

# SHAREHOLDER INFORMATION for the 1<sup>st</sup> quarter 2012

Quarterly Financial Report



For You and Planet Blue.

## Contents:

Management Report .....	page 3
Consolidated Financial Statements .....	page 8
Financial Calendar 2012.....	page 16

In the first quarter of financial year 2012, the BWT – Best Water Technology – Group improved its revenue and income figures year on year. Consolidated revenues increased by 3.0% to €119.1 million. Despite the considerably higher advertising expenses for supporting the expansion of the brand, EBIT was improved by 7.6% to €6.7 million and the Group's consolidated net earnings after minority interests improved by 19.6% to €4.3 million.

## BUSINESS PERFORMANCE in the first quarter

Group consolidated revenues: €119.1 million, +3.0% year on year

In the period from January to March, BWT Group's consolidated revenues rose from €115.6 million by 3.0% to €119.1 million. In the previous year, the Zeta Group withdrew from the BWT group of companies only at the end of the 1st quarter. With the same Group structure, revenues growth would have amounted to 6.3% in the 1st quarter.

Segment – revenues in T€	Q 1 / 2012	Q 1 / 2011	+/- %
Austria / Germany	45,615	45,807	-0.4%
France / Benelux / UK	31,051	31,751	-2.2%
Scandinavia	15,578	12,110	+28.6%
Italy / Spain	8,514	8,012	+6.3%
Switzerland / Others	18,381	17,959	+2.3%
<b>BWT Group</b>	<b>119,139</b>	<b>115,639</b>	<b>+3.0%</b>

The slight decline of 0.4% in the Austria / Germany segment is due to Zeta. After adjustment of the previous year's figure with respect to this consolidation effect, the segment would have achieved an increase in revenues of 6.4%. The Point of Use business contributed especially positively to this result, a year-on-year increase of 45.1% was recorded.

The France / Benelux / UK segment suffered slight decreases in revenues in France and the UK. The expansion of the service business and growth in the Point of Use business did not make up for the decline in household and industrial Point of Entry systems.

The Scandinavia segment achieved an increase in revenues of 28.6% to €15.6 million and thus extended further its importance within the Group. The Danish BWT subsidiary developed particularly well. The Point of Use business also showed above-average growth rates.

Despite the difficult market circumstances in their countries, the BWT companies in Italy and Spain managed to raise their revenue performance by 6.3% year on year in the first quarter. The traditional Point of Entry products made a particular contribution to this. In the Spanish subsidiary also, revenues were increased after difficult restructuring measures.

In the Switzerland / Others segment, a strong increase in revenues of almost 18% in Switzerland was depleted by declines in industrial systems in Poland, Ireland and China. In the end, a moderate overall increase of 2.3% to €18.4 million was still achieved.

Owing to the disposal of Zeta, in the Point of Entry business revenues fell by 1.0% to €82.1 million in the first quarter. Without the "Zeta effect", growth of 3.4% was achieved. The Point of Use business experienced above-average growth of 26.4% to €10.4 million, thus accounting for 8.7% of consolidated revenues. The development in the Service and Spare Parts business was also pleasing. Business here grew by 8.9% to €26.6 million, thus contributing 22.3% to Group revenues.

As of 31 March 2012, a good order entry, especially in Scandinavia and in the pharmaceuticals business, increased the order book of the BWT Group

EBITDA €10.5 million,  
+4.5% year on year  
EBIT €6.7 million,  
+7.6% year on year  
Consolidated net earnings  
after minority interests €4.3  
million, +19.6% year on year

## EARNINGS

Despite the more than 50% increase in advertising expenditure for the implementation of the brand strategy "BWT – For You and Planet Blue", earnings were improved year on year in the 1st quarter. Along with a slight margin improvement, the discontinuation of non-recurring costs from the sale of the Zeta Group, carried out in the previous year as of the end of March, also had a positive impact.

The cost of materials, including changes in inventories, declined from 37.7% of revenues in the previous year to 36.3%. Here, lower revenues in the industrial system construction and the higher share of the Service and Spare Parts business are reflected in particular.

In the first quarter, staff costs increased by 1.8% to €40.9 million. The discontinuation of the Zeta Group had an impact here too, without which staff costs grew by 6.9%. The increase was mainly due to the higher number of employees in Switzerland and in France in the service business and the further expansion of the Point of Use business in Austria. However, overall, following the capacity adjustments in Poland and Spain the number of employees of the BWT Group – 2,698 as of 31 March 2012 – remained almost the same compared with the previous year (2,692 people) and 31 December 2011 (2,689 people).

The net total of other operating expenses and income increased from €21.8 million in the previous year by 12.3% to €24.4 million. The major part of the cost increases comes from advertising expenses. Logistics and fuel costs also experienced strong growth.

In the 1st quarter, the BWT Group's EBITDA (earnings before interest, taxes, depreciation and amortisation) amounted to €10.5 million, a year-on-year increase of €0.5 million (4.5%).

The depreciation of fixed assets remained at the level of the previous year, whereby the abolition of Zeta was compensated for by higher depreciation for investment in plant and equipment in the Point of Use business.

EBIT rose from €6.2 million to €6.7 million and thus amounted to 5.6% of the revenues. In the first quarter, the individual segments developed as follows:

Segment-EBIT in T€	Q 1 / 2012	Q 1 / 2011	+/- %
Austria / Germany	-1,678	-924	-81.6%
France / Benelux / UK	2,619	2,659	-1.5%
Scandinavia	2,465	1,910	+29.1%
Italy / Spain	891	584	+52.6%
Switzerland / Others	2,389	1,985	+20.4%
<b>BWT Group</b>	<b>6,686</b>	<b>6,214</b>	<b>+7.6%</b>

The majority of the advertising activities for expanding the brand concerned the Austria / Germany segment, through which EBIT worsened from €- 0.9 million to €- 1.7 million. Expenses for the further strengthening and expansion of the Point of Use business also mainly impacted this region.

Due to improved margins, EBIT in the France / Benelux / UK segment was maintained at the previous year's level, despite the slight decline in revenues.

In the Scandinavia segment, the clear increase in revenues due especially to exports led to an EBIT growth of 29.1% to €2.5 million.

In the Italy / Spain segment, the pleasing revenues growth as well as the discontinuation of restructuring costs in Spain caused a year-on-year EBIT increase of 52.6% to €0.9 million.

The Swiss BWT subsidiary "BWT Aqua" was responsible for the further revenue growth by 20.4% to €2.4 million in the Switzerland / Others segment. On the other hand, In Poland, earnings declined. Here, extensive cost reduction measures have already been taken.

In the first quarter of 2012, due to the discontinuation of the previous year's non-recurring expenses from the sale of the Zeta Group, the financial result improved by €0.7 million to € – 0.4 million, while interest earnings only changed marginally.

Earnings before tax increased year on year, from €5.1 million to €6.2 million, while the Group's tax rate rose from 29.4% to 30.8%.

The Group's consolidated net earnings after minority interests totalled €4.3 million compared with €3.6 million the previous year, thus improving from 2011 by 19.6%. Earnings per share were €0.26, against €0.21 in the same period of last year.

## NET ASSETS AND FINANCIAL POSITION

After the 1st quarter, the net assets and financial position of the BWT Group improved year on year.

Improved cash flow from earnings and the seasonal increase in working capital (mainly inventories und customer receivables) – which was, however, lower than in the previous year – led to cash flow from operating activities of €– 4.0 million. This is considerably better than in 2011, when a value of €– 8.7 million was posted as of the end of March.

In the 1st quarter, the BWT Group invested a total of €4.9 million in fixed assets, compared with €3.9 million in the previous year. The most important capital expenditure remains the expansion of production and logistics capacities for the Point of Use business at the Mondsee site. This year, cash flow from investing activities amounted to €– 3.9 million and in the previous year €– 4.4 million.

This year, cash flow from financing activities amounted to €10.2 million and in the previous year €16.3 million. In the previous year, €23.5 million in new financial liabilities was taken up. This is considerably more than in 2012 (€10.2 million). On the other hand, €7.2 million was spent to buy back the company's own shares. This year, the share buy-back was only activated again after 31 March.

Net debt of the BWT Group (defined from the net total of bank balances and interest-bearing financial liabilities) fell by €5.6 million to €23.8 million against the end of March of the previous year. However, it increased by €6.7 million against 31 December 2011. As of 31 March, gearing improved from 18% in the previous year to 14% this year.

As of 31 March 2012, the consolidated balance sheet of the BWT Group showed an equity ratio of 48% compared with 47% in the previous year. The decline in the equity ratio compared with 31 December 2011 (49%) is due to the approximately 5% higher balance sheet total of €347 million.

Cash flow from operating activities – €4.0 million  
(previous year: € – 8.7 million)  
Investment in property, plant and equipment and intangible fixed assets: €4.9 million  
(2011: €3.9 million)  
Gearing: 14% (2011: 18%)  
Equity ratio: 48% (2011: 47%)

## OUTLOOK

The BWT Group is working intensively on the implementation of its investment programme, which it started in the previous year. The programme strengthens the Point of Use business further and will develop the „BWT“ brand into the visibly leading “water brand” with the message “BWT – For You and Planet Blue”. Thus, BWT’s core business with systems and services in the Point of Entry business is also sustainably secured.

For the current 2012 financial year, the Management Board expects overall a slight increase in consolidated revenues to more than €500 million (in the previous year, €479 million was achieved). However, the increased marketing expenditure and ongoing capital expenditure in the Point of Use business will hardly allow increases in earnings year on year (consolidated net earnings after minority interests 2011: €14 million).

Mondsee, 27 April 2012

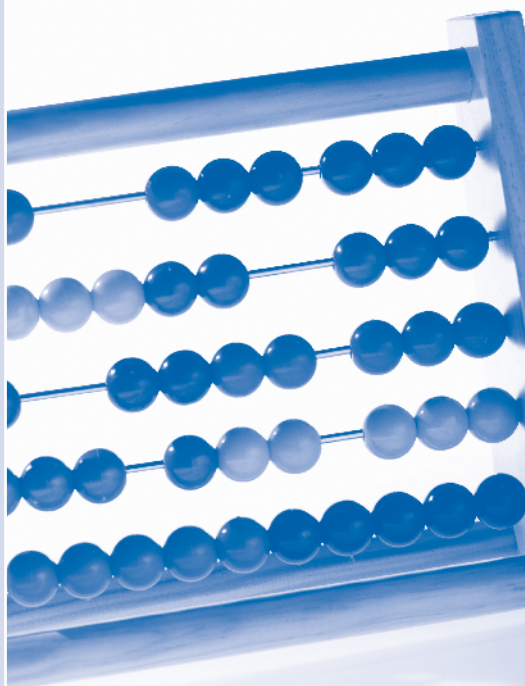
The Management Board



BWT Aktiengesellschaft  
**CONSOLIDATED  
FINANCIAL  
STATEMENTS**

1<sup>st</sup> quarter

2012



 **BWT**  
BEST WATER TECHNOLOGY



## I. Consolidated income statement for the first quarter

In T€ (unaudited)	1 <sup>st</sup> quarter 2012 value	1 <sup>st</sup> quarter 2011 value
Revenues	119,138.5	115,639.0
Other operating income	1,283.4	1,172.7
Changes in inventories of finished goods and work in progress	1,999.5	436.2
Own work capitalized	159.4	235.4
Raw materials supplies and purchased merchandise	-45,289.0	-44,067.5
Personnel expenses	-40,877.5	-40,156.1
Other operating expenses	-25,887.6	-23,184.4
Operating earnings before amortisation/depreciation	10,526.5	10,075.3
Depreciation and amortisation	-3,840.2	-3,861.6
Operating earnings	6,686.3	6,213.7
Financial income	120.5	33.1
Financial expenses	-562.0	-1,135.7
Earnings before taxes	6,244.8	5,111.2
Income taxes	-1,922.3	-1,504.4
Earnings for the period	4,322.5	3,606.7
Of which:		
Minority interest	-15.7	-22.0
Shareholders of the parent company	4,338.2	3,628.7
Earnings per share (in €): basic = diluted	0.26	0.21
Number of shares issued	16,794,161	17,153,982

## Statement of comprehensive income for the first quarter

In T€ (unaudited)	1 <sup>st</sup> quarter 2012 value	1 <sup>st</sup> quarter 2011 value
Earnings for the period	4,322.5	3,606.7
<b>Other earnings</b>		
Actuarial gains/losses	-114.9	172.9
Taxes thereon	28.7	-43.2
Foreign currency translation	593.0	-558.4
<b>Total amount of other earnings</b>	<b>506.8</b>	<b>-428.7</b>
<b>Total earnings for the period</b>	<b>4,829.3</b>	<b>3,178.0</b>
Of which:		
Shareholders of the parent company	4,845.0	3,200.0
Minority interest	-15.7	-22.0

## II. Consolidated balance sheet as at 31 March 2012

in T€	As at 31.3.2012 (unaudited)	As at 31.12.2011 (audited)	in T€	As at 31.3.2012 (unaudited)	As at 31.12.2011 (audited)
<b>ASSETS</b>			<b>EQUITY AND LIABILITIES</b>		
Goodwill	31,001.1	31,001.1	Share capital	17,833.5	17,833.5
Other intangible assets	19,512.8	20,171.2	Capital reserves	17,095.8	17,095.8
Tangible assets	89,701.9	88,042.2	Retained earnings		
Financial assets	4,144.8	4,259.6	accumulated profit	152,406.9	148,068.8
			other earnings	-4,856.2	-4,856.2
Other receivables from third parties	1,192.0	1,203.3	currency translation	3,075.4	2,482.5
Deferred tax claims	6,391.4	6,871.3	available-for-sale	371.3	457.5
			Treasury shares	-18,957.7	-18,957.7
				166,969.1	162,124.1
<b>Non-current assets</b>	<b>151,943.9</b>	<b>151,548.7</b>	Minority shares	507.3	523.0
Inventories	80,204.1	69,926.5	<b>Equity</b>	<b>167,476.4</b>	<b>162,647.2</b>
Trade receivables	75,030.6	71,671.5			
Receivables from long-term orders	11,256.2	11,453.3	Provisions for social capital	28,585.5	28,558.3
Tax claims	1,307.7	307.0	Deferred tax liabilities	688.3	1,855.7
Other receivables from third parties	10,794.9	11,975.7	Other provisions	1,561.9	1,514.6
Cash and cash equivalents	16,691.0	14,286.6	Interest-bearing financial liabilities	27,353.7	23,312.4
Assets held for sale	127.5	127.5	Other liabilities	1,224.7	1,334.1
<b>Current assets</b>	<b>195,411.8</b>	<b>179,748.0</b>	<b>Non-current liabilities</b>	<b>59,414.1</b>	<b>56,575.0</b>
			Current income tax liabilities	4,502.5	4,213.3
			Other provisions	11,458.4	9,608.1
			Interest-bearing financial liabilities	13,114.1	8,056.7
			Trade payables	39,903.7	39,340.8
			Payables for long-term orders	6,802.5	6,478.7
			Other liabilities	44,684.0	44,376.9
			<b>Current liabilities</b>	<b>120,465.2</b>	<b>112,074.5</b>
<b>BALANCE SHEET TOTAL</b>	<b>347,355.7</b>	<b>331,296.7</b>	<b>BALANCE SHEET TOTAL</b>	<b>347,355.7</b>	<b>331,296.7</b>

### III. Cash flow statement for the first quarter

T€ (unaudited)	1 <sup>st</sup> quarter 2012	1 <sup>st</sup> quarter 2011
Cash and cash equivalents as at 1 January	14,286.6	17,583.0
Cash flow from earnings	9,918.8	9,248.9
+/- Changes in working capital	-13,869.2	-17,932.8
Cash flow from operating activities	-3,950.4	-8,683.8
Cash flow from investment activities	-3,946.5	-4,355.9
Cash flow from financing activities	10,158.6	16,262.3
Other (changes in exchange rates etc.)	142.7	-58.1
Cash and cash equivalents as at 31 March	16,691.0	20,747.5

### IV. Change in shareholders' equity for the first quarter

in T€	Share capital	Capital reserves	Retained profit				Treasury shares	Total	Minority shares	Total
			accumulated profit/loss	accumulated other income	currency translation	available for sale				
As at 31.12.2011	17,833.5	17,095.8	148,068.8	-4,856.2	2,482.5	457.5	-18,957.7	162,124.1	523.0	162,647.2
Profit for the period	0.0	0.0	4,338.2	0.0	0.0	0.0	0.0	4,338.2	-15.7	4,322.5
Other income	0.0	0.0	0.0	0.0	593.0	-86.1	0.0	506.8	0.0	506.8
Comprehensive income	0.0	0.0	4,338.2	0.0	593.0	-86.1	0.0	4,845.0	-15.7	4,829.3
Share buyback 2012	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other changes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
As at 31.03.2012	17,833.5	17,095.8	152,406.9	-4,856.2	3,075.4	371.3	-18,957.7	166,969.1	507.3	167,476.5

in T€	Share capital	Capital reserves	Retained profit				Treasury shares	Total	Minority shares	Total
			accumulated profit/loss	accumulated other income	currency translation	available for sale				
As at 31.12.2010	17,833.5	17,095.8	141,208.3	-5,144.2	2,486.4	1,002.4	-11,245.4	163,236.8	634.7	163,871.5
Profit for the period	0.0	0.0	3,628.7	0.0	0.0	0.0	0.0	3,628.7	-22.0	3,606.7
Other income	0.0	0.0	0.0	0.0	-558.4	129.7	0.0	-428.7	0.0	-428.7
Comprehensive income	0.0	0.0	3,628.7	0.0	-558.4	129.7	0.0	3,200.0	-22.0	3,178.0
Share buyback 2011	0.0	0.0	0.0	0.0	0.0	0.0	-7,236.3	-7,236.3	0.0	-7,236.3
Other changes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-56.8	-56.8
As at 31.03.2011	17,833.5	17,095.8	144,837.0	-5,144.2	1,928.0	1,132.1	-18,481.7	159,200.6	555.9	159,756.5

## V. Notes to the interim consolidated financial statements as at 31 March 2012

### 1. General information and principles

The present interim consolidated financial statements of BWT Aktiengesellschaft, with its registered office in Walter-Simmer-Strasse 4, 5310 Mondsee, Austria, were drawn up in accordance with the principles of the International Financial Reporting Standards (IFRS) and the provisions on Interim Financial Reporting (IAS 34) with the Management Board being responsible for their preparation and released for publication by resolution of the Management Board on 27 April 2012.

The interim consolidated financial statements do not include all the information and data required for the annual consolidated financial statements. Accordingly, the interim financial statements should be read in conjunction with the last annual consolidated financial statements as at 31 December 2011, particularly with reference to the unchanged accounting policies described therein.

The number of entities included in consolidation is 46, one more than at 31 December 2011.

### 2. Seasonality of operations

Shifts in the product mix, newly launched products, first-time consolidations and deconsolidations may lead to variations in the period breakdown of revenues and earnings.

### 3. Dividend payments

The payment of a dividend of €0.28 per share will be put forward for resolution to the coming Annual General Meeting on 24 May 2012. In the previous year, dividends paid out totalled €6,729.6 thousand (€0.40 per share).

### 4. Financial result

The improved financial result compared with the previous year can predominantly be explained by higher profits from financial investments and the loss in the previous year resulting from the disposal of the Zeta Group as at 31 March 2011.

### 5. Segment reporting

1.1. – 31.3.2012 in T€	Austria/ Germany	France/ Benelux/UK	Scandinavia	Italy/Spain	Switzerland/ Others	Elimination	Total
Revenue from sales	45,614.7	31,051.1	15,577.6	8,514.1	18,381.0	–	119,138.5
Internal revenue	4,773.1	1,218.4	354.4	38.7	1,941.3	–8,325.9	0.0
Total	50,387.8	32,269.5	15,932.0	8,552.8	20,322.3	–8,325.9	119,138.5
Segment result (EBIT)	–1,678.1	2,619.5	2,465.0	890.9	2,389.0	–	6,686.3

1.1. – 31.3.2011 in T€	Austria/ Germany	France/ Benelux/UK	Scandinavia	Italy/Spain	Switzerland/ Others	Elimination	Total
Revenue from sales	45,807.0	31,751.0	12,109.6	8,012.2	17,959.3	–	115,639.0
Internal revenue	6,825.8	846.7	167.0	138.4	6,507.5	–14,485.5	0.0
Total	52,632.8	32,597.7	12,276.7	8,150.6	24,466.8	–14,485.5	115,639.0
Segment result (EBIT)	–924.0	2,659.4	1,910.0	583.8	1,984.5	–	6,213.7

The table below presents the assets of the Group broken down by segment as at 31 March 2012 and 31 December 2011:

Segment assets in T€	Austria/ Germany	France/ Benelux / UK	Scandinavia	Italy/Spain	Switzerland/ Others	Elimination	Total
As at 31 March 2012	180,636.6	65,186.2	33,922.0	24,456.1	88,255.6	-45,100.7	347,355.7
As at 31 December 2011	168,906.1	63,612.2	31,822.6	23,289.5	86,080.5	-42,414.2	331,296.7

#### 6. Fixed assets

In the first three months of the 2012 financial year, the BWT Group invested a total of €4,884.5 thousand (previous year: €3,905.5 thousand) in property, plant and equipment and intangible assets.

Asset disposals with a residual carrying amount of €608.0 thousand (previous year: €1,855.8 thousand), resulted in a total profit of €240.7 thousand. In 2011, the Group generated a loss of €423.7 thousand.

#### 7. Financing activities

Interest-bearing financial liabilities increased by €9,098.7 thousand in the first three months of the year. This is mainly due to higher working capital requirements and payments from ongoing capital expenditure. This was financed primarily through the utilisation of short and long-term credit facilities with banks. At the same time, cash and cash equivalents increased by €2,404.4 thousand.

#### 8. Other liabilities and contingent liabilities

The Company has taken out customary warranties and guarantees in the course of its normal business operations.

Furthermore, in 2009, an undertaking to purchase a piece of land with a preliminary purchase price of approximately €770.0 thousand was signed, which is expected to be fulfilled in the 2012 financial year.

As at the balance sheet date, it is unlikely that claims will be made under all of the other warranties and guarantees.

#### 9. Derivative financial instruments

In order to secure exchange rate risk, the Company concluded currency futures contracts as part of its normal business operations, which at the interim balance sheet date of 31 March had no significant market value.

#### 10. Related party disclosures

In the first three months of 2012, the BWT Group received materials and services from affiliated companies and persons totalling €88.4 thousand (previous year: €0.0 thousand), and provided affiliated companies and persons with materials and services amounting to €910.5 thousand (previous year: €815.8 thousand). As at the interim balance sheet date of 31 March 2012, the BWT Group's receivables from affiliated companies and persons amounted to €339.9 thousand (previous year: €265.6 thousand) and its liabilities amounted to €11.6 thousand (previous year: €1.6 thousand). Transactions with affiliated companies and persons were carried out on normal market terms.

In 2011, liability was assumed for loans totalling €500 thousand for two managing directors of a subsidiary on normal market terms.

## 11. Other information

### Material events after the balance sheet date

No material events occurred after the balance sheet date.

### Mandatory information on the waiver of an audit review

The present interim consolidated financial statements have been neither audited nor reviewed by a certified auditor.

### Management Board declaration (Section 87 of the Stock Exchange Act)

We confirm to the best of our knowledge that the interim consolidated financial statements provide a true and fair view of the net assets, financial position and results of operations of the Group as required by the applicable accounting standards and that the management report portrays the Group's business performance, operating results and overall situation in such a way as to provide a true and fair view of the net assets, financial position and results of operations of the Group.

Mondsee, 27 April 2012

The Management Board



Andreas Weissenbacher  
Chief Executive Officer



Gerhard Speigner  
Chief Financial Officer

## Financial Calendar 2012

Annual General Meeting	24.05.12
Share trades ex dividend	28.05.12
Dividend payment	04.06.12

Report First Half Year 2012	10.08.12
Report Third Quarter 2012	09.11.12

## Information and requests:

### **BWT Aktiengesellschaft**

A-5310 Mondsee

Walter-Simmer-Strasse 4

Tel. +43/6232/5011-1113

Fax +43/6232/5011-1019

E-Mail: [investor.relations@bwt-group.com](mailto:investor.relations@bwt-group.com)

[www.bwt-group.com](http://www.bwt-group.com)