goodwill resulting from initial consolidation through December 31, 2009 is recorded on a straight-line basis over a period of five or 10 years. On the date (January 1, 2010) of the transition to the German Accounting Law Modernization Act (BilMoG), all goodwill had a remaining useful life of less than five years.

Property, plant, and equipment have been reduced in value by systematically depreciating them based on their expected useful lives. Their useful lives are estimated based on the official depreciation (AfA) tables, since in general these accurately reflect the intensity of use and loss of value of assets.

Asset additions made on or after January 1, 2011 are depreciated on a straight-line basis according to their history of use. Asset additions through December 31, 2010 are depreciated according to the declining-balance or straight-line method to the extent permitted by tax rules.

Low-value assets with a net individual value of up to EUR 410.00 are fully depreciated, i.e. entered as expenses, in their year of acquisition, while assuming that they were immediately disposed of. Individual assets with a net value of more than EUR 410.00 are capitalized in their year of acquisition and depreciated over their expected useful lives.

The recognized assets designated for rental (rental fleet) are depreciated using the straight-line method over their expected useful lives. Total depreciations of EUR 38,237k (previous year: EUR 41,763k) are included in the cost of materials.

Shares in nonconsolidated affiliated companies and subsidiaries are recognized at cost value or their market value if lower.

Loans and securities classified as fixed assets are recognized at cost value. Required depreciations are made to their lower market values as of the balance sheet date.

Raw materials, consumables, supplies, and merchandise included in the inventories are measured at cost value or the net achievable price if lower. Work in progress is measured at production cost, while taking into account a proportional share of material and product overheads and depreciation as well as directly attributable material, labor, and special costs. Adequate write-downs have been applied to account for loss-free valuation and marketability risks. Interest on borrowed capital and general administrative costs have not been capitalized.

Adequate impairments have been recorded to account for all identifiable inventory risks associated with longer-than-average storage, reduced marketability, or lower replacements costs. Current rental assets are also subject to ongoing depreciation.

Receivables and other assets are recognized at their nominal values. Sufficient specific and general bad debt allowances have been made to account for existing default risks.

Under the generally accepted German accounting principles, accruals for pensions and other post-employment benefits are determined in accordance with the projected unit credit method using the "2005 G mortality tables" by Prof. Dr. Klaus Heubeck. An average market interest rate of 4.90 % (previous year: 5.06 %) has been applied as the flat discount rate for a remaining term of 15 years in accordance with the German Regulation on Discounting of Provisions (RückAbzinsV). Expected salary and wage increases of 2.5 % and expected pension increases of 1.0 % have been taken into account. For companies in countries other than Germany, the corresponding local interest rates have been applied.

Provisions for taxes and other purposes account for all contingent liabilities and potential losses from pending transactions. They are recognized at the settlement values dictated by good business sense. Interest-bearing and non-interest-bearing provisions due to be liquidated in more than one year have been discounted at the average market interest rate. The average rate has been calculated on the basis of the seven years prior to the remaining term of each obligation.

Assets that are intended exclusively for meeting pension or comparable long-term post-employment obligations and are exempt from attachment by all other creditors (plan assets in the sense of Section 246, para. 2, sentence 2 of the German Commercial Code) have been netted against provisions at their fair values. To safeguard them for phased early retirement programs in the event of insolvency, they have been invested in shares in a money market fund and turned over to Commerzbank AG as their trustee.

Liabilities are recorded at their settlement value.

For calculating taxes deferred because of temporary or differences between the book values of assets, liabilities, deferred income, and prepaid expenses in accordance with commercial law and their tax valuations, or to tax losses carried forward, the amounts of the tax burden or relief are valued at the company-specific tax rates on the date when the differences are eliminated and are not discounted. Differences based on consolidation entries in accordance with Sections 300 to 307 of the German Commercial Code are also taken into account, but differences for the initial recognition of goodwill or negative goodwill from capital consolidation are not considered. Deferred tax assets and liabilities are not offset against one other. Deferred taxes resulting from differences in the annual financial statements of consolidated companies are not capitalized, in accordance with the relevant disclosure option.

Where hedging relationships are designated in accordance with Section 254 of the German Commercial Code, the following accounting and valuation principles are applied: economic hedges are accounted for by designating hedging relationships. In cases in which it is possible to use either the "net hedge presentation method", in which the offsetting changes in value from the hedged risk are not accounted for, or the "gross hedge presentation method", in which the offsetting changes in value from the hedged risk of both the hedged item and the hedging instrument are accounted for, the net hedge presentation method is used. The offsetting positive and negative changes in value are recognized without affecting the income statement.

III. Consolidation Group

The group of consolidated companies comprises—in addition to ZEPPELIN GmbH—11 (previous year: 13) German and 30 (previous year: 29) foreign subsidiaries. For one included company (previous year: one), no figures at all are given pursuant to Section 313, para. 3, sentence 1 of the German Commercial Code.

The consolidation group comprises the following companies:

COMPANY NAME AND LOCATION	OWNERSHIP SHARE (%)[1]
ZEPPELIN GmbH, Friedrichshafen	- [2]
Zeppelin Immobilien Russland OOO, Moscow, Russia	100.0 [3]
Zeppelin Baumaschinen GmbH, Garching near Munich	100.0
AT Baumaschinentechnik Beteiligungs GmbH, Munich	100.0 [4]
Zeppelin Struktur GmbH, Garching near Munich	100.0
Zeppelin Österreich GmbH, Fischamend near Vienna, Austria	100.0
Phoenix-Zeppelin, spol. s r.o., Modletice near Prague, Czech Republic	100.0
Phoenix Zeppelin, spol. s r.o., Banská Bystrica, Slovak Republic	100.0 [5]
Zeppelin Polska Sp. z o.o., Warsaw, Poland	100.0 [5]
Zeppelin Logistics Sp. z o.o., Warsaw, Poland	100.0 [6]
Phoenix-Zeppelin Ukraine TOV, Kiev, Ukraine	100.0 [5]
Zeppelin International AG, Steinhausen, Switzerland	100.0
Zeppelin Russland OOO, Moscow, Russia	100.0 [7]
PRIME Machinery OOO, Moscow, Russia	100.0 [7]
Zeppelin Ukraine TOV, Kiev, Ukraine	100.0 [7]
Zeppelin Turkmenistan JV, Ashgabat, Turkmenistan	100.0 [8]
Zeppelin Central Asia Machinery OOO, Tashkent, Uzbekistan	100.0 [8]
Zeppelin Tadschikistan OOO, Dushanbe, Tajikistan	100.0 [8]
Zeppelin Belarus OOO, Minsk, Belarus	100.0 [8]
Zeppelin Armenien OOO, Abovyan, Armenia	100.0 [8]

COMPANY NAME AND LOCATION	OWNERSHIP SHARE (%)[1]
Zeppelin Rental GmbH & Co. KG, Garching near Munich	100.0
Zeppelin Rental Verwaltungs GmbH, Garching near Munich	100.0
Zeppelin Rental Russland GmbH, Garching near Munich	100.0 [3]
Zeppelin Rental Russland OOO, Moscow, Russia	100.0 [9]
Zeppelin Rental Österreich GmbH, Fischamend near Vienna, Austria	100.0 [10]
Zeppelin Industrial Services GmbH, Hünxe (formerly GSL Zeppelin GmbH)	100.0 [10]
Zeppelin Power Systems GmbH & Co. KG, Hamburg	100.0
Zeppelin Power Systems Verwaltungs GmbH, Hamburg	100.0
Zeppelin Power Systems Russland OOO, Moscow, Russia	100.0 [8]
Zeppelin Systems GmbH, Friedrichshafen	100.0
Zeppelin Systems France S.A.R.L., Vénissieux Cedex, France	100.0 [11]
Zeppelin Systems USA Inc., Odessa, Florida, USA	100.0 [11]
Zeppelin Systems Korea Corporation, Gyeonggi-do, South Korea	100.0 [11]
Zeppelin Systems Benelux N.V., Genk, Belgium	100.0 [12]
Zeppelin Systems Italy S.r.l., Milan, Italy	90.0 [11]
Zeppelin Systems UK Limited, Nottingham, United Kingdom	100.0 [11]
Zeppelin Systems Latin America Equipamentos Industriais Ltda., São Paulo, Brazil	100.0 [11]
Zeppelin Systems China (Beijing) Co. Ltd., Beijing, China	100.0 [11]
Zeppelin Systems China (Shanghai) Co. Ltd., Shanghai, China	60.0 [13]
Zeppelin Systems India Pvt. Ltd., Vadodara, India	100.0 [11]
Zeppelin Systems Singapore Pte. Ltd., Singapore	100.0 [11]

[1] Directly and indirectly owned
[2] Parent company
[3] Shares held by ZEPPELIN GmbH, Friedrichshafen and Zeppelin Baumaschinen GmbH, Garching near Munich
[4] Shares held via a trust agreement by Zeppelin Baumaschinen GmbH, Garching near Munich
[5] Shares held by Phoenix-Zeppelin spol. sr.o., Modletice near Prague, Czech Republic
[6] Shares held by Phoenix-Zeppelin spol. sr.o., Modletice near Prague, Czech Republic and Zeppelin Polska Sp. z o.o., Warsaw, Poland
[7] Shares held by Zeppelin International AG, Steinhausen, Switzerland
[8] Shares held by Zeppelin International AG, Steinhausen, Switzerland and Zeppelin Russland OOO, Moscow, Russia
[9] Shares held by Zeppelin Rental Russland GmbH, Garching near Munich
[10] Shares held by Zeppelin Rental GmbH & Co. KG, Garching near Munich
[11] Shares held by Zeppelin Systems GmbH, Friedrichshafen
[12] Shares held by Zeppelin Systems GmbH, Friedrichshafen and ZEPPELIN GmbH, Friedrichshafen
[13] Shares held by Zeppelin Systems China (Beijing) Co. Ltd., Beijing, China

In the year under review, Zeppelin Systems Korea Corporation was consolidated for the first time. In addition, the remaining shares (15%) of Phoenix-Zeppelin, spol. s r.o., Modletice near Prague, Czech Republic were acquired.

In the year under review, Zeppelin Systems GmbH was merged into Zeppelin Reimelt GmbH. Afterward the resulting company was renamed Zeppelin Systems GmbH. Fritz Berndt Verkehrstechnik GmbH was merged into Zeppelin Rental GmbH & Co. KG.

GSL Zeppelin GmbH was renamed Zeppelin Industrial Services GmbH.

Three (previous year: three) German and seven (previous year: seven) foreign companies with only a small business volume were not included in the Group financial statements pursuant to Section 296, para. 2 of the German Commercial Code. Overall, they are of negligible importance for meeting the requirement to present a true and fair picture of the Group's net assets, financial position, and operating results. The information required by Section 313, para. 2, no. 4 of the German Commercial Code is given in the table below. The information on three (previous year: three) unconsolidated companies has been completely omitted in accordance with Section 313, para. 3, sentence 1 of the German Commercial Code.

COMPANY NAME AND LOCATION	OWNERSHIP SHARE (%) [1]	ACRONYM	EQUITY (EURk)	RESULT FOR YEAR (EURk)
Zeppelin-Körös-Spedit Kft., Budapest, Hungary	50.0 [2]	ZKS	183	35 [6]
Zeppelin Ukraine Technologies TOV, Donezk, Ukraine	100.0 [3]	ZUT	2,792	180
SkySails Holding GmbH & Co. KG, Hamburg	9.0 [4]	SKS	30	-6 [7]
Zeppelin SkySails Sales & Service GmbH & Co. KG, Hamburg	75.04 [4]	ZSK	25	-86 [6]
Zeppelin SkySails Sales & Service Verwaltungs GmbH, Hamburg	67.0 [4]	ZSV	30	1 [6]
Reimelt UK Ltd., Enfield, United Kingdom	50.0 [5]	RHE	116	-6 [6]
Reimelt Ltda., São Paulo, Brazil	90.0 [5]	RHB	-466	-10
Zeppelin Systems Hongkong Ltd., Hong Kong, China	100.0 [5]	RHA	1	-45
DIMA service for plant engineering s r.o., Bratislava, Slovak Republic	100.0 [5]	DIMA	121	8
Zeppelin Systems Gulf Co. Ltd., Al Jubail, Saudi Arabia	90,0 [5]	ZGC	-2.606	-538

1) Directly and directly owned
2) Shares held by Phoenix-Zeppelin spol. sr.o., Modletice near Prague, Czech Republic
3) Shares held by Zeppelin International AG, Steinhausen, Switzerland and Zeppelin Ukraine TOV, Kiev, Ukraine
4) Shares held by Zeppelin Power Systems GmbH & Co. KG, Hamburg
5) Shares held by Zeppelin Systems GmbH, Friedrichshafen.
6) Financial statements for the year ending on Dec. 31, 2012
7) Financial statements for the year ending on Dec. 31, 2010

Other Participations

COMPANY NAME AND LOCATION	OWNERSHIP SHARE (%) [1)]	ACRONYM	EQUITY (EURk)	RESULT FOR YEAR (EURk)
CZ LOKO a.s., Česká Třebová, Czech Republic	49.0 [2)]	CZL	28,486	3,132
Energyst B.V., Breda, Netherlands	4.95	ENG	60,576	3,804 [3)]

1) Directly and indirectly
2) Shares held by Phoenix-Zeppelin, spol. s r.o., Modletice near Prague, Czech Republic
3) Financial statements for the year ending on Dec. 31, 2012

IV. Consolidation Principles

Until December 31, 2000, business agglomerations were consolidated using the book value method (Section 301, para. 1, sentence 2, no. 1 of the Germany Commercial Code) as of the date of acquisition or the date of a subsidiary's initial consolidation. A Brazilian subsidiary that was included in the Group financial statements for the first time in the 1998 fiscal year was consolidated using the revaluation method as of its date of acquisition (Section 301, para. 1, sentence 2, no. 2 of the Germany Commercial Code) in order to take advantage of this method, which was already part of the generally accepted German accounting principles for preparing financial statements, for consolidation purposes as well.

Acquisitions made since January 1, 2001 have been consolidated using the revaluation method as of the date of acquisition.

If, in connection with the initial consolidation of a subsidiary according to the book value method, the acquisition cost exceeded the fair value of the net assets acquired, this was allocated to individual assets of the subsidiary that were worth more than their book values as stated in its financial statements. Any remaining discrepancy or, when applying the revaluation method, excess of acquisition cost over fair value of net assets acquired was treated as goodwill and amortized pursuant to Section 309, para. 1, sentence 1 of the German Commercial Code or offset against the Group's revenue reserves.

Minority interests in equity and net income are accounted for in the balance sheet under "minority interests" and in the income statement under "income attributable to minority interests." The amount disclosed in the income statement under "income attributable to minority interests" amounting to EUR 28k (previous year: EUR -818k) is the result of offsetting income of EUR 193k (previous year: EUR 253k) against losses of EUR 165k (previous year: EUR 1,071k).

The other revenue reserves contain the accumulated results of the companies included in the Group financial statements, to the extent that they were not distributed, as well as consolidation entries affecting income. They also contain accumulated currency translation differences and, when exercising the option provided by Section 309, para. 1, sentence 3 of the German Commercial Code, goodwill that has been offset without affecting the operating result and/or negative sums resulting from profit retention in connection with capital consolidations that are allocated to other revenue reserves, also without affecting the operating result.

The share of profits attributable to shareholders of ZEPPELIN GmbH in 2013 was allocated to other revenue reserves.

Receivables and liabilities between consolidated companies were eliminated in the course of consolidating their intercompany balances. Differences were recognized partly directly in the income statement and partly directly in equity.

Income and expenses between consolidated companies were offset against each other or reclassified.

Intercompany profits from inventories were eliminated.

V. Currency Translation

All assets and liabilities denominated in foreign currencies have been translated at the mean spot exchange rate on the balance sheet date. For assets and liabilities due in more than one year, the realization principle (Section 298, para. 1 in conjunction with Section 252, para. 1, no. 4, sentence 2, clause 2 of the German Commercial Code) and the historical cost principle (Section 298, para. 1 in conjunction with Section 253, para. 1, sentence 1 of the German Commercial Code) were applied.

The assets and liabilities in the annual financial statements that are denominated in foreign currencies, with the exception of equity (subscribed capital, reserves, and profit carried forward at historical rates), have been translated into euros at the mean spot exchange rate on the balance sheet date. The items in the income statement have been translated into euros at the average exchange rate. The resulting translation difference is reported in Group equity in the reserves under the heading "adjustment items from currency translation."

VI. Notes to the Group Balance Sheet

Fixed Assets

The development of the individual fixed asset items is presented separately in the "Statement of Changes in the Group's Fixed Assets."

The intangible assets mainly consist of software, licenses and similar rights, and goodwill and similar assets.

As a consequence of eliminating the old version of Section 308, para. 3 from the German Commercial code, it has been necessary to reverse transfers of special items containing a share of reserves and special depreciations made in earlier years under the German Law on Development Areas (Fördergebietsgesetz). This required an additional EUR 469k to be depreciated in 2013. The associated adjustments to the book values of property, plant, and equipment result in additional write-downs of EUR 5,227k in subsequent years.

The shares in affiliated companies include shares in a controlling company, Luftschiffbau Zeppelin GmbH, Friedrichshafen, worth EUR 11,276k. The shares correspond to 10% of the subscribed capital of EUR 35,000k.

The participations include shares in two German companies and two foreign companies.

Receivables and Other Assets

The breakdown of assets due to mature in more than one year is as follows:

DEC. 31, 2013	TIME TO MATURITY > 1 YEAR EURk	TOTAL EURk
Trade receivables	4,959	278,502
Receivables from affiliated companies	0	11,786
Receivables from companies with which a participation relationship exists	0	7,156
Other assets	738	35,971
	5,697	**333,415**

DEC. 31, 2012	TIME TO MATURITY > 1 YEAR EURk	TOTAL EURk
Trade receivables	5,278	272,776
Receivables from affiliated companies	150	6,942
Receivables from companies with which a participation relationship exists	0	6,436
Other assets	632	34,726
	6,060	**320,880**

The receivables from affiliated companies include EUR 2,000k (previous year: EUR 1,997k) of receivables from the controlling company.

Prepaid Expenses

The prepaid expenses include costs from eight (previous year: nine) bonded loans amounting to a total of EUR 372k (previous year: EUR 487k) that were placed in the years 2007 through 2009 and 2012. The costs are being depreciated according to plan over the term of the loans. Also recorded are arrangement and participation fees amounting to EUR 2,310k (previous year: EUR 1,797k) that were paid when concluding the syndicated credit facility in 2011 and when extending and increasing it to EUR 25,000k in 2013, as well as prepayments for pensions (EUR 1,104k) and guarantees (EUR 1,233k).

Deferred Tax Assets

Deferred tax assets from consolidation entries are recognized. They are valued at average tax rates of 10% and 29%, respectively.

Net Plan Assets for Post-Employment Benefits

For the fiscal year under review, obligations for phased early retirement programs were netted against assets that are designated exclusively for settling these obligations and are exempt from attachment by all other creditors (plan assets in the sense of Section 246, para. 2, sentence 2 of the German Commercial Code) pursuant to Section 298, para. 1 in conjunction with Section 246, para. 2, sentence 2 of the German Commercial Code. The netting resulted in an excess of plan assets of EUR 290k (previous year: EUR 45k).

Netting figures according to Section 298, para. 1 in conjunction with Section 246, para. 2, sentence 2 of the German Commercial Code:

	EURk
Settlement value of netted liabilities	274
Acquisition cost of assets	586
Fair value of assets	564
Netted expenses	23
Netted income	40

Equity

The reserve for shares of a controlling company concerns ZEPPELIN GmbH's participation in Luftschiffbau Zeppelin GmbH, Friedrichshafen. The other revenue reserves include the revenue reserves and net results of the affiliated companies belonging to the Group, as well as those of the parent company. The equity also includes amounts from offsetting other consolidation entries. The development of the individual Group equity items is presented separately in the "Statement of Changes in Group Equity." As of December 31, 2013, EUR 199,617k were available for distribution to the parent company's shareholders (net retained profits of the parent company).

Accruals for Pensions and Other Post-Employment Benefits as well as Other Provisions

The other provisions are mainly for personnel costs (EUR 58,158k), warranty obligations (EUR 16,797k), outstanding invoices (EUR 46,509k), potential losses from pending transactions (EUR 11,463k), and obligations in connection with full-service contracts (EUR 10,393k).

Figures on netting according to Section 298, para. 1 in conjunction with Section 246, para. 2, sentence 2 of the German Commercial Code:

	EURk
Settlement value of netted liabilities	4,412
Acquisition cost of assets	3,267
Fair value of assets	3,274
Netted expenses	66
Netted income	1

Tax Provisions

In the fiscal year under review, tax provisions amounting to EUR 9,499k (previous year: EUR 10,214k) were formed. Because of changed disclosure requirements, since December 31, 2011 deferred tax liabilities have been shown as a separate item.

Liabilities

Grouped by the time remaining until they come due, the breakdown of liabilities is as follows:

	TIME REMAINING			TOTAL
DEC. 31, 2013	< 1 YEAR	1 TO 5 YEARS	> 5 YEARS	
	EURk	EURk	EURk	EURk
Liabilities to banks	18,225 [1]	244,153 [2]	26,500 [3]	288,878
Down payments received on orders	64,357	2,058	0	66,415
Trade payables	75,545	0	0	75,545
Liabilities to affiliated companies	1,616	0	0	1,616
Liabilities to companies with which a participation relationship exists	34	0	0	34
Other liabilities	46,474	3,448	89	50,011
	206,251	**249,659**	**26,589**	**482,499**

[1] Includes liabilities from bonded loans of EUR 7,000k.
[2] Includes liabilities from bonded loans of EUR 124,000k.
[3] Includes liabilities from bonded loans of EUR 26,500k, thereof EUR 9,500k to insurers.

	TIME REMAINING			TOTAL
DEC. 31, 2012	< 1 YEAR	1 TO 5 YEARS	> 5 YEARS	
	EURk	EURk	EURk	EURk
Liabilities to banks	77,761 [4]	233,253 [5]	26,500 [6]	337,514
Down payments received on orders	54,101	146	0	54,247
Trade payables	85,639	17	0	85,656
Liabilities to affiliated companies	133	0	0	133
Liabilities to companies with which a participation relationship exists	19	0	0	19
Other liabilities	49,536	1,043	120	50,699
	267,189	**234,459**	**26,620**	**528,268**

[4] Includes liabilities from bonded loans of EUR 50,000k.
[5] Includes liabilities from bonded loans of EUR 131,000k.
[6] Includes liabilities from bonded loans of EUR 26,500k, thereof EUR 9,500k to insurers

The liabilities to affiliated companies consist of EUR 45k (previous year: EUR 10k) to the controlling company.

Of the "other liabilities", EUR 25,357k (previous year: EUR 22,375k) are for taxes and EUR 1,925k (previous year: EUR 2,043k) for social security.

Deferred Income

Deferred income mainly concerns marketing services as well as other prepayments.

Deferred Tax Liabilities

Of these, EUR 4,400k (previous year: EUR 4,492k) consists of deferred taxes pursuant to Section 274, para. 1 of the German Commercial Code (deferred tax liabilities from separate financial statements) and EUR 2,134k (previous year: EUR 2,020k) of deferred tax liabilities from consolidation entries. They have been determined by applying average income tax rates of 10% and 29%, respectively.

Derivative Financial Instruments

The following table shows the breakdown of forward exchange contracts and interest rate swaps in the 2013 fiscal year:

Forward Exchange Contracts

MATURITY	CURRENCY	TRANS-ACTIONS	HEDGES	EXCHANGE RATES	FAIR-VALUE TRANS-ACTIONS (EURk)	FAIR-VALUE HEDGES (EURk)
Jan. 2014 to Feb. 2015	TUSD	73,156	-73,156	Forward	-1,818	1,818
Jan. 2014 to Apr. 2015	TRUB	1,859,912	-1,859,912	Forward	-395	395
Jan. 2014 to Feb. 2014	TCZK	645,428	-645,428	Forward	-26	26
March 2014	TPLN	15,172	-15,172	Forward	17	-17
Jan. 2014	TSGD	-1,301	1,301	Forward	6	-6
Sum of current values					**-2,216**	**2,216**

Interest Rate Swaps

TRANSACTIONS	HEDGING INSTRUMENTS	MATURITIES	RISK/HEDGING RELATIONSHIP TYPE	INCLUDING SUMS (EURk)	AMOUNT OF HEDGED RISK (EURk)	FAIR VALUES (EURk)
Bonded loans; advance under syndicated multicurrency facility, rolled forward to end of swap; anticipated advance under syndicated credit facility for refinancing maturing bonded loans	Payer, receiver, and base rate interest swap	Feb. 2014 to Aug. 2022	Risk of changing interest/ microhedge	285,000	285,000	-13,929 [1]

[1] Each interest rate swap and the corresponding transaction together constitute a hedging relationship. Compensatory changes in the cash flows of hedged items do not appear in the balance sheet (freezing method).

Hedging Relationships for Currency Hedges

The Zeppelin Group's business activities expose it to currency exchange risks. Its policy is to limit or eliminate these risks by carrying out hedging transactions. Most of the required hedging activities are centrally performed or coordinated by the Group treasury department.

To hedge exchange rate risks in connection with monetary assets and liabilities arising from ongoing business activities, currency hedging contracts are concluded (mostly in USD, RUB, and CZK). They are individually assigned their fair values as of the balance sheet date. Because each such forward exchange contract and the corresponding transaction together constitute a hedging relationship, no provisions need to be formed to offset any negative valuations or ward off potential losses.

Hedging Relationships for Interest Rate Swaps

To guard against the risks associated with fluctuating interest rates, interest rate swaps are agreed (payer, receiver, and base rate swaps). Each interest rate swap and the corresponding transaction together constitute a hedging relationship.

For each payer interest rate swap, ZEPPELIN GmbH receives from the banks a three-month Euro Interbank Offered Rate (Euribor) that takes effect two working days before the date on which the interest is due for the next three-month loan period. With receiver interest rate swaps, once a year the banks pay to ZEPPELIN GmbH a corresponding fixed sum and receive from ZEPPELIN GmbH the three-month Euribor on a quarterly basis. With base rate swaps, ZEPPELIN GmbH receives the six-month Euribor twice a year and pays to the banks a sum indexed to the three-month Euribor each quarter.

The cash flows relating to a designated and hedged risk thus completely cancel each other out, because if the interest rate changes the hedged risk is always completely offset. The instrument's effectiveness is ensured using the "critical terms match" method.

The same holds when retroactively determining past effectiveness, because all value-determining factors are consistent between the transactions and the hedging instrument. In these cases, no discrepancies of relevance for accounting purposes can arise in the hedging relationships.

VII. Notes to the Income Statement

The breakdown by categories of **revenues** is as follows:

2013	EURk
Earthmoving equipment (new)	837,790
Earthmoving equipment (used)	230,735
Rentals	186,693
Forklifts, including rentals	78,403
Power systems, including rentals	180,151
Agricultural machinery, including rentals	20,397
Production plants	122,003
Processing plants and mixers	60,804
Systems for the food industry and liquids handling	65,862
Components, construction site equipment incl. rentals	33,165
Spare parts	409,164
Aftersales service	192,245
Other	16,545
ZEPPELIN GmbH	151
	2,434,108

Revenues in Germany accounted for 48.1 % and revenues in other countries for 51.9 % of the total.

Other operating income includes the following significant items:

Income from the reversal of provisions and accruals, income from returned deliveries, book gains from the disposal of fixed assets, gains from sale-and-leaseback transactions, reversal of valuation allowances, cost refunds, currency exchange gains, rents, and other services.

Other operating income also includes income related to other periods amounting to EUR 22,706k (previous year: EUR 19,250k), mainly from the reversal of provisions and accruals.

Income from currency translations amounting to EUR 1,092k (previous year: EUR 778k) in accordance with Section 256a of the German Commercial Code is also included.

The **other operating expenses** primarily consist of administrative expenses, operating, sales and distribution costs, additions to write-downs for receivables, bad debts, currency exchange losses, and additions to provisions. This item also includes expenses for currency translation amounting to EUR 1,451k (previous year: EUR 746k) pursuant to Section 256a of the German Commercial Code.

None of the **income from participations** is from affiliated companies (previous year: EUR 9k).

None of the **income from other securities and loans classified as fixed financial assets** is from affiliated companies.

Affiliated companies account for EUR 178k (previous year: EUR 13k) of other **interest and similar income.** The interest income includes EUR 226k (previous year: EUR 62k) on discount of provisions.

Affiliated companies account for EUR 242k (previous year: EUR 2k) of **interest and similar expenses.** The interest expenses include accrued interest on provisions amounting to EUR 5,136k (previous year: EUR 5,262k).

The **income taxes** include deferred tax expenses of EUR 451k (previous year deferred tax income: EUR 1,027k). For calculating the deferred taxes for the German companies, the corporate income tax rate of 15.0 % applicable since January 1, 2008 has been applied. Factoring in the solidarity surcharge (5.5 %) and trade tax (average multiplier of 379 %), the average income tax rate is 29 %.

There were no significant extraordinary income or expenses in the year under review.

VIII. Notes on the Group Cash Flow Statement

The Group cash flow statement shows how the Group's cash and cash equivalents changed over the course of the fiscal year as a result of inflows and outflows. In accordance with German Accounting Standard (GAS) 2, cash flows are distinguished depending on whether they result from operating activities, investing activities, or financing activities.

The cash and cash equivalents shown in the cash flow statement comprise all of the liquid assets disclosed in the Group balance sheet, i.e., cash on hand, checks, and bank balances.

Cash flows from investing and financing activities are recorded on a payment basis. By contrast, cash flow from operating activities is derived indirectly from the Group's net income for the year.

The base value in the cash flow statement is translated to the Group's net income for the year as follows:

2013	EURk
Result before income tax	64,368
Income taxes	21,678
	42,690

The total interest received in fiscal 2013 was EUR 4,164k and the total interest paid amounted to EUR 23,395k.

IX. Notes and Other Information

Contingent Liabilities and Other Financial Commitments

2013	EURk
1. GUARANTEES AND OTHER COMMITMENTS	
Credit sale and acceptance liabilities	2,091
Guarantees	84,237
	86,328
2. FINANCIAL COMMITMENTS	
Rental and leasing commitments	
Due in 2014	76,178
Due between 2015 and 2018	93,062
Due after 2018	971
Purchase commitments from investments	82,033
Repurchase agreements	115,153
Shared commitments	53,201
Commitments to make donations	7,500
Other commitments	4
	428,102

The shared liability for credit sale and acceptance commitments mainly concerns a case in which ZEPPELIN GmbH is liable without recourse in connection with selling credit sale agreements of a subsidiary to banks. The subsidiary's asset, financial, and revenue situation is assessed as good, so there is no reason to expect that any claims will be made against the shared liability.

The guarantees are for warranty obligations of subsidiaries that cannot be recognized as liabilities and for restructured contingent liabilities in connection with the syndicated credit facility.

The risk of claims being made against these guarantees is considered to be low, owing to the healthy asset, financial, and revenue situation of the subsidiaries concerned.

Off-Balance-Sheet Transactions

Sale-and-Leaseback Transactions

It is standard practice in Zeppelin's industry to refinance rental business operations by concluding sale-and-leaseback agreements for movable assets (rental assets). In 2013, this practice freed up total liquid assets of EUR 99,560k (previous year: EUR 104,146k). Since lease payments will encumber existing lines of credit in the future, this can negatively affect the Group's liquidity when the cash inflows of the rental business fluctuate due to slumps in demand, late payments, or increased default rates. In 2013, sale-and-leaseback agreements generated an operating result of EUR 2,181k (previous year: EUR 1,881k).

Factoring

Receivables for new and used machinery are sold to finance sales in the short term. Factoring is an integral part of the range of financing measures available to manufacturing and trading companies. It takes the form of asset-backed financing involving the sale of a portfolio of receivables. The selling company continues to administer the receivables in return for an appropriate fee. The receivables sold are no longer reported in the Group's financial statements.

The total volume of receivables sold for asset-backed financing amounted to EUR 17.2m as of December 31, 2013 (previous year: EUR 11.5m).

The resulting earlier influx of liquidity gives the Group greater latitude. At the same time, the improved liquidity situation improves its credit standing and the ratings it receives from rating agencies.

Audit Fees

The breakdown of the audit fees is as follows:

2013	EURk
Statutory audit	391
Other services	140
	531

The item "statutory audit" comprises the fees for auditing the annual and Group financial statements of ZEPPELIN GmbH and the separate annual financial statements of the Group's German companies included in the Group financial statements, as well as for reviewing the reporting packages of several included foreign companies of the Group. The auditing fee for the Zeppelin Group amounts to a total of EUR 942k.

The item "other services" comprises the fees for ZEPPELIN GmbH and the Group's German companies that are included in the Group financial statements.

Personnel

The Zeppelin Group's average numbers of employees during the year were:

2013	
Salaried employees	4,579
Wage earners	2,792
Trainees and apprentices	277
	7,648

Remuneration of Governing Bodies

In the 2013 fiscal year, ZEPPELIN GmbH awarded the following sums to its governing bodies in accordance with Sec. 314, para. 1, no. 6 of the German Commercial Code:

2013	EURk
Total remuneration for members of the Management Board	2,393
Total remuneration for members of the Supervisory Board	462
Total remuneration for former members of the Management and Supervisory Boards	441
Pension provisions for former members of the Management and Supervisory Boards	7,102

Other Notes

The following five subsidiaries do not publish their annual financial statements in exercise of Section 264, para. 3 and Section 264b of the German Commercial Code:

Zeppelin Baumaschinen GmbH, Garching near Munich
Zeppelin Systems GmbH, Friedrichshafen
Zeppelin Power Systems GmbH & Co. KG, Hamburg
Zeppelin Rental GmbH & Co. KG, Garching near Munich
Zeppelin Rental Russland GmbH, Garching near Munich

Friedrichshafen, Germany
March 28, 2014

The Management Board of ZEPPELIN GmbH

Peter Gerstmann   Michael Heidemann   Christian Dummler   Jürgen-Philipp Knepper

AUDITORS' STATEMENT

We have audited the consolidated financial statements prepared by ZEPPELIN GmbH, Friedrichshafen—comprising the balance sheet, the income statement, the notes to the financial statements, the cash flow statement, and the statement of changes in equity—and the Group management report for the fiscal year from January 1 to December 31, 2013. It is the responsibility of the Company's managing directors to prepare the consolidated financial statements and Group management report in accordance with German commercial regulations. Our task is to submit an assessment of the consolidated financial statements and Group management report based on our audit. We have conducted our audit of the consolidated financial statements in accordance with Section 317 of the German Commercial Code and the generally accepted German principles for properly auditing financial statements as formulated by the Institute of Public Auditors in Germany (IDW). Those principles require us to plan and perform the audit in such a way as to detect with reasonable assurance any errors or violations that materially impinge upon how the consolidated financial statements and Group management report present the net assets, financial position, or operating results in consideration of the principles of proper accounting. In determining the audit procedure, we applied our knowledge of the Group's business activities and the economic and legal context in which it operates as well as expectations regarding possible errors. Within the scope of the audit, we evaluated the effectiveness of the internal system for monitoring the accounting and the evidence supporting the disclosures in the consolidated financial statements and the Group management report, for the most part by performing random checks. We also assessed the annual financial statements of the consolidated companies, how they were selected for consolidation, the accounting and consolidation principles applied, significant decisions made by the managing directors, and the overall presentation of the consolidated financial statements and Group management report. We are of the opinion that our audit provides a sufficiently sound basis for our evaluation.

Our audit has not revealed any grounds for criticism.

In our opinion, based on the findings of our audit, the consolidated financial statements comply with the legal requirements and provide a faithful picture of the Group's assets, financial position, and earnings in accordance with the principles of proper accounting. The Group management report is consistent with the consolidated financial statements and overall accurately depicts the Group's position as well as its future opportunities and risks.

Munich, Germany
March 28, 2014

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Petra Justenhoven	Alexander Winter
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

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Annual reports and other information on Zeppelin are available on the Internet at www.zeppelin.com

This annual report was finalized on May 8, 2014.
It is also available in German.

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