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ultrafiltration UV systems  
nanofiltration de-carbonisation  
electrodeionisation  
reverse osmosis  
UV systems  
electrode-  
ionisation  
filter media

ultrafiltration  
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ion exchange fibers  
ultrapure steam generators  
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UV systems

electrode-  
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reverse osmosis  
nanofiltration  
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filter media  
UV system  
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# SHAREHOLDER INFORMATION for the 1<sup>st</sup> quarter 2013

Quarterly Financial Report



BEST WATER TECHNOLOGY

For You and Planet Blue.

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## MANAGEMENT REPORT for the first quarter of 2013

In the first quarter of 2013, the BWT – Best Water Technology – Group increased its consolidated revenues by 0.6% to €119.8 million. EBIT decreased by €0.7 million to €6.0 million due to greater material and staff costs. Consolidated earnings dropped €0.8 million to €3.6 million.

### BUSINESS PERFORMANCE in the first quarter

Consolidated revenues:  
€119.8 million, up 0.6%  
on the previous year

In the first quarter of 2013, the BWT Group's consolidated revenues increased 0.6% to €119.8 million. With retroactive effect from 1 January 2013, the BWT subsidiary specialising in pharmaceutical water plant engineering in Ireland and the USA was sold. This also had an impact on revenues development. With a comparable Group structure, revenues growth in the first quarter would have amounted to 1.6%.

Segment revenues in T€	Q 1 / 2013	Q 1 / 2012	+ / - %
Austria / Germany	48,238	45,615	+5.8%
France / Benelux / UK	33,623	31,051	+8.3%
Scandinavia	10,981	15,578	-29.5%
Italy / Spain	7,333	8,514	-13.9%
Switzerland / Others	19,660	18,381	+7.0%
<b>BWT Group</b>	<b>119,835</b>	<b>119,139</b>	<b>+0.6%</b>

The 5.8% rise in revenues to €48.2 million in the Austria / Germany segment was driven primarily by positive development in the Point of Entry business in Germany. After bolstering its sales capacity, the Group achieved strong growth of 22.8% in the Point of Use business as well.

The 8.3% growth in revenues recorded in the France / Benelux / UK segment is chiefly attributable to the Industry business of BWT France. Nevertheless, the BWT subsidiaries in Belgium, the Netherlands and the UK also posted a slight revenues upturn.

In the Scandinavia segment, the Danish BWT subsidiary benefitted from a major export contract, which it landed last year. However, the Pharma project business in Sweden also reported a decline in revenues in the first quarter so that, at €11.0 million, the revenues of the Scandinavia segment came in at 29.5% below the previous year's figure.

The difficult market conditions in Italy also had a negative impact on BWT's revenues in the first quarter, resulting in a 13.9% drop in segment revenues to €7.3 million. Thanks to additional export activities, revenues in Spain remained at virtually the same level as the previous year, despite the tense market situation.

Growth generated in Switzerland, Russia and in the Pharma business in China meant that the Switzerland / Others segment posted a 7% increase in revenues overall.

Revenues in the Point of Entry business fell by €0.4 million to €81.7 million in the first quarter as a result of the decline in the project business. Without the disposal of the Irish subsidiary, a slight revenues upturn would have been achieved. The Point of Entry business accounts for

68.2% of BWT's consolidated revenues (previous year: 68.9%). Revenues in the Point of Use business rose by 14.4% this year to €11.9 million, thus accounting for 9.9% of consolidated revenues (previous year: 8.7%). The slight dip in revenues of 1.3% to €26.3 million reported in the Service and Spare Parts business is as a result of the company disposal in Ireland. In the first quarter, BWT generated 21.9% of its consolidated revenues in the Service business (previous year: 22.3%).

As at the end of March, the BWT Group had an order backlog of €81.9 million compared with €94.7 million for the same period of the previous year. The decline in this figure can be explained by the weaker incoming orders in the Pharma and project businesses and the completion of the export project seawater desalination by BWT Denmark in the previous year.

EBITDA: €9.7 million, down 7.7% on the previous year  
 EBIT: €6.0 million, down 10.0% on the previous year  
 Consolidated earnings after non-controlling interests: €3.6 million, down 17.6% on the previous year

## EARNINGS

The slight increase in material costs in relation to revenues, the rise in staff costs and the negative financial result due to the disposal of the former Irish subsidiary led to depressed profits in the first quarter of 2013.

The cost of materials including changes in inventories moved up from 36.3% of revenues in the previous year to 36.7% of revenues. This can be attributed to the unfavourable product and country mix (for example, higher revenues in Russia and China coupled with a decline in Italy).

Staff costs increased by 2.7% year on year to €42.0 million in the first quarter of 2013. The number of employees rose by 37 year on year from 2,698 to 2,735, due predominantly to expanded production, marketing and sales capacities in the Point of Use business in Austria and Germany.

Net other operating expenses and income declined by 1.2% from €24.4 million to €24.2 million. Year-on-year savings were made on advertising expenditure in the first quarter, whereas maintenance expenses saw a notable rise.

In the first quarter of 2013, the BWT Group generated EBITDA of €9.7 million, which was €0.8 million (or 7.7%) lower than in the previous year.

In the first three months of the year, depreciation on fixed assets amounted to €3.7 million, which equates to a decrease of €0.1 million on the previous year.

EBIT declined by €0.7 million from €6.7 million to €6.0 million, resulting in an EBIT margin of 5.0% of revenues (previous year: 5.6%). The individual segments developed as follows in the first quarter:

Segment EBIT in T€	Q 1 / 2013	Q 1 / 2012	+ / - %
Austria / Germany	-954	-1,678	+43.1%
France / Benelux / UK	2,593	2,619	-1.0%
Scandinavia	1,190	2,465	-51.7%
Italy / Spain	491	891	-44.9%
Switzerland / Others	2,699	2,389	+13.0%
<b>BWT Group</b>	<b>6,019</b>	<b>6,686</b>	<b>-10.0%</b>

The Austria / Germany segment benefitted from increased revenues and lower advertising expenditure, which saw EBIT improve from €-1.7 million to €-1.0 million. However, the segment continues to be negatively impacted by the production, marketing and sales costs associated with the expansion of the Point of Use business.

The France / Benelux / UK segment did not manage to turn its improved earnings into a better EBIT result. It was primarily poor gross margins in the Industry business that impacted negatively, and the overall EBIT figure of €2.6 million was 1% down on the previous year's value.

The significant decline in revenues due to the absence of the export project in Denmark as well as in the Pharma business in Sweden saw EBIT halve to €1.2 million in the Scandinavia segment.

The Italy / Spain segment was largely impacted by the downturn in revenues in Italy, which caused EBIT to fall by 44.9% to €0.5 million compared with the previous year.

The Switzerland / Others segments again posted improved earnings, with EBIT increasing year on year from €2.4 million to €2.7 million. It was mainly BWT Russia and BWT Pharma in China that contributed to this.

The financial result deteriorated in the first quarter of 2013, moving from €-0.4 million to €-0.9 million, mainly due to the loss arising from the disposal of the holding in Ireland.

The aforementioned changes in EBIT and the financial result saw earnings before taxes contract year on year from €6.2 million to €5.1 million.

The Group tax rate decreased slightly from 30.8% to 30.6% and consolidated earnings after non-controlling interests came to €3.6 million in the first quarter of 2013, down 17.6% on the previous year's value of €4.3 million. Earnings per share were €0.21, against €0.26 in the previous year.

Cash flow from operating activities: €-9.6 million  
(previous year: €-4.0 million)  
Investment in property, plant and equipment and intangible fixed assets: €7.5 million  
(previous year: €4.9 million)  
Gearing: 22.4%  
(previous year: 14.2%)  
Equity ratio: 45.0%  
(previous year: 48.2%)

## NET ASSETS AND FINANCIAL POSITION

The lower cash flow from earnings and the seasonal yet considerably higher increase in working capital compared with the previous year, due mainly to higher accounts receivable, resulted in cash flow from operating activities of €-9.6 million. As at the end of March last year, the Group's operating cash flow was €-4.0 million.

Investments in fixed assets rose from €4.9 million to €7.5 million in the first quarter. The most important ongoing investment project is still the expansion of production and logistics capacity for the Point of Use business at the Mondsee site. In Bietigheim-Bissingen, Germany, construction has got underway on a new production facility for Fumatech membrane technology. Cash flow from investing activities in 2013 amounts to €-7.7 million to date, after €3.9 million in the previous year.

Cash flow from financing activities climbed from €10.2 million to €22.4 million. This resulted from drawing down additional funding from existing short-term and long-term bank credit facilities. This funding was largely used for increased investments and to finance the higher working capital, but the Group's cash holdings also moved upwards from €16.7 million to €23.1 million.

The BWT Group's net debt (defined as the balance of bank balances and interest-bearing financial liabilities) rose year on year by €14.6 million to €38.4 million, which also equates to an increase of €15.3 million against 31 December 2012. As at 31 March 2013, gearing was 22.4%, against 14.2% for the same period of the previous year and 13.7% at 31 December 2012.

As at 31 March 2013, the equity ratio posted in BWT's consolidated balance sheet was 45.0%, compared with 48.2% in March of the previous year and 47.7% at the end of 2012. In absolute amounts, equity rose to €171.7 million and the consolidated balance sheet total increased by 8.3% against 31 December 2012 to €381.8 million.

## OUTLOOK

The measures aimed at establishing and expanding the Point of Use business and developing the “BWT – For You and Planet Blue” brand into a leading “water brand” are still being implemented. BWT’s core business with appliances and services in the Point of Entry area and the solid balance sheet form the basis for the extensive investments.

For the current financial year, the BWT Group expects to achieve a slight increase in consolidated revenues (2012: €502 million). However, the additional costs in the Point of Use business and the difficult market situation, particularly in Southern Europe, will not allow any increase in profits in 2013.

Mondsee, 26 April 2013  
The Management Board



Andreas Weissenbacher  
Chief Executive Officer

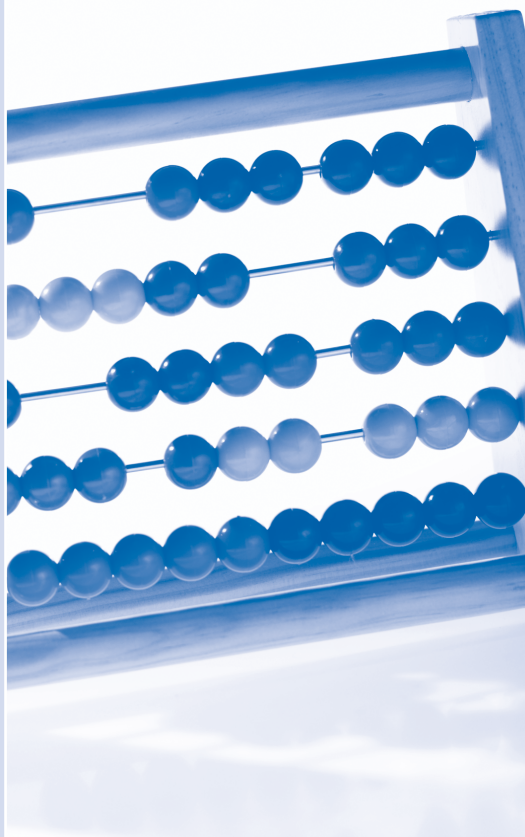


Gerhard Speigner  
Chief Financial Officer

BWT Aktiengesellschaft  
**CONSOLIDATED  
FINANCIAL  
STATEMENTS**

1<sup>st</sup> quarter

2013



 **BWT**  
BEST WATER TECHNOLOGY



## I. Consolidated income statement for the first quarter

In T€ (unaudited)	1 <sup>st</sup> quarter 2013 value	1 <sup>st</sup> quarter 2012 value
Revenues	119,835.0	119,138.5
Other operating income	1,016.4	1,283.4
Changes in inventories of finished goods and work in progress	2,350.4	1,999.5
Own work capitalized	62.5	159.4
Raw materials supplies and purchased merchandise	-46,348.9	-45,289.0
Personnel expenses	-41,967.6	-40,877.5
Other operating expenses	-25,230.3	-25,887.6
Operating earnings before amortisation/depreciation	9,717.4	10,526.5
Depreciation and amortisation	-3,698.5	-3,840.2
Operating earnings	6,018.9	6,686.3
Financial income	53.7	120.5
Financial expenses	-924.8	-562.0
Earnings before taxes	5,147.8	6,244.8
Income taxes	-1,576.5	-1,922.3
Earnings for the period	3,571.4	4,322.5
Of which:		
Shareholders of the parent company	3,573.4	4,338.2
Minority interest	-2.1	-15.7
Earnings per share (in €): basic = diluted	0.21	0.26
Number of shares issued	16,760,602	16,794,161

## II. Statement of comprehensive income for the first quarter

In T€ (unaudited)	1 <sup>st</sup> quarter 2013 value	1 <sup>st</sup> quarter 2012 value
Earnings for the period	3,571.4	4,322.5
<b>Other earnings</b>		
Valuation securities (available for sale IAS 39)	49.3	-114.9
Taxes thereon	-12.3	28.7
Foreign currency translation	-304.5	593.0
<b>Total amount of other earnings</b>	<b>-267.5</b>	<b>506.8</b>
<b>Total earnings for the period</b>	<b>3,303.9</b>	<b>4,829.3</b>
Of which:		
Shareholders of the parent company	3,305.9	4,845.0
Minority interest	-2.1	-15.7

## III. Consolidated balance sheet as at 31 March 2013

in T€	As at 31.3.2013 (unaudited)	As at 31.12.2012 (audited)	in T€	As at 31.3.2013 (unaudited)	As at 31.12.2012 (audited)
<b>ASSETS</b>			<b>EQUITY AND LIABILITIES</b>		
Goodwill	28,725.8	28,989.2	Share capital	17,833.5	17,833.5
Other intangible assets	16,999.6	17,868.5	Capital reserves	17,095.8	17,095.8
Tangible assets	112,899.7	109,208.1	Retained earnings		
Financial assets	4,434.5	4,385.2	accumulated profit	152,749.4	149,176.0
			currency translation	2,797.7	3,102.2
Other receivables from third parties	1,297.9	1,268.0	financial assets available for sale	276.6	239.6
Deferred tax claims	9,147.1	8,634.5	Treasury shares	-19,392.1	-19,392.1
			Total shareholders of the parent company	171,360.9	168,054.9
<b>Non-current assets</b>	<b>173,504.5</b>	<b>170,353.5</b>			
			Minority shares	355.2	357.1
Inventories	83,707.4	75,594.2	<b>Equity</b>	<b>171,716.1</b>	<b>168,412.1</b>
Trade receivables	74,710.7	67,407.9			
Receivables from long-term orders	13,212.2	12,393.6	Provisions for social capital	33,548.6	33,433.1
Tax claims	2,122.6	929.9	Deferred tax liabilities	1,391.5	1,315.2
Other receivables from third parties	11,469.1	8,105.6	Other provisions	1,727.5	1,602.0
Cash and cash equivalents	23,094.8	17,954.6	Interest-bearing financial liabilities	32,432.1	23,677.0
<b>Current assets</b>	<b>208,316.9</b>	<b>182,385.8</b>	Other liabilities	996.4	1,102.5
			<b>Non-current liabilities</b>	<b>70,096.1</b>	<b>61,129.8</b>
			Current income tax liabilities	2,838.0	1,637.4
			Other provisions	10,576.6	9,730.7
			Interest-bearing financial liabilities	29,084.5	17,330.7
			Trade payables	41,685.6	42,231.2
			Payables for long-term orders	3,937.2	4,053.3
			Other liabilities	51,887.2	48,214.1
			<b>Current liabilities</b>	<b>140,009.2</b>	<b>123,197.4</b>
<b>BALANCE SHEET TOTAL</b>	<b>381,821.4</b>	<b>352,739.3</b>	<b>BALANCE SHEET TOTAL</b>	<b>381,821.4</b>	<b>352,739.3</b>

## IV. Consolidated cash flow statement for the first quarter

T€ (unaudited)	1 <sup>st</sup> quarter 2013	1 <sup>st</sup> quarter 2012
Cash and cash equivalents as at 1 January	17,954.6	14,286.6
Cash flow from earnings	9,436.6	9,918.8
+/- Changes in working capital	-19,025.9	-13,869.2
Cash flow from operating activities	-9,589.3	-3,950.4
Cash flow from investment activities	-7,695.8	-3,946.5
Cash flow from financing activities	22,359.6	10,158.6
Other (changes in exchange rates etc.)	65.7	142.7
Cash and cash equivalents as at 31 March	23,094.8	16,691.0

## V. Changes in equity for the first quarter

in T€	Share capital	Capital reserves	Retained profit			Treasury shares	Total share-holders parent company	Minority shares	Total
			accumulated profit/loss	currency translation	available for sale				
As at 31.12.2012	17,833.5	17,095.8	149,176.0	3,102.2	239.6	-19,392.1	168,054.9	357.1	168,412.1
Profit for the period	0.0	0.0	3,573.4	0.0	0.0	0.0	3,573.4	-2.1	3,571.4
Other income	0.0	0.0	0.0	-304.5	37.0	0.0	-267.5	0.0	-267.5
Comprehensive income	0.0	0.0	3,573.4	-304.5	37.0	0.0	3,305.9	-2.1	3,303.9
Other changes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1
As at 31.03.2013	17,833.5	17,095.8	152,749.4	2,797.7	276.6	-19,392.1	171,360.8	355.2	171,716.1

in T€	Share capital	Capital reserves	Retained profit			Treasury shares	Total share-holders parent company	Minority shares	Total
			accumulated profit/loss	currency translation	available for sale				
As at 31.12.2011	17,833.5	17,095.8	143,212.6	2,482.5	457.5	-18,957.7	162,124.1	523.0	162,647.2
Profit for the period	0.0	0.0	0.0	0.0	0.0	0.0	4,338.2	-15.7	4,322.5
Other income	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	593.0	-86.1	0.0	4,845.0	-15.7	4,829.3
Other changes	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	147,550.8	3,075.4	371.3	-18,957.7	166,969.1	507.3	167,476.5

## VI. Notes to the interim consolidated financial statements as at 31 March 2013

### 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 26 April 2013.

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 2012, particularly with reference to the unchanged accounting policies described therein.

The number of entities included in consolidation decreased to 44, three less than at 31 December 2012. Two companies were merged in Switzerland, in addition Best Water Technology (Ireland) Ltd. was sold and deconsolidated as at 1 January, 2013.

### 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 23 May 2013. In the previous year, dividends paid out totalled €6,693.0 thousand (€0.28 per share).

### 4. Financial result

The lower financial result compared with the previous year can predominantly be explained by the loss incurred due to the disposal of Best Water Technology (Ireland) Ltd. as at 1 January 2013.

### 5. Segment reporting

1.1. – 31.3.2013 in T€	Austria/ Germany	France/ Benelux/UK	Scandinavia	Italy/Spain	Switzerland/ Others	Elimination	Total
Revenue from sales	48,237.9	33,623.2	10,981.0	7,333.4	19,659.5	–	119,835.0
Internal revenue	4,967.1	1,116.7	225.8	34.5	912.8	–7,257.0	0.0
Total	53,205.0	34,739.9	11,206.9	7,368.0	20,572.3	–7,257.0	119,835.0
Segment result (EBIT)	–954.0	2,592.7	1,189.9	491.2	2,699.1	–	6,018.9

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

The table below presents the assets of the Group broken down by segment as at 31 March 2013 and 31 December 2012:

Segment assets in T€	Austria/ Germany	France/ Benelux / UK	Scandinavia	Italy/Spain	Switzerland/ Others	Elimination	Total
As at 31 March 2013	207,184.1	67,141.3	27,804.4	22,447.7	88,056.2	-30,812.4	381,821.4
As at 31 December 2012	184,277.0	64,667.4	28,231.2	21,662.9	95,072.3	-41,171.6	352,739.3

#### 6. Fixed assets

In the first three months of the 2013 financial year, the BWT Group invested a total of €7,457.2 thousand (previous year: €4,884.5 thousand) in property, plant and equipment and intangible assets.

Asset disposals with a residual carrying amount of €23.6 thousand (previous year: €608.0 thousand), resulted in a total profit of €41.1 thousand. In 2012, the Group generated a gain of €240.7 thousand.

Further, non-current assets with book value of € 756.5 thousand were reduced due to the sale of Best Water Technology (Ireland) Ltd.

#### 7. Financing activities

Interest-bearing financial liabilities increased by €20,509.0 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 €5,140.2 thousand.

#### 8. Other liabilities and contingent liabilities

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

There were no significant changes compared to the final accounts as at 31 December 2012.

#### 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 2013, the BWT Group received materials and services from affiliated companies and persons totalling €262.1 thousand (previous year: €88.4 thousand), and provided affiliated companies and persons with materials and services amounting to €1,071.6 thousand (previous year: €910.5 thousand). As at the interim balance sheet date of 31 March 2013, the BWT Group's receivables from affiliated companies and persons amounted to €359.7 thousand (previous year: €339.9 thousand) and its liabilities amounted to €214.4 thousand (previous year: €11.6 thousand). Transactions with affiliated companies and persons were carried out 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

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, 26 April 2013  
The Management Board



Andreas Weissenbacher  
Chief Executive Officer



Gerhard Speigner  
Chief Financial Officer

## Financial Calendar 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

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