

March 4, 2002

Attention: All Hyster Dealerships

**Subject: UNISOURCE Aligns with Systems Material Handling Co. (SMH)
in Strategic Partnership**

To further exploit All Makes business opportunities (parts sales and service growth), NACCO Materials Handling Group, Inc. (NMHG) and Systems Materials Handling Co. (SMH) are pleased to announce a long-term strategic partnership under which the entire line of SMH products will be available to Hyster dealers in the Americas.

OVERVIEW

SMH is recognized as an industry leader supplying hundreds of thousands of lift truck replacement parts for almost every make and model. With this reinforced partnership arrangement, Hyster Company will be able to offer its dealer network:

- a significant increase in UNISOURCE parts and accessories that will grow the UNISOURCE coverage immediately from 81,000 part number cross references to over 250,000 crosses covering most models offered by 40 different OEM's (for more information go to www.smhco.com)
- quick and accurate part number identification using Information Resource Management Network (IRMN) ...a user friendly Internet search engine for real time application review
- 'shopping cart' e-commerce capability via IRMN for overnight competitive OEM parts orders - all normally planned stock order requirements for these parts will continue to be directed by you to the PDC in Danville through your retail business system, same as today
- convenient sourcing capability for other, non-stocked parts required by dealers in the fulfillment of their Fleet Management and maintenance contract obligations
- the continued assurance of Everyday Low Pricing and competitive availability
- sales credit that will count towards your "You Make It Happen!" incentive trip and "Challenge to the Leaders" rebate objectives

START DATE

We are currently working with SMH to iron out order receipt and processing logistics to make the arrangement as seamless to our dealers as possible. We expect to have this accomplished during the next 90 days. A firm start date will be communicated to you in March. Meanwhile, we encourage you to start your planning of resourcing current outsourced purchases to UNISOURCE, once this program is in place. Note: As we begin to move support inventory to SMH in this period of transition, there may be some items that will ship direct from SMH to you.

SPECIAL RETURN

Once the arrangement comes into effect, the Danville PDC will no longer carry any inventory of parts for competitive OEMs. Accordingly, any returnable "UNIQUE" parts that you may have bought from the PDC, Danville - will no longer be returnable. To that end, we are allowing you a one-time return opportunity for any such UNIQUE parts that may be surplus to your needs. This special return will not count towards your earned return allowance.

"UNIQUE" is a term we use to categorize the UNISOURCE parts that are specific to a competitive application. These are items such as a brake shoe for Caterpillar lift trucks or a master cylinder for Clark lift trucks. These are non-accessory type parts and can generally be identified in your system as having a "300" or "305" prefix to the part number (e.g. 3000000 or 3050000).

To take advantage of this one-time return, simply forward a copy of your return request to your Parts Return Coordinator as a miscellaneous parts return, no later than April 2, 2002. Once the PDC has validated your return request, they will send you appropriate authorization. The physical return of your parts must be received at FAPCO in Buchanan, MI no later than May 15, 2002. All parts must be shipped freight prepaid to FAPCO, and will be subject to a 15% re-stocking fee. Any returned parts deemed by FAPCO not to be in new or resalable condition will be scrapped and no credit will be issued. Should you have questions or require further clarification relating to this one-time return opportunity, please contact Mark Carley at 217/443-7485 or email him at apmcarle@nmhg.com.

IRMN

Since one of the principal drivers of this partnership arrangement with SMH was access to their competitive parts search engine (IRMN), I would like to comment further on that.

IRMN is a private Intranet developed by SMH. Its purpose is to facilitate parts ordering and provide current, up-to-date information on a live, active network. Sample screens can be viewed by clicking <http://www.smhco.com/irmn.html>. IRMN features include; part number inquiry, online ordering, part number cross-reference information, quick reference part number search, online catalog, extensive online parts illustrations, new products, specials, etc. As a service to you, all user fees normally associated with this system have been waived allowing you 24 / 7 access, free of charge.

It is important to understand that our SMH relationship and the IRMN state-of-the-art tool is intended to provide our dealers with a significant expansion to our current All Makes offering and a user-friendly way of identifying required competitive parts. Neither is intended to substitute or support Hyster brand parts or Danville PDC stocked accessories. Therefore, in the event that you inadvertently place an order on SMH for a Hyster part or Danville PDC stocked accessory, it will automatically be referred to the Danville PDC as an emergency order and fulfilled accordingly at prevailing D.N. pricing. Please note that the re-direction of Hyster or Danville PDC stocked items from your order for SMH stocked material may result in shipping and emergency charges incremental to what you may have anticipated when placing the order.

SMH CATALOG

Over the next 4 to 6 weeks, each of your branches will be receiving two, 2002 SMH TotalSource parts catalogs at no charge. This extensive display of thousands and thousands of SMH parts will be an excellent tool for you to use in order to become more familiar with their product offering. For additional copies, simply direct your order for P/N 3174703 to Tom Turner at aattur@nmhg.com no later than April 2, 2002. For a limited time, we will be accepting additional catalog orders at a subsidized fee of only \$3.00 each (plus freight), so be sure to consider every member of your aftermarket team when determining an appropriate catalog quantity. All orders will be accumulated through April 2, 2002 to support a one-time print run that will allow delivery by June 3, 2002.

IN CONCLUSION...

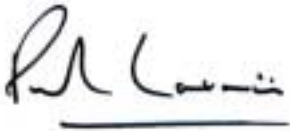
As you will have sensed, we are very anxious to get this strategic business relationship physically underway. Our expectation is that once operational, this dealer-requested arrangement will eliminate the need for any alternative outsourcing by you due to the extensive coverage, customer support, access to the IRMN search engine and the

sourcing capability for non-stocked parts that we will be able to provide in collaboration with SMH. Without significant sales gain, we cannot make the economics of this arrangement pan out for SMH or NMHG.

Over the course of the next couple of months, additional communications will be forwarded so you have the ability to follow our progress and actively develop an aggressive sales plan targeted at business development, key account conversions and incremental sales. All of these communications, including this one, will be posted on the secure Dealer Resource site www.hysterusa.com. Also posted on that site will be FAQs (frequently asked questions), as they are surfaced.

Please review this information with all key members of your organization. As questions arise or you discover certain points that need further clarification, please feel to contact your Regional Aftermarket Sales Manager, Gary Bates (Director, Aftermarket Sales - 252-931-5690 / ahgbates@hyster.com), or David Jarr (Manager, Aftermarket Promotions and Training - 252-931-5689 / aadjarr@nmhg.com) who is managing the implementation of this project. We look forward to working with you in taking a big step forward in our joint All Makes endeavor.

Sincerely,

A handwritten signature in black ink, appearing to read "Paul Laroia", with a horizontal line underneath.

Paul Laroia
Vice President, Aftermarket