

A dynamic splash of water in shades of blue against a light blue background. The water forms a large, energetic shape that partially overlaps a globe. The globe shows continents and latitude/longitude lines. The overall composition is clean and modern, emphasizing water and global impact.

INTERIM REPORT
for the 3rd quarter 2015

2015

For You and Planet Blue.



Interim Report of BWT Aktiengesellschaft, Mondsee for the third quarter of 2015

This interim report provides information on the business performance in the third quarter of 2015 of the BWT Group, whose controlling company is BWT Aktiengesellschaft with its registered office in Austria at 5310 Mondsee, Walter-Simmer-Straße 4. As the BWT share is listed in the Standard Market Auction segment of the Vienna Stock Exchange, reporting for the first and third quarters of each financial year is in the form of an interim report. The company prepares a half-year financial report for the second quarter.

As at the end of September 2015, the consolidated revenues of the BWT – Best Water Technology – Group increased by 3.5% year on year to €397.7 million. Adjusted for changes to the Group structure, consolidated revenues were up 3.8% on the previous year's level. This also includes a positive effect from foreign exchange rate changes (particularly EUR/CHF) of 1.4 percentage points. In the first nine months of 2015, EBIT increased by 1.7% from €17.3 million to €17.6 million. The Group's consolidated net earnings after minority interests rose by €0.6 million to €9.6 million.

Business performance in the third quarter

Consolidated revenues €397.7 million, up 3.5% on the previous year, figure adjusted for changes to the Group structure and currency effects up 2.4%

In the first three quarters of 2015, the BWT Group's consolidated revenues rose by €13.3 million to €397.7 million. In the first nine months of the year, it was particularly the Point of Use and the Service business which contributed to the 3.5% year-on-year growth.

Revenues in the Austria/Germany segment increased from €155.5 million in the previous year to €159.2 million (+2.4%) from January to September 2015. Growth was primarily the result of positive developments in the Point of Use business and the successful implementation of the "pearl water strategy" in the domestic technology sector.

The revenues upturn of 1.6% in the France/Benelux/UK segment, which saw revenues move to €98.7 million (previous year: €97.2 million), is likewise mainly attributable to the Point of Use business and Service business. Declining revenues were reported in the Plant Engineering business.

The Scandinavia segment achieved strong growth in revenues. Thanks to consistent gains in the Point of Entry business in Denmark and Norway, segment revenues went up by 13.0% compared with the first three quarters of the previous year, from €38.4 million to €43.4 million.

Despite the ongoing difficult market conditions in Southern Europe, the Italy/Spain segment posted moderate revenues growth of 4.7% until the end of September 2015, with revenues moving upwards to €24.6 million.

Revenues in the Switzerland/Others segment amounted to €71.8 million in the period from January to September 2015 (previous year: €69.8 million). This equated to revenues growth of 2.8%. On the other hand, adjusted for the positive effects from currency conversions (EUR/CHF), revenues in this segment declined by 4.7%.

The Point of Entry business continued to account for the largest share of consolidated revenues at 64.7% (previous year: 67.9%). The Point of Use business posted cumulative revenues growth of 20.3%, thus increasing its share of the Group's consolidated revenues from 10.9% to 12.7%. The Service and Spare Parts business also reported strong growth (+10.3%), accounting for 22.6% of the Group's consolidated revenues (previous year: 21.2%).

Earnings

EBITDA €38.3 million, up 30.5% on the previous year

EBIT €17.6 million, up 1.7% on the previous year

Group's consolidated net earnings after minority interests €9.6 million, up 7.0% on the previous year

The positive development in revenues, the improvement in the material ratio and the influence of the Swiss franc exchange rate drove EBITDA up by 30.5% to €38.3 million (previous year: €29.4 million). EBIT increased by €0.3 million (+1.7%) to €17.6 million.

The cost of materials including changes in inventories declined to €146.9 million in the first nine months of the year compared with €153.1 million for the same period of the previous year. At 36.9%, the material ratio (including changes in inventories) was significantly under the previous year's figure of 39.8%.

Personnel expenses increased by 7.9% year on year from €123.1 million to €132.9 million. This was due to a higher employee headcount, in addition to higher wages and salaries on the basis of higher collective wage agreements and the impact of exchange rates. The BWT Group employed a total of 2,642 people as at 30 September 2015 (previous year: 2,587). The personnel ratio amounted to 33.4% of revenues (previous year: 32.0%).

Other operating expenses with unchanged high advertising expenses amounted to €85.3 million in the first nine months of 2015, equating to an increase of 2.0% year on year (previous year: €83.6 million). Other operating income came to €5.5 million (previous year: €4.6 million).

Depreciation and amortisation increased to €20.8 million. This also includes impaired goodwill and additional depreciation on property, plant and equipment.

The financial result improved from €-4.2 million in the first nine months of the previous year to €-1.4 million. In the previous year, key factors for expenditure were those attributable to company disposals which had a negative effect.

Earnings before taxes were up €3.2 million on the previous year, amounting to €16.2 million after the three quarters of 2015. The increase in the Group tax rate from 29.7% to 39.2% was driven primarily by non-deductible expenses arising from goodwill impairment. The Group's consolidated net earnings after minority interests came to €9.6 million, which represented an improvement of €0.6 million on the previous year's figure of €9.0 million.

Net assets and financial position

Cash flow from operating activities €42.1 million (previous year: €22.2 million)

Investment in property, plant and equipment and intangible fixed assets €8.0 million (previous year: €18.2 million)

Gearing 0.2% (previous year: 16.9%)

Equity ratio 39.6% (previous year: 46.2%)

Higher cash flow from earnings and an improvement in working capital year on year saw operating cash flow improve from €22.2 million to €42.1 million.

The expansion of production and logistics facilities at the Mondsee site and the construction of the new plant for membrane production and pharmaceutical water activities in Germany were completed in 2014. In the first nine months of 2015, this resulted in investments in property, plant and equipment and intangible fixed assets decreasing from €18.2 million to €8.0 million and meant that payments for these investments that influenced the company's cash position fell from €20.5 million to €8.8 million. Outgoing payments relating to the disposal of subsidiaries in previous years as well as payments in connection with the acquisition of the Mettem Technologies Group resulted in cash flow from investing activities of €-22.6 million (previous

year: €-17.2 million). In the previous year, proceeds from the disposal of subsidiaries also had a positive effect on cash flow from investing activities.

Cash flow from financing activities soared from €-4.0 million in the first nine months of the previous year to €10.6 million. This change is mainly attributable to the payment of another tranche of the promissory note loan, which had already been secured in the previous year. The dividends of €0.28 per share (previous year: €0.28 per share) resolved at the Annual General Meeting were paid out in the third quarter.

As at 30 September 2015, the BWT Group's consolidated balance sheet showed an equity ratio of 39.6% compared with 46.2% in September of last year and 41.9% as at the end of 2014. Equity increased against 31 December 2014 in absolute figures from €170.9 million to €178.2 million. The BWT Group's consolidated balance sheet total increased against the 2014 balance sheet date from €408.0 million to €449.8 million. The uptake of long-term promissory note loans amounting to €70 million was a key factor in the increase.

BWT Group's net debt decreased year on year from €29.9 million to €0.4 million thanks to good operating cash flow. As at 30 September 2015, gearing stood at 0.2% compared with 8.7% as at 31 December 2014 and 16.9% a year ago.

Employees

Employee headcount (employees expressed in full-time equivalents) as at 30 September 2015: 2,642 (previous year: 2,587)

As at the end of September 2015, the BWT Group's employee headcount was 2,642 full-time equivalents. Against previous year, the employee headcount increased by 55 employees from 2,587 to 2,642. The increase was due to the expansion of Point of Use business and the increase in production and service capacity in Austria, Germany and Switzerland.

Order situation

As at the end of September 2015, the BWT Group's order backlog amounted to €87.6 million compared with €75.9 million for the same period of the previous year. This represents an increase of 15.3%. The BWT subsidiaries operating in the Pharma business recorded a particularly pleasing increase here.

Outlook 2015

After antitrust approval was obtained from the relevant authorities in Austria, Russia and Ukraine, the BWT Group closed the acquisition of the majority interest in the Russian group Mettem Technologies, with operations in the Point of Use consumer business, as at 19 October 2015. The BWT Group currently holds 63.74% of the shares in Mettem and first-time consolidation will be performed in the fourth quarter of 2015.

The process to register the merger resolved at the Annual General Meeting in August of BWT Aktiengesellschaft with the non-listed subsidiary, BWT Holding AG, and the associated delisting of BWT's share on the Vienna Stock Exchange, was suspended by the competent Regional Court of Wels as the Commercial Court of Registration in the middle of October 2015. BWT Aktiengesellschaft has appealed against this decision. The actions for rescission of individual minority shareholders against the resolutions of the Annual General Meeting will also be challenged in court.

As was already evident in the first three quarters, investments in property, plant and equipment will return to a normal level in 2015 with the major investments in the Mondsee (Austria) and Bietigheim-Bissingen (Germany) sites having been completed last year.

The measures in connection with the development of the "BWT" brand with the brand message "BWT – For You and Planet Blue" as the leading water brand will be continued and enhanced as planned in the fourth quarter.

For the current 2015 financial year, the BWT Group anticipates a slight rise in revenues. This year, the development of Group earnings is characterised particularly by changes in exchange rates, ongoing and substantial advertising expenditure and increased impairment in fixed assets. It is still possible to achieve last year's Group earnings of approximately €10 million.

No further significant reportable events occurred after the balance sheet date of 30 September 2015.

Selected key figures for the BWT Group

		1st – 3rd quarter 2015	1st – 3rd quarter 2014
Revenues	million €	397.7	384.4
Operating earnings before amortisation/depreciation (EBITDA)	million €	38.3	29.4
Operating earnings (EBIT)	million €	17.6	17.3
Profit before taxes	million €	16.2	13.1
Group's consolidated net earnings after minority interests	million €	9.6	9.0
Cash flow from operating activities	million €	42.1	22.2
Cash flow from investing activities	million €	-22.6	-17.2
Cash flow from financing activities	million €	10.6	-4.0
Investments in property, plant and equipment and intangible fixed assets	million €	8.0	18.2
Equity ratio	%	39.6	46.2
Gearing	%	0.2	16.9
Order backlog	€ million as at the balance sheet date	87.6	75.9
Employees	Number as at the balance sheet date in full-time equivalents	2,642	2,587

Mondsee, 3 November 2015
The Management Board



Andreas Weißenbacher
CEO



Gerhard Speigner
CFO

Disclaimer: This report contains forward-looking statements, which are made based on the current assumptions, plans and forecasts of BWT Aktiengesellschaft. Forward-looking statements contain words such as "plans", "expects", "forecasts" and similar, and represent estimates that are made based on information that is available at the time they are published. Actual developments may differ from the forecasts made here.

This Group Interim Report was prepared with the utmost diligence. Nevertheless, rounding, typesetting and transmission errors cannot be excluded.

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