# Q1 2012 Report on the Period from January 1 to March 31, 2012

Unaudited translation for convenience purposes only

WashTec

## WashTec improves revenues in an environment that is still difficult

- Revenue growth of approximately 5% to € 66.7m (prior year: € 63.4m); market environment remains difficult, however
- Almost stable EBIT at € 0.1m; despite substantial costs triggered by wage hikes and price increases ; cash flow climbs to € 7.4m
- Validation of the guidance for 2012: slight revenue increase over 2011 and significant improvement in adjusted earnings

| | | Jan 1 to Mar 31, 2012 | Jan 1 to Mar 31, 2011 | Change in % |
|---|---|---|---|---|
| Revenues | €m | 66.7 | 63.4 | 5.2 |
| EBITDA | €m | 2.5 | 2.7 | –7.4 |
| EBIT | €m | 0.1 | 0.2 | –50.0 |
| Margin | % | 0.1 | 0.3 | –66.7 |
| Adjusted EBIT | €m | 0.4 | 0.4 | 0.0 |
| Adjusted EBIT margin | % | 0.6 | 0.6 | 0.0 |
| EBT | €m | –0.3 | –0.2 | –50.0 |
| Employees as of Mar 31 | | 1,639 | 1,651 | –0.7 |
| Earnings-per-share* | € | –0.04 | –0.03 | –33.3 |
| Net cash flow | €m | 7.4 | 0.8 | 825.0 |
| Capital expenditures | €m | 1.0 | 2.6 | –61.5 |
| ROCE** | % | 16.1 | 17.8 | |

* diluted = undiluted; average number of shares: 13,976,970 (unchanged)

** »Return On Capital Employed« = adjusted EBIT/(total assets – short-term liabilities – cash and cash equivalents); on the basis of identical dividend payments

Interim Management Report (unaudited)

# 1. Results of operation, net assets and financial position

## General economic environment has stayed the same and remains difficult; North America: repositioning proceeding on schedule, operating business further stabilized, strategic projects in Europe have launched

The overall business environment in the first three months of fiscal year 2012 remained comparable to the situation at the end of 2011. Thus, the financing opportunities and conditions for our customers – above all, in the southern regions of Europe – have deteriorated. Bad debt risks could increase accordingly. The market for car wash equipment has as a whole not recovered after the decline in 2009 and therefore remains, as expected, at a lower level. WashTec nevertheless succeeded in increasing revenues in the first quarter of 2012 by € 3.3m or 5.2% over the same period of the previous year (Q1 2012: € 66.7m vs. Q1 2011: € 63.4m). This development is attributable to the high existing orders (order backlog) that existed as of the end of 2011. Due to less installation work during the winter months, the first quarter is generally the weakest quarter of the year.

In Europe, most of the projects, which were launched in connection with the Company's strategic repositioning announced in early 2012, have already started up. However, with respect to relocating some of the production to the Czech Republic, an agreement has not yet been reached with the Works Council. As of today, however, an agreement is expected during the course of next two to three months.

In North America, measures for extensive cost reductions as well as the restructuring of the business activities went forward as planned.

## EBIT almost stable despite cost increases

*Cost increases drag down earnings, EBIT declines slightly to € 0.1m*

Due to the increase in revenues, EBIT was maintained at almost the same level as the previous year. Although the personnel expense ratio was able to be lowered, the wage hikes and increases in raw material prices together with a rise in other procurement costs (e.g., for gasoline) triggered a substantial increase in operating costs. Additional resources were also deployed for the Company's strategic repositioning. The operational relocations, which had been planned as part of the effort to optimize the production systems, could not yet be implemented, however. Nevertheless, due to the € 0.1m increase in revenues, EBIT was sustained at almost the same level as the prior year (€ 0.2m). The EBIT, which had been adjusted to factor in non-recurring and exchange rate effects, totaled € 0.4m (prior year: € 0.4m). Adjustments were only made for exchange rate effects in the first quarter.

Since incoming orders were once again weaker in the first quarter, the order backlog, as of the end of the first quarter, was slightly lower than the prior year. The large fluctuations reflect the current volatile market environment.

## Forecast for 2012 validated

*WashTec is holding to its forecast of the entire year 2012*

Despite the difficult market environment in Europe, the Company is holding to its forecast for the entire 2012 year following the traditionally weaker first quarter: WashTec is seeking a modest revenue growth over the prior year (1–2%) combined with a significant increase in adjusted earnings.

## Re-positioning of the North American business

The restructuring of the North American business activities are speedily proceeding as planned. The key local processes and structures have since been revised and improved. By virtue of these and other measures, stabilization was brought to the local organization. In connection with the emergency program launched at the end of 2011, significant cost reductions are being realized. These measures led to a layoff of 21 employees in the first quarter of 2012 (relative to the employee figure on December 31, 2011). More specifically, the structural changes were able to be implemented without great difficulties in the individual regions, and the operating business was still able to be largely stabilized. Despite the extensive restructuring program, the Company continued to fully discharge the obligations it owed to the customers. The performance in the first quarter of 2012 confirms that even in a market environment that remains challenging, the Company has been able – already in 2012 – to significantly reduce losses compared to 2011. Efforts to narrow and focus the business activities will be continued. Potential strategic alliances also remain under review.

## General conditions

Despite the ongoing uncertainty attributable to the effects of the euro and financial crisis on the real economy, economists are saying that the recovery of the global economy will continue in fiscal year 2012. Emerging markets are the main impetus behind this development. Due to the high sovereign debt and uncertainties in the financial sector, the granting of credit is still very restricted. The lack of financing has the effect of limiting – above all – smaller operating chains and individual operators in purchasing car wash equipment. Thankfully, however, the car wash business continues to be profitable at most locations.

The competition has not changed significantly from the situation described in the 2011 Group management report. In general, it may be noted at this time that in regions and markets that were impacted particularly hard by the crisis, individual competitors have encountered financial difficulties and are in some cases retreating from those markets due to the situation there. Because of the general economic situation, it is therefore possible that the market will continue to consolidate in the near and mid-term. WashTec does not at this time, however, see any strategic advantage in an active consolidation of the manufacturers.

There have been no significant changes in technology.

## 1.1 Business and earnings situation

### Revenues and market development

#### Core regions with slow development

*Despite difficult market environment, EBIT is € 0.1m and therefore at about the same level as the previous year*

Revenues in the first quarter totaled € 66.7m and were therefore € 3.3m or 5.2% higher than the same period last year (prior year: € 63.4m).

In the first three months of 2012, the markets in Core Europe have, as a whole, developed modestly. The financing opportunities for customers continue to be limited and are actually getting worse in certain regions (such as Italy and Spain). This has led in many cases to order postponements. The revenues in Core Europe therefore climbed only slightly, by € 1.4m to € 54.4m (prior year: € 53.0m), due above all to the expansion of the chemicals business.

**Revenues by segments**

| in €m, IFRS | Jan 1 to Mar 31, 2012 | Jan 1 to Mar 31, 2011 | Change in % |
|---|---|---|---|
| Core Europe | 54.4 | 53.0 | 2.6 |
| Emerging Europe | 2.0 | 3.2 | –37.5 |
| North America | 10.1 | 8.3 | 21.7 |
| Asia/Pacific | 3.0 | 2.4 | 25.0 |
| Consolidation | –2.8 | –3.5 | 20.0 |
| **Total** | **66.7** | **63.4** | **5.2** |

*Modest market growth in most regions*

In the "**Emerging Europe**" segment, the market recovery previously identified in 2011 has continued. Revenues in this segment have declined somewhat in the first quarter of 2012 compared to the previous year and totaled € 2.0m (prior year: € 3.2m). The order backlog is, however, clearly higher than the prior year. Also contributing to this trend was the expansion in direct sales, such as opening of an own branch in Poland and sales offices in Russia. Hereby, WashTec is able to provide greater localized customer support.

There continues to be no clear evidence of a general market recovery in **North America**. Due to the limited available financing and the uncertain economic outlook, investments in new equipment are still being postponed, particularly in the United States. Nevertheless, revenues in North America (totaling € 10.1m) were higher than they were in the same period of the previous year (prior year: € 8.3m). Although the revenues generated with Shell in 2012 have been lower, the new sales regions Florida and California, which were established last year, together with some large investments made by certain major customers have collectively led in the first quarter of 2012, to an extraordinary revenue increase, which is presumably not sustainable over the course of the entire year. In US dollar terms, regional revenues are at USD 13.3m following the first quarter (prior year: USD 11.1m).

The market in Australia – which in the past made up most of the business in the "**Asia/Pacific**" segment – is developing on a stable basis at a lower level. Above all, individual operators remain reluctant to make investments. The activities in the high growth regions of Asia, specifically in China, are still in the development stage and will not contribute much in terms of revenue and earnings until the mid-term or long-term when suitable sales structures will be in place. The revenues in this segment rose from € 2.4m in the prior year to € 3.0m as of March 31, 2012.

**Revenues by products**

| in €m, IFRS | Jan 1 to Mar 31, 2012 | Jan 1 to Mar 31, 2011 | Change in % |
|---|---|---|---|
| New and used equipment | 34.3 | 32.1 | 6.9 |
| Spare parts, service | 21.4 | 21.8 | –1.8 |
| Chemicals | 8.0 | 6.7 | 19.4 |
| Operator business and other | 3.0 | 2.8 | 7.1 |
| **Total** | **66.7** | **63.4** | **5.2** |

### Chemical sales rise by almost 20%

*Chemical sales almost 20% higher than prior year; equipment revenues at € 34.3m*

In almost all product groups, WashTec was able to generate more revenue in the first quarter of 2012 than it did in the first quarter of 2011. Only services revenues, which totaled € 21.4m, were slightly lower than the prior year (€ 21.8m). As of the end of the first quarter, equipment revenues equaled € 34.3m and were therefore € 2.2m higher than in the prior year (prior year: € 32.1m). The revenues from wash chemicals totaled € 8.0m and were therefore € 1.3m higher than in the previous year (prior year: € 6.7m); an increase that is mostly attributable to organic growth, inasmuch as new customers were acquired above all in Northern Europe. Revenues in the "operator business and other" segment were € 3.0m higher than the previous year (prior year: € 2.8m).

## Expense items and earnings

**Earnings**

| in €m, IFRS | Jan 1 to Mar 31, 2012 | Jan 1 to Mar 31, 2011 | Change in % |
|---|---|---|---|
| Gross profit* | 38.8 | 36.7 | 5.7 |
| EBITDA | 2.5 | 2.7 | –7.4 |
| EBIT | 0.1 | 0.2 | –50.0 |
| Adjusted EBIT | 0.4 | 0.4 | 0.0 |
| EBT | –0.3 | –0.2 | –50.0 |

* Revenues + change in inventory – cost of materials

### Substantial rise in the costs of raw materials

- *Gross profit margin stands at 58.2%*
- *Personnel expenses rise to € 25.5m*

Due to revenue growth, the **gross profit** rose to € 38.8m from € 36.7m. Despite higher raw materials prices, **gross profit margin** has even increased slightly from 58.0% to 58.2% as a result of sourcing measures and changes in the product mix.

**Personnel expenses** rose from the prior year by € 0.7m to € 25.5m (prior year: € 24.8m). In addition to the staff increases in certain regions and the expansion of in-sourcing, a main cause of this development is the after-effects of the wage hikes in 2011. Nevertheless, due to the growth in revenues, the personnel expense ratio (personnel expenses as a percentage of revenues) declined from 39.1% to 38.2%.

**Other operating expenses** (including other taxes) climbed by € 1.0m to € 12.1m (prior year: € 11.1m) due above all to higher procurement costs (e.g., for gasoline), increased costs for temporary workers, and write-downs of receivables.

## Earnings before interest and taxes slightly below prior year

**EBITDA** fell slightly to € 2.5m and is therefore € 0.2m below the level of the prior year (prior year: € 2.7m).

**Depreciation and amortization** remained unchanged at € 2.5m (prior year: € 2.5m).

**Earnings before interest and taxes** (EBIT) declined slightly to € 0.1m (prior year: € 0.2m), and the EBIT margin is at 0.1% (prior year: 0.3%). The EBIT, adjusted for exchange rate effects, was €0.4m (prior year: € 0.4m).

In general, the exchange rate development between the US dollar and the euro does not have any significant impact on the operating business. The balance sheet date valuation used for the assets and liabilities, which were reported in a foreign currency on the balance sheet, had a negative effect on earnings in the amount of only approx. € –0.3m (prior year: € –0.2m) because most of these items had been hedged using derivatives.

*EBIT declines slightly from € 0.2m to € 0.1m*

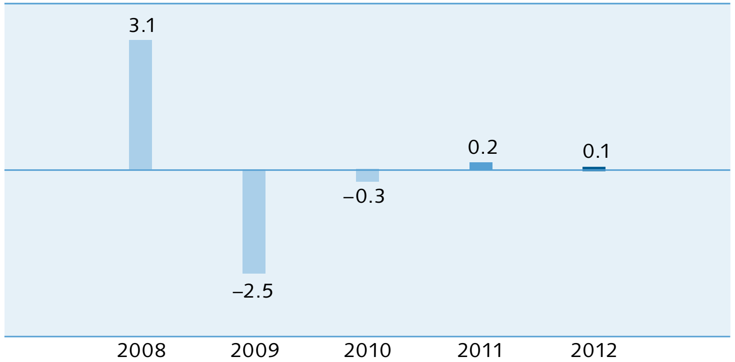
**EBIT by segments**

| in €m, IFRS | Jan 1 to Mar 31, 2012 | Jan 1 to Mar 31, 2011 | Change in % |
|---|---|---|---|
| Core Europe | 1.1 | 1.2 | –8.3 |
| Emerging Europe | 0.1 | 0.4 | –75.0 |
| North America | –0.8 | –0.7 | –14.3 |
| Asia/Pacific | –0.1 | –0.4 | 75.0 |
| Consolidation | –0.2 | –0.3 | 33.3 |
| **Group** | **0.1** | **0.2** | **–50.0** |

## Earnings performance in line with expectations

Despite higher personnel expenses and costs of materials, earnings in **Core Europe** were able to be kept at almost the same level as the prior year. EBIT remained almost stable at € 1.1m (prior year: € 1.2m). After adjusting for non-recurring and foreign exchange effects, adjusted EBIT equaled € 1.2m (prior year: € 1.5m).

**EBIT for the period Jan 1 through Mar 31** (in €m, IFRS)




In the "**Emerging Europe**" segment, earnings declined by € 0.3m to € 0.1m (prior year: € 0.4m) as a consequence of declining revenues. There were no non-recurring effects or foreign exchange effects. The main reason behind this development are the different investment timetables of major customers. The order backlog in this segment continues to develop very positively, however.

Despite revenues that were clearly higher than the prior year, earnings in **North America** declined a bit in the first quarter of 2012 to € –0.8m (prior year: € –0.7m). This is attributable to, among other things, improved accounting procedures that allow only a limited comparability with the relevant prior year quarter. Special mention should also be made of the extraordinary earnings development last year inasmuch as most of the losses were booked in the second half of the year. EBIT (adjusted for non-recurring and foreign exchange effects) equaled € –0.7m (prior year: € –0.8m).

In the "**Asia/Pacific**" segment, earnings improved to € 0.1m (prior year: € –0.4m). This development is influenced primarily by the earnings generated by the Australian subsidiary. The expansion of local structures in China has already yielded the first results: The first equipment has been sold to car dealers and dealerships. Even though one has already seen an increase in business activity involving all aspects of car washing – above all in China – such business activities both here and in other high growth regions of Asia are generally still in the development phase and will not make any significant contributions to revenues and earnings until the mid-term. EBIT (adjusted for non-recurring and foreign exchange effects) equaled € –0.1m (prior year: € –0.4m).

**Net finance costs** remained unchanged from the prior year at € 0.4m due to the Company's low level of indebtedness.

*Consolidated net result decreases by € 0.1m to €–0.6m*

**Earnings before taxes** (EBT) equaled € –0.3m in the first quarter (prior year: € –0.2m). As in the prior year, the tax expense was € 0.3m. The **consolidated net result** after taxes was € –0.6m (prior year: € –0.5m). **Earnings per share** (diluted = undiluted) therefore decreased to € –0.04m (prior year: € –0.03).

## 1.2 Net assets

### Balance sheet remains very solid

| **Balance sheet, assets** in €m, IFRS | Mar 31, 2012 | Dec 31, 2011 |
|---|---|---|
| **Non-current assets** | **99.4** | **101.5** |
| thereof intangible assets | 9.3 | 9.3 |
| thereof deferred taxes | 7.4 | 7.1 |
| **Current assets** | **90.2** | **93.5** |
| thereof inventory | 38.3 | 39.3 |
| thereof trade receivables, other assets | 47.1 | 49.5 |
| thereof cash and cash equivalents | 4.4 | 4.6 |
| **Non-current assets held for sale** | **1.1** | **0.0** |
| **Total assets** | **190.7** | **195.0** |

**Total assets** slipped from € 195.0 at the end of 2011 to € 190.7 as of March 31, 2012.

**Intangible assets** remained unchanged compared to December 31, 2011 at € 9.3m.

**Deferred tax assets** were € 0.3m higher than the level that existed as of the end of 2011 and equaled € 7.4m as of March 31, 2012.

**Inventories** declined from € 39.3m to € 38.3m.

**Trade receivables and other assets** decreased in the first quarter from € 49.5m to € 47.1m.

**Cash and cash equivalents** as of March 31, 2012 equaled € 4.4m (December 31, 2011: € 4.6m).

| **Balance sheet, equity and liabilities** in €m, IFRS | Mar 31, 2012 | Dec 31, 2011 |
|---|---|---|
| Equity | 74.7 | 75.2 |
| Liabilities to banks | 15.3 | 21.2 |
| Other liabilities and provisions | 87.7 | 85.2 |
| thereof trade payables | 9.8 | 9.9 |
| thereof provisions | 28.0 | 28.2 |
| Deferred income | 10.0 | 10.4 |
| Deferred tax liabilities | 3.0 | 3.0 |
| **Total equity and liabilities** | **190.7** | **195.0** |

*Equity ratio as of March 31, 2012: 39.2%*

As of March 31, 2012, **equity** equaled €74.7m (December 31, 2011: € 75.2m). Based on the income and expenses recognized directly in equity according to IFRS (see Statement of Changes in Equity), the changes in equity do not match up with the results for the period. The **equity ratio** climbed from 38.6% at the end of 2011 to 39.2%.

Since December 31, 2011, **liabilities to banks** declined by € 5.9m to € 15.3m (December 31, 2011: € 21.2m).

**Net bank debt** (long-term and short-term bank debt less bank credit balances), which equaled € 10.9m, was below the value reported on December 31, 2011 (€ 16.6m) due to the significantly lower liabilities owed to banks. The **net finance debt** (net bank debt plus long-term and short-term finance leasing debt) dropped from € 24.4m as of December 31, 2011 to € 18.5m.

**Trade payables** decreased marginally from € 9.9m to € 9.8m.

**Deferred tax liabilities** were at the same level they were at the end of 2011, totaling € 3.0m as of March 31, 2012.

Compared to December 31, 2011 (0.32), **gearing** – defined as the quotient of the net finance debt to equity capital – has declined to 0.24, a figure which is considered relatively low for producing companies.

Since December 31, 2011, **provisions** have declined only slightly from € 28.2m to € 28.0m. The anticipated reduction in provisions based on the restructuring disbursements has been deferred to later quarters because the relocation measures have been delayed.

## 1.3 Financial position

### Cash flow statement

*Net cash flow rose significantly to € 7.4m*

**Cash inflow from operating activities** (net cash flow) rose significantly in the first quarter of 2012 to € 7.4m (prior year: € 0.8m). This trend was primarily the consequence of higher retained customer payments in the first quarter of 2012 as well as the effects of the quarter-related change in the other net current assets.

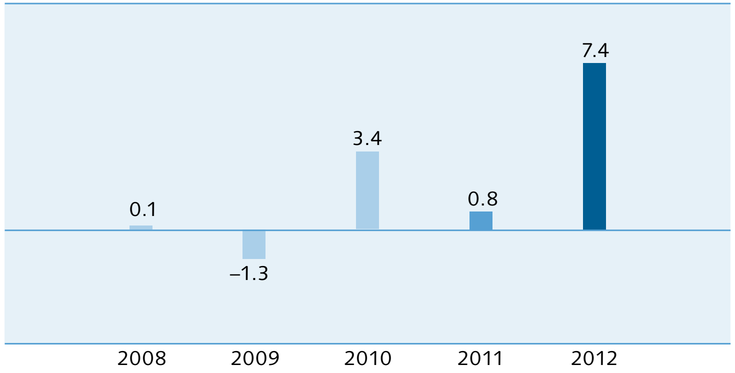
**Net current assets** (trade receivables + inventories – trade payables) decreased from € 76.4m to € 71.6m.

**Cash outflow from investing activities** equaled € 1.0m (prior year: € 2.7m). Projected for the entire year, this would presumably yield an investment volume roughly equal to the level of the prior year.

**Free cash flow** (net cash flow less cash outflow from investing activities) totaled € 6.4m (prior year: € –1.9m).

Overall, **cash and cash equivalents**, which are held mostly in foreign currencies, decreased by € 3.7m as of March 31, 2012 mostly because of the changed financing structure, which facilitated an optimization of cash and cash equivalents.

**Net cash flow for the period Jan 1 through Mar 31** in €m, IFRS



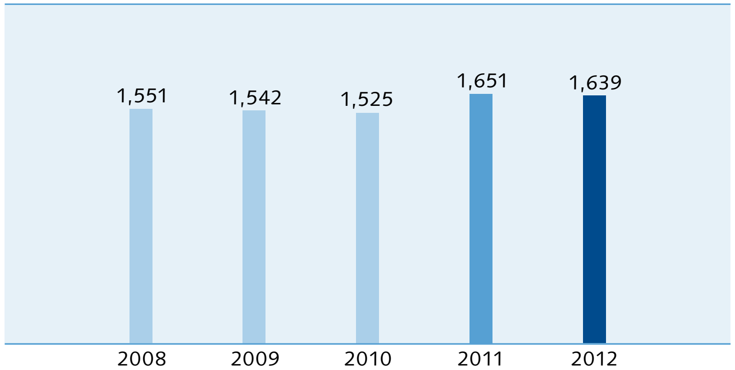

## 1.4 Miscellaneous

### Employees

Compared to December 31, 2011, the number of staff employees declined by 12 to 1,639. Compared to to March 31, 2011, the staff was likewise reduced by 12 employees. After adjusting for acquisitions and sourcing measures, the number of staff employees fell by 50 compared to the same period of the previous year.

*Number of employees in the WashTec Group at 1,639*

**Number of employees as of March 31**




## The Share

### WashTec share price recovers after price slump in the fourth quarter of 2011

The WashTec share price rose from the 2011 year-end closing price of € 7.35 to a March 31, 2012 closing price of € 9.35 (+27%). Thus, WashTec shares significantly outperformed the SDAX (+18%) index during the reporting period.

### Bank of New York Mellon Corporation reports exceeding the 3% voting rights threshold

In the first quarter of 2012, the Bank of New York Mellon Corporation reported that its share of voting rights in WashTec AG surpassed the 3% threshold on March 1, 2012 and was 3.1% on that date.

| Shareholding in % | Mar 31, 2012 |
|---|---|
| EQMC Europe Development Capital Fund plc | 16.2 |
| Sterling Strategic Value Ltd. | 15.3 |
| Kempen Capital Management NV | 11.1 |
| InvestmentAG für langfristige Investoren TGV | 5.4 |
| Lazard Frères Gestion S.A.S. | 5.0 |
| Paradigm Capital Value Fund | 3.8 |
| Bank of New York Mellon Corporation | 3.1 |
| Free float | 40.1 |

Source: Notices made pursuant to the German Securities Trading Act (WpHG)

During the first quarter, the Company's management once again remained in constant contact with shareholders, journalists and the financial community. In connection with the publications surrounding its 2011 annual financial statements, the Company held a conference call for analysts and investors as well as a financial press conference on March 26, 2012.

WashTec is currently covered by Berenberg, BHF, equinet, Hauck & Aufhäuser, HSBC Trinkaus & Burkhardt und MM Warburg.

WashTec has further intensified its investor relations work and, with respect to trading volumes, was able to improve to 114th place (prior year: 121) on Deutsche Börse's ranking for MDAX and SDAX stocks as of March 31st. In terms of market capitalization, WashTec already ranks 95th and is therefore within the SDAX criterion. WashTec is therefore continuing its extensive investor relations work.

### Annual general meeting of shareholders on May 10, 2012 in Augsburg

*AGM 2012: Supervisory board re-election and expansion to six board members on the agenda*

Management's proposed resolutions for the WashTec AG's general meeting of shareholders, which is scheduled for May 10, 2012, cover not only the standard agenda items, but also the re-election of the supervisory board members and an increase in the size of the supervisory board from three members to six members. The supervisory board is also seeking to expand the size of the Company's management board from two to three members. These measures are intended to support the Company's strategic repositioning by adding more professional competence.

Given the higher special charges connected with the restructuring in Europe and with the strategic repositioning of the US business, the management board and the supervisory board are recommending to this year's annual general meeting that no dividends be paid out. The Company nevertheless remains committed to the existing return policy.

### Information about relationships with related companies and persons

There were no significant transactions concluded with related companies and persons during the reporting period.

### Events after the end of the reporting period

No significant events occurred after the end of the reporting period.

## 2. Opportunities and risks of Group development

The 2011 annual report contains a description of the WashTec Group's risk management. Relative to the opportunities and risks described in the risk report of the 2011 annual report, there have been no material changes to the situation.

## 3. Forecast

### Validation of the annual guidance

*Outlook 2012: Company is sticking to its goals for the entire year*

The first quarter of any given fiscal year is traditionally the weakest quarter for the WashTec Group. Thus, WashTec is expecting an improvement in business mostly during the second half of the year. The Company continues to hold to its goals for all of 2012. Nevertheless, a forecast for 2012 is still marked by reasonable uncertainties due to the currently volatile market environment and the special situation in North America:

- Core Europe: Slight revenue growth with slight increase in earnings;
- North America: Revenue decline of 3–7% and significant (50%–70%) reduction in operating losses;
- Emerging Europe: Two-digit revenue growth with commensurate earnings performance;
- Asia/Pacific: Slight revenue and earnings improvement.

At present, it is assumed that the North American business will be continued and the restructuring program will be implemented. On this basis, WashTec is aiming for slight revenue growth of 1–2% for the entire Group in 2012 together with a significant increase in adjusted earnings. Additional special charges triggered by potential strategic alliances in North America remains a possibility at the moment.

## Consolidated Income Statement

The notes to the consolidated statements form an integral part of the consolidated financial statements. Rounding differences are possible.

| | Jan 1 to Mar 31, 2012 | Jan 1 to Mar 31, 2011 |
|---|---|---|
| | € | € |
| | | |
| Revenues | 66,667,512 | 63,350,222 |
| Other operating income | 879,809 | 1,477,356 |
| Other capitalized development costs | 417,471 | 388,765 |
| Change in inventories | 2,433,821 | –314,684 |
| **Total** | **70,398,613** | **64,901,659** |
| | | |
| **Cost of materials** | | |
| Cost of raw materials, consumables and supplies and of purchased material | 25,613,723 | 21,846,924 |
| Cost of purchased services | 4,654,959 | 4,445,936 |
| | **30,268,682** | **26,292,860** |
| | | |
| **Personnel expenses** | **25,522,775** | **24,809,821** |
| | | |
| Amortization, deprecation and impairment of intangible assets and property, plant and equipment | 2,454,308 | 2,447,178 |
| Other operating expenses | 11,865,025 | 10,928,640 |
| Other taxes | 194,234 | 184,150 |
| **Total operating expenses** | **70,305,024** | **64,662,649** |
| | | |
| **EBIT** | **93,589** | **239,010** |
| | | |
| Other interest and similar income | 36,578 | 38,234 |
| Interest and similar expenses | 457,562 | 435,094 |
| **Financial result** | **–420,984** | **–396,860** |
| | | |
| **Result from ordinary activities/EBT** | **–327,395** | **–157,850** |
| | | |
| Income taxes | –288,160 | –293,173 |
| | | |
| **Consolidated profit for the period** | **–615,555** | **–451,023** |
| | | |
| **Average number of shares** | **13,976,970** | **13,976,970** |
| | | |
| **Earnings per share (basic = diluted)** | **–0.04** | **–0.03** |

## Consolidated Statement of Comprehensive Income

The notes to the consolidated statements form an integral part of the consolidated financial statements. Rounding differences are possible.

| | Jan 1 to Mar 31, 2012 | Jan 1 to Mar 31, 2011 |
|---|---|---|
| | €k | €k |
| **Earnings after taxes** | **–616** | **–451** |
| Changes in the fair value of financial instruments used for hedging purposes recognized under equity | –116 | 566 |
| Adjustment item for the currency translation of foreign subsidiaris and currency changes | 371 | 60 |
| Exchange differences on net investments in subsidiaries | –165 | –890 |
| Actuarial gains/losses from defined benefit obligations and similar obligations | 0 | 0 |
| Deferred taxes on changes in value taken directly to equity | 36 | 99 |
| **Valuation gains/losses recognized directly in equity** | **126** | **–165** |
| **Total income and expense and valuation in gains/losses recognized directly in equity** | **–490** | **–616** |

## Consolidated Balance Sheet

The notes to the consolidated statements form an integral part of the consolidated financial statements. Rounding differences are possible.

| Assets | Mar 31, 2012 | Dec 31, 2011 |
|---|---|---|
| | € | € |
| **Non-current assets** | | |
| | | |
| Property, plant and equipment | 39,505,212 | 41,459,574 |
| Goodwill | 42,313,447 | 42,313,523 |
| Intangible assets | 9,297,362 | 9,319,436 |
| Trade receivables | 645,734 | 823,860 |
| Tax receivables | 214,306 | 200,501 |
| Other assets | 70,429 | 277,271 |
| Deferred tax assets | 7,383,056 | 7,140,268 |
| | | |
| **Total non-current assets** | **99,429,546** | **101,534,433** |
| | | |
| | | |
| **Current assets** | | |
| | | |
| Inventories | 38,298,969 | 39,273,936 |
| Trade receivables | 42,485,324 | 46,158,532 |
| Tax receivables | 410,590 | 69,887 |
| Other assets | 4,639,929 | 3,365,306 |
| Cash and bank balances | 4,351,275 | 4,602,593 |
| | | |
| **Total current assets** | **90,186,087** | **93,470,254** |
| | | |
| **Non-current assets held for sale** | **1,055,776** | **0** |
| **Total assets** | **190,671,409** | **195,004,687** |

| Equity and liabilities | Mar 31, 2012 | Dec 31, 2011 |
|---|---|---|
| | € | € |
| **Equity** | | |
| | | |
| Subscribed capital | 40,000,000 | 40,000,000 |
| *thereof contingent capital* | 12,000,000 | 12,000,000 |
| Capital reserves | 36,463,441 | 36,463,441 |
| Other reserves | –2,346,499 | –2,471,897 |
| Profit carried forward | 1,162,699 | 15,678,970 |
| Consolidated profit for the period | –615,555 | –14,516,260 |
| | **74,664,086** | **75,154,254** |
| | | |
| **Non-current liabilities** | | |
| | | |
| Interest-bearing loans | 14,995,126 | 18,953,013 |
| Finance leasing | 5,084,026 | 5,251,755 |
| Provisions for pensions | 7,318,222 | 7,307,188 |
| Other non-current provisions | 4,778,923 | 5,003,177 |
| Other nun-current liabilities | 1,744,799 | 1,808,373 |
| Deferred revenue | 752,594 | 860,671 |
| Deferred Income | 2,980,231 | 2,998,024 |
| | | |
| **Total non-current liabilities** | **37,653,921** | **42,182,201** |
| | | |
| **Current liabilities** | | |
| | | |
| Interest-bearing loans | 256,820 | 2,294,388 |
| Finance leasing | 2,500,098 | 2,499,054 |
| Prepayments on orders | 8,407,763 | 4,175,186 |
| Trade payables | 9,831,329 | 9,940,581 |
| Other liabilities for taxes and levies | 3,622,237 | 4,207,868 |
| Other liabilities for social security | 926,171 | 901,168 |
| Tax liabilities | 4,102,427 | 4,264,330 |
| Other current liabilities | 23,631,030 | 23,935,498 |
| Other current provisions | 15,853,083 | 15,920,176 |
| Deferred Income | 9,222,444 | 9,529,983 |
| | | |
| **Total current liabilities** | **78,353,402** | **77,668,232** |
| | | |
| | | |
| **Total equity and liabilities** | **190,671,409** | **195,004,687** |

# Consolidated Cash Flow Statement

The notes to the consolidated statements form an integral part of the consolidated financial statements. Rounding differences are possible.

| | Jan 1 to Mar 31, 2012 | Jan 1 to Mar 31, 2011 |
|---|---|---|
| | €k | €k |
| | | |
| **EBT** | **–327** | **–158** |
| *Adjustments to reconcile profit before tax to net cash flows not affecting cash:* | | |
| Amortization, depreciation and impairment of non-current assets | 2,454 | 2,447 |
| Gain/loss from disposals of non-current assets | –11 | –51 |
| Other gains/losses | –1,195 | –2,099 |
| Interest income | –37 | –38 |
| Interest expense | 458 | 435 |
| Movements in provisions | –203 | –796 |
| *Changes in net working capital:* | | |
| Increase/decrease in trade receivables | 3,314 | 2,452 |
| Increase/decrease in inventories | 698 | –37 |
| Increase/decrease in trade payables | –41 | –1,810 |
| Changes in other net working capita | 3,004 | 579 |
| Income tax paid | –668 | –114 |
| **Cash inflow from operating activities (net cash flow)** | **7,446** | **810** |
| | | |
| Purchase of property, plant and equipment (without finance leasing) | –1,007 | –2,559 |
| Proceeds from sale of property, plant and equipment | 37 | 190 |
| Acquisition of a subsidiary, net of cash acquired | –12 | –300 |
| **Cash outflow from investment activities** | **–982** | **–2,669** |
| | | |
| Raising of long-term loans | 23 | 0 |
| Repayment of non-current liabilities to banks | –4,291 | –5,000 |
| Interest received | 36 | 27 |
| Interest paid | –432 | –352 |
| Repayment of non-current liabilities from finance leases | –645 | –648 |
| **Net cash flows used in financing activities** | **–5,309** | **–5,973** |
| | | |
| **Net increase/decrease in cash and cash equivalents** | **1,155** | **–7,832** |
| **Net foreign exchange difference in cash and cash equivalents** | **337** | **735** |
| **Cash and cash equivalents at 1 January** | **2,602** | **14,837** |
| **Cash and cash equivalents at 31 March** | **4,094** | **7,740** |
| | | |
| **Composition of cash and cash equivalents for cash flow purposes:** | | |
| Cash and cash equivalents | 4,351 | 8,334 |
| **Current bank liabilities** | **–257** | **–594** |
| **Cash and cash equivalents at 31 March** | **4,094** | **7,740** |

## Statement of Changes in Consolidated Equity

The notes to the consolidated statements form an integral part of the consolidated financial statements. Rounding differences are possible.

| €k | Subscribed capital | Capital reserve | Other reserves | Exchange effects | Profit/loss carried forward | Total |
|---|---|---|---|---|---|---|
| **As of January 1, 2011** | **40,000** | **36,464** | **–1,986** | **–130** | **20,011** | **94,359** |
| Income and expenses recognized directly in equity | | | –324 | 60 | | –264 |
| Taxes on transactions recognized directly in equity | | | 99 | | | 99 |
| Consolidated earnings for the period | | | | | –451 | –451 |
| **As of Mar 31, 2011** | **40,000** | **36,464** | **–2,211** | **–70** | **19,560** | **93,743** |
| **As of Jan 1, 2012** | **40,000** | **36,464** | **–2,267** | **–205** | **1,162** | **75,154** |
| Income and expenses recognized directly in equity | | | –281 | 371 | | 90 |
| Taxes on transactions recognized directly in equity | | | 36 | | | 36 |
| Consolidated earnings for the period | | | | | –616 | –616 |
| **As of Mar 31, 2012** | **40,000** | **36,464** | **–2,512** | **166** | **546** | **74,664** |

# Notes to the Interim Condensed Consolidated Financial Statements of WashTec AG (IFRS) for the period from January 1 to March 31, 2012

## General Disclosures

### 1. Information on the Company

The ultimate parent company of the WashTec Group is WashTec AG, which is entered in the commercial register for the City of Augsburg under registration number HRB 81.

The Company's registered office is located at Argonstrasse 7 in 86153 Augsburg, Germany.

The Company's shares are publicly traded.

The purpose of the WashTec Group comprise the development, manufacture, sale and servicing of carwash products, as well as leasing, and all services and financing solutions, which are related thereto and are required in order to operate carwash equipment.

The consolidated financial statements are prepared in euro. Amounts are rounded to the nearest euro or are shown in millions of euro (€m) or thousands of euro (€k).

### 2. Accounting and valuation policies

#### Principles in preparing financial statements

The consolidated quarterly financial report for the period January 1 through March 31, 2012 was prepared in accordance with IAS 34 »Interim Financial Reporting«.

The consolidated quarterly report does not include all explanations and information required for the financial statements for the fiscal year and should be read in conjunction with the consolidated financial statements for the period ending December 31, 2011.

#### Significant accounting and valuation methods

The accounting and valuation methods applied when preparing the consolidated quarterly report comply with the methods that were used when preparing the consolidated financial statements for the fiscal year ending December 31, 2010, except for the tax calculation. The tax calculation for quarterly reports is done by multiplying the result with the anticipated applicable annual tax rate.

### 3. Group of consolidated companies

Since January 2012, the newly formed subsidiary, WashTec Polska Sp. z.o.o., has been included in the WashTec Group's consolidated financial statements.

### 4. Equity

The subscribed capital of WashTec AG equaled €40,000k on March 31, 2012 and is divided into13,976,790 no par value shares. As it was at the end of the year, this amount reflects the weighted average number of shares that are issued and outstanding.

### 5. Non-current assets held for sale/Events after the balance sheet date

On April 17, 2012, a contract was concluded governing the purchase of a land parcel (which includes a building) located on the street, Argonstrasse, in Augsburg, Germany. The contract contained certain pre-conditions, which are expected to be satisfied during the course of 2012. In accordance with IFRS 5, a separate disclosure was made in the balance sheet as non-current assets held for sale. The agreed purchase price equaled € 1.3m. The book value of the land parcel (including the building situated thereon) as of March 31, 2012 was € 1.1m. The land parcel was reported under the segment Core Europe.

## 6. Segment reporting

| Jan–Mar 2012<br>in €k | Core Europe | Emerging Europe | North America | Asia/ Pacific | Consoli- dation | Group |
|---|---|---|---|---|---|---|
| Revenues | 54,354 | 1,967 | 10,059 | 2,990 | –2,702 | 66,668 |
| thereof with third parties | 51,781 | 1,963 | 9,993 | 2,990 | –59 | 66,668 |
| thereof with other segments | 2,573 | 4 | 66 | 0 | –2,643 | 0 |
| **Operating result** | **1,083** | **87** | **–798** | **–124** | **–154** | **94** |
| Financial result | | | | | | 37 |
| Financial expenses | | | | | | –458 |
| **Results from ordinary business activities** | | | | | | **–327** |
| Income tax expense | | | | | | –288 |
| **Consolidated result** | | | | | | **–616** |

| Jan–Mar 2011<br>in €k | Core Europe | Emerging Europe | North America | Asia/ Pacific | Consoli- dation | Group |
|---|---|---|---|---|---|---|
| Revenues | 52,998 | 3,228 | 8,276 | 2,412 | –3,564 | 63,350 |
| thereof with third parties | 49,939 | 3,221 | 8,017 | 2,412 | –239 | 63,350 |
| thereof with other segments | 3,059 | 7 | 259 | 0 | –3,325 | 0 |
| **Operating result** | **1,216** | **363** | **–697** | **–437** | **–206** | **239** |
| Financial result | | | | | | 38 |
| Financial expenses | | | | | | –435 |
| **Results from ordinary business activities** | | | | | | –158 |
| Income tax expense | | | | | | –293 |
| **Consolidated result** | | | | | | **–451** |

**Contact**

WashTec AG
Argonstrasse 7
86153 Augsburg

Telephone +49 821 5584-0
Telefax +49 821 5584-1135
www.washtec.de
washtec@washtec.de

**Finance calendar**

| | |
|---|---|
| Annual General Meeting 2012 | May 10, 2012 |
| 6-month Report | August 7, 2012 |
| 9-month Report | November 5, 2012 |
| Analysts' Conference/ Equity Forum | November 12–14, 2012 |