Salzburg, 22 January 2016

Disclosures Pursuant to Sec. 5 Para. 2 of the Austrian Act on Financial Reporting Enforcement (*Rechnungslegungs-Kontrollgesetz, RL-KG*)

The consolidated financial statements for the year ended 31 December 2013 and the interim financial information for the period ended 30 June 2014 published by PALFINGER AG are inaccurate for the following reasons:

1. Upward revaluation of the stake in Nimet srl held before acquiring a controlling interest

   In its consolidated financial statements for the year ended 31 December 2013, PALFINGER AG continued to use the transaction price payable for the stake with which PALFINGER AG obtained control over Nimet srl as the basis for assessing the fair value of the stake held prior to the date of acquisition, and thus did not apply a non-controlling interest discount to the stake to be measured (IFRS 13.69). Pursuant to IFRS 3.42, PALFINGER AG overvalued the amount of the stake in the income statement by failing to make an adjustment as specified in IFRS 13.69. Thus goodwill was overvalued to the same extent.

   The unadjusted measurement of the stake in Nimet srl held before obtaining control on the basis of a price payable for a stake with which control was obtained is in violation of IFRS 3.32 and IFRS 3.42 in conjunction with IFRS 13.69.

2. Assumptions relating to the useful life of the dealer network

   As regards the business combination with Omaha Standard, Inc. carried out in 2008, PALFINGER AG recognized the intangible asset “dealer network” and failed to amortize this item in subsequent periods by invoking an indefinite useful life of the dealer network as a self-perpetuating entity. The assumed indefinite useful life did not take into account the fact that the acquired stock of dealer relationships would diminish in the course of time. Due to its limited useful life, this asset should have been amortized.

   The assumption of an indefinite useful life of the dealer network is in violation of IAS 38.88 and 38.90.

3. Full consolidation of Sany Palfinger SPV Equipment Co. Ltd.

   PALFINGER AG indirectly holds a 50% share in the joint venture Sany Palfinger SPV Equipment Co. Ltd. In the interim financial information for the period ended 30 June 2014, the joint venture was presented as a fully consolidated company even though neither contractual factors nor economic factors justified control within the meaning of IFRS 10. The interest held in SPV should have been reported at equity.

   The full consolidation of Sany Palfinger SPV Equipment Co. Ltd. is in violation of IFRS 10.20 in conjunction with IFRS 10.7.

4. First-time application of IFRS 11

   When applying IFRS 11 for the first time in its interim financial information for the period ended 30 June 2014, PALFINGER AG did not adjust the previous year’s figures for lack of materiality. Thus, the joint ventures to be reported at equity were reported in the previous year using the proportionate consolidation method. Without adjusting the previous year’s figures, the presentation of the development of the item “funds” in the statement of cash flows, in particular, was distorted between 31 December 2013 and 30 June 2014.

   The form of presentation of the figures for previous periods is in violation of IFRS 11.C2, in particular with regard to the development of the item “funds” in the statement of cash flows.

5. Condensation of the statement of cash flows in the interim financial information

   In its interim financial information for the period ended 30 June 2014, PALFINGER AG condensed the statement of cash flows into three items and, by doing so, presented it in an unduly abbreviated manner. Due to the strong distortions between the two periods presented, this abbreviation is in violation of the objective of the comprehensibility of interim reporting, which takes precedence over the option of presenting abbreviated information.

The condensation of the statement of cash flows is in violation of IAS 34.10 in conjunction with 34.25.

6. Acquisition of Palfinger systems GmbH

PALFINGER AG acquired Palfinger systems GmbH (now: Hubert Palfinger Technologies GmbH) from the ultimate controlling party and operated it together with another related party as minority shareholder. In its interim financial information for the period ended 30 June 2014, PALFINGER AG provided insufficient information on the business transactions with related parties with regard to the ownership structure and the remaining minority shareholder after the acquisition.

The information on related parties is in violation of IAS 24.18 in conjunction with IAS 34.15B (j).