

BAUER Aktiengesellschaft



Analyst Presentation
first nine months 2008



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1 BAUER Group

Key Figures first nine months



	Jan-Sep 2007 in EUR million	Jan-Sep 2008 in EUR million	Change in %
Total Group revenues, of which	891.2	1,111.8	+ 24.7 %
- Germany	257.7	264.6	- 4.0 %
- International	615.5	847.2	+ 37.6 %
- Construction	403.3	520.1	+ 29.0 %
- Equipment	453.7	569.5	+ 25.5 %
- Resources	87.4	87.2	- 0.2 %
- Consolidation / Other	- 53.2	- 65.0	n/a
Sales revenues	759.4	930.2	+ 22.5 %
Equity ratio in %	29.1 %	31.7 %	n/a
Orders in hand	506.6	757.7	+ 49.6 %
EBITDA	115.7	149.3	+ 29.0 %
EBIT	78.1	108.4	+ 38.7 %
EBIT margin in % (of sales revenues)	10.3 %	11.7 %	n/a
Net income	38.9	67.8	+ 74.0 %
Earnings per share in EUR	2.21	3.81	+ 72.4 %
Number of employees	6,627	8,103	+ 22.3 %



Construction

- Target ~ 42 % of total Group revenues
- Global provider for specialist foundation engineering and related construction services such as structure remediation and bridge building
- Focus on complex, international projects



SPEZIALTIEFBAU



MASCHINEN

KLEMM
Bohrtechnik

MAT
Mischanlagentechnik GmbH



PRAKLA
Bohrtechnik

TracMec



PILECO

FAMBO

Equipment

- Target ~ 42 % of total Group revenues
- Market leader in specialist foundation equipment
- 85 % of revenues from sales abroad
- Multi-branding strategy

Resources

- Target ~ 16 % of total Group revenues
- Third segment, installed in second quarter 2007



RESOURCES

GWE
pumpenboese
SBF-HAGUSTA

EWN
ErdWärmeNetz



FORALITH



MBS
Mineral Bulk Sampling

HGC
HYDRO-GEO-CONSULT GmbH

ESAU & HUEBER

- Activities in the field of environmental services, mining, geothermal energy, well drilling and well engineering materials

1 History of Bauer

Two centuries of experience



After WW II:
Start of **construction business**

End of 1970's:
Start of **internationalisation**



Early 1990's:
Build up of **specialist construction/ environmental business**

FY 2007:
Total Group revenues EUR 1.2 billion, 6,983 employees



Company founded as **copper forge**



Early 1970's:
Start of **equipment manufacturing**

Early 1980's:
Selling of **equipment to third parties**



4 Jul 2006:
IPO
Sept 2006:
Admittance in **SDAX**

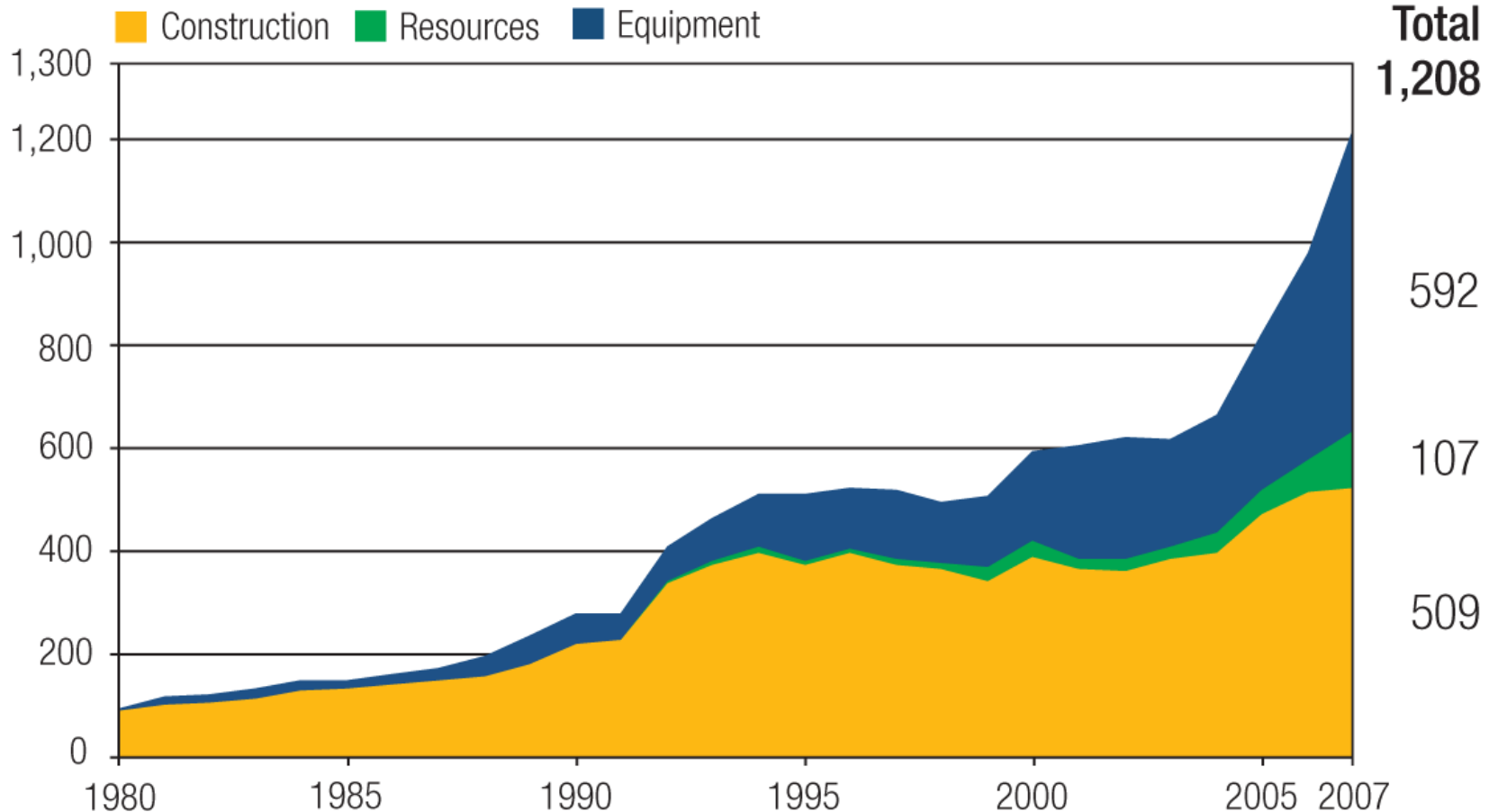
Sept 2008:
Admittance in **MDAX**

Longstanding healthy business development

Total Group revenues 1980 - 2007



in EUR million, CAGR on average ~ 9.5 %



1

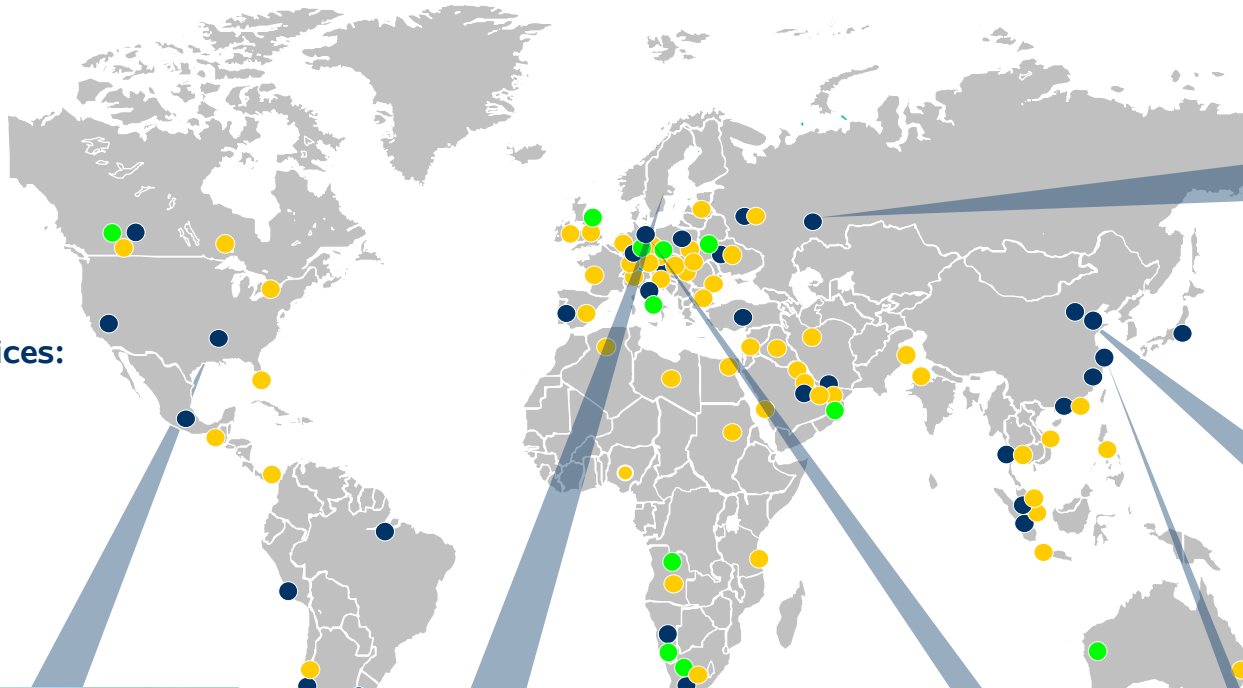
Leading position in highly specialised markets

Worldwide network in main business segments



Permanent Offices:

- Construction
- Equipment
- Resources



BAUER Maschinen KSM,
Kurgan, Russia



BAUER Tianjin Technologies,
Tianjin, China



Pileco, Houston, Texas, USA



BAUER Gruppe, Schrobenhausen, Germany



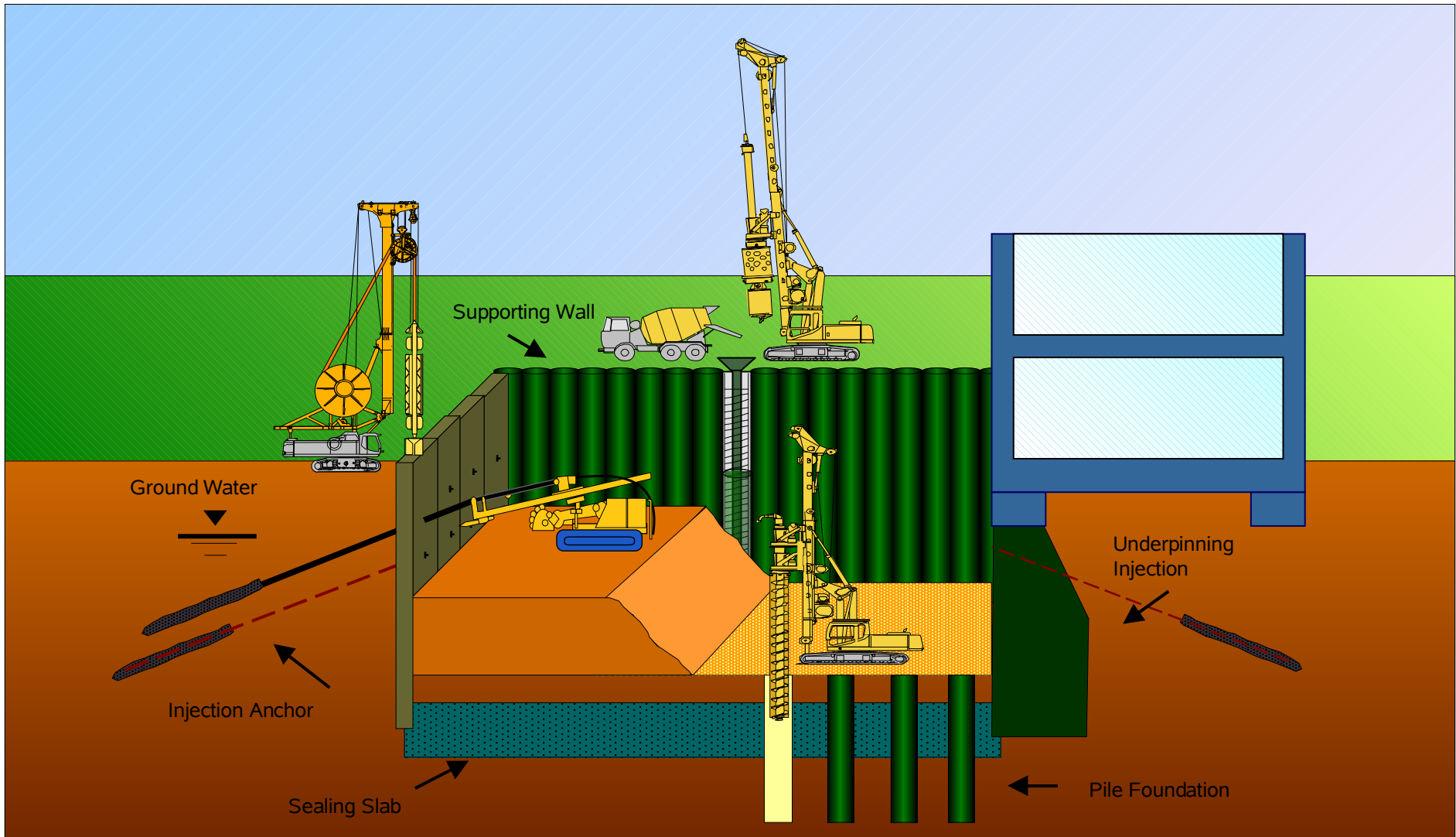
GWE Gruppe



Shanghai BAUER Technologies,
Shanghai, China

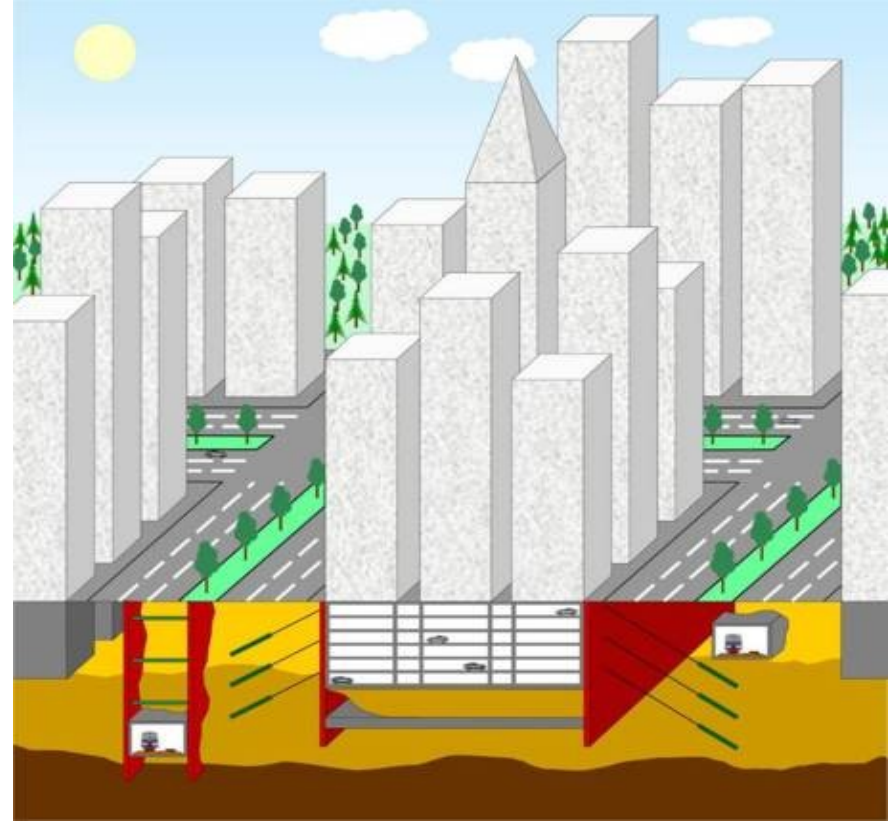
What is specialist foundation?

Building an excavation pit



What is specialist foundation used for?

Applications for infrastructure projects



Project portfolio: ~ 50 / 50 infrastructure (Government) / large industrial buildings
⇒ **very little exposure to residential construction**

115m deep cut-off wall ...



Construction of a concrete cut-off wall, 115 m deep, fully embedded in rock - a challenge for the most advanced techniques available in the geotechnical construction field ...

... for Peribonka dam in Québec, Canada



... securing the main earth dam across a main and a secondary valley and two main dikes for a major hydropower plant in the heart of the province of Québec, Canada.

Construction

Exemplary projects, Germany

Schwäbisch Hall



Munich



Stuttgart



Pasing



Construction

Exemplary projects, Europe

Istanbul, Turkey



Moscow, Russia



Rotterdam, Netherlands



2 Construction

Exemplary projects, International



Canada



Abu Dhabi



Panama



Oman





- 11 different versions BG-line rigs
- Height 15 to 36 meter
- Weight 50 tonne 250 tonne
- Torque 10 to 50 tonne-meter (100 to 500 kNm)
- Engine power 150 to over 600 kW
- Drilling depth up to ~ 120 meter
- Compact drilling rigs in M-Line
- Range of rotary drilling systems
 - kelly drilling system
 - double rotary drive system
 - displacement drilling system etc.





Materials (Water)



Exploration & Mining



Environment



2 Resources

Areas of strategic development



Divisions: Current market position

Materials

- 4 production sites in Germany, 1 in Poland
- Market leader for well drilling materials and well extension (screens, filters, sealing material) in Germany

Mining

- Track record of longstanding cooperation with mining companies e.g. De Beers
- Mining projects in Namibia (Bogenfels diamond area), Angola, Botswana, South Africa, Canada (Diavik diamond mine, Shore Gold bulk sampling)
- Off shore projects

Environment

- Leading service provider and sales of drilling rigs for geothermal drilling (EWN)
- Leading provider for environmental works in Germany (Leuna refinery, 3 ground improvement centres)
- Subsidiaries abroad: Italy (on-site remediation), Qatar, Doha (purification plant), UK, Hungary

Divisions: Future strategy

Materials

- Focus on Europe, Africa, Middle East

Mining

- Focus on South Africa, Canada, Australia, Europe
- Foundation of subsidiary in South Australia in 2008

Environment

- Focus on Europe, UAE

Overall Segment Strategy

- **Development & Internationalization of an additional business - using the existing network - that is completely independent of construction cycles but deals with scarce resources, environment, energy, raw materials**
- **Geothermal drilling (close- to-the-surface & deep depth)**

"25 billion US\$ for construction" (United States of America)

"Expenditure for infrastructure projects help against unemployment. The stimulus package announced by Obama ... could support US construction equipment manufacturers like Caterpillar but also German competitors such as Wacker and Bauer."

Threadneedle US-Chief
Strategist Cormac Weldon in
Wirtschaftswoche, No. 46,
Nov 10, 2008

BAUER Group Segments

Construction

- Focus on infrastructure projects
- Higher density in metropolitan areas
- Increased complexity of projects

Equipment

- World market leader
- Key driver of process cost reductions
- New applications through innovation
- Growing installed base

Resources

- Strategic segment independent from cyclicity of construction markets

BAUER Group Overall strengths

Excellent market position due to

- Global presence
- Highly flexible network structure
- Niche market with high barriers of entry
- Unique synergy of expertise
- Robust financial position

Market environment - Germany

Recovery of German construction market



July 2008	Absolute Figures		Change in %					
	2007		West Germany			East Germany		
	West-Germany	East-Germany	2007/1994	2007/2006	Jan-Jul 2008/2007	2006/1994	2007/2006	Jan-Jul 2008/2007
Employees in 1000	529.4	184.4	-46.4	0.7	-1.1	-58.8	-0.2	-4.7
Turnover in EUR billion	62.4	18.3	-24.7	-0.4	7.6	-42.0	-1.2	4.5
Building construction	40.6	10.1	-27.3	-1.5	6.0	-52.5	1.7	6.9
Foundation engineering	21.8	8.3	-18.4	1.8	10.9	-23.0	-4.5	1.4
Orders received * in EUR billion	38.8	1.8	-36.3	9.3	4.5	-57.0	5.5	2.9
Housebuilding	6.3	1.2	-60.0	-6.4	-6.4	-78.8	-0.1	3.4
Industrial building	17.0	4.8	-31.4	11.5	3.5	-55.2	8.0	1.9
Public sector	15.5	4.9	-22.2	14.6	10.5	-40.6	4.5	3.7
of which								
public buildings	2.7	0.9	-45.0	6.1	12.9	-58.6	8.3	-3.1
road building	6.9	1.3	7.1	11.9	14.7	-16.2	0.7	10.6
foundations	5.8	1.7	-31.9	22.9	5.1	-49.3	7.8	-1.4

*) only companies > 20 employees

Market environment - Trends

Orders & US-Dollar exposure



Orders in hand

	Jan-Sep 2008	Reach in months in relation to total Group revenues 2007
TOTAL	EUR 757.7 million	7.5 months
Construction	EUR 445.4 million	10.1 months
Equipment	EUR 276.3 million	5.2 months
Resources	EUR 36.0 million	3.8 months

Expected order intake

	2008	2009
Construction Germany	●	●
Construction International	+	●
Equipment BMA	+	●
Equipment Subsidiaries	+	●
Resources	●	●

● adequate, + well adequate, ++ very well adequate

US\$ Exposure / Currency Risks

- Decentralized sales network operating out of Europe, Middle East, Far East, America with > 90 subsidiaries on all continents
- Offices in over 58 countries

Construction

- Project size EUR 100,000 up to EUR 20 million
- ~ 600 projects p.a.
- Local financing (natural hedge) for project duration
- Translation risk (consolidation) hedged
- US\$ business (~ 10 %) hedged, e.g. swaps

Equipment

- ~ 80 % of invoicing in EUR
- US\$ business (~ 14 %) hedged with permanent translation of individual machines
- Production expansion to US to counteract currency risk Euro / US\$

Financial results

Revenues Jan-Sep 2008



in EUR '000	Jan-Sep 2007	Jan-Sep 2008	change	FY 2007
Total Group revenues	891,232	1,111,775	24.7%	1,208,100
Sales revenues, Construction	335,252	445,399	32.9%	433,405
Sales revenues, Equipment	354,482	414,807	17.0%	509,733
Sales revenues, Resources	69,557	69,896	0.5%	89,612
Sales revenues, Other	148	95	-35.8%	211
Sales revenues (external)	759,439	930,197	22.5%	1,032,961
Consolidated revenues (P&L)	843,537	1,073,596	27.3%	1,159,377
Orders in hand	506,608	757,698	49.6%	618,036

n/a not applicable (a) of sales revenues (b) pre-minorities

Financial results

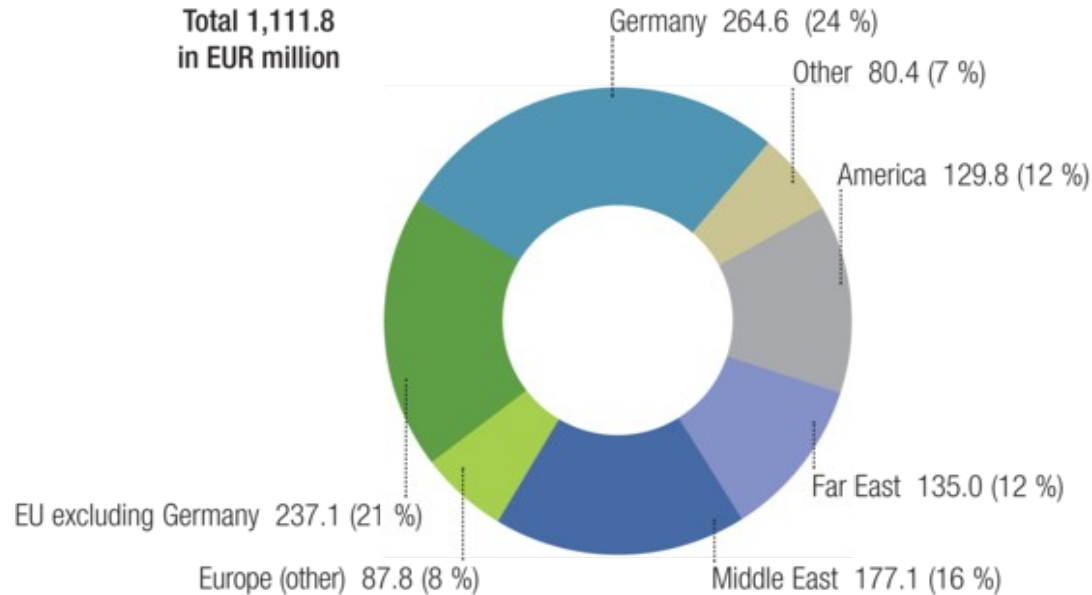
Earnings Jan-Sep 2008



in EUR '000	Jan-Sep 2007	Jan-Sep 2008	change	FY 2007
EBITDA	115,712	149,263	29.0%	185,406
<i>Margin^(a)</i>	15.2%	16.0%	n/a	17.9%
EBIT	78,118	108,373	38.7%	131,810
<i>EBIT margin^(a)</i>	10.3%	11.7%	n/a	12.8%
EBIT Construction segment	12,411	29,334	136.4%	24,847
<i>EBIT margin, Construction segment^(a)</i>	3.7%	6.6%	n/a	5.7%
EBIT Equipment segment	67,815	79,576	17.3%	105,894
<i>EBIT margin, Equipment segment^(a)</i>	19.1%	19.2%	n/a	20.8%
EBIT Resources segment	1,251	1,216	n/a	253
<i>EBIT margin, Resources segment^(a)</i>	1.8%	1.7%	n/a	0.3%
Net income^(b)	38,935	67,758	74.0%	74,385
<i>Margin^(a)</i>	5.1%	7.3%	n/a	7.2%
Earnings per share (in EUR)	2.21	3.81	72.8%	4.23

Regional breakdown

Total Group revenues Jan-Sep 2008



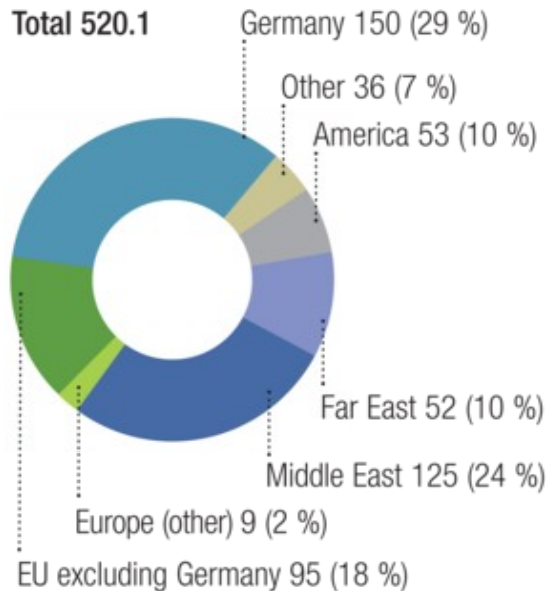
in EUR '000	Jan-Sep 2007	in %
Germany	275,661	31%
Europe (EU)	165,975	19%
Europe (not EU)	53,142	6%
Middle East	136,672	15%
Far East	97,894	11%
America	103,362	12%
Other	58,526	7%
Total group revenues	891,232	100%

Jan-Sep 2008	in %	change
264,639	24%	-4%
237,108	21%	43%
87,765	8%	65%
177,089	16%	30%
134,983	12%	38%
129,839	12%	26%
80,352	7%	37%
1,111,775	100%	25%



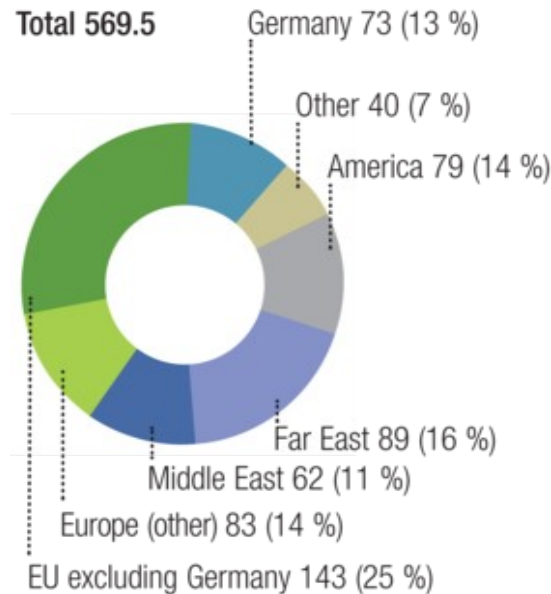
Segment Construction

in EUR million



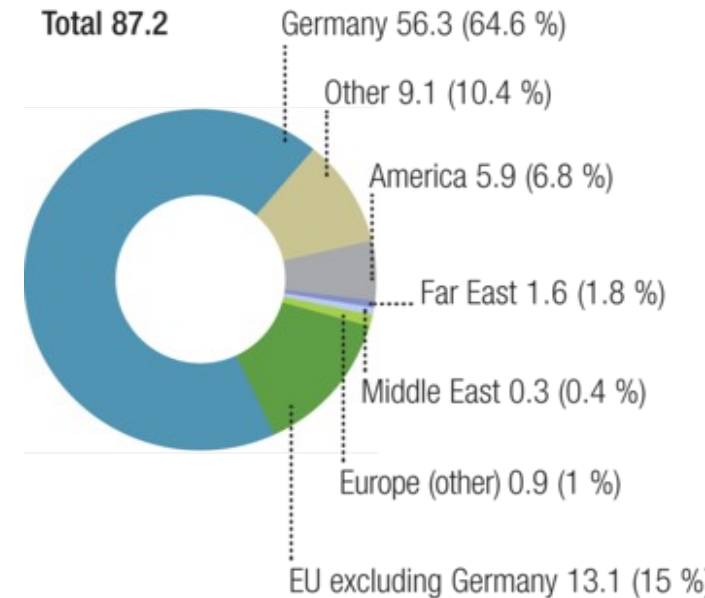
Segment Equipment

in EUR million



Segment Resources

in EUR million



Financial results

P&L items Jan-Sep 2008



in EUR '000	Jan-Sep 2007	Jan-Sep 2008	change	FY 2007
Consolidated revenues (P&L) ^(a)	843,537	1,073,596	27.3%	1,159,377
Sales revenues (P&L)	759,439	930,197	22.5%	1,032,961
Material costs	455,797	603,462	32.4%	632,714
Personnel costs	153,278	180,470	17.7%	214,860
Depreciation	37,594	40,890	8.8%	53,596
Other operation expenses ^(a)	118,750	140,401	18.2%	126,397
EBIT	78,118	108,373	38.7%	131,810
Financial income	1,979	1,606	-18.8%	4,704
Financial expenses	16,844	17,598	4.5%	22,666
Result from associated entities	1,781	1,486	-16.6%	2,234
Profit before tax (EBT)	65,034	93,867	44.3%	116,082
Income tax	26,099	26,109	0.0%	41,697
Net income	38,935	67,758	74.0%	74,385
Minority interest	1,137	2,431	113.8%	1,917
Net income attributable to shareholders of Bauer AG	37,798	65,327	72.8%	72,468

(a) FY 2006 figures adjusted

Financial results

Balance sheet Sep 30, 2008



in EUR '000	Sep 30, 2007	June 30, 2008	change	Dec 31, 2007
Assets	857,173	1,044,322	21.8%	817,971
Intangible assets	26,398	14,210	-46.2%	14,198
Property, plant and equipment	200,994	292,846	45.7%	245,815
Long term financial assets	12,473	13,172	5.6%	12,835
Other long term assets & deferred taxes	23,636	22,203	-6.1%	19,505
Inventories	232,116	317,891	37.0%	218,978
Receivables and other assets	325,444	339,727	4.4%	268,760
Effective income tax refund claims	1,680	3,681	119.1%	4,798
Cash and cash equivalents	34,432	40,592	17.9%	33,082
Equity and liabilities	857,173	1,044,322	21.8%	817,971
Equity	249,814	330,594	32.3%	279,130
Pension provisions	38,854	41,529	6.9%	39,862
Non-current liabilities	248,998	262,906	5.6%	235,183
Current liabilities	287,508	384,120	33.6%	237,141
Other provisions ^(a) / tax	31,999	25,173	-21.3%	26,655
Increase balance sheet total in %			21.8%	
Increase consolidated revenues in %			27.3%	

(a) Other provisions also include short term portion of pension provisions

4 Financial results

Cash flow items Jan-Sep 2008



in EUR '000	Jan-Sep 2007	Jan-Sep 2008	change	FY 2007
Operating cash flow	-844	46,223	n/a	67,173
Investing cash flow	-56,354	-75,078	33.2%	-89,949
Financing cash flow	74,487	36,365	-51.2%	38,715
Free Cash Flow	-57,198	-28,855	n/a	-22,776
<hr/>				
Net cash increase	17,289	7,510	-56.6%	15,939
Cash at start of reporting period	17,143	33,082	93.0%	17,143
Cash at end of reporting period	34,432	40,592	17.9%	<u>33,082</u>



- Above average level of orders in hand provides healthy take-up of capacities through year-end
- International heavy construction markets in reasonable shape, providing further chances worldwide
- So far no significant impact from financial crisis
- **Guidance 2008**
 - Total Group revenues to over EUR 1.4 billion (2007 EUR 1.2 billion)
 - Net profit more than EUR 100 million (2007 EUR 74.4 million)
- **Advantages of Bauer in view of expected deceleration in economic growth in near future**
 - Global positioning with excellent presence in countries rich in natural resources (thus currently and in future facing gain in wealth and economic growth)
 - Special deep foundation Know-how essential for solving infrastructure problems worldwide
 - Longstanding expertise in deep mining services
 - Deep-drilling rigs to be launched in 2009 to meet rising demand for oil and gas drilling as well as geothermal drilling
 - Resources segment addressing elemental problems relating to environment, energy and raw materials



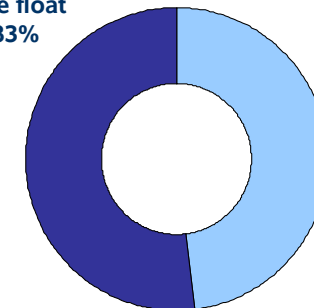
- Listed on Frankfurt stock exchange, Prime Standard since July 4, 2006
- Listed in MDAX since Sep 22, 2008
- Shares issued 17,131,000
- Issue price EUR 16.75
- Year high / Year low 2008 YTD
EUR 70.12 / EUR 25.05
(5.6.2008 / 10.10.2008)
- Earnings per share 2007
EUR 4.23 (2006 EUR 2.17)
- Dividend payout 2007
EUR 1.00 per share
(2006 EUR 0.50 per share)
- Market capitalisation
around EUR 450 million
(Nov 11, 2008; share price EUR 26.29)

Share performance 1 year



Shareholder profile

Free float
51.83%



Bauer family
48.17%

BAUER Aktiengesellschaft



ISIN
Reuters
Bloomberg

DE0005168108
B5AG.DE
B5A GR

Listing



Indices

MDAX
C-DAX
GEX
Classic All Share
Prime All Share

Investor Relations

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Disclaimer



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These statements are based on factors as they are currently available to the management of BAUER AG and therefore speak only as of the date they are made. We assume no liability to update publicly or conform any of them to future events or future developments.

Forward-looking information is subject to various known and unknown risks and uncertainties, which could lead to material differences between the actual future results, financial situation, development or performance of the BAUER Group and those factors contained in any forward-looking statement. In view of these uncertainties, no assurance can be given that these forward-looking statements will prove accurate and correct, or that anticipated and projected future results will be achieved and we caution you not to place undue reliance on these forward-looking statements.