

BAUER Aktiengesellschaft



Analyst Presentation
for the first half-year
2008



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1 BAUER Group

Key Figures 2007



	2006 in EUR million	2007 in EUR million	Change in %
Total Group revenues, of which	979.9	1,208.1	+ 23.3 %
- Germany	282.2	331.6	+ 17.5 %
- International	697.7	876.5	+ 25.6 %
- Construction	538.8	531.8	- 1.3 %
- Equipment	452.4	643.1	+ 42.1 %
- Resources	63.9	112.0	+ 75.3 %
- Consolidation / Other	- 75.2	- 78.8	n/a
Sales revenues	835.4	1,033.0	+ 23.7 %
Equity ratio in %	34.6	34.1	n/a
Orders in hand (year end)	422.4	618.0	+ 46.3 %
EBITDA	123.2	185.4	+ 50.5 %
EBIT	73.0	131.8	+ 80.6 %
EBIT margin in % (of sales revenues)	8.7	12.8	n/a
Net income	35.2	74.4	+ 111.4 %
Earnings per share in EUR	2.17	4.23	+ 94.9 %
Number of employees	5,541	6,983	+ 26.0 %

1

BAUER Group

Services, equipment & products dealing with ground and groundwater



Construction

- Target ~ 40 % 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



Equipment

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

Resources

- Target ~ 15 % of total Group revenues
- Third segment, installed in second quarter 2007



Resources

- 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**



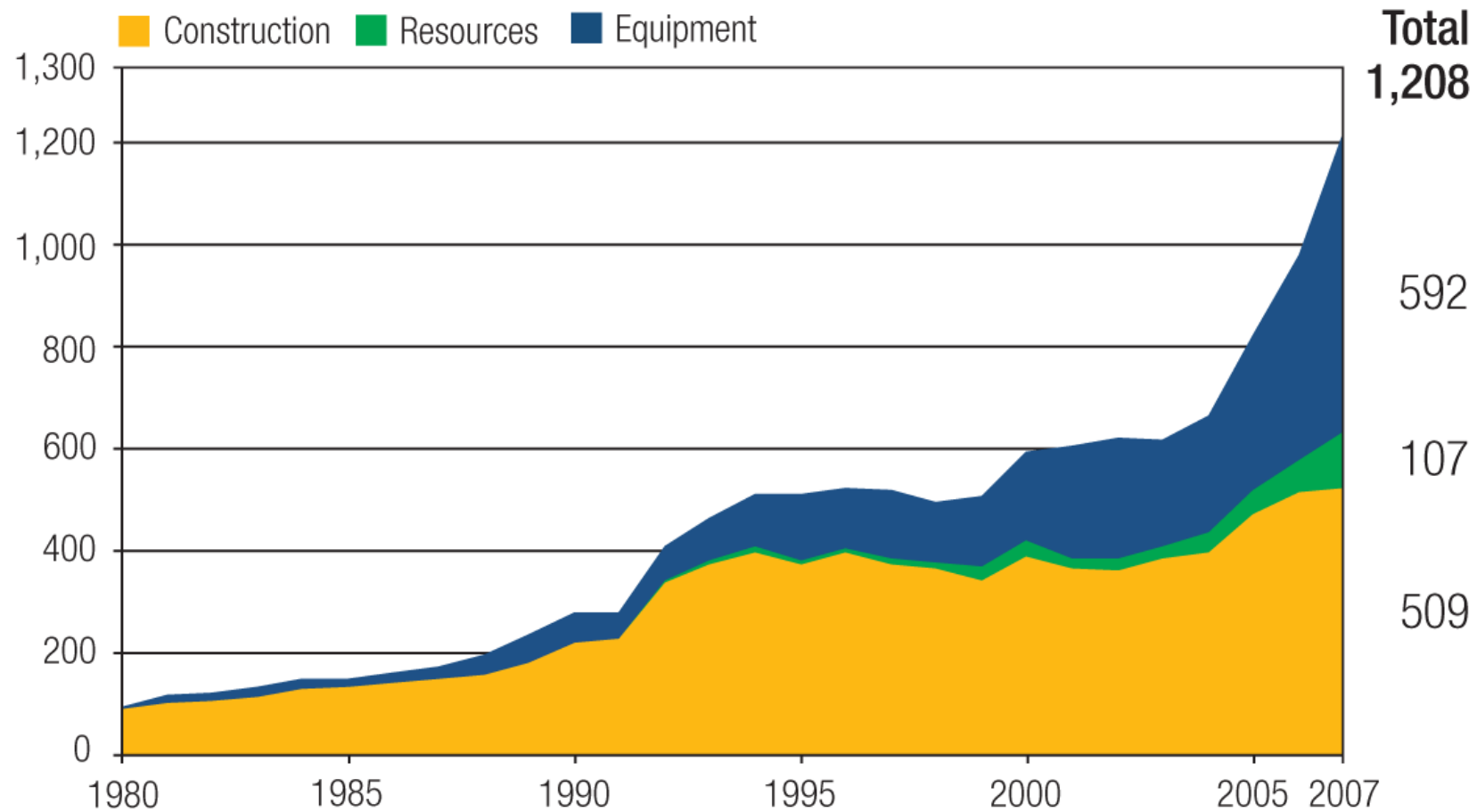
4 Jul 2006:
IPO
Sept 2006:
Admittance in **SDAX**

1 Longstanding healthy business development

Total Group revenues 1980 - 2007



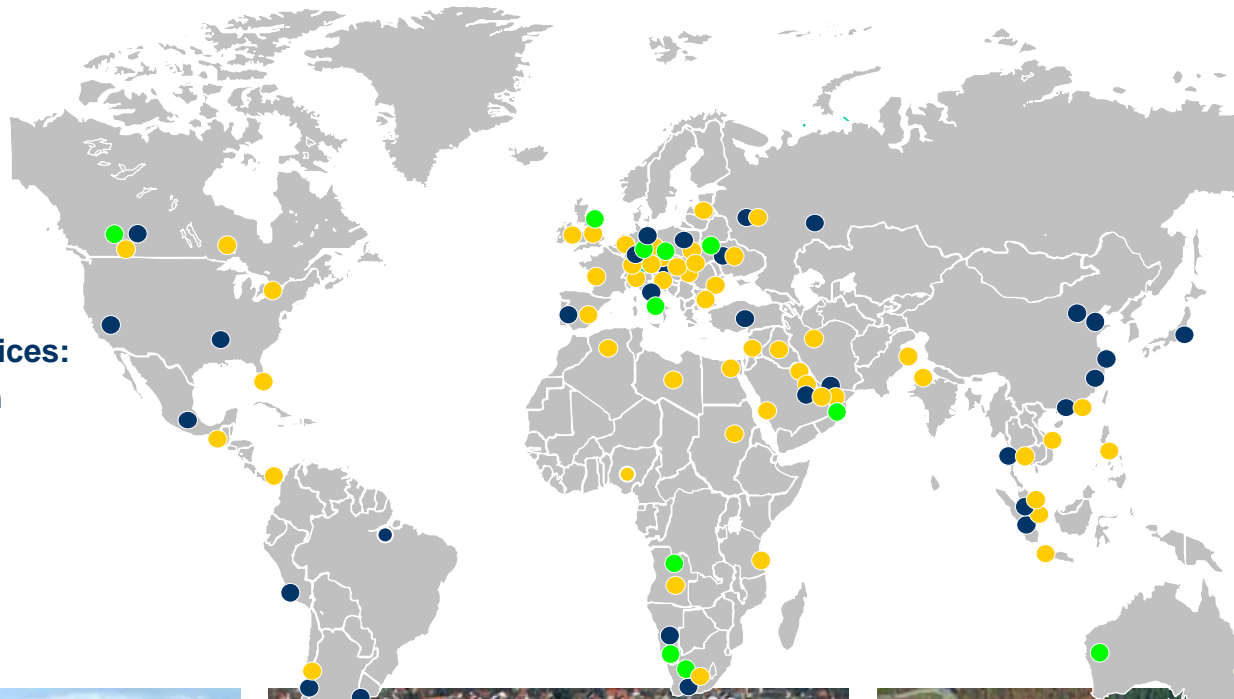
in EUR million, CAGR on average ~ 9.5 %



Note: 1980 – 2002 based on HGB figures, from 2003 based on IFRS figures; segment figures after deducting Other/Eliminations/Consolidations

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 AG, Schrobenhausen, Germany



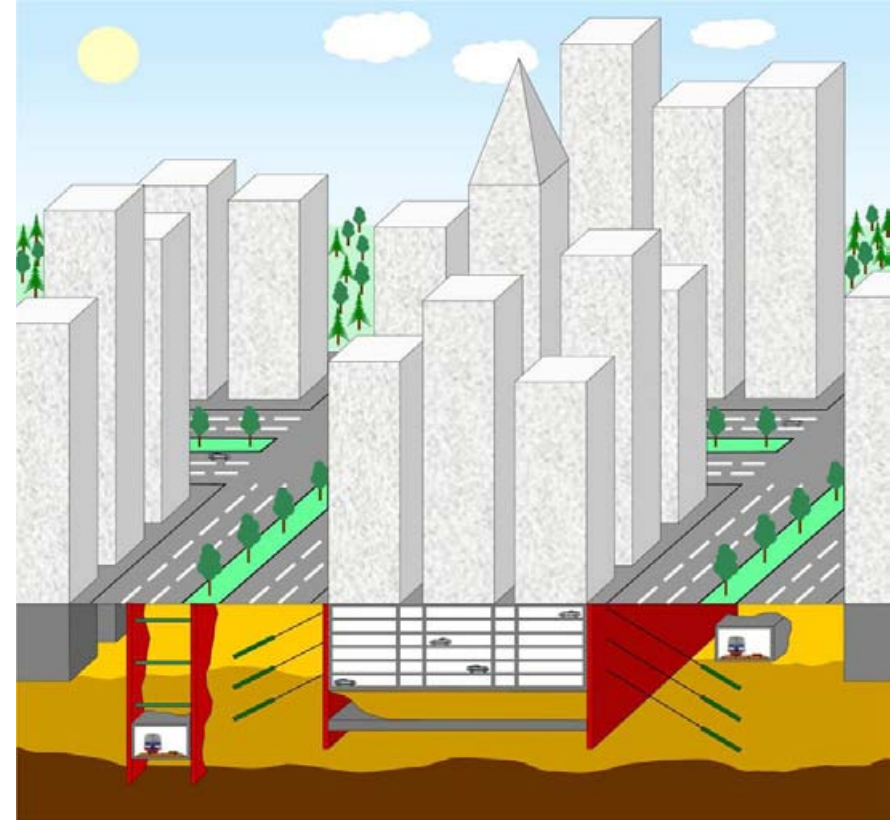
Klemm, Drolshagen, Germany



Shanghai BAUER Technologies, Shanghai, China

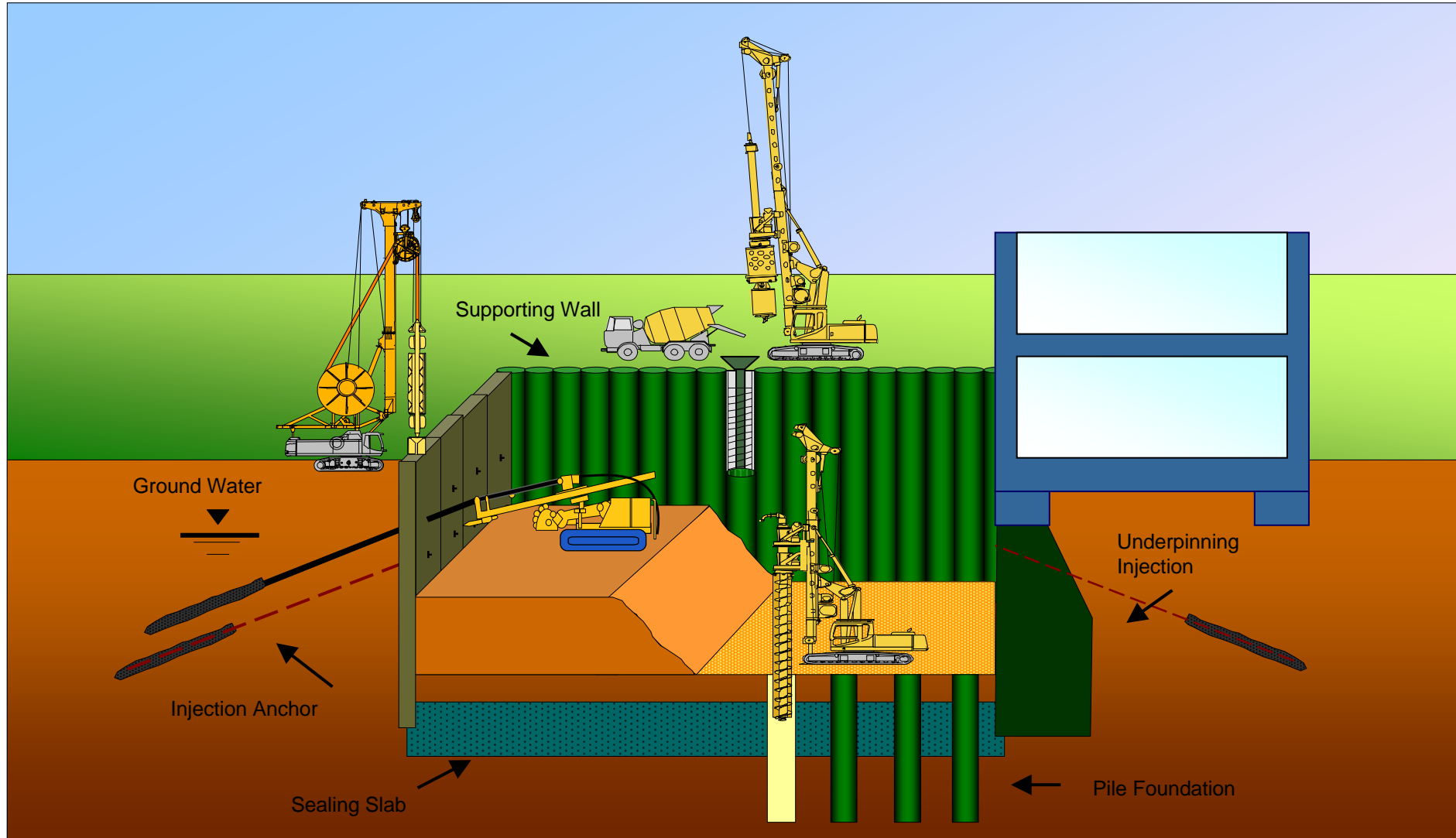
2

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**

2 What is specialist foundation? Building an excavation pit



2 Construction Typical excavation pit

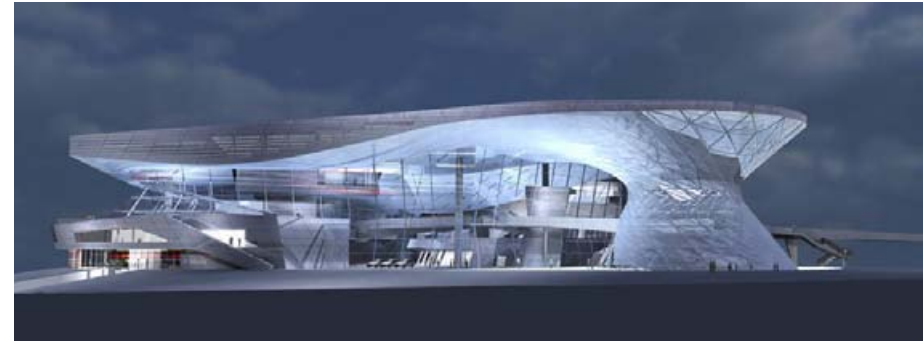


Excavation pit ...



14 metres deep, covering an area of 15,500 square metres, 775 piles of 880 mm diameter, back-anchored in two layers with 13,000 metres of anchoring, drilling of 6,000 metres of auger piles and 1,200 square metres of king pile retaining wall ...

... for BMW World, Munich



... laying the foundation of the futuristic BMW experience and hand over centre in Munich, opened in 2007

2 Construction Exemplary projects



Munich, Germany



Stuttgart, Germany



Lugano, Switzerland



Rotterdam, Netherlands



2 Construction Exemplary projects



Hinze Dam, Australia



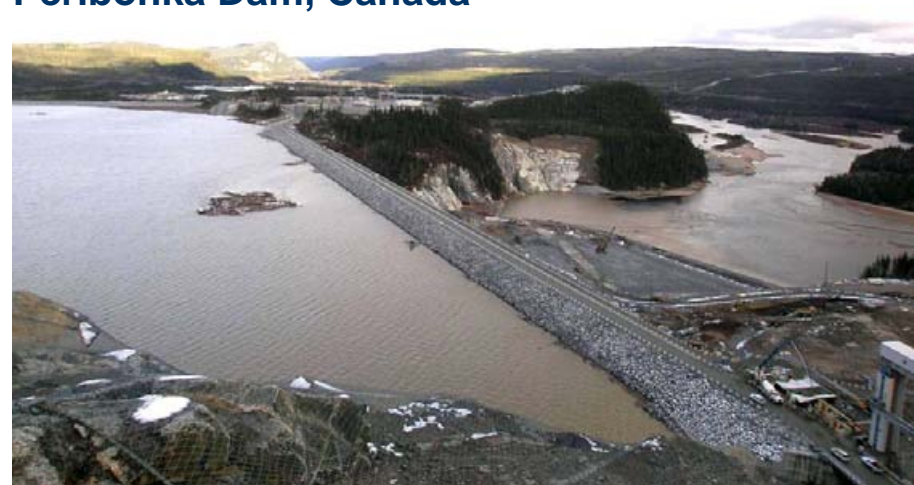
Panama Canal



Abu Dhabi



Peribonka Dam, Canada



2 Equipment

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



- 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.

2 Equipment

Product range: Trench cutters, Grab systems, Tools



2 Equipment

Product range: Other equipment

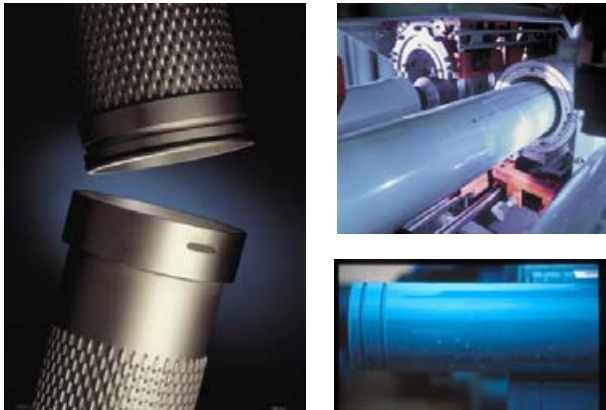


2 Resources

Areas of strategic development



Materials (Water)



Mining



Environment



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)**

Market environment - Global economy

Attractive forecast for construction & specialist foundation



Global GDP outlook 2008*

- Expected GDP growth World 3.8 %, thereof
- Asia (w/o Japan) 8.0 %
- China 10.2 %
- India 7.7 %
- Europe 1.7 %
- Middle East & Africa 6.2 %
- USA 1.6 %
- South America 4.3 %

'The world is our market'

Construction market 2008**

- Expected Construction growth World 3.6%, thereof
- Asia (developing) 12.7 %
- Asia 7.7 %
- Eastern Europe 9.2 %
- Western Europe 3.4 %
- Middle East & Africa 7.3%
- North America -5.6 %
- South America 7.6 %
- **Global construction market 2008**
US\$ 4700 billion

Attractive growth potential

Specialist foundation

Construction

- Higher density in metropolitan areas
- Increased complexity of projects
- Infrastructure projects

Equipment

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

High structural growth

Source:

* Deutsche Bank Outlook, Economy and Markets, August, 2008

** Global Insight, published by KHL World Construction Week, March, 2008

Market environment - Germany

Recovery of German construction market



April 2008	Absolute Figures		Change in %					
	2007		West Germany			East Germany		
	West-Germany	East-Germany	2007/1994	2007/2006	Jan-Apr 2008/2007	2006/1994	2007/2006	Jan-Apr 2008/2007
Employees in 1000	529,4	184,4	-46,4	0,7	-0,8	-58,8	-0,2	-4,0
Turnover in EUR billion	62,4	18,3	-24,7	-0,4	10,1	-42,0	-1,2	6,1
Building construction	40,6	10,1	-27,3	-1,5	8,6	-52,5	1,7	6,7
Foundation engineering	21,8	8,3	-18,4	1,8	13,3	-23,0	-4,5	5,2
Orders received * in EUR billion	38,8	1,8	-36,3	9,3	7,2	-57,0	5,5	3,9
Housebuilding	6,3	1,2	-60,0	-6,4	-5,3	-78,8	-0,1	-2,5
Industrial building	17,0	4,8	-31,4	11,5	8,4	-55,2	8,0	-3,3
Public sector	15,5	4,9	-22,2	14,6	11,6	-40,6	4,5	-4,7
of which								
public buildings	2,7	0,9	-45,0	6,1	24,9	-58,6	8,3	-17,9
road building	6,9	1,3	7,1	11,9	10,9	-16,2	0,7	5,2
foundations	5,8	1,7	-31,9	22,9	5,6	-49,3	7,8	-8,9

*) only companies > 20 employees

Source: Federal Statistical Office, Statistical Office Bavaria

Market environment - Trends

Orders & US-Dollar exposure



Orders in hand

	HY 2008	Reach in months in relation to total Group revenues 2007
TOTAL	EUR 808.4 million	8.0 months
Construction	EUR 483.9 million	11.1 months
Equipment	EUR 294.9 million	5.5 months
Resources	EUR 29.6 million	3.1 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 (~ 7 %) hedged, e.g. swaps

Equipment

- ~ 80 % of invoicing in EUR
- US\$ business (~ 19 %) hedged with permanent translation of individual machines
- Production expansion to US to counteract currency risk Euro / US\$

4

Financial results

Revenues HY 2008



in EUR '000	HY 2007	HY 2008	change	FY 2007
Total Group revenues	562,542	719,499	27.9%	1,208,100
Sales revenues, Construction	209,059	286,358	37.0%	433,405
Sales revenues, Equipment	224,137	263,880	17.7%	509,733
Sales revenues, Resources	44,480	44,314	-0.4%	89,612
Sales revenues, Other	135	107	-20.7%	211
Sales revenues, Cons./Eliminations	0	0	n/a	0
Sales revenues (external)	477,811	594,659	24.5%	1,032,961
Consolidated revenues (P&L)	534,251	686,870	28.6%	1,159,377
Orders in hand	463,786	808,439	74.3%	618,036

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

Financial results

Earnings HY 2008

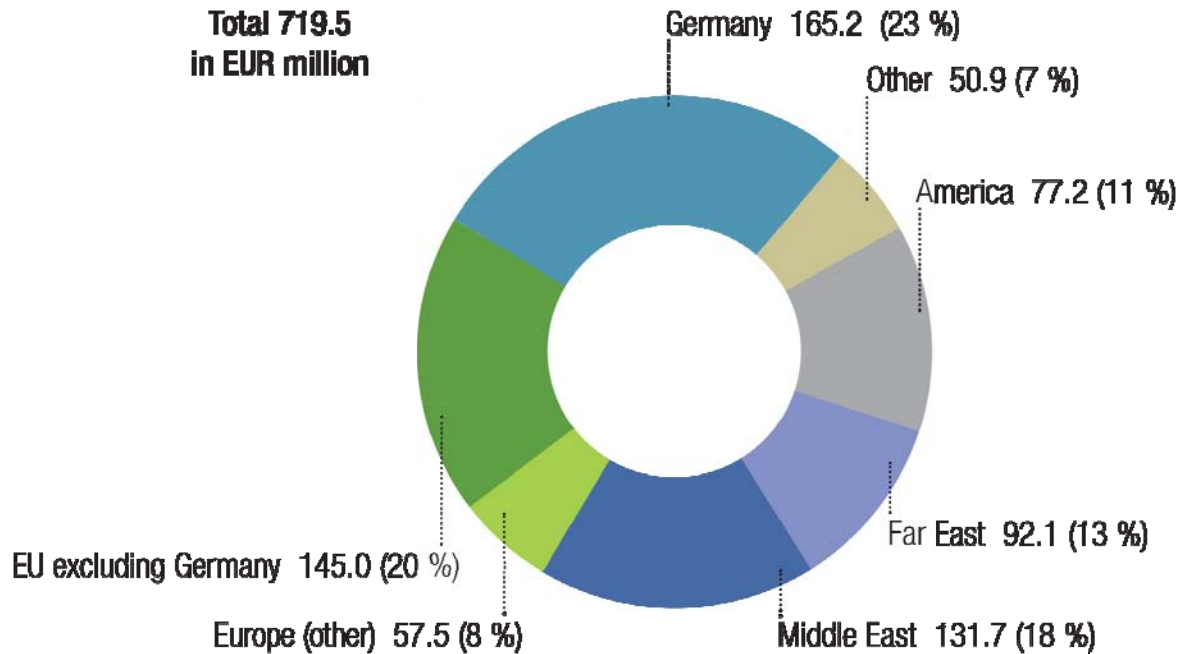


in EUR '000	HY 2007	HY 2008	change	FY 2007
EBITDA	65,868	89,080	35.2%	185,406
<i>Margin^(a)</i>	13.8%	15.0%	n/a	17.9%
EBIT	42,148	63,353	50.3%	131,810
<i>EBIT margin^(a)</i>	8.8%	10.7%	n/a	12.8%
EBIT Construction segment	3,652	12,846	251.8%	24,847
<i>EBIT margin, Construction segment^(a)</i>	1.7%	4.5%	n/a	5.7%
EBIT Equipment segment	38,454	51,058	32.8%	105,894
<i>EBIT margin, Equipment segment^(a)</i>	17.2%	19.3%	n/a	20.8%
EBIT Resources segment	1,242	-550	n/a	253
<i>EBIT margin, Resources segment^(a)</i>	2.8%	-1.2%	n/a	0.3%
Net income^(b)	18,636	37,226	99.8%	74,385
<i>Margin^(a)</i>	3.9%	6.3%	n/a	7.2%
Earnings per share (in EUR)	1.05	2.09	99.0%	4.23

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

4 Regional breakdown

Total Group revenues HY 2008



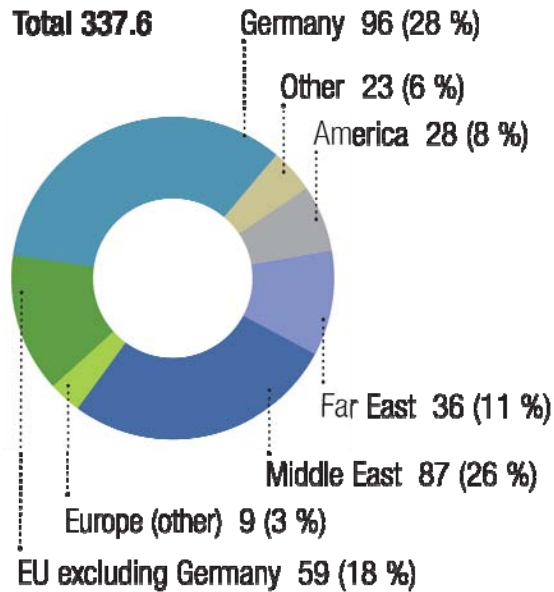
in EUR '000	HY 2007	in %
Germany	169,049	30%
Europe (EU)	118,819	21%
Europe (not EU)	30,207	5%
Middle East	94,101	17%
Far East	57,327	10%
Americas	60,929	11%
Other	32,110	6%
Total group revenues	562,542	100%

HY 2008	in %	change
165,150	23%	-2%
145,012	20%	22%
57,525	8%	90%
131,686	18%	40%
92,118	13%	61%
77,158	11%	27%
50,850	7%	58%
719,499	100%	28%

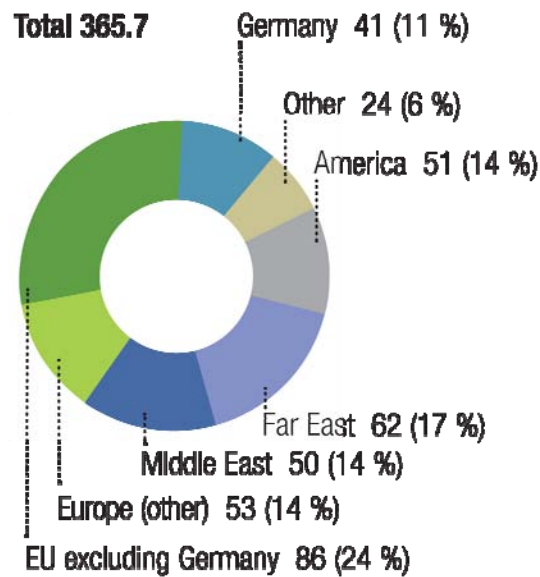
4 Regional breakdown Construction, Equipment, Resources HY 2008



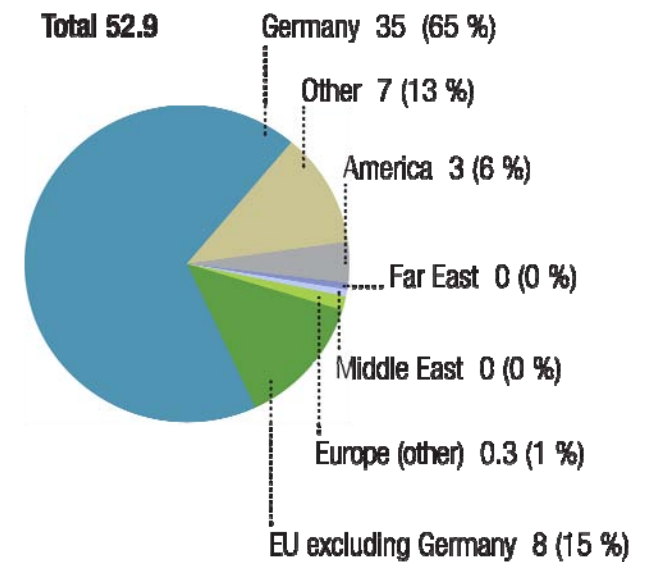
Segment Construction
in EUR million



Segment Equipment
in EUR million



Segment Resources
in EUR million



Figures after deducting Other/Eliminations/Consolidations



4 Financial results P&L items HY 2008

in EUR '000	HY 2007	HY 2008	change	FY 2007
Consolidated revenues (P&L) ^(a)	534,251	686,870	28.6%	1,159,377
Sales revenues (P&L)	477,811	594,659	24.5%	1,032,961
Material costs	289,933	388,522	34.0%	632,714
Personnel costs	99,090	117,511	18.6%	214,860
Depreciation	23,720	25,727	8.5%	53,596
Other operation expenses ^(a)	79,360	91,757	15.6%	126,397
EBIT	42,148	63,353	50.3%	131,810
Financial income	2,360	1,949	-17.4%	4,704
Financial expenses	10,814	11,371	5.2%	22,666
Result from associated entities	1,149	845	-26.5%	2,234
Profit before tax (EBT)	34,843	54,776	57.2%	116,082
Income tax	16,207	17,550	8.3%	41,697
Net income	18,636	37,226	99.8%	74,385
Minority interest	606	1,484	144.9%	1,917
Net income attributable to shareholders of Bauer AG	18,030	35,742	98.2%	72,468

(a) FY 2006 figures adjusted

4

Financial results

Balance sheet items June 30, 2008



in EUR '000	June 30, 2007	June 30, 2008	change	Dec 31, 2007
Assets	808,677	975,860	20.7%	817,971
Intangible assets	26,337	14,154	-46.3%	14,198
Property, plant and equipment	194,838	264,928	36.0%	245,815
Long term financial assets	13,202	13,314	0.8%	12,835
Other long term assets & deferred taxes	25,157	20,544	-18.3%	19,505
Inventories	209,540	287,346	37.1%	218,978
Receivables and other assets	311,143	328,046	5.4%	268,760
Effective income tax refund claims	1,999	6,767	238.5%	4,798
Cash and cash equivalents	26,461	40,761	54.0%	33,082
Equity and liabilities	808,677	975,860	20.7%	817,971
Equity	239,451	297,169	24.1%	279,130
Pension provisions	38,129	41,044	7.6%	39,862
Non-current liabilities	170,253	237,294	39.4%	235,183
Current liabilities	332,758	373,320	12.2%	237,141
Other provisions ^(a) / tax	28,086	27,033	-3.7%	26,655
Increase balance sheet total in %			20.7%	
Increase consolidated revenues in %			28.6%	

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

Financial results

Cash flow items HY 2008



in EUR '000	Q2 2007	Q2 2008	change in %	FY 2007
Operating cash flow	-35,619	19,830	n/a	67,173
Investing cash flow	-41,675	-42,439	1.8%	-89,949
Financing cash flow	86,612	30,288	-65.0%	38,715
Free Cash Flow	-77,294	-22,609	n/a	-22,776
Net cash increase	9,318	7,679	-17.6%	15,939
Cash at start of reporting period	17,143	33,082	93.0%	17,143
Cash at end of reporting period	26,461	40,761	54.0%	33,082

Outlook 2008 and beyond



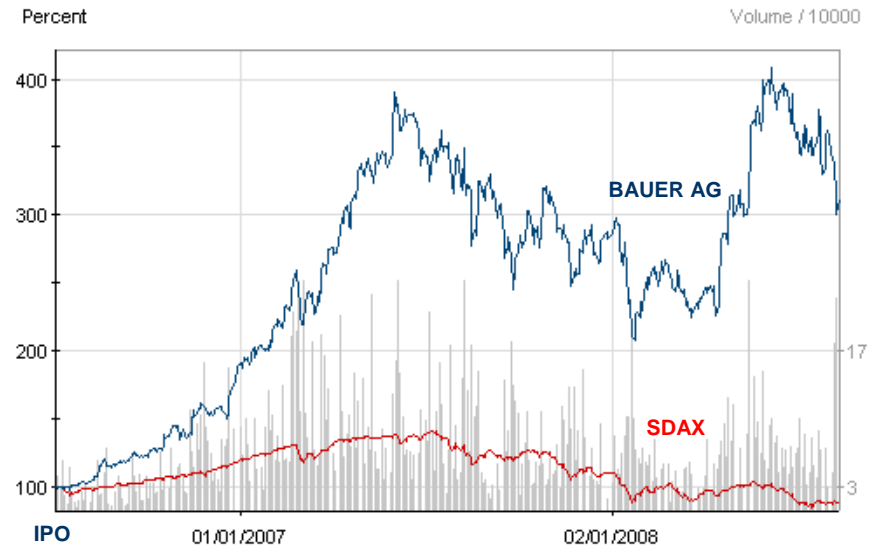
- Outstanding level of orders in hand provides healthy take-up of capacities through year-end
- International heavy construction markets in good shape, providing further chances worldwide
- No impact from sup-prime crisis as yet
- **Guidance 2008**
 - Total Group revenues to over EUR 1.4 billion (2007 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 considerable 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

BAUER share

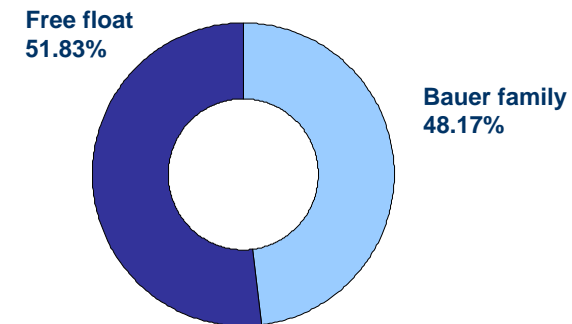


- Listed on Frankfurt stock exchange, Prime Standard since July 4, 2006
- Listed in SDAX since 18.09.2006
- Shares issued 17,131,000
- Issue price EUR 16.75
- Earnings per share 2007
EUR 4.23 (2006 EUR 2.17)
- Dividend payout 2007
EUR 1.00 per share
(2006 EUR 0.50 per share)
- Year high / Year low 2007
EUR 67.02 / EUR 32.00 (1.6.2007 / 3.1.2007)
- Year high / Year low 2008 YTD
EUR 70.12 / EUR 35.70 (5.6.2008 / 23.1.2008)
- Market capitalisation
around EUR 1 billion (August 14, 2008; share price EUR 54.76)

Share performance



Shareholder profile



BAUER Aktiengesellschaft



ISIN
Reuters
Bloomberg

DE0005168108
B5AG.DE
B5A GR

Listing



Indices

SDAX
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.