WE CALL IT A TAIL-WIND.

INTERIM REPORT FOR THE FIRST QUARTER OF 2015

PALFINGER

KEY FIGURES OF THE PALFINGER GROUP

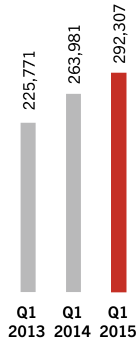
EUR thousand	Q1 2015	Q1 2014[1)]	Q1 2013	Q1 2012	Q1 2011
Income statement					
Revenue	292,307	263,981	225,771	223,909	191,576
EBITDA	33,225	28,929	25,411	25,031	21,294
EBITDA margin	11.4%	11.0%	11.3%	11.2%	11.1%
EBIT	23,585	20,424	18,056	17,718	15,133
EBIT margin	8.1%	7.7%	8.0%	7.9%	7.9%
Result before income tax	21,071	17,248	15,581	14,716	11,913
Consolidated net result for the period	14,526	11,969	11,022	10,671	12,570
Balance sheet					
Total assets	1,249,734	922,369	842,526	774,005	708,493
Net working capital (average)	189,849	183,287	171,693	142,721	103,030
Capital employed (average)	857,355	629,000	587,801	530,789	480,946
Equity	499,096	379,768	363,463	344,880	317,600
Equity ratio	39.9%	41.2%	43.1%	44.6%	44.8%
Net debt	397,702	274,183	226,737	195,059	163,588
Gearing	79.7%	72.2%	62.4%	56.6%	51.5%
Cash flows and investments					
Cash flows from operating activities	5,990	6,729	17,966	7,462	2,966
Free cash flows	(13,388)	(22,498)	10,945	(5,521)	238
Net investments	13,710	11,118	7,013	12,211	4,115
Depreciation, amortization and impairment	9,640	8,505	7,355	7,313	6,161
Payroll					
Average payroll during the reporting period[2)]	8,675	7,220	6,228	6,047	5,235

1) The figures for the first quarter of 2014 were adjusted with retrospective effect (see Note "Adjustment with retrospective effect").
2) Consolidated Group companies excluding equity shareholdings as well as excluding temporary workers.

CONSOLIDATED MANAGEMENT REPORT AS AT 31 MARCH 2015

PERFORMANCE OF THE PALFINGER GROUP

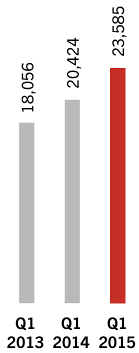
The first quarter of 2015 was a successful one for the PALFINGER Group: Revenue was stepped up by 10.7 per cent to EUR 292.3 million, which is a new record for quarterly revenue. EBIT showed an extraordinarily strong increase of 15.5 per cent, from EUR 20.4 million to EUR 23.6 million. This, in turn, generated a marked rise in the EBIT margin, which, after 7.7 per cent in the first quarter of 2014 and only 3.7 per cent in the fourth quarter of 2014, came to 8.1 per cent. At EUR 14.5 million, the consolidated net result for the first quarter of 2015 was 21.4 per cent higher than the previous year's level of EUR 12.0 million.



DEVELOPMENT OF REVENUE
(EUR thousand)

These results are particularly satisfying because they show an above-average performance of the PALFINGER Group in comparison with other market players and because PALFINGER was able to gain market shares in important regions.

The major factors accounting for this positive performance included the relatively stable business development in Europe – incoming orders were high in January and February particularly in loader cranes, although business declined in March. Furthermore, progress was made in the regions outside Europe. In North America, PALFINGER benefited from the good economy. In Russia/CIS, the strategic investments in local value creation proved their worth, and despite the negative effects of the economic sanctions and the weak ruble, PALFINGER managed to continue its growth in this market region and to increase its market share. In Asia, it was first and foremost the excellent cooperation with SANY that accounted for successful sales, revenue and earnings. In the marine business, the effects of the low oil price had a noticeable impact on customers' willingness to invest; nevertheless, PALFINGER continued its constant growth, achieving an increase in revenue of approx. 30 per cent. In South America, however, the uncertain political situation in major countries like Brazil led to a decline in demand. Both in the EUROPEAN UNITS segment and the AREA UNITS segment, which recorded negative EBIT in the first quarter of 2014, positive contributions to earnings were made in the reporting period.



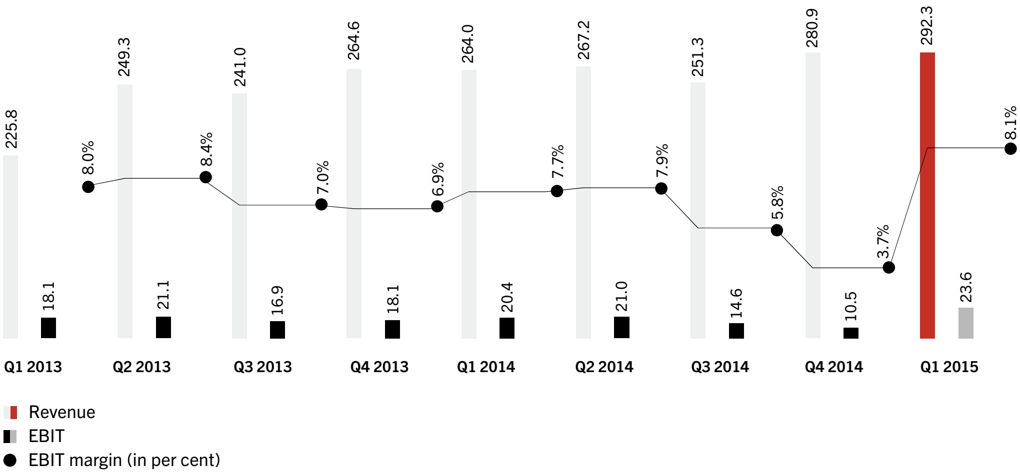
DEVELOPMENT OF EBIT
(EUR thousand)

In the first quarter of 2015, the acquisition of Norwegian Deck Machinery AS (NDM) was closed, providing an important addition to PALFINGER's marine product portfolio. In Russia, the two joint ventures agreed upon with the leading truck producer KAMAZ in 2014 were approved, and operations commenced.

The present level of incoming orders gives reason to expect a continuation of this satisfactory development in the second quarter. In Europe, visibility is still low and the investment propensity of customers is still very restrained due to uncertain economic perspectives. In North America, particularly in the USA, there is greater confidence in a revival of the economy.

Performance over the individual quarters since the beginning of 2013 shows the continuous growth of the PALFINGER Group.

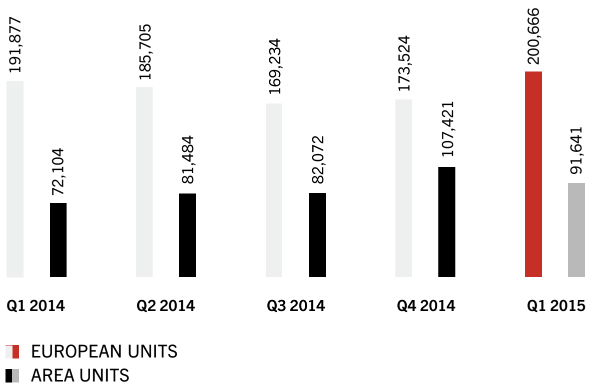
DEVELOPMENT OF REVENUE AND EBIT
(EUR million)



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.

REVENUE DEVELOPMENT BY SEGMENT*
(EUR thousand)



* No revenues were generated in the VENTURE unit.

EUROPEAN UNITS

- Stable business performance in Europe
- 30 per cent growth in the marine business
- Acquisition of Norwegian Deck Machinery AS completed

The business units of the EUROPEAN UNITS segment operate on the markets in Europe, the Middle East, Africa and Australia. The segment's main focus is on the development, production, distribution and maintenance of loader cranes, EPSILON timber and recycling cranes, tail lifts, access platforms, hooklifts, truck mounted forklifts and railway systems, primarily for the afore-mentioned markets. The global marine business also forms part of this segment and so do the production companies in Europe and the distribution company in Germany.

Business development in the first quarter of 2015

In the first quarter of 2015, the EUROPEAN UNITS segment reported revenue of EUR 200.7 million as compared to EUR 191.9 million in the same period of the previous year, corresponding to an increase of 4.6 per cent. The acquisition of Norwegian Deck Machinery AS contributed around 40 per cent to this growth in revenue and, in general, the marine business recorded significant increases.

The segment saw a moderate year-on-year increase in EBIT from EUR 26.0 million to EUR 26.2 million. The segment's EBIT margin decreased slightly, but at 13.2 per cent is still at a high level.

OPERATIONAL HIGHLIGHTS

In the first quarter, the loader crane business recorded a modest rise in revenue. Growth, in some cases considerable, was achieved primarily in Denmark, Sweden, Great Britain, the Netherlands, the Czech Republic and Poland, as well as in Africa and Australia. In contrast, revenue declined in Germany, Belgium and France and in connection with exports to Russia. Hooklifts revenue was slightly higher in the first quarter of 2015 and the earnings contributed by this business were also above the previous year's level. Given the clear increase in incoming orders, the hooklifts business is expected to post further growth in the second quarter as well.

A slight increase in sales was also achieved in EPSILON Timber and Recycling Cranes and Truck Mounted Forklifts, while Railway Systems managed to maintain the high level achieved in the same quarter of the previous year. The good capacity utilization at the production units during the first quarter resulted in a high level of profitability. Manufacturing for third parties was also expanded. The global marine business succeeded in increasing revenue by around 30 per cent. This growth was made possible not only by the NDM Group (Norwegian Deck Machinery AS) acquired in the first quarter but also by the market success achieved by Launch & Recovery Systems, Boats and the Megarme Group. Performance in the offshore business remained stable, while project business with wind cranes was affected by the low oil price, which made potential customers delay their investment decisions.

AREA UNITS

- 27.1 per cent increase in the segment's revenue
- Expansion of business in Russia due to local production
- Successful cooperation with SANY in China

The AREA UNITS segment operates in the market regions North America, South America, Asia and Pacific including India, and CIS together with their respective regional business units. PALFINGER has been promoting the continuous further development of the non-European market regions through its own initiatives, partnerships and acquisitions. The objective for the years to come is to complete, to the extent possible, the product portfolios in the individual market regions and to achieve a relevant market share for PALFINGER.

Business development in the first quarter of 2015

In the first quarter of 2015, the revenue of the AREA UNITS segment was expanded by a notable 27.1 per cent, with organic growth accounting for 16.0 percentage points and the companies acquired contributing 11.1 percentage points. Revenue came to EUR 91.6 million in the first quarter of 2015, as compared to EUR 72.1 million in the same quarter of the previous year. Consequently, the percentage of the Group's revenue accounted for by this segment rose from 27.3 per cent in the first quarter of 2014 to the current level of 31.4 per cent.

The segment's EBIT, which at –EUR 0.9 million was negative in the previous year due to the consequences of the harsh winter in the USA, showed positive development and came to EUR 1.5 million. The earnings situation is expected to improve considerably over the rest of the year.

OPERATIONAL HIGHLIGHTS
PALFINGER achieved a considerable expansion of its revenue in North America. As compared to the previous year, the product areas established on the market, namely Loader Cranes, Tail Lifts and Access Platforms, generated significant increases both in revenue and earnings. Given that incoming orders have remained at a high level, this positive trend is expected to continue throughout the rest of the year.

In South America, the weak economy caused a contraction of business volume in this segment. In Brazil, state funding was, for the most part, no longer available, which led to a massive decline in sales and revenue. All in all, market volume in South America shrank by around 20 per cent, but PALFINGER nevertheless succeeded in expanding its market shares. In order to reduce the market region's high degree of dependency on exchange rate fluctuations, local procurement and production are being stepped up gradually.

In Russia/CIS, PALFINGER achieved increases in revenue despite the economic sanctions and the weak ruble; sales of locally produced products compensated the lack of exports to this region. PM-Group Lifting Machines, which had been acquired in the fourth quarter of 2014, was the main contributor to this development, but INMAN also posted significantly higher revenue. The expansion of production capacities at INMAN is about to be completed and the new plant is scheduled to start operations in the second quarter. In March 2015, official approval was granted for the two joint ventures agreed upon by PALFINGER and the leading Russian truck producer KAMAZ in 2014 and operations were started immediately. One of these joint ventures will produce truck bodies and mount lifting equipment such as cranes, hooklifts and the like on commercial vehicles, while the other joint venture will produce cylinders, also for third parties.

The development of the Asia and Pacific market region was characterized primarily by PALFINGER's successful cooperation with SANY. Sales of loader cranes in China improved. All in all, PALFINGER profited from the intensive investment activities in this region.

VENTURES

- Consolidation phase lowered expenditure in the VENTURES unit
- Acquisition of Norwegian Deck Machinery AS completed
- Further development of business operations in Russia

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

Business development in the first quarter of 2015
Following the great number of strategic acquisitions made in recent years, the current focus is on consolidating the structures and fully integrating the new units into the PALFINGER Group. This is also reflected in the results posted by this unit. In the first quarter, priorities included the closing of the Norwegian Deck Machinery AS acquisition, the development of both joint ventures with KAMAZ and the integration of PM-Group Lifting Machines. This unit's EBIT for the first quarter of 2015 was –EUR 3.5 million, as compared to –EUR 4.7 million for the same period in 2014.

FINANCIAL POSITION, CASH FLOWS AND RESULT OF OPERATIONS

At 39.9 per cent, the equity ratio of the PALFINGER Group was still at a high level at the end of the quarter, although slightly lower than the figure reported for the same period in the previous year (31 Mar 2014: 41.2 per cent). Due to the capital increase in the amount of EUR 53.1 million required for PALFINGER's and SANY's cross shareholding in the second quarter of 2014, the contributions to earnings from previous quarters, and considerable exchange rate effects, equity rose by EUR 119.3 million, from EUR 379.8 million as at 31 Mar 2014 to EUR 499.1 million as at 31 Mar 2015. Total assets increased compared to the first quarter of 2014, from EUR 922.4 million to EUR 1,249.7 million, primarily as a consequence of the acquisitions made in the past twelve months and the related increase in net working capital and property, plant and equipment. Thus, while equity increased by 31.4 per cent, total assets rose by 35.5 per cent in the same period.

The average net working capital increased in connection with the acquisitions made, from EUR 183.3 million in the first quarter of 2014 to EUR 189.8 million as at 31 Mar 2015. The average capital employed rose by EUR 228.4 million to EUR 857.4 million. An initiative to achieve a Group-wide reduction in capital employed was launched. In addition, a part of the outstanding accounts receivable was sold under a factoring agreement.

Net debt increased by 45,1 per cent year on year to EUR 397.7 million as at the end of March 2015 (31 Mar 2014: EUR 274.2 million). This development was caused, among other things, by the acquisition of the shares in SANY Automobile Hoisting Machinery Co., Ltd., the acquisition of PM-Group Lifting Machines and the closing of the two joint ventures with KAMAZ in Russia, as well as the acquisitions for the marine business, all of which needed to be financed and thus drove up the gearing ratio to 79.7 per cent (31 Mar 2014: 72.2 per cent). 94.4 per cent of PALFINGER's total capital employed has been secured on a long-term basis.

In the first quarter of 2015, cash flows from operating activities went down to EUR 6.0 million from EUR 6.7 million in the first quarter of 2014. Free cash flows came to –EUR 13.4 million, reflecting primarily the investments in PALFINGER's capacity expansions and acquisitions.

At EUR 292.3 million, revenue clearly exceeded the level achieved in the first quarter of 2014 by 10.7 per cent, corresponding to an increase of EUR 28.3 million. EBIT amounting to EUR 23.6 million (Jan–Mar 2014: EUR 20.4 million) and the Group's consolidated net result of EUR 14.5 million (Jan–Mar 2014: EUR 12.0 million) demonstrate PALFINGER's ability to post strong earnings even under difficult market conditions.

OTHER EVENTS

In the period under review, PALFINGER consistently continued its strategic projects. In connection with the ongoing necessity of actively managing capital employed, a Group-wide initiative to optimize internal processes is being launched.

Internationalization remains one of the Group's priorities. In 2015, the focus is being placed on integrating the companies acquired in previous years and consolidating PALFINGER's market presence in China and Russia.

In January 2015, PALFINGER acquired Norwegian Deck Machinery AS (NDM) as an addition to its marine product portfolio. In the past 25 years, NDM has achieved a prominent market position with the development of special winches as well as handling equipment for offshore vessels, offshore service vessels, and oil and gas rigs. One of the distinctive features of the systems developed by Norwegian Deck Machinery is the automatic compensation of wave movements, allowing for a safer and more efficient handling of loads. On 1 April 2015, the remaining 26 per cent in Palfinger systems GmbH, Salzburg, were sold to Marine Systems Overseas Pte. Ltd., Singapore.

The Annual General Meeting of PALFINGER AG was held at the Group's headquarters in Salzburg, Austria, on 11 March 2015. Supervisory Board members Hubert Palfinger jun., Wolfgang Anzengruber and Peter Pessenlehner, whose terms of office had expired, were re-elected. The shareholders adopted the proposal made by the Management Board and the Supervisory Board to distribute a dividend in the amount of EUR 0.34 per share. Following the Annual General Meeting, a few shareholders took the opportunity to visit the Lengau production plant.

Construction of the new headquarters in Bergheim near Salzburg is progressing. Relocation will take place in August 2015.

In the first quarter of 2015, PALFINGER renewed its commitment to the UN Global Compact, the world's largest initiative on CSR and sustainable development. This is formally described in the second integrated annual report published by the Group. PALFINGER was nominated for the Salzburg Business Award for Responsible Entrepreneurship ("Salzburger Wirtschaftspreis für verantwortungsvolles Unternehmertum") in recognition of its achievements in the field of holistic sustainability management.

OUTLOOK

The continuing heterogeneous and volatile market environment confirms the importance of the three strategic pillars of the PALFINGER Group. Without internationalization, innovation and flexibility, the continuous 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.

Special attention is currently being paid to increasing the flexibility of all the business areas of the Group. Order-based procurement, manufacturing and assembly have enabled PALFINGER to respond promptly to fluctuations in demand without locking up capital by increasing inventories. Flexibility is being expanded in all processes in the recently acquired companies as well. Moreover, consistent control of fixed costs contributes to PALFINGER's ability to act assertively in the market at all times.

For 2015, the management expects revenue growth of approx. 10 per cent and an even higher increase in earnings.

PALFINGER still sees the potential to increase consolidated annual revenue to approx. EUR 1.8 billion by 2017 (including the joint venture companies in China and Russia, which will not be fully consolidated). The Company intends to reach this goal by rounding out its product portfolio particularly in the BRIC markets. Substantial growth is also expected in the North American market and the global marine business. The management plans to reach this medium-term revenue target chiefly through organic growth.

INTERIM CONSOLIDATED FINANCIAL INFORMATION

THIS INTERIM CONSOLIDATED FINANCIAL INFORMATION OF PALFINGER AG WAS NEITHER FULLY AUDITED NOR REVIEWED BY AN AUDITOR.

AS AT 31 MARCH 2015

CONSOLIDATED INCOME STATEMENT

EUR thousand	Note	Jan–Mar 2015	Jan–Mar 2014*
Revenue		**292,307**	**263,981**
Cost of sales	1	(220,816)	(197,854)
Gross profit		**71,491**	**66,127**
Other operating income	2	5,020	4,094
Research and development costs	1	(6,180)	(6,479)
Distribution costs	1	(20,003)	(18,524)
Administrative costs	1	(22,830)	(21,474)
Other operating expenses		(3,559)	(3,612)
Income from companies reported at equity	4	(354)	292
Earnings before interest and taxes – EBIT		**23,585**	**20,424**
Interest income		436	202
Interest expenses		(3,522)	(3,104)
Exchange rate differences		572	(274)
Net financial result		**(2,514)**	**(3,176)**
Result before income tax		**21,071**	**17,248**
Income tax expense		(4,667)	(4,060)
Result after income tax		**16,404**	**13,188**
attributable to			
shareholders of PALFINGER AG (consolidated net result for the period)		**14,526**	**11,969**
non-controlling interests		**1,878**	**1,219**
EUR			
Earnings per share (undiluted and diluted)	6	0.39	0.34
Average number of shares outstanding		37,301,668	35,429,696

* The figures for the first quarter of 2014 were adjusted with retrospective effect (see Note "Adjustment with retrospective effect").

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR thousand	Jan–Mar 2015	Jan–Mar 2014*
Result after income tax	**16,404**	**13,188**
Amounts that may be reclassified to the income statement in future periods		
Unrealized profits (+)/losses (–) from foreign currency translation	46,260	(1,054)
Deferred taxes thereon	(1,841)	0
Effective taxes thereon	(161)	31
Unrealized profits (+)/losses (–) from cash flow hedge		0
Changes in unrealized profits (+)/losses (–)	(9,588)	(1,520)
Deferred taxes thereon	2,026	(250)
Effective taxes thereon	522	615
Realized profits (–)/losses (+)	3,258	654
Deferred taxes thereon	(563)	110
Effective taxes thereon	(294)	(270)
Other comprehensive income after income tax	**39,619**	**(1,684)**
Total comprehensive income	**56,023**	**11,504**
attributable to		
shareholders of PALFINGER AG	**50,953**	**10,246**
non-controlling interests	**5,070**	**1,258**

* The figures for the first quarter of 2014 were adjusted with retrospective effect (see Note "Adjustment with retrospective effect").

CONSOLIDATED BALANCE SHEET

EUR thousand	Note	31 Mar 2015	31 Dec 2014	31 Mar 2014*
Non-current assets				
Intangible assets		228,761	209,070	194,738
Property, plant and equipment	3	265,197	251,009	231,156
Investment property		347	351	365
Investments in companies reported at equity	4	177,579	160,514	18,267
Other non-current assets		2,920	3,129	1,872
Deferred tax assets		17,508	18,627	17,674
Non-current financial assets	9	34,466	33,656	2,650
		726,778	**676,356**	**466,722**
Current assets				
Inventories	5	270,479	239,180	231,379
Trade receivables	5	191,020	163,274	184,112
Other current receivables and assets		32,198	26,007	25,518
Tax receivables		3,211	3,131	1,420
Current financial assets	9	1,459	1,406	365
Cash and cash equivalents		24,589	20,757	12,853
		522,956	**453,755**	**455,647**
Total assets		**1,249,734**	**1,130,111**	**922,369**
Equity				
Share capital		37,593	37,593	35,730
Additional paid-in capital		82,128	82,056	30,858
Treasury stock		(1,547)	(1,593)	(1,593)
Retained earnings	6	335,690	338,966	326,476
Foreign currency translation reserve		28,547	(12,519)	(21,991)
		482,411	**444,503**	**369,480**
Non-controlling interests		16,685	16,809	10,288
		499,096	**461,312**	**379,768**
Non-current liabilities				
Liabilities from puttable non-controlling interests	7	26,290	23,372	25,961
Non-current financial liabilities	9	347,438	327,291	198,359
Non-current provisions	8, 9	51,339	49,386	33,113
Deferred tax liabilities		8,429	6,639	6,947
Other non-current liabilities		2,161	3,062	4,106
		435,657	**409,750**	**268,486**
Current liabilities				
Current financial liabilities	9	110,775	85,130	91,417
Current provisions		12,989	12,813	12,138
Tax liabilities		5,323	4,902	6,583
Trade payables and other current liabilities		185,894	156,204	163,977
		314,981	**259,049**	**274,115**
Total equity and liabilities		**1,249,734**	**1,130,111**	**922,369**

* The figures for the first quarter of 2014 were adjusted with retrospective effect (see Note “Adjustment with retrospective effect”).

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR thousand	Note	Share capital	Additional paid-in capital	Treasury stock	Other retained earnings
As at 1 Jan 2014		**35,730**	**30,727**	**(1,790)**	**336,616**
Total comprehensive income					
Result after income tax*		0	0	0	11,969
Other comprehensive income after income tax					
Unrealized profits (+)/losses (–) from foreign currency translation*		0	0	0	0
Unrealized profits (+)/losses (–) from cash flow hedge		0	0	0	0
		0	**0**	**0**	**11,969**
Transactions with shareholders					
Dividends		0	0	0	(14,515)
Reclassification non-controlling interests	7	0	0	0	(272)
Addition non-controlling interests*		0	0	0	(971)
Other changes		0	131	197	(87)
		0	**131**	**197**	**(15,845)**
As at 31 Mar 2014*		**35,730**	**30,858**	**(1,593)**	**332,740**
As at 1 Jan 2015		**37,593**	**82,056**	**(1,593)**	**360,869**
Total comprehensive income					
Result after income tax		0	0	0	14,526
Other comprehensive income after income tax					
Unrealized profits (+)/losses (–) from foreign currency translation		0	0	0	0
Unrealized profits (+)/losses (–) from cash flow hedge		0	0	0	0
		0	**0**	**0**	**14,526**
Transactions with shareholders					
Dividends	6	0	0	0	(12,682)
Reclassification non-controlling interests	7	0	0	0	(477)
Addition non-controlling interests		0	0	0	0
Other changes		0	72	46	0
		0	**72**	**46**	**(13,159)**
As at 31 Mar 2015		**37,593**	**82,128**	**(1,547)**	**362,236**

* The figures for the first quarter of 2014 were adjusted with retrospective effect (see Note "Adjustment with retrospective effect").

Equity attributable to the shareholders of PALFINGER AG					
Retained earnings					
Remeasurements acc. to IAS 19	Valuation reserves acc. to IAS 39	Foreign currency translation reserve	Total	Non-controlling interests	Equity
(4,126)	**(1,477)**	**(20,929)**	**374,751**	**11,163**	**385,914**
0	0	0	**11,969**	1,219	**13,188**
0	0	(1,062)	**(1,062)**	39	**(1,023)**
0	(661)	0	**(661)**	0	**(661)**
0	**(661)**	**(1,062)**	**10,246**	**1,258**	**11,504**
0	0	0	**(14,515)**	**(4,563)**	**(19,078)**
	0	0	**(272)**	**(25)**	**(297)**
0	0	0	**(971)**	2,455	**1,484**
0	0	0	**241**	0	**241**
0	**0**	**0**	**(15,517)**	**(2,133)**	**(17,650)**
(4,126)	**(2,138)**	**(21,991)**	**369,480**	**10,288**	**379,768**
(8,066)	**(13,837)**	**(12,519)**	**444,503**	**16,809**	**461,312**
0	0	0	**14,526**	1,878	**16,404**
0	0	41,066	**41,066**	3,192	**44,258**
0	(4,639)	0	**(4,639)**	0	**(4,639)**
0	**(4,639)**	**41,066**	**50,953**	**5,070**	**56,023**
0	0	0	**(12,682)**	(5,350)	**(18,032)**
0	0	0	**(477)**	(2,441)	**(2,918)**
0	0	0	**0**	2,597	**2,597**
(4)	0	0	**114**	0	**114**
(4)	**0**	**0**	**(13,045)**	**(5,194)**	**(18,239)**
(8,070)	**(18,476)**	**28,547**	**482,411**	**16,685**	**499,096**

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR thousand	Jan–Mar 2015	Jan–Mar 2014*
Result before income tax	**21,071**	**17,248**
Cash flows from operating activities	5,990	6,729
Cash flows from investing activities	(21,874)	(31,356)
Cash flows from financing activities	17,851	21,714
Total cash flows	**1,967**	**(2,913)**
Free cash flows	**(13,388)**	**(22,498)**

EUR thousand	2015	2014
Funds as at 1 Jan	**20,757**	**15,965**
Effects of changes in foreign exchange rates	1,865	(199)
Total cash flows	1,967	(2,913)
Funds as at 31 Mar	**24,589**	**12,853**

* The figures for the first quarter of 2014 were adjusted with retrospective effect (see Note "Adjustment with retrospective effect").

SEGMENT REPORTING

	External revenue		Intra-Group revenue		EBIT	
EUR thousand	Jan–Mar 2015	Jan–Mar 2014*	Jan–Mar 2015	Jan–Mar 2014*	Jan–Mar 2015	Jan–Mar 2014*
EUROPEAN UNITS	200,666	191,877	22,364	22,863	26,189	26,007
AREA UNITS	91,641	72,104	4	22	1,482	(914)
VENTURES	–	–	–	–	(3,541)	(4,743)
Segment consolidation	–	–	(22,368)	(22,885)	(545)	74
PALFINGER Group	**292,307**	**263,981**	**0**	**0**	**23,585**	**20,424**

* The figures for the first quarter of 2014 were adjusted with retrospective effect (see Note "Adjustment with retrospective effect").

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL INFORMATION

GENERAL REMARKS

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 in the maritime field.

REPORTING BASES

In principle, the same accounting and valuation methods used in the consolidated financial statements for the 2014 financial year were applied to this condensed interim consolidated financial information of PALFINGER AG and its subsidiaries as at 31 March 2015, which was prepared on the basis of IAS 34. The consolidated financial statements for the year ended 31 December 2014 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 2014.

This interim consolidated financial information provided by PALFINGER AG was not reviewed by an auditor.

CHANGES IN ACCOUNTING AND VALUATION METHODS

No changes in accounting and valuation methods were made in the first quarter of 2015.

ADJUSTMENT WITH RETROSPECTIVE EFFECT

In the course of the first-time application of the new IFRS 10, PALFINGER, due to the specific legal and economic circumstances, carried out a comprehensive analysis of all available information regarding the possibility of having control over the 50:50 joint venture in China with SANY Automobile Hoisting Machinery Co., Ltd., Changsha (SANY). As a consequence of this analysis, the management came to the conclusion that PALFINGER had control over the joint venture within the meaning of IFRS 10, and for this reason the joint venture was presented as a fully consolidated company in the first three quarters of 2014. As already mentioned in the financial information published for the first three quarters of 2014, this was a discretionary decision that alternatively could also have led to the joint venture company having to be reported as a joint venture within the meaning of IFRS 11 if the facts of the case had been interpreted differently. If this had been the case, the joint venture would have had to be included in the consolidated financial statements at equity. The potential consequences of such a different interpretation were already explained and quantified accordingly in the respective financial information for the individual quarters of the previous year.

In the course of this review, taking samples from the consolidated financial statements for the year ended 31 December 2013 and the financial information for the periods ended 30 June 2013 and 30 June 2014, the Austrian Accounting Reporting Enforcement Panel (Österreichische Prüfstelle für Rechnungslegung; OePR) found PALFINGER's interpretation of IFRS 10 with a view to the consolidation of the joint venture to be incorrect, stating that the rights held by SANY exceeded mere protective rights and therefore, in contrast to the management's original interpretation, PALINGER did not have control as defined in IFRS 10. Therefore, the joint venture had to be reported at equity.

The consequences on the first quarter of 2014 were as follows:

CONSOLIDATED BALANCE SHEET

EUR thousand	31 Mar 2014	Adjustment	31 Mar 2014 adjusted
Property, plant and equipment	232,190	(1,034)	231,156
Investments in companies reported at equity	11,665	6,602	18,267
Deferred tax assets	18,707	(1,033)	17,674
Non-current assets	**462,187**	**4,535**	**466,722**
Inventories	238,098	(6,719)	231,379
Trade receivables	193,298	(9,186)	184,112
Other current receivables and assets	26,426	(908)	25,518
Cash and cash equivalents	15,937	(3,084)	12,853
Current assets	**475,544**	**(19,897)**	**455,647**
Retained earnings	326,437	39	326,476
Foreign currency translation reserve	(21,984)	(7)	(21,991)
Non-controlling interests	16,979	(6,691)	10,288
Equity	**386,427**	**(6,659)**	**379,768**
Deferred tax liabilities	7,011	(64)	6,947
Non-current liabilities	**268,550**	**(64)**	**268,486**
Tax liabilities	6,588	(5)	6,583
Trade payables and other current liabilities	172,610	(8,633)	163,977
Current liabilities	**282,754**	**(8,639)**	**274,115**

CONSOLIDATED INCOME STATEMENT

EUR thousand	Jan–Mar 2014	Adjustment	Jan–Mar 2014 adjusted
Revenue	**267,629**	**(3,648)**	**263,981**
Cost of sales	(201,484)	3,630	(197,854)
Gross profit	**66,145**	**(18)**	**66,127**
Other operating income	3,969	125	4,094
Research and development costs	(6,707)	228	(6,479)
Distribution costs	(18,857)	333	(18,524)
Administrative costs	(21,604)	130	(21,474)
Other operating expenses	(3,303)	(309)	(3,612)
Income from companies reported at equity	457	(165)	292
Earnings before interest and taxes – EBIT	**20,100**	**324**	**20,424**
Interest income	220	(18)	202
Exchange rate differences	(265)	(9)	(274)
Net financial result	**(3,149)**	**(27)**	**(3,176)**
Result before income tax	**16,951**	**297**	**17,248**
Income tax expense	(3,941)	(119)	(4,060)
Result after income tax	**13,010**	**178**	**13,188**
attributable to			
shareholders of PALFINGER AG (consolidated net result for the period)	**11,930**	**39**	**11,969**
non-controlling interests	**1,080**	**139**	**1,219**

SCOPE OF CONSOLIDATION

Acquisition of the NDM Group

On 18 December 2014, the contract on the acquisition of 100 per cent of the shares in Norwegian Deck Machinery AS, Os, Norway, was signed. The transaction was closed on 14 January 2015.

Norwegian Deck Machinery AS has achieved a prominent market position with the development of special winches as well as handling equipment for offshore vessels, offshore service vessels, and oil and gas rigs. One of the distinctive features of the systems developed by Norwegian Deck Machinery AS is the automatic compensation of wave movements, allowing for a safer and more efficient handling of loads. With this acquisition, PALFINGER has expanded its product portfolio in the marine sector.

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

EUR thousand	2015
Purchase price paid in cash	8,506
Pro-rata net assets of non-controlling interests	40
Subtotal	**8,545**
Net assets	(2,118)
Goodwill	**6,427**

The goodwill associated with the acquisition primarily reflects the benefits expected from synergies in the field of distribution, from the potential arising from market expansion in the oil and gas industries, and from staff know-how.

The goodwill generated cannot be used for tax purposes.

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 technology, have been analysed in detail.

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

EUR thousand	Fair value
Non-current assets	
Intangible assets	1,940
Property, plant and equipment	30
Deferred tax assets	90
	2,060
Current assets	
Trade receivables	2,162
Other current receivables and assets	236
Cash and cash equivalents	74
	2,472
Non-current liabilities	
Deferred tax liabilities	329
	329
Current liabilities	
Current financial liabilities	282
Current provisions	113
Tax liabilities	195
Trade payables and other current liabilities	1,496
	2,085
Net assets	**2,118**

The trade receivables taken over have a gross value of EUR 2,190 thousand. The impairment loss for probable bad debt is EUR 28 thousand.

Net cash flows from the acquisition were as follows:

EUR thousand	2015
Cash flows from operating activities	
Transaction costs	(111)
Cash flows from investing activities	
Purchase price paid in cash	(8,506)
Cash and cash equivalents	74
Net cash flows from the acquisition	**(8,543)**

Since the time of its initial consolidation the acquisition of the NDM Group has contributed EUR 3,602 thousand to the consolidated revenue of PALFINGER AG and EUR 141 thousand to the consolidated net result for the period.

Joint ventures with KAMAZ

At the beginning of March 2015, the establishment of the two joint venture companies, agreed between PALFINGER and the Russian KAMAZ Group in August 2014, took legal effect with their entry in the Russian commercial register. This paved the way for the operational implementation of the cooperation between the PALFINGER Group and OJSC KAMAZ. KAMAZ is Russia's largest truck producer ranking 11th among the world's largest truck manufacturers. KAMAZ trucks are sold in the Russian market, with many also exported to Asia and Latin America.

The establishment of these two joint venture companies is a major step in consolidating and expanding PALFINGER's business in CIS. In KAMAZ, the Group has found a flexible and performance-driven partner. This region has already become a relevant market for PALFINGER. In line with its strategic objectives, PALFINGER is looking to expand local production and as a result local value creation.

PALFINGER KAMA CYLINDERS LLC

PALFINGER's stake in the cylinder production joint venture Palfinger Kama Cylinders LLC is 51 per cent. PALFINGER has acquired this interest in the existing cylinder production of KAMAZ in Neftekamsk in the Bashkortostan region and will invest in the modernization of the plants.

Palfinger Kama Cylinders LLC is included in the consolidated financial statements of PALFINGER AG as a fully consolidated company.

At the time of acquisition, the preliminary purchase price allocation for the acquisition was made on the basis of the estimated fair values as follows:

EUR thousand	2015
Purchase price paid in cash	2,777
Pro-rata net assets of non-controlling interests	1,992
Subtotal	**4,769**
Net assets	(4,065)
Goodwill	**704**

The goodwill associated with the acquisition primarily reflects the benefits expected from synergies through the expansion of the value-creation chain, from closer customer ties and the potential arising from market expansion in CIS.

The goodwill generated cannot be used for tax purposes.

The final valuation of the purchase price allocation will be effected within 12 months of the date of acquisition, once all the bases for determining the fair values, in particular relating to property, plant and equipment, have been analysed in detail.

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

EUR thousand	Fair value
Non-current assets	
Property, plant and equipment	1,026
Deferred tax assets	54
	1,079
Current assets	
Cash and cash equivalents	2,985
	2,985
Net assets	**4,065**

Since the time of its initial consolidation Palfinger Kama Cylinders LLC has not made any contribution to the consolidated revenue of PALFINGER AG and has contributed –EUR 36 thousand to the consolidated net result for the period.

CRANE CENTER KAMAZ LLC

The PALFINGER Group holds 49 per cent and the KAMAZ Group 51 per cent in the joint venture Crane Center Kamaz LLC, which will specialize in truck bodies. The joint venture company will equip trucks with loading and handling systems. In addition to the existing sales network of KAMAZ, the establishment of a separate network of dealers and service centres is planned. The company has its registered office in Naberezhnye Chelny in Tatarstan, not far from the headquarters of the KAMAZ Group.

The company is included in the consolidated financial statements at equity as an associated company.

At the time of acquisition, the preliminary purchase price allocation for the acquisition was made on the basis of the estimated fair values as follows:

EUR thousand	2015
Purchase price paid in cash	1,317
Subtotal	**1,317**
Pro-rata net assets	(1,493)
Negative difference	**(176)**

The negative difference was reported in the income statement under income from companies reported at equity.

Net assets include non-current assets in the amount of EUR 87 thousand and net working capital in the amount of EUR 2,927 thousand.

The final valuation of the purchase price allocation will be effected within 12 months of the date of acquisition, once all the bases for determining the fair values have been analysed in detail.

Net cash flows from the establishment of the two joint ventures were as follows:

EUR thousand	2015
Cash flows from operating activities	
Transaction costs	(296)
Cash flows from investing activities	
Purchase price paid in cash	(4,094)
Cash and cash equivalents	2,985
Net cash flows from the acquisitions	**(1,405)**

NOTES TO THE CONSOLIDATED INCOME STATEMENT

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

The reconciliation of the results according to the cost of sales method and the total cost method is as follows:

Jan–Mar 2014*

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	3,002	(133,805)	(43,419)	(6,098)	0	(17,534)	**(197,854)**
Other operating income	0	0	0	0	4,094	0	**4,094**
Research and development costs	1,915	(260)	(6,267)	(320)	398	(1,945)	**(6,479)**
Distribution costs	44	(445)	(11,042)	(1,139)	0	(5,942)	**(18,524)**
Administrative costs	0	39	(12,327)	(948)	0	(8,238)	**(21,474)**
Other operating expenses	0	0	0	0	0	(3,612)	**(3,612)**
Total	**4,961**	**(134,471)**	**(73,055)**	**(8,505)**	**4,492**	**(37,271)**	**(243,849)**

* The figures for the first quarter of 2014 were adjusted with retrospective effect (see Note "Adjustment with retrospective effect").

Jan–Mar 2015

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	17,483	(161,343)	(50,111)	(7,069)	0	(19,776)	**(220,816)**
Other operating income	0	0	0	0	5,020		**5,020**
Research and development costs	2,340	(169)	(6,744)	(331)	287	(1,563)	**(6,180)**
Distribution costs	(31)	(352)	(12,545)	(1,177)	0	(5,898)	**(20,003)**
Administrative costs	17		(13,776)	(1,063)	0	(8,008)	**(22,830)**
Other operating expenses	0	0	0	0		(3,559)	**(3,559)**
Total	**19,809**	**(161,864)**	**(83,176)**	**(9,640)**	**5,307**	**(38,804)**	**(268,368)**

(2) Other operating income

Other operating income, totalling EUR 3,506 thousand (previous year: EUR 612 thousand), relates to income from exchange rate differences.

In the previous year, EUR 1,821 thousand from other operating income related to the reversal of purchase price liabilities from acquisitions, as the local results generated by the unit make the utilization of these liabilities unlikely.

NOTES TO THE CONSOLIDATED BALANCE SHEET

(3) Property, plant and equipment

Property, plant and equipment increased as compared to 31 December 2014 due to additions to land and buildings in the amount of EUR 520 thousand (previous year until 31 Mar 2014: EUR 1,440 thousand), plants, machinery and tools in the amount of EUR 1,397 thousand (previous year until 31 Mar 2014: EUR 1,065 thousand) and to fixtures, fittings and equipment in the amount of EUR 2,909 thousand (previous year until 31 Mar 2014: EUR 2,135 thousand). Prepayments and assets under construction increased due to additions in the amount of EUR 5,591 thousand (previous year until 31 Mar 2014: EUR 4,328 thousand).

(4) Investments in companies reported at equity

Changes in investments in companies reported at equity are shown in the following table:

EUR thousand	2015	2014
As at 1 Jan	**160,514**	**12,955**
Addition due to change from proportionate consolidation to equity method	0	7,097
Additions	1,493	113,523
Capital increase	0	10,152
Share in the net result for the period	(529)	4,140
Dividends	(2,933)	(3,032)
Foreign currency translation	19,034	15,998
Disposals	0	(319)
As at 31 Mar/31 Dec	**177,579**	**160,514**

The negative difference arising from the Crane Center Kamaz LLC transaction (EUR 176 thousand) was reported as income under income from companies reported at equity.

(5) Inventories and trade receivables

Inventories increased by EUR 31,299 thousand as compared to 31 December 2014, mainly due to exchange rate effects and a demand-related inventory build-up in the business area North America as well as an increase in inventories in Europe.

The increase in trade receivables of EUR 27,746 thousand refers primarily to receivables from contract manufacturing as well as trade receivables in the EUROPEAN UNITS segment and the business area North America.

(6) Equity

The Annual General Meeting held on 11 March 2015 adopted a resolution for payment of a dividend in the amount of EUR 12,682 thousand (previous year: EUR 14,515 thousand) out of the 2014 profits. This dividend – paid to PALFINGER AG shareholders on 17 March 2015 – was equivalent to a dividend of EUR 0.34 per share (previous year: EUR 0.41 per share).

The movements in shares outstanding are shown below:

Shares	**2015**	**2014**
As at 1 Jan	**37,301,290**	**35,401,910**
Exercise of stock option	8,406	36,122
Issue of new shares	0	1,863,258
As at 31 Mar/31 Dec	**37,309,696**	**37,301,290**

On the basis of a consolidated net result for the period of EUR 14,526 thousand (Jan–Mar 2014: EUR 11,969 thousand) undiluted earnings per share were EUR 0.39 (Jan–Mar 2014: EUR 0.34). 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

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

EUR thousand	**2015**	**2014**
As at 1 Jan	**23,372**	**17,370**
Corporate acquisitions	0	8,209
Interest cost	0	225
Reversal through profit and loss	0	(1,229)
Redemption	0	(2,626)
Increase directly in equity	2,918	1,976
Reversal directly in equity	0	(553)
As at 31 Mar/31 Dec	**26,290**	**23,372**

(8) Non-current provisions

As at the balance sheet date, non-current provisions included purchase price portions not yet due from the acquisition of subsidiaries in 2014. These purchase price portions consist of a put option to sell the remaining 20 per cent in PM-Group, which may be exercised in 2019, as well as a disproportional dividend for the years 2014 to 2018.

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.

(9) 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 31 March 2015, the Group held the following categories of financial instruments measured at fair value:

	Fair value		Level 2 fair value		Level 3 fair value	
EUR thousand	31 Mar 2015	31 Dec 2014	31 Mar 2015	31 Dec 2014	31 Mar 2015	31 Dec 2014
Non-current assets						
Non-current financial assets	1,141	1,141	1,141	1,141	0	0
Non-current liabilities						
Non-current financial liabilities	16,620	13,470	16,620	13,470	0	0
Non-current provisions (purchase price not yet due)	2,998	2,499	0	0	2,998	2,499
Current liabilities						
Current financial liabilities	4,133	2,797	4,133	2,797	0	0

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

EUR thousand	2015	2014
As at 1 Jan	**2,499**	**6,164**
Corporate acquisitions	0	3,592
Interest cost	94	461
Redemption	0	(2,626)
Reversal through profit and loss	0	(3,881)
Exchange rate differences	0	8
Exchange rate differences through profit and loss	405	(1,219)
As at 31 Mar/31 Dec	**2,998**	**2,499**

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 31 March 2015.

RELATED PARTIES

There were no substantial changes compared to 31 December 2014 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 2014 for further information on individual business relations. Also see the notes regarding the key events after the reporting date.

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		Total	
Changes in stock options	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**
As at 1 Jan	0	40,000	25,000	25,000	0	25,000	0	25,000	25,000	115,000
Options exercised	0	(16,054)	(8,406)	0	0	(10,034)	0	(10,034)	(8,406)	(36,122)
Options lapsed	0	(23,946)	(16,594)	0	0	(14,966)	0	(14,966)	(16,594)	(53,878)
As at 31 Mar/31 Dec	0	0	0	25,000	0	0	0	0	0	25,000
Exercise price of options exercised		10.12	16.57			10.12		10.12		
Share price at date of exercise		28.2	24.00			28.2		28.2		

Please refer to the consolidated financial statements of PALFINGER AG for the year ended 31 December 2014 for further information on these stock option programmes.

KEY EVENTS AFTER THE REPORTING DATE

On 1 April 2015, the remaining 26 per cent in Palfinger systems GmbH, Salzburg, were sold to Marine Systems Overseas PTE. LTD., Singapore, at the amortized cost of EUR 1. Marine Systems Overseas PTE. LTD., which was already the 59-per-cent majority owner of Palfinger systems GmbH, is a company owned by Hubert Palfinger sen. The disposal had no effect on the financial position, cash flows and result of operations of PALFINGER AG. The collateralization of the receivables from Palfinger systems GmbH remains in full force and effect.

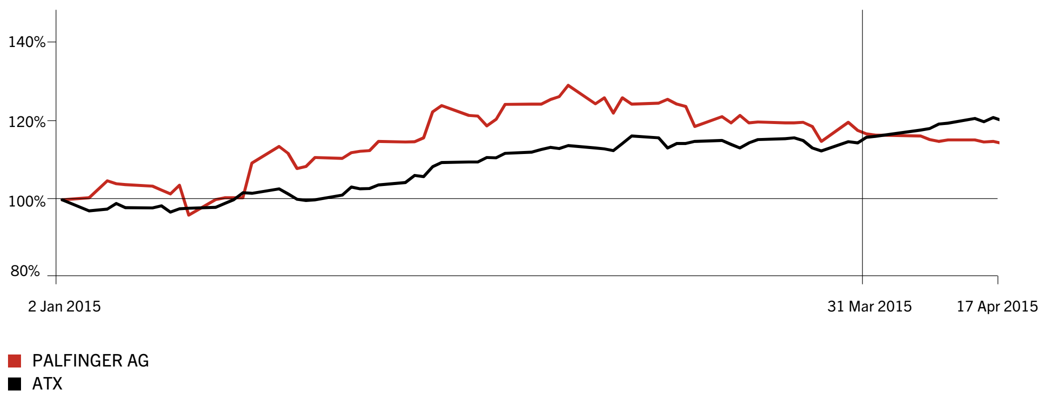
No other material events requiring disclosure occurred after the end of the interim reporting period.

SHAREHOLDER INFORMATION

Q1 2015	
International Securities Identification Number (ISIN)	AT0000758305
Number of shares issued	37,593,258
of which own shares	283,562
Price as at 31 March 2015	EUR 24.59
Earnings per share (Q1 2015)	EUR 0.39
Market capitalization as at 31 March 2015	EUR 924,418.21 thousand

SHARE PRICE DEVELOPMENT

SHARE PRICE DEVELOPMENT



INVESTOR RELATIONS

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FINANCIAL CALENDAR

30 July 2015	Publication of results for the first half of 2015
30 October 2015	Publication of results for the first three quarters of 2015
5 February 2016	Balance sheet press conference

Additional dates such as trade fairs or road shows will be announced at the Company's website under Financial Calendar.
The English translation of this PALFINGER report is for convenience. Only the German text is binding.
Minimal arithmetic 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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