

Press Release

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BAUER AG third-quarter report expresses confidence in opportunities for growth from new orders

- Total Group revenues up 4.8 percent to EUR 1,008.9 million.
- Orders in hand up by more than 25 percent to EUR 740.0 million.
- After-tax profit of EUR 14.2 million (previous year: EUR 21.0 million) hit by disturbances and delays in construction business.
- Adjusted full-year forecast: Total Group revenues of around EUR 1.35 billion; EBIT of around EUR 80 million; and after-tax profit of just over EUR 30 million. 5 to 10 percent revenue growth forecast for 2012.

Schrobenhausen – After having adjusted its full-year earnings forecast on October 31st, international construction and machinery manufacturing concern BAUER Aktiengesellschaft has today published its third-quarter interim report. Although its revenues and earnings in the current financial year are below expectations, the Group is confident about its future prospects. Chairman of the Management Board of BAUER AG Professor Thomas Bauer comments: "Based on our high levels of orders in hand, we expect to achieve annual growth rates in total Group revenues of between 5 and 10 percent in 2012 and subsequent years. And that does not include the opportunities arising from the potential remediation project on the Mosul Dam in northern Iraq." In early November, BAUER Group company BAUER Spezialtiefbau GmbH signed a letter of understanding with the Iraqi government indicating that a contract will be awarded subject to agreement of further contractual details. With a total value of EUR 1.9 billion, and extending over a scheduled period of some six years, this would represent the biggest single contract in the company's history.

In the period to September 30, 2011 the BAUER Group increased its total Group revenues by 4.8 percent to EUR 1,008.9 million. Earnings before interest and taxes (EBIT) fell from EUR 55.8 million to EUR 51.5 million. After-tax profit of EUR 14.2 million – against a previous year comparative of EUR 21.0 million – was less than planned.

In the **Construction segment**, delays beyond the company's control to the start of some major construction projects, as well as a number of impediments to the execution of projects, suppressed both revenues and earnings. In addition, loss of revenues and earnings in the crisis regions of the Middle East – especially in Egypt – had a negative impact on the Group's performance. Total Group revenues in the Construction segment totalled EUR 415.7 million, 11.4 percent down against the previous year's comparative (EUR 469.3 million). Segment EBIT fell from EUR 22.5

million to EUR 9.4 million. Orders in hand as per the end of September were at a high level, totalling EUR 423.8 million (previous year: EUR 326.2 million). Key projects include dam remediation on Lake Okeechobee in Florida, a major new contract acquired in September for work on the Center Hill Dam in Tennessee, and specialist foundation engineering works forming part of major infrastructure projects in Hong Kong, Panama and Malaysia.

The **Equipment segment** increased its total Group revenues in the reporting period by 18.1 percent to EUR 487.1 million (previous year: EUR 412.3 million). Segment EBIT rose from EUR 27.9 million to EUR 34.8 million. Orders in hand are up slightly on the same time last year, rising 8.2 percent to EUR 136.9 million. All in all, demand and unit sales have been somewhat more sluggish than expected. A further step into a new product area was marked in October by the presentation of the second large-size deep drilling rig model at Group headquarters in Schrobenhausen. The rig, designed to drill down to depths of more than 5,000 metres, attracted great interest from visiting industry experts.

The performance of the Group's **Resources segment**, which focuses on future-oriented products and services in the fields of water, energy, mineral resources and environmental technology, continued to develop positively. The segment improved its total Group revenues in the first three quarters of the year by 30.6 percent to EUR 162.7 million (previous year: EUR 124.6 million). Segment EBIT of EUR 8.2 million was a substantial EUR 3.3 million up on the previous year comparative. The segment has excellent levels of orders in hand totalling EUR 179.4 million – well up on the previous year's figure of EUR 135.8 million.

Outlook

Orders in hand within the Group at the end of the first nine months had risen by 25.8 percent to EUR 740.0 million. "The trend in orders indicates chances of significantly better performance over the coming year," Professor Thomas Bauer states.

"Although we have been severely hit by the numerous disturbances this year, we are confident about the future, because the problems that have occurred will have little impact on us beyond the current financial year."

For the full year 2011, the Group expects to generate total Group revenues of around EUR 1.35 billion, EBIT of around EUR 80 million, and an after-tax profit of just over EUR 30 million.

Our full Interim Report, including a detailed analysis of the individual segments and markets, can be found on our website at <http://www.bauer.de>.

About Bauer

Bauer is a provider of services, machinery and ancillary products in the earth-working and groundwater fields. The Group markets its products and services all over the world. Its global spread allows it to remain largely unaffected by fluctuating business cycles.

The operations of the Group are divided into three segments: Construction, Equipment and Resources. The Construction segment carries out specialist foundation engineering work all over the world, developing foundation and excavation projects as well as providing related construction services. In its Equipment segment, in which it is the world market leader, Bauer offers an extensive range of machinery, equipment and tools for specialist foundation engineering and related fields of activity. The Resources segment encompasses the Group's operations in the exploitation of raw materials, in environmental technology, in geothermal drilling operations and also in equipment for wells (including pumps and drills, screens and casings).

Bauer profits greatly from the collaboration between its three separate segments, enabling the Group to position itself as an innovative, highly specialized provider of complete solutions and services for demanding projects on the specialist foundation engineering and related markets.

Founded in 1790, Bauer today generates around three quarters of its total revenues outside of Germany. Employing some 9,100 people, the Group's total revenues in 2010 were EUR 1.30 billion (previous year: EUR 1.28 billion). BAUER Aktiengesellschaft has been listed on the official market of the Frankfurt Stock Exchange since July 4, 2006 (Prime Standard, ISIN DE0005168108).

GROUP KEY FIGURES January – September 2011 (IFRS)

	Jan-Sep 2010 in EUR million	Jan-Sep 2011 in EUR million	Change
Total Group revenues	962.6	1,008.9	+4.8 %
of which			
- Germany	250.0	263.6	+5.4 %
- International	712.6	745.3	+4.6 %
of which			
- Construction	469.3	415.7	-11.4 %
- Equipment	412.3	487.1	+18.1 %
- Resources	124.6	162.7	+30.6 %
- Other/Consol.	-43.6	-56.6	n/a
Consolidated revenues	928.9	978.3	+5.3 %
Sales revenues	844.4	874.9	+3.6 %
Orders received	1,042.1	1,134.0	+8.8 %
Orders in hand	588.5	740.0	+25.8 %
EBITDA	110.2	112.5	+2.1 %
EBITDA margin (as % of sales revenues)	13.0 %	12.9 %	n/a
EBIT	55.8	51.5	-7.7 %
EBIT margin (as % of sales revenues)	6.6 %	5.9 %	n/a
Net profit or loss	21.0	14.2	-32.6 %
Shareholders' equity	419.2	443.3	+5.8 %
Equity ratio	30.5 %	29.5 %	n/a
Earnings per share in EUR	1.01	0.70	-30.7 %
Employees (on average over the year)	8,962	9,603	+7.2 %