



WACKER NEUSON

Nine-month report 2008

**World economy
as a challenge**

Construction project | New manufacturing plant for Kramer-Werke GmbH

Location | Pfullendorf, Germany

Special features | One of the most modern production facilities in Europe

Construction duration | April 2007 – April 2008

Size/area of construction site | Approx. 160,000 m²

Wacker Neuson products on site | A range of products from the Wacker Neuson Group including rammers, vibratory plates and varying sizes of wheel loaders and telescopic handlers as well as excavators



Above: New manufacturing plant for Kramer-Werke GmbH.

Left: Wacker Neuson machines in action during the opening celebrations in September 2008.

Right: Kramer Allrad wheel loader being put through its paces.

Kramer-Werke GmbH is part of the Wacker Neuson Group. This leading manufacturer of all-wheel drive wheel loaders and telescopic handlers brand named Kramer Allrad moved into one of Europe's most modern manufacturing facilities in mid-2008. Over 20,000 visitors came to the opening celebrations at the end of September and were able to witness first hand the best-in-class performance delivered by the company.

Nine-month update

- Sales increase by 35.8 percent to EUR 684.7 million as a result of the merger.
- EBITDA rises 9.8 percent to EUR 91.4 million.
- Upturn in sales in Eastern Europe, South Africa, Asia, Canada and South America.
- Lively demand for agricultural machinery produced by our affiliate company Weidemann.
- Rental business in Central and Eastern Europe up on same period last year.
- Demand for Ground Heaters products is high.
- Equity ratio remains in excess of 70 percent.
- Continued commitment to streamlining cost structures.
- Integration with merger partner Neuson Kramer is proceeding according to plan.

Forecast

The revised forecast for fiscal 2008 from July of this year, in our opinion, proving accurate. The following items were already reflected in these new figures:

- Ongoing uncertainty on the international construction markets in the US and Western Europe.
- Economic climate expected to impact order patterns in the light and compact equipment segments over the remainder of this year.
- Internal delivery into rental fleet with products from our own manufacturing plants has initial negative impact on sales and profit.
- As a result of the merger, purchase price allocation negatively impacts profit and loss statement.

Strategy

- We intend to pursue our growth strategy.
- Investments scheduled for fiscal 2008 will be made as planned.
- We will continue to apply stringent cost control and are also investigating ways of consolidating manufacturing resources.
- The global introduction of compact equipment will provide us with new impetus for 2009 and beyond.
- We will continue to consider acquisitions in the future, with the aim of enhancing our product portfolio.

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Financial Calendar, IR/Press Contact

Dear Ladies and Gentlemen,



A year has gone by since the merger of Wacker Construction Equipment AG and the former Neuson Kramer Baumaschinen AG in October 2007. Today, I can state with confidence that this strategic move was most definitely a step in the right direction. All integration measures are running smoothly and I regularly receive positive feedback on the successful collaboration that is developing across our sites. All our employees have helped drive the merger's success, and in doing so, deliver optimum value to our shareholders.

Strong sales growth and a high earnings stream in the compact equipment segment of the Neuson Kramer subgroup bear further testimony to our sound strategy. Throughout the first nine months of 2008, we have been working hard to launch compact products globally via our existing sales and service network. We have also expanded the rental business in Central and Eastern Europe with products manufactured at our own facilities. These measures were and – from today's standpoint – still are essential to secure our future growth. Despite less than favorable market conditions, sales generated by the rental business were up by around two percent in the first nine months. During the period under review, total sales increased by 35.8 percent to EUR 684.7 million as a result of the merger, while profit before interest, tax, amortization and depreciation (EBITDA) rose 9.8 percent to EUR 91.4 million, which corresponds to an EBITDA margin of 13.3 percent.

During the third quarter, however, a downturn in global economic growth escalated within an unusually short space of time into a global economic crisis. We revised our projections for fiscal 2008 downwards back in July of this year and these new figures have proven realistic, as the economic climate in the third quarter has had a significant impact on customer orders in the compact equipment segment. As expected, growth in the agricultural sector as well as in Chinese, Eastern European, South American and South African markets was not able to compensate for this negative trend. However, product sales developed positively at Weidemann GmbH and Ground Heaters, Inc., our acquisitions from 2005 and 2006.

We remain committed to streamlining our cost structures in order to counteract the change in market dynamics as effectively as possible. Over the past weeks, we have considerably intensified our activities here, implementing cost-saving measures in all areas of the company to further strengthen our financial and earnings position. In addition to current measures aimed at streamlining capacity, these activities include a recruitment freeze, reassessment of current projects and scheduled investments, reduction of inventory, and cancellation of numerous benefits and activities within the company. This particularly affects our production facilities, where we cannot rule out measures such as part-time work or rationalization. On November 6, the Executive and Supervisory Boards decided to close the

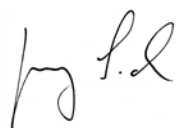
production plant in Tredegar (Wales, UK) due to falling demand for wheel dumpers. Production will be transferred to our Linz site in Austria. The closure will result in around 90 job losses. We deeply regret these layoffs yet see no real alternative in view of the current market climate. However, we were able to find socially responsible solutions for all staff affected by the forthcoming job losses.

Of course, the full extent of the economic crisis will only really unfold during the course of 2009. We are finalizing our business plan for fiscal 2009, and will soon be able to define the measures we need to successfully navigate these stormy market conditions. Yet we remain committed to our long-term growth strategy. After all, every crisis also presents its own business opportunities.

The development of our share price has of course been less than satisfactory. During the third quarter, this was significantly affected by turbulence on international capital markets. Page 7 of this report provides information on how strategic, long-range investors currently rate construction industry companies. French manufacturer Manitou's acquisition of US firm Gehl Company is a case in point. Manitou offered a multiple-fold premium on Gehl's closing of about 13 based on Gehl's enterprise value/projected EBITDA for 2009. Applying the same evaluation method to Wacker Neuson, capital market experts would value our share at more than EUR 20.

From where we stand, the company is in the fortunate position of having higher than average equity levels. Furthermore, we intend to continue placing our customers' needs at the very heart of what we do and to maintain our honest, sustainable approach to business. At the same time, we aim to carry on driving the development and quality levels of our products and services, while keeping strict control over costs and ensuring a high degree of flexibility. The dedication and motivation shown thus far by our employees further strengthens our belief that we are firmly on the path to success.

Yours sincerely

A handwritten signature in black ink, appearing to read 'G. Sick', is written over a light gray rectangular background.

Dr.-Ing. Georg Sick
CEO and President

Figures at a Glance

January 1 through September 30

in € million	Jul. 1 – Sept. 30, 2008	Jul. 1 – Sept. 30, 2007 ¹	Jan. 1 – Sept. 30, 2008	Jan. 1 – Sept. 30, 2007 ¹
	Wacker Neuson with PPA ² (without PPA)		Wacker Neuson with PPA ² (without PPA)	
Key figures				
Sales	212.3	162.5	684.7	504.2
by region				
Europe	163.5	106.6	532.8	329.8
Americas	42.1	48.5	131.9	156.2
Asia	6.6	7.5	20.0	18.2
by business segment ³				
Light Equipment	78.5	96.4	264.4	319.5
Compact Equipment	84.6	23.9	284.8	70.2
Services	49.2	42.2	135.5	114.5
EBITDA (without PPA)	28.2 (28.3)	28.0	91.4 (92.5)	83.2
Depreciation and amortization	10.4	7.1	30.6	20.5
EBIT (without PPA)	17.8 (18.8)	20.8	60.8 (65.9)	62.7
EBT	16.7	21.4	59.1	62.1
Profit for the period (without PPA)	9.6 (10.4)	17.9	38.4 (42.1)	42.7
Number of employees	3,803	2,961	3,803	2,961
Share				
Earnings per share in € ⁴	0.14	0.38	0.55	1.00
Key profit figures				
Gross profit in %	35.5	41.5	34.6	41.3
EBITDA margin as in % (without PPA)	13.3 (13.4)	17.2	13.3 (13.5)	16.5
EBIT margin as in % (without PPA)	8.4 (8.9)	12.8	8.9 (9.6)	12.4
Key figures from the balance sheet			Sept. 30, 2008	Dec. 31, 2007
Property, plant and equipment			750.4	697.0
Current assets			482.4	517.5
Equity			917.1	912.7
Net borrowings			52.5	- 43.1
Liabilities			315.7	301.8
Equity ratio as in %			74.4	75.2
Working capital			315.9	271.5
Cash flow	Jul. 1 – Sept. 30, 2008	Jul. 1 – Sept. 30, 2007 ¹	Jan. 1 – Sept. 30, 2008	Jan. 1 – Sept. 30, 2007 ¹
Cash flow from operating activities	18.6	27.3	18.0	29.9
Cash flow from investing activities	-9.5	-6.0	9.9	-168.1
Cash flow from financing activities	3.7	-11.5	-30.9	148.2
Free cash flow	9.3	21.2	29.6	21.8

¹ Excluding Neuson Kramer subgroup

² PPA = Purchase price allocation. Purchase price allocation describes the process where purchase costs resulting from acquisitions are allocated to individually acquired assets, liabilities and contingent liabilities, which are measured at fair value.

³ Consolidated sales after discounts

⁴ 9M 2008: 70.14 million shares. 9M 2007: 42.90 million shares

Trends during the first nine months of 2008

Once again, the results of the first nine months of 2008 reflect the high level of Group investments. Machines from our own production facilities were used to expand rental and demo fleets, which resulted in high levels of internal sales. Consequently, the proceeds that would normally have been generated had this equipment been sold to external companies were not realized.

However, overall consolidation effects for the first nine months fell in Q3 as projected. The Group also profited from the development of the dollar here. We have achieved a profit before interest, tax, depreciation and amortization (EBITDA) of EUR 91.4 million. This amount has already been reduced by around EUR 20 million to reflect consolidation effects resulting from the elimination of interim profit. The table also includes effects for deliveries from the Neuson Kramer subgroup, for example. The machinery delivered within the Group is recognized at manufacturing cost, which affects Group EBITDA to the tune of EUR 15.8 million. This is compounded by the effect of non-cash purchase price allocation for the merger in the amount of EUR 1.1 million. Discounting these effects, Group EBITDA would have totaled EUR 108.3 million. It is therefore important to take these factors into consideration when evaluating the company's earnings capacity.

Effects from consolidation¹

in € million	Jan. 1 – Sept. 30, 2008	Factors affecting earnings ³	PPA ²	Jan. 1 – Sept. 30, 2008
	Wacker Neuson with PPA ²			Wacker Neuson adjusted
EBITDA	91.4	19.9	1.1	112.4
thereof Neuson Kramer consolidation effects	–	15.8	1.1	108.3
EBITDA margin as in %	13.3	–	–	–
EBIT	60.8	18.9	5.1	84.7
EBIT margin as in %	8.9	–	–	–
Profit for the period	38.4	13.7 ⁴	3.7	55.8

¹ You will find more information in the tables on pages 27–28.

² PPA = Purchase price allocation. Purchase price allocation describes the process where purchase costs resulting from acquisitions are allocated to individually acquired assets, liabilities and contingent liabilities, which are measured at fair value.

³ Mainly proceeds from the sale of equipment that would normally have accrued to the company had the products been sold to third parties, but which were not realized. The reason was that these products were channeled into rental and demo fleets as part of our investment policy to stock our fleets with compact machines from our own production facilities.

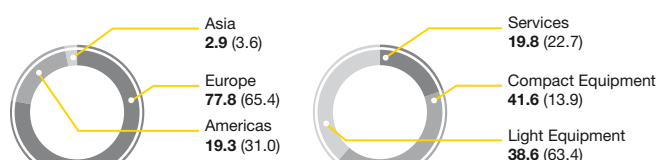
⁴ Dividend payments made within the Group were not included.

Effects from Purchase Price Allocation (PPA pro forma)

in € million	9M 2008	2008e	2009e	2010e
EBITDA	-1.1	-2.2	–	–
EBIT	-5.1	-7.0	-3.5	-3.5
Profit before minority interests	-3.7	-5.2	-2.8	-2.8

Sales distribution

in % (previous year)



by region

by business segment

Multi-year comparison sales

in € million

9M/2008	684.7
9M/2007	504.2
9M/2006	470.6

Interim review

Economic and business trends

Global economic downturn

The third quarter of 2008 was marked by a rapid downturn in the global economy fueled by the international financial market crisis. Overall trends continued to show the effects of high energy and raw materials prices, national property market adjustments and the growing threat of global recession. While some emerging economies in Asia reported stable levels of production, economic development and industrial production fell dramatically in the US, Western Europe and Japan. This increasingly dampened German economic growth over the first nine months of 2008, leaving the German economy teetering on the brink of recession according to experts in fall 2008.

Construction industry trends

Negative impact on US and European construction

The dramatic downturn in global market trends fueled by the US subprime crisis had a sustained impact on construction industry development in both the US and Europe during the first nine months of 2008, despite the positive momentum of national infrastructure projects. In both regions, the shift in market dynamics heightened competition, resulting in price erosion.

The decline in private residential investment continued in the US. The US Census Bureau reports a 28.3 percent downturn over an annual period ending in August, while investment in commercial and industrial construction rose by a substantial 13.4 percent over the same period. Total construction investment over the year was thus down 5.9 percent. As at August 2008, residential construction accounted for around 34.2 percent of total investment volume, and the non-residential and industrial segment for around 65.8 percent.

In Europe, the downturn in residential construction, particularly in Spain, Ireland and Great Britain, continued to have a negative impact on the overall construction market. Accord-

ing to industry federations, the German construction climate was stable during the first six months of 2008. The federations maintain that this was driven primarily by commercial and public construction projects. The German Engineering Federation (VDMA) reported a 36-percent drop in orders received by producers of construction equipment between July and September.

Demand for agricultural equipment stable

The agricultural industry continued to play an important role within national European economies in the first nine months of fiscal 2008, driven largely by trends to improve global food sourcing and develop alternative fuel sources. In addition, further concentration and industrialization of agricultural holdings in Europe increased the need for investment in machinery.

Group business development

Corporate strategy remains on track

The Group took significant further steps to realize its long-term growth strategy during the reporting period. In line with the measures planned for 2008, we thus continued to roll out compact equipment worldwide via our established global sales and service network, and to expand our rental business in Central and Eastern Europe with products supplied by our own manufacturing facilities. Overall, however, investments in these areas were trimmed in the third quarter as planned. Integration with our merger partner, Neuson Kramer, ran according to plan and we pushed on with our regional expansion program. Cost-cutting measures were introduced or lined up to ensure that developments in selling expenses, R&D expenses and administrative costs align with market trends.

The market slump continued to depress demand for products in the light equipment business segment during the third quarter. In comparison with the previous year, unit sales of light equipment continued to drop sharply in the US and particularly in Western European countries such as

Spain and Great Britain, where rental chains dominate our customer base. As we had forecast, shifting dynamics on international construction markets also impacted customer orders for compact equipment in the third quarter. Unit sales in the compact equipment segment fell for the first time, and, with the exception of sales figures for Weidemann GmbH products for the agricultural industry, order intake at September 30, 2008 was below the equivalent figure for the same period last year.

Construction work on schedule

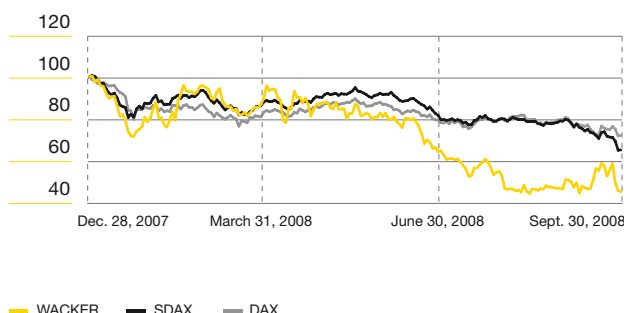
The production facilities in Norton Shores (US) and Pfullendorf (Germany) were completed ahead of schedule in the second quarter of fiscal 2008 and started operations according to plan in the third quarter. On July 30, the company signed an option contract to purchase a site in the Austrian district of Hoersching (Linz). This could potentially be used for a new manufacturing plant for compact excavators, skid-steer loaders and track dumpers. The company has not yet decided whether to proceed with construction work. Construction work on a new research and development center and the Group headquarters in Munich is proceeding according to plan and will be completed in stages between now and 2011.

Capital market communication and share trends

Over the course of the first nine months, the Executive Board regularly made an active effort to keep capital market players updated on current company developments. They accomplished this through a variety of channels, including investor conferences and national and international roadshows. Share price trends in the third quarter reflected general developments on the international financial markets. At the end of the period under review, the share was listed at EUR 6.67.

Share price trends

in %



Share price trends plotted against peers

in %



Changes in the competitive environment

During the third quarter, the French manufacturer Manitou announced the acquisition of our American competitor Gehl Company. Through this acquisition, Manitou hopes to gain access to the US market and benefit from the demand for compact equipment for the construction and agricultural industries there.

Profit, finances and assets

Results influenced by compact equipment supplies to own rental and demo fleets.

Following initial consolidation of our merger partner Neuson Kramer on October 1, 2007, the results of Neuson Kramer

Manitou acquires Gehl

The recent announcement of the intended acquisition of American compact equipment manufacturer Gehl Company by French telescopic handler producer Manitou at the beginning of September 2008 has confirmed our belief that current market capitalizations in no way reflect the current intrinsic value or potential selling price of companies. In view of Gehl's recent drastic drop in market capitalization, the purchase price represents a multiple fold premium on Gehl's closing of about 13 based on Gehl's enterprise value/projected EBITDA for 2009 – as justified for this industry sector. Applying the same evaluation method to Wacker Neuson, capital market experts would value our share at more than EUR 20. This case reveals how industry experts currently appropriately rate the real value of construction companies.

were consolidated in full for the first time as of the first quarter of 2008. This explanation of profit, finances and assets/liabilities compares the accumulated Wacker Group financial data for the first nine months of fiscal 2008, including figures for the first nine months from the Neuson Kramer subgroup taking purchase price allocation into account, with Wacker Group financial data reported for the first nine months of fiscal 2007. When making these comparisons, however, it should be noted that the results from the same nine-month period of the previous year do not include figures from the Neuson Kramer subgroup.

Results for the first nine months were influenced by the high levels of Group investment and sales activities. A significant volume of compact equipment from our own production facilities was delivered to the rental and demo fleets of other Group-owned companies. As a result, this equipment did not generate the proceeds that would normally be achieved through sales to external companies in the period under review.

Profit

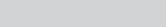
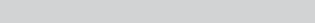
Sales growth due to merger

Fueled by the merger, sales rose 35.8 percent to EUR 684.7 million in the first nine months of 2008 (previous year: EUR 504.2 million). Adjusted to discount currency fluctuations, this corresponds to an increase of 41.0 percent. Discounting figures from the Neuson Kramer subgroup, sales amounted to EUR 468.4 million, down 7.1 percent. Viewed over an eight-month period from February 1 through September 30, the Neuson Kramer subgroup increased sales by 16.1 percent from EUR 245.4 million to EUR 284.9 million compared with the same period last year.

Sales

Q3/9M 2008 and 2007

in € million

Q3/2008		212.3
Q3/2007		162.5
9M/2008		684.7
9M/2007		504.2

Manufacturing costs rose to EUR 448.0 million (previous year: EUR 296.2 million). Alongside merger-related expenses, reasons for this include expansion of the rental pool and price increases for raw materials such as steel, aluminum and copper. Discounting figures from the Neuson Kramer subgroup, manufacturing costs totaled EUR 283.2 million.

In the first nine months, gross profit on revenue totaled EUR 236.7 million as a result of the merger (previous year: EUR 208.0 million). The gross profit margin amounted to 34.6 percent, down from 41.3 percent the previous year. Of particular note here is the increased role played by the compact equipment business segment, which typically realizes a lower gross profit margin but also reports lower selling expenses. Discounting figures from the Neuson Kramer subgroup, gross profit amounted to EUR 185.2 million – a reduction of 11.0 percent.

Reduction in selling expenses, plus R&D and administrative costs as percentage of revenue

In the first nine months, selling expenses rose by 14 percent to EUR 115.3 million (previous year: EUR 101.2 million). This increase is attributable to the merger and new hires to support our expanding sales and rental activities, particularly in Eastern Europe. Here it should be noted that the selling expenses as a percentage of revenue have dropped for the new merged company relative to the Wacker Group for the same period last year as a result of the dealer network operated by Neuson Kramer. Discounting figures from the Neuson Kramer subgroup, selling expenses totaled EUR 104.3 million.

Research and development costs were up 43.0 percent to EUR 19.6 million (previous year: EUR 13.7 million) due to the merger. It is worth mentioning in this context that former Group affiliates have also now fulfilled the IFRS prerequisites required for partial capitalization of development costs. A total of EUR 2.8 million was capitalized by all manufacturing companies during the first nine months. In relation to sales, the R&D ratio rose slightly to 2.9 percent, in comparison with 2.7 percent the previous year. Discounting figures for the Neuson Kramer subgroup, research and development costs totaled EUR 12.1 million.

General administrative costs rose 29.2 percent to EUR 42.7 million (previous year: EUR 33.0 million). This increase is attributable to an increase in the workforce following the merger, the expansion of activities in Eastern Europe and to merger costs, including those involved in renaming the subsidiaries Wacker Neuson. Expressed as percentage of sales, administrative costs were at 6.2 percent (previous year: 6.5 percent). Discounting figures for the Neuson Kramer subgroup, administrative costs amounted to EUR 32.1 million. Expressed as a percentage of sales, selling expenses, R&D and administrative costs were down to 25.9 percent as a result of the merger (previous year: 29.3 percent).

Profit impacted as anticipated by downturn in unit sales, compact equipment supplies to own rental pool and purchase price allocation

In the first nine months, profit before interest, tax, depreciation and amortization (EBITDA) rose 9.8 percent from EUR 83.2 million to EUR 91.4 million as a result of the merger, taking purchase price allocation into account. The EBITDA margin amounted to 13.3 percent (previous year: 16.5 percent). Purchase price allocation totaled EUR 1.1 million. Discounting figures from the Neuson Kramer subgroup, gross profit amounted to EUR 61.1 million.

EBITDA

Q3/9M 2008 and 2007

in € million

Q3/2008	28.2
Q3/2007	28.0
9M/2008	91.4
9M/2007	83.2

Depreciation and amortization increased from EUR 20.5 million to EUR 30.6 million in the first nine months. This was primarily due to the merger, increased investment in the Central and Eastern European rental business, capacity expansion and purchase price allocation. Discounting figures for the Neuson Kramer subgroup, depreciation and amortization amounted to EUR 23.7 million.

Profit before interest and tax (EBIT) taking purchase price allocation into account dropped to EUR 60.8 million (previous year: EUR 62.7 million). The EBIT margin amounted to 8.9 percent (previous year: 12.4 percent). Purchase price allocation amounted to EUR 5.1 million. Discounting figures from the Neuson Kramer subgroup, profit before interest and tax amounted to EUR 37.4 million.

EBIT

Q3/9M 2008 and 2007

in Mio. €

Q3/2008	17.8
Q3/2007	20.8
9M/2008	60.8
9M/2007	62.7

The financial result after nine months amounted to EUR -1.7 million (previous year: EUR -0.6 million). This result is attributable to the high volatility of the financial markets and

its impact on company investments. Profit before tax (EBT) fell 4.8 percent to EUR 59.1 million (previous year: EUR 62.1 million). Discounting figures from the Neuson Kramer subgroup, EBT amounted to EUR 38.4 million. Tax expenditure increased to EUR 19.8 million (previous year: EUR 19.4 million).

Allowing for purchase price allocation, profit for the first nine months amounted to EUR 38.4 million, 10.1 percent below the previous year's result of EUR 42.7 million. Purchase price allocation totaled EUR 3.7 million. Discounting figures for the Neuson Kramer subgroup, profit for the nine-month period amounted to EUR 25.0 million.

Based on the number of ordinary shares in circulation during the period, which totaled 70.14 million, earnings per share amounted to EUR 0.55 (previous year: EUR 1.00 at 42.90 million shares).

Earnings were also negatively impacted in the first nine months by the euro's advance against the dollar relative to the same quarter last year with an average exchange rate of EUR 1 to USD 1.53 (previous year: EUR 1 to USD 1.35), although positive momentum was apparent during the third quarter following devaluation of the euro.

Finances

Investments considerably higher than previous year

Cash flow from operating activities reached EUR 18.0 million after nine months (previous year: EUR 29.9 million).

Once again, cash flow in the first nine months was characterized by continued high levels of investment. In the first nine months of fiscal 2008, we invested a total of EUR 75.0 million in property, plant and equipment (previous year: EUR 58.4 million). This included expansion of the rental business in Central and Eastern Europe, which accounted for investments to the sum of EUR 31.1 million, plus measures to expand capacity with the new manufacturing plants in Norton Shores (USA) and Pfullendorf (Germany), as well as the construction of a new research and development center in Munich. Cash flow from investment activities came to EUR 9.9 million in the reporting period based on proceeds from the sale/purchase of investments and marketable securities (previous year: EUR -168.1 million).

Cash flow from financing activities totaled EUR -30.9 million (previous year: EUR 148.2 million). The previous year's figure was primarily due to the issue of new shares generating net

proceeds to the value of EUR 165 million. Free cash flow amounted to EUR 29.6 million (previous year: EUR 21.8 million).

Free cash flow

in EUR K	9M/2008	9M/2007
Cash flow from operating activities	17,962	29,916
Cash flow from investment activities	9,944	- 168,070
Changes to consolidation structure	1,766	- 441
Costs of procuring capital	- 54	- 4,638
Issue of new shares	0	165,000
Free cash flow	29,618	21,767

The change in working capital in relation to sales reflects the company's expansion policy. At EUR 315.9 million, working capital was up 16.4 percent as a result of merger-related expenses (at December 31, 2007: EUR 271.5 million). Inventory increased to EUR 216.7 million (at December 31, 2007: EUR 175.1 million) due to activities surrounding the global compact equipment launch and an increased volume of goods in circulation. Trade payables dropped to EUR 53.0 million (at December 31, 2007: EUR 63.1 million). Trade receivables dropped to EUR 152.3 million (at December 31, 2007: EUR 159.5 million).

Assets

Equity ratio remains high

The balance sheet total for the first nine months of the year is EUR 1,232.8 million (EUR 1,214.5 million at December 31, 2007). Assets rose to EUR 701.1 million (EUR 651.5 million at December 31, 2007). This is due in particular to an increase in property, plant and equipment and expansion of the rental pool. Despite inventory build-up current assets dropped to EUR 482.4 million (down from EUR 517.5 million at December 31, 2007) due to changes in securities.

At the end of the first nine months, equity capital totaled EUR 917.1 million (EUR 912.7 million at December 31, 2007). This resulted in an equity ratio of 74.4 percent (at December 31, 2007: 75.2 percent). Total non-current liabilities dropped to EUR 103.3 million (EUR 107.1 million at December 31, 2007). Total current liabilities grew to EUR 212.5 million (EUR 194.6 million at December 31, 2007).

At the end of the first nine months, net financial debt totaled EUR 52.5 million (EUR -43.1 million at December 31, 2007).

In summary, despite the difficulties of the current market situation, Wacker Group management feels that the company is in a healthy financial position, based on a high equity ratio and a low level of debt.

Segment reporting

With its wide range of products and services, the Group targets end-customers directly as well as dealers, rental companies and importers worldwide.

Results for Europe, the Americas and Asia

Sales up in Europe due to merger

In Europe, sales after nine months reached EUR 532.8 million (previous year: EUR 329.8 million) – an increase of 61.5 percent attributable to the merger. At 77.8 percent of total sales (previous year: 65.4 percent), this region was again the strongest sales driver. Profit before interest and tax (EBIT) rose from EUR 41.2 million to EUR 49.1 million. Discounting the Neuson Kramer subgroup, sales for the region totaled EUR 317.6 million.

Europe

Q3/9M 2008 and 2007

in € million

Sales

Q3/2008	163.5
Q3/2007	106.6
9M/2008	532.8
9M/2007	329.8

EBIT

Q3/2008	15.6
Q3/2007	13.8
9M/2008	49.1
9M/2007	41.2

Overall, we continued to see evidence of growing customer uncertainty reflecting the current market climate. Spain and Great Britain remained among the Western European countries particularly affected by this. As anticipated, demand for compact equipment for the construction industry fell in the third quarter. However, the first nine months also saw healthy demand in this region both for services and for compact equipment targeted at the agricultural industry, in particular.

Performance was positive in Eastern Europe and South Africa. In the Czech Republic, preparations are underway to establish a new service station in Ceske Budejovice. At Ground Heaters, Inc., a company we acquired in 2006 (utility business field), demand for portable hydronic heating equipment recently rolled out in Scandinavia was healthy in the run-up to the peak season.

Compact equipment roll-out continued in US

In the first nine months of 2008, sales in the Americas were down 15.6 percent on the previous year, to EUR 131.9 million (previous year: EUR 156.2 million). Profit before interest and tax (EBIT) fell from EUR 21.6 million to EUR 14.4 million. However, discounting exchange rate fluctuations, sales in this region only decreased by 6.5 percent. Following the merger, this region's share of total sales amounted to 19.3 percent (previous year: 31.0 percent).

Americas

Q3/9M 2008 and 2007

in € million

Sales

Q3/2008	42.1
Q3/2007	48.5
9M/2008	131.9
9M/2007	156.2

EBIT

Q3/2008	1.2
Q3/2007	6.3
9M/2008	14.4
9M/2007	21.6

The region enjoyed healthy demand in the third quarter for portable hydronic heating equipment from Ground Heaters. This and the roll-out of compact equipment paved the way in the US for a sales increase of 6.9 percent in the local currency (US dollars) in September compared with the same month last year. Considered in the local currency, the US production and sales affiliate, Wacker Neuson Corporation, recorded revenue after nine months only 5.8 percent below the previous year's level. The affiliate achieved this by increasing its exports to Europe and Asia. In the US, we continued to implement measures for rolling out compact equipment and thus expanding our product offering. We are pleased to report that during the third quarter, the number of agreements with dealers for exclusive distribution of Wacker Neuson products increased to over 30. Performance was also positive in Canada, Mexico and South America due to state-subsidized infrastructure projects.

Expansion of sales activities in Asia

In Asia, the upwards trend continued during the third quarter. In the first nine months of 2008, sales were up 10.0 percent on the previous year, from EUR 18.2 million to EUR 20.0 million. This represents a 16.9-percent increase discounting exchange rate fluctuations. Profit before interest and tax (EBIT) totaled EUR 1.2 million (previous year: EUR 2.4 million). Following the merger, this region's share of total sales amounted to 2.9 percent (previous year: 3.6 percent).

Asia

Q3/9M 2008 and 2007

in € million

Sales

Q3/2008	6.6
Q3/2007	7.5
9M/2008	20.0
9M/2007	18.2

EBIT

Q3/2008	0.2
Q3/2007	1.3
9M/2008	1.2
9M/2007	2.4

In order to capitalize more effectively on the positive construction climate in this region, we improved our market presence in particular by stepping up sales operations during the first nine months. Sales in China grew 36.4 percent despite a building freeze in major cities before and during the Olympic Games in Beijing. Performance also remained positive in Australia and New Zealand, but was down slightly in Japan and Thailand. Work surrounding the establishment of an Indian subsidiary is progressing well, but remains very show.

Results for light equipment, compact equipment and services segments

Sales by business segment

in T€	Jan. 1– Sept. 30, 2008	Jan. 1– Sept. 30, 2007
Segment revenue from external customers		
Light Equipment	265,827	322,057
Compact Equipment	286,429	70,787
Services	136,252	115,468
	688,508	508,312
Less cash discounts	-3,824	-4,092
Total	684,684	504,220

Reduced product sales in light equipment segment

The light equipment segment covers the Group's activities within the business fields of concrete technology, soil and asphalt compaction, demolition and utility. In this segment, sales before discounts fell 17.5 percent to EUR 265.8 million in the first nine months of fiscal 2008 (previous year: EUR 322.1 million). The primary causes of this were dwindling new equipment sales in the US, Spain, France and Great Britain (including sales to major customers), and the weakening of the US dollar. Discounting exchange rate fluctuations, the drop in sales amounted to 12.9 percent. Following the merger, this segment's share of total sales (before discounts) amounted to 38.6 percent (previous year: 63.4 percent).

In the third quarter, this segment launched a new range of floor saws in the demolition business field as well as new mobile generators in the utility business field. Following in the footsteps of large breakers, we also reduced hand-arm vibrations from reversible vibratory plates to reduce impact on operators. The company also launched an entirely reengineered version of its proprietary two-cycle WM 80 engine for gasoline vibratory rammers and breakers. This engine satisfies all global emissions standards.

Increased revenue in compact equipment segment due to the merger

In the first nine months of 2008, sales before discounts in the compact equipment segment (which covers the manufacture and sale of compact equipment up to a weight of around 14 tons) rose from EUR 70.8 million to EUR 286.4 million due to the merger. This boosted the segment's share of total sales (before discounts) following the merger to 41.6 percent (previous year: 13.9 percent). However, it should be noted that some of this compact equipment was used to stock our own rental pool and build up demo fleets, so this portion of sales should be deconsolidated. It should also be noted that stocking our own rental pool does not in any way contribute to operating income. This will be achieved in future by renting out these products.

Development in this business segment was characterized in the first nine months by measures to launch compact equipment via our global sales and service network, primarily in Spain, Switzerland, Australia and the US. Customer feedback on this equipment has been positive in these countries. As forecast, the third quarter witnessed overall a significant downturn in demand for compact equipment due to the current market climate. The Group's proven Kippmatic technology was taken to the next level for compact excavators with the vertical digging system (VDS). This system enables the chassis to navigate differences in surface heights during excavation work.

Demand for agricultural products also remained high, for instance for articulated wheel loaders and *Hoftracs* from Weidemann GmbH as well as telescopic handlers from Kramer Werke on behalf of the Claas company. Sales by our affiliate company Weidemann GmbH to non-Group customers were up 12.4 percent in the first nine months from EUR 51.5 million to EUR 57.9 million.

Austrias Leading Companies

3rd place for Wacker Neuson Beteiligungs GmbH

Wacker Neuson Beteiligungs GmbH, formerly Neuson Kramer Baumaschinen AG, is again rated one of Austria's leading companies. The company was awarded 3rd place in the "Big Player" category for Upper Austria in the renowned competition "Austria's Leading Companies". This competition is aimed at Austria's most dynamic, successful companies and is organized by PricewaterhouseCoopers, KSV1870 (Austria's leading credit rating agency) and Austrian business newspaper WirtschaftsBlatt.

Positive performance in services segment

The first nine months saw an increase in sales before discounts in the services segment, partly attributable to the merger. This segment comprises the fields after-market (repair and maintenance) and the rental business in Central and Eastern Europe. Sales were up 18.0 percent in the period under review, to EUR 136.3 million (previous year: EUR 115.5 million). Following the merger, this segment's share of total sales (before discounts) amounted to 19.8 percent (previous year: 22.7 percent).

Increased demand in the after-market business field (which covers the traditional repair and spare parts business) fueled sales growth of 25.4 percent, to EUR 98.7 million (previous year: EUR 78.7 million). In response to this rising demand, we again invested heavily in expanding the rental pool in the first nine months of the year and established further rental stations in Eastern Europe and Germany. Sales generated by the rental business in Central and Eastern Europe increased by 2.1 percent to EUR 37.5 million (previous year: EUR 36.7 million). Altogether, we invested EUR 31.1 million in replacing rental equipment and expanding Central and Eastern European rental operations by supplying products from our own manufacturing facilities over the first nine months.

Other factors that impacted on results

Delivery periods within normal range

Capacity utilization at our manufacturing plants reflected market conditions and the downturn in demand for our products during the first nine months. This development resulted in the company laying off almost all temporary staff in its plants. We also introduced a scheme to reduce the surplus hours accumulated on flexitime. While products from

the light equipment segment can be delivered within 24 to 48 hours, delivery periods for compact equipment currently fall within a normal range of two to five months.

In parallel to these measures, we also held talks with suppliers on changes to the terms surrounding products/services delivered to the Group to support our production processes.

Strong attendance at German trade fairs

The company attracted a high number of visitors and held rewarding discussions with customers at a wide range of trade fairs in Europe, including the Nordbau construction trade fair in Neumünster and GaLaBau, the international trade fair for the design, construction and maintenance of urban, green and open spaces in Nuremberg, Germany. Customer feedback on our extensive product and service offering was positive and more contracts were signed during these trade fairs than at the same fairs last year.



High visitor numbers at Wacker Neuson stand during GaLaBAU 2008 – first major fair for merged company in Germany.



Outside on the demo site, visitors were able to see our products in action.

Increased headcount due to merger

At September 30, 2008, Group headcount totaled 3,803 (previous year: 2,961). This figure does not reflect the actual number of employees, but the number of positions as calculated on a full-time basis. The high level of growth here is attributable to the merger and to the expansion of sales and service activities in Eastern Europe. At December 31, 2007, the Group employed 3,659 people.

Changes to the opportunity and risk situation

Despite the downturn in the global economy and construction industry, we see medium to long-term growth prospects for the Group. These stem both from organic growth and from the merger with Neuson Kramer. Building on these prospects, we will be working intensively to continue our steady implementation of the goals outlined in our business strategy, which include increasing unit sales, revenue and profit in the medium to long term.

In the first nine months of fiscal 2008, the Group continued to implement its risk and opportunity management system as a key steering tool for business decisions and processes. This system covers planning for each of the core business segments and comprehensive Group reporting covering all business processes and affiliates. These reports are regularly analyzed, discussed and evaluated and made available to all decision-makers. The system also includes process definitions for all business segments and Group auditing.

The company has identified the following risks to the Group as of September 30, 2008 that deviate from the 2007 annual financial statements and H1 report for fiscal 2008:

As a result of the current macroeconomic climate and construction industry trends, the Group is increasingly exposed to negative dynamics on its core markets. Based on the threat of global recession in the current market climate, the company notes a growing risk that the drop in product sales in both light and compact equipment due to changed customer order patterns will continue throughout the remainder of fiscal 2008 and beyond. At September 30, 2008, orders for compact equipment (accumulated) for the construction and agricultural industries was 18 percent below the equivalent figure for the previous year. It is assumed, moreover, that the propensity to invest will continue to fall as bank lending policies become increasingly stringent. The company is mitigating these risks by adopting proactive go-to-market strategies in the regions and stepping up activities in growth segments such as agriculture and

dynamic markets such as Russia. Global cost-cutting measures were also implemented. In reducing overtime and holiday accounts, implementing a recruitment freeze and expanding our flexible working schemes, we are also paving the way for further-reaching measures that do not rule out the possibility of regional headcount rationalization. Profit levels are at risk if cost savings fail to keep pace with any further drops in sales or if we are unable to reduce stock at the same rate as a fall in sales.

The international financial market crisis has latterly increased the risk of banks calling short-term loans, forcing their customers to take out loans at higher interest rates to ensure liquidity. There is also a chance that the collapse of a national credit institute could result in the loss of bank balances or credit lines by a company in the Wacker Neuson Group. The company is mitigating this risk with its investment and banking policy.

The Group requires components and raw materials to use in product manufacturing – particularly steel, aluminum and copper. Prices for energy and key raw materials, particularly steel, continued to rise during the third quarter, although rates are already showing signs of easing in some cases. Our production uses structural steel components and precast parts, for instance, as well as hydraulic and chassis components containing varying amounts of crude steel. The evolution of steel prices and their impact on manufacturing costs are still difficult to assess. The company aims to use short-term contracts to take advantage of any potential falls in price.

We are not currently aware of any other significant risks to the Group. We have not identified any individual or collective risks to our continued existence as a going concern that might negatively affect individual companies within the Group or the Group as whole in the foreseeable future.

Supplementary report

There have been the following events since the reporting date that could have an impact on future Group business development.

In the third quarter, the Executive and Supervisory Boards have resolved to launch a stock purchase plan for employees who did not have the opportunity to purchase discounted stock at the time of the IPO in May 2007. This applies to all employees at non-German affiliates and Kramer-Werke GmbH. All Wacker Neuson Group employees – with the exception of those already able to purchase discounted shares

at the IPO – will now receive a net subsidy of 15 percent from their employer on the purchase of company stock. If applicable, income tax and social security contributions payable on that amount will be covered by the company. The maximum number of shares subsidized will be the same as the employee would have been able to purchase at a discount under the specific limits imposed at the IPO.

A maximum of 641,639 shares will be available for purchase within the framework of this Employee Stock Purchase Plan. If all eligible employees avail of this opportunity, the total cost for the Wacker Neuson Group would amount to approximately EUR 1.3 million. This offer will be available to staff from November 15, 2008 to December 31, 2008.

At a Supervisory Board meeting on November 6, the Executive and Supervisory Boards of Wacker Construction Equipment AG resolved to close their production plant in Tredegar (Wales, Great Britain), thus dissolving the Group company Wacker Neuson Rhymney Ltd. The Group will transfer production of Wacker Neuson four-wheel dumpers to its plant in Linz (Austria) and close the Welsh company soon thereafter. The decision was prompted by the downturn in global economic growth, which escalated within an unusually short space of time into a global economic crisis during the third quarter. As is to be expected, this has had a sustained effect on customer order patterns in the compact equipment segment. The market for four-wheel dumpers, a product sold predominantly in Great Britain, Spain and Switzerland, has felt the worst effects of the downturn. In the first nine months of 2008, this product group saw order intake fall 48 percent on the same period last year.

The closure of the Welsh plant is expected to greatly relieve pressure on the company's cost structure. Furthermore, the transfer of production activities to Linz and their integration in the existing compact workflows promise huge cost savings for the company. The shutdown in Wales will result in a total of 90 job losses. Group management is committed to finding socially responsible solutions for all staff affected by the forthcoming layoffs.

Outlook

Global recession expected

According to a joint survey by leading economic research institutes, global economic expansion is expected to slow down as a result of the intensification of the financial market

crisis and the global economic downturn, and effects on the real economy are anticipated throughout 2008 and beyond. Experts warn that countries that rely heavily on their financial sector or the building and construction industry are currently facing recession. Leading economic institutes forecast a fall in demand for capital equipment in Germany and consequently a GDP growth rate of 1.8 in 2008 and only 0.2 percent in 2009. However, the precise extent of the financial market crisis is still impossible to predict.

International construction prospects dampened

The international construction industry is facing dampened prospects for 2008, although numerous infrastructure improvements are being planned and implemented worldwide, including highway construction, telecommunications, and transport and traffic projects. In India, for instance, industry sales are set to quadruple to USD 13 billion by 2015 due to increased demand for construction equipment in connection with infrastructure projects. China, for its part, is set to invest around USD 3 billion in infrastructure projects in 2009. In the US, experts anticipate that the downturn in private residential construction will continue over the course of 2008. The US government has consequently agreed to examine proposals put forth by economists to boost the economy through a federal investment program for highway and bridge construction. As a result of the economic slowdown and the US subprime crisis, a further reduction in construction investment is expected in the euro zone, particularly in residential construction. Experts from Euroconstruct, the European research and consulting network, predict a slight drop in construction activity in Europe during 2008 and have recently reduced their forecast for annual construction volume growth in Western Europe to 1.5 percent for the period from 2008 to 2010. Positive momentum should stem from non-residential and underground construction, in particular, due to essential infrastructure projects and renovation and modernization work as well as climate protection measures. German industry federations predict a slowdown in the speed of growth in the German construction industry for 2009.

The European agricultural machinery market is forecast to experience annual growth of 2.7 percent between now and 2010. Euroconstruct expects that increasing concentration and industrialization of agricultural holdings in Europe will raise demand for investment in machinery. The German Engineering Federation (VDMA) predicts a slowdown in growth in 2009 given the current overall market situation.

Medium and long-term growth targets for sales and earnings

We expect current trends to prevail throughout the rest of the year and, together with heightened intensity of competition, to continue to impact customer order patterns. On this basis, we already adjusted our sales forecast of at least EUR 870 million and our minimum EBITDA margin of 11 percent. In addition to purchase price allocation, this also takes account of consolidation effects from eliminating interim profit as a result of stocking our rental pool from our own production facilities. Despite the difficulties of the current financial market crisis, the company enjoys a solid financial position, which is forecast to remain stable over the rest of fiscal 2008.

Process optimization remains a major focus for our company, and we will continue to ensure that cost alignment remains a step ahead of sales trends. We aim to achieve this through the timely alignment of our cost structure with market dynamics. Measures such as part-time work or increased working flexibility have already been introduced in our production facilities to achieve these cost goals. In areas where these measures are insufficient or unfeasible, we have not ruled out staff rationalization measures.

As announced, we intend to continue with our investment activities as planned in fiscal 2008. In the coming years, we aim to go on driving growth across all regions and business segments, further extend our sales and service network across the globe, expand our rental business in Central and Eastern Europe and broaden our portfolio by rolling out numerous new products and product variants across all business fields. We are obviously taking the current market climate into consideration in preparing our investment figures for the budgetary plans currently being drawn up for the coming fiscal year.

The Group occupies a strong position in the wake of the merger. Taking into account the forecast global development for the construction and agricultural industries, we view the Group's medium to long-term prospects as positive. Alongside the recognized quality of our products and services post merger, our global presence and proximity to our customer in key target markets provides a sound basis for our efforts to consolidate our leading market position worldwide and increase sales and profit in the medium to long term. Our intention is to achieve this largely through organic growth, although we will continue to consider acquisitions along the way. We are particularly looking to harness sales opportunities by launching compact equipment through our established global sales and service network in order to win market share in currently soft markets.

Income Statement

July 1 through September 30 and January 1 through September 30

in € K	Jul. 1– Sept. 30, 2008 ¹	Jul. 1– Sept. 30, 2007	Jan. 1– Sept. 30, 2008 ¹	Jan. 1– Sept. 30, 2007
Revenue	212,250	162,518	684,684	504,220
Cost of sales	-136,901	-95,125	-448,022	-296,179
Gross profit	75,349	67,393	236,662	208,041
Sales and service expenses	-38,013	-32,418	-115,342	-101,198
Research and development expenses	-6,904	-4,036	-19,585	-13,693
General administrative expenses	-12,302	-11,303	-42,698	-33,049
Other income	831	1,660	5,132	4,242
Other expenses	-1,148	-480	-3,333	-1,629
Profit before interest and tax (EBIT)	17,813	20,816	60,836	62,714
Financial result	-1,121	539	-1,710	-591
Profit before tax (EBT)	16,692	21,355	59,126	62,123
Taxes on income	-6,654	-3,431	-19,843	-19,393
Profit before minority interests	10,038	17,924	39,283	42,730
Minority interests	-403	0	-862	0
Profit	9,635	17,924	38,421	42,730
Earnings per share in EUR	0.14	0.38	0.55	1.00

¹ Incl. PPA = Purchase price allocation. Purchase price allocation describes the process where purchase costs resulting from acquisitions are allocated to individually acquired assets, liabilities and contingent liabilities, which are measured at fair value.

Balance Sheet

As at September 30

in € K	Sept. 30, 2008	Dec. 31, 2007
Assets		
Property, plant and equipment	271,196	221,869
Investment property	1,972	2,105
Goodwill	325,870	325,676
Intangible assets	98,670	100,220
Other investments	3,420	1,649
Deferred taxes	14,764	10,994
Other non-current assets	34,546	34,523
Total non-current assets	750,438	697,036
Inventories	216,654	175,130
Trade receivables	152,284	159,477
Marketable securities	1,876	88,656
Current tax receivables	4,677	3,492
Other current assets	15,290	13,903
Cash and cash equivalents	91,630	76,816
Total current assets	482,411	517,474
Total assets	1,232,849	1,214,510
Equity and liabilities		
Subscribed capital	70,140	70,140
Other reserves	586,617	586,186
Retained earnings	257,464	254,113
Equity before minority interests	914,221	910,439
Minority interests	2,877	2,280
Total equity	917,098	912,719
Long-term borrowings	42,370	44,219
Deferred taxes	31,398	33,724
Long-term provisions	29,497	29,200
Total non-current liabilities	103,265	107,143
Trade payables	53,007	63,084
Short-term borrowings from banks	97,812	72,103
Current portion of long-term borrowings	5,858	6,073
Short-term provisions	9,488	9,324
Current tax payable	747	1,366
Other current liabilities	45,574	42,698
Total current liabilities	212,486	194,648
Total liabilities	1,232,849	1,214,510

Statement of Changes in Equity

As at September 30

in € K	Sub- scribed capital	Capital reserves	Exchange differ- ences	Other neutral changes	Retained earnings	Treasury shares	Equity before minority interests	Minority interests	Total equity
Balance at December 31, 2006	43,500	72,330	-21,526	501	224,260	-36,691	282,374	0	282,374
Exchange differences	0	0	-7,246	0	0	0	-7,246	0	-7,246
Other neutral changes	0	0	0	161	0	0	161		161
Subtotal							-7,085	0	-7,085
Midyear result	0	0	0	0	42,730	0	42,730	0	42,730
Total Profit for the period							35,645	0	35,645
Dividends	0	0	0	0	-24,273	0	-24,273	0	-24,273
New shares issued	7,500	157,500	0	0	0	0	165,000	0	165,000
Costs of procuring capital	0	-4,638	0	0	0	0	-4,638	0	-4,638
Balance at September 30, 2007	51,000	225,192	-28,772	662	242,717	-36,691	454,108	0	454,108
Balance at December 31, 2007	70,140	618,450	-32,845	581	254,113	0	910,439	2,280	912,719
Exchange differences	0	0	393	0	0	0	393	0	393
Other neutral changes	0	0	0	92	0	0	92	0	92
Subtotal							485	0	485
Midyear result	0	0	0	0	38,421	0	38,421	862	39,283
Total profit for the period							38,906	862	39,768
Dividends	0	0	0	0	-35,070	0	-35,070	-265	-35,335
Costs of procuring capital	0	-54	0	0	0	0	-54	0	-54
Balance at September 30, 2008	70,140	618,369	-32,452	673	257,464	0	914,221	2,877	917,098

Cash Flow Statement

For the period from January 1 through September 30

in € K	Jan. 1 – Sept. 30, 2008	Jan. 1 – Sept. 30, 2007
EBT	59,126	62,123
Depreciation and amortization	30,555	20,510
Foreign exchange result	916	-5,031
Gains/losses from sale of intangible assets and property, plant and equipment	-19	-53
Book losses on rental equipment	1,530	1,785
Gains/losses from sale of investments and marketable securities	87	161
Investment income	-3,787	-3,554
Interest expense	5,498	4,144
Changes in inventories	-41,524	-9,113
Changes in trade receivables and other assets	5,826	-27,069
Changes in provisions	461	-43
Changes in trade payables and other liabilities	-7,453	15,200
Interest paid	-5,511	-3,875
Income tax paid	-27,743	-25,269
Cash flow from operating activities	17,962	29,916
Purchase of property, plant and equipment	-75,004	-58,441
Purchase of intangible assets	-4,808	-1,025
Proceeds from the sale of property, plant and equipment and intangible assets	998	660
Proceeds from sale/purchase of marketable securities	84,508	-113,423
Change in consolidation structure	-1,766	441
Interest received	6,016	3,718
Cash flow from investing activities	9,944	-168,070
New shares issued	0	165,000
Costs of procuring capital	-54	-4,638
Dividends	-35,070	-24,273
Proceeds from long-term borrowings	6,908	15,755
Repayment on long-term borrowings	-2,700	-3,600
Cash flow from financing activities	-30,916	148,244
Increase/decrease in cash and cash equivalents	-3,010	10,090
Effect of exchange rates on cash and cash equivalents	-1,613	681
Change in cash and cash equivalents	-4,623	10,771
Cash and cash equivalents at beginning of period¹	38,792	28,044
Cash and cash equivalents at end of period¹	34,169	38,815

¹ Borrowings from banks from the Group's cash pool accounts are netted.

Segmentation

July 1 through September 30 and January 1 through September 30

Primary segmentation (geographical segments)

in € K	Europe	Americas	Asia	Consolidation	Group
Q3 2008					
Segment revenue					
Total external sales	219,637	58,215	9,082		
Less intrasegment sales	-42,376	-8,222	-488		
	177,261	49,993	8,594		
Intersegment sales	-13,791	-7,849	-1,958		
Total	163,470	42,144	6,636	0	212,250
Segment result (EBIT)					
From continuing business segments	15,584	1,153	161		
From discontinued business segments	0	0	0		
Total	15,584	1,153	161	915	17,813
Q3 2007					
Segment revenue					
Total external sales	144,992	69,499	13,592		
Less intrasegment sales	-30,513	-8,579	-619		
	114,479	60,920	12,973		
Intersegment sales	-7,873	-12,468	-5,513		
Total	106,606	48,452	7,460	0	162,518
Segment result (EBIT)					
From continuing business segments	13,823	6,321	1,302		
From discontinued business segments	0	0	0		
Total	13,823	6,321	1,302	-630	20,816

in € K	Europe	Americas	Asia	Consolidation	Group
9M 2008					
Segment revenue					
Total external sales	749,842	200,384	28,910		
Less intrasegment sales	-176,068	-28,435	-1,357		
	573,774	171,949	27,553		
Intersegment sales	-41,009	-40,059	-7,524		
Total	532,765	131,890	20,029	0	684,684
Segment result (EBIT)					
From continuing business segments	49,183	14,363	1,249		
From discontinued business segments	0	0	0		
Total	49,183	14,363	1,249	-3,959	60,836
9M 2007					
Segment revenue					
Total external sales	469,512	228,840	34,108		
Less intrasegment sales	-114,166	-27,959	-1,554		
	355,346	200,881	32,554		
Intersegment sales	-25,527	-44,681	-14,353		
Total	329,819	156,200	18,201	0	504,220
Segment result (EBIT)					
From continuing business segments	41,245	21,551	2,420		
From discontinued business segments	0	0	0		
Total	41,245	21,551	2,420	-2,502	62,714

Secondary segmentation (business segments)

in € K	Jul. 1 – Sept. 30, 2008	Jul. 1 – Sept. 30, 2007	Jan. 1 – Sept. 30, 2008	Jan. 1 – Sept. 30, 2007
Segment revenue from external customers				
Light Equipment	79,019	97,201	265,827	322,057
Compact Equipment	85,177	24,118	286,429	70,787
Services	49,480	42,597	136,252	115,468
	213,676	163,916	688,508	508,312
Less cash discounts	-1,426	-1,398	-3,824	-4,092
Total	212,250	162,518	684,684	504,220

Selected explanatory notes to the interim financial statements for the third quarter 2008

Accounting rules

The Wacker Construction Equipment AG ("Wacker Neuson Group") consolidated interim financial statements to September 30, 2008 have been prepared in accordance with International Financial Reporting Standards (IFRS) and their interpretation as valid on the reporting date. 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 Construction Equipment AG 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, 2007. The comments there also apply to the quarter and half-year statements for fiscal 2008, unless explicitly stated otherwise.

The general accounting principles and valuation methods used for the fiscal 2007 consolidated statements have also been applied to these interim financial statements. Several equipment producing companies within the Wacker Neuson Group have started establishing internal reporting structures that distinguish between research and development costs by documenting and reporting both of these cost factors separately. This will give the company the information baseline it needs to comply with the terms of IAS 38.57 governing capitalization of development costs. Development investments made in 2008 and capitalized under IAS 38.57 are written down over a period of 6 years. Development costs capitalized in previous years are written off over a period of 4 to 5 years. The straight-line method is used for amortization. Compliance with the regulations governing the capitalization of development costs by all manufacturing companies within the Group resulted in a capitalization posting of around EUR 2.8 million.

Legal changes to company structure

With effect as of March 1, 2008, the affiliate Wacker Neuson GmbH in Vienna purchased the entire business operations of Stambach Baumaschinen GesmbH, also a consolidated company of the Wacker Neuson Group.

The asset deal between Wacker Neuson GmbH as the purchaser and Stambach Baumaschinen GesmbH as the seller does not classify as a business combination under IFRS 3, as both companies are under the common control of Wacker Construction Equipment AG.

On June 30, 2008, Stambach Baumaschinen GesmbH was incorporated into NEUSON Baumaschinen GmbH. The name and legal form of NEUSON Baumaschinen GmbH has in the meantime been changed to Wacker Neuson Linz GmbH.

The company established an affiliate in India in the first quarter of 2008. During the course of 2008, it is not expected that this affiliate will have any significant impact on the assets, liabilities, financial position or earnings of the Group.

At the end of the second quarter, the legal form and name of NEUSON KRAMER Baumaschinen AG were changed to Wacker Neuson Beteiligungs GmbH. This took place as part of the merger with the Neuson Kramer subgroup.

Furthermore, another affiliate was established in Serbia (Wacker Neuson Lapovo d.o.o) during the second quarter. This involved an outlay of EUR 1.5 million. During the course of 2008, it is not expected that this affiliate will have any significant impact on the assets, liabilities, financial position or earnings of the Group. The company is set to supply the Group with steel construction components.

During the AGM on June 3, 2008 in Munich, shareholders approved the proposal to change the company's legal form to an SE (Societas Europaea) and its name to Wacker Neuson SE. The majority of affiliates have been renamed in anticipation of this change.

The AGM also approved the following restructuring measures: liquidation of the dormant company Wacker Machinery Ltd. in Ireland, and the merger of the French-based NK Administration S.r.l., which has been in liquidation since 2005, with Wacker Neuson SAS in France.

The merger of Neuson Finance GmbH in Linz with Wacker Neuson Linz GmbH was also approved.

Seasonal fluctuations

Due to the geographical distribution of its business, Wacker Group sales are subject to seasonal fluctuations, which are attributable to climate conditions and construction industry trends at local level. The quarterly distribution of consolidated sales in fiscal 2007 and 2006 was as follows:

in %	2007	2006	Average
Q1	24	24	24
Q2	28	27	27
Q3	25	25	25
Q4	23	24	24

Here it must be noted that revenue from the Neuson Kramer subgroup, which merged with Wacker on October 1, 2007, is not included in the 2007 figures. The annual analysis of the distribution of consolidated sales clearly shows that seasonal fluctuations in the Wacker Group (without the Neuson Kramer subgroup) only have a minor impact.

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 periods shown.

	2008	2007
Q3		
Quarterly earnings attributable to shareholders in € K	9,635	17,924
Weighted average number of issued shares in thousands	70,140	51,000
Less treasury shares in thousands	–	4,350
Weighted average number of ordinary shares in circulation during the period in thousands	70,140	46,650
Earnings per share in EUR	0,14	0,38
9M		
Quarterly earnings attributable to shareholders in € K	38,421	42,730
Weighted average number of issued shares in thousands	70,140	47,250
Less treasury shares in thousands	–	4,350
Weighted average number of ordinary shares in circulation during the period in thousands	70,140	42,900
Earnings per share in EUR	0,55	1,00

Important events

On June 3, 2008, the AGM in Munich approved the proposal to pay out a dividend of EUR 0.27 along with a bonus of EUR 0.23, which brings the total to EUR 0.50 per eligible share. The total dividend payment of EUR K 35,070 was made on June 4, 2008. Executive and Supervisory Board members' actions were approved for fiscal 2007.

Furthermore, the Executive and Supervisory Boards of Wacker Construction Equipment AG resolved to launch a stock purchase plan for employees who did not have the opportunity to purchase company shares subsidized by Wacker Construction Equipment AG at the time of the IPO. A provision of EUR K 389 was created for this purpose.

Events since reporting date

On November 6, the Executive and Supervisory Boards of Wacker Construction Equipment AG resolved to close their production plant in Tredegar (Wales, Great Britain), thus dissolving the Group company Wacker Neuson Rhymney Ltd. The Group will transfer production of Wacker Neuson four-wheel dumpers to its plant in Linz (Austria) and close the Welsh company soon thereafter.

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

Munich, November 11, 2008

The Executive Board

Dr.-Ing. Georg Sick
(CEO and President)

Martin Lehner
(Deputy CEO)

Richard Mayer

Günther Binder

Werner Schwind

Review Report by the Auditors

To Wacker Construction Equipment AG, Munich, Germany

We have reviewed the condensed consolidated interim financial statements of the Wacker Construction Equipment AG, comprising the condensed income statement, 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 Construction Equipment for the period from January 1 to September 30, 2008 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 11, 2008

Rölfs WP Partner AG
Wirtschaftsprüfungsgesellschaft

Reinke
Wirtschaftsprüfer
(Public Auditor)

Jagosch
Wirtschaftsprüfer
(Public Auditor)

Income Statements

Wacker Construction Equipment AG and Neuson Kramer
for the period from January 1 through September 30

in € K	Jan. 1– Sept. 30, 2008	Jan. 1– Sept. 30, 2007
Wacker¹		
Revenue	468,422	504,220
Cost of sales	-283,211	-296,179
Gross profit	185,211	208,041
Sales and service expenses	-104,274	-101,198
Research and development expenses	-12,114	-13,693
General administrative expenses	-32,055	-33,049
Other income	2,134	4,242
Other expenses	-1,551	-1,629
Profit before interest and tax (EBIT)	37,351	62,714
Financial result	1,023	-591
Profit before tax (EBT)	38,374	62,123
Taxes on income	-13,371	-19,393
Profit before disc. operations, minority interests	25,003	42,730
Result from discontinued operations	0	0
Minority interests	0	0
Profit for the period	25,003	42,730
Profit before interest and tax (EBIT)	37,351	62,714
Depreciation and amortization	23,703	20,510
EBITDA	61,054	83,224

¹ Excluding Neuson Kramer subgroup

in € K	Jan. 1– Sept. 30, 2008	Feb. 1– Sept. 30, 2007 ²
Neuson Kramer		
Revenue ³	284,937	245,376
Cost of sales	-215,942	-175,472
Gross profit	68,995	69,904
Sales and service expenses	-11,068	-13,452
Research and development expenses	-5,101	-3,538
General administrative expenses	-10,408	-12,542
Other income	2,998	3,198
Other expenses	-1,782	-1,239
Profit before interest and tax (EBIT)	43,634	42,331
Financial result	-2,499	-1,285
Profit before tax (EBT)	41,135	41,046
Taxes on income	-12,153	-13,286
Profit before disc. operations, minority interests	28,982	27,760
Result from discontinued operations	0	-3
Minority interests	-952	-624
Profit for the period	28,030	27,133
Profit before interest and tax (EBIT)	43,634	42,331
Depreciation and amortization	3,576	2,762
EBITDA	47,210	45,093

² February 1 through September 30, 2007. Converted to the calendar year on October 1, 2007.

³ Revenue in cost of sales format.

Wacker Neuson – Overview of purchase price allocation

in € K	Jan. 1– Sept. 30, 2008	Purchase price allocation	Jan. 1– Sept. 30, 2008
Wacker Neuson	without PPA ¹		with PPA
Revenue	684,684		684,684
Cost of sales	-445,592	-2,430	-448,022
Gross profit	239,092	-2,430	236,662
Sales and service expenses	-115,342		-115,342
Research and development expenses	-17,215	-2,370	-19,585
General administrative expenses	-42,446	-252	-42,698
Other income	5,132		5,132
Other expenses	-3,333		-3,333
Profit before interest and tax (EBIT)	65,888	-5,052	60,836
Financial result	-1,476	-234	-1,710
Profit before tax (EBT)	64,412	-5,286	59,126
Taxes on income	-21,365	1,522	-19,843
Profit before disc. operations, minority interests	43,047	-3,763	39,283
Result from discontinued operations	0		0
Minority interests	-952	90	-862
Profit for the period	42,095	-3,673	38,421
Profit before interest and tax (EBIT)	65,888	-5,052	60,836
Depreciation and amortization	26,614	3,941	30,555
EBITDA	92,502	-1,111	91,391

¹ PPA = Purchase price allocation. Purchase price allocation describes the process where purchase costs resulting from acquisitions are allocated to individually acquired assets, liabilities and contingent liabilities, which are measured at fair value.

Financial Calendar and IR/Press Contact

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Publishing Details

Issued by:

Wacker Construction Equipment AG,
Ressort Investor Relations

Concept & Design:

Kirchhoff Consult AG, Munich, Germany

Content:

Wacker Construction Equipment AG

Print:

p d peschke druck, Munich, Germany

Financial Calendar 2008 / 2009

November 12, 2008	German Equity Forum, Deutsche Börse AG, Frankfurt, Germany
January 21, 2009	German Corporate Conference Chevreux, Frankfurt, Germany
March 30, 2009	Press conference on financial results 2008
May 14, 2009	Publication of first-quarter report 2009
May 28, 2009	AGM, Munich, Germany
August 13, 2009	Publication of half-year report 2009
November 11, 2009	Publication of nine-month 2009

Disclaimer

This nine-month report contains forward-looking statements which are based on the current estimates and assumptions by the corporate management of Wacker Construction Equipment AG. 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 Construction Equipment AG 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 Wacker'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. Wacker neither plans nor undertakes to update any forward-looking statements.

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