Just WATER – or maybe more?

2009

SHAREHOLDER INFORMATION for the 1st quarter

BWT – The Water Company

BWT
BEST WATER TECHNOLOGY

BWT in the 1st quarter: restrained decline in revenues and income

In view of the economic environment, the Best Water Technology Group (BWT) recorded a better first quarter 2009 than expected. The year-on-year revenues decrease was 7.1% while EBIT dropped by 18.9%. Timely implemented cost cutting measures along with an improved gross margin on revenues helped to restrain a decline in income.

BUSINESS PERFORMANCE in the 1st quarter

Consolidated revenues: € 91.9 million, down 7.1% year-on-year

In the first three months of the year, consolidated revenues for the BWT Group fell by 7.1% from € 99.0 million to € 91.9 million. In the process there were very different regional trends. With growth of almost 8%, France/Benelux was the strongest segment with all other business segments recording a drop in revenues.

Sales in € 1000's	Q1 2009	Q1 2008	+/– %
Austria/Germany	34,740	38,325	–9.4%
France/Benelux	26,382	24,459	+7.9%
Scandinavia	10,510	11,080	–5.1%
Italy/Spain	7,857	9,483	–17.1%
Switzerland/Others	12,429	15,632	–20.5%
BWT Group	91,918	98,979	–7.1%

The reduction in the Austria/Germany segment, due to a strong decline in the point-of-entry business, was not offset by almost doubling revenues in the point-of-use business. The France/Benelux segment has quite a different development. Last year a slight fall in revenues was recorded, but in the first quarter of 2009 revenues was lifted here by 7.9% to € 26.4 million.

Despite a 4% increase in Denmark, HOH Denmark was unable to compensate for the fall in revenues at its subsidiaries in Norway and Finland. Revenues in the Scandinavia segment dropped by € 0.6 million (-5.1%). A decline in revenues was recorded in the Italy/Spain segment. Only the point-of-use business avoided this trend. A revenues slump of more than 50% in Poland and the Czech Republic along with the absence of a low-margin contract manufacturing business in Switzerland resulted in a 20.5% drop in revenues for the Switzerland/Others segment. Exchange rates, which have also deteriorated considerably in the majority of cases, also had a negative impact in comparison with the previous year.

In the first three months of the year, revenues in the point-of-entry business fell by a total of 11.7%. The pleasing sales increase in "BWT water+more" coffee machine filters and water dispensers advanced point-of-use revenues by 35.4%. As a result, this unit already generates 5.0% of consolidated revenues (previous year: 3.4%) The Service business rose by 6.4% in total, contributing 23.3% to Group revenues (previous year: 20.3%).

As at the end of March 2009, the BWT Group's orders on hand amounted to € 66.2 million, down 3.7% year-on-year (€ 68.8 million), thus representing a solid basis for business development in the short term. The Southern and Eastern European countries are still displaying a weaker revenues outlook. However, orders on hand in Austria/Germany are ahead of the previous year, with the situation being almost constant in France/Benelux.

The calculated results downturn of € 4 million due to lower revenues was greatly reduced with an improved gross margin on revenues and by cost cutting measures. Consequently, EBIT at € 6.6 million was down by € 1.5 million (18.9%) year-on-year at the end of the first quarter.

Earnings position: EBIT: € 6.6 million, down 18.9% year-on-year

The cost of materials including changes in inventories improved from 39.6% of revenues to 37.3%. This was facilitated by shifts in the product mix (higher share of Service business), some easing of commodity prices and raised sales prices. A cautious staffing policy in terms of hiring and of adjusting wages and/or salaries resulted in staff costs increasing by only € 0.3 million (0.9%).

In line with expectations, depreciation and amortization on non-current assets rose by € 0.2 million (8.4%) to € 2.7 million as a result of investment measures in production facilities in the point-of-use business. Other operating expenses declined by € 1.2 million (6.3%) thanks to the cost reduction program initiated at the end of last year with particular success in reducing costs in the areas of advertising, travel and vehicle costs as well as external services.

EBIT in the individual business segments changed as follows:

EBIT in € 1000's	Q1 2009	Q1 2008	+/– %
Austria/Germany	434	1,523	–71.5%
France/Benelux	2,949	1,889	+56.1%
Scandinavia	1,498	1,558	–3.9%
Italy/Spain	780	1,520	–48.7%
Switzerland/Others	941	1,655	–43.1%
BWT Group	6,602	8,145	–18.9%

In the Austria/Germany segment, the revenues decline in the point-of-entry business resulted in an above-average decrease in EBIT, which was not compensated for by the increase in earnings in the point-of-use business. The 8% growth in revenues in France/Benelux, coupled with cost cutting measures, resulted in an increase in EBIT of 56.1% to € 2.9 million.

By optimizing costs and improving the gross margin, EBIT in the Scandinavia segment was retained at around the same level as the previous year. The significant decline in revenues in Italy/Spain as well as in Eastern Europe (particularly Poland and the Czech Republic) led to above-average reductions in EBIT in these segments. Exchange rate losses in Eastern Europe had a major impact, reducing EBIT by almost € 0.4 million compared to the previous year.

In the first quarter, net financial income dropped marginally by € 0.1 million resulting in EBT of € 6.0 million, down 21.7% year-on-year (previous year: € 7.6 million). The Group tax rate rose from 25.8% in the previous year to 28.3%, chiefly a negative result of higher earnings in the France/Benelux segment. Net income for the period before minority interests totaled € 4.3 million compared to € 5.6 million in the previous year (down 24.4%).

As was the case in the previous year, minority interests had a negligible impact on consolidated net earnings which, at € 4.3 million, fell by 25.1% year-on-year (previous year: € 5.7 million). Earnings per share were € 0.24 against € 0.32 in the previous year.

Consolidated net profit after minority interests: € 4.3 million, down 25.1% year-on-year

Net assets and financial position: Significantly improved cash flow and a solid balance sheet

Cash flow from operating activities: € 1.2 million (previous year: € –8.5 million)

Cash flow from operating activities was significantly optimized in the first quarter of 2009 – at € 1.2 million, it is a distinct improvement on the previous year (€ –8.5 million). Reduced working capital requirements in comparison with the previous year more than compensated the lower cash flow from operating activities.

Investments in property, plant and equipment and intangible assets: € 3.1

Expenditure for property, plant and equipment and intangible assets were limited – at € 3.1 million investment was less than half that of the previous year (€ 6.8 million). € 1.8 million for the acquisition of domestic and commercial technology business is included in last year's expenditure in the Netherlands, thus improving the cash flow from investing activities from € –6.5 million to € –2.4 million.

Low net debt, gearing: 20.5% (previous year: 30.0%)

The BWT Group net debt remained low. Net bank balances and interest-bearing financial liabilities decreased by almost € 12.0 million to € 28.8 million compared to March 31 in the previous year and rose by only € 2.9 million compared with year-end 2008 (€ 25.9 million). Thus, gearing amounted to 20.5% in comparison with 30.0% from the same time of the previous year and 18.8% from December 31, 2008.

Equity: 48.6% of total assets (previous year: 44.9%)

The BWT Group's equity level remained high at 48.6% of total assets – it amounted to 49% as at December 31 and 44.9% as at March 31, 2008.

Employees as at March 31: 2,363 (previous year: 2,352)

In comparison with March 31, 2008, the BWT Group employee count rose from 2,352 to 2,363. In comparison with December 31, 2008 (2,389), the employee count (on an FTE basis) dropped by 26 (1.1%). This decline is chiefly attributable to capacity adjustments in Austria and Poland. Additional employees were hired in Switzerland for Service activities.

OUTLOOK

To date, intensified economic conditions have impacted the various segments of the BWT Group in numerous different ways. While significant decreases in revenues were recorded in Italy, Spain and Eastern Europe, the Group has so far held its ground in core countries such as Austria, Germany, France, Denmark and Switzerland. This trend is also reflected in the existing orders on hand. Growth in the point-of-use business (particularly in "BWT water+more" coffee machine filters) is positive and is characterized in the acquisition of additional key accounts. The capital expenditure program in this area will be intensified.

The volatile market conditions require extremely flexible decisions at very short notice. The BWT management is focusing intensely on keeping the negative effects of the economic situation on revenues as low as possible by means of increased cost and cash management, as in the first quarter of 2009. The optimization of the Group structure, which has already been initiated, should generate additional positive effects. The very solid balance sheet with low net debt and a high equity ratio represents a highly valuable security factor in this environment.

Mondsee, May 2009

The Management Board

Andreas Weissenbacher
Chief Executive Officer

Gerhard Speigner
Chief Financial Officer

I. BWT-Group: Consolidated income statement for the 1st quarter

	1st quarter 2009 € 1000's (unaudited)	%	1st quarter 2008 € 1000's (unaudited)	%
Revenue	91,917.7	100.0	98,978.5	100.0
Other operating income	1,213.7	1.3	1,125.5	1.1
Changes in inventories of finished goods and work in progress	35.2	0.0	740.8	0.7
Work performed by the enterprise and capitalised	166.8	0.2	330.8	0.3
Cost of materials and cost of purchased services	–34,323.4	–37.3	–39,930.7	–40.3
Staff costs	–32,030.5	–34.8	–31,750.0	–32.1
Amortization and depreciation expense	–2,733.8	–3.0	–2,521.6	–2.5
Other operating expenses	–17,643.8	–19.2	–18,828.2	–19.0
Profit from operating activities	6,601.9	7.2	8,145.1	8.2
Financial income	151.5	0.2	182.4	0.2
Financial expenses	–800.8	–0.9	–720.9	–0.7
Earnings before taxes (EBT)	5,952.6	6.5	7,606.6	7.7
Taxes on income	–1,682.4	–1.8	–1,960.0	–2.0
Net profit for the period	4,270.2	4.6	5,646.6	5.7
Of which attributable to:				
Minority shares	0.5	0.0	–50.1	–0.1
Shareholders of the parent company	4,269.6	4.6	5,696.7	5.8
Earnings per share (in €):				
Basic = diluted	0.24		0.32	
Average number of shares issued	17,479,414		17,833,500	

II. Consolidated balance sheet as at March 31, 2009

	As at 31/3/2009 € 1000's (unaudited)	As at 31/12/2008 € 1000's (audited)
ASSETS		
Goodwill	29,123.5	28,839.5
Other intangible assets	15,664.1	16,247.7
Tangible assets	63,936.7	64,245.5
Investments	6,539.5	6,915.4
Trade receivables	66.6	73.0
Other receivables from third parties	564.9	620.0
Deferred tax claims	4,604.4	4,118.3
Non-current assets	120,499.7	121,059.4
Inventories	64,160.5	61,564.7
Trade receivables	72,819.2	68,795.1
Receivables from long-term orders	9,480.1	9,341.6
Income tax reimbursement claims	1,920.2	1,239.2
Other receivables from third parties	6,908.4	6,699.7
Cash and cash equivalents	13,521.7	13,484.4
Current assets	168,810.0	161,124.6
TOTAL ASSETS	289,309.7	282,184.0

	As at 31/3/2009 € 1000's (unaudited)	As at 31/12/2008 € 1000's (audited)
EQUITY and LIABILITIES		
Share capital	17,833.5	17,833.5
Capital reserves	17,095.8	17,095.8
Retained earnings		
accumulated profit	113,366.7	108,988.1
transactions accounted direct in equity	–1,872.9	–856.9
Treasury shares	–6,171.0	–5,292.6
	140,252.1	137,767.9
Minority shares	388.7	383.8
Equity	140,640.8	138,151.7
Provisions for social capital	22,619.5	22,533.5
Deferred tax liabilities	5,235.9	5,351.8
Other provisions	1,529.1	1,552.4
Interest-bearing financial liabilities	3,763.1	4,437.9
Other liabilities	1,033.9	1,001.7
Non-current liabilities	34,181.3	34,877.3
Current income tax liabilities	3,162.4	2,224.4
Other provisions	12,787.8	10,711.7
Bonds	17,000.0	17,000.0
Interest-bearing financial liabilities	21,552.6	17,981.8
Trade payables	28,420.2	30,721.6
Other liabilities	31,564.7	30,515.5
Current liabilities	114,487.6	109,155.0
TOTAL EQUITY & LIABILITIES	289,309.7	282,184.0

III. Cash flow statement for the 1st quarter

€ 1000's (unaudited)	1st quarter 2009	1st quarter 2008
Cash and cash equivalents as at 1 January	13,484.4	15,372.6
Cash flow from earnings	8,743.2	10,169.4
+/– Changes in working capital	–7,507.5	–18,645.8
Cash flow from operating activities	1,235.7	–8,476.4
Cash flow from investment activities	–2,397.7	–6,543.7
Cash flow from financing activities	2,017.6	10,135.2
Other (changes in exchange rates etc.)	–818.2	686.9
Cash and cash equivalents as at 31 March	13,521.7	11,174.6

IV. Change in shareholders' equity for the 1st quarter

	Share capital € 1000's	Capital reserves € 1000's	Retained profit		Treasury shares € 1000's	Total € 1000's	Minority shares € 1000's	Total € 1000's
			accumulated profit/loss	transactions attributable directly to equity				
As at 31/12/2008	17,833.5	17,095.8	108,988.1	–856.9	–5,292.6	137,767.9	383.8	138,151.7
Net profit for the period	0.0	0.0	4,270.2	0.0	0.0	4,270.2	–0.5	4,269.6
Profits/losses recognised in equity	0.0	0.0	109.3	–1,100.2	0.0	–990.9	0.0	–990.9
Result for the entire period	0.0	0.0	4,379.5	–1,100.2	0.0	3,279.3	–0.5	3,278.8
Acquisition of minority interests	0.0	0.0	0.0	84.2	0.0	84.2	0.0	84.2
Share buyback 2009	0.0	0.0	0.0	0.0	–878.4	–878.4	0.0	–878.4
Other changes	0.0	0.0	–0.9	0.0	0.0	–0.9	5.4	4.5
As at 31/03/2009	17,833.5	17,095.8	113,366.7	–1,872.9	–6,171.0	140,252.1	388.7	140,640.8

	Share capital € 1000's	Capital reserves € 1000's	Retained profit		Treasury shares € 1000's	Total € 1000's	Minority shares € 1000's	Total € 1000's
			accumulated profit/loss	transactions attributable directly to equity				
As at 31/12/2007	17,833.5	17,095.8	95,124.1	–767.7	0.0	129,285.7	347.4	129,633.1
Net profit for the period	0.0	0.0	5,696.7	0.0	0.0	5,696.7	–50.1	5,646.6
Profits/losses recognised in equity	0.0	0.0	0.0	689.4	0.0	689.4	–2.5	686.9
Result for the entire period	0.0	0.0	5,696.7	689.4	0.0	6,386.1	–52.6	6,333.5
Other changes	0.0	0.0	–10.0	0.0	0.0	–10.0	10.0	0.0
As at 31/03/2008	17,833.5	17,095.8	100,810.8	–78.3	0.0	135,661.8	304.8	135,966.6

V. Notes to the interim consolidated financial statements 31 March 2009

1. General disclosures and principles

These interim consolidated financial statements of BWT Aktiengesellschaft, which is headquartered at Walter-Simmer-Strasse 4, 5310 Mondsee in Austria, were prepared in accordance with the principles of International Financial Reporting Standards, the provisions for interim reporting (IAS 34) under the supervision of the Management Board and approved for publication by the Management Board resolution of April 30, 2009.

The interim consolidated financial statements do not include all the information and disclosures required in the consolidated annual financial statements. Therefore, the interim financial statements should be read in conjunction with the most recent consolidated annual financial statements for the year ended December 31, 2008, to which reference is made, particularly in relation to the use of the same accounting policies.

The number of companies in the consolidated Group dropped by two in comparison with December 31, 2008 and now amounts to 52 companies. Three companies in Germany were merged and a new subsidiary was established in Russia.

2. Seasonal nature of the business

Shifts in the product mix as well as the introduction of new products and first-time consolidation following acquisitions may lead to fluctuations in the period distribution of revenues and earnings.

3. Dividend payments

A dividend distribution of € 0.38 per share will be proposed for resolution to the upcoming Annual General Meeting on May 20, 2009. In the previous year, payment amounted to € 6,761.8 thousand (€ 0.38 per share).

4. Other operating income

Other operating income breaks down as follows:

1.1. - 31.3. (unaudited)	2009 € 1000's	2008 € 1000's
Gains on the disposal of property, plant and equipment	10.8	9.0
Rental/lease income and royalties	114.6	90.4
Income from bonus/fee and commission agreements	0.0	137.1
Proceeds from further settlement of services	361.1	631.9
Miscellaneous	727.2	257.1
	1,213.7	1,125.5

Other income also relates to proceeds from the further settlement of transport costs.

5. Financial result

1.1. - 31.3. (unaudited)	2009 € 1000's	2008 € 1000's
Income from equity investments	100.0	93.8
Income from other securities	0.0	0.3
Other interest and similar income	51.5	88.3
	151.5	182.4
Interest and similar expenses	–800.8	–720.9
	–800.8	–720.9

6. Taxes on income

1.1. - 31.3. (unaudited)	2009 € 1000's	2008 € 1000's
Corporate tax for the period	–2,376.8	–1,986.6
Corporate tax for previous years	92.4	–20.7
Change in deferred taxes	602.0	47.3
	–1,682.4	–1,960.0

7. Segment reporting

1.1. - 31.3. 2009 € 1000's	Austria/ Germany	France/ Benelux	Scandinavia	Italy/Spain	Switzerland/ Others	Elimination	Aggregate
External revenue	34,740.1	26,381.8	10,509.6	7,857.3	12,429.0		91,917.7
Internal revenue	3,690.3	858.3	41.7	17.2	454.2	–5,061.7	0.0
Total	38,430.4	27,240.1	10,551.2	7,874.5	12,883.3	–5,061.7	91,917.7
Segment result (EBIT)	433.5	2,949.4	1,498.5	779.8	940.6		6,601.9
Net financial income/ net finance costs							–649.3
Taxes on income							–1,682.4
Minority interests							–0.5
Net profit attributable to shareholders of the parent company							4,269.6

1.1. - 31.3. 2008 € 1000's	Austria/ Germany	France/ Benelux	Scandinavia	Italy/Spain	Switzerland/ Others	Elimination	Aggregate
External revenue	38,324.8	24,458.5	11,080.1	9,483.4	15,631.7		98,978.5
Internal revenue	3,211.6	1,059.9	74.9	1.2	278.1	–4,625.7	0.0
Total	41,536.4	25,518.4	11,155.0	9,484.6	15,909.8	–4,625.7	98,978.5
Segment result (EBIT)	1,522.8	1,889.7	1,558.1	1,519.8	1,654.7		8,145.1
Net financial income/ net finance costs							–538.5
Taxes on income							–1,960.0
Minority interests							50.1
Net profit attributable to shareholders of the parent company							5,696.7

8. Non-current assets

In the first three months of the 2009 financial year, the BWT Group invested a total of € 3,055.0 thousand (previous year: € 6,848 thousand) in property, plant and equipment and intangible assets, and € 0.0 thousand (previous year: € 1.4 thousand) in financial assets.
Asset disposals with a residual carrying amount of € 752.1 thousand (previous year: € 602.1 thousand) led to profits of € 5.9 thousand (previous year: € 3.6 thousand).

9. Financing activities

Interest-bearing financial liabilities increased by € 2,896.0 thousand in the first three months. This is attributable to increased working capital requirements as well as share buybacks and capital expenditure. The chief source of financing was short-term bank lines.

10. Other liabilities and uncertain obligations

The Company assumed liabilities and guarantees as part of ordinary operating activities. Utilization of all liabilities and guarantees assumed is improbable as at the reporting date.

The BWT Group is constructing a new centre for water technology near Budapest. The centre will be home to BWT and CHRIST companies, as well as external companies. For this reason, BWT AG concluded a master lease agreement on February 29, 2008 with total investments of around € 8.5 million and a term of 15 years. This agreement has not yet been classified due to the fact that the overall investment volume has not yet been determined definitively.

11. Derivative financial instruments

In order to hedge against the risk of interest rate changes, the BWT Group concluded the following derivatives:

31/3/2009 (unaudited)	Nominal value € 1000's	Market value € 1000's
Interest swap 1999 – 2009	17,000.0	481.8
Interest swap 1999 – 2009	17,000.0	90.9
Interest swap 2007 – 2009	17,000.0	–278.3

In order to hedge currency risks, the following currency forward contracts were concluded by the BWT Group:

31/3/2009 (unaudited)	Currency	Nominal value 1000's in local currency	Market value in € 1000's
Forward sale USD against DKK	TUSD	920.0	–13.9
Forward purchase CHF against EUR	TCHF	2,000.0	9.7
Forward purchase USD against EUR	TUSD	390.0	–3.9

12. Related party disclosures

Due to the fact that the main shareholders of BWT Aktiengesellschaft are also shareholders of CHRIST WATER TECHNOLOGY AG, also listed on the Vienna stock exchange, trade relationships between the BWT Group and the CHRIST Group are to be regarded as transactions with related parties.

In the first three months of 2009, the BWT Group received materials and services to the value of € 1,051.9 thousand (previous year: € 895.1 thousand) from related parties and supplied materials and services to the value of € 1,066.9 thousand (previous year: € 2,619.6 thousand) to the same. As at the balance sheet date for the interim financial statements (March 31, 2009), the BWT Group had receivables from related parties of € 1,391.2 thousand (previous year: € 3,214.0 thousand) and liabilities of € 1,032.3 thousand (previous year: € 2,722.2 thousand). Transactions involving related parties related chiefly to supplies and services from and/or to companies of the CHRIST Group and were concluded in line with standard market terms. BWT AG provided liabilities and guarantees amounting to € 314.2 thousand (previous year: € 314.2 thousand) for subsidiaries of the CHRIST Group, for which BWT AG is exempted from liability by CHRIST WATER TECHNOLOGY AG, Mondsee.

The Anna International Ltd. management provided the Company with a subordinated loan of € 955.0 thousand (previous year: € 1,050.0 thousand) at a fixed interest rate of 10%.

13. Other disclosures

Significant events after the balance sheet date

After the balance sheet date, the BWT subsidiary HOH Water Technology, Denmark, sold its 12.2% interest in Male Water & Sewerage Company Ltd., generating a gain on disposal of over € 4 million.

Mandatory information about waiving an audit review

These interim consolidated financial statements have neither been audited nor reviewed by an auditing company.

Declaration of the Management Board in accordance with Article 87 of the Börsegesetz (BörseG – Austrian Stock Exchange Act)

The undersigned Management Board members hereby declare that, to the best of their knowledge, these quarterly financial statements, prepared in accordance with the International Financial Reporting Standards (IFRS), in particular IAS 34 (Interim Reporting), present as true and fair a view as possible of the net assets, financial position and results of operations of the BWT Group.

Mondsee, May 2009

The Management Board

Andreas Weissenbacher
Chief Executive Officer

Gerhard Speigner
Chief Financial Officer

Financial Calendar 2009:

Annual General Meeting 2009	20 May 2009
Share trades ex-dividend	28 May 2009
Dividend payment day	2 June 2009
Q2 2009 report	7 August 2009
Q3 2009 report	13 November 2009

Information und Inquiries:

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

www.bwt-group.com