Interim Report
to March 31, 2009

GROUP KEY FIGURES, JANUARY – MARCH 2009

IFRS in EUR million		03/2008	03/2009	Change	12/2008
Total Group revenues		339.7	375.3	10.5 %	1,527.2
of which	Germany	74.6	89.4	19.9 %	379.5
	International	265.1	285.9	7.8 %	1,147.7
	International in %	78.0	76.2	n/a	75.2
of which	Construction	150.0	144.6	-3.6 %	700.9
	Equipment	181.0	220.5	21.8 %	780.1
	Resources	22.7	31.2	37.4 %	135.1
	Other/Eliminations/Consolidations	-14.0	-21.0	n/a	-88.9
Consolidated revenues		328.2	362.5	10.4 %	1,455.3
Sales revenues		261.4	270.6	3.5 %	1,290.8
Orders received		465.1	239.9	-48.4 %	1,580.7
Orders in hand		743.4	536.2	-27.9 %	671.6
EBITDA		38.3	38.3	0 %	228.4
EBITDA margin in % (of sales revenues)		14.7	14.2	n/a	17.7
EBIT		25.4	23.3	-8.4 %	167.5
EBIT margin in % (of sales revenues)		9.7	8.6	n/a	13.0
Net profit or loss		12.4	11.0	-11.3 %	107.5
Capital investment in property, plant and equipment		17.8	24.8	39.3 %	140.6
Shareholders' equity		289.8	383.8	32.4 %	372.6
Equity ratio in %		32.2	32.2	n/a	35.8
Net assets		899.3	1,191.9	32.5 %	1,041.5
Earnings per share		0.70	0.62	-11.4 %	6.09
Return on equity after tax in %		n/a	n/a	n/a	38.5
Employees (on average over the year)		7,681	8,454	10.1 %	8,674
of which	Germany	3,558	4,037	13.5 %	3,781
	International	4,123	4,417	7.1 %	4,893

At variance with the consolidated revenues presented in the Group income statement, the total Group revenues presented here include portions of revenues from associated companies as well as revenues of non-consolidated subsidiaries and joint ventures.

Course of Business and Background Conditions

COURSE OF BUSINESS AND GENERAL ECONOMIC CLIMATE

Predictions from institutes of economics are becoming ever more negative. The latest forecasts put German economic growth at minus 6 percent in 2009, with slight negative growth next year. Though it is, in our view, highly unlikely that growth will be worse than minus 6 percent this year, we do believe that the forecasts for next year are far too optimistic. Germany is undergoing its worst economic crisis since the late 1920s. The impact of the global crisis is varying from country to country. As the world's largest exporter and the country with the strongest capital goods sector, Germany's machinery manufacturing industry is most severely affected by the crisis. Moreover, Germany has the fewest options in terms of countering the crisis by its own action. The decline cannot be halted by stimulating domestic demand alone; we are massively reliant on the concerted action of many other countries all over the world.

For the BAUER Group, developments in Germany alone are no longer decisive in determining the course of business. We operate on all continents and utilize opportunities in many regions across the world. Future prospects vary widely across those different regions. We are fairly certain of being able to acquire enough orders on international markets to keep the decline in our business to a relatively modest 10 percent. We detailed our expectations with regard to ongoing trends in our annual financial statements and Group consolidated financial statements. At present we see no cause to revise this view. Nevertheless, we must recognize that the continuing financial crisis still poses considerable risks. Skilful handling at economic policy level might turn things around better than expected, but if essential political steps are not taken, the situation could also deteriorate dramatically.

The banking crisis has led to a significant downturn in demand. For many companies, this means falling sales and a consequent dramatic drop in profits. This scenario – which in itself is not necessarily such bad news, as there is always a certain up-and-down to the economic cycle – in fact poses the greatest risk of a further escalation in the crisis.

Over recent years, all the banks have been steadily automating their company rating systems based on the Basle II Accord. The rating methods applied were devised almost entirely during a period of economic boom, so that they are quite unsuited to delivering true and accurate results in times of crisis. But what happens when companies submit their crisis-hit accounts to their bankers and all ratings are massively downgraded? One does not need to be a prophet to see that, without prompt counter-action, a further escalation may be initiated which would sustain the crisis well into the future.

We make these points to highlight the urgent need for governments and the banks to devise strategies to prevent such circumstances from occurring before they can further fuel the economic crisis. Only if this is done can current forecasts of an improvement from 2010 onwards be considered justified.

In late April 2009 our company once again hosted its traditional events which saw large numbers of customers in all three of our segments – Construction, Equipment and Resources – visiting our home base in Schrobenhausen. A total of some 2,800 industry specialists – more than in previous years – took up the invitation to find out about the latest news and developments in our business. Taking a snapshot of the general mood from these events, it appears that the crisis is causing uncertainty but not resignation. Our customers are thinking about interesting future projects, of which there are a great many all over the world. Nevertheless, everyone in business is being extremely cautious when it comes to allocating financial resources. The currently shorter delivery lead times are being utilized, and this has also led to a significant decrease in the orders in hand of our Equipment segment since mid-2008. Consequently, like most other capital goods manufacturers, we are currently "living from hand to mouth".

The many new products on show at our machinery exhibition attracted great interest. Our new 200-tonne crane – specially designed for foundation engineering applications – was outstandingly well received. With 700 kW motor power, it drives two 35-tonne winches. Alongside a completely new drilling rig development, the BG 22 H for pile driving applications, the exhibition also presented new drilling methods for a wide variety of ground conditions, applicable in many different regions of the world. Visitors were particularly interested by our prototype deep-level drilling rig series featuring massive superstructures for drilling suspensions. These rigs will enable us to sink bores down to depths of around 4,500 metres. The new series opens up an entirely new field of business for us, also enabling us to compensate for declines in existing markets. However, testing of the new rigs will continue throughout the rest of this year, so these rigs will only start to generate sales revenue in 2010.

All in all, like many other companies, we see difficult years ahead. We forecast only a slight decline in our business in Germany, as we have cut our domestic capacities so much over recent years that they are now in line with reduced market opportunities. Internationally, we will see a decline in sales in our Construction segment. The situation might be improved if we succeed in acquiring some of the major projects for which we have tendered. In our Equipment segment, we expect severe falls in sales of smaller machinery, though we believe we will be able to sustain sales of the larger rigs and specialist equipment more effectively. We are bringing out new products in anticipation of further temporary market falls, so as to compensate for them at least in part. By virtue of our international structure and the many strengths we have developed over the years, we will be able to meet the challenges of this time and emerge from the crisis strongly.

DEVELOPMENT OF THE BAUER AG SHARE

After starting the year at a relatively high EUR 31.66, the BAUER share lost value through the first quarter to close at the end of March at EUR 22.02. Overall, against a background of negative general market sentiment and very fluctuating trading volumes, the share price was extremely volatile. By the end of April it had recovered to EUR 28.60.

BUSINESS TREND

The member companies of the BAUER Group performed well in their first quarter 2009 operations. Total Group revenues were some 10 percent up on the previous year. Net profit for the period was EUR 11.0 million, which was EUR 1.4 million down against the previous year. The difference stems primarily from weaker performance by some subsidiaries in the Equipment segment, which failed to meet its earnings targets set at the beginning of the year. Overall, the member companies of the BAUER Group continued to remain virtually unaffected by the global financial crisis. However, orders have declined very significantly. As a result, there will be marked falls in production and deliveries in the Equipment segment over the coming months.

BREAKDOWN OF TOTAL GROUP REVENUES BY SEGMENT

	in EUR million	March 2008 Revenues in EUR million	March 2009 Revenues in EUR million	Percentage Share March 2009	Percentage Change against previous year	Orders in hand
Construction	BAUER Spezialtiefbau GmbH (BST)					
	BST Germany	21.7	28.2	7.5 %	30.0 %	●
	Subsidiaries, Germany	4.4	2.8	0.7 %	-36.4 %	●
	BST international	61.9	26.0	6.9 %	-58.0 %	●
	Subsidiaries, international	68.4	102.9	27.4 %	50.4 %	●
	less intra-Group revenues and IFRS adjustments	-21.0	-30.4	-8.1 %		
	BST Group total	**135.4**	**129.5**	**34.5 %**	**-4.4 %**	●
	SPESA Spezialbau und Sanierung GmbH	2.7	2.1	0.6 %	-22.2 %	●
	SCHACHTBAU NORDHAUSEN GmbH (SBN) incl. SBN construction subsidiaries	12.4	17.6	4.7 %	41.9 %	●
	less intra-Group revenues and IFRS adjustments	-0.5	-4.6	-1.2 %		
	Construction total	**150.0**	**144.6**	**38.5 %**	**-3.6 %**	●
Equipment	SBN – construction equipment	14.6	18.1	4.8 %	24.0 %	●
	SBN Group total (construction & equipment)	**27.0**	**35.7**	**9.5 %**	**32.2 %**	●
	BAUER Maschinen GmbH (BMA)	151.3	182.0	48.5 %	20.3 %	-
	Equipment subsidiaries (specifically of BMA)	75.6	78.5	20.9 %	3.8 %	-
	BMA Group total	**226.9**	**260.5**	**69.4 %**	**14.8 %**	-
	less intra-Group revenues and IFRS adjustments	-60.5	-58.1	-15.5 %		
	Equipment total	**181.0**	**220.5**	**58.8 %**	**21.8 %**	-
Resources	BAUER Resources GmbH (BRE)	0.6	0.8	0.2 %		
	Resources subsidiaries (specifically of BRE)	25.3	34.5	9.2 %	36.4 %	+
	less intra-Group revenues and IFRS adjustments	-3.2	-4.1	-1.1 %		
	Resources total	**22.7**	**31.2**	**8.3 %**	**37.4 %**	+
Other	BAUER Aktiengesellschaft (BAG)	5.6	6.1	1.6 %	8.9 %	
	Other subsidiaries (specifically of BAG)	0.1	0.2	0.1 %		
	less intra-Group revenues and IFRS adjustments	0.0	0.0			
	Total Other/services	**5.7**	**6.3**	**1.7 %**	**10.5 %**	
	less intra-Group revenues and IFRS adjustments	-19.7	-27.3	-7.3 %		
	Group TOTAL (including minority interests)	**339.7**	**375.3**	**100.0 %**	**10.5 %**	●
	of which: Germany	74.6	89.4	23.8 %	19.8 %	
	International	265.1	285.9	76.2 %	7.8 %	

Notes on the table:

- List also includes non-consolidated holdings
- Valuation of orders in hand relative to budgeted sales: -- weak; - slightly weak; ● adequate; + well adequate; ++ very well adequate
- Breakdown Germany/international according to country in which accounting figures were allocated. For reasons of complexity the figures are not absolutely precise.

Earnings, Financial and Net Asset Position

EARNINGS

Group revenues shown in the consolidated income statement increased by 10.4 percent to EUR 362.5 million. The relatively high changes in inventories occurred mainly in the Equipment segment, resulting from the construction of our prototype deep-level drilling rigs and the preparations for the 2009 in-house exhibition. The various segments made differing contributions to the increase in consolidated revenues: in the Construction segment revenues fell by 3.6 percent, while in the Equipment segment they increased by 21.8 percent and in the Resources segment by 37.4 percent. In the Resources segment, substantially higher revenues were generated from the environmental sector. The acquisition of Esau & Hueber GmbH in the middle of last year was also a factor.

The "Cost of materials", "Staff costs" and "Other operating expenses" items in the consolidated income statement all increased at a slightly greater rate than revenues. The "Depreciation and amortization" item saw a relatively large rise. The completion of numerous capital investment projects undertaken over recent years meant that depreciation and amortization increased relative to the much lower figures previously recorded. Financial expenses increased in line with revenues due to the rise in borrowing entailed by the growth in business volumes. The income tax expense was lower than in the previous year. It is on a scale to be expected following the corporation tax reform in Germany. Profit after tax decreased by EUR 1.4 million against the previous year to EUR 11.0 million.

FINANCIAL POSITION

There are no special points of note to report regarding the financial position. Developments are in line with our planning.

NET ASSET POSITION

The net assets shown on the consolidated balance sheet increased by 14.4 percent against the end of 2008. They rose by 32.5 percent against the comparative first quarter of the previous year. The trend, in a year-on-year comparison above the previous year's 26 percent increase, shows the marks of the financial crisis in our accounts.

The biggest increase, compared to the first quarter of 2008, was in inventories, which rose by 48.7 percent. At the same time, however, receivables increased by only 14.7 percent. Relative shifts between inventories and receivables are essentially normal in our business, due to individual transactions, so the 30.4 percent overall increase across the two items was considerably less. With regard to the inventories, various factors played a part. Based on the continuing additions to stock resulting from the long lead times for parts ordering in the past, the machinery manufacturing schedule, which is now subject to less time pressure, is resulting in an increase in inventories. Cancellations mean that some items are held in stock for a few months until a new buyer is found. The number of machines being hired out instead of immediately sold is likewise increasing. The rather excessive allocations for the US market and for well drilling rigs last year also had a negative effect on our accounts. Moreover, the figures are placed in comparison with highly positive ones seen during boom times. In such boom times, demand means companies are virtually having machines "torn out of their hands", so inventories fall unusually low. In more difficult times, conditions stabilize very rapidly, resulting in a return to normal buying practices by customers and thus in increased inventories on the balance sheet. The explanation for the disproportionately high increases in inventories (19.6 percent) and receivables (22.9 percent) relative to the end of the previous year (21.2 percent together) is the same as that for the increases relative to the same quarter in the previous year.

The increase in fixed assets – and specifically in property, plant and equipment and investment property – has nothing to do with the currently more difficult market situation. It is a reflection of the capital investment programme undertaken over recent years. In the first quarter of this year construction of the Edelshausen plant was completed, so that now only accounting work remains to be done. In Nordhausen, too, construction work is almost finished. So all that remains to be completed over the rest of the year is the US facility in Houston, Texas. A number of secondary construction projects were postponed because of the financial crisis. We are pleased that the construction works are now largely complete, so the efforts of all staff can be focused on increasing productivity and serving markets. This focus will doubtless help us to master the challenges we face in the more difficult time ahead.

Another important factor in assessing the recurring substantial year-on-year increase in inventories and receivables – and the corresponding rise in financial liabilities – is the linkage between our various business processes. In the specialist foundation engineering and related machinery business, based on the buying and payment practices of customers, the balance sheet net assets always increase significantly within the year and then fall away again by a similar amount by the year-end, as more payments are received. This year's increase in net assets – in addition to the major increase in our capital investments – was somewhat higher than expected based on our experience.

The increase in financial liabilities was almost entirely in the short-term category, as there has to date been little reallocation of debt to long-term financing this year. In April 2009 an initial promissory note in an amount of EUR 25 million was issued in order to adjust that trend. Current and non-current financial liabilities together rose 45.2 percent year-on-year, and 31.1 percent relative to the end of 2008. This disproportionately high rise compared to last year's revenue growth results from the extended balance sheet due to the rise in inventories and the capital investments of the previous year. Overall, the figures are in line with our plans and expectations in what are now more difficult market conditions.

There is a new development to report with regard to the recognition of Group equity. Like many construction and machinery manufacturing companies, the business of the BAUER Group is characterized in that, because of the cyclic nature of the business, in-year financing requirements are significantly higher than year-end financing requirements. For this reason, liabilities to banks rise significantly within the year. This entails a considerable interest rate risk. In phases of high interest rates, this would have a significant negative impact on our business. In order to reduce this risk, BAUER has for many years undertaken interest rate hedging. This results in somewhat higher interest rates during low interest rate phases, but in high interest rate phases delivers much lower interest rates than are available on the market for short-term finance in such times, thereby helping to stabilize business.

We believe that our approach to risk limitation is correct and responsible, and consequently it is entirely wrong to revalue our interest rate hedges at market value as per each accounting reference date. This neutralizes the interest rate hedge, making it into a speculative transaction in the financial reports. In the past, we were relatively unaffected by this – in our view incorrect – accounting practice, as interest rates have been very stable in recent years. In times of financial crisis, however, short-term interest rates are extremely volatile, resulting in very significant increases and decreases in market valuation.

In the first quarter, falling market interest rates meant that new interest rate hedges in respect of long-term real estate financing were written down by EUR 1.8 million which, in accordance with the hedge accounting standards set out in IAS 39, resulted in a corresponding reduction in shareholders' equity. The highly likely period of inflation and associated higher interest rates over the coming years will reverse this effect, so that then – entirely without justification – the shareholders' equity will be massively overstated. We believe that in this instance the applicable standards in no way reflect the commercial intent of the interest rate hedges, and do not provide for a "true and fair view". Unfortunately, as a result of the IFRS and their interpretation by our auditors, we are compelled to make this account entry which is – in our opinion – nonsensical.

The fact that in most cases our interest rate hedges do not precisely match an underlying loan, but merely – as has been demonstrable statistically over many years – serve to hedge against our necessarily higher in-year indebtedness, means that what is in fact a hedging instrument is portrayed in the accounts as being a speculative transaction.

This accounting practice becomes completely absurd when – as was the case with regard to a financing transaction at the start of this year – variable interest rates on long-term loans have been converted by interest rate swaps into fixed interest rates and then the changes in value of the interest rate swaps have to be recognized according to the same standard. This results in monthly write-ups and write-downs of the interest rate swaps in line with market value, meaning that, de facto, the long-term loan remains in the accounts at a variable interest rate. We will follow the recommendations of our auditors, but will nevertheless continue to provide our business partners and shareholders with relevant information in a transparent manner.

Trends in our Business Segments

CONSTRUCTION SEGMENT

CONSTRUCTION SEGMENT KEY FIGURES

in EUR '000	03/2008	03/2009	Change	12/2008
Total Group revenues	150,006	144,551	-3.6 %	700,890
of which external sales revenues	130,317	118,289	-9.2 %	584,339
Orders received	250,196	138,670	-44.6 %	670,777
Orders in hand	485,304	349,122	-28.1 %	355,003
EBIT	3,288	5,235	59.2 %	46,328
Employees	4,792	4,795	0.1 %	5,308

The Construction segment was not quite able to match its previous year's revenue performance in the first quarter of this year. Consolidated total revenues fell by 3.6 percent. The shift in revenue generation away from the international operations of BAUER Spezialtiefbau GmbH to the international subsidiaries (see table on page 5) results from the restructuring of the business in the United Arab Emirates, where a branch office was converted into a subsidiary company. Revenues in the international specialist foundation engineering business overall remained virtually constant. Segment first-quarter profit of EUR 5.2 million was even substantially up (+59.2 percent) on that of the previous year. The Construction segment has therefore had a good start to the year overall. Orders in hand in the specialist foundation engineering segment of our construction business fell to EUR 260.1 million. This is more than EUR 120 million down against last year, though orders in hand have been virtually stable since the end of the year.

The impact of the current economic crisis is of course also a factor in the reduced level of orders in hand. In fact, however, orders in hand would also have fallen back in good times, as a number of large projects were completed in the second half of last year and, even in good times, it is often not possible to immediately replace such jobs with equivalent new ones. Overall, the level of orders in hand is in line with our planning for this year. Our sales departments are currently working in many countries all over the world on interesting new major projects, so we are once again expecting to acquire some larger orders.

SPESA Spezialbau und Sanierung GmbH is developing in line with our planning. SCHACHTBAU NORDHAUSEN GmbH likewise has healthy orders in hand in its construction business, though somewhat lower than last year, so we are expecting it to have a good year in line with planning.

Overall, we are satisfied with the development of the Construction segment to date, despite the global crisis. Following on from a year of unusually high growth in our business, we will this year see a decline. Nevertheless, thanks to the international flexibility of our global networks we will be in a position to counter its effects.

EQUIPMENT SEGMENT

EQUIPMENT SEGMENT KEY FIGURES

in EUR '000	03/2008	03/2009	Change	12/2008
Total Group revenues	180,976	220,531	21.8 %	780,100
of which external sales revenues	113,456	126,055	11.1 %	601,230
Orders received	195,716	99,861	-49.0 %	806,389
Orders in hand	225,122	115,997	-48.5 %	236,667
EBIT	23,691	20,321	-14.2 %	118,301
Employees	2,059	2,711	31.7 %	2,493

The Equipment segment has made a much better start to the year than we had expected, with a 21.8 percent rise in revenues. One factor in this was that, for various reasons, quite a number of machines could not be shipped by the end of 2008 and so boosted the early 2009 sales figures. Segment profit of EUR 20.3 million was around EUR 3.4 million down against the previous year. However, the decrease was largely due to factors within a number of subsidiaries, and did not yet reflect the impact of the financial crisis.

Despite this good performance, the crisis on international markets is being clearly seen in the Equipment segment in particular: its orders in hand have declined significantly, to EUR 116 million. This represents a fall of 48.5 percent – or around half – relative to the previous year. There are a number of reasons for this trend, though it is very difficult to assess the respective impact of the various factors. The first point to note is that the current international crisis is making customers reluctant to invest. The second reason lies in the much shorter delivery lead times of all vendors on the market. Whereas lead times of nine months were commonplace for many machines as recently as early last year, they are now down to around two to three months. This trend would reduce orders in hand by significantly more than half even if demand remained constant. In fact, such short delivery lead times are quite common anyway in the construction machinery industry. Prior to the boom of recent years, it was entirely normal for machinery to be offered with lead times of just two months or so. Consequently, the current situation represents a certain degree of normalization. This also brings benefits, as with such regular supply schedules customer support is of a much higher quality. Another reason for the low levels of orders in hand in our business is the very much more detailed and cautious appraisal of individual transactions. In good times, a company can afford to make generous provisions in customers' contracts, also incorporating a certain flexibility with regard to ordering. Today contracts are again being handled more strictly. This is also leading to a reduction in orders in hand.

All these reasons cannot conceal the reality that our equipment business is increasingly "living from hand to mouth". Consequently, revenues will decline; we have adjusted our production planning accordingly.

Despite all the negative trends, there are also positive developments to report. Our in-house exhibition held at the end of April 2009 was once again a great success. With some 2,000 visitors, the response was just as overwhelming as in previous years. The latest developments, such as the new base carrier unit for specialist foundation engineering applications, the 200-tonne MC 128 crane and the new BG 22 H rig attracted great interest among our customers. There was also a terrific response from the attending industry specialists to the prototypes of our new deep-level drilling rigs, especially the large TBA 300 for drilling depths down to around 4,500 metres. These developments will doubtless enable us to compensate for some of the market decline caused by the prevailing crisis.

At the in-house exhibition our customers reported on many international projects. It became clear that the world of specialist foundation engineering is still very much alive – and is offering many good opportunities. Our investments in expanding machinery manufacturing capacities are far advanced. The Aresing plant is almost complete, apart from some minor works on the Quality department. In Edelshausen, the completed facilities were commissioned into operation on schedule in January 2009. The welding shops in Nordhausen are likewise already operational. In the summer the final phase – the paintshop – will be commissioned into operation. At Conroe near Houston, Texas in the USA, the carcass of the new facility has been erected and work is scheduled for completion in the autumn, ready for the production operations to move in.

All in all, our Equipment segment is faced by difficult market conditions. New opportunities will not be able to fully compensate for the declines in the established business, as a result of which sales will fall this year.

RESOURCES SEGMENT

RESOURCES SEGMENT KEY FIGURES

in EUR '000	03/2008	03/2009	Change	12/2008
Total Group revenues	22,728	31,200	37.4 %	135,070
of which external sales revenues	17,590	26,211	49.0 %	105,148
Orders received	33,189	22,310	-32.8 %	192,455
Orders in hand	33,001	71,035	115.3 %	79,925
EBIT	-1,276	-1,168	8.5 %	4,016
Employees	623	712	14.3 %	656

Our Resources segment achieved substantial growth in the first quarter. Its total Group revenues increased by 37.4 percent to EUR 31.2 million. Segment profit was at the previous year's level.

Developments in the Environment division were particularly pleasing, with revenues very substantially increased. The newly acquired Esau & Hueber GmbH contributed EUR 2.2 million to those revenues. We are also satisfied with progress in the Materials division. By contrast, the performance of the Mining division is unsatisfactory. A large number of cancellations have led to much lower revenues than in the previous year. The generally healthy level of orders in hand in the Resources segment is attributable to a very large construction project which we are going to be carrying out in Oman on a PPP basis. We are building a large-scale organically based water treatment plant to process oil-contaminated process water from oil mining operations. The project has a scheduled term of over 20 years.

Even though the hope has not been fulfilled that the Resources segment would be able to compensate for the expected decline in the other segments resulting from the emerging crisis, it is still pleasing to see the segment achieve increases in sales and earnings in line with our forecasts. Since the crisis was initiated by a financial collapse rather than – as expected – by a shortage of raw materials, the commodities sector is feeling the impact particularly severely. However, we expect that this state of affairs will be only temporary, and we are continuing to work hard to deploy our know-how more widely in this area in particular. The acquisition of the SITE Group in Jordan agreed for the second quarter of the year is an example of this strategy. The company has been operating for many years in water and oil well drilling as well as conducting exploration drilling for a number of mining companies.

Overall, we are confident that this segment will deliver good progress for us in 2009.

OTHER DISCLOSURES

We have reached agreement with the current proprietor of the SITE Group in Jordan to acquire 60 percent of the shares in it in the second quarter. The company employs some 190 people, and generated revenues of around EUR 20 million in 2008. There are no other events of note to report.

SUSTAINABILITY

HUMAN RESOURCES

The number of employees increased by 10 percent against the comparative quarter in the previous year. As most of the increase was attributable to major construction projects outside of Germany, the necessary adjustment to the expected lower revenues posed no problem. In the Equipment segment, we have likewise built up adequate potential to make adjustments based on deployment of temporary agency staff and the large amount of accrued overtime from the past.

FOLLOW-UP REPORT

OPPORTUNITIES AND RISKS

Major opportunities are set out in the individual sections of this Interim Report. There has been no change in material risks since the Annual Report to December 31, 2008. Consequently, we refer back to the 2008 Group management report.

MATERIAL TRANSACTIONS WITH RELATED PARTIES

In the period under review no material transactions were undertaken with related parties.

OUTLOOK FOR THE FULL YEAR

The companies of the BAUER Group developed rather better than expected in the first three months of 2009. Market trends under the impact of the international financial crisis are still in line with our expectations at the time of compiling our 2008 annual financial statements and Group consolidated financial statements. With regard to the Equipment segment, the widely varying reasons for the decline in orders make it especially difficult to forecast trends over the remaining course of the year with any certainty. Despite these difficulties, we have decided to make a forecast for 2009 in our 2008 Group management report. We are aware that this is subject to a much greater degree of uncertainty than in previous years. We believe, however, that our investors have the right to know how the Management Board appraises the situation.

We hereby reaffirm our forecast set out in the 2008 Group management report: we expect total Group revenues of around EUR 1.4 billion in 2009. On current estimates, profit after tax will be around the level attained in 2007 (at that time approximately EUR 74 million).

This forecast is based on intensive calculation and extrapolation within the company. It may, however, require some further adjustment in the course of the year in response to the numerous fluctuations on the market.

Schrobenhausen, May 15, 2009

Interim Financial Statements of the BAUER Group

INCOME STATEMENT OF THE BAUER GROUP

in EUR '000	01.01. - 31.03.2008	01.01. - 31.03.2009
1. Sales revenues	261,419	270,558
2. Changes in inventories	48,071	71,155
3. Other income	18,730	20,771
CONSOLIDATED REVENUES	**328,220**	**362,484**
4. Cost of materials	182,125	203,517
5. Staff costs	56,597	63,693
6. Depreciation and amortization	12,846	15,031
7. Other operating expenses	51,244	56,960
OPERATING RESULT	**25,408**	**23,283**
8. Financial income	565	313
9. Financial expenses	6,287	7,023
10. Share of the profit or loss of associates accounted for using the equity method	441	338
PROFIT BEFORE TAX	**20,127**	**16,911**
11. Income tax expense	7,697	5,891
NET PROFIT OR LOSS	**12,430**	**11,020**
Profit attributable to minority interests	501	337
Profit attributable to equity holders of BAUER AG	11,929	10,683

	01.01. - 31.03.2008	01.01. - 31.03.2009
Basic earnings per share in EUR	0.70	0.62
Diluted earnings per share in EUR	0.70	0.62
Average number of shares in circulation (basic)	17,131,000	17,131,000
Average number of shares in circulation (diluted)	17,131,000	17,131,000

BALANCE SHEET OF THE BAUER GROUP

ASSETS in EUR '000	31.12.2008	31.03.2009
A. NON-CURRENT ASSETS		
I. Intangible assets	17,815	18,508
II. Property, plant and equipment and investment property	334,636	348,244
III. Investments accounted for using the equity method	9,111	9,083
IV. Participations	3,599	3,599
V. Deferred tax assets	16,517	17,373
VI. Other non-current assets	6,454	6,769
VII. Other non-current financial assets	148	27
	388,280	**403,603**
B. CURRENT ASSETS		
I. Inventories	324,819	388,584
II. Receivables and other assets	284,457	349,684
III. Effective income tax refund claims	7,119	9,533
IV. Cash and cash equivalents	36,868	40,523
	653,263	**788,324**
	1,041,543	**1,191,927**

EQUITY AND LIABILITIES in EUR '000	31.12.2008	31.03.2009
A. SHAREHOLDERS' EQUITY		
I. Group shares	357,895	368,022
II. Minority interests	14,742	15,790
	372,637	**383,812**
B. NON-CURRENT LIABILITIES		
I. Defined benefit plans	42,421	42,743
II. Financial liabilities	235,880	245,629
III. Other liabilities	3,077	3,047
IV. Deferred tax liabilities	17,988	17,569
	299,366	**308,988**
C. CURRENT LIABILITIES		
I. Financial liabilities	106,356	203,101
II. Other liabilities	232,691	264,109
III. Effective income tax obligations	10,227	10,677
IV. Provisions	20,266	21,240
	369,540	**499,127**
	1,041,543	**1,191,927**

CASH FLOW STATEMENT OF THE BAUER GROUP

in EUR '000	01.01. - 31.03.2008	01.01. - 31.03.2009
Cash flows from operating activities	-9,114	-71,543
Cash flows from investing activities	-13,719	-23,584
Cash flows from financing activities	24,465	98,782
Net increase in cash and cash equivalents	1,632	3,655
Cash and cash equivalents at beginning of reporting period	33,082	36,868
Cash and cash equivalents at end of reporting period	34,714	40,523
Change in cash and cash equivalents	1,632	3,655

LISTING OF RECORDED INCOME AND EXPENSES

in EUR '000	2008	2009
Net profit or loss	**12,430**	**11,020**
Cash-flow hedges		
Changes to fair value not affecting profit and loss recorded directly in shareholders' equity	2,305	-2,535
Included in the income statement	-75	0
Differences from currency translation	-3,311	1,753
Deferred tax items set off directly against shareholders' equity	-668	735
Income and expenses recorded directly in shareholders' equity	**-1,749**	**-47**
Total profit	**10,681**	**10,973**
Attributable to BAUER AG shareholders	10,359	9,925
Attributable to minority interests	322	1,048

DEVELOPMENT OF SHAREHOLDERS' EQUITY OF THE BAUER GROUP

			Other revenue reserves and net earnings available for distribution						
	Subscribed capital	Capital reserve	Revenue reserves	Currency translation reserve	Reconciling item, IFRS	Hedging transactions reserve	Own shares	Minority interests	Total
As at 31.12.2007	73,001	38,404	154,060	-7,463	10,387	75	0	10,666	**279,130**
Total profit	0	0	11,929	-3,132	0	1,562	0	322	**10,681**
Dividend payments	0	0	0	0	0	0	0	0	**0**
Other changes	0	0	0	0	0	0	0	0	**0**
As at 31.03.2008	**73,001**	**38,404**	**165,989**	**-10,595**	**10,387**	**1,637**	**0**	**10,988**	**289,811**
As at 31.12.2008	73,001	38,404	241,058	-4,955	10,387	0	0	14,742	**372,637**
Changes in scope of consolidation	0	0	12	1	0	0	0	189	**202**
Total profit	0	0	10,683	1,231	0	-1,800	0	859	**10,973**
Dividend payments	0	0	0	0	0	0	0	0	**0**
Other changes	0	0	0	0	0	0	0	0	**0**
As at 31.03.2009	**73,001**	**38,404**	**251,753**	**-3,723**	**10,387**	**-1,800**	**0**	**15,790**	**383,812**

SEGMENT REPORTING OF THE BAUER GROUP

in EUR '000	Construction		Equipment		Resources		Other	
	2008	2009	2008	2009	2008	2009	2008	2009
Total revenues (Group)	**150,006**	**144,551**	**180,976**	**220,531**	**22,728**	**31,200**	**5,660**	**6,349**
INCOME External sales	130,317	118,289	113,456	126,055	17,590	26,211	56	3
Inter-segment sales	5,295	4,657	11,755	16,420	421	457	5,577	6,190
Changes in inventories	1,493	6,164	45,213	64,696	1,365	322	0	0
Other income	3,263	3,199	10,147	13,175	1,288	758	0	37
Consolidated revenues	**140,368**	**132,309**	**180,571**	**220,346**	**20,664**	**27,748**	**5,633**	**6,230**
RESULT **Segment result (operating result) / EBIT**	**3,288**	**5,235**	**23,691**	**20,321**	**-1,276**	**-1,168**	**208**	**-569**
Share in results of associated companies	108	349	0	4	333	-15	0	0
Financial expenses and income, income tax expense								
Net profit or loss								

in EUR '000	Eliminations/Consolidations		Consolidated	
	2008	2009	2008	2009
Total revenues (Group)	**-19,672**	**-27,282**	**339,698**	**375,349**
INCOME External sales			261,419	270,558
Inter-segment sales	-23,048	-27,724	0	0
Changes in inventories	0	-27	48,071	71,155
Other income	4,032	3,602	18,730	20,771
Consolidated revenues	**-19,016**	**-24,149**	**328,220**	**362,484**
RESULT **Segment result (operating result) / EBIT**	**-503**	**-536**	**25,408**	**23,283**
Share in results of associated companies	0	0	441	338
Financial expenses and income, income tax expense			-13,419	-12,601
Net profit or loss			**12,430**	**11,020**

Notes to the Financial Statements

ACCOUNTING PRINCIPLES

BAUER Aktiengesellschaft prepares its interim financial statements in accordance with the International Financial Reporting Standards (IFRS). The Interim Report to March 31, 2009 was prepared on the basis of IAS 34, "Interim Financial Reporting". The same accounting and valuation methods as for the consolidated financial statements to December 31, 2008 are applied in the Interim Report to March 31, 2009. A detailed description of those methods is presented in the 2008 Annual Report. The Standards and Interpretations bindingly applicable for the first time with effect from January 1, 2009 had no significant effects on the net asset, financial and earnings position of the Group.

AUDITING

These consolidated interim financial statements and management report have not been audited in accordance with section 317 of the German Commercial Code (HGB), nor have they been subjected to any review by an auditor.

SCOPE OF CONSOLIDATION

In addition to BAUER Aktiengesellschaft, the consolidated Group companies comprise those enterprises in which BAUER Aktiengesellschaft holds a direct or indirect interest enabling it to govern the said companies' financial and operating policies in such a way that the members of the Group draw benefit from the activities of the said companies (subsidiaries). The consolidation begins from the time the possibility of control exists; it ends when such control no longer exists.

The following companies were consolidated for the first time in the first quarter:
Equipment segment: BAUER Equipment UK Ltd., Thirsk, Great Britain
Other segment: BAUER Training Center GmbH, Schrobenhausen, Germany

Acquisitions in the Resources segment:
With effect from January 1, 2009, 60 percent of the shares in GF-Tec GmbH, Büttelborn, Germany were acquired at an acquisition cost of EUR 452 thousand.

At the acquisition date the acquisition of GF-Tec GmbH had the following effects on the financial position:

in EUR '000	Fair values 01.01.2009	Carrying amounts 01.01.2009
Effects at time of acquisition		
Non-current assets	329	44
Current assets	139	139
(of which cash and cash equivalents)	(1)	(1)
Non-current liabilities	110	27
Current liabilities	129	129

The acquisition generated goodwill totalling EUR 223 thousand. The allocated portions of the purchase price for the intangible assets arising from the acquisition relate to not yet capitalized patents and to customer relationships which are subjected to straight-line depreciation according to the economic life of the asset.

Effective March 31, 2009, BAUER Mietsystem GmbH was de-consolidated.

NOTES ON SEGMENT REPORTING

The internal organizational and management structure and the internal system of reporting to the Management Board and Supervisory Board dictate the segmentation employed by the BAUER Group. Accordingly, the BAUER Group comprises the following business units: Construction, Equipment, Resources and Other.

The core business of the **Construction segment** is specialist foundation engineering. Complete excavation pits and foundation works, often in difficult subgrade conditions, are carried out for major infrastructure projects. In order to offer customers a full range of services, the companies of the BAUER Group additionally offer other construction services, often involving a major specialist foundation engineering element. Examples of this include bridges, environmental engineering and remediation projects. The Construction segment is founded on the close interlinking of all construction activities, including those handled by the Projects departments.

In the **Equipment segment**, machinery for all specialist foundation engineering processes is developed and manufactured for worldwide distribution. The equipment can be employed to produce large-diameter and small-diameter bores for piles, diaphragm walls, anchors, injections and wells. Equipment for ramming and soil improvement is also manufactured. The range is supplemented by a wide selection of add-on units and ancillary equipment, covering all the processes involved in specialist foundation engineering.

The **Resources segment** brings together all the Group units providing products and services relating to the remediation and extraction of natural resources essential to human life. The units operate in the field of environmental technology, in soil and groundwater remediation, in exploration drilling and mining of raw materials and drilling of wells and geothermal energy sources, and in the manufacture and sale of materials for the engineering of bore holes, specifically for wells and geothermal energy sources. BAUER Umwelt GmbH, Schrobenhausen, is already assigned to this segment. However, at the balance sheet date the shares were held by BAUER Spezialtiefbau GmbH.

The **Other segment** comprises the central services for the Group's business units (accounting, human resources, IT etc.), specifically those of BAUER AG.

EVENTS AFTER MARCH 31, 2009

No findings subject to mandatory reporting in accordance with IAS 10 occurred after March 31, 2009.

Schrobenhausen, May 15, 2009
The Management Board

FUTURE-RELATED STATEMENTS

This Interim Report contains future-related statements. Future-related statements are any statements which do not relate to historical facts and events, such as forecasts of future financial earning power and indications of plans and expectations with regard to the development of the business of the BAUER Group and relating to the general economic climate or other factors to which the BAUER Group is subject. The use of words such as "believe", "expect", "predict", "forecast", "intend", "plan", "estimate", "aim", "likely", "assume" and similar formulations indicates that the statements in question are future-related. Future-related statements are subject to risks and many uncertainties which may mean that actual developments, earnings or levels of performance differ widely from those explicitly or implicitly assumed in the future-related statements.

Readers are advised that, in view of the said risks and uncertainties, no inappropriately high degree of confidence should be placed in the likelihood of such statements proving to be accurate in the future. BAUER Aktiengesellschaft does not intend to and assumes no obligation to publish updates of such future-related statements in order to incorporate events or circumstances beyond the date of publication of this Interim Report.

DATES 2009

April 21, 2009	Publication of 2008 Annual Report Annual Press Conference Analysts' Conference
May 15, 2009	Interim Report to March 31, 2009
June 25, 2009	Annual General Meeting
August 14, 2009	Half-Year Interim Report to June 30, 2009
November 13, 2009	Interim Report to September 30, 2009

You will find more information on the BAUER Group on the Internet at www.bauer.de.

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BAUER Aktiengesellschaft
BAUER-Strasse 1
86529 Schrobenhausen
Germany

Office of the Management Board:
Phone: +49 8252 97-1215
Fax: +49 8252 97-2900
E-mail: BAG@bauer.de

Registered place of business:
86529 Schrobenhausen, Germany
Registered at the District Court of
Ingolstadt under HRB 101375

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