BAUER Aktiengesellschaft

Analyst Presentation
for the first half-year 2007

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1 BAUER Group
Services, equipment and products dealing with ground and ground water

Equipment

- Target ~ 45 % of total Group revenues
- Market leader in specialist foundation equipment
- 85 % of revenues from sales abroad
- Multi-branding strategy

Construction

- Target ~ 40 % of total Group revenues
- Global provider for specialist foundation engineering and related construction services such as renovation and bridge building
- Focus on complex, international projects

Resources

- Target ~ 15 % of total Group revenues
- Third segment starting second half-year 2007

- Activities in the field of environmental services, mining, geothermal applications, well building and 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**

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

1790 → **1950's** → **1960's** → **1970's** → **1980's** → **1990's** → **2000+** → **2006**

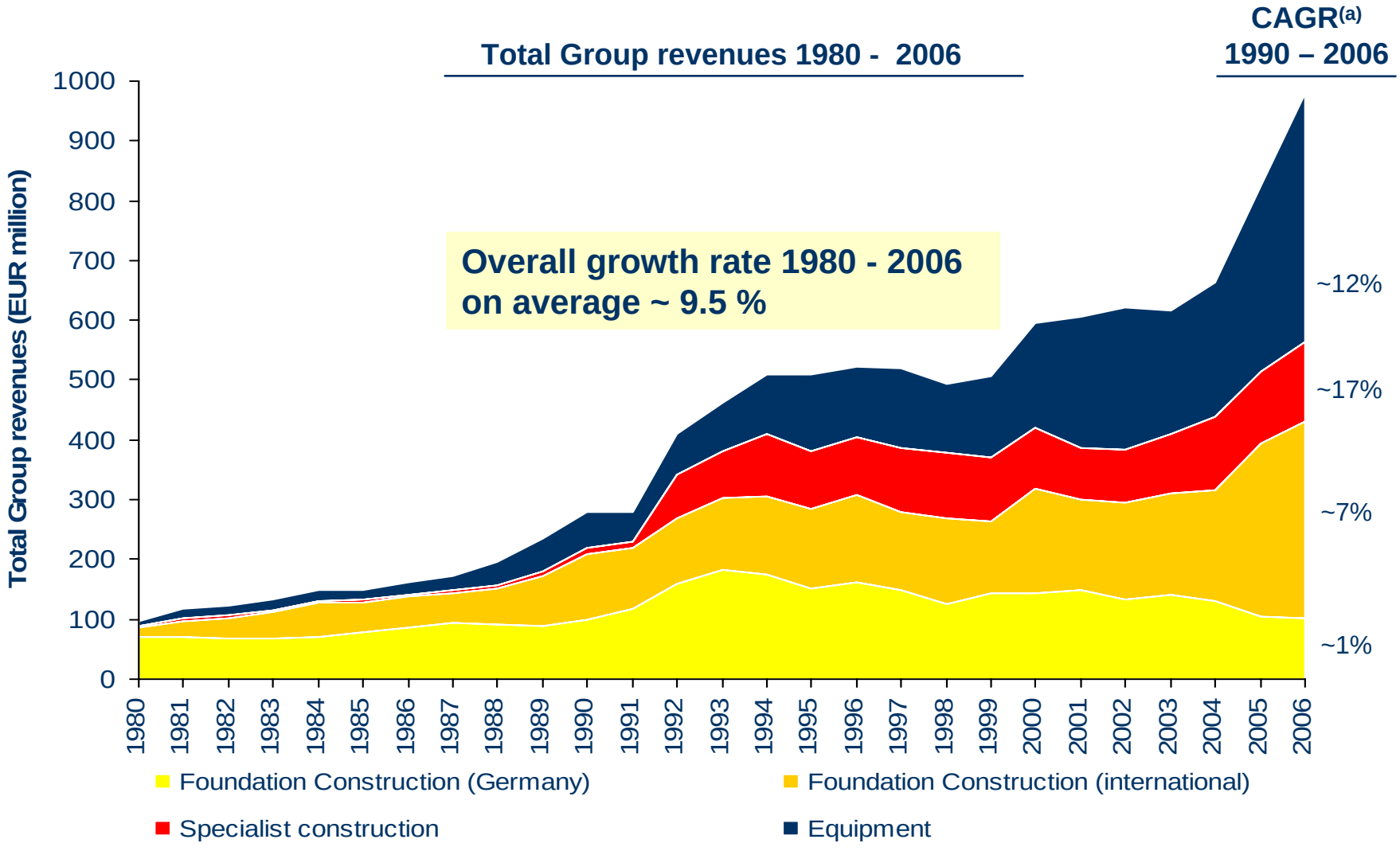
Company founded as **copper forge**

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

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

FY 2006:
Total Group revenues EUR 980 million, 5,541 employees

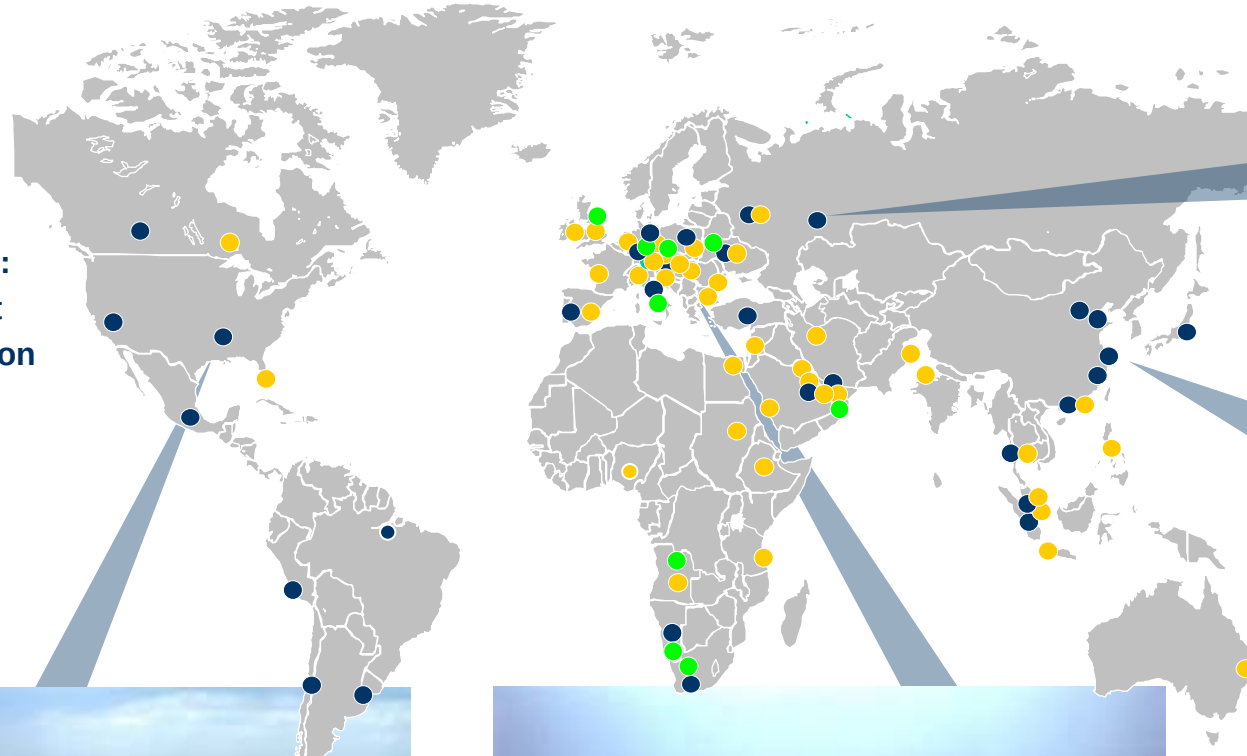
1 Longstanding healthy business development
Steady growth and successful product diversification



(a) Compound annual growth rate Note: 1980 – 2002 based on HGB figures, from 2003 based on IFRS figures

1 Leading position in highly specialised markets
Worldwide network in main business segments

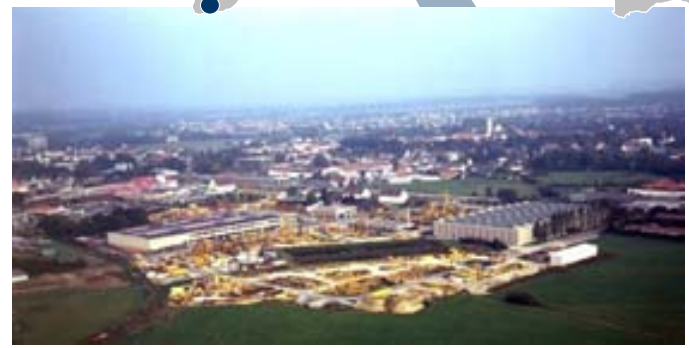
Main Offices:
- Equipment
- Construction
- Resources



BAUER Maschinen KSM, Kurgan, Russia

BAUER Technologies, Tianjin, China

Pileco, Houston, Texas

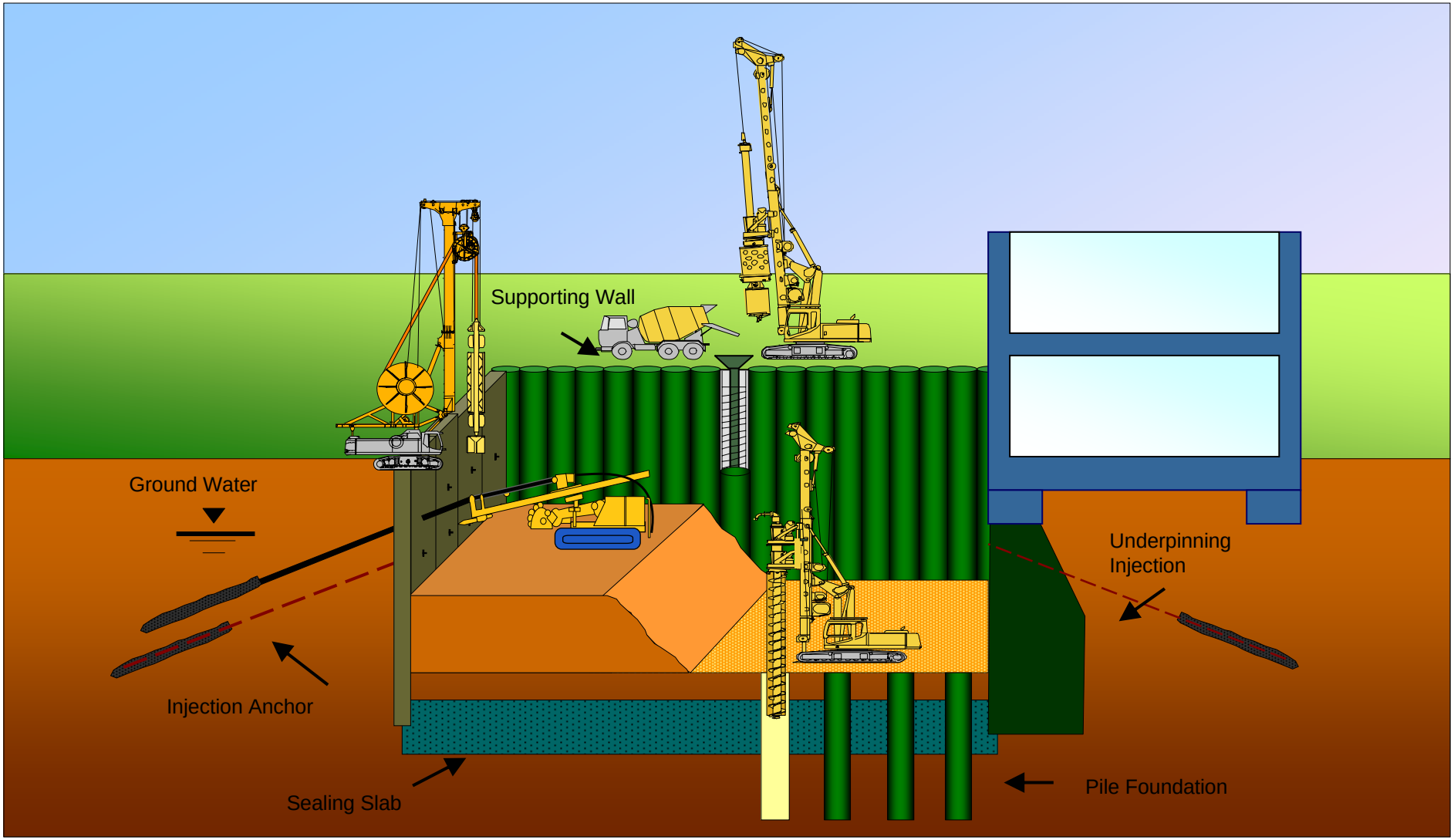


BAUER AG, Schrobenhausen, Germany

Klemm, Drolshagen, Germany

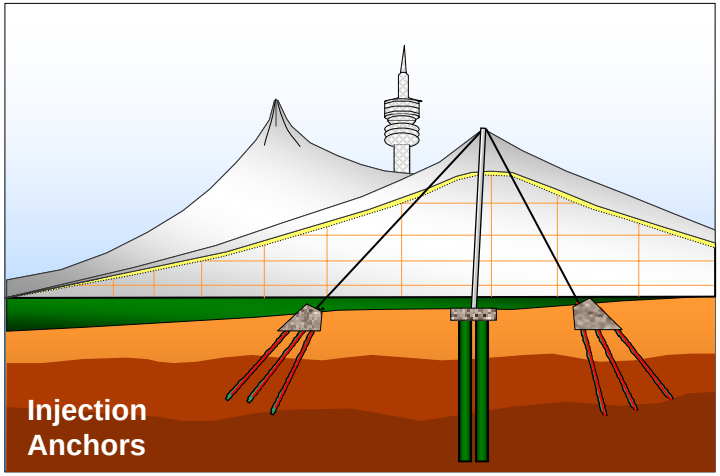
2 What is specialist foundation?

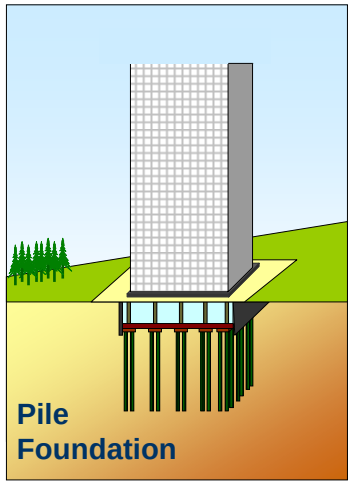
Building an excavation pit

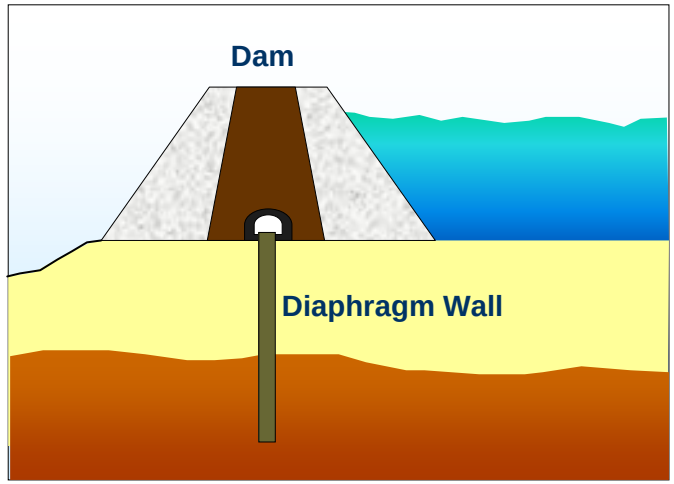


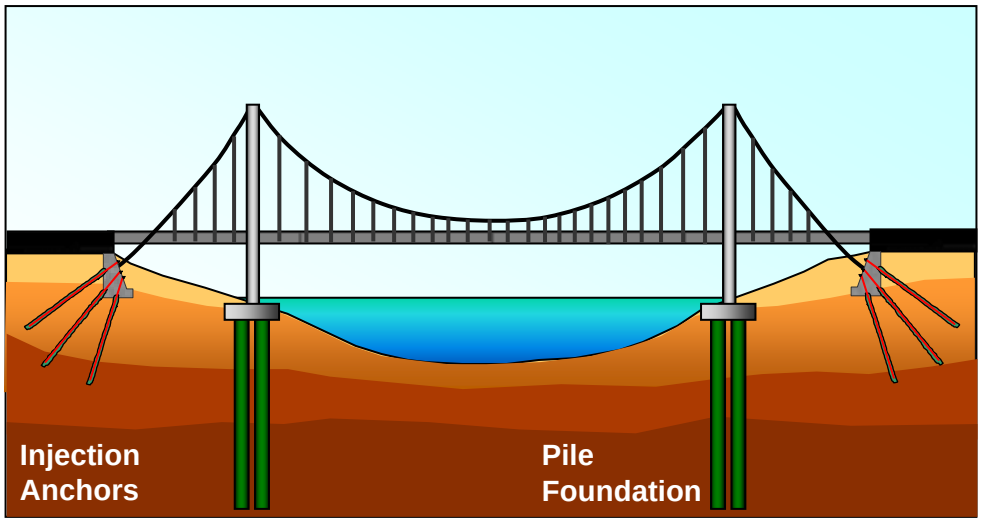
2 What is specialist foundation used for?

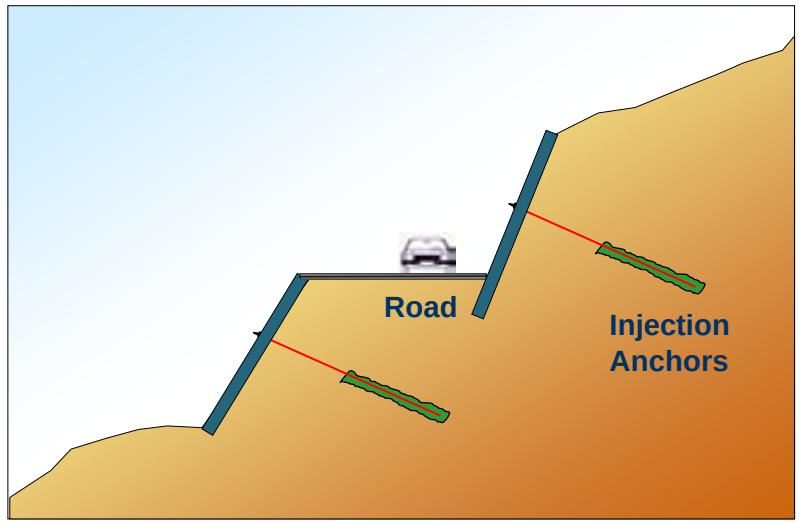
Applications for specialist foundation techniques











2 Construction
Typical excavation pit

Excavation pit in Germany, Nuremberg …

… for future IMAX cinema

2 Construction
Exemplary projects Germany

Munich

Karlsruhe

Wind park Wansleben

Nürtingen

Schweinfurt

2 Construction
Exemplary projects International

VAE, Dubai - Intern. Airport

Hongkong

Africa, Sudan

USA, New York

2 Construction
Exemplary projects International

Australia, Gold Coast

Malaysia, Kuala Lumpur

Turkey, Istanbul

Caribbean, St. Lucia

Indonesia, Koja

3 Equipment
Product range: BG-systems (large diameter drilling rigs)

3 Equipment
Product range: Tools

3 Equipment
Product range: Grab systems, CSM, Trench cutters

3 Equipment
Product range: Other equipment

3 Equipment
Bauer stand on bauma 2007

4 Resources
Areas of strategic development

Transferring core competencies to new markets

Remediation/cleaning of soil

Cleaning of water

Plant-based sewage treatment works, Abu Dhabi

4 Resources
Areas of strategic development

Transferring core competencies to new markets

Establishing of mines and mining

Exploration drilling for mining

Geothermal applications

4 Resources
Areas of strategic development

Transferring core competencies to new markets

Offshore wind parks, services for oil and gas drilling

Well drilling

Water engineering

5 Recovery of German construction market

Increase in revenues and orders received

	Absolute Figures		Change in %					
	2006		West Germany			East Germany		
	West-Germany	East-Germany	2006/1994	2006/2005	01-05/2007/2006	2006/1994	2006/2005	01-05/2007/2006
Employees in 1000	525.7	184.8	-46.8	-0.5	1.3	-58.7	-2.1	2.4
Building consents million m³ **	257.2	42.3	-35.7	10.3	-20.9	-65.5	7.9	-28.3
Revenues in EUR billion	62.6	18.6	-24.4	9.9	7.4	-41.3	7.2	10.0
Building construction	41.2	9.9	-26.2	11.1	5.3	-53.3	7.3	10.7
Foundation engineering	21.4	8.6	-19.8	7.6	11.8	-19.4	7.1	9.0
Orders received * in EUR billion	35.5	10.3	-41.7	5.4	9.2	-59.2	4.3	11.3
Housebuilding	6.8	1.2	-57.2	3.5	-5.4	-78.8	8.7	7.5
Industrial building	15.2	4.4	-38.5	8.5	16.9	-58.5	10.7	12.5
Public sector	13.5	4.7	-32.1	2.9	8.0	-43.2	-2.1	11.2
of which								
public buildings	2.6	0.8	-48.2	3.7	1.2	-61.8	-4.1	18.6
road building	6.2	2.2	-4.3	5.9	14.3	-16.8	5.5	6.7
foundations	4.7	1.6	-44.6	-1.3	4.1	-53.0	-10.1	12.9

*) only companies > 20 employees

*) Building consents West/East Germany figures as per April 2007

Source: Bayerisches Landesamt für Statistik, Statistisches Bundesamt

5 World construction & specialist foundation market

Attractive growth potential

Global GDP outlook

- Sound economic environment
- High GDP growth, especially in emerging markets

'The world is our market'

Construction industry

- High infrastructure investments
- Key industry to growth in emerging markets
- Stable demand from established economies

Attractive industry

Specialist foundation

Construction

- Higher density in metropolitan areas
- Increased complexity of projects

Equipment

- Key driver of process cost reductions
- New applications through innovation

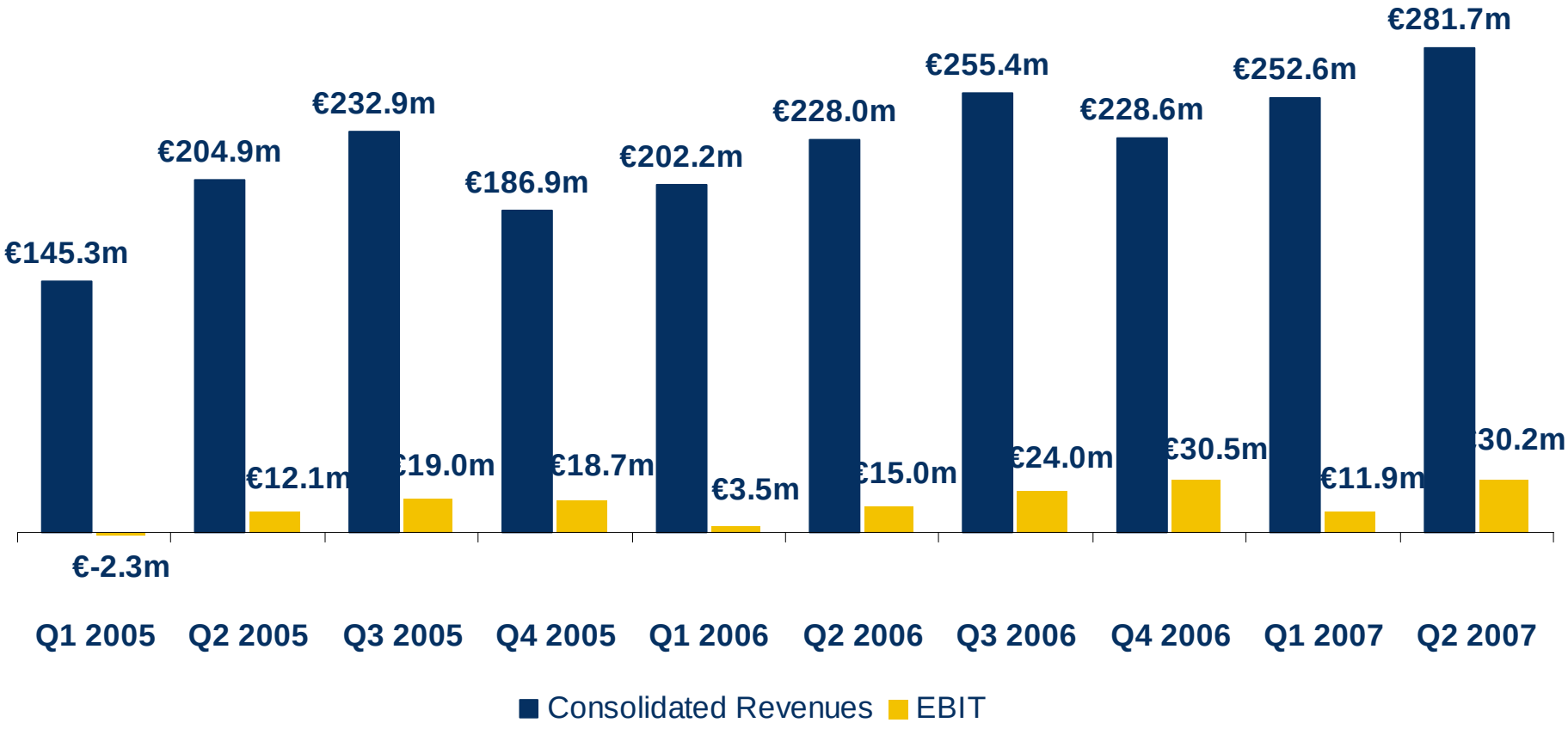
High structural growth

6 Financial results
Key Figures 2006

	2005 in EUR million	2006 in EUR million	Change in %
Total Group revenues, of which	**824.3**	**979.9**	**+ 18.9 %**
- Germany	270.4	282.2	+ 4.4 %
- International	553.9	697.7	+ 26.0 %
- Construction	521.3	575.5	+ 10.4 %
- Equipment	335.7	463.4	+ 38.0 %
- Consolidation / Other	- 32.7	- 59.0	n/a
Consolidated revenues	**770.0**	**914.2**	**+ 18.7 %**
Equity ratio in %	**26.1**	**34.6**	**+ 32.6 %**
Orders in hand (year end)	**346.1**	**422.4**	**+ 22.0 %**
EBITDA	**94.8**	**123.2**	**+ 29.9 %**
EBIT	**47.5**	**73.0**	**+ 53.7 %**
EBIT margin	**6.2**	**8.0**	**+ 29.0 %**
Net income	**19.5**	**35.2**	**+ 80.5 %**
Earnings per share in EUR	**1.32**	**2.17**	**+ 64.0 %**
Number of employees	**5,155**	**5,541**	**+ 7.5 %**

6 Financial results
Development of Revenues & Earnings per Quarter

Consolidated Revenues & EBIT



6 Financial results

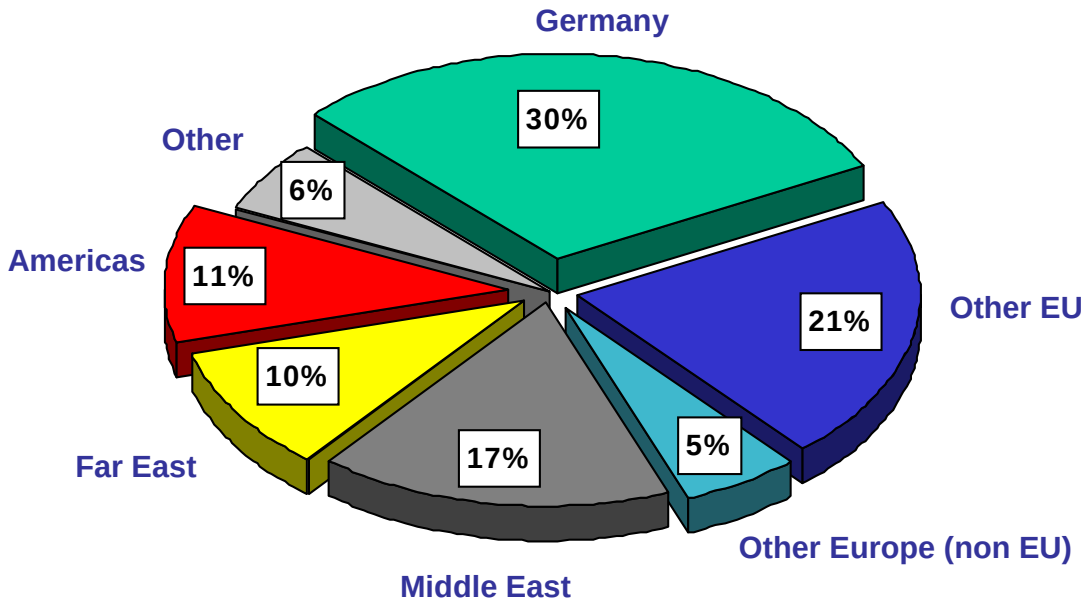
Revenues & Earnings, Orders in hand 1st HY 2007

in EUR '000	Jan - June 2006	Jan - June 2007	change in %	FY 2006
Total group revenues	**453,867**	**562,542**	23.9%	**979,850**
Consolidated revenues, Construction	**213,107**	**227,621**	6.8%	**468,451**
Consolidated revenues, Equipment	**216,022**	**282,544**	30.8%	**448,992**
Consolidated revenues, Resources	**23,702**	**51,446**	117.1%	**51,771**
Consolidated revenues, Other	8,284	9,779	18.0%	24,741
Consolidated revenues, Cons./Eliminations	-30,894	-37,139	n/a	-79,755
Consolidated revenues (P&L)	**430,221**	**534,251**	24.2%	**914,200**
Sales revenues	**375,357**	**477,811**	27.3%	**835,351**
EBITDA	**42,217**	**65,868**	56.0%	**123,191**
Margin [(a)]	*9.8%*	*12.3%*	n/a	*13.5%*
EBIT	**18,457**	**42,148**	128.4%	**72,985**
EBIT Margin [(a)]	*4.3%*	*7.9%*	*n/a*	*8.0%*
EBIT margin, Construction segment [(a)]	*-0.1%*	*1.6%*	*n/a*	*2.2%*
EBIT margin, Equipment segment [(a)]	*8.6%*	*13.6%*	*n/a*	*13.8%*
EBIT margin, Resources segment [(a)]	*2.3%*	*2.4%*	*n/a*	*2.9%*
Net income[(b)]	**5,914**	**18,636**	n/a	**35,206**
Margin [(a)]	*1.4%*	*3.5%*	n/a	*3.9%*
Earnings per share (in EUR)	**0.38**	**1.05**	n/a	**2.17**
Orders in hand	**426,781**	**463,786**	8.7%	**422,358**

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

6 Regional development & breakdown

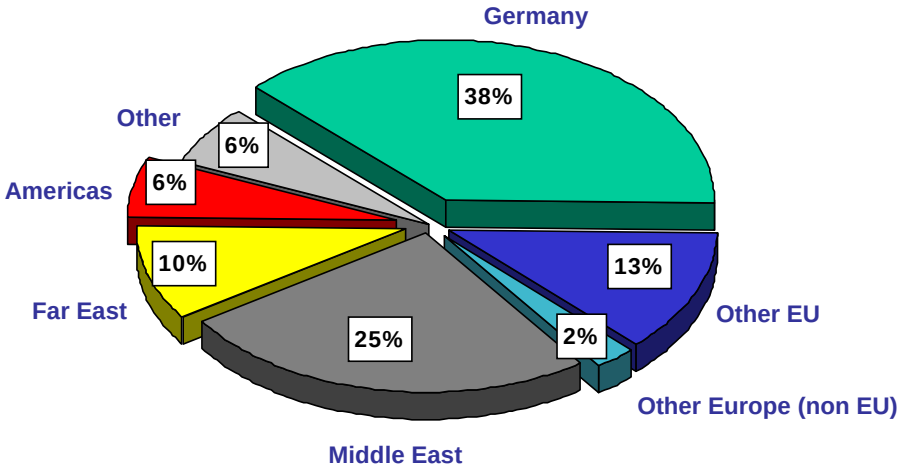
Total Group revenues 1st HY 2007 563 million Euro



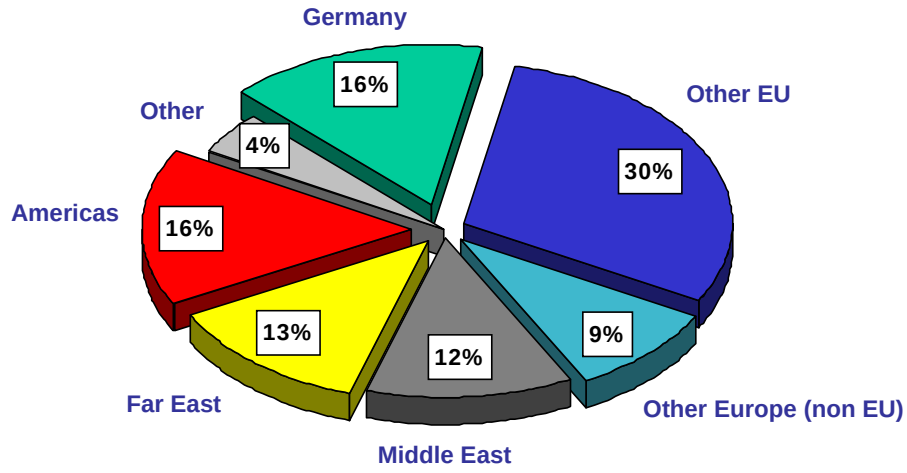
in EUR '000	Jan - June 2006	in %	Jan - June 2007	in %	change in %
Germany	121,580	27%	169,050	30%	39.0%
Europe (EU)	90,728	20%	118,819	21%	31.0%
Europe (not EU)	28,642	6%	30,207	5%	5.5%
Middle East	79,574	18%	94,101	17%	18.3%
Far East	44,072	10%	57,327	10%	30.1%
Americas	73,219	16%	60,929	11%	-16.8%
Others	16,052	4%	32,109	6%	100.0%
Total group revenues	453,867	100%	562,542	100%	23.9%

6 Regional breakdown of all business segments
Construction, Equipment, Resources 1st HY 2007

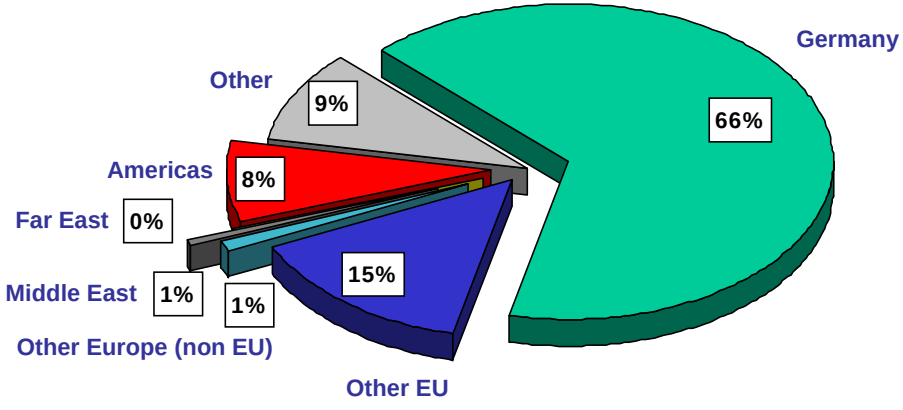
Construction



Equipment



Resources



6 Financial results
P&L items

in EUR '000	Jan - June 2006	Jan - June 2007	change in %	FY 2006
Consolidated revenues (P&L)[a]	**430,221**	**534,251**	24.2%	**914,200**
Material costs	243,491	289,933	19.1%	516,900
Personnel costs	84,982	99,090	16.6%	175,069
Depreciation	23,760	23,720	-0.2%	50,206
Other operation expenses[a]	59,531	79,360	33.3%	99,040
EBIT	**18,457**	**42,148**	128.4%	**72,985**
Financial result	-8,548	-8,454	-1.1%	-16,230
Result from associated entities	638	1,149	80.1%	2,610
Profit before tax (EBT)	**10,547**	**34,843**	230.4%	**59,365**
Income tax	4,633	16,207	249.8%	24,159
Net income	**5,914**	**18,636**	215.1%	**35,206**
Minority interest	455	606	33.2%	1,082
Net income attributable to shareholders of Bauer AG	5,459	18,030	230.3%	34,124

(a) FY 2006 figures adjusted

6 Financial results
Balance sheet items

in EUR '000	June 2006	June 2007	change in %	FY 2006
Assets	**679,456**	**808,677**	**19.0%**	**643,717**
Intangible assets	10,716	26,337	145.8%	11,346
Property, plant and equipment	169,853	194,838	14.7%	184,855
Long term financial assets	6,436	11,491	78.5%	9,552
Other long term assets	27,729	26,868	-3.1%	25,980
Inventories	163,689	209,540	28.0%	156,356
Receivables and other assets	282,509	311,143	10.1%	237,106
Effective income tax refund claims	1,051	1,999	90.2%	1,379
Cash and cash equivalents	17,473	26,461	51.4%	17,143
Equity and liabilities	**679,456**	**808,677**	**19.0%**	**643,717**
Equity	149,078	239,451	60.6%	222,581
Pension provisions	34,252	38,129	11.3%	35,203
Non-current liabilities	147,804	170,253	15.2%	148,465
Current liabilities	331,239	332,758	0.5%	210,268
Other provisions [(a)] / tax	17,083	28,086	64.4%	27,200

Increase balance sheet total in %	**19.0%**
Increase Total Group revenues in %	**23.9%**

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

6 Financial results
Cash flow items

in EUR '000	Jan - June 2006	Jan - June 2007	change in %	FY 2006
Operating cash flow	**-55,833**	**-35,619**	-36.2%	**38,972**
Investing cash flow	**-17,946**	**-41,675**	132.2%	**-48,007**
Financing cash flow	**76,731**	**86,612**	12.9%	**11,657**
Free Cash Flow	**-73,779**	**-77,294**	4.8%	**-9,035**
Net cash increase	2,952	9,318	215.7%	2,622
Cash at start of reporting period	14,521	17,143	18.1%	14,521
Cash at end of reporting period	17,473	26,461	51.4%	17,143

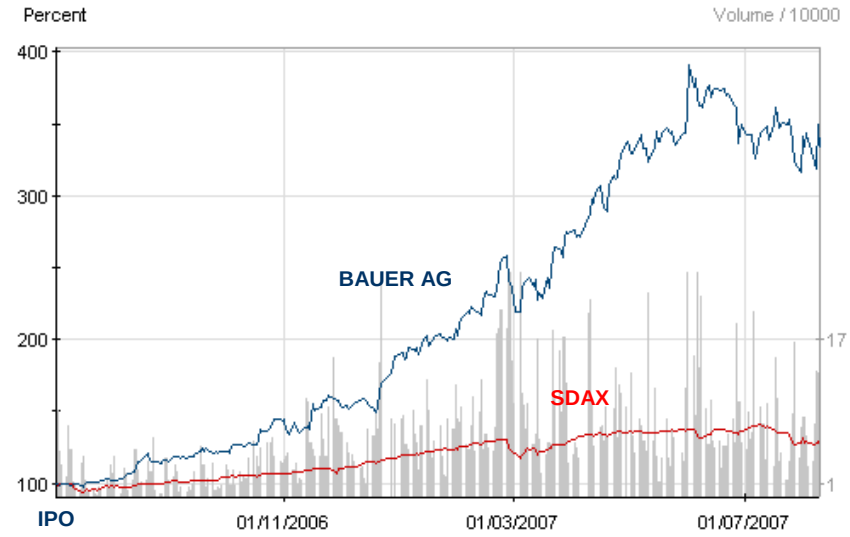
7 Outlook

- **Continuing growth of world-GDP and therefore worldwide construction markets offers excellent opportunities for further profitable growth in all business segments**
- **Construction**
  - Germany: Pricing in large scale-projects expected to improve in the second half of the year
  - International: Newly founded subsidiary in Panama started very well, project business in Turkey and subsidiary in Egypt developing pleasantly
- **Equipment**
  - Steady demand in nearly all markets worldwide
  - Innovations shown at the bauma trade fair in April 2007 proved successful in their initial deployment
  - Investment and building activities for capacity increase going according to plan
- **Resources**
  - New Resources segment successfully installed and integrated in the Group, providing excellent basis for further growth in international markets
- **Forecast for full-year 2007**
  - Total Group revenues around EUR 1,200 million (previous year EUR 980 million)
  - Net profit at least EUR 50 million (previous year EUR 35.2 million)

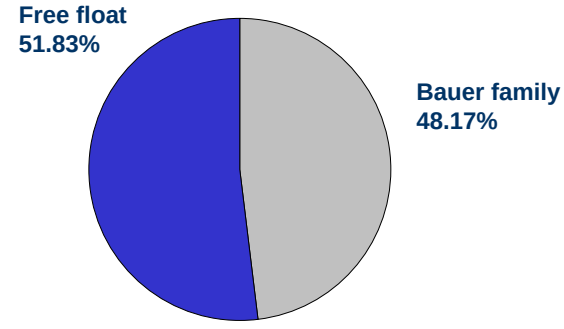
8 The BAUER share

- Listed on Frankfurt stock exchange, Prime Standard since July 4, 2006
- 17,131,000 shares issued
- Issue price EUR 16.75
- Listed in SDAX since September 18, 2006
- Earnings per share 2006 EUR 2.17
- Dividend payout for 2006 0.50 EUR per share
- Year low / Year high 2006 EUR 16.60 / EUR 32.30 (18.7. / 29.12.2006)
- Year low / Year high 2007 [(a)] EUR 32.00 / EUR 67.02 (3.1. / 1.6.2007)
- Market capitalisation nearly EUR 1 billion [(a)]

Share performance



Shareholder profile



(a) August 9, 2007, XETRA closing price

Disclaimer

This presentation contains forward-looking statements. Forward-looking statements are statements that are not historical facts, including statements about our beliefs, intentions, expectations, predictions and the assumptions underlying them.

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.

BAUER Aktiengesellschaft

ISIN	**DE0005168108**
Reuters	**B5AG.DE**
Bloomberg	**B5A GR**
Listing	**DEUTSCHE BÖRSE PRIME STANDARD**
Indices	**SDAX** **C-DAX** **GEX** **Classic All Share** **Prime All Share**

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