CLAAS

2009 Annual Report

Strong Partners

Igor Kuprinenko, Bachelor of Mechanical Engineering, joined CLAAS in Harsewinkel in 2002 and was sent to many countries around the world as a service technician. From 2007 to 2009 he was a Product Manager at CLAAS Vostok in Russia. He recently returned to Harsewinkel and now works in the combine harvester product management unit for CLAAS Global Sales.

CLAAS Group Overview

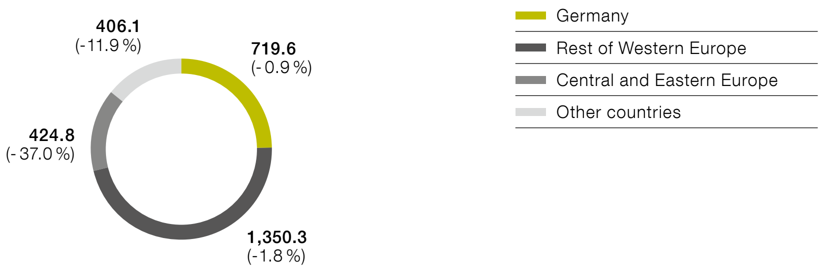
Financial Indicators (IFRS)

in € million	2009	2008	Change in %
Financial Performance			
Net sales	2,900.8	3,236.2	-10.4
EBITDA	230.0	385.6	-40.4
EBIT	146.9	282.5	-48.0
Income before taxes	112.3	248.1	-54.7
Net income	73.4	169.3	-56.6
R&D costs*	124.8	113.8	9.7
Free cash flow	-264.8	217.5	-
Financial Position			
Equity	775.5	731.0	6.1
Capital expenditure	125.2	115.1	8.8
Total assets	2,206.7	2,023.9	9.0
Employees			
Employees as at the balance sheet date	9,467	9,100	4.0
Personnel expenses	522.8	514.9	1.5

* Before capitalized and amortized development costs.

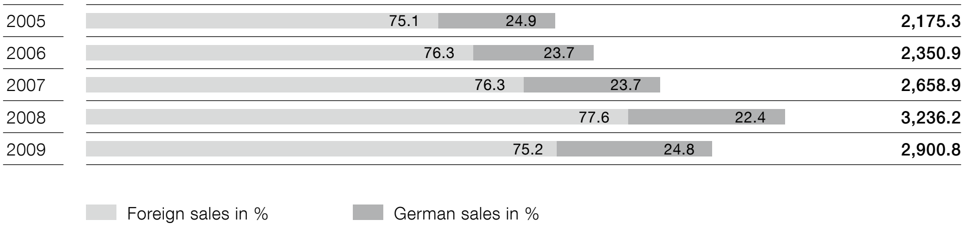
Sales by Region

in € million



Sales per Year

in € million



Highlights of the Year

11/08

Growth and Modernization at CLAAS Hungaria Kft.
The modernization process at CLAAS Hungaria Kft. has continued. The festive inauguration took place only three months after laying the cornerstone for the 5,200-square-meter addition to the production hall. In the future, areas like the paint shop can be further expanded and capacities can be made available for new products.

02/09

A Textbook Example for Design: The JAGUAR
The JAGUAR forager proved that beyond strong performance, machinery can also boast good looks. It won the silver Design Prize of the Federal Republic of Germany, the highest official German design award. All prizewinning objects were featured at the Ambiente expo in Frankfurt in a stylized open book.

05/09

The CROP TIGER Runs and Runs
A customer in Central India received the 3,000th CROP TIGER 30 with a TERRA TRAC track system. In the meantime, the model has been joined by an even more powerful big brother, the CROP TIGER 60, which is produced at the plant in Chandigarh. CLAAS combine harvesters are becoming increasingly popular on the Indian subcontinent.

05/09

Prizes for CLAAS Media
The new CLAAS image film won the World Media Festival Intermedia Globe in gold. The 2008 annual report also received an important prize for modern communications solutions. It won gold in the Overall Annual Report category of the international ARC Award (Annual Report Competition) for the Agriculture / Agri-Business sector.

05/09

Retro Is Hot
The retro look is in. The new CLAAS fashion collection offers retro design with matching accessories and lifestyle articles. Fashion for women, men, and children evokes the past and builds on emotional values associated with CLAAS, like familiarity, partnership, naturalness, and quality. The design links the traditional CLAAS logo with agricultural machinery of yesteryear.

06/09

CLAAS Logistics Center Expanded
CLAAS spare parts service is headquartered in Hamm on the A2 autobahn. All spare parts functions for harvesters and tractors are concentrated at this location. A new warehouse with 10,000 square meters of space and 14-meter ceilings as well as a new 3,000-square-meter shipping hall have been added since the groundbreaking in fall 2008.

07/09

50 Years of CLAAS in Metz-Woippy
An estimated 2,000 guests visited the CLAAS factory in Metz-Woippy, France, on one weekend. The occasion was the company's 50th birthday. Metz's convenient location, proximity to the important French market, and central position in Europe has made it the premier site for CLAAS baler products since the 1950s.

07/09

CLAAS Agrosystems: New Name, New Location
AGROCOM is now CLAAS Agrosystems, and it has relocated from Bielefeld to Gütersloh, Germany. The company, which develops agricultural information systems, agricultural software, and steering systems for agriculture and agricultural engineering, now brings together all the electronics expertise of the CLAAS Group.

Strong Partners

Reliability, perseverance, and innovativeness: It is these qualities that make CLAAS a strong partner to the world's agricultural industry. Taking a long-term view, as in all true partnerships, we at CLAAS know that agriculture, although already essential today, is still becoming ever more important to the growing number of people all around the world. That's why CLAAS holds a tradition as the world's strong partner for agricultural engineering: yesterday, today and tomorrow.

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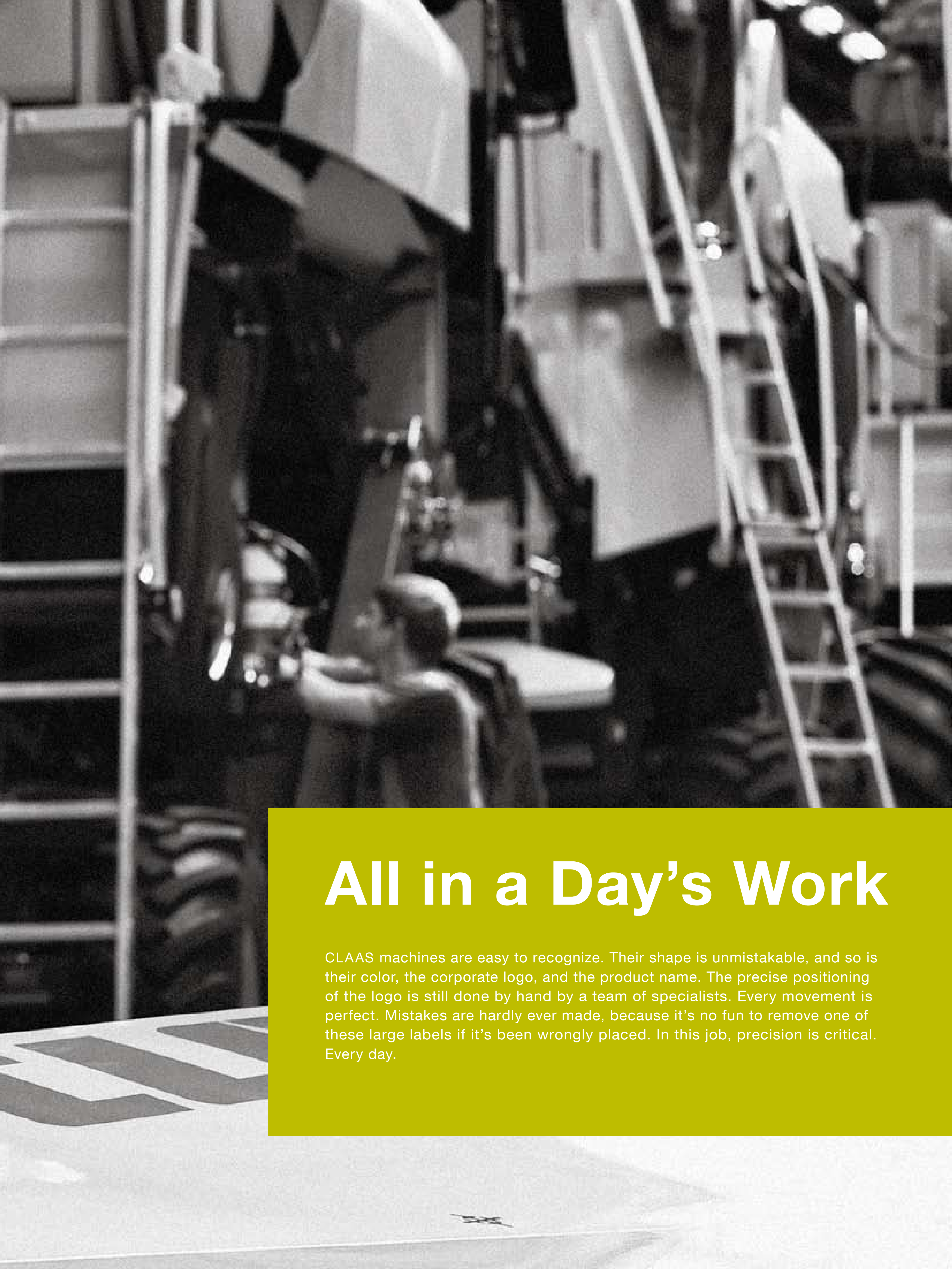
Group Management Report

Consolidated Financial Statements



All in a Day’s Work

CLAAS machines are easy to recognize. Their shape is unmistakable, and so is their color, the corporate logo, and the product name. The precise positioning of the logo is still done by hand by a team of specialists. Every movement is perfect. Mistakes are hardly ever made, because it’s no fun to remove one of these large labels if it’s been wrongly placed. In this job, precision is critical. Every day.

Report of the Supervisory Board

Dear Business Partners,

The Supervisory Board of CLAAS KGaA mbH monitored and analyzed the Group's business situation and risk position at its regular meetings during fiscal 2009. The Supervisory Board's assessments were based on reports by the Executive Board on the Group's strategic orientation, the financial position and financial performance, deviations from the plans made throughout the course of business, and operating decisions. The reports were received in two sessions and used as a basis for the decisions made by the Supervisory Board.

The Supervisory Board's deliberations focused on the sales and earnings outlook, the development of business in comparison to budgets, the acceptance of auditors' reports, the auditing of the annual financial statements of CLAAS KGaA mbH and the CLAAS Group, and plans for the year 2010, including:

- Capital investment projects in Germany, France, Russia, and India
- Expansion of the logistics center in Hamm, Germany
- Impact of the financial market crisis
- Measures to improve earnings
- Product innovations
- Large orders for BRÖTJE-Automation
- Strategic realignment of CLAAS Agrosystems.

No changes from the prior year took place on the Supervisory Board, which had been elected for another term on a rotational basis at the Annual General Meeting in January 2005.

The financial statements of CLAAS KGaA mbH and the consolidated financial statements of the CLAAS Group as of September 30, 2009, as well as the management reports for CLAAS KGaA mbH and the CLAAS Group were audited by Deloitte & Touche GmbH, Düsseldorf, the auditors elected by the annual general meeting on December 10, 2008, and engaged by the Supervisory Board. The statements and reports received an unqualified audit opinion on November 24, 2009.

The financial statements of CLAAS KGaA mbH, the consolidated financial statements and management reports as well as the proposal for the appropriation of profit were presented to the Supervisory Board upon completion. These documents as well as the auditors' reports were available to the members of the Supervisory Board and were discussed in detail at the Supervisory Board meeting on December 10, 2009, in the presence of the auditor.

The Supervisory Board then passed the following resolution:

Having examined the financial statements of CLAAS KGaA mbH, the consolidated financial statements and management reports as well as the proposal for the appropriation of profit, the Supervisory Board confirmed the results of the audit. No objections were raised. The Supervisory Board therefore approves the consolidated financial

Helmut Claas and Cathrina Claas-Mühlhäuser

statements. It recommends to the shareholders that the annual financial statements of CLAAS KGaA mbH for fiscal 2008 / 2009 be adopted and agrees with the proposal for the appropriation of profits made by the Executive Board of the personally liable partner.

The Supervisory Board would like to thank the Executive Board and all employees for their commitment and achievements during the year under review.

In the new fiscal year, we will be focusing on swiftly and effectively implementing in all companies throughout the Group the measures initiated to adapt cost structures and processes to the changed market environment. We will take advantage of the significant decline in sales and the workforce to strengthen our product range, expand our line of large tractors, and redesign our existing combine harvester models from the ground up. We have already made a lot of progress with the integration of tractors within our sales organization. We are convinced that we will conclude this process within two or three years.

Harsewinkel, December 10, 2009

Helmut Claas

The Supervisory Board
Dipl.-Ing. Dr. h. c. Helmut Claas
(Chairman)

Cathrina Claas-Mühlhäuser

Cathrina Claas-Mühlhäuser
(Member of the Supervisory Board)

Letter from the Group Executive Board

Dear Business Partners,

Fiscal 2009 was a tremendous challenge in more ways than one. The entire German mechanical engineering industry suffered massive declines as a consequence of the problematic economic situation. In some areas, new orders dropped by more than 50 percent. The agricultural engineering sector fared better than the industry average, with reductions of less than 30 percent. After the strong growth in the previous years, this meant that CLAAS had to face a 13.7 percent decline in new orders and return roughly to the level of 2007.

Thanks to the strong start of fiscal 2009, sales were €2.9 billion, representing only a 10.4 percent decline. After the exceptional year of 2008, this was the second highest sales figure in the Company's history.

All in all, CLAAS once again demonstrated its capacity to successfully navigate its course in the highly cyclical agricultural engineering business. Our many years of intimate experience with all of the relevant processes in this business enabled us to quickly adapt our assembly programs to changing market requirements.

Regardless of the current downswing, the long-term trends for agriculture and agricultural engineering remain favorable. The world's population will continue to grow significantly, and so will the demands placed on food supplies. Due to the increasing shortage of arable land, prices for agricultural commodities will continue to rise. The current trend towards the use of farmland for the cultivation of renewable raw materials turns production acreage into a valuable asset. All of these factors confirm that worldwide demand for state-of-the-art agricultural technology will remain strong in the years and decades to come.

The current reluctance of farmers to invest led to a considerable fall in demand in the agricultural engineering markets that are of material importance to CLAAS. In some regions the downturn was exacerbated by additional effects, such as financing bottlenecks and protectionist policies of individual governments.

The changes were particularly severe in Eastern Europe, and especially Russia, where the declines were as high as 70 percent. The presence of our production facility in Southern Russia had a stabilizing effect for CLAAS in this market. Consequently, we managed to increase our local market share despite the strong drop in volume.

The agricultural engineering markets in Western Europe largely managed to withstand the global economic and financial crisis and remained stable to slightly negative. Moreover, even in this difficult phase CLAAS strengthened its position in important European markets.

Dr. Theo Freye
Spokesman of the Executive Board of CLAAS KGaA mbH

“Worldwide demand for state-of-the-art agricultural technology will remain strong in the years and decades to come.”

While the North American market was robust, the agricultural sector in South America faced regulatory interventions and extreme droughts. Due to these factors, the South American business did not contribute to earnings in 2009.

Our presence in India continues to be a success story. CLAAS responded to the steady rise in demand for modern combine harvesters by opening a state-of-the-art combine factory in Punjab, our second production facility in India.

Despite the difficult environment, CLAAS continued to step up its investments in research and development throughout the Group in the fiscal year just ended. We allocated a total of €125 million to R&D in the period under review.

In fiscal 2009, we were once again able to meet our customers’ high expectations with respect to new machines and technologies by introducing a number of innovations.

One of the main highlights of this innovation campaign was the launch of the new 4 x 4 large tractors XERION 4500 and XERION 5000 at the world’s largest agricultural engineering fair, the AGRITECHNICA, during November 2009 in Hanover. These machines are the first road-going vehicles with outputs as high as 524 HP. In Europe, this is an especially crucial feature for self-propelled agricultural machinery. CLAAS has thus ushered in the age of large 4 x 4 tractors in Europe.

CLAAS won three awards for its latest products at the AGRITECHNICA. Two were gold medals. This, too, attests to our high degree of innovativeness.

For years, CLAAS has been a leader in the development of electronic systems for precision agriculture and the systematic optimization of harvest and harvest logistics processes. In the fiscal year just ended, CLAAS made an important step forward by realigning this part of its business. CLAAS Agrosystems, formerly the subsidiary AGROCOM, moved to a new facility in Gütersloh and now develops intelligent systems for agriculture and agricultural technology under significantly improved conditions.

The CLAAS Group experienced a reduction in earnings to €112 million in 2009, representing a 3.9 percent return on sales. Considering the turbulent economic environment in the year under review, this figure is certainly respectable. The decline from the prior year predominantly reflects the downturn in Eastern Europe. But earnings were also impacted by precautionary expenditures related to structural adjustments of capacities and processes. Securing the Company’s future consistently remained a high priority.

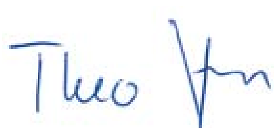
At CLAAS, we highly value our employees. Fortunately, the Company was able to retain all of its highly coveted training positions. At 8 percent, the ratio of trainees to employees at the Company's German locations is well above the national average of 5.5 percent.

Nonetheless, the downturn in demand required significant personnel restructuring. While the Agricultural Equipment segment was able to respond with measures such as the reduction of flextime and temporary employees and the introduction of short-time work in individual areas, CLAAS Fertigungstechnik (CFT) (specifically the automotive activities) and CLAAS Industrietechnik (CIT) had to resort to short-time work very early in the year.

Also in response to the economic trend and the development of earnings in fiscal 2009, we developed a program called "Fitness 2010." Its objective is the sustained optimization of the cost and earnings structure. This financial fitness program has already been introduced and serves to directly improve earnings in order to ensure that CLAAS can emerge with renewed strength from the phase of weakness currently affecting many markets.

We would like to take this opportunity to thank all CLAAS employees around the world for their commitment, motivation, and dedication. In a family-owned company like CLAAS, the value of team spirit becomes especially apparent in challenging times. We would also like to thank our customers, suppliers, and sales and financial partners for their confidence and support in fiscal 2009. Finally, we would like to thank our partners and the Supervisory Board for consistently supporting us in our work.

Yours sincerely,



Dr. Theo Freye
Spokesman of the Executive Board of CLAAS KGaA mbH

Executive Board of the CLAAS Group

From left to right

Ulrich Jochem
Tractors

Dr. Hermann Garbers
Technology and Quality

Dr. Rolf Meuther
Forage Harvest

Dr. Theo Freye
Marketing and Strategy,
Spokesman of the Executive
Board of CLAAS KGaA mbH

Lothar Kriszun
Sales

Jan-Hendrik Mohr
Grain Harvest

Hans Lampert
Finance and Controlling

Global Partners

We consider our clients to be our global partners. They are at work everywhere in the world, as they are busy harvesting crops virtually all over the planet. What drives them is the need to produce enough food for human sustenance. But the task is getting increasingly difficult, as the dramatic growth of the world population continues unabated.


CLAAS

There have always been cyclical fluctuations in the food supply. Ever since hunters and gatherers first became farmers about 12,000 years ago, there has been a continuous alternation between cycles of good harvests and bad harvests, wealth and poverty, economic sufficiency and scarcity.

More often than not, agriculture has been able to keep up with the growing population thanks to new cultivation and harvesting techniques. In the last fifty years, the progress has been particularly significant, leading to record crop yields around the world. And yet, the global food supply is getting tighter all the time.

Today, the gap between population growth and food production is steadily widening. More people need more wheat and corn – and more arable land. But fertile soil is a finite resource. The only solution to this dilemma is to be found in modern, intelligent agricultural systems. And we need people who are capable of putting them to work. These people are our global partners.

Green Revolution

The "Green Revolution" has led to extraordinary improvements in production efficiency since the 1960s. These improvements were brought about by a combination of high-yield seeds, the intensified use of mineral fertilizers, systematic irrigation, new pesticides, and innovative agricultural machinery. Experts estimate that by 2050 a total of 9.1 billion people may live on the planet – more than two billion more than today. We are witnessing a run on the last available arable land on the planet. But soil alone is not enough. The world also needs new technologies and people with the skills to use them. This means there are plenty of good opportunities for CLAAS.

Josef Trávníček Likes the Sight and Sound of Seed Green
Josef is a fan of seed green combine harvesters, tractors, and forage harvesters, and especially XERION large tractors. Since 2009, he has been able to see a lot more of his favorite color. That is because Josef Trávníček, a CLAAS importer in the Czech Republic, gained a whole new region when his responsibilities were expanded to include the neighboring country of Slovakia.

Dr. Theo Freye presented Josef Trávníček with a trophy for good partnership and the outstanding organization of an international trade press conference. At the conference, journalists had an opportunity to experience the latest CLAAS technology in Czech agriculture.

Now he can hear the rich sound of the seed green farming machines a lot more often, because every year more of them are seen in his state-of-the art dealership in the Southern Czech Republic. In the agricultural sector, the Czech Republic and Slovakia have grown a little closer to each other ever since then – thanks to Josef Trávníček.

Josef believes in the future of agriculture. By 1991, shortly after the fall of the Iron Curtain, he was already selling Western agricultural technology in his country and providing the accompanying services. In 1999 he became an official importer for CLAAS and ever since then has continually expanded his bright green business. He founded another subsidiary and supports a growing number of dealers.

"Ultimately, the costs of grain production depend on the performance and operational readiness of the machinery."

Anatoli Matiewitsch Gabor, Operations Manager of Pobjeda, Russia

Anatoli Matiewitsch Gabor Wants to Win

Anatoli wants to win the harvest race. "Victory" (Pobjeda) is the name of a former kolkhoz or collective farm in Southern Russia, two hours by car from Krasnodar. The operations manager of the giant agricultural operation Pobjeda is responsible for 17,000 hectares and has an excellent chance of winning.

He has some important advantages over other European operations: There is plenty of fertile soil, rich in humus in the Black Soil Region between the Black Sea and the Caspian Sea.

Located in Russia's grain belt, where land was divided up into large, easy-to-cultivate, checkerboard-like fields many decades ago, Pobjeda not only grows grain. The operation also produces sugar beets, fruit, vegetables, beef, and pork.

The six farming brigades are currently in the process of shifting to Western harvesting technologies, and a growing number of seed green machines are in operation on this supersized farm. CLAAS combine harvesters cost a little more than Russian products, but they are one third more productive. Ultimately, says Anatoli, the costs of grain production depend on the performance and operational readiness of the machinery.

Dave Wells: No Time to Waste

"Here in the North, the harvest has to be very quick," said this Canadian farmer back in July 2005. His farm is only about 200 kilometers south of the Arctic Circle in the Canadian province of Northwest Territories. The Wells family grows wheat, barley, canola, and a feed grass called fescue on 9,000 hectares.

When it was time to get a new, high-performance combine harvester, they chose a LEXION 580 – the first of its kind in the entire province.

"We need a big machine like this because we're so close to the permafrost," says Dave. "You have to have something really powerful, because the harvest has to be fast. The LEXION 580 has the necessary capacities. I was especially impressed by the large grain tank. With other combines, you have to upgrade to get one, but with the LEXION it's standard equipment. The neighbors were amazed by the new machine. People even stopped on the highway to watch us harvest. We had the first LEXION in the area, but by now seven others are in use at three other operations." ›

Anatoli Matiewitsch Gabor (left) and his stewards count on CLAAS combine harvesters.

"The neighboring farmers initially viewed the new harvesting technology with suspicion."

Surendra Babu, farmer, India

José Costamagna Explains Hybrid Technology

He's standing in a big demonstration tent at the 2006 Expoagro in the middle of the Argentinean pampa. Outside, a LEXION 600 is eating its way through dense, tall corn. As a customer service rep for CLAAS Argentina, José explains the advantages of hybrid technology in modern combine harvesters to a group of campesinos.

Agriculture is a major economic activity in Argentina. In this country, the eighth biggest on the planet (eight times larger than Germany), an area totaling 30 million hectares between the Andes and the Atlantic Ocean is used for farming, predominantly for the cultivation of soybeans (17 million hectares), wheat (6 million hectares), and corn (3 million hectares).

Argentina is also famous for its beef, and is the world's third largest producer of it. At 85 percent, the majority is consumed domestically at an average of 72 kilos per person a year. The remaining 15 percent are exported to Europe. With a population of about 36 million people, Argentina boasts a total cattle population of about 55 million. Only 2.5 million cows are used in the dairy industry, compared to around 12 million for beef.

Argentina generates 10 percent of the gross domestic product directly with farming, and another 30 percent of the GDP is indirectly dependent on agriculture. High quality soil and long summer months with ample rain make Argentina one of the most fertile regions on earth, except in early 2009, when the country suffered the worst drought in 80 years.

Werner Meyer Looks Ahead

It's January 2007. Werner is operating a seed green XERION on his farm in Dalton, South Africa. He tows the heavy trailers laden with sugarcane from the fields to the nearby sugar factory. Giant sugarcane plantations are common along the Southeast coast of Africa. CLAAS sugarcane harvesters are high performers in this area as well.

Nowadays, the utilization of sugarcane residue is both efficient and environmentally compatible. The sugarcane leaves, which do not contain any sugars, are a coveted energy raw material that can be processed with CLAAS round balers. In the past, the dry sugarcane leaves were left on the field. An average of 20 tons of sugarcane leaves are generated per hectare. Today, the leaves are used as a heating material. This cuts the energy costs of the sugarcane factory.

Initially, the Big Bend Sugar Mill used two CLAAS ROLLANTs in its fields. Each of them processed no less than 38,000 bales in 17 months. The sugar factory then purchased three more ROLLANT balers. Weighing between 180 and 200 kilos each, the bales are brought to the sugar factory to fuel the furnaces used for steam production. The steam drives the turbines that generate electricity.

The ROLLANT baler can make sugarcane leaves into bales – like here in South Africa.

Surendra Babu in front of one of his CROP TIGERs in Andrah Pradesh, India.

Surendra Babu Loves Tigers

Surendra is a rice farmer in Andrah Pradesh, a state in Southeast India. His love of agricultural engineering, and in particular the CLAAS CROP TIGER, made him a successful business man. Sixteen years ago, he attended a CROP TIGER presentation near his home village. He was impressed by the machines and their ability to cleanly harvest rice without sinking in the wet fields. He learned the necessary maintenance procedures at the CLAAS training center in Bangalore. Today he is a skilled mechanic who knows the CROP TIGER like the back of his hand. Taking it apart, repairing it, and putting it back together again is no problem for him.

“The neighboring farmers initially viewed the new harvesting technology with suspicion,” he says. “They thought the machine could damage the harvest.” But slowly the farmers grew to trust it, and Surendra started to get the first harvest contracts for his CROP TIGER. He soon trained additional drivers so they could also operate it.

People started to realize that combine harvesters save a lot of time in the harvest. What used to take several months can now be accomplished in a few days. In time, the farmer and contractor purchased several more CLAAS combine harvesters.

Today, he has a fleet of 14 CROP TIGERs that are operated and maintained by 50 drivers and mechanics. Reliability, high grain quality, low losses, and original spare parts are other good reasons for choosing CLAAS. Surendra’s CROP TIGERs are now used within a radius of 1,000 kilometers. And if the transportation of the machines occasionally takes a couple of days longer than anticipated, the customers don’t mind. They are willing to accept the waiting period because they know they will be getting outstanding grain quality.

Agriculture in India has developed very favorably, and India has not had any famines in decades.

Pillars of Agricultural Production

The objective of modern agriculture is to optimize all factors related to resource efficiency and yield.

+++ Telegrams from … +++

CLAAS is active all over the world. CLAASians are hard at work in many countries, developing, producing, selling and servicing CLAAS machines. Five of them report in short telegrams what was especially important for them in the past year – both on the job and in their personal lives.

+++ **Italy** • Paolo Tencone • 41 years old • Degree in accounting and finance, Master in Business Management • Regional Director, Southern Europe • With CLAAS since 1989 +++

+++ "Business in Southern Europe stable at CLAAS and profitable despite declining financial strength of our partners • CLAAS delivers outstanding technology, reliability, quick, effective responses to requirements • JAGUAR was most successful product last year • Harvest went smoothly throughout Southern Europe • Goal for next year: Counter difficult market situation with even better market penetration • Financing solutions from CLAAS Financial Services help every customer afford a CLAAS machine • Dealers, technicians, people at the parts depot give CLAAS a face • Southern Europe demands efficient machines, so we emphasize performance, productivity, and resale value here • Collaboration between teams and trading partners was strong despite difficult market situation • New emissions regulations require major investments, but reduction of emissions is essential for future generations." +++

+++ **Russia** • Oxana Stockmann • 26 years old • Agricultural economist • Director of the CLAAS ACADEMY in Russia • With CLAAS Vostok since 2008 +++

+++ "CLAAS ACADEMY attended by employees of CLAAS dealers throughout Russia, both sales reps and service technicians • Objective: conduct trainings to help participants sell more CLAAS machines, provide quick and effective maintenance services • Russian customers trust CLAAS as premium brand with consistent, good service • CLAAS is one of best employers in Russia – every employee has sense of belonging to big CLAAS family • Strong cooperation between CLAAS ACADEMY Russia and CLAAS ACADEMY Harsewinkel – lots of fun for everyone, lots of new experiences • Most successful CLAAS product: TUCANO combine harvester • Good training season despite crisis, but hard to find highly qualified staff to conduct trainings • Russia is big market with huge potential • Hot topic in Russia: increased customs duties on imports • Crop yields lower than in previous year due to amount of rain – yields estimated around 3.5 tons per hectare." +++

+++ USA • Bob Armstrong • 56 years old • Bachelor of Science in Business Management • Product Marketing Manager at CLAAS of America • With CLAAS since 1990 +++

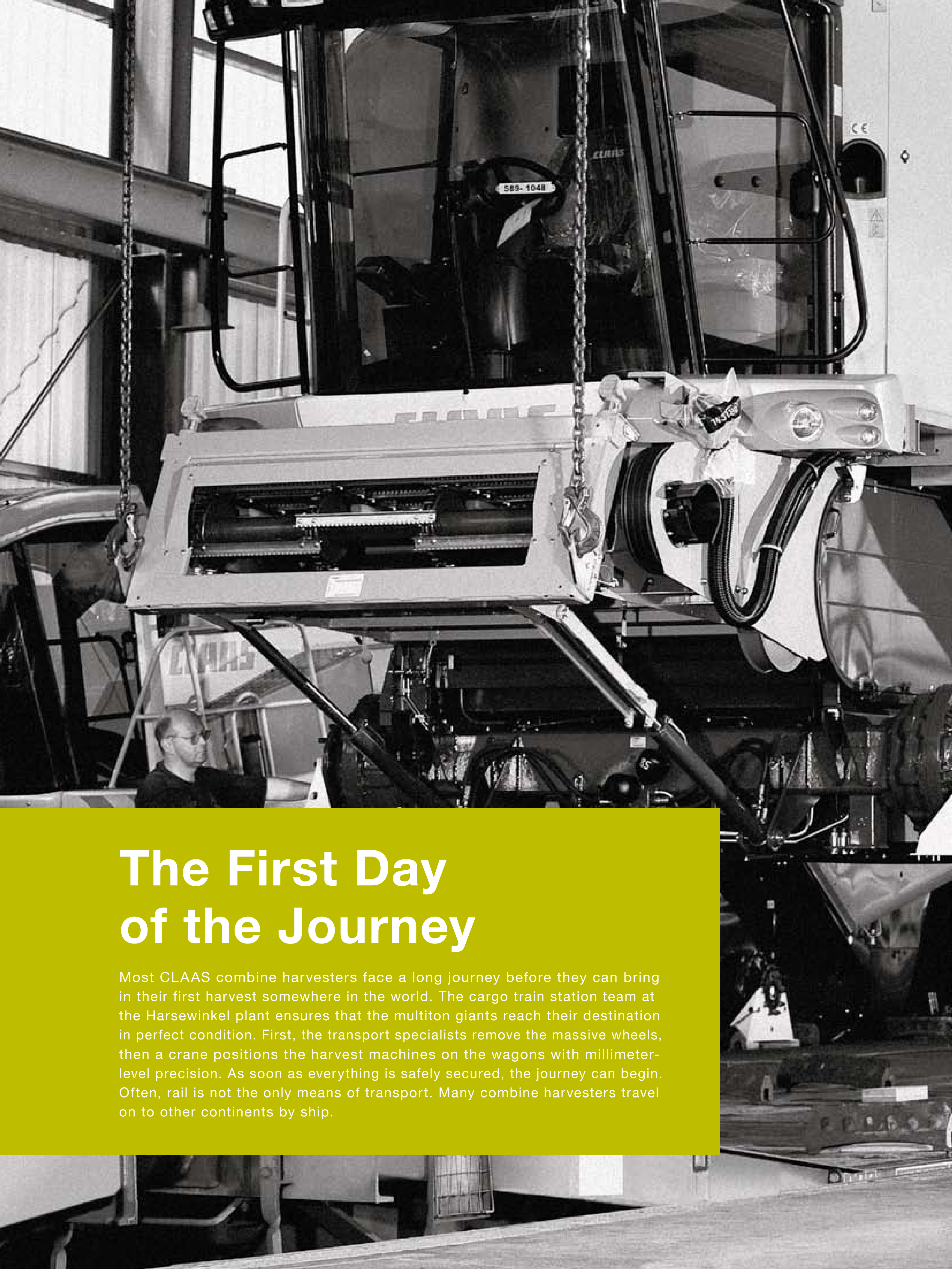
+++ "North American market for combine harvesters exceptionally strong in 2009 • LEXION combine harvesters delivered high performance standards as always • JAGUAR asserted leading position in North American forager market • U.S. dairy farmers facing toughest crisis in thirty years • Impact most pronounced in green harvest sector • Objective for next year: realize growth targets in difficult market environment • Nicest experience: Riding a JAGUAR at sunset in California mountains harvesting at a rate of 400 t/h • American customers view CLAAS as a family-owned company with first-class products and good career opportunities • North American agriculture is extremely diverse • CLAAS harvests nearly every type of food and feed grain." +++

+++ France • Agnès Pokorny • 38 years old • Agricultural engineer • Director, Communications and Customer Service at CLAAS Tractor • With CLAAS since 2005 +++

+++ "XERION generated most growth in France • Customers appreciate CLAAS because machines are reliable, innovative, powerful • Excellent harvest in France: high yields, outstanding quality • CLAAS gained market share in France, but overall situation not easy right now • New paint shop in the works • Family day in Le Mans was big event for all employees • Extensive product range expanded with new ARION 400 tractor • My task at CLAAS: Cultivate good customer contacts, including by organizing tours of plant in Le Mans so visitors can see how tractors are built." +++

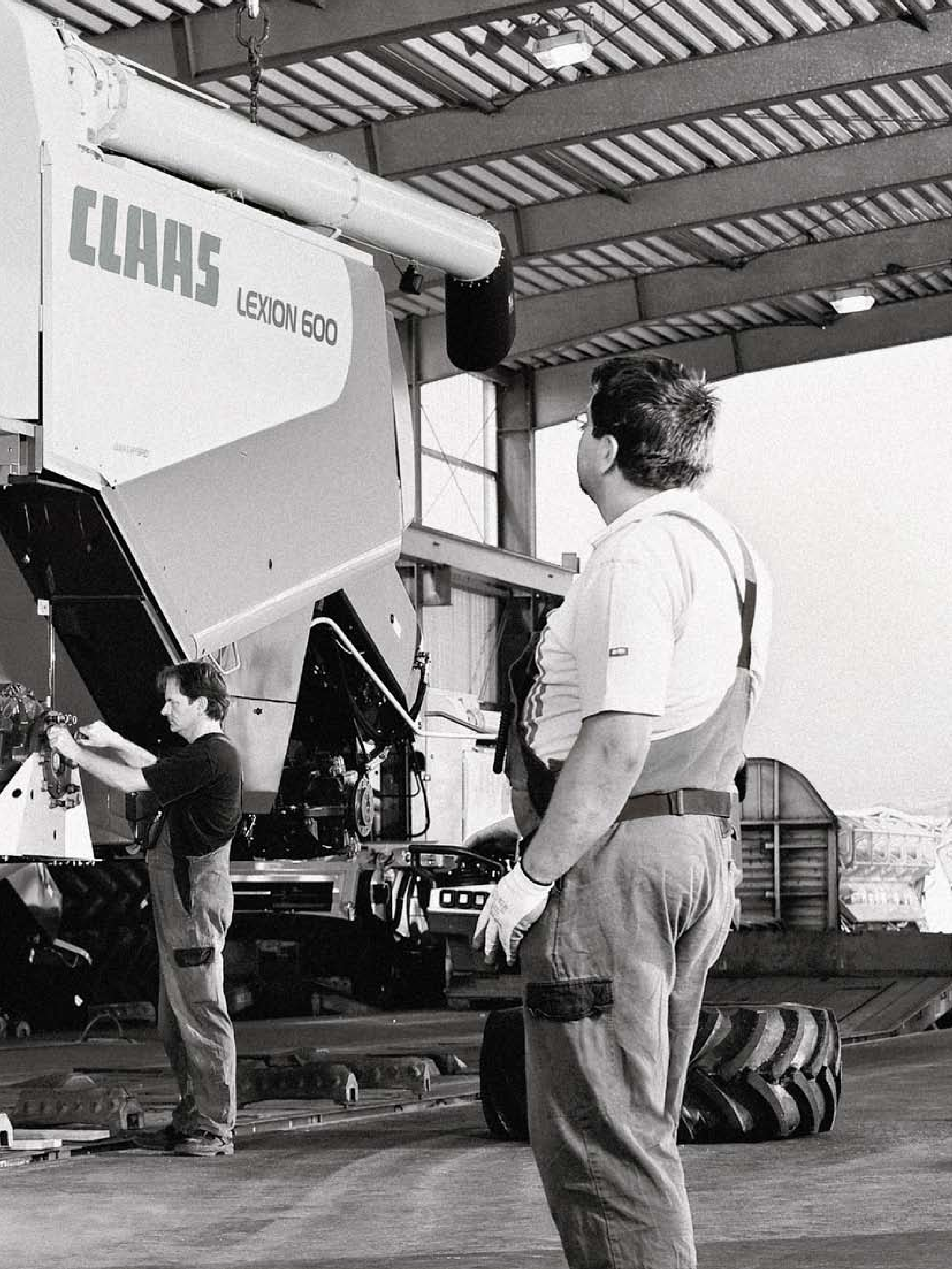
+++ India • Pradeep K. Malik • 57 years old • Mechanical engineer • Vice President of CLAAS India • With CLAAS since 1996 +++

+++ "Combine harvester factory in Chandigarh now completed • Despite problems procuring prototype parts for CROP TIGER 60, production now running smoothly with new team and new supplier network • Customers expect high degree of innovation and outstanding service • CLAAS stands for quality made in Germany • My favorite thing about India? People smile – especially children, never give up hope despite poverty • CROP TIGER 30: our "bread and butter" machine • SAP computer software system now also implemented in India." +++



The First Day of the Journey

Most CLAAS combine harvesters face a long journey before they can bring in their first harvest somewhere in the world. The cargo train station team at the Harsewinkel plant ensures that the multiton giants reach their destination in perfect condition. First, the transport specialists remove the massive wheels, then a crane positions the harvest machines on the wagons with millimeter-level precision. As soon as everything is safely secured, the journey can begin. Often, rail is not the only means of transport. Many combine harvesters travel on to other continents by ship.


CLAAS
LEXION 600

Financial Partners

For years, CLAAS has been paying attention to a balanced combination of capital resources. We approach our various financial partners according to their areas of specialization. The high value contribution that our financial partners make towards the realization of our goals is more apparent now than ever.

Dawn Crunden and Thomas Suder of HIMCO in Hartford, Connecticut, USA. As an investment management company for one of the leading U.S. financial service providers, HIMCO has been investing in our U.S. private placement for several years. CLAAS appreciates the competent and constructive dialogue with its U.S. investors.

The SME financing team at SBERBANK, Moscow, Russia: Natalja Magidej and Andrej Schorkin. In 2009, CLAAS and SBERBANK concluded a framework agreement covering a special program to support end customers in financing CLAAS technology.

The continuing interest of our investors in Europe and the USA to provide long-term capital for CLAAS is just as important as our financial partners' strong commitment to sales financing. In markets that were hit particularly hard by the financial crisis, such as Eastern Europe and Central Asia, our partners' consulting and credit teams provided outstanding service. This was especially true in the Russian Federation and Kazakhstan, but also in Romania and Bulgaria. The government and private commercial credit insurance companies that provided credit insurance capacity both in countries and industries affected by the crisis (such as Argentina and Belarus and the automotive industry) proved themselves to be reliable partners of CLAAS.

Our partner BNP Paribas also deserves special mention here. With their support, we were able to significantly expand our sales financing activities in numerous Western European and North American markets.

From our perspective, the crisis of the world economy confirmed the agenda we have been pursuing with our financial partners for many years which can be summed up in these key ideas:

- Long-term, systematic financing diversification creates value.

- Efficient access to the capital market does not depend on being listed on the stock exchange. CLAAS has the ability to steer its business and communicate it with its financial partners on a capital market basis. In all economic phases, constructive cooperation is founded on the mutual trust established through this interchange. As a consequence, our partners, often listed companies, are also supported in the communication of their commitment to CLAAS.

- Financial information should be timely and relevant.

- Cooperation with financial partners starts internally at CLAAS. A good understanding of our own sources of risk can create a solid foundation for dialogue, especially in a highly volatile environment.

- Financial partnerships are based on a long-term perspective and frequently require highly personalized decisions. On all hierarchy levels, the human factor weighs more than one might presume at first glance in the market price driven world of finance.

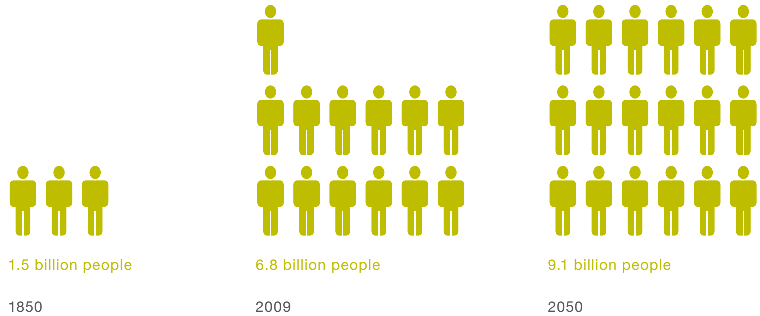
Our €250 million bond issue in June 2009 represents a good example for successful cooperation in a long-term context. With the support of two partner banks that have a long history with us, we were in a position to place an issue in three- and six-year tranches throughout Europe under excellent conditions on the basis of a high quality, significantly oversubscribed order book. This leads us to conclude that even in the scenario of a prolonged growth crisis CLAAS will continue to have solid financing.

Partners for the Future

Agriculture is going digital. Our partners communicate with their machines via monitor. Sensors accurately report crop yields and the agricultural markets are linked by digital networks. We are responding to the rising demands of global food security with intelligent combine harvesters and self-propelling foragers and high performance tractors.

CLAAS Telematics records data such as crop unloading times, standing time, and diesel consumption. The collected data can be used to improve performance and secure the quality of the grain.

Food demand rises steadily as the world population continues to grow:



Ever since the inception of the Green Revolution half a century ago, state-of-the-art agricultural engineering systems have represented another quantum leap in supplying the world with agricultural products. CLAAS is intensively engaged in the development of new technologies and systems that secure an economical and sustainable harvest process for its international partners.

Machines Work with Precision and Foresight

Thirty years ago, no one would have believed that agricultural machinery would be controlled by satellites and navigate fields in exact tracks. And who would have believed that these machines would exchange information in the process, for instance that combine harvesters send signals to trailers when they are ready to unload grain or show trailers the shortest path to a meeting point?

With precision farming, our machines identify a field's high and weak yielding during the harvest. This stored knowledge is worth a lot because in the next year the seed, fertilizer, and pesticides are precisely measured for the individual areas of a field. Fertilizer is only applied where it is worthwhile.

Communication Is a Key to Success

Operations belonging to a new agricultural generation are springing up all over the world. Modern, "communicative" agricultural machinery is their greatest tool to cultivate fields and achieve the highest possible yields.

At CLAAS, we use the term telematics to refer to the systems which will define the future of agriculture.

All of the machines in an operation are digitally linked and can exchange data with each other. While the machines are working on the fields, the operations manager sitting at his computer on the farm has an overview of everything. He can access all data in real time and control the entire fleet from the desk.

"This stored knowledge is worth a lot because it can be used to measure seed, fertilizer, and pesticides."

The machines report via Internet, wireless communication, and satellite positioning whether the harvest chain is functioning optimally. The operations manager can identify where the machines are working at any given time, whether the current parameters are set correctly, and whether additional trailers have to be ordered. ›

Strong machine duo: The JAGUAR guides the foraged grass into the trailer. A high-tech camera system facilitates this difficult task. The German Agricultural Society (DLG) awarded a gold medal for this system.

CEMOS is an interactive system that gives drivers information on the optimum machine settings. This innovation also won a DLG award.

Machine data such as driving speed, diesel consumption, and position are constantly monitored, processed, and recorded.

Online diagnosis is an important aspect of a telematics system. Machines are in constant communication with service centers. Technical malfunctions or breakdowns can be determined by remote diagnosis from the nearest CLAAS base. After the location, the defective part, and the machine number are identified, the replacement part is ordered, and the technician scheduled so he can quickly remedy the problem on site – whether in the Argentinean pampa or Southern Kazakhstan.

Self-Propelled Machines Are Economical and Environmentally Friendly

Modern driving and steering systems feature new technologies that are environmentally compatible, economical, and efficient. Not only do they support drivers in their work, they also pay off for our partners within just a few harvest seasons. In vegetable cultivation, a precision camera system recognizes the tramlines between rows and guides the agricultural machine across the field with centimeter accuracy.

In grain harvesting, navigation is increasingly being handled by GPS, which is further enhanced with a correction signal. The combine harvesters can be precisely guided across the fields with headers as wide as 12 meters. Not a single stalk of grain is skipped. At the same time, the tracks do not overlap. This saves both time and fuel.

The methods employed to develop high precision machinery are becoming increasingly sophisticated. Thanks to new sensors and the systematic use of the data they deliver, the development of agricultural engineering is continually progressing. For instance, while today's combine harvesters can only pass on calibration recommendations to the driver, in the future they will probably be wholly automated and able to respond independently to given parameters such as grain cleanness, moisture, and nutritional value.

Gold Medals for CLAAS Technology

DLG (the German Agricultural Society) rewarded CLAAS technology with two gold medals and one silver medal in 2009 at the world's largest agricultural engineering fair, the AGRITECHNICA in Hanover, Germany. DLG's awards acknowledged two future technologies: A camera system for foragers that facilitates the difficult process of loading a trailer driving alongside the forager and an interactive optimization system that gives combine harvester drivers the ability to achieve the best possible harvest results with the lowest possible use of resources. CLAAS Agrosystems received a silver medal for its new system consisting of a pesticide database with an integrated application suggestion system.

CLAAS Facts

85 Years

The Dousset-Matelin company, based near Poitiers in Southwest France, is the oldest CLAAS dealership in France. In 1924, Georges Dousset sold the first CLAAS straw baler. CLAAS and Dousset-Matelin look back on 85 years of successful partnership.

130 People

In the year 1900, a farmer fed four people. Today the number has risen to 130.

11,111 Combine Harvesters

The 11,111th CLAAS combine harvester with a HYBRID SYSTEM, a LEXION 600, was recently delivered. HYBRID SYSTEM combine harvesters achieve the highest throughput and harvest quality.

25,000 T-Shirts

Wearing T-shirts emblazoned with the motto “Wir fürs Land” (“We Are the Land”), rural youths conducted numerous community campaigns throughout Germany. CLAAS supported the 25,000 participants by giving each one of them an official campaign T-shirt.

11,500 Models

Since 2006, a total of 11,500 agricultural engineering fans have purchased a 1:32 scale model of the LEXION 600 combine harvester from CLAAS.

750,000 Visitors

More than 750,000 visitors have been welcomed at the TECHNOPARC in Harsewinkel, Germany, since its opening in 1992.

Suppliers’ Day

The role of suppliers has changed significantly in recent years. CLAAS works very closely with its suppliers and often involves them in the relevant processes related to the development of new components. These professional partnerships culminate in an annual Supplier Day when CLAAS recognizes the best suppliers of the preceding year. In addition, CLAAS has also received awards for its successful partnership with suppliers. In the past fiscal year, it received the VDI Innovation Prize for Value Analysis and the VDI Win Win Cup.

In fiscal 2009, we were once again able to meet our customers' high expectations in respect of new machines and technologies by introducing a variety of innovations.

Group Management Report

Group Management Report

Industry Trends

In fiscal 2009, the global market for agricultural equipment registered some notable declines compared with the significant gains seen in the previous year. The recession led to a decrease in demand for agricultural products. This factor, in combination with the generally good harvest season, resulted in pressure on prices, especially for milk, which in turn reduced agricultural incomes. High volatility in agricultural product markets and the global financial and economic crisis brought uncertainty among farmers, expressed in the form of cautious buying. However, there were distinct global and regional variations.

In Western Europe and North America, the markets for modern agricultural equipment either remained stable or registered only slight declines. The growth markets of Central and Eastern Europe fell back sharply, however, as did the South American markets. In India, the market continued to grow on the whole.

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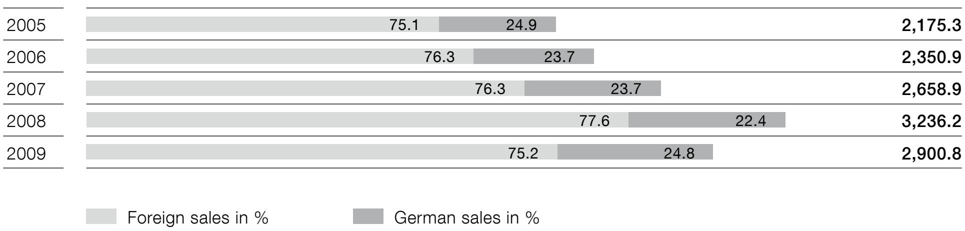
In Western Europe, the agricultural equipment market failed to follow up on the good performance of the previous year, registering a moderate decline. Initially, the markets in some countries remained stable thanks to demand spillover from the previous year. As the year progressed, however, high fluctuations in crop prices resulted in a wait-and-see attitude among farmers, as reflected in the markets for both tractors and harvesting equipment. Although the income situation of farmers was still satisfactory overall, in the dairy industry incomes declined due to below-average prices; this had a significant impact on sales of forage harvesting machinery.

The Central European market suffered from the extreme turbulence in exchange rates as well as tight liquidity and more cautious lending practices. While the agricultural equipment markets in the younger EU Member States of Bulgaria and Romania kept growing nonetheless, the other Central European countries lost ground.

In Eastern Europe, the markets collapsed in 2009, in sharp contrast to the dynamic upward momentum of previous years. Eastern European currencies fell against the euro, resulting in financing shortfalls that reduced demand for agricultural equipment from the West. At the same time, protectionist tendencies were harmful to the agricultural machinery business in some countries.

Sales per Year
in € million



The North American market proved to be nearly stable in the major segments for professional agricultural machinery. Driven by the ongoing strength of the corn and soybean markets, demand for agricultural equipment from arable farming operations remained more or less at the high level of the previous year. Livestock farmers, particularly dairy farmers, saw a reduction in income due to high input costs and decreased demand for their products, however, which consequently impacted their investment behavior.

The export-based markets of South America were affected by the fluctuations in global agricultural trade. In Argentina, political turbulence and persistent drought led to a sharp decline in demand.

The Indian agricultural equipment market was shaped by a rise in agricultural incomes in addition to government subsidy programs, which substantially increased domestic demand. This led to a slight increase in the tractor market and another significant rise in the combine harvester market in 2009.

Financial Performance

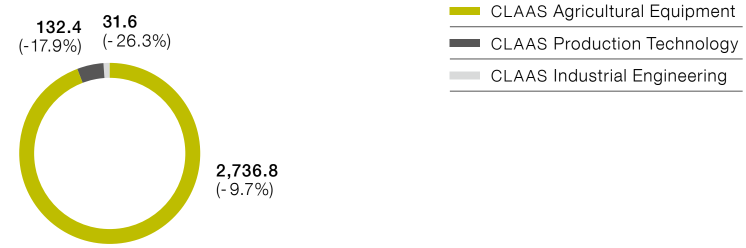
Sales

Sales of the CLAAS Group fall by 10.4%
In contrast with the extremely good performance of the previous year, sales revenues declined in the past fiscal year as a result of the sharp economic downturn. Net sales fell to €2,900.8 million in fiscal 2009, a decrease of 10.4% over the previous year. The drop in sales stemmed predominantly from the negative business trend in the Agricultural Equipment segment, with the Production Technology and Industrial Engineering segments also registering sales declines.

Sales in Germany, CLAAS' strongest single market, made up 24.8% of total sales compared with 22.4% in the previous year. The other Western European markets contributed 46.6% to total sales (previous year: 42.5%).

Sales by Business Segment

in € million



Sales decrease in Agricultural Equipment segment

The decline in demand was noticeable in the majority of our markets. However, variations were seen across the different product groups and regions, with lower demand especially notable in the international growth regions of Central and Eastern Europe. After the high revenues of €3,032.1 million generated in fiscal 2008, sales in the Agricultural Equipment segment decreased by €295.3 million to €2,736.8 million in fiscal 2009, corresponding to a decline of 9.7%.

Product groups in the Agricultural Equipment segment maintain market position despite sales declines

The harvesting machinery business was not able to continue the good performance of the previous year due to the sales declines in combine harvesters, the product group that traditionally has the strongest revenues. However, we nonetheless maintained our strong position in this market.

Tractors shored up their position as the product group with the second highest sales, a trend supported by the launch of the AXOS, a high volume model. All in all, CLAAS slightly increased its market share in tractors.

Foragers experienced a stable sales trend. High demand in this product group as compared with the overall market allowed CLAAS to expand on its position as the global market leader.

Forage harvesting machinery and balers registered sales decreases in the year under review. However, CLAAS held its market position in both of these product groups.

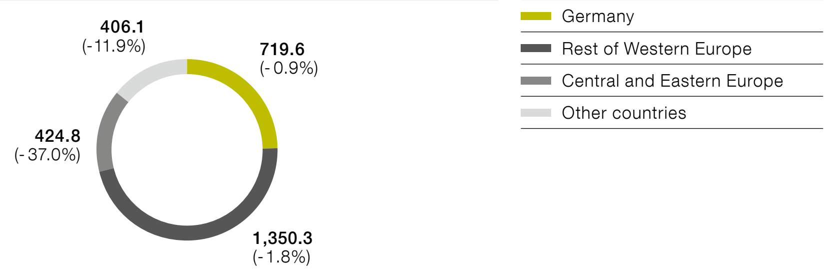
Due to the favorable harvesting conditions in 2009, sales volumes of spare parts and accessory components also declined somewhat compared with the previous year, along with the used machinery business and the service business.

Regional variations in sales performance in the Agricultural Equipment segment

In the Agricultural Equipment segment, sales trends varied in the different regional areas. The Group either maintained or expanded its market position in most regions.

Sales by Region

in € million



In Western Europe, the most important agricultural equipment market for CLAAS, sales defied the market trend to remain at a high level, reaching €1,974.4 million.

In Germany, CLAAS continued its good performance of the previous year. Agricultural equipment sales rose once again with an increase of 4.5%, growth that resulted primarily from our tractor business. In France, Europe's biggest agricultural equipment market, sales also continued to increase thanks to the strong tractor business. By contrast, the United Kingdom registered sales declines, which were primarily attributable to the harvesting technology product group. On the Iberian Peninsula, the sales trend declined in line with the overall market. In Scandinavia, CLAAS lost ground compared to the good performance of previous years, with major sales declines in Denmark. Italy and Austria, however, increased their sales contributions.

Sales in the agricultural equipment markets of Central Europe decreased significantly from prior-year levels in nearly all regions. Stricter financing conditions for dealers and end consumers brought forth by the financial crisis had a slowing effect on sales. However, Romania and Bulgaria were able to buck the downward trend and post sales gains.

After years of continued sales growth, the Eastern European markets saw marked sales declines in the past fiscal year. Particularly hard hit was the Russian Federation, where demand for Western agricultural equipment fell significantly.

Outside of Europe, agricultural equipment sales decreased overall. The trend varied in the different regions, however. While the Central Asian countries registered sales declines resulting from tighter lending policies, sales in the USA – CLAAS' biggest market outside of Europe – increased substantially.

Income Structure

	2009		2008	
	in € million	in %	in € million	in %
Net sales	2,900.8	100.0	3,236.2	100.0
Gross profit on sales	651.8	22.5	781.9	24.2
Operating income	138.4	4.8	278.0	8.6
Financial result	-26.1	-0.9	-29.9	-0.9
Income before taxes	112.3	3.9	248.1	7.7
Net income	**73.4**	**2.5**	**169.3**	**5.2**

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Performance in Production Technology and Industrial Engineering segments
The Production Technology segment posted a sharp sales decline of 17.9% to €132.4 million in the year under review. The situation in the European aviation and automotive industries is still plagued by uncertainty, with wide-sweeping changes occurring in both sectors. The resulting drop in new orders in the automotive industry and project postponements in the aviation industry made a substantial contribution to the reduction in sales.

The Industrial Engineering segment of CLAAS was just as vulnerable to the impact of tough economic conditions as the rest of the industry, registering a decrease in sales of €11.2 million to €31.6 million. The principal buyers of CLAAS Industrial Engineering products are customers in the agricultural equipment, construction machinery, and municipal technology sectors. As a system supplier for drive technology, hydraulics, and electronics, the Industrial Engineering segment also plays an important role in the areas of technology and innovation within the CLAAS Group.

Earnings

Respectable earnings generated
In the difficult market environment of fiscal year 2009, the CLAAS Group generated gross profit on sales of €651.8 million, down from €781.9 million in the previous year. The reduction in earnings resulted primarily from the decrease in sales as described above in the amount of €335.4 million, or 10.4%. The gross profit margin fell to 22.5%, down from last year's figure of 24.2%. Operating earnings of the CLAAS Group decreased from €278.0 million in fiscal 2008 to €138.4 million in the year under review. Income before taxes fell by €135.8 million, or 54.7%, to €112.3 million. The return on sales thus declined from 7.7% in the previous year to 3.9%. The Group's net income declined by 56.6% compared with the previous year, decreasing from €95.9 million to €73.4 million. The effective tax rate increased from 31.7% in the previous year to 34.6%.

Expense Structure by Functional Cost

	2009		2008	
	in € million	in %	in € million	in %
Net sales	2,900.8	100.0	3,236.2	100.0
Cost of sales	2,249.0	77.5	2,454.3	75.8
Selling expenses	298.7	10.3	293.3	9.1
General and administrative expenses	88.8	3.1	92.4	2.9
Research and development expenses	128.7	4.4	105.5	3.3

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Analysis of earnings performance

The upward earnings trend of previous years came to a halt in fiscal 2009, primarily due to the decline in the Agricultural Equipment segment. Gross profit on sales in this segment dropped sharply compared with the previous year. As described above, lower demand for agricultural equipment was the main factor contributing to the decrease. Above all, the drop in demand can be traced back to stricter financing conditions and a generally uncertain investment climate resulting from the financial crisis. Changes in the product / country mix also had a negative impact on earnings. Structural adjustments and cost reduction measures, which were implemented early on, were only able to compensate for these factors to a limited extent. All in all, this led to a slight decrease in the gross profit margin.

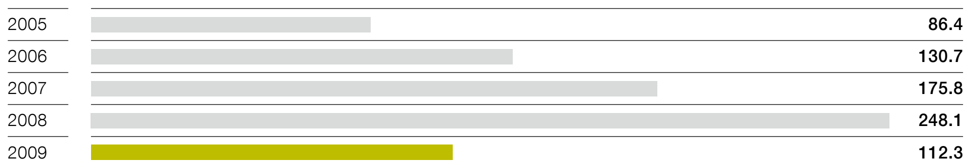
In the Production Technology segment, gross profit declined in the past fiscal year. However, the gross profit margin remained stable despite the noticeable sales decrease thanks to the restructuring measures implemented.

In the Industrial Engineering segment, gross profit declined in terms of both volumes and margins in the year under review.

Operating earnings of the CLAAS Group fell from €139.6 million to €138.4 million, mainly due to the increase in research and development expenses along with the impact of the decline in gross profit in the individual segments as described above. By contrast, we succeeded in reducing general and administrative expenses by 3.9%. The overall ratio of selling, general and administrative expenses to total sales rose from 11.9% to 13.4%, thus reaching the level posted in fiscal 2007. In order to meet the demands of our ambitious development program, we again substantially increased research and development expenditure, adding another 9.7% for a total of €124.8 million in the year under review. Research and development expenses after adjustment for capitalized development costs and amortization increased by 22.0% to €128.7 million (previous year: €105.5 million).

Income before Taxes

in € million



The capitalization ratio of 20.7% was well under the level of the previous year (26.2%). Other operating earnings were positive; reaching €2.8 million after other operating expenses of €12.8 million in the previous year, which had included goodwill impairment totaling €18.0 million, most of which was attributable to the Production Technology segment. In addition, provisions that had been recognized in the previous year on the basis of the 2008 collective agreement on part-time retirement [TV FlexÜ] were reversed in fiscal 2009, since the parties to the collective agreement were unable to agree on a long-term funding contribution.

The financial result is comprised of "income from investments," "interest and similar expenses, net," and "other financial result." These items are stated separately in the income statement. The financial result improved by €3.8 million to €-26.1 million (previous year: €-29.9 million). The decrease of €7.0 million in interest and similar expenses, net resulted from lower investment yields and higher financing costs, in part due to the Schuldscheindarlehen (German Private Placement) issued in the amount of €250.0 million in June 2009. The other financial result increased by €8.6 million, mainly due to the decrease in net foreign exchange losses compared with the previous year. The net foreign exchange loss in the year under review was due in part to currency translation losses resulting from the devaluation of the ruble. Income from investments rose by €2.2 million to €5.9 million, largely due to higher earnings contributions from our sales financing companies, which are accounted for using the equity method.

All in all, income before taxes of €112.3 million was reported, a decline of €135.8 million from the previous year.

The Group's net income dropped from €169.3 million to €73.4 million, a decrease of 56.6%. The decline in net income was somewhat greater than the decline in pretax earnings due to the slight increase in the effective Group tax rate. The effective tax rate rose to 34.6% compared with 31.7% in the previous year.

Consolidated Statement of Cash Flows

in € million	2009 Free cash flow	2009 Consolidated statement of cash flows	2008 Free cash flow	2008 Consolidated statement of cash flows
Cash earnings		**156.9**		**285.9**
Cash flows from operating activities (I)	**-140.6**	**-140.6**	**334.6**	**334.6**
Additions to (-) and disposals of (+) intangible assets and property, plant and equipment (incl. capitalized development costs)	-120.1	-120.1	-113.2	-113.2
Additions to (-) and disposals / repayments of (+) investments and borrowings	-4.1	-4.1	-3.9	-3.9
Free cash flow	**-264.8**		**217.5**	
Net payments (-) for the purchase of securities		-94.6		-61.1
(=) Cash flows from investing activities (II)		**-218.8**		**-178.2**
Cash flows from financing activities (III)		**234.6**		**-82.9**
Net change in cash and cash equivalents (I+II+III)		**-124.8**		**73.5**
Effect of foreign exchange rate changes on cash and cash equivalents		-7.5		-3.2
Cash and cash equivalents at beginning of year		581.6		511.3
Cash and cash equivalents at end of year		**449.3**		**581.6**

Cash Position

Cash Flows

Cash flows heavily affected by earnings trend
As of the balance sheet date, cash earnings amounted to €156.9 million (previous year: €285.9 million). The decline of €129.0 million was primarily due to the deterioration of the earnings situation.

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Net cash used for operating activities amounted to €140.6 million in 2009, as opposed to the net cash provided by operating activities of €334.6 million posted in the previous year. The decrease in net cash of €475.2 million was largely due to the significant increase in operating working capital in addition to the decline in cash earnings.

A slight increase in payments for additions to intangible assets and property, plant and equipment to €98.5 million as well as €94.6 million in net payments for the purchase of securities resulted in net cash used for investing activities of €218.8 million in the year under review (previous year: €178.2 million).

Free cash flow was strongly impacted by the increase in working capital, which as a result of the lower earnings contribution could not be compensated for. Free cash flow dropped to €-264.8 million in the year under review, down from €217.5 million a year earlier.

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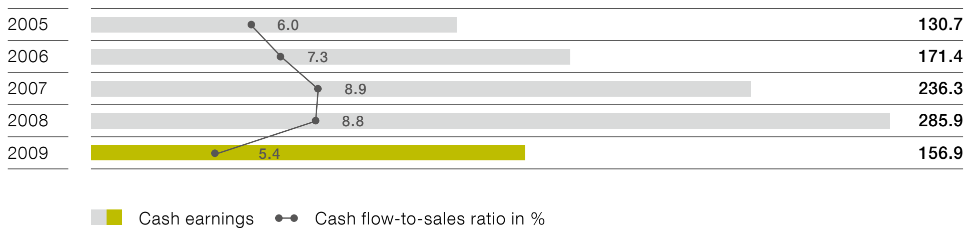
Net cash provided by financing activities increased to €234.6 million in the 2009 reporting year (previous year: net cash used for financing activities of €82.9 million). The increase in net cash resulted mainly from the proceeds from the Schuldscheindarlehen issued in June 2009 in the amount of €250.0 million. Repayments of financial

Cash Earnings

in € million



liabilities and dividend payments to the shareholders of CLAAS KGaA mbH had a slightly negative effect on net cash provided by financing activities.

The ratio of cash earnings to sales was 5.4% in the past fiscal year, down sharply from last year's very high level of 8.8%.

Liquidity and Financing

Liquidity position and finance structure remain solid
Liquid assets, which are composed of cash and cash equivalents plus securities classified as current assets, decreased to €677.2 million in fiscal 2009. The decline was primarily due to the high level of funds tied up in working capital and occurred despite the launch of a Schuldscheindarlehen in June 2009 in the amount of €250.0 million. Liquid assets have thus fallen below the very good prior-year figure of €716.2 million, though they are still at a high level.

Due to the seasonal nature of sales in the agricultural equipment industry, substantial financing is needed to fund working capital during the course of the year. By contrast, at the end of the fiscal year the normally lower level of capital commitments from working capital generally leads to high liquidity levels. Due to the exceptional economic circumstances, CLAAS was not able to generate the sales volumes planned for fiscal 2009, meaning that more liquid assets remained in inventories of finished goods. In order to reduce seasonal liquidity fluctuations, CLAAS uses asset-backed securities (ABS) programs to transfer trade receivables to special purpose entities on a revolving basis. The maximum possible sales volume amounted to €250.1 million in the year under review (previous year: €230.7 million). Due to seasonal fluctuations, the volume of receivables sold varies during the course of the year. At the end of the fiscal year, the volume of the receivables sold amounted to €128.2 million (previous year: €105.7 million).

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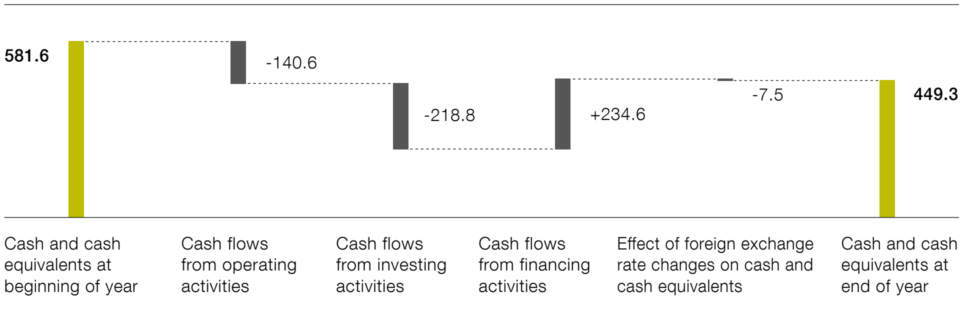
The liquidity position of CLAAS was still solid at the end of the fiscal year, as indicated by the cash ratio and the quick ratio. The cash ratio increased to 101.8% as of the reporting date, up from the previous year's already good level of 90.8%. The quick ratio also exceeded the prior-year level, reaching a very high level of 166.4% as of the end of the fiscal year, up from 141.6% in the previous year. The reason for the in-

Consolidated Statement of Cash Flows

in € million



crease in these two liquidity ratios was the disproportionate decrease in current liabilities as a consequence of declining trade payables as well as lower tax provisions.

As of the 2009 reporting date, financing commitments received by the CLAAS Group totaled €922.2 million (previous year: €706.4 million). The increase related primarily to the Schuldscheindarlehen in the amount of €250.0 million issued in June 2009. The loan comprises four tranches with maturity dates falling due on June 8, 2012 and June 8, 2015. Two of the tranches relate to loans bearing fixed interest coupons of 4.34% and 6.04% p.a. The other tranches relate to loans bearing variable interest rates based on the 6-month EURIBOR, with margins of 2.10% and 2.90% p.a. In issuing the Schuldscheindarlehen, we took advantage of the new issue window that reopened on the German loan capital market in the spring of 2009. The loan facility was heavily oversubscribed, for which reason we were able to obtain good pricing for the issue. The instrument is intended to maintain a targeted passive duration of three years and to replace certain existing bilateral lines. On the whole, we are prepared for the loan capital market to become considerably more significant in the coming years, even for mid-sized enterprises.

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To a lesser extent, the increases are also attributable to scheduled loan repayments as well as valuation effects. As can be seen in the breakdown in the notes to the financial statements, financing commitments also include a US Private Placement in the amount of 200.0 million US dollars as of in December 2002. The instrument has a coupon of 5.76% p.a. and a term of up to twelve years. In addition, a new multi-currency loan facility (syndicated loan) amounting to €250.0 million with an original term of five years was established in July 2005. In July 2007, the term of the loan was extended by another four years, i.e., until 2014. This facility represents a flexible source of financing that has only been used to a small extent to date.

Along with these financing commitments, we reinforced our capital base by issuing subordinated perpetual securities in the amount of €80.0 million in October 2004. This equity instrument has a coupon of 7.62% p.a.

Balance Sheet Structure

	Sept. 30, 2009		Sept. 30, 2008	
	in € million	in %	in € million	in %
Non-current assets	579.1	26.2	522.8	25.8
Current assets	1,627.6	73.8	1,501.1	74.2
Total assets	**2,206.7**	**100.0**	**2,023.9**	**100.0**
Equity	775.5	35.1	731.0	36.1
Non-current liabilities	766.2	34.7	503.8	24.9
Current liabilities	665.0	30.2	789.1	39.0
Total equity and liabilities	**2,206.7**	**100.0**	**2,023.9**	**100.0**

Financial Position

Balance sheet ratios remain solid
As of September 30, 2009, total assets had increased by 9.0% over the previous year's level to €2,206.7 million. This resulted in a change in financial ratios, as described in detail in the following.

On the assets side, non-current assets rose by €56.3 million to €579.1 million in 2009, which increased their share in total assets from 25.8% to 26.2%. The CLAAS Group posted additions to non-current assets totaling €137.4 million (previous year: €122.3 million) and disposals at a residual carrying amount of €5.6 million (previous year: €6.5 million).

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The carrying amount of intangible assets declined by €6.4 million to €120.2 million. The additions of €30.1 million (previous year: €34.4 million) were partly offset by amortization and impairment totaling €36.4 million (previous year: €51.1 million) and disposals at low residual carrying amounts. The major portion of capital expenditure for intangible assets related to development costs recognized as an asset.

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Property, plant and equipment increased by 14.8% over the previous year to €322.4 million. The rise was the result of additions in the amount of €95.1 million, which related primarily to payments on account and assets under construction as well as to technical equipment and machinery. Depreciation and impairment of property, plant and equipment amounted to €46.7 million, a slight decrease from last year's level of €52.0 million. Disposals at the residual carrying amount declined from €3.7 million in fiscal 2008 to €1.9 million in 2009.

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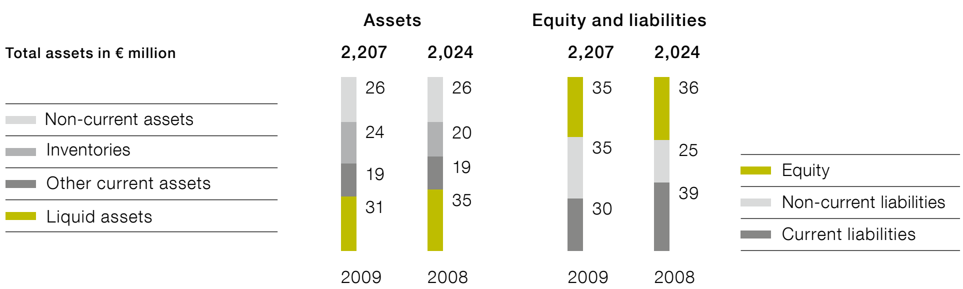
Equity-accounted investments registered growth of €6.6 million to €41.0 million in fiscal 2009. The increase was mainly due to capital increases at CLAAS Financial Services S.A.S. and CLAAS Financial Services Ltd. as well as the earnings contributions of investments accounted for using the equity method less the respective dividends received. Other investments increased slightly to €1.9 million (previous year: €1.4 million). Non-current assets also include deferred tax assets, which rose from €27.9 million to €41.0 million during the reporting period. Other non-current receivables and financial assets increased slightly to €38.3 million as of the reporting date (previous year: €37.9 million).

Balance Sheet Structure
in %



Current assets rose somewhat less than total assets with an increase of 8.4% to €1,627.6 million; the share of current assets in total assets fell from 74.2% to 73.8%.

Inventories increased significantly, rising by 31.6% to €519.3 million. The increase was primarily the result of higher inventories of finished goods due to the marked slow-down in the general business trend. As a consequence, average inventory turnover increased from 11.4% to 15.8%. While still competitive, this figure is not as good as the very high level achieved in the previous fiscal year.

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Trade receivables rose by 13.1% over the previous year to €246.3 million. Coupled with the decline in sales, this led to an increase in receivables turnover – i.e. the ratio of the average balance of trade receivables to sales revenues – from 6.7% to 8.3%. Days sales outstanding (DSO) rose from 36 days in fiscal 2008 to 44 days in fiscal 2009 after adjustment for ABS.

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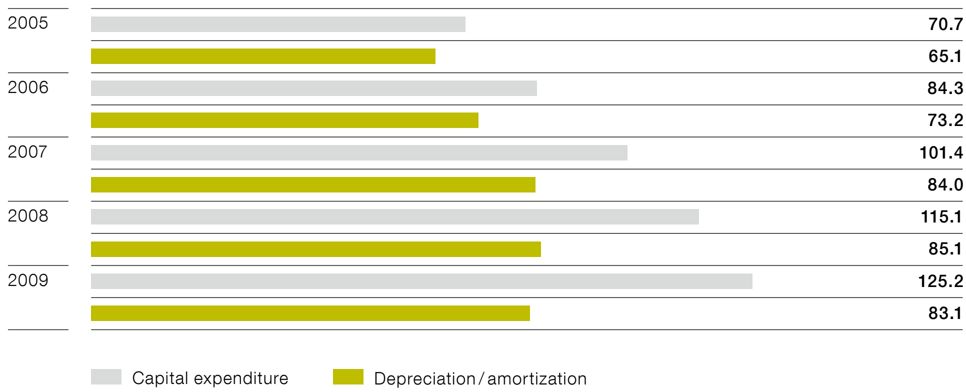
Liquid assets, which are composed of cash and cash equivalents plus securities classified as current assets, amounted to €677.2 million in the year under review (previous year: €716.2 million). The share of liquid assets in total assets therefore declined from 35.4% to 30.7%.

Good coverage – high equity-to-assets ratio
On the equity and liabilities side, equity increased to €775.5 million based on earnings. Due to the fact that the rise in equity was less than the increase in total assets, the equity-to-assets ratio decreased marginally during the reporting period from 36.1% to 35.1%.

Non-current liabilities increased by €262.4 million to €766.2 million in the year under review, largely based on the June 2009 issue of a Schuldscheindarlehen in the amount of €250.0 million, which is reported under financial liabilities.

Capital Expenditure and Depreciation / Amortization

in € million



Current liabilities registered a decrease of €124.1 million to €665.0 million in fiscal 2009. The decline was caused by a decrease in trade payables and lower tax provisions.

CLAAS continues to report very sound cover ratios. Coverage of non-current assets, which depicts the ratio of equity and non-current liabilities to non-current assets, increased again in fiscal 2009, rising to 266.2% compared to 236.2% in the prior year. Expanded coverage of non-current assets (the ratio of equity and non-current liabilities to the sum of non-current assets and 50% of inventories) remained at a very high level, rising from 171.5% to 183.8%.

Capital Expenditure

Capital expenditure for the 2009 reporting year totaled €137.4 million, up 12.3% over the previous year's figure of €122.3 million. Investments in property, plant and equipment and intangible assets excluding goodwill reached €125.2 million, significantly exceeding both the previous year's level of €115.1 million and the corresponding depreciation and amortization, as in prior years.

Capital expenditure for intangible assets amounted to €30.1 million and was mainly attributable to development costs recognized as an asset. Development activities focused on combine harvesters and tractors.

Otherwise, additions to intangible assets related primarily to installation of the SAP R/3 system at additional Group companies, for instance at CLAAS India Private Ltd.

Capital expenditure for property, plant and equipment centered on modernizing and making structural improvements to our production network in fiscal 2009. We also focused on expanding capacity at CLAAS Service and Parts GmbH (Hamm location).

In addition, we expended funds for the expansion and modernization of our assembly installations in fiscal year 2009. At our French production site in Le Mans, for instance, we invested in a new paint shop. In the distribution area, we expanded our global network of sales representatives.

In India, our investments related to the additional expansion of our Morinda (Chandigarh) production site as well as a service location in Bangalore.

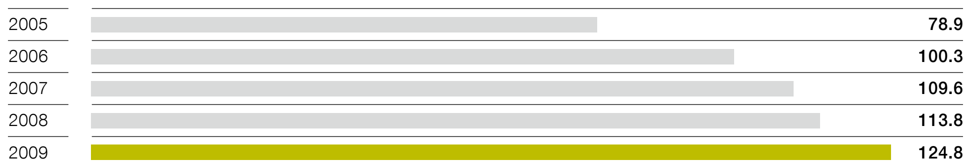
In regional terms, capital expenditure focused on Western Europe, as in previous years, although capital expenditure in Asia saw significant growth.

Taking into account capitalized development costs, the ratio of capital expenditure to sales increased considerably in the year under review, rising from 3.6% to 4.3%.

Financial Partners' Day

CLAAS is a capital market-oriented company. A trusting relationship with banks and other financial partners serves to broaden our entrepreneurial choices. Our annual financial partner meeting is a good example for communication events that help us raise awareness among the financial community for our Company and the agricultural equipment industry at large.

Research and Development Costs*
in € million



* before capitalized and amortized development costs

Research and Development

Product portfolio expanded
During the reporting year, research and development expenses before capitalization and amortization grew by 9.7%, from €113.8 million to €124.8 million. The increase of the share in research and development expenses in sales rose from 3.5% in the previous year to 4.3%, underlining the priority given by CLAAS to research and development activities even in economically challenging times. In fiscal 2009, 67 patent applications were filed (previous year: 67).

CLAAS' intensive research and development activities in fiscal 2009 resulted in the following innovations in particular:

For further information, please visit our Web site www.claas.com › Select country site › Products

- Combine harvesters – CEMOS (CLAAS electronic machine optimizing service) was developed for the LEXION series. CEMOS is an interactive setting assistance system that guides the driver step by step to the optimal machine setting using the CEBIS MOBILE color terminal. Our range of cutterbars was expanded to include the 12m-wide VARIO 1200 cutterbar. The TUCANO 470 and the TUCANO 480 now combine the APS (Accelerated Pre Separation) threshing system with the HYBRID system previously only available in the LEXION class. In addition, our range of combine harvesters now includes the new AVERO 240, which is positioned between the DOMINATOR 150 and the TUCANO 320.

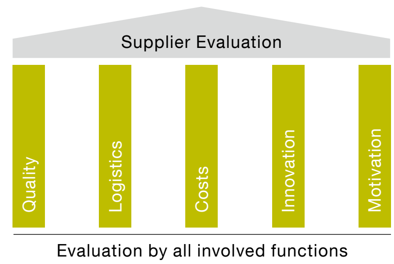
- Self-propelled forage harvesters – The new CLAAS AUTO FILL system for the JAGUAR 900 series enables fully automated wagon filling for the first time. This system relieves the workload for the driver while ensuring optimal filling. Developed by CLAAS Agrosystems, this system was awarded a gold medal at AGRITECHNICA 2009.

- Tractors – CLAAS has introduced the new XERION 5000 / 4500, making it the first to launch a 4 x 4 high horsepower tractor suitable for Europe in the professional segment (up to 524 HP). The variable transmission from ZF Friedrichshafen AG is unique in this performance category. The ARION 400, with electronic injection, common rail, CLAAS Power Management and QUADRASHIFT transmission is especially geared toward the needs of farmers with smaller operations. NEXOS (70 to 100 HP), the new tractor for wine and fruit cultivation, and ELIOS (70 to 90 HP) for small farm and grassland operations, both make use of new FPT TIER 3a engine technologies, including mechanical injection, turbo, and internal exhaust gas recirculation. These tractors are available in four transmission classes.

- Forage harvesting machinery – With its four equal-sized rotors, the new LINER 4000 has a total working width of between 12.2 meters and 15.0 meters (infinitely variable). The DISCO 8400 and DISCO 9100 models have been added to our range of butterfly mowers. The new ROLLANT 455 is equipped with CLAAS' hydraulic Maximum Pressure System+ (MPS), which enables an increase of 20% in bale density. The newly launched ROLLANT 455 / 454 UNIWRAP features an improved wrapping program that speeds up the wrapping cycle by 30% compared to the previous model. The CARGOS dual-use wagon can be quickly converted from a self-loading rotary wagon to a fully functional forage wagon in approximately 15 minutes.

- CLAAS Agrosystems – Effective July 10, 2009, AGROCOM GmbH & Co. Agrarsystem KG was renamed CLAAS Agrosystems GmbH & Co KG. This company serves as the focal point and development center of CLAAS' electronics expertise. The company's headquarters had already been relocated from Bielefeld to Gütersloh at the start of June in order to expand capacity. Activities in Germany focus on the RTK-supported steering systems project. However, new RTK concepts are also being developed in markets in France, the United Kingdom, and Denmark. The purchase of a stake in S@T-INFO S.A.S., a French supplier of RTK correction signals, is related to this venture. Forward-looking farming operations in particular demand the high precision offered by automatic steering systems to achieve optimal surface management. The RTK wireless network continued to expand in the past fiscal year. Its range in Germany is currently about 6.5 million hectares.

The Five Columns of Supplier Evaluation at CLAAS



Purchasing

“Growing together – creating value”: Together with our suppliers, in fiscal 2009 we applied this motto in taking advantage of the good conditions on commodities and supplier markets to secure pricing advantages, which we were then able to pass on directly to our customers. As part of this endeavor, we introduced a systematic, proactive supplier risk management system. We also selected the best supplier and system partners in order to guarantee the technological leadership, efficiency, and profitability of CLAAS.

In fiscal 2009, we successfully expanded our Supplier Integration initiative, which combines all methods and procedures for integrating development and supply partners into our value-engineering, value-added, and logistics chain. This initiative was broadened to encompass various value analysis projects. We also carried out value stream analyses on site at our suppliers’ premises and took initial steps toward advancing value management for the purpose of systematic supplier development.

For further information, please visit our Web site www.claas.com › Homepage Group › Purchasing › CLAAS Supplier.Net

CLAAS was rewarded for these efforts this year with the VDI Innovation Award for its supplier integration initiative. The VDI awards this prize annually to a German industrial enterprise that successfully uses structured value analysis and value management to make a significant contribution to the success of the company.

In the area of supplier relationship management, CLAAS carried out standardized, intragroup supplier evaluation to assess strategically important suppliers of production materials. The results were discussed with the suppliers, and measures for optimizing performance were decided on jointly.

The trend towards globalizing sourcing activities based on analyses of target price and total cost of ownership remains intact. Best cost country sourcing is becoming increasingly important in ensuring our ability to compete. An example of this is our stepped-up focus on high-performance, key best cost country suppliers, which we tie into our development and production process at an early stage. We also concentrate on improving interdisciplinary cooperation, for example between purchasing, logistics, quality, and development, in order to increase the flexibility of our supply chain.

Within the sourcing organization, we work steadily to improve the tools at our disposal. In the area of non-production materials, for instance, we selectively expanded our electronic catalog offering in accordance with user needs. We also published invitations to tender electronic bids with great success.

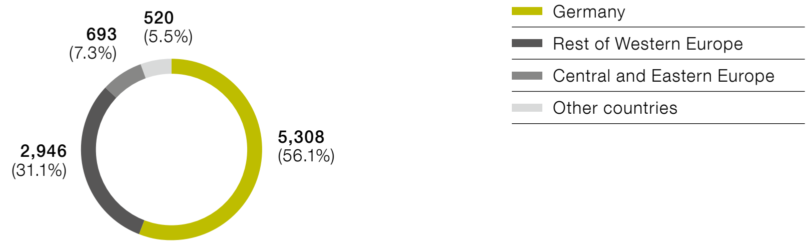
Human Resources

As a family-owned company, we at CLAAS set ourselves apart by our long-term thinking and action as well as the value we place on a high level of commitment on the part of our employees. This positive outlook also acts to further our relations with one another both at the Company and outside of work. Personnel policy at CLAAS is geared toward promoting continuity and identification with the Company. Our forward-looking policy rewards us with confident employees and forms the basis for stable jobs and professional development opportunities.

As of September 30, 2009, the CLAAS Group employed a total of 9,467 individuals worldwide (previous year: 9,100), of which approximately half were located outside of Germany. Corporate culture at CLAAS has an international flavor, with open structures and a constant exchange of ideas within the entire corporate group. CLAAS relies on its local employees all over the world, for they are most familiar with the particularities of their region as well as the opportunities and challenges presented.

In some areas of the CLAAS Group, changed economic conditions have led to increased focus on the flexibility of personnel levels. Site-specific and individual measures have been developed and implemented depending on differing levels of need. As part of this process, CLAAS deliberately aims for transparency and openness vis-à-vis employees as well as employer and employee associations. Any tools used

Employees by Region



to make personnel levels more flexible are implemented in a socially responsible manner. The personnel adjustment measures implemented concentrated on making use of flexible working hours arrangements, eliminating temporary positions, offering early retirement, and, to some extent, initiating reduced working hours. These instruments will also be used for making personnel adjustments in fiscal 2010. The goal of CLAAS is to ensure that personnel levels remain flexible and that personnel expenses are kept at a reasonable level.

Although the average number of employees rose to 9,541 (previous year: 8,749), we were able to maintain personnel expenses at the previous year's level.

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Finding qualified young talent is especially important for CLAAS. For this reason, the CLAAS Group places great value on vocational training, even in challenging times. This is evident from the ratio of trainees to full-time equivalents at CLAAS in Germany, for example, which at 8.0% is significantly above the industry average. For many years, the Company has been training young people in Germany at a recognized high level in more than 20 technical and business professions and as part of the German "dual study" system. The same applies to the other countries in which CLAAS has manufacturing operations.

Another key objective at CLAAS is to support young college students and gain qualified graduates. CLAAS companies therefore maintain intensive contact with colleges and universities in various countries and have established numerous cooperation projects. The resulting close cooperation is also beneficial in terms of following and helping to shape current developments in agricultural engineering.

As a firm part of CLAAS' junior staff advancement program, our international trainee program is aimed at training potential management executives and creating long-term ties between them and the CLAAS Group. We offer our trainee program in France, Hungary, Russia, India, and the USA – another indication of the importance at CLAAS of maintaining an international presence. Our trainee program thus makes an important contribution to furthering international integration and a global approach on the part of CLAAS employees.

We promote our corporate culture by making use of selective, systematic personnel development programs and succession planning with the aim of filling the majority of open management positions – both nationally and internationally – from within our own ranks.

For further information, please visit our Web site www.claas.com ❯ Homepage Group ❯ Jobs & Career

From our position as a technological leader, we offer our employees the opportunity to take part in continuing education and employee development programs on an ongoing basis. Customized seminars and Group-wide management training programs are offered at various CLAAS locations. These offers enjoy a high response level from employees, which helps our staff and the Company as a whole to stay well-equipped to meet future challenges. In addition to holding seminars covering specialized technical subjects, we also work to promote personality development, creativity, innovation, and especially intercultural competence to aid in cross-border working relationships.

Risk Management

Risk Management System

As a globally active corporate group, CLAAS is subject to various types of risk. Acting entrepreneurially means deliberately taking risks in order to take advantage of the related opportunities. The goal of opportunity and risk management at CLAAS is to take on appropriate, controllable risks and to deal with them in a responsible manner. This involves identifying existing risks as early as possible, limiting the effects of these risks, and avoiding any threat to the continued existence of the Company as a going concern.

In the CLAAS Group, a uniform, Group-wide, systematic risk management system is an integral part of corporate management and control. This serves to take advantage of opportunities, identify possible risks, and ensure optimal handling of risk positions. The risk management system utilizes a wide variety of information for ongoing identification, evaluation, and control of risks. The existing system, which is continually being developed further, fulfills statutory early warning requirements.

The Group's reporting system represents an essential element in our continuous monitoring of economic risks. In addition to the external data supplied, detailed internal reports and evaluations are provided to decision makers on a monthly basis. Budgets are monitored for deviations, earnings projections for feasibility, and any new monetary or non-monetary risks are identified and dealt with on an ongoing basis. Within existing organizational structures, the risk management system is accounted for and supported by the operating and administrative areas of responsibility. In addition to the regular information provided, an obligation to prepare ad hoc risk reports ensures prompt management action at all times. The internal auditing department is responsible for monitoring the adequacy of the risk management system and conformity with regulations.

Risk Exposure

Industry and company-specific risk

In addition to intense competitive pressure and continuing consolidation trends, the risk landscape of CLAAS as a globally positioned enterprise is affected by extreme variations in harvest yields due to climate conditions as well as decisions on agricultural policies that affect the business. Risks and opportunities are managed centrally by monitoring and evaluating market-related indicators in conjunction with the risks of specific countries.

Along with controlled risk taking, acting entrepreneurially also involves dealing in depth with all risks along the value-added chain. Due to faster innovation cycles, research and development activities are critical in ensuring that innovative and technically mature products are developed and launched on the market for the benefit of customers.

On the procurement side, risks are minimized by constantly observing the relevant markets and by drafting contracts and taking other measures aimed at creating lasting ties with suppliers on a partnership basis.

In the production facilities, all equipment is serviced regularly and any sources of risk are eliminated by modifying the equipment in order to reduce the risk of production down time (e.g., due to fire or technical defects). Flexible working time models ensure that the required human resources can be adjusted to meet the degree of capacity utilization. In order to reduce quality risks, CLAAS has entrusted a central quality management department with the task of establishing quality assurance strategies, coordinating standards with the operating divisions, and tracking adherence to these standards.

Markets and early warning indicators are carefully observed on an ongoing basis in order to identify any fluctuations in demand or changing buying behavior in our sales markets at an early stage. This ensures that product strategies are kept up to date and are adapted to respond to changed customer requirements and reactions from competitors.

Financial risk

In recent months, the corporate sector has been subject to increasing focus on the viability of risk management principles and companies’ finance policies. Like other companies, CLAAS has had to ask itself whether its available liquidity commitments would suffice on a sustained basis and whether its refinancing risk was covered. Another relevant issue involved whether the Company’s financing policy had been sensibly planned and would take account of expected changes at banks and on the capital markets. Based on our liquidity exposure and financing exposure as described above, we are already able to respond affirmatively to these questions.

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The following remains a key factor in this regard: CLAAS cooperates – just as before the start of the crisis – in a broad range of transactions with a virtually unchanged group of proven financial partners having high ratings stability. Our decisions on which partners we intended to work together with had to be adjusted to a very minor extent only. The reverse is true as well: Our financial partners appreciate our policy of including them in our information cycle on a continuous basis, as this provides them with a solid foundation for cooperation.

CLAAS was prepared for a typical risk pattern ensuing from the financial crisis: Counterparty and refinancing risk. We have been managing our investment and derivative positions based on counterparty limits for years. Our system of managing credit risk in Purchasing and Sales has also proven effective. Credit risks that could result from payment default or delayed payments are minimized through effective receivables management, close cooperation with banks, and credit insurance. In addition, in 2009 our Group Treasury department began using performance management software PMS with the full range of functions to enable independent evaluations, performance measurement, and forward-looking scenario simulations of the finance instruments that we use for our financial investments and for the purpose of hedging interest rate and exchange rate risk.

Financial and currency risks are countered by employing hedging instruments and by regular, intense monitoring of a set of early warning indicators. Our financial liabilities have specified minimum durations, which ensures that refinancing measures can always be prepared on a long-term basis in return for accepting short-term interest rate disadvantages. For information on the disclosure requirements for risk management with respect to the use of financial instruments as codified in IFRS 7 and Section 315 (2) of the German Commercial Code, please refer to the notes to the consolidated financial statements (note 34: Financial Risk Management and note 35: Derivative Financial Instruments and Hedge Accounting).

In the area of dealer and sales financing, our policy of following a captive finance model to a limited extent only has paid off. Our risk mix remained sustainable thanks to our close integration into the conservative risk reporting system of a major European corporate bank, and our practice of concentrating primarily on business with end consumers rather than on business with dealers.

IT risk
IT management at CLAAS allows our systems as well as our security strategies and concepts to be effectively and continuously adapted and coordinated to reflect current requirements and developments. Our IT strategy is characterized by uniform, Group-wide, standardized, and clear IT structures.

Legal risk
Our decisions are based on intense legal consultation in order to counter any risks that could arise from the various provisions and statutes regarding taxes, competition laws, patents, and tort law. Selected risks are transferred to insurance companies where this makes economic sense. We continued our international insurance program aimed at achieving optimal risk protection and creating Group-wide uniformity and transparency by means of global master policies and national framework agreements. The possibility of premium increases in the insurance market is countered by a number of pro-active measures.

Assessment of the overall risk position of the CLAAS Group
An analysis of the individual risks currently discernable has not identified any risks that – singly or in combination with other risks – could jeopardize the continued existence of the CLAAS Group as a going concern during or beyond the period under review.

Events After the Balance Sheet Date

CLAAS Automation GmbH, Nördlingen, Germany, was sold effective October 1, 2009. The company has not been included in the scope of consolidation of the CLAAS Group since such date. CLAAS Automation manufactures highly complex automation lines for the domestic and international markets. Prior to deconsolidation, CLAAS Automation was allocated to the Production Technology segment.

Outlook for 2010

Harvest quantities for 2009 are forecast to be only slightly lower than the record harvest seen in 2008. These large quantities are pushing down crop prices despite demand from the bioenergy sector. However, since farmers' input prices have returned to normal levels, the income situation in the agricultural sector is still satisfactory on the whole. Nonetheless, current price levels and the global economic crisis are leading to uncertainty among farmers with regard to the future, which presumably will lead to restraint when it comes to the purchase of new machinery. All in all, in 2010 the global market for agricultural equipment will remain below the previous year's level.

Western European markets continued to benefit in 2009 from order backlogs from the previous year in some regions. In 2010, however, the agricultural machinery markets will remain under current year levels on the whole.

In Central Europe, investment in new machinery is becoming more attractive now that currencies have recovered for the most part. However, agricultural operations continue to have low liquidity, for which reason the market level is not likely to improve over the short term.

In Eastern Europe, governments continue to subsidize the expansion of agricultural production. Demand for agricultural equipment will nevertheless remain weak due to limited financing possibilities.

North American farmers saw their incomes drop in the 2009 calendar year, with cattle operations more heavily affected by the decline than arable farming operations. Therefore, demand for agricultural equipment can be expected to soften in 2010 compared with the strong previous years.

In South America, agricultural equipment markets are slowing down based on the decrease in prices for farming commodities and the income situation in the export-based agricultural industry. These developments have been exacerbated by the drought-induced harvest losses and the political situation in Argentina; thus no growth impulses are anticipated for South America.

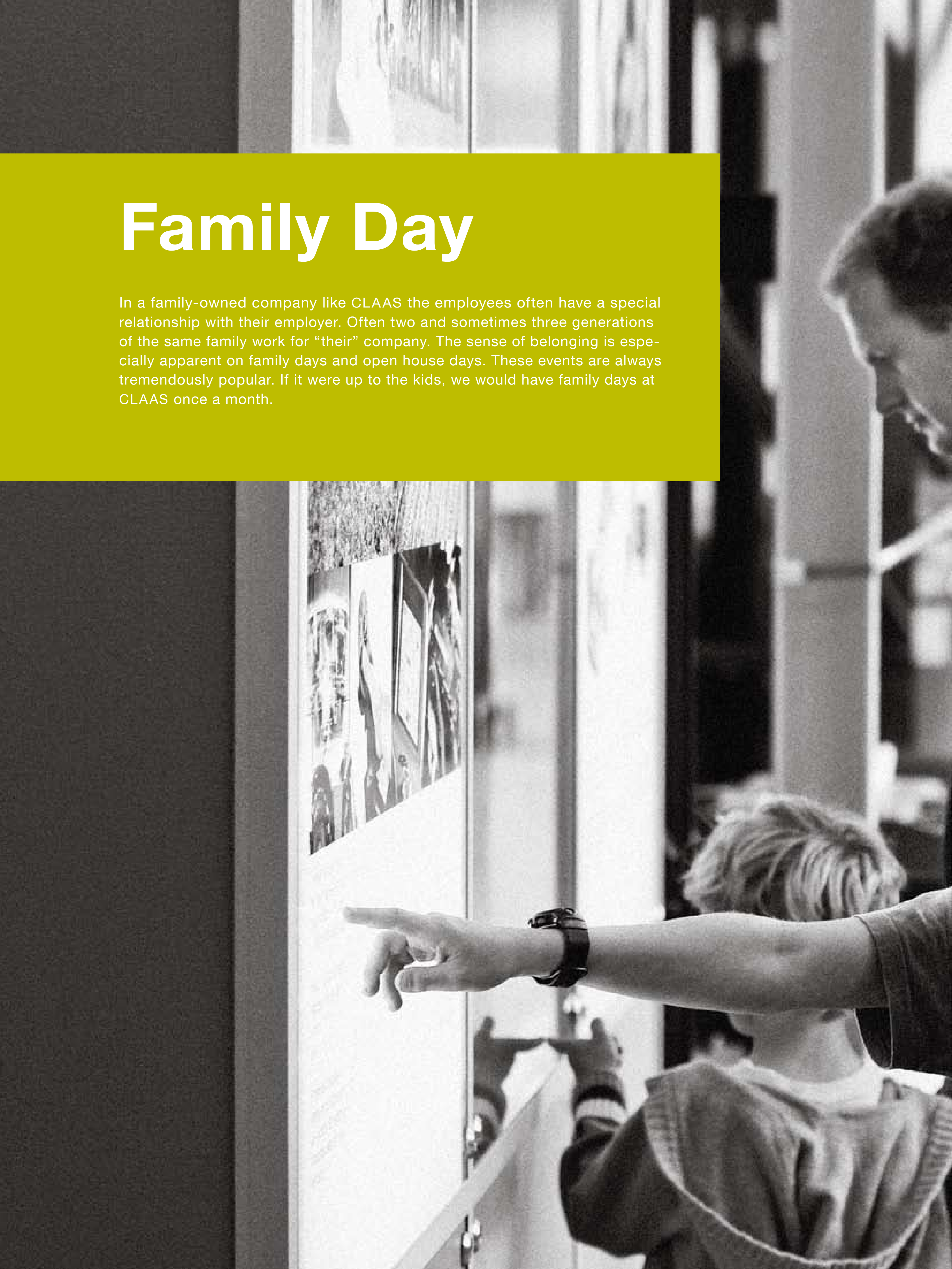
India's market for agricultural equipment is benefiting from a long-term trend toward mechanization, particularly in the harvesting equipment sector. Nonetheless, some regions of India will see a decline in demand for agricultural equipment due to the fact that the monsoon season produced much less rainfall than usual.

The agricultural equipment markets continue to be supported by several positive trends, including a growing world population with higher demands placed on nutrition, increasing scarcity of arable land and a trend towards utilizing farmland for the cultivation of crops used in the generation of sustainable energy. All of these factors will contribute to rising demand for state-of-the-art agricultural equipment. In 2010, however, business volume at CLAAS will continue to decline, as the overall economic situation is still shaped by the ongoing financial market crisis. The sharp economic downturn has slowed investment in durable goods, which has had a noticeable impact on our business. Chances of investment activity reviving more quickly than expected are offset by the current high levels of uncertainty regarding the continuing market trend.

We are reacting to this situation by keeping our production and sales estimates conservative. Although the above-mentioned risks could have a negative impact on earnings, we are responding to this possibility by means of a comprehensive cost reduction and efficiency improvement project. As part of this project – known as "Fitness 2010" – we are again subjecting all business processes and operating cost areas to careful scrutiny. The above measures will put us in a position to withstand the effects of the current economic crisis. We will emerge from the crisis stronger than before and maintain our strategic course.

Family Day

In a family-owned company like CLAAS the employees often have a special relationship with their employer. Often two and sometimes three generations of the same family work for “their” company. The sense of belonging is especially apparent on family days and open house days. These events are always tremendously popular. If it were up to the kids, we would have family days at CLAAS once a month.



In a family-owned company like CLAAS, the value of team spirit becomes especially apparent in challenging times.

Consolidated Financial Statements

Consolidated Income Statement

for the fiscal year ended September 30, 2009

in € '000		2009	2008
Net sales	(9)	2,900,815	3,236,218
Cost of sales	(10)	-2,249,021	-2,454,292
Gross profit on sales		**651,794**	**781,926**
Selling expenses	(11)	-298,706	-293,330
General and administrative expenses	(12)	-88,768	-92,365
Research and development expenses	(18)	-128,668	-105,477
Other operating income	(13)	41,791	47,020
Other operating expenses	(14)	-39,029	-59,825
Operating income		**138,414**	**277,949**
Income from investments accounted for using the equity method		5,233	3,244
Income from other investments		624	486
Interest and similar expenses, net		-17,547	-10,589
Other financial result		-14,429	-23,021
Financial result	(15)	**-26,119**	**-29,880**
Income before taxes		**112,295**	**248,069**
Income taxes	(16)	-38,863	-78,732
Net income		**73,432**	**169,337**
thereof: attributable to shareholders of CLAAS KGaA mbH		72,402	168,025
thereof: attributable to minority interests		1,030	1,312

in €		2009	2008
Earnings per share	(17)	24.13	56.01

Consolidated Statement of Comprehensive Income

for the fiscal year ended September 30, 2009

in € '000	2009	2008
Net income	**73,432**	**169,337**
Net unrealized gains / losses from currency translation	-20,508	-9,372
thereof: attributable to investments accounted for using the equity method	(-834)	(-731)
thereof: attributable to minority interests	(-234)	(-)
Net unrealized gains / losses from securities	5,023	-4,909
Net unrealized gains / losses from derivative financial instruments	1,248	-2,436
Other comprehensive income	**-14,237**	**-16,717**
Total comprehensive income	**59,195**	**152,620**
thereof: attributable to shareholders of CLAAS KGaA mbH	58,399	151,308
thereof: attributable to minority interests	796	1,312

Consolidated Balance Sheet

as of September 30, 2009

in € '000		Sept. 30, 2009	Sept. 30, 2008
Assets			
Intangible assets	(18)	120,160	126,616
Property, plant and equipment	(19)	322,444	280,981
Investments accounted for using the equity method	(20)	41,043	34,430
Other investments	(20)	1,867	1,392
Deferred tax assets	(16)	41,044	27,877
Non-current tax assets		14,175	13,548
Other non-current receivables and assets	(21)	38,325	37,938
Total non-current assets		**579,058**	**522,782**
Inventories	(22)	519,337	394,594
Trade receivables	(21)	246,292	233,210
Current tax assets		5,976	7,072
Other current receivables and assets	(21)	178,857	149,983
Securities	(23)	227,836	134,569
Cash and cash equivalents	(24)	449,343	581,640
Total current assets		**1,627,641**	**1,501,068**
Total assets		**2,206,699**	**2,023,850**
Equity and liabilities			
Subscribed capital		78,000	78,000
Capital reserves		38,347	38,347
Other reserves		576,492	532,221
Subordinated perpetual securities		78,616	78,616
Equity before minority interests		**771,455**	**727,184**
Minority interests		4,077	3,810
Total equity	(25)	**775,532**	**730,994**
Non-current financial liabilities	(26)	440,768	199,678
Silent partnership	(26)	25,334	23,762
Deferred tax liabilities	(16)	764	849
Other non-current liabilities	(27)	73,444	62,693
Pension provisions	(28)	172,295	166,588
Other non-current provisions	(29)	53,579	50,216
Total non-current liabilities		**766,184**	**503,786**
Current financial liabilities	(26)	70,239	65,950
Trade payables	(27)	91,352	156,729
Current tax liabilities		178	3,382
Other current liabilities	(27)	100,275	128,468
Income tax provisions	(29)	20,315	54,822
Other current provisions	(29)	382,624	379,719
Total current liabilities		**664,983**	**789,070**
Total equity and liabilities		**2,206,699**	**2,023,850**

Consolidated Statement of Cash Flows

for the fiscal year ended September 30, 2009

in € ’000	2009	2008
Net income	**73,432**	**169,337**
Amortization / impairment of intangible assets and depreciation / impairment of property, plant and equipment	83,115	103,142
Impairment of investments	-	90
Change in pension provisions	5,712	3,624
Change in other non-current provisions	3,385	12,725
Deferred tax income	-13,685	-12,134
Other non-cash expenses	4,985	9,111
Cash earnings	**156,944**	**285,895**
Change in current provisions	-27,165	115,634
Losses (+) / gains (-) from the disposal of intangible assets and property, plant and equipment	-2,403	476
Change in inventories, receivables and other assets	-180,070	-120,640
Change in trade payables and other liabilities	-87,940	53,186
Cash flows from operating activities (I)	**-140,634**	**334,551**
Payments for additions to intangible assets and property, plant and equipment (net of development costs recognized as an asset)	-98,462	-86,722
Additions to development costs recognized as an asset	-25,779	-29,799
Proceeds from the disposal of intangible assets and property, plant and equipment	4,120	3,302
Payments for additions to investments	-5,713	-3,716
Proceeds from the disposal of investments	1,863	49
Payments for additions to borrowings	-223	-192
Proceeds from repayment of borrowings	33	30
Payments for the purchase of securities	-172,173	-101,047
Proceeds from the sale of securities	77,515	39,882
Cash flows from investing activities (II)	**-218,819**	**-178,213**
Proceeds from the increase in loans and the issuance of bonds	255,502	5,452
Repayment of bonds and loans	-10,386	-31,242
Repayment of lease liabilities	-113	-13,055
Proceeds from silent partnership (CMG)	1,572	1,558
Change in liabilities to shareholders	3,210	13,027
Payments to minority shareholders	-764	-447
Decrease in other interest-bearing liabilities	-	-32,569
Subordinated perpetual securities payout	-6,096	-6,096
Dividends paid out	-8,310	-19,500
Cash flows from financing activities (III)	**234,615**	**-82,872**
Net change in cash and cash equivalents (I+II+III)	**-124,838**	**73,466**
Effect of foreign exchange rate changes on cash and cash equivalents	-7,459	-3,159
Cash and cash equivalents at beginning of year	581,640	511,333
Cash and cash equivalents at end of year	**449,343**	**581,640**

Consolidated Statement of Changes in Equity

as of September 30, 2009

in € '000	Subscribed capital	Capital reserves	Other reserves: Accumulated profit	Other reserves: Currency translation	Other reserves: Securities	Other reserves: Derivative financial instruments	Subordinated perpetual securities	Equity before minority interests	Minority interests	Total equity
Balance as of October 1, 2007	**78,000**	**38,347**	**417,938**	**-10,635**	**-50**	**-791**	**78,616**	**601,425**	**2,992**	**604,417**
Net income	-	-	168,025	-	-	-	-	168,025	1,312	169,337
Other comprehensive income	-	-	-	-9,372	-4,909	-2,436	-	-16,717	-	-16,717
Total comprehensive income	**-**	**-**	**168,025**	**-9,372**	**-4,909**	**-2,436**	**-**	**151,308**	**1,312**	**152,620**
Dividend payments	-	-	-19,500	-	-	-	-	-19,500	-474	-19,974
Compensation for subordinated perpetual securities	-	-	-6,096	-	-	-	-	-6,096	-	-6,096
Consolidation adjustments / other changes	-	-	47	-	-	-	-	47	-20	27
Balance as of September 30, 2008	**78,000**	**38,347**	**560,414**	**-20,007**	**-4,959**	**-3,227**	**78,616**	**727,184**	**3,810**	**730,994**
Net income	-	-	72,402	-	-	-	-	72,402	1,030	73,432
Other comprehensive income	-	-	-	-20,274	5,023	1,248	-	-14,003	-234	-14,237
Total comprehensive income	**-**	**-**	**72,402**	**-20,274**	**5,023**	**1,248**	**-**	**58,399**	**796**	**59,195**
Dividend payments	-	-	-8,310	-	-	-	-	-8,310	-683	-8,993
Compensation for subordinated perpetual securities	-	-	-6,096	-	-	-	-	-6,096	-	-6,096
Consolidation adjustments / other changes	-	-	46	-	-	232	-	278	154	432
Balance as of September 30, 2009	**78,000**	**38,347**	**618,456**	**-40,281**	**64**	**-1,747**	**78,616**	**771,455**	**4,077**	**775,532**

Affiliated Companies, Equity-Accounted Investments and Other Shareholdings

as of September 30, 2009

No.	Company	Subscribed capital		Shareholding in %	Shareholding owned by company No.
I. Affiliated companies included in the scope of consolidation					
Domestic companies					
1	CLAAS Kommanditgesellschaft auf Aktien mbH, Harsewinkel	EUR	78,000,000		
2	CLAAS Selbstfahrende Erntemaschinen GmbH, Harsewinkel	EUR	25,600,000	100	1
3	CLAAS Beteiligungsgesellschaft mbH i.L., Harsewinkel	EUR	52,000	100	41
4	CLAAS Saulgau GmbH, Bad Saulgau	EUR	7,700,000	100	1
5	CLAAS Fertigungstechnik GmbH, Beelen	EUR	5,300,000	100	1
6	CLAAS Automation GmbH, Nördlingen	EUR	260,000	100	5
7	BRÖTJE-Automation GmbH, Wiefelstede	EUR	1,030,000	100	5
8	BA Jaderberg GmbH, Jaderberg	EUR	25,000	100	7
9	CLAAS Industrietechnik GmbH, Paderborn	EUR	7,700,000	100	1
10	CLAAS Vertriebsgesellschaft mbH, Harsewinkel	EUR	3,100,000	100	1
11	Brandenburger Landtechnik GmbH, Liebenthal	EUR	1,000,000	50.6	10
12	Mecklenburger Landtechnik GmbH, Mühlengeez	EUR	1,000,000	100	10
13	CLAAS Württemberg GmbH, Langenau	EUR	800,000	90	10
14	CLAAS Bordesholm GmbH, Bordesholm	EUR	750,000	54.6	10
15	CLAAS Agrosystems GmbH & Co KG, Gütersloh	EUR	117,600	100	1
16	CLAAS Agrosystems Verwaltungs GmbH, Gütersloh	EUR	32,150	100	1
17	CLAAS Osteuropa Investitions GmbH, Harsewinkel	EUR	100,000	100	1
18	CLAAS Global Sales GmbH, Harsewinkel	EUR	2,000,000	100	1
19	CLAAS Service and Parts GmbH, Harsewinkel	EUR	2,000,000	100	1
Foreign companies					
20	CLAAS France Holding S.A.S., Paris, France	EUR	31,009,001	100	1
21	Usines CLAAS France S.A.S., Metz-Woippy, France	EUR	24,500,000	100	20
22	CLAAS France S.A.S., Paris, France	EUR	8,842,043	100	20
23	CLAAS Tractor S.A.S., Vélizy, France	EUR	70,773,481	100	20
24	CLAAS Réseau Agricole S.A.S., Vélizy, France	EUR	27,400,000	100	23
25	CLAAS Retail Properties Ltd., Shipston on Stour, United Kingdom	GBP	3,812,030	100	27
26	RENAULT Agriculture & Sonalika International Plc., Port Louis, Mauritius	USD	900,000	60	23
27	CLAAS Holdings Ltd., Saxham, United Kingdom	GBP	10,800,000	100	1
28	CLAAS U.K. Ltd., Saxham, United Kingdom	GBP	101,100	100	27
29	Southern Harvesters Ltd., Saxham, United Kingdom	GBP	200,000	100	28
30	Anglia Harvesters Ltd., Saxham, United Kingdom	GBP	400,000	100	28
31	Western Harvesters Ltd., Saxham, United Kingdom	GBP	281,000	75	28
32	Eastern Harvesters Ltd., Saxham, United Kingdom	GBP	440,000	75	28
33	Scottish Harvesters Ltd., Saxham, United Kingdom	GBP	400,000	100	28
34	S.I.S. Ltd., Coventry, United Kingdom	GBP	45,000	100	5

No.	Company	Subscribed capital		Shareholding in %	Shareholding owned by company No.
35	CLAAS Italia S.p.A., Vercelli, Italy	EUR	2,600,000	100	1
36	CLAAS Ibérica S.A., Madrid, Spain	EUR	3,307,500	100	1
37	CLAAS Hungaria Kft., Törökszentmiklos, Hungary	HUF	552,740,000	100	1
38	OOO CLAAS Vostok, Moscow, Russia	RUB	170,000	100	1
39	CLAAS Ukraina DP, Kiev, Ukraine	UAH	30,000	100	19
40	CLAAS Argentina S.A., Sunchales, Argentina	ARS	35,296,570	100	1
41	CLAAS North America Holdings Inc., Omaha, Nebraska, USA	USD	700	100	1
42	CLAAS of America Inc., Omaha, Nebraska, USA	USD	9,800,000	100	41
43	CLAAS Omaha Inc., Omaha, Nebraska, USA	USD	48,000,000	100	41 / 3
44	CLAAS North America Finance LLC., Omaha, Nebraska, USA	USD	0	100	41
45	Platte River Receivables Inc., Columbus, Indiana, USA	USD	1,500,000	100	41
46	CLAAS India Private Ltd., Faridabad, India	INR	350,000,000	100	1
47	OOO CLAAS, Krasnodar, Russia	RUB	353,144,130	99.7	17
48	BRÖTJE-Automation-USA Inc., Omaha, Nebraska, USA	USD	1,000	100	7

Other companies consolidated pursuant to SIC-12

49	CHW Fonds, Luxembourg, Luxembourg
50	Mercator Funding Ltd., Saint Helier, Jersey

II. Investments accounted for using the equity method and other shareholdings

No.	Company	Subscribed capital		Shareholding in %	Shareholding owned by company No.
51	CLAAS GUSS GmbH, Bielefeld, Germany	EUR	4,680,000	44.5	1 / 4
52	CS Parts Logistics GmbH, Bremen, Germany	EUR	1,550,000	50	19
53	Landtechnik-Zentrum Chemnitz GmbH, Hartmannsdorf, Germany	EUR	750,000	40	10
54	Worch Landtechnik GmbH, Schora, Germany	EUR	55,000	39	10
55	Landtechnik Steigra GmbH, Steigra, Germany	EUR	615,000	15.1	10
56	Agrartechnik Vertrieb GmbH, Munich, Germany	EUR	700,000	30	10
57	Technik Center Grimma GmbH, Mutzschen, Germany	EUR	350,000	30	10
58	CLAAS Grasdorf GmbH, Grasdorf, Germany	EUR	500,000	40	10
59	James Gordons Ltd., Castle Douglas, United Kingdom	GBP	400,000	17.5	28
60	Sellars Agricultural Ltd., Old Meldrum, United Kingdom	GBP	1,050,000	20	28
61	CLAAS Finance Ltd., Basingstoke, United Kingdom	GBP	3,000,000	49	27
62	CLAAS Financial Services Ltd., Basingstoke, United Kingdom	GBP	8,600,000	49	28
63	CLAAS Financial Services S.A.S., Paris, France	EUR	38,094,772	39.9	1
64	Harvest Machinery Ireland Ltd., Drogheda, Ireland	EUR	126,974	36.2	1
65	G.I.M.A. S.A., Beauvais, France	EUR	8,448,500	50	23
66	S@T-INFO S.A.S., Chalon sur Saône, France	EUR	77,260	34	20

Notes to the Consolidated Financial Statements

1. Basis of Presentation

The consolidated financial statements of CLAAS KGaA mbH for the fiscal year ended September 30, 2009 were prepared in accordance with the International Financial Reporting Standards (IFRS). All IFRSs / IASs and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and the Standing Interpretations Committee (SIC) required to be applied in fiscal year 2009, as adopted by the EU, have been complied with. The consolidated financial statements are supplemented by the Group management report and additional disclosures in accordance with Section 315a of the German Commercial Code (HGB). Prior-year figures were determined in accordance with the same principles. The consolidated financial statements have been presented in euros (€). The amounts have been stated in thousands of euros (€ '000) or in millions of euros (€ million).

The income statement was prepared using the cost of sales method of accounting. The balance sheet format makes a distinction between current and non-current assets and liabilities. To improve the clarity of presentation, individual items within the balance sheet and the income statement have been combined insofar as possible and meaningful. These items are analyzed and explained in the notes.

In accordance with Section 264 (3) and Section 264b of the HGB, the Company is exempt from the duty to disclose and publish financial statements in the electronic German Federal Gazette (Bundesanzeiger) and to prepare notes and management reports for the following German subsidiaries: CLAAS Agrosystems GmbH & Co KG, Gütersloh; CLAAS Global Sales GmbH, Harsewinkel; CLAAS Service and Parts GmbH, Harsewinkel; CLAAS Fertigungstechnik GmbH, Beelen; CLAAS Industrietechnik GmbH, Paderborn; CLAAS Selbstfahrende Erntemaschinen GmbH, Harsewinkel; CLAAS Vertriebsgesellschaft mbH, Harsewinkel; CLAAS Saulgau GmbH, Bad Saulgau; BRÖTJE-Automation GmbH, Wiefelstede; and BA Jaderberg GmbH, Jaderberg.

The consolidated financial statements were prepared on November 24, 2009 by the Executive Board of CLAAS KGaA mbH. Approval of the consolidated financial statements by the Supervisory Board is planned for December 10, 2009 at the scheduled Supervisory Board meeting.

2. Scope of Consolidation

Acquisitions / Divestments in the Fiscal Year

In order to strengthen our state-of-the-art capabilities in agricultural technology, on July 24, 2009 we entered into a partnership with S@T-INFO S.A.S., Chalon sur Saône, France, aimed at developing high precision correction signals for combine harvesters, foragers, and tractors in France. CLAAS holds an interest of 34% in this company.

Effective September 30, 2009, we sold our stake of 20% in Alberta Harvest Centre Ltd., Lacombe, Canada.

Fully Consolidated Companies

Companies consolidated into the Group accounts include CLAAS KGaA mbH and all of its affiliates and the special purpose entities that are required to be included in the consolidated financial statements pursuant to SIC-12. This constitutes a total of 50 companies (previous year: 50 companies), thereof 19 German and 31 foreign companies.

All companies that are directly or indirectly controlled by CLAAS KGaA mbH were consolidated as subsidiaries in accordance with the full consolidation method.

Investments Accounted for Using the Equity Method

Included in the consolidated financial statements are 10 (previous year: 6) associated companies accounted for using the equity method: CLAAS GUSS GmbH, Bielefeld, Germany; Landtechnik-Zentrum Chemnitz GmbH, Hartmannsdorf, Germany; Worch Landtechnik GmbH, Schora, Germany; Technik Center Grimma GmbH, Mutzschen, Germany; CLAAS Grasdorf GmbH, Grasdorf, Germany; CLAAS Finance Ltd., Basingstoke, United Kingdom; CLAAS Financial Services Ltd., Basingstoke, United Kingdom; CLAAS Financial Services S.A.S., Paris, France; Harvest Machinery Ireland Ltd., Drogheda, Ireland; and G.I.M.A. S.A., Beauvais, France.

The following list summarizes the key financial figures of the companies accounted for using the equity method:

in € '000	2009	2008
Revenues*	**316,836**	**403,192**
Income before taxes	**9,185**	**15,996**
Non-current assets	42,621	133,552
Current assets	987,620	713,318
Total assets	**1,030,241**	**846,870**
Equity	108,570	83,825
Liabilities	921,671	763,045
Total equity and liabilities	**1,030,241**	**846,870**

* Revenues include income and expenses, net, provided by financing activities of €20.5 million (previous year: €18.2 million).

A list of shareholdings has been attached to this report.

3. Accounting Policies

Intangible Assets and Property, Plant and Equipment

Intangible assets acquired for a consideration are recognized at cost and, if a useful life can be determined, amortized over the useful life of the asset on a straight-line basis. The useful life of intangible assets ranges from three to ten years. When the useful life of an asset cannot be determined, the asset is not amortized, but is tested for impairment annually or more frequently if events or changes in circumstances indicate that the asset might be permanently impaired. Goodwill is not amortized either, but is subjected to an annual impairment test. Development costs for internally generated future serial products are recognized as an asset, provided that manufacture of the products will generate probable future economic benefits for CLAAS and the other requirements of IAS 38 are fulfilled. The cost comprises all costs directly attributable to the development process plus the relevant development-related overheads. Depreciation is undertaken on a straight-line basis as of the start of production over the expected useful life of the product.

Property, plant and equipment is measured at cost and, where subject to wear and tear, depreciated in accordance with a depreciation schedule. Movable assets are depreciated on a straight-line basis over their estimated useful life. The useful life of buildings ranges between 20 and 50 years. Other property, plant and equipment is depreciated over a useful life of between three and 20 years. Borrowing costs pursuant to IAS 23 are not included in the cost of an asset.

The option of using the revaluation method has not been selected.

When conducting impairment tests either annually or upon indication of impairment, the carrying amount is compared with the recoverable amount, which represents the higher of the value in use and the fair value less costs to sell. The value in use is based on the present value of future cash flows expected to arise from the continuing use of the relevant asset or the cash-generating unit and from its disposal at the end of its useful life. If the recoverable amount is less than the carrying amount, an impairment loss is recognized in income. Any subsequent increases in value are taken into account by increasing the carrying amount of the asset, except in the case of goodwill impairment. When conducting the impairment test, the value in use is determined on the basis of the management’s medium-term forecast data covering a period of five years. The forecast assumptions are adjusted to reflect current circumstances, taking into account reasonable expectations based on macroeconomic trends and historical developments. Cash flow projections are estimated by extrapolation based on the growth rates of the relevant market segment. The market growth rates are currently at 1.0% p.a. (previous year: between 0.0% and 1.0% p.a.). The value in use is determined on the basis of discount rates ranging between 7.2% and 10.9% p.a. (previous year: 7.9% and 8.6% p.a.) and corresponding to the risk-adjusted minimum yield on the capital market.

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Regular way purchases and sales of financial instruments are recognized as of the settlement date. In accordance with IFRS, financial instruments include primary financial instruments (in the case of CLAAS, subordinated perpetual securities classified as equity instruments as well as other equity investments and securities, receivables and other financial assets, cash and cash equivalents, a silent partnership, a bond, a Schuldscheindarlehen, and payables) and derivative financial instruments (such as swaps and options).

IAS 39 classifies financial instruments into the following categories: financial assets and financial liabilities at fair value through profit or loss, including the sub-category of financial assets and financial liabilities held for trading; held-to-maturity investments; loans and receivables; available-for-sale financial assets; and financial liabilities measured at amortized cost. The categories pursuant to IAS 39 do not include derivative financial instruments designated as hedging instruments. Derivatives that are not designated as hedging instruments or do not qualify for hedge accounting fall into the category of financial assets and financial liabilities held for trading.

Financial instruments are recognized at amortized cost or at fair value. The amortized cost is calculated using the effective interest method. The fair value of a financial instrument in accordance with IFRS is the amount for which the instrument could be exchanged between knowledgeable, willing parties in an arm’s length transaction other than a forced transaction, involuntary liquidation or distress sale. The fair value generally corresponds to the market value or the stock market price. If the market for a financial instrument is not active, fair value is established using a valuation technique (for example, a discounted cash flow analysis, which applies a discount rate equal to the current market rate of return). The fair value of derivative financial instruments is calculated by discounting the estimated future cash flows at the current market rate of return or by using other common valuation techniques such as option pricing models. Financial instruments for which the fair value cannot be reliably measured are carried at amortized cost.

The fair value option provided for in IAS 39 permits an entity to designate financial assets not held for trading on initial recognition as to be measured at fair value, with changes in fair value recognized in profit or loss. This does not include equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured. This voluntary designation may only be used in order to eliminate or significantly reduce a measurement or recognition inconsistency (“accounting mismatch”), if the financial instrument contains one or more embedded derivatives, or if a group of financial assets, financial liabilities or both is managed and its performance is evaluated on a fair value basis.

At CLAAS, the fair value option is applied provided a financial instrument contains one or more embedded derivatives. Financial instruments (particularly securities) may also be classified into this category if the internal management of the instrument in question is undertaken on a fair value basis. Financial instruments for which the fair value option is exercised are shown by product under the respective balance sheet item. Changes in the value of such items are included in the financial result shown on the income statement.

The carrying amounts of financial assets not recognized at fair value through profit or loss are assessed as of each balance sheet date for objective evidence of impairment (such as significant financial difficulty of the issuer or obligor or the probability that the borrower will enter bankruptcy). If any such evidence exists, the resulting impairment loss is recognized in profit or loss. Any impairment loss of an available-for-sale financial asset recognized directly in equity is removed from equity and recognized in profit or loss.

Primary Financial Instruments

Investments and securities
Pursuant to IAS 28 / IAS 31, investments in associated companies and joint ventures are recognized in the amount of the prorated share in equity ("equity method") provided that the Group has the possibility of exercising significant influence on these companies. Other investments that are neither measured at fair value through profit or loss nor held to maturity are classified as available-for-sale financial instruments within the meaning of IAS 39. They are stated at their fair values, provided that the shares held by CLAAS are listed on a stock exchange or quoted market prices are available. Other investments are carried at amortized cost (less any impairment loss) if no quoted market price exists.

The securities held by CLAAS are securities designated as at fair value through profit or loss as well as available-for-sale securities that are neither measured at fair value through profit or loss nor held to maturity. Securities classified as "available for sale" are stated at quoted market prices (where available).

Unrealized gains and losses from available-for-sale securities stated at fair value as well as equity investments are recognized in equity without impact on earnings, taking into account deferred taxes.

Receivables and other financial assets
Receivables and other financial assets are recognized at their principal amount. Adequate allowances are made for anticipated default risks. Reductions of trade receivables for impairment or uncollectibility are made directly or through the use of an allowance account. Impairment losses are recognized for trade receivables anytime there is objective evidence of impairment as a result of financial difficulty on the part of the obligor, impending losses, or delinquency in payments or payment concessions granted by CLAAS. The decision as to whether the carrying amount of a receivable at risk of default should be reduced directly or through the use of an allowance account depends on the degree of reliability of the risk assessment. Such assessment is made by the individual portfolio managers. Non-interest-bearing receivables that are not expected to be collected within the normal payment cycle (usually one year) are discounted at the market interest rate in accordance with the maturity of the receivables. CLAAS sells a portion of its trade receivables to third parties, mostly via asset-backed securitization programs. These receivables are carried as assets on the balance sheet provided that the risks and rewards associated with the receivables – particularly credit risks and default risks – are not transferred.

Long-term construction contracts are reported in accordance with the percentage of completion method. The amount required to be capitalized is reported under receivables and also under sales. The receivables arise when contractually agreed milestones or certain stages of completion are reached. The stage of completion (= percentage of completion) is based on the incurred contract costs. Existing contracts are reviewed as of each reporting date to assess potential risks. In the case of anticipated losses, corresponding allowances or provisions are recognized.

Cash and cash equivalents
Under IFRS, cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents as reported in the cash flow statement correspond to the same item in the balance sheet.

Liabilities
Liabilities are initially carried at their fair value less transaction costs and subsequently measured at amortized cost; liabilities denominated in foreign currencies are translated at the closing rate.

Derivative Financial Instruments and Hedge Accounting

The CLAAS Group uses derivative financial instruments such as swaps, forward exchange contracts, interest rate swap options, forward interest rate transactions, caps, and floors for hedging purposes. In accordance with IAS 39, all derivative financial instruments must be reported in the balance sheet at fair value under either assets or liabilities. If hedge effectiveness has been clearly determined and documented, hedge accounting is permitted. In hedge accounting, the recognition of changes in the fair value of a derivative instrument depends on the type of hedge. With cash flow hedges, the effective portion of the change in the fair value of a derivative instrument is reported initially as a component of equity and is not recognized in income until the hedged item is recognized in income. The ineffective portion is recognized immediately in income. With fair value hedges, gains or losses resulting from changes in the fair value of a derivative and its underlying transaction are recognized immediately in income.

Hedge accounting is discontinued if the hedging instrument expires or is sold, terminated, or exercised or the hedge no longer meets the criteria for hedge accounting. In such cases, for cash flow hedges the cumulative gains or losses on the hedging instrument that were recognized directly in equity remain in equity until the planned transaction is concluded. If a hedged transaction is no longer expected to occur, the associated cumulative gains or losses that were recognized directly in equity are reclassified to the income statement.

Inventories

Inventories are measured at the lower of cost or net realizable value. Raw materials and consumables as well as merchandise are capitalized at average cost. Work in progress and finished goods are capitalized at production-related full cost, including direct materials and labor and any allocable production overheads from indirect materials as well as production-related administrative costs. Borrowing costs pursuant to IAS 23 are not included in the cost of an asset. Inventory risks that result from the reduced likelihood of full utilization, as well as risks arising from an assessment of realizable sale prices, are reflected in value adjustments.

Leases

In the case of finance leases, the leased assets are capitalized and the payment obligations resulting from future lease payments are recognized as a liability on a discounted basis. If CLAAS companies act as lessees in operating leases, the lease payments are recognized as an expense.

Pension Obligations

Pension obligations are calculated using actuarial valuation methods in accordance with the projected unit credit method. This method not only takes into account pensions and accrued vested rights known as of the balance sheet date, but also anticipated future salary and pension increases. The net cumulative unrecognized actuarial gains or losses as of the end of the previous reporting period that exceed the greater of 10% of the present value of the defined benefit obligation (before deducting plan assets) or 10% of the fair value of any plan assets are distributed over the expected average remaining working lives of the employees participating in the plan (the "corridor approach").

Current and Deferred Income Taxes

Tax provisions include current tax commitments. However, deferred taxes calculated in accordance with IAS 12 are reported under separate items in the balance sheet. They reflect future reductions or increases in the tax burden arising from temporary differences between the consolidated financial statements and the tax accounts. Deferred tax assets also comprise tax reduction claims arising from the expected realization of existing loss carryforwards in subsequent years, the materialization of which is sufficiently probable. Deferred taxes are computed using the tax rate that will apply – depending on the current legal situation – at the anticipated point in time when temporary differences are reversed. In foreign countries, country-specific tax rates are used. Deferred tax assets are reduced by a valuation allowance if it is more likely than not that not all of the deferred tax assets will be able to be utilized against future tax gains or if their realization is limited in time.

Revenue Recognition

Revenue, interest income, and other operating income are recognized upon completion of delivery or service and transfer of risk to the customer. Only revenue from product sales occurring in the ordinary course of business is recognized as revenue.

In the case of long-term construction contracts, revenue is recognized in accordance with the percentage of completion method as contractually agreed milestones or certain stages of completion are reached.

Government Grants

Pursuant to IAS 20, a government grant is not recognized until there is reasonable assurance that the entity will comply with the conditions attached to it, and that the grant will be received. Government grants not related to assets are recognized as income over the periods necessary to match them with the related costs which they are intended to compensate. Grants related to assets are deducted in arriving at the carrying amount of the asset, and the grant is recognized as income over the life of a depreciable asset by way of a reduced depreciation charge.

4. Consolidation Principles

The separate financial statements of the consolidated entities have been prepared using the uniform accounting policies relevant for the CLAAS Group. As a rule, the financial statements are prepared for the fiscal year ending September 30.

When consolidating the equity of Group companies, the carrying amounts of the subsidiaries are offset against the respective share in equity of the affiliates at the time of acquisition. Residual amounts arising on the assets side are capitalized as goodwill and subjected to an annual impairment test. Any differences arising on the liabilities side are reported as other operating income.

Investments in associated companies are accounted for using the equity method. With respect to the elimination of intercompany relationships, the same principles are applied to investments in associated companies as are applied to full consolidation.

Receivables and payables, net sales as well as income and expenses between consolidated entities are eliminated upon consolidation. Intercompany profits and losses within inventories are adjusted accordingly. Tax deferrals are recognized for temporary differences arising from the elimination of profits and losses resulting from intragroup transactions, provided the temporary differences are likely to be reversed in future fiscal years. Deferred tax assets and liabilities are offset where applicable.

5. Foreign Currency Translation

Currency translation is based on the functional currency concept in accordance with IAS 21. The functional currency is the currency used in the environment where an entity predominantly operates. As a rule, this is the currency in which cash is generated and expended.

In the consolidated financial statements, with the exception of equity all balance sheet items of economically independent foreign entities are translated at the closing rate. Equity is translated at historic rates and expenses and income are translated at the average exchange rate for the fiscal year. Adjustments resulting from currency translations in the financial statements are excluded from income and reported in equity.

The following exchange rates were used for countries that are not part of the European Monetary Union:

		Average rate / €		Closing rate / €	
		2009	2008	Sept. 30, 2009	Sept. 30, 2008
US dollar	USD	1.3573	1.5111	1.4619	1.4340
Pound sterling	GBP	0.8804	0.7676	0.9140	0.7961
Ukrainian hryvnia	UAH	10.5092	7.4048	12.0456	7.2950
Hungarian forint	HUF	278.5583	248.6358	270.1718	243.6050
Indian rupee	INR	66.6270	62.4812	70.2694	66.7579
Russian ruble	RUB	42.7780	36.4533	43.9342	36.4650

6. Litigation and Damage Claims

As a result of their general business operations, CLAAS Group companies are involved in a variety of legal proceedings and official governmental proceedings, or are exposed to third-party claims, or there may be a possibility of such proceedings being instituted or asserted in the future (for instance with respect to patents, product liability, or goods supplied, or services rendered). Although the outcome of individual proceedings cannot be predicted with certainty given the unforeseeable nature of events associated with legal disputes, the current assessment is that no significant adverse impact on the Group's results of operations will occur beyond the risks reflected in liabilities and provisions in the financial statements.

7. Use of Estimates and Management Judgments

In preparing the consolidated financial statements, it is to some extent necessary to make assumptions and estimates that affect the amount and presentation of assets and liabilities, income and expenses as well as any contingent liabilities in the reporting period. These estimates and assumptions primarily relate to assessing the recoverability of assets, defining a uniform Group standard for the economic lives of property, plant and equipment, and recognizing and measuring provisions based on the current state of knowledge. In particular, assumptions regarding expected business development are based on circumstances at the time of preparation of the consolidated financial statements as well as the probable development of global markets and industries. The actual amounts may differ from the original estimates if outside developments over which management has no control should cause these parameters to change.

At the time the consolidated financial statements were prepared, the assumptions and estimates were not subject to significant risks. Thus from a current perspective, no major adjustments to the carrying amounts of the assets and liabilities disclosed on the balance sheet are to be expected for the following year.

8. New Financial Reporting Standards

The following revised and supplemented IFRSs and interpretations were required to be applied for the first time in the past fiscal year:

- IFRIC 12 — Service Concession Arrangements
- IFRIC 13 — Customer Loyalty Programmes
- IFRIC 14 — IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
- IFRIC 16 — Hedges of a Net Investment in a Foreign Operation
- IAS 39 / IFRS 7 — Reclassification of Financial Assets
- IAS 39 / IFRIC 9 — Embedded Derivatives

These newly applicable IFRSs and interpretations are not of relevance to CLAAS. Moreover, CLAAS does not apply the amendment to IAS 39 permitting a reclassification of financial assets.

CLAAS has opted for early adoption of the following revised or newly issued standards:

▪ IAS 1	(revised in 2007)	Presentation of Financial Statements
▪ Improvements to IFRSs (2008)		Annual Improvement Project 2006-2008

One of the results of the adoption of IAS 1 (revised in 2007) is the presentation of a consolidated statement of comprehensive income, in which gains and losses without impact on profit or loss that are presented in the statement of changes in equity are added to or subtracted from net income.

The first omnibus of improvements from the Annual Improvements Project 2006-2008 contains a number of minor changes to various IFRSs. These changes have no material impact on CLAAS.

In addition, the International Accounting Standards Board (IASB) has published the following standards and interpretations that CLAAS has not applied early:

▪ IAS 23	(revised in 2007)	Borrowing Costs
▪ IAS 27	(amended in 2008)	Consolidated and Separate Financial Statements
▪ IAS 32	(amended in 2008)	Financial Instruments: Presentation
▪ IAS 39	(amended in 2008)	Financial Instruments: Recognition and Measurement (eligible hedged items)
▪ IFRS 1	(amended in 2008)	First-time Adoption of International Financial Reporting Standards
▪ IFRS 1 / IAS 27	(amended in 2008)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
▪ IFRS 2	(amended in 2008)	Share-based Payment
▪ IFRS 3	(revised in 2008)	Business Combinations
▪ IFRS 7	(amended in 2009)	Financial Instruments: Disclosures
▪ IFRS 8		Operating Segments
▪ IFRIC 15		Agreements for the Construction of Real Estate
▪ IFRIC 17		Distributions of Non-cash Assets to Owners
▪ IFRIC 18		Transfers of Assets from Customers
▪ Improvements to IFRSs (2009)		Annual Improvements Project 2007-2009

The revision to IAS 23 in 2007 eliminates the option to recognize immediately as an expense borrowing costs for assets that take a substantial period of time to get ready for use or sale (“qualifying assets”). In the future, borrowing costs that relate to the acquisition, construction, or production of a qualifying asset must be capitalized as part of the cost of that asset. Since CLAAS does not currently make use of this capitalization option, the application of IAS 23 (revised in 2007) could affect financial position and financial performance. IAS 23 (revised in 2007) is effective for annual periods beginning on or after January 1, 2009. Early application is permitted, though CLAAS has elected not to exercise this option.

The amendments to IAS 27 in 2008 entail, among other things, changes in the treatment of non-controlling interests and the attribution of profit or loss to non-controlling interests. The revised standard is mandatory for annual periods beginning on or after July 1, 2009. Early adoption is permitted provided that IAS 27 (revised in 2008) is applied together with IFRS 3 (revised in 2008). However, CLAAS has chosen not to make use of this option.

The amendments to IAS 32 (revised in 2008) require certain financial instruments to be classified as equity that would previously have been classified as financial liabilities. We do not expect this amendment to significantly affect the financial position or financial performance of CLAAS. The revised standard is effective for annual periods beginning on or after January 1, 2009. Early adoption is permitted, though CLAAS will not make use of this option.

IAS 39 was amended in 2008 to clarify hedge accounting issues relating to risk in a hedged item and when an entity may designate a portion of cash flows of a financial instrument as a hedged item. The revised standard is mandatory for annual periods beginning on or after July 1, 2009. Early adoption is permitted, though CLAAS will not make use of this option. The amendments are not expected to result in any significant changes for CLAAS.

IFRS 2 was amended in 2008 to clarify the term “vesting conditions” as well as the accounting treatment of cancellations of share-based payments by parties other than the entity in question. The revised standard must be applied to annual periods beginning on or after January 1, 2009. Earlier application is permitted. We do not anticipate any changes due to these amendments.

The 2008 amendments to IFRS 3 involve changes in accounting for business combinations. One of these is the option to permit an entity to recognize 100% of the goodwill of an acquired entity (“full goodwill option”). The changes will take effect for annual periods beginning on or after July 1, 2009. Early adoption is permitted, though CLAAS has not made use of this option.

IFRS 7 (amended in 2009) requires enhanced financial instruments disclosures about fair value measurements and liquidity risk. We do not expect these changes to have any significant impact on the Group. The changes are mandatory for annual periods beginning on or after January 1, 2009.

IFRS 8 resulted from the convergence project with the FASB and introduces new requirements for segment reporting. IFRS 8 must be applied to annual periods beginning on or after January 1, 2009. We do not anticipate any significant changes due to these amendments. IFRS 8 may be applied to earlier periods, though CLAAS has not made use of this option.

With respect to future application of the interpretations and the omnibus of amendments resulting from the Annual Improvements Project 2007-2009, we do not anticipate any material significance for the consolidated financial statements of CLAAS, given that the new interpretations and amendments are either not relevant at present or they are not expected to have a significant impact on financial performance or financial position.

9. Net Sales

Net sales also include sales from long-term construction contracts that have been accounted for in accordance with the percentage of completion (POC) method. The amount to be capitalized from long-term construction contracts that cannot yet be billed is reported under receivables and recognized as sales. Sales accounted for using the POC method amounted to €131.4 million (previous year: €158.6 million) in the reporting period.

10. Cost of Sales

The cost of sales includes outgoing freight in the amount of €56.2 million (previous year: €71.9 million).

11. Selling Expenses

Selling expenses comprise expenses for advertising and marketing activities, agent commissions, as well as personnel expenses and administrative materials costs of the sales division.

12. General and Administrative Expenses

General and administrative expenses include personnel expenses and materials costs of administration including depreciation. For purpose of the consolidated financial statements, CLAAS regards the administrative expenses of its sales companies as selling expenses. These costs are not included in general and administrative expenses but are allocated to selling expenses.

13. Other Operating Income

Other operating income is composed of the following:

in € ’000	2009	2008
Income from the release of provisions	11,931	18,889
Income from pass-through costs	7,429	4,540
Income from grants and subsidies	4,180	2,620
Gains on disposal of intangible assets and property, plant and equipment	3,305	336
Income from the release of discounts and allowances for bad debts	1,936	3,822
Rental and lease income	254	368
Miscellaneous income	12,756	16,445
Other operating income	**41,791**	**47,020**

14. Other Operating Expenses

in € '000	2009	2008
Impairment losses on receivables and other assets	-4,998	-3,097
Part-time retirement costs	-4,732	-11,130
Other personnel expenses	-2,664	-3,853
Expenses for fees, charges, and insurance premiums	-2,342	-2,533
Losses on disposal of intangible assets and property, plant and equipment	-902	-812
Goodwill impairment	-	-17,957
Miscellaneous expenses	-23,391	-20,443
Other operating expenses	**-39,029**	**-59,825**

15. Financial Result

The financial result is made up of "income from investments," "interest and similar expenses, net," and "other financial result." At the balance sheet date, the financial result amounted to €-26.1 million (previous year: €-29.9 million).

Income from Investments

Income from investments comprises income from both investments accounted for using the equity method and other investments. These two items are reported separately under the financial result.

Income from investments accounted for using the equity method
Income from investments accounted for using the equity method relates to earnings contributions from investments in associated companies and joint ventures.

in € '000	2009	2008
Income from investments accounted for using the equity method	6,952	3,244
Expenses for investments accounted for using the equity method	-1,719	-
Income from investments accounted for using the equity method, net	**5,233**	**3,244**

Income from other investments
Income from other investments generally includes all income and expenses resulting from holding or selling investments that are neither fully consolidated nor accounted for using the equity method.

in € '000	2009	2008
Income from other investments	624	556
Impairment of other investments	-	-70
Income from other investments, net	**624**	**486**

Interest and Similar Expenses

Interest and similar expenses, net includes all income and expenses resulting from holding or selling securities or financial assets other than investments.

in € '000	2009	2008
Interest expense	-32,218	-30,617
thereof: interest expense on non-current provisions	(-224)	(-73)
thereof: interest on finance lease payments	(-86)	(-288)
Profits transferred under a partial profit transfer agreement (CMG)	-2,413	-3,843
Interest and similar expenses	**-34,631**	**-34,460**
Interest income	15,887	21,846
Income from other securities and loans, net	1,197	2,025
Interest and similar expenses, net	**-17,547**	**-10,589**

Interest income and expense primarily reflect financial instruments not measured at fair value. Profits transferred under a partial profit transfer agreement (CMG) reflect payments based on Group net income with respect to the silent partnership held by CLAAS Mitarbeiterbeteiligungs-Gesellschaft mbH (CMG).

Other Financial Result

The other financial result is analyzed as follows:

in € '000	2009	2008
Miscellaneous financial expense	-6,053	-10,997
Miscellaneous financial income	40	1,472
Foreign exchange gains and losses, net	-8,416	-13,496
Other financial result	**-14,429**	**-23,021**

In fiscal 2009, an impairment of €2.9 million was recognized for financial assets (previous year: €6.3 million). The impairment loss was reported under "miscellaneous financial expense." This item also includes €1.4 million (previous year: €1.4 million) in expenditures for fees relating to financial instruments. The net foreign exchange losses primarily reflect non-cash impacts from the valuation of intra-Group liabilities denominated in euros carried by Russian Group companies which outweighed foreign exchange gains.

16. Income Taxes

Income taxes comprise current taxes and deferred taxes.

in € '000	2009	2008
Current income taxes, domestic	-42,455	-63,280
Current income taxes, foreign	-9,967	-26,453
Total current income taxes	**-52,422**	**-89,733**
Deferred income taxes, domestic	-2,310	4,397
Defererred income taxes, foreign	15,869	6,604
Total deferred income taxes	**13,559**	**11,001**
Total income taxes	**-38,863**	**-78,732**

A tax rate of 29.0% (previous year: 29.0%) was assumed for temporary differences in the calculation of deferred taxes for domestic companies. The gross amounts of the deferred taxes result from temporary differences in various balance sheet items. In accordance with IAS 12, deferred tax assets and liabilities are offset provided they are from the same tax authority and refer to the same period. Therefore, the carrying amount of deferred taxes recognized on the balance sheet is the result of netting out the deferred taxes.

	Sept. 30, 2009		Sept. 30, 2008	
in € '000	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Intangible assets	2,032	29,029	1,685	30,598
Property, plant and equipment	5,440	11,041	5,117	9,829
Financial assets	302	4,221	317	4,058
Inventories	56,043	866	50,066	591
POC receivables	-	10,730	-	13,849
Other receivables and assets	5,787	4,523	7,287	1,350
Provisions	62,388	972	56,585	1,163
Liabilities	4,528	25,846	5,084	28,147
Loss carryforwards	4,386	-	3,870	-
Valuation allowance	-13,398	-	-13,398	-
Gross amount	**127,508**	**87,228**	**116,613**	**89,585**
Netting out	-86,464	-86,464	-88,736	-88,736
Carrying amount	**41,044**	**764**	**27,877**	**849**
Total deferred tax assets, net	40,280		27,028	

Deferred net tax assets recognized directly in equity, amounted to €2.8 million as of the reporting date (previous year: €2.2 million). Of this amount, €2.1 million was attributable to unrealized gains and losses from securities (previous year: €0.9 million) and €0.7 million to derivative financial instruments (previous year: €1.3 million). No deferred tax liabilities were recognized for temporary differences related to investments in subsidiaries.

The following table reconciles the anticipated income tax expense for the previous year and the year under review with the expenses finally recognized. The expected tax charge is determined by multiplying the Group tax rate by income before taxes. In fiscal 2009, the applicable tax rate was 29.0% (previous year: 29.0%) and consisted of the German domestic corporate income tax, the solidarity surcharge, and the municipal tax rate.

in € '000	2009	2008
Income before taxes	112,295	248,069
Theoretical tax expense at 29.0% (previous year: 29.0%)	**-32,566**	**-71,940**
Difference in foreign tax rates	596	-565
Tax effects on		
aperiodic tax payments (-) / credits (+)	-885	1,636
impairment of goodwill from business combinations	-	-5,208
non tax-deductible expenses (-) and non-taxable income (+) and impact of unrealized offsetting / lack of offset possibilities	-6,757	-6,050
associated companies accounted for using the equity method	1,506	929
revaluation of deferred taxes based on future tax rates	-369	-91
other consolidation effects	-22	1,875
miscellaneous items	-366	682
Effective tax expense	**-38,863**	**-78,732**
Effective tax rate in %	34.6	31.7

The tax loss carryforwards at Group level in the amount of €14.1 million (previous year: €11.2 million) may be carried forward until fiscal 2012 or later. Of this amount, €11.2 million (previous year: €11.2 million) was assessed as non-realizable. Due to lack of recoverability, a valuation allowance has been created for €3.7 million (previous year: €3.7 million) of deferred tax assets on loss carryforwards and €9.7 million (previous year: €9.7 million) of other deferred tax assets.

17. Earnings and Dividends per Share

Basic earnings per share are calculated by dividing the net income attributable to the shareholders of CLAAS KGaA mbH by the average number of shares. As CLAAS does not issue potential shares such as options or convertible bonds that would dilute earnings per share, basic and diluted earnings per share are identical.

		2009	2008
Net income attributable to the shareholders of CLAAS KGaA mbH	(in € '000)	72,402	168,025
Number of shares as of September 30	(in thousands)	3,000	3,000
Earnings per share	(in €)	24.13	56.01

The proposed final dividend for fiscal year 2009 is €2.77 per share. €2.77 per share was paid out from earnings for fiscal year 2008.

18. Intangible Assets

in € '000	Concessions, industrial and similar rights and assets, and licenses in such rights	Goodwill	Payments made on account	Development costs recognized as an asset	Total
Historical cost					
Balance as of October 1, 2007	**43,028**	**69,521**	**4,081**	**199,888**	**316,518**
Currency translation	-29	-	-	-	-29
Changes in scope of consolidation	265	1,650	-	-	1,915
Additions	3,627	-	994	29,799	34,420
Disposals	-487	-	-	-	-487
Reclassifications	3,775	-	-3,685	-	90
Balance as of September 30, 2008	**50,179**	**71,171**	**1,390**	**229,687**	**352,427**
Currency translation	-51	-	-	-	-51
Additions	3,896	50	385	25,779	30,110
Disposals	-925	-	-	-114,698	-115,623
Government grants	-	-	-	-428	-428
Reclassifications	1,779	-	-1,390	-	389
Balance as of September 30, 2009	**54,878**	**71,221**	**385**	**140,340**	**266,824**
Amortization / impairment					
Balance as of October 1, 2007	**24,772**	**41,988**	**-**	**108,411**	**175,171**
Currency translation	-19	-	-	-	-19
Changes in scope of consolidation	17	-	-	-	17
Additions (amortization)	6,047	-	-	20,228	26,275
Additions (impairment)	5,556	17,957	-	1,271	24,784
Disposals	-417	-	-	-	-417
Balance as of September 30, 2008	**35,956**	**59,945**	**-**	**129,910**	**225,811**
Currency translation	-46	-	-	-	-46
Additions (amortization)	5,548	-	-	20,371	25,919
Additions (impairment)	1,164	-	-	9,280	10,444
Disposals	-747	-	-	-114,698	-115,445
Government grants	-	-	-	-19	-19
Balance as of September 30, 2009	**41,875**	**59,945**	**-**	**44,844**	**146,664**
Net carrying amount					
Balance as of September 30, 2008	**14,223**	**11,226**	**1,390**	**99,777**	**126,616**
Balance as of September 30, 2009	**13,003**	**11,276**	**385**	**95,496**	**120,160**

The additions to intangible assets in the amount of €30.1 million primarily resulted from development costs recognized as an asset on the balance sheet. The ratio of development costs recognized as internally generated assets to total research and development costs (before recognition on the balance sheet) decreased from 26.2% to 20.7%. As a consequence, the amount of development costs recognized on the balance sheet decreased to €95.5 million (previous year: €99.8 million). In contrast, research costs, amortization of capitalized development costs, and development costs that cannot be capitalized are expensed as incurred in the income statement under research and development expenses. In the year under review, research and development expenses amounted to €128.7 million (previous year: €105.5 million).

in € '000	2009	2008	Change in %
Research and development costs (total)	-124,796	-113,777	9.7
Development costs recognized as an asset	25,779	29,799	-13.5
Amortization / impairment of development costs recognized as an asset	-29,651	-21,499	37.9
Research and development expenses recognized in the income statement	**-128,668**	**-105,477**	**22.0**
R&D capitalization ratio (in %)*	20.7	26.2	

* Proportion of capitalized development costs to total research and development costs (before capitalization)

Once they have been fully depreciated, intangible assets are derecognized. Write-offs of the historical cost of intangible assets amounted to €115.6 million and resulted above all from the write-off of capitalized development costs.

Depending on the product group, the amortization period for capitalized development costs ranges from six to ten years. Concessions, industrial and similar rights and assets, and licenses in such rights are amortized over a period corresponding to the expected useful life, which ranges between three and ten years on average.

Impairments of concessions, industrial and similar rights and assets, and licenses in such rights were recognized in the Agricultural Equipment segment in the amount of €1.2 million (previous year: €5.6 million) related to software. The impairment loss is recognized in the income statement under cost of sales.

The existing goodwill was subjected to an annual impairment test in the fiscal year. This did not lead to any impairment losses on the goodwill of individual cash-generating units (previous year: €18.0 million).

For development costs recognized as an asset, impairment tests are performed on a case-by-case basis, i.e. when an indication of impairment exists. In some cases, the required impairment test led to impairment losses totaling €9.3 million (previous year: €1.3 million). The impairment relates to development projects in the Agricultural Equipment segment. The corresponding impairment losses were recognized in the income statement as research and development expenses.

The impairment losses resulted from reduced cash flow forecasts and market-related changes in the cost of capital. The forecast assumptions were adjusted to reflect current circumstances and future market expectations, which led to correspondingly lower values in use.

19. Property, Plant and Equipment

Total depreciation / impairment of €46.7 million (previous year: €52.0 million) was recorded on property, plant and equipment in fiscal year 2009. This figure does not include any impairment losses (previous year: €7.0 million).

For property, plant and equipment, impairment tests are performed on a case-by-case basis, i.e. when an indication of impairment exists. In the Agricultural Equipment segment, impairment losses on buildings amounted to €4.4 million, on property €2.5 million and on technical equipment and machinery €0.1 million in fiscal year 2008. These impairment losses were recognized in the income statement under cost of sales.

The net carrying amounts attributable to finance leases relate primarily to other equipment as well as operating and office equipment.

The Group has secured a portion of its liabilities to insurance companies and banks by mortgages. The carrying amount of property, plant and equipment attributable thereto equaled €116.6 million (previous year: €124.0 million) in the reporting period.

As of September 30, 2009, contractual obligations to purchase items of property, plant and equipment amounted to €8.0 million (previous year: €18.6 million).

Property, Plant and Equipment

in € ’000	Land, land rights and buildings including buildings on third-party land	Technical equipment and machinery	Other equipment, operating and office equipment	Payments on account and assets under construction	Finance leases	Total
Historical cost						
Balance as of October 1, 2007	**206,234**	**296,164**	**163,504**	**18,633**	**18,874**	**703,409**
Currency translation	-1,370	-278	-1,038	-138	-	-2,824
Changes in scope of consolidation	-	126	151	-	-	277
Additions	14,075	29,040	13,020	24,189	355	80,679
Disposals	-4,140	-13,820	-9,727	-271	-458	-28,416
Reclassifications	16,817	11,267	2,175	-13,991	-16,358	-90
Balance as of September 30, 2008	**231,616**	**322,499**	**168,085**	**28,422**	**2,413**	**753,035**
Currency translation	-2,958	-1,774	-2,249	-234	-	-7,215
Additions	19,903	25,196	17,740	32,003	257	95,099
Disposals	-3,678	-9,565	-4,643	-	-1,097	-18,983
Reclassifications	11,093	9,896	4,283	-25,931	270	-389
Balance as of September 30, 2009	**255,976**	**346,252**	**183,216**	**34,260**	**1,843**	**821,547**
Depreciation / impairment						
Balance as of October 1, 2007	**85,438**	**232,017**	**122,657**	**-**	**5,712**	**445,824**
Currency translation	-345	-255	-603	-	-	-1,203
Changes in scope of consolidation	-	32	35	-	-	67
Additions (depreciation)	6,476	26,630	11,638	-	328	45,072
Additions (impairment)	6,872	99	-	-	-	6,971
Disposals	-1,506	-13,288	-9,453	-	-430	-24,677
Reclassifications	2,995	901	-22	-	-3,874	-
Balance as of September 30, 2008	**99,930**	**246,136**	**124,252**	**-**	**1,736**	**472,054**
Currency translation	-653	-903	-1,044	-	-	-2,600
Additions (depreciation)	6,489	27,244	12,784	-	175	46,692
Disposals	-2,894	-9,106	-4,347	-	-696	-17,043
Reclassifications	-49	49	-156	-	156	-
Balance as of September 30, 2009	**102,823**	**263,420**	**131,489**	**-**	**1,371**	**499,103**
Net carrying amount						
Balance as of September 30, 2008	**131,686**	**76,363**	**43,833**	**28,422**	**677**	**280,981**
Balance as of September 30, 2009	**153,153**	**82,832**	**51,727**	**34,260**	**472**	**322,444**

20. Investments Accounted for Using the Equity Method and Other Investments

in € '000	Investments accounted for using the equity method	Other investments	Total
Historical cost			
Balance as of October 1, 2007	**31,658**	**1,283**	**32,941**
Currency translation	-731	-30	-761
Additions	6,864	164	7,028
Disposals	-2,703	-20	-2,723
Balance as of September 30, 2008	**35,088**	**1,397**	**36,485**
Currency translation	-834	-30	-864
Additions	10,739	654	11,393
Disposals	-3,292	-149	-3,441
Balance as of September 30, 2009	**41,701**	**1,872**	**43,573**
Impairment			
Balance as of October 1, 2007	**588**	**5**	**593**
Additions	70	-	70
Balance as of September 30, 2008	**658**	**5**	**663**
Balance as of September 30, 2009	**658**	**5**	**663**
Net carrying amount			
Balance as of September 30, 2008	**34,430**	**1,392**	**35,822**
Balance as of September 30, 2009	**41,043**	**1,867**	**42,910**

Additions to investments accounted for using the equity method relate to associated companies and also include their proportionate net income. Accordingly, disposals refer primarily to profit distributions received from associated companies.

21. Trade Receivables and Other Receivables and Assets

Trade Receivables

The fair value of trade receivables is in principle identical to their carrying amount. In the year under review, this was €246.3 million (previous year: €233.2 million). There is no substantial risk of default. The average credit term for goods sold is 44 days after adjustment for ABS (previous year: 36 days).

Other Current and Non-Current Receivables and Assets

Other receivables and assets are analyzed as follows:

in € ’000	Due within 1 year	Due after 1 year	Sept. 30, 2009	Due within 1 year	Due after 1 year	Sept. 30, 2008
Securities designated as at fair value through profit or loss	-	34,650	34,650	-	33,406	33,406
Other borrowings	-	1,072	1,072	-	882	882
Receivables from investments	11,536	-	11,536	2,924	-	2,924
POC receivables	37,932	-	37,932	52,046	-	52,046
Derivatives with a hedging relationship	7,834	205	8,039	1,092	-	1,092
Derivatives without hedging relationship	4,764	437	5,201	1,517	150	1,667
Prepaid expenses	5,615	-	5,615	3,713	-	3,713
Miscellaneous financial assets	69,754	501	70,255	55,822	545	56,367
Miscellaneous non-financial assets	41,422	1,460	42,882	32,869	2,955	35,824
Other receivables and assets	**178,857**	**38,325**	**217,182**	**149,983**	**37,938**	**187,921**

Receivables from long-term construction contracts accounted for using the POC method are calculated as follows:

in € ’000	Sept. 30, 2009	Sept. 30, 2008
Contract costs incurred	117,810	126,518
Recognized profits less recognized losses	5,784	11,287
Gross amount due from customers for contract work	**123,594**	**137,805**
Payments received on account	-85,662	-85,759
POC receivables	**37,932**	**52,046**

22. Inventories

Inventories are composed of the following:

in € ’000	Sept. 30, 2009	Sept. 30, 2008
Raw materials and consumables	71,550	93,793
Work in progress	42,903	73,785
Finished goods and merchandise	461,433	321,141
Payments made on account	3,915	9,735
Payments received on account	-60,464	-103,860
Inventories	**519,337**	**394,594**

Materials costs of €1,798.9 million (previous year: €2,023.6 million) were recognized in the income statement as cost of sales. Impairment of inventories in the amount of €5.9 million (previous year: €0.3 million) was recognized in income. As in the previous year, no write-ups were offset against these impairment losses.

23. Securities

The current securities held by CLAAS are securities designated as at fair value through profit or loss as well as available-for-sale securities that are neither part of the trading portfolio nor held to maturity.

in € '000	Sept. 30, 2009	Sept. 30, 2008
Securities designated as at fair value through profit or loss	-	24,556
Available-for-sale securities	227,836	110,013
Securities	**227,836**	**134,569**

Securities classified as "available for sale" are stated at quoted market prices (where available). Unrealized losses in the amount of €0.1 million (previous year: €-5.0 million) from available-for-sale securities are excluded from earnings and reported as a separate component of equity after taking into account the deferred taxes. In fiscal 2009, available-for-sale securities with a nominal value of €47.1 million (previous year: €12.7 million) were sold. This led to a transfer of changes in market value equaling €-0.8 million (previous year: €0.2 million) from equity to the income statement. Available-for-sale securities with a total value of €12.6 million (previous year: €9.7 million) are pledged as collateral in order to meet the legal requirements of Section 8a of the German Partial Retirement Act (AltTZG).

24. Cash and Cash Equivalents

Cash and cash equivalents are composed of checks, cash on hand, and bank balances as well as money market funds that fulfill the strict criteria for classification as cash equivalents. As of the balance sheet date, cash and cash equivalents amounted to €449.3 million (previous year: €581.6 million).

The fair values of these assets are in principle identical to their carrying amounts. Cash and cash equivalents include proceeds from trade receivables sold under the ABS programs in the amount of €23.0 million (previous year: €26.5 million) that are not freely disposable and are to be transferred to other contracting parties (cash held in trust).

25. Additional Disclosures on Equity

Amounts reported as subscribed capital and capital reserves in the consolidated financial statements correspond to the amounts in the separate financial statements of CLAAS KGaA mbH. The subscribed capital of CLAAS KGaA mbH is composed of 3 million no-par-value registered shares with voting rights.

The general partner without capital contribution is Helmut Claas GmbH. All direct and indirect shareholders of the limited partnership, CLAAS KGaA mbH, are members of the Claas family.

Equity includes subordinated perpetual securities in the nominal amount of €80.0 million. CLAAS reported an equity value of €78.6 million for this equity instrument, net of issuance costs.

The statement of changes in equity is presented on page 69 of this report.

26. Financial Liabilities

Current and non-current financial liabilities are broken down as follows:

	Due			Due		
in € '000	**within 1 year**	**after 1 year**	**Sept. 30, 2009**	**within 1 year**	**after 1 year**	**Sept. 30, 2008**
Bond	-	136,808	136,808	-	139,470	139,470
Liabilities to insurance companies	1,500	-	1,500	1,500	1,500	3,000
Liabilities to banks	37,582	18,820	56,402	36,942	23,064	60,006
Schuldscheindarlehen	-	250,191	250,191	-	-	-
Shareholder loans	30,883	34,763	65,646	27,258	35,178	62,436
Lease payables	274	186	460	250	466	716
Financial liabilities	**70,239**	**440,768**	**511,007**	**65,950**	**199,678**	**265,628**

"Bond" refers to a US Private Placement in December 2002 in the amount of 200.0 million US dollars. The bond, which matures between 2010 and 2014, carries a coupon of 5.76% p.a.

Interest on liabilities to insurance companies and banks (maturing between 2010 and 2013) is charged at rates of between 4.35% and 5.95% p.a. Liabilities to insurance companies in the amount of €1.5 million (previous year: €3.0 million) and liabilities to banks in the amount of €3.5 million (previous year: €4.6 million) are secured by real estate liens. In addition, the CLAAS Group has other collateral assignments for liabilities to banks in the amount of €29.8 million (previous year: €28.4 million).

In June 2009, a Schuldscheindarlehen (German Private Placement) was issued in the amount of €250.0 million. The instrument comprises four tranches falling due in 2012 and 2015. Two of the tranches have fixed interest rates and two have variable interest rates. As of the reporting date, the interest rates ranged between 3.56% and 6.04% p.a.

The shareholder loans refer primarily to liabilities to shareholders of the limited partnership.

Silent partnership

The silent partnership of the employee participation company, CLAAS Mitarbeiter-beteiligungs-Gesellschaft mbH (CMG), is compensated on the basis of performance and is considered subordinated in the event of liability. Pursuant to IFRS, any repayable capital transferred is classified as a financial liability.

In return for its subordinated capital contribution, CMG receives compensation that is based on the performance of the CLAAS Group. CMG also shares in any Group losses. A total of €2.4 million of the silent partnership can be terminated as of September 30, 2010; additional termination rights for €7.8 million apply between 2011 and 2014.

27. Trade Payables and Other Liabilities

Trade Payables

The fair value of trade payables is in principle identical to their carrying amounts. In the year under review, this was €91.4 million (previous year: €156.7 million).

Other Current and Non-Current Liabilities

	Due			Due		
in € '000	within 1 year	after 1 year	Sept. 30, 2009	within 1 year	after 1 year	Sept. 30, 2008
Liabilities from bills of exchange accepted and drawn	5,059	-	5,059	18,471	-	18,471
Payments received on account	9,031	-	9,031	14,591	-	14,591
Liabilities to investments	6,737	-	6,737	13,049	-	13,049
Derivatives with a hedging relationship	122	71,396	71,518	4,113	60,216	64,329
Derivatives without hedging relationship	1,151	730	1,881	5,318	1,238	6,556
Miscellaneous financial liabilities	29,083	1,032	30,115	34,383	1,239	35,622
Miscellaneous non-financial liabilities	49,092	286	49,378	38,543	-	38,543
Other liabilities	**100,275**	**73,444**	**173,719**	**128,468**	**62,693**	**191,161**

Miscellaneous non-financial liabilities include financial guarantees in the amount of €0.3 million (previous year: €0.1 million). The maximum risk in the event of utilization amounts to €9.1 million (previous year: €8.9 million). The fair value was calculated as of the date of addition using the “expected value” method, taking into account credit risk reductions (liquidation proceeds) and risks that could arise on the basis of default probabilities ranging from 3% to 15% (previous year: 1% to 10%).

28. Pension Provisions and Similar Obligations

CLAAS maintains several defined benefit pension plans for the purpose of providing retirement benefits. These consist primarily of direct commitments to employees in Germany and, to a lesser extent, to employees in France, Italy, and India. There are also three funded plans in Germany, two funded plans in France, and one funded plan in the United Kingdom.

Retirement benefits for persons employed in Germany include both defined benefit pension plans and defined contribution pension plans. Expenses for these plans amounted to €0.3 million in fiscal 2009 (previous year: €0.2 million).

For employees in the USA, retirement benefits are provided on the basis of contributions to pension funds. After paying these contributions, CLAAS has no further benefit obligations. The sum of the defined contribution pension expenses amounted to €0.4 million in fiscal 2009 (previous year: €0.3 million).

Under the defined benefit pension plans implemented at CLAAS, the Company undertakes to comply with its pension obligations towards active and former employees. The pension provision that covers benefit obligations under defined benefit plans also includes pension fund obligations and is reduced by the amount of the fund assets. Fund surpluses, if any, are capitalized as other assets, while fund deficits are shown as a liability under pension provisions. Pension provisions are recorded for obligations from vested rights and current benefits on behalf of eligible active and former employees and their surviving dependants. Obligations relate primarily to retirement pensions, which are paid in part as basic and in part as supplementary benefits. Pension obligations are normally based on the employees' length of service and remuneration levels.

Pension obligations are calculated using actuarial valuation methods in accordance with the projected unit credit method. This method not only takes into account pensions and accrued vested rights known as of the balance sheet date, but also anticipated future salary and pension increases. The plan assets are measured as of September 30. The cut-off date for the other plans is also September 30. The obligations are calculated using the "corridor approach": the cumulative unrecognized actuarial gains or losses as of the end of the previous reporting period that exceed the greater of 10% of the present value of the defined benefit obligation (before deducting plan assets) or 10% of the fair value of any plan assets are distributed over the expected average remaining working lives of the employees participating in the plan.

In the year under review, calculations were based on the iBOXX index for industrial corporate bonds, using a discount rate of 5.0% p.a. (previous year: 5.8% p.a.), future salary increases of 3.0% p.a. (previous year: 3.0% p.a.), and pension increases of 2.0% p.a. (previous year: 2.0% p.a.). These assumptions relate to employees working in Germany, for whom the predominant part of the pension obligations exists. Different country-specific assumptions must be used for employees engaged in other countries.

With regard to the fund-financed obligations of the British subsidiary CLAAS Holdings Ltd., the company's investment guidelines are adhered to when investing plan assets. Accordingly, an excess of fund assets over defined benefit obligations should be permanently maintained, and unnecessary fluctuations in contributions to plan assets are to be avoided. With respect to investment strategy, the focus is on sufficient diversification in order to distribute investment risk over a variety of markets and asset classes. Plan assets are managed by a trust association – which consists of CLAAS Holdings Ltd. employees – under a trust agreement. The trust association has delegated operational investment decisions to a fund manager. All strategic investment decisions are made by the trust association independently of the employer. Plan assets are divided into equity portfolios and bond portfolios. The allocation of assets is kept within specific investment ranges with respect to type of investment and geographical market. In the year under review and in the previous year, the main focus of investment was on United Kingdom securities.

Pension obligations recognized in the balance sheet changed as follows:

in € '000	**Sept. 30, 2009**	**Sept. 30, 2008**
Present value of funded benefit obligations	35,685	35,219
Fair value of plan assets	-38,268	-37,335
Funded status of funded benefit obligations	**-2,583**	**-2,116**
Present value of unfunded benefit obligations	179,316	155,155
Unrecognized past service cost (-) / return (+)	-337	-1,746
Unrecognized actuarial losses (-) / gains (+)	-5,312	14,810
Unrecognized amount due to asset ceiling as defined in IAS 19	6	6
Net pension liability recognized in the balance sheet	**171,090**	**166,109**
thereof: pension provisions	172,295	166,588
thereof: miscellaneous non-financial assets	-1,205	-479

The present value of funded and unfunded benefit obligations changed as follows:

in € '000 / fiscal year	**2009**	**2008**
Benefit obligations at beginning of year	**190,374**	**205,210**
Current service cost	4,869	5,883
Interest cost	10,964	10,434
Past service cost (+) / return (-)	-1,473	4,396
Actuarial losses (+) / gains (-)	22,451	-20,367
Losses (+) / gains (-) from plan curtailments	-	-96
Actual pension payments	-8,687	-10,792
Currency translation	-4,198	-4,723
Other	701	429
Benefit obligations at end of year	**215,001**	**190,374**

In fiscal 2010, pension payments of €8.1 million are anticipated.

The following table shows the change in fair value of plan assets:

in € '000 / fiscal year	2009	2008
Fair value of plan assets at beginning of year	**37,335**	**48,976**
Expected return (+) / loss (-) on plan assets	2,385	3,139
Actuarial losses (-) / gains (+)	3,005	-8,388
Employer contributions	752	846
Employee contributions	701	423
Actual pension payments	-1,036	-1,541
Currency translation	-4,874	-5,542
Settlement	-	-578
Fair value of plan assets at end of year	**38,268**	**37,335**

In fiscal 2010, the employer contribution to plan assets is expected to amount to €0.7 million.

Plan assets are composed of the following:

in %	Sept. 30, 2009	Sept. 30, 2008
Equities	64.0	65.2
Bonds	32.2	19.2
Cash and cash equivalents	0.9	12.2
Other	2.9	3.4

The weighted long-term return on investment of the funds is expected to amount to 6.4% p.a. (previous year: 7.1% p.a.) and is primarily attributable to the funded plan in the United Kingdom. The return on plan assets is calculated separately depending on investment category. For the equity portfolio, the current dividend yield of the FTSE All Share Index plus the inflation rate and the long-term real dividend growth rate is used (7.2% p.a.). For the bond portfolio, return targets are based on a discount rate of 4.0% p.a.. This factor is established by using an index of corporate bonds quoted in pounds sterling with AA ratings and terms of at least 15 years. For cash and cash equivalents, a short-term money market interest rate is used (0.5% p.a.).

Pension expenses for funded and unfunded plans are analyzed as follows:

in € '000	2009	2008
Current service cost	4,869	5,883
Interest cost	10,964	10,434
Recognized past service cost (+) / return (-)	-65	-332
Recognized actuarial losses (+) / gains (-)	-87	-128
Losses (+) / gains (-) from plan curtailments	-	-96
Settlement losses (+) / gains (-)	-	578
Expected return on plan assets	-2,385	-3,139
Other pension expenses	1	-
Pension expense	**13,297**	**13,200**

Pension provisions are derived from unfunded pension obligations and the deficit in funded pension obligations:

in € '000	Sept. 30, 2009	Sept. 30, 2008
Provisions for unfunded benefit obligations	169,832	163,018
Deficit related to funded benefit obligations	2,463	3,570
Miscellaneous non-financial assets	-1,205	-479
Net pension liability recognized in the balance sheet	**171,090**	**166,109**

The following table depicts adjustments made from experience, i.e. the effects of differences between the expected pension obligations and plan assets based on previous actuarial assumptions and those actually incurred.

in € '000	Sept. 30, 2009	Sept. 30, 2008	Sept. 30, 2007	Sept. 30, 2006
Present value of benefit obligations	215,001	190,374	205,210	210,602
thereof: effects of differences	(1,164)	(11,603)	(-1,636)	(-618)
Fair value of plan assets	38,268	37,335	48,976	43,962
thereof: effects of differences	(2,892)	(-8,091)	(3,466)	(932)
Funded status	176,733	153,039	156,234	166,640

29. Income Tax Provisions and Other Provisions

Income tax provisions and other provisions changed as follows in fiscal 2009:

		Other provisions				
in € '000	Income tax provisions	Employee benefits	Obligations arising from sales	Miscel-laneous	Total other provisions	Total
Balance as of October 1, 2008	**54,822**	**145,037**	**259,813**	**25,085**	**429,935**	**484,757**
Utilization	-47,955	-103,548	-176,704	-7,610	-287,862	-335,817
Reversals	-324	-13,997	-19,653	-2,582	-36,232	-36,556
Additions	14,426	101,004	217,024	15,101	333,129	347,555
Interest	-	-	140	84	224	224
Currency translation	-654	-605	-1,297	-1,089	-2,991	-3,645
Balance as of September 30, 2009	**20,315**	**127,891**	**279,323**	**28,989**	**436,203**	**456,518**
thereof: non-current	-	29,902	19,441	4,236	53,579	53,579
thereof: current	20,315	97,989	259,882	24,753	382,624	402,939

A total of €24.3 million (previous year: €22.7 million) of the reversals is reported as functional costs.

Employee benefits mainly comprise provisions for part-time retirement programs, outstanding vacation time, anniversaries, and annual bonuses. Also included are restructuring provisions amounting to €4.5 million (previous year: €0.0 million). Obligations arising from sales primarily relate to provisions for warranty claims, sales bonuses and rebates, and other sales-generating measures. The provision requirement for special inspections is calculated centrally in accordance with uniform principles. The computation takes into account parameters such as assembly programs, unit numbers, and costs of materials and assembly per machine. Provisions for warranties are calculated based on average historical cost per machine type.

30. Contingent Liabilities and Other Financial Obligations

Minimum lease payments become due as follows:

in € '000	Finance leases	Operating leases
Due within 1 year	324	29,938
Due within 1 to 5 years	361	29,374
Due after 5 years	-	4,711
Principal amount of minimum lease payments	**685**	**64,023**
Interest	-225	
Present value of minimum lease payments	**460**	

Rental and lease expenses amounted to €32.0 million in fiscal year 2009 (previous year: €16.5 million). Lease payments received under non-cancelable sublease agreements amounted to €17.8 million as of the reporting date, and proceeds from future minimum lease payments amount to €13.8 million.

Finance lease and operating lease commitments arise predominantly from lease programs under which CLAAS agricultural machines have been leased from CLAAS Leasing GmbH and subleased to end customers.

No provisions were recognized for the contingent liabilities from bills of exchange and guarantees, which are stated at their nominal amount of €29.5 million (previous year: €17.1 million) since the likelihood of risk is considered low.

As of September 30, 2009, other financial commitments amounted to €2.0 million (previous year: €3.3 million).

31. Financing Commitments

As of the reporting date, the CLAAS Group had received the following financing commitments:

in € million	Term: less than 1 year	Term: 1 to 5 years	Term: more than 5 years	Sept. 30, 2009	Term: less than 1 year	Term: 1 to 5 years	Term: more than 5 years	Sept. 30, 2008
Bond	-	109.4	27.4	136.8	-	83.7	55.8	139.5
Syndicated loans	-	250.0	-	250.0	-	-	250.0	250.0
Credit facilities from banks and insurance companies	193.9	91.5	-	285.4	278.3	33.0	5.6	316.9
Schuldscheindarlehen	-	153.5	96.5	250.0	-	-	-	-
Financing commitments	**193.9**	**604.4**	**123.9**	**922.2**	**278.3**	**116.7**	**311.4**	**706.4**

32. Asset-Backed Securities

During fiscal 2009, CLAAS sold trade receivables on a revolving basis in connection with ABS programs. The maximum possible sales volume amounted to €250.1 million in the year under review (previous year: €230.7 million). Due to seasonal fluctuations, the volume of receivables sold varies during the course of the year. At the end of the fiscal year, the volume of the receivables sold amounted to €128.2 million (previous year: €105.7 million). The receivables sold under the ABS program in the USA and Europe are derecognized in accordance with IAS 39.18b, since CLAAS assumes a contractual obligation to pay the cash flows received (“pass-through arrangement”).

The partially retained risk of default leads to a continuing involvement in accordance with IAS 39 and hence to a proportional derecognition of the receivables. The assets resulting from the continuing involvement of the CLAAS Group amounted to €11.1 million as of September 30, 2009 (previous year: €10.6 million). The liabilities to banks related to the ABS programs amounted to €23.0 million (previous year: €26.5 million).

33. Additional Disclosures on Financial Instruments

Carrying Amounts and Fair Values

The following table shows the carrying amounts and fair values of the Group's financial instruments:

in € '000		Sept. 30, 2009 Carrying amount	Sept. 30, 2009 Fair value	Sept. 30, 2008 Carrying amount	Sept. 30, 2008 Fair value
Financial assets at fair value through profit or loss					
Current securities designated as at fair value through profit or loss	(23)	-	-	24,556	24,556
Non-current securities designated as at fair value through profit or loss	(21)	34,650	34,650	33,406	33,406
Derivatives without hedging relationship	(21)	5,201	5,201	1,667	1,667
Loans and receivables					
Trade receivables	(21)	246,292	246,292	233,210	233,210
Other borrowings	(21)	1,072	1,072	882	882
Receivables from investments	(21)	11,536	11,536	2,924	2,924
Miscellaneous financial assets	(21)	70,255	70,255	56,367	56,367
Cash and cash equivalents	(24)	449,343	449,343	581,640	581,640
Available-for-sale financial assets					
Available-for-sale securities	(23)	227,836	227,836	110,013	110,013
Other investments	(20)	1,867	1,867	1,392	1,392
Derivatives with a hedging relationship	(21)	8,039	8,039	1,092	1,092
Financial assets		**1,056,091**	**1,056,091**	**1,047,149**	**1,047,149**
Financial liabilities at fair value through profit or loss					
Derivatives without hedging relationship	(27)	1,881	1,881	6,556	6,556
Financial liabilities measured at amortized cost					
Financial liabilities (excluding lease payables)	(26)	510,547	533,661	264,912	277,566
Silent partnership	(26)	25,334	25,334	23,762	23,762
Trade payables	(27)	91,352	91,352	156,729	156,729
Liabilities from bills of exchange accepted and drawn	(27)	5,059	5,059	18,471	18,471
Liabilities to investments	(27)	6,737	6,737	13,049	13,049
Miscellaneous financial liabilities	(27)	30,115	30,115	35,622	35,622
Lease payables	(26)	460	460	716	716
Derivatives with a hedging relationship	(27)	71,518	71,518	64,329	64,329
Financial liabilities		**743,003**	**766,117**	**584,146**	**596,800**

The fair values of trade receivables, other borrowings, receivables from investments, miscellaneous financial assets, cash and cash equivalents, trade payables, liabilities from bills of exchange accepted and drawn, liabilities to investments, and miscellaneous financial liabilities correspond more or less to their carrying amounts. The main reason for this is the short time to maturity of these instruments.

The financial instruments designated as financial assets or financial liabilities at fair value through profit or loss, and available-for-sale financial assets are measured and recognized at fair value. Other investments designated as available-for-sale financial assets are not measured at fair value as their cash flows cannot be reliably determined, and the fair value cannot be derived on the basis of comparable transactions. These investments are not material in view of the Group's overall holdings. Other investments comprise shares in corporations not listed on a stock exchange and upon which CLAAS KGaA mbH does not have significant influence. It is not planned to sell these investments in the near future. With regard to the silent partnership, the fair value cannot be reliably determined.

Net Gains and Losses

The net gains and losses of the financial instruments recognized in the income statement are shown in the following table, broken down into the IAS 39 categories:

in € '000	2009	2008
Financial assets or financial liabilities at fair value through profit or loss		
Securities designated as at fair value through profit or loss	1,062	992
Derivatives without hedging relationship	4,288	-8,838
Loans and receivables	-482	-3,425
Available-for-sale financial assets	-2,745	-5,273
Financial liabilities measured at amortized cost	-14,341	-370
Net losses of financial instruments	**-12,218**	**-16,914**

The net gains and losses of financial assets or financial liabilities at fair value through profit or loss include foreign exchange gains and losses, gains or losses arising from a change in fair value, and gains or losses from the disposal of the asset.

For loans and receivables, the net gains and losses include foreign exchange gains and losses, impairment, write-ups, gains or losses from sale of the loan or receivable, and gains or losses from the reversal of previously recognized impairment losses on debt instruments.

The net gains and losses of available-for-sale financial assets contain foreign exchange gains and losses, gains or losses from the disposal of the asset, impairment recognized in profit or loss, and any write-ups. The net gains and losses from available-for-sale financial assets recognized directly in equity are reported in Note 23.

The net gains and losses of financial liabilities measured at amortized cost arise from foreign exchange gains and losses or from derecognition of the liability.

34. Financial Risk Management

Principles of Risk Management

As a result of its business activities, the CLAAS Group is exposed to market price risk, particularly exchange rate and interest rate risk. On the procurement side, the Group is exposed to commodity risk and risk related to its ability to ensure supplies. Moreover, credit risk arises on trade receivables in particular, though also from receivables relating to finance transactions such as investment of cash and cash equivalents or acquisition of securities. Liquidity risk can result from a significant decline in operating business performance or as a result of the risk categories mentioned above.

All market price risks are identified for the entire Group and measured, monitored, and managed centrally by Group Treasury. Systematic, central currency and interest rate management is undertaken in order to limit and control exchange rate and interest rate risk. In addition to operating measures to limit risk, all of the usual financial instruments, including derivatives, are used to manage risk. All transactions are concluded exclusively on the basis of existing underlying transactions or specifically planned transactions and are renewed on a rolling basis as required. All business partners are either German or international banks of top credit quality.

Credit risk is identified, monitored, and managed for the entire Group by the relevant decentral units, supplemented by Group credit management. The local units focus their activities on operational monitoring and management of the respective risks in consideration of the locally adapted parameters specified by Group credit management. Group credit management establishes general guidelines, which form the basis for monitoring and managing the locally supervised transactions.

Since the management and the supervisory bodies of CLAAS attach great importance to systematic risk management, a comprehensive monitoring system that meets all legal requirements has been implemented. In this context, the efficiency of the hedging instruments used and the reliability of the internal control systems are regularly checked by means of internal and external reviews.

CLAAS pursues strict risk management. Derivative financial instruments are used exclusively for risk management purposes, i.e. to limit and govern risk related to business operations. The execution, control, and recording of transactions are strictly segregated in terms of physical and organizational function. Levels of discretion in trading in terms of both amount and content are defined in internal guidelines. In the finance area, risk positions are continuously evaluated and analyzed by means of suitable systems. The analysis includes simulations and scenario calculations. The competent executive bodies are informed regularly of risk exposure. Certain finance management transactions must be approved by the Group Executive Board and / or the shareholder committee.

Credit Risk

CLAAS is exposed to credit risk resulting from its business operations and finance activities. This risk entails the danger of unexpected economic loss in the event that a counterparty does not fulfill its payment obligations. Credit risk comprises both the direct risk of default as well as the risk of a downgrade in credit rating in combination with the threat of a concentration of individual risks. The maximum risk arising from a financial asset corresponds to the carrying amount of the asset.

Effective monitoring and management of credit risk is a basic component of the risk management system at CLAAS. Group credit management already defined principles for managing credit risk across the Group several years ago. CLAAS internally reviews and rates the credit quality of all customers with credit needs exceeding certain limits. In addition to the contract documents submitted by the customer, the data for review and classification of credit quality is based on information from external credit rating agencies, previous default experience on the part of CLAAS, and experience resulting from longstanding business partnership with the customer. CLAAS uses internal guidelines to manage credit risk arising from trade receivables. The risk of default is taken account of through allowance accounts used to record individual or portfolio-based impairments. The portfolio is analyzed on an ongoing basis in order to ensure that any concentration of risk is identified and assessed promptly. No single client exceeded the level of 4.5% (previous year: 3.8%) of the Group’s total trade receivables.

There were no indications either during the course of the fiscal year or as of the balance sheet date that the obligors of trade receivables – which are neither impaired nor past due – would not meet their payment obligations. According to an internal review of credit quality, 97.1% (previous year: 96.6%) of trade receivables are classified as low risk.

The following table contains information on credit risk arising on trade receivables:

in € '000	Sept. 30, 2009	Sept. 30, 2008
Neither past due nor impaired	199,647	199,718
Not impaired but past due as per the following time frames		
up to 30 days	13,880	17,855
31 to 60 days	6,515	4,761
61 to 90 days	3,751	2,900
more than 90 days	17,028	4,560
Trade receivables adjusted individually for impairment	5,471	3,182
Finance lease receivables	-	234
Trade receivables	**246,292**	**233,210**

The collateral held for the purpose of minimizing potential credit risk consists primarily of credit insurance, guarantees from customers or banks, and, in some cases, retentions of title. CLAAS mostly has set aside collateral for trade receivables past due or impaired. These consist mainly of credit insurance, guarantees, and renewed retentions of title. As in the previous year, in fiscal 2009 no collateral was called on.

The carrying amount of renegotiated receivables amounted to €9.4 million (previous year: €6.0 million) as of the balance sheet date. The amount of interest income received on impaired financial assets was insignificant.

The following table shows the change in impairment of trade receivables:

in € '000	2009	2008
Impairment at beginning of year	**9,856**	**11,042**
Utilization	-863	-668
Reversal of / Addition to impairment loss, net	3,116	-502
Currency translation	-56	-16
Impairment at end of year	**12,053**	**9,856**

The Group is subject to credit risk in connection with investments in cash and cash equivalents and securities based on the risk of the obligor or issuer not meeting its payment obligations. In order to minimize this risk, issuers and obligors are carefully selected. The majority of cash and cash equivalents consists of exposures with at least an A- rating (pursuant to the Standard & Poor's categories). Investments are widely diversified to further limit the risk of default. Default risk is continuously monitored using a rating-based limit system. Each year, the competent executive bodies of the CLAAS Group approve the basic investment strategy and the limit system.

Derivative contracts are concluded for risk management purposes. The derivatives are either measured individually at fair value or included in hedge accounting. The maximum credit risk arising from derivative financial instruments corresponds to the positive fair value of the instrument. Nearly all counterparties are internationally operating banks. The credit quality of the counterparties is continuously reviewed on the basis of the Standard & Poor's, Moody's, or Fitch credit ratings. Moreover, the risk of default is limited by engaging in a strategy of broad diversification.

Liquidity Risk

The CLAAS Group employs a number of measures to effectively meet liquidity risk. In so doing, liquidity management places top priority on the absolute necessity of ensuring solvency at all times. Liquidity management also aims for a comfortable and cost-efficient liquidity position that will allow the Group to react adequately to opportunities in a dynamic market environment. To meet these goals, value is placed on maintaining sufficient financing commitments (see Note 31) and cash and cash equivalents (see Note 24) as well as on the ABS programs (see Note 32) and international cash management. Future liquidity requirements are projected on a regular basis as part of the financial planning process. This process consists of a rolling three-month forecast, an annual forecast, and a five-year forecast. In addition, the situation with regard to financing conditions for CLAAS on the financial markets is monitored on an ongoing basis to enable any refinancing risk to be countered promptly and proactively.

The following table gives an overview of undiscounted payment obligations from liabilities due in the coming fiscal years:

in € '000 / September 30, 2009	2010	2011	2012	2013	2014	from 2015	Total
Financial liabilities	92,193	57,305	204,241	41,321	35,886	180,143	611,089
Silent partnership	2,377	1,352	1,429	2,320	2,687	15,169	25,334
Trade payables	91,352	-	-	-	-	-	91,352
Liabilities from bills of exchange accepted and drawn	5,059	-	-	-	-	-	5,059
Liabilities to investments	6,737	-	-	-	-	-	6,737
Derivatives without hedging relationship	1,637	812	1,188	-	-	707	4,344
Derivatives with a hedging relationship	5,476	17,906	17,413	15,860	15,119	14,379	86,153
Miscellaneous financial liabilities	29,082	67	-	-	-	966	30,115
Payments due	**233,913**	**77,442**	**224,271**	**59,501**	**53,692**	**211,364**	**860,183**

in € '000 / September 30, 2008	2009	2010	2011	2012	2013	from 2014	Total
Financial liabilities	81,889	16,493	40,786	38,641	35,997	97,390	311,196
Silent partnership	2,375	1,229	1,370	1,452	2,361	14,975	23,762
Trade payables	156,729	-	-	-	-	-	156,729
Liabilities from bills of exchange accepted and drawn	18,471	-	-	-	-	-	18,471
Liabilities to investments	13,049	-	-	-	-	-	13,049
Derivatives without hedging relationship	5,318	198	20	-	1,020	-	6,556
Derivatives with a hedging relationship	7,660	3,548	15,299	14,590	13,880	25,631	80,608
Miscellaneous financial liabilities	34,383	62	-	-	-	1,177	35,622
Payments due	**319,874**	**21,530**	**57,475**	**54,683**	**53,258**	**139,173**	**645,993**

Market Risk

Currency risk

Due to the international scope of its business activities, the CLAAS Group is subject to currency risk. Currency risk is incurred primarily in the course of carrying out operating business activities as well as in connection with finance transactions and capital expenditure. Exchange rate fluctuations may therefore lead to undesired and unforeseeable volatility in earnings or cash flows. To effectively counter the effect of exchange rate fluctuations, CLAAS pursues central currency management under the purview of the Group Treasury department. Operational transaction risk traditionally arises when the currency in which sales are realized differs from the currency in which the costs are incurred. At CLAAS, currency risk arises mainly with respect to US dollars, Hungarian forints, and British pounds against the euro as the Group's presentation currency.

To calculate the total risk exposure, the estimated operating inflows and outflows are recorded centrally for each currency on a fiscal-year basis. A basic hedging strategy is developed for the resulting net exposures in consideration of risk-bearing capacity and the market situation. The hedging strategy is intended to protect the Group from negative market developments, while enabling the Group to participate in positive developments. The hedge horizon is typically between one and two years. The hedging strategy is approved by the competent executive body of the CLAAS Group and implemented by the Group Treasury department through the conclusion of financial derivative contracts. The hedging strategy implemented is monitored continuously by Group Treasury and adapted as needed. Group management and the competent executive body receive regular reports informing them of the current status of the currency risk position.

Financing-related and investment-related currency risks are – insofar as possible and appropriate – integrated into the forecasts of operating exposure. Alternatively, these risks may be hedged individually on a case-by-case basis.

The following scenario analysis indicates the value of the derivative portfolio used to hedge currency risk in the event of a 10% increase or 10% decrease in the value of the hedging portfolio in comparison with the actual exchange rates on the balance sheet date. The figures are presented separately depending on whether the items are recognized in equity (via hedge accounting) or at fair value through profit or loss. The (future) underlying items that the derivative portfolio is intended to hedge are not included in the presentation pursuant to IFRS 7. Any conclusions made on the basis of the information presented here relate exclusively to derivative financial instruments. The values stated are not meaningful for determining the overall future effect of exchange rate fluctuations on the cash flows or earnings of the CLAAS Group. In addition to the analysis made here of the fair value risk inherent in currency derivatives, internal risk management and the information provided regularly to the competent executive bodies are based above all on meaningful scenario analyses of the total risk position, which take account of both the underlying items and the hedge portfolio.

	Sept. 30, 2009		Sept. 30, 2008	
in € ’000	Equity	Profit or loss	Equity	Profit or loss
Actual fair value	**-62,706**	**3,687**	**-63,236**	**-3,806**
Fair value in the event of an exchange rate increase of 10%	**-66,937**	**21,122**	**-63,777**	**6,342**
USD	-76,425	15,761	-71,693	6,187
GBP	10,627	5,983	10,252	3,088
HUF	-1,139	-1,070	-2,336	-2,882
Other	-	448	-	-51
Fair value in the event of an exchange rate decrease of 10%	**-55,295**	**-15,890**	**-59,594**	**-19,641**
USD	-56,533	-14,619	-54,298	-15,607
GBP	-1,179	-3,125	-7,623	-5,805
HUF	2,417	1,311	2,327	802
Other	-	543	-	969

In addition to transaction-based currency risk, currency translation risk arises from assets and liabilities of subsidiaries outside of the euro region. Balance sheet items are translated from the local currency of the subsidiary into euros, the Group's functional currency, as part of the consolidation process. Exchange rate fluctuations may lead to changes in value that are recognized in Group equity. Although these long-lasting effects are calculated and analyzed on an ongoing basis, they are generally not hedged as the underlying items are of a permanent nature.

Interest rate risk

CLAAS is generally exposed to interest rate risk on assets and liabilities. Such risk may arise on financial instruments such as bonds or liabilities to banks or due to the effects of interest rate changes on operating and strategic liquidity. Transactions relating to initial capital procurement and capital investment as well as the subsequent management of the positions in line with targets such as maturity date and the length of time for which interest rates are fixed are undertaken centrally for the entire Group by the Treasury department, in coordination with the competent executive bodies. Interest rate derivatives are also used to manage risk. These positions are recognized at their fair values and continuously monitored on a fair value basis. The resulting risk is measured by means of value-at-risk analyses, among other things.

Value at risk is measured using Monte Carlo simulation, assuming a confidence level of 99% and a holding period of 10 days. The resulting figure represents the loss in market value of the portfolio of all interest-sensitive instruments, with a probability of only 1% that the figure obtained will be exceeded after 10 days. Currency derivatives are not included, as any interest-related changes they may be exposed to are insignificant. As of the balance sheet date, the value at risk of all interest-sensitive financial instruments amounted to €1.3 million (previous year: €1.7 million).

Commodity price risk

CLAAS is subject to the risk of changes in commodity prices arising from the procurement of input materials. To a minor extent, derivative financial instruments are used to hedge the risk of changes in the price of industrial metals. The net fair value of commodity derivatives amounted to €0.2 million at the balance sheet date (previous year: €-0.1 million). The resulting risk is thus insignificant, for which reason the risk ratios have not been presented here.

35. Derivative Financial Instruments and Hedge Accounting

CLAAS uses financial derivatives for risk management purposes (see Note 34). Currency hedging transactions serve to hedge receivables and payables denominated in foreign currencies and planned future transactions. Where possible, items are netted out. Interest rate derivatives serve to hedge the interest rate risk inherent in asset and liability positions. In addition, derivatives are also used to a limited extent to hedge the risk of increasing commodity prices. The commodity derivatives used serve primarily to hedge against price fluctuations in industrial metals.

For the purposes of hedge accounting, some of the forward exchange contracts, foreign currency options, and other currency hedging instruments are classified as cash flow hedges. These are used to hedge against variable future cash flows from long-term liabilities with terms extending until 2014 as well as future sales denominated in foreign currency with terms of generally 12 months, and in no case more than 18 months. Changes in the fair value of these derivatives are recorded in equity. In fiscal 2009, €-1.7 million was recorded in equity (previous year: €-2.5 million). Reclassification to the income statement was undertaken in the amount in which the underlying transaction was realized in the period under review. The reclassification was made to foreign exchange gains and losses. In fiscal 2009, €3.2 million (previous year: €-3.8 million) was transferred to “other financial result” based on currency hedging transactions. In the year under review, hedge ineffectiveness of €0.2 million on cash flow hedges with options (time value portion) was recognized in profit or loss (previous year: €0.0 million).

CLAAS has taken out interest rate swaps that are designated as fair value hedges. The hedges qualify for hedge accounting, in which the offsetting effects on profit or loss of changes in the fair values of the interest rate derivatives and the hedged item are recognized. In the fiscal year under review, the net interest expense included €0.1 million in gains or losses arising from changes in the fair value of the hedging instrument (previous year: €0.0 million) and €-0.2 million in gains or losses arising from remeasurement of the hedged items (previous year: €0.0 million).

The following table includes both derivatives for which hedge accounting was applied and those for which the application of hedge accounting was waived in accordance with IAS 39. The derivative financial instruments are recognized at the following fair values (fair values and carrying amounts are thus equivalent):

	Sept. 30, 2009		Sept. 30, 2008	
in € ’000	**Fair value of assets**	**Fair value of liabilities**	**Fair value of assets**	**Fair value of liabilities**
Forward exchange transactions	5,247	121	326	4,113
Foreign currency options	2,587	-	766	-
Other currency hedging instruments	-	70,418	-	60,216
Interest rate swaps	205	979	-	-
Derivatives with a hedging relationship	**8,039**	**71,518**	**1,092**	**64,329**
Derivatives without hedging relationship	**5,201**	**1,881**	**1,667**	**6,556**
Total	**13,240**	**73,399**	**2,759**	**70,885**

36. Management of Capital

At CLAAS, the management of capital is governed by provisions of corporate law. The capital under management corresponds to the equity recognized in the consolidated balance sheet. The aim of capital management is to achieve an adequate equity-to-assets ratio.

Should it be necessary to comply with contractual provisions, the capital will in addition be managed in accordance with the relevant requirements.

37. Additional Disclosures on the Consolidated Statement of Cash Flows

The consolidated statement of cash flows comprises cash flows from operating activities, investing activities, and financing activities. Effects of changes in the scope of consolidation have been eliminated; their impact on cash and cash equivalents is shown separately, as is the influence of exchange rate fluctuations on cash and cash equivalents.

Cash flow from operating activities includes dividends received in the amount of €1.6 million (previous year: €3.1 million); non-cash profit contributions from the application of the equity method were eliminated. Non-cash additions to non-current assets were made in the amount of €0.3 million (previous year: €0.4 million). Interest paid was €34.1 million (previous year: €30.4 million), and interest received amounted to €8.6 million (previous year: €13.0 million). Income tax payments amounted to €92.0 million (previous year: €57.7 million). These transactions are reported under cash flow from operating activities.

38. Employees

	2009	2008
Wage earners	4,657	4,239
Salary earners	4,290	4,044
Trainees	594	466
Average number of employees	**9,541**	**8,749**

The personnel expenses reported in the income statement under functional costs amounted to €522.8 million (previous year: €514.9 million).

39. Segment Reporting

Information by Business Segment

in € million	CLAAS Agricultural Equipment 2009	CLAAS Agricultural Equipment 2008	CLAAS Industrial Engineering 2009	CLAAS Industrial Engineering 2008	CLAAS Production Technology 2009	CLAAS Production Technology 2008	Eliminations 2009	Eliminations 2008	CLAAS Group 2009	CLAAS Group 2008
External sales	2,737	3,032	32	43	132	161	-	-	2,901	3,236
Internal sales	10	6	127	147	2	2	-139	-155	-	-
Total net sales	**2,747**	**3,038**	**159**	**190**	**134**	**163**	**-139**	**-155**	**2,901**	**3,236**
Operating profit (EBIT)	155	288	-2	4	-5	-9	-1	-	147	283
Income from investments accounted for using the equity method	5	3	-	-	-	-	-	-	5	3
Interest income	16	23	-	-	1	1	-1	-2	16	22
Depreciation / amortization / impairment	77	85	4	4	2	14	-	-	83	103
Non-cash income / expenses	-11	120	-1	7	-	7	-	-	-12	134
Segment assets	2,093	1,894	50	56	139	155	-75	-81	2,207	2,024
Goodwill*	11	11	-	-	-	-	-	-	11	11
Investments accounted for using the equity method	41	34	-	-	-	-	-	-	41	34
Capital expenditure for property, plant and equipment and intangible assets	114	108	10	5	1	2	-	-	125	115
Segment liabilities	1,327	1,171	41	46	101	120	-38	-44	1,431	1,293

* Goodwill for the Agricultural Equipment segment has been reduced by accumulated impairment losses in the amount of €37.1 million. In the Production Technology segment, accumulated goodwill impairment amounted to €22.9 million No goodwill impairment was recognized in the past fiscal year.

Information by Geographical Segment

in € million	Germany 2009	Germany 2008	Rest of Western Europe 2009	Rest of Western Europe 2008	Central and Eastern Europe 2009	Central and Eastern Europe 2008	Other countries 2009	Other countries 2008	Eliminations 2009	Eliminations 2008	CLAAS Group 2009	CLAAS Group 2008
External sales	720	726	1,350	1,375	425	674	406	461	-	-	2,901	3,236
Segment assets	2,063	1,839	679	695	147	132	259	194	-941	-836	2,207	2,024
Capital expenditure for property, plant and equipment and intangible assets	81	74	34	26	5	6	5	9	-	-	125	115

CLAAS defines its primary segments by areas of business. The definition of business segments and geographical segments is based on the internal reporting system.

The Agricultural Equipment segment is the Group's core business segment. CLAAS is the European market leader in its core products of combine harvesters and foragers. The Group also holds significant market shares in balers and green harvest machinery, especially in Western Europe. The tractor business was added to the Agricultural Equipment segment in 2003.

CLAAS' Industrial Engineering segment is the system supplier for drive technology and hydraulics within the CLAAS Group. Third-party business chiefly involves components for construction machinery and utility vehicles.

The Production Technology segment is headed by CLAAS Fertigungstechnik GmbH. This company has specific expertise in special purpose mechanical engineering and tool making as well as in the development and manufacture of complete transfer and production lines. Since the acquisition of BRÖTJE-Automation GmbH, business activity in this segment has been extended to the aviation and aerospace industry.

Internal sales reflect the level of sales between the Group companies and are accounted for at arm's length.

The decrease in net sales from €3,236.2 million to €2,900.8 million is due to declines in all geographical segments, particularly in Central and Eastern Europe.

Reconciliation of operating profit, defined as EBIT at CLAAS, with the Group's net income for the year is as follows:

in € '000	2009	2008
Operating profit (EBIT)	**146,926**	**282,529**
Income taxes	-38,863	-78,732
Interest and similar expenses	-34,631	-34,460
Net income	**73,432**	**169,337**

40. Related Party Disclosures

Related parties within the meaning of IAS 24 generally are: the members of the Supervisory Board and the Shareholders' Committee, the members of the Claas families, the members of the Group Executive Board and the associated companies of the CLAAS Group, and companies controlled or significantly influenced by related parties.

The significant relationships of the members of the Supervisory Board and the Shareholders' Committee as well as of the members of the Claas families with the CLAAS Group are as follows:

	Members of the Supervisory Board / Shareholders' Committee		Members of the Claas families – if not members of the Supervisory Board / Shareholders' Committee	
in € '000	**2009**	**2008**	**2009**	**2008**
Supervisory Board and Shareholders' Committee remuneration	409	352	-	-
Services	337	259	-	-
Credits granted to CLAAS	40,987	39,536	24,659	22,899

Deliveries to related parties amounted to €159.5 million (previous year: €139.3 million). Deliveries received from related parties amounted to €232.2 million (previous year: €224.5 million). In addition, the CLAAS Group received services from related companies in the amount of €21.2 million (previous year: €20.5 million) and rendered services in the amount of €3.3 million (previous year: €3.0 million).

The following remuneration was paid to members of the Group Executive Board:

in € '000	**2009**	**2008**
Current remuneration	4,093	5,430
Provisions for retirement benefits	180	186

Retirement benefits were paid to former members of the Executive Board of CLAAS KGaA mbH / the Group Executive Board in the amount of €0.4 million (previous year: €0.4 million). Obligations for current pensions and vested rights of former members of the Executive Board of the CLAAS KGaA mbH / the Group Executive Board amounted to €6.4 million (previous year: €6.1 million).

41. Auditor's Fees and Services

The fees for the auditor of the consolidated financial statements, Deloitte & Touche GmbH, Düsseldorf, that were recognized as an expense in the fiscal year are broken down as follows:

in € '000	2009	2008
Audit fees	561	547
Audit-related service fees	74	83
Tax consulting fees	157	263
Other fees	11	44
Total auditor's fees	**803**	**937**

Audit fees include all fees for auditing the financial statements of CLAAS KGaA mbH and the consolidated financial statements as well as the financial statements of the domestic subsidiaries. Other fees mainly comprise project-related consulting services.

42. Events After the Balance Sheet Date

CLAAS Automation GmbH, Nördlingen, Germany, was sold effective October 1, 2009. The company has not been included in the scope of consolidation of the CLAAS Group since such time. CLAAS Automation manufactures highly complex automation lines for the domestic and international markets. Prior to deconsolidation, CLAAS Automation was allocated to the Production Technology segment.

Independent Auditor's Report

We have audited the consolidated financial statements of CLAAS Kommanditgesellschaft auf Aktien mbH, Harsewinkel, consisting of the consolidated income statement, the consolidated statement of comprehensive income, the consolidated balance sheet, the consolidated statement of cash flows, the consolidated statement of changes in equity, and the notes to the financial statements, as well as the Group management report for the fiscal year from October 1, 2008 to September 30, 2009. The preparation of the consolidated financial statements and the Group management report in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the additional requirements of German commercial law pursuant to Section 315a (1) of the German Commercial Code (HGB) are the responsibility of the Company's management. Our responsibility is to express an opinion, based on our audit, on the consolidated financial statements and the Group management report.

We conducted our audit of the consolidated financial statements pursuant to Section 317 of the German Commercial Code and the generally accepted German standards for the audit of financial statements as promulgated by the "Institut der Wirtschaftsprüfer." Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of any misstatements or violations that would have a material effect on the presentation of a true and fair view of the financial position and financial performance conveyed by the consolidated financial statements in accordance with generally accepted accounting principles and by the Group management report. Knowledge of the business activities and economic and legal environment of the Group and expectations of possible misstatements are taken into account in determining audit procedures. The audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements and Group management report as well as the effectiveness of the internal control system relating to the accounting system. The audit also includes assessing the financial statements of the companies included in the consolidated financial statements as well as the definition of the group of consolidated companies, the accounting and consolidation principles used, and significant estimates made by the Company's management as well as evaluating the overall presentation of the consolidated financial statements and the Group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

Based on our audit, it is our opinion that the consolidated financial statements of CLAAS Kommanditgesellschaft auf Aktien mbH, Harsewinkel, comply with IFRS as adopted by the EU and the additional requirements of German commercial law as set forth in Section 315a (1) of the German Commercial Code and provide a true and fair view of the financial position and financial performance of the Group in consideration of the aforementioned provisions. The Group management report is consistent with the consolidated financial statements and, taken as a whole, provides a suitable understanding of the Group's position and suitably presents the opportunities and risks of future development.

Düsseldorf, November 24, 2009

Deloitte & Touche GmbH
Wirtschaftsprüfungsgesellschaft

(Harnacke)	(Bedenbecker)
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

Management Statement on the Preparation of the Consolidated Financial Statements

These consolidated financial statements for the fiscal year ended September 30, 2009 and the Group management report were prepared by the Executive Board of CLAAS KGaA mbH on November 24, 2009. The accuracy and completeness of the information contained in the financial statements and the Group management report are the responsibility of the Company's management. The consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) and comply with Directive 83/349/EEC. Previous year figures were determined in accordance with the same principles. The consolidated financial statements are supplemented by the Group management report and the notes to the financial statements in accordance with Section 315a of the German Commercial Code (HGB).

Systems of internal control, uniform Group accounting policies and continuous employee training ensure that the consolidated financial statements and the Group management report are prepared in compliance with generally accepted accounting principles and comply with statutory requirements. Compliance with the guidelines set forth in the risk management manual, which are applicable to the Group as a whole, as well as the reliability and effectiveness of the control systems are examined by our internal auditing unit on an ongoing basis. After careful examination of the current risk position, we have discovered no specific risks that could threaten the continued existence of the CLAAS Group.

Deloitte & Touche GmbH, Wirtschaftsprüfungsgesellschaft, has audited the consolidated financial statements and the Group management report and has issued an unqualified audit opinion.

Harsewinkel, November 24, 2009

Dr. Theo Freye   Dr. Hermann Garbers   Hans Lampert

Structure of CLAAS KGaA mbH

Personally liable Partner
Helmut Claas GmbH

Shareholders
Helmut Claas
Günther Claas
Reinhold Claas

KGaA Shareholders
Family Helmut Claas
Family Günther Claas
Family Reinhold Claas

Shareholders' Committee
Helmut Claas, Harsewinkel
Chairman
Cathrina Claas-Mühlhäuser, Frankfurt / Main
Deputy Chairman

Supervisory Board
Helmut Claas, Harsewinkel
Chairman
Guntram Schneider, Münster *
Deputy Chairman
Cathrina Claas-Mühlhäuser, Frankfurt / Main
Oliver Claas, Bohmte
Reinhold Claas, Harsewinkel
Michael Köhler, Paderborn *
Nicola Leibinger-Kammüller, Ditzingen
Günter Linke, Harsewinkel*
Gerd Peskes, Düsseldorf
Heinrich Strotjohann, Harsewinkel *
Carmelo Zanghi, Paderborn *

* Employee representatives

Group Executive Board
Theo Freye **
Hermann Garbers **
Ulrich Jochem
Thomas Klatt** (until 12 / 2008)
Lothar Kriszun
Hans Lampert** (since 01 / 2009)
Rolf Meuther
Jan-Hendrik Mohr

** Executive Board of Helmut Claas GmbH

Authorized Company Representatives
Gerd Hartwig
Stefan Belda

Locations

Saxham / United Kingdom
CLAAS U.K. Ltd.
Basingstoke / United Kingdom
CLAAS Financial Services Ltd.
Metz-Woippy / France
Usines CLAAS France S.A.S.
Vélizy / France
CLAAS Tractor S.A.S.
CLAAS Réseau Agricole S.A.S.
Le Mans / France
CLAAS Tractor S.A.S.
Paris / France
CLAAS France S.A.S.
CLAAS Financial Services S.A.S.
Madrid / Spain
CLAAS Ibérica S.A.
Vercelli / Italy
CLAAS Italia S.p.A.
Columbus / Indiana / USA
CLAAS of America Inc.
Omaha / Nebraska / USA
CLAAS Omaha Inc.
CLAAS of America Inc.
BRÖTJE-Automation-USA Inc.
Sunchales / Argentina
CLAAS Argentina S.A.


Wiefelstede / Germany
BRÖTJE-Automation GmbH
Jaderberg / Germany
BA Jaderberg GmbH
Beelen / Germany
CLAAS Fertigungstechnik GmbH
Kiev / Ukraine
CLAAS Ukraina DP
Moscow / Russia
OOO CLAAS Vostok
Krasnodar / Russia
OOO CLAAS
Törökszentmiklos / Hungary
CLAAS Hungaria Kft.
Gütersloh / Germany
CLAAS Agrosystems GmbH & Co KG
Paderborn / Germany
CLAAS Industrietechnik GmbH
Harsewinkel / Germany
CLAAS Vertriebsgesellschaft mbH
CLAAS Global Sales GmbH
CLAAS Service and Parts GmbH
CLAAS Selbstfahrende Erntemaschinen GmbH
Bad Saulgau / Germany
CLAAS Saulgau GmbH
Hamm / Germany
CLAAS Service and Parts GmbH
Chandigarh / India
CLAAS India Private Ltd.
Faridabad / India
CLAAS India Private Ltd.
Industrial Engineering
Production Technology
Agricultural Equipment
Product Company
Sales Company
Financing Company

Ten-Year Overview

in € million	2009	2008	2007	2006	2005	2004	2003*	2002*	2001*	2000*
Financial Performance										
Net sales	2,900.8	3,236.2	2,658.9	2,350.9	2,175.3	1,928.4	1,496.3	1,265.5	1,147.9	1,072.5
Foreign sales (in %)	75.2	77.6	76.3	76.3	75.1	76.8	69.2	64.9	68.9	66.6
Income before taxes	112.3	248.1	175.8	130.7	86.4	36.1	22.6	55.8	36.1	26.2
Net income	**73.4**	**169.3**	**114.8**	**80.9**	**54.7**	**21.9**	**17.9**	**32.5**	**14.3**	**11.7**
Financial Position										
Non-current assets	**579.1**	**522.8**	**493.3**	**501.9**	**473.9**	**472.2**	**438.1**	**306.8**	**247.5**	**221.0**
Intangible assets	120.2	126.6	141.3	145.6	123.1	119.8	55.8	20.0	6.8	3.5
Property, plant, and equipment	322.4	281.0	257.6	260.8	243.9	249.1	252.3	192.8	155.5	138.7
Other non-current assets	136.5	115.2	94.4	95.5	106.9	103.3	130.0	94.0	85.2	78.8
Current assets	**1,627.6**	**1,501.1**	**1,282.7**	**1,109.5**	**1,137.8**	**973.7**	**974.7**	**712.8**	**683.9**	**638.6**
Inventories	519.3	394.6	343.0	339.9	295.0	280.6	337.6	207.1	168.5	181.2
Other current assets	431.1	390.3	341.8	333.6	342.1	312.5	292.3	205.0	181.3	172.6
Liquid assets	677.2	716.2	597.9	436.0	500.7	380.6	344.8	300.7	334.1	284.8
Equity	**775.5**	**731.0**	**604.4**	**502.5**	**484.9**	**374.4**	**292.5**	**292.2**	**268.8**	**263.5**
Funds similar to equity**							**106.3**	**58.3**	**56.3**	**55.5**
Liabilities	**1,431.2**	**1,292.9**	**1,171.6**	**1,108.9**	**1,126.8**	**1,071.5**	**1,014.0**	**669.1**	**606.3**	**540.6**
Non-current liabilities	766.2	503.8	541.4	545.4	499.2	569.6	502.5	309.7	301.9	299.9
Current liabilities	665.0	789.1	630.2	563.5	627.6	501.9	511.5	359.4	304.4	240.7
Total assets	**2,206.7**	**2,023.9**	**1,776.0**	**1,611.4**	**1,611.7**	**1,445.9**	**1,412.8**	**1,019.6**	**931.4**	**859.6**
Key Performance Indicators										
Return on sales (in %)	3.9	7.7	6.6	5.6	4.0	1.9	1.5	4.4	3.2	2.4
EBIT	146.9	282.5	209.9	162.8	118.0	70.4	53.2	84.0	66.7	54.0
EBITDA	230.0	385.6	312.0	246.4	186.7	142.4	90.9	111.9	111.5	82.5
Return on equity (in %)	9.5	23.2	19.0	16.1	11.3	5.8	6.1	11.1	5.3	4.4
Return on assets (in %)	6.7	14.0	11.8	10.1	7.3	4.9	3.8	8.2	7.2	6.3
Cash earnings	156.9	285.9	236.3	171.4	130.7	94.2	51.2	67.4	67.7	39.6
Equity-to-assets ratio (in %)	35.1	36.1	34.0	31.2	30.1	25.9	20.7	28.7	28.9	30.7
Cash ratio (in %)	101.8	90.8	94.9	77.4	79.8	75.8	67.4	83.7	109.7	118.3
Equity and non-current liabilities to non-current assets (in %)	266.2	236.2	232.3	208.8	207.7	199.9	205.7	215.2	253.3	280.0
Working capital	692.8	474.8	420.2	413.7	443.9	368.1	415.9	303.5	251.8	274.0
Employees										
Employees as of the reporting date (including trainees)	9,467	9,100	8,425	8,191	8,134	8,127	8,391	6,114	5,488	5,558
Personnel expenses	522.8	514.9	472.8	455.7	433.1	416.8	352.3	291.7	277.3	269.7

* Figures for 2000 through 2003 in accordance with U.S. GAAP.

** Under U.S. GAAP participation certificates, the silent partnership and minority interest are funds similar to equity.

Definitions

Return on sales (in %) = $\dfrac{\text{Income before taxes}}{\text{Net sales}} \times 100$

EBIT = Net income + income taxes + interest and similar expenses

EBITDA = EBIT +/- depreciation / write-ups of intangible and tangible assets

Return on equity (in %) = $\dfrac{\text{Net income}}{\text{Equity}} \times 100$

Return on assets (in %) = $\dfrac{\text{EBIT}}{\text{Total assets}} \times 100$

Cash earnings = Net income + depreciation / amortization of non-current assets + / - change in pension provisions and other non-current provisions + / - deferred tax expenses / income + / - other non-cash expenses and income

Cash flow-to-sales ratio = $\dfrac{\text{Cash earnings}}{\text{Net sales}} \times 100$

Free cash flow = Cash flows from operating activities - payments for additions to / + proceeds from the disposal of intangible assets and property, plant and equipment - payments for additions to / + proceeds from the disposal of investments - payments for investments in / + proceeds from the repayment of borrowings

Equity-to-assets ratio (in %) = $\dfrac{\text{Equity}}{\text{Total assets}} \times 100$

Liquid assets = Cash and cash equivalents + current securities

Cash ratio (in %) = $\dfrac{\text{Liquid assets}}{\text{Current liabilities}} \times 100$

Quick ratio (in %) = $\dfrac{\text{Liquid assets + trade receivables + income tax assets + other receivables and current assets - current derivative assets - prepaid expenses + non-current receivables from investments + other non-current assets}}{\text{Current liabilities}} \times 100$

Equity and non-current liabilities to non-current assets (in %) = $\dfrac{\text{Equity + non-current liabilities}}{\text{Non-current assets}} \times 100$

Equity and non-current liabilities to non-current assets and inventory (in %) = $\dfrac{\text{Equity + non-current liabilities}}{\text{Non-current assets + 0,5 x inventories}} \times 100$

Working capital = Inventories - advance payments received + / - trade accounts receivable / payable + / - accounts receivable / payable to investments + POC receivables + / - notes receivable / payable

Inventory turnover (in %) = $\dfrac{\text{Average inventory}}{\text{Net sales}} \times 100$

Receivables turnover (in %) = $\dfrac{\text{Average trade receivables}}{\text{Net sales}} \times 100$

Days sales outstanding = Receivables turnover x 365

The key performance indicators for the fiscal years 2004 to 2009 are presented in accordance with IFRS. The figures for fiscal years 2000 through 2003 are based on U.S. GAAP.

Products and Services

Combine Harvesters

- LEXION 600
- LEXION 580/570/570 C
- LEXION 560-510
- TUCANO 480/470
- TUCANO 450-320
- AVERO
- DOMINATOR
- Attachments

Foragers

- JAGUAR 980-930
- JAGUAR GREEN EYE
- JAGUAR wood chopper

Tractors

- XERION 5000/4500
- XERION 3800/3300
- XERION SADDLE TRAC
- AXION
- ARION 600/500
- ARION 600 C
- ARION 400
- ARES 500
- AXOS
- NEXOS
- ELIOS

AVERO

XERION

LINER

Balers

- QUADRANT 3400
- QUADRANT 3200
- QUADRANT 2200/2100
- QUADRANT 1150
- ROLLANT 455/454 UNIWRAP
- ROLLANT 355/354 UNIWRAP
- ROLLANT 350/340
- VARIANT 385-360
- VARIANT 370/350

Green Harvest Machinery

- COUGAR
- DISCO
- CORTO
- VOLTO
- LINER
- CARGOS
- QUANTUM

CLAAS Agrosystems

- Steering Systems
- Precision Farming & Monitoring
- Management Software
- Service & Maintenance

CLAAS SELECT

Products for CLAAS Machines:

- Bale packaging materials
- Lubricants
- Batteries
- Camera systems
- Measuring instruments
- Workshop equipment
- Tires

Telescope Loaders

- SCORPION

LEXION with VARIO 1200

ROLLANT

CARGOS

Calendar 2010 – Important Trade Fairs

January
Internationale Grüne Woche, environmental show, Berlin / Germany
AG Connect Expo, Orlando, Florida / USA

February
InterAGRO – international agricultural exhibition, Kiev / Ukraine
FIMA, international agricultural machinery show, Zaragoza / Spain
EXPOAGRO – international agricultural exhibition, Santa Fe / Argentina

March
TECHAGRO – international fair for agricultural technology, Brünn / Czech Republic

June
Cereals, Leadenham / United Kingdom
Royal Highland Show, Edinburgh / United Kingdom

September
Farm Progress Show, Boone, Iowa / USA

October
Agrosalon, Moscow / Russia

November
EUROTIER, Hannover / Germany
EIMA INTERNATIONAL – international exhibition for agricultural engineering, Bologna / Italy

December
AGRO TECH, Chandigarh / India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