



H1/11
Half-year report 2011



**WACKER
NEUSON**

Figures at a Glance

April 1 through June 30 and January 1 through June 30

in € million	Apr. 1–Jun. 30, 2011	Apr. 1–Jun. 30, 2010	Jan. 1–Jun. 30, 2011	Jan. 1–Jun. 30, 2010
Key figures				
Sales	266.9	205.3	478.7	355.6
by region				
Europe	200.0	147.6	351.4	257.6
Americas	57.2	49.9	110.2	82.9
Asia	9.7	7.7	17.1	15.1
by business segment ¹				
Light Equipment	97.2	85.9	181.5	144.7
Compact Equipment	116.1	69.7	199.9	124.3
Services	53.6	49.7	97.3	86.6
EBITDA	45.7	27.0	71.6	30.7
Depreciation and amortization	12.0	9.9	23.0	19.5
EBIT	33.7	17.2	48.6	11.2
EBT	32.8	15.8	46.7	9.1
Profit for the period	22.5	10.9	31.5	5.2
Number of employees	3,285	3,076	3,285	3,076
Share				
Earnings per share in €	0.32	0.16	0.45	0.07
Dividend per share in €	0.17	0	0.17	0
Key profit figures				
Gross profit in % ²	32.6	33.0	32.6	31.0
EBITDA margin as a %	17.1	13.2	15.0	8.6
EBIT margin as a %	12.6	8.4	10.2	3.2
Key figures from the balance sheet				
		Jun. 30, 2011	Dec. 31, 2010	Jun. 30, 2010
Property, plant and equipment		696.7	673.9	659.1
Current assets		433.6	356.3	379.5
Equity		839.6	830.6	817.9
Net financial debt		68.7	13.7	15.8
Liabilities		288.2	197.3	217.9
Equity ratio as a %		74.3	80.6	78.8
Working capital		321.8	269.3	270.2
Cash flow				
	Apr. 1–Jun. 30, 2011	Apr. 1–Jun. 30, 2010	Jan. 1–Jun. 30, 2011	Jan. 1–Jun. 30, 2010
Cash flow from operating activities	20.8	- 0.1	10.3	- 2.4
Cash flow from investing activities	- 35.3	- 15.0	- 52.5	- 40.1
Capital expenditure (property, plant and equipment and intangible assets)	- 36.0	- 15.5	- 53.5	- 40.7
Cash flow from financing activities	6.8	- 0.7	24.6	6.8
Free cash flow	- 14.4	- 15.1	- 42.2	- 42.5

¹ Consolidated sales after discounts.

² Expenses for service technicians have been reported in the income statement under manufacturing costs since Q1 2011. Previously, this cost factor was reported under selling expenses. This adjustment was made to report business activities more clearly under earnings. Expenses for service technicians amounted to EUR K 6,181 for the period under review (half-year). The equivalent figures from the previous year were adjusted by an amount of EUR K 6,080. For the second quarter expenses for service technicians amounted to EUR K 3,191 (Q2/2010: EUR K 2,877).

H1 2011 highlights

Overview

- The Wacker Neuson Group benefited from strong demand for light and compact equipment worldwide and reached an all-time high since the merger in 2007 in revenues and earnings. Since July 28, 2011 the Wacker Neuson SE operates as a management holding with a central management structure. On September Cem Peksglam will assume the position of CEO of Wacker Neuson SE.

H1 2011 compared to H1 2010

- Group revenue was up 34.6 percent to EUR 478.7 million.
- Especially revenue growth in the light equipment (+26.0 percent) and compact equipment (+61.5 percent) segments but although strong performance in Europe (+36.4 percent) and the Americas (+32.9 percent) were key drivers behind the Group's positive results.
- Group earnings rose much faster. EBITDA rose to EUR 71.6 million during the first halfyear. This corresponds to an EBITDA margin of 15.0 percent (previous year: EUR 30.7 million; EBITDA margin: 8.6 percent).
- At June 30, 2011, accumulated orders for compact equipment for the construction and agricultural industries were over 20 percent up on the equivalent already strong figure for the previous year.

Forecast

In light of the strong results for H1 2011 and a positive business outlook, the Wacker Neuson Group has reviewed its forecast for the entire fiscal year. It now expects revenue to climb to between EUR 910 and 930 million (previous forecast: EUR 880 to 920 million) and the EBITDA margin to settle between 13 and 14 percent (previous forecast: 12 to 13 percent) (2010: revenue of EUR 757.9 million and an EBITDA margin of 10.3 percent).

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Dear Ladies and Gentlemen,



From left

Werner Schwind
Member of the Executive Board

Günther C. Binder
CFO

Martin Lehner
Deputy Chairman

Richard Mayer
Spokesperson for the Executive Board

2011 got off to a promising start for Wacker Neuson and has thus far lived up to expectations. Construction activity in our core markets of Europe and the US picked up early due to a mild winter and punctual start to the construction season at the beginning of the year, boosting demand for light equipment, compact equipment and services. At the same time, the supplier bottlenecks that had dampened our business in the previous year continued to ease, enabling us to turn the exceptionally high order backlog from the second half of 2010 into strong sales figures for compact equipment.

The Group's results reflect this rapid growth. At EUR 479 million, revenue for the first half of the year was up by around 35 percent on the previous year, giving us our strongest half-year since the 2007 merger – and ensuring that we grew faster than the overall market. We are particularly pleased that revenue for the second quarter was also up 26 percent on the first quarter of the year and regard this as a sign that demand is set to remain on a steady upward path.

All Wacker Neuson business segments contributed to our impressive growth. The light equipment segment reported a 26-percent rise in revenue at the close of the half-year, fueled primarily by demand in the US, France and Germany. Professional rental companies also continued to invest in new equipment in order to rejuvenate their fleets.

The compact equipment segment put in a particularly strong performance, expanding by more than 61 percent on the previous half-year. This is primarily down to the ongoing success of our strategy to gradually utilize Wacker Neuson's global footprint for the distribution of our compact portfolio. We are particularly pleased with how demand for compact equipment has developed in South Africa and Brazil as well as in European markets such as France, Sweden and Poland. Our business segments have now returned to 2008 levels. As anticipated, the compact equipment business again accounts for a larger share of revenue than the light equipment segment. And Wacker Neuson is ready for further growth. Our new facility in the Austrian town of Hörsching is set to open in 2012 and will double the Group's current production capacity for compact excavators.

This strong revenue and sales growth was also reflected in profit, which grew at a faster rate even than revenue. At EUR 72 million, Group profit before interest, tax, depreciation and amortization (EBITDA) was more than double the same figure for the first six months of the previous

year. This pushed the EBITDA margin up from 8.6 percent to 15.0 percent. In the second quarter alone, the Group's EBITDA margin totaled 17.1 percent, up from 12 percent in the first quarter.

These results show that the structural and organizational measures we implemented over the past years have really paid dividends and significantly increased operational efficiency. Our position as a technology leader in many of our product fields combined with our strong brands has enabled us to increase revenue and strengthen our earnings potential, and by doing so, create a platform for future growth. The services segment also performed extremely well in the second quarter.

Prospects for the company are promising, with demand remaining on a stable growth path. Although there are currently no indications that business at Wacker Neuson will slow in the foreseeable future, we are monitoring global economic development and the impact of sovereign debt crises closely. We expect our growth rates to level off somewhat during the course of the current year. However, this is only a natural development in light of our exceptionally strong performance in the second half of 2010. We also intend to continue regional expansion, moving forward with our usual calm determination – and, of course, the support of our employees. We would like to take this opportunity to thank our people for this successful first half-year.

On the back of these developments, we have upped the forecast we issued in spring of this year. We have now set a target revenue corridor from EUR 910 to 930 million for the current fiscal year and a corridor for the EBITDA margin between 13 and 14 percent.

We deeply regret Dr. Wacker's resignation from the Supervisory Board due to health reasons. It marks the end of an era for the company. Dr. Wacker had been with the company for over forty years. He is a fifth-generation member of the Wacker family and was at the head of the company for over thirty years, playing a key role in its development and the definition of its core values. Dr. Wacker's strong character helped put the company on the road to success, building a solid platform over the decades from which we can now reach for new heights. We would like to thank Dr. Wacker for his work both in and for the company and wish him the very best for the future.

We are optimistic about the second half of the year and look forward to working with Mr. Cem Peksaglam, the new CEO of Wacker Neuson SE. He will be taking on the position on September 1, 2011. We would like to take this opportunity to welcome him to the company.

Yours sincerely,

The Executive Board



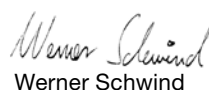
Richard Mayer



Martin Lehner



Günther C. Binder



Werner Schwind

Interim review

Economic and business trends

Global economy continues to grow

According to the Ifo institute, moderate global economic growth in the first quarter of 2011 gathered momentum during the second quarter of the year. Experts at the institute expect the global economy to grow 3.2 percent overall this year. Germany is performing particularly well here, with Ifo rating the country's current economic situation as "excellent". Europe as a whole received a "satisfactory" rating. The second quarter, however, was dominated by fears that the debt situation in the US, Greece and other European countries could trigger a chain reaction. To combat inflation in the euro zone, the European Central Bank (ECB) raised interest rates slightly in July 2011.

Trends in construction and agricultural markets

Construction industry in Germany upbeat

According to the European Commission, the mood across the European construction industry continued to pick up, with demand remaining high.

In Germany, the Ifo Institute remains positive about the current economic situation as well as the prospects for the construction materials and equipment industry in the second half of 2011. Germany's Central Bank reported that expenditure on residential buildings exceeded expectations. Investment in new developments also outstripped investment in existing housing developments for the first time in a long time. According to Ifo, these developments enabled companies to pass on price increases from construction firms as anticipated. Prices are expected to rise further over the coming months. The double-digit growth rate resulting from mild weather at the beginning of the year has slowed, however.

By contrast, McGraw-Hill Construction reported that from January to May 2011, the US construction industry shrunk 9 percent compared with the same period last year.

Strong investment in agricultural equipment

After two years of falling revenue for German manufacturers, the German Engineering Federation (VDMA) reported that investment in modern agricultural machinery is again at a very high level. In addition to healthy domestic business, demand from export markets has picked up noticeably, with agricultural machinery firms reporting a return to strong double-digit growth in exports since December 2010. In Germany, comparatively high levels of rain have damaged crops in some areas. This could negatively impact landholders' incomes and temporarily dampen demand.

Group business development

The Group started to feel the benefits of rising demand for compact and light equipment back in 2010. This was followed by further positive trends during the first six months of 2011, which has brought the Wacker Neuson Group even closer to pre-crisis revenue levels.

Continued strong demand for light and compact equipment

Q2 sales of light and compact equipment were up again, following on from strong demand in the first quarter resulting from a mild winter in Europe and an early start to the construction season. Professional rental companies continued to modernize fleets and invest in new equipment. In the compact equipment segment, the company turned the high order backlog at the start of the year into a sharp increase in sales. The Group benefitted from the early increase in inventory levels and supplier preorders at all production sites, and from the efficiency gains of optimized production processes. Capacity utilization also increased at all of our production sites.

Revenue and earnings up significantly on prior-year period and previous quarter

Overall revenue for the first half of 2011 was up 34.6 percent to EUR 478.7 million (H1 2010: EUR 355.6 million). The second quarter developed particularly well, with revenue totaling EUR 266.9 million (Q2 2010: EUR 205.3 million).

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

This represents a 30.0-percent increase on Q2 2010, which was itself a relatively strong quarter for the Group.

Revenue was also up 26.0 percent on the first three months of 2011 (EUR: 211.8 million). This was fueled partly by the start of the “traditional” construction season (March to July), which typically sees equipment deliveries and services rise. However, revenue was also boosted by the dynamic pace of construction activity, which, since the beginning of the year, has seen customers up investments to replace stock. The Group also benefited from sales synergies promoting world-wide distribution of compact equipment.

In conjunction with the Group’s optimized cost structure, the increase in revenue had a direct, positive impact on profit margins. The EBITDA margin for the period rose to 15.0 percent (H1 2010: 8.6 percent), while the EBIT margin climbed to 10.2 percent (H1 2010: 3.2 percent). It is the view of company management that this is directly linked to increased efficiency levels across the Group. The company was thus able to clearly exceed 2008’s strong half-year revenue (EUR 472.4 million) and profit margins (EBITDA margin: 13.4 percent, EBIT margin: 9.1 percent) with a significantly smaller headcount.

AGM approves holding structure and dividend payout

At the AGM on May 26, 2011 in Munich, the Executive Board informed around 220 shareholders of Wacker Neuson SE about the developments in fiscal 2010 and the first months of the current year. Based on a share capital of 70,140,000 shares, 85.4 percent of shareholders were present.

Shareholders at the AGM agreed with the Executive Board and Supervisory Board’s proposal to transition Wacker Neuson SE to a pure holding company in order to raise transparency and efficiency levels across the Group. The vast majority of shareholders approved the requisite drop-down and transfer agreement. The transition came into effect on July 28, 2011 when it was entered in the Register of Companies. Wacker Neuson SE’s operating activities in Germany for the light equipment segment (sales, production and logistics) have thus been dropped down to three companies, each in the form of a GmbH & Co. KG, with headquarters in Munich. The three new companies

are wholly owned affiliates of Wacker Neuson SE. Wacker Neuson SE continues to own over 30 other affiliates (primarily sales affiliates outside of Germany). The new structure has made Wacker Neuson SE a management holding company with a central management structure that retains responsibility for Central Group and corporate functions.

In light of the company’s stronger earnings situation and sustainable improvements to cost structures, shareholders approved a dividend of EUR 0.17 per share for the last fiscal year. With 70.14 million eligible shares, this amounts to a total payout of EUR 11.9 million. The distribution ratio panned out at around 50 percent based on Group profit for the year 2010 in the amount of EUR 23.9 million.

Construction starts on Hörsching facility

Construction on the new Wacker Neuson facility in the Upper Austrian town of Hörsching officially got underway with a silver-spade ceremony on June 8, 2011. The company is investing a total of EUR 65 million in the modern compact equipment production facility. This figure includes the cost of developing the site plus the EUR 10 million paid in 2010 for the plot of land. The 16-hectare site next to Linz airport will be home to a high-tech production facility and test ground as well as an administrative building with around 50,000 m² of space. Based on the current schedule, the first compact machines are set to roll off the production line by mid-2012.

Capital market communication and share trends

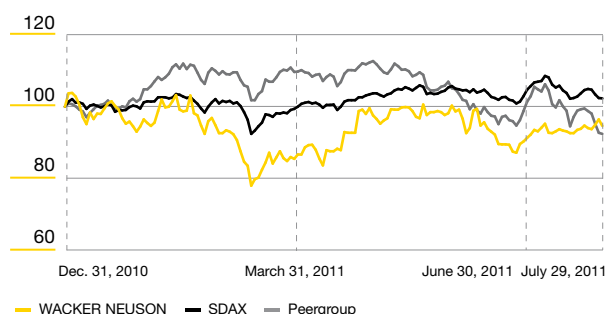
During the first six months of the year, the Executive Board proactively kept stakeholders up to date on current company developments through a variety of channels, including roadshows and capital market conferences in Europe and the US.

During the period under review, uncertainty surrounding the sustainability of the current economic recovery and the debt crisis in the US and some European countries impacted the company’s share price. At the start of the year, the share was listed at EUR 13.48. By March 15, it had dropped to EUR 10.17 in light of the crisis in Japan and the resulting uncertainty about supply chains. By the middle of the year, however, the share had begun to regain value, closing at EUR 11.88 on June 30. At the end of July, the share was listed at over EUR 12.00.

Share price trends

January through July 2011

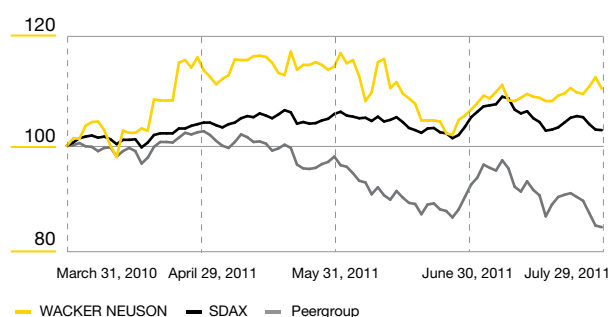
in %



Share price trends

April through July 2011

in %



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

Profit, finances and assets

The following figures include the effects of purchase price allocation resulting from the merger between the former Wacker Construction Equipment AG and Neuson Kramer Baumaschinen AG in fall 2007.

Profit

Significant rise in revenue and earnings during the first half-year

Group revenue for the first six months of 2011 was up 34.6 percent to EUR 478.7 million (H1 2010: EUR 355.6 million). Adjusted to discount currency fluctuations, this corresponds to an increase of 35.0 percent. Demand continued to rise during the second quarter of 2011. At EUR 266.9 million, second-quarter revenue was up 26 percent on what was already a relatively strong first quarter (Q1 2011: EUR 211.8 million). This also represents a 30 percent rise on the same quarter last year (Q2 2010: EUR 205.3 million). The second quarter is typically the strongest in the fiscal year due to seasonal dynamics.

Revenue

Q2/H1 2011 and 2010

in € million

Q2/2011	266.9
Q2/2010	205.3
H1/2011	478.7
H1/2010	355.6

Key figures¹

in € million	Q2/2011	Q2/2010	Change as a %	H1/2011	H1/2010	Change as a %
Revenue	266.9	205.3	30.0	478.7	355.6	34.6
Gross margin as a %	32.6	33.0	- 0.4 PP	32.6	31.0	1.6 PP
EBITDA	45.7	27.0	69.3	71.6	30.7	133.2
EBITDA margin as a %	17.1	13.2	3.9 PP	15.0	8.6	6.4 PP
EBIT	33.7	17.2	95.9	48.6	11.2	333.9
EBIT margin as a %	12.6	8.4	4.2 PP	10.2	3.2	7.0 PP
EBT	32.8	15.8	107.6	46.7	9.1	413.2
Profit for the period	22.5	10.9	106.4	31.5	5.2	505.8

¹ PP = percentage points. Expenses for service technicians have been reported in the income statement under manufacturing costs since Q1 2011. Previously, this cost factor was reported under selling expenses. This adjustment was made to report business activities more clearly under earnings. Expenses for service technicians amounted to EUR K 6,181 for the period under review (half-year). The equivalent figures from the previous year were adjusted by an amount of EUR K 6,080.

Manufacturing costs rose to EUR 322.5 million in the first half-year (H1 2010: EUR 245.5 million). As anticipated, the increased material costs, in particular for steel and pre-manufactured steel components, fuelled an increase in production costs. On January 1, 2011, the Group raised the prices of its products. The effects of this were felt in the light equipment segment in the first quarter. In the compact equipment segment, by comparison, the offset effect of higher retail prices was not evident till the second quarter.

During the period under review, gross profit on revenue rose to EUR 156.2 million (H1 2010: EUR 110.1 million). The gross profit margin increased to 32.6 percent (H1 2010: 31.0 percent). The clear rise in revenue had a particular impact here.

The product mix also differed from the previous year's quarter. As expected, compact equipment overtook light equipment as the main revenue driver with a 41.8-percent share of revenue. Light equipment accounted for 37.9 percent, and the services segment for 20.3 percent. In the same period last year, the light equipment segment had the largest share of revenue. The gross margin for the second quarter thus totaled 32.6 percent (Q2 2010: 33.0 percent).

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

Despite the upturn in business, we continued to keep SG&A and R&D expenses at a low level overall in the period under review. Their share of revenue thus dropped to 22.9 percent (H1 2010: 28.3 percent).

We expanded our sales activities to capitalize on the more favorable climate for compact and light equipment sales. At EUR 69.3 million, selling expenses were up on the previous year (H1 2010: EUR 65.3 million). R&D costs also rose slightly to EUR 10.9 million (H1 2010: EUR 10.6 million). General administrative costs increased to EUR 29.4 million in the first six months of the year (H1 2010: EUR 24.7 million). This was due to a number of factors including additional costs resulting from the implementation of SAP software. Despite this trend, administrative costs' share of revenue fell to 6.1 percent (H1 2010: 6.9 percent).

Increased operational efficiency

The Group's revenue growth is flanked by its optimized cost and organizational structures, underscoring the lasting impact of the cost efficiencies implemented in 2008 and 2009. The improvement in operational efficiency also had a positive impact on earnings, with profit before interest, tax, depreciation and amortization (EBITDA) rising from EUR 30.7 million for the same period last year to EUR 71.6 million at the close of the first half-year of 2011. The EBITDA margin increased to 15.0 percent (H1 2010: 8.6 percent). In the second quarter of 2011, EBITDA totaled EUR 45.7 million, giving the Group an EBITDA margin of 17.1 percent (Q2 2010: 13.2 percent). At the close of Q1 2011, the EBITDA margin was 12.2 percent.

Depreciation and amortization amounted to EUR 23 million in the first six months of the year (H1 2010: EUR 19.5 million) and EUR 12 million in the second quarter (Q2 2010: EUR 9.9 million).

EBITDA

Q2/H1 2011 and 2010

in € million

Q2/2011	45.7
Q2/2010	27.0
H1/2011	71.6
H1/2010	30.7

Revenue and EBITDA margin (quarterly)

in € million

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

— EBITDA margin as a %

Profit before interest and tax (EBIT) rose to EUR 48.6 million during the period under review (H1 2010: EUR 11.2 million). However, the effects of purchase price allocation (PPA) reduced the book value of EBIT by EUR 1.8 million (H1 2010: EUR -1.8 million). PPA will continue to have an – albeit diminishing – impact until the end of 2013. In the same period, the EBIT margin rose to 10.2 percent (H1 2010: 3.2 percent). At 12.6 percent (Q2 2010: 8.4 percent), the second quarter of 2011 was significantly stronger than the first (Q1 2011: 7.1 percent). Profit margins are also typically at their strongest in the second quarter.

EBIT

Q2/H1 2011 and 2010

in € million

Q2/2011		33.7
Q2/2010		17.2
H1/2011		48.6
H1/2010		11.2

Exchange rate fluctuations only have minimal impact on profitability due to natural currency hedging within the Group. During the first half of fiscal 2011, the average euro/dollar exchange rate was 1 euro to 1.42 dollars (H1 2010: EUR 1 to USD 1.32).

Profit before tax (EBT) rose to EUR 46.7 million in the first six months of the year (H1 2010: EUR 9.1 million). Tax expenditure amounted to EUR 14.9 million (H1 2010: EUR 3.7 million). The tax rate was thus 31.9 percent (H1 2010: 40.6 percent).

At EUR 31.5 million, profit for the half-year was clearly above earnings for the same period last year (EUR 5.2 million). Based on 70.14 million ordinary shares, earnings per share amounted to EUR 0.45 (H1 2010: EUR 0.07). At EUR 22.5 mil-

lion, earnings for the second quarter of 2011 were double the figure for the previous year (Q2 2010: EUR 10.9 million). This corresponds to earnings per share of EUR 0.32 (Q2 2010: EUR 0.16).

Financial position

Cash and cash equivalents reflect dividend payment

In line with revenue growth, the Group has invested EUR 52.5 million in working capital since the start of the year. Despite this outlay, cash flow from operating activities amounted to EUR 10.3 million at the end of the first six months (H1 2010: EUR -2.4 million). The Group realized operative cash flow of EUR 20.8 million (Q2 2010: EUR -0.07 million) in the second quarter alone.

During the first six months of the current fiscal year, the Group invested a total of EUR 53.5 million, EUR 49.7 million of which was channeled into property, plant and equipment. The majority of these investments were focused in the second quarter (total investment in Q2 2011: EUR 36.0 million). The Group invested in a number of projects, including the construction of a new production facility for compact equipment in Hörsching (Austria), the completion of the R&D center and Group headquarters in Munich and the expansion of its sales business. Cash flow from investment activities came to EUR -52.5 million in the first half-year (H1 2010: EUR -40.1 million). This figure came to EUR -35.3 million in the second quarter (Q2 2010: EUR -15.0 million).

As in the previous year, investments in the first six months of 2011 exceeded depreciation and amortization. Free cash flow was therefore negative, amounting to EUR -42.2 million at the close of the half-year 2011 (H1 2010: EUR -42.5 million).

Financial position

in € K

	Q2/2011	Q2/2010	H1/2011	H1/2010
Cash flow from operating activities	20,843	- 72	10,320	- 2,372
Cash flow from investing activities	- 35,280	- 15,006	- 52,471	- 40,141
Free cash flow	- 14,437	- 15,078	- 42,151	- 42,513
Cash flow from financing activities	6,768	- 654	24,636	6,839
Effect of exchange rates on cash and cash equivalents	291	1,831	52	3,048
Change in cash and cash equivalents	- 7,378	- 13,901	- 17,463	- 32,626
Cash and cash equivalents at beginning of period	26,474	66,299	36,559	85,024
Cash and cash equivalents at end of period	19,096	52,398	19,096	52,398

The Group did not acquire or sell any companies during the first six months of the year. However, Wacker Neuson GmbH in Vienna, Austria, did merge with a company it acquired back in August 2010. The company in question was Bauma Baumaschinen Handels- und Vermietungs GmbH based in Schwechat, Austria, a wholly owned company of Wacker Neuson GmbH. Bauma Baumaschinen Handels- und Vermietungs GmbH was not previously consolidated within the Group due to its minor impact on the Group's net assets, financial position and earnings. The purchase price at the time was EUR 1.2 million.

During the first half-year of 2011, cash flow from financing activities rose to EUR 24.6 million (H1 2010: EUR 6.8 million). This was primarily due to the dividend payout of EUR 11.9 million. The Group also concluded short-term master credit agreements with banks to secure a healthy liquidity position for the investments detailed above and to finance working capital. During the same period, the Group repaid a total of EUR 7.1 million in long-term borrowings.

Comfortable liquidity situation

Despite increased investments, the Group had healthy levels of liquidity at June 30, 2011, with liquid assets amounting to EUR 19.1 million (December 31, 2010: EUR 36.6 million). Liquidity at the close of the first half-year of 2010 totaled EUR 52.4 million – a precautionary measure at the time in response to the financial crisis. The Group is able to meet its liquidity needs for the current year through a combination of existing liquid assets and credit lines extended by credit institutes. We continue to draw on less than 45 percent of the EUR 209.6 million available through credit lines.

No significant rise in working capital compared with Q1 2011

Wacker Neuson was thus able to up investments in working capital at an early stage, during Q1 in particular. During the first half of 2011, working capital therefore rose 19.5 percent to EUR 321.8 million (December 31, 2010: EUR 269.3 million) in line with revenue. This represents a significant increase on the same figure for the prior-year period (June 30, 2010: EUR 270.2 million). Inventory increased to EUR 213.3 million (December 31 2010: EUR 184.0 million) due to higher production volumes and targeted inventory build-up to secure the Group's ability to deliver products. This, in turn, drove trade payables up to EUR 69.0 million (December 31, 2010: EUR 36.2 million). Trade receivables were up at EUR 177.5 million (December 31, 2010: EUR 121.5 million). Due to sound working capital management, working capital for Q2 did not increase significantly on the corresponding figure for Q1 2011 (EUR 301.9 million). The Group thus managed to optimize liquidity by ensuring that working capital grew at a slower pace than revenue. At June 30, 2011, the working capital's to total revenue ratio (working capital in relation to revenue for the year annualized on the basis of Q2 2011) amounted to 30.1 percent. This is below the comparable figure for the previous year (Q2 2010: 32.9 percent) and also falls below our target threshold of 35 percent of annual revenue.

Assets

Assets in strong position with continued high equity ratio

To provide a clearer overview, the prior-year figures for assets are also reported for the same periods throughout the year.

Assets, equity and liabilities

in € K	Jun. 30, 2011	Dec. 31, 2010	Change as a %	Jun. 30, 2010
Total non-current assets	696,744	673,903	3.4	659,085
Total current assets	433,629	356,314	21.7	379,489
Total assets	1,130,373	1,030,217	9.7	1,038,574
Equity before minority interests	839,556	830,618	1.1	817,931
Minority interests	2,624	2,341	12.1	2,694
Total non-current liabilities	82,434	86,421	-4.6	94,385
Total current liabilities	205,759	110,837	85.6	123,564
Total liabilities	1,130,373	1,030,217	9.7	1,038,574

At the close of the first six months of 2011, the balance sheet again shows Group assets to be in an outstanding position. At June 30, 2011, the balance sheet total increased to EUR 1,130.4 million (December 31, 2010: EUR 1,030.2 million). This represents an increase of similar dimensions on the balance sheet total reported on the same closing date last year (June 30, 2010: EUR 1,038.6 million).

Assets increased to EUR 666.6 million (December 31, 2010: EUR 642.4 million). Due to an increase in production levels, the value of finished products rose to EUR 144.6 million (December 31, 2010: EUR 123.4 million). Inventories were up 16.0 percent to EUR 213.3 million (December 31, 2010: EUR 184.0 million). This represents a 26.4-percent increase on the previous year (June 30, 2010: EUR 168.7 million). At EUR 433.6 million, current assets were also up on the same figure for December 31, 2010 (EUR 356.3 million). This is due to the increase in working capital. This figure is also higher than the current assets reported at June 30, 2010 (EUR 379.5 million). In the second quarter, however, inventories remained almost level with the figure for the first quarter of 2011 (Q1 2011: EUR 208.2 million).

Group equity before minority interests amounted to EUR 839.6 million (December 31, 2010: EUR 830.6 million). The equity ratio before minority interests remained at a high level for the industry at 74.3 percent (December 31, 2010: 80.6 percent; June 30, 2010: 78.8 percent). The company's share capital remained unchanged at EUR 70.14 million.

Total long-term borrowings fell 4.6 percent to EUR 82.4 million (December 31, 2010: EUR 86.4 million). Total short-term borrowings rose to EUR 205.8 million (December 31, 2010: EUR 110.8 million) due to an increase in trade payables stemming from revenue growth and increased short-term borrowings from banks. This figure is also higher than short-term borrowings reported at the same closing date last year (June 30, 2010: EUR 123.6 million).

Net financial position remains strong

The Group is leveraging its strong balance sheet and healthy financial position to capitalize on the upswing. Following the investments made in the first half-year of 2011, net financial debt totaled EUR 68.7 million at June 30, 2011 (December 31, 2010: EUR 13.7 million), up from EUR 41.8 million at the end of Q1 2011. Company management is of the opinion that the Group remains in a healthy financial position with sufficient room to maneuver beyond its current liquidity levels. The Group expects net financial debt to total around EUR 100 million at the close of the year.

Net financial position

in € K	Jun. 30, 2011	Dec. 31, 2010	Jun. 30, 2010
Long-term borrowings	- 25.088	- 32.218	- 38.575
Short-term borrowings	- 57.211	- 5.958	- 16.948
Current portion of long-term borrowings	- 5.495	- 12.109	- 12.630
Cash and cash equivalents	19.096	36.559	52.389
Total	- 68.698	- 13.726	- 15.755

Off-balance-sheet assets and financing instruments

In addition to assets recognized on the balance sheet, the Group uses off-balance-sheet assets in line with standard business practices. These primarily refer to leased or rented goods (operating leases). The Group does not utilize any other significant off-balance-sheet financing instruments such as trade receivables programs.

Segment reporting

With its broad product and service portfolio, the Wacker Neuson Group not only supplies construction companies, but also dealers, rental organizations and importers across the globe.

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

All Group business segments experienced growth in the first half-year of 2011. Our core markets of Europe and the Americas performed particularly well, with the Group reporting double-digit growth in these regions. The company is also benefiting from sales synergies and is increasingly distributing its compact equipment offering via its existing sales network. Emerging markets¹ are becoming increasingly important for Wacker Neuson. Revenue in these economies was up by around 18 percent on the previous year and now accounts for around 13 percent of Group revenue.

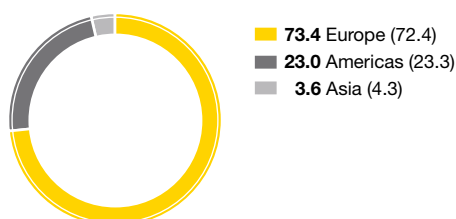
¹ The Dow Jones definition covers 35 countries: Argentina, Bahrain, Brazil, Bulgaria, Chile, China, Columbia, the Czech Republic, Egypt, Estonia, Hungary, India, Indonesia, Jordan, Kuwait, Latvia, Lithuania, Malaysia, Mauritius, Mexico, Morocco, Oman, Pakistan, Peru, the Philippines, Poland, Qatar, Romania, Russia, Slovakia, South Africa, Sri Lanka, Thailand, Turkey, United Arab Emirates.

Results for Europe, the Americas and Asia

Revenue by region

H1 2011

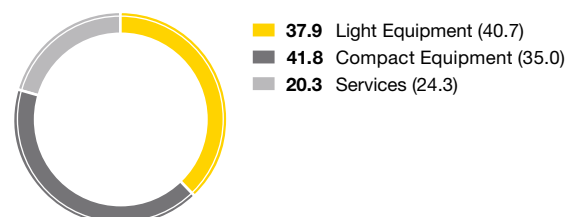
as a % (previous year)



Revenue by business segment¹

H1 2011

as a % (previous year)



¹ Consolidated sales before discounts

Revenue growth in Europe

As predicted, Europe continued to account for the lion's share of total Group revenue at 73.4 percent (H1 2010: 72.4 percent). During the first half-year of 2011, revenue in this region was up 36.4 percent to EUR 351.4 million (H1 2010: EUR 257.6 million). Profit before interest and tax (EBIT) for the current year increased from EUR 5.4 million for the same period last year to EUR 30.8 million.

Europe

H1 2011 and 2010

in € million

Revenue

H1/2011	351.4
H1/2010	257.6

EBIT

H1/2011	30.8
H1/2010	5.4

The upswing in the construction industry gained momentum across almost the entire region, above all in Germany, France, Switzerland, the UK, Sweden and Poland as well as in Turkey and Russia (both of which we also include in the segment Europe). Italy, Hungary and Norway were the only countries where revenue remained below the previous year's level.

Significant growth in the Americas

Revenue in the Americas was up 32.9 percent on the previous year at EUR 110.2 million (H1 2010: EUR 82.9 million). Profit before interest and tax (EBIT) rose from EUR 8.4 million to EUR 14.5 million. The region's share of total revenue fell slightly from 23.3 percent to 23.0 percent. Adjusted to reflect exchange rate fluctuations, this corresponds to a plus of 39.6 percent.

Americas

H1 2011 and 2010

in € million

Revenue

H1/2011	110.2
H1/2010	82.9

EBIT

H1/2011	14.5
H1/2010	8.4

During the first six months of 2011, our prediction that large rental firms in the US would increasingly invest in new machines (depending on the age of their existing fleets) proved accurate. This had a positive impact on light equipment sales in the region. Wacker Neuson dealers also reported increased product sales. We expanded our dealer network in North America to over 70 sales and service stations. This will give us the reach to distribute both our light and compact equipment offerings over as wide an area as possible here. To date, the experience of our affiliate Wacker Neuson Corporation does not align with reports predicting that economic and political developments in the US would have a negative impact on light and compact equipment sales.

Business in Canada, Chile and Brazil also benefited from upbeat market trends resulting from the enhanced product portfolio. We have hired new staff at our US site to meet rising demand.

Asia outperforms previous year

At EUR 17.1 million, revenue for the Asia region was up on the previous year's level (H1 2010: EUR 15.1 million). Profit before interest and tax (EBIT) totaled EUR 1.9 million (H1 2010: EUR -0.2 million). In light of strong growth worldwide, this region's share of total revenue dropped to 3.6 per cent (H1 2010: 4.3 per cent).

Asia

H1 2011 and 2010

in € million

Revenue

H1/2011	17.1
H1/2010	15.1

EBIT

H1/2011	1.9
H1/2010	- 0.2

Emerging economies such as China and India are still characterized by dynamic industrial and infrastructure investments. This stage of development primarily requires heavy equipment, for example, to connect entire regions or build highways and other transport systems. Demand for our integrated light and compact portfolio will only really start to emerge once this phase is complete. In future, we intend to introduce selected light equipment products tailored to market dynamics in these regions and expand its product portfolio correspondingly. China and India are future markets for the Group and we have already established our first affiliates there.

Revenue by business segment

in € K

	Q2/2011	Q2/2010	H1/2011	H1/2010
Segment revenue from external customers				
Light Equipment	98,665	86,489	183,739	145,775
Compact Equipment	117,713	70,307	202,357	125,263
Services	54,326	49,984	98,492	87,206
	270,704	206,780	484,588	358,244
Less cash discounts	- 3,847	- 1,493	- 5,899	- 2,640
Total	266,857	205,287	478,689	355,604

Results for the light equipment, compact equipment and services segments

Demand for light equipment remains high

The light equipment business segment covers the business fields of concrete technology, soil and asphalt compaction, demolition and utility. Weather conditions in Europe and the Americas allowed the construction season to get underway early, which had a positive impact on Q1 revenue in this segment. Demand for light and compact equipment also remained high in the second quarter of 2011. In the first six months of 2011, revenue from the light equipment segment rose 26.0 percent to EUR 183.7 million (H1 2010: EUR 145.8 million). This corresponds to a 37.9 percent share of overall revenue (H1 2010: 40.7 percent). In the second quarter alone, revenue in this segment was up 14.1 percent on the previous year (Q2 2010: EUR 86.5 million) and 16.0 percent on the first quarter of 2011.

Following the crisis, the light equipment segment was the first to show signs of recovery. The fact that this revival is proving to be of a lasting rather than a short-term nature is – in our view – a very positive indicator.

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

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

Strong order intake and revenue growth for compact equipment segment

The compact equipment business segment covers the manufacture and sale of compact machinery (excavators, wheel loaders, skid-steer loaders, telescopic handlers and dumpers) weighing up to approximately 14 tons. In the first six months of 2011, revenue before discounts in this segment rose from the previous year's figure of EUR 125.3 million to EUR 202.4 million. This represents an increase of

61.5 percent. Company management is of the view that this was partly due to increased construction activity on the part of end customers. At the same time, dealers are also taking a longer-term perspective, availing of the security and increased demand accompanying economic recovery to increase orders.

This segment's overall share of total revenue for the reporting period came to 41.8 percent (H1 2010: 35.0 percent). In the second quarter alone, revenue from this segment was up 67.5 percent on the previous year, and 39.0 percent on the first quarter of 2011.

The Group is also leveraging existing sales synergies, using its sales network to distribute its compact equipment portfolio to more and more markets outside of Europe. Demand for compact equipment is developing particularly well in France, Sweden, Poland, South Africa and Brazil.

The new facility in Hörsching will see us double our production capacity for compact equipment to meet rising demand. The plant is scheduled to be finished and fully operational by mid-2012.

Accumulated new orders for compact equipment continued to follow a positive growth path. The agricultural sector performed particularly strongly in the first half-year with accumulated order intake up by over 40 percent. As a late mover in economic cycles, however, the Group's agricultural business only really started to pick up in fall 2010. Rising incomes among agricultural landholders fuelled demand for Weidemann equipment as operators looked to capitalize on the efficiency-enhancing potential of these innovative, well-designed machines. At the close of the first six months of 2011, agricultural compact equipment accounted for 15.5 percent of total group revenue (H1 2010: 12.9 percent).

Combined order intake for compact equipment for construction and agricultural markets continued to move up from the last year's extremely high baseline, finishing at around 20 percent higher than the previous year's figure on June 30, 2011.



The "Vienna Air King 2011" is Austria's biggest bike event. For it, 780 m³ of sand and 60 m³ of wood were used to construct a spectacular mountain-biking course in front of the city hall in Vienna. Wacker Neuson's 6003 excavator and a 701s skid-steer loader were used to set the track up and take it down quickly and professionally.

As expected, some of our suppliers had difficulty meeting delivery commitments when the economy started to recover. This situation has now eased further for various premanufactured parts, although demand is still rising as the upturn maintains momentum. Customers are also adapting to the longer delivery times by ordering products earlier. At June 30, 2011, the order backlog for compact equipment for the construction and agricultural industries was over 60 percent up on the previous year, although this growth figure has stabilized since the start of the year (December 31, 2010: +350 percent up on the previous year). Time-to-delivery is currently three to four months. The Group expects this to fall to between one and two months once delivery bottlenecks have been resolved.

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

Increased construction activity fuels revenue growth in services segment

The services segment covers the business fields of rental (Central and Eastern Europe) and after-market (repair and maintenance). During the period under review, the Group was again able to increase sales before discounts here. Favorable weather conditions – particularly during the first quarter – and a rise in global construction activity boosted revenue by 12.9 percent to EUR 98.5 million (H1 2010: EUR 87.2 million). This segment's share of total revenue was thus 20.3 percent (previous year: 24.3 percent).

Sales before discounts in the after-market business field (which covers the traditional repair and spare parts business) were up 13.5 percent to EUR 69.6 million (previous year: EUR 61.3 million).

Revenue from the rental field rose 11.6 percent to EUR 28.9 million (H1 2010: EUR 25.9 million). This increase was fuelled by the early start to the construction season and healthy order books across the construction industry.

In April 2011, Wacker Neuson opened its first European used equipment center in Gotha. The new center extends over 16,000 m² and provides Wacker Neuson with a platform for the sale of used light and compact equipment. It is a perfect addition to the Group's services business model.

Other factors that impacted on results

Employee headcount adjusted in response to improved market conditions

At June 30, 2011, Group headcount totaled 3,285 (June 30, 2010: 3,076; December 31, 2010: 3,142). This figure does not reflect the actual number of employees, but the number of positions as calculated on a full-time basis. From the beginning of the year, we started hiring new employees at several locations, for example, in the US, Austria and Germany, in line with changing market dynamics. Employee capacity, which includes temporary staff as well as the

headcount figure reported above, grew by 9.5 percent – a significantly lower rate than revenue. Our strategy to retain employee know-how throughout the crisis is now paying dividends by allowing us to capitalize on market opportunities comparatively quickly, thus boosting both revenue and earnings.

Increases in raw materials pricing

Prices of raw materials, steel in particular, have risen. We have passed on these additional costs to the market since the beginning of the year by increasing the price of our spare parts, light equipment and compact equipment by three percent on average. Experience has shown that these kinds of price increases are accepted by the market.

Research and development activities

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

At EUR 10.9 million, R&D expenses for the first six months of 2011 were up on the previous year (H1 2010: EUR 10.6 million). The R&D ratio was 2.3 percent at the close of the first half-year of 2011 (H1 2010: 3.0 percent). Our ongoing development projects focused primarily on product and user safety as well as environmental protection, enabling us to consolidate our position as a leader in these areas and prepare for the new Tier IV emissions regulation.

Success at European trade fairs

Following on from successful international trade fairs in the first quarter of the year, Wacker Neuson made an impressive mark at numerous fairs in Europe, for example, in Spain (Smopyc), the Netherlands (International Rental Exhibition) and Germany (Demopark).

Positive response to collaboration

The first models made by Wacker Neuson to Caterpillar's specifications were unveiled by Caterpillar in March at the Samoter trade fair in Italy. The machines were extremely well received across the board. This positive response confirms our belief that the mini excavator product segment is a rapidly growing market that offers great potential to both companies. The collaboration also increases our production volumes, thus enabling us to benefit from economies of scale. We expect the collaboration with Caterpillar

to start generating revenue in the second half of this year. 2012 will be the first full fiscal year to show revenue gains from the joint venture.

Changes to the opportunity and risk situation

In the first six months of 2011, 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 on 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 internal control and risk management system is described in detail in the consolidated financial statements for 2010.

The company has identified the following risks to the Wacker Neuson Group as of June 30, 2011 that deviate from the 2010 consolidated financial statements and the 2011 Q1 report.

The Wacker Neuson Group relies on the on-time delivery of error-free, premanufactured parts. As the upturn continues, there is a continued risk of supply or quality problems developing, which in turn could lead to delays in production. Bottlenecks at suppliers could also increase the prices of premanufactured parts. The company is countering this risk by maintaining close ties with key suppliers and ensuring they are always involved in the planning process.

Heavy rains during the second quarter of 2011 have caused damage to some crops. This could squeeze the propensity of agricultural landholders to invest. Company management, however, regards this as a temporary effect, which will be offset in subsequent quarters.

The Group has not identified any increased risk to business from the current debt crises in Portugal, Italy or Greece and the attendant rise in the risk ratings of those countries. Wacker Neuson is not reliant on trade in these countries to any great extent and is able to compensate for any fluctuations in demand. Greece, for example, is a classic used equipment market. Wacker Neuson is only indirectly represented here via an affiliate. In Spain, the Group again reported double-digit revenue growth during the second quarter of 2011 despite a downturn in that market. A drop in construction activity in China would also only have minimal impact on business at Wacker Neuson.

The debt situation in the US has the potential to dampen growth in the US construction industry in the short term despite the strong underlying need for modernization and construction projects. Despite this risk, Wacker Neuson expects revenue to continue to grow over the coming years thanks to the company's outstanding structural framework across the Americas region as well as its forward-looking growth strategies, particularly with regard to the distribution of compact equipment in this market.

The remaining risks to the Group in the period under review are listed in the 2010 Annual Report on pages 80 to 84.

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

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

Supplementary report

On September 1, 2011, Mr. Cem Pekşaglam will assume the position of CEO of Wacker Neuson SE. He succeeds Dr. Georg Sick, who left the Executive Board on September 15, 2010. Richard Mayer will step down from his interim role as Spokesperson of the Executive Board. He will, however, remain responsible for light equipment at Executive Board level.

Cem Pekşaglam has gained a wealth of experience and has had many successes in numerous management positions at the Bosch Group. He has proven to be an outstanding manager particularly on the international stage. In addition to the role of CEO, Cem Pekşaglam will be responsible for investor relations, legal issues, HR, Group auditing, real estate and quality management. Günther Binder (finance and IT), Martin Lehner (compact equipment), Richard Mayer (light equipment) and Werner Schwind (sales, rental, logistics, service, marketing and training) will retain their former areas of responsibility.

The drop-down of Wacker Neuson's operating activities reported under section "Group business development" came into effect on entry in the Register of Companies on July 28, 2011. Wacker Neuson SE now operates as a management holding company.

At the Supervisory Board meeting on July 28, 2011, Dr. Ulrich Wacker stepped down from his position due to health reasons. His resignation was effective immediately. Dr. Wacker has been with the company for over forty years. He has made a significant contribution to its growth during this time, first as a member of the management board of the then Wacker Werke GmbH & Co. KG and subsequently – following the transition to a stock corporation – as Chief Executive Officer of Wacker Construction Equipment AG. In recent years, Dr. Wacker served the company as Deputy Chairman of the Wacker Neuson SE Supervisory Board.

For the interim period until the next AGM, which is scheduled for spring 2012, the Executive Board and the Supervisory Board have jointly agreed to submit an application to the Registry Court for the judicial appointment of a new Supervisory Board member. Both boards propose the appointment of Dr. Matthias Bruse, attorney-at-law and founding partner of the P+P Pöllath+Partners law firm based in Munich, to the Supervisory Board.

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

Outlook

Global economy continues to grow

The Ifo institute expects that the global economy will grow by 3.2 percent in 2011. The institute remains upbeat about euro zone prospects in the second half of 2011, forecasting continued economic growth for the region.

Economic institutes predict economic growth of between 3.3 and 4.0 percent for Germany in 2011, followed by 2.3 percent in 2012.

Fall-out from the debt crises in the euro zone and the US is seen by experts as the greatest threat to growth. Governments are working to make national debt in Greece and the US more manageable. A plan has been drawn up for Greece, for example, aimed at gradually reducing debt. A further financial injection from the euro rescue fund and the International Monetary Fund (IMF) has also been approved. The US has since managed to avoid declaring bankruptcy. However, there is still a risk of the country's creditworthiness being downgraded in the next twelve to eighteen months. There are fears across the capital market that debt reduction measures will lead to a drop in investments.

Positive impetus for the construction and agricultural industries

At the EuroConstruct conference in June 2011, experts confirmed overall forecasts for the European construction industry in countries of key importance to Wacker Neuson. The strong pace of growth experienced during the previous year – the first after the crisis – is now expected to slow as this was fuelled by a high backlog of construction and investment projects. In 2012, the construction industry is set to expand by a healthy 1.3 percent in Europe as whole, and by 1.8 percent in Germany.

The VDMA expects sales of construction materials and equipment in Germany to grow by a sizeable 10 percent in 2011. It also regards supplier bottlenecks and downstream effects from the March 2011 crisis in Japan as potentially destabilizing factors. According to the latest survey from the German Association of Compact, Light and Industrial Machine Manufacturers (bbi), companies across the industry expect sales in Q3 2011 to remain at the same high level as in the previous three months. In addition, over one third of participants expect revenue to rise.

VDMA also expects strong growth rates for the German agricultural machinery sector for 2011. Following on from EUR 5.5 billion in 2010, revenue for this sector is predicted to grow 20 percent during the current year to EUR 6.6 billion.

Positive trends expected to continue throughout 2011

From its current standpoint, the Wacker Neuson Group expects demand to remain high in the construction and agricultural industries. During the current fiscal year, the company also anticipates further investments from large rental companies, mainly in the US and Europe.

The continued healthy order situation in the compact equipment segment provides further grounds for optimism for the company in 2011. The success of our planned market launches together with rising order intake in recent weeks bear testament to our positive outlook.

Upward review of 2011 forecast

In talks with company management, some capital market players have forecast that the construction industry will start to contract from 2012 on. In order to offset any potential downturn in growth (stemming primarily from base effects but also possible budget cuts in the US and some European countries that could dampen industry growth), Wacker Neuson has developed the following strategy: The company intends to expand market share increasingly in countries revealing previously low penetration for certain product groups. On the compact equipment side, the company also benefits from the increasingly broad sales reach enabled through expansion into new European and international markets.

On the back of a successful first half-year and based on the expectation that the earthquake and tsunami in Japan has no negative repercussions for Wacker Neuson, company management has reviewed its forecast for fiscal 2011 upward. It has set a target revenue corridor from EUR 910 to 930 million for 2011 and a corridor for the EBITDA margin between 13 and 14 percent. These figures have already factored in the effects of increased raw materials prices, steel and premanufactured steel parts in particular, as well as exchange rate fluctuations. The revenue forecast also reflects the fact that the third and fourth quarters of 2010 were extremely strong and that the company expects the third and fourth quarters of 2011 to develop more in line with "typical" seasonal fluctuations – in other words, in line with a cycle where profit margins for the first half-year are stronger than those for the second half-year.

For 2011, the company expects to exceed 2008's strong revenue performance of EUR 870.3 million and its EBITDA and EBIT margins of 11.6 percent and 6.7 percent respectively.

Wacker Neuson also has the potential to generate one-off income from the sale of a site in Milbertshofen, Munich. Following a construction period of three years, the company has completed and moved into its new R&D center and Group headquarters in Munich. The part of Wacker Neuson SE's property at Milbertshofen, Munich, that is no longer required is to be vacated and sold. The Group's current forecast does not include one-off proceeds from the sale of this 30,000 m² site. The sale proceeds could, however, make a significant contribution to earnings.

From today's perspective and assuming the market continues to develop positively, the company expects to exceed pre-crisis revenue levels (the merged Wacker Neuson reported pro-forma revenue of around EUR 1 billion in 2007) next year. As revenue rises, margins will also increase, enabling us to achieve an EBITDA margin in excess of 15 percent and an EBIT margin in excess of 10 percent. These thresholds were originally mid-term targets.

We have earmarked a total of EUR 100 million for investment for the current fiscal year, which will raise our debt slightly. However, we still expect operative cash flow for 2011 to be positive, although free cash flow is set to be negative.

Implementing strategies for further profitable growth

The Group has set itself ambitious strategic goals for 2015. Wacker Neuson intends to expand its market share and strengthen its innovative drive by increasing market penetration and sales activities. By focusing more on user processes and market requirements, the Group aims to align sales and distribution even more closely with customer needs.

The Group's strategy to expand its sales network in Europe and North America, and the strategic alliance with Caterpillar provide potential for further growth in the compact equipment segment.

The production facility in Linz is scheduled for completion in May 2012. The Group will then own all of its seven manufacturing plants worldwide. Each site also has sufficient additional space for easy, cost-effective expansion. This growth in capacity will give the Group sufficient scope to generate revenue well above EUR 1 billion.

Munich, August 4, 2011

Wacker Neuson SE

The Executive Board

Richard Mayer
(Spokesperson for
the Executive Board)

Martin Lehner
(Deputy Chairman)

Günther C. Binder

Werner Schwind

Consolidated Income Statement

April 1 through June 31 and January 1 through June 31

in € K	Apr. 1–Jun. 30, 2011	Apr. 1–Jun. 30, 2010	Jan. 1–Jun. 30, 2011	Jan. 1–Jun. 30, 2010
Revenue	266,857	205,287	478,689	355,604
Cost of sales ¹	- 179,843	- 137,573	- 322,538	- 245,510
Gross profit¹	87,014	67,714	156,151	110,094
Sales and service expenses	- 33,718	- 34,416	- 69,325	- 65,300
Research and development expenses	- 5,254	- 5,486	- 10,897	- 10,647
General administrative expenses	- 14,852	- 11,592	- 29,425	- 24,667
Other income	2,922	1,847	6,590	3,748
Other expenses	- 2,432	- 913	- 4,475	- 1,998
Profit before interest and tax (EBIT)	33,680	17,154	48,619	11,230
Financial result	- 875	- 1,313	- 1,870	- 2,086
Profit before tax (EBT)	32,805	15,841	46,749	9,144
Financial result	- 10,099	- 4,744	- 14,930	- 3,716
Profit before minority interests	22,706	11,097	31,819	5,428
Minority interests	- 164	- 167	- 283	- 221
Profit for the period	22,542	10,930	31,536	5,207
Earnings per share in EUR (diluted and undiluted)	0.32	0.16	0.45	0.07

¹ Expenses for service technicians have been reported in the income statement under manufacturing costs since Q1 2011. Previously, this cost factor was reported under selling expenses. This adjustment was made to report business activities more clearly under earnings. Expenses for service technicians amounted to EUR K 6,181 for the period under review (half-year). The equivalent figures from the previous year were adjusted by an amount of EUR K 6,080. For the second quarter expenses for service technicians amounted to EUR K 3,191 (Q2/2010: EUR K 2,877).

Consolidated Total Profit/Loss

April 1 through June 31 and January 1 through June 31

in € K

	Apr. 1–Jun. 30, 2011	Apr. 1–Jun. 30, 2010	Jan. 1–Jun. 30, 2011	Jan. 1–Jun. 30, 2010
Profit/loss before minority interests	22,706	11,097	31,819	5,428
Items not recognized in profit/loss for the period:				
Exchange differences	- 245	14,366	- 10,873	23,727
Securing cash flows:				
Profit/losses incurred in the current period	370	115	318	- 109
Tax effects from items in total profit/loss for the period	- 119	- 15	- 119	57
Items not recognized in profit/loss after tax for the period	6	14,466	- 10,674	23,675
Total profit/loss after tax for the period	22,712	25,563	21,145	29,103
Of which are attributable to:				
- Shareholders in the parent company	22,548	25,396	20,862	28,882
- Minority interests	164	167	283	221
Total profit/loss after tax for the period	22,712	25,563	21,145	29,103

Consolidated Balance Sheet

As at June 30

in € K

	Jun. 30, 2011	Dec. 31, 2010	Jun. 30, 2010
Assets			
Property, plant and equipment	319,656	292,577	291,872
Investment property	16,950	17,191	2,495
Goodwill	236,657	236,550	237,243
Intangible assets	89,390	90,605	90,147
Other investments	3,964	5,478	3,537
Deferred tax assets	21,296	17,220	15,375
Other non-current assets	8,831	14,282	18,416
Total non-current assets	696,744	673,903	659,085
Inventories	213,337	183,980	168,715
Trade receivables	177,515	121,487	145,775
Current tax receivables	1,210	1,133	1,312
Other current assets	20,947	12,457	11,289
Cash and cash equivalents	19,096	36,559	52,398
Non-current assets held for sale	1,524	698	0
Total current assets	433,629	356,314	379,489
Total assets	1,130,373	1,030,217	1,038,574
Equity and liabilities			
Subscribed capital	70,140	70,140	70,140
Other reserves	593,002	603,676	609,583
Retained earnings	176,414	156,802	138,208
Equity before minority interests	839,556	830,618	817,931
Minority interests	2,624	2,341	2,694
Total equity	842,180	832,959	820,625
Long-term borrowings	25,088	32,218	38,575
Deferred tax liabilities	25,423	23,957	25,400
Long-term provisions	31,923	30,246	30,410
Total non-current liabilities	82,434	86,421	94,385
Trade payables	69,045	36,207	44,265
Short-term borrowings from banks	57,211	5,958	16,948
Current portion of long-term borrowings	5,495	12,109	12,630
Short-term provisions	14,606	12,317	9,974
Current tax payable	3,514	470	1,845
Other current liabilities	55,888	43,776	37,902
Total current liabilities	205,759	110,837	123,564
Total liabilities	1,130,373	1,030,217	1,038,574

Consolidated Statement of Changes in Equity

As at June 30

in € K	Subscribed capital	Capital reserves	Exchange differences	Other neutral changes	Retained earnings	Equity before minority interests	Minority interests	Total equity
Balance at December 31, 2009	70,140	618,661	- 32,495	- 258	133,001	789,049	2,473	791,522
Total profit for the period	0	0	23,727	- 52	5,207	28,882	221	29,103
Balance at June 30, 2010	70,140	618,661	- 8,768	- 310	138,208	817,931	2,694	820,625
Balance at Dezember 31, 2010	70,140	618,661	- 14,718	- 267	156,802	830,618	2,341	832,959
Total profit for the period	0	0	- 10,873	199	31,536	20,862	283	21,145
Dividend	0	0	0	0	- 11,924	- 11,924	0	- 11,924
Balance at June 30, 2011	70,140	618,661	- 25,591	- 68	176,414	839,556	2,624	842,180

Consolidated Cash Flow Statement

April 1 through June 31 and January 1 through June 31

in € K	Apr. 1–Jun. 30, 2011	Apr. 1–Jun. 30, 2010	Jan. 1–Jun. 30, 2011	Jan. 1–Jun. 30, 2010
EBT	32,806	15,841	46,749	9,144
Depreciation and amortization	11,979	9,884	22,976	19,478
Foreign exchange result	- 573	6,452	- 6,418	10,554
Gains/losses from sale of intangible assets and property, plant and equipment	433	- 37	621	236
Book value from the disposal of rental equipment	892	1,021	1,660	2,462
Gains/losses from derivatives (cash flow hedging)	251	100	199	- 52
Financial result	875	1,313	1,870	2,086
Changes in inventories	- 5,113	- 10,932	- 29,305	- 20,414
Changes in trade receivables and other assets	- 18,043	- 25,717	- 58,240	- 53,243
Changes in provisions	3,148	- 618	3,966	- 3,366
Changes in trade payables and other liabilities	2,126	4,703	38,683	31,683
Interest paid	- 1,215	- 1,220	- 2,247	- 2,307
Income tax received/paid	- 6,980	- 1,317	- 10,854	572
Interest received	257	455	660	795
Cash flow from operating activities	20,843	- 72	10,320	- 2,372
Purchase of property, plant and equipment	- 34,100	- 12,757	- 49,739	- 35,723
Purchase of intangible assets	- 1,859	- 2,705	- 3,714	- 4,962
Proceeds from the sale of property, plant and equipment and intangible assets	679	456	982	544
Cash flow from investing activities	- 35,280	- 15,006	- 52,471	- 40,141
Dividend	- 11,924	0	- 11,924	0
Proceeds/income from short-term borrowings	20,870	- 5,646	43,690	1,847
Proceeds/income from long-term borrowings	- 2,178	4,992	- 7,130	4,992
Cash flow from financing activities	6,768	- 654	24,636	6,839
Increase/decrease in cash and cash equivalents	- 7,669	- 15,732	- 17,515	- 35,674
Effect of exchange rates on cash and cash equivalents	291	1,831	52	3,048
Change in cash and cash equivalents	- 7,378	- 13,901	- 17,463	- 32,626
Cash and cash equivalents at beginning of period	26,474	66,299	36,559	85,024
Cash and cash equivalents at end of period	19,096	52,398	19,096	52,398

Consolidated Segmentation

January 1 through June 30

Primary segmentation (geographical segments)

in € K	Europe	Americas	Asia	Consolidation	Group
H1 2011					
Segment revenue					
Total external sales	588,807	153,431	26,285		
Less intrasegment sales	- 213,979	- 24,757	- 1,230		
	374,828	128,674	25,055		
Intersegment sales	- 23,415	- 18,499	- 7,954		
Total	351,413	110,175	17,101	0	478,689
Profit before interest and tax (EBIT)	30,811	14,473	1,872	1,463	48,619
EBITDA	51,183	16,791	2,169	1,452	71,595
Net financial debt	60,963	9,236	- 1,500	0	68,698
Working capital	204,812	110,677	19,045	- 12,727	321,807
H1 2010					
Segment revenue					
Total external sales	362,999	122,923	21,149		
Less intrasegment sales	- 85,737	- 20,909	- 875		
	277,262	102,014	20,274		
Intersegment sales	- 19,674	- 19,131	- 5,141		
Total	257,588	82,883	15,133	0	355,604
Profit before interest and tax (EBIT)	5,368	8,364	- 246	- 2,256	11,230
EBITDA	22,250	10,663	69	- 2,274	30,708
Net financial debt	- 1,516	21,042	- 1,701	- 2,070	15,755
Working capital	176,845	91,427	14,512	- 12,559	270,225

Sales by business segment

in € K	Jan. 1–Jun. 30, 2011	Jan. 1–Jun. 30, 2010
Segment revenue from external customers		
Light Equipment	183,739	145,775
Compact Equipment	202,357	125,263
Services	98,492	87,206
	484,588	358,244
Less cash discounts	- 5,899	- 2,640
Total	478,689	355,604

Selected Explanatory Notes to the Interim Financial Statements for the First Half-Year 2011

Accounting rules

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

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

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

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

Since Q1 2011, the Group has been reporting expenses for service technicians in the income statement under manufacturing costs. Previously, this cost factor was reported under selling expenses. This adjustment was made to report business activities more clearly under earnings. Expenses for service technicians incurred during the period under review amounted to EUR K 6,181. The equivalent figures from the previous year were adjusted by an amount of EUR K 6,080.

For the first time, interim profit on rental assets was valued using an average margin for the first six months of 2011.

This only had a minor impact on the Group's net assets, financial position and earnings.

Legal changes to company structure

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

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

Seasonale fluctuations

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

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

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

Earnings per share

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

	2011	2010
Q2		
Quarterly earnings attributable to shareholders in € K	22,542	10,930
Weighted average number of ordinary shares in circulation during the period in thousands	70,140	70,140
Earnings per share in EUR	0.32	0.16
H1		
Quarterly earnings attributable to shareholders in € K	31,536	5,207
Weighted average number of ordinary shares in circulation during the period in thousands	70,140	70,140
Earnings per share in EUR	0.45	0.07

Important events

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

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

On September 1, 2011, Mr. Cem Peksaglam will assume the position of CEO of Wacker Neuson SE. He succeeds Dr. Sick, who left the Executive Board on September 15, 2010.

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

At the Supervisory Board meeting on July 28, 2011, Dr. Ulrich Wacker stepped down from his position due to health reasons. His resignation was effective immediately. For the interim period until the next AGM, which is scheduled for spring 2012, the Executive Board and the Supervisory Board have jointly agreed to submit an application to the Registry Court for the judicial appointment of a new Supervisory Board member. Both boards propose the appointment of Dr. Matthias Bruse, attorney-at-law and founding partner of the P+P Pöllath+Partners law firm based in Munich, to the Supervisory Board.

Events since the interim statements reporting date

The drop-down of Wacker Neuson's operating activities reported above came into effect on July 28, 2011, following its entry in the Register of Companies. Wacker Neuson SE now operates as a management holding company. There have been no further significant events since the interim statements reporting date.

Responsibility statement by the management

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim management review of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Munich, August 4, 2011

The Executive Board

Richard Mayer
(Spokesperson for
the Executive Board)

Martin Lehner
(Deputy Chairman)

Günther C. Binder

Werner Schwind

Review Report by the Auditors

To Wacker Neuson SE, Munich, Germany

We have reviewed the condensed consolidated interim financial statements of the Wacker Neuson SE, comprising the condensed income statement, the condensed statement of comprehensive income, the condensed balance sheet, the condensed cash flow statement, the condensed statement of changes in equity as well as selected explanatory notes, together with the interim group management report of the Wacker Neuson SE for the period from January 1 to June 30, 2011 that are components of the half year financial report pursuant to § 37w 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, August 4, 2011

Rölfs RP AG
Wirtschaftsprüfungsgesellschaft

Reinke
Wirtschaftsprüfer
(Public Auditor)

Jagosch
Wirtschaftsprüfer
(Public Auditor)

Financial Calendar

Financial Calendar

August 11, 2011	Publication of half-year report 2011
November 11, 2011	Publication of nine-month 2011

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Disclaimer

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

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