

# 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 red background that forms a horizontal bar extending from the left side of the slide.

Presentation on the first quarter of 2011  
May 2011

- Continued market recovery reflected in all units and areas
- Revenue increased by 48.0% to EUR 191.6 million
  - Acquisitions made in 2010 contributed around 25% of this growth
- Structural and cost-related measures taken in previous years effective
- Exceptionally strong increase in earnings
  - EBITDA more than doubled to EUR 20.3 million
  - EBIT quadrupled to EUR 14.2 million
  - Consolidated net result of EUR 12.6 million compared to EUR 0.8 million in Q1 2010

Strategy

**PALFINGER**

- Leading international manufacturer of innovative lifting, loading, and handling systems for commercial vehicles
    - 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 (29 manufacturing and assembly locations)
  - Strategic pillars: Innovation – internationalization – flexibility
- ➔ Maintaining and expanding the Group's competitive advantage

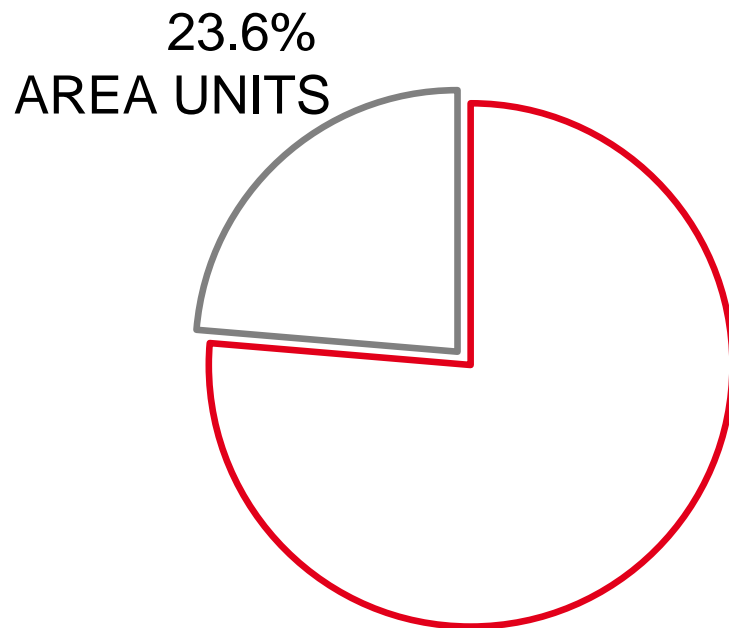
- Diversification will be limited to the core competences
- Further increase in flexibility becomes a priority (strategic pillar)
- Internationalization directed towards future markets (Russia, Asia)
- Innovation as basis for enhancement of products and services
  - Catering to regional requirements
- Profitability of all business units – targeted packages of measures

 Continuation of sustainably profitable growth

- **Innovation: Research and development a priority for 2011**
  - 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
  - Evaluation of the Group's strategy for China
- **Flexibility: 3<sup>rd</sup> pillar of the Group's strategy**
  - Increase in flexibility at all value-creation levels
  - Continuation of structural and cost-related programmes

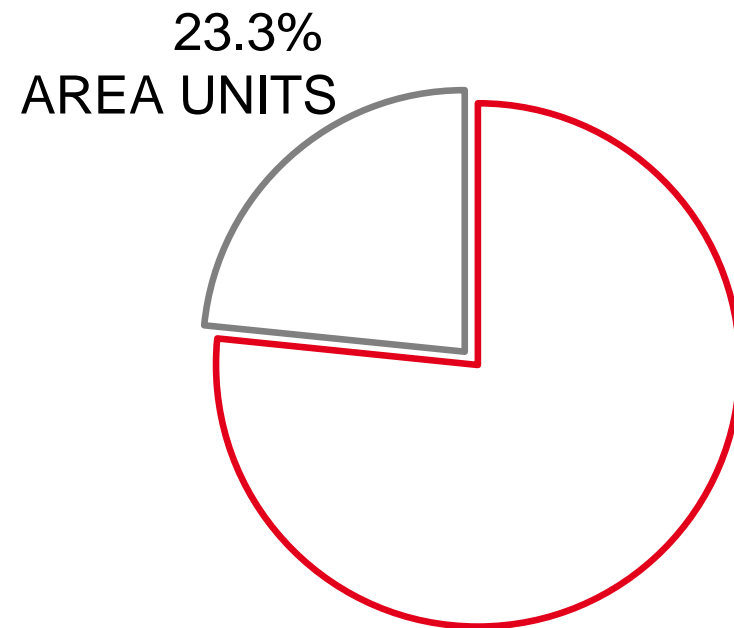
- Increasing market volatility (regions and industries)
- Structures must allow for quick responses
- Flexibility of the entire value-creation chain to be raised
  - Basis: New organizational structure since 2010
  - Procurement: Master agreements with strategic suppliers
  - Production: Order-based 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

## Revenue Q1 2010



76.4%  
EUROPEAN UNITS

## Revenue Q1 2011



76.7%  
EUROPEAN UNITS



Segments

**PALFINGER**

# Segment financials

**PALFINGER**

## Segment revenue

	Q1 2011	Q1 2010	%
EUROPEAN UNITS	146.9	98.8	+ 48.6%
AREA UNITS	44.7	30.6	+ 46.1%
VENTURES	—	—	—

## Segment result

	Q1 2011	Q1 2010	%
EUROPEAN UNITS	19.5	9.0	+ 116.4%
AREA UNITS	(2.6)	(3.9)	+ 33.0%
VENTURES	(1.8)	(1.6)	(11.9%)

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

- Recovery in important sales markets continued
  - Increases in Germany, France, Scandinavia
  - Spain, Portugal, Greece, parts of Eastern Europe still weak
- Upward trend continued, in particular in cranes and tail lifts; late-cycle market for access platforms (fleet business)
- Significant improvement of earnings due to higher capacity utilization, measures to cut costs and increased flexibility of value-creation processes
- New business unit Marine Systems contributed nearly EUR 10 million of revenue

- Clear improvement in revenue and earnings compared to the previous year
- Market in North America recovering
- 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
- Expansion of CIS market is progressing

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

# Key Financial Figures

**PALFINGER**

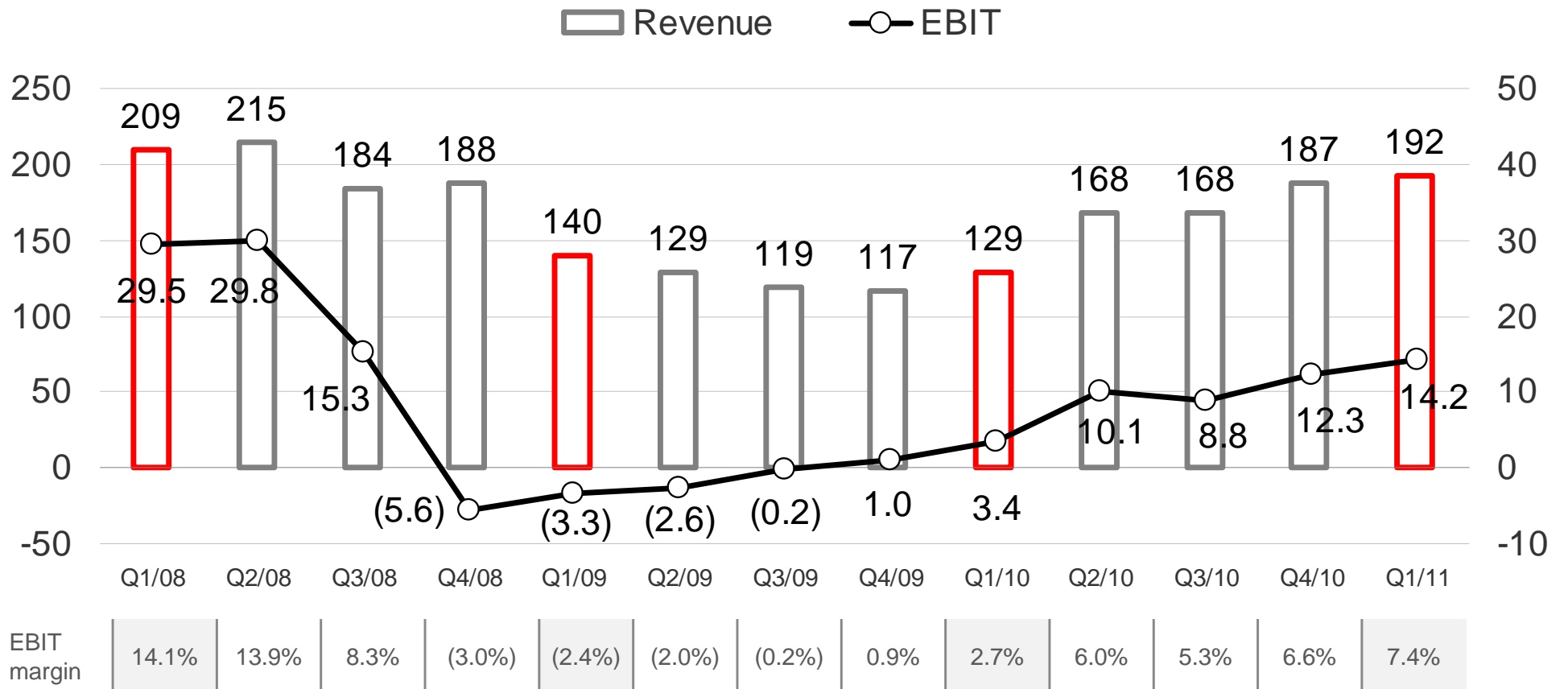
# Financial highlights

**PALFINGER**

	Q1 2011	Q1 2010	Q1 2009	%
Revenue	191.6	129.4	140.4	+ 48.0%
EBITDA	20.3	8.3	2.0	+ 143.7%
EBITDA margin	10.6%	6.4%	1.4%	–
EBIT	14.2	3.4	(3.3)	+ 310.8%
EBIT margin	7.4%	2.7%	(2.4%)	–
Result before income tax	11.9	2.3	(4.8)	+ 408.0%
Consolidated net result for the period	12.6	0.8	(4.1)	–

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

# Quarterly figures

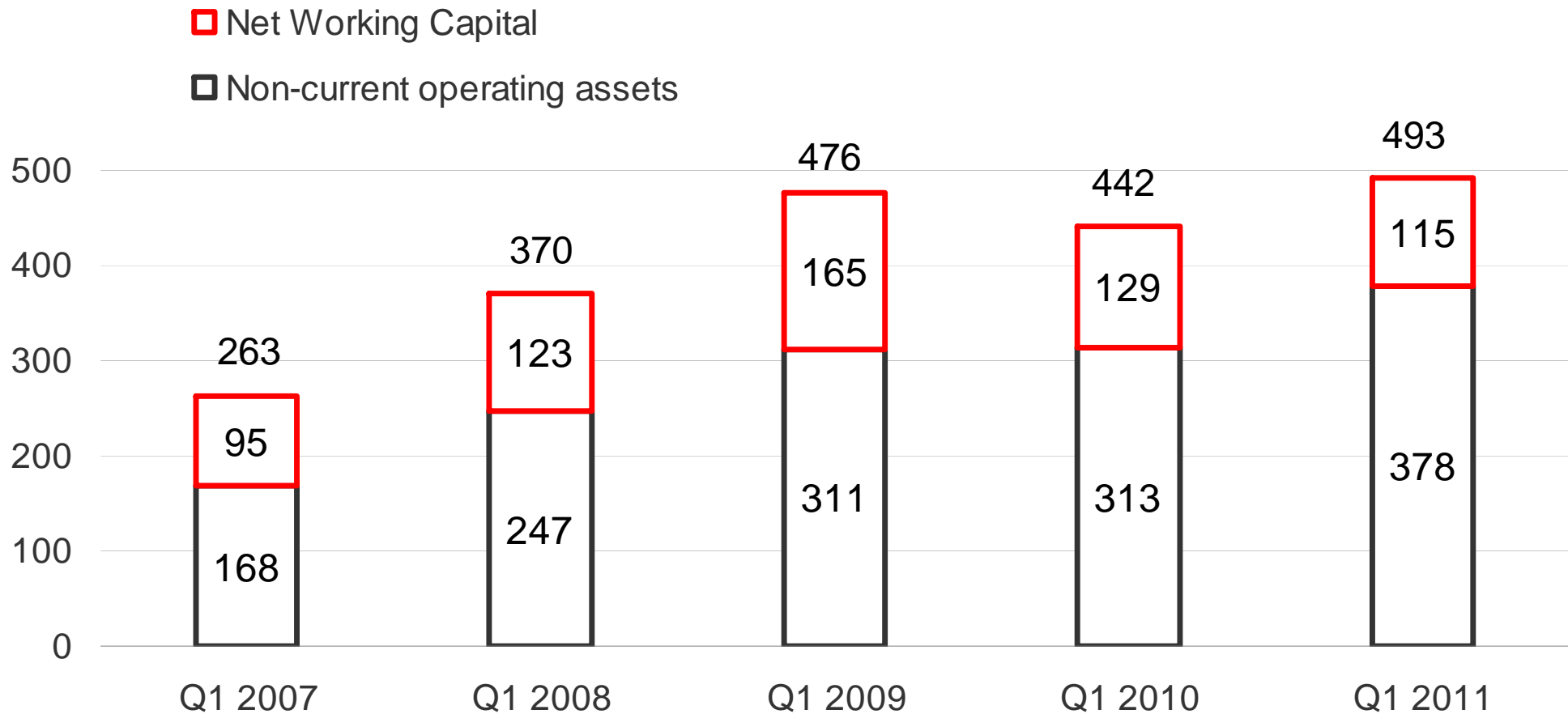


Exceptional increase in earnings

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



# Capital employed\*



➔ Net working capital reduced significantly

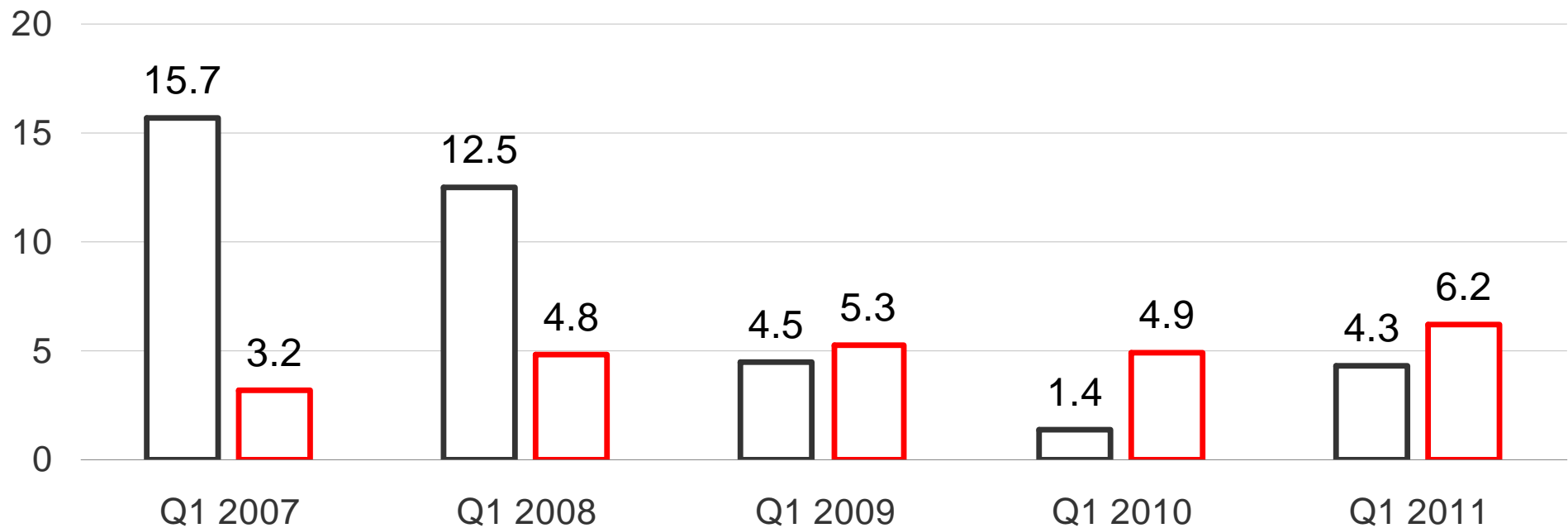
\* As of the reporting date.

Acc. to IFRS in million EUR.

Minor rounding differences may occur.

# Investment

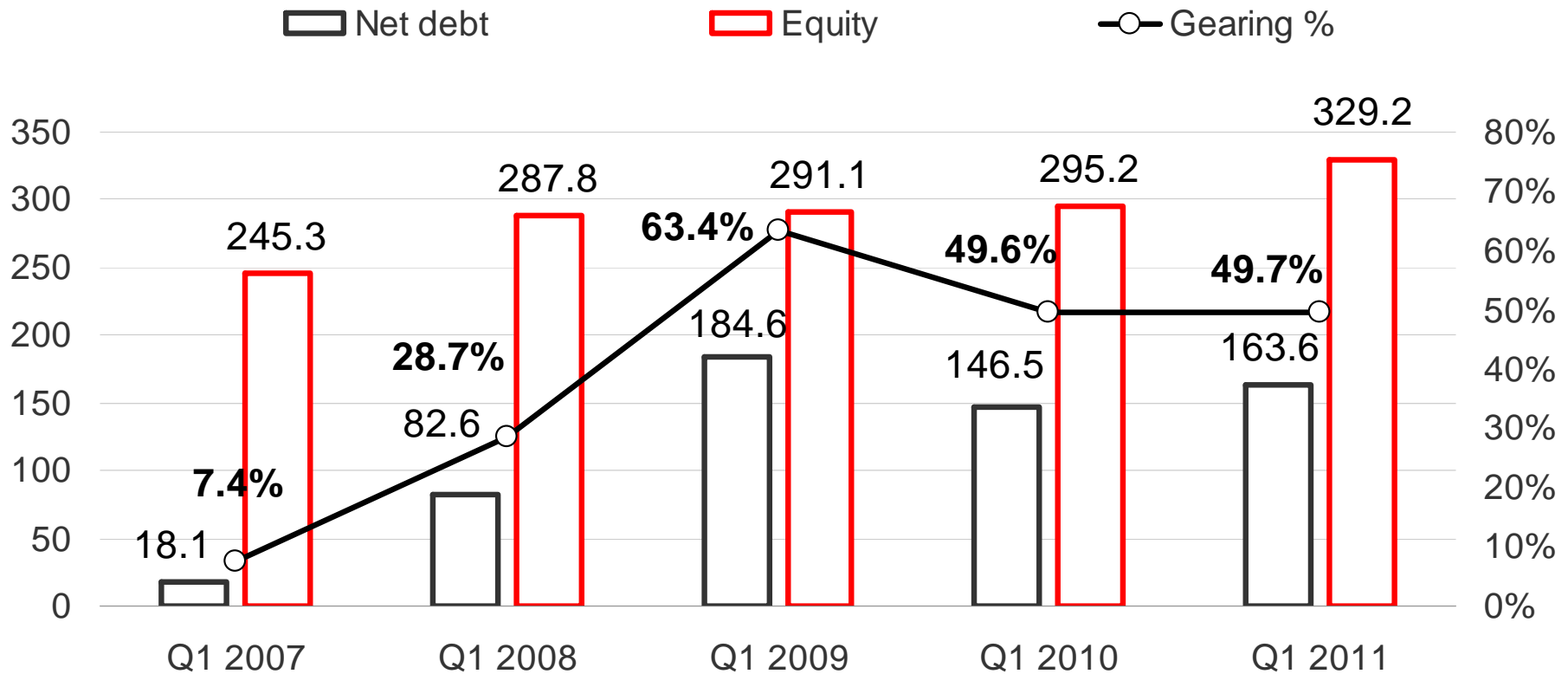
- Investment in property, plant, and equipment
- Depreciation, amortisation, and impairment



Acc. to IFRS in million EUR.

Minor rounding differences may occur.

# Gearing ratio and equity

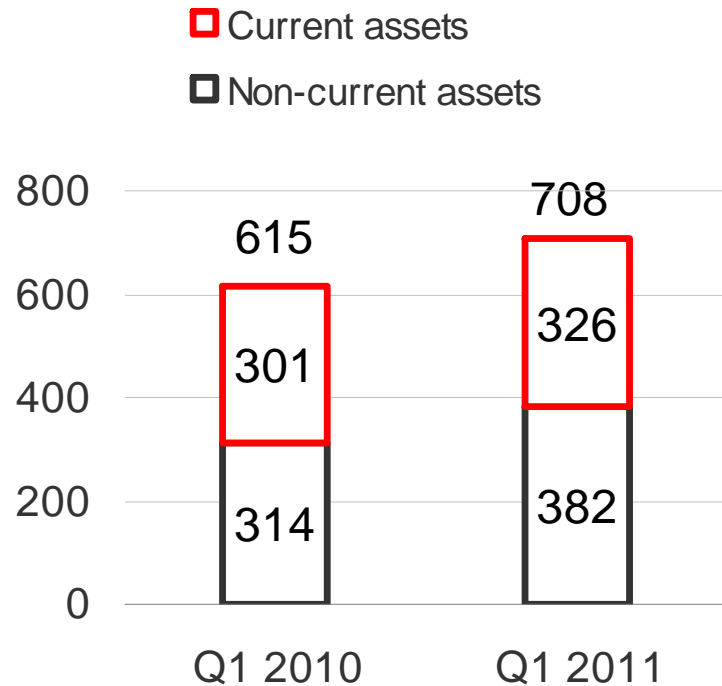


➔ Gearing below 50 per cent threshold

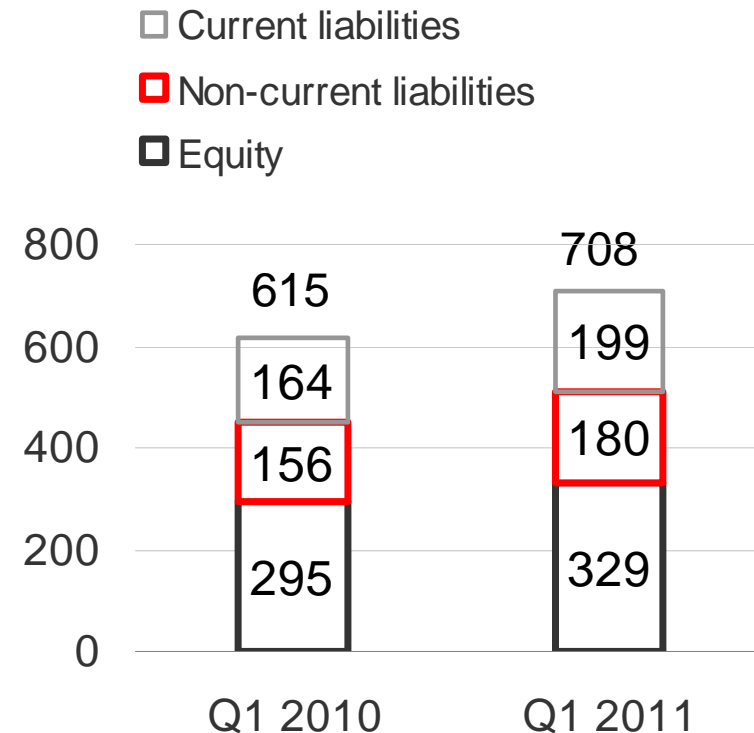
Acc. to IFRS in million EUR. Minor rounding differences may occur.

# Balance sheet structure

## Assets



## Liabilities



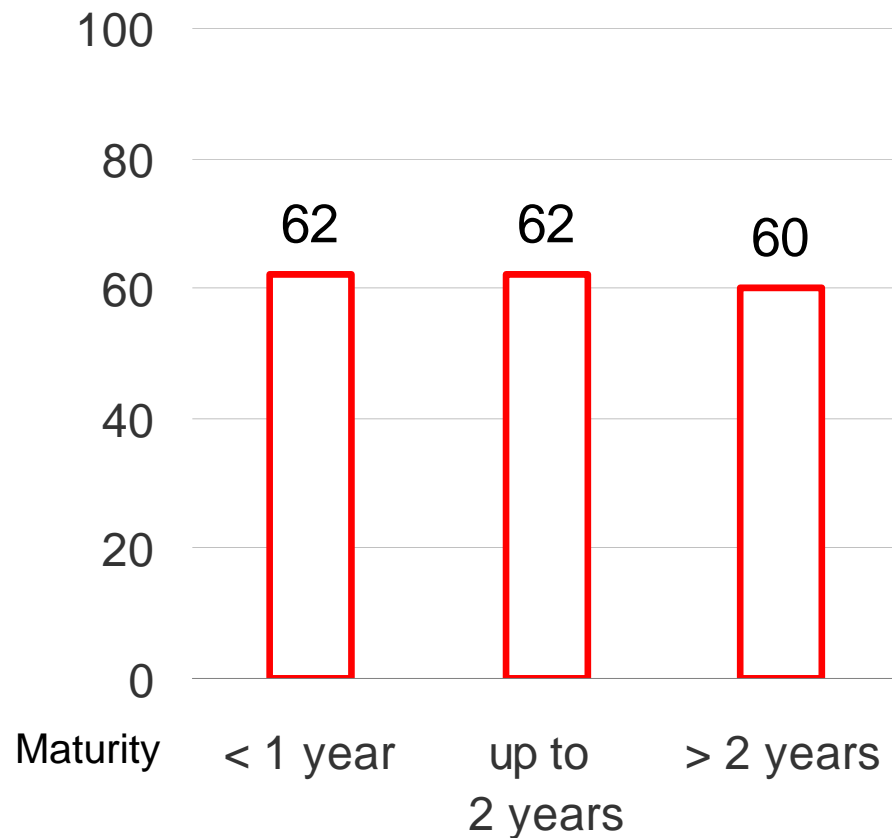
## ➔ Long-term financial structure

Acc. to IFRS in million EUR.

Minor rounding differences may occur.

# Financing structure as of 31 March 2011

**PALFINGER**



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Ø Interest rate	4.22%
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Ø Remaining time to maturity	1.96 years
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Financial assets	EUR 16.5m
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Equity ratio	46.5%
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Acc. to IFRS in million EUR. Minor rounding differences may occur.

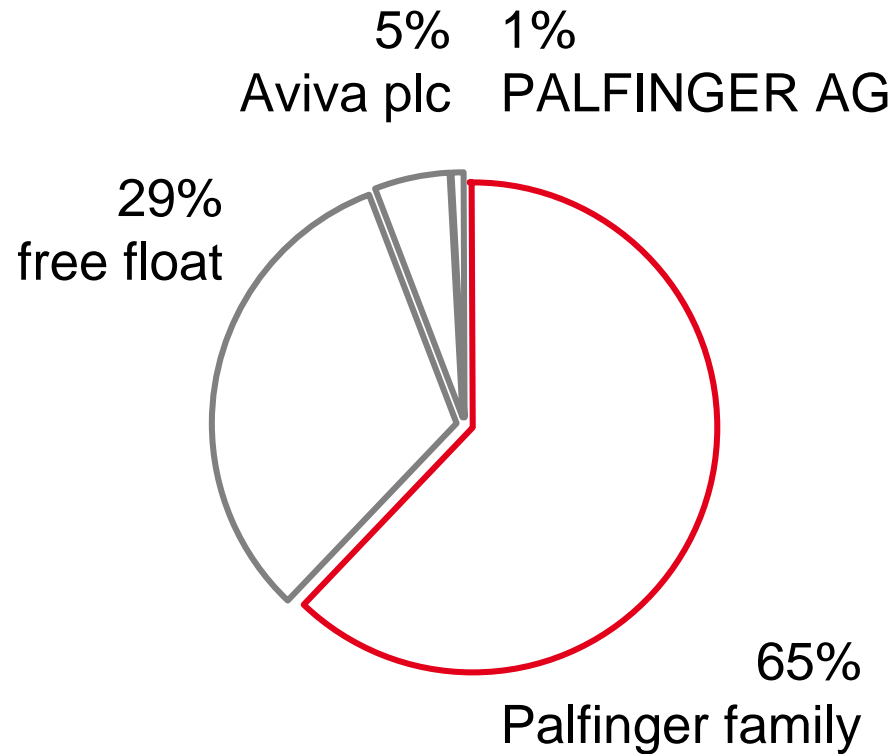
# Cash flow



	Q1 2011	Q1 2010	Q1 2009
<b>EBTDA</b>	<b>17.1</b>	<b>7.1</b>	<b>(0.1)</b>
+/- Cash flows from working capital	(12.7)	2.1	3.9
+/- Cash flows from tax payments	(1.4)	0.1	0.4
<b>Cash flows from operating activities</b>	<b>3.0</b>	<b>9.3</b>	<b>4.3</b>
+/- Cash flows from investing activities	(5.5)	(2.6)	(6.1)
<b>Cash flows after changes in working capital &amp; investments</b>	<b>(2.5)</b>	<b>6.7</b>	<b>(1.8)</b>
+/- Cash flows from interest on borrowings adjusted by tax expense	2.7	1.7	2.0
<b>Free cash flows</b>	<b>0.2</b>	<b>8.4</b>	<b>0.2</b>
Cash flows from equity/investor capital	(3.5)	(1.1)	(17.3)
Cash flows from net debt	6.0	(5.6)	19.1

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

## Shareholder structure



## Shareholder information as of 31 March 2011

ISIN	AT0000758305
Number of shares	35,730,000
Share price as of end of period	EUR 26.03
Market capitalization	EUR 930.1m


Outlook

**PALFINGER**



- 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
- Special attention will be paid to complexity management

- At present, positive macroeconomic development expected
- Upward trend in major markets likely to continue
- Organic revenue growth of more than 20 per cent striven for in 2011

 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)	2011e	2012e
Revenue	812.2	908.3
EBIT	83.0	113.4
Earnings per share (EUR)	1.55	2.19

# Financial calendar 2011



10 May 2011	Publication of results for first quarter of 2011	26 September 2011	Road show Dublin
10 May 2011	Road show Edinburgh	28 September 2011	Road show London
12/13 May 2011	Road show London	5/6 Oktober 2011	Road show Stegersbach
16 May 2011	Road show London	10 November 2011	Publication of results for first three quarters of 2011
19/20 May 2011	Road show Frankfurt	10 November 2011	Road show Paris
27/28 June 2011	Road show Paris	11 November 2011	Road show Benelux
10 August 2011	Publication of results for first half 2011	28 November 2011	Road show New York
11/12 August 2011	Road show Scandinavia	29/30 November 2011	Road show London
7 September 2011	Road show Zurich	13 Dezember 2011	Road show Frankfurt
13 September 2011	Road show London		

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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.

# Performance of the PALFINGER share since 2010

