

H1 | 2012

Half-year report



**WACKER
NEUSON**

Figures at a Glance

April 1 through June 30 and January 1 through June 30

in € million	Apr. 1–Jun. 30, 2012	Apr. 1–Jun. 30, 2011	Changes	Jan. 1–Jun. 30, 2012	Jan. 1–Jun. 30, 2011	Changes
Key figures						
Revenue	284.2	266.9	6.5 %	558.1	478.7	16.6 %
by region						
Europe	203.5	200.0	1.8 %	398.5	351.4	13.4 %
Americas	70.3	57.2	22.9 %	141.2	110.2	28.1 %
Asia-Pacific	10.4	9.7	7.2 %	18.5	17.1	8.2 %
by business segment ¹						
Light Equipment	107.5	98.7	9.0 %	209.5	183.7	14.0 %
Compact Equipment	122.2	117.7	3.7 %	249.7	202.4	23.4 %
Services	58.6	54.3	7.9 %	106.8	98.5	8.4 %
EBITDA	37.3	45.7	-18.4 %	76.1	71.6	6.3 %
Depreciation and amortization	14.5	12.0	20.8 %	27.0	23.0	17.3 %
EBIT	22.8	33.7	-32.3 %	49.2	48.6	1.2 %
EBT	20.8	32.8	-36.6 %	45.6	46.7	-2.4 %
Profit for the period	13.8	22.5	-38.7 %	30.9	31.5	-1.9 %
Number of employees	3,907	3,285	18.9 % ²	3,907	3,285	18.9 % ²
Share						
Earnings per share in €	0.20	0.32	-37.5 %	0.44	0.45	-2.2 %
Key profit figures						
Gross profit in %	29.5	32.6	-3.1 PP	30.3	32.6	-2.3 PP
EBITDA margin as a %	13.1	17.1	-4.0 PP	13.6	15.0	-1.4 PP
EBIT margin as a %	8.0	12.6	-4.6 PP	8.8	10.2	-1.4 PP
Key figures from the balance sheet						
	Jun. 30, 2012	Dec. 31, 2011	Jun. 30, 2011	Changes Dec. 31, 2011		
Non-current assets	776.9	742.1	696.7	4.7 %		
Current assets	545.8	471.2	433.6	15.8 %		
Equity before minority interests	906.6	905.0	839.6	0.2 %		
Net financial debt	195.1	90.4	68.7	115.8 %		
Liabilities	412.8	305.4	288.2	35.2 %		
Equity ratio before minority interests as a %	68.5	74.6	74.3	-6.1 PP		
Working capital	436.2	370.5	321.8	17.7 %		
Cash flow						
	Apr. 1–Jun. 30, 2012	Apr. 1–Jun. 30, 2011	Changes	Jan. 1–Jun. 30, 2012	Jan. 1–Jun. 30, 2011	Changes
Cash flow from operating activities	22.8	20.8	9.6 %	-8.8	10.3	-185.4 %
Cash flow from investing activities	-31.8	-35.3	-9.9 %	-59.1	-52.5	12.6 %
Capital expenditure (property, plant and equipment and intangible assets)	-32.7	-36	-9.2 %	-62.7	-53.5	17.2 %
Cash flow from financing activities	-13.6	6.8	-300.0 %	63.8	24.6	159.3 %
Free cash flow	-9.0	-14.4	-37.5 %	-67.9	-42.2	60.9 %

¹ Consolidated sales before discounts.

² Excluding our Serbian production facility (Wacker Neuson Kragujevac d.o.o.), which was included in the consolidation structure for the first time in Q1 2012 (June 30, 2012: 229 employees): 12 %
All consolidated figures prepared according to IFRS.

H1 2012 highlights

Overview

Wacker Neuson performed well overall in the first half of 2012. Group light and compact equipment sales were up, although the pace of growth slowed somewhat in Europe towards the end of the period. The relocation of production activities to Hörsching (near Linz, Austria) resulted in delivery delays for compact equipment as well as higher process and logistics costs in the second quarter of 2012. This had a dampening effect on revenue and earnings for Q2 2012.

H1 2012 compared with H1 2011

- Revenue for the first half of 2012 was up 17 percent to EUR 558 million.
- Revenue growth was fuelled by rising demand for the Group's light (+14 percent) and compact equipment (+23 percent) offering as well as by strong business in the Americas (+28 percent).
- The slowdown in the European construction industry in the second quarter plus relocation costs had an impact on earnings in the first half of 2012: EBIT grew at a slower pace than revenue, increasing 1 percent to EUR 49 million (EBIT margin: 8.8 percent). EBITDA was up 6 percent to EUR 76 million (EBITDA margin: 13.6 percent).

Forecast

Market uncertainties resulting from the European debt crisis are dampening readiness to invest among European customers. Nevertheless, Wacker Neuson reconfirms its revenue forecast of approximately EUR 1.1 billion for 2012 as a whole. The company has, however, adjusted its profit forecast downward and now expects the EBITDA margin to level out at between 13 and 15 percent (previous forecast: at least 15 percent). In fiscal 2011, the Group reported revenue of EUR 991.6 million and an EBITDA margin of 16.4 percent. Wacker Neuson remains committed to its strategy and thus intends to increase its presence in core markets and continue as planned with its expansion measures.

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Cem Peksaglam
CEO

Dear Ladies and Gentlemen,

I am often asked how the Euro crisis is affecting business at Wacker Neuson. Europe is our largest market and currently accounts for 71 percent of our revenue. German-speaking countries are our main growth drivers in this region. They also are the areas of Europe where the construction and agricultural industries have continued to develop positively.

Although the financial and Euro crises initially had a limited impact on certain European markets, the full ramifications of these unfavorable developments are now being felt. The pace of growth across Europe as a whole slowed significantly in the second quarter and our revenue in this region was only up 2 percent over the previous year. This was compounded by a one-off event that affected our business in Europe during the second quarter. In May 2012, we started operations at our new development and production facility for compact equipment weighing up to 14 tons in the Upper Austrian town of Hörsching. Unfortunately, this relocation delayed deliveries of compact equipment and caused process and logistics costs to increase. This, in turn, dampened revenue and earnings for Q2. Normal work levels have been resumed as of July and we expect to have worked through the backlog of orders by the end of the year.

Q2 revenue in the Americas region was up 23 percent over the previous year and thus exceeded our expectations. We succeeded in further expanding our position in the construction industry and in other industry sectors such as energy. This region's share of group revenue thus increased by two percent points to over 25 percent during the first half of the year.

At EUR 558.1 million, global H1 2012 revenue was one sixth higher than H1 2011 revenue. All Wacker Neuson business segments contributed to this growth. Sales of light equipment products such as rammers, plates, rollers, light towers and generators helped boost H1 revenue in this segment by 14 percent. The compact equipment segment rose by 23 percent, and the services segment by 8 percent. Revenue generated by agricultural machines was up by an impressive 28 percent.

The downturn in business across Europe together with the effects of our relocation impacted earnings. In the first six months of 2012, profit before interest, tax, depreciation and amortization (EBITDA) rose by 6.3 percent to EUR 76.1 million. This corresponds to an EBITDA margin of 13.6 percent. In the previous year, this figure was 15.0 percent.

We have adjusted our forecast for 2012 as a whole in light of uncertainties surrounding European market developments. We remain cautiously optimistic about 2012 and reconfirm our revenue forecast of approximately EUR 1.1 billion. However, we now expect the EBITDA margin to level out between 13 and 15 percent. Previously, we had expected a margin of at least 15 percent.

We are currently launching a range of light equipment in the Chinese market tailored to the specific requirements of a broad regional user base. We will be presenting this new lineup to a wide audience for the first time in November at bauma China 2012 in Shanghai. In Munich, next April, we will also be unveiling new, innovative solutions that deliver real benefits to our customers at the world's largest construction trade fair, bauma 2013. These new products will enable us to consolidate and further expand our outstanding competitive position in international markets.

I firmly believe that our high-performance organization is well equipped to master any challenges to come and that we will be able to largely absorb any downturns in demand in individual countries by distributing our business more effectively across different industries and sectors and a wider international footprint.

The increasing success of our active cross-selling strategy across product segments plus our close, thriving collaboration with strategic partners Caterpillar and Claas provide positive proof that Wacker Neuson is on the right path here.

Harmonizing our two business segments (light and compact equipment) under single management will help us capitalize further on synergies and continue to build on our market success. This will also result in certain changes at the executive level. Mr. Martin Lehner will take on responsibilities for light equipment at the Executive Board level in addition to his current role as head of compact equipment. He is taking over from Mr. Richard Mayer, who will withdraw from his position as member of the Executive Board on September 30, 2012. On behalf of myself and my colleagues, I would like to thank Mr. Mayer for his many successful years on the Executive Board and wish him every success for the future.

Best regards,



Yours Cem Pekşaglam
CEO of Wacker Neuson SE

Group Management Report for the Quarter and the Six Months ended June 30, 2012

Economic and business trends

Ongoing uncertainty due to euro debt crisis

The ongoing debt crisis in Europe further dampened growth in a number of EU countries during the second quarter of 2012. In Southern European countries in particular, restrictive financial policies implemented to combat financing problems curbed investments and subsequently the economic growth of Europe as a whole.

Germany, however, managed to buck this trend. Although German companies had been expecting a downturn in growth for some months, the actual situation proved at least stable, if not positive. According to Ifo's business climate index, however, German industry lowered its expectations in June, primarily due to poor export forecasts.

Politicians have been trying to contain the European debt crisis for the last two-and-a-half years. Despite numerous guarantees, loans and promises, the situation worsened in the second quarter of 2012. Uncertainties regarding the debt crisis in Greece, including speculation on the country's possible exit from the euro, dampened the mood across Europe. Developments in Spain and Cyprus further exacerbated the situation. In June 2012, the two states requested aid from the euro bailout fund, following on the trail of Greece, Portugal and Ireland.

The global economy continues to be driven by emerging markets. The worsening debt crisis in Europe, however, also had an impact on these countries. The world's second largest economy, China, is experiencing a drop in exports. The country's GDP fell for the sixth time in succession in the second quarter. This region currently only accounts for a small portion of Wacker Neuson's revenue and so developments here should have minimum impact on the company.

Trends in construction and agricultural markets

Solid growth across the construction industry in German-speaking countries and the US

The relatively mild 2011/2012 winter in Europe fueled demand across the construction business. Mild temperatures meant that construction activity could continue almost uninterrupted in the fourth quarter of 2011 and into January 2012, enabling some projects to be completed ahead of schedule. Construction companies continued to be busy during the first quarter of 2012, with February being the only month where outdoor work had to be put on hold due to low temperatures. Business improved further in the second quarter of 2012 due to the seasonal upswing accompanying the onset of spring. According to the Ifo Institute, German construction companies rated the business climate in the construction sector as "good" in June 2012. Their expectations fell slightly, however, in July.

The US construction industry developed positively. Residential construction followed on the heels of commercial and industrial construction, showing the first signs of recovery, albeit from a very low baseline.

Construction activity in the Asia-Pacific region fell somewhat, while demand in China was below the same figure for the previous year.

Euro crisis dampens investment in the agricultural sector

Rising demand for modern agricultural machinery is the main growth driver behind the European agricultural technology sector. In the first half of 2012, customers continued to focus on intelligent agricultural technology solutions that make field and yard work more cost effective. Investments in this sector primarily centered on equipment, buildings and renewable energies.

In Q1 2012, investments in the agricultural sector were significantly higher than in the previous year as landholders proved keen to equip their fleets prior to the start of the growing season. In the second quarter, however, there was an increasing tendency among customers to delay major investments. According to Ifo's business climate index, the

ongoing euro crisis coupled with falling consumption among European consumers and poor harvests dampened the mood in the German food and drinks industry in June 2012. Nevertheless, the sector remains optimistic about its export business.

Business development and key events in the first half-year

Central Europe and the US are core markets for Wacker Neuson. Demand for the company's light and compact equipment was already strong in Q1, fueled by increased readiness to invest among customers in the construction and agricultural sectors as well as companies in the landscaping, gardening, industrial and logistics sectors. This led to double-digit revenue growth in Europe and the Americas over the first half of the year, whereby the Americas region grew at a significantly faster rate. These positive business trends confirm that Wacker Neuson is on the right path with its strategy to increase its presence in core markets and to continue with its planned expansion.

Revenue for half-year up on previous year

In the first six months of 2012, Group revenue increased 17 percent to EUR 558.1 million (H1 2011: EUR 478.7 million). The Group's concerted efforts to leverage sales synergies for the global distribution of compact equipment proved particularly beneficial here. In light of the prevailing economic conditions, the second quarter also developed positively, with revenue coming to EUR 284.2 million (Q2 2011: EUR 266.9 million). This represents an increase of 6 percent on the previous year's quarter, which was itself a strong period for the Group.

New machine sales in the light and compact equipment segments in particular remained strong, although sales to the European construction and agricultural sectors did drop slightly towards the end of the second quarter.

Our strategic alliances with Caterpillar (in the construction industry) and Claas (in the agricultural sector) developed as planned.

Our profit margins fell during the period under review. This was due to a one-off item linked to the start of production at our new facility in Hörsching (Linz, Austria), a revenue shift from Europe towards the Americas and our strategy to expand our presence in our core markets. For further details on the relocation, refer to the relevant section. The EBITDA margin¹ for the first half-year decreased to 13.6 percent (H1 2011: 15.0 percent). The EBIT margin² dropped to 8.8 percent (H1 2011: 10.2 percent).

Gearing³ was approximately 22 percent at June 30, 2012. With an equity ratio before minority interests of 69 percent at the closing date, the Group's asset position remains strong. For further details, refer to the "net assets and financial position" section.

2012 Annual General Meeting

At the AGM in Munich on May 22, 2012, CEO Cem Peksaglam informed around 200 Wacker Neuson SE shareholders of business developments during the previous fiscal year and the first quarter of 2012. Based on a share capital of 70,140,000 shares, 85.5 percent of shareholders with voting rights were present.

Shareholders approved a proposal by the Executive Board and the Supervisory Board to pay out around 41 percent of Group profit for 2011 as dividends for fiscal 2011. In total, the company paid out EUR 35.07 million and increased the dividend per share to EUR 0.50 (2011: EUR 0.17).

Shareholders also granted the Executive Board authorization to increase the share capital of the company by up to 25 percent. Wacker Neuson SE faces stiff competition at both national and international level. New authorized capital will enable the company to acquire companies or holdings, for example, in return possibly for shares in Wacker Neuson SE. It will also enable the company to issue new shares against cash contributions, thus providing it with an additional financing instrument independently of banking institutions. All of which will further strengthen Wacker Neuson's competitive position without impacting on its sound financial standing or liquidity.

¹ EBITDA margin = EBITDA/revenue.

² EBIT margin = EBIT/revenue.

³ Gearing = net financial debt/equity before minority interests.



New production facility at Hörsching (Linz, Austria). The plant covers an area of 48,300 square meters and was built in just 11 months on a 17-hectare plot of land next to Linz airport. It features a cutting-edge manufacturing hall with six assembly lines plus a state-of-the-art test zone, a spray facility with powder coating and a sand-blasting unit as well as an office building with modern workstations, a canteen and an apprentice and service workshop for training purposes.

Wacker Neuson moves into new site in Hörsching

To meet rising demand for compact equipment in the long term, Wacker Neuson invested around EUR 65 million in a new production and development facility in Austria. On May 10, 2012, production of compact equipment started at the new facility. The move from Linz-Leonding to the new site in Hörsching triples the Group's manufacturing capacity for compact and mobile excavators, skid-steer loaders and dumpers. This equipment is targeted at the construction industry, at agricultural, gardening, recycling and logistics companies as well as at the municipal sector.

The entire relocation (administration and production) took only two weeks at the start of May, requiring almost 1,000 truckloads. The relocation and start-up phase for production at the new facility delayed product deliveries, which in turn led to revenue losses in Q2 2012. These losses will, however, be recouped over the remainder of the year. Profit for the period has been affected by relocation and start-up costs as well as by rent and operating costs for the previous site (rental contract runs until the end of 2012). We have temporarily increased the working hours of employees at the site and have also optimized logistics since the balance sheet closing date, thus ensuring that capacity utilization continues to rise at the present time.



In June 2012, the Group held a number of international customer events. Various innovation presentations, demos, competitions testing participants' operating skills and tours of the different sites resonated strongly among visitors. Left to right: Wacker Neuson dealer event (Milwaukee, US), Wacker Neuson's "Innovation day for light equipment" (Reichertshofen), Weidemann open house (Korbach).

Wacker Neuson opens its doors

In Q2 2012, Wacker Neuson gave international customers the chance to take a closer look at the philosophy behind its production and development activities. On June 12, the Group's production, development and sales company in Menomonee Falls, Wisconsin (US) invited dealers from 20 US states and from Canada to see for themselves just how well the Group's light and compact portfolios complement each other. The event highlighted the fact that dealers can incorporate these benefits into their own business models by expanding their pool of Wacker Neuson equipment.

On June 15, around 400 customers from Germany, Poland and Belgium travelled to Reichertshofen in the north of Munich to visit the Group's light equipment production facility. The event program included demonstrations of the latest innovations as well as specialist talks and a wide range of real-life tests of Wacker Neuson products. The guests were also able to exchange experiences and actively encouraged to channel what they had learnt into their own building processes.

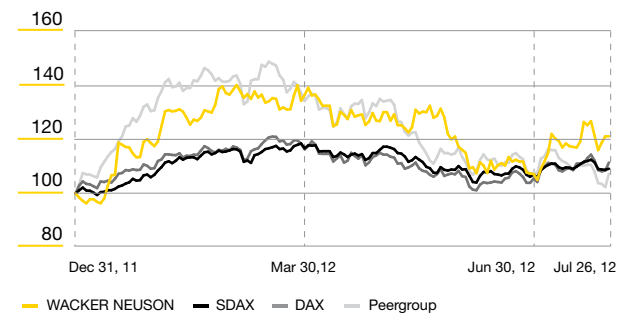
On June 16, the Korbach production facility organized an open house to mark the 40th anniversary of the launch of Weidemann's versatile Hoftrac® series for the agricultural sector. Around 5,000 visitors attended the event. From its beginnings in 1960, Weidemann has established itself as a leading manufacturer of compact equipment for the agricultural industry in Europe (wheel loaders and telescopic handlers). It has been part of the Wacker Neuson Group since 2005.

Capital market communication and share trends

During the period under review, the Executive Board continued to regularly keep stakeholders up to date on current developments within the company and on the company strategy. They achieved this through various channels including national and international roadshows and conferences.

Although the European debt crisis led to volatile stock market trading on financial markets, the Wacker Neuson share reported double-digit gains since the beginning of the year. Starting the year at EUR 9.40, the share peaked at EUR 13.45 on March 2, 2012. At the end of the reporting period (June 30, 2012), it closed at EUR 10.44. This corresponds to a rise of over 11 percent since the start of the year and market capitalization of EUR 732.3 million (70,140,000 shares). The Wacker Neuson share thus outperformed the SDAX (+7 percent) and DAX (+6 percent) over the same period.

Share price trends January through July 2012



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

Profit, financials and assets

Revenue and earnings¹

Revenue up significantly on the previous year

The first quarter of 2012 proved a strong period for Wacker Neuson. Demand continued to rise in the second quarter as the construction season got underway. Group revenue for Q2 2012 came to EUR 284.2 million (Q2 2011: EUR 266.9 million).

This corresponds to a 6.5 percent increase on the same quarter last year, which is significantly lower than the Q1 rise relative to Q1 2011 (Q1 2012: +29 percent to EUR 274.0; Q1 2011: EUR 211.8 million). This slowdown in growth as the year progressed, however, was expected. The second quarter of 2011 was an extremely strong period for the Group and so the starting baseline for growth in Q2 2012 was already very high.

Revenue

Q2/H1 2012 and 2011

in € million

Q2/2012	284.2
Q2/2011	266.9
H1/2012	558.1
H1/2011	478.7

Group revenue for the first six months of the year rose 16.6 percent to EUR 558.1 million (H1 2011: EUR 478.7 million). Adjusted to discount currency fluctuations, this corresponds to an increase of 14.2 percent.

Higher production volumes in the first six months of the year caused manufacturing costs to rise 20.7 percent to EUR 389.3 million (H1 2011: EUR 322.5 million). This figure reflects the change in the light/compact revenue mix compared with the previous year, with the faster growing compact equipment segment accounting for a higher share of manufacturing costs in relative terms than the light equipment segment. It is worth noting in this context that this effect is offset at the sales and service expenses level due to the cost efficiencies resulting from the Group's strategy of using existing sales structures to distribute compact equipment. In the second quarter, the process and logistics expenses for the production of compact equipment also rose (for further information, refer to "Business developments and key events in the first half-year").

At 44 percent (H1 2011: 42 percent), compact equipment accounted for the largest share of revenue, followed by light equipment at 37 percent (H1 2011: 38 percent). The services segment accounted for the remaining 19 percent (H1 2011: 20 percent).

Gross profit rose during the period under review by 8.1 percent to EUR 168.9 million (H1 2011: EUR 156.2 million). The gross profit margin amounted to 30.3 percent (H1 2011: 32.6 percent). The gross margin for the second quarter came to 29.5 percent (Q2 2011: 32.6 percent). In addition to the effects mentioned above, the Group's strategy of increasing its international footprint and expanding market share in competitive markets also affected the gross profit margin. This was further compounded by a drop in the pace of growth in Europe (Wacker Neuson's core market) in the second quarter (see the segment reporting section for Europe).

Key figures

in € million	Q2/2012	Q2/2011	Change as a %	H1/2012	H1/2011	Change as a %
Revenue	284.2	266.9	6.5	558.1	478.7	16.6
Gross profit margin as a %	29.5	32.6	-3.1 PP	30.3	32.6	-2.3 PP
EBITDA	37.3	45.7	-18.4	76.1	71.6	6.3
EBITDA margin as a %	13.1	17.1	-4.0 PP	13.6	15.0	-1.4 PP
EBIT	22.8	33.7	-32.3	49.2	48.6	1.2
EBIT margin as a %	8.0	12.6	-4.6 PP	8.8	10.2	-1.4 PP
EBT	20.8	32.8	-36.6	45.6	46.7	-2.4
Profit for the period	13.8	22.5	-38.7	30.9	31.5	-1.9

¹ Earnings include the effects of purchase price allocation (PPA) resulting from the merger between the former Wacker Construction Equipment AG and Neuson Kramer Baumaschinen AG in fall 2007. These will continue to have an – albeit diminishing – impact on balance sheet earnings into 2013. This impact on EBIT is detailed in the following table.

Further reduction in SG&A and R&D expenses as percentage of revenue

The increased volume of business caused Selling, General and Administrative Expenses (SG&A) and Research and Development (R&D) expenses to rise during the first half of 2012. Their relative share of revenue, however, decreased to 22.0 percent (H1 2011: 22.9 percent).

EBITDA

Q2/H1 2012 and 2011

in € million

Q2/2012	37.3
Q2/2011	45.7
H1/2012	76.1
H1/2011	71.6

At EUR 78.2 million, sales and service expenses were 12.8 percent up on the previous year (H1 2011: EUR 69.3 million). At EUR 13.0 million, R&D costs were up 18.9 percent (H1 2011: EUR 10.9 million). General administrative costs rose to EUR 31.7 million in the first six months of the year (H1 2011: EUR 29.4 million). Their relative share of revenue fell to 5.7 percent due to the rise in revenue (H1 2011: 6.1 percent).

Key profit indicators

Profit before interest, tax, depreciation and amortization (EBITDA) grew 6.3 percent to EUR 76.1 million in the first half-year (H1 2011: EUR 71.6 million). The EBIT margin decreased to 13.6 percent (H1 2011: 15.0 percent). EBITDA for the second quarter came to EUR 37.3 million, resulting in an EBITDA margin of 13.1 percent (Q2 2011: 17.1 percent). The EBITDA margin for the first quarter of 2012 was 14.2 percent.

Development H1 2008–2012 of revenues and EBITDA margin

Revenue in € million

H1/2008	472.4
H1/2009	293.8
H1/2010	355.6
H1/2011	478.7
H1/2012	558.1

— EBITDA margin as a %

Depreciation and amortization amounted to EUR 27.0 million for the first six months of 2012 (H1 2011: EUR 23.0 million) and EUR 14.5 million for the second quarter of the year (Q2 2011: EUR 12.0 million).

Profit before interest and tax (EBIT) came to EUR 49.2 million for the first half of 2012 (H1 2011: EUR 48.6 million)¹. The EBIT margin fell to 8.8 percent (H1 2011: 10.2 percent). In the second quarter, it was 8.0 percent (Q2 2011: 12.6 percent), and was thus below the same figure for the first quarter of 2012 (Q1 2012: 9.6 percent).

Development Q2 2008–2012 of revenues and EBITDA margin

Revenue in € million

Q2/2008	244.2
Q2/2009	156.5
Q2/2010	205.3
Q2/2011	266.9
Q2/2012	284.2

— EBITDA margin as a %

Group profit is hardly affected by exchange rate fluctuations arising from the international flow of goods due to natural currency hedging, in particular with regard to the euro/US dollar. During the first six months of 2012, the average euro/dollar exchange rate was 1 euro to 1.30 dollars (H1 2011: EUR 1 to USD 1.42). The Group uses derivative financial instruments to hedge other currencies.

The financial result for the period amounted to EUR -3.5 million (H1 2011: EUR -1.9 million) due to increased net debt.

Profit before tax (EBT) for the first six months of 2012 thus fell 2.4 percent to EUR 45.6 million (H1 2011: EUR 46.7 million). Tax expenses amounted to EUR 14.4 million (H1 2011: EUR 14.9 million). The tax rate was 31.5 percent (H1 2011: 31.9 percent).

¹ Purchase price allocation (PPA) reduced EBIT by EUR 2.3 million (H1 2011: EUR 1.8 million). In June 2012, a one-off impairment loss in the amount of EUR 516 was reported on an investment property in Tredgar, UK, which is allocated to the Neuson Kramer subgroup.

At EUR 30.9 million, profit for the first half of 2012 was below the previous year's figure of EUR 31.5 million. Earnings per share amounted to EUR 0.44 (H1 2011: EUR 0.45) based on 70.14 million ordinary shares. At EUR 13.8 million, profit for the second quarter of 2012 was below the previous year's figure (Q2 2011: EUR 22.5 million). Earnings per share for the quarter thus amounted to EUR 0.20 (Q2 2011: EUR 0.32).

Financials

Capital investments continue to impact cash flow from operating activities

Cash flow from operating activities amounted to EUR -8.8 million at the end of June 2012 (H1 2011: EUR 10.3 million) and was thus negative. This was due to inventory build-up, in particular during the first quarter of this year. Discounting investments in working capital¹, cash flow from operating activities would have come to EUR 57.9 million. The Group made concerted efforts to increase inventory to secure its delivery capabilities. In the second quarter, the Group's cash flow from operating activities amounted to EUR 22.8 million (Q2 2011: EUR 20.8 million).

Cash flow from investment activities amounted to EUR -59.1 million for the first six months of 2012 (H1 2011: EUR -52.5 million) and EUR -31.8 million in the second quarter (Q2 2011: EUR -35.3 million). As planned, the Group invested a total of EUR 62.7 million, EUR 58.5 million of which was channeled into property, plant and equipment. Key investments here included the construction of the new facility in Hörsching, the expansion of international sales activities and investments in the company's rental fleet. As

expected, investments exceeded write-downs, which was also the case in the prior-year period.

Free cash flow was thus negative, amounting to EUR -67.9 million by the end of June 2012 (H1 2011: EUR -42.2 million).

The Group did not acquire or sell any companies during the period under review. Changes to the consolidation structure are described in more detail in the Notes.

Cash flow from financing activities rose to EUR 63.8 million in the first half of 2012 (H1 2011: EUR 24.6 million). In the first quarter of the year, the Group placed a Schuldschein loan in the amount of EUR 120 million (refer to the Q1 report for fiscal 2012 for further information). This was the main factor behind the increase in cash flow during this period. The second quarter dividend payment of EUR 37.05 million (dividend payout for Q2 2011: EUR 11.9 million) had the effect of reducing cash flow.

Comfortable liquidity situation

Liquidity fell from EUR 16.9 million at the start of the year to EUR 12.7 million at June 30, 2012.

As planned, the Group is able to meet its liquidity needs for the current year through a combination of existing liquid assets and credit lines. At the closing date, the company had not drawn on around 35 percent of funds available through credit lines, providing it with sufficient financial headroom. The Group continues to demonstrate healthy levels of liquidity.

Financial position

in € K	Q2/2012	Q2/2011	H1/2012	H1/2011
Cash flow from operating activities	22,829	20,843	-8,804	10,320
Cash flow from investing activities	-31,781	-35,280	-59,103	-52,471
Free cash flow	-8,952	-14,437	-67,907	-42,151
Cash flow from financing activities	-13,590	6,768	63,769	24,636
Change in cash and cash equivalents due to consolidation	82	291	-123	52
Change in cash and cash equivalents	-22,460	-7,378	-4,181	-17,463
Cash and cash equivalents at beginning of period	35,169	26,474	16,890	36,559
Cash and cash equivalents at end of period	12,709	19,096	12,709	19,096

¹ Working capital = Inventory + trade receivables – trade payables.

Assets

Assets in stable position with continued high equity ratio

The equivalent figures from the previous closing date (June 30, 2011) are included to make comparison of assets easier.

After the first six months of the year, the balance sheet again shows that Group assets remain strong. At June 30, 2012, the balance sheet total increased to EUR 1,322.6 million (December 31, 2011: EUR 1,213.3 million; June 30 2011: EUR 1,130.4 million).

Assets increased to EUR 742.5 million (December 31, 2011: EUR 712.5 million; June 30, 2011: EUR 666.6 million).

Due to an increase in production levels, the value of finished products amounted to EUR 213.0 million. This represents a rise of 15.6 percent on December 31, 2011 (EUR 184.2 million) and 47.3 percent compared with June 30, 2011 (EUR 144.6 million). As planned, inventories were up at EUR 327.6 million. This represents a 19.3 percent rise on December 31, 2011 (EUR 274.5 million) and a 53.6 percent increase on the prior-year figure (June 30, 2011: EUR 213.3 million). In the second quarter, inventory was only 7.5 percent up on the first quarter of 2012 (EUR 304.8 million).

Trade receivables rose to EUR 176.3 million since the start of the year and are thus below the figure of last year despite the increase in revenue (December 31, 2011: EUR 158.4 million; June 30, 2011: EUR 177.5 million).

The increase in inventory drove up current assets to EUR 545.8 million (December 31, 2011: EUR 471.2 million; June 30, 2011: EUR 433.6 million).

Group equity before minority interests amounted to EUR 906.6 million at the end of June 2012 (December 31, 2011: EUR 905.0 million; June 30, 2011: EUR 839.6 million). At 68.5 percent, the equity ratio before minority interests remained high for the industry (December 31, 2011: 74.6 percent; June 30, 2011: 74.3 percent). The company's share capital remained unchanged at EUR 70.14 million.

Non-current liabilities rose to EUR 195.7 million due to the Schuldschein loan placed by the company in the amount of EUR 120 million (December 31, 2011: EUR 76.8 million; June 30, 2011: EUR 82.4 million). The Schuldschein loan enabled the company to convert short-term borrowings from banks based on open-ended credit lines to secure, long-term loans. Trade payables rose to EUR 67.7 million (December 31, 2011: EUR 62.4 million; June 30, 2011: EUR 69.0 million). The repayment of short-term borrowings from banks in the first half-year brought total current liabilities down to EUR 217.0 million (December 31, 2011: EUR 228.7 million; June 30, 2011: EUR 205.8 million).

Assets, equity and liabilities

in € K	Jun. 30, 2012	Dec. 31, 2011	Change as a %	Jun. 30, 2011
Total non-current assets	776,866	742,132	4.7	696,744
Total current assets	545,765	471,207	15.8	433,629
Total assets	1,322,631	1,213,339	9.0	1,130,373
Equity before minority interests	906,612	904,996	0.2	839,556
Total non-current liabilities	195,783	76,758	155.1	82,434
Total current liabilities	216,968	228,657	-5.1	205,759
Minority interests	3,268	2,928	340	2,624
Total liabilities	1,322,631	1,213,339	9.0	1,130,373

Revenue growth and inventory build-up increase working capital

Demand for construction equipment from Wacker Neuson is growing worldwide. Efficient and, above all, forward-looking component and product stocking strategies are key to ensuring rapid delivery capabilities. We have therefore made concerted efforts to build up inventory since the start of the year. This pushed up working capital by EUR 65.7 million to EUR 436.2 million in the first six months of the year. This corresponds to a rise of 17.7 percent relative to December 31, 2011 (EUR 370.5 million) and a 35.5 percent increase on the previous year's figure (June 30, 2011: EUR 321.8 million).

Working capital to revenue (Q2 2012 revenue annualized) rose to 38.4¹ percent and, as anticipated, was thus above the equivalent prior-year ratio (Q2 2011: 30.1² percent). In the first quarter 2012, this figure came to 37.7 percent.

Solid financing structure

The successful placement of the Schuldschein loan again confirm Wacker Neuson's position as a sound investment. The resulting funds in the amount of EUR 120 million enabled us to optimize our financing structure by replacing short-term liabilities with long-term, fixed-rate liabilities under the Schuldschein loan. This structure also provides a more secure platform for long-term financial planning. Net financial debt³ rose to EUR 195.1 million at June 30, 2012 (December 31, 2011: EUR 90.4 million; June 30, 2011: EUR 68.7 million) and EUR 148.7 million at the close of the first quarter of 2012.

Gearing (net financial debt as a percentage of equity before minority interests) increased from around 10 percent at the start of the year to around 22 percent at the interim closing date. The Group's financing structure thus remains strong for the industry.

Net financial position

in € K	Jun. 30, 2011	Dec. 31, 2011	Jun. 30, 2011
Long-term borrowings	-134,600	-15,261	-25,088
Short-term borrowings	-72,807	-91,654	-57,211
Current portion of long-term borrowings	-430	-421	-5,495
Cash and cash equivalents	12,709	16,890	19,096
Total	-195,128	-90,446	-68,698

Off-balance-sheet assets and financial instruments

In addition to the assets shown in the consolidated balance sheet, the Group also makes customary use of assets that cannot be recognized in the balance sheet. These generally refer to leased, let or rented assets (operating leases).

We utilize off-balance-sheet financing instruments to a limited extent in the form of return obligations and guarantees vis-à-vis our financing partners.

Judgments and estimates

During the period under review, no voting rights were exercised and no balance-sheet disclosures made which, if exercised or disclosed differently, would have had a material effect on the net assets, financials and earnings of the Group.

¹ Note on calculation: $436,2 / (284,2 * 4) = 38,4\%$.

² Note on calculation: $321,8 / (266,9 * 4) = 30,1\%$.

³ Net financial debt = long- and short-term borrowings + current portion of long-term borrowings - marketable securities - cash and cash equivalents.

Segment reporting

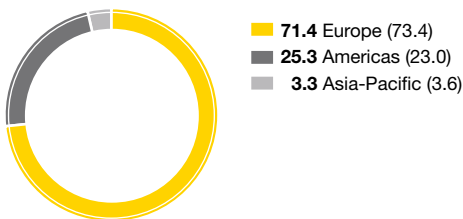
The Wacker Neuson Group supplies customers across the globe with its broad product and service portfolio.

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

In the first six months of 2012, all Group business segments developed positively. The Americas performed particularly well, with the Group reporting above-average growth rates in this region. Wacker Neuson also benefited from sales synergies resulting from its cross-selling strategy between product groups.

Results for Europe, the Americas and Asia-Pacific

Revenue by region
H1 2012
as a % (previous year)



Revenue growth in core market Europe

Europe accounts for the lion's share of Wacker Neuson revenue. In light of stronger revenue growth in the Americas region, Europe's share fell to 71.4 percent (H1 2011: 73.4 percent). Revenue for the period increased 13.4 percent to EUR 398.5 million (H1 2011: EUR 351.4 million). Profit before interest and tax (EBIT) fell from EUR 30.8 million for the same period last year to EUR 29.8 million. Our relocation to the new production facility in Hörsching, Austria, was a one-off item that had a significant impact on this figure.

Europe
H1 2012 and 2011
in € million

Revenue



EBIT



In addition to Germany and Switzerland, revenue developed strongly in France, Denmark, Norway and Turkey as well as in South Africa and Russia, both of which we include in the segment Europe although – geographically speaking – they are located outside the region. The pace of growth slowed somewhat in Eastern Europe following a 2-year period of above-average investment in construction equipment among customers in countries such as Poland. The construction situation in Spain and Italy continued to deteriorate. Wacker Neuson does not own Group companies in countries such as Portugal, Greece or Ireland. The situation in these countries should not have a significant impact on the company.

Strong growth in the Americas

In the Americas, revenue for the first half-year was above 28.1 percent of the previous year at EUR 141.2 million (H1 2011: EUR 110.2 million). Profit before interest and tax (EBIT) rose from EUR 14.5 million to EUR 21.6 million. Adjusted to reflect exchange rate fluctuations, this corresponds to a 19.6 percent rise in revenue. At 25.3 percent, the region's share of overall revenue increased on the previous year (H1 2011: 23.0 percent).

Americas

H1 2012 and 2011

in € million

Revenue



EBIT



North America proved a particularly strong market, with revenue from utility products – above all air-conditioning technologies, generators and light towers – developing extremely well. The expansion of our sales network to incorporate the distribution of compact equipment in the Americas is also paying dividends. Demand for our products was strong in the US, Canada, Mexico, Chile and Brazil.

Low-level growth in Asia-Pacific

At EUR 18.5 million, revenue for the Asia-Pacific region was 8.2 percent up on the previous year (H1 2011: EUR 17.1 million). Profit before interest and tax (EBIT) came to EUR 1.4 million (H1 2011: EUR 1.9 million). In light of stronger growth in other regions, this region's share of total revenue dropped to 3.3 percent (H1 2011: 3.6 percent).

Asia-Pacific

H1 2012 and 2011

in € million

Revenue



EBIT



Asia-Pacific is an important growth market for Wacker Neuson. Demand for high-quality products is steadily rising here and our future go-to-market strategies are focused specifically on meeting this growth. Wacker Neuson intends to introduce selected light equipment products tailored to market dynamics in Asia and secure a strong competitive position by expanding its product portfolio. China and India, in particular, are key future markets for us. We established our first affiliates in China over 15 years ago and have had a presence in India for the last four years.

Emerging markets¹ accounted for 11.3 percent of total revenue in the first six months of the year (H1 2011: 12.8 percent).

¹ Emerging markets refer to 35 countries according to the Dow Jones definition: 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.

Revenue by business segment

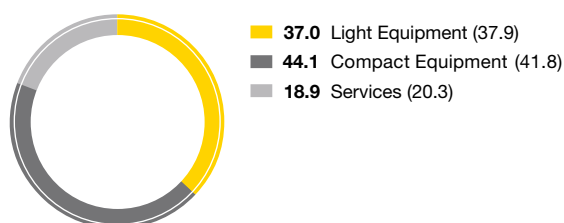
in € K	Q2/2012	Q2/2011	H1/2012	H1/2011
Segment revenue from external customers				
Light Equipment	107,458	98,665	209,462	183,739
Compact Equipment	122,178	117,713	249,691	202,357
Services	58,557	54,326	106,775	98,492
	288,193	270,704	565,928	484,588
Less cash discounts	-4,042	-3,847	-7,788	-5,899
Total	284,151	266,857	558,140	478,689

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

Revenue by business segment

H1 2012

as a % (previous year)



Demand for light equipment remains high

The light equipment business segment covers the Wacker Neuson Group's activities within the strategic business fields of concrete, compaction and job site preparation. Production is synchronized with demand and delivery times are short. The Group therefore does not report an order backlog for this segment.

Demand for light equipment continued to rise during the first half of 2012. Revenue before cash discounts from this segment increased 14.0 percent to EUR 209.5 million at the end of June 2012 (H1 2011: EUR 183.7 million). This segment's share of total revenue was 37.0 percent (H1 2011: 37.9 percent). Revenue for the second quarter increased 8.9 percent to the previous year (Q2 2011: EUR 98.7 million) and 5.3 percent to the first quarter of 2012.

In H1 2012, we launched new gasoline floor saws plus a full range of diamond blades for our entire portfolio of cut-off saws. We are currently establishing a range of light

equipment products tailored to the Asian market. This new offering will include compaction machines, pumps, generators and small light towers.

In the first quarter of the year, Wacker Neuson received the German Industry Innovation Award in the medium-size company category for the DPU 130, the world's most powerful vibratory plate. Shortly before receiving this accolade, the Austrian construction magazine "Baublatt Österreich" named the DPU 130 winner in the Innovation of the Year 2012 category at its annual meeting for Austrian construction and construction equipment companies.

Further revenue growth in compact equipment segment

The compact equipment business segment covers compact machinery targeted at construction and agricultural industries, gardening, landscaping and industrial firms as well as recycling companies and municipal bodies. The portfolio includes excavators, wheel loaders, skid steer loaders, telescopic handlers as well as wheel and track dumpers weighing up to approximately 15 tons. The Group is also targeting its compact equipment portfolio at more and more markets outside of Europe.

Revenue before cash discounts in the compact equipment segment increased from EUR 202.4 million in the previous year to EUR 249.7 million in the first half of 2012. This corresponds to an increase of 23.4 percent. This segment was the largest revenue driver in the first three months of the year (+51 percent) thanks to our successful cross-selling strategy and the expansion of our sales network capabilities to include compact equipment. Demand for compact equipment was particularly strong in Germany, Switzerland, France, Poland and Australia as well as in North and South America.

In the second quarter, segment revenue was just 3.8 percent up on the previous year due to the above-mentioned delays resulting from the relocation to our new production facility in Hörsching (near Linz, Austria). Subsequently, this segment's revenue for the second quarter was down slightly (- 4.2 percent) on revenue for Q1 2012 (EUR 127.5 million).

The compact equipment segment upped its share of total revenue during the period under review to 44.1 percent (previous year: 41.8 percent).

Our customers are placing orders at shorter notice than they did one year ago. This limits our visibility over mid-term business developments somewhat. It is therefore crucial that these short-term orders are delivered as quickly as possible. This trend should be taken into consideration when comparing the current order situation with the order book from last year.

The change in order patterns has meant that since the start of the year, accumulated order intake for compact equipment for the construction and agricultural sectors remained at the same high level as in the previous year. Order intake for June 2012 was 14 percent up on the same figure for June 2011.

Demand for our innovative Weidemann-branded machines, which are primarily used for yard work, was fuelled by a growing focus on the need to raise efficiency and productivity levels across the agricultural sector. Revenue generated by agricultural equipment (including sales to Claas) rose 27.5 percent in the first half-year to EUR 93.1 million (H1 2011: EUR 73.1 million). At the close of the first six months of 2012, compact equipment for the agricultural sector accounted for 16.5 percent of total Group revenue (H1 2011: 15.1 percent).

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

Wacker Neuson presented a host of innovations during the first half of 2012, including a telematics system that delivers optimum cost efficiency and safety gains. The new system provides machine owners with information on runtimes, maintenance intervals and the location of their machines (alarm function) and will soon be available on the market.

Wacker Neuson also unveiled the new generation ET18, ET20 and ET24 models in the 1.7- to 2.4-ton compact excavator class, all of which deliver significant added value for customers. The redesigned, spacious cabs provide even higher levels of ergonomics, user friendliness and safety. The new models also feature powerful engines that require little maintenance and are easy to transport. In addition, the new ET series is equipped with a unique cooling system that provides outstanding resistance to high temperatures, enabling operators to work at full capacity in ambient temperatures of 45 degrees Celsius. Components are arranged intelligently for easy, efficient maintenance.

Kramer Allrad also presented two compact solutions unique to the 0.6 m³ class. The 550 and 650 models deliver the same performance levels as the largest compact wheel loader model (50 to 60 hp) yet have extremely compact dimensions and low operating weight. The machines are particularly cost efficient thanks to their high power levels and low fuel consumption.

Revenue up in services business segment

Wacker Neuson complements new equipment sales with an extensive range of services. The services segment covers the business fields of rental in Central Europe, the global repair and spare parts business and the reconditioned equipment business (e.g. the European used equipment center in Gotha). Increased construction activity and our enhanced offering boosted segment revenue for H1 2012 by 8.4 percent to EUR 106.8 million (H1 2011: EUR 98.5 million). This segment's relative share of total revenue fell to 18.9 percent (H1 2011: 20.3 percent) due to stronger revenue growth in our product segments.

Other factors that impacted on results

Increase in headcount

In light of strong business performance, we have increased headcount in specific areas since the start of the year, primarily in Germany, Austria and the US. Headcount was further bolstered by our Serbian production facility (Wacker Neuson Kragujevac d.o.o.), which was included in the consolidation structure for the first time in Q1 2012 (June 30, 2012: 229 employees). At the interim closing date, Group headcount came to 3,907 (December 31, 2011: 3,514; June 30, 2011: 3,285)¹.

¹ Headcount figures do not reflect the actual number of people employed. They are calculated by converting the number of positions within the company into full-time jobs.

Exchange rate fluctuations impact prices for raw materials

Expressed in dollars, the price for raw materials has fallen worldwide. In Europe, however, the euro has fallen against the dollar, causing prices to rise across the eurozone. The additional costs incurred since the start of the year were passed on to the market via an average 2- to 3-percent increase in the price of light equipment, some compact equipment models and spare parts.

Research and development activities secure leading position

Wacker Neuson is a global technology leader in the manufacturing industry. Over fifty percent of light and compact equipment revenue is generated with products that are less than five years old.

Much of our light and compact equipment is subject to particularly high stresses. R&D activities for these products thus focus on ensuring robust design, shorter downtimes and longer maintenance intervals. Our aim here is to keep operating costs as low as possible over the entire product lifecycle, for example, by ensuring a long service life and high reliability. Our products are also designed to deliver the highest productivity levels for our customers by providing optimum power in vibratory plates, for example, or through innovations such as our Vertical Digging System for excavators. Another aim of our development activities is to extend our pioneering position in product safety, operator safety and environmental protection. Noise- and vibration-reduction features such as hand-arm vibration systems in breakers as well as safety features such as infrared remote controls for trench rollers or our Smart Handling system for telescopic loaders are just some examples of operator safety innovations here. In addition, research, development and innovation are becoming increasingly important in the bid to achieve climate protection goals. Our activities here have a particularly high priority as we intend to maintain our high standards in the delivery of environmentally sound, safe products as we move forward. We will therefore continue to focus our R&D efforts on compliance with more stringent environmental regulations governing combustion engine emissions.

The company benefits from its strategy of continuous investment in research and development activities. The R&D share of total revenue currently stands at 2.3 percent.

Changes to the opportunity and risk situation

In the first six months of 2012, the Wacker Neuson Group continued to implement its risk management system as a key steering tool for business decisions and processes. The internal control and risk management system is described in detail in the consolidated financial statements for 2011.

The company has identified the following risks to the Wacker Neuson Group as of June 30, 2012 that deviate from the 2011 consolidated financial statements:

There are increasing signs of a slowdown in economic growth, in particular in the European construction industry. These signs can be most clearly seen in Southern and Eastern European countries. A downturn could depress light and compact equipment sales across Europe, and a drop in demand could subsequently squeeze Wacker Neuson Group profitability. We consider these effects to be of a short-term nature and do not expect them to significantly impact Group performance. The forecast for German-speaking countries, for example, is positive.

From an organizational perspective, Wacker Neuson also implements flexible work and production models that enable us to absorb potential capacity fluctuations. The company is countering the risk of a fall in sales by diversifying its sales activities across different industries and by expanding its international footprint. In addition, we continuously monitor key leading indicators that will enable us to implement appropriate countermeasures in good time.

The remaining risks to the Group relevant to the period under review are listed in the 2011 Annual Report on pages 79 to 82.

Company management is not currently aware of any other significant risks to the Wacker Neuson Group. We also have not identified any single or collective risks to our continued existence as a going concern that might negatively affect the Group in the foreseeable future.

Business opportunities are described in detail in the 2011 Annual Report on pages 92 to 94 and in the Outlook section of this interim management report.

Supplementary report

The following changes were made to the Executive Board of Wacker Neuson SE since the reporting date:

Wacker Neuson SE aims to unite its two product segments (light and compact equipment) under single management in order to maximize synergies, in particular with regard to international expansion. This will enable the Group to further build on its market success.

Mr. Richard Mayer has reached a mutual, amicable agreement with the Supervisory Board and will be stepping down from his position as member of the Executive Board of Wacker Neuson SE responsible for light equipment on September 30, 2012. Mr. Martin Lehner will take on responsibility for light equipment at Executive Board level in addition to his current role as head of compact equipment and Deputy CEO to Cem Peksaglam. Mr. Lehner has been with the company since 1987.

The unification of the two product segments will not affect segment reporting at Wacker Neuson SE. The company will continue to report on the three business segments of light equipment, compact equipment and services.

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

Outlook

Increasing uncertainty regarding future economic development

The International Monetary Fund (IMF)¹ expects the global economy to grow by 3.5 percent this year. For the majority of eurozone countries, however, the IMF predicts a downturn in growth. In its latest forecast (July 2012), it expects eurozone economies to shrink by 0.3 percent. The main reasons for this are financing problems in Italy and Spain. Germany, however, is expected to buck this trend and grow by at least 1.0 percent (following 3.1 percent growth in 2011).

Forecasts for the US are more positive and the economy here is expected to grow by 2.0 percent in 2012. Prospects are also good for Canada. Emerging markets will again be the main drivers of the global economy. The Chinese economy is set to expand by 8.0 percent, India by 6.1 percent and Brazil by 2.5 percent. Prior to the crisis, however, both the Chinese and Indian economies were growing at a double-digit pace. China's current growth rate, for example, is its lowest in ten years.

Stability and flexibility are crucial success factors for companies looking to overcome the challenges posed by an increasingly fast-paced global business world where economic cycles are becoming ever shorter and more difficult to predict.

Construction industry expands in German-speaking countries

While experts predict a downturn in the construction industry in countries such as Italy, Spain and the UK, construction activity is expected to rise in markets such as Germany, France and Switzerland. Many European countries need to carry out infrastructure projects, with investment funds earmarked for the expansion of road, rail, transport and telecommunications networks. Positive momentum for the construction industry should continue to stem primarily from residential and commercial construction. Public construction across Europe is likely to remain at its present level due to austerity measures in many countries.

¹ International Monetary Fund, World Economic Outlook Update; July 16, 2012.

According to the latest study carried out by Euroconstruct¹, the construction industry in German-speaking countries is set to grow by 1.6 percent this year and by 2.3 percent in 2013. France is expected to expand by 2.2 percent this year and by 0.3 percent in 2013. For the 19 countries included in the study, however, Euroconstruct predicts an overall drop of 2.1 percent for this year, followed by a rise of just 0.4 percent next year. Spain is particularly hard hit here and will see its construction industry shrink by 21.1 percent in 2012. The Netherlands and the UK will also experience downturns of -4.8 and -4.0 percent respectively.

By contrast, German residential construction is set to flourish thanks to the country's stable job market, low interest rates, the backlog of projects that has built up over recent years and renewed interest among private individuals in inflation-proof real estate investments.

Following the sharp upturn in recent years, Germany's construction machinery dealers remain positive about future developments. In addition, VDMA² expects the construction equipment and building materials industry to grow at a solid rate of 5 percent in 2012 (2011: 15 percent), provided that the sector is not subject to any further external stresses.

Strategies for further profitable growth

The Group has set itself ambitious goals for the period through 2016. We aim to focus on increasing market penetration, expanding our market share and strengthening our position as an innovation leader. By concentrating more on user processes and market requirements, we aim to align our sales and distribution activities even more closely with customer needs and priorities. On the compact equipment front, our strategy to expand our sales and distribution network in Europe and the Americas, flanked by strategic alliances with Caterpillar and Claas, will drive further growth potential in this segment. We also intend to increase our presence in regions in which we have identified concrete sales potential, for example, in emerging markets such as South America, Eastern Europe and Asia.

Reaffirmation of 2012 revenue forecast

The uncertainties described above make it very difficult to predict overall market trends. The forecast we made at the start of the year factored in a slowdown in economic growth, particularly in light of the exceptionally strong growth we experienced in the previous year. The Group cannot entirely protect itself against negative trends in Europe. Market uncertainties coupled with the euro crisis are curbing readiness to invest among European customers in the construction and agricultural industries, resulting, for example, in investments being put on hold.

Our strategy of diversifying our products and services across different market segments, however, enables us to spread risk further and absorb economic fluctuations in individual industries more effectively. Our strong financial position, expanding international footprint and high profitability together with our flexible production processes and efficient organizational structures provide extra stability for the Wacker Neuson Group.

From our present position, we remain cautiously optimistic about 2012. Bolstered by our go-to-market strategies and diversification measures, we still expect revenue to rise by double-figures on the previous year and reconfirm our original revenue forecast of approximately EUR 1.1 billion for 2012 as a whole. However, the company now expects the EBITDA margin to level out between 13 and 15 percent (previous forecast: at least 15 percent). This is due to the current slowdown in demand across Europe and the measures that we have implemented to strengthen our market position in our competitive core markets of Europe and the US. In fiscal 2011, Wacker Neuson reported revenue of EUR 991.6 million and an EBITDA margin of 16.4 percent.

We intend to invest a total of around EUR 100 million during the course of the current fiscal year (around EUR 40 million of this is earmarked for the second half of the year). As things stand, we expect gearing to come to approximately 20 percent at the end of the year. We also expect operating cash flow to be positive by the end of the year.

¹ 73rd EUROCONSTRUCT Conference; London June 2012.

² VDMA, Konjunkturelle Lage Bau- und Baustoffmaschinen (Economic situation in the construction equipment and building materials industry); June 20, 2012.

We will continue to keep a careful eye on costs throughout 2012. The break-even point for the current year (at EBIT level) is still approximately EUR 700 million.

With a view to enhancing our product portfolio and expanding our international footprint, we will also investigate further partnerships and acquisitions in the medium to long term. We aim to maintain our sound balance sheet structure with a high equity ratio.

Munich, August 2, 2012
Wacker Neuson SE

Executive Board

Cem Peksaglam
(CEO)

Martin Lehner
(Deputy CEO)

Richard Mayer

Günther C. Binder

Werner Schwind

Consolidated Income Statement (not audited)

April 1 through June 30 and January 1 through June 30

in € K	Apr. 1–Jun. 30, 2012	Apr. 1–Jun. 30, 2011	Jan. 1–Jun. 30, 2012	Jan. 1–Jun. 30, 2011
Revenue	284,151	266,857	558,140	478,689
Cost of sales	-200,203	-179,843	-389,288	-322,538
Gross profit	83,948	87,014	168,852	156,151
Sales and service expenses	-39,949	-33,718	-78,170	-69,325
Research and development expenses	-6,628	-5,254	-12,955	-10,897
General administrative expenses	-16,384	-14,852	-31,745	-29,425
Other income	4,615	2,922	9,030	6,590
Other expenses	-2,765	-2,432	-5,834	-4,475
Profit before interest and tax (EBIT)	22,837	33,680	49,178	48,619
Financial income	271	659	617	1,111
Financial expense	-2,286	-1,534	-4,146	-2,981
Profit before tax (EBT)	20,822	32,805	45,649	46,749
Taxes on income	-6,862	-10,099	-14,396	-14,930
Profit before minority interests	13,960	22,706	31,253	31,819
Minority interests	-180	-164	-340	-283
Profit for the period	13,780	22,542	30,913	31,536
Earnings per share in EUR (diluted and undiluted)	0.20	0.32	0.44	0.45

Consolidated Total Profit/Loss (not audited)

April 1 through June 30 and January 1 through June 30

in € K	Apr. 1–Jun. 30, 2012	Apr. 1–Jun. 30, 2011	Jan. 1– Jun. 30, 2012	Jan. 1– Jun. 30, 2011
Profit/loss before minority interests	13,960	22,706	31,253	31,819
Items not recognized in profit/ loss for the period				
Exchange differences	8,455	-245	6,089	-10,873
Securing cash flows:				
Profit/losses incurred in the current period	16	370	16	318
Tax effects from items in total profit/loss for the period	-5	-119	-5	-119
Items not recognized in profit/ loss for the period after tax	8,466	6	6,100	-10,674
Total profit/loss for the period after tax	22,426	22,712	37,353	21,145
Of which are attributable to:				
Shareholders in the parent company	22,246	22,548	37,013	20,862
Minority interests	180	164	340	283
Total profit/loss for the period after tax	22,426	22,712	37,353	21,145

Consolidated Balance Sheet (not audited)

As at June 30

in € K	Jun. 30, 2012	Dec. 31, 2011	Jun. 30, 2011
Assets			
Property, plant and equipment	381,396	348,930	319,656
Investment property	20,950	21,277	16,950
Goodwill	237,733	237,509	236,657
Intangible assets	102,383	102,793	89,390
Other investments	0	2,000	3,964
Deferred tax assets	25,316	20,706	21,296
Other non-current assets	9,088	8,917	8,831
Total non-current assets	776,866	742,132	696,744
Inventories	327,606	274,492	213,337
Trade receivables	176,261	158,358	177,515
Current tax receivables	5,810	2,488	1,210
Other current assets	17,024	18,281	20,947
Cash and cash equivalents	12,709	16,890	19,096
Non-current assets held for sale	6,355	698	1,524
Total current assets	545,765	471,207	433,629
Total assets	1,322,631	1,213,339	1,130,373
Equity and liabilities			
Subscribed capital	70,140	70,140	70,140
Other reserves	611,070	604,970	593,002
Net profit/loss	225,402	229,886	176,414
Equity before minority interests	906,612	904,996	839,556
Minority interests	3,268	2,928	2,624
Total equity	909,880	907,924	842,180
Long-term financial borrowings	134,600	15,261	25,088
Deferred tax liabilities	31,741	30,713	25,423
Long-term provisions	29,442	30,784	31,923
Total non-current liabilities	195,783	76,758	82,434
Trade payables	67,670	62,362	69,045
Short-term borrowings from banks	72,807	91,654	57,211
Current portion of long-term borrowings	430	421	5,495
Short-term provisions	14,163	15,151	14,606
Current tax payable	1,469	1,967	3,514
Other current liabilities	60,429	57,102	55,888
Total current liabilities	216,968	228,657	205,759
Total liabilities	1,322,631	1,213,339	1,130,373

Consolidated Statement of Changes in Equity (not audited)

As at June 30

in € K	Subscribed capital	Capital reserves	Exchange differences	Other neutral changes	Net profit/loss	Equity before minority interests	Minority interests	Total equity
Balance at December 31, 2010	70,140	618,661	-14,718	-267	156,802	830,618	2,341	832,959
Total profit/loss for the period	0	0	-10,873	199	31,536	20,862	283	21,145
Dividendes	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
Balance at December 31, 2011	70,140	618,661	-13,680	-11	229,886	904,996	2,928	907,924
Total profit/loss for the period	0	0	6,089	11	30,913	37,013	340	37,353
Change in consolidation structure	0	0	0	0	-327	-327	0	-327
Dividendes	0	0	0	0	-35,070	-35,070	0	-35,070
Balance at June 30, 2012	70,140	618,661	-7,591	0	225,402	906,612	3,268	909,880

Consolidated Cash Flow Statement (not audited)

April 1 through June 30 and January 1 through June 30

in € K	Apr. 1–Jun. 30, 2012	Apr. 1–Jun. 30, 2011	Jan. 1–Jun. 30, 2012	Jan. 1–Jun. 30, 2011
EBT	20,822	32,805	45,649	46,749
Depreciation and amortization	14,502	11,979	26,955	22,976
Foreign exchange result	4,191	-572	3,912	-6,418
Gains/losses from sale of intangible assets and property, plant and equipment	547	433	-1,283	621
Book value from the disposal of rental equipment	1,335	892	2,361	1,660
Gains/losses from derivatives (cash flow hedging)	11	251	11	199
Financial result	2,015	875	3,529	1,870
Changes in inventories	-22,793	-5,113	-51,766	-29,305
Changes in trade receivables and other assets	18,598	-18,043	-14,973	-58,240
Changes in provisions	-1,625	3,148	-2,395	3,966
Changes in trade payables and other liabilities	-2,690	2,126	5,838	38,683
Interest paid	-1,193	-1,215	-2,783	-2,247
Income tax paid	-11,138	-6,980	-24,396	-10,854
Interest received	247	257	537	660
Cash flow from operating activities	22,829	20,843	-8,804	10,320
Purchase of property, plant and equipment	-30,504	-34,100	-58,549	-49,739
Purchase of intangible assets	-2,202	-1,859	-4,164	-3,714
Proceeds from the sale of property, plant and equipment and intangible assets	925	679	3,610	982
Cash flow from investing activities	-31,781	-35,280	-59,103	-52,471
Dividends	-35,070	-11,924	-35,070	-11,924
Cash receipts from short-term/long-term borrowings	23,995	21,947	119,348	52,031
Repayments from short-term/long-term borrowings	-2,515	-3,255	-20,509	-15,471
Cash flow from financing activities	-13,590	6,768	63,769	24,636
Increase/decrease in cash and cash equivalents	-22,542	-7,669	-4,138	-17,515
Change in cash and cash equivalents due to consolidation	0	0	80	0
Effect of exchange rates on cash and cash equivalents	82	291	-123	52
Change in cash and cash equivalents	-22,460	-7,378	-4,181	-17,463
Cash and cash equivalents at beginning of period	35,169	26,474	16,890	36,559
Cash and cash equivalents at end of period	12,709	19,096	12,709	19,096

Consolidated Segmentation (not audited)

January 1 through June 30

Segmentation (geographical segments)

in € K	Europe	Americas	Asia-Pacific	Consolidation	Group
H1 2012					
Segment revenue					
Total external sales	654,661	196,036	27,872		
Less intrasegment sales	-219,165	-30,798	-1,579		
	435,496	165,238	26,293		
Intersegment sales	-37,039	-24,064	-7,784		
Total	398,457	141,174	18,509	0	558,140
EBIT	29,827	21,639	1,374	-3,662	49,178
EBITDA	53,571	24,499	1,726	-3,663	76,133
Net financial debt	177,387	10,698	7,042	0	195,127
Working capital	271,018	153,237	27,921	-15,978	436,198
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
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

Revenue with non-Group companies generated by affiliates headquartered in Germany amounted to EUR K 233,756 (previous year: EUR K 200,678).

Segmentation (business segments)

in € K	Jan. 1–Jun. 30, 2012	Jan. 1–Jun. 30, 2011
Segment revenue from external customers		
Light Equipment	209,462	183,739
Compact Equipment	249,691	202,357
Services	106,775	98,492
	565,928	484,588
Less cash discounts	-7,788	-5,899
Total	558,140	478,689

Selected Explanatory Notes to the Interim Financial Statements for the First Half-Year 2012

Accounting Rules

The Wacker Neuson SE consolidated interim financial statements to June 30, 2012 were prepared in accordance with the International Financial Reporting Standards (IFRS) and their interpretation as valid on the reporting date and adopted in 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, 2011. The comments there also apply to the quarterly and half-year statements for fiscal 2012, unless explicitly stated otherwise.

The general accounting principles, valuation methods and estimates used for the fiscal 2011 consolidated statements have also been applied to these interim financial statements with the exceptions listed below.

The following reporting changes apply to the H1 2012 financial statements:

Income statement

The term “diluted and undiluted” is now used in conjunction with earnings per share. There was no share dilution effect in this or previous reporting periods. The financial result is presented under “financial income” and “financial expense” and these items are not offset.

Balance sheet

The item “long-term borrowings” exclusively refers to financial liabilities. We have therefore changed this term to “long-term financial borrowings”.

Cash flow statement

The information previously shown under “proceeds/ income from short-term / long-term borrowings” will now be reported separately under the items “cash receipts from short-term / long-term borrowings” and “repayments from short-term/long-term borrowings”.

The equivalent figures from the previous year have been adjusted where necessary.

Legal changes to company structure

On January 1, 2012, the Serbian companies Wacker Neuson Kragujevac d.o.o. and Wacker Neuson Lapovo d.o.o. were included in the consolidated structure. The companies were not previously consolidated due to their minor impact on the Group’s assets, financials and earnings.

Seasonal 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 2009 through 2011 was as follows:

in %	2011	2010	2009
Q1	21	20	23
Q2	27	27	26
Q3	25	26	25
Q4	27	27	26

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.

	2012	2011
Q2		
Quarterly earnings attributable to shareholders in € K	13,780	22,542
Weighted average number of ordinary shares in circulation during the period in thousands	70,140	70,140
Earnings per share in EUR (diluted and undiluted)	0.20	0.32
H1		
Quarterly earnings attributable to shareholders in € K	30,913	31,536
Weighted average number of ordinary shares in circulation during the period in thousands	70,140	70,140
Earnings per share in EUR (diluted and undiluted)	0.44	0.45

Related party disclosures

According to IAS 24, related party disclosures in the case of Wacker Neuson refers to shareholders, entities over which shareholders have control or significant influence (sister companies), non-consolidated companies, members of the Executive Board, members of the Supervisory Board and the pension fund. We refer to the Annual Report 2011 for further information on the type and scope of related party disclosures. Due to the first-time consolidation of the Serbian companies Wacker Neuson Kragujevac d.o.o. and Wacker Neuson Lapovo d.o.o. on January 1, 2012, there were no relations with consolidated companies in the first six months of 2012.

Important events

At the AGM on May 22, 2012, shareholders of Wacker Neuson SE approved a dividend payout in the amount of EUR 0.50 per share. The actions of the Executive Board and Supervisory Board were officially approved for fiscal 2011.

Shareholders also approved the creation of a new authorized capital with the option of excluding subscription rights with a term until May 21, 2017. In addition, a proposal to acquire treasury shares with the option of redeeming and selling said shares subject to the exclusion of subscription rights until May 21, 2017 was approved.

The auditing company Ernst & Young, Stuttgart, was appointed the first time as the official auditor for the fiscal year 2012.

A profit transfer agreement with Weidemann GmbH was also approved. Weidemann GmbH is a wholly owned company of Wacker Neuson SE.

In January 2012, the Group sold real estate in Tokyo, Japan, that had previously been disclosed under "non-current assets held for sale". Earnings from the sale in the amount of EUR 1.7 million are reported under "other income".

In February, 2012, Wacker Neuson SE placed a Schuldschein loan in the amount of EUR 120 million to secure liquidity and interest rates. The loan is based on terms of five and seven years. The transaction was subscribed at the lower end of the marketing range, with a coupon rate of 3.00 percent p.a. for the fixed five-year term and 3.66 percent p.a. for the seven-year term.

In May 2012, production started at the new Wacker Neuson facility in the Austrian town of Hörsching. The Group invested EUR 65 million in the new development and production site for compact equipment weighing up to 14 tons.

The fixtures on third-party property or in third-party buildings in Leonding, Austria, are no longer disclosed under property, plant and equipment. As of June 2012, they are posted under “non-current assets held for sale”. This change was made following the relocation of production activities to the new facility in Hörsching. The lessor is set to assume the cost of fixtures when the property is handed over in December 2012.

Munich, August 2, 2012
Wacker Neuson SE

Executive Board

In June 2012, a one-off impairment loss in the amount of EUR K 516 was reported on an investment property in Tredegar, UK.

Cem Peksaglam Martin Lehner
(CEO) (Deputy CEO)

Events since the interim statements reporting date

Please refer to the supplementary report in the half-year report for 2012 for other significant events since the reporting date for these interim financial statements.

Richard Mayer Günther C. Binder Werner Schwind

Responsibility statement

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, finances 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.

Review Report

To Wacker Neuson SE, Munich, Germany

We have reviewed the interim condensed consolidated financial statements, comprising the consolidated income statement, the consolidated statement of comprehensive income, the consolidated balance sheet, the consolidated statement of changes in equity, the consolidated statement of cash flows and selected explanatory notes, and the interim group management report of Wacker Neuson SE, Munich for the period from January 1 to June 30, 2012 which are part of the six-monthly financial report pursuant to Sec. 37w WpHG [“Wertpapierhandelsgesetz”: German Securities Trading Act]. The preparation of the interim condensed consolidated financial statements in accordance with IFRSs on interim financial reporting as adopted by the EU and of the group management report in accordance with the requirements of the WpHG applicable to interim group management reports is the responsibility of the Company’s management. Our responsibility is to issue a report on the interim condensed consolidated financial statements and the interim group management report based on our review.

We conducted our review of the interim condensed consolidated 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 [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the review to obtain a certain level of assurance in our critical appraisal to preclude that the interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IFRSs on interim financial reporting as

adopted by the EU and that the interim group management report is not prepared, in all material respects, in accordance with the provisions of the WpHG applicable to interim group management reports. A review is limited primarily to making inquiries of company personnel and applying analytical procedures and thus does not provide the assurance that we would obtain from an audit of financial statements. In accordance with our engagement, we have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IFRSs on interim financial reporting as adopted by the EU or that the interim group management report is not prepared, in all material respects, in accordance with the provisions of the WpHG applicable to interim group management reports.

Munich, August 2, 2012

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Keller	Schönhofer
Wirtschaftsprüfer	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]

Financial Calendar

Financial Calendar 2012

August 09, 2012 Publication of half-year report 2012
November 13, 2012 Publication of nine-month report 2012

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Disclaimer

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

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