

# PALFINGER AG

The logo consists of the word "PALFINGER" in a bold, black, sans-serif font, centered within a yellow rounded rectangle. This rectangle is set against a white background that is framed by a thick red border on the top and right sides, and a thick black border on the bottom and left sides.

Presentation on the first half of 2011  
Vienna, 10 August 2011

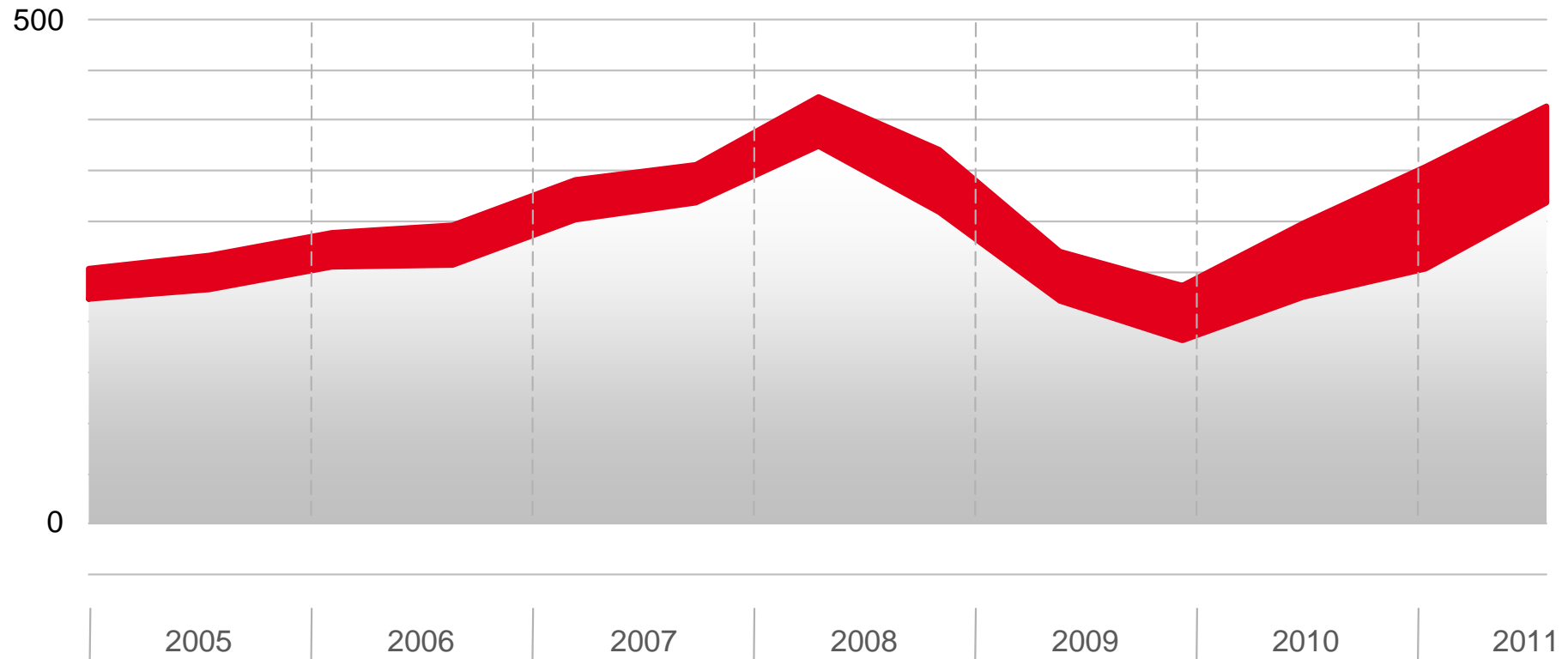
Herbert Ortner, CEO

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# Market volatility

## Revenue

- AREA UNITS
- EUROPEAN UNITS



Importance of flexibility and internationality is increasing

Acc. to IFRS in million EUR.

- Strong growth in the first half of 2011
- Continued market recovery reflected in all units and areas
- Revenue increased by 39.3% to EUR 414.3 million
  - Acquisitions made in 2010 contributed around one third of this growth
- Structural and cost-related measures taken in previous years effective
- Exceptionally strong increase in earnings
  - EBITDA more than doubled to EUR 50.1 million
  - EBIT rose from EUR 14.5 million (HY1 2010) to EUR 36.0 million
  - Consolidated net result tripled to EUR 22.6 million

Strategy

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- Leading international manufacturer of hydraulic lifting, loading, and handling systems
  - Number one in knuckle boom cranes, timber and recycling cranes and hookloaders
  - Number two in tail lifts and transportable forklifts
  - Leading specialist in high-tech railway system solutions
- Global distribution and service network (more than 200 general importers/dealers and 4,500 sales and service centres worldwide)
- Global procurement, production and assembly (27 manufacturing and assembly locations)
- Strategic pillars: Innovation – internationalization – flexibility

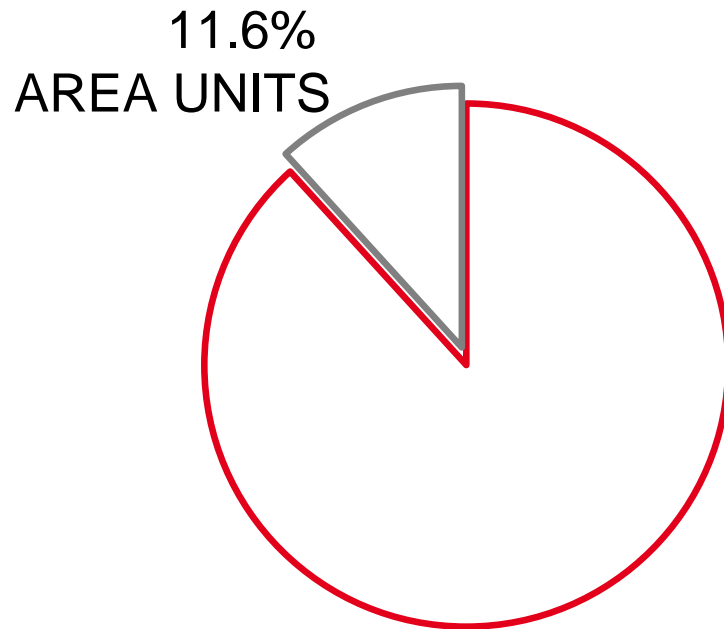
 Maintaining and expanding the Group's competitive advantage

- **Innovation: research and development a priority**
  - Crane series 2015
  - Product adjustments to meet specific regional requirements
  - Further development in the field of electronics and mechatronics
- **Internationalization: focus on future markets**
  - Assembly activities started in India
  - Continuous consolidation of market presence in Russia – INMAN acquisition
  - Market positioning strategy for China
- **Flexibility: 3rd pillar of the Group's strategy**
  - Increase in flexibility at all value-creation levels
  - Continuation of structural and cost-related programmes

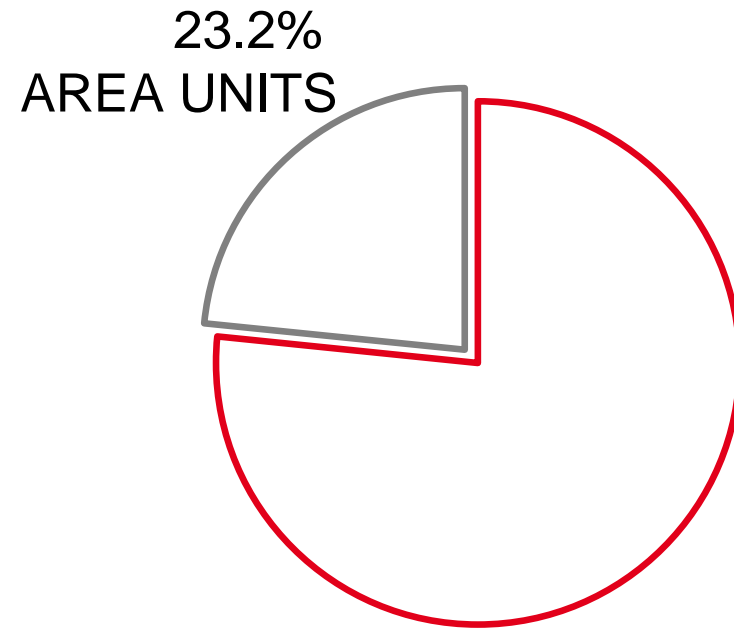
- Increasing market volatility (regions and industries)
- Structures must allow for quick responses
- Flexibility of the entire value-creation chain to be raised
  - Basis: New organizational structure since 2010
  - Procurement: Master agreements with strategic suppliers
  - Production: Order-based manufacturing, standardized parts
  - Processes: Continuous flow manufacturing, self-controlling teams
  - Human resources: Core personnel and temporary workers, flexible working time models
  - Information services: Selective outsourcing
  - Finances: Reduction in working capital (in relation to revenue)



## Revenue HY1 2006



## Revenue HY1 2011



- Leading Russian crane manufacturer (Republic of Bashkortostan)
  - 415 employees
  - Revenue 2011e: EUR 20 million
- Local value creation with 2 production sites
- Expansion of service and distribution network
  - In particular in the Ural region
- Subject to the approval of the Federal Antimonopoly Services of the Russian Federation

Segments

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# Segment financials

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## Revenue

	<b>HY1 2011</b>	HY1 2010	%
EUROPEAN UNITS	<b>318.2</b>	225.4	+ 41.1%
AREA UNITS	<b>96.1</b>	72.0	+ 33.5%
VENTURES	—	—	—

## Segment result (EBIT)

	<b>HY1 2011</b>	HY1 2010	%
EUROPEAN UNITS	<b>44.6</b>	24.5	+ 82.1%
AREA UNITS	<b>(4.3)</b>	(6.5)	+ 33.5%
VENTURES	<b>(4.3)</b>	(3.4)	(25.1%)

Acc. to IFRS in million EUR.

Minor rounding differences may occur.

- Recovery in important sales markets continued
  - Increases in Germany, France, Scandinavia, Russia and GB
  - Spain, Portugal, Greece, parts of Eastern Europe still weak
- Upward trend continued, in particular in cranes and Tail Lifts
- Marked improvement in Access Platforms in the second quarter
- Sustainable turnaround achieved in Hookloaders
- Significant improvement of earnings due to higher demand, measures to cut costs and increased flexibility of value-creation processes
- New business unit Marine Systems contributed around EUR 23 million of revenue

- Clear improvement in revenue and earnings compared to the previous year
- Good performance in North America, particularly in the second quarter
- South America as a growth market, order-based manufacturing has positive impact on earnings
- Tremendous growth in the area Asia and Pacific; China is a high strategic priority
- Assembly facilities in India started operations
- Strong growth in CIS market, market development is progressing

- Continuation of cost-related and structural programmes
- Development of the Indian, Asian and Russian areas through acquisitions or partnerships
  - Acquisition project INMAN completed

# Key Financial Figures

Christoph Kaml, CFO

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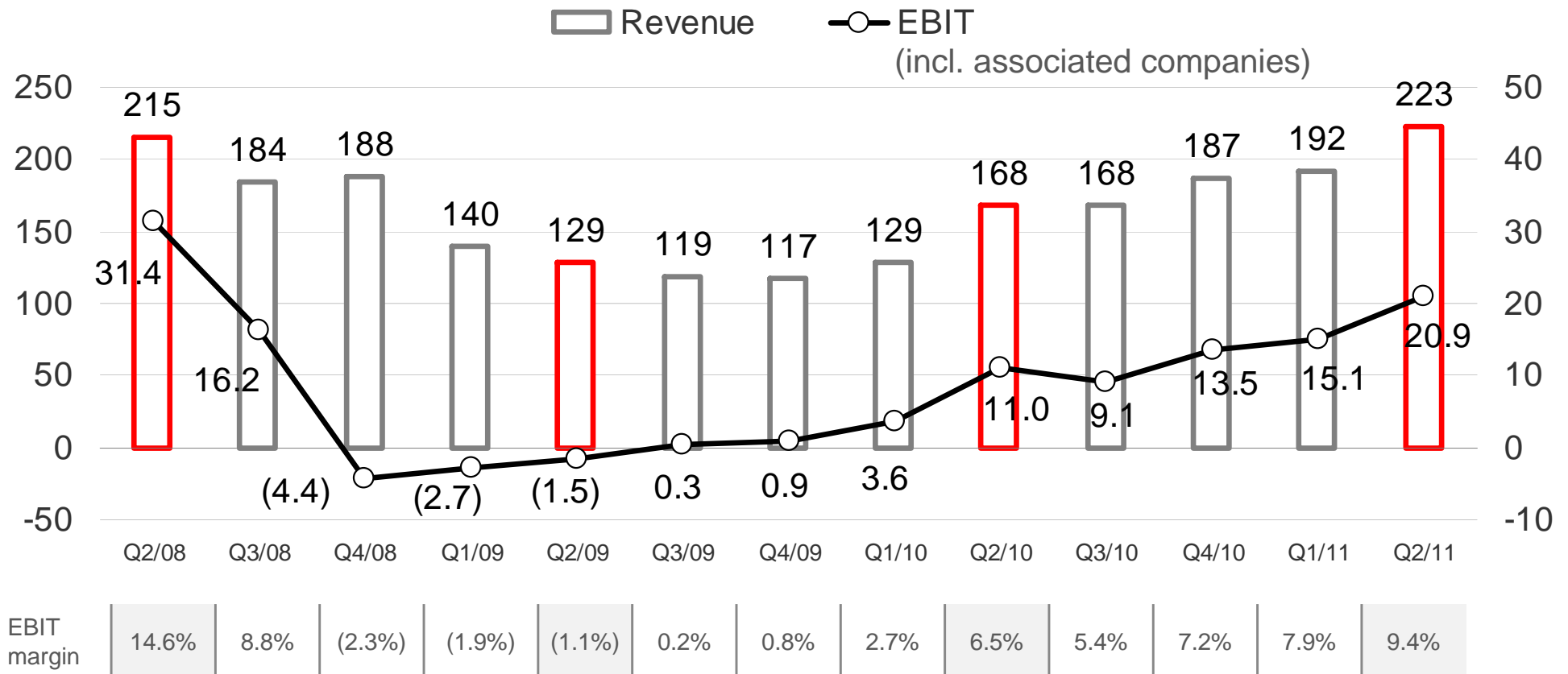
# Financial highlights



	HY1 2011	HY1 2010	HY1 2009	%
Revenue	414.3	297.4	269.2	+ 39.3%
EBITDA (incl. associated companies)*	50.1	24.9	6.8	+ 101.4%
EBITDA margin	12.1%	8.4%	2.5%	–
EBIT (incl. associated companies)*	36.0	14.5	(4.2)	+ 147.4%
EBIT margin	8.7%	4.9%	(1.6%)	–
Result before income tax	30.1	11.9	(8.5)	+ 152.7%
Consolidated net result for the period	22.6	7.3	(8.0)	+ 210.4%

\* The presentation of earnings before interest and taxes was changed; the comparative figures of previous years were adjusted accordingly.  
 Acc. to IFRS in million EUR. Minor rounding differences may occur.

# Quarterly figures

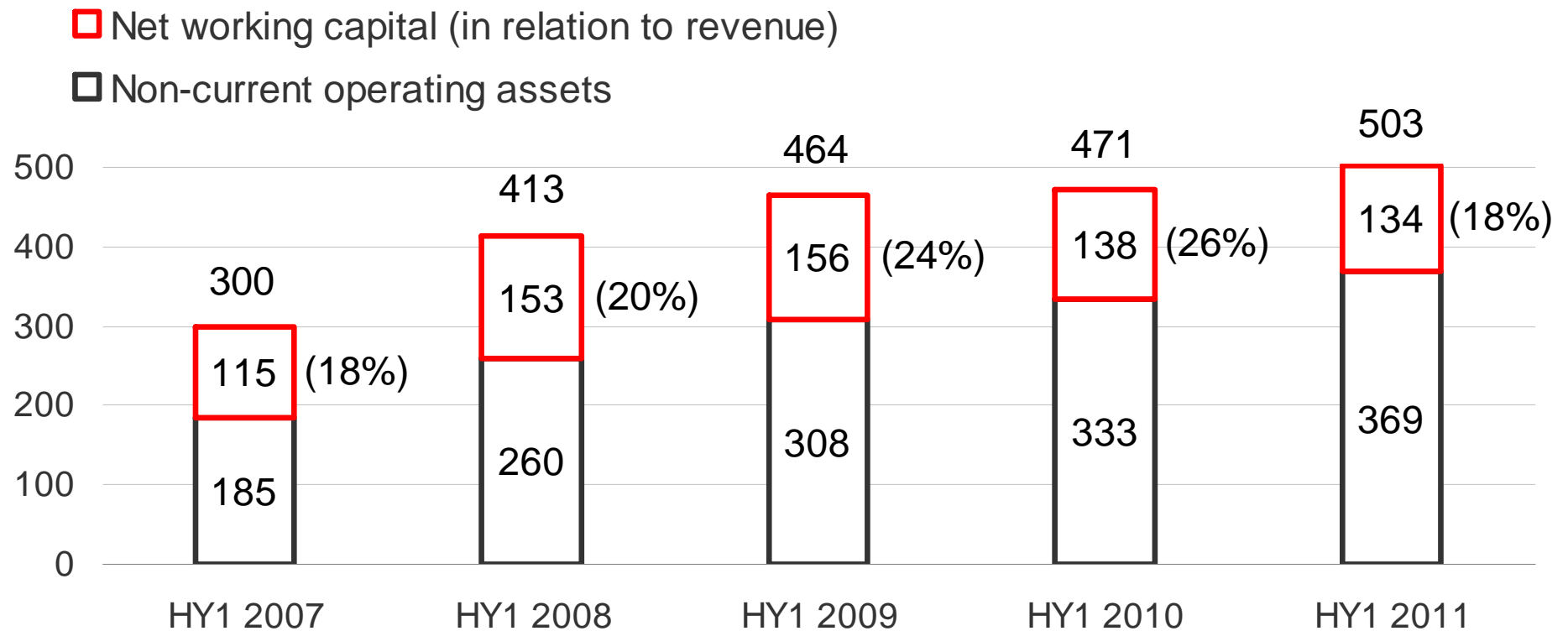


Exceptional increase in earnings

Acc. to IFRS in million EUR.

Minor rounding differences may occur.

# Capital employed\*



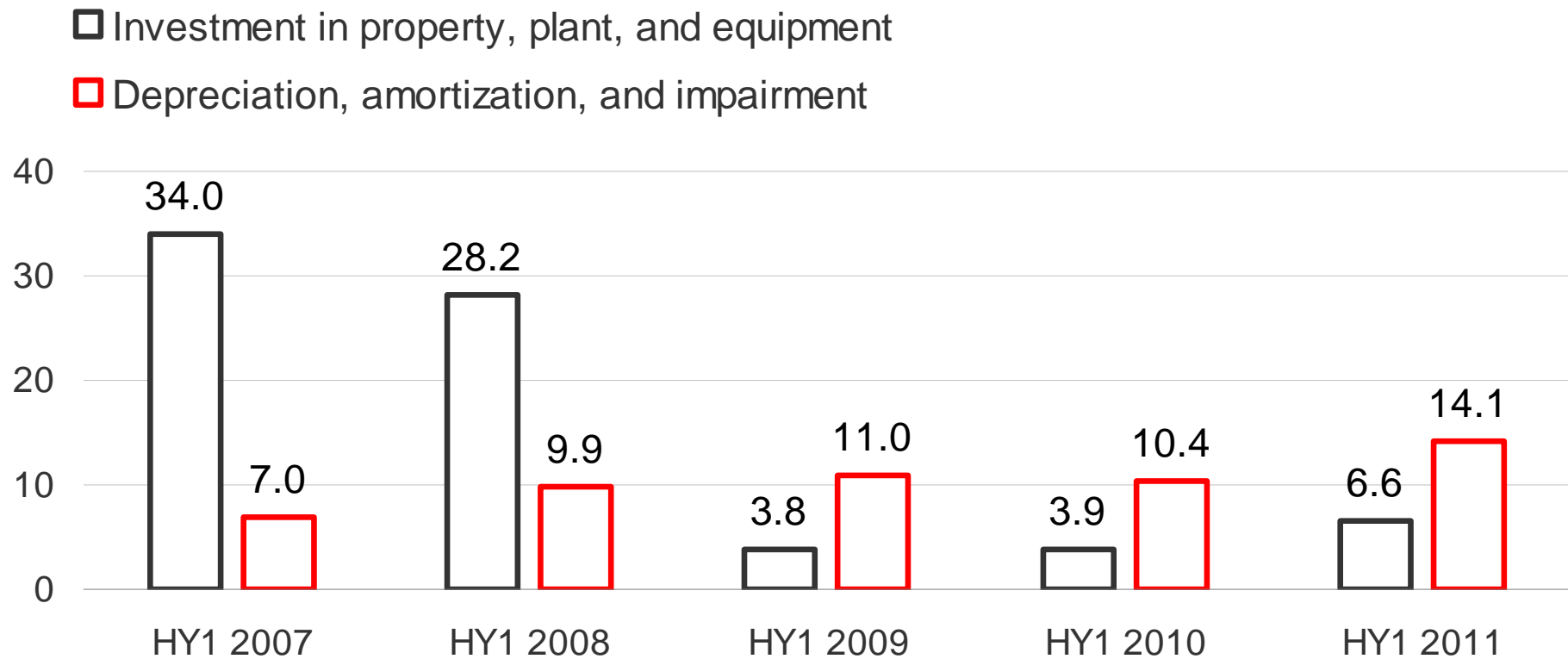
➔ Targeted capital employed management;  
increase through expansion of business volume

\* As of the reporting date.

Acc. to IFRS in million EUR.

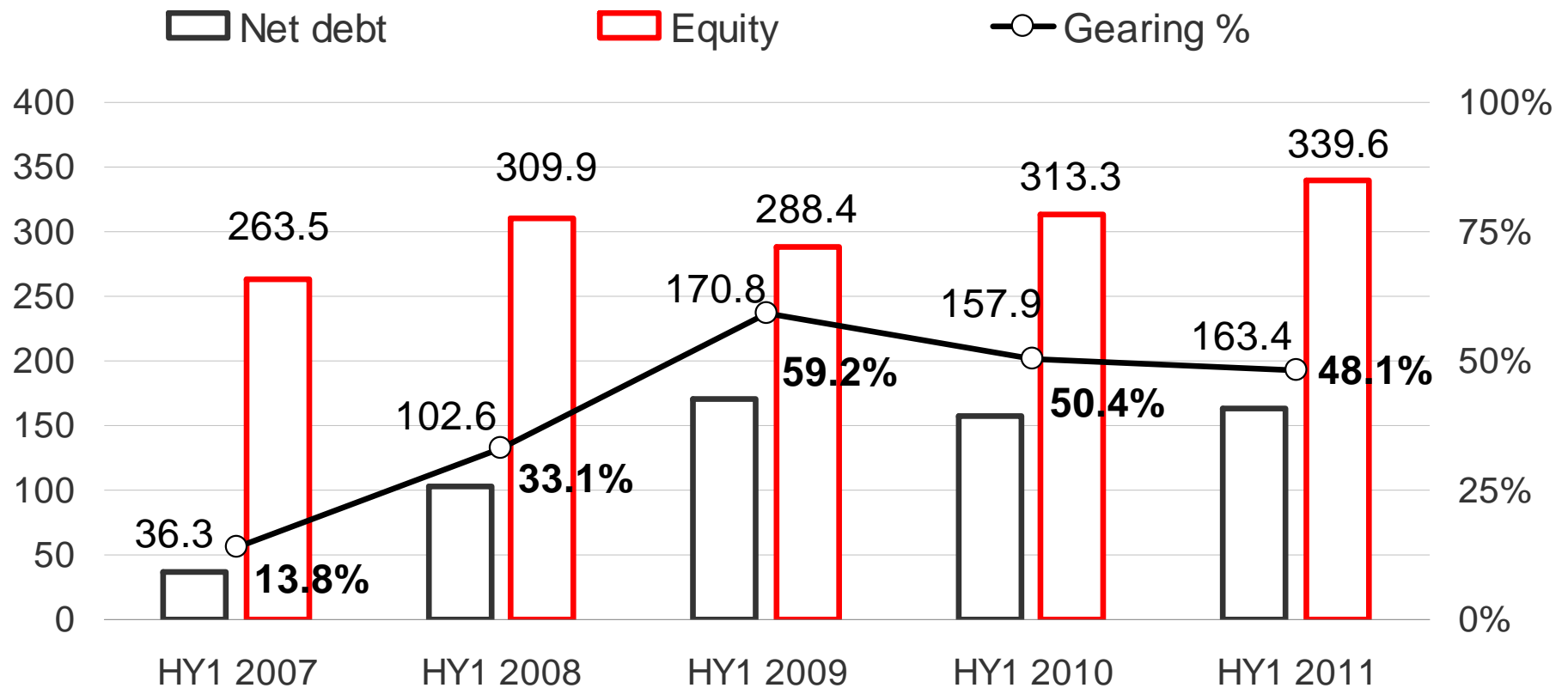
Minor rounding differences may occur.

# Investment



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

# Gearing ratio and equity



➔ Gearing below 50 per cent threshold

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

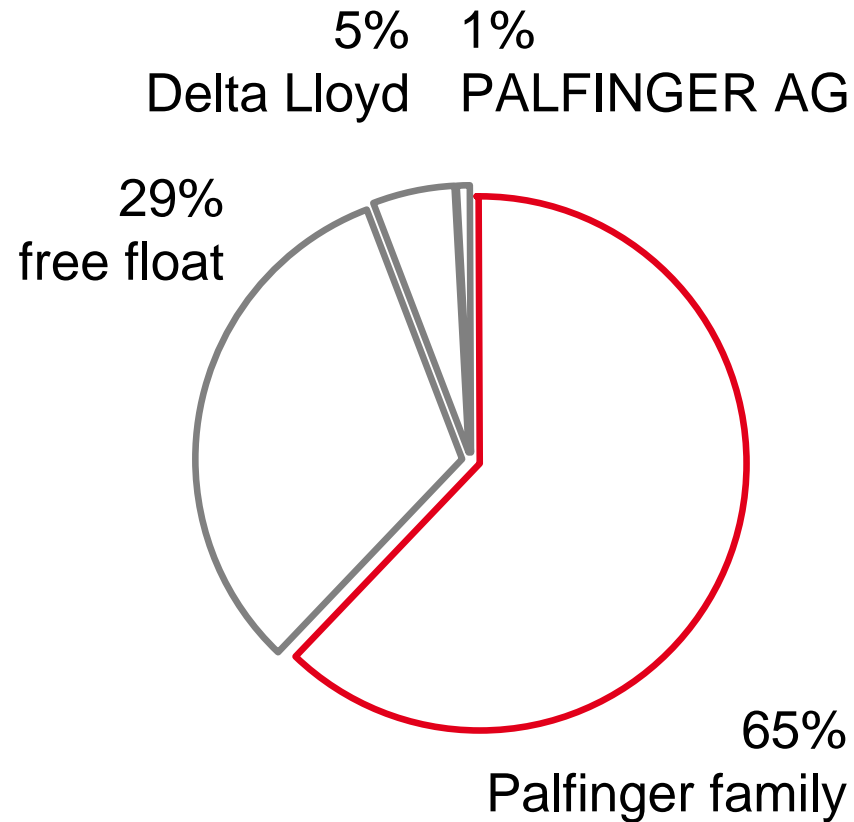
# Cash flow



	HY1 2011	HY1 2010	HY1 2009
<b>EBTDA</b>	<b>44.2</b>	<b>22.2</b>	<b>2.3</b>
+/- Cash flows from working capital	(27.5)	0.7	17.9
+/- Cash flows from investments at equity	0.7	2.1	0.6
+/- Cash flows from tax payments	(2.3)	(1.6)	(2.2)
<b>Cash flows from operating activities</b>	<b>15.1</b>	<b>23.4</b>	<b>18.6</b>
+/- Cash flows from investing activities	(14.7)	(22.6)	(7.7)
<b>Cash flows after changes in working capital &amp; investments</b>	<b>0.4</b>	<b>0.8</b>	<b>10.9</b>
+/- Cash flows from interest on borrowings adjusted by tax expense	4.3	3.5	3.8
<b>Free cash flows</b>	<b>4.7</b>	<b>4.3</b>	<b>14.7</b>
Cash flows from equity/investor capital	(11.3)	(1.1)	(17.0)
Cash flows from net debt	10.9	0.3	6.1

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

## Shareholder structure



## Shareholder information as of 30 June 2011

ISIN	AT0000758305
Number of shares	35,730,000
Share price as of end of period	EUR 24.91
Market capitalization	EUR 890.0m
Earnings per share	EUR 0.64

# Outlook

Herbert Ortner, CEO

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- Growth in young areas (Russia, Asia) set as a priority
- Continuation of activities to expand existing markets
- Further increase in flexibility in all areas
- Development of products and technologies to be continued
- Improvement of currently still weak units and areas

- At present, uncertainty in the market is increasing
- Demand expected to decline in the second half
  - Economic environment
  - Already high level achieved after the crisis
  - Seasonality of business

➡ Organic revenue growth of more than 20 per cent striven for in 2011

**Herbert Ortner, CEO**

Phone: +43 662 46 84-2222

[h.ortner@palfinger.com](mailto:h.ortner@palfinger.com)

**Hannes Roither, Company Spokesperson**

Phone: +43 662 46 84-2260

[h.roither@palfinger.com](mailto:h.roither@palfinger.com)

**PALFINGER AG**

Franz-Wolfram-Scherer-Strasse 24

5020 Salzburg

Fax: +43 662 46 84-2280

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