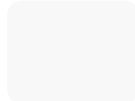
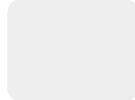


9M/11  
Nine-month report 2011



**WACKER  
NEUSON**

# Figures at a Glance

July 1 through September 30 and January 1 through September 30

in € million	Jul. 1 – Sep. 30, 2011	Jul. 1 – Sep. 30, 2010	Jan. 1 – Sep. 30, 2011	Jan. 1 – Sep. 30, 2010
<b>Key figures</b>				
Sales	248.9	196.0	727.6	551.7
<b>by region</b>				
Europe	181.1	144.0	532.5	401.6
Americas	58.3	44.6	168.5	127.5
Asia	9.5	7.4	26.6	22.6
<b>by business segment<sup>1</sup></b>				
Light Equipment	92.9	77.3	274.0	222.0
Compact Equipment	98.9	65.5	298.8	189.8
Services	57.5	53.3	154.8	139.8
EBITDA	49.6	25.0	121.2	55.7
Depreciation and amortization	12.0	10.9	35.0	30.3
EBIT	37.6	14.1	86.2	25.3
EBT	36.7	13.8	83.5	22.9
Profit for the period	27.4	10.1	59.0	15.4
Number of employees	3,406	3,086	3,406	3,086
<b>Share</b>				
Earnings per share in €	0.39	0.14	0.84	0.22
Dividend per share in €	0.17	–	0.17	–
<b>Key profit figures</b>				
Gross profit in % <sup>2</sup>	34.3	34.2	33.2	32.1
EBITDA margin as a %	19.9	12.7	16.7	10.1
EBIT margin as a %	15.1	7.2	11.9	4.6
<b>Key figures from the balance sheet</b>				
		Sep. 30, 2011	Dec. 31, 2010	Sep. 30, 2010
Property, plant and equipment		706.8	673.9	660.0
Current assets		453.4	356.3	370.9
Equity before minority interests		870.8	830.6	815.5
Net financial debt		70.6	13.7	1.8
Liabilities		286.7	197.3	212.6
Equity ratio as a %		75.1	80.6	79.1
Working capital		350.1	269.3	258.9
<b>Cash flow</b>				
	Jul. 1 – Sep. 30, 2011	Jul. 1 – Sep. 30, 2010	Jan. 1 – Sep. 30, 2011	Jan. 1 – Sep. 30, 2010
Cash flow from operating activities	14.4	35.9	24.7	33.5
Cash flow from investing activities	- 16.2	- 20.3	- 68.7	- 60.4
Capital expenditure (property, plant and equipment and intangible assets)	- 22.0	- 19.6	- 75.5	- 60.3
Cash flow from financing activities	0.2	- 13.3	24.8	- 6.5
Free cash flow	- 1.8	16.3	- 44.0	- 26.2

Figures include PPA = Purchase price allocation refers to a process whereby the price paid for a company (acquisition of Neuson Kramer Baumaschinen AG) is allocated at fair value to the assets, liabilities and contingent liabilities acquired.

<sup>1</sup> Consolidated sales after discounts.

<sup>2</sup> Expenses for service technicians have been reported in the income statement under manufacturing costs since Q1 2011. Previously, this cost factor was reported under selling expenses. This adjustment was made to report business activities more clearly under earnings. Expenses for service technicians amounted to EUR K 9,392 for the period under review (nine months). The equivalent figures from the previous year were adjusted by an amount of EUR K 9,023. For the third quarter expenses for service technicians amounted to EUR K 3,211 (Q3/2010: EUR K 2,943).

# 9M 2011 highlights

## Overview

The Wacker Neuson Group benefited from strong demand for light and compact equipment worldwide, reporting its highest earnings since the merger in 2007. Mr. Cem Peksaglam took on the position of CEO of Wacker Neuson SE in September. In October, the Group officially opened its New Headquarters and Research and Development Competence Center in Munich.

## 9M 2011 compared to 9M 2010

- Group revenue was up 32 percent to EUR 728 million.
- Revenue growth in the light equipment (+23 percent) and compact equipment (+58 percent) segments plus strong performance in the Americas and Europe (both in excess of +30 percent) were key drivers behind the Group's positive results.
- Group earnings rose at a much faster rate than revenue, with EBITDA increasing to EUR 121 million in the first nine months of the year (previous year: EUR 56 million). This corresponds to an EBITDA margin of 16.7 percent (previous year: 10.1 percent).
- At September 30, 2011, accumulated order intake for compact equipment for the construction and agricultural industries was 23 percent higher than the strong figure reported for the prior-year period. Order backlog was over 44 percent up on previous year.

## Forecast

In light of the strong results for the first nine months of 2011, the Wacker Neuson Group has reviewed its revenue and earnings forecast for fiscal 2011 and now expects revenue to come to around EUR 945 million (previous forecast: EUR 930 million) and the EBITDA margin to settle at around 15 percent (previous forecast: 13 to 14 percent; 2010: revenue of EUR 757.9 million and an EBITDA margin of 10.3 percent).

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# Dear Ladies and Gentlemen,



Cem Peksaglam  
CEO

We are pleased with our performance thus far in fiscal 2011 and remain optimistic about the coming months. Construction and agricultural markets proved particularly dynamic during the first nine months of 2011, fuelling a sharp rise in sales of Wacker Neuson light and compact equipment. Overall, we generated revenue of EUR 728 million, a plus of around 32 percent relative to the previous year.

The economic slowdown prompted by the debt crisis did not appear to have any impact on Wacker Neuson in the third quarter. The construction industry also remained buoyant throughout July and August, which are typically vacation months. Agricultural landholders were keen to invest thanks to strong agricultural prices for crop farmers and fair milk prices. At EUR 249 million, Group revenue for the third quarter was up 27 percent on the previous year. A rise in revenue of around 30 percent in both Europe and the Americas was one of the key factors that enabled Wacker Neuson to grow faster than the market in the first nine months of 2011.

The compact equipment segment put in a particularly strong performance, expanding by more than 58 percent during the first nine months of the year compared to previous year. This dynamic growth was primarily attributable to high demand from European markets, above all Germany, France, Sweden and Poland, as well as from markets in South America. The production facility we are currently constructing in Hörsching, near Linz (Austria), will enable us to keep pace with this strong demand, tripling our production capacity for compact equipment when it goes on stream in May 2012.

Nine-month revenue for the light equipment segment rose 24 percent compared to previous year. The US, Russia and Germany were the key growth drivers here. In the US, major rental companies invested as planned in new equipment to modernize aging fleets.

The sharp rise in sales and revenue fuelled an even bigger jump in earnings, clearly confirming the success of our efforts to align our cost structures with the economic situation. At EUR 121 million, Group profit before interest, tax, depreciation and amortization (EBITDA) for the first nine months of the year is more than double the same figure for the prior-year period. The EBITDA margin has thus risen from 10.1 percent for the same period last year to 16.7 percent. Our EBITDA margin for the third quarter of 2011 was even more impressive at 19.9 percent, although this figure was influenced by a positive one-off effect from the sale of real estate in Turkey during the course of relocation.

We are optimistic about the fourth quarter of 2011. At September 30, accumulated orders for compact equipment for the construction and agricultural industries were 23 percent up on the previous year. The order backlog was an impressive 44 percent higher than last year.


On the back of this positive momentum, we have again raised our forecast for this year, and now expect revenue for fiscal 2011 to total around EUR 945 million, accompanied by an EBITDA margin of around 15 percent. This means that we will be achieving our 2012 profitability goals a whole year ahead of schedule.

The impact of the European and the US debt crises on the financial community will also be felt in the real economy. Although the first signs of an economic slowdown are becoming apparent, we still expect to break the one-billion euro revenue mark in fiscal 2012, while maintaining our high levels of profitability. Our growth strategy encompasses a raft of dedicated measures at product, business segment, target group, go-to-market and organizational level.

Each of these measures will take us closer to our vision, which positions Wacker Neuson as the partner of choice for customers, globally.

Our market success is largely attributable to our employees. On behalf of myself and my fellow members of the Executive Board, I would like to thank each and every one of our colleagues worldwide. We are confident that, together, we can also master any challenges the future may hold.

Yours sincerely,



Cem Peksağlam  
CEO of Wacker Neuson SE

# Interim Review

## Economic and business trends

### Increased uncertainty; real economy grows

The strong economic upswing that started in 2010 and continued into the first half of 2011 showed signs of slowing down in Europe and the rest of the world during the third quarter of 2011. According to World Trade Organization (WTO) estimates, global trade continued to grow nonetheless. Ongoing labor market difficulties in many countries as well as increasing uncertainty about US and European debt crises and dampened consumer and business confidence all curbed economic growth in the third quarter.

Despite the difficult international backdrop, the German economy performed well in the third quarter. Falling unemployment and increased consumer confidence led to a more upbeat mood among consumers. According to a survey carried out by the ifo Institute, German companies rated their business situation in September as primarily positive, although this was tempered by an increasingly skeptical outlook for the coming months.

## Trends in construction and agricultural markets

### Construction activity continued to rise in Q3

The US construction industry picked up to some extent. The real estate sector, however, remained weak.

Experts at the EU statistics office Eurostat reported that the construction industry in Europe developed positively in July and August in both year-on-year and month-on-month terms. Growth here was strongest in Poland, Germany and France.

The German Institute for Economic Research (DIW) also confirmed that the German construction industry performed well during the summer months. Order intake and construction permits remained at a consistently high level. Residential construction was the main driver here. A relatively low interest rate and renewed interest in property ownership among private individuals fuelled an upturn in new residential developments.

The engineering sector also performed positively, with planned investments going ahead despite the debt crisis. This export-driven industry benefited from the fact that only between 0.2 and 0.4 percent of German machines are exported to countries such as Greece and Portugal.

According to the VDMA, Q3 sales for construction equipment were high. The association expects 2011 to clearly outperform the previous year.

### Global boom for European agricultural technology sector

Growth in the European agricultural technology sector is driven primarily by rising demand for modern agricultural machinery. Although harvests in some parts of Europe were below average in 2011, agricultural landholders and contractors showed – for the most part – a willingness to invest. Strong agricultural prices for crop farmers and fair milk prices had a positive impact here, with customers focusing on intelligent agricultural technology that makes field and yard work more cost effective.

The graphics and tables that follow have not been reviewed by the auditors. They are provided for information purposes.

## Group business development

Demand for light and compact equipment from the Wacker Neuson Group remained strong. During the third quarter, the economic slowdown did not appear to have any impact on Wacker Neuson – similar to many other companies that seemed not effected by the debt crisis and the slowdown in economic growth. Order intake for compact equipment remains high.

### Revenue and earnings up significantly on prior-year period

Revenue rose 31.9 percent overall during the first nine months of 2011 to EUR 727.6 million (previous year: EUR 551.7 million). The third quarter developed particularly well, with revenue totaling EUR 248.9 million (Q3 2010: EUR 196.0 million). This represents a 26.9-percent increase on Q3 2010, which was itself a relatively strong quarter for the Group.

New machine sales in the compact equipment segment in particular were again encouragingly positive, in keeping with the healthy order book in the first half of the year. Continued strong demand for light equipment in the US and Europe was again a key driver behind the rise in revenue relative to the same period last year.

Due to the Group's optimized cost structure, the increase in revenue continued to have a positive impact on profit margins. The EBITDA margin for the period rose to 16.7 percent (previous year: 10.1 percent), while the EBIT margin climbed to 11.9 percent (previous year: 4.6 percent). It is the view of company management that this is directly linked to increased efficiency levels and optimized cost structures across the entire Group. The company was thus able to clearly exceed 2008's strong nine-month revenue (EUR 684.7 million) and nine-month profit margins (EBITDA margin: 13.3 percent; EBIT margin: 8.9 percent).

### Finances and assets remain strong

Despite high investments during the first nine months, the Group's finances and assets remain in an outstanding position, with liquidity at EUR 17.2 million and net financial

debt at EUR 70.6 million. This corresponds to a debt ratio (gearing) of 8.1 percent and an equity ratio before minority interests of 75.1 percent.

### Situation with suppliers improving

During the first half of the year, bottlenecks among suppliers still caused delays in compact equipment deliveries. This situation eased in the third quarter.

### Wacker Neuson SE becomes a management holding company within the Group

Operational activities in the light equipment business segment in Germany (sales, production and logistics) were dropped down from Wacker Neuson SE to form three separate companies. This change took effect on July 28, 2011, when it was entered in the Register of Companies. The three new entities are GmbH & Co. KG companies. They are headquartered in Munich and are wholly owned affiliates of Wacker Neuson SE. Wacker Neuson SE continues to own over 30 other affiliates (primarily sales affiliates outside of Germany). Wacker Neuson SE is now a management holding company responsible for central Group and corporate functions.

We refer to the notes to this interim report for information on further changes to the Group structure that have had an impact on the consolidation structure.

### Changes to the Supervisory Board

Dr. Matthias Bruse was appointed to the Supervisory Board on August 11, 2011. He succeeds Dr. Ulrich Wacker, who stepped down from his position in July for health reasons.

### Cem Peksaglam becomes new CEO

On September 1, 2011, Mr. Cem Peksaglam took on the position of CEO of Wacker Neuson SE. He succeeds Dr. Georg Sick, who left the Executive Board on September 15, 2010. Mr. Richard Mayer has stepped down from his interim role as Spokesperson of the Executive Board and remains responsible for light equipment at Executive Board level.

In addition to the role of CEO, Mr. Cem Peksaglam is responsible for investor relations, legal issues, HR, Group auditing, real estate and quality management. Mr. Günther Binder (finance and IT), Mr. Martin Lehner (Deputy CEO, compact equipment), Mr. Richard Mayer (light equipment) and Mr. Werner Schwind (sales, rental, logistics, service, marketing and training) retain their former areas of responsibility.

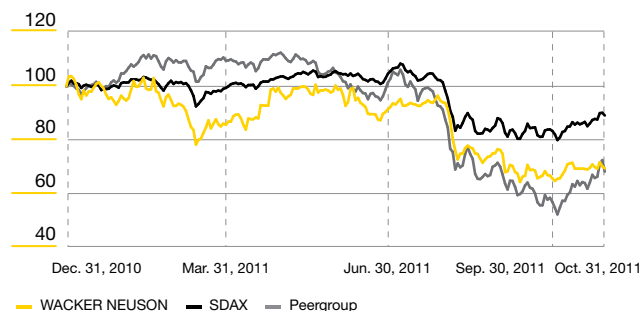
### Capital market communication and share trends

During the third quarter of 2011, the Executive Board kept capital market players up to date on current company developments and strategic aims at a number of events, including capital market conferences in Germany and the US and various personal meetings. At the beginning of October, the company organized a Capital Market Day as part of its opening ceremony for the Group's new headquarters in Munich. Participants were given the opportunity to experience Wacker Neuson's innovative drive, product strengths and strong competitive position first hand.

During the period under review, uncertainties resulting from the European debt crisis and fears about the stability of the banking sector resulted in volatility on the financial markets. At the start of the year, the share was listed at EUR 13.48. At the beginning of the third quarter, it had dropped to EUR 12.00 and closed at EUR 8.51 on September 30. The Wacker Neuson share thus developed in line with the SDAX from the middle of the year yet outperformed the shares, for example, of its peers. At the end of October, financial markets recovered following EU debt crisis talks and the resulting measures aimed at combating the crisis. The Wacker Neuson share closed at EUR 9.11 on October 28.

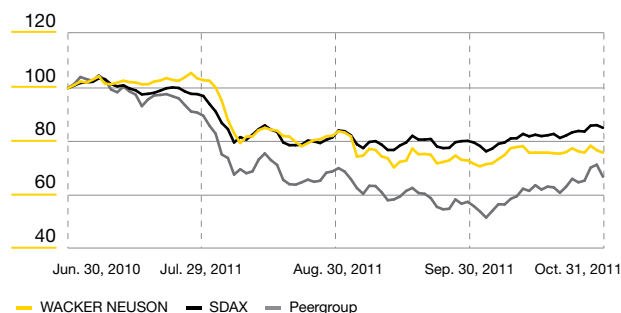
### Share price trends

#### January through October 2011



### Share price trends

#### July through October 2011



Peergroup: Atlas Copco, Bauer, Caterpillar, Cramo, Deutz, Haulotte, Manitou, Palfinger, Ramirent, Terex



On October 5, 2011, Wacker Neuson SE officially opened its new Group headquarters in the north of Munich. The new building complex is home to the holding organization and its operational companies as well as the new European Research and Development Competence Center for Wacker Neuson light equipment.



## Profit, finances and assets

Group business during the first nine months and the third quarter of 2011 was up on the previous year. Wacker Neuson's revenue and earnings for both periods were in fact at their highest levels since the merger in 2007.

The following figures include the effects of purchase price allocation<sup>1</sup> resulting from the merger of Wacker Construction Equipment AG with Neuson Kramer Baumaschinen AG.

### Key figures

in € million	Q3/2011	Q2/2011	Q1/2011
Revenue	248.9	266.9	211.8
EBITDA	49.6	45.7	25.9
EBITDA margin as a %	19.9	17.1	12.2
EBIT	37.6	33.7	14.9
EBIT margin as a %	15.1	12.6	7.1
EBT	36.7	32.8	13.9
Profit for the period	27.4	22.5	9.0

<sup>1</sup> Purchase price allocation refers to a process whereby the price paid for a company (acquisition of Neuson Kramer Baumaschinen AG) is allocated at fair value to the assets, liabilities and contingent liabilities acquired. The remaining amount is reported as goodwill. This effect has reduced the book value of Group earnings since October 2007 and will continue to do so until 2013. The figures reported here have already been adjusted to reflect this reduction.

### Revenue and earnings<sup>2</sup>

in € million	Q3/2011	Q3/2010	Change as a %	9M/2011	9M/2010	Change as a %
Revenue	248.9	196.0	26.9	727.6	551.7	31.9
Gross margin as a %	34.3	34.2	0.1 PP	33.2	32.1	1.1 PP
EBITDA	49.6	25.0	98.8	121.2	55.7	117.8
EBITDA margin as a %	19.9	12.7	7.2 PP	16.7	10.1	6.6 PP
EBIT	37.6	14.1	166.5	86.2	25.3	240.3
EBIT margin as a %	15.1	7.2	7.9 PP	11.9	4.6	7.3 PP
EBT	36.7	13.8	167.1	83.5	22.9	264.6
Profit for the period	27.4	10.1	170.2	59.0	15.4	283.9

<sup>2</sup> PP = percentage points. Expenses for service technicians have been reported in the income statement under manufacturing costs since Q1 2011. Previously, this cost factor was reported under selling expenses. This adjustment was made to report business activities more clearly under earnings. Expenses for service technicians amounted to EUR K 9,392 for the period under review (nine months). The equivalent figures from the previous year were adjusted by an amount of EUR K 9,023.

## Profit

### Revenue and earnings continue to rise

Group revenue rose 31.9 percent during the first nine months of 2011 to EUR 727.6 million (previous year: EUR 551.7 million). Adjusted to discount currency fluctuations, this corresponds to an increase of 32.5 percent. Demand during Q3 2011 also remained above the prior-year quarter. Third-quarter revenue rose to EUR 248.9 million and was thus 26.9 percent up on the same quarter last year (Q3 2010: EUR 196.0 million).

This slight drop relative to the second quarter of 2011 (Q2 2011: EUR 266.9 million) is due to seasonal dynamics as July and August are traditionally vacation months.

### Revenue

#### Q3/9M 2011 and 2010

in € million

Q3/2011	248.9
Q3/2010	196.0
9M/2011	727.6
9M/2010	551.7

Higher production volumes during the first nine months of the year caused manufacturing costs to rise to EUR 486.1 million (previous year: EUR 374.6 million).

During this period, gross profit rose at a faster rate than revenue, increasing by 36.4 percent to EUR 241.4 million (previous year: EUR 177.1 million). The gross profit margin increased to 33.2 percent (previous year: 32.1 percent), fuelled in particular by the sharp rise in revenue. The gross margin for the third quarter totaled 34.3 percent (Q3 2010: 34.2 percent).

The product mix also differed from the previous year. As expected, compact equipment accounted for the lion's share of revenue at 41 percent (previous year: 35 percent), followed by light equipment at 38 percent (previous year: 40 percent) and services at 21 percent (previous year: 25 percent). In the same period last year, the light equipment segment had the largest share of revenue, as demand for products in this segment picked up earlier as the economy moved out of the crisis.

### Optimized cost structures have lasting impact

In 2008 and 2009, the Group implemented a range of cost-cutting measures, the long-term effects of which are still being felt today. The Group's revenue growth is therefore flanked by optimized cost, process and organizational structures.

### Reduction in SG&A and R&D expenses as percentage of revenue

Despite the upturn in business, SG&A and R&D expenses grew at a slower rate than revenue in the period under review. Their relative share of revenue amounted to 22.5 percent (previous year: 28.0 percent).

At EUR 102.4 million, selling expenses were up on the previous year's figure of EUR 97.5 million. R&D costs rose slightly to EUR 17.0 million (previous year: EUR 16.4 million). General administrative costs increased to EUR 44.5 million in the first nine months of the year (previous year: EUR 40.6 million). Expressed as a percentage of revenue, administrative costs fell to 6.1 percent (previous year: 7.4 percent).

### Increased profitability

Revenue growth and efficiency gains had a positive impact on earnings. Profit before interest, tax, depreciation and amortization (EBITDA) more than doubled in the first nine months of the year, increasing from EUR 55.7 million for the same period last year to EUR 121.2 million in 2011. The EBITDA margin increased to 16.7 percent (previous year: 10.1 percent). In the third quarter of 2011, EBITDA came to EUR 49.6 million, giving the Group an EBITDA margin of 19.9 percent (Q3 2010: EUR 25.0 million; EBITDA margin: 12.7 percent), following on from 12.2 percent and 17.1 percent in the first and second quarters of 2011 respectively. This rise during the third quarter was fueled in part by other income in the amount of EUR 4.3 million resulting from the relocation of the Turkish affiliate.

Depreciation and amortization for the first nine months of 2011 totaled EUR 35.0 million (previous year: EUR 30.3 million), EUR 12.0 million of which is attributable to the third quarter (Q3 2010: EUR 10.9 million).

#### EBITDA

##### Q3/9M 2011 and 2010

in € million

Q3/2011	49.6
Q3/2010	25.0
9M/2011	121.2
9M/2010	55.7

#### Revenue and EBITDA margin (quarterly) since 2008

in € million

Q1/2008	12.9	228.2
Q2/2008	13.8	244.2
Q3/2008	13.3	212.3
Q4/2008	5.1	185.6
Q1/2009	-9.0	137.3
Q2/2009	8.6	156.5
Q3/2009	10.5	149.0
Q4/2009	6.8	154.2
Q1/2010	2.5	150.3
Q2/2010	13.1	205.3
Q3/2010	12.7	196.0
Q4/2010	10.7	206.3
Q1/2011	12.2	211.8
Q2/2011	17.1	266.9
Q3/2011	19.9	248.9

— EBITDA margin as a %

Profit before interest and tax (EBIT) rose to EUR 86.2 million during the first nine months of the year (previous year: EUR 25.3 million)<sup>1</sup>. In the nine-month period under review, the EBIT margin rose to 11.9 percent (previous year: 4.6 percent). At 15.1 percent (Q3 2010: 7.2 percent), the Q3 EBIT margin for 2011 was significantly stronger than in the first (7.1 percent) and second (12.6 percent) quarters of 2011.

## EBIT

### Q3/9M 2011 and 2010

in € million

Q3/2011	37.6
Q3/2010	14.1
9M/2011	86.2
9M/2010	25.3

Exchange rate fluctuations only have minimal impact on profitability due to natural currency hedging within the Group. During the first nine months of fiscal 2011, the average euro/dollar exchange rate was 1 euro to 1.42 dollars (previous year: EUR 1 to USD 1.32). The financial result after nine months amounted to EUR -2.7 million (previous year: EUR -2.4 million).

Profit before tax (EBT) rose to EUR 83.5 million in the first nine months of the year (previous year: EUR 22.9 million). Tax expenditure amounted to EUR 24.1 million (previous year: EUR 7.2 million). The tax rate was thus 28.9 percent (previous year: 31.5 percent).

At EUR 59.0 million, profit for the period (nine months of 2011) were clearly up on earnings for the same period last

year (EUR 15.4 million). Based on 70.14 million ordinary shares, earnings per share amounted to EUR 0.84 (previous year: EUR 0.22). Earnings for the third quarter of 2011 rose to EUR 27.4 million (Q3 2010: EUR 10.1 million). This corresponds to earnings per share of EUR 0.39 (Q3 2010: EUR 0.14).

## Financial position

### Rising investments influence cash flow

The Group has invested in working capital in line with revenue growth. Despite this outlay, cash flow from operating activities amounted to EUR 24.7 million at the end of September 2011 (previous year: EUR 33.5 million). In the third quarter alone, the Group contributed EUR 14.4 million (Q3 2010: EUR 35.9 million) to the positive cash flow from operating activities.

Cash flow from investing activities for the first nine months of 2011 totaled EUR -68.7 million (previous year: EUR -60.4 million). This figure was influenced by rising investments. The Group invested a total of EUR 75.5 million, EUR 70.2 of which was channeled into property plant and equipment. Projects here included the construction of a new production facility for compact equipment in Hörsching (near Linz, Austria), the completion of the R&D center and Group headquarters in Munich and the expansion of the company's sales business. The Group invested EUR 22.0 million during the third quarter (previous year: EUR 19.6 million). Cash flow from investment activities for the third quarter was positively influenced by the sale of real estate in Turkey and thus amounted to EUR -16.2 million (Q3 2010: EUR -20.3 million).

## Financial position

in € K

	Q3/2011	Q3/2010	9M/2011	9M/2010
Cash flow from operating activities	14,428	35,908	24,748	33,536
Cash flow from investing activities	- 16,237	- 20,306	- 68,708	- 60,447
Change in consolidation structure	0	727	0	727
<b>Free cash flow</b>	<b>- 1,809</b>	<b>16,329</b>	<b>- 43,960</b>	<b>- 26,184</b>
Cash flow from financing activities	170	- 13,340	24,806	- 6,501
Effect of exchange rates on cash and cash equivalents	- 262	- 1,595	- 210	1,453
Change in consolidation structure	0	- 727	0	- 727
<b>Change in cash and cash equivalents</b>	<b>- 1,901</b>	<b>667</b>	<b>- 19,364</b>	<b>- 31,959</b>
Cash and cash equivalents at beginning of period	19,096	52,398	36,559	85,024
<b>Cash and cash equivalents at end of period</b>	<b>17,195</b>	<b>53,065</b>	<b>17,195</b>	<b>53,065</b>

<sup>1</sup>The effects of purchase price allocation (PPA) reduced the book value of EBIT by EUR -2.6 million (previous year: EUR -2.6 million). PPA will continue to have an – albeit diminishing – impact until the end of 2013.

As anticipated, investments exceeded depreciation and amortization. This was also the case in the previous year. Free cash flow was therefore negative, amounting to EUR -44.0 million at the close of September 2011 (previous year: EUR -26.2 million).

The Group did not acquire or sell any companies during the period under review. Changes to the consolidation structure are described in further detail in the notes to this interim report.

During the first nine months of 2011, cash flow from financing activities rose to EUR 24.8 million (previous year: EUR -6.5 million). The Group also concluded short-term master credit agreements with banks to secure a healthy liquidity position for the investments detailed above and to finance working capital. During the same period, the Group repaid a total of EUR 7.1 million in long-term borrowings.

### Comfortable liquidity situation

Despite increased investments, the Group reported healthy levels of liquidity at September 30, 2011, with liquid assets amounting to EUR 17.2 million (December 31, 2010: EUR 36.6 million). Group finances are thus better balanced. By comparison, at the close of the third quarter of 2010, liquidity still amounted to EUR 53.1 million. The Group can continue to meet its liquidity needs for the current year through a combination of existing liquid assets and credit lines extended by credit institutes. It continues to draw on less than 45 percent of the EUR 211.4 million available through credit lines.

## Assets

### Strong asset position with continued high equity ratio

To facilitate comparison, asset reporting also includes the figures for the same prior-year period.

At the close of the first three quarters, the balance sheet again shows Group assets to be in a healthy position. At September 30, 2011, the balance sheet total increased to EUR 1,160.2 million (September 30, 2010: EUR 1,031.0 million; December 31, 2010: EUR 1,030.2 million).

Assets increased to EUR 677.3 million (December 31, 2010: EUR 642.4 million). Due to an increase in production levels, the value of finished products rose 34.0 percent to EUR 165.3 million (December 31, 2010: EUR 123.4 million) and by 39.9 percent relative to September 30, 2010. Inventories were up 32.4 percent to EUR 243.7 million (December 31, 2010: EUR 184.0 million). This represents a 38.7 percent increase relative to the same closing date last year (September 30, 2010: EUR 175.7 million). Trade receivables were up at EUR 172.6 million (December 31, 2010: EUR 121.5 million). At EUR 453.4 million, total current assets were up on the same figure for December 31, 2010 (EUR 356.3 million). This is due to the increase in working capital. This figure is also higher than the EUR 370.9 million in current assets reported at September 30, 2010. In the third quarter, inventories were up 14.2 percent on the second quarter of 2011 (Q2 2011: EUR 213.3 million).

Group equity before minority interests amounted to EUR 870.8 million at the end of September 2011 (December 31, 2010: EUR 830.6 million, September 30, 2010: EUR

### Assets, equity and liabilities

in € K	Sept. 30, 2011	Dec. 31, 2010	Change as a %	Sept. 30, 2010
Total non-current assets	706,811	673,903	4.9	660,022
of which fixed assets <sup>1</sup>	677,347	642,401	5.4	628,367
Total current assets	453,428	356,314	27.3	370,934
of which inventories	243,675	183,980	32.4	175,662
of which trade receivables	172,593	121,487	42.1	130,321
<b>Total assets</b>	<b>1,160,239</b>	<b>1,030,217</b>	<b>12.6</b>	<b>1,030,956</b>
Equity before minority interests	870,833	830,618	4.8	815,502
Minority interests	2,731	2,341	16.7	2,814
Total non-current liabilities	83,601	86,421	- 3.3	92,531
Total current liabilities	203,074	110,837	83.2	120,109
<b>Total liabilities</b>	<b>1,160,239</b>	<b>1,030,217</b>	<b>12.6</b>	<b>1,030,956</b>

<sup>1</sup> Fixed assets = Sum total of the following balance sheet items: property, plant and equipment, investment property, goodwill, intangible assets and other investments.

815.5 million). The equity ratio before minority interests was again at a high level for the industry at 75.1 percent (December 31, 2010: 80.6 percent; September 30, 2010: 79.1 percent). The company's share capital remained unchanged at EUR 70.14 million.

Total non-current liabilities fell to EUR 83.6 million (December 31, 2010: EUR 86.4 million; September 30, 2010: EUR 92.5 million). Trade payables rose to EUR 66.2 million (December 31, 2010: EUR 36.2 million). Total current liabilities rose to EUR 203.1 million (December 31, 2010: EUR 110.8 million) in order to finance the increase in working capital and the start of construction on the new facility in Hörsching. This figure is also up on total current liabilities at the same closing date last year (September 30, 2010: EUR 120.1 million).

### Working capital follows revenue growth

Wacker Neuson started investing in working capital at the start of the year in response to increased demand. During the first nine months of 2011, working capital therefore rose 30.0 percent to EUR 350.0 million (December 31, 2010: EUR 269.3 million) in line with revenue. This represents an increase on the same figure for the prior-year period (September 30, 2010: EUR 258.9 million).

Relative to the H1 2011 figure (EUR 321.8 million), working capital for the third quarter rose 8.8 percent. At September 30, 2011, working capital's share of total revenue (working capital in relation to revenue for the year annualized on the basis of Q3 2011) amounted to 35.2 percent. This is above the comparable figure for the previous year (Q3 2010: 33.0 percent) yet still in line with the target threshold of 35 percent of annual revenue. This rise is due to the increase in inventories resulting from improved delivery capabilities among suppliers.

### Net financial debt remains low

The Group is leveraging its strong balance sheet and healthy financial position to capitalize on the upswing. Due to extensive investments during the first nine months of 2011, net financial debt totaled EUR 70.6 million at September 30, 2011 (December 31, 2010: EUR 13.7 million). This represents just a small increase on the EUR 68.7 million reported at the close of Q2 2011. Company management is of the opinion that the Group remains in a very healthy financial position. The debt ratio (gearing; net financial debt as a percentage of equity before minority interests) amounts to just 8.1 percent. Taking into consideration investments planned for Q4, the Group expects total net financial debt to amount to less than EUR 100 million by the end of the year.

### Net financial position

in € K	Sept. 30, 2011	Dec. 31, 2010	Sept. 30, 2010
Long-term borrowings	- 25,083	- 32,218	- 36,328
Short-term borrowings	- 57,233	- 5,958	- 6,629
Current portion of long-term borrowings	- 5,519	- 12,109	- 11,929
Cash and cash equivalents	17,195	36,559	53,065
<b>Total</b>	<b>- 70,640</b>	<b>- 13,726</b>	<b>- 1,821</b>

### Off-balance-sheet assets and financing instruments

In addition to assets recognized on the balance sheet, the Group uses off-balance-sheet assets in line with standard business practices. These primarily refer to leased or rented goods (operating leases). The Group also utilizes off-balance-sheet financing instruments such as trade receivables programs to a limited extent in South America.

### Segment reporting

The Wacker Neuson Group serves customers across the globe with its broad product and service portfolio.

Segment reporting provides an overview of business developments according to region (Europe, the Americas and Asia). The Group also breaks revenue down according to business segment (light equipment, compact equipment and services).

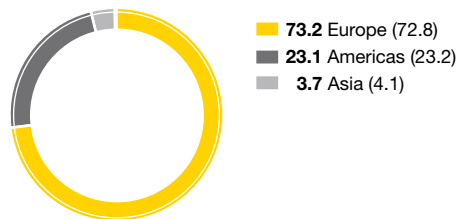
All Group business segments experienced growth in the first nine months of 2011. The core markets of Europe and the Americas performed particularly well, with the Group reporting double-digit growth in these regions. The Group is also benefiting from sales synergies enabled by product cross-selling.

## Results for Europe, the Americas and Asia

### Revenue by region

9M 2011

as a % (previous year)



Differences attributable to rounding.

### Strong revenue growth in Europe

As predicted, Europe continued to account for the lion's share of total Group revenue at 73.2 percent (previous year: 72.8 percent). Revenue for the period was up 32.6 percent at EUR 532.5 million (previous year: EUR 401.6 million). Profit before interest and tax (EBIT) for the current year increased from EUR 16.2 million for the same period last year to EUR 58.6 million.

Wacker Neuson's business developed positively across almost the entire region, especially in Germany, France, Switzerland, the UK, the Netherlands, Sweden and Poland as well as in South Africa and Russia (both of which are included in the Europe segment).

### Europe

9M 2011 and 2010

in € million

#### Revenue



#### EBIT



### Revenue growth in the Americas at an all-time high

Revenue in the Americas for the first nine months was up 32.1 percent on the previous year at EUR 168.5 million (previous year: EUR 127.5 million). Profit before interest and tax (EBIT) rose from EUR 11.4 million to EUR 23.1 million. Adjusted to reflect exchange rate fluctuations, this corresponds to a plus of 39.2 percent. It is also the Group's highest ever nine-month revenue for the region. The share of total revenue remained almost level at 23.1 percent (previous year: 23.2 percent).

### Americas

9M 2011 and 2010

in € million

#### Revenue



#### EBIT



Depending on the age of their fleets, US rental companies started again investing as planned in new equipment during the first nine months of the year. Wacker Neuson dealers also reported increased product sales. This had a positive impact on light equipment sales in the region. The Group is gradually expanding its dealer network in North and South America to extend its compact equipment reach to the greatest possible extent. The US affiliate Wacker Neuson Corporation has thus far not experienced any drop in demand due to government investment programs coming to an end or companies having caught up with the investment backlog for light and compact equipment.

The expansion of the sales network in the Americas has paid off with demand for compact equipment currently particularly strong in Canada, Chile and Brazil.

### Asia outperforms previous year

At EUR 26.6 million, revenue for the Asia region was up on the previous year's level of EUR 22.6 million. Profit before interest and tax (EBIT) came to EUR 3.2 million (previous year: EUR -0.6 million). In light of strong growth worldwide, this region's share of total revenue dropped to 3.7 percent (previous year: 4.1 percent).

#### Asia

##### 9M 2011 and 2010

in € million

#### Revenue

9M/2011	26.6
9M/2010	22.6

#### EBIT

9M/2011	3.2
9M/2010	- 0.6

Emerging economies such as China and India are still at the early stage of infrastructure and industrial development, which primarily requires heavy equipment, for example, to connect entire regions or build transport systems, power plants, pipelines and tunnels. Once this phase is complete, demand for Wacker Neuson's cutting-edge light and compact portfolio will start to emerge, primarily for maintenance and repair work to these infrastructures. In future, the Group intends to introduce selected light equipment products tailored to market dynamics in these regions and secure a strong competitive position by expanding its prod-

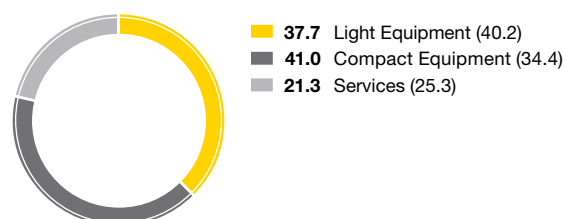
uct portfolio. China and India are key future markets for the Group and it established its first affiliates there some years ago. The Group is assessing the viability of launching compact equipment in Asia in the mid-term.

### Results for the light equipment, compact equipment and services segments

#### Revenue by business segment

9M 2011

as a % (previous year)



Differences attributable to rounding.

### Demand for light equipment remains high

The light equipment business segment covers the business fields of concrete technology, soil and asphalt compaction, demolition and utility. The Group is pleased to report that demand for light equipment remained strong. Revenue in the light equipment segment at the end of September 2011 rose 24.1 percent to EUR 277.7 million (previous year: EUR 223.7 million). This corresponds to a 37.7 percent share of revenue (previous year: 40.2 percent). At EUR 94.0 million, Q3 revenue in this segment was 20.7 percent up on the prior-year figure (Q3 2010: EUR 77.9 million).

#### Revenue by business segment

in € K

	Q3/2011	Q3/2010	9M/2011	9M/2010
<b>Segment revenue from external customers</b>				
Light Equipment	93,983	77,925	277,722	223,700
Compact Equipment	100,400	66,068	302,757	191,331
Services	58,359	53,692	156,851	140,898
	<b>252,742</b>	<b>197,685</b>	<b>737,330</b>	<b>555,929</b>
Less cash discounts	- 3,866	- 1,637	- 9,765	- 4,277
<b>Total</b>	<b>248,876</b>	<b>196,048</b>	<b>727,565</b>	<b>551,652</b>

Production in the light equipment segment is demand-driven with short delivery times. Orders are usually delivered within a few days. The Group therefore does not report an order backlog for this segment.

During the year, the Group launched a number of new products and models in this segment, including new gasoline cut-off saws, frequency converters, trowels, generators, pumps and light towers.

### **Strong order intake and revenue growth for compact equipment segment**

The compact equipment business segment covers the manufacture and sale of compact machinery for the construction and agricultural industries, as well as for landscaping firms, municipal bodies and companies from the industrial and recycling sectors. The portfolio includes excavators, wheel loaders, skid steer loaders, telescopic handlers and dumpers weighing up to approximately 14 tons. The Group is distributing compact equipment to more and more markets beyond Europe.

Demand for compact equipment is developing particularly well in France, Sweden, Poland, South Africa as well as North and South America. In the first nine months of the year, revenue before discounts in this segment rose from the previous year's figure of EUR 191.3 million to EUR 302.8 million. This represents an increase of 58.2 percent.

This segment's overall share of total revenue for the reporting period came to 41.0 percent (previous year: 34.4 percent). In the third quarter alone, segment revenue was up 52.0 percent on the previous year's quarter at EUR 100.4 million (Q3 2010: EUR 66.1 million).

The new facility in Hörsching, near the city of Linz in Austria, will enable the Group to meet rising demand by trebling its production capacity for compact equipment. The plant is scheduled for completion mid-2012. It will be occupied and the production lines up and running by that time.

Accumulated order intake for compact equipment remained on a positive path in the first nine months of the year. Agricultural machinery proved a particularly strong area, with a plus of over 35 percent. Demand for Weidemann's innovative machines, which are primarily used on agricultural hold-

ings, is rising due to a strong propensity to invest among landholders and increased focus on streamlining work processes and raising efficiency levels. At the close of the first nine months of 2011, agricultural compact equipment accounted for 15 percent of total Group revenue (previous year: 12 percent).

Although the order book was very healthy in the previous year, accumulated order intake from the construction industry rose a further 17 percent on the 2010 figure. Accumulated order intake for the entire compact equipment segment at September 30, 2011 was thus around 23 percent up on the previous year.

At September 30, 2011, the order backlog for compact equipment was over 44 percent up on the previous year. Due to strong demand, time-to-delivery is currently between two and four months across the industry.

The Group continued to successfully deliver special financing options for customers in the compact equipment business.

At the beginning of October, the Group unveiled a new range of track dumpers in Munich at the opening ceremony for the new Wacker Neuson Group headquarters. Optimized technically, the range includes numerous new dumper models with payloads ranging between 500 and 2,500 kilograms.

### **Revenue growth in services segment**

The services segment covers the business fields of rental (Central and Eastern Europe) and after-market (repair and maintenance). During the period under review, the Group was again able to increase sales before discounts here. Revenue for the segment was up 11.3 percent at EUR 156.9 million (previous year: EUR 140.9 million) due to favorable weather conditions and increased construction activity. This segment's share of total revenue was thus 21.3 percent (previous year: 25.3 percent).

In April 2011, Wacker Neuson opened its first European used equipment center in Gotha. The new center provides Wacker Neuson with a platform for the sale of used light and compact equipment and resonates strongly among customers.



Weidemann Telehandler T4512. The new Vertical Lift System (VLS) enables operators to handle high payloads more smoothly. The key benefit of the new system is that it enables the telescopic arm to be lowered almost vertically, thus keeping the machine extremely stable. It was awarded a silver medal by a panel of experts at "Agritechnica", the world's leading exhibition for agricultural machinery.

## Other factors that impacted on results

### Employee headcount increases at a slower pace than revenue

The Group increased headcount in response to positive business development: At September 30, 2011, Group headcount totaled 3,406 (September 30, 2010: 3,086; December 31, 2010: 3,142). This figure does not reflect the actual number of employees, but the number of positions as calculated on a full-time basis. From the beginning of the year, we started hiring new employees at several locations – for example, in the US, Austria and Germany – in line with changing market dynamics. At September 30, 2011, manpower capacity – which includes temporary staff as well as the headcount figure reported above – was 12.7 percent up on the previous year and thus grew at a lower rate than revenue. The company's strategy of retaining employee know-how throughout the crisis is now paying dividends by allowing it to capitalize on market opportunities comparatively quickly, thus boosting both revenue and earnings within a short space of time.

### Raw material prices remain stable

Prices of raw materials, steel in particular, did not rise further in the third quarter. Additional costs incurred since the start of the year were passed on to the market via an average 3-percent increase in the price of light equipment, compact equipment and spare parts. The company was able to do this as it had not raised the price of any of its products for over two years.

### Research and development activities secure leading position

Wacker Neuson is a global technology leader in the construction equipment industry. The company's decision to maintain research and development (R&D) activities even during periods of low demand has paid dividends. Over half of revenue generated by Wacker Neuson stems from light and compact equipment launched within the past five years.

At EUR 17.0 million, R&D expenses for the first nine months of 2011 remained almost level with the prior-year figure of EUR 16.4 million. The R&D ratio was thus 2.3 percent (previous year: 3.0 percent). Wacker Neuson's ongoing development projects focused primarily on product and user safety as well as environmental protection, enabling it to consolidate its leading position in these areas and prepare for the new Tier IV emissions regulation for engines. The new standards come into force in January 2012. They are mandatory for construction equipment with engines between 57 and 130 kW and thus apply to products in the Wacker Neuson portfolio.

### **Award-winning innovations**

The Group again attended numerous trade fairs in Germany and abroad this year. In November, Weidemann will be showcasing its innovative strengths at "Agritechnica", in Hanover – the world's largest exhibition of agricultural machinery. The company's driver assistance system for telescopic handlers will also be on show. Jointly developed by Weidemann, Kramer and the company's strategic partner Claas, the system has already been awarded a silver medal by a panel of experts who judged over three hundred innovations in the run-up to the show.

### **Alliance with Caterpillar on schedule**

The first models made by Wacker Neuson to Caterpillar's specifications were unveiled by Caterpillar in March at the Samoter trade fair in Italy. The machines were well received across the board. This positive response confirms that the mini excavator product segment is a rapidly growing market that offers great potential to both companies. The collaboration also increases Wacker Neuson's production volumes, thus enabling the company to benefit from economies of scale. The collaboration with Caterpillar will start generating revenue for the Group this year. 2012 will be the first full fiscal year to show revenue gains from the alliance.

### **Changes to the opportunity and risk situation**

In the first nine months of 2011, the Wacker Neuson Group continued to implement its risk management system as a key steering tool for business decisions and processes. The internal control and risk management system is described in detail in the consolidated financial statements for 2010.

The company has identified the following risks to the Wacker Neuson Group as of September 30, 2011 that deviate from the 2010 consolidated financial statements and the half-year report 2011:

An economic downturn in Europe could negatively impact light and compact equipment sales. A drop in demand could have an effect on Wacker Neuson Group profit margins. The Group is of the opinion that these effects would be of a short-term nature as its customer base is diversified across different industries and countries. The company has also established flexible work and production models. Wacker Neuson is also countering this risk by continuously monitoring key early indicators that will enable it to implement appropriate countermeasures.

The remaining risks to the Group in the period under review are listed in the 2010 Annual Report on pages 79 to 84.

Company management is not currently aware of any other significant risks to the Wacker Neuson Group. Similarly, the company has not identified any individual or collective risks to its continued existence as a going concern that might negatively affect individual companies within the Group or the Group as whole in the foreseeable future.

Opportunities for the Wacker Neuson Group are described in detail in the 2010 Annual Report on pages 94 to 98 and in the Outlook section of this interim report.

## Supplementary report

There have been no further events since the reporting date that could have a significant impact on the future business development of the Wacker Neuson Group.

## Outlook

### Strong rate of growth slows

Economic experts regard the debt crises in the euro zone and the US as a major risk to growth. Following in the steps of Fitch and Standard & Poor's, the rating agency Moody's also downgraded Spain's credit rating in October and also reassessed France's credit rating. Falling investment resulting from the financial crisis would have a negative impact on the real economy.

Experts predict that the global economy will grow by 2.6 percent this year (2010: 5.1 percent). According to Eurostat, the EU economy is set to grow by 1.7 percent. The German government expects Germany to fare better with 2.9 percent growth (2010: 3.7 percent). This estimate, however, includes flat growth for the fourth quarter.

The global economy is forecast to grow a further 2.5 percent in 2012, primarily fueled by growth rates of 8.3 and 7.5 percent in China and India respectively. The US economy is expected to grow 1.6 percent in 2011 and 2012.

German GDP is not expected to grow in the first quarter of 2012. After two years as a top performer in Europe, the country's GDP is currently expected to expand by around 1 percent for the whole of 2012. However, the mid-term growth forecast also depends on stability across the euro zone.

### Steady growth expected for the global construction industry

Construction volume is predicted to grow at an annual average of 4 percent worldwide until 2014. Construction activity in the booming Asian region is expected to grow by almost 8 percent per year. In Western Europe, however, growth is forecast to top little more than 1 percent.

### Regional differences in the European construction economy

Experts predict a downturn in the construction industry in countries such as Portugal, Spain and Ireland. In contrast, the industry is growing strongly in markets such as Poland and Scandinavia. Construction projects are required in many European countries to expand road, rail, transport and telecommunication infrastructures. Public funds are also geared toward infrastructure expansion (road, rail and telecommunications networks). The European Commission is currently establishing a fund of around EUR 50 billion. By 2020, investments are to be channeled into improving the transport infrastructure between Eastern and Western Europe, in particular.

The Federation of the German Construction Industry estimates revenue growth of 7 percent for the German construction industry this year. The VDMA expects sales for the construction and building materials industry to grow by 14 percent in 2011.

According to the Federation of the German Construction Industry, however, the eighteen-month growth phase is over for the time being. It expects the latest developments in the debt crisis and the downbeat mood in the economy to have a negative impact on the construction industry and reports that future growth in the construction and building materials industry will primarily depend on the stability of the global economy. Nevertheless, the Federation still forecasts 4-percent growth for 2012. Dampened prospects are curbing companies' willingness to invest, which in turn is impacting non-residential construction. Cuts in government subsidies are compounding this situation. Increasing numbers of supporters are calling for a toll system for passenger cars on German highways as a means of securing the funds for public infrastructure investments.

Experts remain optimistic about future developments in the agricultural machinery sector and European agriculture. According to the VDMA, the latest business climate index published by CEMA (the umbrella organization for the European agricultural machinery industry) also gives rise to optimism. The index is published every month based on a representative survey of the industry and currently indicates a sharp upward trend. The appraisals made by participants are now similar to those made during the last boom phase in 2007 and 2008. Around 58 percent of those asked expect total revenue for the coming six months to be up on the prior-year period.

### 2011 forecast revised upwards

Wacker Neuson remains positive about the fourth quarter of 2011 due to the ongoing healthy order situation in the compact equipment segment. The company's optimistic outlook for the remainder of this and next year has been bolstered by its ability to enter new markets as planned and by sound order intake in recent weeks.

Company management now expects overall revenue for 2011 to total around EUR 945 million (previously EUR 930 million), accompanied by an EBITDA margin of around 15 percent (previously 13 to 14 percent). These figures already reflect the fact that revenue and earnings in the fourth quarter are typically lower than in the third due to seasonal fluctuations.

The Group has earmarked a total of EUR 100 million for investment during the current fiscal year, which will raise debt levels slightly. It also expects to report positive operating cash flow by the close of the year.

### Commitment to 2012 forecast

Increased uncertainties are making predictions about general market developments difficult. It is particularly difficult to assess to what extent the financial crisis will impact Wacker Neuson's target markets. Possible cuts in US and European budgets could delay state-funded construction projects. And although modernization and construction projects are urgently needed, this could lead to a temporary downturn for the construction industry. Despite these trends, the following structures will help ensure stability across the Group:

- Wacker Neuson does not own affiliates in Portugal and Greece and therefore only has very limited economic ties to these regions. The Spanish market remains stuck at the same low crisis level. By contrast, Wacker Neuson has made significant gains in France. A downturn in the French construction industry would therefore most likely have an impact on revenue. At the EU summit, Europe's leaders agreed to cut Greece's debt and increase the EFSF bail-out fund. It remains to be seen how long-term these measures prove to be. Wacker Neuson has been continually expanding into new markets both inside and beyond Europe. This has given the company an ever-expanding sales footprint that enables it to offset fluctuations in demand more effectively than in 2008/2009.
- The Group's products and services are used in a range of different industries. This diversification means that risk is distributed more evenly. It also offsets economic fluctuations in individual sectors and their impact on the company.
- Wacker Neuson intends to increase its presence in regions that offer strong potential for product sales – in particular with regard to compact equipment. This includes emerging growth markets, above all in South America, Eastern Europe and Asia.
- Wacker Neuson's strong financial position, increased profitability and highly flexible production and organizational structures provide the Group with further stability.

From today's perspective, company management still expects to break the EUR 1 billion revenue mark in 2012, even in light of slower market growth. It also expects an EBITDA margin of at least 15 percent.

### Implementing strategies for further profitable growth

The Group has set itself ambitious strategic goals for 2015. Wacker Neuson intends to focus even more on market penetration and sales strength, thus increasing market shares and building on its innovative skills. By concentrating more on user processes and market requirements, the Group aims to align sales and distribution even more closely with customer needs. The Group's strategy to expand its sales network in Europe and North America, plus its strategic alliances with Caterpillar and Claas provide potential for further growth in the compact equipment segment.

The Group currently has eight production facilities across the globe. Its Austrian plant in Horsching, near Linz, will increase capacity further when it starts production in May 2012. Each site also has sufficient additional space for easy, cost-effective expansion. The Group has therefore laid the foundations for further growth.

The Group also remains open to possible acquisitions and further collaborations in the future.

Munich, November 4, 2011

Wacker Neuson SE

#### The Executive Board

Cem Peksaglam  
(CEO)

Martin Lehner  
(Deputy CEO)

Richard Mayer

Günther C. Binder

Werner Schwind

# Consolidated Income Statement

July 1 through September 30 and January 1 through September 30

in € K	Jul. 1 – Sep. 30, 2011	Jul. 1 – Sep. 30, 2010	Jan. 1 – Sep. 30, 2011	Jan. 1 – Sep. 30, 2010
Revenue	248,876	196,048	727,565	551,652
Cost of sales <sup>1</sup>	- 163,594	- 129,090	- 486,132	- 374,600
<b>Gross profit<sup>1</sup></b>	<b>85,282</b>	<b>66,958</b>	<b>241,433</b>	<b>177,052</b>
Sales and service expenses	- 33,096	- 32,175	- 102,421	- 97,474
Research and development expenses	- 6,070	- 5,795	- 16,967	- 16,442
General administrative expenses	- 15,096	- 15,885	- 44,522	- 40,552
Other income	8,501	1,007	15,091	4,756
Other expenses	- 1,912	1	- 6,387	- 1,998
<b>Profit before interest and tax (EBIT)</b>	<b>37,609</b>	<b>14,111</b>	<b>86,227</b>	<b>25,342</b>
Financial result	- 873	- 355	- 2,743	- 2,442
<b>Profit before tax (EBT)</b>	<b>36,736</b>	<b>13,756</b>	<b>83,484</b>	<b>22,900</b>
Taxes on income	- 9,198	- 3,487	- 24,128	- 7,203
<b>Profit before minority interests</b>	<b>27,538</b>	<b>10,269</b>	<b>59,356</b>	<b>15,697</b>
<b>Minority interests</b>	<b>- 116</b>	<b>- 121</b>	<b>- 398</b>	<b>- 341</b>
<b>Profit for the period</b>	<b>27,422</b>	<b>10,148</b>	<b>58,958</b>	<b>15,356</b>
<b>Earnings per share in EUR</b>	<b>0.39</b>	<b>0.14</b>	<b>0.84</b>	<b>0.22</b>

<sup>1</sup> Expenses for service technicians have been reported in the income statement under manufacturing costs since Q1 2011. Previously, this cost factor was reported under selling expenses. This adjustment was made to report business activities more clearly under earnings. Expenses for service technicians amounted to EUR K 9,392 for the period under review (nine months). The equivalent figures from the previous year were adjusted by an amount of EUR K 9,023.

# Consolidated Total Profit/Loss

July 1 through September 30 and January 1 through September 30

in € K	Jul. 1 – Sep. 30, 2011	Jul. 1 – Sep. 30, 2010	Jan. 1 – Sep. 30, 2011	Jan. 1 – Sep. 30, 2010
<b>Profit/loss before minority interests</b>	<b>27,538</b>	<b>10,269</b>	<b>59,356</b>	<b>15,697</b>
<b>Items not recognized in profit/ loss for the period</b>				
Exchange differences	3,810	- 12,546	- 7,063	11,181
Securing cash flows:				
Profit/losses incurred in the current period	51	- 34	368	- 143
Tax effects from items in total profit/ loss for the period	- 13	2	- 132	59
<b>Items not recognized in profit/ loss after tax for the period</b>	<b>3,848</b>	<b>- 12,578</b>	<b>- 6,827</b>	<b>11,097</b>
<b>Total profit/loss after tax for the period</b>	<b>31,386</b>	<b>- 2,309</b>	<b>52,529</b>	<b>26,794</b>
Of which are attributable to:				
- Shareholders in the parent company	31,270	- 2,430	52,131	26,453
- Minority interests	116	121	398	341
<b>Total profit/loss after tax for the period</b>	<b>31,386</b>	<b>- 2,309</b>	<b>52,529</b>	<b>26,794</b>

# Consolidated Balance Sheet

As at September 30

in € K	Sep. 30, 2011	Dec. 31, 2010	Sep. 30, 2010
<b>Assets</b>			
Property, plant and equipment	328,053	292,577	295,803
Investment property	18,726	17,191	2,652
Goodwill	237,166	236,550	236,335
Intangible assets	89,438	90,605	89,313
Other investments	3,964	5,478	4,264
Deferred tax assets	20,638	17,220	15,200
Other non-current assets	8,826	14,282	16,455
<b>Total non-current assets</b>	<b>706,811</b>	<b>673,903</b>	<b>660,022</b>
Inventories	243,675	183,980	175,662
Trade receivables	172,593	121,487	130,321
Current tax receivables	1,408	1,133	1,441
Other current assets	17,859	12,457	10,445
Cash and cash equivalents	17,195	36,559	53,065
Non-current assets held for sale	698	698	0
<b>Total current assets</b>	<b>453,428</b>	<b>356,314</b>	<b>370,934</b>
<b>Total assets</b>	<b>1,160,239</b>	<b>1,030,217</b>	<b>1,030,956</b>
<b>Equity and liabilities</b>			
Subscribed capital	70,140	70,140	70,140
Other reserves	596,849	603,676	597,005
Retained earnings	203,844	156,802	148,357
<b>Equity before minority interests</b>	<b>870,833</b>	<b>830,618</b>	<b>815,502</b>
<b>Minority interests</b>	<b>2,731</b>	<b>2,341</b>	<b>2,814</b>
<b>Total equity</b>	<b>873,564</b>	<b>832,959</b>	<b>818,316</b>
Long-term borrowings	25,083	32,218	36,328
Deferred tax liabilities	26,644	23,957	25,215
Long-term provisions	31,874	30,246	30,988
<b>Total non-current liabilities</b>	<b>83,601</b>	<b>86,421</b>	<b>92,531</b>
Trade payables	66,209	36,207	47,041
Short-term borrowings from banks	57,233	5,958	6,629
Current portion of long-term borrowings	5,519	12,109	11,929
Short-term provisions	16,548	12,317	11,108
Current tax payable	5,367	470	802
Other current liabilities	52,198	43,776	42,600
<b>Total current liabilities</b>	<b>203,074</b>	<b>110,837</b>	<b>120,109</b>
<b>Total liabilities</b>	<b>1,160,239</b>	<b>1,030,217</b>	<b>1,030,956</b>

# Consolidated Statement of Changes in Equity

As at September 30

in € K	Subscribed capital	Capital reserves	Exchange differences	Other neutral changes	Retained earnings	Equity before minority interests	Minority interests	Total equity
<b>Balance at December 31, 2009</b>	<b>70,140</b>	<b>618,661</b>	<b>- 32,495</b>	<b>- 258</b>	<b>133,001</b>	<b>789,049</b>	<b>2,473</b>	<b>791,522</b>
Total profit for the period	0	0	11,181	- 84	15,356	26,453	341	26,794
<b>Balance at September 30, 2010</b>	<b>70,140</b>	<b>618,661</b>	<b>- 21,314</b>	<b>- 342</b>	<b>148,357</b>	<b>815,502</b>	<b>2,814</b>	<b>818,316</b>
<b>Balance at Dezember 31, 2010</b>	<b>70,140</b>	<b>618,661</b>	<b>- 14,718</b>	<b>- 267</b>	<b>156,802</b>	<b>830,618</b>	<b>2,341</b>	<b>832,959</b>
Total profit for the period	0	0	- 7,063	236	58,958	52,131	398	52,529
Dividend	0	0	0	0	- 11,924	- 11,924	0	- 11,924
Reclassification of minority interests	0	0	0	0	8	8	- 8	0
<b>Balance at September 30, 2011</b>	<b>70,140</b>	<b>618,661</b>	<b>-21,781</b>	<b>-31</b>	<b>203,844</b>	<b>870,833</b>	<b>2,731</b>	<b>873,564</b>

# Consolidated Cash Flow Statement

July 1 through September 30 and January 1 through September 30

in € K	Jul. 1 – Sep. 30, 2011	Jul. 1 – Sep. 30, 2010	Jan. 1 – Sep. 30, 2011	Jan. 1 – Sep. 30, 2010
EBT	36,736	13,756	83,484	22,900
Depreciation and amortization	12,030	10,855	35,006	30,333
Foreign exchange result	1,703	- 5,456	- 4,715	5,098
Gains/losses from sale of intangible assets and property, plant and equipment	- 5,331	291	- 4,710	527
Book value from the disposal of rental equipment	1,177	812	2,837	3,274
Gains/losses from derivatives (cash flow hedging)	37	- 32	236	- 84
Financial result	873	356	2,743	2,442
Changes in inventories	- 30,339	- 6,947	- 59,643	- 27,361
Changes in trade receivables and other assets	8,664	18,116	- 49,576	- 35,127
Changes in provisions	1,893	1,712	5,859	- 1,654
Changes in trade payables and other liabilities	- 5,786	5,502	32,897	37,185
Interest paid	- 1,283	- 993	- 3,530	- 3,300
Income tax received/paid	- 6,428	- 2,685	- 17,282	- 2,113
Interest received	482	621	1,142	1,416
<b>Cash flow from operating activities</b>	<b>14,428</b>	<b>35,908</b>	<b>24,748</b>	<b>33,536</b>
Purchase of property, plant and equipment	- 20,427	- 17,956	- 70,166	- 53,679
Purchase of intangible assets	- 1,573	- 1,622	- 5,287	- 6,584
Proceeds from the sale of property, plant and equipment and intangible assets	5,763	- 1	6,745	543
Change in consolidation structure	0	- 727	0	- 727
<b>Cash flow from investing activities</b>	<b>- 16,237</b>	<b>- 20,306</b>	<b>- 68,708</b>	<b>- 60,447</b>
Dividend	0	0	- 11,924	0
Proceeds/income from short-term borrowings	175	- 11,093	43,865	- 9,246
Proceeds/income from long-term borrowings	- 5	- 2,247	- 7,135	2,745
<b>Cash flow from financing activities</b>	<b>170</b>	<b>- 13,340</b>	<b>24,806</b>	<b>- 6,501</b>
<b>Increase/decrease in cash and cash equivalents</b>	<b>- 1,639</b>	<b>2,262</b>	<b>- 19,154</b>	<b>- 33,412</b>
Effect of exchange rates on cash and cash equivalents	- 262	- 1,595	- 210	1,453
<b>Change in cash and cash equivalents</b>	<b>- 1,901</b>	<b>667</b>	<b>- 19,364</b>	<b>- 31,959</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>19,096</b>	<b>52,398</b>	<b>36,559</b>	<b>85,024</b>
<b>Cash and cash equivalents at end of period</b>	<b>17,195</b>	<b>53,065</b>	<b>17,195</b>	<b>53,065</b>

# Consolidated Segmentation

January 1 through September 30

## Primary segmentation (geographical segments)

in € K	Europe	Americas	Asia	Consolidation	Group
<b>9M 2011</b>					
<b>Segment revenue</b>					
Total external sales	885,294	237,435	39,082		
Less intrasegment sales	- 313,939	- 35,886	- 2,108		
	<b>571,355</b>	<b>201,549</b>	<b>36,974</b>		
Intersegment sales	- 38,887	- 33,089	- 10,337		
<b>Total</b>	<b>532,468</b>	<b>168,460</b>	<b>26,637</b>	<b>0</b>	<b>727,565</b>
<b>Profit before interest and tax (EBIT)</b>	<b>58,646</b>	<b>23,054</b>	<b>3,245</b>	<b>1,282</b>	<b>86,227</b>
<b>EBITDA</b>	<b>89,700</b>	<b>26,575</b>	<b>3,694</b>	<b>1,264</b>	<b>121,233</b>
<b>Net financial debt</b>	<b>64,745</b>	<b>5,936</b>	<b>- 41</b>		<b>70,640</b>
<b>Working capital</b>	<b>216,503</b>	<b>124,901</b>	<b>22,166</b>	<b>- 13,511</b>	<b>350,059</b>
<b>9M 2010</b>					
<b>Segment revenue</b>					
Total external sales	566,167	186,900	32,134		
Less intrasegment sales	- 134,682	- 29,717	- 1,560		
	<b>431,485</b>	<b>157,183</b>	<b>30,574</b>		
Intersegment sales	- 29,904	- 29,684	- 8,002		
<b>Total</b>	<b>401,581</b>	<b>127,499</b>	<b>22,572</b>	<b>0</b>	<b>551,652</b>
<b>Profit before interest and tax (EBIT)</b>	<b>16,176</b>	<b>11,443</b>	<b>- 551</b>	<b>- 1,726</b>	<b>25,342</b>
<b>EBITDA</b>	<b>42,649</b>	<b>14,858</b>	<b>- 79</b>	<b>- 1,753</b>	<b>55,675</b>
<b>Net financial debt</b>	<b>- 17,513</b>	<b>19,973</b>	<b>1,488</b>	<b>- 2,127</b>	<b>1,821</b>
<b>Working capital</b>	<b>167,179</b>	<b>87,211</b>	<b>16,575</b>	<b>- 12,024</b>	<b>258,941</b>

## Sales by business segment

in € K	Jan. 1 – Sep. 30, 2011	Jan. 1 – Sep. 30, 2010
<b>Segment revenue from external customers</b>		
Light Equipment	277,722	223,700
Compact Equipment	302,757	191,331
Services	156,851	140,898
	<b>737,330</b>	<b>555,929</b>
Less cash discounts	- 9,765	- 4,277
<b>Total</b>	<b>727,565</b>	<b>551,652</b>

# Selected Explanatory Notes to the Interim Financial Statements for the third quarter 2011

## Accounting rules

The Wacker Neuson SE consolidated interim financial statements to September 30, 2011 have been prepared in accordance with International Financial Reporting Standards (IFRS) and their interpretation as valid on the reporting date and applicable to the EU. The statements adhere to International Accounting Standard (IAS) 34 for condensed statements.

All interim financial statements of the domestic and foreign companies included in the consolidated statements were prepared according to the standardized Wacker Neuson SE accounting principles and valuation methods.

As an information instrument, this interim report builds on the Consolidated Financial Statements. We therefore refer to the notes to the consolidated statements of December 31, 2010. The comments there also apply to the quarterly and half-year statements for fiscal 2011, unless explicitly stated otherwise.

The general accounting principles, valuation methods and estimates used for the fiscal 2010 consolidated statements have also been applied to these interim financial statements with the exceptions listed below.

Expenses for service technicians have been reported in the income statement under manufacturing costs since Q1 2011. Previously, this cost factor was reported under selling expenses. This adjustment was made to report business activities more clearly under earnings. Expenses for service technicians incurred during the period under review amounted to EUR K 9,392. The equivalent figures from the previous year were adjusted by an amount of EUR K 9,023.

Since mid-2011, interim profit on rental assets has been valued using an average margin. This only had a minor impact on the Group's net assets, financial position and earnings.

Interim profit on inventories was valued using an average margin for the first time during the third quarter of 2011. This only had a minor impact on the Group's net assets, financial position and earnings.

## Legal changes to company structure

The Group merged BAUMA Baumaschinen Handels- und Vermietungs GmbH based in Schwechat, Austria, a wholly owned company of Wacker Neuson GmbH based in Vienna, Austria, with Wacker Neuson GmbH in May 2011.

Bauma Baumaschinen Handels- und Vermietungs GmbH was not previously consolidated within the Group due to its minor impact on the Group's net assets, financial position and earnings.

During the third quarter of 2011, the affiliate Wacker Neuson Finance Immorent GmbH based in Leonding, Austria, was merged into the affiliate Wacker Neuson Beteiligungs GmbH, also based in Leonding, Austria, with retroactive effect from December 31, 2010.

## Seasonale fluctuations

The annual analysis of the seasonal distribution of consolidated revenue over the year reinforces the assumption that seasonal fluctuations only have a minor impact on Group revenue.

The quarterly distribution of consolidated revenue from fiscal 2008 through 2010 was as follows:

in %	2010	2009	2008
Q1	20	23	26
Q2	27	26	28
Q3	26	25	24
Q4	27	26	22

## Earnings per share

In accordance with International Accounting Standard (IAS) 33, earnings per share are calculated by dividing the consolidated earnings by the average number of shares. There was no share dilution effect in the reporting period shown.

	2011	2010
<b>Q3</b>		
Quarterly earnings attributable to shareholders in € K	27,422	10,148
Weighted average number of ordinary shares in circulation during the period in thousands	70,140	70,140
<b>Earnings per share in EUR</b>	<b>0.39</b>	<b>0.14</b>
<b>9M</b>		
Quarterly earnings attributable to shareholders in € K	58,958	15,356
Weighted average number of ordinary shares in circulation during the period in thousands	70,140	70,140
<b>Earnings per share in EUR</b>	<b>0.84</b>	<b>0.22</b>

## Important events

At the AGM on May 26, 2011, shareholders of Wacker Neuson SE approved the Executive Board and Supervisory Board's proposal to restructure Wacker Neuson SE as a holding company. The corresponding drop-down and transfer agreement was signed following the AGM. The operating activities were thus dropped down to three new GmbH & Co. KG companies responsible for sales, production and logistics respectively, and headquartered in Munich. Central Group and corporate functions remained at Wacker Neuson SE. The three new companies are wholly owned affiliates of Wacker Neuson SE. The new structure was recorded in the Register of Companies on July 28, 2011. The restructuring has been applied retroactively to Group finances from January 1, 2011. The new structure made Wacker Neuson SE a management holding company with a central management structure. The reorganization will not have any consequences for Wacker Neuson SE shareholders.

The shareholders also approved a dividend payment of EUR 0.17 per share. The actions of the Executive Board and Supervisory Board were officially approved for fiscal 2010.

On September 1, 2011, Mr. Cem Peksaglam took on the position of CEO of Wacker Neuson SE. He succeeds Dr. Georg Sick, who stepped down from the Executive Board on September 15, 2010.

Construction of the new Wacker Neuson plant in the Upper Austrian town of Hörsching started in June 2011. In line with current plans, the first compact machines will roll off the production line by mid-2012.

At the Supervisory Board meeting on July 28, 2011, Dr. Ulrich Wacker resigned from his position as Deputy Chairman and member of the Supervisory Board with immediate effect for health reasons. For the interim period until the next AGM, which is scheduled for spring 2012, Dr. Matthias Bruse, attorney-at-law and founding partner of the P+P Pöllath+Partners law firm based in Munich, was judicially appointed to the Supervisory Board following a joint proposal from the Executive Board and the Supervisory Board to the Registry Court.

During the third quarter, the Group sold an item of real estate in Turkey that had previously been reported under “assets held for sale”. The sale generated earnings in the amount of EUR 4.3 million. This figure is reported under other income.

### **Events since the interim statements reporting date**

There have been no other significant events since the reporting date for these interim financial statements.

Munich, November 4, 2011

The Executive Board

Cem Peksaglam  
(CEO)

Martin Lehner  
(Deputy CEO)

Richard Mayer

Günther C. Binder

Werner Schwind

# Review Report by the Auditors

To Wacker Neuson SE, Munich, Germany

We have reviewed the condensed consolidated interim financial statements of the Wacker Neuson SE, comprising the condensed income statement, the condensed statement of comprehensive income, the condensed balance sheet, the condensed cash flow statement, the condensed statement of changes in equity as well as selected explanatory notes, together with the interim group management report of the Wacker Neuson SE for the period from January 1 to September 30, 2011 that are components of the quarterly financial report pursuant to § 37x Abs. 3 WpHG (German Securities Trading Act). The preparation of the condensed consolidated interim financial statements in accordance with those IFRS applicable to interim financial reporting as adopted by the EU, and of the interim group management report in accordance with the requirements of the WpHG applicable to interim group management report, is the responsibility of the Company's management. Our responsibility is to issue a report on the condensed consolidated interim financial statements and on the interim group management report based on our review.

We performed our review of the condensed consolidated interim financial statements and the interim group management report in accordance with German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with a certain level of assurance, that the condensed consolidated interim financial statements have not been prepared, in material aspects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU, and that the interim group management report has not been prepared, in material aspects, in accordance with the requirements of the WpHG applicable to interim group management reports. A review is limited primarily to inquiries of company employees and analytical assessments and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot issue an auditor's report.

Based on our review, no matters have come to our attention that cause us to presume that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU, or that the interim group management report has not been prepared, in all material respects, in accordance with the requirements of the WpHG applicable to interim group management reports.

Munich, November 4, 2011

Rölfs RP AG  
Wirtschaftsprüfungsgesellschaft

Reinke  
Wirtschaftsprüfer  
(Public Auditor)

Jagosch  
Wirtschaftsprüfer  
(Public Auditor)

# Financial Calendar

## Financial Calendar 2011/2012

November 11, 2011	Publication of nine-month 2011
November 22/23, 2011	German Equity Forum, Frankfurt
November 29, 2011	European Conference, London
March 22, 2012	Publication of financial results 2011, press conference, Munich
May 10, 2012	Publication of first-quarter report 2012
May 22, 2012	AGM, Munich
August 9, 2012	Publication of half-year report 2012
November 13, 2012	Publication of nine-month report 2012

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## Disclaimer

This report contains forward-looking statements which are based on the current estimates and assumptions by the corporate management of Wacker Neuson SE. Forward-looking statements are characterized by the use of words such as expect, intend, plan, predict, assume, believe, estimate, anticipate and similar formulations. Such statements are not to be understood as in anyway guaranteeing that those expectations will turn out to be accurate. Future performance and the results actually achieved by Wacker Neuson SE and its affiliated companies depend on a number of risks and uncertainties and may therefore differ materially from the forward-looking statements. Many of these factors are outside the Company's control and cannot be accurately estimated in advance, such as the future economic environment and the actions of competitors and others involved in the marketplace. The Company neither plans nor undertakes to update any forward-looking statements.

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