H1 2014

Group Management Report on the period from January 1 to June 30, 2014

Unaudited translation for convenience purposes only

WashTec

Slight rise in revenues and earnings increase in the first half year of 2014 compared to the same period last year; cumulative order intake at same level as prior year

- Revenues at € 141.9m (prior year: € 139.9m); EBIT at € 5.9m (prior year: € 2.8m)
- Positive business development across all product areas in Core Europe
- Free cash flow increases to € 5.4m (prior year: € 4.9m)
- Dr. Günter Blaschke becomes new supervisory board chairman and Ulrich Bellgardt new supervisory board deputy chairman

Rounding differences are possible		Jan 1 to Jun 30 2014	Jan 1 to Jun 30 2013	Change absolute
Revenues	€m	141.9	139.9	2.0
EBITDA	€m	11.0	7.7	3.3
EBIT	€m	5.9	2.8	3.1
EBIT margin	%	4.2	2.0	2.2
EBT	€m	5.6	2.2	3.4
Employees per reporting date		1,679	1,657	22
Average number of shares		13,932,312	13,935,914	–3,602
Earnings per share [1]	€	0.27	0.06	0.21
Free cash flow [2]	€m	5.4	4.9	0.5
Investments in fixed assets (capital expenditures)	€m	2.1	2.9	–0.8
Equity ratio per reporting date [3]	%	45.5	50.4	–4.9
Gearing ratio per reporting date [4]		0.2	0.5	–0.3

Rounding differences are possible		Apr 1 to Jun 30 2014	Apr 1 to Jun 30 2013	Change absolute
Revenues	€m	77.1	74.6	2.5
EBITDA	€m	9.0	6.5	2.5
EBIT	€m	6.3	4.1	2.2
EBIT margin	%	8.2	5.5	2.7
EBT	€m	6.2	4.0	2.2
Average number of shares		13,932,312	13,932,312	0
Earnings per share [1]	€	0.31	0.17	0.14

[1] Diluted = undiluted
[2] Net cash flow – cash outflow from investing activity
[3] Equity capital/balance sheet total
[4] Net financial indebtedness/EBITDA (rolling)

Interim Group Management Report for the period from January 1 to June 30, 2014

Interim Condensed Consolidated Financial Statements

Interim Group Management Report

1. Total revenues and earnings development

Positive development in Core Europe

Due to a strong second quarter (€ 77.1m; prior year: € 74.6m), revenues in the first half of 2014 equaled € 141.9m and were therefore € 2.0m (1.4%) higher than same period last year (€ 139.9m). While revenues rose in Core Europe, they were below prior year in the other areas. In North America and Asia/Pacific, this is attributable to the exchange rate development. EBIT increased to € 5.9m (prior year: € 2.8m) primarily because of the favorable developments in Core Europe.

Order backlog, which was lower at the beginning of the year, has recovered but remained behind last year's level at the end of the first half of the year.

2. Economic report

2.1 General conditions

Stable revenues and slightly increasing EBIT margin sought

The general conditions were essentially the same as described in the 2013 Group Management Report. Nevertheless, there have been changes in the geopolitical situation, above all in Eastern Europe and the Middle East, with potential consequences for the trade relations. After a temporary slowdown, the economic growth in China picked up again in the second quarter of 2014. The development in North America continues to be viewed as favorable. The conditions in Western Europe appear stable at the moment, yet the impact from the geopolitical distortions remains to be seen.

The competitive conditions are generally identical to the situation described in the 2013 Group Management Report. There have been no significant changes in technology, and none are foreseeable.

2.2 Efficiency program

The efficiency program is now being implemented. If revenues develop as expected, profitability at the Group level should reach an 8% EBIT margin beginning in 2016. The one-time expense for this program is estimated to be up to € 3.0m. The efficiency program negatively affected current earnings by € 0.3m.

2.3 Earnings

2.3.1 Revenues by segments and products

Revenues by segment, H1

in €m, IFRS (Rounding differences possible)	Jan 1 to Jun 30, 2014	Jan 1 to Jun 30, 2013	Change absolute
Core Europe	117.7	113.3	4.4
Eastern Europe	4.7	7.6	–2.9
North America	20.8	22.2	–1.4
Asia/Pacific	5.1	5.4	–0.3
Consolidation	–6.3	–8.6	2.3
Total	**141.9**	**139.9**	**2.0**

Revenues by segment, Q2

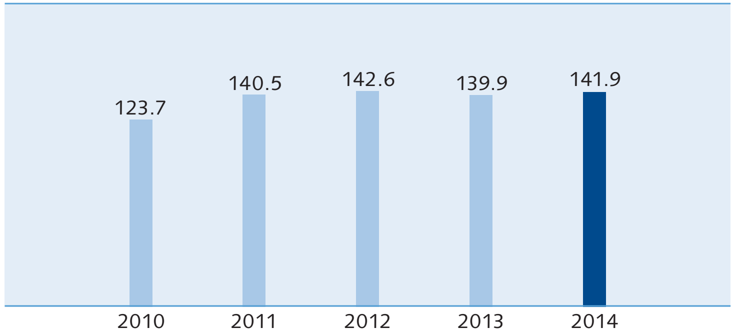
in €m, IFRS (Rounding differences possible)	Apr 1 to Jun 30, 2014	Apr 1 to Jun 30, 2013	Change absolute
Core Europe	63.4	60.8	2.6
Eastern Europe	2.2	4.1	–1.9
North America	11.7	11.8	–0.1
Asia/Pacific	2.6	2.3	0.3
Consolidation	–2.8	–4.4	1.6
Total	**77.1**	**74.6**	**2.5**

Revenue increase in Core Europe, revenue decline in the other segments

Revenues in the first half of the year totaled € 141.9m and were thus € 2.0m or 1.4% higher than they were prior year (€ 139.9m) due to the increase in revenues in Core Europe. This figure also includes negative foreign currency effects totaling € 2.3m. In the second quarter of 2014, revenues rose by 3.4% compared to the same period prior year (Q2 2014: € 77.1m; Q2 2013: € 74.6m).

Revenue increases were achieved across all products areas in the **Core Europe** segment the first half of 2014. In the second quarter of 2014, equipment sales rose after a weaker first quarter. In the **Eastern Europe** segment, revenues compared prior year decreased significantly, particularly in Russia. In the **North America** segment, there was a drop in revenue to € 20.8m based on negative developments of the US dollar and the decline in business with a key account. The relevant revenues in US dollars equaled USD 28.5m (prior year: USD 29.1m). In the **Asia/Pacific** segment, revenues were influenced primarily by the negative exchange rate development of the Australian dollar. After adjusting for this effect, revenues were slightly higher in the first half of the year.

Revenues, Jan 1 to Jun 30, in €m, IFRS



Revenues by product, H1

in €m, IFRS (Rounding differences possible)	Jan 1 to Jun 30, 2014	Jan 1 to Jun 30, 2013	Change absolute
New and used equipment	70.9	72.5	–1.6
Spare parts, service	46.1	44.1	2.0
Chemicals	18.3	17.0	1.3
Operator business and others	6.6	6.3	0.3
Total	**141.9**	**139.9**	**2.0**

Revenues by product, Q2

in €m, IFRS (Rounding differences possible)	Apr 1 to Jun 30, 2014	Apr 1 to Jun 30, 2013	Change absolute
New and used equipment	40.9	39.8	1.1
Spare parts, service	23.7	22.8	0.9
Chemicals	9.1	8.7	0.4
Operator business and others	3.4	3.3	0.1
Total	**77.1**	**74.6**	**2.5**

In the second quarter, revenues were increased in all product areas. In the equipment area, however, the declines sustained in the first quarter could not be completely recovered as of the half year, despite a good second quarter.

2.3.2 Expense items and earnings

Earnings, H1

in €m, IFRS (Rounding differences are possible)	Jan 1 to Jun 30, 2014	Jan 1 to Jun 30, 2013	Change absolute
Gross profit*	86.3	83.6	2.7
EBITDA	11.0	7.7	3.3
EBIT	5.9	2.8	3.1
EBT	5.6	2.2	3.4

Earnings, Q2

in €m, IFRS (Rounding differences are possible)	Apr 1 to Jun 30, 2014	Apr 1 to Jun 30, 2013	Change absolute
Gross profit*	47.3	45.0	2.3
EBITDA	9.0	6.5	2.5
EBIT	6.3	4.1	2.2
EBT	6.2	4.0	2.2

* Revenues + change in inventory – cost of materials

- *Gross profit margin climbs to 60.8%*
- *Personnel expenses climb to € 54.6m*
- *Other operating expenses decline*
- *EBITDA climbs to € 11.0m*

Because of the changed mix in products and regions, the **gross profit margin** rose slightly from 59.7% to 60.8%.

Personnel expenses climbed by € 1.5m to € 54.6m (prior year: € 53.1m). The main reasons for this development were scaled wage increases in Core Europe, employee hirings in growth regions and the effects from implementing the efficiency program.

Other operating expenses (including other taxes) decreased by € 2.4m to € 22.5m (prior year: € 24.9m). The main reasons for this development were lower write-downs of receivables, lower foreign currency losses based on the valuation of balance sheet items, and cost cuts made in various areas.

EBITDA climbed by € 3.3m to € 11.0m (prior year: € 7.7m).

EBIT rose by € 3.1m to € 5.9m (prior year: € 2.8m).

EBIT by segment, H1

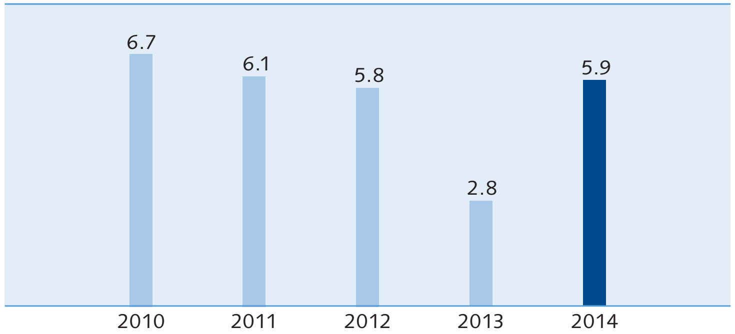
in €m, IFRS (Rounding differences are possible)	Jan 1 to Jun 30, 2014	Jan 1 to Jun 30, 2013	Change absolute
Core Europe	5.9	2.7	3.2
Eastern Europe	–0.2	0.3	–0.5
North America	0.6	0.1	0.5
Asia/Pacific	–0.3	–0.5	0.2
Consolidation	0.0	0.2	–0.2
Group	**5.9**	**2.8**	**3.1**

EBIT by segment, Q2

in €m, IFRS (Rounding differences are possible)	Apr 1 to Jun 30, 2014	Apr 1 to Jun 30, 2013	Change absolute
Core Europe	5.5	3.8	1.7
Eastern Europe	0.0	0.1	–0.1
North America	0.9	0.4	0.5
Asia/Pacific	–0.1	–0.3	0.2
Consolidation	0.1	0.1	–
Group	**6.3**	**4.1**	**2.2**

The EBIT increase in the **Core Europe** segment is based primarily on the revenue growth achieved. In the **Eastern Europe** segment, the declining revenues together with investments into sales structures made in the prior year affected EBIT. The successful implementation of the restructuring in the **North America** segment resulted in a slightly higher EBIT despite the drop in revenues. In the **Asia/Pacific** segment, EBIT was slightly higher because of the improvements in efficiency particularly in the Australian market, while the local structures in China were once again expanded.

EBIT, Jan 1 to Jun 30, in €m, IFRS



The exchange rate development between US dollar and euro as mentioned before had an effect on revenues whereas the impact on the operating result was not significant. The balance sheet date valuation used for the assets and liabilities, which were reported in a foreign currency on the balance sheet, had no influence on earnings (prior year: € –0.5m).

The **consolidated net result** after taxes climbed to € 3.7m (prior year: € 0.8m). **Earnings per share** (diluted = undiluted) therefore rose to € 0.27 (prior year: € 0.06).

2.4. Net assets

Balance sheet, assets

in €m, IFRS (Rounding differences are possible)	Jun 30, 2014	Dec 31, 2013
Non-current assets	**89.4**	**91.9**
thereof intangible assets	6.7	7.7
thereof deferred tax assets	4.4	4.3
Current assets	**92.4**	**82.4**
thereof inventories	36.7	34.3
thereof trade receivables and other assets	46.4	43.0
thereof cash and cash equivalents	6.3	3.8
Total assets	**181.8**	**174.2**

Balance sheet, equity and liabilities

in €m, IFRS (Rounding differences are possible)	Jun 30, 2014	Dec 31, 2013
Equity	82.7	87.8
Liabilities to banks	8.6	1.0
Other liabilities and provisions	80.0	74.6
thereof trade payables	8.5	8.8
thereof provisions (including income tax debt)	28.3	26.3
Deferred income	7.5	7.7
Deferred tax liabilities	3.0	3.1
Total equity and liabilities	**181.8**	**174.2**

Mostly as the result of the positive revenue development, **net current assets** (short-term trade receivables + inventories – short-term trade payables) rose from € 65.2m as of December 31, 2013 to € 70.2m, primarily because receivables and inventories were higher.

Equity ratio equals 45.5%

Equity fell to € 82.7m (December 31, 2013: € 87.8m) as of June 30, 2014 mostly due to the dividend payment. As a result of income and expenses recognized directly in equity capital according to IFRS, the change in equity capital does not match up with the results for the period. The **equity ratio** decreased relative to the end of 2013 from 50.4% to 45.5% mostly as a consequence of the higher balance sheet totals and the lower equity.

The **net bank debt** (long-term and short-term bank debt less bank credit balances) was € 2.2m (December 31, 2013: € –2.7m) mainly because of the dividend payment. **Net finance debt** (net bank debt plus long-term and short-term financing leasing) climbed to € 6.9m (December 31, 2013: € 2.9m).

Other liabilities and provisions climbed to € 80.0m (December 31, 2013: € 74.6m) because of higher prepayments received and higher tax liabilities.

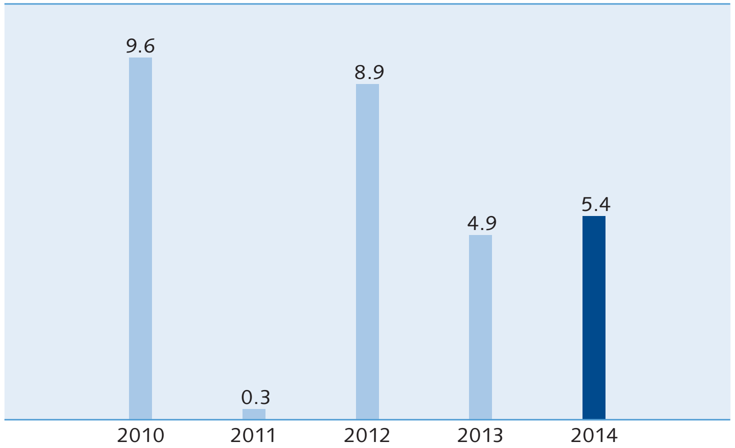
2.5 Financial Position

Cash inflow from operating activities (net cash flow) declined slightly to € 7.3m (prior year: € 7.7m) primarily due to an increase in trade receivables triggered by a significant growth in revenues during the second quarter.

Cash outflow from investing activities fell to € 2.0m (prior year: € 2.8m).

The free cash flow (net cash flow – cash outflow from investing activities) equaled € 5.4m (prior year: € 4.9m).

Free cash flow, Jan 1 to Jun 30, in €m, IFRS



Overall, **cash and cash equivalents** rose by € 3.4m to € 6.1m compared to December 31, 2013.

2.6 Employees

Number of employees at WashTec Group at 1,679

Compared to June 30, 2013, 22 employees have been hired. The new hires were made in growth and focus areas such as Eastern Europe, North America and Asia/Pacific. Compared to December 31, 2013, the number of employees fell by 2 to 1,679.

3. Forecast, Opportunities and Risk Report

3.1 Forecast

Following the completion of the first half year and based on the current political and economic developments, the Company is aiming for stable revenues and a slight increase in earnings and EBIT margin in 2014, before accounting for the restructuring costs of the announced efficiency program.

In this respect, the following development is expected in the segments:

- Core Europe: slight increase in revenues, earnings and EBIT margin
- Eastern Europe: slight decline in revenues and significant reduction in earnings and EBIT margin due to capital expenditures made in structures
- North America: slightly declining revenues and earnings as well as stable EBIT margin
- Asia/Pacific: stable development of revenues, earnings and EBIT margin

A forecast for 2014 is marked by uncertainties based on the currently unclear overall development in the market segments.

The forecast contained in the 2013 annual report regarding other key ratios defined at the Group level, remains the same.

3.2 Opportunities and risks for group development

The 2013 annual report includes a description of the WashTec Group's risk management. There have been no material changes in the opportunities and risks described.

4. Miscellaneous information

4.1 Information about dealings with related companies and persons

No significant transactions were conducted with related companies and persons during the reporting period.

4.2 Events after the end of the reporting period

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

5. Share and investor relations

5.1 Share price development

On June 30, 2014, the price for a WashTec share equaled € 11.91. This represents a price increase of 11.3% compared to the € 10.70 per share closing price on December 30, 2013 as the last trading day of the prior year. The WashTec share thereby outperformed the SDAX, which rose by 8.8% since the beginning of the year.

Shares of WashTec are currently covered by BHF, Hauck & Aufhäuser, HSBC Trinkaus & Burkhardt and MM Warburg.

As of June 30, the trading volume of WashTec shares placed 131st on the Deutsche Börse ranking for MDAX and SDAX stocks, not least because of the low free float (prior year ranking: 130). In terms of market capitalization, WashTec ranks 101st and has long since met the SDAX criterion.

5.2 Shareholder structure

In the second quarter of 2014, WashTec AG received no voting rights notifications pursuant to the Securities Trading Act.

Shareholding in %	Jun 30, 2014
EQMC Europe Development Capital Fund plc	14.66
Kempen European Participations N.V.	10.64
Dr. Kurt Schwarz (Kerkis GmbH, Leifina GmbH & Co. KG et al.)	8.38
Diversity Industrie Holding AG	6.19
Paradigm Capital Micro Cap Value Fund	6.01
BNY Mellon Service Kapitalanlage-Gesellschaft mbH	5.61
Investment AG für langfristige Investoren TGV	5.43
Desmarais Family Residuary Trust	3.48
Lazard Frères Gestion S.A.S.	3.04
Free float	36.56

Based on notifications made pursuant to the WpHG

In the first half of 2014, the management constantly maintained the dialogue with shareholders and journalists as well as the financial community. Various investors' meetings were held independently of the annual general meeting.

5.3 Annual general meeting and changes on the supervisory board

The annual general meeting of WashTec AG was held on June 4, 2014. The management board commented in detail on business development, current market conditions and strategy and discussed these matters with shareholders. All of the resolutions proposed by management were adopted with a very high majority. The shareholders approved, among other things, a resolution to pay a dividend of € 0.32 for each no-par value share entitled to receive a dividend (participating no-par value bearer shares) as well as a special dividend in the same amount.

The annual general meeting elected Dr. Günter Blaschke, former CEO of Rational AG, and Mr. Ulrich Bellgardt, business consultant with ubc GmbH to the supervisory board. Dr. Blaschke has assumed the position of supervisory board chairman, and Mr. Bellgardt the position of supervisory board deputy chairman.

On behalf of all employees, we express our thanks for the achievements of Mr. Michael Busch and Mr. Massimo Pedrazzini, who resigned from their respective offices at the end of the annual general meeting.

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 Jun 30, 2014	Jan 1 to Jun 30, 2013	Apr 1 to Jun 30, 2014	Apr 1 to Jun 30, 2013
	€	€	€	€
Revenues	141,938,418	139,937,966	77,131,210	74,621,275
Other operating income	1,723,461	1,790,056	751,385	649,224
Other capitalized development costs	37,169	351,968	18,584	62,690
Change in inventories	1,451,967	1,252,523	1,304,646	2,261,002
Total	**145,151,015**	**143,332,513**	**79,205,825**	**77,594,191**
Cost of materials				
Cost of raw materials, consumables and supplies and of purchased material	46,875,379	47,327,891	25,605,490	26,216,776
Cost of purchased services	10,215,698	10,279,504	5,532,036	5,645,334
	57,091,077	**57,607,395**	**31,137,526**	**31,862,110**
Personnel expenses	**54,560,003**	**53,090,755**	**27,722,102**	**26,921,958**
Amortization, deprecation and impairment of intangible assets and property, plant and equipment	5,104,661	4,889,220	2,699,962	2,382,206
Other operating expenses	22,173,221	24,658,165	11,264,683	12,312,484
Other taxes	294,355	240,794	76,541	38,811
Total operating expenses	**139,223,317**	**140,486,329**	**72,900,814**	**73,517,569**
EBIT	**5,927,698**	**2,846,184**	**6,305,011**	**4,076,622**
Other interest and similar income	191,267	64,471	107,279	59,080
Interest and similar expenses	527,937	722,914	255,854	154,722
Financial result	**–336,670**	**–658,443**	**–148,575**	**–95,642**
Earnings before taxes	**5,591,028**	**2,187,741**	**6,156,436**	**3,980,980**
Income tax gain/expense	–1,877,833	–1,396,253	–1,889,503	–1,599,391
Consolidated net income	**3,713,195**	**791,488**	**4,266,933**	**2,381,589**
Average number of shares	**13,932,312**	**13,935,914**	**13,932,312**	**13,935,914**
Earnings per share (undiluted = diluted)	**0.27**	**0.06**	**0.31**	**0.17**

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 Jun 30 2014	Jan 1 to Jun 30 2013	Apr 1 to Jun 30 2014	Apr 1 to Jun 30 2013
	€k	€k	€k	€k
Earnings after taxes	**3,713**	**791**	**4,267**	**2,381**
Actuarial gains/losses from defined benefit obligations and similar obligations	–6	0	0	0
Deferred taxes	0	0	0	0
Items that may be reclassified subsequently to profit or loss	**–6**	**0**	**0**	**0**
Changes in the fair value of financial instruments used for hedging purposes recognized under equity	0	356	0	0
Adjustment items for currency translation of foreign subsidiaries and currency changes	121	115	–135	166
Exchange differences on net investments in subsidiaries	3	–266	202	–252
Deferred taxes	–9	–118	–9	20
Items that will not be reclassified to profit or loss	**115**	**87**	**58**	**–66**
Valuation gains/losses recognized directly in equity	**109**	**87**	**58**	**–66**
Total income and expense and valuation in gains/losses recognized directly in equity	**3,822**	**878**	**4,325**	**2,315**

Consolidated Balance Sheet

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

Assets	Jun 30, 2014	Dec 31, 2013
	€	€
Non-current assets		
Property, plant and equipment	33,092,904	35,211,085
Goodwill	42,312,435	42,311,998
Intangible assets	6,721,464	7,745,811
Trade receivables	2,397,778	1,846,066
Tax receivables	133,137	133,136
Other assets	269,189	343,984
Deferred tax assets	4,425,196	4,265,351
Total non-current assets	**89,352,103**	**91,857,431**
Current assets		
Inventories	36,677,406	34,268,213
Trade receivables	41,974,694	39,651,577
Tax receivables	2,995,985	1,305,868
Other assets	4,469,077	3,374,816
Cash and cash equivalents	6,317,885	3,762,699
Total current assets	**92,435,047**	**82,363,173**
Total assets	**181,787,150**	**174,220,604**

Equity and liabilities	Jun 30, 2014	Dec 31, 2013
	€	€
Equity		
Subscribed capital	40,000,000	40,000,000
thereof contingent capital	*8,000,000*	*8,000,000*
Capital reserves	36,463,441	36,463,441
Treasury shares	–417,067	–417,067
Other reserves and currency translation effects	–2,585,859	–2,694,456
Profit carried forward	5,556,220	3,274,210
Consolidated profit for the period	3,713,195	11,198,690
	82,729,930	**87,824,818**
Non-current liabilities		
Interest-bearing loans	8,334,375	0
Finance leasing	2,803,361	3,512,258
Provisions for pensions	8,347,243	8,328,412
Trade payables	15,833	36,695
Other nun-current provisions	3,730,460	4,072,937
Other nun-current liabilities	1,775,108	1,886,325
Deferred revenue	668,994	728,398
Deferred tax liabilities	3,004,062	3,127,569
Total non-current liabilities	**28,679,436**	**21,692,594**
Current liabilities		
Interest-bearing loans	224,200	1,020,049
Finance leasing	1,813,373	2,119,851
Prepayments on orders	7,029,657	3,449,572
Trade payables	8,476,958	8,735,923
Other liabilities for taxes and levies	4,976,906	4,600,688
Other liabilities for social security	1,050,388	1,014,434
Tax liabilities	3,082,102	1,284,271
Other current liabilities	23,735,491	22,946,565
Other current provisions	13,158,722	12,606,005
Deferred revenue	6,829,987	6,925,834
Total current liabilities	**70,377,784**	**64,703,192**
Total equity and liabilities	**181,787,150**	**174,220,604**

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 Jun 30, 2014	Jan 1 to Jun 30, 2013
	€k	€k
EBT	**5,591**	**2,188**
Adjustments to reconcile profit before tax to net cash flows not affecting cash:		
Amortization, depreciation and impairment of non-current assets	5,105	4,889
Gain/loss from disposals of non-current assets	45	–10
Other gains/losses	–2,239	–2,392
Interest income	–191	–64
Interest expenses	528	723
Movements in provisions	179	–1,133
Changes in net working capital:		
Increase/decrease in trade receivables	–2,651	4,234
Increase/decrease in inventories	–2,226	–2,796
Increase/decrease in trade payables	–313	5,025
Changes in other net working capital	6,196	1,107
Income tax paid	–2,677	–4,095
Cash inflow from operating activities (net cash flow)	**7,347**	**7,676**
Purchase of property, plant and equipment (without finance leasing)	–2,122	–2,930
Proceeds from sale of property, plant and equipment	149	106
Cash outflow from investment activities	**–1,973**	**–2,824**
Assumption of long-term loans	8,500	5,007
Dividends paid	–8,917	–8,081
Stock buy-backs	0	–171
Interest received	27	64
Interest paid	–475	–578
Assumption/repayment of liabilities from finance leases	–1,052	–1,305
Net cash flows used in financing activities	**–1,917**	**–5,064**
Net increase/decrease in cash and cash equivalents	**3,457**	**–212**
Net foreign exchange differences in cash and cash equivalents	**–106**	**320**
Cash and cash equivalents at January 1	**2,743**	**3,530**
Cash and cash equivalents at June 30	**6,094**	**3,638**
Composition of cash and cash equivalents for cash flow purposes:		
Cash and cash equivalents	6,318	4,505
Current bank liabilities	–224	–867
Cash and cash equivalents at June 30	**6,094**	**3,638**

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	Number of shares in units	Subscribed capital	Capital reserve	Treasury shares	Other reserves	Exchange effects	Profit carried forward	Total
As of January 1, 2013	**13,944,736**	**40,000**	**36,464**	**–431**	**–3,004**	**61**	**11,354**	**84,444**
Income and expenses recognized directly in equity					89	115		204
Taxes on transactions recognized directly in equity					–118			–118
Purchase of own shares	–12,424			14				14
Dividends							–8,081	–8,081
Consolidated earnings for the period							791	791
As of June 30, 2013	**13,932,312**	**40,000**	**36,464**	**–417**	**–3,033**	**176**	**4,064**	**77,254**
As of January 1, 2014	**13,932,312**	**40,000**	**36,464**	**–417**	**–2,876**	**181**	**14,473**	**87,825**
Income and expenses recognized directly in equity					–3	121		118
Taxes on transactions recognized directly in equity					–9			–9
Dividends							–8,917	–8,917
Consolidated earnings for the period							3,713	3,713
As of June 30, 2014	**13,932,312**	**40,000**	**36,464**	**–417**	**–2,888**	**302**	**9,269**	**82,730**

Notes to the Interim Condensed Consolidated Financial Statements of WashTec AG (IFRS) for the period January 1 to June 30, 2014

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

2. Accounting and valuation policies

Principles in preparing financial statements

The interim condensed consolidated financial statements for the period January 1 through June 30, 2014 were prepared in accordance with IAS 34, "Interim Financial Reporting".

The interim condensed consolidated financial statements do 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, 2013.

Significant accounting and valuation methods

The accounting and valuation methods, which were applied when preparing the interim condensed consolidated financial statements, comply with the methods that were used when preparing the consolidated financial statements for the fiscal year ending December 31, 2013. In contrast thereto, the tax calculation for condensed interim financial statements is done by multiplying the result with the anticipated applicable annual tax rate.

The consolidated financial statements are presented in euro, and unless otherwise indicated, all figures are rounded, either to the nearest million (€m) and to the nearest thousand (€k).

The group has applied the following new IFRS Standards and Interpretations as well as the following amendments of already existing rules.

Standards/ Inter-pretations	Descriptive heading	Key content	EU adoption	Mandatory application for WashTec fiscal years beginning
IFRS 10, IFRS 12 and IAS 27	Amendment of IFRS 10, IFRS 12 and IAS 27: Investment Entities	The amendments define across standards when a corporate entity is an investment entity and how its own investments must be presented.	yes	January 2014
IAS 36	Amendment of IAS 36: Recoverable Amount Disclosures for non-financial assets	The duty for disclosing the recoverable amount will be exempted, if no impairment was required.	yes	January 2014
IAS 39	Amendment of IAS 39: Novation of Derivatives and Continuation of Hedge Accounting	Amendment provides that under certain conditions, the novation of a hedge does not necessarily lead to a termination.	yes	January 2014
IFRS 10	Consolidated Financial Statements	IFRS 10 supersedes the previous consolidation rules of IAS 27 as well as SIC-12. In the future, the control over another company will be the single permissible requirement for the consolidation.	yes	January 2014
IFRS 11	Joint Arrangements	IFRS 11 replaces IAS 31 and SIC 13 and governs the accounting for situations in which a company exercises joint management over a joint enterprise, assets or a joint business.	yes	January 2014
IFRS 12	Disclosure of Interests in Other Entities	IFRS 12 governs the disclosure duties for all forms of ownership interest such as subsidiaries, joint ventures and associated enterprises as well as non-consolidated corporate shares.	yes	January 2014
IAS 27	New version of IAS 27: Separate Financial Statements	Due to the enactment of IFRS 10 and IFRS 12, IAS 27 will in the future contain only the provisions on the accounting related to subsidiaries, joint ventures and associated companies in the separate financial statements.	yes	January 2014
IAS 28	Revision of IAS 28: Investments in Associates and Joint Ventures	Due to the enactment of IFRS 11 and IFRS 12, IAS 28 will in the future also contain accounting rules for joint ventures, which must be consolidated according to the equity method; the application of proportionate consolidation is no longer permitted.	yes	January 2014
IFRIC 21	Levies	Guideline for the levy of government imposed fees.	yes	January 2014
IAS 32	Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities	Elimination of inconsistencies in the implementation of offsetting financial assets and financial liabilities.	yes	January 2014
IFRS 10–12	Amendments to IFRS 10–12: Transitional Guidance	The amendments contain clarifications and simplifications in the event of an early adoption of IFRS 10–12 (including, inter alia, waiving prior year comparative information).	yes	January 2014

3. Segment reporting

Jan – Jun 2014 €k	Core Europe	Eastern Europe	Northern America	Asia/ Pacific	Consoli- dation	Group
Revenues	**117,698**	**4,705**	**20,789**	**5,066**	**–6,319**	**141,938**
thereof third party	111,458	4,697	20,727	5,067	–12	141,938
thereof with other segments	6,240	8	62	–1	–6,308	0
Operating result	**5,857**	**–247**	**564**	**–277**	**31**	**5,928**
Financial result						191
Financial expenses						–528
Results from ordinary business activities						**5,591**
Income tax expense						–1,878
Consolidated result						**3,713**

Jan – Jun 2013 €k	Core Europe	Eastern Europe	Northern America	Asia/ Pacific	Consoli- dation	Group
Revenues	**113,262**	**7,632**	**22,199**	**5,431**	**–8,586**	**139,938**
thereof third party	105,506	7,605	21,852	5,432	–457	139,938
thereof with other segments	7,756	27	347	–1	–8,129	0
Operating result	**2,721**	**323**	**101**	**–462**	**163**	**2,846**
Financial result						65
Financial expenses						–723
Results from ordinary business activities						**2,188**
Income tax expense						–1,397
Consolidated result						**791**

4. Property, plant and equipment

In the first half of 2014, non-current assets (excluding financial leases) amounting to € 2,122k (prior year: € 2,930k) were acquired.

5. Equity capital

The subscribed capital of WashTec AG on June 30, 2014 equaled € 40,000k. The capital is divided into 13,976,970 no-par value bearer shares and has been fully paid-in.

The annual general meeting of WashTec AG, which was held on June 4, 2014, resolved to pay a € 8,917k dividend from the € 9,682k non-appropriated distributable profit for fiscal year 2013 and to carry forward € 765k to a new account. The dividend payment corresponds to a dividend of € 0.64 for each no-par value share bearer entitled to receive dividends. This encompasses not only a dividend in the amount of € 0.32 per participating no-par share, but also a special dividend payment in the amount of € 0.32 per participating no-par share. The WashTec profit carry-forward has thereby declined by € 8,917k.

In addition, the annual general meeting authorized the management board to increase on or before May 14, 2016 the registered share capital one or more times by up to € 8,000k (authorized capital) by issuing new, no-par value bearer shares in exchange for cash/or non-cash capital contributions.

The 2013 annual general meeting also authorized the management board to disburse on or before May 14, 2016 prorated registered share capital up to an amount totaling € 8,000 in the form of warrant-linked or convertible bonds, profit participation rights (Genussrechten) or participating bonds (Gewinnschuldverschreibungen) or a combination of these instruments and to exclude any pre-emptive rights (contingent capital).

The average number of issued and outstanding shares equals 13,932,312.

The 2013 annual general meeting authorized the management board to purchase on or before May 14, 2016 company's own shares in an amount of up to 10% of the registered share capital existing at the time that the resolution was adopted (€ 40,000k) for purposes other than trading in the company's own shares.

6. Financial instruments – additional disclosures

The table below, which is based on the relevant balance sheet items, shows the relationship between the classifications and the values assigned to the financial instruments.

Carrying values, valuation approaches and fair value measurement categories:

In €k	Measurement category under IAS 39	Carrying value June 30, 2014	Balance sheet valuation under IAS 39			Balance sheet valuation under IAS	Fair Value June 30, 2014	IFRS 13 Level
			Amortized cost	Fair Value in equity	Fair Value through profit and loss			
Assets								
Cash and cash equivalents	LaR	6,318	6,318	–	–	–	6,318	2
Trade receivables	LaR	44,372	44,372	–	–	–	44,372	
Other financial assets	LaR	746	746	–	–	–	746	2
Liabilities								
Trade payables	FLAC	8,493	8,493	–	–	–	8,493	
Interest bearing-loans	FLAC	8,559	8,559	–	–	–	8,559	2
Other financial liabilities	FLAC	13,567	13,567	–	–	–	13,567	2
Finance lease liabilities	n.a.	4,617	–	–	–	4,617	4,617	2
Derivatives financial liabilities		771	–	–	771	–	771	2
Aggregated presentation per IAS 39 measurement categories								
Loans and Receivables (LaR)			51,436	–	–	–		
Financial Liabilities Measured at Amortised Cost (FLAC)			30,618	–	–	–		
Financial Liabilities through P-L							771	

In €k	Measurement category under IAS 39	Carrying value Dec, 31, 2014	Balance sheet valuation under IAS 39			Balance sheet valuation under IAS	Fair Value Dec, 31, 2014	IFRS 13 Level
			Amortized cost	Fair Value in equity	Fair Value through profit and loss			
Assets								
Cash and cash equivalents	LaR	3,763	3,763	–	–	–	3,763	2
Trade receivables	LaR	41,498	41,498	–	–	–	41,498	
Other financial assets	LaR	1,103	1,103	–	–	–	1,103	2
Liabilities								
Trade payables	FLAC	8,773	8,773	–	–	–	8,773	
Interest bearing-loans	FLAC	1,020	1,020	–	–	–	1,020	2
Other financial liabilities	FLAC	11,806	11,806	–	–	–	11,806	2
Finance lease liabilities	n.a.	5,632	–	–	–	5,632	5,632	2
Derivatives financial liabilities		943	–	–	943	–	943	2
Aggregated presentation per IAS 39 measurement categories								
Loans and Receivables (LaR)			46,363	–	–	–		
Financial Liabilities Measured at Amortised Cost (FLAC)			21,599	–	–	–		
Financial Liabilities through P-L							943	

Derivative financial instruments shown under Level 2 include foreign exchange forwards and interest rate swaps. These foreign exchange forwards are measured at fair value using the anticipated change rates which are quoted on a regulated market. Interest rate swaps are measured at fair value using the anticipated interest rates under recognizable yield curves.

The fair value of the financial instruments is classified according to maturities as follows:

in €k	Jun 30, 2014	Dec 31, 2013
Non-current	758	484
Current	13	459
Total	**771**	**943**

The fair value of the receivables and trade payables as well as cash and cash equivalents matches the relevant book value because of the short maturities. The fair value of the derivative financial instruments, liabilities under financial leases and loans was calculated by discounting to present value their expected future cash flows based on customary market yields.

7. Contingent liabilities and other financial obligations

Compared to December 31, 2013, contingent liabilities and other financial obligations remained mostly unchanged.

8. Information about related party transactions

No significant transactions with related parties occurred during the reporting period.

9. Notes after the balance sheet date

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

Responsibility Statement

"To the best of our knowledge and in accordance with the applicable accounting principles, the interim condensed consolidated financial statements give a true and fair view of the assets and liabilities, financial position and profits and loss of the Group, and the Group Management Report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group during the remaining fiscal year."

Augsburg, July 24, 2014

Dr. Jürgen Rautert	Karoline Kalb
Spokesman of the Management Board	Member of the Management Board

Review Report

To WashTec AG

We have reviewed the condensed consolidated interim financial statements – comprising the income statement and statement of comprehensive income, balance sheet, cash flow statement, statement of changes in equity and selected explanatory notes – and the interim group management report of WashTec AG for the period from January 1 to June 30, 2014, which are part of the half-year financial report pursuant to Art. 37w WpHG ("German Securities Trading Act"). The preparation of the condensed consolidated interim financial statements in accordance with IFRS applicable to interim financial reporting as adopted by the EU and of the interim group management report in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports is the responsibility of the parent company's management board. Our responsibility is to issue a review report on the condensed consolidated interim financial statements and on the interim group report based on our review.

We conducted our review of the condensed consolidated interim financial statements and the interim group management report in accordance with the German generally accepted standards for the review of financial statements, as such standards were promulgated by the Institute of Public Auditors in Germany (ID W). Those standards require that we plan and perform the review such that, through critical evaluation, we can rule out with moderate assurance that the condensed consolidated interim financial statements were not prepared, in all material respects, in accordance with the IFR S applicable to interim financial reporting as adopted by the EU and that the interim group management report were not prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management report. A review is limited primarily to inquiries of company personnel and analytical procedures and therefore does not offer the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot express an audit opinion.

Based on our review, no matters have come to our attention that cause us to presume that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU or cause us to presume that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports.

Munich, July 24, 2014

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Holger Graßnick	ppa. Florian Horn
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

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Financial Calendar

November 4, 2014	3Q/14 report
November 24–26, 2014	Analyst's Conference, Equity Forum Frankfurt/Main