

PALFINGER AG

Continuing the upward trend

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Presentation on the third quarter 2010

11 November 2010

2007–2010 in fast motion: Post-crisis growth



- Slight market recovery since end of 2009
- Revenue of EUR 464.9 million is 19.9% higher than Q1–Q3 2009
 - Acquisitions contributed around EUR 21 million or almost 5% to revenue
- Sustainable structural and cost-related measures support earnings
- Above-average increase in EBIT from EUR – 6.1 million to EUR 22.4 million
- Acquisition of ETI strengthens market presence in North America
- Entry into the market of ship-mounted cranes – new business unit Marine Systems

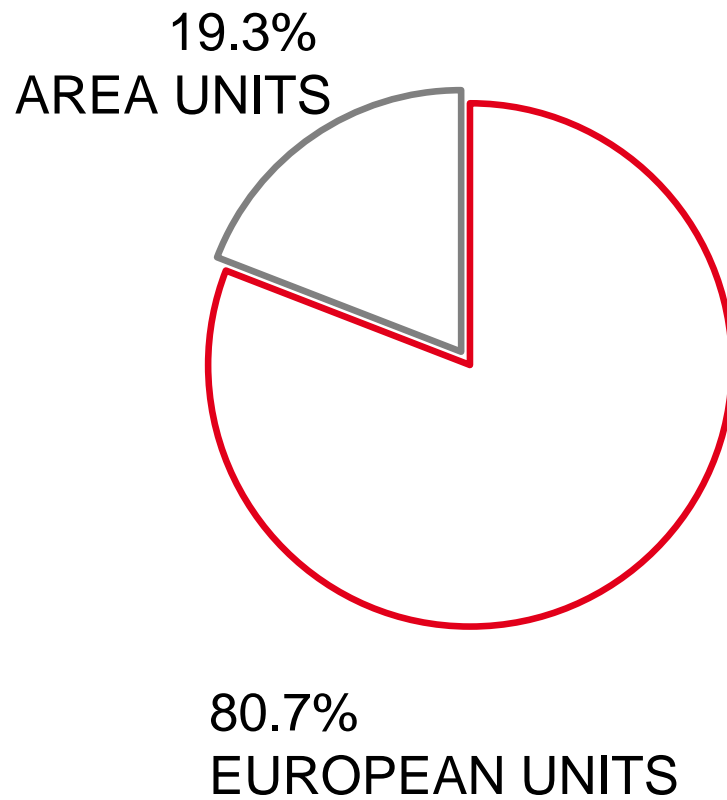
Strategy

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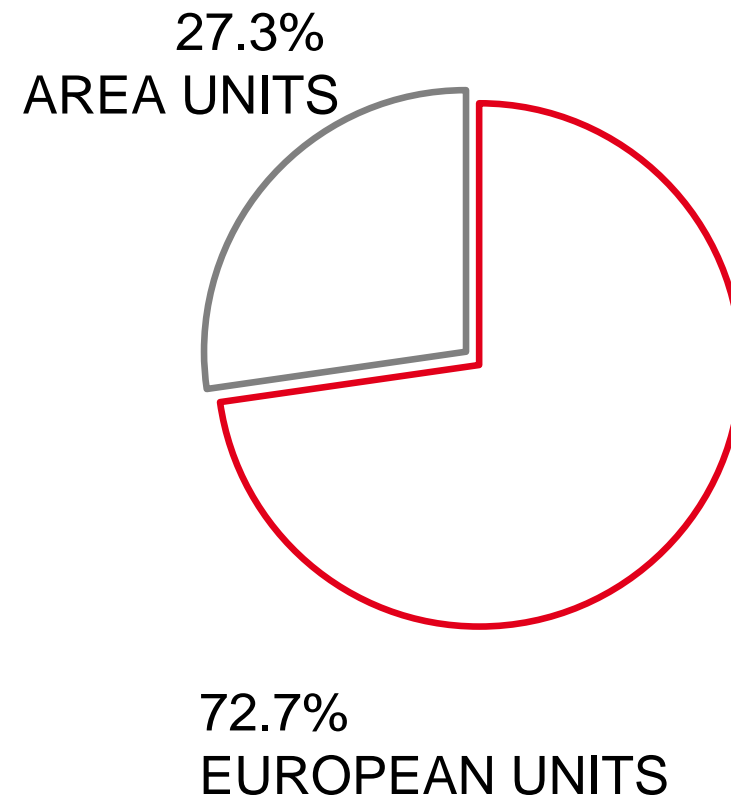
- Leading international manufacturer of hydraulic lifting, loading, and handling systems at each interface of the transport chain
- Innovation and diversification in 11 product groups
 - Number one in knuckle boom cranes, timber and recycling cranes, and container handling systems
 - Number two in tail lifts and transportable forklifts
 - Leading specialist in high-tech railway system solutions
- Internationalisation
 - Global distribution and service network (more than 200 general importers/dealers and 4,500 sales and service centres worldwide)
 - Global procurement, production, and assembly (29 manufacturing and assembly locations)

 Competitive advantage, even in difficult times

Revenue Q1–Q3 2009



Revenue Q1–Q3 2010



Diversification



Product divisions	Con- struction	Recycling	Transport, commerce	Local authorities	Service	Agriculture & forestry	Marine	Other
Knuckle boom cranes	■	■	■	■	■			■
Timber and recycling cranes		■				■		■
Telescopic cranes (South America)	■		■					■
Truck bodies (North America)	■	■	■	■				
Container handling systems	■	■	■	■		■		■
Railway systems	■			■				■
Tail lifts		■	■	■				■
Transportable forklifts	■	■	■					
Access platforms	■			■	■			■
Marine cranes							■	■

- Strengthening of the Group's earnings and assets
 - Comprehensive programme completed in 2009
- Focus in 2010: Reduction of current capital employed increases financial flexibility
- Majority stakeholding in ETI (80 percent)
 - Top player in the field of access platforms in North America
 - Revenue 2009: approx. USD 45 million
- Majority stakeholding in Ned-Deck Marine (75 percent)
 - Market leader in the standard segment of rescue boat davits
 - Core markets: Netherlands, Norway, India, US
 - Major target markets: Japan, Korea, China, Vietnam
 - Revenue 2009: approx. EUR 18 million
- Continuation of further internationalisation efforts

- New business unit since 2010; includes Ned-Deck Marine
- Acquisition of the marine crane division of Palfinger systems GmbH in Q4
 - Well positioned in the marine crane segment; market leader in cranes for offshore wind power plants
 - Purchase price: asset value and performance-related component 2016
 - Revenue in 2009: almost EUR 30 million
- PALFINGER is among the leading providers of marine cranes
- Wind power is a highly promising market with great future potential
- Supports further internationalisation and profitability enhancement

Segments

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New PALFINGER organisational structure

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- In line with the growth achieved in recent years and the challenges to be faced in the years to come
- Focus on internationalisation (Europe and areas)
- Increased independence of regions and product units – local products for local customer needs
- Bundling of strategic projects in the VENTURES segment

 Adjustment of segment reporting

New segmentation from 2010 onwards

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EUROPEAN UNITS

segment

- Business unit Knuckle Boom Cranes*
- Business unit Timber and Recycling Cranes*
- Business unit Tail Lifts*
- Business unit Access Platforms*
- Business unit Hookloaders*
- Business unit Transportable Forklifts*
- Business unit Railway Systems*
- Business unit Marine Systems (since Q3)
- Business unit Production
- Distribution company in Germany
- PALFINGER France (associated)

AREA UNITS

segment

- Area North America
- Area South America
- Area Asia and Pacific
- Area India
- Area CIS
- Distribution company in Russia (associated)

VENTURES

segment

* Consolidated in the EMEA area since November 2010

Segment financials

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Revenue

	Q1–Q3 2010	Q1–Q3 2009	%
EUROPEAN UNITS	338.1	312.9	+ 8.1%
AREA UNITS	126.8	75.0	+ 69.1%
VENTURES	–	–	–

Segment result

	Q1–Q3 2010	Q1–Q3 2009	%
EUROPEAN UNITS	34.6	6.1	–
AREA UNITS	(5.7)	(7.2)	+ 20.8%
VENTURES	(5.2)	(2.9)	(81.9%)

Acc. to IFRS in million EUR Minor rounding differences may occur.

- Slight recovery in important sales markets noticed since the beginning of the year, direct impact on revenue due to very low inventories
 - Increases in Germany, France, Scandinavia;
Spain, Great Britain, Ireland, Greece, Eastern Europe still weak
- Cranes on the rise,
declines recorded in access platforms and hookloaders
- Clear improvement of earnings due to measures to cut costs and make the value creation process more flexible
- New business unit Marine Systems since August

- Rise in revenue of 69.1% reflects increasing importance
- Solid basis for continued growth created in North America
 - Initial consolidation of ETI in April
- South America: Increasing demand in Brazil
- Asia and Pacific: Satisfactory increase, but at a low level
- India: Establishment of an assembly site
- CIS: Continued expansion of distribution and service network
- Regions outside Europe at the development stage, therefore negative result
 - Measures to increase earnings start to take effect
 - Q3 positive due to one-time effects

- Coordination of the CC-Top (current capital) project
- Majority stakeholdings in ETI and NDM completed
- Acquisition in the new business unit Marine Systems
- Establishment of an assembly site in India
- Additional projects for the expansion of the AREA UNITS segment underway

Key financial figures

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Financial highlights

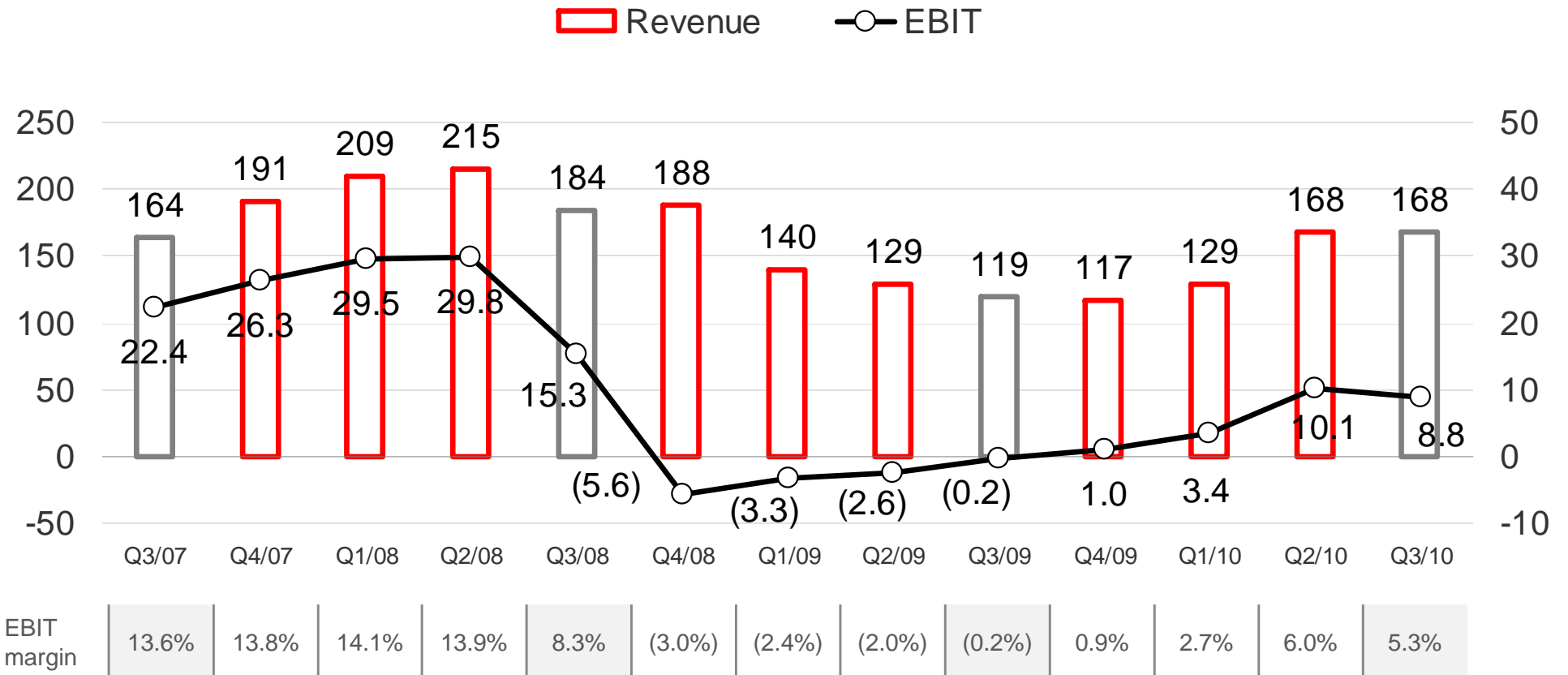
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	Q1–Q3 2010	Q1–Q3 2009*	Q1–Q3 2008
Revenue	464.9	387.9	607.2
EBITDA	39.0	10.2	90.3
EBITDA margin	8.4%	2.6%	14.9%
EBIT	22.4	(6.1)	74.7
EBIT margin	4.8%	(1.6%)	12.3%
Result before income tax	19.4	(10.7)	73.3
Consolidated net result for the period	11.8	(9.8)	51.3

* In the course of the final purchase price allocation for the Omaha Standard Group adjustments with retrospective effect were made.

Acc. to IFRS in million EUR Minor rounding differences may occur.

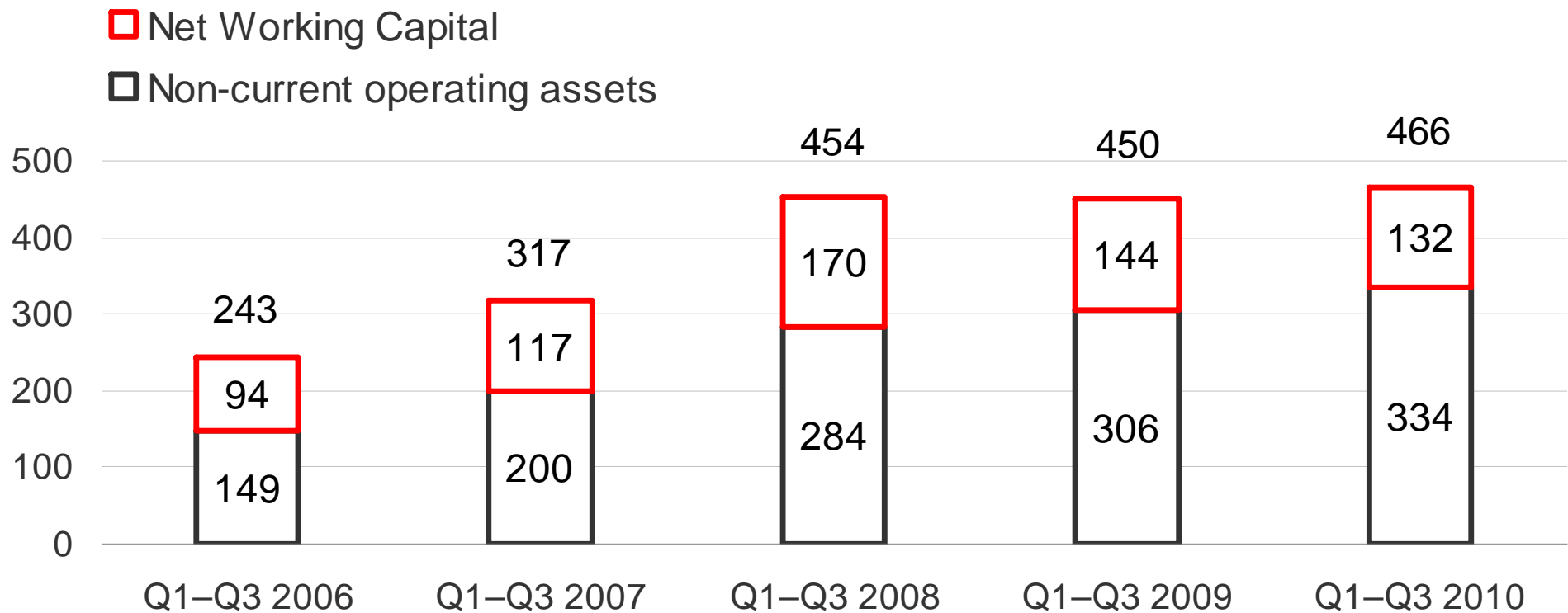
Quarterly figures



➔ Exceptional increase in earnings; Q3 with company holiday

Acc. to IFRS in million EUR Minor rounding differences may occur.

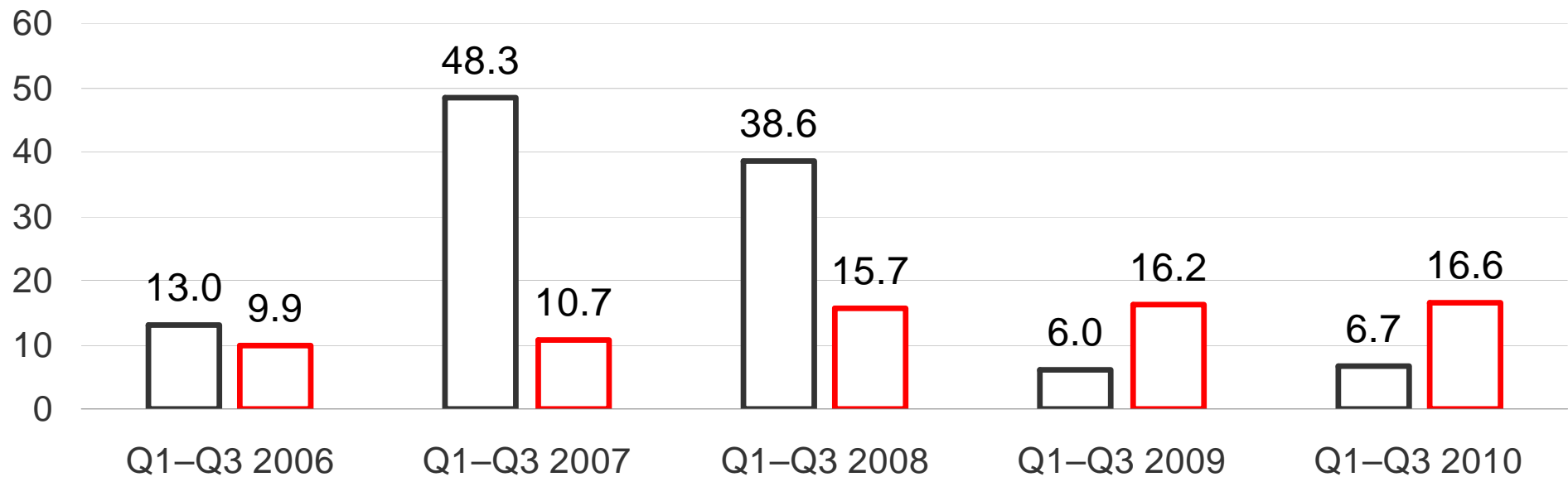
Capital employed



➔ Targeted capital employed management; increase due to acquisitions

Acc. to IFRS in million EUR Minor rounding differences may occur.

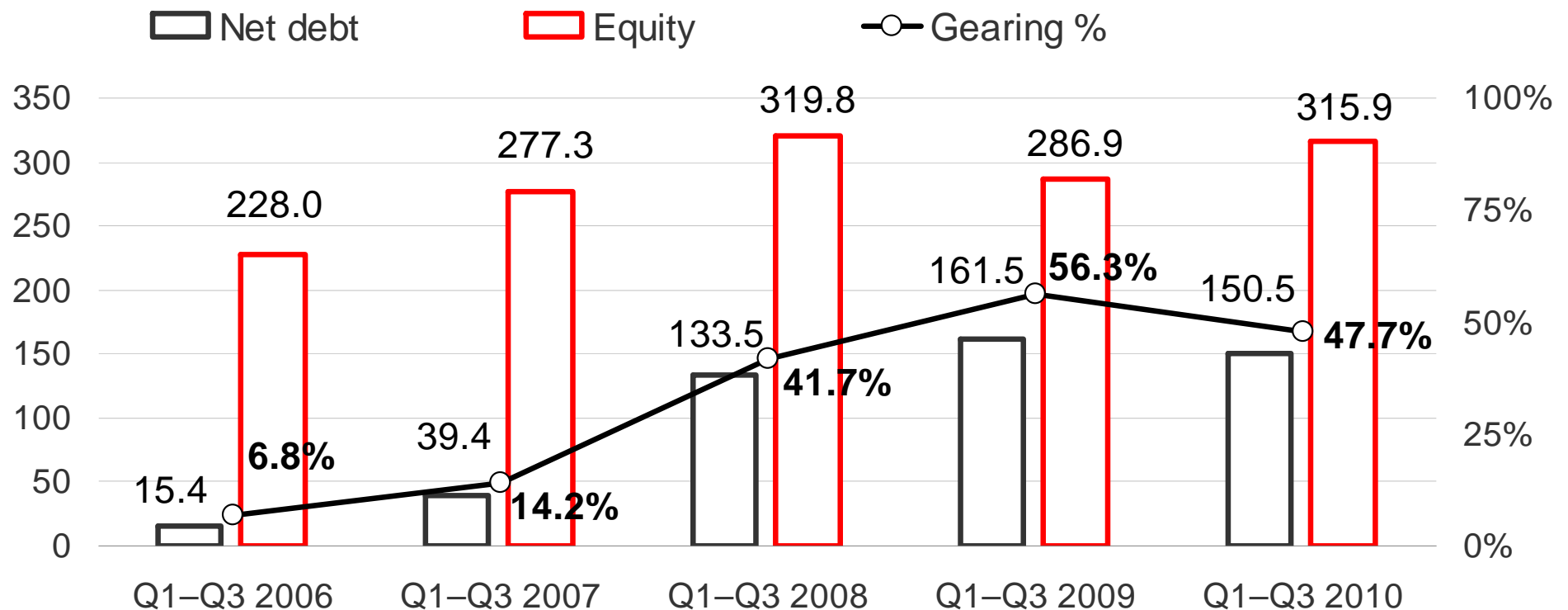
- Investment in property, plant, and equipment
- Depreciation, amortisation, and impairment



➔ Investment programme 2006–2008 completed

Acc. to IFRS in million EUR Minor rounding differences may occur.

Gearing ratio and equity



➡ Below 50% threshold in spite of acquisitions

Acc. to IFRS in million EUR Minor rounding differences may occur.

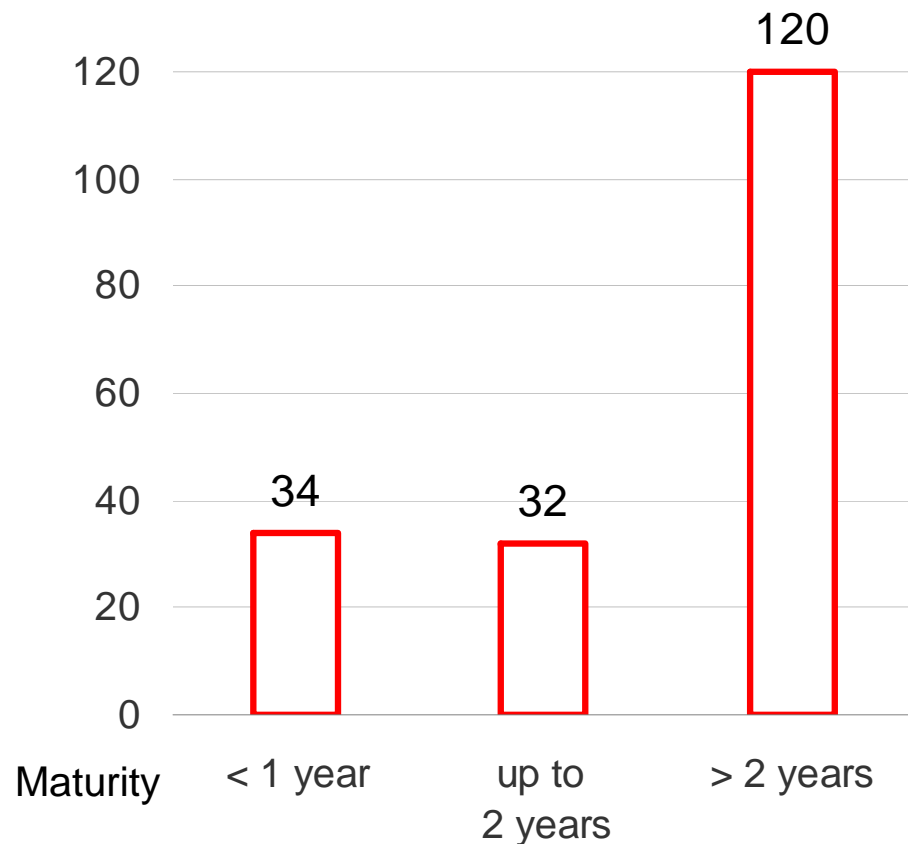
Free cash flow

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	Q1–Q3 2010	Q1–Q3 2009	Q1–Q3 2008
EBTDA	38.0	5.3	87.4
+/- Cash flows from working capital	(2.3)	30.9	(31.1)
+/- Cash flows from tax payments	(2.8)	(2.6)	(24.5)
Cash flows from operating activities	32.9	33.6	31.8
+/- Cash flows from investing activities	(30.8)	(10.8)	(55.3)
Cash flows after changes in working capital & investments	2.1	22.8	(23.5)
+/- Cash flows from interest on borrowings adjusted by tax expense	4.7	5.7	3.3
Free cash flow	6.8	28.5	(20.2)
Cash flows from equity/investor capital	(1.1)	(17.1)	(28.3)
Cash flows from net debt	(1.1)	(5.7)	51.8

Acc. to IFRS in million EUR Minor rounding differences may occur.

Financing structure as of 30 September 2010



Ø Interest rate 4.41%

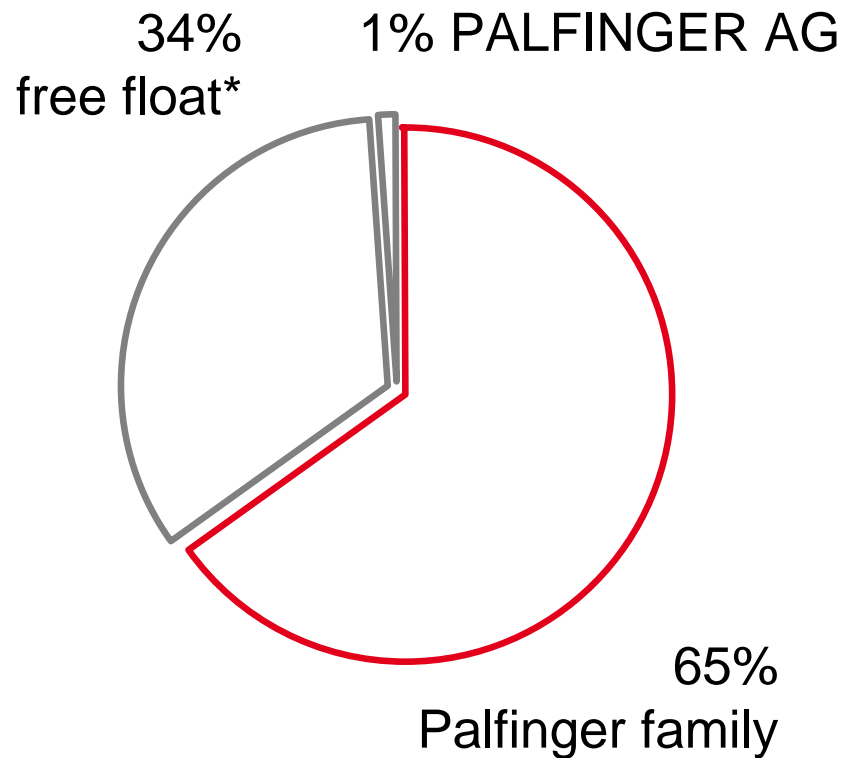
Ø Remaining time to maturity 2.24 years

Financial assets EUR 30.6 million

Equity rate 49.0%

Acc. to IFRS in million EUR Minor rounding differences may occur.

Shareholder structure



Shareholder information as of 30 September 2010

ISIN	AT0000758305
Number of shares	35,730,000
Share price as of end of period	EUR 18.81
Market capitalisation	EUR 672.1 million
Earnings per share	EUR 0.33

* of which > 5% Aviva/Delta Lloyd Asset Management


Outlook

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- Development of demand directly reflected in order intake
- Flexibility of value-creation process as a material factor of success
- Investment in market activities and strong network will be continued
 - Takeover of the tail lift service business of Ross & Bonnyman in Great Britain agreed
- Business unit Marine Systems will contribute around 8% to the Group's revenue
- Further steps towards growth in young areas (Russia, India)

 Market expansion and growth in revenue aimed for

- Recovery of major markets expected to continue in Q4
- Visibility slightly raised, but markets expected to remain volatile
- Macroeconomic development remains uncertain
- Revenue growth of more than 20 percent striven for in 2010

 Exceptional increase in earnings expected to continue

Berenberg Bank
Cheuvreux
Deutsche Bank
Erste Bank
Goldman Sachs

Hauck & Aufhäuser
HSBC
RCB
UBS
UniCredit

Earnings Estimates – Consensus (in million EUR)	2010e	2011e
Revenue	608.2	712.9
EBIT	33.5	67.0
Earnings per share (EUR)	0.51	1.20

Financial calendar 2010/11

12 November 2010	Roadshow Zurich	24 January 2011	Publication of preliminary results for 2010
13 November 2010	Stock exchange day Munich	23 February 2011	Balance sheet press conference
15 November 2010	Crane seminar Helsinki	30 March 2011	Annual General Meeting
29 November 2010	Conference New York	10 May 2011	Publication of results for the first quarter 2011
1/2 December 2010	Conference London	10 August 2011	Publication of results for the first half 2010
		10 November 2011	Publication of results for the first three quarters 2010

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This presentation contains forward-looking statements on the basis of all information available at the date of the preparation of this presentation. Actual outcomes and results may be materially different from those predicted.

Backup

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Performance of the PALFINGER share since 2009

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