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# Income Statement

For the period from January 1 through December 31

in € K	Notes	Jan. 1- Dec. 31, 2009	Jan. 1- Dec. 31, 2008
Revenue	(1)	597,013	870,331
Cost of sales		- 412,911	- 576,885
<b>Gross profit</b>		<b>184,102</b>	<b>293,446</b>
Sales and service expenses		- 135,092	- 156,486
Research and development expenses		- 20,452	- 25,056
General administrative expenses		- 47,705	- 53,487
Other income	(2)	12,222	11,023
Other expenses <sup>1</sup>	(4)	- 106,209	- 11,451
<b>Profit before interest and tax (EBIT)</b>		<b>- 113,134</b>	<b>57,989</b>
Financial result	(5)	- 2,337	- 2,308
<b>Profit before tax (EBT)</b>		<b>- 115,471</b>	<b>55,681</b>
Taxes on income	(6)	5,526	- 17,576
<b>Profit for the period before minority interests</b>		<b>- 109,945</b>	<b>38,105</b>
<b>Minority interests</b>		<b>- 159</b>	<b>- 716</b>
<b>Profit for the period</b>		<b>- 110,104</b>	<b>37,389</b>
<b>Earnings per share (in euros) (diluted and undiluted)</b>	(7)	<b>- 1,57</b>	<b>0,53</b>

<sup>1</sup> of which: EUR K 100,338 one-off write-downs on intangible assets.

# Total profit/loss for the period

For the period from January 1 through December 31

in € K	Notes	Jan. 1- Dec. 31, 2009	Jan. 1- Dec. 31, 2008
<b>Profit before minority interests</b>		- 109,945	38,105
<b>Items not recognized in profit/ loss for the period</b>			
Exchange differences		4,419	- 4,069
Deconsolidation result	(17)	264	0
Securing cash flows:			
Profit/loss incurred in the current period	(23)	- 1,890	687
Tax effects from items in total profit/loss for the period		599	- 235
<b>Items not recognized in profit/ loss for the period after tax</b>		<b>3,392</b>	<b>- 3,617</b>
<b>Total profit/loss for the period before minority interests and after tax</b>		<b>- 106,553</b>	<b>34,488</b>
Of which are attributable to:			
Shareholders in the parent company		- 106,712	33,772
Minority interests		159	716
<b>Total profit/loss for the period after tax</b>		<b>- 106,553</b>	<b>34,488</b>

# Balance Sheet

Balance at 31 December

in € K	Notes	Dec. 31, 2009	Dec. 31, 2008
<b>Assets</b>			
Property, plant and equipment	(8)	267,408	272,934
Investment property	(9)	2,618	2,708
Goodwill	(10)	236,016	326,059
Intangible assets	(10)	87,624	98,438
Other investments	(11)	4,144	3,420
Deferred taxes	(6)	13,344	13,450
Other long-term assets	(11)	21,542	32,999
<b>Total long-term assets</b>		<b>632,696</b>	<b>750,008</b>
Inventories	(12)	148,301	217,030
Trade receivables	(13)	90,837	119,188
Marketable securities	(14)	0	1,894
Current tax receivables		6,165	10,402
Other current assets	(15)	8,715	14,489
Cash and cash equivalents	(16)	85,024	65,600
<b>Total current assets</b>		<b>339,042</b>	<b>428,603</b>
<b>Total assets</b>		<b>971,738</b>	<b>1,178,611</b>
<b>Equity and liabilities</b>			
Subscribed capital	(17)	70,140	70,140
Other reserves	(17)	585,908	582,516
Retained earnings	(17)	133,001	256,432
<b>Equity before minority interests</b>		<b>789,049</b>	<b>909,088</b>
<b>Minority interests</b>		<b>2,473</b>	<b>2,731</b>
<b>Total equity</b>		<b>791,522</b>	<b>911,819</b>
Long-term borrowings	(20)	33,583	38,845
Deferred taxes	(6)	25,530	31,989
Long-term provisions	(18)(19)	30,167	29,288
<b>Total non-current liabilities</b>		<b>89,280</b>	<b>100,122</b>
Trade payables	(21)	21,251	32,290
Short-term borrowings from banks	(20)	14,889	81,742
Current portion of long-term borrowings	(20)	11,698	5,876
Short-term provisions	(19)	13,583	11,112
Current tax payable		413	466
Other liabilities	(22)	29,102	35,184
<b>Total current liabilities</b>		<b>90,936</b>	<b>166,670</b>
<b>Total liabilities</b>		<b>971,738</b>	<b>1,178,611</b>

# Statement of Changes in Equity

Balance at December 31

in € K	Sub- scribed capital	Capital reserves	Exchange differ- ences	Other neutral changes	Retained earnings	Equity before minority interests	Minority interests	Total equity
<b>Balance at January 1, 2008</b>	<b>70,140</b>	<b>618,450</b>	<b>- 32,845</b>	<b>581</b>	<b>254,113</b>	<b>910,439</b>	<b>2,280</b>	<b>912,719</b>
Total profit for the period	0	0	- 4,069	452	37,389	33,772	716	34,488
Dividends	0	0	0	0	- 35,070	- 35,070	- 265	- 35,335
Costs of procuring capital	0	- 53	0	0	0	- 53	0	- 53
<b>Balance at December 31, 2008</b>	<b>70,140</b>	<b>618,397</b>	<b>- 36,914</b>	<b>1,033</b>	<b>256,432</b>	<b>909,088</b>	<b>2,731</b>	<b>911,819</b>
Total profit for the period	0	264	4,419	- 1,291	- 110,104	- 106,712	159	- 106,553
Dividends	0	0	0	0	- 13,327	- 13,327	- 417	- 13,744
<b>Balance at December 31, 2009</b>	<b>70,140</b>	<b>618,661</b>	<b>- 32,495</b>	<b>- 258</b>	<b>133,001</b>	<b>789,049</b>	<b>2,473</b>	<b>791,522</b>

# Cash Flow Statement

For the period from January 1 through December 31

in € K	Notes	Jan. 1- Dec. 31, 2009	Jan. 1- Dec. 31, 2008
EBT		- 115,471	55,681
Other major non-cash income		140,309	42,954
Foreign exchange result		3,614	- 3,852
Gains/losses from sale of intangible assets and property, plant and equipment		- 877	- 29
Book value from the disposal of rental equipment		7,217	3,044
Gains/losses from derivatives (cash flow hedging)		- 1,291	452
Financial result		2,337	2,308
Changes in inventories		68,729	- 41,900
Changes in trade receivables and other assets		46,423	41,771
Changes in provisions		3,350	1,876
Changes in trade payables and other liabilities		- 15,619	- 33,475
Interest paid		- 5,521	- 8,136
Income tax received/paid		1,950	- 29,561
Interest received		3,105	6,976
<b>Cash flow from operating activities</b>		<b>138,255</b>	<b>38,109</b>
Purchase of property, plant and equipment		- 36,281	- 93,134
Purchase of intangible assets		- 7,120	- 8,654
Proceeds from the sale of property, plant and equipment and intangible assets		3,753	1,440
Purchase of marketable securities		1,996	85,674
Change in consolidation structure		- 460	- 1,771
<b>Cash flow from investing activities</b>		<b>- 38,112</b>	<b>- 16,445</b>
Costs of procuring capital		0	- 69
Dividends		- 13,744	- 35,335
Proceeds/income from short-term borrowings		- 33,676	19,119
Repayment of long-term borrowings		- 5,400	- 5,400
Payment of finance lease liabilities		- 223	- 173
<b>Cash flow from financing activities</b>		<b>- 53,043</b>	<b>- 21,858</b>
<b>Increase/decrease in cash and cash equivalents</b>		<b>47,100</b>	<b>- 194</b>
Effect of exchange rates on cash and cash equivalents		585	- 1,259
<b>Change in cash and cash equivalents</b>		<b>47,685</b>	<b>- 1,453</b>
<b>Cash and cash equivalents at beginning of period</b>		<b>37,339</b>	<b>38,792</b>
<b>Cash and cash equivalents at end of period</b>	(29)	<b>85,024</b>	<b>37,339</b>

# Segmentation

For the period from January 1 through December 31

## Primary segmentation (geographical segments)

in € K	Europe	Americas	Asia	Consolidation	Group
<b>2009</b>					
<b>Segment revenue</b>					
Total external sales	626,782	151,327	33,711		
Less intrasegment sales	- 137,412	- 22,911	- 1,046		
	489,370	128,416	32,665		
Intersegment sales	- 23,659	- 25,300	- 4,479		
<b>Total</b>	<b>465,711</b>	<b>103,116</b>	<b>28,186</b>	<b>0</b>	<b>597,013</b>
<b>Segment result (EBIT)</b>	<b>- 107,306</b>	<b>- 8,063</b>	<b>789</b>	<b>1,446</b>	<b>- 113,134</b>
<b>EBITDA</b>	<b>27,906</b>	<b>- 3,569</b>	<b>1,428</b>	<b>1,410</b>	<b>27,175</b>
<b>Net financial debt</b>	<b>- 29,736</b>	<b>10,639</b>	<b>- 3,882</b>	<b>- 1,875</b>	<b>- 24,854</b>
<b>Working capital</b>	<b>156,778</b>	<b>61,045</b>	<b>10,450</b>	<b>- 10,386</b>	<b>217,887</b>

in € K	Europe	Americas	Asia	Consolidation	Group
<b>2008</b>					
<b>Segment revenue</b>					
Total external sales	928,489	246,175	38,610		
Less intrasegment sales	- 207,716	- 35,799	- 1,881		
	720,773	210,376	36,729		
Intersegment sales	- 44,620	- 43,440	- 9,487		
<b>Total</b>	<b>676,153</b>	<b>166,936</b>	<b>27,242</b>	<b>0</b>	<b>870,331</b>
<b>Segment result (EBIT)</b>	<b>45,774</b>	<b>11,599</b>	<b>1,393</b>	<b>- 777</b>	<b>57,989</b>
<b>EBITDA</b>	<b>83,801</b>	<b>15,950</b>	<b>2,005</b>	<b>- 813</b>	<b>100,943</b>
<b>Net financial debt</b>	<b>42,923</b>	<b>20,641</b>	<b>3,281</b>	<b>- 7,876</b>	<b>58,969</b>
<b>Working capital</b>	<b>219,428</b>	<b>82,941</b>	<b>13,172</b>	<b>- 11,613</b>	<b>303,928</b>

### Secondary segmentation (business segments)

in € K	2009	2008
<b>Segment revenue from external customers</b>		
Light equipment	213,494	331,352
Compact equipment	205,321	355,979
Services	183,273	188,507
	602,088	875,838
Less cash discounts	- 5,075	- 5,507
<b>Total</b>	<b>597,013</b>	<b>870,331</b>

# Consolidated Financial Statements

## General information on the company

Wacker Neuson SE is a listed European Company (Societas Europaea or SE) headquartered in Munich (Germany). It is entered in the Register of Companies at the Munich Magistrate's Court under HRB 177839.

Trading in the company's shares commenced on May 2007 in the Prime Standard segment of the German stock exchange on the regulated market. The company has been listed in the SDAX since September 2007.

## General information on accounting standards

The following Consolidated Financial Statements for fiscal 2009 were prepared in accordance with the International Accounting Standards (IAS) as approved and published by the International Accounting Standards Board (IASB) and the International Financial Reporting Standards (IFRS) as interpreted by the Standing Interpretations Committee (SIC) and International Financial Reporting Interpretations Committee (IFRIC) as adopted by the EU, and the additional requirements of the German Commercial Code (HGB) set forth in Section 315a (1). All valid and binding standards for fiscal 2009 have been applied and give a true and fair view of the assets, liabilities, financial position and profit and loss of the Group.

The Consolidated Financial Statements comprise the consolidated income statement, the statement of comprehensive income, the consolidated balance sheet, the notes to the Consolidated Financial Statements, the consolidated cash flow statement, as well as the consolidated statement of changes in equity. In addition, a Group Management Report, which was consolidated with the Management Report of the company, was prepared in accordance with Section 315a HGB. The consolidated income statement is prepared in the "cost-of-sales" format. The Consolidated Financial Statements have been prepared in euros. All figures are presented in thousand euros (EUR K), rounded to the nearest thousand, unless otherwise stated.

The Company's fiscal year corresponds to the calendar year. The Consolidated Financial Statements for fiscal 2009 (which include previous year figures) were approved for publication by the Executive Board on March 21, 2010.

## Changes in accounting under IFRS

The following standards, amendments to standards and interpretations are mandatory from January 1, 2009.

- The amendments to IFRS 1 (First-time Adoption of International Financial Reporting Standard) and IAS 27 (Consolidated and Separate Financial Statements) were adopted by the EU on January 23, 2009. These concern the recognition of costs of an investment in an affiliate or jointly controlled company. The amendments must be applied to fiscal years beginning on or after January 1, 2009. The Group applies the new standard in these Consolidated Financial Statements. The application does not have any significant impact on the Consolidated Financial Statements.
- The amendments to IFRS 7 (Financial Instruments: Disclosures) were endorsed by the EU on November 27, 2009. These amendments stipulate more precise disclosure of fair value measurements and the liquidity risk involved in financial instruments. The amendments are mandatory for the first time in fiscal years which begin on or after January 1, 2009. The application to these Consolidated Financial Statements does not have any significant impact on the assets, liabilities, financial position and profit/loss, however they do call for additional notes and disclosures.
- The 2009 Consolidated Financial Statements take account of IFRS 8 (Operating Segments) which is mandatory for reports for fiscal years beginning on or after January 1, 2009. Fundamentally, IFRS 8 requires an entity to base external segment reporting on the information used internally by management to evaluate segment performance (the management approach). The company has thus far reported its segments geographically in accordance with IAS 14. Since this approach reflects the Group's internal reporting structure, the application of IFRS 8 has not resulted in any

changes in the structure of segments required to disclose information on their operations. Working capital, net financial debt and EBITDA have been adopted from internal reporting and included in external segment reporting for the first time at the end of the quarter at March 31, 2009. Figures from the previous year have been adjusted correspondingly for the period under review to ensure meaningful comparison. Segment earnings are expressed as EBIT.

- IAS 1 (Presentation of Financial Statements), as revised in 2007, is also applied and reflected in the presentation of other comprehensive income for the period. The Group has chosen the two statement approach here. In other words, all items of income disclosed directly in equity are presented in a separate statement and compared with the previous year's figures. As a result, the statement of changes in equity only reflects other comprehensive income for the period and transactions with shareholders.
- On January 21, 2009, the EU adopted further amendments to IAS 1 (Presentation of Financial Statements) and IAS 32 (Financial Instruments: Presentation). These amendments concern companies which have issued puttable financial instruments or financial instruments which give rise to a claim to company assets on liquidation and must be applied to fiscal years beginning on or after January 1, 2009. The Group applies the new regulations to the current Consolidated Financial Statements. Their application does not have any significant impact on the Consolidated Financial Statements.
- Changes to IAS 23 (Borrowing Costs) stipulate for the first time that borrowing costs directly related to the procurement or manufacture of an asset which requires a substantial period of time until it is ready for its intended use or for sale must now be capitalized as part of the acquisition or manufacturing cost of the qualifying asset. All other borrowing costs are recognized in the period in which they are incurred. Borrowing costs are interest expense and other costs incurred by a company in connection with borrowings. Application of the revised version of IAS 23 did not have any significant impact on assets, liabilities, financial position and profit/loss during the current reporting period.
- The amendments to IAS 39 (Financial Instruments: Recognition and Measurement) were endorsed by the EU on September 9, 2009. The amendments concern the transitional provisions and effective date of the amendments to IAS 39 and IFRS 7 which were published by the IASB in October 2008 with the amendments to "Reclassification of financial assets". The amendments are mandatory for fiscal years which begin on or after July 1, 2008. However, as the amendments were only endorsed by the EU in 2009, binding application only takes effect for 2009. The application to these Consolidated Financial Statements does not have any significant impact on the assets, liabilities, financial position and profit/loss.
- The amendments to IFRIC 9 (Reassessment of Embedded Derivatives) and IAS 39 (Financial Instruments: Recognition and Measurement) were endorsed by the EU on November 30, 2009. The amendments clarify how embedded derivatives must be treated if a hybrid contract in the "designated at fair value through profit or loss" category is reclassified. The amendments are mandatory for the first time in fiscal years which begin on or after June 30, 2009. The application to these Consolidated Financial Statements does not have any significant impact on the assets, liabilities, financial position and profit/loss.
- IFRIC 12 (Service Concession Arrangements), which was endorsed by the EU on March 25, 2009, addresses arrangements whereby a government or other public sector body contracts with a private operator to provide a public service (roads, hospitals, energy supply, etc.). The changes are mandatory for fiscal years beginning after January 1, 2008. As IFRIC 12 was only endorsed by the EU in 2009, binding application of this amendment applies for the first time for 2009. The application to these Consolidated Financial Statements does not have any significant impact on the assets, liabilities, financial position and profit/loss.
- IFRIC 15 (Agreements for the Construction of Real Estate) was endorsed by the EU on July 22, 2009. This standard standardizes accounting practice for the recognition of revenues by real estate developers for sales of real estate units. The standard must be applied for fiscal years beginning on or after January 1, 2009. The application to these Consolidated Financial Statements does not have any significant impact on the assets, liabilities, financial position and profit/loss.
- Diverse amendments arising from the "Annual Improvement 2006-2008" were endorsed by the EU on January 23, 2009. The amendments are mandatory in fiscal years which begin on or after January 1, 2009. The application to these Consolidated Financial Statements does not have any significant impact on the assets, liabilities, financial position and profit/loss.

The following financial reporting standards have already been endorsed by the European Union (EU) but are not yet mandatory:

- The amendments to IFRS 1 (First-time Adoption of IFRS) were endorsed by the EU on November 25, 2009. The amendments primarily concern the revised structure, the deletion of certain obsolete transitional provisions and minor changes to the text. The material requirements remain unchanged. The amendments are mandatory for the first time in fiscal years which begin on or after July 1, 2009. The Group has not opted to apply the new standard in its current Consolidated Financial Statements. Application would not have had any significant impact on the Consolidated Financial Statements.
  - The amendment to IFRS 3 (Business Combinations) mainly affecting the introduction of an accounting policy option for the measurement of non-controlling interests (full goodwill method) was adopted by the EU on June 3, 2009 and must be applied in fiscal years beginning on or after July 1, 2009. The Group has not opted to apply the new standard in its current Consolidated Financial Statements. Application would not have had any significant impact on the Consolidated Financial Statements.
  - The amendments to IAS 27 (Consolidated and Separate Financial Statements) were endorsed by the EU on June 3, 2009. The amendments clarify in particular how changes in a parent's ownership interest in a subsidiary must be accounted for both when such changes result in loss of control and when they do not result in loss of control. The amendments are mandatory for the first time in fiscal years which begin on or after July 1, 2009. The Group has not opted to apply the new standard in its current Consolidated Financial Statements. Application would not have had any significant impact on the Consolidated Financial Statements.
  - The amendments to IAS 32 (Financial Instruments: Presentation) were endorsed by the EU on December 23, 2009. The amendments clarify how issuers must account for rights issues, options and warrants on the acquisition of a fixed amount of equity instruments which are denominated in a currency other than the issuer's functional currency. The amendments are mandatory for the first time in fiscal years which begin on or after February 1, 2010. The Group has not opted to apply the new standard in its current Consolidated Financial Statements. Application would not have had any significant impact on the Consolidated Financial Statements.
  - The amendment to IAS 39 (Financial Instruments: Recognition and Measurement) to facilitate the recognition of a hedging relationship when hedging against exposures arising from financial instruments was adopted by the EU on September 15, 2009 and must be applied for fiscal years beginning on or after July 1, 2009. The Group has not opted to apply the new standard in its current Consolidated Financial Statements. Application would not have had any significant impact on the Consolidated Financial Statements.
  - IFRIC 16 (Hedges of a Net Investment in a Foreign Operation) which was endorsed by the EU on June 4, 2009 clarifies issues arising from IAS 21 (The Effects of Changes in Foreign Exchange Rates) and IAS 39 (Financial Instruments: Recognition and Measurement). This standard must be applied for fiscal years beginning on or after June 30, 2009. The Group has not opted to apply the new standard in its current Consolidated Financial Statements. Application would not have had any significant impact on the Consolidated Financial Statements.
  - IFRIC 17 (Distributions of Non-Cash Assets to Owners) addresses the distribution of dividends to the entity's owners in non-financial form and must be applied for fiscal years which begin on or after July 1, 2009. This standard was adopted by the EU on November 26, 2009. The Group has not opted to apply the new standard in its current Consolidated Financial Statements. Application would not have had any significant impact on the Consolidated Financial Statements.
  - IFRIC 18 (Transfer of Assets from Customers) was endorsed by the EU on November 27, 2009. This standard is particularly relevant for entities in the utility sector and must be applied for fiscal years beginning on or after July 1, 2009. The Group has not opted to apply the new standard in its current Consolidated Financial Statements. Application would not have had any significant impact on the Consolidated Financial Statements.
- The following amendments to standards or interpretations have not yet been endorsed by the EU and are unlikely to have a significant impact on the future Consolidated Financial Statements of Wacker Neuson SE.
- The final amendments to IFRS 1 (Additional Exemptions) were issued on July 23, 2009. The amendments apply to the retrospective application of IFRS in specific situations and should ensure that companies which apply IFRS do not incur unnecessary costs or burdens during the transition process.

- On June 18, 2009 the IASB issued amendments to IFRS 2 (Share-based Payment) which clarify the accounting treatment of cash-settled share-based payments in the Group. The amendments take effect in reporting periods which begin on or after January 1, 2010. Earlier application is permitted.
- IFRS 9 (Financial Instruments), which deals with the classification and measurement of financial assets, was published on November 12, 2009. The standard must be applied for fiscal years beginning on or after January 1, 2013. This is the first phase of the project to replace IAS 39. Entities can only apply the standard in Europe once it has been adopted in Europe. This is not yet the case.
- The IASB's amendments to IAS 24 (Related Party Disclosures) simplify the disclosure requirements for government-related entities and clarify the definition of a related entity or person. The revised standard will come into effect for annual reporting periods which begin on or after January 1, 2011; earlier application is permitted. The amendments have not yet been adopted by the EU.
- On November 26, 2009, the IASB issued an amendment to the IFRIC 14 requirements on accounting for pension plans, which is itself an interpretation of IAS 19 (Employee Benefits). The amendment applies in the limited circumstances when an entity is subject to minimum funding requirements and makes an early payment of contributions to cover those requirements. The amendment permits such an entity to treat the benefit of such an early payment as an asset. The amendment, Prepayments of a Minimum Funding Requirement, has an effective date for mandatory adoption of January 1, 2011.
- IFRIC Interpretation 19 (Extinguishing Financial Liabilities with Equity Instruments) was published on November 26, 2009. IFRIC 19 is mandatory for periods which begin on or after July 1, 2010. Earlier application is permitted. The interpretation has not yet been adopted by the EU.
- Diverse amendments arising from the "Annual Improvement 2007-2009" have been published by the IASB to date. All the amendments are mandatory in fiscal years which begin on or after January 1, 2009. The interpretation has not yet been adopted by the EU.

### Line of business

With its roots dating back to 1848, Wacker Neuson SE is a leading global manufacturer of high-quality light construction equipment, weighing up to approximately 3 tons, and compact construction equipment, weighing up to approximately 14 tons. Wacker Neuson provides a comprehensive one-stop offering,

extending from development and production through sales and rentals to repairs and maintenance for light equipment, plus development and production of compact equipment. The entire product portfolio comprises over 300 product groups. Following the merger with the former Neuson Kramer Baumaschinen AG (now Wacker Neuson Beteiligungs GmbH) and its affiliates in 2007, the new consolidated Wacker Neuson Group offers its products and services under the new main brand "Wacker Neuson". The company will also continue to market some compact equipment under the "Weidemann" and "Kramer Allrad" brands in the future. Furthermore, the company CLAAS Global Sales GmbH, which now has an indirect 5.1 percent stake in Kramer-Werke GmbH, distributes telescopic loaders developed and manufactured by Kramer to the agricultural industry under the brand "CLAAS".

### Closing date

The closing date for all companies included in the Consolidated Financial Statements is December 31 of the respective year. The current accounting period is January 1, 2009 through December 31, 2009.

### Consolidation structure

In addition to the parent company, Wacker Neuson SE, the Consolidated Financial Statements include the following entities in which the company has the following direct or indirect shareholdings:

Company Name	City	Country	Direct	Indirect	Segment
Drillfix AG	Volketswil (near Zurich)	Switzerland	100%		Europe
Nippon Wacker Co., Ltd. i.L.	Tokyo	Japan	100%		Asia
Wacker Neuson Equipment Private Ltd.	Bangalore	India	100%		Asia
Wacker Machinery Limited i.L.	Dublin	Ireland	100%		Europe
Wacker Neuson Beteiligungs GmbH	Leonding (near Linz)	Austria	100%		Europe
Wacker Neuson Linz GmbH	Leonding (near Linz)	Austria	100%		Europe
Wacker Neuson Rhymney Ltd.	Tredegar	Great Britain	100%		Europe
Kramer-Werke GmbH	Pfullendorf	Germany	95%		Europe
PADEM Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Gutmadingen KG	Düsseldorf	Germany	95%	90%	Europe
STG Stahl- und Maschinenbautechnik Gutmadingen GmbH	Geisingen	Germany	100%	95%	Europe
Wacker Neuson Finance Immorent GmbH	Leonding (near Linz)	Austria	98%		Europe
Wacker Neuson AB	Södra Sandby (near Malmö)	Sweden	100%		Europe
Wacker Neuson AG	Volketswil (near Zurich)	Switzerland	100%		Europe
Wacker Neuson AS	Hagan (near Oslo)	Norway	100%		Europe
Wacker Neuson A/S	Karlsunde	Denmark	100%		Europe
Wacker Neuson B.V.	Amersfoort	Netherlands	100%		Europe
Wacker Neuson Corporation	Menomonee Falls (near Milwaukee)	USA	100%		Americas
Wacker Neuson GmbH	Moscow	Russia	100%		Europe
Wacker Neuson GmbH	Vienna	Austria	100%		Europe
Wacker Neuson Kft.	Törökbálint (near Budapest)	Hungary	100%		Europe
Wacker Neuson Limited	Hong Kong	China	100%		Asia
Wacker Neuson Machinery Trading (Shenzhen) Ltd.Co.	Shenzhen	China	100%		Asia
Wacker Neuson Limited	Samutprakarn (near Bangkok)	Thailand	100%		Asia
Wacker Neuson Ltda.	Huechuraba (near Santiago)	Chile	100%		Americas
Wacker Neuson Ltd.	Mississauga (near Toronto)	Canada	100%		Americas
Wacker Neuson Ltd.	Waltham Cross (near London)	Great Britain	100%		Europe
Wacker Neuson Limited	Auckland	New Zealand	100%		Asia
Wacker Neuson Makina Limited Sirketi	Küçükbakkalköy (near Istanbul)	Turkey	100%		Europe
Wacker Neuson Manila, Inc.	Dasmariñas (near Manila)	Philippines	100%		Asia
Wacker Neuson Máquinas Ltda.	Jundiaí (near Sao Paolo)	Brazil	100%		Americas
Wacker Neuson Oy	Kerava (near Helsinki)	Finland	100%		Europe
Wacker Neuson Pty Ltd	Springvale (near Melbourne)	Australia	100%		Asia
Wacker Neuson (Pty) Ltd	Florida (near Johannesburg)	South Africa	100%		Europe
Wacker Neuson, S.A.	Torrejón de Ardoz (near Madrid)	Spain	100%		Europe
Wacker Neuson S.A. de C.V.	Mexico City	Mexico	100%		Americas
Wacker Neuson S.A.S.	Brie Comte Robert (near Paris)	France	100%		Europe
Wacker Neuson Sp. z o.o.	Jawczyce (near Warsaw)	Poland	100%		Europe
Wacker Neuson srl con socio unico	San Giorgio di Piano (near Bologna)	Italy	100%		Europe
Wacker Neuson s.r.o.	Prague	Czech Republic	100%		Europe
Weidemann GmbH	Diemelsee-Flehtdorf	Germany	100%		Europe

A resolution has been passed to liquidate the affiliates Nippon Wacker Co., Ltd. i.L. in Japan and the dormant affiliate Wacker Machinery Limited i.L. in Ireland. The affiliates were deconsolidated as of December 31, 2009 and are currently in liquidation.

The following companies are not included in the consolidation structure:

Company Name	Country	Direct	Indirect
Wacker Neuson Kragujevac d.o.o.	Serbia	100%	
Wacker Neuson Lapovo d.o.o.	Serbia	100%	
Wacker Neuson Immobilien GmbH	Germany	100%	95%
Wacker Neuson Wohnungsbau GmbH	Germany	100%	95%
matrics Beratungsgesellschaft m.b.H.	Austria	100%	

The following legal changes were made or approved vis-à-vis the company structure in fiscal 2009:

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

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

US affiliate EQUIPRO Inc. was liquidated in June 2009. All business operations have been transferred to the original parent company Wacker Neuson Corporation, USA.

The affiliates Kramer-Werke GmbH, Germany, Kramer Allrad France S.A.R.L., France, and Kramer Allrad of North America Inc., USA, were also liquidated.

NK Administration Ltd., UK, originally a wholly owned affiliate of Wacker Neuson Linz GmbH has now been liquidated.

The affiliate Wacker Neuson Rhymney Ltd., UK, ceased operations in spring 2009. Four-wheel dumper production was relocated from Tredegar to Leonding in Austria (Wacker Neuson Linz GmbH) during the first quarter of the year.

In October 2009, the affiliate Wacker Neuson Beteiligungs GmbH, Linz, Austria, purchased a 70-percent shareholding in matrices Beratungsgesellschaft mbH, a company based in Leonding. Wacker Neuson Beteiligungs GmbH's share in the company has thus increased from 30 to 100 percent. To date, the acquired company's sole purpose was to render IT services for individual Group companies. It only has a minor impact on the assets, liabilities, financial position and profit/loss of the company.

The Melbourne production plant in Australia was closed at the end of the year and production activities relocated to our plant in Manila (Philippines).

### Consolidation principles

The Consolidated Financial Statements are based on the annual financial statements of the domestic and foreign companies included, which were prepared in accordance with IFRS. The annual financial statements of these companies were prepared according to the uniform accounting and valuation methods applied by the company.

Equity was consolidated according to the acquisition method. For the first consolidation of subsidiaries acquired after January 1, 2003, all identifiable assets, liabilities and contingent liabilities of the acquired companies are recognized at fair values.

During initial consolidation, credit balances remain after re-evaluation of all hidden assets and liabilities. After January 1, 2003, these are capitalized as goodwill resulting from the equity consolidation and are subjected to an annual impairment test.

Intercompany receivables and payables as well as purchases and sales between consolidated Group companies are eliminated. Group inventories and fixed assets are adjusted to reflect intercompany profits.

Consolidation transactions affecting income are subject to deferred tax. Deferred tax assets and deferred tax liabilities are set off against each other, provided that the term of payment and the creditors are the same.

### Exchange differences

Annual financial statements of the affiliates included prepared in foreign currencies have been translated into euros according to the concept of the functional currency. The functional currency is taken to refer to the relevant national currency, with the exception of the Philippines (US dollar). Thus, assets and liabilities are translated at the spot rates of exchange effective at the balance sheet date, whereas income and expenses are translated at the average annual rates of exchange.

Exchange differences arising from the application of different exchange rates for balance sheet and income statement are recorded directly as a separate item of equity so they have no impact on the financial result.

Concerning exchange differences without effects on profits, please refer to the statement of changes in equity.

The exchange rates of the main currencies relevant to the Group are as follows:

1 Euro equals		2009	2008	2009	2008
		Annual average rates		Rates at balance sheet date	
Australia	AUD	1.7629	1.7492	1.6010	2.0257
Brazil	BRL	2.7626	2.6881	2.4994	3.2843
Chile	CLP	770.8597	777.9500	725.4943	900.4000
Denmark	DKK	7.4460	7.4556	7.4419	7.4518
UK	GBP	0.8907	0.8038	0.8932	0.9600
Hong Kong	HKD	10.8170	11.4731	11.0914	10.8323
India	INR	67.4647	64.3776	66.8570	68.4300
Japan	JPY	130.4779	151.4825	132.5913	126.4000
Canada	CAD	1.5792	1.5655	1.5031	1.7160
Mexico	MXN	18.8839	16.4258	18.6376	19.3500
New Zealand	NOK	8.7075	8.2841	8.3086	9.7900
Norway	NZD	2.2051	2.0929	1.9873	2.4177
Philippines	USD	1.3955	1.4741	1.4303	1.3977
Poland	PLN	4.3516	3.5383	4.1320	4.1823
Russia	RUB	44.2682	36.8383	43.3528	42.2650
Sweden	SEK	10.5939	9.6855	10.2628	10.9150
Switzerland	CHF	1.5089	1.5786	1.4886	1.4860
South Africa	ZAR	11.5160	12.1115	10.5714	13.1698
Thailand	THB	47.9766	49.0758	47.7704	48.8550
Czech Republic	CZK	26.4944	24.9833	26.4110	26.5850
Turkey	TRY	2.1674	1.9196	2.1633	2.1520
Hungary	HUF	281.4997	250.9683	272.6986	264.5050
USA	USD	1.3955	1.4741	1.4303	1.3977

## Accounting and valuation methods

### Recognition of profits and revenue

For contracts for the sales of goods, profits are realized when the goods have been delivered (passing of risk), whereas profits arising from the provision of services are realized on completion of the contracted work. Operating expenses are recognized when the service has been rendered, or at the date the costs are incurred. Interest income is accrued based on the outstanding principal of the loan and the applicable interest rates.

### Property, plant and equipment

In accordance with IAS 16, tangible assets are recognized at acquisition costs less scheduled straight-line depreciation.

Financing costs are capitalized provided there is a qualified underlying asset.

### Investment properties

Land and buildings held for the purpose of generating rental revenue are disclosed at net book value. Straight-line depreciation occurs using the pro rata temporis method.

### Goodwill/acquisitions

Acquisitions are reported according to the acquisition method. Consequently, income of the acquired company is included in the Consolidated Financial Statements as of the date of acquisition. For foreign companies that are acquired or founded, related acquisition costs are converted to euros at the spot rate effective at the date of purchase.

The disclosed goodwill undergoes an impairment test at the end of each fiscal year to verify its value. The goodwill is not subject to scheduled straight-line amortization.

### Intangible assets

Intangible assets with a limited useful life are capitalized at acquisition cost and amortized on a straight-line basis depending on their projected useful life.

Intangible assets with an unlimited useful life are not subject to scheduled amortization but are tested for impairment at least once a year.

Financing costs are capitalized provided there is a qualified underlying asset.

## Leases

### When the Group is the lessee

Leasing transactions regarding tangible assets in which the Group as the lessee bears all material risks and rewards from the use of the leased object are treated as finance leases according to IAS 17. In such cases, the lessee recognizes the leased object as an asset in the balance sheet and the payment obligation of future lease installments is disclosed as a liability item. Treatment as a finance lease leads to a depreciation expense on the income statement, dependent upon the useful life of the leased object, and the related interest expense.

All other leasing contracts are classified as operating leases. In such cases, the leasing installments or the rental payments are shown as an expense in the income statement.

### When the Group is the lessor

Leasing contracts are classified as finance leases if the lease agreement transfers all material risks and rewards associated with the leased object to the lessee. All other leasing contracts are classified as operating leases.

Amounts to be paid by lessees resulting from finance leases are entered as receivables in the amount of the net investment value ensuing from the leasing contract. Income from finance leases is distributed across accounting periods in such a way that that regular periodic interest is recognized on the outstanding net investment value resulting from the leasing contract.

Rental income from operating leases is distributed and reflected in the income statement on a straight-line basis over the duration of the relevant leasing contract. Initial direct costs attributable to the negotiation and conclusion of a leasing contract are to be allocated to the book value of the leased asset and distributed on a straight-line basis over the duration of the leasing contract.

## Inventories

Inventories of work in process and finished products, as well as raw materials and supplies, are valued at their acquisition and

manufacturing costs respectively, in accordance with IAS 2. As far as the acquisition and manufacturing costs of inventories are above fair value, they will be written down to net realizable value at the balance sheet date. The net realizable value corresponds to the estimated realizable sales price under normal business conditions, less the estimated manufacturing and sales costs. If the net realizable value of formerly written-down inventories has increased, corresponding write-ups will be made.

In determining acquisition costs, incidental acquisition costs are added, and rebates to purchase prices are deducted. Manufacturing costs include all expenses which are allocable directly or indirectly to the manufacturing process.

Acquisition and manufacturing costs for inventories were, for the main part, determined on the basis of the FIFO method; in other words, on the assumption that those assets that were acquired first will be consumed first. The moving average cost procedure is also used to simplify valuation.

Production orders are not included.

### **Financial instruments and hedging transactions**

A financial instrument is a contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity. In accordance with the regulations of IAS 32, they particularly comprise non-derivative financial instruments such as trade receivables and trade payables, or other receivables and payables resulting from financing transactions. They also include derivative financial instruments which are employed to hedge against currency risks, interest risks or price fluctuations.

### **Non-derivative financial instruments**

Non-derivative financial instruments as disclosed on the assets side of the balance sheet comprise investments, marketable securities and receivables. These items are recognized at amortized costs. Assets are recognized in the balance sheet for the first time when a Group company becomes party to a contract. Financial assets are recognized as of the day of performance. Assets are derecognized upon transfer of ownership or expiration of contractual rights to cash flows.

The carrying amounts of assets valued at amortized cost are verified if there are any indications that the book value exceeds the useful value or the net realizable value (impairment test). Should the book value exceed the net realizable value, the asset is written down.

Trade receivables and other receivables are recognized at their nominal values less allowance for doubtful accounts based on the probable default risk. Long-term receivables are discounted at standard interest rates.

Credit balances with financial institutions are recognized at their nominal values. Liabilities are valued at their nominal values or at their higher repayment amounts effective at the closing date. Liabilities for which either no interest payments or below-market interest payments are to be made and the amounts of which fall due after more than one year are discounted as of the balance sheet date. Financial liabilities are recognized in the balance sheet for the first time when a Group company becomes party to a contract. Financial liabilities are derecognized when paid.

### **Derivative financial instruments**

The Wacker Neuson Group utilizes standard financial instruments such as interest rate swaps and foreign exchange forward contracts exclusively for hedging purposes and to minimize risks. Financial instruments without a corresponding underlying transaction are not carried out.

Derivative financial instruments are utilized to hedge against interest rate risks and exchange rate risks. The goal of hedging activities is to reduce risks arising from variable interest rate borrowing and future transactions in foreign currencies. Their maturities are termed to match the terms of the corresponding underlying transactions, and range from several months to several years.

Derivative financial instruments are capitalized at acquisition cost when the contract is entered into. Subsequently, they are valued at fair value as of the closing date. The fair value of derivative financial instruments is the price at which one party would assume the rights and/or obligations from another party. The fair values are based on market information available at the balance sheet date, applying valuation methods customary in the market as follows:

- Forward exchange contracts are valued by applying the market rates of transactions currently monitored.
- Interest rate contracts are valued by discounting the expected cash flow over the remaining maturity, whereby current interest rate curves are taken as the basis.

Recognition of gains and losses from derivative financial instruments is subject to the requirements for hedge accounting as

set forth in IAS 39. To this end, upon initiation of such a transaction, both the hedging instrument and the underlying transaction are compared and the goals for risk management and the underlying strategy are documented. The Group verifies initially and continually whether or not the derivatives in a hedging relationship will effectively compensate for the changes in cash flow of the underlying transactions. Derivative financial instruments that do not satisfy hedge accounting requirements are allocated to the assets or liabilities held for trading and designated at fair value through profit or loss when first recognized and in subsequent fiscal years. Profits and losses realized through fair value fluctuations are immediately recognized.

The interest rate swaps employed by the Group are treated as cash flow hedges in the balance sheet where changes in fair value are recorded directly in equity. The remaining forward exchange contracts do not satisfy formal hedge accounting requirements and are recognized in the balance sheet as being held for trading.

### Research and development

Research expenses are recognized in the consolidated income statement in the period in which they are incurred.

Development costs are capitalized in line with IAS 38.57, provided the company can prove the following:

- a) Technical feasibility of completing the asset so that it will be available for use or sale.
- b) Its intention of completing, using or selling the intangible asset.
- c) Its ability to use or sell the intangible asset.
- d) How the intangible asset will realize probably future economic benefits. The company may demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself, or, if it is to be used internally, the usefulness of the intangible asset.
- e) The availability of suitable technical, financial or other resources to complete the development phase and use or sell the intangible asset.
- f) Its ability to reliably assess the expenditure allocable to the intangible asset during its development.

Development costs capitalized from 2008 onward are written down over a period of six years. Development costs capitalized in previous years are written down over a period of four to five years. Amortization is taken using the straight-line method.

### Marketable securities

Marketable securities are recognized at fair value through profit or loss if they are held for trading or designated at fair value through profit or loss. Marketable securities are classified under the category "held for trading" if they were primarily obtained for the purpose of sale in the short term.

### Trade receivables and assets

Both trade receivables and other assets are principally valued at amortized costs. They are, as a rule, valued at nominal value prior to allowances for uncollectable accounts. Provided they are financial instruments, they are classified in the category "loans and receivables". Allowances are recognized for the full amount for those receivables and other current assets for which there is a high probability of default. Furthermore, general credit, interest and cash discount risks are recognized.

### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits. They belong to the category "loans and receivables" and have maturities of three months or less. Cash and cash equivalents are recognized at current value, which, for liquid funds, is equivalent to the nominal value in euro.

### Government subsidies

Government subsidies are only recognized if there is reasonable assurance that the relevant criteria are fulfilled and the funding will be approved. Expense-related subsidies are recognized by reducing the book value of the asset. The subsidy is then recognized as income through a reduced write-down value over the duration of the depreciable asset's useful life.

### Pensions and similar obligations

Provisions for pensions and similar obligations from defined benefit plans are recognized following the Projected Unit Credit Method, taking into consideration future adjustments in remuneration payments and in pensions in compliance with the regulations as set forth in IAS 19.

Pension obligations in Germany are calculated using the demographic tables for 2005 G developed by Prof. Klaus Heubeck. Pension obligations abroad are calculated using accounting principles and parameters specific to the corresponding country.

Provisions for pensions as disclosed in the balance sheet are calculated from the value of the actual pension obligations less the fair value of plan assets as of the balance sheet date. Actuarial gains and losses are recognized according to the 10-per-cent corridor rule.

Service cost for vested rights to future pension payments results from the changes in the present value of the obligation. The interest portion of the increase in pension provisions is disclosed under financial results. Payments under defined contribution benefit plans are recognized directly as an expense.

### Other provisions

Other provisions are recognized in accordance with IAS 37 when the Group has a present legal or constructive obligation as a result of a past event, which will probably result in an outflow of resources with economic benefits, and when a reliable estimate of the amount can be made. Other provisions are made for all recognizable obligations. Valuation and recognition are based on the best estimate of the amounts involved.

Other provisions are set up for all recognizable risks as well as for all contingent liabilities in the amount of the probable occurrence. Long-term provisions, for the main part, accumulate interest at a rate of 4.5 percent or 5.5 percent per annum.

### Financial liabilities

Financial liabilities are recognized at amortized cost by applying the effective interest method and are disclosed under financial liabilities recognized at amortized cost.

### Deferred taxes

With respect to temporary differences between valuations for tax purposes and balance sheet purposes, for consolidation transactions affecting income as well as for tax loss carry-forwards, deferred tax assets and liabilities are set up.

Deferred tax assets on tax loss carry-forwards are only recognized if the associated reductions in tax are likely to arise in the next five years (maximum) and if they will be applicable in subsequent periods. Deferred tax was recognized for loss carry-forwards in the year under review.

Deferred tax is calculated at the tax rate valid or approved at the balance sheet date of the company likely to be affected by the deferral.

### Material discretionary decisions, estimates and assumptions

In preparing the Consolidated Financial Statements, it has been necessary to make estimates and assumptions which may influence the carrying amounts of assets and liabilities, income and expenses as well as contingent liabilities as recognized on the balance sheet. The estimates are based on past experience and other assumptions deemed to be suitable under the given circumstances. The actual values can deviate from these estimates. The estimates and underlying assumptions are regularly verified and modified where necessary.

The following significant estimates and assumptions, together with the uncertainties associated with the accounting and valuation methods applied are crucial in understanding the underlying risks of the financial report and the impact these estimates, assumptions and uncertainties could have on the Consolidated Financial Statements.

### Goodwill

An assessment is carried out each year by the Group to determine whether the value of goodwill has been impaired. Additional assessments are performed if there are grounds to consider impairment has taken place. To this end, the recoverable amount of the cash-generating unit must be estimated. This corresponds to the higher of fair value less cost to sell and value in use. Determining fair value less cost to sell involves making adjustments and estimates regarding the forecast and discounting of future cash flows. In fiscal 2009, goodwill was impaired as a result of the prevailing market dynamics with impact on the assets, liabilities, financial position and profit and loss of the Group. The book value of goodwill amounted to EUR K 236,016 at the closing date, written down to EUR K 89,540. Refer to section 10 on intangible assets in these notes for detailed information on the calculation of value impairments.

### Useful lives of tangible assets and other intangible assets

At the end of each fiscal year, the Group assesses the estimated useful lives of tangible assets and other intangible assets. Estimations did not need to be adjusted in 2009.

### Value of tangible assets and other intangible assets

At each closing date, the Group determines whether there are any grounds to assume that the book value of a tangible asset or an item under other intangible assets has been impaired. In

this case, the recoverable amount of the asset in question is estimated. This corresponds to the higher of fair value less cost to sell and value in use. Value in use is determined based on the discounted future cash flows of the relevant asset. Estimating discounted future cash flows involves making key assumptions regarding future sales prices and volumes, costs and discount rates.

Management is of the opinion that the assessment of relevant expected useful lives, of the general economic climate and market trends within the industries in which the Group operates, and of discounted future cash flows are appropriate. However, a change to current assumptions or to current circumstances may render it necessary to review this analysis. This could result in additional value impairments or write-ups in the future should the trends identified by management turn around or if the assumptions and estimates turn out to be incorrect.

#### **Taxes on income and earnings**

At each closing date, the Group determines whether the probability of future tax benefits is sufficient to justify deferred tax assets. To this end, management must assess the tax benefits resulting from existing tax strategies and income to be taxed in the future, as well as take further positive and negative factors into consideration. The recognized deferred tax assets may be lower if the estimates regarding taxable income and the tax benefits realizable through available tax strategies are lowered, or should changes to current tax legislation restrict the time-frame or feasibility of future tax benefits. Refer to section 6 on taxes on income in these notes for more detailed information.

#### **Employee benefits**

Pensions and similar obligations are calculated in accordance with actuarial valuations. These valuations are based on a number of factors including statistical values in order to anticipate future events. These factors include actuarial assumptions such as the discount rate, expected return on plan asset, expected salary increases and mortality rates. These actuarial assumptions can deviate considerably from the actual obligations as a result of changed market and economic conditions, resulting in a change in the associated future outlay.

#### **Legal risks**

Legal risks result from legal action against Wacker Neuson SE or individual Group companies. The outcome of these disputes could have a substantial impact on the assets, liabilities, finan-

cial position and profit or loss of the Group. Company management regularly analyses the current information available about these cases and recognizes provisions to cover probable obligations. Assessments are performed by internal and external lawyers. When reaching a decision on the need to recognize provisions, company management takes sufficient account of the probability of an unfavorable outcome and takes due care to estimate the amount of the obligation sufficiently reliably.

## Explanatory comments on the income statement

### 1 Revenue

With respect to the presentation and composition of revenue by geographic regions and by business segments, please refer to the section on segment reporting.

### 2 Other income

in € K	2009	2008
Foreign exchange gains	4,559	7,168
Proceeds from sale of property, plant and equipment	1,902	601
Rental income on investment property	1,661	557
Insurance reimbursements	226	215
Recovery of receivables written off	173	71
Other income	3,701	2,411
<b>Total</b>	<b>12,222</b>	<b>11,023</b>

### 3 Personnel expenses

Personnel expenses are composed as follows:

in € K	2009	2008
Wages and salaries	130,289	150,812
Social security contributions	27,698	30,761
Other personnel costs	10,788	7,595
Expenses for pensions	1,723	2,293
<b>Total</b>	<b>170,498</b>	<b>191,461</b>

The expenses for pensions include the expense for pension benefits without the interest portion of the additions to provisions for pensions which is recognized under financial results.

Other personnel costs include redundancy payments to the following extent:

in € K	2009	2008
Redundancy payments	7,889	1,091

The average number of employees broken down according to fields of activity is as follows for the period under review:

in € K	2009	2008
Management	41	44
Administration	275	293
Sales	719	820
Service	599	650
Logistics	245	282
Production and technology	1,148	1,395
Other	162	177
<b>Total</b>	<b>3,189</b>	<b>3,661</b>

### 4 Other operating expenses

in € K	2009	2008
Realized exchange losses	3,405	8,243
Losses on the disposal of property, plant and equipment	695	578
Other expenses	1,771	2,630
	<b>5,871</b>	<b>11,451</b>
Value adjustments on goodwill/brands	100,338	0
<b>Total</b>	<b>106,209</b>	<b>11,451</b>

Impairment was recognized on goodwill attributed to the Neuson Kramer Group and/or the Neuson brand value for the first time during fiscal 2009. This resulted in a write-down of EUR K 100,338 on intangible assets with unlimited useful lives.

## 5 Financial result

in € K	2009	2008
Interest and similar income	2,993	7,213
Unrealized gains and losses	211	650
Income on disposals of financial assets	- 61	- 1,956
Interest and similar expenses	- 5,480	- 8,215
<b>Total</b>	<b>- 2,337</b>	<b>- 2,308</b>

Interest expenses include expenses for interest resulting from finance lease contracts in the amount of EUR K 54 (previous year: EUR K 69). Interest income from finance lease contracts in the amount of EUR K 760 (previous year: EUR K 1,424) is included in interest and similar income.

Profit/loss arising from changes in the fair value of derivative financial instruments as part of cash flow hedging was recognized under equity during the fiscal year with no effect on income.

## 6 Taxes on income

The expense for taxes on income is composed as follows:

in € K	2009	2008
Current tax expense	70	22,169
Deferred tax expense	- 5,596	- 4,593
<b>Total</b>	<b>- 5,526</b>	<b>17,576</b>

Reconciliation of calculated tax to actual tax expense:

in € K	2009	2008
EBT	- 115,471	55,681
Tax at the applicable rate: 29.46%	- 34,018	16,403
Variance in tax rates	- 597	- 905
Tax effects of non-deductible expenses and tax-exempt income	818	870
Tax effects of non-deductible goodwill impairment	26,378	0
Other	1,893	1,208
<b>Total</b>	<b>- 5,526</b>	<b>17,576</b>

The taxes on income is calculated by applying the Group's unified tax rate of 29.46 percent to profit before tax (EBT). There was no change in the Group tax rate compared with the previous year.

We have based our tax assessment for the current year on a corporate income tax rate of 15 percent and a solidarity surcharge of 5.5 percent. Trade tax on income is no longer deductible for the assessment concerning corporate income tax. Trade tax is set at a uniform 3.5 percent.

Actual netted income tax receivables on the closing date amounted to EUR K 5,752 (previous year: EUR K 9,936).

Deferred tax assets and liabilities are allocated to the following balance sheet items:

in € K	2009	2008
<b>Deferred tax assets</b>		
Provisions for pensions	1,002	343
Property, plant and equipment	3,142	4,722
Loss carry-forwards	2,359	511
Inventories	5,301	6,890
Other	789	480
Liabilities	597	297
Receivables	154	207
<b>Total</b>	<b>13,344</b>	<b>13,450</b>
<b>Deferred tax liabilities</b>		
Other intangible assets	- 19,389	- 23,690
Property, plant and equipment	- 8,101	- 8,311
Inventories	337	- 1,315
Provisions for pensions	1,029	920
Other	800	0
Total	- 206	407
<b>Total</b>	<b>- 25,530</b>	<b>- 31,989</b>

Deferred tax recognized in the consolidated balance sheet arises from the deferred tax as booked by the individual companies. Deferred tax assets and liabilities were netted at the level of the individual company as appropriate. This netting is accounted for in the above table by the positive amounts under the heading deferred tax liabilities.

The tax losses that were not utilized and for which no deferred tax entitlement was recognized in the balance sheet amount to EUR K 4,142 (previous year: EUR K 15,135).

With respect to deferred tax assets, EUR K 1,840 (previous year: EUR K 311) are allocable to individual companies which incurred losses in the current or prior reporting period. The reason for the capitalization lies in the improved earnings situation in the years following.

Deferred taxes from derivative financial instruments in the amount of EUR K 121 (previous year: EUR K 477) were recognized directly in equity.

## 7 Earnings per share

	2009	2008
Earnings of the current period attributable to shareholders in € K	- 110,104	37,389
Weighted average number of shares outstanding during current period in thousand shares	70,140	70,140
<b>Undiluted earnings per share in €</b>	<b>- 1.57</b>	<b>0.53</b>
<b>Diluted earnings per share in €</b>	<b>- 1.57</b>	<b>0.53</b>

According to IAS 33, the earnings per share are the result of the division of earnings for the current period attributable to Wacker Neuson SE shareholders by the weighted average number of shares outstanding.

There was no share dilution effect in the reporting period shown.

## Explanatory comments on the balance sheet

## 8 Property, plant and equipment

in € K	Land and buildings	Machinery and equipment	Office and other equipment	Payments on account/ Assets under construction	Total
<b>Acquisition costs</b>					
Balance at January 1, 2009	196,163	188,335	61,008	13,813	459,319
Currency translation differences	794	- 823	418	1	390
Additions	6,079	13,416	5,630	11,156	36,281
Retirements	- 2,507	- 26,434	- 3,701	- 32	- 32,674
Transfers	2,754	2,048	230	- 5,365	- 333
<b>Balance at December 31, 2009</b>	<b>203,283</b>	<b>176,542</b>	<b>63,585</b>	<b>19,573</b>	<b>462,983</b>
<b>Accumulated depreciation</b>					
Balance at January 1, 2009	49,030	97,128	40,227	0	186,385
Currency translation differences	128	- 507	275	0	- 104
Additions	5,329	21,871	5,806	0	33,006
Retirements	- 1,336	- 18,918	- 3,279	0	- 23,533
Transfers	- 179	- 36	36	0	- 179
<b>Balance at December 31, 2009</b>	<b>52,972</b>	<b>99,538</b>	<b>43,065</b>	<b>0</b>	<b>195,575</b>
<b>Balance at December 31, 2008</b>	<b>147,133</b>	<b>91,207</b>	<b>20,781</b>	<b>13,813</b>	<b>272,934</b>
<b>Balance at December 31, 2009</b>	<b>150,311</b>	<b>77,004</b>	<b>20,520</b>	<b>19,573</b>	<b>267,408</b>

in € K	Land and buildings	Machinery and equipment	Office and other equipment	Payments on account/ Assets under construction	Total
<b>Acquisition costs</b>					
Balance at January 1, 2008	152,209	155,734	54,954	31,289	394,186
Currency translation differences	- 1,132	2,531	- 797	435	1,037
Additions	16,276	42,600	10,044	21,720	90,640
Retirements	- 2,212	- 15,210	- 4,004	- 27	- 21,453
Transfers	31,022	2,680	811	- 39,604	- 5,091
<b>Balance at December 31, 2008</b>	<b>196,163</b>	<b>188,335</b>	<b>61,008</b>	<b>13,813</b>	<b>459,319</b>
<b>Accumulated depreciation</b>					
Balance at January 1, 2008	48,712	84,995	38,610	0	172,317
Currency translation differences	- 421	1,626	- 649	0	556
Additions	6,380	22,406	5,720	0	34,506
Retirements	- 1,739	- 11,741	- 3,393	0	- 16,873
Transfers	- 3,902	- 158	- 61	0	- 4,121
<b>Balance at December 31, 2008</b>	<b>49,030</b>	<b>97,128</b>	<b>40,227</b>	<b>0</b>	<b>186,385</b>
<b>Balance at December 31, 2007</b>	<b>103,497</b>	<b>70,739</b>	<b>16,344</b>	<b>31,289</b>	<b>221,869</b>
<b>Balance at December 31, 2008</b>	<b>147,133</b>	<b>91,207</b>	<b>20,781</b>	<b>13,813</b>	<b>272,934</b>

The individual tangible asset groups are depreciated over the following useful lives, applying the straight-line depreciation method:

	Useful life in years
Land and buildings	3 – 66
Machinery and equipment	2 – 10
Office and other equipment	1 – 20

Amounts recognized for land and buildings as well as office and other equipment include the book values of finance leasing contracts. Machinery and equipment includes rental equipment.

Capitalized borrowing costs only have a minor impact in 2009.

In fiscal 2008, an affiliate received EUR K 539 in the form of an economic development grant in conjunction with the acquisition of a tract of land. On receipt of the payment, the grant was offset against the purchase price of the tangible asset.

## 9 Investment properties

The table below shows the development of investment properties held during the years 2008 and 2009:

in € K	2009	2008
<b>Acquisition costs</b>		
Balance at January 1	7,041	2,147
Exchange differences	7	- 8
Additions	0	0
Retirements	0	0
Transfers	333	4,902
<b>Balance at December 31</b>	<b>7,381</b>	<b>7,041</b>
<b>Accumulated depreciation</b>		
Balance at January 1	4,333	42
Additions	251	170
Retirements	0	0
Transfers	179	4,121
<b>Balance at December 31</b>	<b>4,763</b>	<b>4,333</b>
<b>Book value on January 1</b>	<b>2,708</b>	<b>2,105</b>
<b>Book value on December 31</b>	<b>2,618</b>	<b>2,708</b>

In April 2006, Wacker Neuson (Pty) Ltd rented an undeveloped tract of its land in Florida, South Africa, to a third party. A five-year contract with an option to extend was concluded. An additional tract of developed land in Gutmadingen is now also disclosed as investment property as a result of the 2007 merger with the Neuson Kramer Group. This land is also rented to a third party. Kramer-Werke GmbH has pulled out of its previous location in Überlingen to move to its new plant in Pfullendorf. The old premises was put up for rent as of January 1, 2009. The previous Wacker Neuson SE premises in Dortmund was also put up for rent as of October 1, 2009.

The property in South Africa is currently valued at EUR K 341. This amount was calculated based on official market prices. The fair value of the land in Gutmadingen was assessed by an independent surveyor on September 30, 2007 using the German income approach. The site is valued at EUR 2.1 million. The building has a useful life of 17 years and is amortized using the straight-line method. The fair value of the land in Überlingen was assessed by an independent surveyor on September 30, 2007, using the German comparative approach (for the value of the land) and the German income approach. The total fair value amounts to EUR K 13,195. The building has a useful life of 50 years and is amortized using the straight-line method.

The fair value of the premises in Dortmund was not assessed by an independent surveyor. Instead, it was determined by Wacker Neuson SE by calculating the fair value of the land using the standard land values from the German real estate appraisal report (Gutachterausschuss) and by calculating the value of the building based on the present value of future cash flows. The land is thus valued at EUR K 69 and the building at EUR K 90. The total fair value amounts to EUR K 159. The building has a remaining useful life of 3 years and is amortized using the straight-line method.

The profit derived from investment property is shown in the table below:

in € K	2009	2008
Rental income	1,661	557
Depreciation and amortization	- 254	- 170
Other expenses	- 192	- 3
<b>Total</b>	<b>1,215</b>	<b>384</b>

## 10 Intangible assets

### a) Goodwill

The goodwill recognized results from the acquisition of Weidemann GmbH in fiscal 2005 and Ground Heaters, Inc. in fiscal 2006 plus the goodwill resulting from the merger with the Neuson Kramer Group in fiscal 2007. Goodwill developed as follows:

in € K	Goodwill
As at Jan. 1, 2009	326,059
Write-down resulting from impairment test	- 89,540
Post-purchase reduction in purchase price for Weidemann GmbH	- 332
Foreign currency fluctuations	- 171
<b>Goodwill as at December 31, 2009</b>	<b>236,016</b>

In fiscal 2009, the impairment test for Neuson Kramer Group goodwill resulted in a write-down of EUR K 89,540. Refer to section 10 c) on impairment of goodwill and other intangible assets with indefinite useful lives in these notes for more detailed information.

Furthermore, goodwill from the acquisition of Weidemann GmbH was devalued by EUR K 332 following a post-purchase reduction in purchase price resulting from a tax audit.

### b) Other intangible assets

in € K	Licenses and similar rights	Other intangible assets	Internally produced intangible assets	Payments on account	Total
<b>Acquisition costs</b>					
Balance at January 1, 2009	18,935	101,532	5,096	2,618	128,181
Currency translation differences	- 105	- 110	- 3	- 34	- 252
Additions	1,761	0	1,406	3,953	7,120
Retirements	- 581	0	- 451	- 206	- 1,238
Transfers	67	0	1,853	- 1,920	0
<b>Balance at December 31, 2009</b>	<b>20,077</b>	<b>101,422</b>	<b>7,901</b>	<b>4,411</b>	<b>133,811</b>
<b>Accumulated amortization</b>					
Balance at January 1, 2009	11,801	16,315	1,627	0	29,743
Currency translation differences	- 95	- 43	- 3	0	- 141
Additions	1,204	14,862	1,444	0	17,510
Retirements	- 476	0	- 449	0	- 925
Transfers	0	0	0	0	0
<b>Balance at December 31, 2009</b>	<b>12,434</b>	<b>31,134</b>	<b>2,619</b>	<b>0</b>	<b>46,187</b>
<b>Book value on December 31, 2008</b>	<b>7,134</b>	<b>85,217</b>	<b>3,469</b>	<b>2,618</b>	<b>98,438</b>
<b>Book value on December 31, 2009</b>	<b>7,643</b>	<b>70,288</b>	<b>5,282</b>	<b>4,411</b>	<b>87,624</b>

in € K	Licenses and similar rights	Other intangible assets	Internally produced intangible assets	Payments on account	Total
<b>Acquisition costs</b>					
Balance at January 1, 2008	16,568	101,293	3,883	196	121,940
Currency translation differences	221	239	2	9	471
Additions	2,620	0	1,075	2,602	6,297
Retirements	- 714	0	0	- 2	- 716
Transfers	240	0	136	- 187	189
<b>Balance at December 31, 2008</b>	<b>18,935</b>	<b>101,532</b>	<b>5,096</b>	<b>2,618</b>	<b>128,181</b>
<b>Accumulated amortization</b>					
Balance at January 1, 2008	10,487	10,894	339	0	21,720
Currency translation differences	208	70	0	0	278
Additions	1,639	5,351	1,288	0	8,278
Retirements	- 533	0	0	0	- 533
Transfers	0	0	0	0	0
<b>Balance at December 31, 2008</b>	<b>11,801</b>	<b>16,315</b>	<b>1,627</b>	<b>0</b>	<b>29,743</b>
<b>Book value on December 31, 2007</b>	<b>6,081</b>	<b>90,399</b>	<b>3,544</b>	<b>196</b>	<b>100,220</b>
<b>Book value on December 31, 2008</b>	<b>7,134</b>	<b>85,217</b>	<b>3,469</b>	<b>2,618</b>	<b>98,438</b>

Licenses and similar rights are subject to scheduled linear amortization. Software is generally attributed a useful life of three years, with the exception of SAP licenses, which are assigned useful lives of eight years.

The expected residual useful lives and residual book values of other intangible assets are as follows:

	Book value on Dec. 31, 2009 in € K	Book value on Dec. 31, 2008 in € K	Useful life
Brand	54,040	64,838	indefinite
Technology	13,342	16,995	max. 4 years
Customer base	2,906	3,384	8 years
<b>Total</b>	<b>70,288</b>	<b>85,217</b>	

Furthermore, other intangible assets include EUR K 22,000 for the brand name “Weidemann” resulting from the acquisition of Weidemann GmbH in 2005. Due to the strong market position of Weidemann GmbH, the brand name and trademark are considered to have an indefinite useful life.

Arising from the merger with the Neuson Kramer Group, EUR K 32,040 (previous year: EUR K 42,838) was recognized for the brand name. This is also considered to have an indefinite useful life due to the company’s strong market position. Wacker Neuson SE does not own the “Neuson” logo. This is owned by the PIN Private Trust (PIN Privatstiftung), which is part of the group founded by Chairman of the Supervisory Board Hans Neunteufel. Subject to certain assumptions, however, the company has an exclusive, irrevocable and unlimited license to use this brand in conjunction with the name “Wacker”. The write-downs recognized for 2009 include amortization amounting to EUR K 10,798 on the “Neuson” brand.

Intangible assets created internally refer to capitalized development costs.

The down-payments effected relate primarily to development costs for projects not yet completed at the closing date.

Capitalized borrowing costs only had a minor impact in 2009.

### c) Impairment of goodwill and other intangible assets with indefinite useful lives

The goodwill and indefinite-lived “Weidemann” and “Neuson” brands obtained through mergers were allocated for impairment testing to the following cash-generating units within the Americas or European segments:

- Wacker Neuson Corporation (subgroup/USA)
- Weidemann GmbH (Germany)
- Wacker Neuson Beteiligungs GmbH (subgroup/Austria)

The pro-rata book values break down as follows:

in € K	Dec. 31, 2009	Dec. 31, 2008
<b>Weidemann GmbH</b>		
Book value of goodwill	24,260	24,592
Book value of the indefinite-lived brand	22,000	22,000
<b>Wacker Neuson Corporation</b>		
Book value of goodwill	7,308	7,479
Book value of the indefinite-lived brand	–	–
<b>Wacker Neuson Beteiligungs GmbH</b>		
Book value of goodwill	204,448	293,988
Book value of the indefinite-lived brand	32,040	42,838
<b>Total</b>		
<b>Book value of goodwill</b>	<b>236,016</b>	<b>326,059</b>
<b>Book value of the indefinite-lived brand</b>	<b>54,040</b>	<b>64,838</b>

The carrying amounts of goodwill and indefinite-lived brands is verified during the annual impairment test. For this purpose, the book value is compared with the “fair value less cost to sell”. The “fair value less cost to sell” is determined using the discounted cash flow method. Future cash flows are discounted to the respective balance sheet date. Value is impaired if “fair value less cost to sell” is lower than the book value. In fiscal 2009, impairment was recognized for the first time on goodwill for the Neuson Kramer Group due to negative market dynamics. The book value of this cash-generating unit (Wacker Neuson Beteiligungs GmbH) exceeded the “fair value less cost to sell”. This resulted in a write-down amounting to EUR K 100,338 on intangible assets with unlimited useful lives, EUR K 89,540 of which is attributable to goodwill and EUR K 10,798 to the brand. The value impairment is allocated to the European segment.

The calculation of “fair value less cost to sell” is based on assumptions, which in turn are dependent on the following uncertain estimates:

- Free cash flow
- Discount rates
- Price increases for raw materials and supplies
- Underlying growth rates for cash-flow predictions outside of the budget period

**Free cash flow** – Free cash flow is determined using a detailed planning phase from 2010 to 2019. Growth rates are determined for the first three budget years (up to 2012) based on market conditions. Adjustments were made based on distribution plans. When performing the goodwill impairment test, it is assumed that the entire distributable cash flow is paid out each fiscal year. Distributable cash flow refers to free cash flow after interest payments, tax shields and increases and reductions in borrowings. Care is taken to ensure that the cash flow distribution does not reduce the share capital. After 2012, management anticipates results and growth rates that more strongly align with past values. In other words, the company is not expected to achieve the balanced position as assumed, for example, in the perpetual annuity assessment by the year 2013. The detailed planning phase from 2013 to 2019 is therefore derived from past company figures. This is based on an assumed revenue growth of 3.75 – 7.5 percent per annum from 2013 to 2019 for the two cash-generating units Weidemann GmbH (Germany) and Wacker Neuson Corporation. Growth rates for the cash-generating unit of the Neuson Kramer Group (Wacker Neuson Beteiligungs GmbH) are determined beyond the first three budget years based on market conditions. Revenue is assumed to grow by around 12.5 percent per annum from 2013 to 2015, and by around 7.5 percent per annum from 2016 onwards.

**Discount rates** – Discount rates reflect management’s assessment of the risks associated with cash-generating units. It includes a risk-free and risk-weighted rate. The weighted average cost of capital (WACC) after tax at a uniform rate of 9.35 percent (previous year: 8.10 percent) was applied.

**Price increases of raw materials** – Past price fluctuations are used as indicators for estimating future price developments.

**Projecting growth rates** – Management and affiliates estimate growth rates based on local market dynamics. A growth rate of 1 percent has been projected for perpetual annuity (previous year: 2 percent).

**Sensitivity of assumptions** – There would have been no need for write-downs on Weidemann GmbH and Wacker Neuson Corporation – the two cash-generating units that were not subject to a value impairment – even if no growth rate had been applied in perpetual annuity or if WACC had been set 1 percent higher.

## 11 Other investments and other non-current assets

At December 31, 2009, the book value of investments totaled EUR K 4,144 (previous year: EUR K 3,420). The companies in question are not consolidated. For further details, please see the information on the consolidation structure in the general information on accounting standards.

Other non-current assets are composed of the following components:

in € K	Dec. 31, 2009	Dec. 31, 2008
Long-term trade receivables	14,841	25,780
Investment securities	3,094	2,870
Loans	99	139
Other long-term assets	3,508	4,210
<b>Total</b>	<b>21,542</b>	<b>32,999</b>

The long-term trade receivables mainly result from hire-purchase agreements and finance leases.

## 12 Inventories

in € K	Dec. 31, 2009	Dec. 31, 2008
Raw materials and supplies	33,882	49,525
Works in progress	7,354	8,430
Finished goods	107,065	159,075
<b>Total</b>	<b>148,301</b>	<b>217,030</b>

An expense of EUR K 385,119 (previous year: EUR K 551,492) was recorded under acquisition and manufacturing costs for inventories.

Of the reported inventories, EUR K 35,785 (previous year: EUR K 35,265) are recognized at net realizable value. Write-downs on inventories recognized as an expense amount to EUR K 2,958 in the reporting period (previous year: EUR K 6,336). Write-ups on inventories recognized as income amount to EUR K 0 in the reporting period (previous year: EUR K 0).

Similar to 2008, no inventories were pledged as collateral for liabilities during the period under review.

### 13 Trade receivables

Trade receivables have the following components:

in € K	Dec. 31, 2009	Dec. 31, 2008
Trade receivables at nominal value	97,509	125,820
Less allowance for doubtful accounts	- 6,672	- 6,632
<b>Total</b>	<b>90,837</b>	<b>119,188</b>

As of December 31, 2009, trade receivables (at nominal value) were broken down as follows:

in € K	2009	2008
Trade receivables	97,509	125,820
Nominal value of trade receivables written down or not due	91,337	116,201
Overdue at nominal value but not written down < 30 days	2,375	3,978
Overdue at nominal value but not written down 30–90 days	2,243	3,420
Overdue at nominal value but not written down > 90 days	1,554	2,221

Allowance for doubtful accounts developed as follows:

in € K	2009	2008
Balance at January 1	6,632	4,990
Exchange rate differences	76	- 140
Additions	2,508	3,189
Amortization/depreciation	- 1,451	- 847
Reversals	- 1,093	- 565
Discounts	0	5
<b>Balance at December 31</b>	<b>6,672</b>	<b>6,632</b>

Trade receivables are derived from trading with a large number of companies from different industries and regions. Regular credit checks verify the financial stability of receivables. Allowances for doubtful accounts are made where necessary.

The fair value is a reasonable approximation of the book value since all receivables are due within less than one year.

### 14 Marketable securities

In the period under review, the Group held marketable securities totaling EUR K 0 (previous year: EUR K 1,894).

In 2008, marketable securities were attributable to Wacker Neuson Linz GmbH in the form of a security floater in the amount of EUR K 1,894. As these were acquired with the expectation that they would be quickly resold, they were therefore recognized at the time at fair value in the category "held for trading" in accordance with IAS 39. These marketable securities were sold in the period under review.

Refer to section 26 outlining additional information on financial instruments for information on net profits and losses from financial instruments.

**15 Other current assets**

in € K	Dec. 31, 2009	Dec. 31, 2008
Value-added tax	4,354	3,981
Advance payments	1,193	595
Travel advances	994	2,919
Derivatives	169	156
Receivables from associated companies	124	2,140
Receivables from employees	0	2,150
Other	1,881	2,548
<b>Total</b>	<b>8,715</b>	<b>14,489</b>

The fair value is a reasonable approximation of the book value since all items have a maturity of less than one year.

**16 Cash and cash equivalents**

in € K	Dec. 31, 2009	Dec. 31, 2008
Petty cash	51,789	61,855
Bank balances	33,100	3,566
Cash deposits	135	179
<b>Total</b>	<b>85,024</b>	<b>65,600</b>

Cash on hand and bank balances in foreign currencies are converted at the spot rates. Differences in valuation between acquisition cost and fair value were posted under other investment income or under investment expense.

Interest accrued at variable rates on the daily cash bank balances. Depending on the company's liquidity requirements, short-term, term accounts running from one day to three months were set up. The term money yielded interest at the agreed prevailing rates.

Bank balances in the amount of EUR K 72,770 (including cash pool current account balances) were netted against liabilities from cash pool current bank balances amounting to EUR K 20,981 at December 31, 2009, as a net balance (offset option) was agreed with the cash pool bank at the end of 2009. Current account balances at December 31, 2009, after netting, amounted to EUR K 51,789. In 2008, liabilities from cash pool current accounts were recognized under long-term liabilities (refer to section 20 on financial liabilities).

**17 Equity**

Subscribed capital amounting to EUR K 70,140 is divided into 70,140,000 individual no-par-value registered shares, each representing a proportionate amount of the share capital of EUR 1.00. The share capital was fully paid-in at the closing date of the Consolidated Financial Statements.

The following shareholders held a direct interest exceeding 5 percent of the company stock in 2009 or 2008.

	Dec. 31, 2009		Dec. 31, 2008	
	as a %	in € K	as a %	in € K
Wacker-Werke GmbH & Co. KG	27.8	19,490	29.1	20,391
Neuson Ecotec GmbH	29.0	20,349	29.0	20,349
Wacker Familiengesellschaft mbH & Co. KG	5.3	3,710	5.3	3,710
VGC Invest GmbH	5.1	3,546	5.1	3,546
<b>Total</b>	<b>67.2</b>	<b>47,095</b>	<b>68.5</b>	<b>47,996</b>

In addition to subscribed capital, the components of equity are as follows:

in € K	Dec. 31, 2009	Dec. 31, 2008
Capital reserves	618,661	618,397
Other neutral assets	- 258	1,033
Exchange rate differences	- 32,495	- 36,914
<b>Total</b>	<b>585,908</b>	<b>582,516</b>

The capital reserves primarily result from share premiums in connection with the IPO and the merger with Wacker Neuson Beteiligungs GmbH (formerly Neuson Kramer Baumaschinen AG).

An affiliate whose goodwill (EUR K 264) was netted against capital reserves without effect on the income statement prior to the transition to IFRS at January 1, 2003 was deconsolidated in 2009. The amount was derecognized during initial consolidation without effect on the income statement.

The company did not hold any treasury shares at December 31, 2009 or at any point during the fiscal year.

Retained earnings developed as follows:

in € K	Dec. 31, 2009	Dec. 31, 2008
Balance at January 1	256,432	254,113
Purchase of treasury shares	- 13,327	- 35,070
Sale of treasury shares	- 110,104	37,389
<b>Balance at December 31</b>	<b>133,001</b>	<b>256,432</b>

Dividends paid in 2009 amounted to EUR K 13,327 (EUR 0.19 per share) (previous year: EUR K 35,070, EUR 0.50 per share).

Refer to the statement of changes in equity for further details on equity.

#### ■ Authorized Capital I

According to Article 3 (3) of the Articles of Incorporation, the Executive Board is authorized to increase the company's share capital by April 12, 2012, with the approval of the Supervisory Board, by issuing new, registered shares against cash contributions, in full or in partial amounts, on one or several occasions, however at the most by a maximum of EUR 1,000,000 (Authorized Capital I).

Shareholders' statutory subscription rights are excluded:

- If employees of the company and its affiliates and executive bodies of affiliates (to the extent that these are not simultaneously members of the company's Executive Board) are offered shares at an issue price that is 15 percent lower than the issue price;
- For fractional amounts;
- Otherwise, if the issue price of the new shares is not significantly below the company's market price and the new shares issued to the exclusion of subscription rights do not exceed a total of 10 percent of the share capital, neither at the time the authorization takes effect, nor at the time of exercising. Shares must be added to the above 10-percent threshold that are issued or are to be issued to service options or convertible bonds to the extent that the bonds are issued in corresponding application of Section 186 (3) sentence 4 AktG to the exclusion of subscription rights; in addition the sale of treasury shares is to be added if the sale was made as a result of a valid authorization to sell treasury shares that applied on the date that Authorized Capital I came into effect in corresponding application of Section 186 (3) sentence 4 AktG to the exclusion of subscription rights.

Subject to the approval of the Supervisory Board, the Executive Board also decides on the content of the respective share rights and the other conditions of the share issue including the issuing amount.

#### ■ Authorized Capital II

According to Article 3 (4) of the Articles of Incorporation, the Executive Board is also authorized to increase the company's share capital by April 12, 2012, with the approval of the Supervisory Board, by issuing new, registered shares against non-cash contributions, in full or in partial amounts, on one or several occasions, however at the most by a maximum of EUR 5,360,000 (Authorized Capital II).

The shareholders' statutory subscription rights are excluded in connection with the granting of shares in the company against the contribution of companies, participating interests in companies or parts of companies.

Subject to the approval of the Supervisory Board, the Executive Board also decides on the content of the respective share rights and the other conditions of the share issue including the issuing amount.

The authorized capital provisions described above reflect the practices typical of listed businesses similar to the company. They are not intended to obstruct takeover bids.

#### ■ Information on the pool agreement

There is a pool agreement between some shareholders and companies of the Wacker family on the one hand, and companies and shareholders of Neuson on the other. Prior to each AGM of Wacker Neuson SE, the pool members decide how to exercise voting and petition rights in the meeting. Each pool member undertakes to exercise their voting and petition rights in the AGM in line with the pool's decisions, or to have these rights exercised in this manner. If the pool does not reach a decision, with regard to a resolution on the allocation of annual profits, adoption of the Annual Financial Statements by the AGM, approval of Executive and Supervisory Board members' actions, appointment of the auditor, upholding minority interests and compulsory changes to the Articles of Incorporation as a result of changes to legislation or jurisdiction, the pool members have the right to freely exercise their voting rights. In all other cases, the pool members must vote to reject the proposal. The Neuson shareholders appoint two members to the Supervisory Board, and the Wacker shareholders appoint two further members to the Supervisory Board.

Shares can be transferred without restriction to spouses, registered partners, pool members' children, children adopted when they were minors by pool members, siblings, foundations

set up by pool members that are either charitable foundations or in which the beneficiaries and the controlling members of the management board satisfy the aforementioned criteria, and companies where the direct or indirect shareholders also satisfy the aforementioned criteria. If shares are transferred to any such persons, they must join the pool agreement. If shares are transferred to third parties, either for a fee or free of charge, the other pool members have the right to acquire these shares. If the shares are to be sold to third parties off the stock exchange, all of the other pool members have a preferential purchase right. If a pool member intends to transfer shares in such a way that more than 50 percent of voting rights in Wacker Neuson SE would be held by third parties who do not satisfy the criteria defining those individuals to whom transfers can be freely made, the remaining pool members have the right to also sell their shares. If a pool member is excluded from the pool for good reason, the other pool members have a right to acquire the shares or a preferential purchase right. This also applies if a pool member ceases to qualify as a pool member.

■ **Information on the partnership agreement of Wacker Familiengesellschaft mbH & Co. KG**

Part of the Wacker family shareholders hold part of their shares via Wacker Familiengesellschaft mbH & Co. KG, which in turn also holds shares via Wacker-Werke GmbH & Co. KG. Economic ownership of the shares is attributed to the Wacker family shareholders.

The pool agreement has precedence over the regulations of the partnership agreement as long as Wacker Familiengesellschaft mbH & Co. KG is party to the above pool agreement. A partners' meeting is held prior to every AGM of Wacker Neuson SE. In this meeting, the Wacker family shareholders define how they will vote and exercise their petitioning rights. Votes in the AGM are to be cast in line with the pool's decisions. Two of the Wacker family shareholders have the right to propose one member of the Supervisory Board each to the shareholders, this member is then to be elected by the remainder.

Only the acquisition and preferential purchase rights in the pool agreement apply to family members who are party to the pool agreement. In the case of a sale by a family member who is not a pool member, acquisition and preferential purchase rights apply if shares are sold to third parties who do not fulfill the criteria defining those individuals to whom shares can be

freely transferred set forth in the abovementioned pool agreement. If a family shareholder exits the company as a result of a termination, the remaining pool members have a preferential purchase right to buy the shares for a period of two years from the date this shareholder exits the company. In addition, the partners' meeting can resolve that the exiting family shareholder does not receive compensation in cash but in the form of the shares to which they are financially entitled. After May 14, 2012, each exiting family member can demand to receive their compensation in the form of the shares to which they are financially entitled.

■ **Pool agreement between Lehner and Neuson shareholders**

The Lehner shareholders have issued a Neuson shareholder with power of attorney with regard to the shares they acquired prior to the merger and during the merger between the company and Neuson Kramer Baumaschinen AG (now Wacker Neuson Beteiligungs GmbH). The Neuson shareholder is independently responsible for exercising these voting rights. He is not subject to any instructions, and will always exercise these in the same way as for the shares that he himself holds. These shares are thus subject to the provisions of the pool agreement mentioned above.

The Neuson shareholder has a preferential purchase right to buy these shares in the event of a transfer to entities other than the Neuson shareholder or to Lehner shareholders.

■ **Shares that part of the Executive Board members received as part of their remuneration**

Three of the members of the Executive Board have received shares in the company as part of their remuneration. The company has an unrestricted, preferential purchase or acquisition right over some of these shares in the event that they are transferred.

The Executive Board is not otherwise aware of any restrictions affecting voting rights or the transfer of shares.

## 18 Provisions for pensions and similar obligations

in € K	Dec. 31, 2009	Dec. 31, 2008
Provisions for pension obligations	21,663	22,138
Provisions for other obligations to employees	2,164	2,048
<b>Total</b>	<b>23,827</b>	<b>24,186</b>

Within the company there are different types of retirement benefit schemes worldwide for old age and surviving dependants' pensions. Most of the schemes provide for the payment of fixed lump-sum amounts. The others are defined retirement plans with a pension paid from retirement until death. The amounts to be paid are based on the respective employee's ranking (both with respect to salary as well as hierarchy) as well as her/his years of service to the company.

The **parent company** has entered into a legally binding obligation to provide post-employment benefits to those employees who entered company service before 1985 according to the benefits scheme last amended on January 15, 1985. In accordance with this benefits scheme, companies provide a lump-sum payment to eligible employees who have retired from the company:

- upon reaching the age of 65
- upon the receipt of early retirement benefits from the national pension scheme
- upon the occurrence of a permanent occupational disability after having attained the age of 60 and
- after the death of the employee to the surviving spouse.

Furthermore, pension commitments due to enter into effect as of retirement age also exist vis-à-vis Executive Board members as well as former executives and shareholders.

For the remaining **domestic and foreign companies**, the schemes partly provide for a lump-sum payment which is based on the salary at retirement age multiplied by a factor based on years of service with the company, and partly for pension payments from retirement until death based on the employee's earnings to those who fulfill the time-of-service requirements, which differ from country to country.

Foreign affiliates also have defined contribution plans. In such cases, the respective company makes contributions to the respective pension insurance schemes either because of legal requirements or contracted agreements. There is no further obligation for the company beyond these payments. The periodic contributions are recognized as an expense under profit before interest and tax (EBIT) in the respective year.

Provisions for the defined benefit plans are calculated using the Projected Unit Credit Method. Valuation is based on the legal, economic and tax factors in the respective countries. The expected service cost and accrued interest as well as anticipated returns from the pension assets are taken into account when calculating the costs of defined benefit plans. Actuarial gains and losses are recognized according to the 10-percent corridor method.

The actuarial calculation of the present values of pension obligations as of the balance sheet date is based on specific parameters and assumptions. These parameters are also applied in calculating the pension expenditures for the following year. Consequently the expense calculations are based on the following premises:

	in	2009	2008
<b>Benefit plans for parent company</b>			
Discount rate	%	5.50	6.50
Future pension increases expected	%	2.00	2.00
Expected return on plan assets	%	4.00	4.00
Retirement age	years	60	60
<b>Other benefit plans<sup>1</sup></b>			
Discount rate	%	5.34	6.43
Future pension increases expected	%	2.30	3.08
Expected return on plan assets	%	5.59	5.16
Retirement age	years	63	61

<sup>1</sup> Weighted average of the individual benefit schemes

Pension obligations are distributed as follows:

in € K	Dec. 31, 2009	Dec. 31, 2008
Provisions for pension plans, not funded	19,672	17,554
Provisions for pension plans, fully or partly funded	10,486	8,397
<b>Total</b>	<b>30,158</b>	<b>25,951</b>

The changes in the present value of pension obligations and of plan assets are as follows:

in € K	2009	2008
<b>Changes in the present value of pension obligations</b>		
Balance at January 1	25,951	27,606
Current service costs	863	1,193
Interest expense	1,596	1,457
Actuarial gains/losses	3,458	- 2,915
Changes in exchange rates	- 40	211
Paid benefits	- 1,630	- 1,592
Curtailments and settlements	- 40	- 9
<b>Present value of obligations at December 31</b>	<b>30,158</b>	<b>25,951</b>

in € K	2009	2008
<b>Changes in fair value of plan assets</b>		
Balance at January 1	4,138	3,496
Expected return on plan assets	172	148
Actuarial gains/losses	- 50	- 81
Changes in exchange rate	0	- 9
Employer's contributions	614	608
Curtailments and settlements	- 27	- 24
<b>Plan assets at December 31</b>	<b>4,847</b>	<b>4,138</b>

in € K	2009	2008
Obligation net of plan assets	25,311	21,813
Actuarial gains/losses not yet recognized	- 1,582	2,244
Plan surplus	98	129
<b>Accruals for pensions at December 31</b>	<b>23,827</b>	<b>24,186</b>

The losses above and beyond the 10-percent corridor are amortized over the average remaining years until retirement – some 16 years in Germany's case. Amortization in 2008 and 2009 is part of total pension expense.

Plan assets primarily comprise pension liability insurance where future payments are pledged in favor of the entitled recipient.

Pension expenses are as follows:

in € K	2009	2008
Current service costs	863	1,193
Interest expense	1,596	1,457
Expected return on plan assets	- 172	- 148
Actuarial gains/losses	- 305	12
Result of curtailments and settlements	- 70	- 28
<b>Pension expense from defined benefit plans</b>	<b>1,912</b>	<b>2,486</b>
<b>Pension expense from defined contribution plans</b>	<b>547</b>	<b>570</b>
<b>Total pension expense</b>	<b>2,459</b>	<b>3,056</b>

Interest expense ensuing from pension obligations is recognized in the financial result. The remaining pension expense is part of personnel costs shown in the appropriate functional line of the income statement.

The valuation date for the current value of fund assets and the present value of obligations is December 31 for each year. The base value for the calculation of unaccrued interest concerning pension obligations is the present value of obligations as of January 1. The base value for the anticipated return on fund assets is the current value as of January 1. Transfers during the year are accounted for on a pro-rata basis.

The contributions expected to be made to German fund assets in 2010 amounted to EUR 0.6 million.

The following overview shows the projected pension pay-outs for the coming five years:

in € K	
Due in 2010	1,661
Due in 2011	1,593
Due in 2012	1,610
Due in 2013	1,636
Due in 2014	1,809

The following information applies to the period 2005 through 2009:

in € K	Dec. 31, 2009	Dec. 31, 2008	Dec. 31, 2007	Dec. 31, 2006	Dec. 31, 2005
Present value of performance-oriented obligations	30,158	25,951	27,606	14,137	15,333
Fair value of the plan assets	4,847	4,138	3,496	2,698	3,307
Plan surplus/deficit	25,311	21,813	24,110	11,439	12,026
Experience adjustments					
Of which: plan liabilities	194	129	80	24	13
Of which: plan assets	- 62	83	110	- 184	0

The following actual return on plan assets was recognized for the 2008 and 2009 fiscal years:

in € K	2009	2008
Actual return on plan assets	124	61

Only the Wacker Neuson Corporation (USA) benefits plan requires the payment of healthcare contributions. The following table shows the effects of a one percentage point increase or reduction in healthcare costs:

in € K	Additions	Reversals
<b>2009</b>		
Effect on service cost and interest expense	18	- 15
Effect on the present value of pension obligations	64	- 53
<b>2008</b>		
Effect on service cost and interest expense	16	- 13
Effect on the present value of pension obligations	39	- 33

## 19 Other provisions

The provisions are as follows:

in € K	Balance Jan. 1, 2009	Currency	Utilization	Additions	Reversals	Balance Dec. 31, 2009
<b>Provisions</b>						
Warranties	6,914	65	2,343	2,776	1,433	5,979
Obligations towards employees	5,949	74	2,131	6,224	54	10,062
Professional fees	361	3	364	385	17	368
Litigation costs	389	- 4	9	558	0	934
Other provisions	2,601	74	1,613	1,847	329	2,580
<b>Total</b>	<b>16,214</b>	<b>212</b>	<b>6,460</b>	<b>11,790</b>	<b>1,833</b>	<b>19,923</b>

in € K	Balance Jan. 1, 2008	Changes in consolidation structure/ Currency	Utilization	Additions	Reversals	Balance Dec. 31, 2008
<b>Provisions</b>						
Warranties	5,274	- 143	1,327	3,482	372	6,914
Obligations towards employees	5,524	- 57	2,389	3,056	185	5,949
Professional fees	668	- 6	682	420	39	361
Litigation costs	508	7	12	101	215	389
Other provisions	2,888	- 19	1,659	1,752	361	2,601
<b>Total</b>	<b>14,862</b>	<b>- 218</b>	<b>6,069</b>	<b>8,811</b>	<b>1,172</b>	<b>16,214</b>

The due dates of the above provisions are distributed as follows:

in € K	Short-term (< 1 year)	Long-term (> 1 year)	Balance Dec. 31, 2009
<b>Provisions</b>			
Warranties	4,920	1,059	5,979
Obligations towards employees	5,732	4,330	10,062
Professional fees	368	0	368
Litigation costs	308	626	934
Other provisions	2,255	325	2,580
<b>Total</b>	<b>13,583</b>	<b>6,340</b>	<b>19,923</b>

in € K	Short-term (< 1 year)	Long-term (> 1 year)	Balance Dec. 31, 2008
<b>Provisions</b>			
Warranties	5,538	1,376	6,914
Obligations towards employees	2,621	3,328	5,949
Professional fees	361	0	361
Litigation costs	166	223	389
Other provisions	2,426	175	2,601
<b>Total</b>	<b>11,112</b>	<b>5,102</b>	<b>16,214</b>

The increase in discount amounts for long-term provisions from December 31, 2008 through December 31, 2009 amounted to EUR K 24 (2008: EUR K 10) for obligations towards employees based on the respectively valid assessment basis.

Obligations towards employees includes provisions for employees nearing pension age who are working part-time and for whom claims for reimbursement against the German tax office amounted to EUR K 297 in 2009 and EUR K 186 in 2008.

## 20 Financial liabilities

Financial liabilities comprise the amounts recognized under the balance sheet items non-current liabilities (EUR K 33,583); short-term borrowings from banks (EUR K 14,889); and current portion of long-term borrowings (EUR K 11,698):

in € K	Dec. 31, 2009	Up to 1 year	1 to 5 years	Over 5 years
Loans	40,075	16,421	20,098	3,556
Bonds	19,450	10,000	9,450	0
Liabilities from finance leases	582	103	385	94
Other long-term liabilities	63	63	0	0
<b>Total</b>	<b>60,170</b>	<b>26,587</b>	<b>29,933</b>	<b>3,650</b>

in € K	Dec. 31, 2008	Up to 1 year	1 to 5 years	Over 5 years
Loans	105,967	87,385	14,698	3,884
Bonds	19,138	0	19,138	0
Liabilities from finance leases	717	142	375	200
Other long-term liabilities	641	91	550	0
<b>Total</b>	<b>126,463</b>	<b>87,618</b>	<b>34,761</b>	<b>4,084</b>

### Borrowings from banks

Borrowings from banks mainly comprise the following items:

	Dec. 31, 2009 in € K	Interest rate as a percentage	Interest rate type	Due dates
Borrowings from banks				
Amortizing loans in USD	11,606	1 mo. USD LIBOR + 3.75	Fixed <sup>1</sup>	May 31, 2012
Financing of Weidemann GmbH	13,200	Either 1, 3, 6 or 12 mo. EUR LIBOR + 0.65	Fixed <sup>1</sup>	June 30, 2012
Long-term loan	5,014	6.00	Fixed	> 1 year
<b>Subtotal on fixed interest rate loans</b>	<b>29,820</b>			
Loans in Brazilian reals	5,325	11.88	Variable	€ K 4,789 < 1 year or € K 536 > 1 year
Amortized loans in USD	4,405	1 mo. USD LIBOR + 3.75	Variable	May 31, 2012
Loan to purchase a tract of land	425	6 mo. EURIBOR + 1.85	Variable	January 1, 2016
Export incentive credit line	100	1.55	Variable	Can be terminated each year on March 31
<b>Subtotal on variable interest rate loans</b>	<b>10,255</b>			
<b>Total</b>	<b>40,075</b>			

<sup>1</sup> Loan converted from variable to fixed rate through a hedge. For more information, see section 23 on derivative financial instruments in these notes.

Refer to section 30 on risk management in these notes for information on the sensitivity of interest risks associated with variable-interest borrowings.

The following table lists the credit lines that have been confirmed in writing but were not utilized by Wacker Neuson SE:

in € K	2009
1. First credit line (3 mo. EURIBOR + 0.5 percent)	20,000
2. Second credit line in USD (1 mo. LIBOR + 2.0 percent)	13,983
3. Third credit line (Eonia + 1.25 percent)	10,000
4. Fourth credit line (EONIA/EURIBOR as fixed rate loan + 1.0 percent)	2,000
5. Fifth credit line (3 mo. Euribor + 0.6 percent)	1,500
6. Sixth credit line (14.5 percent)	185
7. Seventh credit line (11.0 percent)	47
8. Eighth credit line (7.5 percent)	25
<b>Total</b>	<b>47,740</b>

(Furthermore, credit lines that have been approved but not agreed in writing also exist. These lines have not been utilized and are in some cases country-specific. They are not included in the above table).

The book values of borrowings from banks with variable and fixed interest rates were reported in the following currencies (equivalent in euros):

in € K	2009	2008
Euro	18,739	67,681
USD	16,011	19,303
BRL	5,325	3,128
PLN	0	4,327
GBP	0	10,000
JPY	0	82
Diverse	0	1,446
<b>Total</b>	<b>40,075</b>	<b>105,967</b>

The fair values of financial liabilities are reasonable approximations of the book values.

## Bonds

Wacker Neuson Linz GmbH (legal successor to Neuson Finance GmbH) has issued two bonds amounting to a total

nominal value of EUR 20 million (book value: EUR K 19,450). These are listed on the Third Market multilateral trading facility (MTF) of the Vienna Stock Exchange.

in € K	Dec. 31, 2009 Total nominal value	Dec. 31, 2009 Interest rate as a %	Due dates
Bundled bond	10,000	3.76	September 30, 2012
Bond with an Austrian bank	10,000	3.41	September 8, 2010

## Financial covenants

Financial covenants exist for the following financial instruments of Wacker Neuson SE:

### ■ Loan contract to finance the purchase of Weidemann GmbH

The loan contract contains a clause under which the company is bound to pledge their shares held in Weidemann GmbH to the bank as security should circumstances arise or become public that would justify the issuing of a higher risk assessment by the bank. With respect to the borrower's share of the business in Weidemann GmbH, there is an obligation not to execute power of disposal (sale) and to refrain from making any binding declarations. Furthermore, Wacker Neuson SE is bound by contract to use the proceeds received from the sale of assets outside of ordinary business operations which exceed the threshold value of EUR K 10,000 per annum to make a special redemption payment.

### ■ Bond

Bondholders may only terminate bonds forming part of the loan and demand repayment of the nominal value for good cause and subject to compliance with specific conditions (e.g., in the event of a default on payment or insolvency).

### ■ Bundled bond

Bondholders may recall their bonds as part of loans in the event of certain breaches of contract (if the issuer or guarantor defaults on payment or becomes insolvent, for example). Furthermore, bondholders may terminate their bonds as part of loans in the event of a significant change to the ownership structure or controlling interests – also vis-à-vis a key affiliate – (for example through the sale of a majority shareholding) and this change has a negative impact on the ability of the bond issuer to meet liabilities. The change as described may also be a gradual process.

### ■ Export incentive credit line (KRR credit line):

This credit is used exclusively to finance receivables from export trade. Amounts accruing to the bank under this loan agreement are secured by a global debt assignment provision and a bill of surety.

### 21 Trade payables

As of December 31, 2009, trade payables at book value were broken down as follows:

in € K	2009	2008
Trade payables	21,251	32,290
Book value due < 30 days	15,521	24,254
Book value due 30–90 days	3,112	6,970
Book value due > 90 days	2,618	1,066

### 23 Derivative financial instruments

#### Derivative financial instruments treated according to the hedge accounting criteria.

The nominal amounts and market values of derivative financial instruments that satisfy hedge accounting criteria are recognized as follows as per December 31, 2009 and December 31, 2008:

in € K	Dec. 31, 2009		Dec. 31, 2008	
	Nominal Value	Market Value	Nominal Value	Market Value
<b>Assets</b>				
Currency hedges	0	0	10,023	1,573
Interest hedges	0	0	0	0
Commodity hedges	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>10,023</b>	<b>1,573</b>
<b>Liabilities</b>				
Currency hedges	0	0	0	0
Interest hedges	24,806	379	18,600	62
Commodity hedges	0	0	0	0
<b>Total</b>	<b>24,806</b>	<b>379</b>	<b>18,600</b>	<b>62</b>

Interest does not accrue on trade payables.

### 22 Other current liabilities

in € K	Dec. 31, 2009	Dec. 31, 2008
Advance payments received	8,769	11,459
Other accruals	7,291	8,216
Deferred taxes	3,043	4,450
Value added tax	2,963	2,949
Personnel (wages/salaries, vacation, etc.)	808	761
Other	6,228	7,349
<b>Total</b>	<b>29,102</b>	<b>35,184</b>

The other accruals and other current liabilities in 2009 mainly consisted of costs for preparing the Annual Financial Statements, outstanding invoices, return obligations, warranty deposits, interest liabilities and derivatives.

The fair values of the short-term borrowings are reasonable approximations of the book values.

The market values recognized under the results for the period not reflected in income and deferred tax accruing on those amounts developed as follows during the fiscal year and were netted in the statement of comprehensive income:

in € K	Market values	Deferred taxes	Carried under equity
<b>Assets</b>			
Balance at Jan. 1, 2009	1,573	- 495	1,078
+/- not reflected in income	223	- 71	152
+/- reflected in income	- 1,796	566	- 1,230
<b>Balance at Dec. 31, 2009</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Equity and liabilities</b>			
Balance at Jan. 1, 2009	62	- 17	45
+/- not reflected in income	193	- 58	135
+/- reflected in income	124	- 46	78
<b>Balance at Dec. 31, 2009</b>	<b>379</b>	<b>- 121</b>	<b>258</b>

in € K	Market values	Deferred taxes	Carried under equity
<b>Assets</b>			
Balance at Jan. 1, 2008	832	- 245	587
+/- not reflected in income	1,165	- 384	781
+/- reflected in income	- 424	134	- 290
<b>Balance at Dec. 31, 2008</b>	<b>1,573</b>	<b>- 495</b>	<b>1,078</b>
<b>Equity and liabilities</b>			
Balance at Jan. 1, 2008	8	- 2	6
+/- not reflected in income	62	- 18	44
+/- reflected in income	- 8	3	- 5
<b>Balance at Dec. 31, 2008</b>	<b>62</b>	<b>- 17</b>	<b>45</b>

The maturities of derivative financial instruments are as follows:

in € K	Up to 1 year	1 to 5 years	Over 5 years
Nominal Value			
<b>Assets</b>			
Currency hedges	0	0	0
Interest hedges	0	0	0
Commodity hedges	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Liabilities</b>			
Currency hedges	0	0	0
Interest hedges	8,336	16,470	0
Commodity hedges	0	0	0
<b>Total</b>	<b>8,336</b>	<b>16,470</b>	<b>0</b>

#### Derivative financial instruments not treated according to the hedge accounting criteria.

The derivatives concluded to hedge future foreign-exchange transactions (underlying transaction) do not satisfy formal hedge accounting criteria and are therefore classified as "held for trading" and recognized at fair value through profit or loss. The nominal and current values developed as follows as per December 31, 2009 and December 31, 2008:

in € K	Dec. 31, 2009		Dec. 31, 2008	
	Nominal Value	Market Value	Nominal Value	Market Value
<b>Assets</b>				
Currency hedges	0	0	8,752	577
<b>Total</b>	<b>0</b>	<b>0</b>	<b>8,752</b>	<b>577</b>
<b>Liabilities</b>				
Currency hedges	10,490	368	11,729	121
<b>Total</b>	<b>10,490</b>	<b>368</b>	<b>11,729</b>	<b>121</b>

The following table provides an overview of maturities of derivative financial instruments that do not satisfy hedge accounting criteria:

in € K	Up to 1 year	1 to 5 years	Over 5 years
Nominal Value			
<b>Assets</b>			
Currency hedges	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Liabilities</b>			
Currency hedges	10,490	0	0
<b>Total</b>	<b>10,490</b>	<b>0</b>	<b>0</b>

The offsetting values from the underlying transactions are not included in determining the market value of the derivative financial instruments. Thus, they do not represent the value that the companies would achieve from both the underlying transaction and hedging contract. The book values of derivatives correspond to the market values and there is no (material) exposure to credit risks, since all derivative contracts were entered into with banks that have a top credit rating.

Refer to section 26 outlining additional information on financial instruments in these notes for information regarding net profits and losses from these financial instruments.

## Other information

### 24 Contingent liabilities

Contingent liabilities, on the one hand, represent possible obligations that may be incurred depending on the outcome of a future event or events which are of an uncertain nature and not wholly within the control of the company. On the other hand, contingent liabilities represent present obligations for which payment is not probable or the amount of the obligation cannot be determined with sufficient reliability.

The Group has undersigned the following guarantees:

in € K	Dec. 31, 2009	Dec. 31, 2008
Guarantees	699	910

Furthermore, the company is liable to the amount of EUR 4.1 million (previous year: EUR 4.1 million) in connection with a contract with the city of Munich to develop a property.

In addition to the above-mentioned contingent liabilities, the Group undersigns various financial guarantees (sureties). It is highly unlikely, however, that these will be exercised. Therefore no value was booked.

The Group is liable for the following financial guarantees:

in € K	Dec. 31, 2009	Dec. 31, 2008
Book value	0	0
Nominal value	4,789	3,030

The financial guarantees include an agreement between the affiliate Wacker Neuson Máquinas Ltda. (Brazil) and a bank. The agreement was concluded to provide customers with financing options. The bank charges the affiliate for these transactions. The charges are calculated based on the purchase agreement (0.5 percent to 1.0 percent). In the event of default, the affiliate is obliged to settle the outstanding receivables plus interest. Interest rates range between 11 and 14 percent. At the balance sheet date, the value of receivables financed by the bank amounted to EUR K 4,789 (previous year: EUR K 2,760).

### 25 Other financial liabilities

#### a) Obligations for equipment rental and service.

The terms of the obligations for rental equipment and service contracts are as follows:

in € K	Dec. 31, 2009	Dec. 31, 2008
Obligations due within 1 year	10,947	10,834
Obligations due in 1 to 5 years	18,146	18,800
Obligations due in more than 5 years	8,479	7,557
<b>Total</b>	<b>37,572</b>	<b>37,191</b>

## b) Lease obligations

### Finance lease obligations

#### When the Group is the lessee (finance lease)

Finance lease contracts mainly concern the purchase of office and other equipment and the purchase of real estate.

The following table lists the net book values of the relevant assets at the closing date:

in € K	Dec. 31, 2009	Dec. 31, 2008
Office and other equipment	44	112
Buildings	784	828
<b>Total</b>	<b>828</b>	<b>940</b>

Lease contracts for office and other equipment contain, for the most part, a purchase option at the end of the basic term of the lease which is also to be exercised. The finance lease contract concerns the purchase of a self-occupied administration building by the Hungarian affiliate, Wacker Neuson Kft., which will terminate by 2015.

Future minimum lease payments and their present values are presented in the following table:

in € K 2009	Up to 1 year	1 to 5 years	Over 5 years	Total
Future minimum lease payments (nominal)	108	408	100	616
Less discount	- 5	- 23	- 6	- 34
<b>Present value</b>	<b>103</b>	<b>385</b>	<b>94</b>	<b>582</b>

  

Discount rate	3 – 6%
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in € K 2008	Up to 1 year	1 to 5 years	Over 5 years	Total
Future minimum lease payments (nominal)	148	398	213	759
Less discount	- 6	- 23	- 13	- 42
<b>Present value</b>	<b>142</b>	<b>375</b>	<b>200</b>	<b>717</b>

  

Discount rate	3 – 6%
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#### When the Group is the lessor (finance lease)

To the extent that the company is the lessor and has sold machines by way of finance lease, the receivable is capitalized to

the amount of the net investment value ensuing from the lease contract. The sales proceeds are recognized in accordance with IAS 17.

The present values at closing date are as follows:

in € K 2009	Up to 1 year	1 to 5 years	Over 5 years	Total
Outstanding min. lease-payments	332	7,354	0	7,686
+ non-guaranteed residual value (nominal)	614	2,120	0	2,734
<b>= Gross investment</b>	<b>946</b>	<b>9,474</b>	<b>0</b>	<b>10,420</b>
- Unrealized investment income	- 23	- 717	0	- 740
<b>= Net investment (present value)</b>	<b>923</b>	<b>8,757</b>	<b>0</b>	<b>9,680</b>
- Present value of non-guaranteed residual values	- 595	- 1,895	0	- 2,490
<b>= Present value of minimum lease payments</b>	<b>328</b>	<b>6,862</b>	<b>0</b>	<b>7,190</b>

in € K 2008	Up to 1 year	1 to 5 years	Over 5 years	Total
Outstanding min. lease-payments	413	12,579	0	12,992
+ non-guaranteed residual value (nominal)	668	2,644	0	3,312
<b>= Gross investment</b>	<b>1,081</b>	<b>15,223</b>	<b>0</b>	<b>16,304</b>
- Unrealized investment income	- 14	- 1,631	0	- 1,645
<b>= Net investment (present value)</b>	<b>1,067</b>	<b>13,592</b>	<b>0</b>	<b>14,659</b>
- Present value of non-guaranteed residual values	- 668	- 2,644	0	- 3,312
<b>= Present value of minimum lease payments</b>	<b>399</b>	<b>10,948</b>	<b>0</b>	<b>11,347</b>

### Operating leases

Insofar as a Wacker Neuson entity acts as a lessee, the lease payments are recognized as an expense over the term of the lease on a straight-line basis. This essentially refers to leased vehicles, computer hardware and other office equipment.

Outstanding commitments for future minimum lease payments under operating leases that cannot be terminated can be seen in the following table:

in € K 2009	Up to 1 year	1 to 5 years	Over 5 years	Total
Future minimum lease payments (nominal)	5,185	7,958	5,653	18,796

in € K 2008	Up to 1 year	1 to 5 years	Over 5 years	Total
Future minimum lease payments (nominal)	5,149	8,750	6,660	20,559

In 2009, a total of EUR K 6,656 (previous year: EUR K 7,535) for operating lease agreements was expensed.

### c) Obligations resulting from investment decisions/ takeback obligations

Financial obligations ensuing from construction and investment projects amounting to EUR K 24,106 (previous year:

EUR K 17,072) and from takeback obligations amounting to EUR K 1,618 (previous year: EUR K 1,670) exist. In addition, unconditional purchase commitments amounting to EUR K 22,310 (previous year: EUR K 11,441) also exist.

## 26 Additional information on financial instruments

The book and fair values of financial assets and liabilities are presented in the following table. It also shows how the individual items are categorized.

in € K	2009 Fair value	2009 Book value	Initial disclo- sure	Held for trading	Held for sale	Hedges	Loans and receiv- ables	Held to maturity	Leases and others (book value)	Non- financial assets (book value)
				Measured at fair value through profit or loss	Measured at fair value with changes recognized in equity		At residual book value			
<b>Assets</b>										
Other investments	4,144	4,144	0	0	4,144	0	0	0	0	0
Other non-current assets	21,542	21,542	0	0	0	0	10,427	0	8,757	2,358
Trade receivables	90,837	90,837	0	0	0	0	89,914	0	923	0
Marketable securities	0	0	0	0	0	0	0	0	0	0
Other current assets	8,715	8,715	0	0	0	0	2,005	0	0	6,710
Cash and cash equivalents	85,024	85,024	0	0	0	0	84,889	0	135	0

in € K	2009 Fair value	2009 Book value	Initial disclosure	Held for trading	At residual book value	Hedges	Leases and others (book value)	Non- financial assets (book value)
				Measured at fair value through profit or loss		Measured at fair value with changes recognized in equity		
<b>Liabilities</b>								
Long-term borrowings	33,583	33,583	0	0	33,104	0	479	0
Trade payables	21,251	21,251	0	0	21,251	0	0	0
Short-term borrowings from banks	14,889	14,889	0	0	14,889	0	0	0
Current portion of long-tem borrowings	11,698	11,698	0	0	11,595	0	103	0
Other short-term liabilities	29,102	29,102	0	368	3,294	379	0	25,061

in € K	2008 Fair value	2008 Book value	Initial disclo- sure	Held for trading	Held for sale	Hedges	Loans and receiv- ables	Held to maturity	Leases and others (book value)	Non- financial assets (book value)
			Measured at fair value through profit or loss	Measured at fair value with changes recognized in equity	At residual book value					
<b>Assets</b>										
Other investments	3,420	3,420	0	0	3,420	0	0	0	0	0
Other non-current assets	32,999	32,999	0	0	0	0	16,919	0	13,592	2,488
Trade receivables	119,188	119,188	0	0	0	0	118,121	0	1,067	0
Marketable securities	1,894	1,894	0	1,894	0	0	0	0	0	0
Other current assets	14,489	14,489	0	577	0	1,573	4,688	0	0	7,651
Cash and cash equivalents	65,600	65,600	0	0	0	0	65,421	0	179	0

in € K	2008 Fair value	2008 Book value	Initial disclosure	Held for trading	At residual book value	Hedges	Leases and others (book value)	Non- financial assets (book value)
			Measured at fair value through profit or loss	Measured at fair value with changes recognized in equity				
<b>Liabilities</b>								
Long-term borrowings	38,845	38,845	0	0	38,270	0	575	0
Trade payables	32,290	32,290	0	0	32,290	0	0	0
Short-term borrowings from banks	81,742	81,742	0	0	81,742	0	0	0
Current portion of long-tem borrowings	5,876	5,876	0	0	5,734	0	142	0
Other short-term liabilities	35,184	35,184	0	121	4,761	62	0	30,240

Investments in equity instruments amounting to EUR K 4,144 (previous year: EUR K 3,420) that do not have a quoted market price in an active market are included in other investments. These equity instruments were valued at acquisition cost as the current value cannot be reliably determined.

The following table shows the net profits and losses from financial instruments based on valuation categories. It does not include the effects on income of finance leases or of derivatives that qualify for hedge accounting as these are not allocated to any valuation categories set down in IAS 39. Similarly, interest and dividends have not been recognized on the net profits and losses from financial instruments.

in € K	2009	2008
Loans and receivables	- 1,684	- 2,956
Financial instruments measured at fair value through profit or loss – first-time approach	0	868
Financial instruments held for trading	- 265	- 1,938
Financial liabilities measured at amortized cost	0	0

Net gain/loss from the category “loans and receivables” results from allowances for doubtful accounts on trade receivables.

The gains and losses from adjustments to the fair value of derivatives that do not meet hedge accounting requirements are included in the category of “assets held for trading”. Gains and losses from marketable securities categorized as “assets held for trading” are also disclosed here.

In fiscal 2008, the category “financial liabilities measured at amortized cost” primarily concerned an amount from an agreement reached with a former shareholder of the affiliate Weidemann GmbH in order to settle a legal dispute over the remaining purchase price.

Financial instruments in the form of foreign-currency trade receivables and payables are valued at the relevant spot rates applicable on the balance sheet dates. This resulted in proceeds to the value of EUR K 1,701 (previous year: EUR K 1,179), which are disclosed under cost of sales. Refer to sections 2 and 4 on other income and other expenses for information on exchange rate fluctuations and adjustments to monetary holdings.

The table below shows the financial instruments subsequently valued at fair value. These are split into levels 1 to 3, depending on the extent to which fair value can be observed:

- Level 1 fair value determination resulting from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value determination based on inputs other than quoted prices included within level 1 (data) that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value determination resulting from models that use inputs for the asset or liability that are not based on observable market data (unobservable inputs).

in € K 2009	Level 1	Level 2	Level 3	Dec. 31, 2009
<b>Financial assets categorized “at fair value through profit or loss”</b>				
Marketable securities	0	0	0	0
Non-hedged derivatives	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

in € K 2009	Level 1	Level 2	Level 3	Dec. 31, 2009
<b>Financial assets categorized “at fair value through profit or loss”</b>				
Non-hedged derivatives	0	368	0	368
<b>Total</b>	<b>0</b>	<b>368</b>	<b>0</b>	<b>368</b>

in € K 2008	Level 1	Level 2	Level 3	Dec. 31, 2008
<b>Financial assets categorized “at fair value through profit or loss”</b>				
Marketable securities	1,894	0	0	1,894
Non-hedged derivatives	0	577	0	577
<b>Total</b>	<b>1,894</b>	<b>577</b>	<b>0</b>	<b>2,471</b>

in € K 2008	Level 1	Level 2	Level 3	Dec. 31, 2008
<b>Financial assets categorized “at fair value through profit or loss”</b>				
Non-hedged derivatives	0	121	0	121
<b>Total</b>	<b>0</b>	<b>121</b>	<b>0</b>	<b>121</b>

## 27 Events since the reporting date

The Finnish affiliate Wacker Neuson Oy is set to close in fiscal 2010.

The New Zealand affiliate Wacker Neuson Limited is also set to close during the course of fiscal 2010.

These two events will not have any significant impact on assets, liabilities, financial position and profit and loss.

Wacker Neuson SE affiliate Wacker Neuson Linz GmbH, based in Linz-Leonding (Austria), purchased an approximately 160,000 m<sup>2</sup> tract of land in the district of HÖrsching (Linz, Austria) on March 12, 2009. Following a small down-payment on the purchase price in 2009, the company capitalized the land and paid the main part of the purchase price in the amount of EUR 8.5 million (total purchase price: EUR 9.3 million) on January 20, 2010 upon entry in the land register.

No other noteworthy events occurred after the balance sheet date.

## 28 Segmentation

### Division and determination of operating segments

The company has thus far reported its segments geographically in accordance with IAS 14. Since this approach reflects the Group's internal reporting structure, the application of IFRS 8 has not resulted in any changes in the structure of segments required to disclose information on their operations. The internal organizational structure and management structure as well as the internal reports to the Executive Board and Supervisory Board, which are based on geographic segments, form the basis for determining the operating segments of the company. For information regarding geographical segmentation of companies, please refer to the section on consolidation structure (see the general information on accounting standards/consoli-

dation structure). According to this structure, the companies are bundled geographically into regional markets (Europe, Americas and Asia). Reporting is also carried out internally according to business segments. This exclusively deals with revenue. Corporate governance will therefore continue to focus on geographical segments.

### Products and services of operating segments

The products and services offered by the geographic operating segments can be divided into light equipment, compact equipment and services.

The light equipment business segment covers the manufacture and sale of light of equipment weighing up to approximately three metric tons in the following four business fields: concrete technology, soil and asphalt compaction, demolition and utility.

The compact equipment business segment covers the manufacture and sale of compact equipment weighing up to approximately fourteen metric tons.

The business segment services houses the company's activities in the business fields after-market (repair and maintenance) and rental.

### Segment valuation methods

Segment valuation methods are based on the valuation methods used in internal reporting. Internal reporting is carried out exclusively in line with the applicable valid IFRS standard.

Transactions between the individual Group segments are based on prices that also apply to third-party transactions.

### Reporting format

Segment reporting is covered in a separate note.

Internal reporting reveals segment revenue and segment earnings, expressed as EBIT. EBITDA is also disclosed as a profit indicator.

The figures for working capital and net financial debt are also derived from internal reporting and included in external segment reporting for operating segments as segment assets and segment liabilities.

The operating segments are reported after elimination of transactions that have taken place within segments. The consolidation column thus contains only the eliminated transactions that took place between operating segments.

Revenue from external customers, categorized according to products and services, are recognized at company level.

The previous year's figures for the period shown have been appropriately adjusted to reflect the application of IFRS 8 for the first time.

### 29 Cash flow statement

The cash flow statement is prepared in accordance with IAS 7. The cash flow statement reports cash flows resulting from operating activities, from investing activities as well as from financing activities. Insofar as changes in liquid funds are due to foreign exchange rate fluctuations, these are reported separately. The determination of cash flow from operating activities was derived using the indirect method.

Current liquid funds comprise cash and cash equivalents that are as reported on the balance sheet. Current borrowings from banks in the Group cash pool were offset against cash and cash equivalents.

in € K	Dec. 31, 2009	Dec. 31, 2008
Cash on hand	135	179
Bank balances	72,770	61,855
Cash deposits	33,100	3,566
Liabilities from group cash pool	- 20,981	- 28,261
<b>Total</b>	<b>85,024</b>	<b>37,339</b>

Non-cash operating expenses and income as well as the gain or loss on the sale of property, plant and equipment have been eliminated in the cash flow from operating activities. The interest received in the amount of EUR K 3,105 (previous year: EUR K 6,976) was recognized for the first time in the cash flow from operating activities in fiscal 2009 (previous year: cash flow from investing activities) in order to achieve consistent representation relative to interest paid. The previous year's figure was correspondingly adjusted.

Cash flow from investing activities comprises the cash outlay for intangible assets and property, plant and equipment as well as interest received.

The item outlining changes to the consolidation structure refers exclusively in fiscal 2009 to capital contributions to an affiliate not consolidated for reasons of substantiality (see section 32 with overview of equity investments in non-consolidated companies).

Cash flow from financing activities contains payments received from and made to shareholders. It also contains payments resulting from borrowing and repayment of debt.

### 30 Risk management

#### Capital management

The main aim of the Group's capital management policy is to maintain a high equity ratio to support business activities.

The Group actively controls and modifies its capital structure in line with changing market dynamics. The goal of the capital management policy is to secure the company's business and investment activities in the long term. To maintain a suitable capital structure, the Group can change dividend payments to shareholders or issue new shares. As of December 31, 2009, and December 31, 2008, no changes were made to objectives, guidelines or procedures within the framework of the capital structure control policy. The Group monitors its capital using net financial debt as an indicator; resulting from current net financial liabilities and non-current financial liabilities.

in € K	Dec. 31, 2009	Dec. 31, 2008
Liquid assets	85,024	65,600
Short-term financial receivables	0	1,894
Short-term liabilities (without provisions)	77,353	155,558
Thereof short-term financial liabilities	26,587	87,618
Short-term financial liabilities	14,889	81,742
Current portion of long-term financial liabilities	11,698	5,876
Long-term financial liabilities (without provisions)	33,583	38,845
Equity		
Share capital	70,140	70,140
Share premium	618,661	618,397
Other reserves	- 32,753	- 35,881
Retained earnings	243,105	219,043
Earnings	- 110,104	37,389
Total equity	789,049	909,088
<b>Total capitalization</b>	<b>849,219</b>	<b>1,035,551</b>

in € K	Dec. 31, 2009	Dec. 31, 2008
Short-term net financial liabilities	- 58,437	20,124
Short-term liabilities	26,587	87,618
less liquid assets	- 85,024	- 65,600
less short-term financial receivables	0	- 1,894
Net financial debt	- 24,854	58,969
Short-term net financial liabilities	- 58,437	20,124
plus long-term financial liabilities	33,583	38,845

Liquid assets cover cash and cash equivalents. Current marketable securities are disclosed under current financial receivables. Financial liabilities include not only borrowings from banks and bonds but also liabilities from finance leases and other non-current liabilities. Equity refers to the entire equity amount attributable to shareholders in the parent company. The minimum capital requirements for equity stipulated under German stock legislation have been fulfilled. Equity is not subject to any further external minimum capital requirements.

### Financial risk factors

Due to the global scope of its operations, the Group is exposed to various financial risks, including foreign currency risks, credit risks, liquidity risks and interest rate risks. The comprehensive risk management policy of the Group is focused on the unpredictability of developments in financial markets and aims to minimize any potential negative impact on the Group's financial position. It is a general policy of the company to reduce these risks by systematic financial management. The Group employs derivative financial instruments in a targeted way to hedge against certain risks.

The Group finance department is responsible for carrying out risk management in accordance with the rules and guidelines approved by the Executive Board. It identifies, evaluates and hedges against financial risks in close co-operation with the operating units of the Group. The Executive Board sets guidelines for risk management as well as fixed policies for specific areas of risk. These include dealing with foreign currency risks, interest rate risks and credit risks. The guidelines also specify how derivative and other financial instruments and liquidity surpluses are to be used.

### Currency risks

Currency risks arise from expected future transactions, assets and liabilities reported in the balance sheet, as well as from net investments in a currency that diverges from the functional currency (euro). Exchange risks are naturally hedged by offsetting receivables against payables in a given currency.

Two major manufacturing affiliates prepare their balance sheets in US dollars. From the Group's perspective, the US dollar is therefore a foreign currency that represents a significant potential currency risk for financial instruments. If the USD/EUR exchange rate increased or decreased by 5 percent, changes in the financial assets and liabilities reported in the balance sheet in US dollars would have the following impact on profit before tax and equity:

	2009	2008
USD currency trends as a %	+ 5.00/- 5.00	+ 5.00/- 5.00
Impact on profit before tax (EBIT) in € K	- 87/97	195/- 215
Impact on equity in € K	- 87/97	195/- 215

In 2008, the parent company undersigned a foreign-currency loan to the value of EUR K 10,000 (corresponding to

GBP K 9,600). This was repaid in full during the period under review. If the GBP/EUR exchange rate increased or decreased by 5 percent, changes in the financial assets and liabilities reported in the balance sheet in GBP would have the following impact on profit before tax and equity:

	2009	2008
GBP currency trends as a %	+ 5.00/- 5.00	+ 5.00/- 5.00
Impact on profit before tax (EBIT) in € K	0/0	476/- 526
Impact on equity in € K	0/0	476/- 526

The Group is also subject to currency risks from individual transactions resulting from purchases and sales executed by a member company in a currency other than the functional currency.

### Credit risks

The Group is not exposed to any material credit risks (default risks). Contracts for derivative financial instruments and financial transactions are concluded only with financial institutions with a high quality credit rating in order to keep the risk of default by the contracting party as low as possible. The book value of financial assets recognized in the Consolidated Financial Statements less impairment represents the maximum default risk. For further information on the book value of financial assets, please refer to section 26 outlining additional information on financial instruments in these notes.

### Interest rate risks

Interest rate risks are caused by market fluctuations in interest rates. On the one hand, they impact the amount of interest payments for which the company is liable. On the other hand, they influence the market value of financial instruments.

The Group hedges its cash flow against interest rate risks arising from borrowing with variable interest rates primarily by means of interest rate swaps (payer swaps), which, taking the prevailing economic climate into consideration, convert the variable interest rate positions into positions with fixed interest rates.

Of the total financial liabilities listed in section 20 on financial liabilities (EUR K 60,170) of these notes, EUR K 49,915 is attributable to fixed interest rate liabilities, which are not subject to changes in interest rate, and EUR K 10,255 to variable interest rate liabilities.

The following tables show how sensitive the Group's earnings before tax is to changes in interest rates that could be reasonably expected to occur based on the impact this would have on variable interest rate loans (EUR K 10,255) and bank balances (EUR K 2,038) resulting from a Group-wide cash pool system.

The effects on Group earnings before tax also reflect the impact on equity.

in € K	Balance at Dec. 31, 2009	Interest 2009	Impact on profit before tax (increase of 0,20%)	Impact on profit before tax (decrease of 0,20%)
<b>Financial assets with variable interest rates</b>				
Bank balances cash pool	2,038	0.375%	4	- 4
<b>Financial liabilities with variable interest rates</b>				
Borrowings from banks	10,255	8.04%	- 21	21
<b>Total</b>			<b>- 17</b>	<b>17</b>

in € K	Balance at Dec. 31, 2008	Interest 2008	Impact on profit before tax (increase of 0,20%)	Impact on profit before tax (decrease of 0,20%)
<b>Financial assets with variable interest rates</b>				
Bank balances cash pool	960	1.50%	1	1
Marketable securities	1,894	5.39%	4	- 4
<b>Financial liabilities with variable interest rates</b>				
Borrowings from banks	53,481	5.22%	- 107	107
<b>Total</b>			<b>- 102</b>	<b>- 102</b>

### Liquidity risks

Liquidity risks involve the availability of funds needed to meet payment obligations on time. The company is assured a supply of liquid funds at all times by the lines of credit not currently

used by the company. Liquidity is managed by the Group's treasury department via a Group-wide cash pool system. Refer to section 20 on financial liabilities in these notes for further information on existing credit lines and financial covenants.

### 31 Acquisitions and disposals

No significant acquisitions or disposals were made in fiscal 2009.

### 32 Overview of equity investments in non-consolidated companies

Wacker Neuson Beteiligungs GmbH directly or indirectly has shareholdings in the following companies that were not included in the consolidation structure:

Company Name	Country	Direct participating interest	Indirect participating interest	Equity in € K	Profit for period in € K
Wacker Neuson Kragujevac d.o.o.	Serbia	100%		251	1,210
Wacker Neuson Lapovo d.o.o.	Serbia	100%		1,216	- 13
Wacker Neuson Immobilien GmbH	Germany	100%	95%	2,058	0
Wacker Neuson Wohnungsbau GmbH	Germany	100%	95%	45	0
matrics Beratungsgesellschaft m.b.H. <sup>1</sup>	Austria	100%		2,300	599

<sup>1</sup> Alternative fiscal year, July 31, 2009

In October 2009, the affiliate Wacker Neuson Beteiligungs GmbH, in Linz, Austria, purchased 70 percent of shares in matrics Beratungsgesellschaft m.b.H, a company based in Leonding. Wacker Neuson Beteiligungs GmbH's share in the company has thus increased from 30 percent to 100 percent.

### 33 Executive bodies

#### Executive Board

The company's Executive Board comprises the following five members:

- Dr.-Ing. Georg Sick, Chairman of the Executive Board, responsible for corporate communication, Group auditing, quality management, legal matters and human resources
- Martin Lehner, Deputy CEO, responsible for the compact equipment business segment
- Günther Binder, responsible for finance, controlling and IT
- Richard Mayer, responsible for the light equipment business segment
- Werner Schwind, responsible for sales, marketing, service and rental

The following members of the company's Executive Board have additional supervisory board positions or seats for comparable supervisory committees outside of the Wacker Neuson Group in Germany and abroad:

- Richard Mayer  
Member of the Advisory Board of the EQUA association in Herrsching, Germany
- Günther Binder  
Member of the Supervisory Board of Volksbank Linz-Mühlviertel, Linz, Austria

With the exception of the members stated above, no other members of the Executive Board have administrative, executive or supervisory functions or mandates for comparable supervisory committees in Germany or abroad outside of the Wacker Neuson Group.

#### Supervisory Board

The following members are appointed to the Supervisory Board of Wacker Neuson SE as on the closing date:

- Hans Neunteufel, engineer, Chairman of the PIN Private Trust (PIN Privatstiftung), in Linz, Austria, Chairman of the Supervisory Board
- Dr. Ulrich Wacker, lawyer, Chairman of the EQUA association (EQUA-Stiftung), Herrsching, Germany, Deputy Chairman of the Supervisory Board
- Kurt Helletzgruber, businessman, Managing director of Dipl. Ing. Hitzinger Gesellschaft m.b.H., in Linz, Austria
- Dr. Eberhard Kollmar, attorney-at-law and partner at Kollmar, Deby & Sinz Rechtsanwaltsgesellschaft mbH, Munich, Germany
- Elvis Schwarzmaier, Chairman of the Reichertshofen Works Council and Chairman of the Central Works Council, the Group Works Council, and the SE Works Council, Rohrbach, Germany
- Herbert Santl, Chairman of the Munich Works Council, Munich, Germany

All former Wacker Construction Equipment AG Supervisory Board members' positions expired when the transition to Wacker Neuson SE became effective.

The transition became effective on February 18, 2009.

On June 3, 2008, the AGM had already appointed Mr. Hans Neunteufel, Dr. Ulrich Wacker, Dr. Eberhard Kollmar and Mr. Kurt Helletzgruber as shareholder representatives to the first Supervisory Board of Wacker Neuson SE. The employee representatives for the first Wacker Neuson SE Supervisory Board, Mr. Elvis Schwarzmaier and Mr. Herbert Santl, were appointed in due consideration of the employee participation guidelines. All appointments became formally effective when Wacker Neuson SE was entered in the Register of Companies on February 18, 2009. In accordance with the Articles of Incorporation, the named members of the first Supervisory Board are appointed for the period up to the close of the General Meeting on May 28, 2010, which will also table a resolution to formally approve the actions taken by Wacker Neuson SE in fiscal 2009.

The following members of the company's Supervisory Board have additional supervisory board positions or seats for comparable supervisory committees in Germany and abroad outside of the Wacker Neuson Group:

- Hans Neunteufel  
Chairman of the Supervisory Board of Allgemeine Sparkasse Oberösterreich Bankaktiengesellschaft, Austria, Member of the Supervisory Board of Oberösterreichische Technologie- und Marketinggesellschaft m.b.H. (technological organization in the state of Upper Austria)
- Dr. Ulrich Wacker  
Member of the Advisory Board of Wacker Beteiligungs GmbH & Co. KG i. L., Germany
- Dr. Eberhard Kollmar  
Member of the Advisory Board of Wacker Beteiligungs GmbH & Co. KG i. L., Germany

For information on the remuneration of the Executive and Supervisory Boards, as well as remuneration for former Board members, please refer to section 34 on related party disclosures in these notes.

### 34 Related party disclosures

In the case of the Group, IAS 24 defines a related party necessitating disclosures as 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.

Key trade relations with related parties were as follows during the period under review:

in € K	Short-term receivables Dec. 31, 2009	Short-term payables Dec. 31, 2009	Expenses for business transactions 2009	Income for business transactions 2009
Relations with shareholders	124	0	392	784
Relations with sister companies	144	142	3,867	397
Relations with non-consolidated companies	2,498	108	1,945	767
Pension fund	0	193	0	0
<b>Total</b>	<b>2,766</b>	<b>443</b>	<b>6,204</b>	<b>1,948</b>

in € K	Short-term receivables Dec. 31, 2008	Short-term payables Dec. 31, 2008	Expenses for business transactions 2008	Income for business transactions 2008
Relations with shareholders	135	0	687	915
Relations with sister companies	92	447	8,034	452
Relations with non-consolidated companies	2,005	193	1,174	1,051
Pension fund	0	213	0	0
<b>Total</b>	<b>2,232</b>	<b>853</b>	<b>9,895</b>	<b>2,418</b>

Relations with shareholders resulted mainly from goods and services traded with a shareholder. The goods and services delivered to the shareholder were valued at EUR K 784 (previous year: EUR K 915). These were counterbalanced with goods and services received by the shareholder to the value of EUR K 392 (previous year: EUR K 687). The goods and services were traded under the terms customary in the market, as agreed with third parties.

Relations with sister companies and entities over which shareholders have control or significant influence resulted from deliveries, IT service deliveries, and rental arrangements between affiliates and entities over which shareholders have control or significant influence.

Relations with non-consolidated companies resulted from goods and services traded between affiliates and Neuson Kramer subgroup companies that were not consolidated but where a shareholding exists (see general information on accounting standards/consolidation structure). Receivables in fiscal 2009 were adjusted by EUR K 1,720 (previous year: EUR K 1,174).

Relations with the pension fund during the period under review and the previous year refer exclusively to a provision for voluntary support and pension benefits for employees of the parent company.

Total remuneration for the Executive Board in the period under review amounted to EUR K 2,964 (previous year: EUR K 3,619). Total remuneration for the Supervisory Board for the same period amounted to EUR K 255 (previous year: EUR K 307). At the AGM on May 15, 2006, a resolution was passed to refrain from itemizing this information in accordance with Section 285 (1), no. 9a clauses 5 to 9 in conjunction with Section 314 (2), clause 2 HGB in conjunction with Section 315a, (1) HGB. At the closing date, short-term payables to the Executive Board in the amount of EUR K 1,130 were outstanding (previous year: EUR K 1,754).

Retirement commitments were agreed upon for members of the Executive Board. The value of pension obligations at the end of the accounting period totaled EUR K 5,667 (previous year: EUR K 5,480). The allocation amounted to EUR K 187 (previous year: EUR K 702).

Pension agreements were also concluded for two former Executive Board members as a result of agreements to that effect. The value of these pension obligations at the end of the accounting period totaled EUR K 9,058 (previous year: EUR K 8,884). In fiscal 2009, EUR K 174 (previous year: EUR K 469) was paid to former Executive Board members.

### 35 Auditor's fee

The auditor's fee is disclosed as an expense in fiscal 2009 and is broken down as follows:

in € K	2009	2008
Auditing services	320	363
Other approval and assessment services	174	361
Tax consultation services	328	205
Other services	22	70

### 36 Declaration regarding the German Corporate Governance Codex

The Executive and Supervisory Boards have issued a declaration stating which recommendations of the "Commission of the German Corporate Governance Code" have been and will be adopted. The declaration can be downloaded at any time from the Group website at [www.wackerneuson.com](http://www.wackerneuson.com).

### 37 Availing of exemption provisions according to Section 264 (3) HGB

Wacker Neuson SE avails of the exemptions set down in Section 264 (3) HGB for Weidemann GmbH for fiscal 2009.

# Responsibility statement

“To the best of our knowledge, and in accordance with the applicable reporting principles, the Consolidated Financial Statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Wacker Neuson Group, and that the Consolidated Management Report includes a fair review of the development and performance of the business and the position of the Wacker Neuson Group respectively the parent company Wacker Neuson SE, together with a description of the principal opportunities and risks associated with the expected development of the Wacker Neuson Group respectively the parent company Wacker Neuson SE.”

Munich, March 25, 2010

Wacker Neuson SE, Munich

The Executive Board

Dr. Ing. Georg Sick  
(CEO and President)

Martin Lehner  
(Deputy CEO)

Richard Mayer

Günther C. Binder

Werner Schwind

# Unqualified Auditors' Opinion

We have audited the consolidated financial statements prepared by Wacker Neuson SE, comprising the balance sheet, the income statement, the statement of comprehensive income, the statement of changes in equity, the cash flow statement and the notes to the consolidated financial statements, together with the group management report, which is combined with the management report of the Company for the reporting period from January 1 through December 31, 2009.

The preparation of the consolidated financial statements and the combined management report in accordance with those IFRS as adopted by the EU, and the additional requirements of German commercial law pursuant to § 315a paragraph 1 HGB are the responsibility of the parent company's management. Our responsibility is to express an opinion on the consolidated financial statements and on the combined management report based on our audit.

We have conducted our audit of the consolidated financial statements in accordance with § 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the "Institut der Wirtschaftsprüfer" (Institute of Public Auditors in Germany). Those standards require that we plan and perform the audit so that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable financial reporting framework and in the combined management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the

combined management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of the entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by management, as well as the evaluation of the overall presentation of the consolidated financial statements and the combined management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion and based on the findings of our audit, the consolidated financial statements comply with those IFRS as adopted by the EU and the additional requirements of German commercial law pursuant to § 315a paragraph 1 HGB and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these requirements. The combined management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development.

Munich, March 25, 2010

Rölfs WP Partner AG  
Wirtschaftsprüfungsgesellschaft

Reinke  
Wirtschaftsprüfer  
(Public Auditor)

Jagosch  
Wirtschaftsprüfer  
(Public Auditor)