



HÜBNER SCHLÖSSER & CIE
CORPORATE FINANCE

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PALFINGER and SANY are planning to further expand their strategic partnership

Agreement in principle reached on mutual participations of 10 per cent each

Capital increase without subscription rights planned at PALFINGER

HÜBNER SCHLÖSSER & Cie advised PALFINGER AG

As released this morning an agreement in principle has been reached governing the further expansion of the strategic partnership of the Austrian-based PALFINGER AG and the Chinese SANY Group. This partnership, which was formed last year and has already been implemented via two joint ventures, is now to be expanded by way of acquiring a 10 per cent economic interest in each other's companies.

Half of the stake in PALFINGER AG to be acquired by SANY Heavy Industries (i.e. 1,863,258 shares) is to take the form of new shares issued to SANY from the authorized capital of PALFINGER AG; the other half of the stake is to be effected through the acquisition of existing shares from the Palfinger family. The price payable by SANY will be EUR 29.00 per share. As a result of the Palfinger family's willingness to support SANY's participation by selling a portion of their existing stock ownership, the expansion of outstanding shares of PALFINGER AG will be limited to the 5% of newly issued shares. In return, PALFINGER AG will acquire a 10 per cent interest in SANY's lifting business. SANY Lifting is the unit within the SANY Group that specializes in mobile, tower and crawler cranes and is of a comparable size to PALFINGER AG. The interlinking of the two groups will presumably also be reflected in the supervisory boards of both organizations.

Xiang Wenbo, President of the SANY Group, explains: "For SANY, the close cooperation with PALFINGER represents a major step in the direction of the global market. Together with PALFINGER, we can develop the globalization of SANY from a Chinese perspective. We are excited about the quick success of both joint ventures. The consolidation and expansion of our strategic partnership will make an important contribution to SANY's further growth."

Herbert Ortner, CEO of PALFINGER AG, is delighted: "This desired consolidation of our strategic partnership is the basis for the further expansion of our proven cooperation. Together we have achieved a great deal in one year, and we are extremely pleased with the success scored in the Chinese market. To PALFINGER, this partnership with SANY is of great importance. Moreover, SANY Lifting is an attractive investment."

Hubert Palfinger jun., Deputy Chairman of the Supervisory Board of PALFINGER AG, adds: "We support SANY's participation and are happy to have a strong partner on board as the second largest shareholder. This mutual interaction will strengthen both groups. Working side by side with our Chinese partners is an enrichment at all levels, not just operationally in business, but also culturally and personally."



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Now that an agreement in principle has been reached, the final contracts will be drafted in the weeks to come. The implementation of the transaction will thereafter be subject to Chinese regulatory approvals and approvals by the supervisory board of PALFINGER AG and the board of SANY Heavy Industries, as well as to the positive conclusion of a court-appointed contribution-in-kind-auditor assessing the interest to be acquired by PALFINGER AG.

HÜBNER SCHLÖSSER & Cie (HSCie) advised PALFINGER AG in all steps leading to the agreement in principle. Herbert Ortner commented: "HSCie has been a long-standing partner of PALFINGER AG and we appreciate their full commitment and skillful approach". Joachim Schlösser added: "We are happy that we could support Palfinger AG in this very important project."

About HSCie:

HÜBNER SCHLÖSSER & Cie, located in Gruenwald near Munich, is an independent corporate finance advisory firm, specialized in acquisitions and divestitures of medium-sized and large companies worldwide. In the last years the firm advised in more than 150 transactions with a total transaction value in excess of EUR 17 billion. HSCie is one of the leading advisory firms for medium-sized transactions in Germany.

For further information please contact:

Hübner, Schlösser & Cie

Luise-Ullrich-Straße 8

82031 Grünwald

Tel. +49 (89) 998997-0

Fax. +49 (89) 998997-33

E-Mail: info@hscie.com

Web. <http://www.hscie.com/>

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