OUR STRATEGY CONTINUES TO PROVE ITS WORTH

INTERIM REPORT FOR THE FIRST HALF OF 2013

PALFINGER

FINANCIAL HIGHLIGHTS OF THE PALFINGER GROUP

EUR thousand	HY1 2013	HY1 2012	HY1 2011	HY1 2010	HY1 2009
Income					
Revenue	475,103	465,073	414,270	297,402	269,169
EBITDA	54,027	52,158	50,138	24,896	6,811
EBITDA margin	11.4%	11.2%	12.1%	8.4%	2.5%
EBIT	39,118	37,171	35,992	14,546	(4,197)
EBIT margin	8.2%	8.0%	8.7%	4.9%	(1.6%)
Result before income tax	32,205	31,827	30,068	11,901	(8,516)
Consolidated net result for the period	24,688	23,859	22,571	7,271	(8,013)
Balance sheet					
Total assets	865,233	798,759	723,662	629,349	629,797
Net working capital (average)	176,390	156,930	114,341	135,610	162,169
Capital employed (average)	599,587	542,237	487,642	457,510	469,131
Equity	375,574	360,707	327,886	313,309	288,435
Equity ratio	43.4%	45.2%	45.3%	49.8%	45.8%
Net debt	239,742	194,505	163,411	157,901	170,787
Gearing	63.8%	53.9%	49.8%	50.4%	59.2%
Cash flows and investments					
Cash flows from operating activities	23,751	11,807	15,138	23,405	18,568
Free cash flows	9,495	(8,148)	4,710	4,283	14,668
Net investments	16,682	20,238	10,056	6,647	7,123
Depreciation, amortization and impairment	14,909	14,987	14,146	10,350	11,008
Payroll					
Average payroll during the reporting period*	6,303	6,071	5,449	4,400	4,658

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

CONSOLIDATED MANAGEMENT REPORT AS AT 30 JUNE 2013

ECONOMIC ENVIRONMENT

Global economic growth remained weak in the first half of 2013. The modest recovery lost momentum as the existing risks tended to increase and new ones were added to the picture, relating in particular to the feeble GDP growth in the major emerging markets, the euro area's recession and the restrained economic development in the USA. On this basis, the International Monetary Fund (IMF) again lowered its forecast in July 2013 and now expects global GDP growth of 3.1 per cent in 2013 and 3.8 per cent in 2014.

Europe's economy over the past six months was marked by turbulence in the euro area, caused by the enormous sovereign debt of some countries, with recession being more pronounced than expected. Accordingly, the IMF predicts that economic output in the euro area will shrink by 0.6 per cent in 2013; economic performance is expected to grow again by 0.9 per cent in 2014.

The countries of Central and Eastern Europe were affected by the debt crisis, as their economic and financial ties with the euro area make them heavily dependent on its development. The IMF's expectations for this region's economic growth remain unchanged at 2.2 per cent in 2013 and 2.8 per cent in 2014. Russia benefits from having a rich store of natural resources, in particular petroleum, but the country's restrictive monetary and fiscal policies have driven down domestic demand. All in all, its economic growth has recently declined somewhat, but is still above the average of the large industrial nations.

In the USA, the economy expanded less than expected. While the situation of businesses and the labour market improved, the government spending cuts instituted at the beginning of March have since weighed on the economy. Hence, the IMF has trimmed its expectations for economic growth to 1.7 per cent in 2013 and 2.7 per cent in 2014.

In the first half of 2013, Latin America's economy was impacted by the ongoing weak growth of the economic heavyweight Brazil. While investments were on the increase, household consumption, previously a pillar of Brazil's economy, was sluggish. In this connection, GDP forecasts for 2013 and 2014 have been lowered to a moderate increase of 2.5 per cent and 3.2 per cent, respectively.

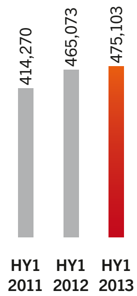
In Asia's emerging markets, too, economic growth in the period under review fell short of expectations. China, in particular, has powered the global economy for quite some time now, but structural problems as well as weak foreign demand have significantly curbed economic growth. The IMF has revised its GDP growth forecast for China to a still noteworthy 7.8 per cent in 2013 and 7.7 per cent in 2014.

Global financial markets in the first half of 2013 recorded a slight upward trend, with volatility significantly increasing again in the second quarter. By and large, international stock market indices went up in value, but European stock exchanges showed a divergent development. On international commodity markets, weaker demand from the vital Chinese market drove down prices, especially those of industrial metals. After recording a short-term spike in February, oil prices subsequently dropped as well. On 30 June 2013, the price of a barrel of Brent crude was USD 102.10, approximately 8 per cent lower than at the end of 2012.

The lingering uncertainty in the euro area sent the euro exchange rate down slightly against the US dollar and the Chinese yuan in the first half of 2013, whereas the euro appreciated against the Brazilian real by approx. 8 per cent. On 30 June 2013, the euro was trading at USD 1.30, CNY 7.98 and BRL 2.90.

PERFORMANCE OF THE PALFINGER GROUP

In the first half of the 2013 financial year, the PALFINGER Group managed to further expand its business despite the difficult economic environment, especially in Europe. With a moderate increase in revenue, PALFINGER performed exceedingly well in comparison with other market players and managed to solidify its leading market position. This was based on the constantly positive development of the areas outside Europe as well as the strong performance of the Marine business area. Earnings also rose slightly above the satisfactory level recorded in 2012.

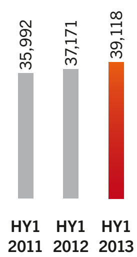


DEVELOPMENT OF REVENUE
(EUR thousand)

The greatest potential for the future has been identified in the BRIC countries and the global Marine business area. PALFINGER has already taken decisive steps to position itself on these markets and continues to persistently pursue this strategy. In the period under review, the cooperation with the Chinese joint-venture partner Sany brought the first operational success, both in China and in connection with the marketing of Sany mobile cranes in CIS.

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

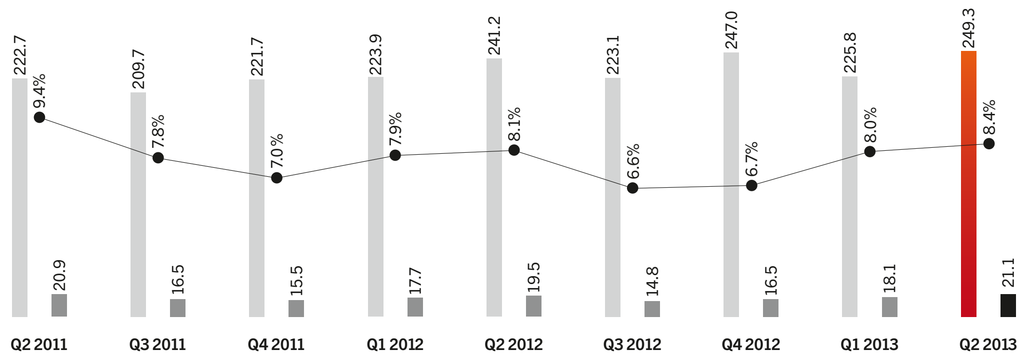
In the first half of 2013, PALFINGER's revenue achieved a new record value of EUR 475.1 million, which is 2.2 per cent above the revenue of EUR 465.1 million reported for the first half of 2012. Growth was, to a large extent, generated in the areas outside Europe and in the Marine business area. The declining revenue in the European core markets was compensated, in particular, by the acquisition of Palfinger Dreggen, which had taken place in 2012.



DEVELOPMENT OF EBIT
(EUR thousand)

In the first six months of 2013, EBIT amounted to EUR 39.1 million. In comparison with the operating result recorded in the first half of 2012, EUR 37.2 million, this represents a 5.2 per cent increase. Earnings in Europe declined, whereas the AREA UNITS segment and the Marine business area saw significant increases. In addition, the acquisition of a larger interest in the production company Nimet Srl in Romania had a positive one-time effect. Thus, the EBIT margin was raised from 8.0 per cent to 8.2 per cent. At EUR 24.7 million, the consolidated net result for the period under review was slightly above the previous year's level of EUR 23.9 million.

The performance over the individual quarters since 2011 shows the modest but continuous growth of the PALFINGER Group.



DEVELOPMENT OF REVENUE AND EBIT
(EUR million)

Revenue
EBIT
● EBIT margin (in per cent)

All in all, business in the European core markets was slower in the first half of 2013 than in 2012, with the countries presenting a mixed picture: while Germany and France – the strongest markets in terms of revenue – recorded declines, performance in Norway, Ireland, Denmark and Great Britain was highly positive.

The development of demand in North and South America, which has increased over several quarters, as well as the high level recorded in Russia are still highly satisfactory. PALFINGER expects this trend to continue, due on the one hand to additional upcoming investments in infrastructure, in Brazil mainly in connection with the World Football Championship 2014 and the Summer Olympic Games 2016, and on the other hand due to the introduction of additional product groups in these areas.

Business performance in Asia was positive as well. After the successful dealer conference held in Ningxiang, PALFINGER managed to sell the first cranes in the context of its Chinese joint venture with Sany.

FINANCIAL POSITION, CASH FLOWS AND RESULT OF OPERATIONS

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

At 43.4 per cent, the equity ratio was still at a high level at the end of the first half of 2013, being only slightly lower than the figure reported at the end of the first half of 2012 (30 June 2012: 45.2 per cent). Despite the payment of dividends in the first quarter, equity rose from EUR 360.7 million as at 30 June 2012 to EUR 375.6 million as at 30 June 2013 due to the positive result achieved. Total assets increased compared to the first half of 2012, from EUR 798.8 million to EUR 865.2 million, primarily as a consequence of the acquisitions of the companies Tercek and Palfinger Dreggen, the Platforms Italy joint venture and the increase in PALFINGER's interest in Nimet Srl.

The average net working capital increased from EUR 156.9 million in the first half of 2012 to EUR 176.4 million at the end of June 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. The average capital employed rose by EUR 57.4 million to EUR 599.6 million. Targeted Group-wide capital employed management is being applied in order to achieve further optimization.

The main reasons for the rise in net debt were the acquisition of Dreggen and the early payment of the earn-out obligation arising from the acquisition of Palfinger Marine in the fourth quarter of 2012, capacity investments in the area units, and the payment of dividends for 2012. These investments were financed through the issue of a promissory note loan with a volume of EUR 77.5 million in October 2012 and the refinancing of maturing loans in the amount of EUR 50 million. As a consequence, net debt increased by 23.3 per cent year on year to EUR 239.7 million as at 30 June 2013 (30 June 2012: EUR 194.5 million) and the gearing ratio rose to 63.8 per cent (30 June 2012: 53.9 per cent).

In connection with the issue of the promissory note loan, current financial liabilities were transferred to non-current financial liabilities. Hence, 92.1 per cent of PALFINGER's total capital employed has been secured on a long-term basis.

Cash flows from operating activities increased to EUR 23.8 million in the first half of 2013 (Jan–June 2012: EUR 11.8 million). This was caused primarily by the fact that net working capital increased less than in the previous year. Free cash flows were EUR 9.5 million, highlighting PALFINGER's ongoing financing power.

At EUR 475.1 million, revenue was slightly higher than the level achieved in the first half of 2012, when it came to EUR 465.1 million. In the second quarter of 2013, revenue increased by EUR 23.6 million as compared to the first quarter (Q1: EUR 225.8 million; Q2: EUR 249.3 million).

EBIT amounting to EUR 39.1 million (Jan–June 2012: EUR 37.2 million) and the Group's consolidated net result of EUR 24.7 million (Jan–June 2012: EUR 23.9 million) demonstrate that PALFINGER is still growing. This positive development of earnings was attributable not only to the AREA UNITS segment but also to the Marine business area. In addition, in the second quarter of 2013, a special effect resulted from the appreciation of non-controlling interests in the EUROPEAN UNITS segment.

MATERIAL RISKS AND UNCERTAINTIES IN THE SECOND HALF OF 2013

In the second half of 2013, the risk situation will continue to be marked by highly volatile markets. As a consequence of economic uncertainties, especially also in growth regions, a further decline in incoming orders can therefore not be ruled out. However, PALFINGER's rolling forecast enables the Company to be flexible in its response to current requirements.

PALFINGER continues to pursue a growth strategy with a focus on internationalization and the roll-out of existing products to new markets. The resulting broader portfolio is intended to further reduce dependence on individual regions and industries. At the same time, however, it makes internal processes more complex.

Moreover, additional specific risks may arise for the business units:

- The integration of the acquisitions made over the past few years has not been fully completed, and may result in additional costs for integration and market development.
- Entries into new markets involve not only one-time investments but also the challenge of legal compliance with different local standards.
- It is possible that the sales figures of products in new regions will not fulfill the envisioned potential due to limited capacities and specific market needs, creating the risk that targets may not be reached.
- In order to keep delivery times as short as possible, inventories were built up in some areas (e.g. India, Russia), thereby running the risk of excessively locking up capital.
- The growing order volume in the project business has also driven up project-related risks; this is an area in which PALFINGER has only limited previous experience. Large projects may also involve concentration risks.

In order to utilize the large potential and exceptional economic growth in China, a joint venture was established with Sany in 2012. However, current developments in China indicate a significant cooling of growth, creating the risk of PALFINGER having to adjust its sales targets accordingly in this market. Nevertheless, PALFINGER has identified significant growth potential especially in the BRIC countries and is going to continue its expansion strategy.

Due to the prevailing economic tensions in Europe, the risk of bad-debt losses is increasing as is the risk of dealers' and suppliers' being in need of financing. Any lack of information exchange with these stakeholders may lead, on the one hand, to a loss of market shares and, on the other hand, to difficulties in the procurement of materials.

As substantial value-creation stages lie in manufacture and assembly, an extended production downtime occurring at a plant would have a significant impact on the financial results generated by PALFINGER.

The challenge in the field of development is to continuously reconfirm the Group's status as an innovation leader. Therefore, research and development is a priority issue at PALFINGER in order to facilitate the ongoing supply of the market with innovations. However, today's dynamic environment and enormous cost pressure call for an ever-faster product cycle, thus increasing the risk of quality defects in the case of a premature market launch. Close and timely communications with PALFINGER's sales partners are essential so that PALFINGER can continue to develop customer-oriented solutions and thus generate competitive advantages on the market.

Due to PALFINGER's vigorous growth – both organic and inorganic – it will be vitally necessary to continue to adjust organizational structures in the second half of 2013, so as to become even more efficient and flexible. The main focus here will be on additional measures for standardizing and optimizing business processes, in order to be able to realize synergies and cost savings as planned. Lengthy decision-making processes could delay the implementation of optimization measures, which means that gains in efficiency would be capitalized on only later or not at all.

RISKS RELATING TO BALANCE SHEET PREPARATION

Errors in estimates regarding potential developments would require an adjustment of the capitalized development expenditure.

The necessary use of estimates and judgements in the fields of intangible assets, deferred tax assets, measurements of inventories and receivables, provisions for pensions, severance payments and anniversary bonuses, as well as provisions for guarantees and warranties have a direct impact on the presentation of the Group's assets and earnings.

Assessment risks may be created due to the inclusion of acquisitions in the balance sheet and the related evaluations of facts necessary for this purpose. The combination of various booking procedures entails a certain reporting risk.

With its continuously developing risk management and control system, which has been uniformly organized throughout the Company, PALFINGER ensures that adequate risk control strategies are developed and implemented. At the moment, there are no discernable risks that might jeopardize the continued existence of the Company.

OTHER EVENTS

The strategic projects of previous years were continued in the period under review. Internationalization remains one of the Group's priorities, as geographically balanced diversification is an essential success factor. The next steps will be taken with a focus on China, Brazil, Russia and the Marine business area; organic growth as well as partnerships or acquisitions are under consideration.

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

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

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

The reorganization of the Group's structure under company law, initiated in the 2011 financial year, was continued. In the first half of 2013, the transformation of the US subsidiaries Interlift, Inc., Omaha Standard, Inc. and Palfleet Truck Equipment, Co. into LLCs was prepared, and was implemented as at 1 July 2013. At the same time, Interlift, Inc. was renamed Palfinger Liftgates, LLC.

Effective April 2013, the Management Board of PALFINGER AG adopted, for the first time, a five-year incentive programme for the executive team of the PALFINGER Group. This programme is tied to revenue and profitability targets to be met by the end of 2017 and is intended to focus the management's performance on long-term Group targets and increase the commitment and motivation of the key management team.

The necessary permits for the construction of the Group's new headquarters in Bergheim, Salzburg, are expected to be granted shortly. Construction is scheduled to commence in the autumn of 2013; the staff will probably relocate in 2015.

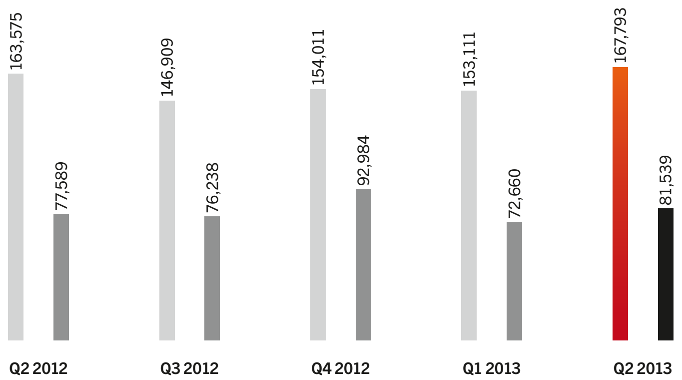
In the first six months of 2013, PALFINGER's Management Board and investor relations team participated in numerous international road shows and investor conferences to meet the unbroken strong interest in PALFINGER shares.

In the period under review, the price of PALFINGER shares once again showed a significant increase. As at the end of the first half of 2013, it was EUR 22.00 – 33.8 per cent higher than 2012's year-end value of EUR 16.44. Hence, PALFINGER clearly outperformed the ATX, the leading index of the Austrian Stock Exchange, and was among the top performers on the Vienna Stock Exchange. Since May 2013, PALFINGER shares have also been included in the new index "ATX Global Players" launched by the Vienna Stock Exchange.

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

PERFORMANCE BY SEGMENT

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



DEVELOPMENT OF REVENUE BY SEGMENT*
(EUR thousand)

EUROPEAN UNITS
AREA UNITS

* No revenues are generated in the VENTURES unit.

EUROPEAN UNITS

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

In the first half of 2013, the EUROPEAN UNITS segment reported revenue of EUR 320.9 million, corresponding to an increase of 1.5 per cent compared to the first half of 2012, when revenue was EUR 316.0 million.

For the most part, this increase was brought about by the globally operating Marine business area, with the business units Railway Systems and Production also making contributions. All other business units recorded slight declines in terms of both revenue and earnings.

At EUR 44.7 million, the segment's EBIT was higher than in the first half of 2012, when it was EUR 43.5 million. The EBIT margin for this segment was kept at a high level and came to 13.9 per cent.

Loader Cranes

In the business unit Loader Cranes, the first half of 2013 was marked by declines in markets usually posting high revenue, namely Germany, France and Sweden. While performance in Southern Europe remained at a very low level, positive developments were recorded in Norway, Ireland, Switzerland and Denmark. During the reporting period, PALFINGER kept business in Eastern Europe and Austria at the same level as in the previous year. All in all, prospects for the second half of 2013 are subdued as the economic situation remains strained. It is likely that the changeover to the new Euro 6 emission standard for trucks, which will be mandatory for all newly registered trucks from 2014 onwards, will counteract this trend.

EPSILON Timber and Recycling Cranes

Declines in revenue were also recorded in the business unit EPSILON Timber and Recycling Cranes in the first half of 2013. The level of earnings continues to be remarkably good. Brazil, Russia and North America, which are young markets for this product group, have been making positive contributions to earnings for several quarters. In cooperation with the respective business areas, strategies for further market development are being prepared. In the second half of 2013, the new harvester crane will be launched on the market in the Scandinavian countries and the DACH region. The first reactions to the prototypes have been highly promising.

Tail Lifts

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

Access Platforms

In the business unit Access Platforms, revenue decreased year on year as well. At the bauma trade fair in Munich, PALFINGER presented new products to counteract this development. In addition, the joint venture founded in Italy in the first half of 2013 is expected to have a positive impact on the development of the middle market segment for small trucks. PALFINGER also sees potential for this segment in other regions, for instance CIS.

Container Handling Systems

A positive contribution to earnings was achieved in the business unit Container Handling Systems despite the difficult market situation and a decline in revenue. This proves the sustainable nature of the turnaround achieved. The new product City was presented to an international audience for the first time at the bauma trade fair.

Truck Mounted Forklifts

In the business unit Truck Mounted Forklifts, revenue and earnings in the first half of 2013 were at the same levels as in the first half of 2012. As market development in Germany, the main market for this product, remained uncertain, incoming orders failed to meet expectations. In order to further promote this product group and to balance out the volatility of some geographical markets, PALFINGER continues to work on broadening its customer base, also outside Germany.

Railway Systems

Railway Systems, which is a trendsetting business unit for PALFINGER in terms of innovation and technological development, achieved an increase in revenue in the first half of 2013. PALFINGER sees substantial potential to grow, primarily in international markets, and is focusing on China, Russia and the Arab countries. But also the expected investments in the public sector as well as product enhancements and increased service competence in the EUROPEAN UNITS segment are expected to enable further growth.

Marine

In the period under review, the Marine business area and its five product segments recorded the expected growth in revenue and good operating results. This was made possible primarily by the business unit Offshore Cranes and its acquisition of Palfinger Dreggen in autumn 2012. The challenge to be met in this connection is currently the operational handling of the large-scale orders placed with PALFINGER at the beginning of the year. The on-site structures required for this are being established in Europe and overseas.

Production

Despite a slight reduction in capacity utilization, the business unit Production made a satisfactory contribution to earnings. The planned consolidation of the production sites and the optimization of component manufacturing are expected to further increase efficiency and effectiveness.

AREA UNITS

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

Most of the business areas outside Europe are still being developed, reinforced by the Group's own initiatives and acquisitions. The continued weakness of the European market environment highlights the importance of the internationalization course pursued by the PALFINGER Group. In the first half of 2013, the share in the consolidated revenue generated by areas outside Europe rose to 32.5 per cent. The medium-term objective is to generate two thirds of the consolidated revenue in these regions.

Revenue generated by the AREA UNITS segment increased by 3.5 per cent, from EUR 149.0 million in the first half of 2012 to EUR 154.2 million in the reporting period. Growth was boosted primarily by the Asian and South American regions.

As a result of the sustainable, positive development, PALFINGER has reported a positive operating result for the segment since the fourth quarter of 2011. In the first half of 2013, despite further investments into less-developed areas such as India or Asia and Pacific, the segment's EBIT improved by 27.4 per cent, from EUR 3.0 million in the same period of the previous year to EUR 3.8 million.

North America

In North America, it was almost possible to maintain the good revenue level achieved in previous quarters, despite the negative impact of the devastating tornado in Oklahoma. In the period under review, large cranes and access platforms were introduced to the market and first successes were achieved. Based on the strong demand in all product areas, PALFINGER expects the positive trend to be confirmed in the second half of 2013.

South America

South America has again proved itself as a growth market, primarily in the second quarter. Increases were recorded in both revenue and earnings. Additional growth is to be expected, for instance as a result of the upcoming large-scale sports events in Brazil. Moreover, PALFINGER is consistently pursuing the introduction of additional products such as EPSILON timber and recycling cranes, access platforms, tail lifts and passenger lifts, and the further improvement of the local loader crane series. The first reactions to the newly introduced products have been highly positive.

Asia and Pacific

Substantial increases were generated in the business area Asia and Pacific, even though revenue is still at a low level. The start-up of the Chinese joint venture with Sany is progressing as planned. It 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 and its neighbouring markets. In addition, the market introduction of additional product segments is being considered.

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 half. PALFINGER will continue with the expansion of local value creation at the Chennai site and with the adjustment of the distribution organization to comply with local requirements.

CIS

Following extraordinarily strong increases in revenue in 2012, the high level was maintained in the reporting period and productivity was enhanced even further. Judging by the incoming orders, the positive trend is likely to continue. In addition to new local product developments in the field of loader cranes, PALFINGER has decided to introduce all its other products into the Russian market. The construction measures required to double production capacities at INMAN will start in the second half of 2013.

VENTURES

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

In the first half of 2013, priority was placed on activities related to continuing the internationalization path pursued by the PALFINGER Group. The focus was primarily on the further development of the Indian, South American and Russian regions and the Marine business area as well as related potential acquisitions or partnerships. This unit's EBIT for the first half of 2013 was –EUR 8.8 million, as compared to –EUR 7.6 million for the same period in 2012.

OUTLOOK

The changes in market environment that have been going on since the beginning of the global economic crisis have confirmed the importance of the three strategic pillars of the PALFINGER Group – internationalization, innovation and flexibility. Without PALFINGER's consistent efforts in these areas over many years, the growth recorded by the Group would not have been possible. PALFINGER will therefore continue to pursue its long-term Group strategy in order to generate sustainable, profitable growth in the future as well. The next steps towards growth will most likely be taken primarily in Brazil and Russia and also in the Marine business area. The establishment of the joint venture in China is also expected to bear first fruit 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 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. Therefore, PALFINGER continues to pursue its Group-wide value-creation project launched in 2012, with the objective of enhancing the Group's major competitive advantage – its global organization – for the future.

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

The visibility of PALFINGER's business and hence reliability of planning continue to be limited due to prevailing market uncertainty. However, even though the economic outlook at mid-year is less optimistic and Europe does not seem to be recovering to the extent expected, PALFINGER's trend monitoring still suggests ongoing positive development. As a consequence, the management still expects a moderate increase in revenue, coming primarily from the areas outside Europe and the Marine business area, for the 2013 financial year. In addition, it is estimated that these areas will make even more substantial contributions to earnings.

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

INTERIM CONSOLIDATED FINANCIAL INFORMATION AS AT 30 JUNE 2013

CONSOLIDATED INCOME STATEMENT*

EUR thousand	Note	Apr–June 2013	Apr–June 2012	Jan–June 2013	Jan–June 2012
Revenue		**249,332**	**241,164**	**475,103**	**465,073**
Cost of sales		(192,711)	(184,821)	(359,895)	(352,411)
Gross profit		**56,621**	**56,343**	**115,208**	**112,662**
Other operating income	2	2,246	3,933	6,655	8,349
Research and development costs		(6,221)	(5,446)	(12,232)	(10,990)
Distribution costs		(19,123)	(17,045)	(37,236)	(34,019)
Administrative expenses		(17,644)	(16,919)	(37,533)	(36,812)
Other operating expenses		(2,408)	(2,741)	(4,016)	(4,644)
Income from associated companies	3	7,591	1,328	8,272	2,625
Earnings before interest and taxes – EBIT		**21,062**	**19,453**	**39,118**	**37,171**
Interest income		208	100	398	196
Interest expenses		(3,290)	(2,332)	(6,065)	(5,337)
Exchange rate differences		(1,356)	(110)	(1,246)	(203)
Net financial result		**(4,438)**	**(2,342)**	**(6,913)**	**(5,344)**
Result before income tax		**16,624**	**17,111**	**32,205**	**31,827**
Income tax expense		(1,974)	(2,299)	(5,566)	(5,358)
Result after income tax		**14,650**	**14,812**	**26,639**	**26,469**
attributable to					
shareholders of PALFINGER AG (consolidated net result for the period)		**13,666**	**13,188**	**24,688**	**23,859**
non-controlling interests		**984**	**1,624**	**1,951**	**2,610**
EUR					
Earnings per share (undiluted and diluted)	6	0.39	0.37	0.70	0.67
Average number of shares outstanding		35,396,841	35,376,609	35,396,841	35,376,609

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR thousand	Apr–June 2013	Apr–June 2012	Jan–June 2013	Jan–June 2012
Result after income tax	**14,650**	**14,812**	**26,639**	**26,469**
Amounts that may be reclassified to the income statement in future periods				
Unrealized profits (+)/losses (–) from foreign currency translation	(8,712)	1,634	(4,711)	1,261
Deferred taxes thereon	276	0	(107)	0
Effective taxes thereon	172	0	171	0
Unrealized profits (+)/losses (–) from cash flow hedge				
Changes in unrealized profits (+)/losses (–)	1,033	(761)	1,220	(273)
Deferred taxes thereon	289	(8)	435	30
Effective taxes thereon	(517)	198	(710)	38
Realized profits (–)/losses (+)	441	(158)	225	(249)
Deferred taxes thereon	(7)	(6)	(73)	(6)
Effective taxes thereon	(103)	45	17	68
Other comprehensive income	**(7,128)**	**944**	**(3,533)**	**869**
Total comprehensive income	**7,522**	**15,756**	**23,106**	**27,338**
attributable to				
shareholders of PALFINGER AG	**6,790**	**14,127**	**21,226**	**24,561**
non-controlling interests	**732**	**1,629**	**1,880**	**2,777**

CONSOLIDATED BALANCE SHEET

EUR thousand	Note	30 June 2013	31 Dec 2012	30 June 2012
Non-current assets				
Intangible assets		176,144	165,440	150,685
Property, plant and equipment	4	217,540	208,776	195,694
Investment property		378	387	395
Investments in associated companies	5	12,166	14,977	14,061
Deferred tax assets		22,453	25,112	22,238
Non-current financial assets		1,934	5,910	5,635
Other non-current assets		1,621	1,401	1,794
		432,236	**422,003**	**390,502**
Current assets				
Inventories		223,460	202,519	218,470
Trade receivables		169,043	141,240	143,177
Other current assets		22,705	20,040	24,674
Tax receivables		3,205	3,287	1,506
Cash and cash equivalents		14,584	24,476	12,468
		432,997	**391,562**	**400,295**
Non-current assets held for sale		0	0	7,962
		432,997	**391,562**	**408,257**
Total assets		**865,233**	**813,565**	**798,759**
Equity				
Share capital		35,730	35,730	35,730
Additional paid-in capital		30,726	30,616	30,600
Treasury stock		(1,790)	(1,858)	(1,858)
Retained earnings	6	312,614	299,895	293,622
Foreign currency translation reserve		(10,534)	(5,983)	(1,972)
		366,746	**358,400**	**356,122**
Non-controlling interests		8,828	6,474	4,585
		375,574	**364,874**	**360,707**
Non-current liabilities				
Liabilities from puttable non-controlling interests	7	16,872	18,999	13,210
Non-current financial liabilities		191,003	204,777	131,386
Non-current provisions	8	34,816	34,610	48,578
Deferred tax liabilities		8,124	7,388	7,742
Other non-current liabilities		2,866	3,019	3,428
		253,681	**268,793**	**204,344**
Current liabilities				
Current financial liabilities		65,388	44,463	83,973
Current provisions		12,591	13,046	13,517
Tax liabilities		2,721	3,609	5,136
Trade payables and other current liabilities		155,278	118,780	125,253
		235,978	**179,898**	**227,879**
Liabilities attributable to non-current assets held for sale		0	0	5,829
		235,978	**179,898**	**233,708**
Total equity and liabilities		**865,233**	**813,565**	**798,759**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

		Equity attributable to the shareholders of PALFINGER AG	
EUR thousand	Note	Share capital	Additional paid-in capital
As at 1 Jan 2012		**35,730**	**30,477**
Total comprehensive income			
Result after income tax		0	0
Other comprehensive income after income tax			
Unrealized profits (+)/losses (–) from foreign currency translation		0	0
Unrealized profits (+)/losses (–) from cash flow hedge		0	0
		0	**0**
Transactions with shareholders			
Dividends		0	0
Reclassification non-controlling interests	7	0	0
Disposal non-controlling interests		0	0
Other changes		0	123
		0	**123**
As at 30 June 2012		**35,730**	**30,600**
As at 1 Jan 2013		**35,730**	**30,616**
Total comprehensive income			
Result after income tax		0	0
Other comprehensive income after income tax			
Unrealized profits (+)/losses (–) from foreign currency translation		0	0
Unrealized profits (+)/losses (–) from cash flow hedge		0	0
		0	**0**
Transactions with shareholders			
Dividends	6	0	0
Reclassification non-controlling interests	7	0	0
Addition non-controlling interests		0	0
Disposal non-controlling interests		0	0
Other changes		0	110
		0	**110**
As at 30 June 2013		**35,730**	**30,726**

	Equity attributable to the shareholders of PALFINGER AG						
	Retained earnings						
Treasury stock	Other retained earnings	Actuarial gains/losses acc. to IAS 19	Valuation reserves 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	23,859	0	0	0	23,859	2,610	26,469
0	0	0	0	1,094	1,094	167	1,261
0	0	0	(392)	0	(392)	0	(392)
0	**23,859**	**0**	**(392)**	**1,094**	**24,561**	**2,777**	**27,338**
0	(13,437)	0	0	0	(13,437)	(3,850)	(17,287)
0	(1,822)	0	0	0	(1,822)	(389)	(2,211)
0	0	0	0	0	0	(116)	(116)
151	(62)	0	0	(1)	211	(8)	203
151	**(15,321)**	**0**	**0**	**(1)**	**(15,048)**	**(4,363)**	**(19,411)**
(1,858)	**295,732**	**(1,054)**	**(1,056)**	**(1,972)**	**356,122**	**4,585**	**360,707**
(1,858)	**305,879**	**(3,093)**	**(2,891)**	**(5,983)**	**358,400**	**6,474**	**364,874**
0	24,688	0	0	0	24,688	1,951	26,639
0	0	0	0	(4,576)	(4,576)	(71)	(4,647)
0	0	0	1,114	0	1,114	0	1,114
0	**24,688**	**0**	**1,114**	**(4,576)**	**21,226**	**1,880**	**23,106**
0	(13,448)	0	0	0	(13,448)	(3,500)	(16,948)
0	1,262	0	0	0	1,262	(331)	931
0	0	0	0	0	0	4,701	4,701
0	(870)	0	0	24	(846)	(384)	(1,230)
68	(27)	0	0	1	152	(12)	140
68	**(13,083)**	**0**	**0**	**25**	**(12,880)**	**474**	**(12,406)**
(1,790)	**317,484**	**(3,093)**	**(1,777)**	**(10,534)**	**366,746**	**8,828**	**375,574**

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR thousand	Jan–June 2013	Jan–June 2012
Result before income tax	**32,205**	**31,827**
Cash flows from operating activities	23,751	11,807
Cash flows from investing activities	(18,751)	(23,886)
Cash flows from financing activities	(14,666)	9,373
Total cash flows	**(9,666)**	**(2,706)**
Free cash flows	**9,495**	**(8,148)**

EUR thousand	2013	2012
Funds at 1 Jan	**24,476**	**15,137**
Effects of foreign exchange differences	(226)	37
Total cash flows	(9,666)	(2,706)
Funds at 30 June	**14,584**	**12,468**

SEGMENT REPORTING

	External revenue		Internal revenue		EBIT	
EUR thousand	Jan–June 2013	Jan–June 2012	Jan–June 2013	Jan–June 2012	Jan–June 2013	Jan–June 2012
EUROPEAN UNITS	320,904	316,047	68,548	33,762	44,652	43,471
AREA UNITS	154,199	149,026	27	28	3,847	3,019
VENTURES	–	–	–	–	(8,753)	(7,554)
Segment consolidation	–	–	(68,575)	(33,790)	(628)	(1,765)
PALFINGER Group	**475,103**	**465,073**	**0**	**0**	**39,118**	**37,171**

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL INFORMATION

GENERAL

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

REPORTING BASES

In principle, the same accounting and valuation methods used in the consolidated financial statements for the financial year 2012 were applied to this condensed interim consolidated financial information of PALFINGER AG and its subsidiaries as at 30 June 2013, which was prepared on the basis of IAS 34. The consolidated financial statements for the year ended 31 December 2012 were prepared in line with the International Financial Reporting Standards (IFRS) valid at the reporting date and the relevant interpretations of the International Financial Reporting Interpretations Committee (IFRIC) to be applied within the European Union (EU). For further information on the individual accounting and valuation methods used, please refer to the consolidated financial statements of PALFINGER AG for the year ended 31 December 2012.

This interim consolidated financial information of PALFINGER AG was reviewed by the Group's auditor, Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H., Salzburg.

CHANGES IN ACCOUNTING AND VALUATION METHODS

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

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

No further changes in accounting and valuation methods were made in the first half 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. The difference between the purchase price and the adjustment of the non-controlling interests in the amount of EUR 870 thousand was directly recorded in equity as retained earnings.

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

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

Acquisition of Nimet Srl

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

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

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

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

The goodwill generated cannot be used for tax purposes.

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

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

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

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

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

Net cash flows from the acquisitions were as follows:

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

Pro forma disclosures

Since its initial consolidation, Nimet Srl has contributed EUR 2,387 thousand to the consolidated revenue of PALFINGER AG and –EUR 6 thousand to the consolidated net result for the period.

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

EUR thousand	Jan–June 2013 stated	Jan–June 2013 pro forma
Revenue	475,103	487,205
Result after income tax	26,639	26,896
Earnings per share in EUR	0.70	0.70

NOTES TO THE CONSOLIDATED INCOME STATEMENT

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

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

Jan–June 2012

EUR thousand	Changes in inventories and own work capitalized	Materials and external services	Employee benefits expenses	Depreciation, amortization and impairment	Other income	Other expenses	Total
Cost of sales	15,572	(254,932)	(75,242)	(8,539)	110	(29,380)	(352,411)
Other operating income	0	0	0	0	8,507	(158)	8,349
Research and development costs	2,593	(619)	(9,555)	(1,514)	589	(2,484)	(10,990)
Distribution costs	(59)	(945)	(20,462)	(2,047)	0	(10,506)	(34,019)
Administrative expenses	8	(395)	(18,843)	(2,887)	0	(14,695)	(36,812)
Other operating expenses	0	0	0	0	0	(4,644)	(4,644)
Total	**18,114**	**(256,891)**	**(124,102)**	**(14,987)**	**9,206**	**(61,867)**	**(430,527)**

Jan–June 2013

EUR thousand	Changes in inventories and own work capitalized	Materials and external services	Employee benefits expenses	Depreciation, amortization and impairment	Other income	Other expenses	Total
Cost of sales	10,954	(255,233)	(78,412)	(9,167)	0	(28,037)	(359,895)
Other operating income	0	0	0	0	6,655	0	6,655
Research and development costs	3,386	(461)	(11,162)	(1,738)	528	(2,785)	(12,232)
Distribution costs	(89)	(543)	(22,124)	(2,151)	0	(12,329)	(37,236)
Administrative expenses	0	(265)	(19,634)	(1,853)	0	(15,781)	(37,533)
Other operating expenses	0	0	0	0	0	(4,016)	(4,016)
Total	**14,251**	**(256,502)**	**(131,332)**	**(14,909)**	**7,183**	**(62,948)**	**(444,257)**

(2) Other operating income

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

(3) Income from associated companies

Income from associated companies is comprised of the following:

EUR thousand	Jan–June 2013	Jan–June 2012
Share in the net result for the period	1,029	2,456
Income from the disposal of associated companies	81	169
Income from the revaluation of investments in associated companies due to acquisition	7,162	0
Total	**8,272**	**2,625**

NOTES TO THE CONSOLIDATED BALANCE SHEET

(4) Property, plant and equipment

Property, plant and equipment increased as compared to 31 December 2012 due to additions to land and buildings in the amount of EUR 973 thousand (previous year until 30 June 2012: EUR 2,977 thousand), plants, machinery and tools in the amount of EUR 2,282 thousand (previous year until 30 June 2012: EUR 1,355 thousand), fixtures, fittings and equipment in the amount of EUR 3,875 thousand (previous year until 30 June 2012: EUR 3,381 thousand), and assets under construction in the amount of EUR 4,999 thousand (previous year until 30 June 2012: EUR 6,649 thousand).

(5) Investments in associated companies

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

EUR thousand	2013	2012
As at 1 Jan	**14,977**	**13,060**
Additions	0	18
Share in the net result for the period	1,029	4,327
Dividends	(2,863)	(2,380)
Foreign currency translation	12	(48)
Disposals	(989)	0
As at 30 June/31 Dec	**12,166**	**14,977**

(6) Equity

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

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

The movements in shares outstanding are shown below:

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

On the basis of a consolidated net result for the period of EUR 24,688 thousand (Jan–June 2012: EUR 23,859 thousand), undiluted earnings per share were EUR 0.70 (Jan–June 2012: EUR 0.67). Due to the low dilution effect of the stock option programme, diluted earnings per share were identical to undiluted earnings per share.

(7) Liabilities from puttable non-controlling interests

As at 31 December 2012, PALFINGER held 100 per cent of the preferred share capital and 90 per cent of the ordinary share capital, hence 99 per cent of the share capital, of the NDM Group. The voting rights of the remaining 10 per cent of the share capital were held by PALFINGER under a trust structure. On 26 March 2013, 2 additional per cent and in the beginning of April the remaining 8 per cent of the share capital of the NDM Group were acquired.

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

EUR thousand	2013	2012
As at 1 Jan	**18,999**	**16,045**
Interest cost	154	251
Redemption	(1,364)	(3,384)
Reversal through profit and loss	0	(787)
Increase directly in equity	162	6,874
Reversal directly in equity	(1,079)	0
As at 30 June/31 Dec	**16,872**	**18,999**

(8) Non-current provisions

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

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

FINANCIAL INSTRUMENTS

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

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

EUR thousand	Fair value 30 June 2013	Level 2 Fair value	Level 3 Fair value
Non-current assets			
Non-current financial assets	1,120	1,120	0
Current assets			
Other current assets	724	724	0
Non-current liabilities			
Liabilities from puttable non-controlling interests	3,370	0	3,370
Non-current financial liabilities	1,488	1,488	0
Non-current provisions (contingent purchase price payments)	2,574	0	2,574
Current liabilities			
Current financial liabilities	1,508	1,508	0

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

EUR thousand	2013
As at 1 Jan	**7,650**
Interest cost	235
Redemption	(204)
Reversal through profit and loss	(1,678)
Exchange rate differences	(59)
As at 30 June	**5,944**

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

CONTINGENT ASSETS AND LIABILITIES

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

RELATED PARTIES

There were no substantial changes compared to 31 December 2012 with respect to business transactions with related parties. All transactions with related parties are carried out at generally acceptable market conditions. Please refer to the consolidated financial statements of PALFINGER AG for the year ended 31 December 2012 for further information on individual business relations.

STOCK OPTION PROGRAMME

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

	Herbert Ortner		Christoph Kaml		Wolfgang Pilz		Martin Zehnder		Alexander Exner		Alexander Doujak		Total	
Development of stock options	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**
As at 1 Jan	40,000	80,000	50,000	50,000	25,000	50,000	25,000	50,000	0	10,000	15,000	30,000	155,000	270,000
Options exercised	0	(10,000)	(12,500)	0	0	(6,250)	0	(6,250)	0	(2,500)	0	(3,750)	(12,500)	(28,750)
Options lapsed	0	(30,000)	(12,500)	0	0	(18,750)	0	(18,750)	0	(7,500)	0	(11,250)	(12,500)	(86,250)
As at 30 June/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

In the first half of 2013, the transformation of the US subsidiaries Interlift, Inc., Omaha Standard, Inc. and Palfleet Truck Equipment, Co. into LLCs was prepared, and was implemented as at 1 July 2013. At the same time, Interlift, Inc. was renamed Palfinger Liftgates, LLC. By doing so, it was possible to form a tax group and ensure that there was no need for impairment of loss carry forwards.

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

STATEMENT OF LEGAL REPRESENTATIVES PURSUANT TO SEC. 87 PARA. 1 OF THE STOCK EXCHANGE ACT

We confirm, to the best of our knowledge, that the condensed interim consolidated financial information gives a true and fair view of the assets, liabilities, financial position and profit or loss of the Group as required by the relevant accounting standards and that the consolidated management report gives a true and fair view of important events that have occurred during the first six months of the 2013 financial year and their impact on the condensed interim consolidated financial information, of the principal risks and uncertainties for the remaining six months of the 2013 financial year and of the major related party transactions to be disclosed.

Salzburg, 24 July 2013

Herbert Ortner m.p.
Chief Executive Officer

Christoph Kaml m.p.
Chief Financial Officer

Wolfgang Pilz m.p.
Chief Marketing Officer

Martin Zehnder m.p.
Chief Operating Officer

REPORT ON REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

INTRODUCTION

We have reviewed the accompanying condensed interim consolidated financial information of PALFINGER AG Salzburg, Austria, for the period from 1 January 2013 to 30 June 2013. This condensed interim consolidated financial information comprises the condensed consolidated balance sheet as at 30 June 2013, the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the period from 1 January 2013 to 30 June 2013 and a summary of significant accounting policies and other explanatory notes.

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

Our responsibility is to express a conclusion on this condensed interim consolidated financial information based on our review.

SCOPE OF THE REVIEW

We conducted our review in accordance with the statutory provisions and professional principles applicable in Austria, especially in accordance with Fachgutachten KFS/PG 11 “Grundsätze für die prüferische Durchsicht von Abschlüssen”.

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial information does not present fairly, in all material respects, the financial position of the Group as at 30 June 2013 and of its financial performance and its cash flows for the six-month period then ended in accordance with International Reporting Standards (IFRS) for Interim Financial Reporting, as adopted by the EU.

REPORT ON THE INTERIM CONSOLIDATED MANAGEMENT REPORT AND ON THE STATEMENT OF MANAGEMENT PURSUANT TO SEC. 87 OF THE STOCK EXCHANGE ACT

We have read the interim consolidated management report and reviewed whether the interim consolidated management report does not obviously disagree with the condensed interim consolidated financial information. Based on our review, the interim consolidated management report does not obviously disagree with the condensed interim consolidated financial information.

The interim financial information contains the required statement of management in accordance with sec. 87 para. 1. (3) of the Stock Exchange Act.

Salzburg, 24 July 2013

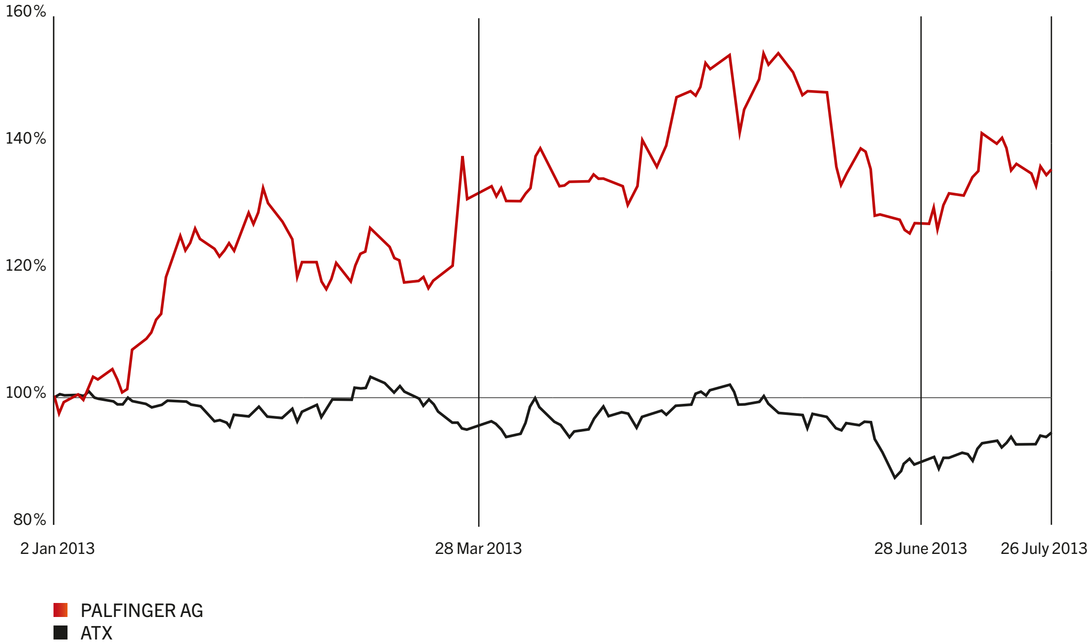
Ernst & Young
Wirtschaftsprüfungsgesellschaft m.b.H.

Thomas Haerdtl m.p.	pp Elisabeth Völker m.p.
Chartered accountant	Chartered accountant

SHAREHOLDER INFORMATION

HY1 2013	
International Securities Identification Number (ISIN)	AT0000758305
Number of shares issued	35,730,000
of which own shares	328,090
Price as at 28 June 2013	EUR 22.00
Earnings per share (HY1 2013)	EUR 0.70
Market capitalization as at 28 June 2013	EUR 786,060.0 thousand

SHARE PRICE DEVELOPMENT



INVESTOR RELATIONS

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FINANCIAL CALENDAR

8 November 2013	Publication of results for the first three quarters of 2013
17 February 2014	Balance sheet press conference
12 March 2014	Annual General Meeting
14 March 2014	Ex-dividend day
18 March 2014	Dividend payment day
7 May 2014	Publication of results for the first quarter of 2014
7 August 2014	Publication of results for the first half of 2014
7 November 2014	Publication of results for the first three quarters of 2014

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

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