



On Course.

2010

SHAREHOLDER
INFORMATION
for the 1st quarter

BWT – The Water Company



BWT grows revenues and earnings

The BWT – Best Water Technology – group of companies, Europe's market leader in water treatment, made a successful start to the new financial year. In the 1st quarter of 2010, revenues improved by 21.9%, EBIT by 18.0% and consolidated net earnings by 28.3% year on year.

Course of business in the 1st quarter

Consolidated revenues:
€ 112.0 million, up
21.9% year on year

The consolidated revenues of the BWT Group rose by € 91.9 million or 21.9% to € 112.0 million in the first quarter. This increase was mainly characterised by the companies of the Pharma Group and Zeta Group, new to the scope of consolidation, which contributed a total of € 15.1 million to consolidated revenues and thus 16.4% to growth. Adjusted for this consolidation effect, revenue growth was 5.5% in the first quarter.

Segment (Revenues in T€)	Q 1 / 2010	Q 1 / 2009	+/- %
Austria / Germany	52,633	34,740	+51.5%
France / Benelux	25,009	26,382	-5.2%
Scandinavia	10,820	10,510	+2.9%
Italy / Spain	8,786	7,857	+11.8%
Switzerland / Others	14,788	12,429	+19.0%
BWT Group	112,036	91,918	+21.9%

The significant increase in the Austria / Germany segment was, on the one hand, due to the addition of the Pharma and Zeta companies, which accounted for more than 30% of growth. On the other hand, a welcome increase in revenues in the household technology business and significant growth in the point-of-use segment (+181%) was achieved. In France / Benelux, the decline in the industrial technology segment resulted in a drop in revenues of 5.2%, while it has latterly proved possible to further expand the point-of-use and service businesses. In the Scandinavia segment, the decline in Denmark and Finland was more than made up for by additional pharmaceuticals revenues, resulting in growth of 3%. Performance in the Italy / Spain segment was especially positive. In an extremely difficult market environment, it was possible, both in Italy and Spain, to achieve increases in revenues. Here too, the point-of-use and service business grew disproportionately. The Switzerland / Others segment profited from the newly consolidated pharmaceutical water treatment companies in Switzerland, Ireland and China as well as from an increase in revenues in Switzerland, and grew by 19%. The BWT companies in Eastern Europe had to accept further declines in revenues of, in some cases, more than 20%.

In the point-of-entry business, revenues in the first three months grew by a total of 16.4%. The point-of-use business, which already accounts for approx. 7% of consolidated revenues, grew by two thirds, with all product segments („BWT water & more“ coffee machine filters, „Perfect Water“ table water filters and water dispensers) contributing. The service business also grew disproportionately by 29.1%, 17% points of which came from the newly consolidated companies, while the remainder was in the form of organic growth. The service business thus accounts for 24.7% (previous year: 23.3%) of consolidated revenues.

As at the end of March 2010, the BWT Group's orders amounted to € 85.7 million (previous year: € 66.2 million). The increase came exclusively from the newly added companies, and without them there would have been a moderate decrease in orders of 3.4%, which is primarily a consequence of the market situation in the Scandinavia segment.

In line with revenue growth, the BWT Group was also able to improve its earnings position in the first quarter. Cost of materials including changes in inventories have deteriorated from 37.3% of revenues to 38.6%, partly as a result of the higher additional purchases in the Pharma and Zeta companies. Personnel expenses rose in the first quarter by 18.3% to € 37.9 million, with 14.4% of this increase accounted for by the newly added activities and 3.9% attributable to the comparable group structure. The balance of other operating expenses and income increased, mainly as a result of acquisitions, from € 16.3 million to € 19.6 million, or 17.5% of revenues (previous year: 17.7%).

Earnings position:
EBITDA € 11.3 million, up
21.1% year on year
EBIT € 7.8 million, up
18.0% year on year
Profit after minority interests
€ 5.5 million, up 28.3%
year on year

First quarter operating earnings before depreciation (EBITDA) for 2010 totalled € 11.3 million and were thus up € 2.0 million (21.1%) on the same period last year. Write-downs on intangible assets rose by € 0.8 million (28.6%) to € 3.5 million as a result of the new companies and the investment measures for production equipment in the point-of-use business adopted in recent years.

The EBIT of the individual business segments developed in the first 3 months as follows:

Segment (EBIT in T€)	Q 1 / 2010	Q 1 / 2009	+/- %
Austria / Germany	728	434	+67.7%
France / Benelux	2,473	2,949	-16.1%
Scandinavia	1,344	1,498	-10.3%
Italy / Spain	1,284	780	+64.6%
Switzerland / Others	1,961	941	+108.4%
BWT Group	7,790	6,602	+18.0%

The acquisition-related and organic revenue increases in the Austria / Germany segment resulted in EBIT growth of 67.7%, although, as in the previous year, this only permitted just over 1% of revenues to be achieved as EBIT. A definite positive is the earnings trend at BWT Germany. The 5% decline in revenues in France / Benelux resulted in a reduction in EBIT by 16.1% to € 2.5 million. The earnings position in the Scandinavia segment was adversely affected by the decline in revenues in Denmark, which ultimately, and despite revenue increases in Sweden and Norway, resulted in a decline in EBIT of 10.3% to € 1.3 million.

The Italy / Spain segment recorded a jump in earnings in the first quarter. The almost 12% revenue growth resulted in an increase in the EBIT of 64.6% to € 1.3 million. Continued positive performance in Switzerland and the improved earnings position in Eastern Europe, which was due to a combination of margin improvements and cost savings, resulted in a doubling of the EBIT in the Switzerland / Others segment to € 2.0 million.

Financial earnings in the first quarter of 2010 improved by € 0.5 million, of which the largest part (€ 0.36 million) was accounted for by earnings contributed by financial stakes, with the remainder attributable to the improved interest result. Earnings before taxes totalled € 7.6 million as at the end of March and were up 28.0% on the figure of € 6.0 million for the same period of the previous year. The Group tax rate thus far in 2010, as during the comparison period of the previous year, is just over 28%. The Group net earnings after minority interests amounted to € 5.5 million, while in the preceding year it was € 4.3 million (+28.2%). Earnings per share were € 0.31 as compared to € 0.24 in the previous year.

Net assets and financial position:

Cash flow from operating activities down € 1.1 million (previous year: € +1.2 million)

Investments in property, plant and equipment and intangible assets € 2.2 million (previous year: € 3.3 million)

Gearing 16.5% (previous year: 20.5%)

Equity ratio 46.0% (previous year: 48.6%)

In the first quarter, despite higher earnings, the increased demand for working capital (primarily in relation to inventories and accounts receivables) due to sales expansion resulted in a negative cash flow from operating activities of € -1.1 million, while € +1.2 million was achieved in the previous year.

Investing activities in the BWT Group also declined in the first quarter: At € 2.2 million, a third less was spent on property, plant and equipment and intangible assets than in the previous year. The cash flow from investing activities includes a further buyback of BWT's own shares to the value of € 4.8 million.

The BWT Group net debt remained low. Net bank balances and interest-bearing financial liabilities declined by € 3.2 million to € 25.6 million in comparison to 31 March of the previous year, but rose by € 7.7 million in comparison to the year-end 2009 (€ 17.9 million). Thus, gearing amounted to 16.5% in comparison with 20.5% at the same time in the previous year and 11.7% as at 31 December 2009.

The BWT Group's equity was 46.0% of total assets as at 31 March 2010. As at 31 December of the previous year it was 48.5% and as at 31 March 2009 48.6%. The decrease in the equity ratio can be attributed to the fact that total assets are higher.

Employees as at 31 March: 2,736 (previous year: 2,363)

The number of employees of the BWT Group rose from 2,363 to 2,736 people year on year. This increase is predominantly attributable to the Pharma group, consolidated since October of last year, and the Zeta Group, fully consolidated since December 2009. In Austria, the production capacities for the point-of-use business were expanded. In comparison to 31 December 2009 (2,701 people), the number of employees (on a full-time basis) increased by 35 (+1.2%), with half of these also being accounted for by the production expansion in Austria and the remainder resulting primarily from the expansion of the service network.

OUTLOOK

We expect that the high levels of government debt and the tax increases under consideration will weigh on both private and public consumption and the behaviour of investors. It is highly unlikely that rising raw material prices will permit a further improvement in the gross margin. The companies of the Pharma Group and Zeta Group, consolidated since the previous quarter, have resulted in above-average revenue growth for the BWT Group in the first quarter. This consolidation effect will also continue to have a positive impact in the second and third quarters. However, the earnings contributions of these companies are, as expected, below-average.

The goal of BWT's management during this financial year is to match the exceptionally positive effects from the sale of an equity interest last year with growth in operating earnings and thus keeping consolidated earnings overall at last year's level. Regionally very different volatile market conditions continue to demand quick, flexible decision-making. The very solid balance sheet position with a low level of debt and a high equity ratio constitutes a valuable safety factor.

Mondsee, May 2010

The Management Board



Andreas Weißenbacher
Chief Executive Officer



Gerhard Speigner
Chief Financial Officer

I. BWT Group: Consolidated income statement for the first quarter

T€ (unaudited)	1 st quarter 2010		1 st quarter 2009	
	Amount	%	Amount	%
REVENUE	112,036.2	100.0	91,917.7	100.0
Other operating income	1,383.9	1.2	1,213.7	1.3
Changes in inventories of finished goods and work in progress	157.5	0.1	35.2	0.0
Work performed by the enterprise and capitalized	76.4	0.1	166.8	0.2
Cost of materials and cost of purchased services	-43,415.3	-38.8	-34,323.4	-37.3
Staff costs	-37,889.0	-33.8	-32,030.5	-34.8
Other operating expenses	-21,044.4	-18.8	-17,643.8	-19.2
EBITDA	11,305.2	10.1	9,335.7	10.2
Depreciation and impairments	-3,515.1	-3.1	-2,733.8	-3.0
PROFIT FROM OPERATING ACTIVITIES	7,790.1	7.0	6,601.9	7.2
Financial income	384.7	0.3	151.5	0.2
Share in earnings of associated companies	-7.0	0.0	0.0	0.0
Financial expenses	-550.6	-0.5	-800.8	-0.9
Profit before taxes	7,617.2	6.8	5,952.6	6.5
Taxes on income	-2,141.1	-1.9	-1,682.4	-1.8
Net profit for the period before minority interest	5,476.2	4.9	4,270.2	4.6
Of which attributable to:				
Minority shares	-1.6	0.0	0.5	0.0
Shareholders of the parent company	5,477.8	4.9	4,269.6	4.6
Earnings per share (€):				
Basic = diluted	0.31		0.24	
Average number of shares issued	17,398,588		17,479,414	

II. Group statement of comprehensive income for the first quarter

T€ (unaudited)	1 st quarter 2010	1 st quarter 2009
Net profit for the period	5,476.2	4,270.2
Other income		
Valuation of securities ("available-for-sale", pursuant to IAS 39)	1,311.1	-376.4
Associated taxes	-327.8	94.0
Deferred taxes of valuation of own shares	0.0	109.3
Foreign exchange effects	1,100.4	-818.2
Total other income	2,083.7	-991.3
Comprehensive income for the period	7,559.8	3,278.8
Thereof:		
Shareholders of the parent company	7,561.5	3,279.3
Minority interests	-1.6	-0.5

III. Consolidated balance sheet as at March 31, 2010

in T€	As at 31.3.2010 (unaudited)	As at 31.12.2009 (audited)	in T€	As at 31.3.2010 (unaudited)	As at 31.12.2009 (audited)
ASSETS			EQUITY AND LIABILITIES		
Goodwill	32,538.0	32,523.2	Share capital	17,833.5	17,833.5
Other intangible assets	21,038.1	21,712.0	Capital reserves	17,095.8	17,095.8
Tangible assets	80,283.9	79,796.5	Retained earnings		
Financial assets	5,194.1	3,883.0	accumulated profit	130,837.2	125,359.4
Interests in associated companies	229.4	236.4	other earnings	-1,421.2	-1,393.2
			currency translation	83.4	-1,017.0
Other receivables from third parties	789.9	777.8	available-for-sale	1,427.3	444.0
Deferred tax claims	7,229.2	7,235.6	Treasury shares	-11,245.4	-6,421.6
				154,610.5	151,901.0
Non-current assets	147,302.6	146,164.6	Minority shares	886.1	927.9
Inventories	70,115.6	64,896.3	Equity	155,496.6	152,828.9
Trade receivables	75,994.1	65,533.9			
Receivables from long-term orders	12,779.8	13,953.1	Provisions for social capital	24,498.3	24,338.2
Income tax reimbursement claims	3,401.4	1,920.8	Deferred tax liabilities	6,452.8	5,967.7
Other receivables from third parties	7,249.5	6,333.1	Other provisions	2,318.6	2,274.4
Cash and cash equivalents	21,229.3	16,164.1	Interest-bearing financial liabilities	12,511.5	12,932.6
			Other liabilities	489.0	525.8
Current assets	190,769.6	168,801.4	Non-current liabilities	46,270.3	46,038.8
			Current income tax liabilities	5,180.4	3,905.0
			Other provisions	10,745.1	10,021.6
			Interest-bearing financial liabilities	34,311.2	21,149.8
			Trade payables	36,982.3	38,102.9
			Payables for long-term orders	7,507.9	5,860.3
			Other liabilities	41,578.4	37,058.6
			Current liabilities	136,305.3	116,098.2
BALANCE SHEET TOTAL	338,072.2	314,965.9	BALANCE SHEET TOTAL	338,072.2	314,965.9

IV. Cash flow statement for the first quarter

T€ (unaudited)	Q1 2010	Q1 2009
Cash and cash equivalents as at 1 January	16,164.1	13,484.4
Cash flow from earnings	11,324.0	8,743.2
+/- Changes in working capital	-12,458.1	-7,507.5
Cash flow from operating activities	-1,134.0	1,235.7
Cash flow from investment activities	-2,608.8	-2,397.7
Cash flow from financing activities	8,801.8	2,017.6
Other (changes in exchange rates etc.)	6.2	-818.2
Cash and cash equivalents as at 31 March	21,229.3	13,521.7

V. Change in shareholders' equity for the first quarter

T€	Share capital	Capital reserves	Retained profit							
			accumulated profit/loss	accumulated other income	currency translation	available for sale	Treasury shares	Total	Minority shares	Total
As at 31.12.2009	17,833.5	17,095.8	125,359.4	-1,393.2	-1,017.0	444.0	-6,421.6	151,901.0	927.9	152,828.9
Net profit for the period	0.0	0.0	5,477.8	0.0	1,100.4	983.3	0.0	7,561.5	-1.6	7,559.8
Acquisition of minority interests	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-40.2	-40.2
Dividends	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Share buyback 2010	0.0	0.0	0.0	0.0	0.0	0.0	-4,823.8	-4,823.8	0.0	-4,823.8
Other changes	0.0	0.0	0.0	-28.1	0.0	0.0	0.0	-28.1	0.0	-28.1
As at 31.3.2010	17,833.5	17,095.8	130,837.2	-1,421.2	83.4	1,427.3	-11,245.4	154,610.5	886.1	155,496.6

T€	Share capital	Capital reserves	Retained profit							
			accumulated profit/loss	accumulated other income	currency translation	available for sale	Treasury shares	Total	Minority shares	Total
As at 31.12.2008	17,833.5	17,095.8	108,988.1	-226.7	-961.3	331.1	-5,292.6	137,767.9	383.8	138,151.7
Net profit for the period	0.0	0.0	4,379.5	0.0	-818.2	-282.0	0.0	3,279.3	-0.5	3,278.8
Acquisition of minority interests	0.0	0.0	0.0	84.2	0.0	0.0	0.0	84.2	0.0	84.2
Dividends	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Share buyback 2009	0.0	0.0	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	0.0	0.0	-0.9	5.4	4.5
As at 31.3.2009	17,833.5	17,095.8	113,366.7	-142.5	-1,779.5	49.1	-6,171.0	140,252.1	388.7	140,640.8

VI. Notes to the interim consolidated financial statements 31 March 2010

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 the 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 30 April 2010.

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 31 December 2009, 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 one in comparison with 31 December 2009 and now amounts to 59 companies.

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 € 0.40 per share will be proposed for resolution to the upcoming Annual General Meeting on 26 May 2010. In the previous year, payment amounted to € 6,629.5 thousand (€ 0.38 per share).

4. Other operating income

Other operating income breaks down as follows:

1.1.–31.3. (unaudited) - T€	2010	2009
Gains on the disposal of property, plant and equipment	12.8	10.8
Rental/lease income and royalties	254.7	114.6
Proceeds from further settlement of services	148.5	361.1
Proceeds from further settlement of transport costs	161.1	98.9
Miscellaneous	806.9	628.4
TOTAL	1,383.9	1,213.7

Other income also relates to other proceeds from written-down receivables and impairments as well as income from lawsuits won.

5. Financial result

1.1.–31.3. (unaudited) - T€	2010	2009
Income from equity interests	358.1	100.0
Other interest and similar income	26.6	51.5
TOTAL	384.7	151.5
Share in result of associated companies	-7.0	0.0
Interest expense for social capital under IAS 19	-304.5	-300.3
Interest and similar expenses	-246.1	-500.5
TOTAL	-550.6	-800.8

6. Taxes on income

The income taxes are as follows:

1.1.–31.3. (unaudited) - T€	2010	2009
Corporate income tax for the period	-1,679.8	-2,376.8
Corporate income tax previous years	30.1	92.4
Change in deferred taxes	-491.5	602.0
TOTAL	-2,141.1	-1,682.4

7. Segment reporting

1.1.–31.3.2010 T€	Austria/ Germany	France/ Benelux	Scandinavia	Italy/Spain	Switzerland/ Others	Elimination	Aggregate
External revenue	52,633.6	25,008.8	10,819.7	8,786.2	14,787.9		112,036.2
Internal revenue	5,457.0	788.5	68.3	101.9	6,646.9	-13,062.5	0.0
Total	58,090.6	25,797.3	10,888.0	8,888.0	21,434.8	-13,062.5	112,036.2
Segment result (EBIT)	728.4	2,473.0	1,344.0	1,283.8	1,960.9		7,790.1
Financial result							-172.9
Taxes on income							-2,141.1
Minority interests							1.6
Net profit attributable to shareholders of the parent company							5,477.8

1.1.–31.3.2009 T€	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
Financial result							-649.3
Taxes on income							-1,682.4
Minority interests							-0.5
Net profit attributable to shareholders of the parent company							4,269.6

The following table presents the segment assets of the business segments of the Group as at 31 March 2010 and 31 December 2009:

Segment assets T€	Austria/ Germany	France/ Benelux	Scandinavia	Italy/Spain	Switzerland/ Others	Elimination	Aggregate
As at 31 March 2010	183,286.0	56,775.1	34,927.8	26,208.6	78,593.0	-41,718.4	338,072.2
As at 31 December 2009	168,337.6	52,103.8	34,820.6	23,783.0	74,747.5	-38,594.9	315,197.7

8. Non-current assets

In the first three months of the 2010 financial year, the BWT Group invested a total of € 2,239.0 thousand (previous year: € 3,055.0 thousand) in property, plant and equipment and intangible assets.

Asset disposals with a residual carrying amount of € 11.7 thousand (previous year: € 752.1 thousand) led to profits of € 12.5 thousand (previous year: € 5.9 thousand).

9. Financing activities

Interest-bearing financial liabilities increased by € 12,740.3 thousand in the first three months. This is attributable to increased working capital requirements as well as the increase in cash and cash equivalents and share buybacks. The chief source of financing was short-term bank credit lines.

10. Other obligations and uncertain liabilities

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

Moreover, a declaration of obligation was signed for the purchase of a site with a probable purchase price of approx. € 770.0 thousand, which is likely to be implemented in financial year 2010.

11. Derivative financial instruments

In order to hedge against the risk of forward exchange transactions, the BWT Group concluded the following derivatives:

31.3.2010 (unaudited)	Currency	Nominal value	Market value T€
Forward sale USD against DKK	TUSD	420.0	-0.7
Forward sale SGD against EUR	TSGD	308.3	-11.1
Forward purchase USD against EUR	TUSD	345.0	-0.5
Forward purchase USD against CHF	TUSD	210.0	0.6

12. Related party disclosures

In the first three months of 2010, the BWT Group received no materials and no services from related parties (previous year: € 1,051.9 thousand) and supplied materials and services to the value of € 776.5 thousand (previous year: € 1,066.7 thousand) to the same. As at the balance sheet date for the interim financial statements (31 March 2010), the BWT Group had receivables from related parties of € 278.8 thousand (previous year: € 1,391.2 thousand) and no liabilities (previous year: € 1,032.2 thousand). Transactions involving related parties were concluded in line with standard market terms.

13. Other disclosures

Significant events after the balance sheet date

There were no reportable events after the balance sheet date, which would have been of importance for the valuation on the balance sheet date.

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

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), present as true and fair a view as possible of the net assets, financial position and results of operations of the Group, and that the Group Management Report presents the course of business, the operating results and the position of the Group in such a way that as true and fair a view of the net assets, financial position and results of operations of the Group is achieved.

Mondsee, 30 April 2010

The Management Board



Andreas Weißenbacher
Chief Executive Officer



Gerhard Speigner
Chief Financial Officer

Financial Calendar 2010:

Annual general meeting	26 May 2010
Share trades ex-dividend	31 May 2010
Dividend payment day	2 June 2010
H1 2010 report	6 August 2010
Q3 2010 report	12 November 2010

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