THE POWER OF OUR BRAND HAS INCREASED

INTERIM REPORT FOR THE FIRST QUARTER OF 2013

PALFINGER

FINANCIAL HIGHLIGHTS OF THE PALFINGER GROUP

EUR thousand	Q1 2013	Q1 2012	Q1 2011	Q1 2010	Q1 2009
Income					
Revenue	225,771	223,909	191,576	129,425	140,392
EBITDA	25,411	25,031	21,294	8,451	2,623
EBITDA margin	11.3%	11.2%	11.1%	6.5%	1.9%
EBIT	18,056	17,718	15,133	3,559	(2,717)
EBIT margin	8.0%	7.9%	7.9%	2.7%	(1.9%)
Result before income tax	15,581	14,716	11,913	2,345	(4,772)
Consolidated net result for the period	11,022	10,671	12,570	827	(4,133)
Balance sheet					
Total assets	842,526	774,005	708,493	615,028	633,928
Net working capital (average)	171,693	142,721	103,030	130,883	167,988
Capital employed (average)	587,801	530,789	480,946	442,729	476,501
Equity	363,463	344,880	317,600	295,158	291,100
Equity ratio	43.1%	44.6%	44.8%	48.0%	45.9%
Net debt	226,737	195,059	163,588	146,490	184,555
Gearing	62.4%	56.6%	51.5%	49.6%	63.4%
Cash flows and investments					
Cash flows from operating activities	17,966	7,462	2,966	9,275	4,276
Free cash flows	10,945	(5,521)	238	8,382	165
Net investments	7,013	12,211	4,115	2,974	5,543
Depreciation, amortization and impairment	7,355	7,313	6,161	4,892	5,340
Payroll					
Average payroll during the reporting period*	6,228	6,047	5,235	4,353	4,844

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

CONSOLIDATED MANAGEMENT REPORT AS AT 31 MARCH 2013

ECONOMIC ENVIRONMENT

The first quarter of 2013 saw a slight recovery of the global economy. The emerging markets, in particular the newly industrialized Asian economies, continued to be the driving forces. In the leading industrial nations, however, the economic situation still remained weak. In April, the International Monetary Fund (IMF) lowered its forecast slightly, and now expects global GDP growth of 3.3 per cent in 2013 and 4.0 per cent in 2014.

In the first months of 2013, Europe was not spared a new bout of turbulence in the euro area. At the end of February, parliamentary elections in Italy caused a political stalemate that was anxiously monitored in light of the country's precarious financial situation. In Cyprus, bankruptcy was avoided when, after a financial tug-of-war, the European Union adopted a bailout plan at the end of March. According to the IMF forecast, economic output in the euro area will shrink by 0.3 per cent in 2013, and grow again by 1.1 per cent in 2014.

Due to their close links to the euro area, the countries of Central and Eastern Europe have felt the weakness of this region; domestic demand has so far remained subdued as well. Current growth projections are for 2.2 per cent in 2013 and 2.8 per cent in 2014. In Russia, high oil prices are the main reason why the country's economic growth has been slightly above the global average.

In the USA, the economy proved relatively robust in the first quarter of 2013 despite the fiscal burden. Budget talks have so far not been successful, and raising the federal debt ceiling is still an unsolved issue, which, according to experts, may have a disastrous impact on the US economy. Growth in the United States is projected to be 1.9 per cent in 2013 and 3.0 per cent in 2014.

In Latin America, the weak economic performance of Brazil – an economically important country – had a dampening effect on the region's GDP development. However, Brazil continued its upward trend in the first quarter, and economic growth is expected to increase to 3.0 per cent in 2013 and to 4.0 per cent in 2014.

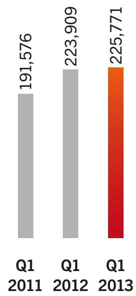
Asia's emerging markets continue to show the greatest dynamism globally. In China, however, extensive economic stimulus packages failed to prevent a further deceleration of economic growth in the first quarter. Exports picked up again, but the growth rate of the country's industrial production decreased, as did growth in consumer spending. Therefore, the IMF forecasts GDP to grow by 8.0 per cent in 2013 and by 8.2 per cent in 2014. In India, the economy was still weak, but is expected to revive again throughout the year and grow by 5.7 per cent in 2013 and by 6.2 per cent in 2014. These growth rates may seem remarkable, but for an emerging economy with a high need of development they are actually not. Moreover, lower growth could facilitate a downturn in global economic growth.

Global financial markets in the first quarter of 2013 showed the positive influence of low interest rates and the expansive monetary policy of central banks. By and large, international stock market indices went up in value; a sideways movement was noticeable only in the euro area in connection with the continuing debt problems. International commodity markets also showed a weak performance in the period under review. After rising at the beginning of February, oil prices dropped sharply shortly afterwards. At the end of the quarter, the price of a barrel of Brent crude came to USD 110.00 – a little lower than at the end of 2012.

The uncertainty that was flaring up again in the euro area sent the euro down in the first quarter of 2013; it depreciated against the US dollar, the Chinese yuan and the Brazilian real by approx. 3 per cent. At the end of the quarter, the euro was trading at USD 1.28, CNY 7.97 and BRL 2.59.

PERFORMANCE OF THE PALFINGER GROUP

In the first quarter of the 2013 financial year, the performance of the PALFINGER Group was highly pleasing, given the continuing difficult economic environment, especially in Europe. The Group's revenue was kept at the previous year's level, with the satisfactory developments in the areas outside Europe and in the Marine business area compensating the decline in demand in Europe. This was made possible by the strategic decisions taken in previous years – continued internationalization and, since 2010, also the focus on the new Marine business area. The earnings recorded were satisfactory despite this shift in revenue, which confirms the success of the restructuring of previously weak business units as well as enhanced flexibility throughout the PALFINGER Group.

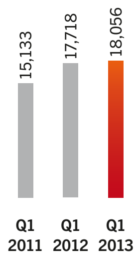


DEVELOPMENT OF REVENUE
(EUR thousand)

One year ago, PALFINGER established two joint ventures with the Chinese Sany Group. Operations were started sooner than expected, in the third quarter of 2012, and the businesses are already bearing the first fruit. In the past few months, following a successful dealer conference in China, the first orders were received, and the construction project for a separate production hall will soon be launched.

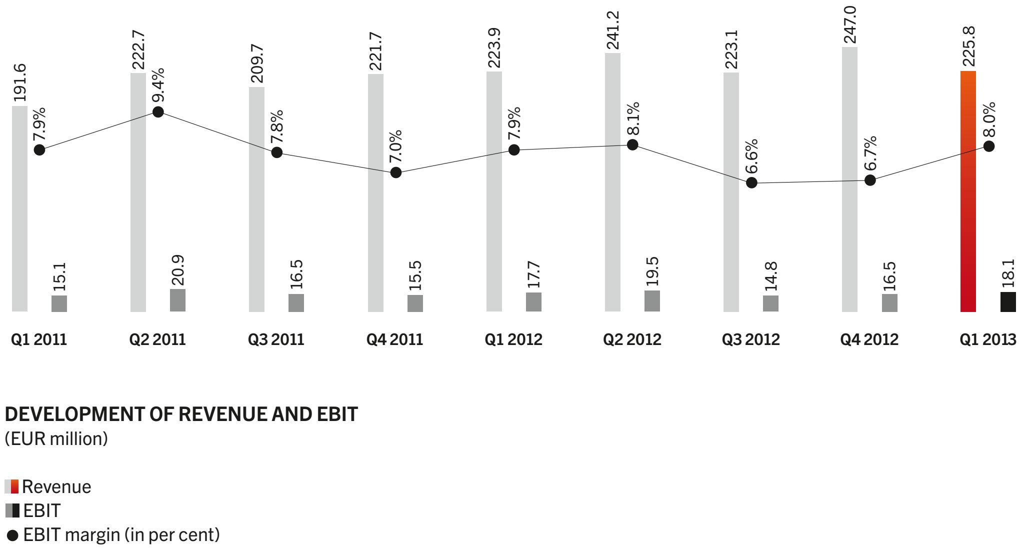
The revenue generated in the first quarter of 2013 came to EUR 225.8 million, which is slightly above the revenue of EUR 223.9 million reported for the first quarter of 2012. Whereas in Europe declines were recorded due to the difficult environment, the positive developments in North and South America as well as in Russia made it possible to maintain this high revenue level. In the Marine business area, the acquisition of Palfinger Dreggen, concluded at the end of 2012, contributed to the Group's revenue growth.

In the first three months of 2013, PALFINGER generated EBIT of EUR 18.1 million. In comparison with the operating result recorded in the first quarter of 2012, EUR 17.7 million, this represents a 1.9 per cent increase, primarily facilitated by the regions outside Europe and the Marine business area. Thus, in comparsion with 2012, the EBIT margin was slightly raised to 8.0 per cent. At EUR 11.0 million, the consolidated net result for the period under review was above the previous year's level of EUR 10.7 million.



DEVELOPMENT OF EBIT
(EUR thousand)

The performance over the individual quarters since 2011 shows the modest but continuous growth of revenue and earnings, with mainly seasonal fluctuations.



DEVELOPMENT OF REVENUE AND EBIT
(EUR million)

In the first quarter of 2013, business in Europe was characterized by constant revenue development in Germany – a market of great importance to PALFINGER. In some of the Southern European countries, which most recently had brought in low revenue, further declines were recorded. However, these were compensated by revenue increases in Northern Europe. In France and Austria, PALFINGER suffered moderate losses as well.

For two years in a row, demand in North America has shown highly satisfactory development. In South America, the good level was maintained after the increases in previous quarters.

Business performance in Asia showed an upward trend in the period under review. Moreover, the joint venture with Sany is going to have a positive effect on business.

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 statements.

As at quarter end, the equity ratio of the PALFINGER Group was 43.1 per cent, which is still at a high level but slightly lower than the figure reported at the end of the first quarter of 2012 (31 Mar 2012: 44.6 per cent). Despite the payment of dividends in March 2013, equity rose from EUR 344.9 million to EUR 363.5 million due to the positive development of earnings in previous periods. Total assets increased compared to the first quarter of 2012, from EUR 774.0 million to EUR 842.5 million, primarily as a consequence of the rise in net working capital and also due to special effects resulting from the acquisitions of the companies Tercek and Palfinger Dreggen.

The average net working capital increased from EUR 142.7 million in the first quarter of 2012 to EUR 171.7 million for the first three months of 2013, 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. Moreover, the stock of finished goods was temporarily augmented in the business area EMEA for seasonal reasons. The average capital employed rose by EUR 57.0 million to EUR 587.8 million. Targeted Group-wide capital employed management is being applied in order to achieve further optimization.

The main reasons for the 16.2 per cent year-on-year rise in net debt to EUR 226.7 million as at quarter end (31 Mar 2012: EUR 195.1 million) were 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, the gearing ratio rose to 62.4 per cent (31 Mar 2012: 56.6 per cent).

In connection with the issue of the promissory note loan, current financial liabilities were transferred to non-current financial liabilities. Hence, 96.0 per cent of PALFINGER's total capital employed has been secured on a long-term basis.

Cash flows from operating activities increased to EUR 18.0 million in the first quarter of 2013 (Jan–Mar 2012: EUR 7.5 million). This was caused primarily by the rise in advances received and the effect from net working capital being lower than in the previous year. Free cash flows were EUR 10.9 million, highlighting PALFINGER's ongoing financing power.

At EUR 225.8 million, revenue remained at the level achieved in the first quarter of 2012, when it came to EUR 223.9 million. As compared to the previous quarter (Oct–Dec 2012), revenue decreased by EUR 21.2 million – primarily in the area units due to seasonal influences.

EBIT amounting to EUR 18.1 million (Jan–Mar 2012: EUR 17.7 million) and the Group's consolidated net result of EUR 11.0 million (Jan–Mar 2012: EUR 10.7 million) demonstrate that PALFINGER was able to continue its sustainable, profitable growth. This positive development of earnings was attributable not only to the EUROPEAN UNITS segment but primarily also to improvements in the AREA UNITS segment.

OTHER EVENTS

In 2012, the Institute for Industrial Research (IWI, Industriewissenschaftliches Institut) carried out a study investigating PALFINGER's contribution to Austria's economy, the results of which were published at the beginning of 2013. According to this study, PALFINGER makes an above-average contribution to Austria's economy, which can be determined on the basis of several different factors and benchmarks. PALFINGER's production value in Austria is three times higher than that of an average large mechanical engineering company. Production initiated in a macroeconomic context (direct, indirect and induced) amounted to EUR 856 million, which corresponds to the Group's total global revenue generated in 2011. PALFINGER has also generated significant momentum in the area of value creation. According to the study, EUR 1,000 of value added by the PALFINGER Group generates EUR 2,160 in the national economy – a multiplier of 2.2. With a total contribution of EUR 357 million, PALFINGER ranks above average in this area as well. All in all, PALFINGER has created more than 2,700 jobs in Austria, approx. 1,200 thereof in the Company itself. The fiscal and social contribution effects generated in Austria in a macroeconomic context amount to a notable EUR 65 million.

In the period under review, PALFINGER consistently pursued its strategic projects. Internationalization remains one of the Group's priorities, as the significance of geographically balanced diversification has become increasingly obvious in the past few years. The next steps will be taken with a focus on China, Brazil, Russia and the Marine business area.

Since 2011, PALFINGER has concentrated on further enhancing the flexibility of all levels of value creation, with a focus on process optimization, product management and standardization.

Another priority was set through the start of a Group-wide lean administration initiative. The principles of lean management, which have been successfully implemented in value-creation processes, are now being applied to administrative procedures in an innovative approach.

The targeted capital employed management process of previous years will be continued throughout the Group with the purpose of facilitating additional investment endeavours in support of planned growth.

In February 2013, PALFINGER's Marine business area obtained two orders totalling approx. EUR 90 million – an unprecedented magnitude for PALFINGER. These orders comprise a total of 30 special offshore cranes, to be delivered between 2014 and 2017. This success is owed to Palfinger Dreggen, a company acquired in the fourth quarter of 2012.

In February, PALFINGER established a joint venture in Italy specializing in the development, production and distribution of access platforms. Palfinger Platforms Italy S.r.l. will expand the existing product portfolio of PALFINGER access platforms through the manufacture of reasonably priced truck bodies with easy-to-use technology. This step is expected to open up the high-volume market segment for trucks weighing up to 3.5 tonnes. The first platforms were already sold at the bauma trade fair.

The plans for the construction of the Group's new headquarters in Bergheim were filed with the authorities in the first quarter. Permits are expected to be granted by mid-2013, following which construction is scheduled to start.

On 6 March 2013, the Annual General Meeting of PALFINGER AG was held. Approx. 200 shareholders and guests took advantage of this opportunity to obtain first-hand information on the Company's business performance. All motions were adopted unanimously. It was resolved that a dividend of EUR 0.38 per share would be distributed for the 2012 financial year; this dividend was paid out on 12 March 2013.

In April, the renowned bauma trade fair was held in Munich. PALFINGER was represented with a total of 20 products displayed at PALFINGER's two exhibition stands and, in addition, as the international market leader, at top truck producers' stands. On this occasion, the new PK 200002 L SH was presented as the most powerful and largest loader crane in the Company's history, combining the benefits of a knuckle boom crane with those of a mobile crane. In line with the new umbrella brand strategy, all the products displayed uniformly bore the PALFINGER logo.

Since the summer of 2012, the PALFINGER Group has been online with a completely overhauled website concept, which, in addition to the customer-focused country websites (www.palfinger.com), now offers a separate corporate site (www.palfinger.ag) featuring specific information relating to the Group as a whole. As another component of the communication concept, a blog was created in January 2013 (blog.palfinger.ag). It contains articles on corporate issues, products and careers, plus pictures. At present, the editorial team consists of 15 employees of the PALFINGER Group from various product areas. In future, these editors will be supported by other employees and guest authors.

In the first quarter of 2013, PALFINGER's Management Board and investor relations team participated in international road shows, investor conferences, trade fairs and stock exchange days to meet the unbroken strong interest in PALFINGER shares. In the period under review, the price of PALFINGER shares literally skyrocketed. As at the end of the quarter, it was EUR 22.66 – 37.8 per cent above 2012's year-end figure of EUR 16.44. Hence, PALFINGER clearly outperformed the ATX, the leading index of the Vienna Stock Exchange, and was among the top performers on the Vienna Stock Exchange.

PERFORMANCE BY SEGMENT

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

DEVELOPMENT OF REVENUE BY SEGMENT*

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 quarter of 2013, the EUROPEAN UNITS segment reported revenue of EUR 153.1 million, corresponding to an increase of 0.4 per cent compared to the first quarter of 2012, when revenue was EUR 152.5 million.

While the Loader Cranes business unit and the distribution company in Germany succeeded in keeping up the levels achieved in previous quarters, most of the other business units reported declines in revenue. Growth in the Marine business area was boosted, primarily due to the acquisition of Palfinger Dreggen.

At EUR 20.7 million, the segment’s EBIT was 4.2 per cent lower than in the first quarter of 2012, when it came to EUR 21.6 million. This development was primarily attributable to declining revenue. Nevertheless, the EBIT margin improved in comparison with the weak fourth quarter of the previous year, as PALFINGER succeeded in further enhancing productivity at comparable utilization rates at the plants. The margin reached a highly satisfactory level of 13.5 per cent. The restructuring measures implemented in the weak business units in recent years had a positive effect: the individual areas posted positive results, despite, in some cases, substantial declines in revenue.

Loader Cranes

In the first quarter of 2013, PALFINGER kept both revenue and earnings of all important sales markets of the business unit Loader Cranes at the same level as in the first quarter of 2012. In Northern Europe, performance was slightly positive, compensating the continued downward development in Southern Europe. Modest decreases were also suffered in France and Austria.

EPSILON Timber and Recycling Cranes

Compared to the first quarter of 2012, performance in the business unit EPSILON Timber and Recycling Cranes remained subdued. Although revenue dropped by approx. 10 per cent, this business unit generated a substantial contribution to earnings. Innovation and customer-oriented product enhancements in this product segment enabled PALFINGER to expand its market share even though market volume was shrinking.

Tail Lifts

A year-on-year decline in revenue was also observed in the business unit Tail Lifts. However, on the basis of measures taken at an early stage, it was nevertheless possible to make a positive contribution to earnings.

Access Platforms

Following a satisfactory 2012, the business unit Access Platforms also experienced a slowdown in revenue in the first quarter of 2013 as compared to the previous year. The fact that a positive contribution to earnings was nevertheless achieved confirms the success of the restructuring measures taken. With the newly founded joint venture in Italy, PALFINGER is planning to open up new market potentials in the product segment for trucks up to 3.5 tonnes.

Container Handling Systems

Revenue also decreased significantly in the business unit Container Handling Systems. The positive result posted by this business unit proved the sustainable nature of the turnaround achieved.

Truck Mounted Forklifts

In the business unit Truck Mounted Forklifts, revenue was 15 per cent below the level achieved in 2012, whereas earnings were only slightly lower than the previous year’s figure. 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.

Railway Systems

A rise in revenue as compared to the first quarter of the previous year was recorded in the business unit Railway Systems. Given that the number of incoming orders has been satisfactory, future increases are expected as well. PALFINGER continues to be the innovation leader in the global market for railway systems.

Production

On the basis of the structural and cost-related measures implemented, the earnings level was upheld even though transfer prices were lowered as of the turn of the year. Manufacturing for third parties was further expanded and contributed to the result achieved. By now, PALFINGER has established itself as a reliable partner known for its high quality and sees further potential for winning new customers.

Marine

Following the acquisition of Palfinger Dreggen in December 2012, another business unit was added to the Marine business area, namely Offshore Cranes. While organic growth rates in the established business units remained moderate in the first quarter of 2013, the new area of Palfinger Dreggen contributed to a distinct increase in revenue. Moreover, PALFINGER garnered two large-scale contracts for offshore cranes in the total amount of EUR 90 million. Not only does this guarantee capacity utilization for the years to come, but it also, above all, reveals the great potential that this area holds.

AREA UNITS

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

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

Revenue generated by the AREA UNITS segment rose by 1.7 per cent, from EUR 71.4 million in the first quarter of 2012 to EUR 72.7 million in the period under review. Consequently, areas outside Europe now account for 32.2 per cent of consolidated revenue. Growth was boosted primarily by the business area North America with almost all of its product areas. Slight increases compared to the first quarter of 2012 were also recorded in Asia.

As a result of the extremely positive developments in the business areas North America, South America and CIS in recent years, PALFINGER has reported a positive operating result for the segment since the fourth quarter of 2011 despite ongoing investments into market expansion. In the first quarter of 2013, the segment's EBIT once again improved, from EUR 0.8 million in the previous year to EUR 1.9 million.

North America

In North America, the positive trend continued into the first quarter of 2013. Slight growth in revenue and earnings was achieved, even though, for seasonal reasons, performance is always weaker in the first quarter than in the remaining quarters. This satisfactory development was primarily supported by the good sales figures in loader cranes and container handling systems and by an impressive increase in access platforms.

South America

South America is still seen as a growth market, even though revenue in the first quarter remained at the previous year's level. The investment volume in Brazil's building sector is expected to rise again in connection with the large-scale sports events upcoming in 2014 and 2016. Moreover, PALFINGER is consistently encouraging the introduction of additional products such as timber and recycling cranes, tail lifts and access platforms. With the takeover of Tercek in 2012, PALFINGER acquired additional sales potential in the field of bus lifts.

Asia and Pacific

In the business area Asia and Pacific, substantial increases were generated as compared to the same quarter of the previous year, even though revenue is still at a low level. The start-up of the Chinese joint venture with Sany will continue to have a negative impact on results for several quarters, but PALFINGER expects a clearly positive trend in further development, in particular on the basis of the market potential available in China.

India

In India, the difficult market situation prevented a further augmentation of revenue. The downward tendency of economic growth and liquidity bottlenecks in infrastructure projects were clearly noticeable in the first quarter. The expansion of local value creation at the Chennai site will nevertheless be continued, and the distribution organization will be adjusted to local requirements.

CIS

In 2012, the business area CIS established itself as the region with the highest growth rate in the field of loader cranes. However, in the first quarter of 2013, no further increases in revenue could be observed. The basis for the sustainable, positive development of revenue and earnings was the acquisition of INMAN in 2011. In the period under review, an investment project aimed at expanding capacities was launched in order to support further growth. Another success achieved by PALFINGER in the first quarter was the signing of a cooperation agreement with one of Russia's largest truck producers.

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 quarter of 2013, priority was placed on activities related to intensifying acquisition projects. PALFINGER is striving to realize inorganic growth due to acquisitions primarily in the business areas Marine, South America and CIS. This unit's EBIT for the first quarter of 2013 was –EUR 4.2 million, as compared to –EUR 3.9 million for the same period in 2012.

OUTLOOK

The three strategic pillars of the PALFINGER Group – internationalization, innovation and flexibility – have gained importance in recent years in connection with the change in market conditions. They are still being pursued consistently in order to generate sustainable, profitable growth in the future as well. PALFINGER's internationalization strategy will be intensified primarily in China, Brazil, Russia and in the Marine business area. The establishment of the joint venture in China is also expected to show first successes in the course of 2013.

The Group's flexibility will be continuously developed in all fields. The ongoing expansion of order-based procurement, manufacturing and assembly has enabled PALFINGER to respond to order fluctuations quickly without locking up excessive capital by increasing inventories. PALFINGER will therefore continue to pursue its flexibility course consistently and make sure that it is also followed by 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. This is a challenge that PALFINGER has met through a Group-wide value-creation project launched in 2012, with the object of enhancing the Group's major competitive advantage – its global organization – for the future.

The 2013 financial year will also be 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, trend monitoring still suggests ongoing positive development. As a consequence, despite the uncertain development of the economy and of demand, the management expects a continued moderate increase in revenue, coming primarily from the business 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.

Based on the Company's product diversification over recent years and its ongoing internationalization efforts, PALFINGER considers its strategic corporate planning to have the potential of doubling 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 STATEMENTS AS AT 31 MARCH 2013

CONSOLIDATED INCOME STATEMENT*

EUR thousand	Note	Jan–Mar 2013	Jan–Mar 2012
Revenue		**225,771**	**223,909**
Cost of sales		(167,184)	(167,590)
Gross profit		**58,587**	**56,319**
Other operating income		4,409	4,416
Research and development costs		(6,011)	(5,544)
Distribution costs		(18,113)	(16,974)
Administrative expenses		(19,889)	(19,893)
Other operating expenses		(1,608)	(1,903)
Income from associated companies		681	1,297
Earnings before interest and taxes – EBIT		**18,056**	**17,718**
Interest income		190	96
Interest expenses		(2,775)	(3,005)
Exchange rate differences		110	(93)
Net financial result		**(2,475)**	**(3,002)**
Result before income tax		**15,581**	**14,716**
Income tax expense		(3,592)	(3,059)
Result after income tax		**11,989**	**11,657**
attributable to			
shareholders of PALFINGER AG (consolidated net result for the period)		**11,022**	**10,671**
non-controlling interests		**967**	**986**
EUR			
Earnings per share (undiluted and diluted)	3	0.31	0.30
Average number of shares outstanding		35,391,657	35,363,666

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR thousand	Jan–Mar 2013	Jan–Mar 2012
Result after income tax	**11,989**	**11,657**
Amounts that may be reclassified to the income statement in future periods		
Unrealized profits (+)/losses (–) from foreign currency translation	4,001	(373)
Deferred taxes thereon	(383)	0
Effective taxes thereon	(1)	0
Unrealized profits (+)/losses (–) from cash flow hedge		
Changes in unrealized profits (+)/losses (–)	187	488
Deferred taxes thereon	146	38
Effective taxes thereon	(193)	(160)
Realized profits (–)/losses (+)	(216)	(91)
Deferred taxes thereon	(66)	0
Effective taxes thereon	120	23
Other comprehensive income	**3,595**	**(75)**
Total comprehensive income	**15,584**	**11,582**
attributable to		
shareholders of PALFINGER AG	**14,436**	**10,434**
non-controlling interests	**1,148**	**1,148**

CONSOLIDATED BALANCE SHEET

EUR thousand	Note	31 Mar 2013	31 Dec 2012	31 Mar 2012
Non-current assets				
Intangible assets		165,825	165,440	150,473
Property, plant and equipment	1	210,475	208,776	200,630
Investment property		382	387	400
Investments in associated companies	2	14,269	14,977	14,330
Deferred tax assets		23,219	25,112	22,788
Non-current financial assets		6,278	5,910	6,607
Other non-current assets		1,953	1,401	1,767
		422,401	**422,003**	**396,995**
Current assets				
Inventories		226,171	202,519	211,628
Trade receivables		148,733	141,240	137,265
Other current assets		22,282	20,040	16,549
Tax receivables		4,210	3,287	648
Cash and cash equivalents		18,729	24,476	10,920
		420,125	**391,562**	**377,010**
Total assets		**842,526**	**813,565**	**774,005**
Equity				
Share capital		35,730	35,730	35,730
Additional paid-in capital		30,727	30,616	30,591
Treasury stock		(1,790)	(1,858)	(1,858)
Retained earnings	3	297,943	299,895	280,795
Foreign currency translation reserve		(2,523)	(5,983)	(3,600)
		360,087	**358,400**	**341,658**
Non-controlling interests		3,376	6,474	3,222
		363,463	**364,874**	**344,880**
Non-current liabilities				
Liabilities from puttable non-controlling interests	4	17,871	18,999	13,039
Non-current financial liabilities		203,331	204,777	109,585
Non-current provisions		33,764	34,610	47,013
Deferred tax liabilities		8,687	7,388	7,752
Other non-current liabilities		3,162	3,019	3,711
		266,815	**268,793**	**181,100**
Current liabilities				
Current financial liabilities		50,088	44,463	103,960
Current provisions		12,348	13,046	13,146
Tax liabilities		3,581	3,609	4,523
Trade payables and other current liabilities		146,231	118,780	126,396
		212,248	**179,898**	**248,025**
Total equity and liabilities		**842,526**	**813,565**	**774,005**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR thousand	Note	Equity attributable to the shareholders of PALFINGER AG 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	4	0	0
Other changes		0	114
		0	**114**
As at 31 Mar 2012		**35,730**	**30,591**
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	3	0	0
Reclassification non-controlling interests	4	0	0
Disposal non-controlling interests		0	0
Other changes		0	111
		0	**111**
As at 31 Mar 2013		**35,730**	**30,727**

	Equity attributable to the shareholders of PALFINGER AG						
	Retained earnings						
Treasury stock	Other retained earnings	Actuarial gains/ losses acc. to IAS 19	Valuation reserve acc. to IAS 39	Foreign currency translation reserve	Total	Non-controlling interests	Equity
(2,009)	**287,194**	**(1,054)**	**(664)**	**(3,065)**	**346,609**	**6,171**	**352,780**
0	10,671	0	0	0	**10,671**	986	**11,657**
0	0	0	0	(535)	**(535)**	162	**(373)**
0	0	0	298	0	**298**	0	**298**
0	**10,671**	**0**	**298**	**(535)**	**10,434**	**1,148**	**11,582**
0	(13,437)	0	0	0	**(13,437)**	(3,850)	**(17,287)**
0	(2,188)		0	0	**(2,188)**	(247)	**(2,435)**
151	(25)	0	0	0	**240**	0	**240**
151	**(15,650)**	**0**	**0**	**0**	**(15,385)**	**(4,097)**	**(19,482)**
(1,858)	**282,215**	**(1,054)**	**(366)**	**(3,600)**	**341,658**	**3,222**	**344,880**
(1,858)	**305,879**	**(3,093)**	**(2,891)**	**(5,983)**	**358,400**	**6,474**	**364,874**
0	11,022	0	0	0	**11,022**	967	**11,989**
0	0	0	0	3,436	**3,436**	181	**3,617**
0	0	0	(22)	0	**(22)**	0	**(22)**
0	**11,022**	**0**	**(22)**	**3,436**	**14,436**	**1,148**	**15,584**
0	(13,448)	0	0	0	**(13,448)**	(3,500)	**(16,948)**
0	1,366	0	0	0	**1,366**	(376)	**990**
0	(870)	0	0	24	**(846)**	(384)	**(1,230)**
68	0	0	0	0	**179**	14	**193**
68	**(12,952)**	**0**	**0**	**24**	**(12,749)**	**(4,246)**	**(16,995)**
(1,790)	**303,949**	**(3,093)**	**(2,913)**	**(2,523)**	**360,087**	**3,376**	**363,463**

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR thousand	Jan–Mar 2013	Jan–Mar 2012
Result before income tax	**15,581**	**14,716**
Cash flows from operating activities	17,966	7,462
Cash flows from investing activities	(8,836)	(15,121)
Cash flows from financing activities	(15,168)	3,315
Total cash flows	**(6,038)**	**(4,344)**
Free cash flows	**10,945**	**(5,521)**

EUR thousand	2013	2012
Funds as at 1 Jan	**24,476**	**15,137**
Effects of foreign exchange differences	291	127
Total cash flows	(6,038)	(4,344)
Funds as at 31 Mar	**18,729**	**10,920**

SEGMENT REPORTING

	External revenue		Internal revenue		EBIT	
EUR thousand	Jan–Mar 2013	Jan–Mar 2012	Jan–Mar 2013	Jan–Mar 2012	Jan–Mar 2013	Jan–Mar 2012
EUROPEAN UNITS	153,111	152,472	18,218	17,246	20,708	21,617
AREA UNITS	72,660	71,437	8	23	1,906	834
VENTURES	–	–	–	–	(4,204)	(3,873)
Segment consolidation	–	–	(18,226)	(17,269)	(354)	(860)
PALFINGER Group	**225,771**	**223,909**	**0**	**0**	**18,056**	**17,718**

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

GENERAL

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

REPORTING BASES

In principle, the same accounting and valuation methods used in the consolidated financial statements for the financial year 2012 were applied to these interim consolidated financial statements of PALFINGER AG and its subsidiaries as at 31 March 2013, which were 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.

These interim consolidated financial statements of PALFINGER AG were neither fully audited nor reviewed by an auditor.

CHANGES IN ACCOUNTING AND VALUATION METHODS

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

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.

NOTES TO THE CONSOLIDATED INCOME STATEMENT

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–Mar 2012

EUR thousand	Changes in inventories and own work capitalized	Materials and external services	Employee benefits expenses	Depreciation, amortization and impairment expenses	Other income	Other expenses	Total
Cost of sales	8,188	(122,433)	(35,780)	(4,128)	0	(13,437)	**(167,590)**
Other operating income	0	0	0	0	4,402	14	**4,416**
Research and development costs	1,167	(251)	(4,814)	(738)	359	(1,267)	**(5,544)**
Distribution costs	(26)	(635)	(10,396)	(1,060)	0	(4,857)	**(16,974)**
Administrative expenses	430	(265)	(10,725)	(1,387)	0	(7,946)	**(19,893)**
Other operating expenses	0	0	0	0	0	(1,903)	**(1,903)**
Total	**9,759**	**(123,584)**	**(61,715)**	**(7,313)**	**4,761**	**(29,396)**	**(207,488)**

Jan–Mar 2013

EUR thousand	Changes in inventories and own work capitalized	Materials and external services	Employee benefits expenses	Depreciation, amortization and impairment expenses	Other income	Other expenses	Total
Cost of sales	12,051	(123,166)	(37,851)	(4,388)	0	(13,830)	**(167,184)**
Other operating income	0	0	0	0	4,409	0	**4,409**
Research and development costs	1,436	(201)	(5,360)	(831)	264	(1,319)	**(6,011)**
Distribution costs	0	(441)	(10,896)	(1,057)	0	(5,719)	**(18,113)**
Administrative expenses	106	(141)	(10,570)	(1,079)	0	(8,205)	**(19,889)**
Other operating expenses	0	0	0	0	0	(1,608)	**(1,608)**
Total	**13,593**	**(123,949)**	**(64,677)**	**(7,355)**	**4,673**	**(30,681)**	**(208,396)**

NOTES TO THE CONSOLIDATED BALANCE SHEET

(1) Property, plant and equipment

Property, plant and equipment increased as compared to 31 December 2012 due to additions to plants, machinery and tools in the amount of EUR 1,279 thousand (previous year until 31 Mar 2012: EUR 875 thousand), fixtures, fittings and equipment in the amount of EUR 1,728 thousand (previous year until 31 Mar 2012: EUR 1,013 thousand), and assets under construction in the amount of EUR 2,445 thousand (previous year until 31 Mar 2012: EUR 2,998 thousand).

(2) 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 net result for the period	681	4,327
Dividends	(1,395)	(2,380)
Foreign currency translation	6	(48)
As at 31 Mar/31 Dec	**14,269**	**14,977**

(3) 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 31 Mar/31 Dec	**35,401,910**	**35,389,410**

On the basis of a consolidated net result for the period of EUR 11,022 thousand (Jan–Mar 2012: EUR 10,671 thousand), undiluted earnings per share were EUR 0.31 (Jan–Mar 2012: EUR 0.30). Due to the low dilution effect of the stock option programme, diluted earnings per share were identical to undiluted earnings per share.

(4) Liabilities from puttable non-controlling interests

As at 31 December 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 (redemption) and in the beginning of April the remaining 8 per cent (reversal) 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**
Increase directly in equity	89	6,874
Interest cost	77	251
Redemption	(215)	(3,384)
Reversal through profit and loss	0	(787)
Reversal directly in equity	(1,079)	0
As at 31 Mar/31 Dec	**17,871**	**18,999**

CONTINGENT ASSETS AND LIABILITIES

There were no contingent assets or liabilities as at 31 March 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 31 Mar/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.

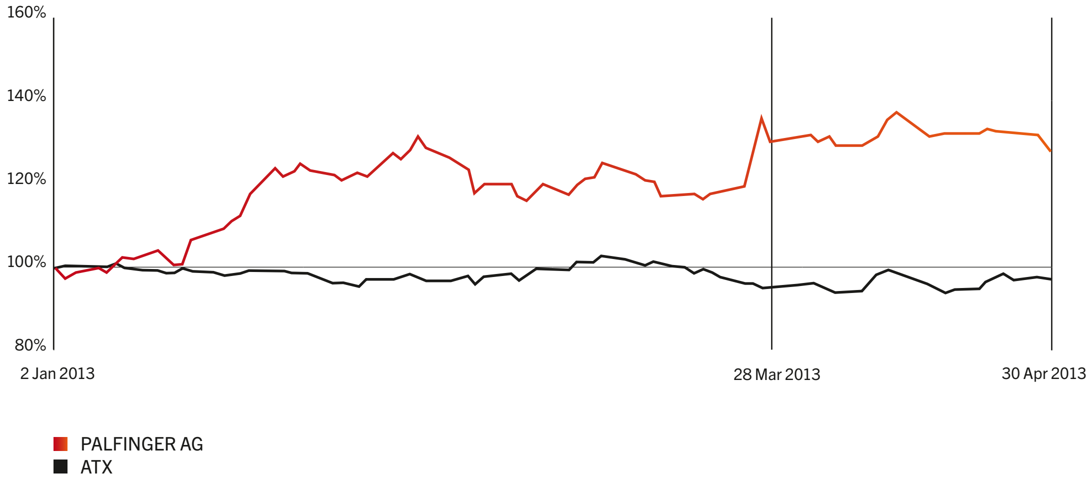
KEY EVENTS AFTER THE REPORTING DATE

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

SHAREHOLDER INFORMATION

Q1 2013	
International Securities Identification Number (ISIN)	AT0000758305
Number of shares issued	35,730,000
of which own shares	328,090
Price as at 28 March 2013	EUR 22.66
Earnings per share (Q1 2013)	EUR 0.31
Market capitalization as at 28 March 2013	EUR 809,641.8 thousand

SHARE PRICE DEVELOPMENT



INVESTOR RELATIONS

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FINANCIAL CALENDAR

8 August 2013	Publication of results for the first half of 2013
8 November 2013	Publication of results for the first three quarters of 2013

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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Cover image: Siegfried Höbert, PALFINGER International Sales, Loader Cranes

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