INTERIM REPORT FOR THE FIRST THREE QUARTERS OF 2012

PALFINGER

FINANCIAL HIGHLIGHTS OF THE PALFINGER GROUP

EUR thousand	Q1–Q3 2012	Q1–Q3 2011	Q1–Q3 2010	Q1–Q3 2009	Q1–Q3 2008
Income					
Revenue	688,220	624,002	464,916	387,903	607,170
EBITDA	74,413	73,536	40,342	12,300	93,803
EBITDA margin	10.8%	11.8%	8.7%	3.2%	15.4%
EBIT	51,957	52,442	23,664	(3,926)	78,131
EBIT margin	7.5%	8.4%	5.1%	(1.0%)	12.9%
Result before income tax	43,918	43,287	19,373	(10,653)	73,338
Consolidated net result for the period	31,747	32,661	11,711	(9,812)	51,323
Balance sheet					
Total assets	791,276	734,843	644,769	615,698	629,987
Net working capital (average)	149,420	117,823	133,309	157,578	150,323
Capital employed (average)	541,891	496,094	456,085	463,619	413,184
Equity	367,103	339,477	315,791	286,939	319,835
Equity ratio	46.4%	46.2%	49.0%	46.6%	50.8%
Net debt	187,866	169,804	152,361	161,525	133,459
Gearing	51.2%	50.0%	48.2%	56.3%	41.7%
Cash flows and investments					
Cash flows from operating activities	30,969	30,711	32,887	33,552	31,840
Free cash flows	25	3,509	6,844	28,520	(20,177)
Net investment	34,635	17,116	9,207	10,351	38,060
Depreciation, amortization and impairment	22,456	21,094	16,678	16,226	15,672
Payroll					
Average payroll during the reporting period*	6,064	5,972	4,494	4,567	4,526

* Consolidated Group companies excluding equity shareholdings, as well as excluding temporary workers.

CONSOLIDATED MANAGEMENT REPORT AS AT 30 SEPTEMBER 2012

ECONOMIC ENVIRONMENT

Global economic recovery remained weak in the first three quarters of 2012, and in the Western industrialized countries the risks of a downward development recently intensified again. The main reasons for this development were the lack of trust placed in the future of the euro area and in the USA's ability to reduce its national debt. Growth slowed down in the emerging markets and developing countries as well, but by comparison these remained stable. Against this backdrop, in October 2012 the International Monetary Fund (IMF) once again reduced its forecast, now expecting global economic growth of 3.3 per cent in 2012 and 3.6 per cent in 2013.

In Europe, the real economy continued to be strongly affected by the tremendous financial difficulties faced by some countries. Most recently, the situation in Germany and France – so far the drivers of economic growth within the euro area – started to slacken as well. In July, the European Central Bank (ECB) cut its key interest rate to a record low of 0.75 per cent. In early September, the ECB announced its plans to buy government bonds as a support measure on condition that the respective countries agree to economic policy reform programmes. The IMF expects the economy in the euro area to slow down by 0.4 per cent in 2012 and has forecast modest growth of 0.2 per cent for 2013. Central and Eastern Europe are closely linked to the euro area due to interrelations in terms of trade and financial systems, and this has had a weakening effect on economic dynamics. The IMF forecast economic growth of 2.0 per cent in 2012 and 2.6 per cent in 2013 for the CEE region.

In the run-up to the presidential elections, the US market recently adopted a wait-and-see approach. Moreover, a strong dampening effect caused by tax increases and spending cuts might be in store for the turn of the year. In September, the US Federal Reserve resolved to launch its third bond purchasing programme; key interest rates are currently at a very low level. The US economy is expected to grow by 2.2 per cent and 2.1 per cent in 2012 and 2013, respectively.

In Latin America, a decline in GDP growth was recorded in the first half of 2012, mainly caused by Brazil's weak economic performance. Subsequently, the Brazilian economy picked up, but primarily in the sectors on which support measures had been focussed. Investments and exports continued to contract. The IMF expects feeble economic growth of 1.5 per cent in 2012 and a recovery to 4.0 per cent in 2013.

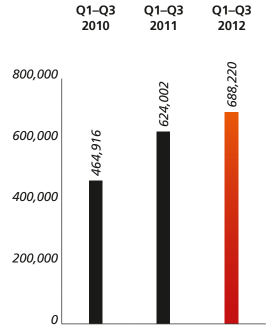
Asia's emerging markets were not spared the uncertainties affecting the industrialized nations. In China, the poor export demand prompted enterprises to take a hesitant stance towards investments in equipment. While investments in infrastructure were on the rise in the third quarter, consumption was low, primarily due to the poor social security system. China's economy is forecast to see growth of 7.8 per cent in 2012 and just above 8 per cent in 2013. The growth outlook for India is also less optimistic than before.

The financial markets reflected the uncertainties of the real economy. After recording distinct price increases in the first quarter of 2012 and experiencing an equally hefty decline in the second quarter, international stock markets recovered again in the third quarter. The prices of raw materials – after a downward trend in the first half of the year – took an upward turn in the third quarter. The price of a barrel of Brent crude, which in June had fallen below USD 90, rose significantly to USD 112.20 as at the end of September 2012.

The euro depreciated against the US dollar and the Chinese yuan in the first half of 2012, but then appreciated slightly in the third quarter. At the end of September, the euro was trading at USD 1.29 and CNY 8.08, just under the levels recorded at the end of 2011. Against the Brazilian real, the euro appreciated approx. 8 per cent, most recently trading at BRL 2.61.

PERFORMANCE OF THE PALFINGER GROUP

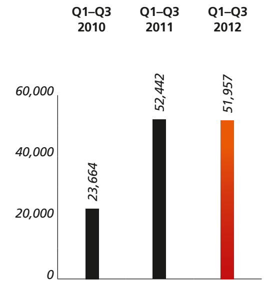
In the first three quarters of 2012, the performance of the PALFINGER Group was highly satisfactory, given the difficult economic framework. Its internationalization – primarily outside Europe – enabled the Group to continue on its growth path despite the increasing weakness of Europe's economy, and hence to consolidate its global leading position. In the third quarter of 2012, the two joint ventures with the Chinese Sany Group were approved by the competent authorities. On this basis, PALFINGER also expects a significant expansion of business operations, primarily in China.



DEVELOPMENT OF REVENUE
(EUR thousand)

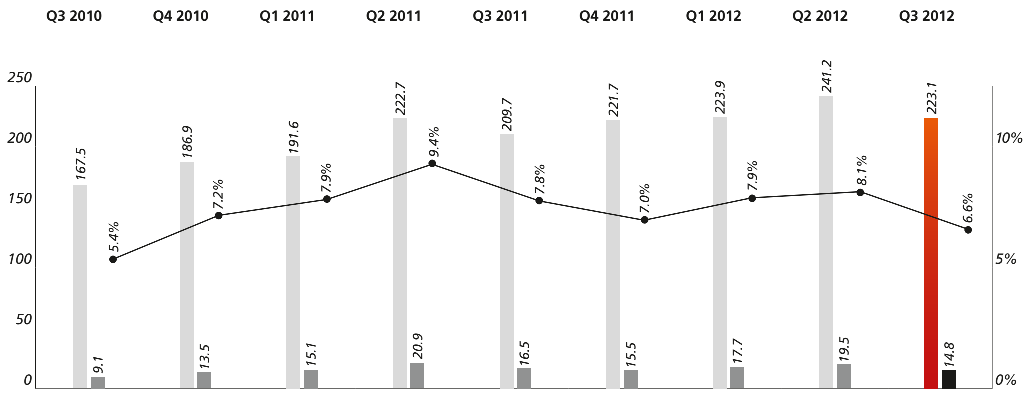
The Group's sustainable management of fixed costs and capital employed and its measures to increase flexibility at all levels of value creation contributed to keeping results stable in the reporting period despite the noticeable decline in demand recorded in Europe. The PALFINGER Group will thus continue its focus on these programmes with the aim of guaranteeing sustainable and profitable growth in the future.

The revenue generated in the first three quarters of 2012 came to EUR 688.2 million, which is 10.3 per cent above the revenue of EUR 624.0 million reported for the first three quarters of 2011. Organic growth was achieved in the business areas North America and South America and in the globally operating business area Marine Systems. The acquisitions made in the CIS business area in 2011 accounted for more than one third of the increase in revenue.



DEVELOPMENT OF EBIT
(EUR thousand)

At EUR 52.0 million, EBIT for the first three quarters of 2012 was kept at a steady level, comparable to the outstanding figure of EUR 52.4 million recorded for the same period in 2011. The restructuring of the previously weak business units had a positive effect on the development of earnings, and the increasingly difficult situation in Europe was compensated by extraordinarily high increases in earnings in the AREA UNITS segment. Despite the necessity of stepping up resources in connection with the strong growth achieved in the business areas outside Europe, the average EBIT margin for the period remained at a high level, amounting to 7.5 per cent. At EUR 31.7 million, the consolidated net result for the period under review was generally of the same magnitude as in the previous year, when it came to EUR 32.7 million.



DEVELOPMENT OF REVENUE AND EBIT
(EUR million)

Revenue EBIT ● EBIT margin (in per cent)

Overall, business in Europe in the first three quarters of 2012 was slightly weaker than in the previous year, and uncertainty continued to rise throughout the third quarter. However, the individual countries showed a mixed picture. While Germany and France, the markets accounting for the largest revenue contributions, still managed to uphold their high revenue volumes, Spain, Greece and Italy remained at extremely low levels. In Austria, Sweden and Norway it was even possible to expand business. The overall slight decline in incoming orders was also reflected, primarily in the third quarter, in a lower capacity utilization of the European production plants.

The development of demand in North America and South America and also in Russia has been highly positive for several quarters now. PALFINGER expects the upward trend to be reinforced in these areas due to the upcoming investments in infrastructure – in Brazil and Russia especially in connection with the FIFA World Cup in 2014 and the next Winter and Summer Olympics – as well as the introduction of additional product groups.

Business performance in Asia did not live up to expectations in the period under review. However, PALFINGER managed to score a huge success for the future. In the third quarter, the Chinese joint venture obtained its business license and immediately started operations. This was an important step for additional growth in these markets. In addition, PALFINGER has been operating an assembly site in India since the end of 2010 and is thus well equipped to take on further growth in this region as well.

FINANCIAL POSITION, CASH FLOWS AND RESULT OF OPERATIONS

As at 30 September 2012, at the end of the first three quarters, the equity ratio was at the high level of 46.4 per cent, slightly above the figure of 46.2 per cent reported as at 30 September 2011 (31 December 2011: 47.7 per cent). Despite the payment of dividends in the first quarter, equity increased from EUR 339.5 million as at 30 September 2011 to EUR 367.1 million as at 30 September 2012 due to the positive earnings recorded. At the same time, the satisfactory expansion of business volume, primarily recorded in the AREA UNITS segment, led to an increase in total assets from EUR 734.8 million as at 30 September 2011 to EUR 791.3 million as at 30 September 2012.

The average net working capital increased compared to 30 September 2011, from EUR 117.8 million to EUR 149.4 million as at 30 September 2012. This development basically corresponded to the expansion of business operations and the related necessity of building up inventories. However, due to consistent management of capital employed, PALFINGER succeeded in reducing the net working capital in the course of 2012. Compared to the previous year, the average capital employed increased from EUR 496.1 million to EUR 541.9 million as at 30 September 2012.

Due to the investments made, net debt increased from EUR 169.8 million as at 30 September 2011 to EUR 187.9 million as at 30 September 2012. As a consequence, the gearing ratio rose from 50.0 per cent to 51.2 per cent. However, due to the positive development of earnings and the sale of the present premises of the Group headquarters in Salzburg, net debt has been reduced since 30 June 2012, when it came to EUR 194.5 million.

With a view to achieving a sustainable alignment of the financial structure, current financial liabilities were transferred to non-current financial liabilities, which in the third quarter rose by approx. EUR 11.4 million. Hence, 91.2 per cent of PALFINGER's total capital employed has been secured on a long-term basis. The capital employed management programme initiated in 2010 is being continued in the financial year 2012 so as to further optimize the Group's financial structure.

As the earnings situation continued to be satisfactory, cash flows from operating activities were kept at the previous year's level despite the necessary build-up of inventories in the areas outside Europe. In the first nine months of 2012, they came to EUR 31.0 million (Jan–Sept 2011: EUR 30.7 million). As a consequence of the investments made, free cash flows were EUR 0.0 million in the reporting period.

The year-on-year increase in revenue achieved in the first three quarters, from EUR 624.0 million to EUR 688.2 million, was primarily an indication of the expansion of business in the AREA UNITS segment and the Marine Systems business area. A comparison of the third quarter of 2012 with the third quarter of 2011 also shows an increase in revenue, namely EUR 13.4 million. EBIT amounting to EUR 52.0 million (Jan–Sept 2011: EUR 52.4 million) and the Group's consolidated net result of EUR 31.7 million (Jan–Sept 2011: EUR 32.7 million) demonstrate that PALFINGER is operating on a high level despite the difficult economic situation. This stable performance was attributable not only to the EUROPEAN UNITS segment but increasingly also to the AREA UNITS segment.

OTHER EVENTS

In the third quarter, the PALFINGER Group was able to embark on the intensification of its China activities. After only six months, the competent authorities gave their approval to the Group's joint venture with the Chinese Sany Group. Sany Palfinger SPV Equipment Co., Ltd. has already started selling the first two truck mounted telescopic crane models; before the year is over, two additional models will follow, and the first three knuckle boom crane models adjusted to the regional market will be launched. For the time being, production will take place at the existing Sany plant in Ningxiang; the construction of a new plant is already being planned. Within the next few years, PALFINGER will make necessary investments of approx. EUR 100 million.

During the same period, Palfinger Sany International Mobile Cranes Sales GmbH was founded in Austria to distribute mobile cranes produced by Sany in Europe and CIS. The first steps of business operations have already been taken.

In September, PALFINGER agreed to take over a 100 per cent share in Tercek Usinagem de Precisão Ltda., headquartered in Caxias do Sul, Brazil, thereby strengthening PALFINGER's market presence in South America. Tercek develops electric-powered bus lifts under the brand name Líbero. The company was looking for a strong partner so as to be able to fund market penetration and expected growth. The transaction will be closed shortly.

The reorganization of the Group's corporate law structure, launched in the 2011 financial year, was continued. For details please see the notes to the interim consolidated financial statements.

The strategic projects launched in recent years were continued in the period under review and will remain a priority of the PALINGER Group. The Group's internationalization is intended to lead to a balanced regional diversification in the medium term. The consistent pursuit of this strategy was the main reason for the growth achieved in the period under review.

The targeted management of capital employed has resulted in process improvements, which will be continued throughout the Group in accordance with newly defined objectives. Moreover, attention is being paid to further optimizing the fixed cost structure, with the aim of increasing PALFINGER's flexibility and enabling the implementation of further investment projects in support of the planned growth.

In October 2012, PALFINGER successfully placed a promissory note loan payable in several tranches with a view to optimizing its financing structure. Interest in the issue was substantial, and as a result a total volume of EUR 77.5 million was specified. The issue contributes to an increased diversification of financing partners, at the same time leveraging on the historically favourable interest rates.

Core innovation targets in the first three quarters of 2012 included the continued development of a new crane series, enhancements in large-scale cranes and access platforms, the revision of the North American truck mounted forklift model and regional adjustment of PALFINGER's products to the Asian market. In electronics and mechatronics, the further development of which is a substantial success factor for PALFINGER, new structures have been established and first successes achieved.

In order to promote the (further) training of its employees, in particular with a view to expanding its business areas, PALFINGER initiated and launched further staff development programmes such as the relaunch of the Palfinger Global Leadership Programme and additional training programmes for the production sector.

The premises accommodating the present headquarters in Salzburg were sold to the highest bidder, a company owned by the majority shareholder. Subsequently, the same company will probably buy the newly acquired property in Bergheim as well, fund the new building, for which EUR 25 million have been budgeted, and rent it to the Group.

At the manufacturing and assembly site in Tenevo, Bulgaria, a new production hall was opened. This also resulted in a restructuring of the entire production process. The technical maximum capacity – for PALFINGER products and external customers – was thereby extended by 46 per cent. At the same time, the new system allows for the production of a substantially more demanding product portfolio and a larger variety of cylinder types. At the Delnice site in Croatia, the production hall was expanded, facilitating the successful consolidation of the two plants in Rijeka and Delnice in the third quarter.

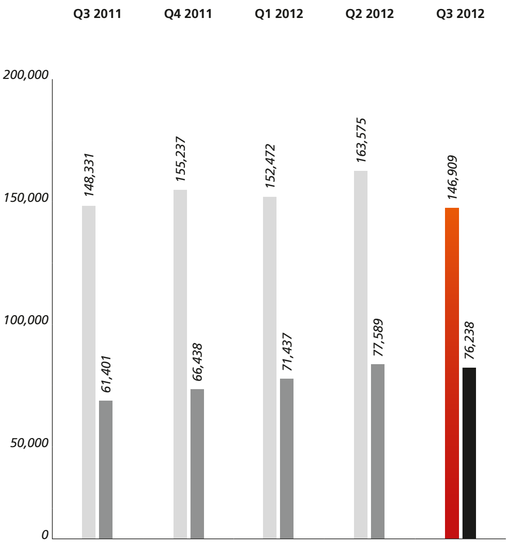
PALFINGER's comprehensive commitment to sustainability was rewarded by the German ÖKOVISION investment committee for capital investment products that meet certain ecological and ethical criteria. The committee conferred on the Company its Sustainability Leadership Award. The Sustainability Report 2010/2011, published in June 2012, won the international prize for the best report.

Strong interest in PALFINGER shares continued in the first three quarters of 2012. PALFINGER's Management Board and investor relations team participated in road shows and investor conferences to provide on-site information to international investors. At the GEWINN fair in October, private shareholders were also given the opportunity to talk to representatives of the Company in person.

After sharply declining in 2011, the price of PALFINGER shares first recorded an increase of approx. 40 per cent. As at the end of the third quarter, it was EUR 16.57 – still approx. 30 per cent above 2011's year-end figure of EUR 12.33. Hence, PALFINGER clearly outperformed the ATX, the leading index of the Austrian Stock Exchange, in the first three quarters of 2012, and has established itself among the top performers on the Vienna Stock Exchange.

PERFORMANCE BY SEGMENT

The segment figures reported by the PALFINGER Group are broken down into the segments EUROPEAN UNITS and AREA UNITS and the VENTURES unit.



DEVELOPMENT OF REVENUE BY SEGMENT* (EUR thousand)

EUROPEAN UNITS
AREA UNITS

* No revenues are generated in the VENTURES unit.

EUROPEAN UNITS

The EUROPEAN UNITS segment comprises the business area EMEA (Europe, Middle East, Africa and Australia) under which the business units Loader Cranes, EPSILON Timber and Recycling Cranes, Tail Lifts, Access Platforms, Container Handling Systems, Truck Mounted Forklifts, Railway Systems, Production, the distribution company in Germany and the associated subsidiaries are subsumed, and the transregional Marine Systems business area.

In the first three quarters of 2012, the EUROPEAN UNITS segment reported revenue of EUR 463.0 million, nearly reaching the revenue level of EUR 466.5 million recorded in the first three quarters of 2011. The upward trend that was still noticeable in the first quarter of 2012 thus did not continue, due to the increasingly challenging market environment and the related slowdown in demand. Moreover, the smaller number of working days in the third quarter, resulting from the company holiday, is always reflected in the revenue and earnings of the third quarter.

At EUR 58.1 million, the segment's EBIT was 10.1 per cent lower than in the first three quarters of 2011, when it came to EUR 64.7 million. This decrease was due in part to seasonal reasons and in part to a shift in the product mix. At 12.6 per cent, the segment's EBIT margin is still at a satisfactory level.

Loader Cranes

In the business unit Loader Cranes, PALFINGER recorded a slight decline in revenue in the first three quarters of 2012. Markets in Southern Europe continued to be weak, and strong declines were recorded primarily in Italy. The modest increases in revenue achieved in Norway, Sweden and Austria did not suffice to fully compensate such declines. Uncertainty among end customers was reflected in a reduction in incoming orders, particularly in the third quarter. Therefore, prospects for the fourth quarter of 2012 are subdued.

EPSILON Timber and Recycling Cranes

After revenue in the business unit EPSILON Timber and Recycling Cranes doubled in 2011, a distinct decline was recorded in the first three quarters of 2012. Nevertheless, the level of margins generated in this business unit continues to be remarkably good. In the third quarter, PALFINGER was able to present a new product configurator for timber cranes; the new harvester series, which was first introduced in Germany and France, made PALFINGER a full-range supplier for the offroad sector. In cooperation with the respective area units, the regions of Brazil, Russia and North America are being developed, and first successes have already contributed to earnings.

Tail Lifts

The Tail Lifts business unit recorded stable revenue and earnings in the first three quarters of 2012. Moreover, the service business of Ross & Bonnyman in Great Britain had positive effects on this business unit's development.

Access Platforms

In the business unit Access Platforms, considerable growth in revenue and earnings was achieved compared to the same period of the previous year. In the first nine months of 2012, satisfactory order intake was recorded across the entire product portfolio, which validated the market appeal of the new product concepts. All in all, the markets in Europe appear to be stable at the moment, but there are strong regional differences.

Container Handling Systems

In the Container Handling Systems business unit, the turnaround achieved in 2011 proved to be sustainable. Despite significant declines in revenue in the first three quarters of 2012, the result achieved was clearly positive. This was strongly supported by PALFINGER's focus on product quality and the ensuing increase in customer satisfaction and reduction in guarantee expenses. The current market environment suggests that the prospects for the ongoing financial year will not meet prior expectations.

Truck Mounted Forklifts

In the business unit Truck Mounted Forklifts, revenue was boosted considerably compared to the same period of the previous year as a consequence of numerous market activities performed outside Germany. The shift in product mix facilitated a disproportionally large increase in earnings as compared to the previous quarters. Order intake also continued its positive development.

Railway Systems

In the business unit Railway Systems, the positive revenue development recorded in the first three quarters of 2012 was also reflected in a doubling of the unit's contribution to earnings. PALFINGER continues to be the innovation leader in the global market for railway systems. Despite the uncertain economic situation, it is likely that the growth sought for will be achieved in 2012 as a result of expected investments and product enhancements as well as increased service competence.

Production

Given the slight reduction in capacity utilization, the business unit Production continued to make a satisfactory contribution to earnings. The consolidation of the production sites and the optimization of component manufacturing were advanced and will continue to further increase efficiency and effectiveness. Despite the difficult market environment, manufacturing for third parties remained at the same level as in 2011.

Marine Systems

The Marine Systems business area, which is composed of the four business units Marine Cranes, Marine Wind, Life Saving Equipment and Marine Service, recorded outstanding growth in revenue and, as expected, constant good operating results. PALFINGER will continue to focus intensively on the offshore wind energy sector in order to make the most of this growth market's potential, also outside Europe. Moreover, PALFINGER is planning to use market opportunities for acquisitions in this field as they arise.

AREA UNITS

The AREA UNITS segment comprises the business areas North America, South America, Asia and Pacific, India and CIS together with their respective regional business units.

PALFINGER has been promoting the continuous further development of the non-European business areas through its own initiatives, partnerships and acquisitions. In the period under review, these areas showed extremely positive development and – given the weaknesses in many European markets – made a substantial contribution to the Company's good performance.

Revenue generated by the AREA UNITS segment rose by 43.0 per cent, from EUR 157.5 million in the first three quarters of 2011 to EUR 225.3 million in the period under review. Consequently, areas outside Europe now account for 32.7 per cent of consolidated revenue. This outstanding growth was boosted primarily by the business areas North America, South America and CIS with all of their product areas.

As a result of these extremely positive developments, PALFINGER has reported a positive operating result for this segment for four consecutive quarters now, in spite of investments into less-developed areas such as India or Asia and Pacific. In the first three quarters of 2012, the segment's EBIT came to EUR 6.2 million, compared to –EUR 4.8 million in the same period of the previous year.

North America

In North America, the positive trend continued into the first three quarters of 2012. Clear growth was achieved not only in revenue but in particular also in terms of earnings. This satisfactory development was primarily supported by the good sales figures in loader cranes and access platforms and the high order volume in the field of tail lifts and container handling systems.

South America

Since the second quarter of 2012, South America has been proving itself as a growth market, and additional increases are to be expected, for instance as a result of the upcoming large-scale sports events in Brazil. Moreover, PALFINGER is consistently encouraging the introduction of additional products such as EPSILON timber and recycling cranes and the further improvement of the local loader crane series. The consistent implementation of structural measures led to a considerable increase in the contribution to earnings generated by the business area South America in the period under review.

Asia and Pacific

In the business area Asia and Pacific, revenue remained at the same level as recorded in the same period of the previous year. PALFINGER expects a clearly positive trend in further development, in particular on the basis of the joint venture in China and the market potential available in China.

India

In India, the many years of market development brought about further growth in revenue. However, the slowdown in economic growth has resulted in a deterioration of the market situation, and the development of the local market is proving to be more difficult than expected. Sales opportunities are limited by delays and liquidity bottlenecks during infrastructure projects. The local organizational structure is being expanded further, and the related costs impacted earnings in the first three quarters of 2012.

CIS

The business area CIS has recently established itself as one of the regions with the highest growth rates in the field of loader cranes. In addition, PALFINGER is striving to establish additional product groups on the Russian market as well. Cooperation with the local truck manufacturers is also progressing well. The acquisition of INMAN in 2011 brought about a sustainably positive development of revenue and earnings. The integration project is progressing as planned and is scheduled to be concluded before the end of 2012.

VENTURES

The VENTURES unit is composed of all major strategic projects for the future pursued by the PALFINGER Group up to their operational maturity. As the projects included in the VENTURES unit do not generate revenue, the costs of such projects are reported.

In the first three quarters of 2012, priority was placed on activities related to the establishment and implementation of the partnership with the Chinese Sany Group. The two joint venture companies started operations in the third quarter. In addition, projects were devised for the further development of the Indian, South American and Russian regions and the Marine Systems business area as well as for related potential acquisitions or partnerships.

In the third quarter, PALFINGER also agreed on the acquisition of the Brazilian company Tercek; the transaction will be closed shortly. With Tercek as a new company within the Group, PALFINGER will be offering an additional product group in the business area South America, namely bus lifts that will be mandatorily required in municipal buses in Brazil starting from 2014.

The EBIT for this unit for the first three quarters of 2012 was –EUR 10.8 million, as compared to –EUR 7.0 million for the same period in 2011. This development reflects the investments in growth markets and underlines PALFINGER's strategic alignment with a view to continued internationalization, innovation and flexibility.

OUTLOOK

In the first three quarters of 2012, the expansion of the debt crisis in Europe had an increasingly weakening effect on the real economy in some of the European markets that are of importance to PALFINGER. Without the PALFINGER Group's global orientation, the growth recorded would not have been possible. The management considers this a confirmation of its strategic decision to grow not only in North America but also towards the BRIC countries.

PALFINGER's consistent strategy of internationalization, especially outside Europe, is therefore being continued. In the period under review, PALFINGER implemented the largest project since its IPO in 1999, namely two joint ventures with Sany Heavy Industry, one of China's industrial giants. Operations were launched in the third quarter of 2012 and will have a positive effect in the future. The foundation for a successful entry into the Chinese market has thus been laid in time to celebrate the 80th anniversary of the PALFINGER Group in 2012, and it is assumed that the Group's leading position worldwide has been sustainably safeguarded through this step.

Through the acquisition of the Norwegian Bergen Group Dreggen AS (Dreggen), a renowned manufacturer of marine and offshore cranes, PALFINGER will open up additional opportunities and new markets to the business area Marine Systems. Through the integration of Dreggen, the dynamic development of the Marine Systems business will be further accelerated. Therefore, in order to expedite full integration and realize synergies, the Management Board is planning to agree with Palfinger systems GmbH on an early payment of the purchase price share for the marine unit taken over in 2010, which would originally have been due in 2016.

The Group's flexibility will be continuously developed in all fields, as this is becoming increasingly important in view of the more rapidly changing market environment. Order-based procurement, manufacturing and assembly have enabled PALFINGER to respond to order fluctuations quickly without locking up excessive capital by increasing inventories. PALFINGER will therefore continue to pursue its flexibility course consistently.

The diversity of PALFINGER's products, the Group's expansion through acquisition and the promotion of internationalization make it essential that the Group concentrate more intensively on complexity management. This is a challenge that PALFINGER has met through a Group-wide value-creation project, with the object of enhancing the Group's major competitive advantage – its global organization – for the future.

PALFINGER regards its strong brand as a major factor for success, alongside the development and manufacture of its premium products – particularly in view of the increasing uncertainty of the global economic situation. For this reason, suitable brand architecture for all product areas of the PALFINGER Group has been developed with a view to guaranteeing the brand's value position for the future. This architecture will be gradually implemented in the months to come and will be described in detail in the Annual Report 2012.

Despite the uncertain development of the economy and of demand, particularly in Europe, the management expects a moderate increase in revenue, coming from the business areas outside Europe, for the 2012 financial year. In addition, it is estimated that the non-European business areas will make higher contributions to earnings.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2012

CONSOLIDATED BALANCE SHEET

EUR thousand	Note	30 Sept 2012	31 Dec 2011	30 Sept 2011
Non-current assets				
Intangible assets		150,875	150,372	140,156
Property, plant and equipment	1	209,306	196,774	194,672
Investment property		391	404	409
Investments in associated companies	2	15,136	13,060	15,513
Deferred tax assets		21,909	23,219	25,087
Non-current financial assets		5,892	6,049	5,963
Other non-current assets		1,577	1,917	2,604
		405,086	**391,795**	**384,404**
Current assets				
Inventories		220,070	198,578	197,550
Trade receivables		131,280	120,875	126,226
Other current assets		22,718	13,083	13,706
Tax receivables		1,562	306	134
Cash and cash equivalents		10,560	15,137	12,823
		386,190	**347,979**	**350,439**
Total assets		**791,276**	**739,774**	**734,843**
Equity				
Share capital		35,730	35,730	35,730
Additional paid-in capital		30,608	30,477	30,462
Treasury stock		(1,858)	(2,009)	(1,509)
Retained earnings*	3	300,659	285,476	276,095
Foreign currency translation reserve		(3,282)	(3,065)	(6,274)
		361,857	**346,609**	**334,504**
Non-controlling interests*		5,246	6,171	4,973
		367,103	**352,780**	**339,477**
Non-current liabilities				
Liabilities from puttable non-controlling interests*	4	13,169	16,045	11,777
Non-current financial liabilities		142,812	86,328	79,587
Non-current provisions		50,144	47,457	44,938
Deferred tax liabilities		6,172	7,287	5,563
Other non-current liabilities		3,503	3,917	4,526
		215,800	**161,034**	**146,391**
Current liabilities				
Current financial liabilities		69,631	102,783	111,223
Current provisions		13,601	12,286	12,396
Tax liabilities		3,772	3,088	6,369
Trade payables and other current liabilities		121,369	107,803	118,987
		208,373	**225,960**	**248,975**
Total equity and liabilities		**791,276**	**739,774**	**734,843**

* Due to the change in the presentation of puttable non-controlling interests, corrections with retrospective effect were made. (For explanations go to "Adjustments with retrospective effect".)

CONSOLIDATED INCOME STATEMENT

EUR thousand	Note	July–Sept 2012	July–Sept 2011	Jan–Sept 2012	Jan–Sept 2011
Revenue		**223,147**	**209,732**	**688,220**	**624,002**
Changes in inventory and own work capitalized		(1,384)	4,742	16,730	30,890
Other operating income	5	4,217	2,380	13,423	6,955
Material and external services		(117,925)	(112,885)	(374,816)	(349,667)
Employee benefits expenses		(56,862)	(52,163)	(180,964)	(160,070)
Depreciation, amortization and impairment expenses		(7,469)	(6,948)	(22,456)	(21,094)
Other operating expenses		(30,033)	(29,457)	(91,900)	(84,226)
Income from associated companies		1,095	1,049	3,720	5,652
Earnings before interest and taxes – EBIT		**14,786**	**16,450**	**51,957**	**52,442**
Interest income		236	176	432	311
Interest expenses		(2,640)	(2,889)	(7,977)	(8,471)
Exchange rate differences		(86)	(518)	(289)	(995)
Other financial result		(205)	0	(205)	0
Net financial result		**(2,695)**	**(3,231)**	**(8,039)**	**(9,155)**
Result before income tax		**12,091**	**13,219**	**43,918**	**43,287**
Income tax expense		(3,320)	(1,836)	(8,678)	(6,780)
Result after income tax		**8,771**	**11,383**	**35,240**	**36,507**
attributable to					
shareholders of PALFINGER AG (consolidated net result for the period)		**7,888**	**10,090**	**31,747**	**32,661**
non-controlling interests		**883**	**1,293**	**3,493**	**3,846**
EUR					
Earnings per share (undiluted and diluted)	3	0.22	0.29	0.90	0.92
Average number of shares outstanding		35,380,923	35,402,000	35,380,923	35,402,000

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR thousand	July–Sept 2012	July–Sept 2011	Jan–Sept 2012	Jan–Sept 2011
Result after income tax	**8,771**	**11,383**	**35,240**	**36,507**
Unrealized profits (+)/losses (–) from foreign currency translation	(1,465)	557	(204)	(5,093)
Unrealized profits (+)/losses (–) from cash flow hedge				
Changes in unrealized profits (+)/losses (–)	(1,004)	(210)	(1,277)	403
Deferred taxes thereon	60	176	90	(50)
Effective taxes thereon	191	101	229	(51)
Realized profits (–)/losses (+)	(97)	(44)	(346)	(343)
Deferred taxes thereon	(60)	11	(66)	33
Effective taxes thereon	85	0	153	56
Other comprehensive income	**(2,290)**	**591**	**(1,421)**	**(5,045)**
Total comprehensive income	**6,481**	**11,974**	**33,819**	**31,462**
attributable to				
shareholders of PALFINGER AG	**5,752**	**10,417**	**30,313**	**27,762**
non-controlling interests	**729**	**1,557**	**3,506**	**3,700**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR thousand	Note	Equity attributable to the shareholders of PALFINGER AG		
		Share capital	Additional paid-in capital	Treasury stock
As at 1 Jan 2011		**35,730**	**30,423**	**(1,509)**
Total comprehensive income				
Result after income tax		0	0	0
Other comprehensive income after income tax				
Unrealized profits (+)/losses (–) from foreign currency translation		0	0	0
Unrealized profits (+)/losses (–) from cash flow hedge		0	0	0
		0	**0**	**0**
Transactions with shareholders				
Dividends		0	0	0
Reclassification non-controlling interests	4	0	0	0
Other changes		0	39	0
		0	**39**	**0**
As at 30 Sept 2011		**35,730**	**30,462**	**(1,509)**
As at 1 Jan 2012		**35,730**	**30,477**	**(2,009)**
Total comprehensive income				
Result after income tax		0	0	0
Other comprehensive income after income tax				
Unrealized profits (+)/losses (–) from foreign currency translation		0	0	0
Unrealized profits (+)/losses (–) from cash flow hedge		0	0	0
		0	**0**	**0**
Transactions with shareholders				
Dividends	3	0	0	0
Reclassification non-controlling interests	4	0	0	0
Disposal non-controlling interests		0	0	0
Buyback of own shares		0	0	(6)
Other changes		0	131	157
		0	**131**	**151**
As at 30 Sept 2012		**35,730**	**30,608**	**(1,858)**

	Equity attributable to the shareholders of PALFINGER AG						
	Retained earnings						
	Other retained earnings	Actuarial gains/losses acc. to IAS 19	Valuation reserve acc. to IAS 39	Foreign currency translation reserve	Total	Non-controlling interests	Equity
	252,510	**(894)**	**(444)**	**(1,236)**	**314,580**	**5,311**	**319,891**
	32,661	0	0	0	**32,661**	3,846	**36,507**
	0	0	0	(4,947)	**(4,947)**	(146)	**(5,093)**
	0	0	48	0	**48**	0	**48**
	32,661	**0**	**48**	**(4,947)**	**27,762**	**3,700**	**31,462**
	(7,788)	0	0	0	**(7,788)**	(3,811)	**(11,599)**
	(89)	0	0	0	**(89)**	(219)	**(308)**
	91	0	0	(91)	**39**	(8)	**31**
	(7,786)	**0**	**0**	**(91)**	**(7,838)**	**(4,038)**	**(11,876)**
	277,385	**(894)**	**(396)**	**(6,274)**	**334,504**	**4,973**	**339,477**
	287,194	**(1,054)**	**(664)**	**(3,065)**	**346,609**	**6,171**	**352,780**
	31,747	0	0	0	**31,747**	3,493	**35,240**
	0	0	0	(217)	**(217)**	13	**(204)**
	0	0	(1,217)	0	**(1,217)**	0	**(1,217)**
	31,747	**0**	**(1,217)**	**(217)**	**30,313**	**3,506**	**33,819**
	(13,437)	0	0	0	**(13,437)**	(3,850)	**(17,287)**
	(1,856)	0	0	0	**(1,856)**	(457)	**(2,313)**
	0	0	0	0	**0**	(116)	**(116)**
	0	0	0	0	**(6)**	0	**(6)**
	(54)	0	0	0	**234**	(8)	**226**
	(15,347)	**0**	**0**	**0**	**(15,065)**	**(4,431)**	**(19,496)**
	303,594	**(1,054)**	**(1,881)**	**(3,282)**	**361,857**	**5,246**	**367,103**

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR thousand	Jan–Sept 2012	Jan–Sept 2011
Result before income tax	**43,918**	**43,287**
Cash flows from operating activities	30,969	30,711
Cash flows from investing activities	(36,607)	(33,784)
Cash flows from financing activities	972	244
Total cash flows	**(4,666)**	**(2,829)**
Free cash flows	**25**	**3,509**

EUR thousand	2012	2011
Funds as at 1 Jan	**15,137**	**15,865**
Effects of foreign exchange differences	89	(213)
Total cash flows	(4,666)	(2,829)
Funds as at 30 Sept	**10,560**	**12,823**

SEGMENT REPORTING

	External revenue		Internal revenue		EBIT	
EUR thousand	Jan–Sept 2012	Jan–Sept 2011	Jan–Sept 2012	Jan–Sept 2011	Jan–Sept 2012	Jan–Sept 2011
EUROPEAN UNITS	462,956	466,502	50,844	37,334	58,147	64,654
AREA UNITS	225,264	157,500	34	4	6,187	(4,781)
VENTURES	–	–	–	–	(10,772)	(6,961)
Segment consolidation	–	–	(50,878)	(37,338)	(1,605)	(470)
PALFINGER Group	**688,220**	**624,002**	**0**	**0**	**51,957**	**52,442**

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

GENERAL

PALFINGER AG is a publicly listed company headquartered in Salzburg, Austria. The main business activity is the production and sale of innovative lifting solutions for use on commercial vehicles and ships.

REPORTING BASES

In principle, the same accounting and valuation methods used in the consolidated financial statements for the financial year 2011 were applied to these interim consolidated financial statements of PALFINGER AG and its subsidiaries as at 30 September 2012, which were prepared on the basis of IAS 34. The consolidated financial statements for the year ended 31 December 2011 were prepared in line with the International Financial Reporting Standards (IFRS) valid at the reporting date and the relevant interpretations of the International Financial Reporting Interpretations Committee (IFRIC) to be applied within the European Union (EU). For further information on the individual accounting and valuation methods used, please refer to the consolidated financial statements of PALFINGER AG for the year ended 31 December 2011.

The interim consolidated financial statements of PALFINGER AG were reviewed by the Group's auditor, Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H., Salzburg, Austria.

CHANGES IN ACCOUNTING AND VALUATION METHODS

No changes in accounting and valuation methods were made in the third quarter of 2012.

ADJUSTMENTS WITH RETROSPECTIVE EFFECT

No adjustments with retrospective effect were made to the consolidated financial statements for the year ended 31 December 2011. As described in detail in the 2011 consolidated financial statements, changes were made, in comparison with the interim consolidated financial statements as at 30 September 2011, relating to the reporting of puttable non-controlling interests.

The change in the consolidated balance sheet as at 30 September 2011, made with retrospective effect, resulted in the following adjustments:

EUR thousand	30 Sept 2011	Adjustment	30 Sept 2011 adjusted
Retained earnings	278,963	(2,868)	276,095
Non-controlling interests	13,882	(8,909)	4,973
Equity	**351,254**	**(11,777)**	**339,477**
Liabilities from puttable non-controlling interests	0	11,777	11,777
Non-current liabilities	**134,614**	**11,777**	**146,391**

This change had no impact on the consolidated income statement and the consolidated statement of cash flows.

SCOPE OF CONSOLIDATION

On 28 February 2012, the agreements on the establishment of two joint venture companies with the Chinese heavy equipment manufacturer Sany Group Co., Ltd. were signed:

On 21 August 2012, Sany Palfinger SPV Equipment Ltd. was founded in Changsha, China. Palfinger Asia Pacific Pte. Ltd. holds a 50 per cent interest in the new company, which will develop and produce truck mounted knuckle boom cranes and telescopic cranes for the Chinese market on the basis of the technologies of PALFINGER and Sany. For this purpose, a new plant near Sany's facilities, with production capacities for approx. 10,000 cranes, will be established and a dense sales and services network set up in China. The company started operations in the third quarter of 2012 and will reach full operational effectiveness in 2013.

Palfinger Sany International Mobile Cranes Sales GmbH was established as an international sales and services company with its registered seat in Salzburg. It will distribute Sany's mobile cranes in Europe and CIS. Palfinger European Units GmbH holds a 50 per cent interest in the company, which was entered into the commercial register on 4 September 2012. The company has already started operations.

Under the articles of association dated 13 February 2012, Palfinger Marine- und Beteiligungs-GmbH, Salzburg, founded Palfinger Marine Services B.V., Elst, Netherlands, as a wholly-owned subsidiary. The company was entered into the commercial register on 15 February 2012. The purpose of founding this company was to promote the expansion of the service business in the Marine Systems business area.

Under the articles of association dated 6 June 2012, PALFINGER AG, Salzburg, founded the wholly-owned subsidiary PalAir GmbH, Salzburg. The company was entered into the commercial register on 22 June 2012. The object of the company will be the purchase and sale and/or the leasing and chartering of aircraft as well as their operation. As the economic environment for aircraft is predominantly influenced by the US dollar, the functional currency of this company will be the US dollar.

On 22 June 2012, Guima Palfinger S.A.S. sold all its shares in Guima France S.A.S. to the associated company Palfinger France S.A. The positive effect on earnings resulting from the deconsolidation of the company, amounting to EUR 240 thousand, was recorded under EBIT.

On 12 July 2012, Fast RSQ B.V., Barneveld, Netherlands, founded Fast RSQ Vietnam Co., Ltd., Hung Yen, Vietnam, for the purpose of taking up the production of Fast RSQ products.

On 17 September 2012, the sales contract on the takeover of 100 per cent of the shares in the Brazilian company Tercek Usinagem de Precisão Ltda. was signed. This company produces metal components and develops electric-powered bus lifts, which have excellent product features, under the brand name Líbero. The acquisition will be closed shortly.

Under PALFINGER's project to optimize the Group's structure, its organizational structure under company law has been adjusted to the current management structure and the Group has been subdivided into investment companies and operating companies. For this reason, on 25 June 2012, Palfinger Marine- und Beteiligungs-GmbH, Salzburg, transferred Palfinger USA, Inc., Tiffin, USA, and its subsidiaries to Palfinger North America GmbH, Salzburg, and also transferred Madal Palfinger S.A., Caxias do Sul, Brazil, to Palfinger South America GmbH, Salzburg.

In addition, with effect as of 14 September 2012, Palfinger Marine- und Beteiligungs-GmbH, Salzburg, transferred 100 per cent of the shares in Palfinger, Inc., Niagara Falls, Canada, to Palfinger North America GmbH, and 49 per cent of the shares in Palfinger Russland GmbH, Salzburg, to Palfinger CIS GmbH, Salzburg. As a consequence, Palfinger CIS GmbH now holds an 80 per cent interest in Palfinger Russland GmbH.

On 17 September 2012, Palfinger Europe GmbH, Salzburg, sold 90 per cent of the shares in Palfinger Platforms GmbH, Krefeld, Germany, to MBB Palfinger GmbH, Ganderkesee, Germany. Subsequently, on 20 September 2012, Palfinger Europe GmbH transferred, in several steps, 90 per cent of the shares in Palfinger GmbH, Ainring, Germany, to Palfinger Platforms GmbH. As a consequence, Palfinger Europe GmbH now holds a 10 per cent interest in Palfinger Platforms GmbH and a 10 per cent interest in Palfinger GmbH. MBB Palfinger GmbH now holds 90 per cent of the shares in Palfinger Platforms GmbH, which in turn has a 90 per cent stake in Palfinger GmbH.

NOTES TO THE CONSOLIDATED BALANCE SHEET

(1) Property, plant and equipment

For the construction of new Group headquarters, properties with a total area of approx. 21,000 m^2 were acquired in the vicinity of the present location. Acquisition costs amounted to EUR 5,309 thousand as at the reporting date for the third quarter.

In addition, a purchase option agreement was concluded, obligating and/or authorizing PALFINGER to acquire additional plots of land, amounting to approx. 19,000 m^2 in total, after five or ten years, respectively, following the planned rezoning of the plots of land. The financial obligation to acquire these additional properties amounts to EUR 4,353 thousand plus an adjustment for inflation up to the date of exercise of the purchase option.

The premises accommodating the present headquarters in Salzburg were sold to the highest bidder, a company owned by the majority shareholder. PALFINGER AG's profit from this sale was EUR 1,838 thousand; the purchase price has already been paid in full. Starting on 1 October 2012, the present Group headquarters will be rented at an arm´s length price under a lease agreement that may be terminated by PALFINGER AG at the end of each quarter upon six months' notice.

(2) Investments in associated companies

Changes in investments in associated companies are shown in the following table:

EUR thousand	2012	2011
As at 1 Jan	**13,060**	**15,459**
Additions	18	0
Share in net result for the period	3,551	4,823
Dividends	(1,401)	(3,017)
Foreign currency translation	(92)	(220)
Disposals	0	(3,985)
As at 30 Sept/31 Dec	**15,136**	**13,060**

(3) Equity

The Annual General Meeting held on 8 March 2012 approved a resolution for payment of a dividend in the amount of EUR 13,437 thousand (previous year: EUR 7,788 thousand) out of the 2011 profits. This dividend – paid to PALFINGER AG shareholders on 14 March 2012 – was equivalent to a dividend of EUR 0.38 per share (previous year: EUR 0.22 per share).

The amount of EUR 3,850 thousand (previous year: EUR 3,500 thousand) was paid to the non-controlling shareholders of EPSILON Kran GmbH on 14 March 2012.

The movements in shares outstanding are shown below:

Shares	2012	2011
As at 1 Jan	**35,361,160**	**35,402,000**
Buyback of own shares	(500)	(40,840)
Exercise of stock option	28,750	0
As at 30 Sept/31 Dec	**35,389,410**	**35,361,160**

On the basis of a consolidated net result for the period of EUR 31,747 thousand (Jan–Sept 2011: EUR 32,661 thousand), undiluted earnings per share were EUR 0.90 (Jan–Sept 2011: EUR 0.92). Due to the low dilution effect of the stock option programme, diluted earnings per share were identical to undiluted earnings per share.

(4) Liabilities from puttable non-controlling interests

As at 31 December 2011, PALFINGER held 75 per cent of the ordinary share capital and preferred share capital of the NDM Group, with preferred share capital representing 90 per cent and ordinary share capital 10 per cent of the total share capital and the voting rights. On 5 March 2012, the remaining preferred share capital as well as another 15 per cent of the ordinary share capital of the NDM Group were acquired. Thus, PALFINGER now holds 100 per cent of the preferred share capital and 90 per cent of the ordinary share capital, hence 99 per cent of the share capital. The voting rights of the remaining 10 per cent of the share capital are held by PALFINGER under a trust structure; hence PALFINGER holds 100 per cent of the voting rights. The preferred share capital amounts to EUR 14,425 thousand and carries a coupon of 7 per cent. Any exceeding participation in the net result for the year is allocated to the stakes in the ordinary share capital, which means that PALFINGER participates in the exceeding amount at 90 per cent.

20 per cent in Fast RSQ B.V., Barneveld, Netherlands, were transferred to the management.

Through the acquisition of own shares to the amount of EUR 15 thousand, the direct interest in Composite Works, LLC, Oklahoma City (USA), was increased from 56.75 per cent to 63.48 per cent, thus raising PALFINGER's indirect interest from 45.40 per cent to 50.78 per cent.

The following table shows the movement in liabilities from puttable non-controlling interests:

EUR thousand	2012	2011
As at 1 Jan	**16,045**	**11,469**
Allocation	320	411
Interest costs	188	0
Addition	0	4,165
Use	(3,384)	0
As at 30 Sept/31 Dec	**13,169**	**16,045**

Due to the new measurement of liabilities from puttable non-controlling interests arising from the acquisition of the NDM Group, an amount of EUR 2,016 thousand was presented under retained earnings.

NOTES TO THE CONSOLIDATED INCOME STATEMENT

(5) Other operating income

Other operating income to the amount of EUR 2,090 thousand relates to the reversal of a purchase price obligation from acquisitions.

CONTINGENT ASSETS AND LIABILITIES

There were no contingent assets or liabilities as at 30 September 2012.

RELATED PARTIES

There were no substantial changes compared to 31 December 2011 with respect to business transactions with related parties except for the sale of the property described under Note "1. Property, plant and equipment". All transactions with related parties are carried out at generally acceptable market conditions. Please refer to the consolidated financial statements of PALFINGER AG for the year ended 31 December 2011 and to Note "1. Property, plant and equipment" for further information on individual business relations.

STOCK OPTION PROGRAMME

The development of the stock option programmes of PALFINGER AG can be seen in the following table:

	Herbert Ortner		Christoph Kaml		Wolfgang Pilz		Martin Zehnder		Alexander Exner		Alexander Doujak		Total	
Development of stock options	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**
As at 1 Jan	80,000	80,000	50,000	50,000	50,000	50,000	50,000	50,000	10,000	40,000	30,000	30,000	270,000	300,000
Options exercised	(10,000)	0	0	0	(6,250)	0	(6,250)	0	(2,500)	0	(3,750)	0	(28,750)	0
Options lapsed	(30,000)	0	0	0	(18,750)	0	(18,750)	0	(7,500)	(30,000)	(11,250)	0	(86,250)	(30,000)
As at 30 Sept/31 Dec	40,000	80,000	50,000	50,000	25,000	50,000	25,000	50,000	0	10,000	15,000	30,000	155,000	270,000
Exercise price of options exercised	10.12				10.12		10.12		10.12		10.12			
Share price at exercise date	18.01				18.01		18.01		19.71		17.72			

Please refer to the consolidated financial statements of PALFINGER AG for the year ended 31 December 2011 for further information on these stock option programmes.

KEY EVENTS AFTER THE REPORTING DATE

On 18 October 2012, PALFINGER issued promissory note loans with maturities of three, five and seven years and a total volume of EUR 77.5 million in order to optimize the Group's financing structure and increase the diversification of financing partners.

No further material post-reporting events occurred after the end of the interim reporting period.

REPORT ON THE AUDIT REVIEW

INTRODUCTION

We have reviewed the accompanying interim consolidated financial statements of PALFINGER AG, Salzburg, Austria, for the nine-month period from 1 January 2012 to 30 September 2012. These interim consolidated financial statements comprise the consolidated balance sheet as at 30 September 2012, the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity for the nine-month period then ended, and a summary of significant accounting policies and other explanatory notes.

The management is responsible for the preparation and fair presentation of this interim financial information in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

Our responsibility is to issue a conclusion on this interim financial information based on our review. Our responsibility and liability in connection with the review and with reference to sec. 275 para. 2 of the Business Code (UGB) towards the Company as well as third parties shall be limited to a total of EUR 12 million.

SCOPE OF THE AUDIT REVIEW

We conducted our review in accordance with the statutory provisions and professional principles applicable in Austria and in compliance with the International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedure applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not give a true and fair view of the financial position of the Group as at 30 September 2012, and of its financial performance and its cash flows for the nine-month period then ended in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU.

REPORT ON THE INTERIM CONSOLIDATED MANAGEMENT REPORT

We are required to perform review procedures to check whether the interim consolidated management report is consistent with the interim consolidated financial statements and whether the other disclosures made in the interim consolidated management report do not give rise to misconception of the position of the Group.

Based on our review, nothing has come to our attention that causes us to believe that the interim consolidated management report for the Group is not consistent with the interim consolidated financial statements.

Salzburg, 24 October 2012

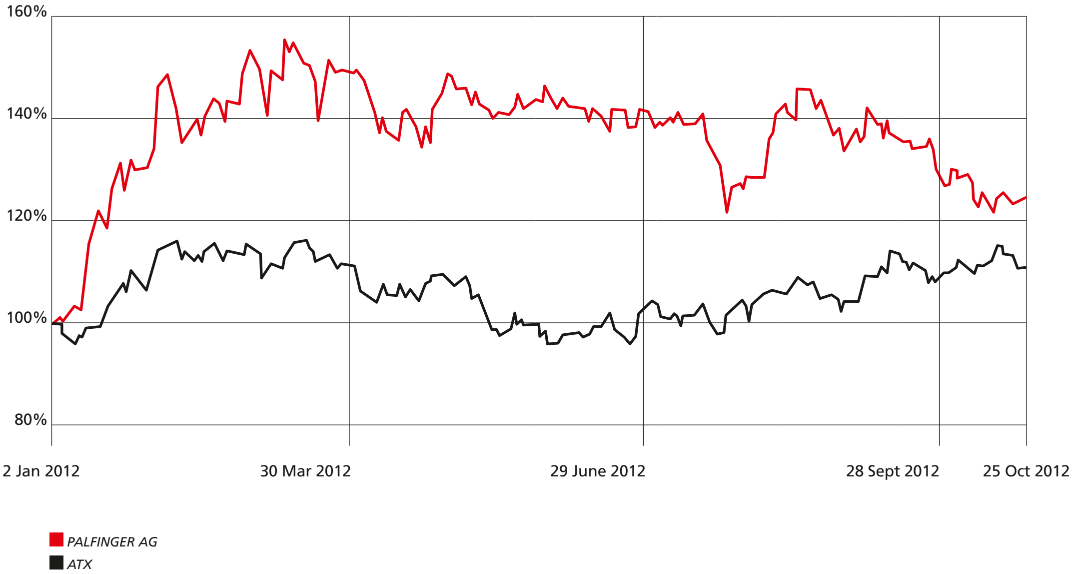
Ernst & Young
Wirtschaftsprüfungsgesellschaft m.b.H.

Anna Flotzinger m.p. Chartered accountant	Christoph Fröhlich m.p. Chartered accountant

Shareholder information

Q1–Q3	
International Securities Identification Number (ISIN)	AT0000758305
Number of shares	35,730,000
of which own shares	340,590
Price as at 28 September 2012	EUR 16.57
Earnings per share (Q1– Q3 2012)	EUR 0.90
Market capitalization as at 28 September 2012	EUR 592,046.1 thousand

Share price development



INVESTOR RELATIONS

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FINANCIAL CALENDAR

11 February 2013	Balance sheet press conference
6 March 2013	Annual General Meeting
8 March 2013	Ex-dividend day
12 March 2013	Dividend payment day
8 May 2013	Publication of results for the first quarter of 2013
8 August 2013	Publication of results for the first half of 2013
8 November 2013	Publication of results for the first three quarters of 2013

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The English translation of this PALFINGER report is for convenience. Only the German text is binding. Minimal arithmetical differences may arise from the application of commercial rounding to individual items and percentages in this interim report.

This report contains forward-looking statements made on the basis of all information available at the date of the preparation of this report. Forward-looking statements are usually identified by the use of terminology such as “expect”, “plan”, “estimate”, “believe”, etc. Actual outcomes and results may be different from those predicted.

Published on 9 November 2012.

Cover image: Hans Friedrich, Managing Director of EPSILON

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