# SHAREHOLDER INFORMATION
# for the 3rd quarter 2012

Quarterly Financial Report

BEST WATER TECHNOLOGY

For You and Planet Blue.

**Contents:**

# Management Report for the third quarter of 2012

The BWT – Best Water Technology – Group generated consolidated revenues of €380.0 million in the first three quarters of the 2012 financial year. Revenues climbed by €18.2 million or 5.0% as against the previous year. Revenues in the third quarter grew by 8.5% at €128.3 million. The greater costs for the development of the Point of Use product area cumulatively resulted in a slight drop in EBIT of 3.2%. In the third quarter, EBIT was also influenced by higher write-downs and was 13.7% lower year-on-year at €3.7 million. Thanks to improved net finance costs and a slightly lower tax rate, consolidated earnings after non-controlling interests improved by 2.3% as against the previous year to €13.8 million as at the end of September. The net assets and financial position of the BWT Group is still good in spite of the extensive ongoing investment programme: the net debt ratio rose only insignificantly as against September of the previous year to 18.3% (14.1%) and, as in the previous year, the consolidated equity ratio is above 48%.

## BUSINESS PERFORMANCE JANUARY TO SEPTEMBER AND THIRD QUARTER

1-9/2012 consolidated revenues: €380.0 million, up 5.0% on previous year Q3: €128.3 million, up 8.5% on previous year

As at the end of September, BWT increased its consolidated revenues by 5.0% from €361.8 million to €380.0 million. With the exception of the Italy/Spain segment that was influenced by difficult market conditions, all regions achieved growth in revenues. A rise in revenues of 8.5% to €128.3 million was generated in the third quarter, mainly as a result of the Austria/Germany segment. Specifically, the segments developed as follows:

| Segment – revenues in T€ | 1 - 9 / 2012 | 1 - 9 / 2011 | + / – % |
|---|---|---|---|
| Austria / Germany | 159,756 | 151,199 | +5.7% |
| France / Benelux / UK | 90,157 | 87,791 | +2.7% |
| Scandinavia | 43,497 | 37,743 | +15.2% |
| Italy / Spain | 23,494 | 24,376 | –3.6% |
| Switzerland / Others | 63,122 | 60,696 | +4.0% |
| BWT Group | 380,026 | 361,805 | +5.0% |

| Segment – revenues in T€ | 3rd quarter / 2012 | 3rd quarter / 2011 | + / – % |
|---|---|---|---|
| Austria / Germany | 56,132 | 47,638 | +17.8% |
| France / Benelux / UK | 28,784 | 27,012 | +6.6% |
| Scandinavia | 13,096 | 13,323 | –1.7% |
| Italy / Spain | 7,382 | 7,361 | +0.3% |
| Switzerland / Others | 22,928 | 22,964 | –0.2% |
| BWT Group | 128,322 | 118,298 | +8.5% |

The Austria/Germany segment, which this year initially experienced setbacks due to the disposal of the Zeta Group in March of the previous year, posted a strong rise in revenue of 17.8% in the third quarter. Cumulatively, the segment is now up 5.7% on the previous year's level. This development was mainly due to the household and commercial technology product areas, where successes were achieved with the new generations of softening and filtration equipment, supported by the building of the "BWT" brand and intensive consulting from our "water experts". Pharmaceutical water treatment and agent business also grew strongly in the third quarter.

The 6.6% revenue increase in the France/Benelux/UK segment in the third quarter is mainly due to the expansion in service and spare parts business and the commercial/industry technology field. There were slight declines in revenues in the UK.

With a cumulative growth rate of 15.2%, the performance in the Scandinavia segment was highly positive, though a drop in revenues of 1.7% was registered in the third quarter. The increase in revenues after nine months is mainly due to the export revenues of the Danish BWT subsidiary, which successfully operates in membrane technology for seawater processing. Slight declines in revenues were recorded in Sweden, Norway and most recently in pharmaceuticals business as well.

Given the extremely tense economic situation in the respective countries, BWT's revenues in the Italy/Spain segment can be described as quite positive. It even posted slight growth in revenues of 0.3% in the third quarter, and cumulatively the year-on-year drop in revenues as at the end of September was only low at 3.6%. New products for heating water treatment in Italy and the extension of the standard product range in Spain had a stabilising effect on business.

Revenues in the Switzerland/Others segment remained stagnant as against the previous year, whereby increases in revenues in Switzerland, the Czech Republic, Ireland and China were offset by declines in plant engineering in Poland and Russia. In Poland, BWT will be using its smaller headcount to focus more closely on household technology business. The decrease in plant manufacturing in Russia is due to invoicing effects, the order situation is still good.

The Point of Entry area grew by 3.3% from €262.5 million to €271.3 million in the period from January to September, and therefore accounts for 71.4% (previous year: 72.5%) of consolidated revenues. BWT is continuing to generate strong growth with its Point of Use products; €30.9 million signifies an increase in revenues of 17.5% as against the previous year and 8.1% (previous year: 7.3%) of revenues. Service and spare parts business contributed €77.8 million (previous year: €73.0 million) to consolidated revenues. The rise in this area amounted to 6.6% and its share of total consolidated revenues is 20.5% (previous year: 20.2%).

As at 30 September 2012, the BWT Group had an order backlog of €87.2 million after €85.7 million as at the same date of the previous year. BWT France in particular has a better order situation than in the previous year.

## EARNINGS

Jan - Sep EBITDA: €32.9 million, up 3.1% on previous year, Q3: €8.5 million (up 16.4%)
Jan - Sep EBIT: €20.6 million, down 3.2% on previous year, Q3: €3.7 million (down 13.7%)
Jan - Sep consolidated earnings after non-controlling interests: €13.8 million, up 2.3% on previous year, Q3: €2.3 million, (down 11.8%)

The higher costs for the development of the Point of Use product area and the rise in write-downs on assets resulted in a drop in EBIT of €0.6 million from €4.3 million to €3.7 million in the third quarter. Cumulatively after the first nine months, the BWT Group generated EBIT of €20.6 million, 3.2% less than in the previous year (€21.3 million).

After the first three quarters, the cost of materials including changes in inventories was unchanged as against the previous year at 40.1% of revenues. In the third quarter, the cost of materials was 43.0% of revenues as against 41.6% in the previous year.

In both the third quarter and cumulatively after the first nine months, staff costs in the BWT Group rose more slowly than revenues. In total, staff costs amounted to €121.5 million as at the end of September and were therefore up 3.9% on the previous year's figure (€116.9 million). The cost increase in the third quarter was 3.8% and is due to the higher headcount in Point of Use and service business and to salary adjustments.

Net other operating expenses and income climbed by 6.2% from €23.2 million to €24.7 million in the third quarter. The cumulative rise in costs after nine months was 8.0% from €68.0 million to €73.4 million. The cost increases are mainly due to higher advertising expenses, growing costs for freight and warehousing, write-downs on receivables, certification processes and temporary third-party personnel.

In the third quarter, the BWT Group generated higher EBITDA of €8.5 million after €7.3 million in the previous year. EBITDA of €32.9 million was generated in the period from January to September, corresponding to a year-on-year increase of 3.1%. The EBITDA margin for 2012 to date is 8.6% of revenues; in the previous year it was 8.8%.

Depreciation, amortisation and write-downs amounted to €4.8 million in the third quarter after €3.0 million in the previous year; cumulatively they have risen by €1.6 million to €12.3 million. In addition to the higher depreciation due to recent investments, a write-down was recognised on a property in Hungary acquired under an operating lease owing to its ongoing underutilisation.

EBIT declined by 3.2% from €21.3 million to €20.6 million in the period from January to September 2012. The EBIT margin was 5.4% of revenues; in the previous year it was 5.9%. In the third quarter, EBIT decreased by 13.7% from €4.3 million to €3.7 million and the EBIT margin was 2.9% (previous year: 3.6%).

EBIT in the individual segments developed as follows:

| Segment EBIT in T€ | 1 – 9 / 2012 | 1 - 9 / 2011 | + / – % |
|---|---|---|---|
| Austria / Germany | 1,263 | 1,556 | –18.8% |
| France / Benelux / UK | 3,629 | 3,970 | –8.6% |
| Scandinavia | 6,279 | 6,231 | +0.8% |
| Italy / Spain | 2,152 | 2,117 | +1.7% |
| Switzerland / Others | 7,261 | 7,380 | –1.6% |
| BWT Group | 20,584 | 21,254 | –3.2% |

| Segment EBIT in T€ | 3rd quarter / 2012 | 3rd quarter / 2011 | + / – % |
|---|---|---|---|
| Austria / Germany | –337 | –1,449 | +76.7% |
| France / Benelux / UK | –235 | –279 | +15.8% |
| Scandinavia | 1,887 | 2,285 | –17.4% |
| Italy / Spain | 739 | 538 | +37.4% |
| Switzerland / Others | 1,651 | 3,200 | –48.4% |
| BWT Group | 3,705 | 4,295 | –13.8% |

The revenue growth in the core household and commercial technology business in particular led to a significant year-on-year improvement in EBIT in the Austria/Germany segment in the third quarter. However, the expenses for expanding Point of Use business mainly relate to this segment, as a result of which it posted EBIT for the third quarter of € 0.3 million (previous year: € 1.4 million). The segment contributed €1.3 million (previous year: €1.6 million) to consolidated EBIT after the first nine months.

In the France/Benelux/UK segment, better earnings in France were offset by higher advertising expenses and declining earnings in Benelux and the UK.

The margin generated at the Danish BWT subsidiary compensated for the earnings declines in the other Scandinavian countries, whereby EBIT for the Scandinavia segment was up slightly on the previous year at 0.8% as at the end of September.

The third quarter was acceptable in the Italy/Spain segment, where the previous year's earnings were maintained despite difficult market conditions and, due mainly to the absence of the restructuring expenses incurred in Spain last year, EBIT improved slightly as against the same period of the previous year.

The drop in EBIT in the Switzerland/Others segment in the third quarter was caused by a write-down on the underutilised Hungarian property of €0.6 million and the weaker earnings situation in China and Russia. Cumulatively, the Switzerland/Others segment contributed around €7.3 million to consolidated EBIT, as was also the case in the previous year.

The lower interest rates, and above all the absence of a loss incurred in the previous year from the sale of the Zeta Group, resulted in an improvement in net finance costs of €0.6 million to €-0.9 million in the first three quarters.

In the first three quarters of the 2012 financial year, the BWT Group generated earnings before taxes of €19.7 million, down 0.4% on the previous year's level. The Group tax rate declined minimally as against 2011 from 31.5% to 29.8%.

Consolidated earnings after non-controlling interests amounted to €13.8 million after the first nine months and were therefore 2.3% higher than the previous year's figure (€13.5 million) thanks to the slightly lower tax cost. In the third quarter consolidated earnings amounted to €2.4 million after around €2.8 million in the previous year. Earnings per share rose by 3.8% year-on-year to €0.82 as at the end of September as compared to €0.79 in the previous year.

## NET ASSETS AND FINANCIAL POSITION

Cash flow from operating activities: €14.7 million (previous year: €15.7 million)
Investment in property, plant and equipment and intangible assets: €28.9 million (previous year: €16.2 million)
Gearing: 18.3% (previous year: 14.1%)

In the first three quarters, the BWT Group generated a cash flow from operating activities of €14.7 million, which marks a decline as against the previous year of €1.0 million and was due in particular to the reduction of liabilities.

Capital expenditure rose sharply as against the previous year from €16.2 million to €28.9 million. Investments included the ongoing expansion of production and logistics capacity, and the acquisition of property and the previously leased and partially re-let Hungarian offices near Budapest for around €8 million. In total, the net cash used in investments this year amounted to €24.8 million as at the end of September as against €14.2 million last year.

Cash flow generated by financing activities has amounted to €12.3 million this year after a cash flow used in financing activities of €3.0 million in the previous year. The change is mainly due to the increased utilisation of credit facilities at banks, Moreover, €7.3 million was spent on the acquisition of treasury shares in the previous year, while this year the figure was just €0.4 million. The 2012 dividend distribution amounted to €4.7 million as against €6.7 million in the previous year.

While the BWT Group's net debt increased from €22.9 million in the previous year to €31.4 million as at 30 September 2012, the gearing (defined as net financial liabilities in relation to equity) is still at a low 18.3% after 14.1% in the previous year.

The BWT Group's equity ratio was 48.1% as at 30 September 2012 and was therefore unchanged as against the previous year's figure. Total assets increased to €357.2 million due mainly to capital expenditure.

## EMPLOYEES

Headcount as at 30 September: 2,712 employees (previous year: 2,682)

The BWT Group employed 2,712 people (FTEs) as at the end of September, an increase of 0.9% or 23 people as against September 2011. The increase was caused in particular by the hiring of production and service employees.

## OUTLOOK

The BWT Group is continuing to work systematically on developing the "BWT" brand into a leading water brand, which is being driven forward in particular by the expansion in Point of Use business geared to consumers. We are aware that this strategy will squeeze earnings performance in the short to medium term on account of the ongoing investments for structural development and advertising, especially in the "table water filters" product area. On the other hand, the new market presence of "BWT – For You and Planet Blue" in BWT's classic Point of Entry business will lead to positive push and pull effects and therefore support sales in the long term. Also our investments in membrane technology – a key basic technology in water treatment – should have a positive long-term impact; it is also expected to gain in significance in the field of alternative energy generation and storage.

The attainment of the goals advised to date for the current financial year, namely of consolidated revenues of €500 million and repeating the previous year's consolidated earnings of €14 million, is still realistic.

Mondsee, November 2012

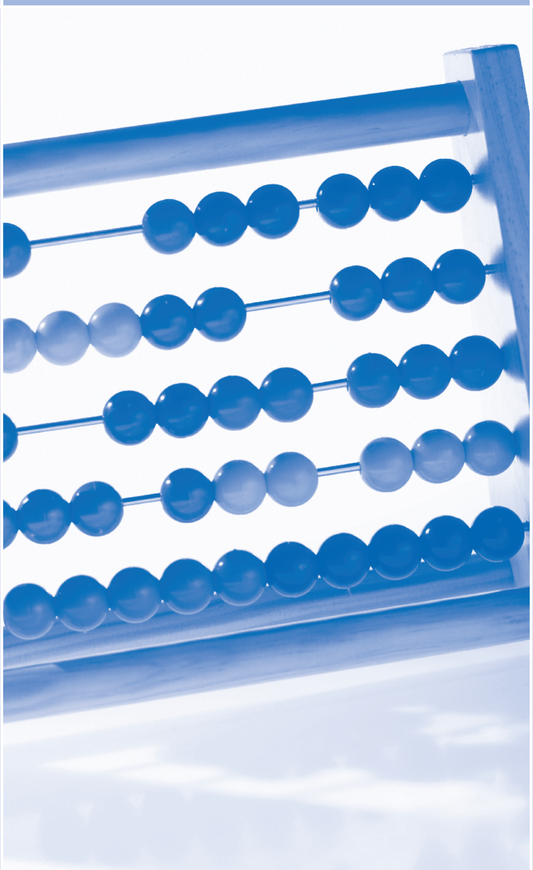
The Management Board

BWT Aktiengesellschaft

# CONSOLIDATED FINANCIAL STATEMENTS

3rd quarter

2012



BWT
BEST WATER TECHNOLOGY

# I. Consolidated income statement for the first three quarters and the third quarter

| T€ (unaudited) | 1–9 2012 | 1–9 2011 | 3rd quarter 2012 | 3rd quarter 2011 |
|---|---|---|---|---|
| REVENUE | 380,026.3 | 361,805.5 | 128,322.0 | 118,298.6 |
| Other operating income | 3,683.6 | 4,535.7 | 1,267.6 | 1,438.2 |
| Changes in inventories of finished goods and work in progress | 3,040.2 | 2,515.2 | –88.3 | 1,544.8 |
| Own work capitalised | 464.7 | 728.0 | 102.3 | 364.2 |
| Cost of materials and cost of purchased services | –155,257.4 | –147,525.3 | –55,061.8 | –50,782.3 |
| Staff costs | –121,504.7 | –116,902.7 | –39,978.2 | –38,513.7 |
| Other operating expenses | –77,583.4 | –73,266.4 | –26,020.0 | –25,011.4 |
| EBITDA | 32,869.2 | 31,890.1 | 8,543.6 | 7,338.4 |
| | | | | |
| Depreciation and impairments | –12,285.2 | –10,635.9 | –4,838.5 | –3,043.0 |
| PROFIT FROM OPERATING ACTIVITIES | 20,584.0 | 21,254.2 | 3,705.2 | 4,295.5 |
| | | | | |
| Financial income | 797.3 | 1,016.5 | 423.0 | 659.8 |
| Financial expenses | –1,655.5 | –2,475.4 | –510.7 | –633.8 |
| Profit before taxes | 19,725.8 | 19,795.3 | 3,617.4 | 4,321.5 |
| | | | | |
| Taxes on income | –5,873.4 | –6,239.9 | –1,212.7 | –1,566.2 |
| Net profit for the period before minority interest | 13,852.4 | 13,555.4 | 2,404.8 | 2,755.3 |
| | | | | |
| Of which attributable to: | | | | |
| Minority shares | 82.8 | 99.9 | 87.9 | 127.4 |
| Shareholders of the parent company | 13,769.6 | 13,455.5 | 2,316.9 | 2,627.9 |
| | | | | |
| Earnings per share (€): | | | | |
| Undiluted = diluted | 0.82 | 0.79 | 0.14 | 0.16 |
| Average number of shares outstanding | 16,775,697 | 16,932,954 | 16,760,602 | 16,823,592 |

# Statement of comprehensive income for the first three quarters and the third quarter

| T€ (unaudited) | 1–9 2012 | 1–9 2011 | 3rd quarter 2012 | 3rd quarter 2011 |
|---|---|---|---|---|
| Net profit for the period | 13,852.4 | 13,555.4 | 2,404.8 | 2,755.3 |
| | | | | |
| Other income | | | | |
| Valuation of securities ("available-for-sale", pursuant to IAS 39) | –393.4 | –567.5 | –205.3 | –541.3 |
| Associated taxes | 98.4 | 141.9 | 51.4 | 135.3 |
| Foreign exchange effects | 759.4 | –209.1 | 163.2 | –554.5 |
| Total other income | 464.4 | –634.7 | 9.3 | –960.5 |
| | | | | |
| Comprehensive income for the period | 14,316.7 | 12,920.7 | 2,414.0 | 1,794.8 |
| | | | | |
| Thereof: | | | | |
| Shareholders of the parent company | 14,234.5 | 12,821.9 | 2,326.7 | 1,667.4 |
| Minority interests | 82.2 | 98.8 | 87.3 | 127.4 |

# II. Consolidated balance sheet as at 30 September 2012

| in T€ | As at 30.9.2012 (unaudited) | As at 31.12.2011 (audited) |
|---|---|---|
| ASSETS | | |
| Goodwill | 31,001.1 | 31,001.1 |
| Other intangible assets | 18,539.9 | 20,171.2 |
| Tangible assets | 105,520.5 | 88,042.2 |
| Financial assets | 4,241.9 | 4,259.6 |
| Other receivables from third parties | 1,251.2 | 1,203.3 |
| Deferred tax claims | 8,413.8 | 6,871.3 |
| Non-current assets | 168,968.4 | 151,548.7 |
| Inventories | 78,031.8 | 69,926.5 |
| Trade receivables | 69,120.5 | 71,671.5 |
| Receivables from long-term orders | 15,152.8 | 11,453.3 |
| Tax claims | 505.0 | 307.0 |
| Other receivables from third parties | 8,471.9 | 11,975.7 |
| Cash and cash equivalents | 16,790.9 | 14,286.6 |
| Assets held for sale | 127.5 | 127.5 |
| Current assets | 188,200.4 | 179,748.1 |
| BALANCE SHEET TOTAL | 357,168.8 | 331,296.8 |

| in T€ | As at 30.9.2012 (unaudited) | As at 31.12.2011 (audited) |
|---|---|---|
| EQUITY AND LIABILITIES | | |
| Share capital | 17,833.5 | 17,833.5 |
| Capital reserves | 17,095.8 | 17,095.8 |
| Retained earnings | | |
| accumulated profit | 157,145.4 | 148,068.8 |
| other earnings | –4,856.2 | –4,856.2 |
| currency translation | 3,242.5 | 2,482.5 |
| available-for-sale | 162.4 | 457.5 |
| Treasury shares | –19,392.0 | –18,957.7 |
| | 171,231.3 | 162,124.1 |
| Minority shares | 597.9 | 523.0 |
| Equity | 171,829.3 | 162,647.2 |
| Provisions for social capital | 28,836.8 | 28,558.3 |
| Deferred tax liabilities | 982.0 | 1,855.7 |
| Other provisions | 1,621.3 | 1,514.6 |
| Interest-bearing financial liabilities | 23,688.1 | 23,312.4 |
| Other liabilities | 1,385.6 | 1,334.1 |
| Non-current liabilities | 56,513.8 | 56,575.1 |
| Current income tax liabilities | 4,288.1 | 4,213.3 |
| Other provisions | 13,508.4 | 9,608.1 |
| Interest-bearing financial liabilities | 24,510.0 | 8,056.7 |
| Trade payables | 37,614.2 | 39,340.8 |
| Payables for long-term orders | 5,100.8 | 6,478.7 |
| Other liabilities | 43,804.2 | 44,376.9 |
| Current liabilities | 128,825.7 | 112,074.5 |
| BALANCE SHEET TOTAL | 357,168.8 | 331,296.8 |

## III. Cash flow statement for the first three quarters

| T€ (unaudited) | 1-9 2012 | 1-9 2011 |
|---|---|---|
| Cash and cash equivalents as at 1 January | 14.286,6 | 17.583,0 |
| Cash flow from earnings | 32.173,0 | 30.253,8 |
| +/- Changes in working capital | –17.439,7 | –14.532,8 |
| Cash flow from operating activities | 14.733,3 | 15.721,0 |
| Cash flow from investment activities | –24.805,2 | –14.157,8 |
| Cash flow from financing activities | 12.287,5 | –2.976,8 |
| Other (changes in exchange rates etc.) | 288,8 | –989,4 |
| Cash and cash equivalents as at 30 September | 16.790,9 | 15.180,1 |

## IV. Change in shareholders' equity for the first three quarters

| | | | Retained profit | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| T€ | Share capital | Capital reserves | accumulated profit/loss | accumulated other income | currency translation | available for sale | Treasury shares | Total | Minority shares | Total |
| 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 | 13,769.6 | 0.0 | 0.0 | 0.0 | 0.0 | 13,769.6 | 82.8 | 13,852.4 |
| Other income | 0.0 | 0.0 | 0.0 | 0.0 | 760.0 | –295.1 | 0.0 | 465.0 | –0.6 | 464.4 |
| Comprehensive income | 0.0 | 0.0 | 13,769.6 | 0.0 | 760.0 | –295.1 | 0.0 | 14,234.5 | 82.2 | 14,316.7 |
| Dividends | 0.0 | 0.0 | –4,693.0 | 0.0 | 0.0 | 0.0 | 0.0 | –4,693.0 | –86.3 | –4,779.3 |
| Share buyback 2012 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | –434.4 | –434.4 | 0.0 | –434.4 |
| Other changes | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 79.0 | 79.0 |
| As at 30.09.2012 | 17,833.5 | 17,095.8 | 157,145.4 | –4,856.2 | 3,242.5 | 162.4 | –19,392.0 | 171,231.3 | 597.9 | 171,829.2 |

| | | | Retained profit | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| T€ | Share capital | Capital reserves | accumulated profit/loss | accumulated other income | currency translation | available for sale | Treasury shares | Total | Minority shares | Total |
| 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 | 13,455.5 | 0.0 | 0.0 | 0.0 | 0.0 | 13,455.5 | 99.9 | 13,555.4 |
| Other income | 0.0 | 0.0 | 0.0 | 0.0 | –208.0 | –425.6 | 0.0 | –633.6 | –1.1 | –634.7 |
| Comprehensive income | 0.0 | 0.0 | 13,455.5 | 0.0 | –208.0 | –425.6 | 0.0 | 12,821.9 | 98.8 | 12,920.7 |
| Dividends | 0.0 | 0.0 | –6,729.6 | 0.0 | 0.0 | 0.0 | 0.0 | –6,729.6 | –2.4 | –6,732.0 |
| Share buyback 2011 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | –7,346.7 | –7,346.7 | 0.0 | –7,346.7 |
| Other changes | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | –211.0 | –211.0 |
| As at 30.09.2011 | 17,833.5 | 17,095.8 | 147,934.2 | –5,144.2 | 2,278.4 | 576.8 | –18,592.1 | 161,982.4 | 520.1 | 162,502.5 |

# V. Notes to the interim consolidated financial statements as at 30 September 2012

## 1. General information and principles

These interim consolidated financial statements of BWT Aktiengesellschaft, with its registered office at Walter-Simmer-Strasse 4, 5310 Mondsee, Austria, were prepared in accordance with the principles of the International Financial Reporting Standards (IFRS) and the provisions for interim reports (IAS 34) under the responsibility of the Management Board and were approved for publication by way of resolution of the Management Board on 7 November 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. A new subsidiary was founded in the Seychelles, a property management company was bought in Hungary in connection with the acquisition of the property near Budapest under the current lease and a company was merged in Austria.

## 2. Seasonality of operations

Shifts in the product mix, new product launches, entities included in consolidation for the first time and deconsolidation may lead to variations in the breakdown of revenues and earnings by period.

## 3. Dividend payments

The dividend resolved at the Annual General Meeting of 24 May 2012 of €0.28 per share was distributed on 4 June 2012, totalling €4,692,968.56 for the 16,760,602 shares issued on maturity. The total payout in the previous year had amounted to €6,729.6 thousand (€0.40 per share).

## 4. Financial result

The improvement in net finance costs as against the previous year is primarily due to the absence of the loss incurred in the previous year from the disposal of the Zeta Group as at 31 March 2011.

## 5. Segment reporting

| 1.1. – 30.9.2012 in T€ | Austria/ Germany | France/ Benelux/UK | Scandinavia | Italy/Spain | Switzerland/ Others | Elimination | Total |
|---|---|---|---|---|---|---|---|
| Revenue from sales | 159,756.2 | 90,156.6 | 43,497.3 | 23,494.1 | 63,122.1 | – | 380,026.3 |
| Internal revenue | 14,699.1 | 3,435.9 | 796.5 | 117.0 | 6,559.5 | –25,607.9 | 0.0 |
| Total | 174,455.2 | 93,592.4 | 44,293.7 | 23,611.2 | 69,681.6 | –25,607.9 | 380,026.3 |
| Segment result (EBIT) | 1,263.2 | 3,628.5 | 6,279.2 | 2,151.1 | 7,261.1 | – | 20,583.0 |

| 1.1. – 30.9.2011 in T€ | Austria/ Germany | France/ Benelux/UK | Scandinavia | Italy/Spain | Switzerland/ Others | Elimination | Total |
|---|---|---|---|---|---|---|---|
| Revenue from sales | 151,199.3 | 87,791.4 | 37,742.6 | 24,375.8 | 60,696.4 | – | 361,805.5 |
| Internal revenue | 16,563.8 | 2,443.4 | 495.5 | 244.1 | 11,592.9 | –31,339.8 | 0.0 |
| Total | 167,763.1 | 90,234.8 | 38,238.1 | 24,619.9 | 72,289.3 | –31,339.8 | 361,805.5 |
| Segment result (EBIT) | 1,556.3 | 3,969.7 | 6,230.9 | 2,117.6 | 7,379.8 | – | 21,254.2 |

The following table shows the assets of the Group broken down by segment as at 30 September 2012 and 31 December 2011:

| Segment assets in T€ | Austria/ Germany | France/ Benelux /UK | Scandinavia | Italy/Spain | Switzerland/ Others | Elimination | Total |
|---|---|---|---|---|---|---|---|
| As at 30 September 2012 | 191,757.8 | 64,404.5 | 25,659.1 | 21,796.3 | 92,777.5 | –39,226.4 | 357,168.8 |
| 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. Non-current assets

In the first nine months of the 2012 financial year, the BWT Group invested a total of €28,774.1 thousand (previous year: €16,195.1 thousand) in property, plant and equipment and intangible assets.

Asset disposals with a residual carrying amount of €1,079.4 thousand (previous year: €790.6 thousand) resulted in a total gain of €250.7 thousand. A loss of €24.6 thousand was incurred in the previous year.

## 7. Financing activities

Interest-bearing financial liabilities increased by €16,829.0 thousand in the first nine months as against 31 December 2011. This is mainly due to higher working capital requirements and payments under ongoing investment projects. This was essentially financed by the utilisation of short and long-term credit facilities at banks. Cash and cash equivalents increased by €2,504.3 thousand in the first nine months.

## 8. Other liabilities and contingent liabilities

The company has assumed the customary warranties and guarantees in its business operations. Due to the purchase of a property leased in large part in Hungary, an obligation of purchase for real estate as well as associated short and long term leasing liabilities were removed.

Apart from this there have been no significant changes as against the annual financial statements as at 31 December 2011.

## 9. Derivative financial instruments

In order to hedge exchange rate risk, the company concluded currency futures contracts as part of its normal business operations, which had no significant market value as at 30 September.

## 10. Related party disclosures

In the first nine months of 2012, the BWT Group received materials and services from other related parties totalling €856.7 thousand (previous year: €24.3 thousand), and provided such related parties with materials and services amounting to €3,708.0 thousand (previous year: €2,169.8 thousand). As at 30 September 2012, the BWT Group's receivables from related parties amounted to €261.7 thousand (previous year: €235.5 thousand) and its liabilities amounted to €201.9 thousand (previous year: €0.1 thousand). Transactions with related parties were carried out at normal market conditions.

## 11. Other information

**Significant events after the end of the reporting period**

On 19 October 2012, Aquivest GmbH, a company indirectly controlled by WAB Privatstiftung, published a mandatory offer in accordance with section 22 of the Übernahmegesetz (ÜbG – Austrian Takeover Act) for the acquisition of shares in BWT Aktiengesellschaft. The acceptance period for the offer was from 19 October 2012 to 6 November 2012.

By the end of the acceptance period, the offer had been accepted for a total of 5,551,379 shares in BWT. This corresponds to 31.13% of the total share capital of BWT. The shareholder structure now is made up of the bidder Aquivest GmbH/WAB Privatstiftung holding 59.33% and a free float of 34.65% of the share capital. The remaining 6.02% are treasury shares of BWT Aktiengesellschaft.

For all bearers of BWT shares that did not accept the offer within the acceptance period, the acceptance period of the mandatory offer will be extended by three months in accordance with section 19(3) ÜbG. This extended period therefore ends on 8 February 2013, hence the offer can still be accepted until 8 February 2013 inclusively. Further details of the takeover offer as well as the statements of the Management and Supervisory Boards of BWT are available on the internet homepages of the Takeover Commission (www.takeover.at) and BWT Aktiengesellschaft (www.bwt-group.com).

**Required disclosure on the non-performance of an audit review**

These interim consolidated financial statements were neither audited nor reviewed by a certified auditor.

## Statement of all legal representatives (section 87 of the Austrian Stock Exchange Act)

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the management report of the Group includes a fair review of the development and performance of the business and the position of the Group.

Mondsee, 7 November 2012

The Management Board

| | |
|---|---|
| Andreas Weissenbacher<br>Chief Executive Officer | Gerhard Speigner<br>Chief Financial Officer |

## Financial Calendar 2013

04.04.2013............. Annual Results 2012
10.05.2013............. Report First Quarter 2013
23.05.2013............. Annual General Meeting
27.05.2013............. Share trades ex dividend
31.05.2013............. Dividend payment
09.08.2013............. Report First Half-Year 2013
08.11.2013............. Report Third Quarter 2013

## Information and requests:

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