

# BAUER Aktiengesellschaft



## Analyst Presentation first nine months 2007



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### 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



### Resources

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



### Equipment

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



- 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**



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

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



1790

Company founded as **copper forge**



1950's

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

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

1970's

1980's

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



1990's

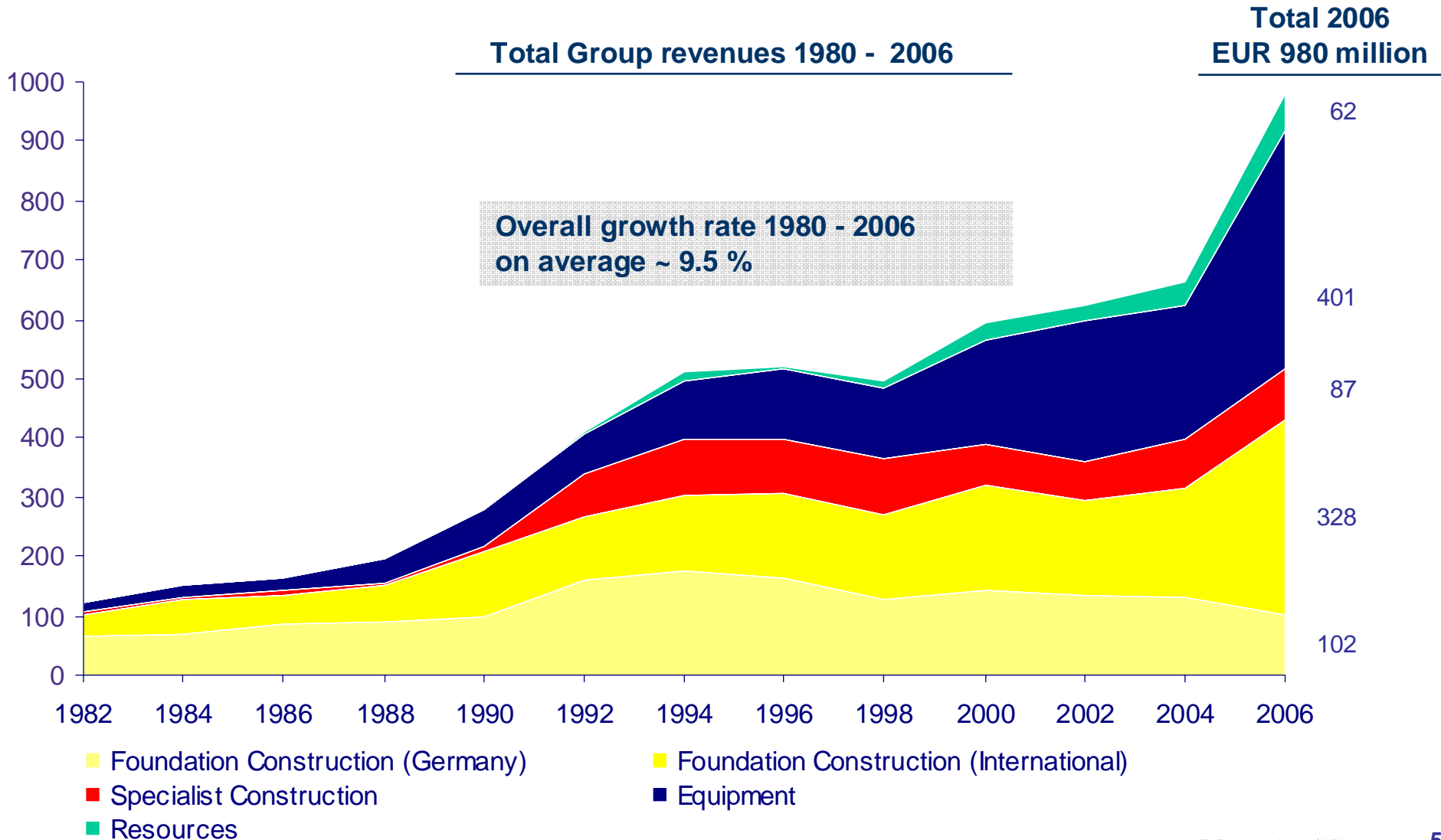
2000+

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

2006

# Longstanding healthy business development

## Steady growth and successful product diversification



Note: 1980 – 2002 based on HGB figures, from 2003 based on IFRS figures

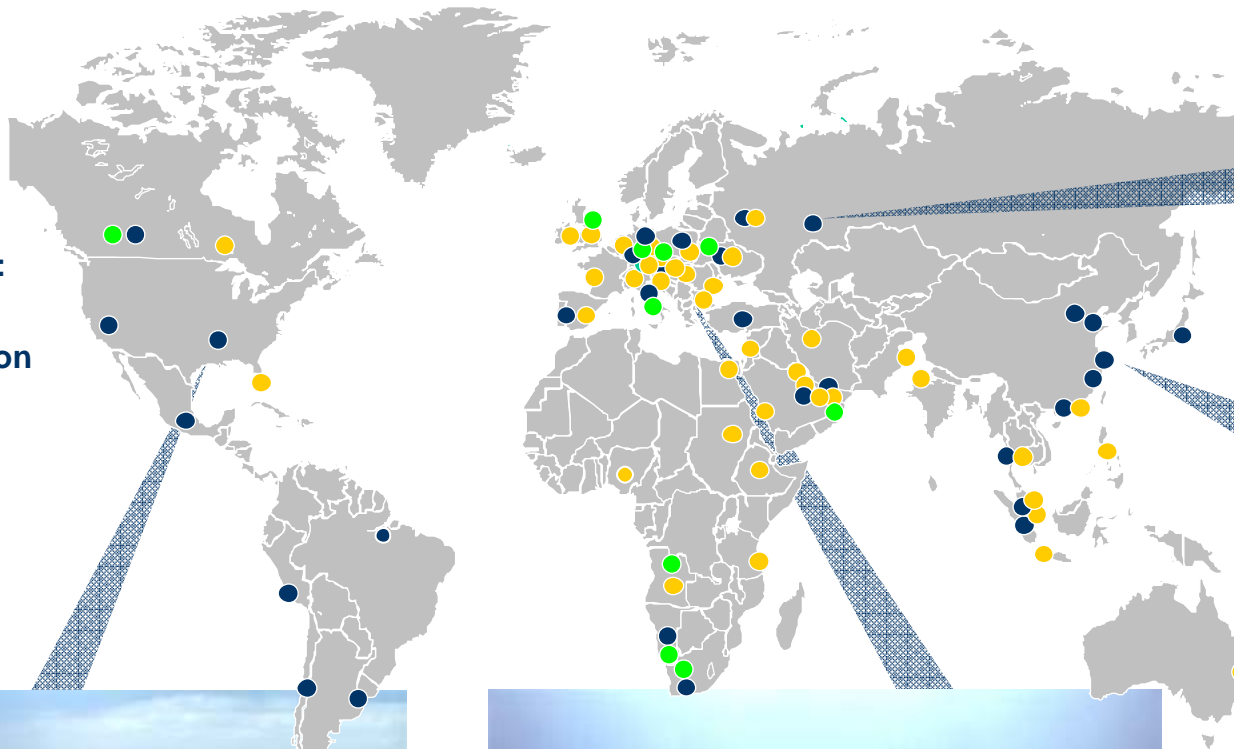
# Leading position in highly specialised markets

## Worldwide network in main business segments



Main Offices:

- Equipment
- Construction
- Resources



Pileco, Houston, Texas



BAUER AG, Schrobenhausen, Germany



BAUER Maschinen KSM,  
Kurgan, Russia



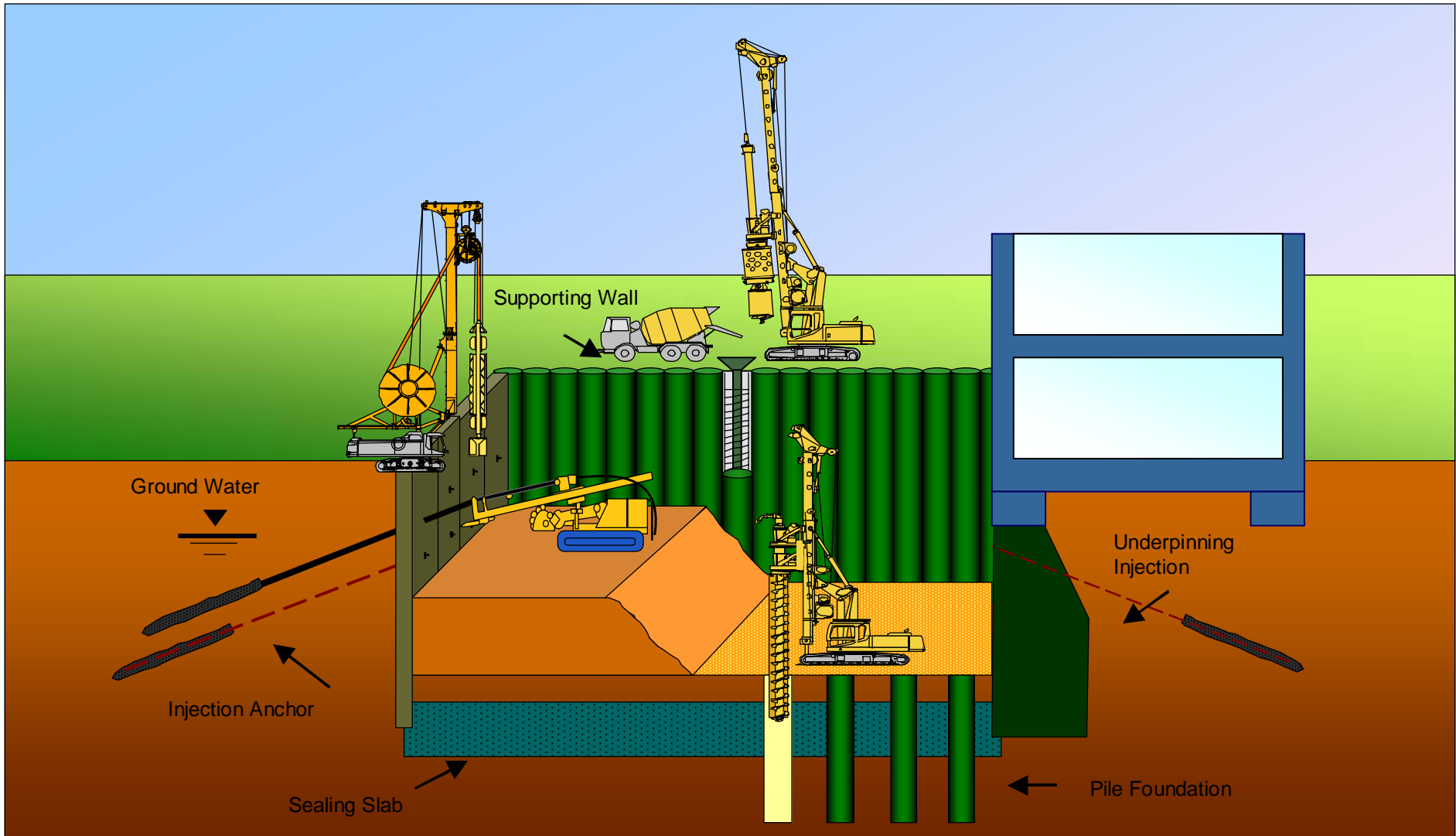
BAUER Technologies, Tianjin,  
China



Klemm, Drolshagen, Germany

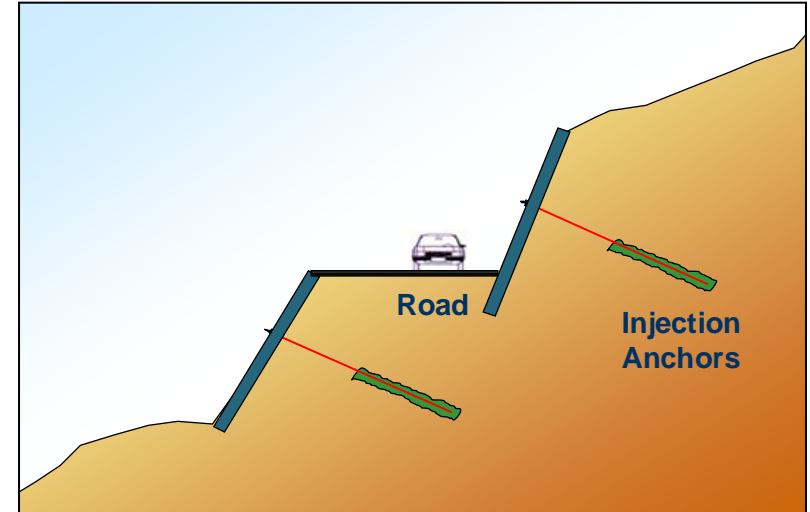
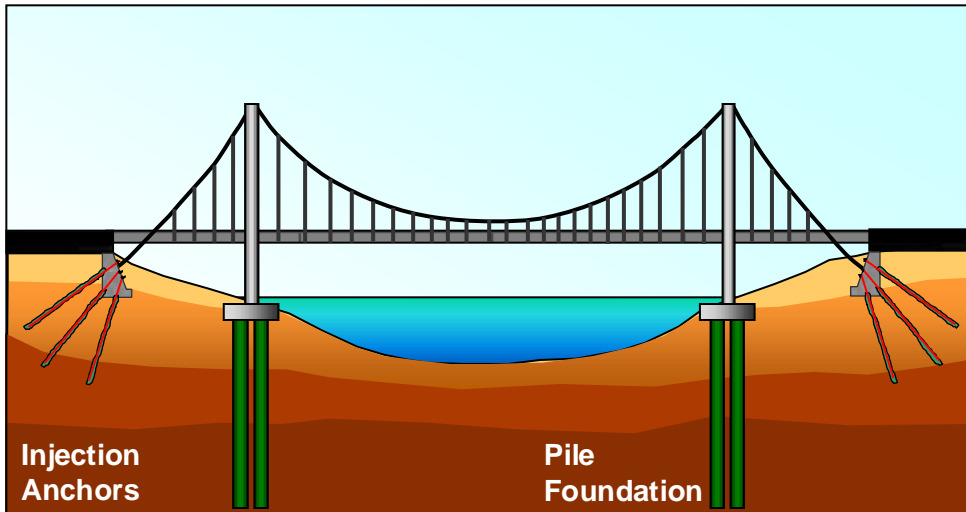
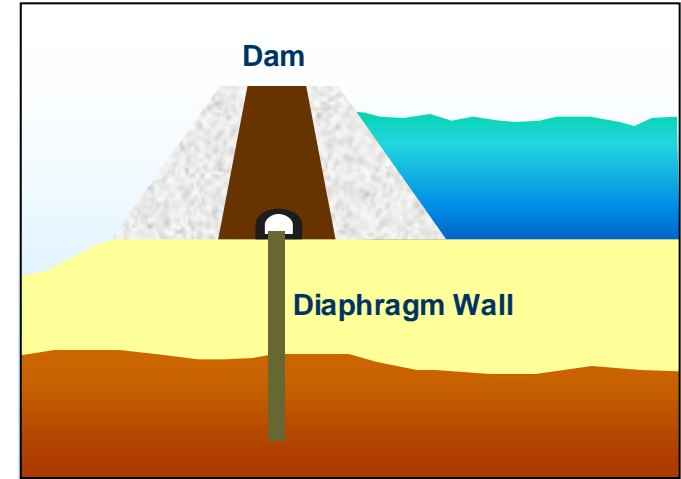
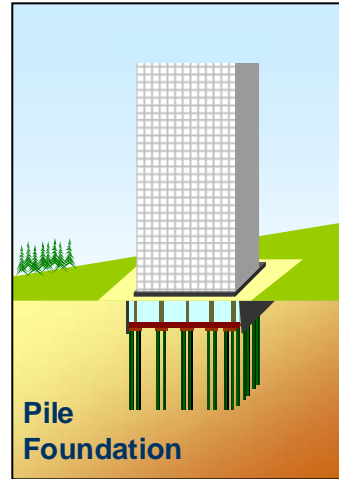
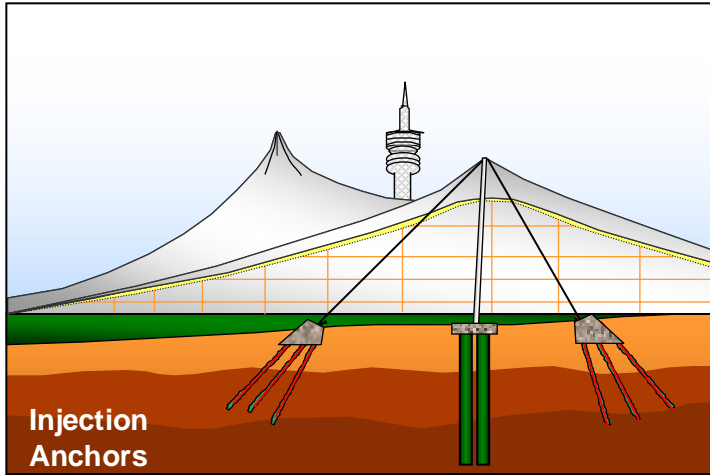
# What is specialist foundation?

## Building an excavation pit



# What is specialist foundation used for?

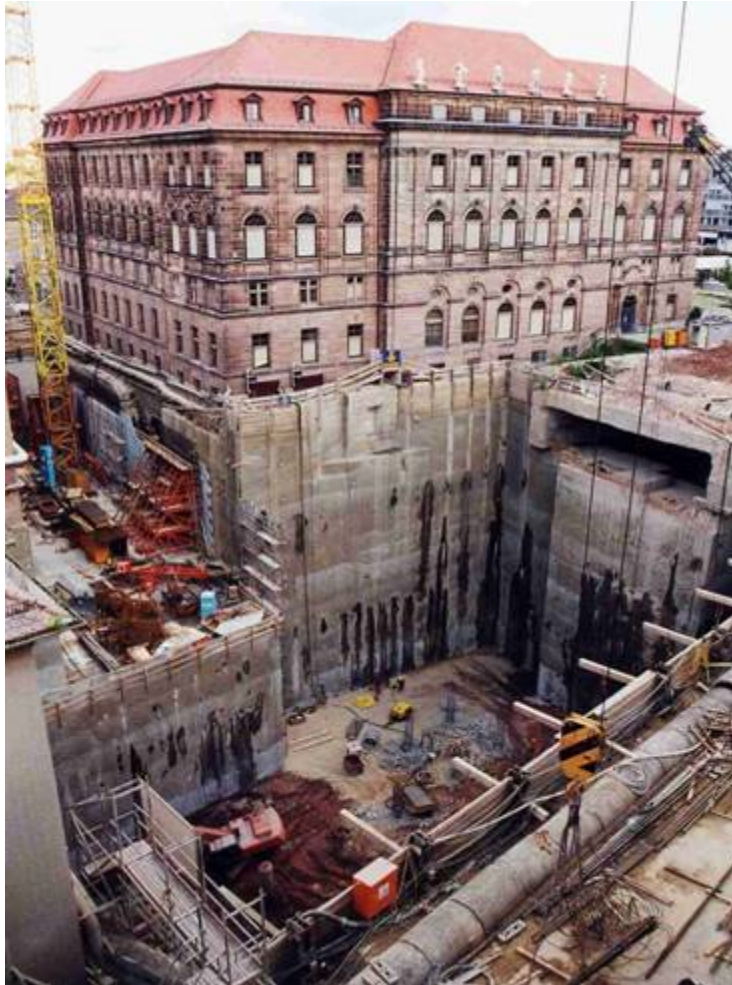
## Applications for specialist foundation techniques



# Construction

## Typical excavation pit

Excavation pit in Germany, Nuremberg ...



... for future IMAX cinema



# Construction

## Exemplary projects Germany



### Hamburg



### Würzburg - Rottendorf



### Werbach



### Karlsruhe



### Münster



# Construction

## Exemplary projects International



France, Metz



Serbia, Belgrad



Austria, Jenbach



Turkey, Istanbul



# Construction

## Exemplary projects International



### Australia, Gold Coast



### USA, Florida



### Singapur, Marina Bay Sands



### UAE, Emirat Ras Al-Khaimah



### Lebanon, Beirut



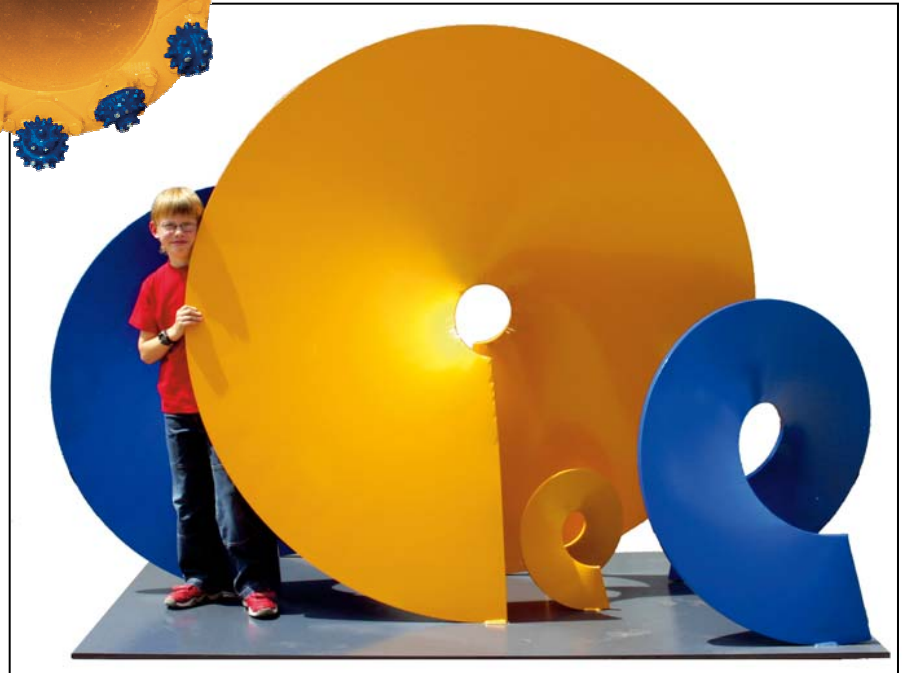
# Equipment

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



# Equipment

## Product range: Tools



# Equipment

Product range: Grab systems, CSM, Trench cutters







# 4 Resources

## Areas of strategic development



### Transferring core competencies to new markets

#### Remediation/cleaning of soil



#### Funnel and Gate System



#### Plant-based sewage treatment works, Abu Dhabi



### Transferring core competencies to new markets

#### Establishing of mines and mining



#### Exploration drilling for mining



#### Geothermal applications



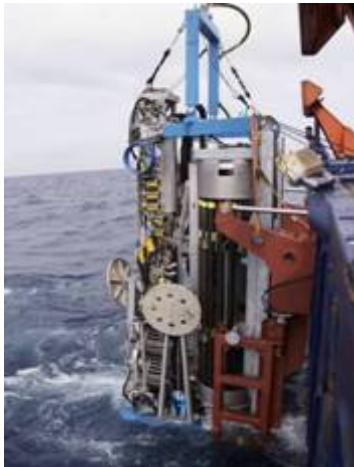
# 4 Resources

## Areas of strategic development



### Transferring core competencies to new markets

#### Offshore wind parks, services for oil and gas drilling



#### Well drilling



#### Water engineering



# 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	01-07/2007/2006	2006/1994	2006/2005	01-07/2007/2006
Employees in 1000	525.7	184.8	-46.8	-0.5	0.1	-58.7	-2.1	0.0
Building consents million m <sup>3</sup> **	257.2	42.3	-35.7	10.3	-14.4	-65.5	7.9	-18.7
Revenues in EUR billion	62.6	18.6	-24.4	9.9	4.0	-41.3	7.2	3.7
Building construction	41.2	9.9	-26.2	11.1	2.3	-53.3	7.3	4.4
Foundation engineering	21.4	8.6	-19.8	7.6	7.5	-19.4	7.1	2.8
Orders received * in EUR billion	35.5	10.3	-41.7	5.4	8.8	-59.2	4.3	6.7
Housebuilding	6.8	1.2	-57.2	3.5	-7.0	-78.8	8.7	5.1
Industrial building	15.2	4.4	-38.5	8.5	20.4	-58.5	10.7	8.0
Public sector	13.5	4.7	-32.1	2.9	4.6	-43.2	-2.1	6.0
of which								
public buildings	2.6	0.8	-48.2	3.7	-1.9	-61.8	-4.1	6.2
road building	6.2	2.2	-4.3	5.9	8.0	-16.8	5.5	-0.6
foundations	4.7	1.6	-44.6	-1.3	3.8	-53.0	-10.1	15.6

\*) only companies > 20 employees

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

# 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**

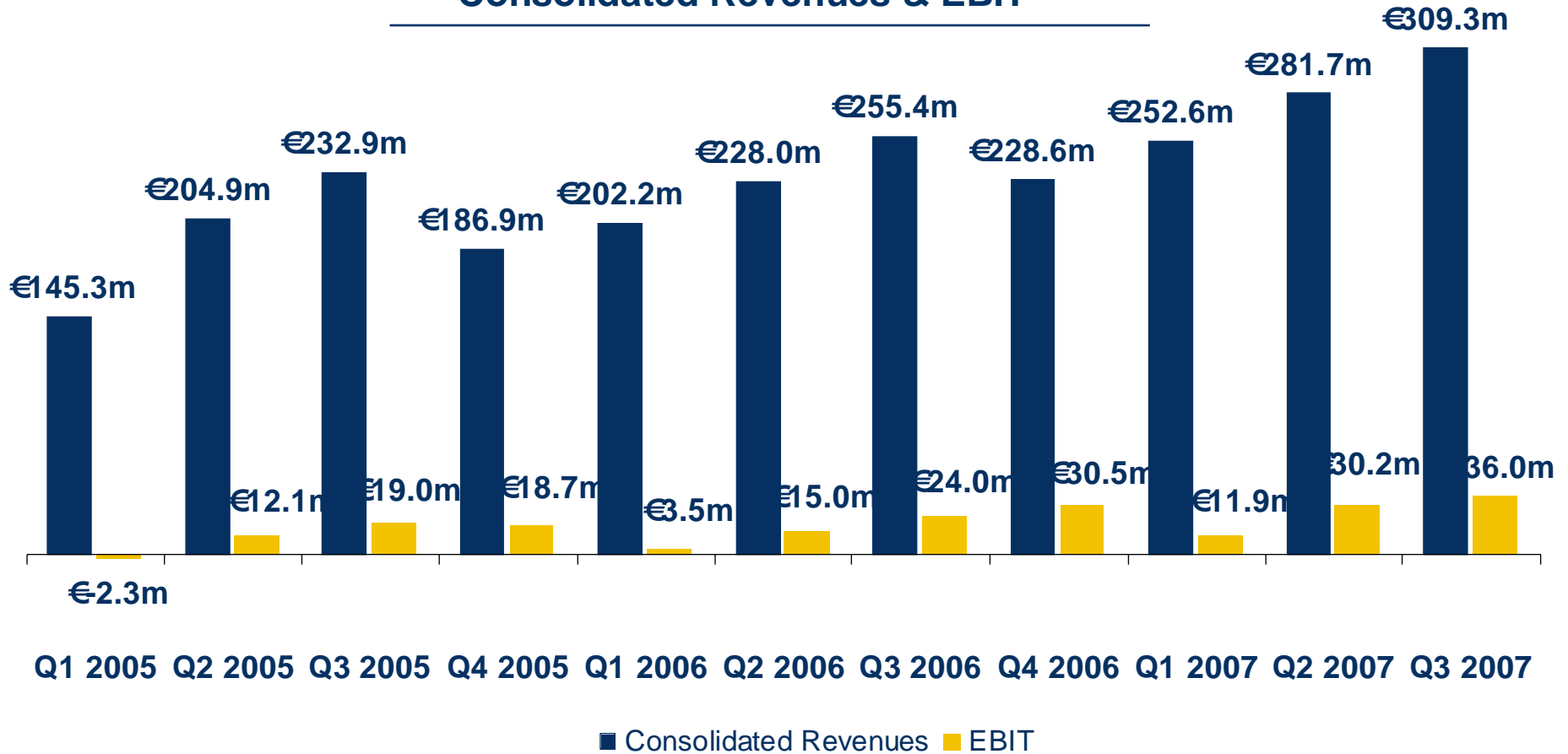
# Financial results

## Key Figures 2006



	2005 in EUR million	2006 in EUR million	Change in %
<b>Total Group revenues, of which</b>	<b>824.3</b>	<b>979.9</b>	<b>+ 18.9 %</b>
- Germany	270.4	282.2	+ 4.4 %
- International	553.9	697.7	+ 26.0 %
- Construction	487.2	538.8	+ 10.6 %
- Equipment	330.2	452.5	+ 37.0 %
- Resources	52.5	63.9	+ 21.7 %
- Consolidation / Other	- 45.6	- 75.4	n/a
<b>Consolidated revenues</b>	<b>770.0</b>	<b>914.2</b>	<b>+ 18.7 %</b>
<b>Equity ratio in %</b>	<b>26.1</b>	<b>34.6</b>	<b>+ 32.6 %</b>
<b>Orders in hand (year end)</b>	<b>346.1</b>	<b>422.4</b>	<b>+ 22.0 %</b>
<b>EBITDA</b>	<b>94.8</b>	<b>123.2</b>	<b>+ 29.9 %</b>
<b>EBIT</b>	<b>47.5</b>	<b>73.0</b>	<b>+ 53.7 %</b>
<b>EBIT margin</b>	<b>6.2</b>	<b>8.0</b>	<b>+ 29.0 %</b>
<b>Net income</b>	<b>19.5</b>	<b>35.2</b>	<b>+ 80.5 %</b>
<b>Earnings per share in EUR</b>	<b>1.32</b>	<b>2.17</b>	<b>+ 64.0 %</b>
<b>Number of employees</b>	<b>5,155</b>	<b>5,541</b>	<b>+ 7.5 %</b>

### Consolidated Revenues & EBIT



# Financial results

## Revenues & Orders in hand first nine months 2007



in EUR '000	Jan - Sep 2006	Jan - Sep 2007	change in %	FY 2006
<b>Total group revenues</b>	<b>730,514</b>	<b>891,232</b>	22.0%	<b>979,850</b>
Consolidated revenues, Construction	339,187	365,732	7.8%	468,451
Consolidated revenues, Equipment	341,942	446,866	30.7%	448,992
Consolidated revenues, Resources	37,935	78,120	105.9%	51,771
Consolidated revenues, Other	13,912	15,002	7.8%	24,741
Consolidated revenues, Cons./Eliminations	-47,807	-62,183	n/a	-79,755
<b>Consolidated revenues (P&amp;L)</b>	<b>685,169</b>	<b>843,537</b>	23.1%	<b>914,200</b>
<b>Sales revenues (external)</b>	<b>610,716</b>	<b>759,439</b>	24.4%	<b>835,351</b>
<b>Orders in hand</b>	<b>422,669</b>	<b>506,608</b>	19.9%	<b>422,358</b>

# 6 Financial results

## Earnings first nine months 2007

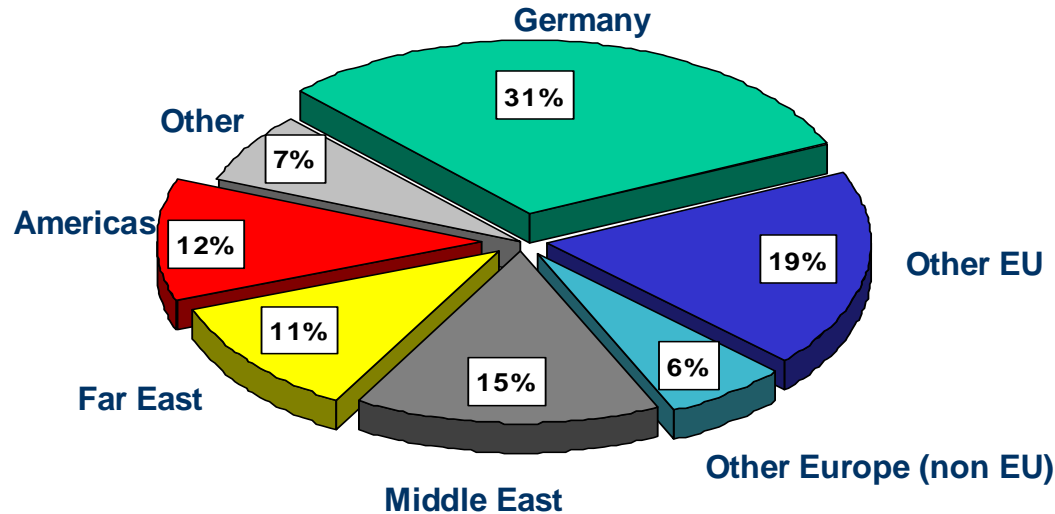


in EUR '000	Jan - Sep 2006	Jan - Sep 2007	change in %	FY 2006
<b>EBITDA</b>	<b>78,418</b>	<b>115,712</b>	47.6%	<b>123,191</b>
<i>Margin<sup>(a)</sup></i>	11.4%	13.7%	n/a	13.5%
<b>EBIT</b>	<b>42,468</b>	<b>78,118</b>	83.9%	<b>72,985</b>
<i>EBIT Margin<sup>(a)</sup></i>	6.2%	9.3%	n/a	8.0%
EBIT Construction segment	10,243	12,411	21.2%	10,380
<i>EBIT margin, Construction segment<sup>(a)</sup></i>	3.0%	3.4%	n/a	2.2%
EBIT Equipment segment	31,695	67,815	114.0%	61,914
<i>EBIT margin, Equipment segment<sup>(a)</sup></i>	9.3%	15.2%	n/a	13.8%
EBIT Resources segment	1,877	1,251	-33.4%	1,521
<i>EBIT margin, Resources segment<sup>(a)</sup></i>	4.9%	1.6%	n/a	2.9%
<b>Net income<sup>(b)</sup></b>	<b>16,910</b>	<b>38,935</b>	130.2%	<b>35,206</b>
<i>Margin<sup>(a)</sup></i>	2.5%	4.6%	n/a	3.9%
<b>Earnings per share (in EUR)</b>	<b>1.07</b>	<b>2.21</b>	106.1%	<b>2.17</b>

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

# Regional development & breakdown

Total Group revenues first nine months 2007 891 million Euro



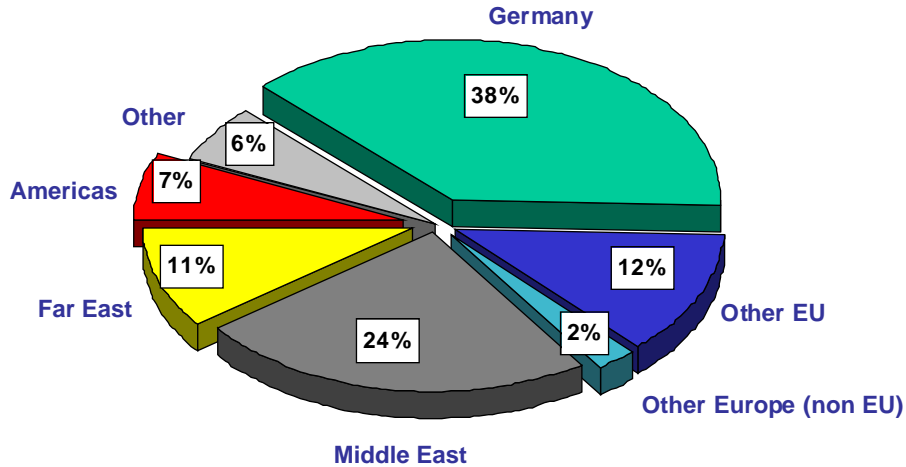
in EUR '000	Jan -Sep 2006	in %	Jan - Sep 2007	in %	change in %
Germany	203,809	28%	275,661	31%	35.3%
Europe (EU)	140,737	19%	165,975	19%	17.9%
Europe (not EU)	43,263	6%	53,142	6%	22.8%
Middle East	101,367	14%	136,672	15%	34.8%
Far East	74,337	10%	97,894	11%	31.7%
Americas	134,826	18%	103,362	12%	-23.3%
Others	32,175	4%	58,526	7%	81.9%
<b>Total group revenues</b>	<b>730,514</b>	<b>100%</b>	<b>891,232</b>	<b>100%</b>	<b>22.0%</b>

# Regional breakdown of all business segments

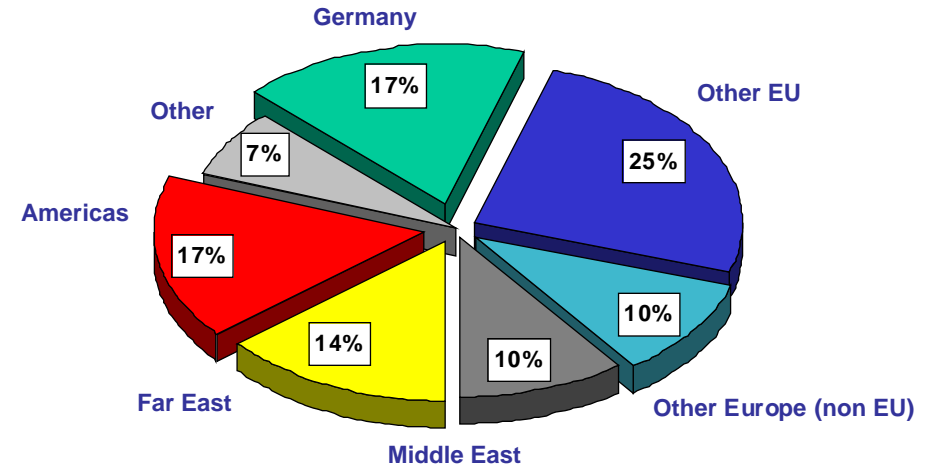
## Construction, Equipment, Resources first nine months 2007



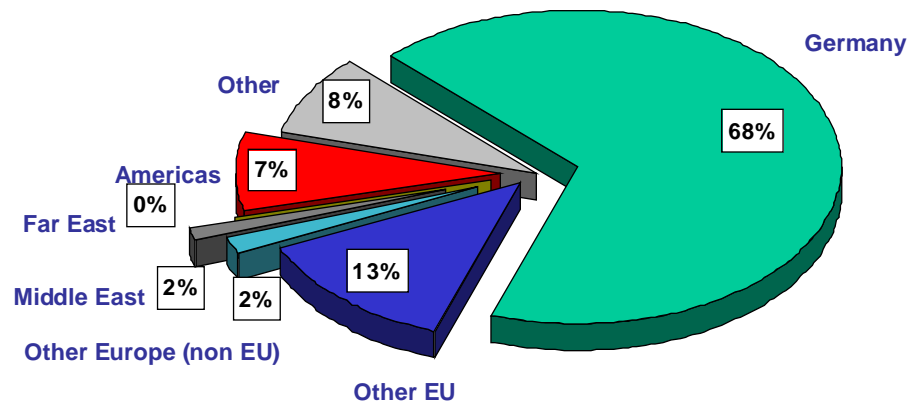
### Construction



### Equipment



### Resources



# Financial results

## P&L items



in EUR '000	Jan -Sep 2006	Jan - Sep 2007	change in %	FY 2006
<b>Consolidated revenues (P&amp;L)<sup>(a)</sup></b>	<b>685,169</b>	<b>843,537</b>	23.1%	<b>914,200</b>
Material costs	381,514	455,797	19.5%	516,900
Personnel costs	130,781	153,278	17.2%	175,069
Depreciation	35,950	37,594	4.6%	50,206
Other operation expenses <sup>(a)</sup>	94,456	118,750	25.7%	99,040
<b>EBIT</b>	<b>42,468</b>	<b>78,118</b>	83.9%	<b>72,985</b>
Financial income	1,975	1,979	0.2%	4,860
Financial expenses	15,752	16,844	6.9%	21,090
Result from associated entities	931	1,781	91.3%	2,610
<b>Profit before tax (EBT)</b>	<b>29,622</b>	<b>65,034</b>	119.5%	<b>59,365</b>
Income tax	12,712	26,099	105.3%	24,159
<b>Net income</b>	<b>16,910</b>	<b>38,935</b>	130.2%	<b>35,206</b>
Minority interest	563	1,137	102.0%	1,082
Net income attributable to shareholders of Bauer AG	16,347	37,798	131.2%	34,124

(a) FY 2006 figures adjusted

# Financial results

## Balance sheet items



in EUR '000	September 30, 2006	September 30, 2007	change in %	December 31, 2006
<b>Assets</b>	<b>704,354</b>	<b>857,173</b>	<b>21.7%</b>	<b>643,717</b>
Intangible assets	10,857	26,398	143.1%	11,346
Property, plant and equipment	170,618	200,994	17.8%	184,855
Long term financial assets	5,899	11,173	89.4%	9,552
Other long term assets	27,254	24,936	-8.5%	25,980
Inventories	170,934	232,116	35.8%	156,356
Receivables and other assets	293,776	325,444	10.8%	237,106
Effective income tax refund claims	2,117	1,680	-20.6%	1,379
Cash and cash equivalents	22,899	34,432	50.4%	17,143
<b>Equity and liabilities</b>	<b>704,354</b>	<b>857,173</b>	<b>21.7%</b>	<b>643,717</b>
Equity	205,999	249,814	21.3%	222,581
Pension provisions	34,721	38,854	11.9%	35,203
Non-current liabilities	157,417	248,998	58.2%	148,465
Current liabilities	282,732	287,508	1.7%	210,268
Other provisions <sup>(a)</sup> / tax	23,485	31,999	36.3%	27,200
Increase balance sheet total in %			<b>21.7%</b>	
Increase Total Group revenues in %			<b>22.0%</b>	

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

# Financial results

## Cash flow items



in EUR '000	Jan -Sep 2006	Jan - Sep 2007	change in %	FY 2006
Operating cash flow	-36,536	-844	-97.7%	38,972
Investing cash flow	-23,963	-56,354	135.2%	-48,007
Financing cash flow	68,877	74,487	8.1%	11,657
Free Cash Flow	-60,499	-57,198	-5.5%	-9,035
Net cash increase	8,378	17,289	106.4%	2,622
Cash at start of reporting period	14,521	17,143	18.1%	14,521
Cash at end of reporting period	22,899	34,432	50.4%	17,143



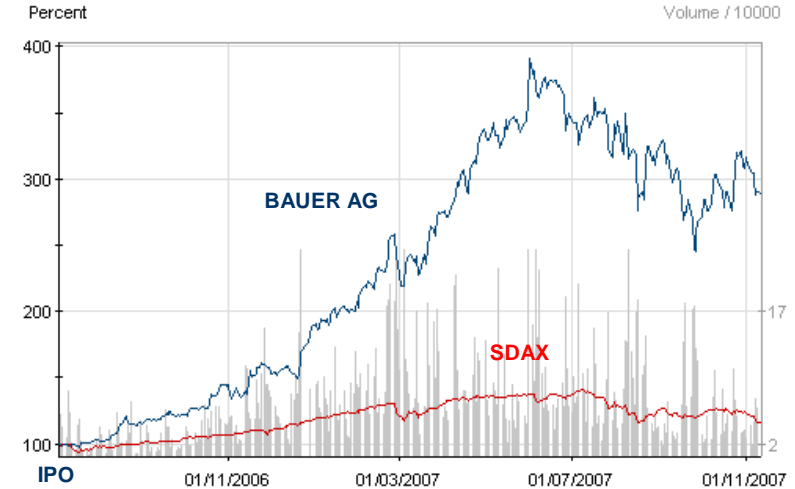
- **Continuing growth of world-GDP and therefore worldwide construction markets offers excellent opportunities for further profitable growth in all business segments**
- **Construction**
  - Germany: Due to gradual upturn in the German construction industry pricing in small and medium scale-projects expected to stay on profitable level for the coming months
  - International: Steady demand in nearly all markets worldwide, good prospects especially in Eastern Europe and Middle East
- **Equipment**
  - Capacities taken up well into next year
  - 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 55 million (previous year EUR 35.2 million)



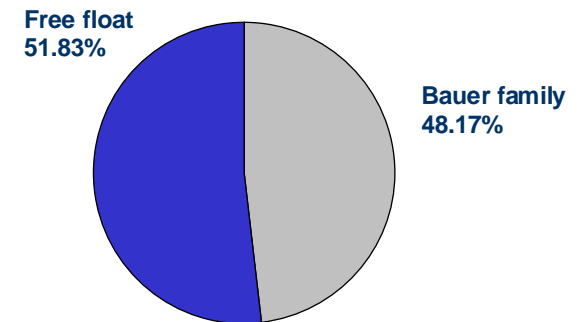
- Listed on Frankfurt stock exchange, Prime Standard since July 4, 2006
- 17,131,000 shares issued
- Issue price EUR 16.75
- Listed in SDAX since September 18, 2006
- Earnings per share 2006 EUR 2.17
- Dividend payout for 2006 0.50 EUR per share
- Year low / Year high 2006 EUR 16.60 / EUR 32.30 (18.7. / 29.12.2006)
- Year low / Year high 2007 (a) EUR 32.00 / EUR 67.02 (3.1. / 1.6.2007)
- Market capitalisation around EUR 850 million (a)

(a) as per November 12, 2007, XETRA closing price

## Share performance



## Shareholder profile



# 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**  
**Reuters**  
**Bloomberg**

**DE0005168108**  
**B5AG.DE**  
**B5A GR**

**Listing**



**Indices**

**SDAX**  
**C-DAX**  
**GEX**  
**Classic All Share**  
**Prime All Share**

## **Investor Relations**

BAUER Aktiengesellschaft  
Wittelsbacherstraße 5  
D - 86529 Schrobenhausen  
Tel.: +49 8252 97-1918  
Fax: +49 8252 97-2900  
E-mail: [bettina.mestenhauser@bauer.de](mailto:bettina.mestenhauser@bauer.de)