

**PALFINGER AG**

Things are looking up

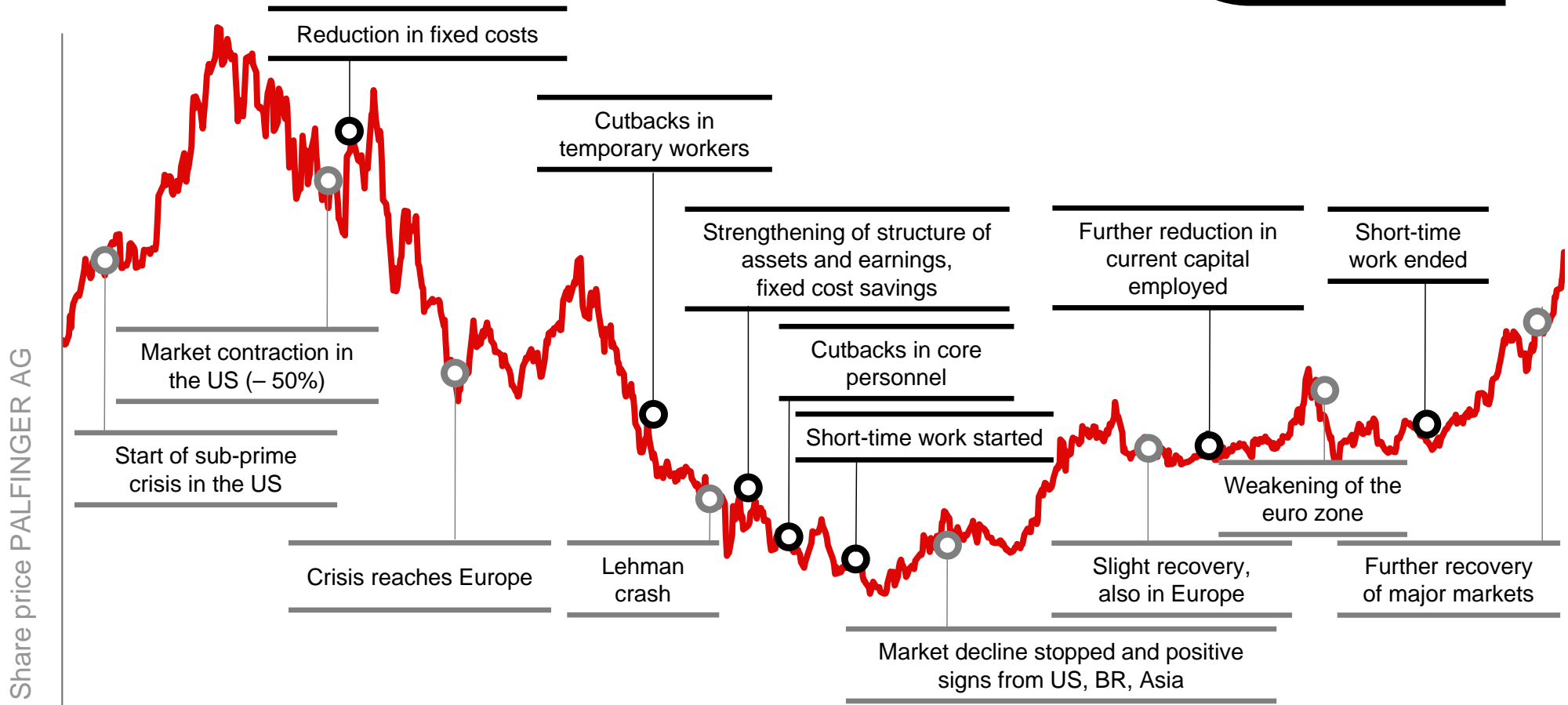
**PALFINGER**

Presentation on the 2010 financial year  
Vienna, 23 February 2011

Herbert Ortner, CEO

**PALFINGER**

# 2007–2010 in fast motion: Things are looking up



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2007 | 2008 | 2009 | 2010

EBIT EUR	2007	2008	2009	2010
	24m	27m	22m	26m
	30m	30m	15m	(6m)
	(3 m)	(3 m)	(1m)	1m
	3m	10m	9m	12m

- Market recovery continued in 2010
- Revenue of EUR 651.8 million was 29.0% higher than in 2009
  - Acquisitions contributed around 7% to revenue
- Positive impact of structural and cost-related measures on result
- EBITDA increased from EUR 16.4 million to EUR 57.4 million
- Exceptionally strong increase in EBIT from EUR – 5.0 million to EUR 34.7 million
- Dividend of EUR 0.22 per share proposed

Strategy

**PALFINGER**

- Leading international manufacturer of hydraulic lifting, loading, and handling systems for commercial vehicles
  - Number one in knuckle boom cranes, timber and recycling cranes, and hookloaders
  - Number two in tail lifts and transportable forklifts
  - Leading specialist in high-tech railway system solutions
- Global distribution and service network (more than 200 general importers/dealers and 4,500 sales and service centres worldwide)
- Global procurement, production, and assembly (29 manufacturing and assembly locations)
- Strategic pillars: Innovation – internationalisation – flexibility

 Competitive advantage, even in difficult times

- Strengthening of structure of earnings and assets
  - Comprehensive programme completed in 2009
- Focus in 2010: Reduction of current capital employed increases financial flexibility
- 3 acquisitions, funded from operating cash flows
  - Acquisition of ETI strengthens market presence in North America
  - Entry into the market for ship-mounted cranes – new business unit Marine Systems
- Internationalisation continued
- Strategic corporate planning 2011–2015 completed

# New business unit Marine Systems

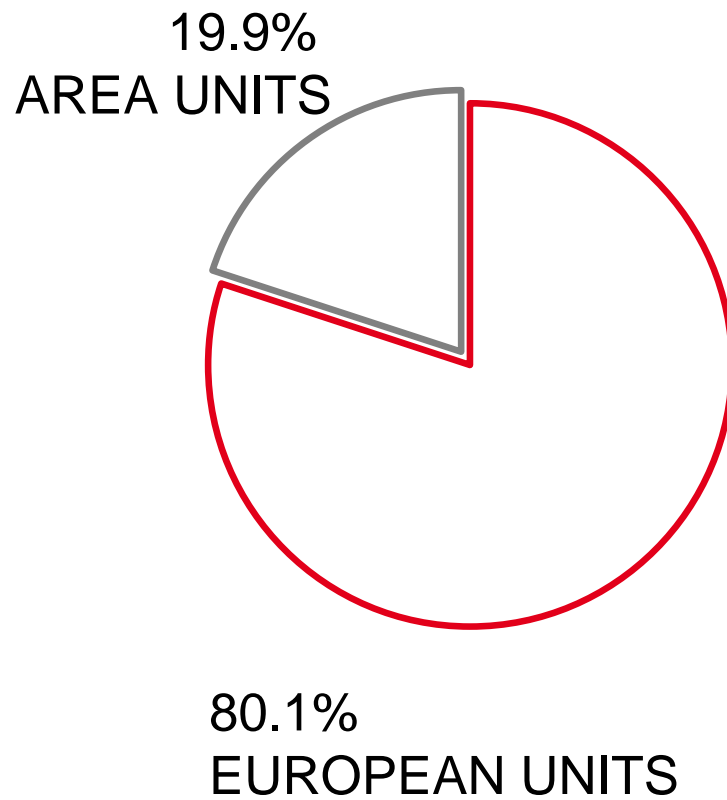
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- Majority stakeholding in Ned-Deck Marine (75%) in Q3
  - Market leader in the standard segment of rescue boat davits
  - Core markets: Netherlands, Norway, India, USA
  - Major target markets: Japan, Korea, China, Vietnam
- Acquisition of the marine and wind energy division of Palfinger systems GmbH in Q4
  - Well positioned in the marine crane segment
  - Market leader in cranes for offshore wind energy plants
- Business unit Marine Systems since August 2010
  - PALFINGER is among the leading suppliers of marine cranes; wind energy as a highly promising market with great future potential
  - In future: Around 8% share in Group revenue (entire year)
  - Supports further internationalisation and profitability enhancement

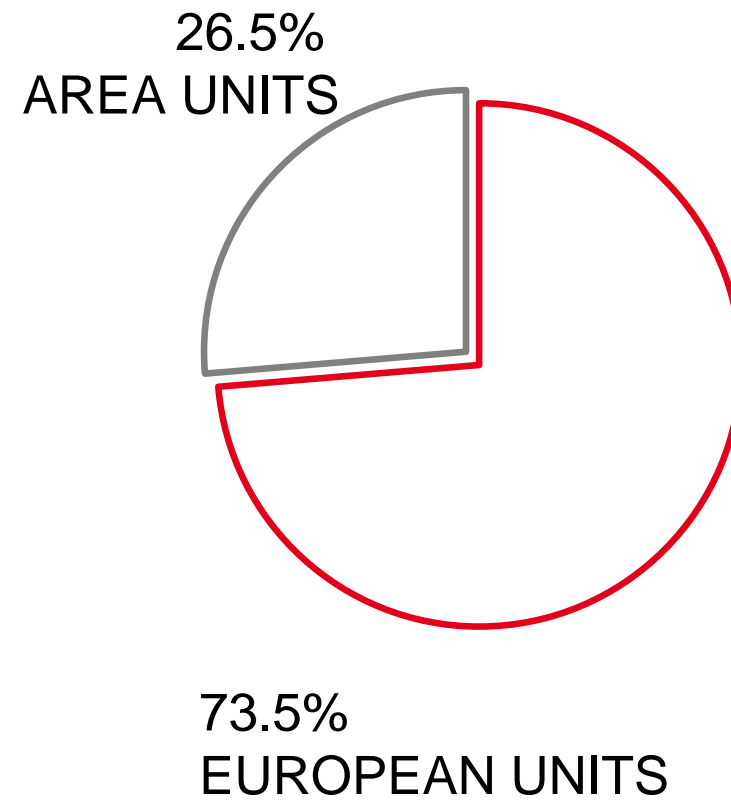




## Revenue 2009



## Revenue 2010



- Diversification will be limited to the core competences
- Further increase in flexibility becomes a priority (strategic pillar)
- Internationalisation directed towards future markets (Russia, Asia)
- Innovation as basis for enhancement of products and services
  - Catering to regional requirements
- Profitability of all business units – targeted packages of measures

 Continuation of sustainably profitable growth

Martin Zehnder, COO

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- Increasing market volatility (regions and industries)
- Structures must allow for quick responses
- Flexibility of the entire value-creation chain to be raised
  - Basis: New organisational structure since 2010
  - Procurement: Master agreements with strategic suppliers
  - Production: Order-based manufacturing, standardised parts
  - Processes: Continuous flow manufacturing, self-controlling teams
  - Human resources: Core personnel and temporary workers, flexible working time models
  - Information services: Selective outsourcing
  - Finances: Reduction in working capital

# 29 production locations

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Salzburg/AUT



Lengau/AUT



Köstendorf/AUT



Elsbethen/AUT



Ainring/GER



Löbau/GER



Ganderkesee/GER



Krefeld/GER



Seifhennersdorf/GER



Ebersbach/GER



Barneveld/NED



Welwyn Garden City/GBR



Cadelbosco/ITA



Caussade/FRA



Delnice/CRO



Maribor/SLO



Tenevo/BUL



Cherven Brjag/BUL



Lazuri/ROU



Tiffin/USA



Council Bluffs/USA



Cerritos/USA



Trenton/USA



Oklahoma City/USA



Niagara Falls/CAN



Caxias do Sul/BRA



Shenzhen/CHN



Hanoi/VIE

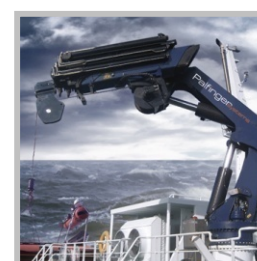
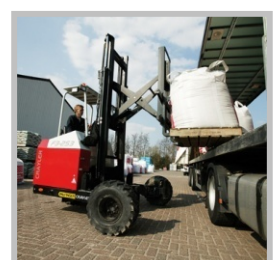
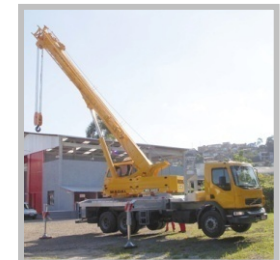


Chennai/IND

# Product portfolio

**PALFINGER**

- Truck-mounted knuckle boom cranes
- MADAL telescopic cranes
- EPSILON timber and recycling cranes
- OMAHA STANDARD truck bodies
- Marine cranes (incl. davits)
- Cranes for offshore wind energy plants
- PALIFT/OMAHA STANDARD hookloaders
- RAILWAY rail transport system solutions
- CRAYLER transportable forklifts
- RATCLIFF/MBB tail lifts and passenger lifts
- BISON/WUMAG ELEVANT/ETI access platforms



# Segments

Wolfgang Pilz, CMO

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# PALFINGER organisational structure

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## EUROPEAN UNITS

segment

- Area EMEA  
(Business units Knuckle Boom Cranes, Timber and Recycling Cranes, Tail Lifts, Access Platforms, Hookloaders, Transportable Forklifts, Railway Systems, business unit Production, distribution company in Germany)\*
- Business unit Marine Systems (since Q3)

## AREA UNITS

segment

- Area North America
- Area South America
- Area Asia and Pacific
- Area India
- Area CIS
- Distribution company in Russia (associated)

## VENTURES

segment

\* Consolidated in the EMEA area since November 2010.



# Segment financials

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## Segment revenue

	2010	2009	%
EUROPEAN UNITS	479.2	404.9	+ 18.4%
AREA UNITS	172.6	100.5	+ 71.8%
VENTURES	—	—	—

## Segment result

	2010	2009	%
EUROPEAN UNITS	52.7	11.3	+ 366.0%
AREA UNITS	(7.6)	(10.1)	+ 25.0%
VENTURES	(7.7)	(4.2)	(83.1%)

Acc. to IFRS in million EUR. Minor rounding differences may occur.

- Recovery in important sales markets, direct impact on revenue due to very low inventories
  - Increases in Germany, France, Scandinavia;  
Spain, Great Britain, Ireland, Greece, Eastern Europe still weak
- Cranes on the rise,  
declines recorded in access platforms and hookloaders
- Clear improvement of earnings due to measures to cut costs and make the value creation process more flexible
- New business unit Marine Systems since August  
(contribution to revenue: EUR 18 million)

- Rise in revenue of 71.8% reflects increasing importance
- Solid basis for continued growth created in North America
  - Initial consolidation of ETI in April
- South America: Increasing demand in Brazil
- Asia and Pacific: Satisfactory increase, but at a low level
- India: Establishment of an assembly site
- CIS: Continued expansion of distribution and service network
- Regions outside Europe at the development stage, therefore negative result
  - Measures to increase earnings start to take effect
  - Q3 positive due to one-time effects

- Coordination of the CC-Top (current capital) project
- Three important acquisitions completed in 2010
- Establishment of an assembly site in India
- Additional projects for the expansion of the AREA UNITS segment underway
- Strategic corporate planning 2011–2015

# Key financial figures

Christoph Kaml, CFO

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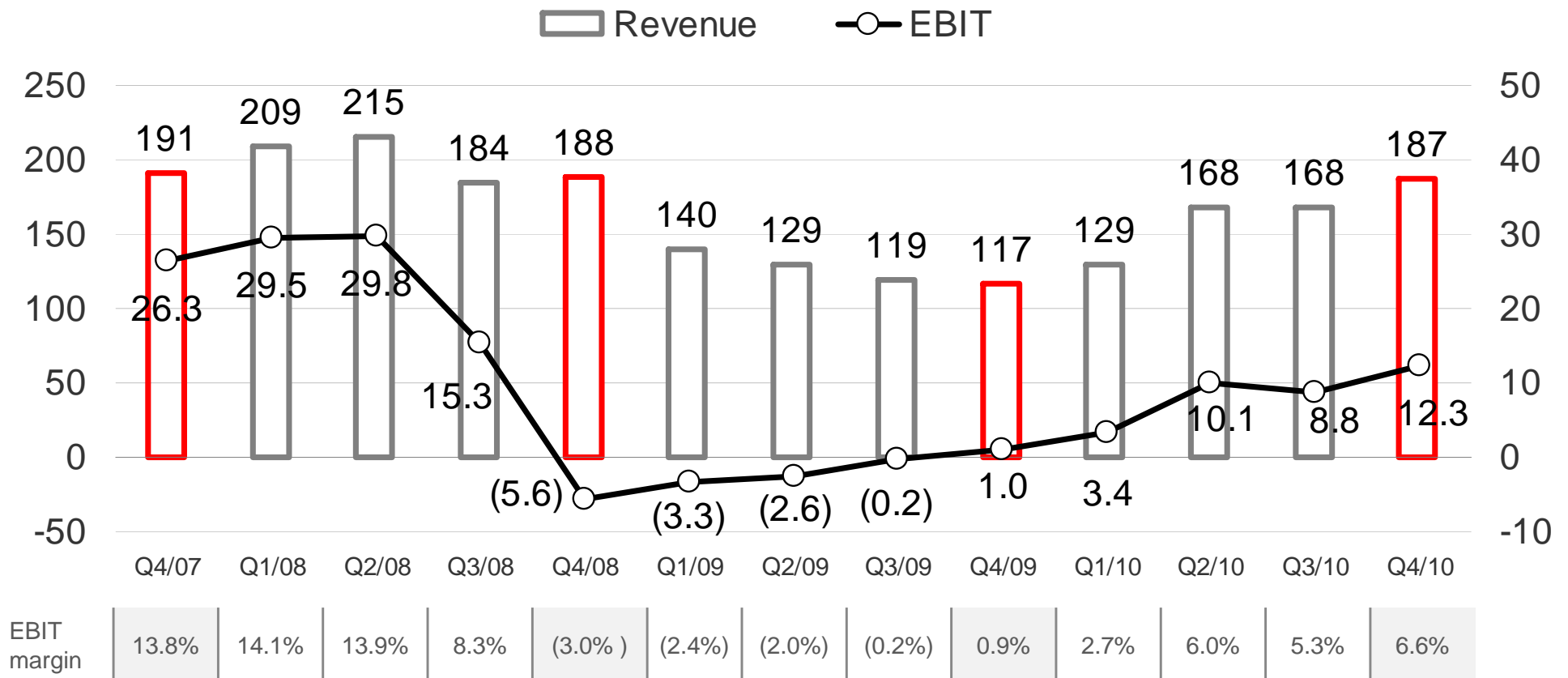
# Financial highlights

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	2010	2009	2008
Revenue	651.8	505.4	794.8
EBITDA	57.4	16.4	97.8
EBITDA margin	8.8%	3.3%	12.3%
EBIT	34.7	(5.0)	69.1
EBIT margin	5.3%	(1.0%)	8.7%
Result before income tax	29.8	(11.9)	63.9
Consolidated net result for the period	24.2	(7.8)	43.9

Acc. to IFRS in million EUR. Minor rounding differences may occur.

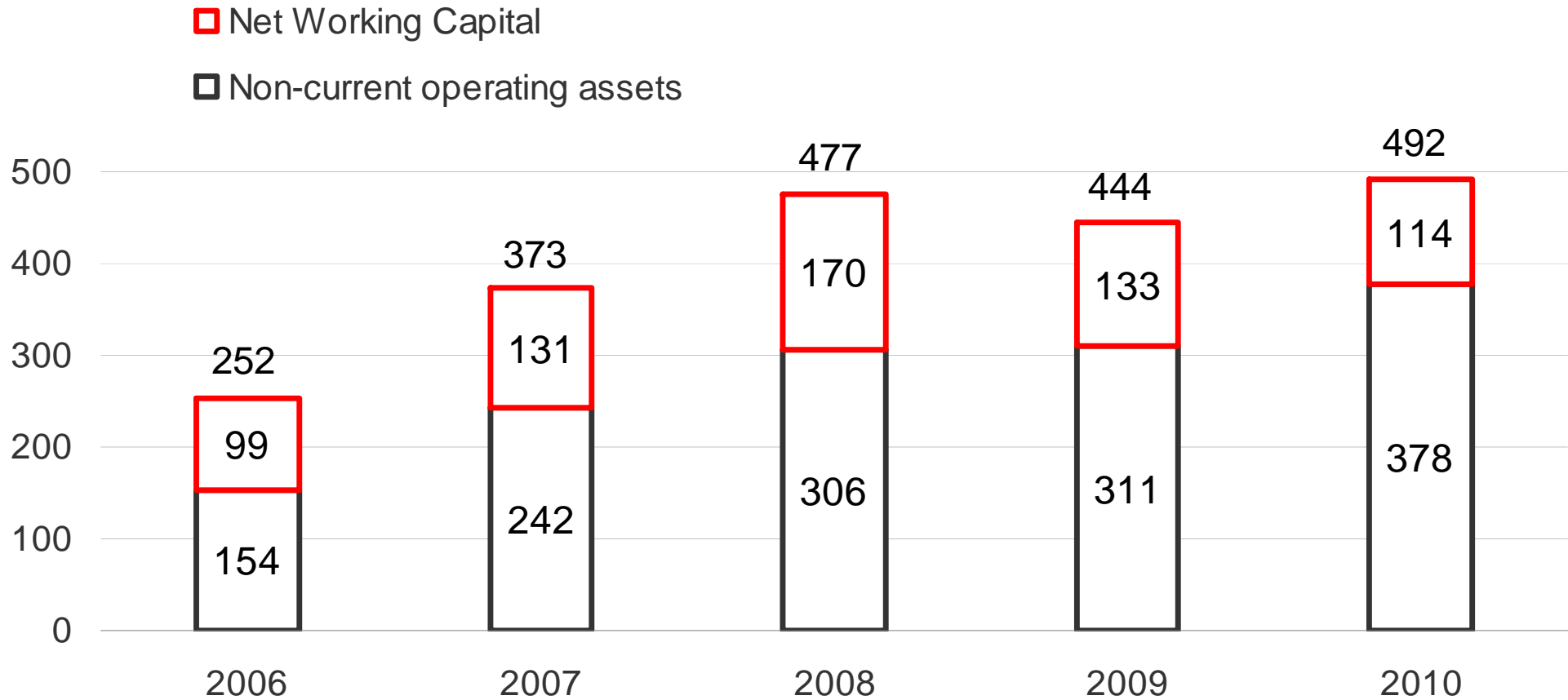
# Quarterly figures



➡ Exceptional increase in earnings; Q3 with company holiday

Acc. to IFRS in million EUR. Minor rounding differences may occur.

# Capital employed<sup>\*)</sup>



➡ Net working capital reduced significantly

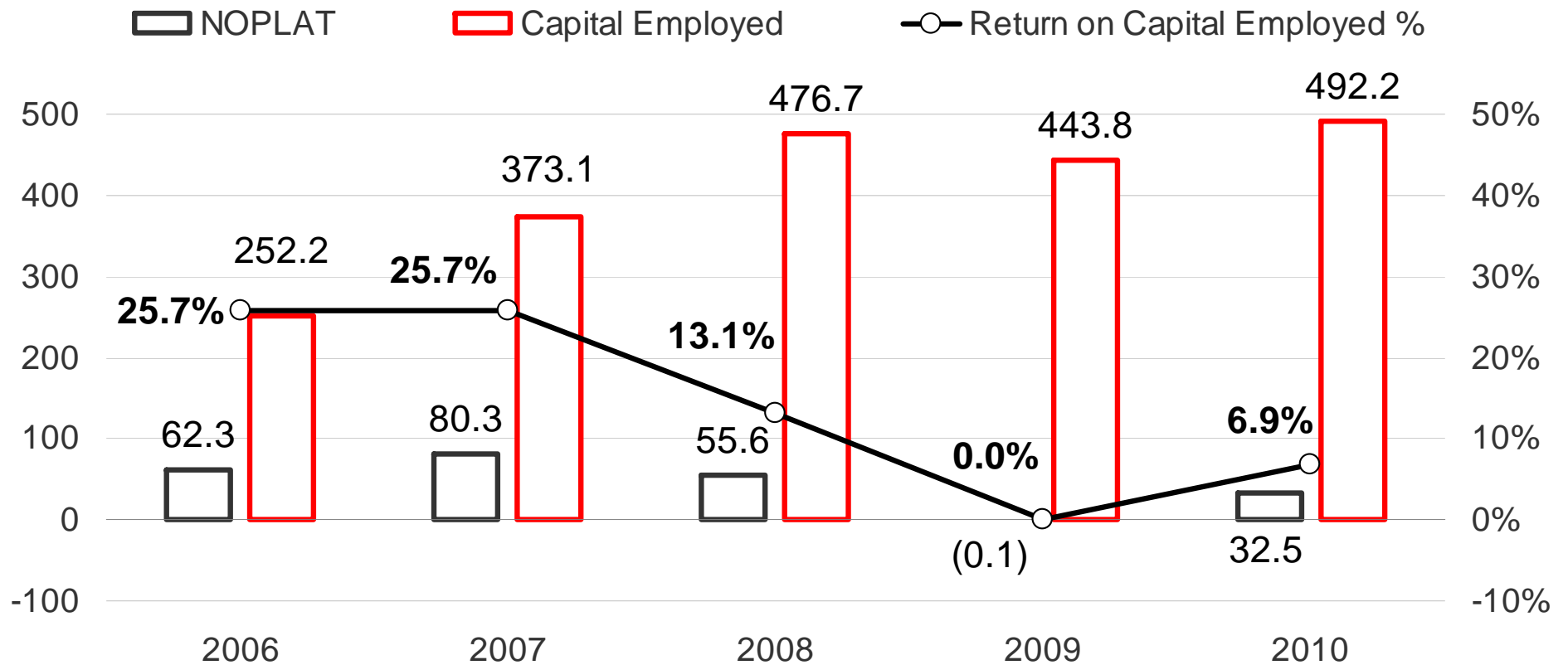
<sup>\*)</sup> As of the reporting date.

Acc. to IFRS in million EUR.

Minor rounding differences may occur.



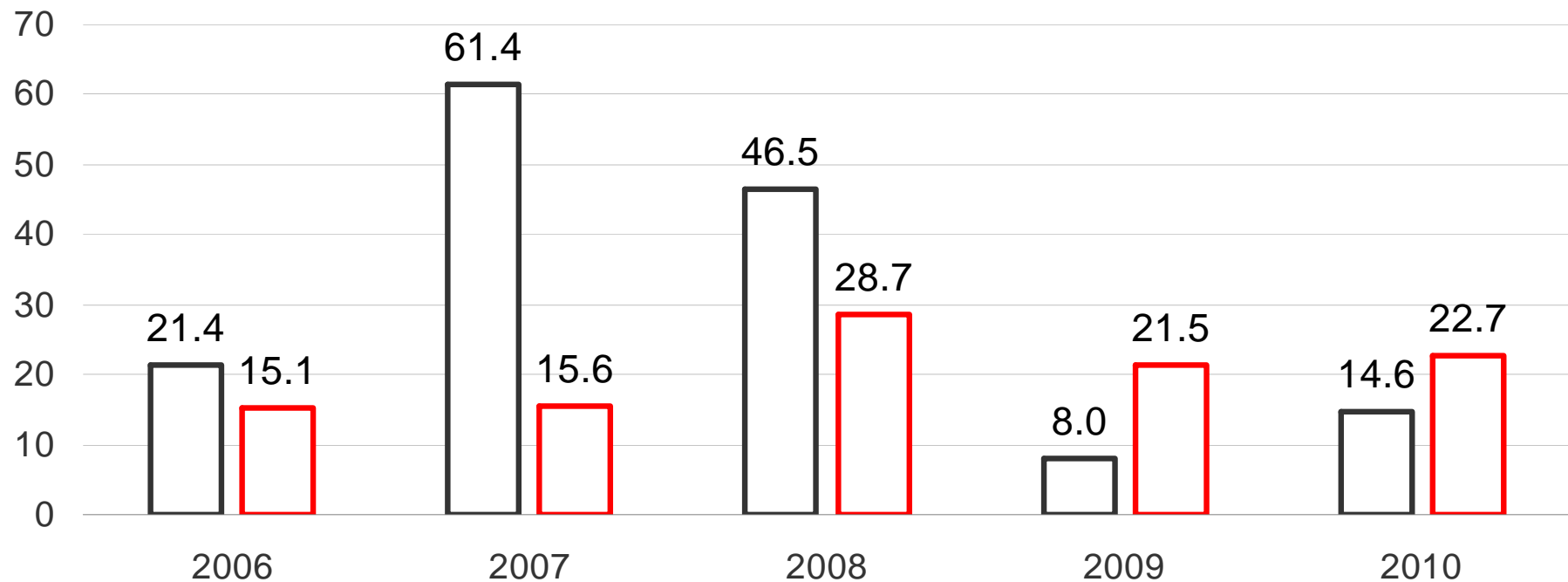
# Return on capital employed



Acc. to IFRS in million EUR.

Minor rounding differences may occur.

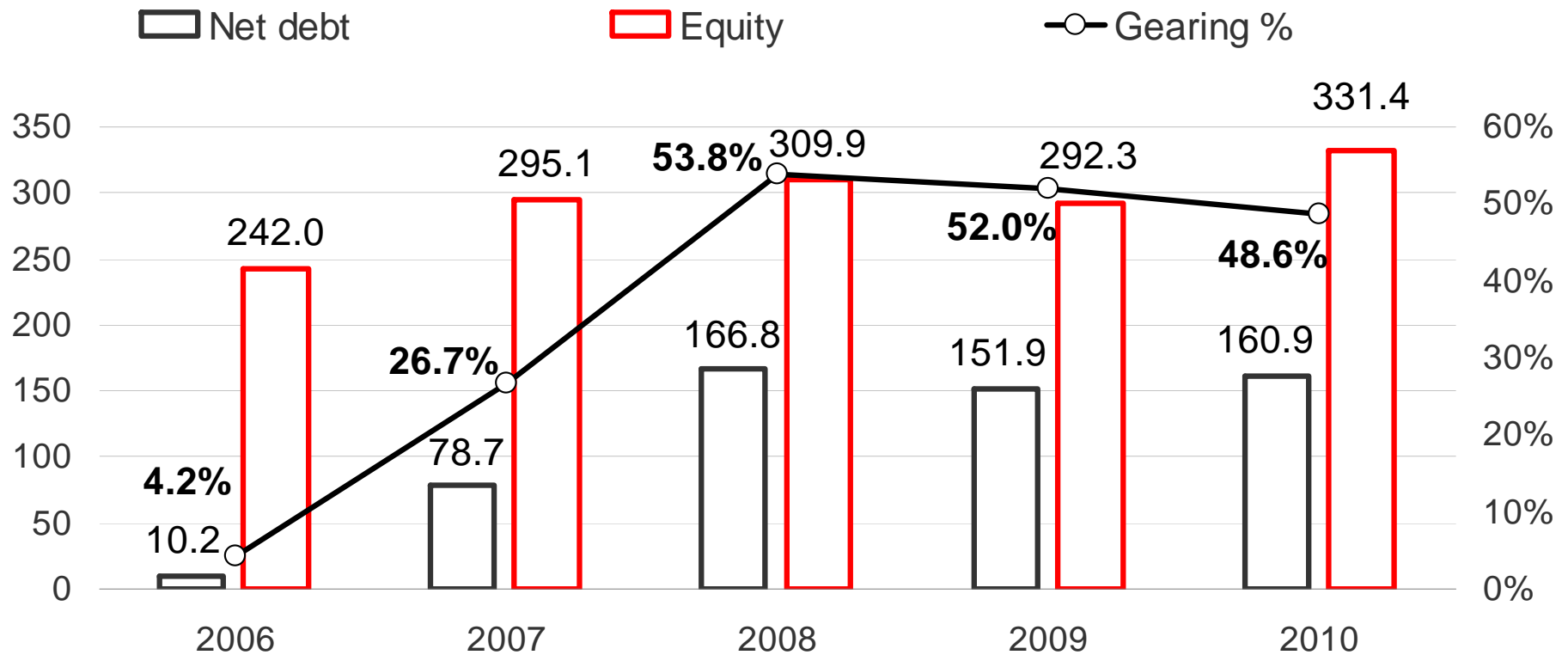
- Investment in property, plant, and equipment
- Depreciation, amortisation, and impairment



➔ Investment programme 2006–2008 completed

Acc. to IFRS in million EUR. Minor rounding differences may occur.

# Gearing ratio and equity



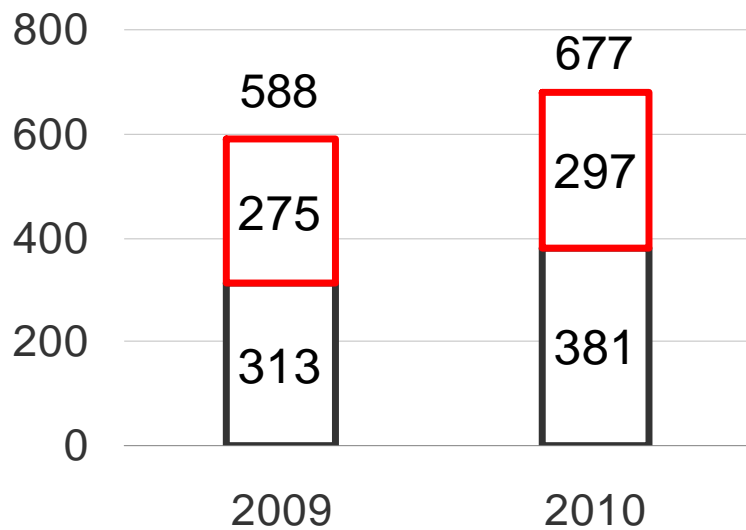
➔ Gearing below 50% threshold in spite of acquisitions

Acc. to IFRS in million EUR. Minor rounding differences may occur.

# Balance sheet structure

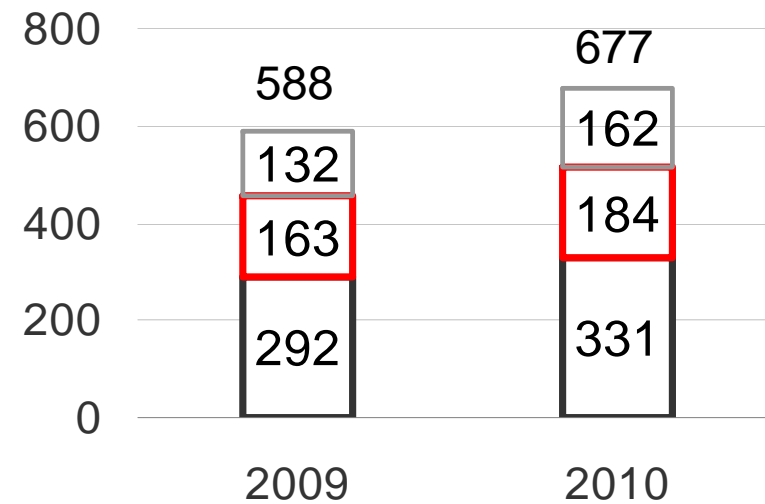
## Assets

- Current assets
- Non-current assets



## Liabilities

- Current liabilities
- Non-current liabilities
- Equity



## Long-term financial structure

Acc. to IFRS in million EUR.

Minor rounding differences may occur.

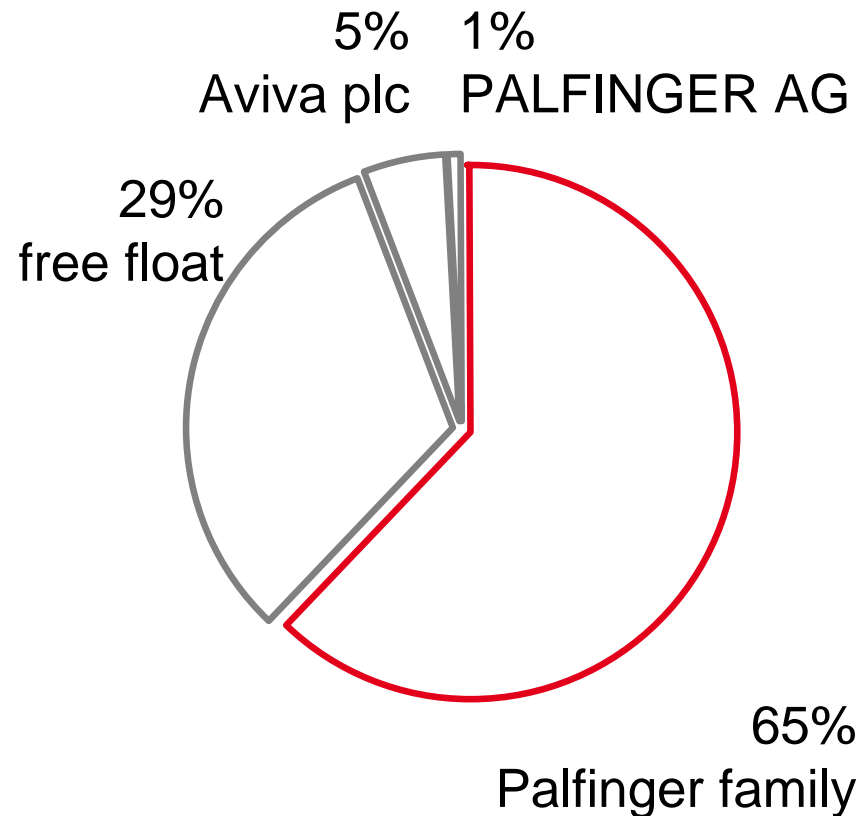
# Cash flow



	2010	2009	2008
<b>EBTDA</b>	<b>54.1</b>	<b>10.6</b>	<b>90.8</b>
+/- Cash flows from working capital	(1.2)	41.5	(32.5)
+/- Cash flows from tax payments	(3.8)	(2.1)	(25.7)
<b>Cash flows from operating activities</b>	<b>49.1</b>	<b>50.0</b>	<b>32.6</b>
+/- Cash flows from investing activities	(54.1)	(15.9)	(77.1)
<b>Cash flows after changes in working capital &amp; investments</b>	<b>(5.0)</b>	<b>34.2</b>	<b>(44.5)</b>
+/- Cash flows from interest on borrowings adjusted by tax expense	9.1	7.8	5.0
<b>Free cash flow</b>	<b>4.2</b>	<b>42.0</b>	<b>(39.5)</b>
Cash flows from equity/investor capital	(1.1)	(17.0)	(28.1)
Cash flows from net debt	6.1	(17.2)	72.6

Acc. to IFRS in million EUR. Minor rounding differences may occur.

## Shareholder structure



## Shareholder information as of 30 December 2010

ISIN	AT0000758305
Number of shares	35,730,000
Share price as of end of period	EUR 28.75
Market capitalisation	EUR 1,027.2m

# Outlook

Herbert Ortner, CEO


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- Market recovery increases visibility
- Continued increase in flexibility as a material factor of success
- Integration of the new area marine and wind energy
- Investment in market activities and strong network will be continued
- Further steps towards growth in young areas (Russia, India)

 Market expansion and growth in revenue aimed for



- At present, positive macroeconomic development expected
- Upward trend in major markets likely to continue
- Revenue growth of around 20% striven for in 2011

 Exceptional increase in earnings expected to continue

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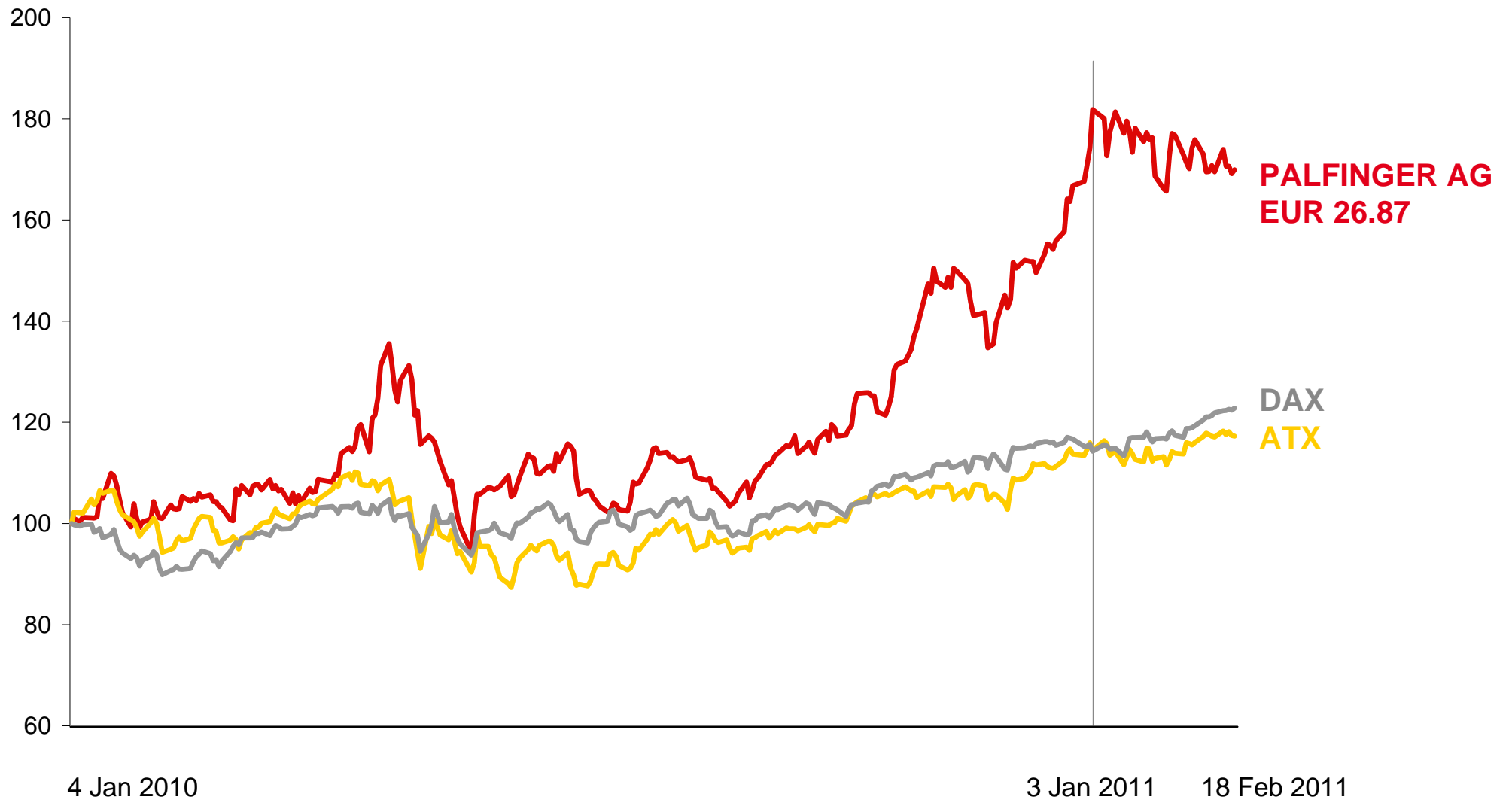
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This presentation contains forward-looking statements on the basis of all information available at the date of the preparation of this presentation. Actual outcomes and results may be materially different from those predicted.

Back-up

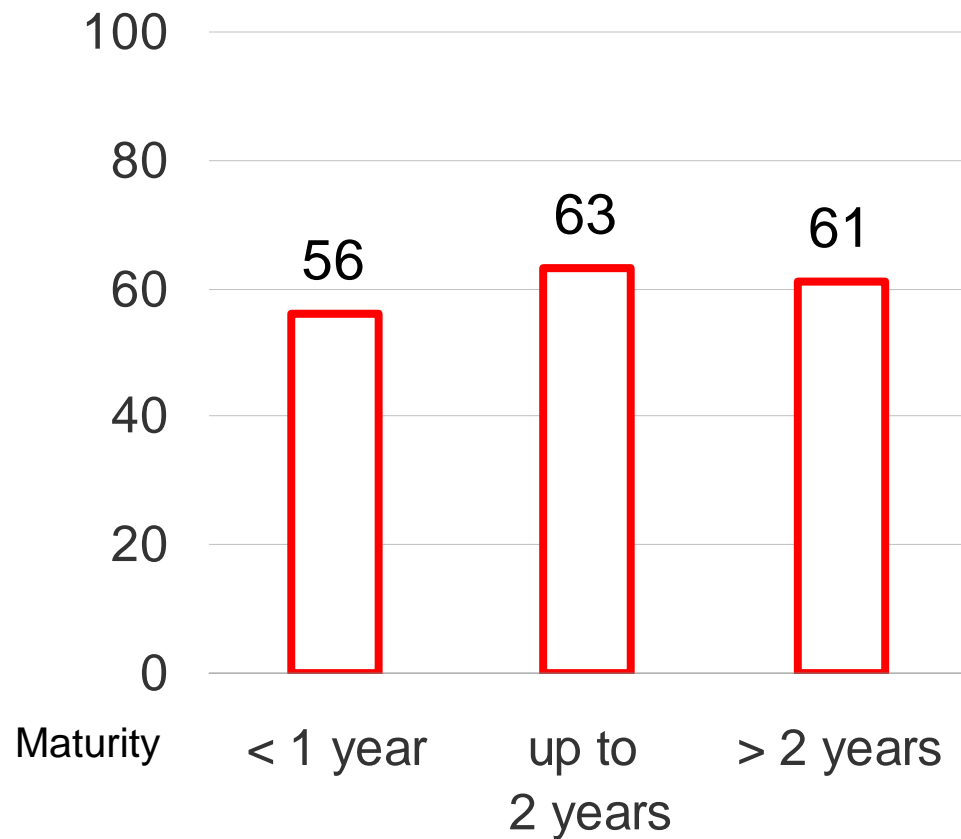
**PALFINGER**

# Performance of the PALFINGER share since 2010



# Financing structure as of 31 December 2010

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Ø Interest rate	4.28%
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Ø Remaining time to maturity	2.07 years
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Financial assets	EUR 15.08m
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Equity ratio	48.9%
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Acc. to IFRS in million EUR. Minor rounding differences may occur.

Berenberg Bank  
Cheuvreux  
Deutsche Bank  
Erste Bank  
Goldman Sachs

Hauck & Aufhäuser  
HSBC  
RCB  
UBS  
UniCredit

Earnings estimates – consensus (in million EUR)	2011e	2012e
Revenue	781.3	870.2
EBIT	83.7	111.6
Earnings per share (EUR)	1.50	2.11

# Financial calendar 2011

30 March 2011	Annual General Meeting
10 May 2011	Publication of results for the first quarter 2011
10 August 2011	Publication of results for the first half 2011
10 November 2011	Publication of results for the first three quarters 2011

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