

# PALFINGER AG

Record year with exceptional increase in earnings

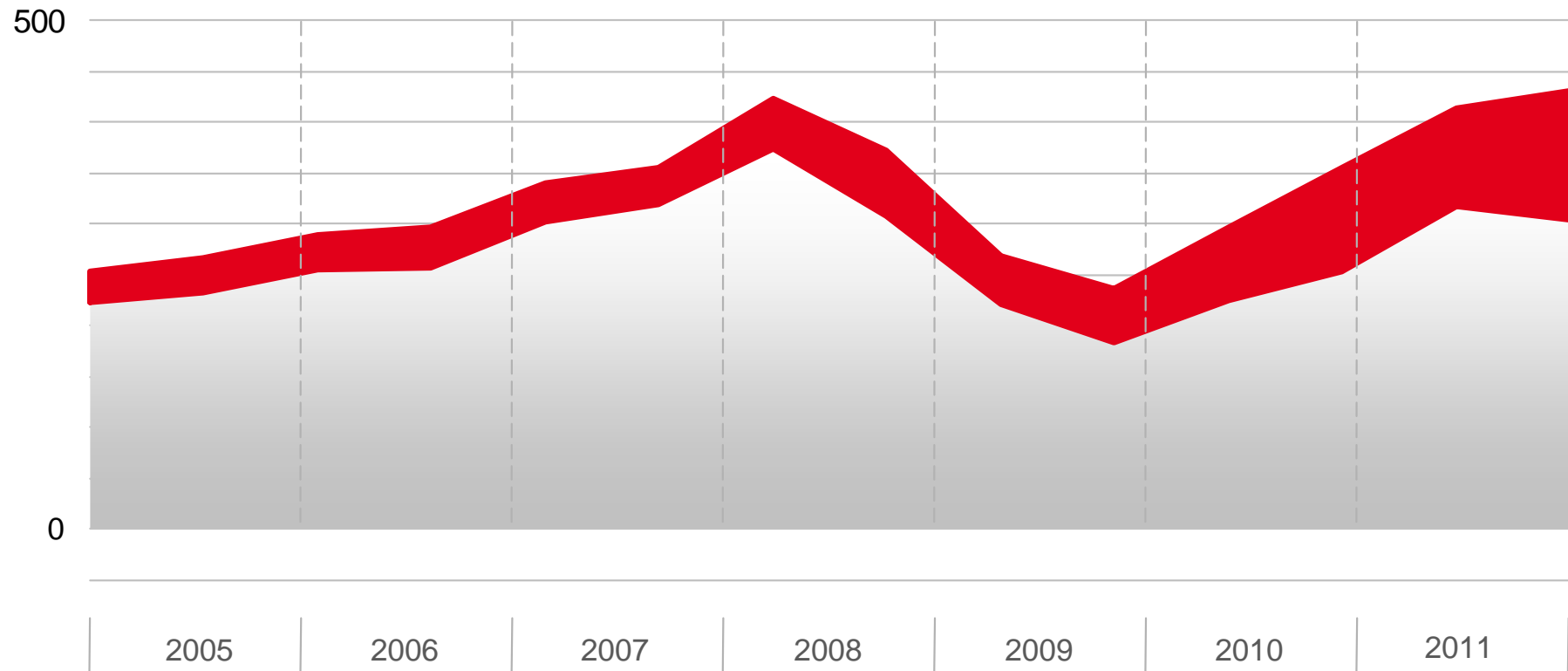
The logo consists of the word "PALFINGER" in a bold, black, sans-serif font, centered within a yellow rounded rectangle. This rectangle is set against a white background that is framed by a thick red border on the top and right sides, and a thick black border on the bottom and left sides.

Presentation on the 2011 financial year  
February 2012

# Market volatility

## Revenue (half year)

- AREA UNITS
- EUROPEAN UNITS



Importance of flexibility and internationality is increasing

Acc. to IFRS in EUR million.

- Further increase in revenue of 30% – historic record
- Exceptionally strong increase in earnings: EBIT + 83%
- Internationalization and flexibility support sustainable growth
  - High growth rates outside Europe (Brazil, North America, Asia)
  - CIS becomes important market for PALFINGER following acquisition of INMAN
  - Majority takeover of Palfinger Crane Rus (Area Management CIS)
  - Share buyback and authorized capital create flexibility in financing growth measures

- PALFINGER once again outperformer in its industry
- Growth achieved in nearly all product areas and regions
  - Great success in the field of offshore wind energy
- Basis created for maintaining the high level in the years to come
- Proposed dividend: EUR 0.38 per share

Strategy

**PALFINGER**

- Leading international manufacturer of innovative lifting, loading and handling systems
    - 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 (28 manufacturing and assembly locations)
  - Strategic pillars: Innovation – internationalization – flexibility
-  Maintaining and expanding the Group's competitive advantage

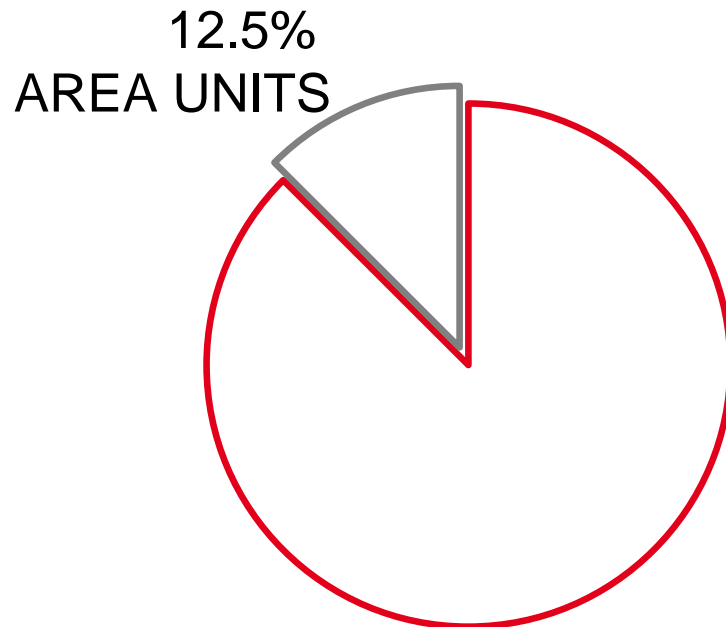
- Diversification will be limited to the core competences
- Further increase in flexibility is a priority (strategic pillar)
- Internationalization directed towards future markets (Russia, Asia)
- Innovation as basis for enhancement of products and services
  - Catering to regional requirements
- Profitability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

 Continuation of sustainably profitable growth

- **Innovation: Research and development a priority**
  - Development of a new crane series
  - Product adjustments to meet specific regional requirements
  - Further development in the field of electronics and mechatronics
- **Internationalization: Focus on future markets**
  - Assembly activities started in India
  - Continuous consolidation of market presence in Russia – INMAN acquisition
  - Market positioning strategy for China
- **Flexibility: 3rd pillar of the Group's strategy**
  - Increase in flexibility at all value-creation levels
  - Continuation of structural and cost-related programmes

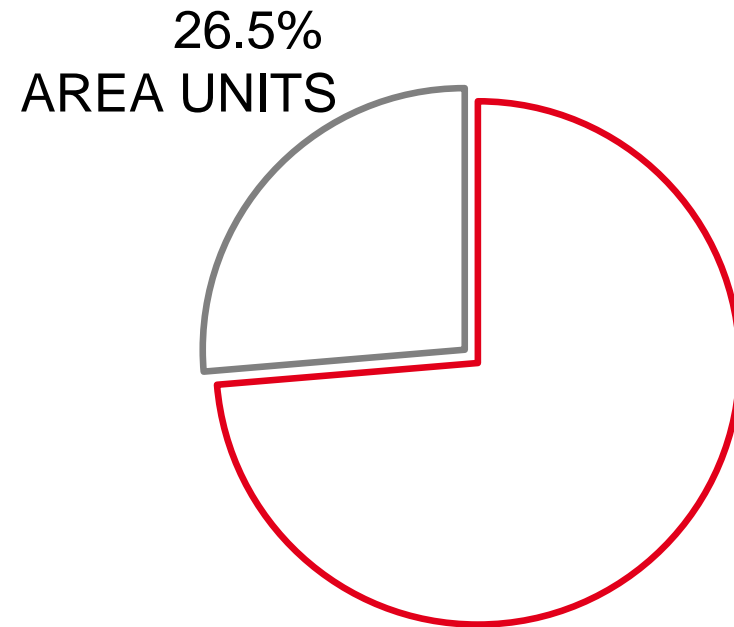


## Revenue 2006



87.5%  
EUROPEAN UNITS

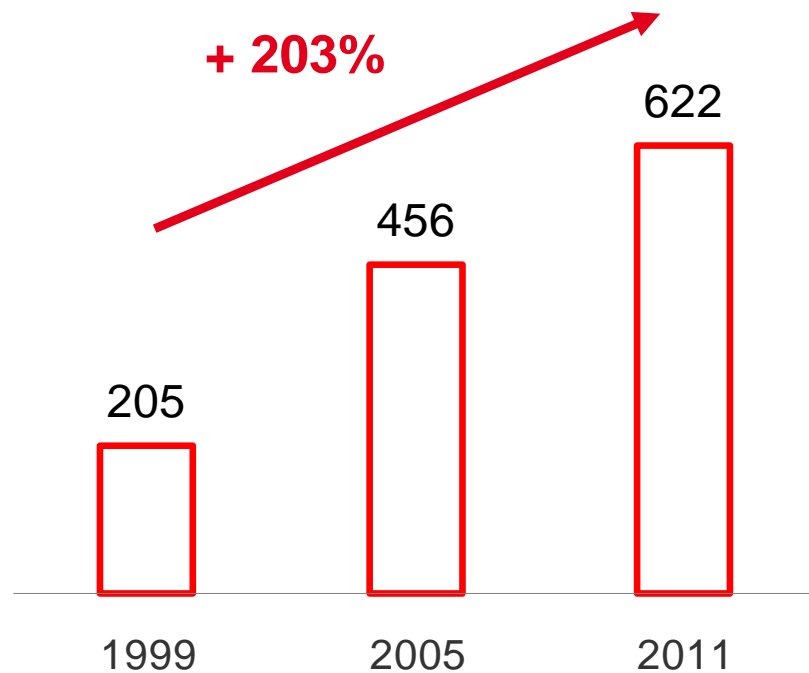
## Revenue 2011



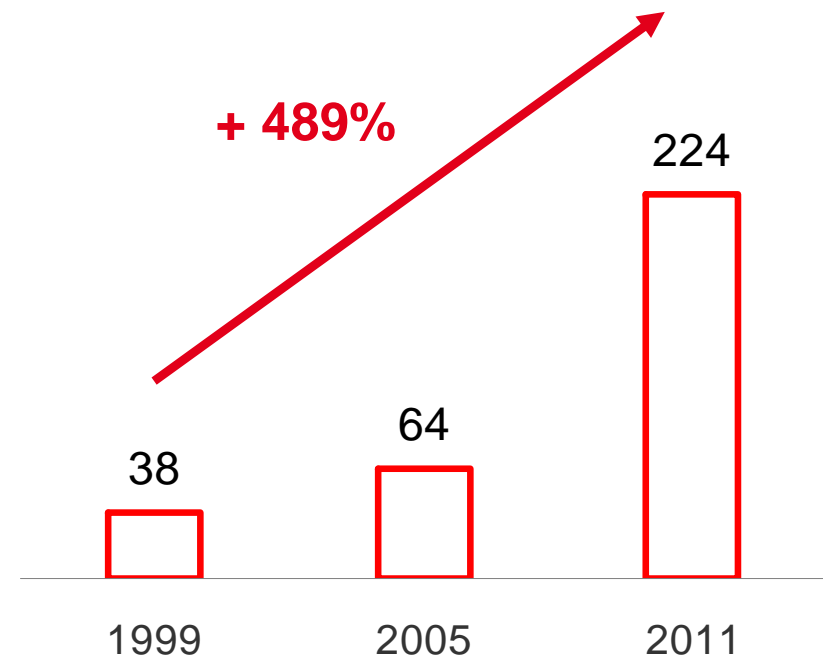
73.5%  
EUROPEAN UNITS

# Internationalization in figures

## Revenue Europe/EMEA



## Non-European revenue



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

- Leading Russian crane manufacturer (Republic of Bashkortosan)
  - Approx. 400 employees
  - Revenue 2011: EUR 20.5 million
- Local value creation and recognized product
- Expansion of sales and service network
  - In particular in the Ural region
- Initial consolidation with effect from 26 August 2011

# 28 production sites

**PALFINGER**



Lengau/AUT



Köstendorf/AUT



Elsbethen/AUT



Löbau/GER



Ganderkesee/GER



Krefeld/GER



Seifhennersdorf/GER



Barneveld/NED



Welwyn Garden City/GBR



Cadelbosco/ITA



Caussade/FRA



Maribor/SLO



Delnice/CRO



Skrijevo/CRO



Lazuri/ROU



Tenevo/BUL



Cherven Brjag/BUL



Ishimbay/RUS



Niagara Falls/CAN



Tiffin/USA



Council Bluffs/USA



Cerritos/USA



Trenton/USA



Oklahoma City/USA



Caxias do Sul/BRA



Shenzhen/CHN



Hanoi/VIE

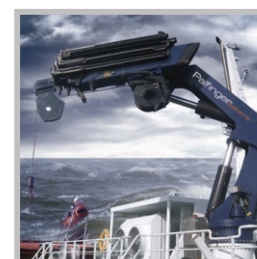
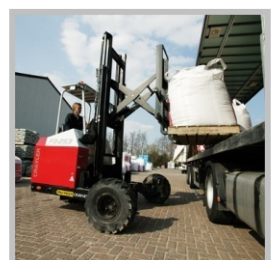
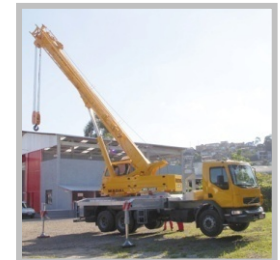


Chennai/IND

# 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



- Increasing market volatility (regions and industries)
- Structures must allow for quick responses
- Flexibility at all value-creation levels to be raised
  - Basis: New organizational structure since 2010
  - Procurement: Master agreements with strategic suppliers
  - Production: Order-based manufacturing, standardized 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 (in proportion to turnover)

Segments

**PALFINGER**

# Segment financials

**PALFINGER**

## Segment revenue

	2010	2011	%
EUROPEAN UNITS	479.2	621.8	+ 29.8%
AREA UNITS	172.6	223.9	+ 29.7%
VENTURES	–	–	–

## Segment EBIT

	2010	2011	%
EUROPEAN UNITS	52.7	80.1	+ 51.9%
AREA UNITS	(7.6)	(1.1)	+ 85.5%
VENTURES	(7.7)	(10.3)	(33.0%)

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



- Revenue increased by 30%
  - Increases in nearly all product areas, particularly in cranes
  - Business unit Marine Systems contributed approx. 1/3 to this increase
  - Stagnation in railway systems
- Hoodloaders sustainably profitable
- Segment EBIT increased from EUR 53 million to EUR 80 million
- Market shares gained in timber and recycling cranes and access platforms
- Success achieved in the field of offshore wind energy

- Revenue increased by 30%, success achieved reflected in earnings
  - Additional one-time effect from acquisitions
- Strong upward trend, particularly in North America
- Establishment of new products in South America
- Strong growth in Asia, still at a low level
- Distribution continues to be successful in India
- CIS becomes important market for PALFINGER following acquisition of INMAN

- Continuation of cost-related and structural programmes
- Acquisition of INMAN completed
- Intensive development of strategic options for China

# Key financial figures

**PALFINGER**

# Financial highlights

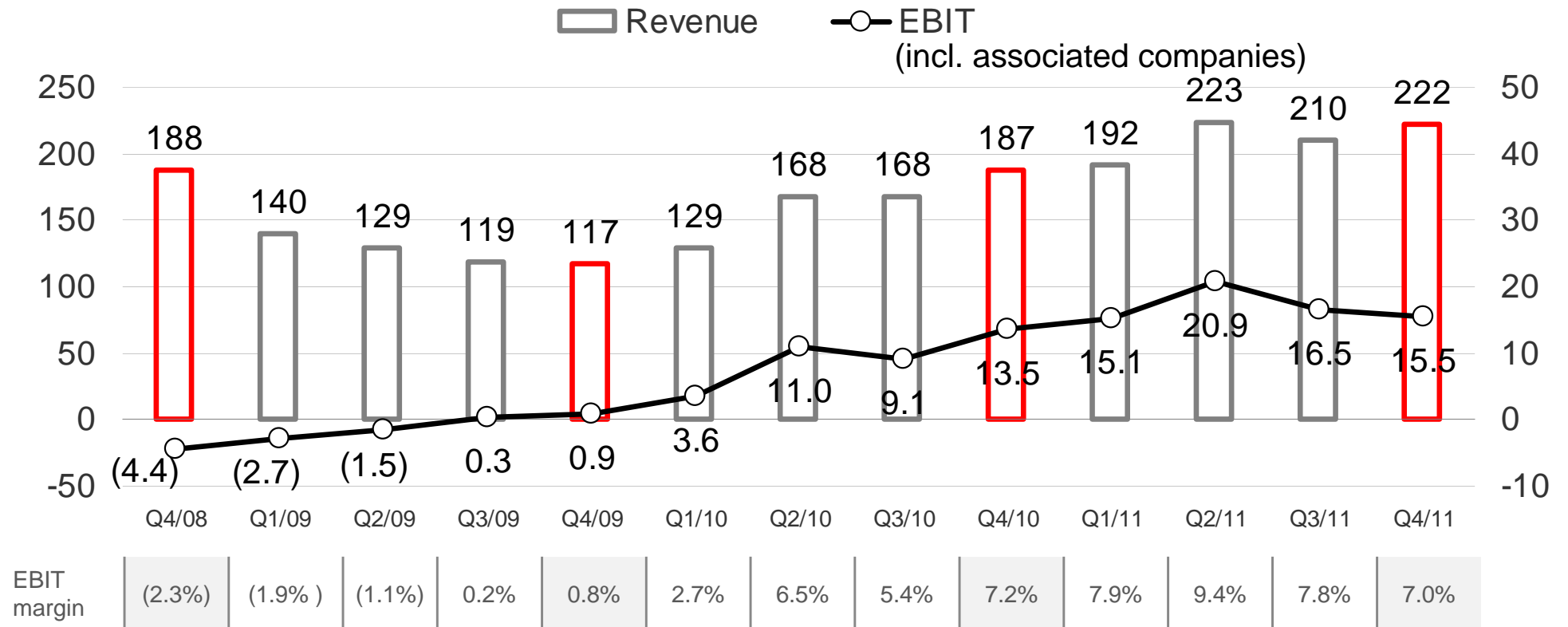


	2009	2010	2011	%
Revenue	505.4	651.8	845.7	+ 29.7%
EBITDA	18.5	59.9	96.8	+ 61.6%
EBITDA margin	3.7%	9.2%	11.4%	–
EBIT	(3.0)	37.1	67.9	+ 82.8%
EBIT margin	(0.6%)	5.7%	8.0%	–
Result before income tax	(11.9)	29.8	57.0	+ 91.1%
Consolidated net result for the period	(7.8)	24.2	42.0	+ 73.2%
Dividend per share (EUR)	0	0.22	0.38*	+ 72.7%

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

\* Proposed dividend.

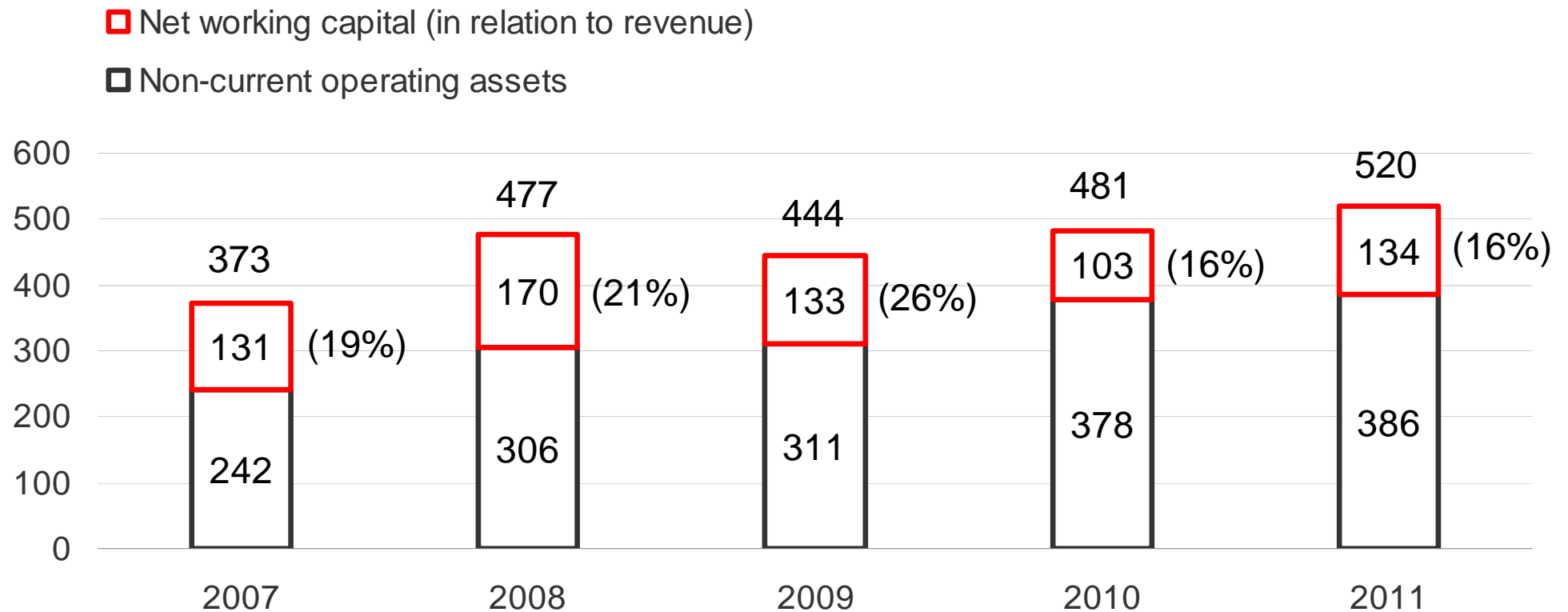
# Quarterly figures



➔ Strong fourth quarter despite concerns regarding economic development; exceptional increase in earnings

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

# Capital employed\*



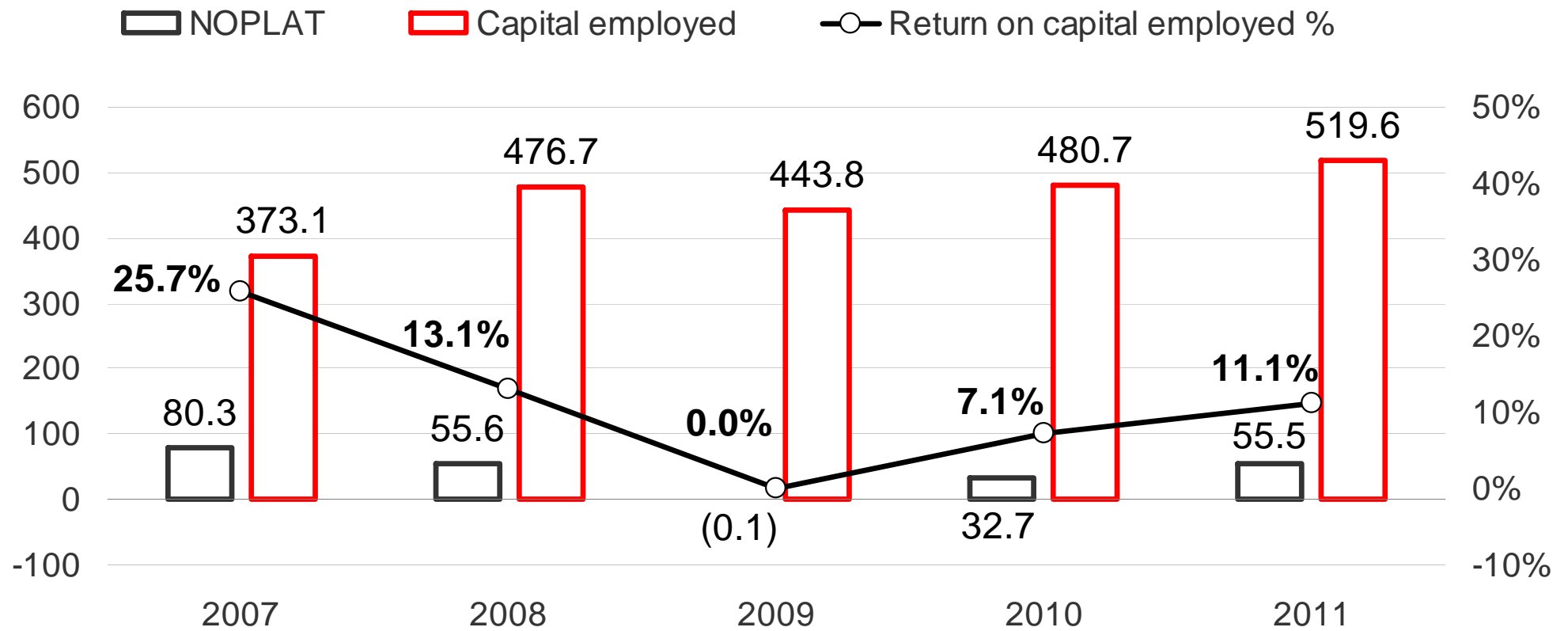
➔ Increase due to business expansion, relation to revenue constant

\* As at the reporting date.

Acc. to IFRS in EUR million.

Minor rounding differences may occur.

# Return on capital employed



Acc. to IFRS in EUR million.

Minor rounding differences may occur.



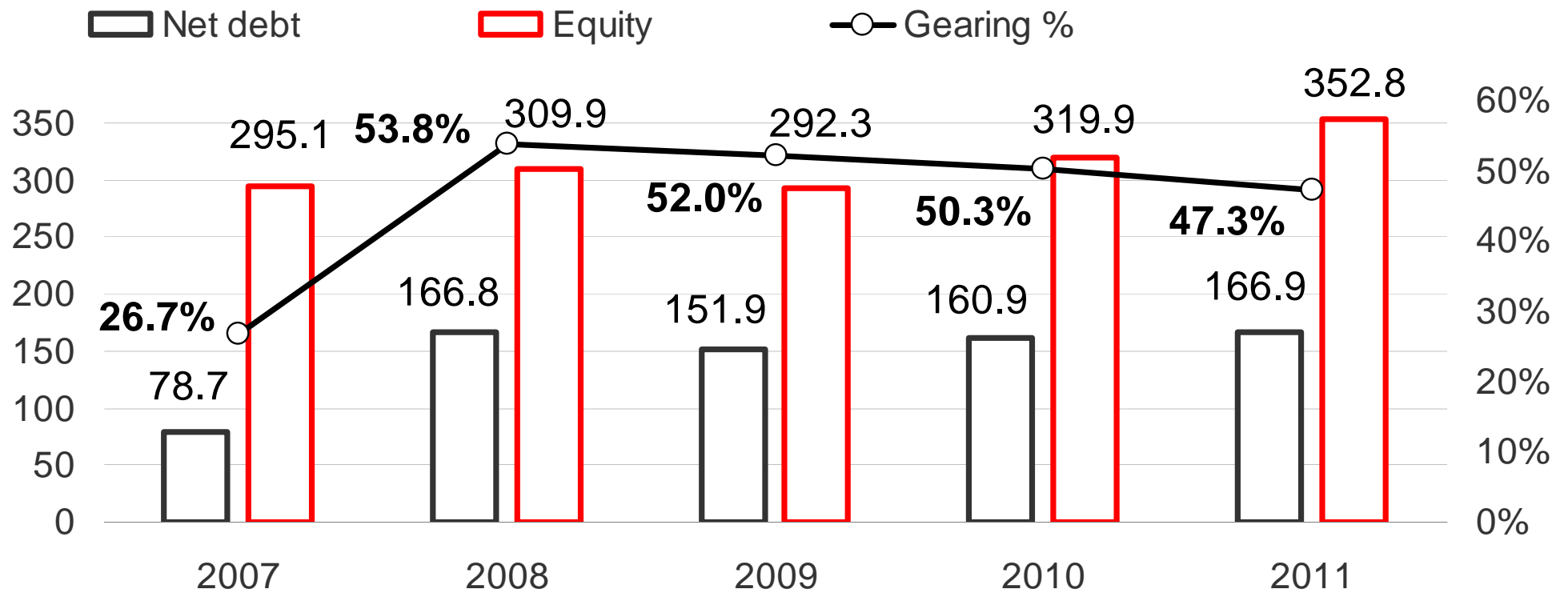
# Investment

- ▣ Investment in property, plant, and equipment
- ▣ Depreciation, amortization, and impairment



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

# Gearing ratio and equity



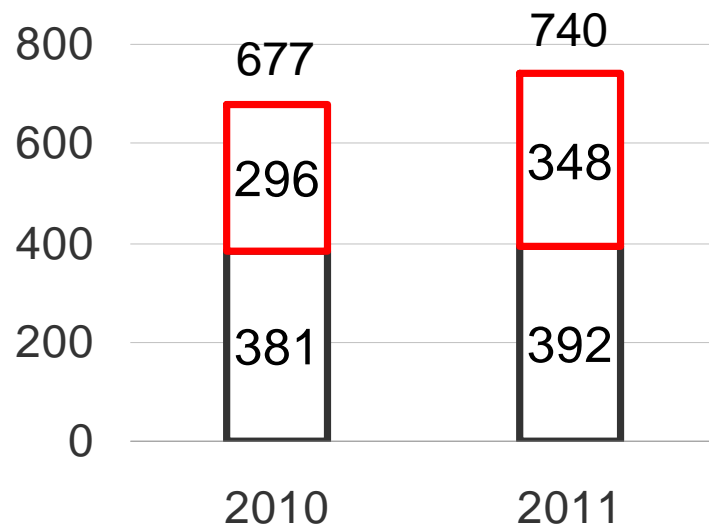
➔ Gearing below 50 per cent

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

# Balance sheet structure

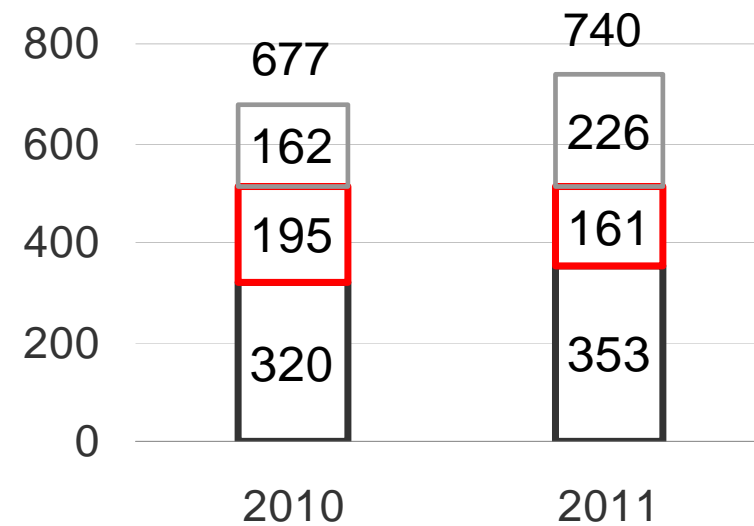
## Assets

- Current assets
- Non-current assets



## Liabilities

- Current liabilities
- Non-current liabilities
- Equity

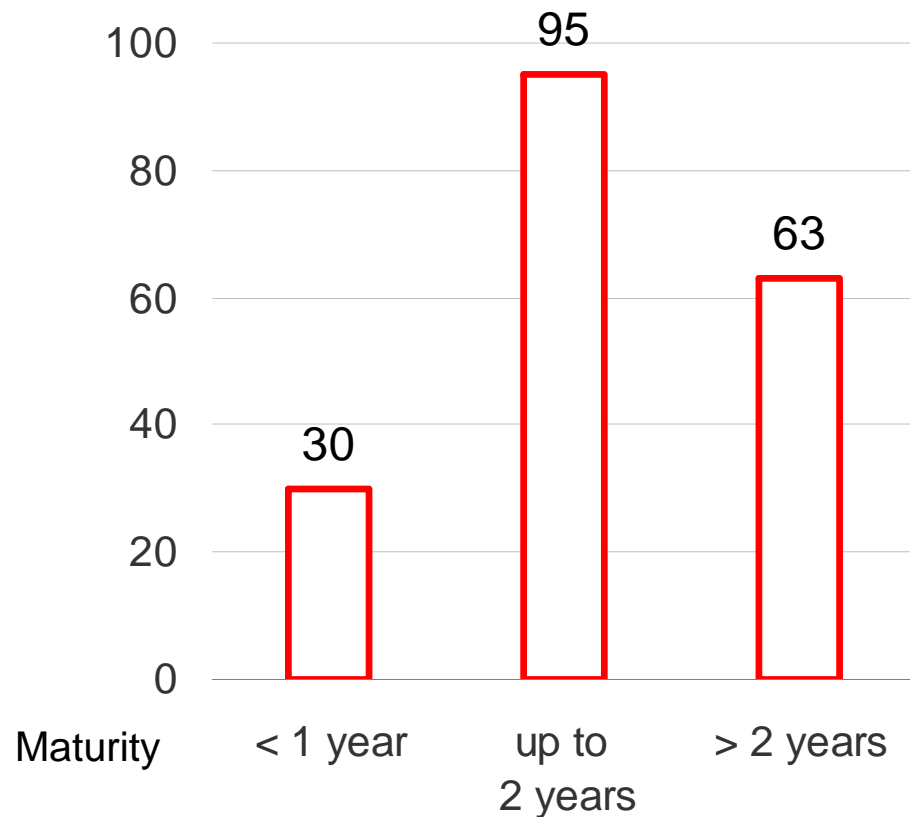


➡ Long-term financial structure; promissory note loan due in 2012

Acc. to IFRS in EUR million.

Minor rounding differences may occur.

# Financing structure as at 31 December 2011



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Ø Interest rate	4.13%
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Ø Remaining time to maturity	1.74 years
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Financial assets	EUR 15.1m
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Equity ratio	47.7%
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Acc. to IFRS in EUR million. Minor rounding differences may occur.

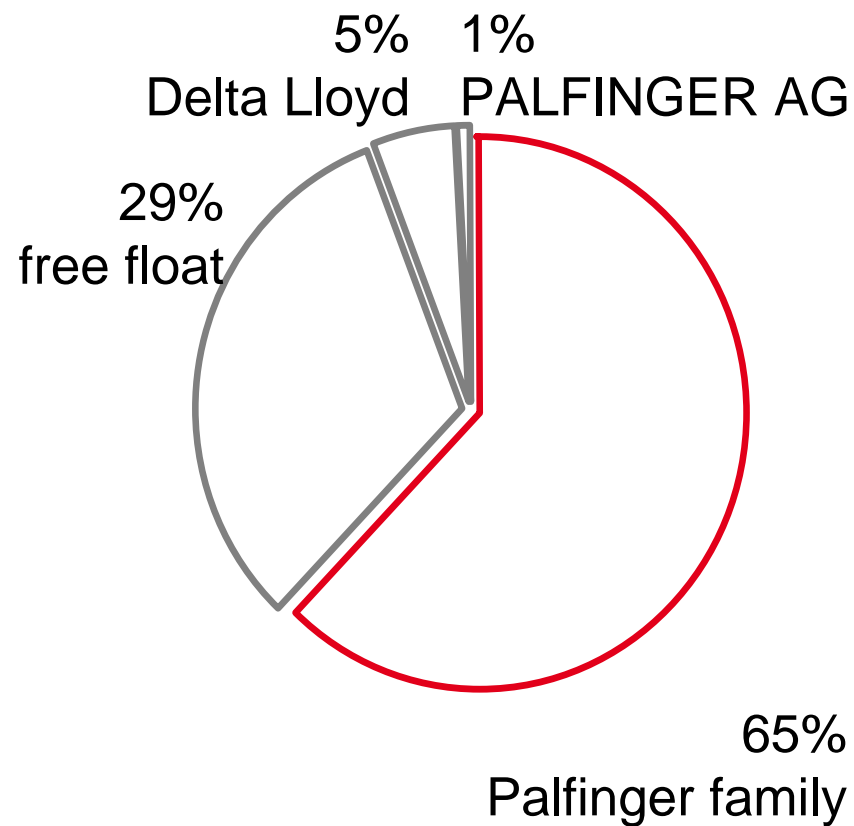
# Free cash flows



	2009	2010	2011
<b>EBTDA</b>	<b>9.6</b>	<b>52.6</b>	<b>85.6</b>
+/- Cash flows from companies at equity	1.0	1.5	(7.9)
+/- Cash flows from working capital	41.5	(1.2)	(28.7)
+/- Cash flows from tax payments	(2.1)	(3.8)	(11.3)
<b>Cash flows from operating activities</b>	<b>50.0</b>	<b>49.1</b>	<b>37.7</b>
+/- Cash flows from investing activities	(15.9)	(54.1)	(34.6)
<b>Cash flows after changes in working capital &amp; investments</b>	<b>34.2</b>	<b>(5.0)</b>	<b>3.1</b>
+/- Cash flows from interest on borrowings adjusted by tax expense	7.8	9.1	8.6
<b>Free cash flows</b>	<b>42.0</b>	<b>4.2</b>	<b>11.7</b>
Cash flows from equity/investor capital	(17.0)	(1.1)	(12.1)
Cash flows from net debt	(17.2)	6.1	9.0

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

## Shareholder structure



## Shareholder information as at 30 December 2011

ISIN	AT0000758305
Number of shares thereof own shares	35,730,000 368,840
Share price as at end of period	EUR 12.33
Market capitalization	EUR 440.6m

Outlook

**PALFINGER**

- Internationalization strategy to be continued
  - Focus on Asia, particularly China, and Russia
  - Expansion of product portfolio in the areas
- Further increase in flexibility throughout all units
- Complexity management is a priority
- Research, development and innovation
  - Regional product adjustments
  - Gradual introduction of a new crane series
- Further strengthening of weaker units and areas



- High level of uncertainty in the financial markets impacts real economy
- Situation for PALFINGER clearly better than in 2008/09
- Strong fourth quarter signals continued good order situation
- Market growth in non-European regions expected

 PALFINGER strives to increase revenue slightly in 2012 as well

Berenberg Bank  
Cheuvreux  
Deutsche Bank  
Erste Group  
Goldman Sachs

Hauck & Aufhäuser  
HSBC  
RCB  
UBS

Earnings estimates – consensus (in EUR million)	2012e	2013e
Revenue	806.5	865.3
EBIT	62.0	78.8
Earnings per share (EUR)	1.03	1.43

3 February 2012	Balance sheet press conference
16 February 2012	Publication of Annual Report 2011
8 March 2012	Annual General Meeting
12 March 2012	Ex-dividend day
14 March 2012	Dividend payment day
10 May 2012	Publication of results for the first quarter of 2012
9 August 2012	Publication of results for the first half of 2012
9 November 2012	Publication of results for the first three quarters of 2012

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

Backup

**PALFINGER**

# Performance of the PALFINGER share since 2010

