

OUR **POWER OF ATTRACTION** IS STRONGER THAN EVER

INTERIM REPORT FOR THE FIRST THREE QUARTERS OF 2013



PALFINGER

FINANCIAL HIGHLIGHTS OF THE PALFINGER GROUP

EUR thousand	Q1–Q3 2013	Q1–Q3 2012	Q1–Q3 2011	Q1–Q3 2010	Q1–Q3 2009
Income					
Revenue	716,068	688,220	624,002	464,916	387,903
EBITDA	79,310	74,413	73,536	40,342	12,300
EBITDA margin	11.1%	10.8%	11.8%	8.7%	3.2%
EBIT	55,996	51,957	52,442	23,664	(3,926)
EBIT margin	7.8%	7.5%	8.4%	5.1%	(1.0%)
Result before income tax	46,307	43,918	43,287	19,373	(10,653)
Consolidated net result for the period	34,302	31,747	32,661	11,711	(9,812)
Balance sheet					
Total assets	859,559	791,276	734,843	644,769	615,698
Net working capital (average)	181,729	149,420	117,823	133,309	157,578
Capital employed (average)	604,151	541,891	496,094	456,085	463,619
Equity	381,242	367,103	339,477	315,791	286,939
Equity ratio	44.4%	46.4%	46.2%	49.0%	46.6%
Net debt	243,199	187,866	169,804	152,361	161,525
Gearing	63.8%	51.2%	50.0%	48.2%	56.3%
Cash flows and investments					
Cash flows from operating activities	29,109	30,969	30,711	32,887	33,552
Free cash flows	7,040	25	3,509	6,844	28,520
Net investments	28,090	34,635	17,116	9,207	10,351
Depreciation, amortization and impairment	23,314	22,456	21,094	16,678	16,226
Payroll					
Average payroll during the reporting period*	6,436	6,064	5,972	4,494	4,567

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

CONSOLIDATED MANAGEMENT REPORT AS AT 30 SEPTEMBER 2013

ECONOMIC ENVIRONMENT

In the first three quarters of 2013, the global economy remained weak. The emerging markets continued to record significantly higher growth rates than the leading advanced economies, yet remained below the peaks of previous years. In the USA, growth has very recently picked up despite the country's severe budget crisis. The International Monetary Fund (IMF) expects that, despite the existing downside risks, global growth will become more dynamic, with much of the improvement being driven by the industrial nations, in particular the USA. The IMF projects global growth of 2.9 per cent in 2013, rising to 3.6 per cent in 2014.

Europe's economy was marked by a modest upswing in the third quarter, and the euro-area countries seem to be gradually pulling out of recession. Also the PIIGS countries saw some signs of improvement. In the period under review, central issues in the European Union were the stabilization of the financial systems and the creation of a banking union. The IMF expects the economy in the euro area to contract by 0.4 per cent in 2013, with a 2014 return to growth, at a rate of 1.0 per cent.

Economic growth in the countries of Central and Eastern Europe continued to be solid, and projections are for 2.3 per cent in 2013 and 2.7 per cent in 2014. In Russia, the economy lost momentum in the period under review; investments were at a low level and household consumption was sluggish. Economic growth for the 2013 financial year will be below initial expectations, but still above the average of the large industrial nations.

In the USA, private demand has recently been extremely strong, but public sector demand has still been weak. In September there was mounting uncertainty due to the political standoff over the budget and the necessary raising of the debt ceiling, but in mid-October a stop-gap solution ultimately prevented a threatening US default. As a result of the budget crisis, the Federal Reserve will probably not abandon its loose monetary policy as soon as previously expected. The IMF forecasts that the US economy will grow by 1.6 per cent in 2013 and 2.6 per cent in 2014.

Most recently, Latin America's economy has been strongly impacted by the weak economic growth recorded by Brazil. The third quarter was marked by increasing investments, while household consumption was still sluggish. The country's renunciation of its former loose fiscal and monetary policy has the objective of combatting high inflation and promoting sustainable growth. The most recent forecast for Brazil's economic growth was 2.5 per cent for 2013 and 2014.

In Asia's emerging markets, economic growth remains considerably higher than in the leading advanced economies but well below the elevated levels seen in recent years, for both cyclical and structural reasons. The fact that the awaited economic upswing has yet failed to materialize in the advanced economies is an additional burden on the Chinese export sector. Nevertheless, the Chinese economy is still expected to reach its growth target; the IMF forecasts 7.6 per cent growth in 2013, decelerating to 7.3 per cent in 2014.

The financial markets developed quite positively in the first three quarters of 2013, with political and economic uncertainties being reflected in fluctuations. International stock markets consistently gained in value. Commodity markets were also impacted by these uncertainties and the related volatility in the first three quarters of 2013, and prices generally went down. At the end of September, the price of a barrel of Brent crude was USD 108.21, slightly lower than at the end of 2012.

After depreciating against the US dollar and the Chinese yuan in the first half of 2013, the euro firmly held its ground at a high level in the third quarter and even appreciated against the Brazilian real. On 30 September 2013, the euro was trading at USD 1.35, CNY 8.29 and BRL 3.01.

PERFORMANCE OF THE PALFINGER GROUP

In the first three quarters of 2013, the PALFINGER Group generated further growth. Even though the economic environment in Europe remained difficult, the Group's longstanding internationalization strategy allowed PALFINGER to expand its business and record increases in revenue as compared to the same period in 2012. PALFINGER thus performed exceedingly well in comparison with other market players and managed to solidify its leading market position.

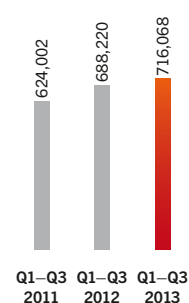
The basis for this success was the constantly positive development of the areas outside Europe as well as the strong performance of the Marine business area. In the third quarter, a slight upward trend was recorded in Europe as well. Earnings also rose above the satisfactory level recorded in 2012.

The greatest potential for the future has been identified in the BRIC countries and the global Marine business area. PALFINGER has already taken decisive steps to position itself on these markets and continues to steadfastly pursue this strategy. The cooperation with the Chinese joint-venture partner SANY has already borne first fruit. Both the joint-venture company Sany Palfinger in China and the sales joint venture for Europe and CIS, Palfinger Sany, have recorded satisfactory sales success. The partnership is now being intensified through the planned acquisition of economic interests in each other's companies.

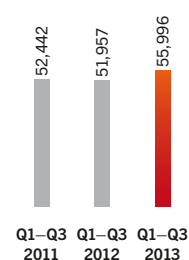
Consistent management of fixed costs and capital employed as well as an increase in flexibility at all levels of value creation have proved their worth and have contributed to these stable results. Therefore, these issues will remain a priority and are expected to ensure sustainable, profitable growth for the future.

In the first three quarters of 2013, PALFINGER's revenue achieved a new record value of EUR 716.1 million, which is 4.0 per cent above the revenue of EUR 688.2 million reported for the first three quarters of 2012. Growth was, to a large extent, generated in the areas outside Europe and in the Marine business area. The declining revenue in the European core markets was compensated, in particular, by the acquisition of PALFINGER DREGGEN, which had taken place in 2012, as well as by the acquisition of a larger interest in the Romanian production company Nimet Srl in the second quarter of 2013.

In the first nine months of 2013, EBIT amounted to EUR 56.0 million. In comparison with the operating result recorded in the first three quarters of 2012, EUR 52.0 million, this represents a 7.8 per cent increase. Earnings in Europe declined, whereas the AREA UNITS segment and the Marine business area saw significant increases. In addition, the acquisition of a larger interest in Nimet had a positive one-time effect. Thus, the EBIT margin was raised from 7.5 per cent to 7.8 per cent. At EUR 34.3 million, the consolidated net result for the period under review was above the previous year's level of EUR 31.7 million.

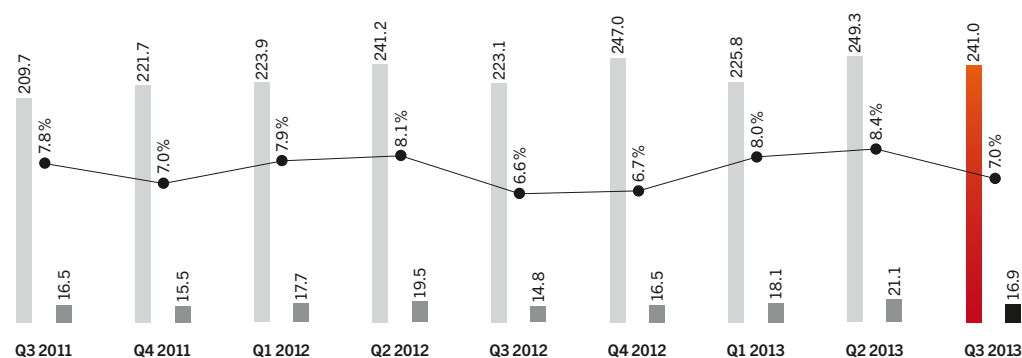


DEVELOPMENT OF REVENUE
(EUR thousand)



DEVELOPMENT OF EBIT
(EUR thousand)

The performance over the individual quarters since 2011 shows the continuous growth of the PALFINGER Group with seasonal fluctuations.



DEVELOPMENT OF REVENUE AND EBIT (EUR million)

■ Revenue
■ EBIT
● EBIT margin (in per cent)

All in all, business in the European core markets was slower in the first three quarters of 2013 than in 2012, with the countries presenting a mixed picture: while Germany and France – the strongest markets in terms of revenue – recorded declines, performance in Great Britain, Finland and Denmark was highly positive. A slight plus in revenue was also recorded in Austria and Switzerland.

The increase in demand in North and South America over several quarters and the further increase in revenue in Russia were highly satisfactory. PALFINGER expects this trend to continue due to additional upcoming investments in infrastructure, in Brazil mainly in connection with the World Football Championship 2014 and the Summer Olympic Games 2016. Also, the introduction of additional product groups in these areas is believed to be a contributing factor.

Business performance in Asia, in particular in the Chinese market, was positive as well in the reporting period. The successful partnership with SANY will be further expanded through the acquisition of participations in each other's companies.

FINANCIAL POSITION, CASH FLOWS AND RESULT OF OPERATIONS

As of the beginning of the 2013 financial year, the income statement is being prepared using the cost of sales method. Given that this method is used by the majority of companies within the industry, it has been chosen in order to improve comparability in light of the PALFINGER Group's increasingly international operations. The previous year's figures shown in this interim report have also been presented in this format, and reconciliation has been made in the notes to the interim consolidated financial information.

At 44.4 per cent, the equity ratio was still at a high level at the end of the first three quarters of 2013, being only slightly lower than the figure reported at the end of the first three quarters of 2012 (30 Sept 2012: 46.4 per cent). Despite the payment of dividends in the first quarter, equity rose from EUR 367.1 million as at 30 September 2012 to EUR 381.2 million as at 30 September 2013 due to the positive result achieved. Total assets increased compared to the first three quarters of 2012, from EUR 791.3 million to EUR 859.6 million, primarily as a consequence of the acquisitions of the companies Tercek and PALFINGER DREGGEN, the Platforms Italy joint venture and the increase in PALFINGER's interest in Nimet Srl.

The average net working capital increased from EUR 149.4 million in the first three quarters of 2012 to EUR 181.7 million in the reporting period, primarily in connection with the necessity of building up inventories in the growth markets of the area units and also as a result of the acquisitions made. The average capital employed rose by EUR 62.3 million to EUR 604.2 million. Targeted Group-wide capital employed management is being applied in order to achieve further optimization.

The main reasons for the rise in net debt were the acquisition of PALFINGER DREGGEN and the early payment of the earn-out obligation arising from the acquisition of Palfinger Marine in the fourth quarter of 2012, capacity investments in the area units and the payment of dividends for 2012. These investments were financed through the issue of a promissory note loan with a volume of EUR 77.5 million in October 2012 and the refinancing of maturing loans in the amount of EUR 50 million. As a consequence, net debt increased by 29.5 per cent year on year to EUR 243.2 million as at the end of the third quarter of 2013 (30 Sept 2012: EUR 187.9 million) and the gearing ratio rose to 63.8 per cent (30 Sept 2012: 51.2 per cent).

In connection with the issue of the promissory note loan, current financial liabilities were transferred to non-current financial liabilities. Hence, 91.3 per cent of PALFINGER's total capital employed has been secured on a long-term basis.

At EUR 29.1 million, cash flows from operating activities for the first three quarters of 2013 were slightly below the level achieved in the same period of 2012 (Jan–Sept 2012: EUR 31.0 million). Free cash flows were EUR 7.0 million, highlighting PALFINGER's ongoing financing power.

At EUR 716.1 million, revenue in the reporting period was slightly higher than in the first three quarters of 2012, when it came to EUR 688.2 million. Third-quarter revenue increased year on year as well, namely by 8.0 per cent (Q3 2012: EUR 223.1 million; Q3 2013: EUR 241.0 million).

EBIT amounting to EUR 56.0 million (Jan–Sept 2012: EUR 52.0 million) and the Group's consolidated net result of EUR 34.3 million (Jan–Sept 2012: EUR 31.7 million) demonstrate that PALFINGER is still growing. This positive development of earnings was attributable not only to the AREA UNITS segment but also to the Marine business area. In addition, in the second quarter of 2013, a special effect resulted from the appreciation of non-controlling interests in the EUROPEAN UNITS segment.

OTHER EVENTS

The strategic projects of previous years were continued in the period under review. Internationalization remains one of the Group's priorities, as geographically balanced diversification is an essential success factor. The next steps in the growth process have been evaluated with a focus on China, Brazil, Russia and the Marine business area.

At the end of September, PALFINGER and SANY announced their plan to further expand their strategic partnership by way of acquiring a 10 per cent economic interest in each other's companies. Half of the stake in PALFINGER AG to be acquired by SANY Heavy Industries is to take the form of new shares issued to SANY from the authorized capital of PALFINGER AG; the other half of the stake is to be effected through the acquisition of existing shares from the Palfinger family. The price payable by SANY will be EUR 29 per share. As a result of the Palfinger family's willingness to support SANY's participation by selling a portion of their existing stock ownership, the expansion of outstanding shares of PALFINGER AG will be limited to the 5 per cent of newly issued shares. In return, PALFINGER AG will acquire a 10 per cent interest in SANY's lifting business. SANY Lifting is the unit within the SANY Group that specializes in mobile, tower and crawler cranes and is of a comparable size to PALFINGER AG.

PALFINGER's participation in the Romanian company Nimet Srl, specializing in nickel and nickel-chrome plating and producing bars, tubes and hydraulic cylinders, was raised from 40 to 60 per cent by a purchase agreement dated 13 June 2013. This move will contribute to the stabilization of value-creation processes in components manufacturing and to the continuous further development of manufacturing technology, and will create necessary resources for the future.

At the end of August, the PALFINGER Group signed a contract with the Korean company MCT Engineering Co., Ltd. (MCT ENG), a major partner and supplier of PALFINGER DREGGEN. Under this contract, PALFINGER will take over assets and operations of MCT ENG in connection with the production of marine and offshore cranes. This transaction will support the growth already recorded by PALFINGER in this area.

In addition, at the beginning of October, PALFINGER entered into a production joint venture with its long-standing partner Koch Metalúrgica in Brazil for the joint assembly, testing and commissioning of offshore cranes. It is within this joint venture that one of the two large-scale orders of February is to be executed.

The targeted capital employed management process and the further optimization of the fixed cost structure will also be continued on a Group-wide basis, the purpose being to facilitate additional investment endeavours in support of planned growth.

In the first quarter of 2013, a lean administration initiative was started. With this initiative, the principles of lean management, which have been implemented in value-creation processes, will be applied to administrative procedures as well.

The reorganization of the Group's structure under company law, initiated in the 2011 financial year, was continued. As at 1 July 2013, the US subsidiaries Interlift, Inc., Omaha Standard, Inc. and Palfleet Truck Equipment, Co. were transformed into LLCs. At the same time, Interlift, Inc. was renamed Palfinger Lift-gates, LLC.

Construction work for PALFINGER's new Group headquarters in Bergheim, Salzburg, Austria, officially began on 15 October with a ground-breaking ceremony. It is expected that the headquarters will be completed and the staff relocated in 2015.

The PALFINGER Group aims to double its annual revenue to approx. EUR 1.8 billion by 2017. In support of this long-term goal, the Supervisory Board passed a resolution in September to renew the contracts of all four members of the Management Board until the end of 2018. The management board set up a five-year incentive programme for the executive team of the PALFINGER Group. This programme is tied to these revenue and profitability targets as well, and is intended to increase the commitment and motivation of the key management team.

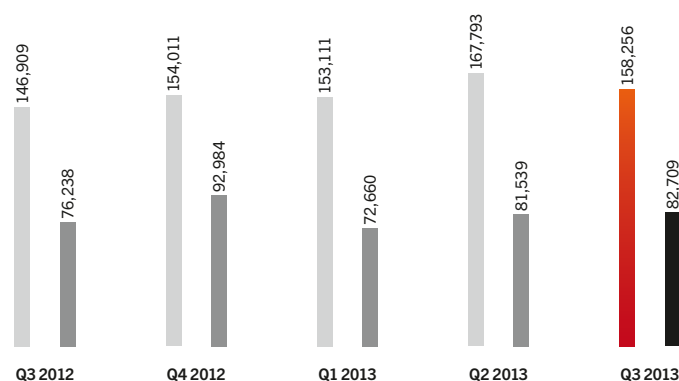
In the first nine months of 2013, PALFINGER's Management Board and investor relations team participated in numerous international road shows and investor conferences to meet the unbroken strong interest in PALFINGER shares.

In the period under review, the price of PALFINGER shares once again showed a significant increase. As at the end of the third quarter of 2013, it was EUR 28.90 – 75.8 per cent higher than 2012's year-end value of EUR 16.44. Hence, PALFINGER clearly outperformed the ATX, the leading index of the Austrian Stock Exchange, and was among the top performers on the Vienna Stock Exchange. Since May 2013, PALFINGER shares have also been included in the new index "ATX Global Players" launched by the Vienna Stock Exchange.

The Vienna Stock Exchange Award 2013 went to PALFINGER in the category of best small and mid cap listed on the Vienna Stock Exchange. In addition, the Company received two recognition prizes at the Austrian Export Awards 2013 of the Federal Economic Chamber, in the category Industry and the Global Player Award.

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 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 business area, which is composed of the five business units Marine Cranes, Wind Cranes, Offshore Cranes, Launch & Recovery Systems and After Sales & Service.

In the first three quarters of 2013, the EUROPEAN UNITS segment reported revenue of EUR 479.2 million, corresponding to an increase of 3.5 per cent compared to the first three quarters of 2012, when revenue was EUR 463.0 million. For the most part, this increase was brought about on the basis of the success achieved by the globally operating Marine business area and the business unit Production, which recorded a positive effect from the acquisition of Nimet.

At EUR 62.3 million, the segment's EBIT was 7.1 per cent higher than in the first three quarters of 2012, when it was EUR 58.1 million. The EBIT margin for this segment was kept at a high level and came to 13.0 per cent.

Loader Cranes

In the business unit Loader Cranes, the first three quarters of 2013 were marked by declines in markets usually posting high revenue, namely Germany, France and Sweden. While performance in Southern Europe remained at a very low level, PALFINGER recorded positive developments in Great Britain, Denmark and Finland. In addition, gains in revenue were generated in Austria and Switzerland. During the reporting period, PALFINGER kept business in Eastern Europe at the same level as in the previous year. In the third quarter of 2013, core markets, in particular Germany, started to show signs of a slight recovery. PALFINGER estimates that this was due primarily to the changeover to the new Euro 6 emission standard for trucks. Given the satisfactory incoming orders in recent months, increases in earnings may be expected for this business unit.

EPSILON Timber and Recycling Cranes

Declines in revenue were also recorded in the business unit EPSILON Timber and Recycling Cranes in the first three quarters of 2013. The level of earnings continues to be remarkably good. Brazil, Russia and North America, which are young markets for this product group, have been making positive contributions to earnings for several quarters. In cooperation with the respective business areas, strategies for further market development are being prepared. The order situation in recent months has been highly satisfactory in this business unit as well.

Tail Lifts

Another business unit to record declines in revenue in the first three quarters of 2013 was Tail Lifts. The existing product portfolio was enhanced in order to better meet market needs. In the third quarter, two new products were presented to the market. The changeover to the Euro 6 standard is expected to stimulate the market in the fourth quarter of the year, primarily in Germany.

Access Platforms

This business unit managed to record a slight year-on-year improvement in revenue. Performance in Southern Europe remained weak, but increases were recorded in France and Turkey. In addition, the joint venture established in Italy in the first half of 2013 in order to develop the mid-market segment for small trucks is starting to show a positive impact. PALFINGER also sees potential for this segment in other regions, for instance CIS.

Container Handling Systems

Despite the challenging market situation and a decline in revenue, PALFINGER's business unit Container Handling Systems generated a clearly positive contribution to earnings, proving the sustainable nature of the turnaround achieved. In order to be able to cater to increasingly international markets, intense product development efforts are being made.

Truck Mounted Forklifts

In the business unit Truck Mounted Forklifts, revenue and earnings declined, primarily in the third quarter of 2013. As market development in Germany, the main market for this product, remained uncertain, incoming orders failed to meet expectations. In order to further promote this product group and to balance out the volatility of some geographical markets, PALFINGER continues to work on broadening its customer base, also outside Germany. Additional potential is seen in new markets such as Poland or South Africa.

Railway Systems

In Railway Systems, which is a trendsetting business unit for PALFINGER in terms of innovation and technological development, the revenue level achieved in the first three quarters of 2012 was maintained. The highly satisfactory order level gives reason to expect that this unit's contributions to earnings will be even higher in the future. PALFINGER sees substantial growth potential, primarily in international markets. Sizeable orders were placed with PALFINGER recently in China and in the Arab countries. In Europe, also, the expected investments in the public sector as well as product enhancements and increased service competence are expected to enable further growth.

Marine

In the period under review, the Marine business area and its five units recorded the expected growth in revenue and good operating results. The strong revenue increases were made possible primarily by the acquisition of PALFINGER DREGGEN. Moreover, a substantial contribution to earnings was made by the business unit Marine Cranes. The continuous development of distribution and assembly structures, marked by the acquisition of the production partner in Korea and the establishment of Palfinger Dreggen do Brasil, has also brought new impetus to the business unit Wind Cranes and is facilitating the fulfilment of large-scale orders.

Production

A slightly higher capacity utilization than in the previous year and the positive effect from the acquisition of Nimet have resulted in an improvement of this unit's contribution to earnings. Moreover, further process enhancements in production have had a positive impact on earnings. Manufacturing for third parties was expanded further, even though the market environment was difficult.

AREA UNITS

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

Most of the business areas outside Europe are still being developed, reinforced by the Group's own initiatives and acquisitions. The continued weakness of the European market environment highlights the importance of the internationalization course pursued by the PALFINGER Group. In the first three quarters of 2013, the share in the consolidated revenue generated by areas outside Europe rose to 33.1 per cent. The medium-term objective is to generate two thirds of the consolidated revenue in these regions.

Revenue generated by the AREA UNITS segment increased by 5.2 per cent, from EUR 225.3 million in the first three quarters of 2012 to EUR 236.9 million in the reporting period. Growth was boosted primarily by the Asian, North American and CIS regions.

As a result of the sustainable, positive development, PALFINGER has reported a positive operating result for the segment for nearly two years. In the first three quarters of 2013, despite further investments into less-developed areas such as India or Asia and Pacific, the segment's EBIT improved by 17.6 per cent, from EUR 6.2 million in the same period of the previous year to EUR 7.3 million.

North America

In North America, the previous year's good level was slightly exceeded in terms of both revenue and earnings. This was made possible primarily by the product groups tail lifts, access platforms and mounting solutions for pick-up trucks. The satisfactory order situation in the field of cranes suggests a further augmentation of this product segment's contributions to earnings in the future.

South America

South America has again proved itself as a significant future market for the PALFINGER Group. Revenue remained at the highly satisfactory level achieved in the previous year, and earnings quality was further enhanced through optimization measures in the production and administration processes. Additional growth is to be expected, for instance as a result of the upcoming large-scale sports events in Brazil. Moreover, PALFINGER is consistently pursuing the introduction of additional products such as EPSILON timber and recycling cranes, access platforms, tail lifts and passenger lifts, and the further improvement of the local loader crane series.

Asia and Pacific

The business area Asia and Pacific recorded further substantial increases in revenue, even though revenue is still at a low level. The start-up of the Chinese joint venture with SANY is progressing as planned. In order to bolster this successful cooperation, capital interlinking between the groups was planned in the period under review. The development of both the dealer network and local value creation in China has brought increasing success and will be further pursued consistently. Moreover, the market introduction of additional product groups in all Asian countries is already being considered.

India

In India, revenue remained at a low level, as the difficult market situation allowed for only a marginal augmentation. The downward tendency of economic growth and liquidity bottlenecks in infrastructure projects were clearly noticeable in the first three quarters. PALFINGER will continue with the expansion of local value creation at the Chennai site and with the adjustment of the distribution organization to comply with local requirements. The start-up costs were lowered through optimization measures.

CIS

Following extraordinarily strong increases in revenue in 2012, PALFINGER once again exceeded the previous year's high level in the reporting period. Moreover, the enhanced processes and increases in productivity led to an exceptional augmentation of earnings. Judging by the incoming orders, this positive trend is likely to continue. In addition to new local product developments in the field of loader cranes, PALFINGER is also taking steps to promote the introduction of other PALFINGER products into the Russian market. The construction measures required to double production capacities at INMAN were started in the third quarter of 2013.

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 2013, priority was placed on projects related to continuing the internationalization path pursued by the PALFINGER Group. The focus was primarily on the further development of the South American and Russian regions and the Marine business area as well as related potential acquisitions or partnerships. This unit's EBIT for the first three quarters of 2013 was –EUR 13.2 million, as compared to –EUR 10.8 million for the same period in 2012.

OUTLOOK

The persistently challenging market environment has confirmed the importance of the three strategic pillars of the PALFINGER Group – internationalization, innovation and flexibility. Without PALFINGER's consistent efforts in these areas over many years, the growth recorded by the Group would not have been possible. PALFINGER will therefore continue to pursue its long-term Group strategy in order to generate sustainable, profitable growth in the future as well.

The next steps towards growth will most likely be taken primarily in Brazil and Russia and also in the Marine business area. The joint venture with SANY in China has been successful ever since it started operations approximately one year ago. PALFINGER now regards the planned mutual shareholdings as a cornerstone for the further expansion of the proven cooperation. Moreover, SANY Lifting is also an attractive investment. For SANY, the close cooperation with PALFINGER also signifies an important step towards the global market; the interlinking will thus strengthen both groups of companies.

The Group's flexibility will be continuously developed in all fields. Order-based procurement, manufacturing and assembly have enabled PALFINGER to respond to order fluctuations quickly without running the risk of locking up excessive capital by increasing inventories. PALFINGER will continue to pursue its expansion course consistently, above all in the acquired companies.

The diversity of PALFINGER's products, the Group's expansion through acquisitions and its increasing internationalization make complexity management an essential focus for the Group. Therefore, PALFINGER continues to pursue its Group-wide value-creation project launched in 2012, with the objective of enhancing the Group's major competitive advantage – its global organization – for the future.

The 2013 financial year is also marked by the second phase of restructuring under company law. The aim is to adjust the Group's legal structure to its organizational structure. As a consequence, internal complexity is to be reduced and transparency to the outside increased.

The visibility of PALFINGER's business and hence reliability of planning continue to be limited due to prevailing market uncertainty. However, PALFINGER's trend monitoring suggests slightly positive development. As a consequence, the management still expects a moderate increase in revenue, coming primarily from the areas outside Europe and the Marine business area, for the 2013 financial year. In addition, it is estimated that these areas will make even more substantial contributions to earnings.

PALFINGER sees the potential to double consolidated annual revenue to approx. EUR 1.8 billion by 2017. The Company intends to reach this goal primarily by boosting the introduction of the entire product portfolio in the BRIC markets. The Marine business area harbours great potential as well. The management plans to reach this long-term revenue target through organic as well as inorganic growth.

INTERIM CONSOLIDATED FINANCIAL INFORMATION AS AT 30 SEPTEMBER 2013

This interim consolidated financial information of PALFINGER AG
was neither fully audited nor reviewed by an auditor.

CONSOLIDATED INCOME STATEMENT*

EUR thousand	Note	July–Sept 2013	July–Sept 2012	Jan–Sept 2013	Jan–Sept 2012
Revenue		240,965	223,147	716,068	688,220
Cost of sales		(182,830)	(174,119)	(542,725)	(526,530)
Gross profit		58,135	49,028	173,343	161,690
Other operating income	2	2,832	3,438	9,487	11,787
Research and development costs		(6,164)	(5,688)	(18,396)	(16,678)
Distribution costs		(17,360)	(16,713)	(54,596)	(50,732)
Administrative expenses		(19,379)	(15,004)	(56,912)	(51,816)
Other operating expenses		(2,699)	(1,370)	(6,715)	(6,014)
Income from associated companies	3	1,513	1,095	9,785	3,720
Earnings before interest and taxes – EBIT		16,878	14,786	55,996	51,957
Interest income		127	236	525	432
Interest expenses		(2,996)	(2,640)	(9,061)	(7,977)
Exchange rate differences		93	(86)	(1,153)	(289)
Other financial result		0	(205)	0	(205)
Net financial result		(2,776)	(2,695)	(9,689)	(8,039)
Result before income tax		14,102	12,091	46,307	43,918
Income tax expense		(3,229)	(3,320)	(8,795)	(8,678)
Result after income tax		10,873	8,771	37,512	35,240
attributable to					
shareholders of PALFINGER AG (consolidated net result for the period)		9,614	7,888	34,302	31,747
non-controlling interests		1,259	883	3,210	3,493
EUR					
Earnings per share (undiluted and diluted)	6	0.27	0.22	0.97	0.90
Average number of shares outstanding		35,398,555	35,380,923	35,398,555	35,380,923

* The presentation has been adjusted (see Note "Adjustments with retrospective effect" and Note 1 to the consolidated income statement).

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR thousand	July–Sept 2013	July–Sept 2012	Jan–Sept 2013	Jan–Sept 2012
Result after income tax	10,873	8,771	37,512	35,240
Amounts that may be reclassified to the income statement in future periods				
Unrealized profits (+)/losses (–) from foreign currency translation	(5,641)	(1,465)	(10,352)	(204)
Deferred taxes thereon	321	0	214	0
Effective taxes thereon	109	0	280	0
Unrealized profits (+)/losses (–) from cash flow hedge				
Changes in unrealized profits (+)/losses (–)	(17)	(1,004)	1,203	(1,277)
Deferred taxes thereon	(191)	60	244	90
Effective taxes thereon	202	191	(508)	229
Realized profits (–)/losses (+)	130	(97)	355	(346)
Deferred taxes thereon	(52)	(60)	(125)	(66)
Effective taxes thereon	0	85	17	153
Other comprehensive income after income tax	(5,139)	(2,290)	(8,672)	(1,421)
Total comprehensive income	5,734	6,481	28,840	33,819
attributable to				
shareholders of PALFINGER AG	4,673	5,752	25,899	30,313
non-controlling interests	1,061	729	2,941	3,506

CONSOLIDATED BALANCE SHEET

EUR thousand	Note	30 Sept 2013	31 Dec 2012	30 Sept 2012
Non-current assets				
Intangible assets		174,517	165,440	150,875
Property, plant and equipment	4	217,323	208,776	209,306
Investment property		373	387	391
Investments in associated companies	5	13,685	14,977	15,136
Deferred tax assets		21,318	25,112	21,909
Non-current financial assets		1,888	5,910	5,892
Other non-current assets		1,537	1,401	1,577
		430,641	422,003	405,086
Current assets				
Inventories		226,440	202,519	220,070
Trade receivables		161,051	141,240	131,280
Other current assets		23,352	20,040	22,718
Tax receivables		4,646	3,287	1,562
Cash and cash equivalents		13,429	24,476	10,560
		428,918	391,562	386,190
Total assets		859,559	813,565	791,276
Equity				
Share capital		35,730	35,730	35,730
Additional paid-in capital		30,731	30,616	30,608
Treasury stock		(1,790)	(1,858)	(1,858)
Retained earnings	6	322,248	299,895	300,659
Foreign currency translation reserve		(15,548)	(5,983)	(3,282)
		371,371	358,400	361,857
Non-controlling interests		9,871	6,474	5,246
		381,242	364,874	367,103
Non-current liabilities				
Liabilities from puttable non-controlling interests	7	17,021	18,999	13,169
Non-current financial interests		188,815	204,777	142,812
Non-current provisions	8	35,917	34,610	50,144
Deferred tax liabilities		8,053	7,388	6,172
Other non-current liabilities		3,413	3,019	3,503
		253,219	268,793	215,800
Current liabilities				
Current financial liabilities		69,836	44,463	69,631
Current provisions		12,500	13,046	13,601
Tax liabilities		5,198	3,609	3,772
Trade payables and other current liabilities		137,564	118,780	121,369
		225,098	179,898	208,373
Total equity and liabilities		859,559	813,565	791,276

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

		Equity attributable to the shareholders of PALFINGER AG	
EUR thousand	Note	Share capital	Additional paid-in capital
As at 1 Jan 2012		35,730	30,477
Total comprehensive income			
Result after income tax		0	0
Other comprehensive income after income tax			
Unrealized profits (+)/losses (–) from foreign currency translation		0	0
Unrealized profits (+)/losses (–) from cash flow hedge		0	0
		0	0
Transactions with shareholders			
Dividends		0	0
Reclassification non-controlling interests	7	0	0
Disposal non-controlling interests		0	0
Other changes		0	131
		0	131
As at 30 Sept 2012		35,730	30,608
As at 1 Jan 2013		35,730	30,616
Total comprehensive income			
Result after income tax		0	0
Other comprehensive income after income tax			
Unrealized profits (+)/losses (–) from foreign currency translation		0	0
Unrealized profits (+)/losses (–) from cash flow hedge		0	0
		0	0
Transactions with shareholders			
Dividends	6	0	0
Reclassification non-controlling interests	7	0	0
Addition non-controlling interests		0	0
Disposal non-controlling interests		0	0
Other changes		0	115
		0	115
As at 30 Sept 2013		35,730	30,731

Equity attributable to the shareholders of PALFINGER AG							
Treasury stock	Retained earnings			Foreign currency translation reserve	Total	Non-controlling interests	Equity
	Other retained earnings	Actuarial gains/losses acc. to IAS 19	Valuation reserves acc. to IAS 39				
(2,009)	287,194	(1,054)	(664)	(3,065)	346,609	6,171	352,780
0	31,747	0	0	0	31,747	3,493	35,240
0	0	0	0	(217)	(217)	13	(204)
0	0	0	(1,217)	0	(1,217)	0	(1,217)
0	31,747	0	(1,217)	(217)	30,313	3,506	33,819
0	(13,437)	0	0	0	(13,437)	(3,850)	(17,287)
0	(1,856)	0	0	0	(1,856)	(457)	(2,313)
0	0	0	0	0	0	(116)	(116)
151	(54)	0	0	0	228	(8)	220
151	(15,347)	0	0	0	(15,065)	(4,431)	(19,496)
(1,858)	303,594	(1,054)	(1,881)	(3,282)	361,857	5,246	367,103
(1,858)	305,879	(3,093)	(2,891)	(5,983)	358,400	6,474	364,874
0	34,302	0	0	0	34,302	3,210	37,512
0	0	0	0	(9,589)	(9,589)	(269)	(9,858)
0	0	0	1,186	0	1,186	0	1,186
0	34,302	0	1,186	(9,589)	25,899	2,941	28,840
0	(13,448)	0	0	0	(13,448)	(3,500)	(16,948)
0	1,210	0	0	0	1,210	(351)	859
0	0	0	0	0	0	4,701	4,701
0	(870)	0	0	24	(846)	(384)	(1,230)
68	(27)	0	0	0	156	(10)	146
68	(13,135)	0	0	24	(12,928)	456	(12,472)
(1,790)	327,046	(3,093)	(1,705)	(15,548)	371,371	9,871	381,242

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR thousand	Jan–Sept 2013	Jan–Sept 2012
Result before income tax	46,307	43,918
Cash flows from operating activities	29,109	30,969
Cash flows from investing activities	(28,666)	(36,607)
Cash flows from financing activities	(10,859)	972
Total cash flows	(10,416)	(4,666)
Free cash flows	7,040	25
EUR thousand	2013	2012
Funds at 1 Jan	24,476	15,137
Effects of foreign exchange differences	(631)	89
Total cash flows	(10,416)	(4,666)
Funds at 30 Sept	13,429	10,560

SEGMENT REPORTING

EUR thousand	External revenue		Internal revenue		EBIT	
	Jan–Sept 2013	Jan–Sept 2012	Jan–Sept 2013	Jan–Sept 2012	Jan–Sept 2013	Jan–Sept 2012
EUROPEAN UNITS	479,160	462,956	58,581	50,844	62,257	58,147
AREA UNITS	236,908	225,264	29	34	7,274	6,187
VENTURES	—	—	—	—	(13,232)	(10,772)
Segment consolidation	—	—	(58,610)	(50,878)	(303)	(1,605)
PALFINGER Group	716,068	688,220	0	0	55,996	51,957

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL INFORMATION

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 2012 financial year were applied to this condensed interim consolidated financial information of PALFINGER AG and its subsidiaries as at 30 September 2013, which was prepared on the basis of IAS 34. The consolidated financial statements for the year ended 31 December 2012 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 2012.

CHANGES IN ACCOUNTING AND VALUATION METHODS

The application of IFRS 13 Fair Value Measurement became mandatory for the first time for the period starting on 1 January 2013. IFRS 13 lists the criteria to be met when determining the fair value and has no material impact on the interim consolidated financial information. The first-time application of IFRS 13 results in additional information to be disclosed in the notes.

The amended standard IAS 1 Financial Statement Presentation resulted in a revised presentation of the statement of comprehensive income. The individual items of other comprehensive income are to be divided into items that may not be reclassified to the income statement and items that will be reclassified to the income statement if certain criteria are met. The statement of comprehensive income has been adjusted accordingly.

No further changes in accounting and valuation methods were made in the third quarter of 2013.

ADJUSTMENTS WITH RETROSPECTIVE EFFECT

PALFINGER AG is an internationally operating manufacturing company. On an international level, particularly in the manufacturing industry, the presentation of income statements prepared using the cost of sales method is by far more frequently used and has a higher informative value than the previously used total cost method. This circumstance has now been taken into account by changing the format of the consolidated income statement. With the new format, the results of the operations of PALFINGER AG are being presented in a more reliable and relevant manner. The consolidated income statements prepared according to the total cost method and the cost of sales method have been reconciled in the notes to the consolidated income statement.

SCOPE OF CONSOLIDATION

On 12 February 2013, Palfinger Platforms Italy S.r.l., Bolzano, Italy, was founded. Palfinger European Units GmbH, Salzburg, Austria, holds 80 per cent of the shares in this company.

On 19 February 2013, Palfinger Marine- und Beteiligungs-GmbH acquired the remaining 40 per cent of the shares in Palfinger Marine Pte. Ltd, Singapore, for a purchase price of EUR 1,230 thousand. This made Palfinger Marine- und Beteiligungs-GmbH the sole shareholder. The difference between the purchase price and the adjustment of the non-controlling interests in the amount of EUR 870 thousand was directly recorded in equity as retained earnings.

As at 1 July 2013, the US subsidiaries Interlift, Inc., Omaha Standard, Inc. and Palfleet Truck Equipment, Co. were transformed into LLCs. At the same time, Interlift, Inc. was renamed Palfinger Liftgates, LLC. This made it possible to form a tax group and to ensure that there was no need for impairment of the losses carried forward.

On 9 July 2013, Palfinger Dreggen Korea, Limited, Sacheon, Korea, was registered. Palfinger Marine- und Beteiligungs-GmbH, Salzburg, holds 100 per cent of the shares in this company, which was used as a special purpose vehicle for the acquisition of MCT Engineering Co., Ltd., Sacheon, Korea. For further details please see "Key events after the reporting date".

Under PALFINGER's project to optimize the Group's structure, which was already launched in 2012, PALFINGER's organizational structure under company law is being adjusted to the current management structure and the Group is being subdivided into investment companies and operating companies.

With effect as of 1 January 2013, MBB Palfinger GmbH, Ganderkesee, Germany, transferred 100 per cent of the shares in Interlift, Inc., Cerritos, USA, to Palfinger USA, Tiffin, USA. This transaction did not have any impact on the scope of consolidation.

Under the demerger agreement of 27 August 2013, 100 per cent of the shares held by Palfinger Marine- und Beteiligungs-GmbH in Palfinger CIS GmbH were demerged into Palfinger Area Units GmbH with retrospective effect as of 1 January 2013.

Acquisition of Nimet Srl

PALFINGER previously held a 40 per cent stake in the company Nimet Srl, carried at equity. On 13 June 2013, an additional 20 per cent of the shares were acquired from the previous majority owner, giving PALFINGER a controlling interest in Nimet Srl of 60 per cent.

At the time of acquisition, the purchase price was allocated on the basis of the preliminarily estimated fair values as follows:

EUR thousand	2013
Purchase price paid in cash	1,560
Unilateral capital increase	2,600
Fair value of interests already held	8,320
Pro-rata net assets of non-controlling interests	4,287
Subtotal	16,767
Net assets	(10,717)
Goodwill	6,050

The final valuation of the purchase price allocation will be effected within 12 months of the date of acquisition, once all the bases for calculating the fair values, in particular relating to the customer base and the brand, have been analyzed in detail.

The goodwill generated cannot be used for tax purposes.

The measurement of the previously held 40 per cent resulted in income of EUR 7,162 thousand, which is reported under income from associated companies.

At the time of acquisition, the net assets acquired, on the basis of the fair values, were broken down as follows:

EUR thousand	Fair value
Non-current assets	
Intangible assets	6,567
Property, plant and equipment	7,618
Other non-current assets	1
	14,186
Current assets	
Inventories	3,325
Trade receivables	5,176
Other current assets	447
Cash and cash equivalents	85
	9,033
Non-current liabilities	
Non-current financial liabilities	5,445
Deferred tax liabilities	1,032
	6,477
Current liabilities	
Current financial liabilities	475
Current provisions	151
Tax liabilities	41
Trade payables and other current liabilities	5,359
	6,025
Net assets	10,717

The trade receivables taken over have a gross value of EUR 5,259 thousand. The bad debt allowance for probable bad debt is EUR 83 thousand.

The goodwill associated with the acquisition primarily reflects the benefits expected from synergies, from the potential arising from market expansion, and from staff know-how.

Net cash flows from the acquisitions were as follows:

EUR thousand	2013
Cash flows from operating activities	
Transaction costs	(78)
Cash flows from investing activities	
Purchase price paid in cash	(1,560)
Cash and cash equivalents	85
Net cash flows from the acquisitions	(1,553)

Pro forma disclosures

Since its initial consolidation, Nimet Srl has contributed EUR 9,650 thousand to the consolidated revenue of PALFINGER AG and EUR 306 thousand to the consolidated net result for the period.

If the transaction had been made with effect from 1 January 2013, the consolidated net result for the period of PALFINGER AG would have been as follows:

EUR thousand	Jan–Sept 2013 stated	Jan–Sept 2013 pro forma
Revenue	716,068	728,170
Result after income tax	37,512	37,769
Earnings per share in EUR	0.97	0.97

NOTES TO THE CONSOLIDATED INCOME STATEMENT

(1) Reconciliation of the results according to the cost of sales method and the total cost method

As of the 2013 financial year, the consolidated income statement is no longer being prepared using the total cost method but according to the cost of sales method. The reconciliation from one format to the other is as follows:

Jan–Sept 2012

EUR thousand	Changes in inventories and own work capitalized	Materials and external services	Employee benefits expenses	Depreciation, amortization and impairment	Other income	Other expenses	Total
Cost of sales	13,394	(372,743)	(109,098)	(15,060)	0	(43,023)	(526,530)
Other operating income	0	0	0	0	12,603	(816)	11,787
Research and development costs	3,426	(839)	(14,195)	(2,289)	820	(3,601)	(16,678)
Distribution costs	(83)	(686)	(30,137)	(3,042)	0	(16,784)	(50,732)
Administrative expenses	(7)	(548)	(27,534)	(2,065)	0	(21,662)	(51,816)
Other operating expenses	0	0	0	0	0	(6,014)	(6,014)
Total	16,730	(374,816)	(180,964)	(22,456)	13,423	(91,900)	(639,983)

Jan–Sept 2013

EUR thousand	Changes in inventories and own work capitalized	Materials and external services	Employee benefits expenses	Depreciation, amortization and impairment	Other income	Other expenses	Total
Cost of sales	18,040	(387,327)	(115,526)	(14,429)	0	(43,483)	(542,725)
Other operating income	0	0	0	0	9,487	0	9,487
Research and development costs	5,067	(728)	(16,365)	(2,880)	819	(4,309)	(18,396)
Distribution costs	(82)	(589)	(32,693)	(3,178)	0	(18,054)	(54,596)
Administrative expenses	0	(382)	(29,984)	(2,827)	0	(23,719)	(56,912)
Other operating expenses	0	0	0	0	0	(6,715)	(6,715)
Total	23,025	(389,026)	(194,568)	(23,314)	10,306	(96,280)	(669,857)

(2) Other operating income

Other operating income, totalling EUR 1,678 thousand, relates to the reversal of a purchase price liability from acquisitions, as the local results generated by the unit make the utilization of this liability unlikely.

(3) Income from associated companies

Income from associated companies is comprised of the following:

EUR thousand	Jan–Sept 2013	Jan–Sept 2012
Share in the net result for the period	2,542	3,551
Income from the disposal of associated companies	81	169
Income from the revaluation of investments in associated companies due to acquisition	7,162	0
Total	9,785	3,720

NOTES TO THE CONSOLIDATED BALANCE SHEET

(4) Property, plant and equipment

Property, plant and equipment increased as compared to 31 December 2012 due to additions to land and buildings in the amount of EUR 1,683 thousand (previous year until 30 September 2012: EUR 12,480 thousand), plants, machinery and tools in the amount of EUR 4,883 thousand (previous year until 30 September 2012: EUR 3,497 thousand), fixtures, fittings and equipment in the amount of EUR 6,342 thousand (previous year until 30 September 2012: EUR 16,921 thousand) and assets under construction in the amount of EUR 7,006 thousand (previous year until 30 September 2012: EUR 9,494 thousand).

(5) Investments in associated companies

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

EUR thousand	2013	2012
As at 1 Jan	14,977	13,060
Additions	0	18
Share in the net result for the period	2,542	4,327
Dividends	(2,863)	(2,380)
Foreign currency translation	18	(48)
Disposals	(989)	0
As at 30 Sept/31 Dec	13,685	14,977

(6) Equity

The Annual General Meeting held on 6 March 2013 approved a resolution for payment of a dividend in the amount of EUR 13,448 thousand (previous year: EUR 13,437 thousand) out of the 2012 profits. This dividend – paid to PALFINGER AG shareholders on 12 March 2013 – was equivalent to a dividend of EUR 0.38 per share (previous year: EUR 0.38 per share).

The amount of EUR 3,500 thousand (previous year: EUR 3,850 thousand) was paid to the non-controlling shareholders of EPSILON Kran GmbH on 12 March 2013.

The movements in shares outstanding are shown below:

Shares	2013	2012
As at 1 Jan	35,389,410	35,361,160
Buyback of own shares	0	(500)
Exercise of stock option	12,500	28,750
As at 30 Sept/31 Dec	35,401,910	35,389,410

On the basis of a consolidated net result for the period of EUR 34,302 thousand (Jan–Sept 2012: EUR 31,747 thousand), undiluted earnings per share were EUR 0.97 (Jan–Sept 2012: EUR 0.90).

Due to the low dilution effect of the stock option programme, diluted earnings per share were identical to undiluted earnings per share.

(7) Liabilities from puttable non-controlling interests

As at 31 December 2012, PALFINGER held 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, of the NDM Group. The voting rights of the remaining 10 per cent of the share capital were held by PALFINGER under a trust structure. On 26 March 2013, 2 additional per cent and at the beginning of April the remaining 8 per cent of the share capital of the NDM Group were acquired.

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

EUR thousand	2013	2012
As at 1 Jan	18,999	16,045
Interest cost	231	251
Redemption	(1,364)	(3,384)
Reversal through profit and loss	0	(787)
Increase directly in equity	234	6,874
Reversal directly in equity	(1,079)	0
As at 30 Sept/31 Dec	17,021	18,999

(8) Non-current provisions

As at the balance sheet date, there was a contingent consideration, agreed upon in 2012, from the acquisition of subsidiaries. This consideration depends on the future EBITDA of the units. It is expected that these purchase price shares will be paid in the years 2014 and 2019.

Provisions for pensions and other post-employment benefits as well as for severance payments and anniversary bonuses are valued using the projected unit credit method. The amounts of the provisions are determined on the basis of an actuarial opinion prepared by an actuary as at the balance sheet date. For the interim consolidated financial information, these amounts are extrapolated.

FINANCIAL INSTRUMENTS

The carrying amounts of financial instruments not measured at fair value deviate only insignificantly from their fair values and hence constitute appropriate approximate values.

As at 30 September 2013, the Group held the following categories of financial instruments measured at fair value:

EUR thousand	Fair value 30 Sept 2013	Level 2 Fair value	Level 3 Fair value
Non-current assets			
Non-current financial assets	1,120	1,120	0
Current assets			
Other current assets	532	532	0
Non-current liabilities			
Liabilities from puttable non-controlling interests	3,447	0	3,447
Non-current financial liabilities	1,193	1,193	0
Non-current provisions (contingent purchase price payments)	2,639	0	2,639
Current liabilities			
Current financial liabilities	1,586	1,586	0

The reconciliation of the carrying amounts of Level 3 fair values is shown in the following table:

EUR thousand	2013
As at 1 Jan	7,650
Interest cost	421
Redemption	(204)
Reversal through profit and loss	(1,678)
Exchange rate differences	(103)
As at 30 Sept	6,086

Level 2 fair values are derived from observable market data. On the basis of observable currency and interest-rate data, the fair values of the financial instruments are calculated internally using the discounted cash flow method. Level 3 fair values are measured internally using acknowledged calculation models on the basis of market interest rates of identical assets with the same duration and implicit volatilities. They are calculated using the discounted cash flow method on the basis of strategic planning.

CONTINGENT ASSETS AND LIABILITIES

There were no contingent assets or liabilities as at 30 September 2013.

RELATED PARTIES

There were no substantial changes compared to 31 December 2012 with respect to business transactions with related parties. 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 2012 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	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
As at 1 Jan	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
Options exercised	0	(10,000)	(12,500)	0	0	(6,250)	0	(6,250)	0	(2,500)	0	(3,750)	(12,500)	(28,750)
Options lapsed	0	(30,000)	(12,500)	0	0	(18,750)	0	(18,750)	0	(7,500)	0	(11,250)	(12,500)	(86,250)
As at 30 Sept/31 Dec	40,000	40,000	25,000	50,000	25,000	25,000	25,000	25,000	0	0	15,000	15,000	130,000	155,000
Exercise price of options exercised		10.12	16.57			10.12		10.12		10.12		10.12		
Share price at exercise date		18.01	20.46			18.01		18.01		19.71		17.72		

Please refer to the consolidated financial statements of PALFINGER AG for the year ended 31 December 2012 for further information on these stock option programmes.

KEY EVENTS AFTER THE REPORTING DATE

On 26 August 2013, PALFINGER signed a contract with the Korean company MCT Engineering Co., Ltd., Sacheon, Korea (MCT ENG), a longstanding partner and supplier of PALFINGER DREGGEN. Under an asset deal, Palfinger Dreggen Korea, Limited, Sacheon, Korea, took over a part of MCT ENG's business in connection with the production of marine and offshore cranes. The transaction was closed on 29 October 2013.

The purpose of this acquisition was to support the growth of the Marine business area. The company produces marine and offshore cranes, handling cranes and special custom cranes.

For PALFINGER, this takeover is another strategic step in support of the expansion of its Marine business area, securing both capacities and marine know-how – a basic requirement for obtaining the numerous certifications required. Moreover, Korea is among the most important offshore markets in Asia.

At the time of acquisition, the purchase price was allocated on the basis of the preliminarily estimated fair values as follows:

EUR thousand	2013
Purchase price paid in cash	5,665
Subtotal	5,665
Net assets	(5,665)
Difference	0

The final valuation of the purchase price allocation will be effected within 12 months of the date of acquisition.

At the time of acquisition, the net assets acquired, on the basis of the estimated fair values, were broken down as follows:

EUR thousand	2013
Non-current assets	
Property, plant and equipment	5,605
	5,605
Current assets	
Inventories	271
	271
Non-current liabilities	
Non-current provisions	201
	201
Current liabilities	
Current provisions	10
	10
Net assets	5,665

Pro forma disclosures

If the acquisition of Nimet and Palfinger Dreggen Korea had been made with effect from 1 January 2013, the consolidated net result for the period of PALFINGER AG would have been as follows:

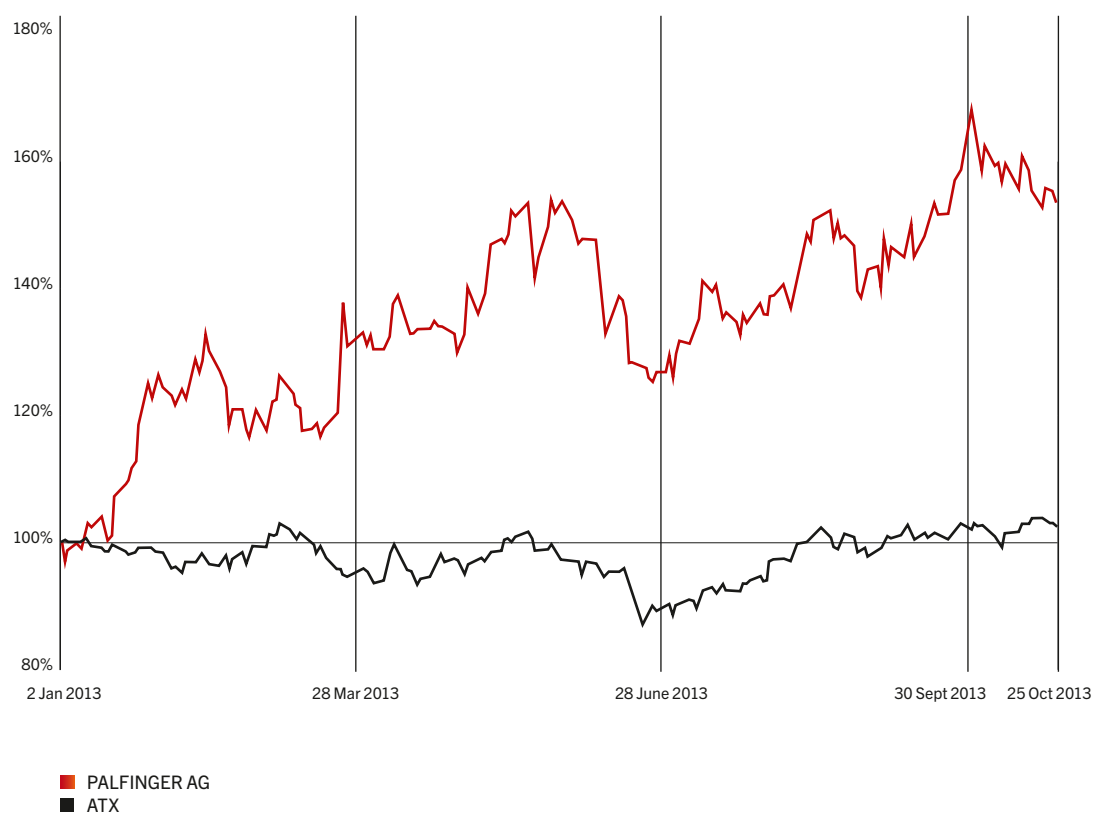
EUR thousand	Jan–Sept 2013 stated	Jan–Sept 2013 pro forma
Revenue	716,068	730,966
Result after income tax	37,512	38,153
Earnings per share in EUR	0.97	0.98

SHAREHOLDER INFORMATION

Q1–Q3 2013

International Securities Identification Number (ISIN)	AT0000758305
Number of shares issued	35,730,000
of which own shares	328,090
Price as at 30 September 2013	EUR 28.90
Earnings per share (Q1–Q3 2013)	EUR 0.97
Market capitalization as at 30 September 2013	EUR 1,032,597 thousand

SHARE PRICE DEVELOPMENT



INVESTOR RELATIONS

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FINANCIAL CALENDAR

17 February 2014	Balance sheet press conference
12 March 2014	Annual General Meeting
14 March 2014	Ex-dividend day
18 March 2014	Dividend payment day
7 May 2014	Publication of results for the first quarter of 2014
7 August 2014	Publication of results for the first half of 2014
7 November 2014	Publication of results for the first three quarters of 2014

Additional dates such as trade fairs or road shows will be announced at the Company's website under Financial Calendar.

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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.

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