

Q1/09

Q1 Report 2009



**WACKER
NEUSON**

Figures at a glance

January 1 through March 31

in € million	Jan.1– Mar. 31, 2009	Jan.1– Mar. 31, 2008
Wacker Neuson		
Key figures		
Sales	137.3	228.2
by region		
Europe	107.6	178.4
Americas	23.8	44.1
Asia	5.9	5.8
by business segment ¹		
Light Equipment	45.3	90.9
Compact Equipment	54.2	98.4
Services	37.8	39.0
EBITDA	- 12.3	29.4
Depreciation and amortization	10.3	10.3
EBIT	- 22.6	19.1
EBT	- 23.0	18.5
Profit for the period	- 16.6	12.3
Number of employees	3,375	3,724
Share		
Earnings per share in €	- 0.24	0.18
Dividend per share in €	0.19 ²	0.50 ³
Key profit figures		
Gross profit in %	23.1	34.4
EBITDA margin as a %	- 9.0	12.9
EBIT margin as a %	- 16.4	8.4
Key figures from the balance sheet		
	March 31, 2009	December 31, 2008
Property, plant and equipment	749.1	750.0
Current assets	414.9	428.6
Equity	900.0	911.8
Net financial debt	62.7	59.0
Liabilities	263.9	266.8
Equity ratio as a %	77.3	77.4
Working capital	298.3	303.9
Cash flow		
	Jan.1– Mar. 31, 2009	Jan.1– Mar. 31, 2008
Cash flow from operating activities	2.9	- 12.7
Cash flow from investing activities	- 7.4	- 5.4
Cash flow from financing activities	14.0	25.2
Free cash flow	- 4.5	- 18.2

Figures include 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.

¹ Consolidated sales after discounts.

² Dividend payment proposed at the AGM on May 28, 2009.

³ Dividend payout on June 4, 2008.

Three-months 2009 update

- Wacker Neuson SE maintains stable financial position.
- Equity ratio still in excess of 70 percent.
- The Company is sound due to a positive operative cash flow and a consistently low net financial debt.
- Economic crisis and a harsh winter lead to drop in sales and first quarter losses.
- Sales drops by 30.9 percent to EUR 137.3 million.
- EBITDA amounts to Euro - 12.3 million, profit for the period drops to Euro - 16.6 million.
- Upturn in sales in China. Stable demand in German speaking countries.
- Rental business in Central and Eastern Europe up on same period last year.
- Implemented cost cutting measures showing progress.

Forecast and strategy

The uncertainty in the international construction markets in the US and Western Europe continues. The impact of intensified competition affects customer order patterns. Therefore, it is difficult to precisely predict sales or EBITDA for fiscal 2009.

- We will continue to apply stringent cost control.
- The investment budget will be lowered by 40 percent and capacity will be reduced by 20 percent as compared to the end of 2008.
- We plan to continue lowering our working capital.
- We also continue to introduce compact equipment worldwide.
- We do not expect a turning point in the economy before midyear 2010.
- The current situation is leading to a rapidly rising backlog of infrastructure projects worldwide at the end of the crisis.

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Dear Ladies and Gentlemen,



Dr.-Ing. Georg Sick
CEO and President

As was to be expected, results for the first three months of 2009 were weak. Despite the challenging climate, we nonetheless succeeded in maintaining our stable financial position and are happy to report positive operative cash flow, a consistently high equity ratio of around 77 percent and – once again – a low net financial debt. We therefore believe that the company is well equipped to weather this crisis. While we continue to implement necessary cost-saving measures, we are also focusing our efforts on shaping the company's future.

The first quarter of the year confirmed fears that the global recession would hit the construction industry hard. A development that is clearly reflected in our falling order intake and a significant year-on-year drop in sales. The extremely harsh winter in the US and Europe throughout January and February further compounded this situation. In March, however, we did experience an upturn in business – primarily in Europe – while demand in China was healthy over the entire quarter.

Wacker Neuson Group sales were thus around 40 percent lower than the excellent results achieved during the same quarter last year. Other big names in the industry saw revenue fall by up to 60 percent. We pre-empted this crisis mid 2008 with various cost-cutting measures, which we have since stepped up. The impact of these initiatives will unfold over time. As we anticipated and announced at the end of March when we presented our 2008 annual report, we have a negative result for the first quarter of fiscal 2009. This is partly due to one-off expenses of around EUR 5 million attributable to restructuring measures.

As yet, it is unclear as to whether we will experience an upturn during the coming months. Whatever the future holds, we are continuing to implement proactive go-to-market strategies, keep a finger on the pulse through our extensive sales activities and maintain our widely acclaimed product and service quality standards. We also remain committed to launching compact equipment in new markets across the globe. Nevertheless, we still do not expect widespread recovery of markets until 2010 at the earliest. However, the backlog of infrastructure projects created by the current economic climate is continually rising. Once the economy settles, this bottleneck will trigger a highly dynamic upswing for our business.

And when this happens, we will be ready. As a family-run business with our sights set on the long term, we remain true to our core values, even in times of crisis. We always aim to avoid layoffs wherever possible, instead focusing on reducing hours via flexitime and short-time work in countries where the legislation permits this. These measures will enable us to reduce personnel costs and working hours by around 20 percent compared with figures at the end of 2008, while retaining the expertise and drive of a workforce that has helped the Wacker Neuson Group be-

come a global leader in light and compact equipment. Our decision in March of this year to purchase a tract of land in Linz, Austria, with the intention of constructing a new production plant in the mid-term further underscores our commitment to the future.

The economic crisis is forcing us all to take a more cautious approach to business. Over recent weeks, our workforce has faced significant restrictions and sacrifices in order to maximize cost efficiencies. I would like to take this opportunity to thank all of our people for their support here. Our ability to pull together in these difficult times will allow us to keep our focus firmly on the future and ensure that our company emerges from this crisis in a strong position.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'G. Sick', is positioned above the printed name.

Dr.-Ing. Georg Sick
CEO and President

Q1 report fiscal 2009 Interim review

Economic and business trends

Global economy on a downswing

The first quarter of fiscal 2009 confirmed expert predictions regarding the onset of a global recession with world trade and gross global product forecasts again shrinking. Against the backdrop of ongoing instability in the banking sector, the economic crisis continued to have a serious impact on corporate investment policies. This was particularly pronounced in countries where the financial or construction sector play a strong role and the economy is heavily dependent on exports. Economic action plans initiated by national governments were only successful in generating momentum in isolated cases.

Construction and agricultural industry trends

Global economy has strong impact on construction industry

Extensive infrastructure investments are required worldwide, in particular to improve national road, rail, transport and telecommunication networks. The global recession and a harsh winter in Europe and the US, however, brought investment activities among construction companies to a virtual standstill during the first quarter of 2009. This was reflected in high inventory levels of compact equipment, including compact excavators in Europe.

The period under review thus confirmed industry expert predictions that building work would be severely curtailed both on the residential and non-residential markets. In addition, the economic recovery packages initiated by national governments, targeted in part at promoting investments in infrastructure and public education, had absolutely no impact anywhere in the world during the first quarter of 2009.

Agriculture more stable than construction

Trends on the agricultural front were more stable during the first quarter than market dynamics in the construction business. However, here also the global economy and harsh winter had a dampening effect despite the steady rise in demand for food and alternative sources of fuel. In addition, falling milk prices curbed the readiness to invest among agricultural landholders.

Group business development

Start of construction season in March marks slight upturn

The period under review was overshadowed by the negative impact of the general recession on our construction customers' order patterns at an international level. In January and February, this was reflected in all regions and across all lines of business. This was further compounded, as was to be expected, by the fact that this year's winter was significantly harsher than last year's in core markets in the US and Europe. This had a particularly pronounced effect on order patterns among our customers. The start of the construction season in March brought the first signs of a slight revival of demand for products and services in isolated countries. This worked to the benefit of our rental business.

We thus stepped up our efforts to reduce sales and administrative costs and align our organizational structure with current market dynamics at Group level. An extended flexi-time framework, short-time work at certain production facilities in Germany and Austria and unavoidable staff rationalization measures, particularly in the US, have enabled us to significantly reduce our work hours and personnel costs during the first quarter relative to December 31, 2008.

We also made solid progress in our efforts to reduce inventory levels and, by extension, working capital. By cutting back planned investments and stabilizing our net financial debt, we maintained our strong financial and asset position with a liquidity level of EUR 63.5 million and an equity ratio of 77.3 percent. We continued to extend our compact equipment line to the global market through our existing sales and service network, launching new products in line with local customer and market demands. A reluctance to invest pushed revenue during the first quarter of fiscal 2009 down 39.9 percent to EUR 137.3 million (previous year: EUR 228.2 million).

Relocation of four-wheel dumper production to Linz completed

In November 2008, the Supervisory and Executive Boards resolved to close our production site in Tredegar (Wales, GB) and relocate production operations for four-wheel dumpers to our Linz site (in Austria). This process was completed in March 2009.

New property acquired in Hörsching (Austria)

On March 12, 2009, Wacker Neuson Linz GmbH, Linz-Leonding (Austria), affiliate of Wacker Neuson SE, acquired a property measuring around 160,000 square meters in the district of Hörsching near Linz. The company has thus exercised its option agreement to purchase the site, which was due to expire at the end of March 2009. The purchase price was set at around EUR 9.2 million. Prospective plans to build new manufacturing facilities for compact excavators, skid-steer loaders and wheel and track dumpers will not be implemented before 2010 at the earliest.

Conversion to Wacker Neuson SE completed

On June 3, 2008, the AGM approved a resolution to change the legal form of the company to a European company (Societas Europaea, SE) and rename it Wacker Neuson SE. On January 14, 2009, the Executive Board of the former Wacker Construction Equipment AG together with a committee of 23 employee representatives from the company's affiliates and operations in 17 different European countries signed an agreement outlining the procedural guidelines involved in informing and consulting employees in Europe as well as employee participation in the future Wacker Neuson SE Supervisory Board. The same employee representatives were appointed to the Wacker Neuson SE Supervisory Board.

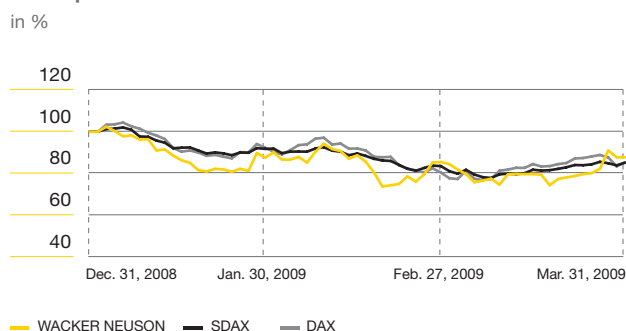
To ensure continuity, the former members of the Wacker Construction Equipment AG Executive Board were appointed to the Executive Board of Wacker Neuson SE at the constituent meeting of the Wacker Neuson SE Supervisory Board on February 11, 2009. Dr.-Ing. Georg Sick remains CEO of the Board, with Martin Lehner as Deputy CEO.

Wacker Neuson SE was entered in the German Register of Companies on February 18, 2009. The legal charter of Wacker Neuson SE remains almost identical to that of Wacker Construction Equipment AG.

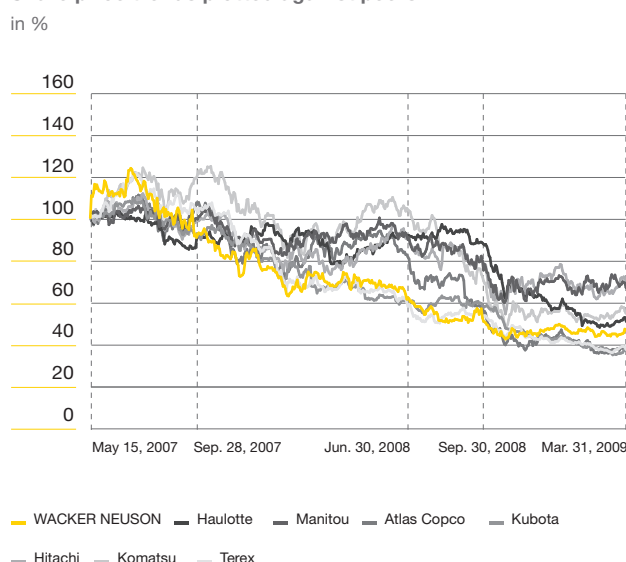
Proposed dividend payout

At the AGM on May 28, 2009 in Munich, the Executive and Supervisory Boards will propose a dividend of EUR 0.19 per eligible share (based on a total of 70.14 million eligible shares). Last year, the company paid EUR 0.50 per eligible share. In total therefore, the company will be paying out EUR 13.33 million (compared with EUR 35.07 million last year). The distribution ratio pans out at around 32 percent based on the Group profit for fiscal 2008 before purchase price allocation in the amount of EUR 41.9 million.

Share price trends



Share price trends plotted against peers



Capital market communication and share trends

During the first quarter, the Executive Board kept capital market players regularly informed on current developments within the company. Channels used to do so included an investor conference in Frankfurt. Our shares remained stable during the first quarter – despite the current turbulence on the international financial markets. At the end of the period under review, our share was listed at EUR 5.41 (December 31, 2008: EUR 6.19). With effect as of March 4, 2009, registered shares in the former Wacker Construction Equipment AG listed on the regulated Prime Standard segment of the German stock exchange (ISIN DE000WACK012 / WKN WACK01) were named to “Wacker Neuson SE”.

Profit, finances and assets

Fiscal 2008 was the first full financial year for the Wacker Neuson Group following the merger between Wacker Construction Equipment AG and Neuson Kramer Bau-maschinen AG in the fall of 2007. References to the profit, finances and assets of the company are thus based on a comparison between the data reported by the Wacker Neuson Group for the first quarter of 2008 with those reported by the Wacker Neuson Group for the first quarter of fiscal 2009. Reporting for the 2009 fiscal year no longer differentiates between the figures reported by the Wacker subgroup and the Neuson Kramer subgroup. Similarly, the effects of purchase price allocation are no longer itemized in the notes on profit, finances and assets. The figures for the 2008 and 2009 fiscal years are thus inclusive of the effects of purchase price allocation.

Profit

Market squeezes revenue

Group revenue and earnings during the first quarter of fiscal 2009 experienced downward pressure as a result of a growing reluctance to invest, evident in particular among key accounts, as a result of the global economic crisis. Compounded by a much harsher winter than last year, this squeezed sales by 39.9 percent to EUR 137.3 million (previous year: EUR 228.2 million). Adjusted to discount currency fluctuations, this corresponds to a drop of 40.0 percent.

Sales

Q1 2009 and 2008

in € million

Q1/2009	137.3
Q1/2008	228.2

Manufacturing costs fell to EUR 105.5 million (previous year: EUR 149.8 million). This was due to reduced expenditure on materials caused by a drop in production levels and a decrease in production and freight costs.

Gross profit reached EUR 31.8 million (previous year: EUR 78.4 million). The gross profit margin amounted to 23.1 percent, down from 34.4 percent the previous year. This is due to fiercer competition and the increased role played by the compact equipment business segment, which typically realizes a lower gross profit margin but also reports lower selling expenses.

The Group is implementing various cost-cutting measures. These include cutting back on investments, putting vari-

ous projects on hold and several HR measures. During the quarter under review, these initiatives already curbed administrative costs. The restructuring costs involved in these cost-efficiency measures currently amounts to around EUR 5.0 million.

Clear drop in administrative costs

Expressed as a percentage of revenue, sales, research, development and administrative costs rose to 41.4 percent (previous year: 26.4 percent) despite our committed economy drive. This is attributable to the marked drop in revenue.

Although the Group remains committed to its sales, research and development activities, it is nonetheless also trimming costs in these areas. The impact of these measures will be felt over the coming months. At EUR 37.5 million, selling expenses thus remained at the previous year's level (EUR 37.4 million). Research and development costs dropped 9.8 percent to EUR 6.0 million (previous year: EUR 6.6 million).

General administrative costs were down a sizeable 17.5 percent to EUR 13.3 million (previous year: EUR 16.2 million). Expressed as a percentage of revenue, administrative costs amounted to 9.7 percent (previous year: 7.1 percent).

Drop in sales impacts negatively on earnings

Profit before interest, tax, depreciation and amortization (EBITDA) dropped from EUR 29.4 million to EUR -12.3 million. The EBITDA margin thus amounted to -9.0 percent (previous year: 12.9 percent), whereby these figures were depressed by the restructuring expense involved in our HR alignment measures. During the quarter under review, depreciation and amortization at EUR 10.3 million remained at the previous year's level (EUR 10.3 million) due to a more conservative investment policy.

EBITDA

Q1 2009 and 2008

in € million

Q1/2009	-12.3
Q1/2009*	-7.3
Q1/2008	29.4

*Adjusted EBITDA before one-off expenses from restructuring costs in Q1/2009 which would correspond to an EBITDA margin of - 5.3 %

Profit before interest and tax (EBIT) dropped to EUR -22.6 million (previous year: EUR 19.1 million). Taking restructuring costs into consideration, the EBIT margin amounted to -16.4 percent (previous year: 8.4 percent).

EBIT**Q1 2009 and 2008**

in € million

Q1/2009		-22.6
Q1/2009*		-17.6
Q1/2008		19.1

* Adjusted EBITDA before one-off expenses from restructuring costs in Q1/2009 which would correspond to an EBITDA margin of -12.8 %

Profit before tax (EBT) decreased to EUR -23.0 million (previous year: EUR 18.5 million). This resulted in a tax revenue of EUR 6.4 million. During the first quarter of 2008, by contrast, tax expenditure amounted to EUR 6.0 million. The tax ratio fell to 27.9 percent (previous year: 32.2 percent).

At EUR -16.6 million, quarterly earnings were clearly below earnings for the same period last year (EUR 12.3 million). Based on a weighted average number of ordinary shares in circulation during the period of 70.14 million, earnings per share totaled EUR -0.24 (previous year: EUR 0.18).

During the first quarter of fiscal 2009, the average euro/dollar exchange rate was 1 euro to 1.29 dollars (previous year: EUR 1 to USD 1.53).

Finances**Company remains on stable financial footing**

Our aim during 2009 is to fund day-to-day operations with operative cash flow as far as possible and secure our liquidity. As the financing of compact equipment is now handled by external partners, the risk of default on the customer side has – to an extent – shifted to those partners.

Cash flow from operating activities reached EUR 2.9 million at the end of the first quarter (previous year: EUR -12.7 million).

This figure reflects cutbacks on our formerly high levels of investment activity. During the first three months of the year, we invested a total of EUR 7.3 million in property, plant and equipment (previous year: EUR 36.6 million). This was channeled in part into construction of our new Research and Development Centre and company headquarters in Munich, Germany. Cash flow from investment activities was reported at EUR -7.4 million (previous year: EUR -5.4 million).

Cash flow from financing activities totaled EUR 14.0 million (previous year: EUR 25.2 million). Free cash flow was posted at EUR -4.5 million (previous year: EUR -18.2 million).

Free cash flow

in € K	Q1/2009	Q1/2008
Cash flow from operating activities	2,914	-12,748
Cash flow from investment activities	-7,446	-5,386
Costs of procuring capital	0	-63
Free cash flow	-4,532	-18,197

In 2009, we aim to reduce working capital by cutting back on inventory. During the first quarter, we succeeded in decreasing working capital by 1.9 percent to EUR 298.3 million (at December 31, 2008: EUR 303.9 million). Inventory was down to EUR 212.2 million (at December 31, 2008: EUR 217.0 million). Trade payables dropped to EUR 25.5 million (at December 31, 2008: EUR 32.3 million). Trade receivables fell to EUR 111.6 million (at December 31, 2008: EUR 119.2 million). The shift in the working capital to revenue ratio reflects the challenging market dynamics caused by the economic and financial crisis.

Assets**Assets in strong position with high equity ratio**

At the close of the first quarter, the balance sheet again reflects the strong position of Group assets. After the first three months of the year, the balance sheet total amounted to EUR 1,164.0 million (at December 31, 2008: EUR 1,178.6 million). Assets were down slightly at EUR 701.9 million (at December 31, 2008: EUR 703.6 million). Current assets fell to EUR 414.9 million (at December 31, 2008: EUR 428.6 million) due to the reduction in inventory and trade receivables.

The company's share capital remained unchanged at EUR 70.14. Equity amounted to EUR 900.0 million (at December 31, 2008: 911.8 million). At 77.3 percent, the equity ratio was unchanged (at December 31, 2008: 77.4 percent) and remains – in the company's view – at a healthy high level. Total non-current liabilities dropped 2.6 percent to EUR 97.4 million (at December 31, 2008: EUR 100.1 million). Total current liabilities were posted at EUR 166.5 million (at December 31, 2008: EUR 166.7 million).

At the close of the quarter under review, the net financial debt amounted to EUR 62.7 million (at December 31, 2008: EUR 59.0 million).

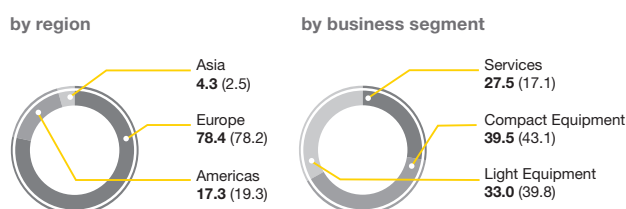
Segment reporting

With its wide range of products and services, the Wacker Neuson Group caters both directly to end customers and to dealers, rental companies and importers worldwide.

Results for Europe, the Americas and Asia

Sales distribution

in % (previous year)



Harsh winter in Europe

During the first quarter, the Europe region was heavily affected by the prevailing market conditions. This was compounded by the fact that the winter was significantly harsher than last year. Europe nonetheless continued to account for the lion's share of Group turnover at 78.4 percent (previous year: 78.2 percent). The first three months of fiscal 2009 saw this region generate a revenue of EUR 107.6 million (previous year: EUR 178.4 million). Profit before interest and tax (EBIT) dropped from EUR 14.5 million to EUR -15.3 million.

Europe

Q1 2009 and 2008

in € million

Sales

Q1/2009	107.6
Q1/2008	178.4

EBIT

Q1/2009	-15.3
Q1/2008	14.5

The squeeze on revenue was apparent across the entire region. Only in German-speaking countries did high revenue levels remain almost flat, attributable in part to strong uptake among rental customers once the construction season commenced in March. Countries in Eastern Europe were clearly affected by negative market trends.

US award for product quality

Sales in the Americas were down 46.1 percent on the previous year, to EUR 23.8 million (previous year: EUR 44.1 million). Profit before interest and tax (EBIT) fell from EUR 7.6 million to EUR -5.8 million. This region's share of total revenue dropped from 19.3 percent to 17.3 percent. Discounting exchange rate fluctuations, sales in the region decreased by 50.9 percent.

Americas

Q1 2009 and 2008

in € million

Sales

Q1/2009	23.8
Q1/2008	44.1

EBIT

Q1/2009	-5.8
Q1/2008	7.6

Business in the Americas was dampened by an increasingly pronounced reluctance to invest on both the residential and non-residential fronts and by the harsh winter – with the result that our US affiliate Wacker Neuson Corporation reported a sharp drop in new equipment sales. Expressed in US dollars, its revenue was down 57.9 percent on the same period last year. The depressed market climate also impacted business in Canada, Mexico and South America.

Our affiliate Wacker Neuson Corporation received five Top 100 Product Awards from the "Construction Equipment" magazine in acknowledgement of the excellent machines it launched on the US market.

Expansion of sales in Asia pays dividends

In the Asia region, sales during the first quarter of 2009 rose 2.2 percent relative to the same period last year, up from EUR 5.8 million to EUR 5.9 million. Profit before inter-

est and tax (EBIT) amounted to EUR 0.1 million (previous year: EUR 0.3 million). This region's share of total sales rose from 2.5 percent to 4.3 percent.

Asia

Q1 2009 and 2008

in € million

Sales

Q1/2009	5.9
Q1/2008	5.8

EBIT

Q1/2009	0.1
Q1/2008	0.3

The construction business generally fared well in the Asia region – and in China in particular – as a result of infrastructure projects. Expansion of our sales activities in recent years is paying dividends and has fueled a strong rise in revenue relative to the same period last year. The general economic climate had a negative impact on business in Australia, Japan, New Zealand and Thailand, however.

Results for light equipment, compact equipment and services segments

Sales by business segment

in T€	Jan. 1 – Mar. 31, 2009	Jan. 1 – Mar. 31, 2008
Segment revenue from external customers		
Light Equipment	45,700	91,270
Compact Equipment	54,672	98,824
Services	38,131	39,176
Less cash discounts	- 1,225	- 1,025
Total	137,278	228,245

Reduced product sales in light equipment segment

The light equipment business segment covers the Wacker Neuson Group's activities within the four strategic business fields of concrete technology, soil and asphalt compaction, demolition, and utility. In this segment, sales before discounts fell to EUR 45.7 million in the first three months of fiscal 2009 (previous year: EUR 91.3 million). The primary cause of this was dwindling new equipment sales to key accounts. This segment's share of total sales was 33.0 percent (previous year: 39.8 percent).

Wacker Neuson Corporation received five "Top 100 Product Awards" for innovative machines launched in the US



January 2009: Our affiliate Wacker Neuson Corporation received five Top 100 Product Awards from the "Construction Equipment" magazine in acknowledgment of the excellent machines it launched on the US market in 2008. This prize is awarded for innovative products that result in greater productivity, efficiency and security to the end customer. Wacker Neuson is the first company to receive five such awards in one year.

A vibratory roller, vibratory plates and efficient electric breakers were just some of the new products launched in the light equipment segment during the first quarter.

Downturn in sales in the compact equipment business segment

In the first three months of 2009, 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) fell from EUR 98.8 million to EUR 54.7 million. This segment's share in total sales was 39.5 percent (previous year: 43.1 percent).

Performance in this business segment was influenced by a substantial backlog of compact equipment inventory in the region Europe, in particular within the compact excavator product group. We continued to implement measures aimed at launching compact equipment via our global sales and service network and expanded our product portfolio in this segment to include a new, powerful wheel loader.

Against the background of prevailing market conditions, the harsh winter and falling milk prices in Europe led to a downturn in investment, which, in turn, impacted demand for agricultural products.

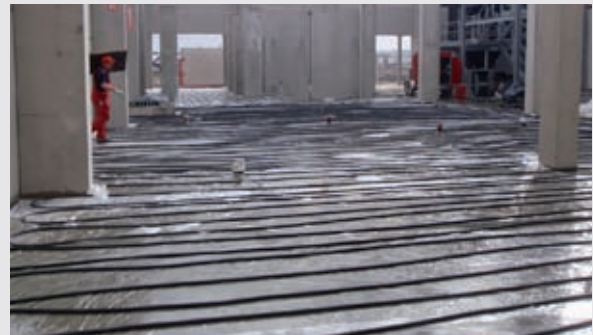


Improved functionality on difficult terrains. In March of 2009 Wacker Neuson presented the four wheel-dumper 6001s Power. The generously dimensioned engine output and superior torque makes this a best-in-class product.

Rental business increases revenue in services business segment

Sales before discounts in the services segment, which comprises the business fields rental (Central and Eastern Europe) and after-market (repair and maintenance), fell slightly during the first quarter. Figures here dropped marginally by 2.7 percent in the period under review to EUR 38.1 million (previous year: EUR 39.2 million). This segment's share in total sales was thus 27.5 percent (previous year: 17.1 percent).

Hydronic heaters enabling groundwork and concrete curing even at minus temperatures



Ground work and concrete curing even at minus temperatures can be very difficult. Thanks to the Wacker Neuson hydronic heater E 700M the construction of two industrial buildings in Germany could be continued without interruption.

Sales in the after-market business field (which covers the traditional repair and spare parts business) were down by 9.2 percent to EUR 28.3 million (previous year: EUR 31.1 million). Sales generated by the rental business in Central and Eastern Europe rose from EUR 8.1 million to EUR 9.9 million, fuelled in part by increased demand in March as construction projects got underway following the harsh winter.

Other factors that impacted on results

Decreased factory output

The drop in demand for our products has resulted in lower output at our manufacturing facilities. We have maintained our 24- to 48-hour delivery timeframe for products in the light equipment business segment. Delivery times for compact equipment range between one to two months, reflecting measures to reduce inventory here.

Savings by consolidating trade fair presence

The company has always had a steady flow of visitors and received positive feedback on its premium product portfolio at trade fairs in the US, Switzerland and Austria. As part of our cost-saving measures, we have decided to cancel our presence at a number of fairs in 2009. This move has enabled us to save around EUR 0.9 million.

Higher research and development cost ratio

Despite full-scale preparations to launch new products throughout the course of the current fiscal year, research and development costs in the period under review dropped to EUR 6.0 million (previous year: EUR 6.6 million). Against the backdrop of a fall in sales, the research and development ratio rose to 4.3 percent (previous year: 2.9 percent).

HR rationalization

At March 31, 2009, Group headcount totaled 3,375 (previous year: 3,724). This figure does not reflect the actual number of employees, but the number of positions as calculated on a full-time basis. The drop in headcount during the first quarter of 2009 (figure at December 31, 2008: 3,665) reflects our HR rationalization policy, with focused primarily at our production sites in Milwaukee (USA), Manila (Philippines) and Linz (Austria). In Germany, the Group is mainly concentrating on short-time work and extending 'minus' flexitime options. At March 31, 2009, around 23 percent of positions at production sites worldwide were affected by short-time work schemes.

Changes to the opportunity and risk situation

In the first quarter of 2009, the Wacker Neuson Group continued to implement its risk 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 Wacker Neuson Group as of March 31, 2009 that deviate from the 2008 annual financial statements.

The intensification of the overall economic crisis has resulted in a massive drop in light and compact equipment product sales during the first quarter of 2009 as well as excess compact equipment inventory in individual markets. At March 31, 2009, accumulated orders for compact equipment for the construction and agricultural industries were around 70 percent below the equivalent figure for the previous year. The company anticipates that the global recession and increasingly stringent bank lending policies will continue to influence customer order patterns. We expect this to further negatively impact construction equipment sales and cause sales of agricultural machinery to drop lower than we have thus far experienced. Furthermore, the company has identified an increased risk of losing customers and suppliers due to insolvency or market concentration – a development that particularly increases the risk of default. We are countering this risk by adopting proactive go-to-market strategies as well as focusing our efforts on reducing stock and further adapting our cost and organizational structures.

We are not currently aware of any other significant risks to the Wacker Neuson 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 no significant events since the reporting date that could have an impact on future Wacker Neuson Group business development.

Outlooks

Further downturn in global economy

According to experts, the global economy is in recession and there are currently no strong signs of a slowdown in the global economic downturn. An upturn in 2009 is only expected if the banking sector can be stabilized worldwide. It is currently not possible to assess to what extent action plans implemented by national governments will lead to market recovery or when these effects will be felt.

Negative impact on construction and agricultural industries

The international construction industry is facing dampened prospects for 2009 due to the global recession, although numerous infrastructure improvements are scheduled worldwide, including highway construction, telecommunications, and transport and traffic projects. A number of governments have already included measures aimed at promoting infrastructure and public education in their action plans, which will provide impetus for the construction industry. However, industry experts do not expect the benefits of these measures to be felt until the second half of 2009. In the long term, however, prospects for non-residential construction in particular are good. The Organization for Economic Co-operation and Development (OECD) estimates that USD 70,000 billion is required for global infrastructural investments between now and 2030. Recovery of the residential market would also be a key driver in stabilizing the construction industry.

Experts predict that the agricultural industry will perform better in 2009 than the construction industry. This trend is driven by the continued structural shift in the agricultural industry, resulting in fewer agricultural holdings yet an increase in size of those holdings. The need to increase global production of foodstuffs and animal feed, coupled with rising demand for renewable resources, are strengthening agriculture's importance as an economic driver. Experts therefore anticipate rising demand for technical machinery for agricultural production, land cultivation and work in agricultural buildings such as barns.

Wacker Neuson Group adheres to long-term strategy

In our opinion, the long-term prospects for the Wacker Neuson Group are good. However, short- and mid-term prospects will continue to be dominated by the prevailing general economic recession and the current unfavorable

outlook for the international construction industry. We remain committed to our long-term growth strategy, and are in a strong position thanks to our business model. We also intend to invest wisely to ensure that the Group grows in line with market and customer needs. In order to win market share, we intend to focus intently on meeting evolving customer needs, continuing to deliver best-in-class product and service quality, launching compact equipment via our global sales and service network and providing proactive customer support. Our strategy involves expanding the reach of our international portfolio of Weidemann-branded agricultural machinery in line with overall economic trends. We will be concentrating in particular on Poland, the Czech Republic and parts of the Netherlands, where agricultural machinery is already sold through our branch offices.

Despite an improvement in business in March, we remain extremely cautious about the current fiscal year as we do not expect the comprehensive economic recovery plans to have any positive effect on the construction industry until the end of 2009 at the earliest. The company is prepared for the fact that the worldwide downturn in the construction industry may well last into 2010 and may continue to impact on customer order patterns against the backdrop of intensified competition. It therefore remains difficult to precisely predict sales or profit before interest, tax, depreciation and amortization (EBITDA) for fiscal 2009. As a result, we still expect a drop in sales and earnings for the current fiscal year and, based on our current position, cannot rule out losses for the first six months of the year.

We are also concentrating on further reducing sales and administrative costs throughout the Group. We have intensified measures aimed at cutting costs and modifying the organizational structure, and expect these moves to have a concrete impact on our cost structure during the second quarter. Throughout the coming year, we are looking to reduce personnel costs and working hours by around 20 percent compared with figures at December 31, 2008. We aim to achieve this by extending flexitime options, implementing short-time work and selective layoffs.

We also intend to maintain our strong financial and asset position with a liquidity level of EUR 63.5 million and an equity ratio of 77.3 percent. We have reduced planned investments for 2009 by 40 percent in comparison with the previous year. We also plan to lower our working capital by reducing inventory.

Income Statement

January 1 through March 31

in € K	Jan. 1 – Mar. 31, 2009	Jan. 1– Mar. 31, 2008
Revenue	137,278	228,245
Cost of sales	- 105,513	- 149,815
Gross profit	31,765	78,430
Sales and service expenses	- 37,463	- 37,422
Research and development expenses	- 5,965	- 6,610
General administrative expenses	- 13,338	- 16,166
Other income	4,552	3,034
Other expenses	- 2,102	- 2,159
Profit before interest and tax (EBIT)	- 22,551	19,107
Financial result	- 422	- 565
Profit before tax (EBT)	- 22,973	18,542
Taxes on income	6,408	- 5,964
Profit before minority interests	- 16,565	12,578
Minority interests	- 46	- 250
Profit for the period	- 16,611	12,328
Earnings per share in EUR	- 0,24	0,18

Total profit/loss for the quarter

January 1 through March 31

in € K	Jan. 1 – Mar. 31, 2009	Jan. 1 – Mar. 31, 2008
Profit/loss for the quarter	- 16,611	12,328
Items not recognized in profit/loss for the period:		
Exchange differences	5,477	-9,606
Securing cash flows:		
Losses incurred in the current period	- 1,002	- 149
Tax effects from items in total profit/loss for the period	320	43
Items not recognized in profit/loss after tax for the period	4,795	-9,712
Total profit/loss after tax for the period	- 11,816	2,616
Of which are attributable to:		
- Shareholders in the parent company	- 11,770	2,866
- Minority interests	-46	- 250
Total profit/loss after tax for the period	- 11,816	2,616

Balance Sheet

As at March 31

in € K	March 31, 2009	December 31, 2008
Assets		
Property, plant and equipment	271,132	272,934
Investment property	2,647	2,708
Goodwill	326,423	326,059
Intangible assets	98,273	98,438
Other investments	3,420	3,420
Deferred taxes	16,166	13,450
Other non-current assets	31,066	32,999
Total non-current assets	749,127	750,008
Inventories	212,219	217,030
Trade receivables	111,572	119,188
Marketable securities	1,967	1,894
Current tax receivables	10,659	10,402
Other current assets	14,931	14,489
Cash and cash equivalents	63,527	65,600
Total current assets	414,875	428,603
Total assets	1,164,002	1,178,611
Equity and liabilities		
Subscribed capital	70,140	70,140
Other reserves	587,311	582,516
Retained earnings	239,821	256,432
Equity before minority interests	897,272	909,088
Minority interests	2,777	2,731
Total equity	900,049	911,819
Long-term borrowings	38,886	38,845
Deferred taxes	29,249	31,989
Long-term provisions	29,336	29,288
Total non-current liabilities	97,471	100,122
Trade payables	25,490	32,290
Short-term borrowings from banks	83,449	81,742
Current portion of long-term borrowings	5,860	5,876
Short-term provisions	14,056	11,112
Current tax payable	550	466
Other current liabilities	37,077	35,184
Total current liabilities	166,482	166,670
Total liabilities	1,164,002	1,178,611

Statement of Changes in Equity

As at March 31

in € K	Subscri- bed capital	Capital reserves	Exchange diffe- rences	Other neutral changes	Retained earnings	Equity before minority interests	Minority interests	Total equity
Balance at December 31, 2007	70,140	618,450	-32,845	581	254,113	910,439	2,280	912,719
Total profit for the period	0	0	-9,606	-106	12,328	2,616	250	2,866
Costs of procuring capital	0	-63	0	0	0	-63	0	-63
Balance at March 31, 2008	70,140	618,387	-42,451	475	266,441	912,992	2,530	915,522
Balance at Dezember 31, 2008	70,140	618,397	-36,914	1,033	256,432	909,088	2,731	911,819
Total profit for the period	0	0	5,477	-682	-16,611	-11,816	46	-11,770
Balance at March 31, 2009	70,140	618,397	-31,437	351	239,821	897,272	2,777	900,049

Cash Flow Statement

For the period from January 1 through March 31

in € K	Jan. 1 – March 31, 2009	Jan. 1 – March 31, 2008
EBT	- 22,973	18,542
Depreciation and amortization	10,260	10,325
Foreign exchange result	3,016	- 5,595
Gains/losses from sale of intangible assets and property, plant and equipment	- 20	23
Book value from the disposal of rental equipment	1,502	422
Gains/losses from derivatives (cash flow hedging)	- 682	- 60
Financial result	422	565
Changes in inventories	4,811	- 3,690
Changes in trade receivables and other assets	9,081	- 25,085
Changes in provisions	2,992	- 17
Changes in trade payables and other liabilities	- 4,514	3,074
Interest paid	- 1,396	- 1,645
Income tax paid	415	- 9,607
Cash flow from operating activities	2,914	- 12,748
Purchase of property, plant and equipment	- 7,251	- 36,555
Purchase of intangible assets	- 1,262	- 787
Proceeds from the sale of property, plant and equipment and intangible assets	169	469
Proceeds received on the sales of marketable securities	0	29,371
Interest received	898	2,116
Cash flow from investing activities	- 7,446	- 5,386
Costs of procuring capital	0	- 63
Proceeds/income from short-term borrowings	14,041	25,224
Cash flow from financing activities	14,041	25,161
Increase/decrease in cash and cash equivalents	9,509	7,027
Effect of exchange rates on cash and cash equivalents	727	- 783
Change in cash and cash equivalents	10,236	6,244
Cash and cash equivalents at beginning of period¹	37,339	38,792
Cash and cash equivalents at end of period¹	47,575	45,036

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

Segmentation

January 1 through March 31

Primary segmentation (geographical segments)

in € K	Europe	Americas	Asia	Consolidation	Group
Q1 2009					
Segment revenue					
Total external sales	155,716	34,731	7,750		
Less intrasegment sales	- 40,333	- 4,399	- 194		
Intersegment sales	- 7,798	- 6,515	- 1,680		
Total	107,585	23,817	5,876	0	137,278
EBIT	- 15,321	- 5,839	56	- 1,447	- 22,551
EBITDA	- 6,483	- 4,582	228	- 1,454	- 12,291
Net financial debt	45,400	22,292	3,009	- 8,000	62,701
Working capital	210,623	74,924	12,754	0	298,301
Q1 2008					
Segment revenue					
Total external sales	259,026	71,021	8,203		
Less intrasegment sales	- 66,885	- 9,986	- 398		
Intersegment sales	- 13,718	- 16,965	- 2,053		
Total	178,423	44,070	5,752	0	228,245
EBIT	14,501	7,587	302	- 3,283	19,107
EBITDA	23,678	8,607	438	- 3,291	29,432
Net financial debt	- 14,127	15,432	5,122	0	6,427
Working capital	222,839	67,334	12,897	0	303,070

Sales by business segment

in € K	Jan. 1 – March 31, 2009	Jan. 1 – March 31, 2008
Segment revenue from external customers		
Light Equipment	45,700	91,270
Compact Equipment	54,672	98,824
Services	38,131	39,176
Less cash discounts	- 1,225	- 1,025
Total	137,278	228,245

Selected explanatory notes to the interim financial statements for the first quarter 2009

Accounting rules

The Wacker Neuson SE consolidated interim financial statements to March 31, 2009 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 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, 2008. The comments there also apply to the quarter and half-year statements for fiscal 2009, unless explicitly stated otherwise.

In line with mandatory guidelines that apply to reporting periods starting on or after January 1, 2009, the Group has applied IFRS 8 (Operating Segments) to its interim financial statements for the first quarter of 2009. IFRS 8 requires an entity to base external segment reporting on the information used internally by management to evaluate segment performance (the management approach). The company has thus far reported its segments geographically in accordance with IAS 14. Since this approach reflects the Group's internal reporting structure, the application of IFRS 8 has not resulted in any changes in the structure of segments required to disclose information on their operations. Working capital, net debt and EBITDA have been adopted from internal reporting and included in external segment reporting for the first time. Figures from the previous year have been adjusted correspondingly for the period under review to ensure meaningful comparison.

IAS 1 (Presentation of Financial Statements), as revised in 2007, is also applied and reflected in the presentation of other comprehensive income for the period. The Group has chosen the two statement approach here. In other words, all items of income disclosed directly in equity are presented in a separate statement and compared with the previous year's figures. As

a result, the statement of changes in equity only reflects other comprehensive income for the period and transactions with shareholders.

Changes to IAS 23 (Borrowing Costs) stipulate for the first time that borrowing costs directly related to the procurement or manufacture of an asset which requires a substantial period of time until it is ready for its intended use or for sale must now be capitalized as part of the acquisition or manufacturing cost of the qualifying asset. All other borrowing costs are recognized in the period in which they are incurred. Borrowing costs are interest expense and other costs incurred by a company in connection with borrowings. Application of the revised version of IAS 23 has thus far not had any significant impact on assets, liabilities, financial position and profit/loss during the current reporting period.

Aside from the exceptions listed above, the general accounting principles and valuation methods used for the fiscal 2008 consolidated statements have also been applied to these interim financial statements.

Legal changes to company structure

Wacker Construction Equipment AG has been trading under the name Wacker Neuson SE since the new name was entered in the German Register of Companies at the Munich Magistrate's Court on February 18, 2009. This marked execution of the proposals approved during the previous AGM on June 3, 2008.

The existing registered company shares listed on the regulated Prime Standard segment of the German stock exchange were renamed to Wacker Neuson SE on March 4, 2009. This has not resulted in any changes for shareholders.

Seasonal fluctuations

Due to the geographical distribution of its business, Wacker Neuson 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 from fiscal 2006 through 2008 was as follows:

in %	2008	2007	2006
Q1	26	24	24
Q2	28	28	27
Q3	24	25	25
Q4	22	23	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 and 2006 figures. However, it is included in the figures for 2008. The annual analysis of the distribution of consolidated sales reinforces the assumption that seasonal fluctuations in the Group 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.

	2009	2008
Q1		
Quarterly earnings attributable to shareholders in € K	- 16,611	12,328
Weighted average number of ordinary shares in circulation during the period in thousands	70,140	70,140
Earnings per share in EUR	- 0,24	0,18

Important events

The Wacker Neuson SE Executive and Supervisory Boards decided to propose that the AGM, on May 28, 2009, approve a dividend payout of EUR 0.19 per share for fiscal 2008 based on an eligible share capital in the amount of EUR 70,140,000.00.

Provisions in the amount of EUR 5.0 million were created for redundancy packages and payments for employees who no longer work for the company but remain on the payroll pending expiry of their notice period.

Furthermore, Wacker Neuson Linz GmbH, based in Linz-Leonding (Austria), has purchased an approximately 160,000 m² tract of land in the district of Hörsching, in close proximity to Linz airport. The company has thus exercised its option agreement to purchase the site, which was due to expire at the end of March, 2009. A decision regarding the construction of a new production plant will not be made until 2010.

Events since reporting date

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

Munich, May 6, 2009

Executive Board

Dr.-Ing. Georg Sick
(CEO)

Martin Lehner
(Deputy CEO)

Richard Mayer

Günther 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 March 31, 2009 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, May 7, 2009

Rölfs WP Partner AG
Wirtschaftsprüfungsgesellschaft

Reinke
(Public Auditor)

Jagosch
(Public Auditor)

Income Statement

Effects from Purchase Price Allocation (PPA)

in € K	Jan.1–Mar. 31, 2009	PPA	Jan.1–Mar. 31, 2009
Wacker Neuson	without PPA ¹		with PPA ¹
Revenue	137,278		137,278
Cost of sales	- 104,601	- 912	- 105,513
Gross profit	32,677	- 912	31,765
Sales and service expenses	- 37,463		- 37,463
Research and development expenses	- 5,175	- 790	- 5,965
General administrative expenses	- 13,254	- 84	- 13,338
Other income	4,552		4,552
Other expenses	- 2,102		- 2,102
Profit before interest and tax (EBIT)	- 20,765	- 1,786	- 22,551
Financial result	- 344	- 78	- 422
Profit before tax (EBT)	- 21,109	- 1,864	- 22,973
Taxes on income	5,909	499	6,408
Profit before discontinued operations, minority interests	- 15,200	- 1,365	- 16,565
Result from discontinued operations	0		0
Minority interests	- 70	24	- 46
Profit for the period	- 15,270	- 1,341	- 16,611
Profit before interest and tax (EBIT)	- 20,765	- 1,786	- 22,551
Depreciation and amortization	9,383	877	10,260
EBITDA	- 11,382	- 909	- 12,291

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.

Financial Calendar/IR Contact

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Financial Calendar 2009

May 14	Publication of first-quarter report 2009, Analyst conference
May 28	AGM, Munich, Germany
May 29	Dividend payout
August 13	Publication of half-year report 2009
November 11	Publication of nine-month 2009

Disclaimer

This three-month 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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