

THIRD QUARTER REPORT

KEY DATA

Key data in € million	Q1-Q3 2011	Q1-Q3 2010	Total year 2010
Revenue revenue	49.7	54.2	73.8
Thereof Austria	12.3	10.6	15.6
Thereof Hungary	22.5	28.9	36.7
Thereof Romania	11.6	12.2	18.1
Thereof other	3.3	2.5	3.4
Total output	50.0	54.5	73.2
EBITDA	3.5	5.2	6.6
EBIT	0.5	0.9	1.3
Operative EBIT	0.1	-1.5	-0.6
EGT	-3.3	-1.6	-2.3
Investments in material and immaterial assets	1.3	1.6	2.2
Total assets	106.3	113.7	107.6
Equity capital	10.0	15.2	15.0
Equity capital rate in %	9	13	14
Equity capital rate taking into account intrinsic value in %	17	19	19
Employees	Q1-Q3 2011	Q1-Q3 2010	Total year 2010
Total	543	637	628
Thereof Austria	125	121	123
Thereof Hungary	263	325	320
Thereof Romania	155	191	185
Stock market key data	Q1-Q3 2011	Q1-Q3 2010	Total year 2010
Dividends per share	€ 0	0	0
Weighted number of shares	piece 655,878	655,878	655,878
Maximum share price	€ 23.4	30.5	30.5
Minimum share price	€ 10.8	19.7	16.1
Closing share price	€ 10.8	23.8	23.9

HIGHLIGHTS

- Revenue at 50 m€ is 8% below last year
- Continual improvement of gross earning margin
- Operative EBIT increased by €1.6 million

The family company SW Umwelttechnik, listed on the Vienna Stock Exchange, managed to significantly increase its operative EBIT from - 1.5 m€ to 0.1 m€ despite a decrease in revenue of 8% due to the implementation of fixed costs savings and the focus on water conservation products. Through the price increases and the selection of products, it was possible to increase the gross earnings by absolutely 3% to 39% in comparison to the same period in the previous year.

The incoming production orders in the sector of water conservation confirm the implemented strategy of concentrating on local EU-financed contracts.

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Dear ladies and gentlemen,
dear shareholders, business partners and employees,

We are currently in a difficult market environment, particularly in Hungary and Romania. In the past months the positive half of the year 2011 has worsened continuously – keyword: Greece or Italy. We have also felt the effects of this reduced consumer trust, which has caused the retraction of investments in the trade and industry sector. However, our geographical key markets Austria/Hungary/Romania, and the three market sectors of water conservation/ infrastructure led to a fundamental stability of the SW Group.

In Austria, with our focus on water conservation, we were able to develop contrary to the slightly negative market trend of innovative products, and were able to increase our revenue and profit. In Hungary we were able to significantly increase company earnings despite the breakdown in revenue due to the market conditions, through selectively implemented further significant fixed costs reductions. In Romania we intensively implemented the focus on water conservation, as well as cost reductions, and could therefore also increase our operative company earnings despite a slightly decreasing revenue.

The overall results were negatively influenced partly by the increased financing costs, but especially by the non-cash effects, especially the Hungarian Forint, which has been increasingly under pressure since September 2011.

Overall, the results figures show that in this market political environment that is very difficult to predict we are on the right track. Our local projects in water conservation, combined with consistent cost management and the optimisation of sales and marketing, together with our employees is the basis of this success.

Due to the limited visibility and the current insecurity, the estimation of the coming year is carefully optimistic, even though we are confident in ourselves for new challenges.

Klagenfurt, August 23rd 2011


DI Dr. Bernd Wolschner


DI Klaus Einfalt

OPERATIONAL REVIEW

BUSINESS PERFORMANCE AND EARNINGS

Following the favourable climate at the start of the year 2011 and moderate growth in the second quarter, SW Umwelttechnik achieved a total revenue in the first three quarters of € 49.7 million (2010: € 54.2 million). This decrease in revenue of 8% is due to the decline in investments of the trade and industry sector, which could only partly be compensated by the increase of activity in the EU-financed projects.

The announced price increases leading back to a satisfactory level of revenue were implemented successfully. With this background, the gross earning margin improved throughout the year by a further absolutely 3% in comparison to the same time period of the previous year and is now at 39%.

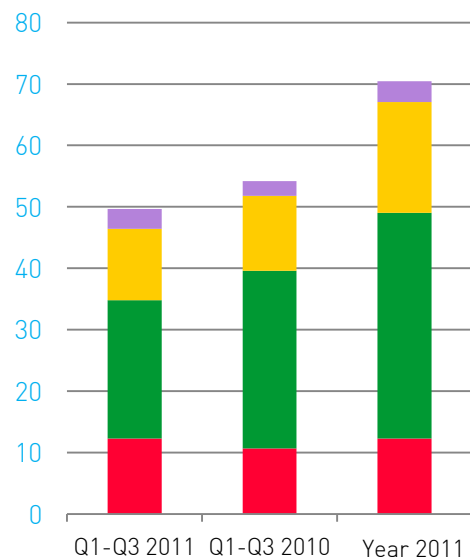
The operative EBIT of € 0.1 million in the first three quarters is positive for the first time since 2008, and is € 1.6 million higher than in the previous year. The EBIT of € 0.5 million and the EBITDA of € 3.5 million are particularly burdened by the decrease in output quantities in Hungary. When considering the financial expenditures and the high – non-cash – foreign exchange losses of € 1.4 million as of September 2011, the company has a profit or loss on ordinary activities of -€ 3.3 million.

The third quarter, in which we achieved a revenue of € 21.8 million, did not completely fulfil expectations and is slightly below 2010, where revenue in the third quarter was € 24.2 million. Despite the decrease in revenue, the gross earnings could be increased significantly in comparison to the previous year to 38% (2010: 33%). The operative EBIT of € 1.7 million (2010: € 0.7 million), is the best quarter result since 2007 – the year before the crisis.

The profit or loss on ordinary activities in the third quarter of -€ 1.1 million is negatively affected by the non-cash foreign exchange losses of -€ 2.4 million.

Overall SW Umwelttechnik has successfully adjusted to the changed market situation; the lean cost structure and the implemented restructuring measures have led to the expected improvements, which are reflected in the gross earnings.

Revenue by geographical markets in € m



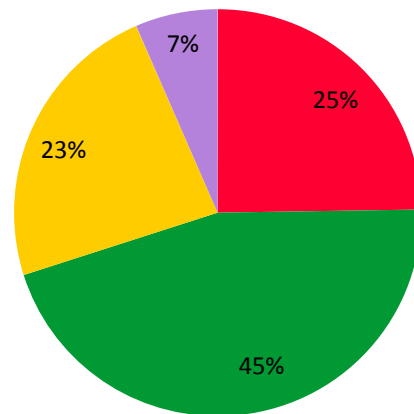
- Austria
- Hungary
- Romania
- Other
- Water conservation
- Infrastructure
- Engineering projects

SEGMENTAL ANALYSIS

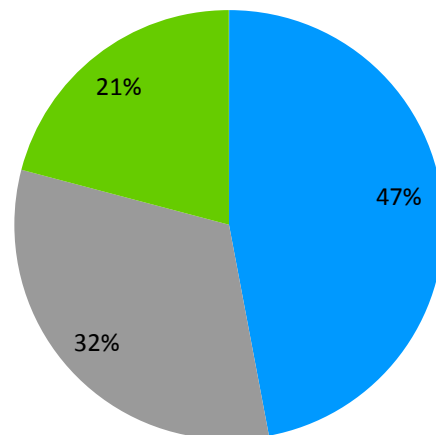
The market trends of the first half of the year also continued in the third quarter. Austria, which accounts for 25% of revenue, was very stable with a good growth rate of 16% (2011: € 12.3 million, 2010: € 10.6 million), however, the markets in south-eastern Europe remain difficult. Especially Hungary suffered a decrease in quantity of 22% compared to 2010, falling from € 28.9 million revenue in 2010 to €22.5 million in 2011, now accounting for 45% of revenue. Romania also experienced a slight decline in revenue of 5%, from € 12.2 million in 2010 to € 11.6 million in 2011, with a constant share of revenue of 23%. In Romania the general economic indicators are carefully optimistic.

The revenue distribution within the market segments supports the increased sales focus on water conservation products, as these continue to represent the largest portion of revenue of the SW Group, with € 23.4 million (2010: € 22.7 million) and 47% (2010: 42%). The increase in revenue of this sector was not fully able to balance the expected decline in the infrastructure sector. The market segment of infrastructure, with the focus on trade and industry clients, with a revenue of € 15.9 million (2010: € 20.2 million) now only accounts for 32% of total revenue. The project business sector, with a revenue of € 10.4 million (2010: €11.3 million) was not yet able to achieve the expected improvement. However, in October a large order was gained, which create optimism for the coming year.

Revenue by geographical markets Q1-Q3 2011



Revenue by business sectors Q1-Q3 2011



ORDER BACKLOG

The order backlog (€ 29.1 million) is only slightly lower than that of the previous year (€ 30.5 million). However, through increased awarding of contracts in Hungary and Romania, also in the current fourth quarter, satisfactory incoming orders are being recorded.

The OMS – the engineering company of the SW Group – was able to win a large contract worth € 8 million last month, which will have a positive effect on the order situation on December 31st.

The portion of EU-subsidised projects in the status of orders has increased significantly and was able to partially compensate for the decline in the trade and industry projects.

SUMMARY BALANCE SHEET

Due to the non-cash foreign exchange conversions, the long term assets have fallen sharply in comparison to the third quarter in 2010 and are currently at € 69.3 million (2010: € 74.1 million). The short term assets have also fallen significantly to € 33.3 million (2010: € 36.0 million), the stocks were held far below the level of the previous year. Therefore the total assets of € 106.3 million are lower than in the third quarter of 2010 (2010: € 113.7 million).

The equity capital on the 30.09.2011 is now reported at € 10.0 million (2010: € 15.2 million). However, if the intrinsic value of the assets (excluding foreign exchange losses) is taken into account, then a value of € 19.6 million and an equity capital rate of 17% are reported.

The financial liability of € 78.5 million is slightly lower than the value of the previous year (2010: € 78.9 million).

The SW group is financed to a high degree through bank loans which were taken out mainly between 2005 to 2008 in order to modernise and expand our company. The full amount of loans amounts to € 60 m. In order to secure our liabilities we are currently discussing the necessary changes of our financing lines with the respective banks, according to the framework agreement signed in August 2011. The repayment profiles should be finally adjusted in accordance with the changed market environment by mid 2012.

in € '000	30.09. 2011	Incl. Intrinsic value	30.09. 2010	Incl. Intrinsic value	Year 2010	Incl. Intrinsic value
Fixed assets	72,987	82,511	77,755	85,876	76,749	83,910
Current assets	33,300	33,300	35,988	35,988	30,831	30,831
Total	106,287	115,811	113,743	121,864	107,580	114,741
Equity	10,041	19,565	15,150	23,271	15,018	22,179
Long-term liabilities	47,121	47,121	52,378	52,378	43,855	43,855
Short-term liabilities	49,125	49,125	46,215	46,215	48,707	48,707
Total	106,287	115,811	113,743	121,864	107,580	114,741

OUTLOOK

The company has adapted to the current economic climate and through its lean cost structure, the adjusted product range, as well as the implemented restructuring, it is able to act successfully in the market. Furthermore, the volatile market development can be cushioned through the flexible production management.

The situation has stabilised in Austria – the company is able to establish itself as a niche player and has set itself apart from the competition, especially through its continuous introduction of innovative products. The sector of water conservation is increasing slightly, while the demand for trade and industry projects has stabilised.

In Hungary and Romania the visibility of the markets is still limited. In Hungary, now, at the beginning of the fourth quarter, a rise in the local projects in the area of water conservation are expected for the first time – no recovery is expected in the sector of trade and industry investments in the coming year.

The situation in Romania is shaped by the constantly low expected demand in the area of trade and industry investments, while in the water conservation sector (also as expected) a significant market improvement is observed. In the coming year a slightly improved market environment is reckoned with.

For the total year 2011, the company expects a continuously difficult market environment, especially in Hungary and Romania, resulting in a slight decline in turnover. However, the implemented cost optimisation and product adjustments will create a significant improvement of the operative EBIT.

INTERIM FINANCIAL STATEMENT

BALANCE SHEET AT 30 SEPTEMBER 2011

in € '000	30.09.2011	30.09.2011 incl. intrinsic value	31.12.2010
Assets			
Long-term fixed assets			
Fixed assets	69,253	78,777	73,065
Other long-term fixed assets	3,734	3,734	3,684
Current assets	33,300	33,300	30,831
Total	106,287	115,811	107,580
Equity and liabilities			
Equity	10,041	19,565	15,018
Long-term liabilities	47,121	47,121	43,855
Short-term liabilities	49,125	49,125	48,707
Total	106,287	115,811	107,580

CONSOLIDATED INCOME STATEMENT
FOR THE PERIOD 01.01.2011 – 30.09.2011

in € '000	Q1-Q3 2011	Q1-Q3 2010
Sales revenue	49,659	54,210
Total output	49,970	54,534
Expenses for materials	30,620	35,048
Gross profit	19,350	19,486
Staff costs	9,952	10,231
Depreciation and amortisation	2,991	4,282
Other operating costs	6,603	6,882
Other operating revenue	255	446
operativ EBIT	59	-1,463
Valuation result from investment property	442	2,406
EBIT	501	943
EBITDA	3,492	5,225
Interest revenue	81	116
Interest cost	-2,371	-1,925
Exchange rate difference	-1,437	-661
Other financial revenue/costs	-52	-87
Financial result	-3,779	-2,557
Profit or loss on ordinary activities	-3,278	-1,614

INCOME AND EARNINGS STATEMENT
FOR THE PERIOD 01.01.2011 - 30.09.2011

in € '000	Q1-Q3 2011	Q1-Q3 2010
1. Result after income tax	-3,182	-1,714
2. Transfer of investment property	0	0
3. Change of tax rate Hungary	0	-551
4. Currency conversion	-1,665	-1,110
4. Total	-4,847	-3,375
of which attributable to other associates	-58	-140
of which attributable to associates of parent company	-4,789	-3,235

CHANGES IN EQUITY STATEMENT
FOR THE PERIOD 01.01.2011 - 30.09.2011

in € '000	Share capital	Capital reserve	Own shares	Currency conversion	Reevaluation reserves	Net earnings	Minorities	Total
At 01.01.2010	4,798	5,956	-332	-5,144	2,249	8,243	2,963	18,733
Period result	0	0	0	0	0	-1,630	-84	-1,714
Change of tax rate HU	0	0	0	0	0	-521	-30	-551
Currency conversion	0	0	0	-1,056	-28	0	-26	-1,110
Total	0	0	0	-1,056	-28	-2,151	-140	-1,385
Dividend payout	0	0	0	0	0	0	-208	-208
At 30.09.2010	4,798	5,956	-332	-6,200	2,221	6,092	2,615	15,150
At 01.01.2011	4,798	5,956	-332	-6,118	2,297	5,835	2,582	15,018
Period result	0	0	0	0	0	-3,154	-28	-3,182
Currency conversion	0	0	0	-1,565	-70	0	-30	-1,665
Total	0	0	0	-1,565	-70	-3,154	-58	-4,847
Dividend payout	0	0	0	0	0	0	-130	-130
At 30.09.2011	4,798	5,956	-332	-7,683	2,227	2,681	2,394	10,041

CONSOLIDATED CASHFLOW STATEMENT
FOR THE PERIOD 01.01.2011 - 30.09.2011

TEUR	Q1-Q3 2011	Q1-Q3 2010
Result before tax	-3,278	-1,614
Changes caused by currency conversions	1,444	570
Depreciation and amortisation	3,072	4,433
Valuation result from investment property	-442	-2,406
Revenue/ costs of dispatch of fixed assets	0	-4
Interest income	2,290	1,809
Interest paid	-2,371	-1,925
Interest received	81	116
Change in long-term reserves	-25	-163
Income taxes paid	-28	-25
Resulting net cash	743	791
Change in inventories and construction contracts	-2,184	-3,063
Change in receivables and other assets	-1,180	-3,638
Change in liabilities	1,113	3,923
Change in short-term provisions and accrued liabilities	1,229	528
Working capital net cash	-1,022	-2,250
Net cash from operating activities	-279	-1,459
Primary consolidation of subsidiary	0	1
Acquisition of tangible and intangible assets	-1,282	-1,633
Acquisition of financial investments	-81	-151
Proceeds from sale of fixed assets	115	146
Net cash from investing activities	-1,248	-1,637
Dividend minority interest	-130	-208
Change in long-term borrowings	3,352	3,045
Change in short-term borrowing	-1,591	-375
Net cash from financing activities	1,631	2,462
Change in cash and cash equivalents	104	-634
Cash and cash equivalents at beginning of year	1,701	1,903
Change in cash and cash equivalents	104	-634
Currency differences	-68	-34
Cash and cash equivalents at end of period	1,737	1,235

NOTES TO THE GROUP'S INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER 2011

The Group's interim financial statements at hand as per 30 September 2011 have been created in accordance with the International Financial Reporting Standards (IFRS) as to be applied in the EU.

The abbreviated interim financial statements do not include – in accordance with IAS 34 – all information and data necessary in the annual financial statements and should thus be read in combination with the SW Umwelttechnik Stoiser & Wolschner AG's annual consolidated financial statements as per 31 December 2010.

SCOPE OF CONSOLIDATION

The scope of consolidation remains unchanged compared to the status as per 31 December 2010.

FINANCIAL ACCOUNTING AND VALUATION METHODS

The expenses of outbound cargo are now reported as variable costs as already notified in the half-year report. They will no longer be shown under the "other operating costs" heading. In order to be able to compare the figures to the previous year, the figures of the preceding year have been adjusted accordingly. Other than this, the accounting and valuation methods of December 31st 2010 remain unchanged.

The following exchange rates have thus been applied:

Currency		Rate at balance sheet date		Average rate for the year	
		30.09.2011	30.09.2010	Q1-Q3 2011	Q1-Q3 2010
HUF	Hungarian Forint	292.1	277.3	271.3	276.1
RON	Romanian Lei	4.36	4.27	4.21	4.20

SEGMENTAL REPORT € m

Distribution of sales revenue according to primary segments:

	Q1-Q3 2011	in %	Q1-Q3 2010	Year 2010
	Water Conservation	23.4	47	22.7
Infrastructure	15.9	32	20.2	27.8
Project Engineering	10.4	21	11.3	14.4
	49.7	100	54.2	73.8

Distribution of sales revenue according to secondary segments:

	Q1-Q3 2011	in %	Q1-Q3 2010	Year 2010
	Austria	12.3	25	10.6
Hungary	22.5	45	28.9	36.7
Romania	11.6	23	12.2	18.1
Other	3.3	7	2.5	3.4
	49.7	100	54.2	73.8

CURRENCY CONVERSION

The Group's functional currency is the Euro; the functional currencies of the foreign subsidiaries are the respective local currencies.

The annual financial statements of foreign subsidiaries and joint ventures have thus been converted using the modified closing-date-method according to IAS 21 as follows:

- ↗ Assets and liabilities with the exchange rate of the balance sheet closing date
- ↗ Revenue and expenditures with the exchange rate of the annual average
- ↗ Equity entries with the exchange rate of the date of the transaction

EMPLOYEE DATA

	Q1-Q3 2011			Q1-Q3 2010			Year 2010		
	White-collar	Blue-collar	Total	White-collar	Blue-collar	Total	White-collar	Blue-collar	Total
Austria	54	71	125	54	67	121	54	69	123
Hungary	126	137	263	134	191	325	134	186	320
Romania	45	110	155	51	140	191	51	134	185
	225	318	543	239	398	637	239	389	628

DIVIDEND PAYOUT

At the annual general meeting on 20 May it was decided that SW Umwelttechnik would not be paying out a dividend to their shareholders for the financial year 2010.

SHARE REPURCHASE SCHEME

In the first three quarters 2011 none of the Company's own shares were repurchased.

SEASONAL FACTORS

Due to weather conditions there are general seasonal fluctuations in product deliveries as well as in the execution of projects as construction work can only be carried out to a limited extent during the winter. These seasonal fluctuations are reflected in the outcome of the first and fourth quarter, which are usually weaker than the second and third quarters.

RELATIONSHIPS WITH ASSOCIATED COMPANIES AND INDIVIDUALS

No significant changes have occurred in regards to relationship with associated companies and individuals as compared to those disclosed in the annual report 2010.

FINANCIAL INSTRUMENTS

No financial instruments apart from those disclosed in the annual report 2010 were applied during the reporting period.

BUSINESS TRANSACTIONS AFTER THE BALANCE SHEET DATE

No business transactions occurred after the balance sheet date of the quarter impacting the interim financial report at hand or that have any particular relevance.

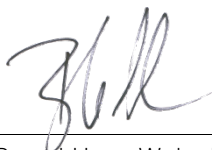
OTHER OBLIGATIONS, LITIGATION AND POSSIBLE LIABILITIES

There are no changes to be reported for this period in terms of other obligations, litigation and possible liabilities compared to the ones stated in the consolidated annual financial statements as of 31 December 2010.

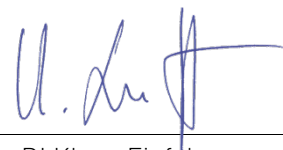
DECLARATION BY THE MANAGEMENT BOARD

We hereby confirm that to the best of our knowledge, these summarised consolidated interim financial statements have been compiled in accordance with applicable accounting standards and to the maximum extent possible give a true and fair view of the Group's assets, finances and earnings. We also confirm that the interim operational review for the first nine months of the financial year conveys a true and fair view of the most important events of the first nine months of this financial year to the maximum extent possible and their impact on the summarised consolidated interim financial statements, in terms of significant risks and uncertainties during the remaining three months of the financial year, and of key transactions with associated companies and individuals where disclosure is required. These summarised consolidated interim financial statements have been subjected neither to a complete audit nor to an audit review by an auditor.

Klagenfurt, November 23rd 2011



DI Dr. Bernd Hans Wolschner
Member of the Management Board



DI Klaus Einfalt
Member of the Management Board

FINANCIAL CALENDAR

Februar 29th 2012	Preliminary result 2011
April 25th 2012	Annual results press conference
May 4th 2012	Annual general meeting
May 8th 2012	Payment of ex-dividends
May 10th 2012	Payment date of dividends
May 11th 2012	First quarter report 2012
August 29th 2012	Interim report on the first half of 2012
November 9th 2012	Third quarter report 2012

SHAREHOLDER INFORMATIONEN

Security ID number:	AT 0000080820
Vienna Stock Exchange symbol:	SWUT
Bloomberg:	SWUT AV
Reuters:	SWUT.VI
Datastream:	O :SWU
Index:	W BI
Listing:	Standard Market Continuous/Betreute Aktion, Wiener Börse

SW Umwelttechnik, a family firm founded in 1910 and listed on the Viennese stock exchange since 1997, stands for sustainable management and consistent growth in Eastern and South Eastern Europe. With our innovative environmental technology we provide an important contribution for the development of necessary infrastructure in Central and South Eastern Europe.

For further enquiries please contact:

MMag. Michaela Werbitsch

Investor Relations

Tel.: +43 463 32109 172

Mobil: +43 664811 7662

Fax: +43 463 32109 195

E-Mail: michaela.werbitsch@sw-umwelttechnik.com

Web: www.sw-umwelttechnik.com



SW Umwelttechnik
STOISER & WOLSCHNER AG