Annual report 2012

Continuity and **Change**

Unaudited translation for convenience purposes only

WashTec – »Hidden Champion«

Mission Statement

We offer our customers the best products, processes and services, which allow them to operate a successful car wash business. As a market and innovation leader with the best return on investment, we aim to provide the best offering in all market segments. Fast and efficient processes, entrepreneurial employees and a sound capital structure help us to achieve this goal.

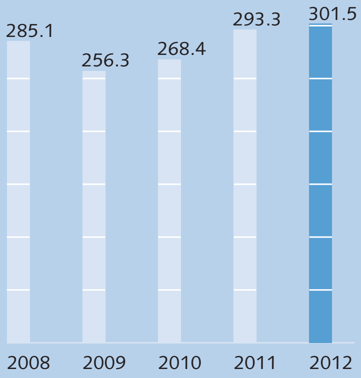
Group Level KPIs

in €m	2012	2011[4]	2010	2009	2008
Revenues	301.5	293.3	268.4	256.3	285.1
Domestic	100.9	102.9	97.4	97.8	100.9
Abroad	200.6	190.4	171.0	158.5	184.2
EBITDA	29.2	19.2	29.9	22.2	37.1
EBIT	19.2	–10.4	20.3	13.1	29.4
EBT	16.5	–11.9	18.6	10.5	26.4
Net income	10.1	–14.6	10.8	5.8	15.3
Earnings per share €[1]	0.72	–1.04	0.77	0.41	1.03
Net cash flow	23.1	17.2	29.1	20.7	33.0
Investments (excl. finance lease)	5.2	8.0	7.5	5.4	9.8
Balance sheet total	183.6	195.0	217.1	199.9	202.8
Equity	84.4	75.3	94.4	85.6	79.1
Employees[2]	1.650	1.660	1.596	1.553	1.562
ROCE[3] (in %)	17.0	16.3	19.9	11.8	22.9

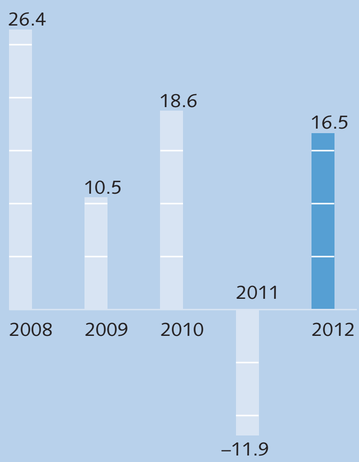
1) Weighted average number of outstanding shares: Dec 31, 2008: 14.9m, since Dec 31, 2009: 14.0m
2) Year average
3) “Return On Capital Employed” = adjusted EBIT/ (total assets – current liabilities – cash and cash equivalents); based on equal divdend payments
4) Comparative figures adjusted pursuant to IAS 8, see Note 7 of the Consolidated Notes

Revenues, earnings, cash flow, employees

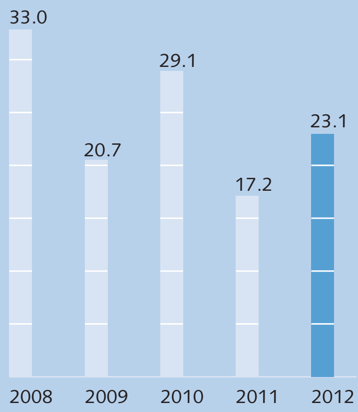
Revenues in €m



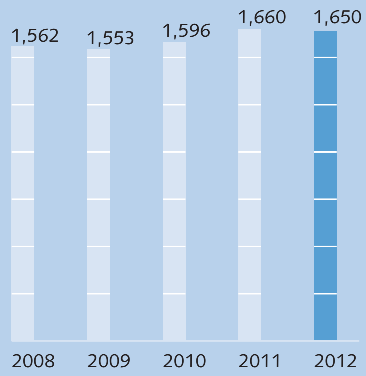
Earnings before taxes in €m



Net cash flow in €m



Average number of employees by year



Continuity and **Change**

"We cannot solve our problems with the same thinking we used when we created them."
Albert Einstein

WashTec is not standing still; ahead of us lies a future full of challenges and great opportunity. We have the courage to think differently, to think "outside the box". Nevertheless, in the midst of all the changes and new decisions, certain things remain constant, even after all the changes in 2012: our stringent customer focus, our high-performance and innovative products, and our excellent service which is available worldwide. To us, this represents the perfect balance between continuity and change.

New management

We also recognized the need for change and new stimulus at the executive level of our Company. By reconstituting the management board, we have made sure that the strategic development at WashTec will be advanced quickly. Continuity in times of change has been provided by Michael Busch, who this past summer temporarily left his post as a member of the supervisory board and assumed management board responsibility. Since the start of 2013, two new management board members are working at and for WashTec, having now completely taken the baton from Michael Busch.

Progress made in the United States

Time for change – during the last year, this mantra also applied to our subsidiary in the United States. After a comprehensive restructuring and cost-cutting program, the company will be able to more professionally and efficiently work the market there, which appears to be slowly recovering. The most recently completed fiscal year has already provided us with some validation: it was indeed the right decision to energetically intervene here – the results have already improved significantly over the last year, and the discussion about a possible sale is no longer on the table.

Celebrating 50 years of the friction car wash – a success story "Made in Augsburg"

Our trade fair exhibit at the automechanika 2012 was very much in the spirit of the anniversary spotlight, "Celebrating 50 years of the friction car wash". By presenting numerous new products from our 2012 innovation campaign, we were able to demonstrate why it is no coincidence that WashTec is the industry's market leader. Using our own historical exhibits, we showed the transformation over the years and the contrast between then and now. Our trade fair exhibit revealed: WashTec is constantly reinventing itself and its products – for the benefit of both our immediate customers and the end customers.

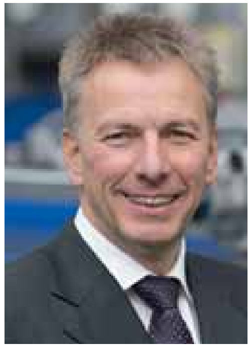
The Group

Management Report WashTec AG and the Group

Consolidated Financial Statements of WashTec

Further Information

Letter from the Management Board



Jürgen Rautert,
Spokesman of the
Management Board

Dear Shareholders,
Ladies and Gentlemen,

2012 was an eventful and successful year for WashTec AG.

It was an eventful year because the changes on the management board were initiated in the summer in an effort to smooth the path for WashTec to reach an even better position in a highly competitive field.

It was also an eventful year because we celebrated the 50th anniversary of the invention of the friction car wash at the 40th automechanika trade fair in Frankfurt. We used this occasion to contribute the first automated car wash, as developed by Messrs. Gebhard Weigele and Johann Sulzberger, to the automechanika Museum to serve as an exhibit.

It was a successful year because we made some fine progress in our North American business, which was in a crisis the previous year, and because a number of important innovations were well received on the market and will support our business development in the coming years.

We are pleased that the supervisory board has given us their trust and would like to thank Mr. Busch, who managed the company over the past seven months, for his input on key matters concerning organizational structure and in-house collaboration, for his personal commitment in dealing with important customers and for the dedicated orientation training we were given.

WashTec is solidly positioned

WashTec is a solidly positioned company, which in the past few years has fallen behind in its potential to innovate expeditiously. During the course of this year, we will work with the excellent WashTec team and the supervisory board to devise a progressive strategy to fully exploit the Company's potential in the coming years.

The foundation of any strategy must be a correct understanding of the business models of our customers. If we are able with our equipment and services to develop automated car washing into an even more attractive business for the operators and a comfortable and qualitatively satisfying experience for drivers, then this will have a favorable impact on the revenues and earnings of the WashTec Group.

It is therefore elementary that we engage in an extensive dialogue with our customers in all segments and regions. We are aware that only satisfied customers, whose needs we are able to meet, will also be loyal customers.

We feel it is important that sales and development teams collaborate very closely in order to promote in an expedited fashion the right innovations in the requisite quality. By further optimizing the supply chain and working on streamlined and secure processes, we are ensuring a competitive cost structure.

Our sales and service network is our most important competitive strength in our established markets. Growth in these markets will be possible by gaining more market share, provided that we link our innovations with competent advice. We see additional potential in new markets in Eastern Europe and overseas; we can use our experience in these markets to establish trust with new customers.

We shall track all of these initiatives very closely and further expand the transparency of our internal reporting system to clearly reveal our progress along the way.

With respect to all necessary changes, it is important to strike and protect a balance between the interests of the customers, shareholders and employees. We are aware that you – our dear employees – are a crucial resource of the Company. You are WashTec! We feel that a major part of our job is to maintain and promote the working collaboration and communication with and among you. We would like to thank all of you as well as your work councils for the constructive and loyal collaboration we have had so far and look forward to continuing our work together!

During the last year, the share price of WashTec AG performed well: climbing from around €7 at the beginning of the year to slightly above €9 on the last trading day of 2012. This corresponds to an increase of about 25%. In 2012, a share buyback campaign was commenced in order to return capital in this form to the shareholders.

Good progress has been made in North America

The past fiscal year has allowed us to regain our confidence in the future of the North American business. We have made good progress there and have substantially increased the order intake over the prior year, thanks in no small measure to the new local management. At the moment, a sale of our US business is no longer on the table. Thanks to our starting position with various major customers, which is now very good, we are confident that we can increase revenues and profitability in North America in 2013. Business has also developed well in Eastern Europe and Asia, and the Germany/Austria/Switzerland region was stable; only in Southern Europe and a number of other countries in Core Europe was the market weak, a consequence of the current crisis.

Measured in terms of revenue and EBIT, the Core Europe region was dominant again in 2012. We see additional potential in the mid-term in the emerging Eastern European and Asian countries. For this reason, we are further expanding our sales and service structure there.

Let us take a quick look at the key financial ratios of fiscal year 2012: we achieved our goal of improving revenues and earnings over the prior year. Group revenues rose by approximately 3% from 2011 to €301.5 million, and we were able to improve earnings before interest, taxes, and depreciation/amortization (EBITDA) significantly (by 52%) to €29.2 million. Earnings before interest and taxes (EBIT) likewise climbed substantially to €19.2 million, although one should remember that in the previous year, EBIT was lower due to one-time effects, which included those related to the special situation in North America. Yet even adjusted EBIT rose from €17.6 million to €18.5 million between 2011 and 2012.

In both 2013 and the coming years, we shall use all our efforts within the Company to build upon our market leadership. Our hope is to become an even better partner for our customers in order to permanently create added value for customers, shareholders and employees.

We would be pleased if you would continue to place your trust in WashTec.

Jürgen Rautert Spokesman of the Management Board	Stefan Vieweg Member of the Management Board

Continuity and **Change**

The new management board members

Dr. Jürgen Rautert (dob: 1958),
Spokesman of the Management Board
Areas: Sales, Service, Supply Chain, Product Management, Research & Development

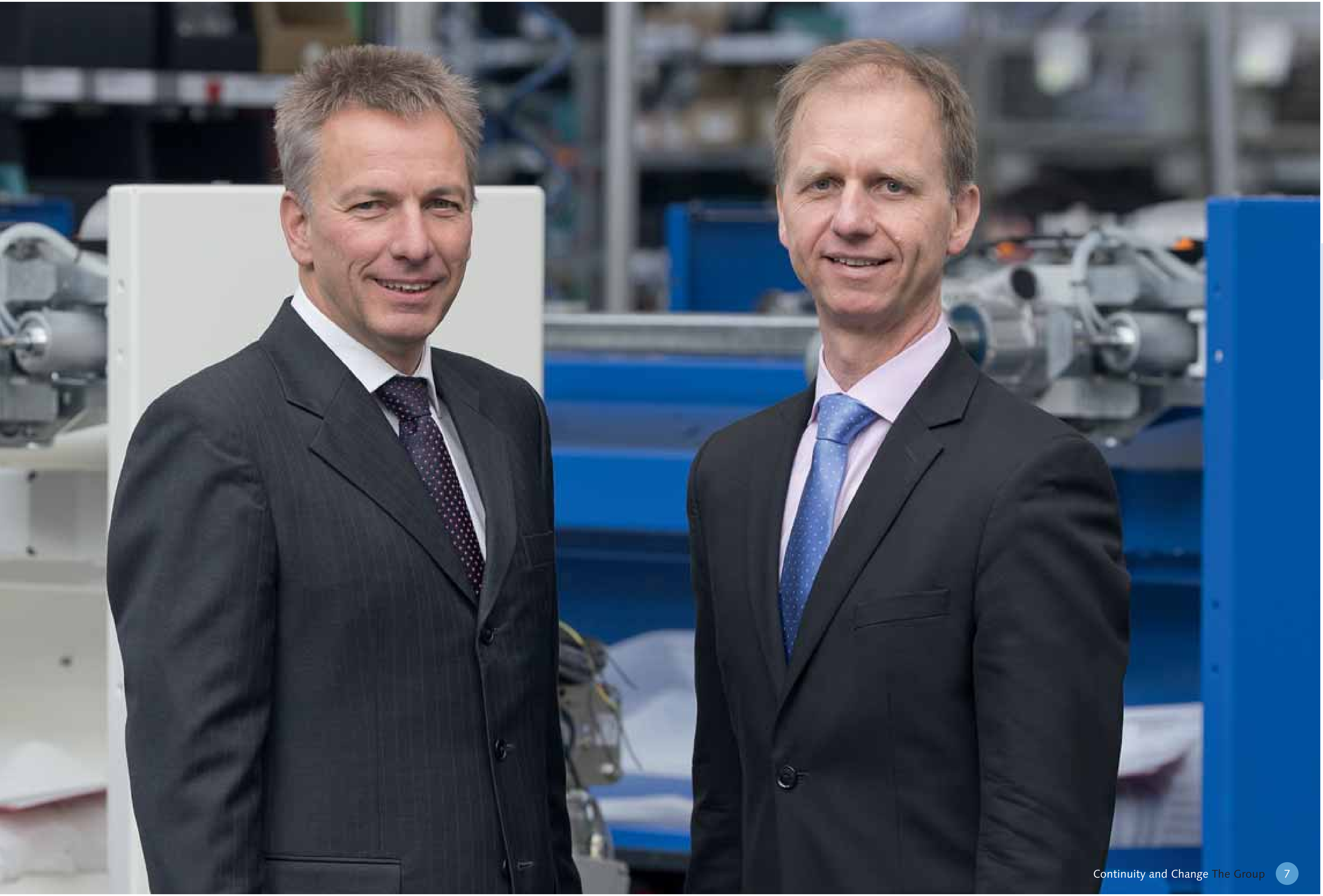
Jürgen Rautert holds a doctorate in mechanical engineering and therefore the German title, Dr.-Ing. Maschinenbau. Following his formal studies and successfully completing his dissertation at the Polytechnical School of Darmstadt, he began his career at Heidelberger Druckmaschinen AG, where he worked until 2010 as, among other things, the management board member responsible for sales and technology. His last position was as Senior Vice President of Dematic S.a.r.l., an intralogistics company managed by a private equity firm and where he was responsible for global product development. Mr. Rautert has been a member of the management board of WashTec AG since January 2013. In March 2013, he assumed the position of CEO and Spokesman of the Management Board of WashTec AG from Michael Busch, who returned to his position on the supervisory board.

"We shall focus our work on important issues and collectively achieve our ambitious objectives."

Dr. Stefan H. Vieweg (dob: 1965),
Member of the Management Board
Areas: Finance, Quality Control, General Services

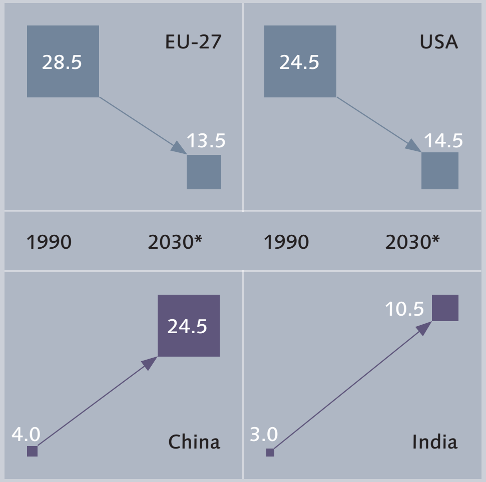
Stefan Vieweg holds a doctorate in economics and a doctorate in mechanical engineering and therefore the German titles, Dr.rer.oec. and Dr.-Ing. Maschinenbau, respectively. He is also a "chartered financial analyst" (CFA). Following his formal studies and successfully completing his dissertation at the Polytechnical University of Braunschweig (Brunswick), the Polytechnical University at Vilnius and the CFA Institute in Charlottesville, he began his career at Aerodate Flugmesstechnik GmbH. Thereafter, he spent many years working internationally at Mannesmann (which later became Vodafone) as a business, sales and technical manager. In 2009, he went to work for Atos Information Technology GmbH, where he served as the CFO Managed Services. Since January 2013, Dr. Vieweg has been on the management board of WashTec AG.

"Drawing on the progress made in operations and on the further improved balance sheet structure in 2012, we shall continue to enhance our goal-oriented approaches and remain focused on exploiting market opportunities."



Continuity and **Change**
Emerging Markets gain importance

WashTec sees great mid-term to long-term potential in the car wash business based on the development of the emerging markets in Eastern Europe and Asia. Since wage levels in these markets are at the moment still relatively low, they continue to be dominated by hand washing. The driving force behind the transition from manual car washing to (partially) automated washing is the increasing number of vehicles on the market and higher per capita income, on the customer side, and the rising costs of labor and physical space in combination with limited capacity for hand washing, on the operator side. Automated car wash equipment can wash a passenger car in roughly half the time it takes professional hand washers to do the same job. In the future, markets such as China, Poland and Russia will make up a larger share of WashTec's business. A targeted market development and the selective expansion of local sales and service structures should create the conditions for above average future growth. In this regard, the Group in 2012 established its own subsidiary in Poland and strengthened its sales structures in China.



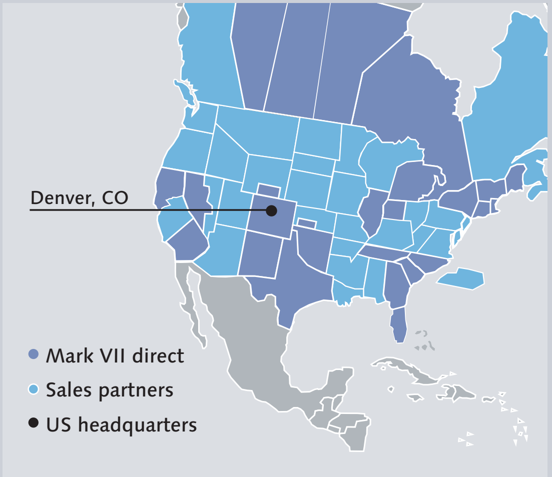
Share of worldwide economic growth of selected countries and regions (percentage)
Source: treasury.gov, *Forecast


WashTec
Ting Liu

Continuity and **Change**
Mark VII – successful restructuring

After the US subsidiary Mark VII incurred high operating losses in 2011, measures were instituted which have already led to significant improvements in company results in 2012. The original, highly decentralized structure was streamlined, both spatially and organizationally, by consolidating, for example, approximately 80 percent of the decentralized warehouse sites and management functions at the company's headquarters in Denver, Colorado. The structures and control mechanisms in place at Mark VII are now more stable, less expensive, and more efficient than in the previous years.

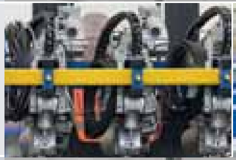
The success of these efforts is reflected in what is considered astounding revenue growth for a year of restructuring. Thus, for example, Mark VII was able in 2012 to produce and sell 8 percent more new equipment with approximately 18 percent less personnel. Support from major customers together with the recovering US economy also contributed to the improvement in earnings.



Based on this favorable development, WashTec has decided to continue serving the North American market through the US company. The company's future challenges in North America will consist of not jeopardizing the established stability and, at the same time, of exploiting growth opportunities that present themselves. The implementes measures created a solid basis for further growth.


MARK VII
www.markvii.net
DRIVE AHEAD
STOP
BACK UP

Continuity and **Change**
Improving the Supply Chain




To ensure additional growth, WashTec is pursuing a global sales strategy. In order to be successful in this endeavor, the different customer needs and practices in each country and each region must be understood. The task of the supply chain is to service in a high quality and timely manner individual customer orders on the basis of the existing product portfolio and, at the same time, to at least offset the cost pressure brought on by rising prices. To this end, a global procurement and production infrastructure was developed, which includes plants in North America, Europe and Asia. The focus in recent years was extending the plant in the Czech Republic and designing the work processes at the headquarters in Augsburg more efficiently. By virtue of the fact that the final assembly of equipment for Europe occurs in Augsburg and the quality management system is standardized for all plants, we always offer our customers a "Made in Germany" level of quality. Final assembly of car wash equipment is carried out in Denver (Colorado, USA) for the North American market and in Shanghai (China) for the markets in the Asia/Pacific segments.

		America	Europe/ World	APAC
Markets	**Customers**	**Customer Orders**	**Customer Orders**	**Customer Orders**
Modular kit	**Global Product-Portfolio**			
	Final Assembly	Regional- and order-specific customization of products		
	Systems			
	Media	Standardized, modular system in required variants		
	Move	dto.		
	Activate & Control	dto.		
	Structures	dto.		
	Parts			
	Make	Standardized with defined manufaturing parameters		
	Buy	Standardized parts		


Hauptwäsche
Vorwäsche
STOP
2,40
67

Continuity and **Change**
From carousel to SoftCare² Pro

WashTec's challenge was and continues to be identifying car wash needs today in order to meet the demands of tomorrow. Relying on our more than 700 patents, we are constantly pushing the development of car wash facilities and are today the market leader for innovative solutions related to car washing worldwide. Since August 8, 1962, when Gebhard Weigele and Johann Sulzberger filed a patent application for the first automated wash system for motor vehicles, this area has seen quite a bit of change, however.

Whereas at the time these systems still used a dual brush system, which during the wash process circled the standing vehicle on tracks, WashTec today produces a highly modernized rollover system for premium automated washes using state-of-the-art software and a great variety of different options.

Yet the evolution of car wash equipment has not in any way ended. In the years to come, we have also committed ourselves to innovating and investing in research and development in order to preserve our leadership in innovation and on the market and to push even harder the notion of quality, sustainability and user friendliness in the car wash industry.


1962 – one of the first autom. carwashes


1985 – the Elektronik 35 by Californiarohé


1963 – the first kleindienst 3 brush rollover


1987 – the soft wash by Wesumat


1969 – the Combi Typ 6-269 by Kleindienst


1994 – the C 45 by Californiarohé


1976 – the Super-Polish Combi by Kleindienst


2002 – Introduction of the Generation SoftCare


1984 – the Euro Combi by Kleindienst


2012 – the SoftCare² Pro Touchless

The Group

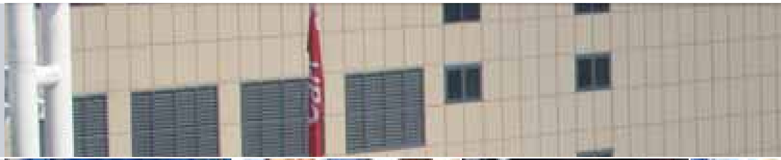
Continuity and **Change**
Innovations 2012

During the 50th anniversary year of the friction car wash, WashTec presented – up to the automechanika – a novelty each month as part of a major innovation campaign in 2012: one world premiere, which was presented, was the revolutionary Advanced Chemical System ("ACS"), with which WashTec would now be offering a completely new and very user-friendly cartridge system for cleaning and care products. It replaces the previous refilling of wash chemicals with a quick, safe and clean reloading procedure. The service personnel can now swap out the chemical cartridges within one or two minutes without spilling a drop or any risk of confusion, instead of having to rely on bulky canisters for refilling.

The other innovations in 2012 included the "Drive-in Carwash" concept, according to which the wash customer can now also enjoy the car wash experience in a comfortable, time-saving and safe manner within a rollover car wash system while remaining seated in his or her vehicle, as well as the new high pressure SoftCare² Pro Touchless system, which can be utilized not just for extensive pre-cleaning but also for a pure, touchless high pressure wash.

- **01** SoftCare Pro Classic Express programs
- **02** Drive-In Carwash
- **03** SoftCare² Pro Touchless
- **04** AquaX²
- **05** SoftCare Pro Classic XL 320
- **06** Precision chemical application
- **07** Advanced Chemical System "ACS"


TROCKNUNGSHILFE
RINSE AID
AUTO SECHANT
AYUDA DE SECADO
SCHAUM
FOAM
MOUSSE
ESPUMA
TROCKNUNGSHILFE
RINSE AID
AUTO SECHANT
AYUDA DE SECADO
CS 2 -G20



automechanika
World's leading trade fair for automotive industry




From September 11–16, 2012, the industry's largest trade fair in the world, "automechanika", was held in Frankfurt am Main.

At a newly designed showroom area in excess of 1,250 m², WashTec exhibited to a wide international audience more than ten innovations and other trends in commercial and ecological car washing, and thereby validated its position as the leading supplier of innovative solutions for the car wash business worldwide. Highlights of the exhibit included, among other things, the Advanced Chemical System (ACS), the SoftCare² Pro Touchless, and a "Drive-in Carwash" rollover car wash system. All innovations were very well-received by the visitors.

In addition, WashTec participated at the special live event, "Man versus Machine", at which visitors had a chance to compete head-to-head against the speed of the world's most modern car wash equipment from WashTec. WashTec also contributed the first automated car wash equipment to the "automechanika Museum". WashTec thereby combined tradition and innovation like no other exhibitor at the fair.


WashTec
auwa
by WashTec
100
17%
2,5
6,5
300

Report of the Supervisory Board

Michael Busch,
Chairman of the
Supervisory Board

Dear Shareholders,
Ladies and Gentlemen,
Our dear Employees,

2012 was a year that included huge challenges and important decisions not just for WashTec AG and its supervisory board, but also for me at a very personal level:

To begin with, you – our dear shareholders – decided at the annual general meeting to increase the size of the supervisory board from three members to six members. The following persons joined the re-elected members, Mr. Pedrazzini and me, on the board, bringing with them their knowledge and experience:

Mr. Jens Große-Allermann

Dr. Hans Liebler

Dr. Sören Hein

We were also able to recruit Mr. Roland Lacher again for our supervisory board. He had already been a member of the three-person supervisory board from 2007 through 2010.

After many years of loyal service, Mr. Jürgen Lauer decided not to seek re-election. I would like to express my thanks once again to Mr. Lauer for his many years of services as a member of our Company's management board and supervisory board.

After only a few weeks with the newly constituted supervisory board, I was able to determine the following as the re-elected chairman: the style and nature of the collaborative work on the board have not changed. This collaboration has continued through today and also serves as the basis for the future.

After the new supervisory board was constituted, it was our collective hope to greatly accelerate the speed of the strategic repositioning within our Company in an effort to continue defending and expanding the market leadership of WashTec AG. After it became clear in discussions with the management board that we would be unable to reach an agreement about the individual measures needed to implement this strategy, the management board members agreed to resign effective July 31, 2012. Special thanks should go to them for their work and their strong personal commitment.

After an extensive search process, we were able to recruit Messrs Dr. Rautert and Dr. Vieweg, two experienced managers, to serve as the new management board members. They will push with great speed the strategic repositioning of the WashTec Group, focusing on innovation and on penetrating additional growth sectors. Dr. Rautert and Dr. Vieweg will use their expertise and experience from their previous positions to work with WashTec management in further solidifying and expanding WashTec's position as market, innovation and profit leader in the car wash industry.

And now a very personal remark: As you can no doubt imagine, it had not been my life's plan to once again assume operational responsibility; on the other hand, I could not and would not ignore the call of the supervisory board to manage WashTec AG for an interim period until a new spokesman of the Company's management board has been appointed. Now, looking back at my seven months as a member and spokesman of the management board, I must confess that managing the Company was in fact – on a daily basis – both gratifying and even a bit fun.

Why is this?

First, let me begin by mentioning the employees: I am thankful that the employees at all levels were prepared to use their ability and commitment in helping to keep the ship on course. My contribution in words and in organizational changes also had, as its goal, the improvement of the collaborative work within the Company itself. This approach was also accepted. We are on the right path today.

Second: Our customers also accepted the change and have shown me during various meetings and discussions how important WashTec is for them. I am particularly thankful for these (in some cases renewed) contacts and the outside support.

Third: the new supervisory board, which has since been rearranged, has altogether stood by my side at all times with its words and deeds. Please allow me to thank all the members of the supervisory board for their support, above all Massimo Pedrazzini, who acted as supervisory board chairman during my absence and his deputy, Jens Große-Allermann.

Work of the supervisory board

In addition to the evaluation of the current business operations and specifically the situation in North America and Core Europe, the work of the supervisory board has been largely shaped by the changes on the supervisory and management boards, particularly in the second half of the year. Supervisory board committees were formed, negotiations with former management board members were conducted, and the new management board members were appointed.

Following the resignation of the previous management board, I became a management board member in accordance with § 105 (2) of the German Stock Corporation Act (AktG) effective as of July 28, 2012, and also assumed the position of management board spokesman. During the period of this appointment, Massimo Pedrazzini was elected to serve as the new chairman of the supervisory board and Jens Große-Allermann as his deputy. Following a two-month transitional period after the new management board members took office, I returned to my role as supervisory board chairman effective March 1, 2013. Since that time, Massimo Pedrazzini has once again assumed the office of deputy supervisory board chairman.

During the reporting year, the supervisory board discharged the responsibilities imposed on it under the law, the Company's articles of association and the board's own internal rules of procedure. The supervisory board was directly involved in all decisions of fundamental significance to the Company. In fiscal year 2012, the supervisory board, among other things, regularly obtained information about the status of business and the condition of the Group.

In fiscal year 2012, the supervisory board regularly obtained information about the condition of the Group and supervised the managerial activities of the management board

In connection with the repositioning and review of the North American business, a special examination of the WashTec Group's compliance system was also performed. The management board reported to the supervisory board about the analysis, findings and measures for further improving the compliance system, and the supervisory board had the management board routinely report on the progress of implementing the measures. It also supervised the managerial activities of the Company's management board. The basis for this work was, above all, timely written and oral reports issued to it by the management board. The management board provided the supervisory board with, among other things, monthly written reports on business development. When it was needed, the supervisory board also requested additional reports from the management board and inspected other relevant Company documentation. Discrepancies between actual business development and the plans and targets were explained to the supervisory board in detail and then checked by the supervisory board based on the documents presented to it. The management board conferred and coordinated with the supervisory board on the strategic direction of the Company. The supervisory board discussed any transactions, which were important to the Company, on the basis of the reports issued by the management board.

The supervisory board has voted on all reports and draft resolutions of the management board, whenever required by law or the Company's articles of association, after thorough examination and discussion. In addition to the extensive work conducted during the supervisory board meetings, the chairman of the supervisory board also discussed the Company's position and its further development and direction in various one-on-one talks with the management board. The other supervisory board members were in contact with the management board outside of the board meetings. All supervisory board members provided each other with detailed reports concerning their respective one-on-one talks with the management board.

In fiscal year 2012, the plenary supervisory board held a total of twenty-one ordinary and extraordinary meetings, of which ten were held in the form of conference calls ("CC"). Moreover, two resolutions were adopted by the board members without a meeting pursuant to a draft resolution circulation and signing procedure. At least one meeting was held each quarter. All members of the supervisory board were represented at all the meetings held. In addition, five committee meetings were held, which were attended by the relevant committee members only. The committee work report is presented to the supervisory board during the plenary meetings. This report will separately address the duties and tasks of the committees.

The topics at the regular conferences of the supervisory board were the development of revenues, earnings and staffing at the WashTec Group, the financial position and the major investment projects, and the risk management system. The management board submitted regular and comprehensive reports to the supervisory board about corporate planning, strategic development, the status of business and the updated condition of the Group. Thus, the supervisory board had at all times a detailed understanding of all major business events and developments at the WashTec Group. Moreover, any transactions and courses of action, which required the consent of the supervisory board, were reviewed and then discussed and decided with the management board.

Significant other topics at the plenary board meetings in fiscal year 2012 were:

- At all meetings: discussions about current business development and earnings and comparison with the budgeted figures, special focus there placed on the development of orders in the wake of the financial and economic crisis as well as the developments in North America;
- Extraordinary meeting (CC) held on February 9, 2012: preliminary 2011annual financial statements;
- Extraordinary meeting held on February 17, 2012: status report North America and the UK, budget;
- Meeting (CC) held on February 24, 2012: status report North America;
- Extraordinary meeting (CC) held on March 6, 2012: discussion of the draft annual financial statements of the Group and AG for the most recently completed fiscal year in the presence of the annual accounts auditor, management letter 2011;

Focus 2012:
- *Current business and earning situation*
- *Status North America*
- *Supervisory board and management board matters*

- Extraordinary meeting held on March 9, 2012: supervisory board matters;
- Meeting held on March 21, 2012: adoption or approval of the annual financial statements and management board with the participation of the annual accounts auditor, report of the supervisory board, draft resolutions to the annual general meeting, update North America, market, taxes, supervisory board matters;
- Extraordinary meeting (CC) held on March 27, 2012: preparation for the annual general meeting, sale of unused plant grounds;
- Extraordinary meeting (CC) held on April 10, 2012: evaluation of strategic options;
- Extraordinary meeting (CC) held on April 11, 2012: evaluation of strategic options;
- Extraordinary meeting (CC) held on April 24, 2012: evaluation of strategic options;
- Extraordinary meeting (CC) held on May 2, 2012: evaluation of strategic options, preparation for the annual general meeting, return policy, quarterly report;
- Meeting held on May 10, 2012: preparation for the annual general meeting, update North America;
- Extraordinary meeting held on May 10, 2012: constitution of new supervisory board including election of the chairman, status reports;
- Extraordinary meeting held on May 24, 2012: efficiency measures, update North America, determination of the focus of the audit of the half-year financial statements; supervisory board matters, update evaluation of strategic options;
- Extraordinary meeting held on July 10, 2012: supervisory board and management board matters;
- Extraordinary meeting (CC) held on July 27, 2012: report on the audit committee, supervisory board and management board matters;
- Extraordinary meeting held on August 14, 2012: supervisory board and management board matters, share buyback;
- Meeting held on September 20, 2012: update North America, determination of the focus for the audit of the annual financial statements; supervisory board and management board matters, capital increase Poland;
- Meeting held on October 25, 2012: update North America, capital increase China, supervisory board and management board matters;
- Extraordinary meeting (CC) held on November 14, 2012: supervisory board and management board matters;
- Meeting held on December 11, 2012: report on the compliance organization and measures, budget and mid-term planning including strategy, annual resolutions regarding the remuneration system of the management board and regarding the corporate governance declaration; supervisory board and management board matters.

Corporate Governance

After the supervisory board was increased to six members pursuant to the shareholder resolution, which was adopted on May 10, 2012, the board decided at its meeting on May 24, 2012 to form an audit committee, a personnel committee and a nominating committee in order to efficiently discharge its duties and to comply with the requirements of the Code. The current constitution of the committees is set forth on page 48. The committees have the task of preparing the topics and resolutions for the supervisory board meetings. They do in fact execute some decision-making authority, which is delegated to them by the supervisory board. We provide below a brief overview of the committee duties:

- *The supervisory board currently consists of six members*
- *An audit, personnel and nominating committee were formed*

The duties of the **audit committee** include, among other things, reviewing the Company's bookkeeping and accounting practices, the annual and consolidated financial statement prepared by the management board, the combined management report and the recommendation on using the non-appropriated distributable profits, as well as reviewing the quarterly financial statements and interim management report of the WashTec Group. On the basis of the auditor's report on the audit of the annual financial statements of WashTec AG and the WashTec Group and on the basis of the combined management report, the audit committee works out recommendations to the supervisory board regarding the approval of the annual financial statements. The audit committee also deals specifically with monitoring the accounting and bookkeeping process, the effectiveness of the internal control systems and the internal audit system, and with the annual accounts audit, in this case specifically with the neutrality and independence of the auditor, the additional work performed by the auditor, the issuance of the audit mandate to the auditor, the stipulation of the audit focus and the fee agreement, and with compliance. The committee met three times in the most recently completed fiscal year.

The **personnel committee** has the duty of preparing the groundwork for supervisory board decisions about the content, execution and modification of service (employment) agreements with management board members appointed by the supervisory board and about all questions arising in this connection between the management board members and the Company and specifically making recommendations regarding the overall remuneration of the individual management board members. It will also decide on the granting of loans to the persons identified in §§ 89, 115 of the German Stock Corporation Act (AktG). It also advises on and prepares drafts for the supervisory board with respect to the planned appointment of management board members. The personnel committee also regularly advises on the long-term successor planning for the management board. In this regard, it takes into account the manager scheduling of the Company and also takes diversity into consideration. This body met twice in the recently completed fiscal year.

The **nominating committee** meets as needed and recommends suitable supervisory board candidates for nominations to be presented to the annual general meeting. Factors in making recommendations include, among other things, the international activity of the Company, independence, potential conflicts of interest and diversity. This committee did not meet in fiscal year 2012.

The members of the supervisory board have exhibited efficiency and professional competence in their collaborative work on the board. No conflicts of interest arose among the supervisory board members.

The management board remuneration system is based on the duties and achievements of the management board members and on the condition of the Company. The overall remuneration of the members of the management board is made up of monetary and non-monetary as well as fixed and variable components, and in general, it is directed at the sustained development of the Company.

All of the components of remuneration are structured in such a way that each of them is reasonable both in and of itself and in the aggregate, and that they do not encourage the directors to take unreasonable risks. The remuneration of the management board and the supervisory board members is more closely described within the annual report under the declaration of corporate management on pages 53–55 (Remuneration Report). A detailed discussion about corporate governance is also set forth there. The supervisory board approved the annual remuneration systems for the management board at its meeting of December 11, 2012.

Audit of the annual and consolidated financial statements

The management board prepared the financial statements of WashTec AG as well as the consolidated financial statements and the combined management report of WashTec AG and of the Group as of December 31, 2012. These financial statements and reports were audited by the Group auditors – PricewaterhouseCoopers AG, Wirtschaftsprüfungsgesellschaft, Munich – who were selected by the annual general meeting of shareholders, and were each issued an unqualified audit opinion.

PricewaterhouseCoopers also audited the annual financial statements of the main WashTec AG subsidiaries.

The audit committee initially defined the focus of the audit and thereupon engaged the auditor to perform the audit. Prior to and during the financial statements audit, the audit committee monitored the independence and qualification of the auditor.

The auditor was also engaged to review whether the monitoring system established by the management board was capable of identifying in a timely manner the potential risks that could jeopardize the Company's very existence. In this respect, the auditor stated that the management board had taken the measures required in accordance with § 91 (2) AktG and that these measures were suitable for identifying at an early stage any developments that could threaten the Company's continued existence. Moreover, the supervisory board itself regularly monitors the effectiveness of WashTec AG's internal control systems (risk management, internal auditing, compliance).

The audited annual financial statements of WashTec AG, the audited consolidated financial statements, the combined management report of WashTec AG and of the Group as of December 31, 2012, as well as the management board's proposal on the use of the non-appropriated distributable profits had been presented to all members of the supervisory board in a timely manner so that the latter could carry out their own review. Financial statements and management report were the topic of the supervisory board meeting, which was held on March 20, 2013 in order to approve the accounts. As part of that supervisory board meeting, the management board also issued a report regarding the development of the Company's earnings.

The auditor attended the meeting on March 20, 2013 and provided the supervisory board with a direct and extensive report on the findings of his audit and on the focus of the audit. All questions posed by members of the supervisory board were answered here in detail. The supervisory board noted the audit findings and reviewed the annual financial statements of WashTec AG, the consolidated financial statements and the combined management report as well as the management board's proposal on the use of non-appropriated distributable profits. The supervisory board's review did not yield any objections. At its meeting held for purposes of approving the accounts, the supervisory board approved the annual financial statements of WashTec AG (as prepared by the management board) and the consolidated financial statements. The annual financial statements of WashTec AG are thereby formally adopted. The management board's proposal on the use of the non-appropriated distributable profits was approved by the supervisory board after it reviewed the proposal.

It is my privilege to once again express my special thanks to all employees of the Company for their continued efforts and personal achievements.

Augsburg, March 2013

Michael Busch
Chairman of the Supervisory Board

Sustainability Report

As the worldwide leading supplier of products and services along the car wash value chain, WashTec meets the highest standards not only in matters involving product and service quality, but also in matters of environmental protection.

WashTec is committed to the principle of environmental sustainability, and therefore always manages its business affairs in a manner that uses resources and materials as efficiently as possible. Our environmentally-friendly products allow us to help preserve the globally scarce sources of energy and raw materials.

We would like to explain to you below how sustainability is implemented at WashTec.

Product responsibility

1. WashTec Products

The WashTec Group's business model and its products actively contribute to protecting the environment.

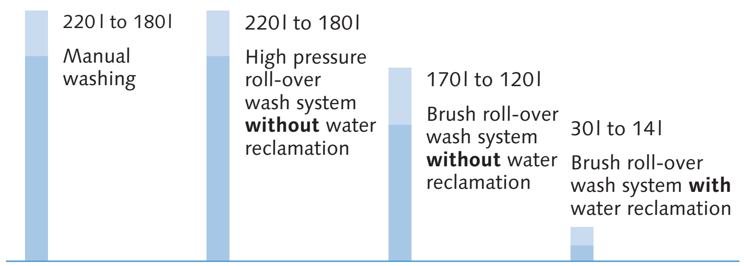
The WashTec environmental seal can be found on all products and product components which are environmentally friendly and protect our natural resources

We fully expect that as water becomes more and more scarce as a natural resource, the requirements for water recovery or water reclamation will continue to rise. As this trend materializes, we will be best equipped with our products to handle these new demands.

All WashTec equipment meet all of the environmental regulations currently in force and offer an environmentally-sound and fresh water-preserving alternative to the manual car washing approach that is prohibited in Germany. Even in markets with lower environmental standards or greater water scarcity, WashTec is expecting to see more and more regulation. This means greater potential for environmentally-friendly automated car washes with water reclaim systems. In Northern Europe, the environmental policy requirements are now becoming increasingly strict, and even in other countries, a ban against manual car washing is under discussion. In Scandinavia, WashTec has already received the "Nordic Swan" environmental prize for particularly environmentally-sound water reclaim equipment and/or car wash facilities.

In automated car washing, water and other substances, such as shampoo and oil, remain in a closed cycle and cannot, as such, seep into the ground or the groundwater. Since clean water is a resource that is as indispensable as it is precious, WashTec offers water reclamation or recovery systems which, by treating the process water, reduce fresh water consumption during car washes by up to 90%. Thus, for example, a roll-over wash system with water reclaim equipment uses only between 14 and a maximum of 30 liters of fresh water during a standard wash (compared to 44 liters of fresh water consumed during a standard wash with a modern washing machine). With the new AquaX[2], it will be possible to reduce energy consumption of the water reclaim equipment by a further 70%.

Minimized consumation of fresh water



Source: WashTec Analysis

2. AUWA chemical products
AUWA stands for vehicle cleaning and care, which is at once both powerful and environmentally sound.

The range of products begins with a line-up of cleaning and care products for car wash facilities that have a low environmental impact and are optimally reconciled with one another and spans from our special solutions for water reclamation to a comprehensive assortment of cleaning and care of wash equipment and wash bays.

Environmental compatibility is a priority for all AUWA chemical products. Strict and seamless quality controls ensure that all AUWA products always satisfy all currently valid statutory requirements and that, for example, the wastewater thresholds are always met. For the Company, the need to have seamless quality controls is just as obvious as the imperative of meeting the highest environmental and health standards. Thus, for example, all AUWA "ecoline" products are exceptionally bio-degradable, environmentally friendly and non-abrasive.

The entire AUWA portfolio is free and clear of hydrofluoric acid and nitrilotriacetic acid (NTA). This potential carcinogenic substance is used to soften water in conventional car care products. The environmentally-friendly substitute used by AUWA is the best example in showing that an uncompromisingly high level of car care can be achieved even with formulations that have a low environmental impact.

A number of AUWA products also satisfy the requirements of the Nordic Ecolabel (Nordic Swan), as well as the Milieukeur Ecolabel. Moreover, the wash chemical products are inspected under the DHI-criteria (which classifies products according to various environmental categories) as well as under the ÖNORM B5106, which focuses on the wastewater response of the products.

The AUWA product program is excellently harmonized with all WashTec water reclaim equipment and also in this manner helps preserve a high level of water quality. The effectively concentrated and highly efficient products assist in reducing dosage quantities – and therefore, consumption – and in improving the quality of the process water and in thereby lowering fresh water needs. Specific dosage recommendations on the product packaging also help to avoid excessive dosages.

Production

1. Equipment
The majority of the equipment production takes place at the headquarters in Augsburg and has in recent years been fundamentally updated and reorganized. Moreover, the subsidiary located in Denver, Colorado (USA), assembles car wash equipment primarily for the North American market. The company in China also serves as supplier of components and assembles the equipment for the Asian market. The subsidiary in the Czech Republic manufactures components for the final assembly in Augsburg. There is also another smaller production site in Recklinghausen, where the control units are manufactured for the entire Group.

The added value at WashTec is carried out mostly as a result of sheet metal forming with modern machinery and in the form of a final assembly of components groups. Thus, there is no significant discharge or emission of harmful substances during production. Thereafter, products are installed and maintained at our customers' places of business by over 500 in-house service technicians, sub-contractors and technical personnel of our sales partners. The service technicians are on the road with specially equipped service vehicles, in which the suitable equipment and fittings are installed, from tools and spare parts to safety equipment.

The average period of use for car wash equipment is between 5 and 10 years. At the end of the equipment's period of use, it is then professionally disassembled and either refurbished or professionally removed. All product specifications for the development of the equipment at WashTec include rules for a possible complete re-usage of the products. Virtually all existing peripheral components can be used again in the event of an equipment replacement – which now even extends to system control components.

2. Wash chemicals

The wash chemical products sold by AUWA are conceptualized and produced in our laboratory in Augsburg and Grebenau in close cooperation with the WashTec Development Department.

During the production of the AUWA products, the available resources are always handled conservatively. Accordingly, any raw materials such as dye, fragrances, emulsifying agents, or similar products, which are not required for the product to work, will be avoided to the extent possible, while factoring in our customers' own needs. All wash chemical products are concentrates that are automatically diluted and apportioned in the wash equipment. In addition to saving weight, this process also saves packaging materials, thereby reducing to a minimum the transport costs.

The use of high-value ingredients in a highly concentrated and optimized mixture allows chemical consumption per wash to be reduced. By using the concentrated cleaning agents, the uses and the related transport costs and exhaust fume emissions are reduced by 30–70% per product.

In the production and development of all AUWA products, the general slogan is "quality before quantity"; i.e. preference is always given to using an optimally reduced quantity of an efficient raw material or a performance-enhanced raw material combination instead of a larger quantity of standard raw materials.

Moreover, there are as a rule no poisonous ingredients used in producing AUWA products. If a raw material is classified as "environmentally hazardous", then it will no longer be used or will be replaced by a non-hazardous raw material. In addition, reviews are constantly being made as to whether a raw material not requiring a label can be used instead of (i.e., a potentially hazardous) one that does in fact require a label.

WashTec environmental scorecard

The WashTec environmental scorecard may be divided primarily into the following two areas:

1. Energy

At WashTec, the vehicle fleet makes up the largest percentage of overall energy needs (64%). All diesel vehicles newly acquired by WashTec are equipped with particle filters. These filters reduce the discharge of particles by up to 99% per vehicle. In addition, the fuel consumption is lowered to the furthest extent possible by equipping the service vehicles with GPS navigation systems, which facilitate better route planning and thereby keep travel time as low as possible.

The electricity, which WashTec procures for the corporate headquarters and the main production site in Augsburg, is derived up to 30% (prior year: 30%) from renewable energy. This figure is significantly higher than the national average of 18% (prior year: 18%). WashTec thereby actively contributes to reducing radioactive waste and lowering its CO_2 emissions.

2. Waste

In 2012, WashTec generated 2,100 tons of waste material in Germany by having taken back old equipment and due to production waste. This waste is systematically sorted and recorded. By utilizing reuse/recycling systems in the logistics process and by resolutely separating recyclable waste materials (e.g., metals and sheets), the Company was able to reduce the amount of waste requiring disposal. Despite lower prices on the recycled materials markets, the sale of these waste materials still yielded € 390k in 2012 (prior year: € 570k). Disassembled systems are either refurbished or professionally removed by authorized service providers.

GoGreen Initiative

GoGreen is a global climate protection program, which was instituted by Deutsche Post/DHL and allows for carbon-neutral shipping service. Any emissions generated during transport and handling are measured, offset and reduced to the extent possible. Deutsche Post offers its customers the opportunity to offset CO_2 emissions when sending mail, by supporting climate protection projects such as hydropower plants or biomass power plants. Since 2011, WashTec has shipped its mail using GoGreen and has thereby further contributed to environmental protection.

Certifications

WashTec is certified under EN ISO 9001:2008 and 14001:2004, which are standards that set forth the globally recognized requirements in responsible quality management and environmental management systems. In addition, WashTec is certified under SCC**:2006. "SCC" stands for "Safety Certificate Contractors". This standard governs all safety rules and work conditions for technical service providers and serves to protect the health of our employees.

Ecological aspects constitute a permanent part of WashTec's strategic planning: from product development to resource management in the production. At WashTec, group-wide environmental goals are routinely set and measures for their achievement adopted, which measures are realized and evaluated in projects. Goal realization and environmental management systems are regularly reviewed and are explained in an annual management review. A continuous improvement process serves as a means for achieving the goals defined by the Company.

Environmental Certificate from the State Government of Bavaria

With the environmental management system set up pursuant to DIN EN ISO 14001, WashTec participates in the "Environmental Pact Bavaria". The "Environmental Pact Bavaria" is a voluntary agreement between the Bavarian state government and Bavarian industry which, among other things, creates an obligation to provide additional environmental protection work that goes far beyond the standards required by law. In recognition of its many years of involvement in the "Environmental Pact Bavaria", WashTec was awarded the so-called "Umweltschutz-Urkunde" (Environmental Protection Certificate) from the Bavarian state government in 2011.

Stakeholder Dialogue

WashTec as a sustainable investment

Due to the Company's sustainable business model, WashTec shares are included as components in investment funds that focus on sustainable investment. In 2007, WashTec received the "SRI Pass-Status" as a sustainable investment (Sustainable & Responsible Investment).

Customer satisfaction

Our goal is to offer our customers at all times the best possible products and processes as well as the best possible service for operating a successful car wash business.

In order to review the extent to which we can satisfy this goal, we constantly carry out customer satisfaction surveys in which we review the level of satisfaction with our products (e.g., regarding quality, price-performance ratio, introductory operational training) and our customer service (e.g., regarding quality, reaction time, friendliness). The survey reveals that our customers have been consistently very satisfied with the service we provide. According to the most recent survey conducted in Germany, the overall customer satisfaction with WashTec service and our products is very high. In connection with this survey, approximately 1,000 service deployments and machine installations were analyzed in 2012. Almost 200 of our chemicals customers were also surveyed. Our customers are particularly satisfied with the quality of the product assembly (grade: 1.6) and the supply of replacement parts (grade: 1.2). The quality of work has also been given a very good grade of 1.4. None of the categories was graded worse than 2.0 (grading based to the German school grading system where 1 represents the highest grade and 6 the lowest grade).

Personnel and Compliance

1. WashTec Code of Ethics
Since 2005, a standard Code of Ethics applies to all companies of the WashTec Group, and its main tenet requires that all employees comply with all laws and directives (compliance). The Code includes the key directives on how employees ought to interact with one another and how to interact with customers, suppliers, advisors and government officials. The managers at WashTec Group are required each year to sign an avowal to comply with the directive. Any violations will be pursued. The WashTec Code of Ethics can be downloaded from www.washtec.de.

2. Employee handbooks
In all foreign subsidiaries of the WashTec Group, the most important provisions concerning the employment relationships are also governed in so-called “Employee Handbooks”. These contain, for example, rules on non-discrimination, handling employee complaints, employee interaction as well as general rules on structuring employment relationships.

3. Internal compliance audits
All departments and companies within the WashTec Group are regularly audited on their compliance with all applicable internal and external directives and rules. These audits take the form of a so-called “internal compliance audit”. Thus, any inconsistencies or discrepancies should be identified as early as possible and corrected.

4. Training and human resource development
Human resource development plays an important role at WashTec. WashTec offers all its employees the opportunity to participate in internal and external continuing education and training programs. These programs include, for example, foreign language courses or courses in current Office programs. A budget is planned each year for the ongoing training of employees.

Most of the employees in the WashTec Group's subsidiaries are service technicians who install and regularly maintain the car wash systems. The service technicians are under a special obligation to learn and understand the issue of safety (for details on this issue, please see the heading “Health and Safety”).

At the Company's headquarters in Germany, the Company offers formal training and education to qualify as a mechatronic technician [Mechatroniker], a marketing communication business person [Kauffrau/-mann für Marketingkommunikation] and an IT business person [Informatik-Kauffrau/-mann].

5. Employee satisfaction

The employees of WashTec are a key to our business success. The satisfaction of our employees in Germany, for example, is reflected in the low employee turnover and in the high average number of years of company service.

6. Health and safety

Through its regular training on work safety, the ergonomic design of its work stations and its medical wellness checks (e.g., in connection with the “WashTec Health Days” program, which is regularly offered in Germany), WashTec has a proven commitment to the health of its employees.

Moreover, under the SCC certification, WashTec has a very well developed employee safety system and health protection management system. WashTec service technicians are under a special obligation to learn and understand the issue of safety. The focus of regular training and certification programs are training sessions for conduct in and around gas stations in preparing and implementing work related to the commissioning, maintenance and servicing of our equipment and systems. All WashTec service technicians in Germany have participated in a WashTec-financed driver safety training program. The compliance with the safety provisions is routinely monitored in internal and external audits.

In connection with the reorganization of the production routines and investments in the production sites, special emphasis has also been placed on ergonomic processes and tools.

The number of occupational accidents at WashTec has also declined significantly in the past years.

7. Balancing family and career

Balancing of family and career is a matter that lies close to every parent’s heart. WashTec actively seeks to meet this need for a work-life balance among its employees. For this reason, WashTec entered into cooperation with the operator of children’s daycare center. This agreement provides that WashTec staff will be given preference in the allotment of spots in the daycare program, and WashTec will provide financial assistance in covering the daycare costs.

Social commitment – the Bunter Kreis

The birth of a handicapped child, a heart problem or the diagnosis of cancer, an accident or hereditary disease always affects the entire family and changes lives abruptly.

With approximately 70 professionals, the registered association, Bunter Kreis e.V., which was formed in Augsburg in 1991, supports handicapped and sick children as well as families in that situation in terms of psychiatry, social services, medicine and finance.

Since 1996, WashTec has continually supported the Bunter Kreis and has done so as one of the main sponsors by making both monetary and in-kind donations.

WashTec Share

Dr. Stefan Vieweg, Member of the management board

Good year on the stock markets despite major uncertainties

The hallmark of the stock markets in 2012 was heavy price volatility, which was attributable to the uncertainties about the potential impact of the Euro and financial crisis on the real economy. In light of favorable corporate results that were reported and the hope of a solid economic recovery, the leading German index, the DAX, climbed by approximately 20% to over 7,100 points by the middle of March. Nevertheless, the subsequent intensification of the euro crisis, the discussions surrounding a possible Greece exit from the euro zone and the expansion of the crisis to Italy and Spain all led thereafter to major disenchantment. The DAX once again fell below the 6,000 points threshold. It was not until early June, after some commitments were made by politicians and the European Central Bank regarding the stability of the euro, that the situation levelled out. The risk premiums on government bond yields declined and the stock prices once again rose. In September, the DAX again broke past the 7,000 point barrier. The discussions in the United States regarding the so-called "fiscal cliff" and the possible effects on the global economy dampened the moods on the stock markets in November. After at least a temporary agreement on the problem was reached, however, the market again rallied through the end of the year and many stock markets closed the year very near to their highest levels for the year. The DAX finished at 7,612 points and therefore showed a gain of over 25%, while the small-cap index, the SDAX, rose by 17% to 5,249 points and the European index, the Stoxx 50, reported an 11% gain to 2,636 points.

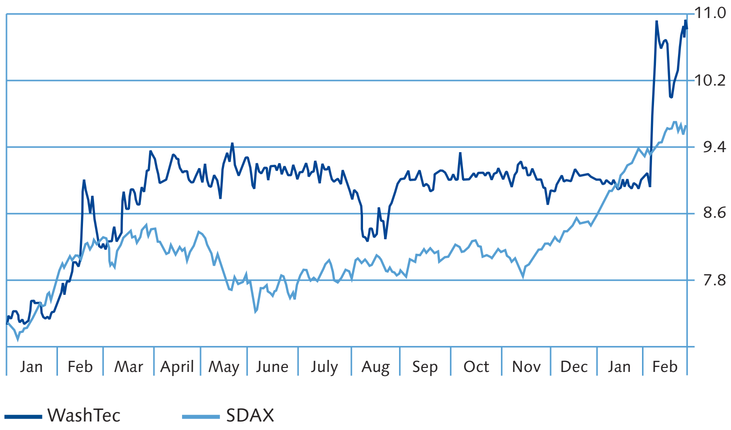
WashTec share price increased by approximately 26% during the course of the year to a level of around €9

Initially, the main influence on the WashTec share price in 2012 was the residual impact of the North American business weaknesses that came to light in 2011 and the generally difficult overall conditions facing the car wash equipment business. Accordingly, the WashTec share registered its lowest trading price at €7.20 on the first trading day of the year. Investor confidence about an imminent solution to the problems in North America and the relatively solid operating figures led to a significant recovery of the stock price through mid-February (rising to €9). The price stabilized when a new corporate strategy and a favorable outlook for fiscal year 2012 were announced at the financial press conference at the end of March. On May 21, the stock reached its highest price of the year at €9.45. In subsequent months, the share price moved within a relatively tight range at or around the €9 level. Only when reports emerged about personnel changes on the management board at the end of July did some uncertainty arise briefly and the price declined. The Company was able to counteract these developments, however, by publicizing a share buyback program and by reporting solid operating earnings in the second half of the year. Accordingly, the stock price recovered and closed out the stock market year on December 28, 2012 at €9.03. Thus, WashTec reported a roughly 26% price increase during 2012.

Market capitalization higher than € 100m

The market capitalization of WashTec AG as of December 31, 2012 was €126.2m based on an unchanged number of shares (13,976,970 shares). In order to be included in the SDAX in the mid-term, WashTec would need to rank among the top 110 in terms of both market capitalization criterion and trading volume criterion. Based on the market capitalization, WashTec already satisfies this criterion by ranking 92nd (prior year: 96th), but does not meet the trading volume criterion (ranking: 114; prior year ranking: 115). Thus, in the future as well, the Company will endeavor to elevate interests in, and therefore the trading volume of, WashTec shares in fiscal year 2013 by continuing to engage in appropriate investor relations work.

Price development of WashTec shares 2012/2013 compared to the SDAX (indexed)



As of February 28, 2013, WashTec shares were trading at €10,80. Since the beginning of 2013, the share performance is therefore at 20% and has outperformed the SDAX (14%) over this same period of time.

Return policy is continued

WashTec sticks to its return policy

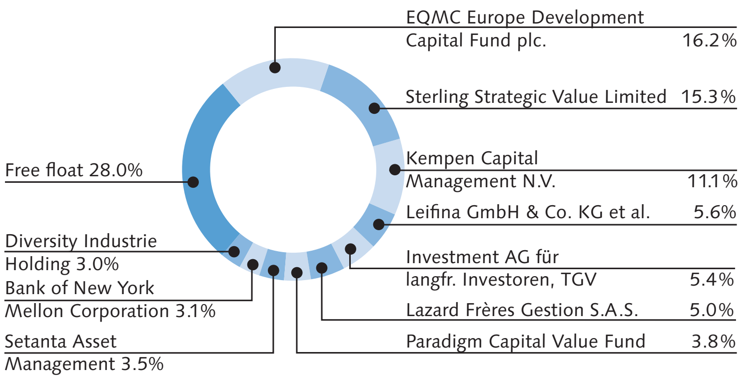
Pursuant to a resolution adopted by the annual general meeting of shareholders on May 10, 2012, the Company did not pay a dividend to its shareholders for fiscal year 2011. WashTec's enduring return policy, however, is to distribute roughly 40% of its net result. For such a distribution to be made, the Company must maintain a conservative gearing ratio of less than 1 and have adequate resources to expand the market position and achieve moderate growth. Against this background, the management board and the supervisory board will tentatively recommend to the annual general meeting of shareholders, which is scheduled for May 15, 2013, that a dividend be paid in accordance with WashTec's existing dividend policy (plus a special dividend) and that the shareholders authorize a further buy-back of the Company's own shares, inasmuch as the Company's current share buy-back program is expiring in May.

Upon exercising the authority granted to it by the annual general meeting on May 5, 2010, the management board of WashTec, with the consent of the supervisory board, resolved on August 14, 2012 to institute a program for buying back the Company's own shares. In the period through May 4, 2013, the Company may buy up to 400,000 of its own shares (corresponding to approximately 2.86% of the Company's registered share capital) on the open stock market. The share buyback is a reflection of the Company's high cash flow and operating profitability and is consistent with the return policy of WashTec AG. As of February 28, 2013, the Company had acquired 40,423 of its own shares at an average price of €9.14. Details regarding the buyback may be found in the investor relations section of the Company's website, www.washtec.de.

Numerous changes in the shareholder structure

The WashTec AG shares are listed on the Prime Standard segment, and the majority of those shares are held by institutional investors, who are mostly from Anglo-American regions and the rest of Europe. The strong focus of WashTec products on matters involving environmental protection and sustainability is also reflected in the stake held by shareholders, who select their investments on the basis of clearly defined sustainability criteria.

Shareholder structure



Source: Disclosure pursunt to the German Securities Trading Act (WpHG)

In fiscal year 2012, WashTec received numerous voting rights notifications pursuant to the German Securities Trading Act (WpHG): Setanta Asset Management Limited disclosed that its voting shares in WashTec AG exceeded the 3% threshold on May 24, 2012 and equaled 3.5% on that day. Diversity Industrie Holding AG likewise reported that its voting shares reached the 3% threshold as June 19, 2012 and held 3.0% on that day. In addition, Leifina GmbH & Co. KG reported that its voting shares in WashTec AG exceeded the 3% threshold on June 27, 2012 and equaled 3.2% on that day. It further reported that its voting shares in WashTec AG exceeded the 5% threshold on December 27, 2012 and equaled 5.6% on that day. Thus, 6 investors held at least 5% of the voting rights; 28% of the shares is held in free float. According to the definition used by Deutsche Börse, the free float is even at 100%.

Active investor relations work continued

WashTec shares are covered by a number of independent analysts

WashTec's active investor relations work, which had been intensified significantly in recent years, was continued in 2012. In addition to the detailed quarterly reporting, the shareholders of WashTec AG were updated in a timely manner about all important events through disclosures and postings on the Company's website. In fiscal year 2012, the management board continued to cultivate its contacts with shareholders and journalists as well as with the financial community and presented the Company at road shows and in a number of individual discussions with institutional investors in the most important financial capitals of Europe. On the occasion of its publications, the Company held a financial press conference as well as conference calls for analysts and investors. The WashTec management board also appeared at numerous analyst and investor conferences, such as the German Investment Conference and the Equity Capital Forum.

WashTec shares are regularly analyzed and valued by analysts at reputable financial institutions (Berenberg, BHF, Hauck & Aufhäuser, HSBC Trinkaus & Burkhardt and MM Warburg).

Key data on WashTec shares

		2012	2011	2010
Annual closing price*	€	9.03	7.35	9.14
Annual high*	€	9.45	11.09	9.30
Annual low*	€	7.20	6.46	7.30
Annual opening price	€	7.16	9.10	7.61
Number of shares as of Dec 31	million	14.0	14.0	14.0
Free float as of Dec 31	%	28.0	43.2	43.2
Market capitalization as of Dec 31	€m	126.2	103.4	127.8
Development over the year	%	+26	–19	+20
(for comparison: SDAX)	%	+17	–15	+45
Earnings per share**	€	0.72	–1.04	0.77
Dividend per share	€		0.00	0.31

* Based on Xetra-closing prices
** Weighted average number of outstanding shares: approx. 14.0m

Additional information and contact:

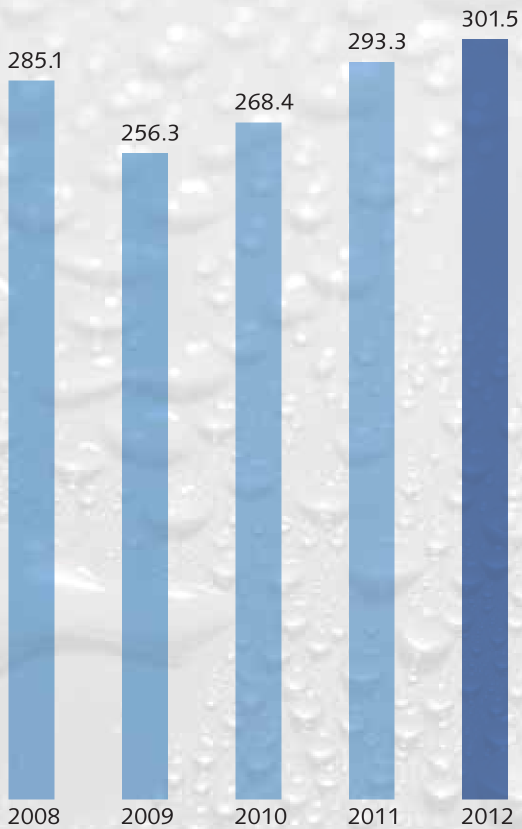
Current data on WashTec shares as well as detailed information concerning the WashTec Group and its products can be found on the Company's website at www.washtec.de.

In addition, any persons interested in the Company or its shares may also contact the Investor Relations Department at WashTec AG:

Telephone: +49-(0)821-5584-0
Fax: +49-(0)821-5584-1135
Email: washtec@washtec.de

We look forward to our continuing dialogue with you!

Revenue development



Management Report
WashTec AG and the Group 2012

2012 at a Glance

Core Europe

- Stable market environment in Germany, Austria and Switzerland as well as in the northern European countries; individual markets in Southern Europe as well as Benelux, France and Great Britain remain under pressure
- Slight increase in revenues with favorable earnings growth
- Revenues: €246.5m; EBIT: €19.2m

Emerging Europe

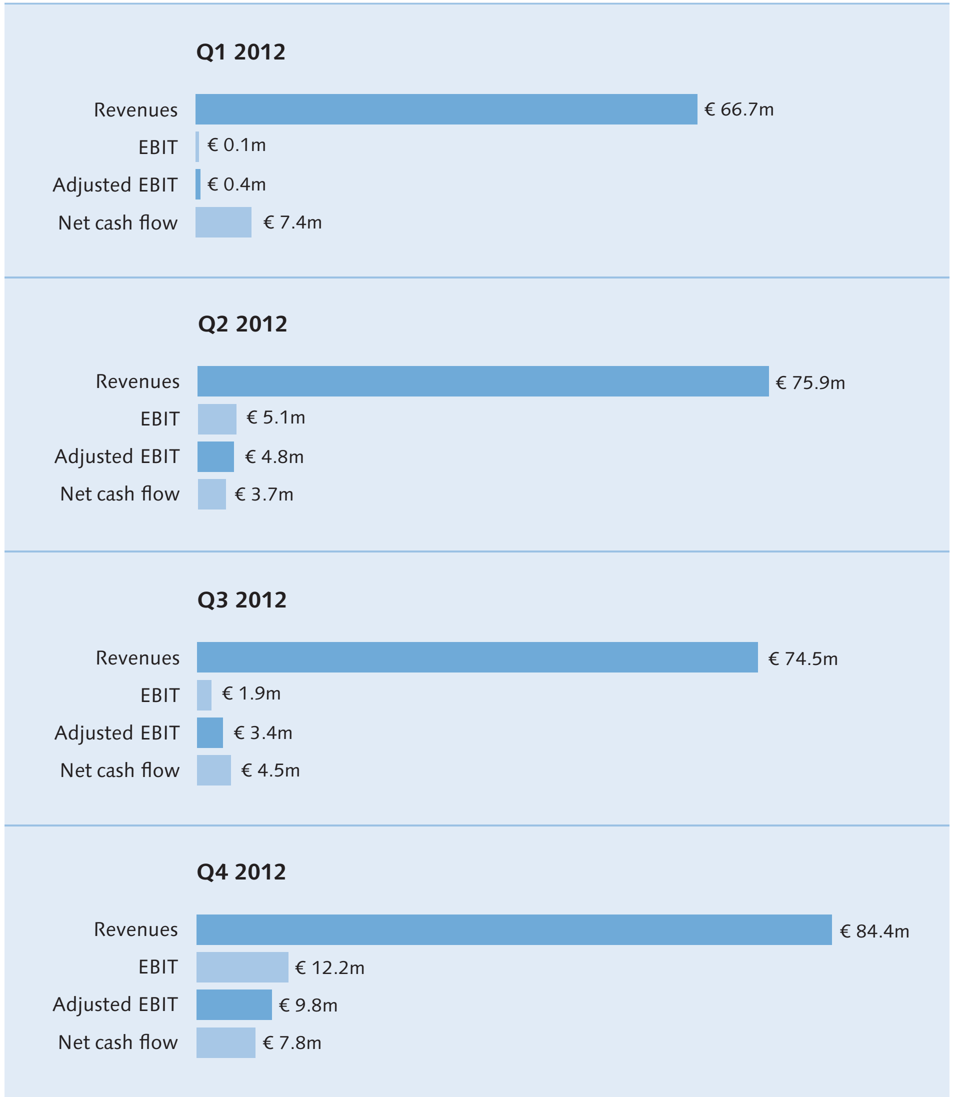
- Continued favorable market and revenue development
- Establishment of a subsidiary in Poland
- Revenues: €13.7m; EBIT: €0.8m

North America

- First signs of market stabilization, but no general recovery
- Improvement in revenues and earnings as a result of the successful restructuring as well as positive development of the direct and key account business
- Revenues €44.9m; EBIT: €–0.2m

Asia/Pacific

- Stable development of the Australian market
- Expansion of local structures in China is showing success: first equipment sold
- Revenues: €11.9m; EBIT: €–0.7m



1

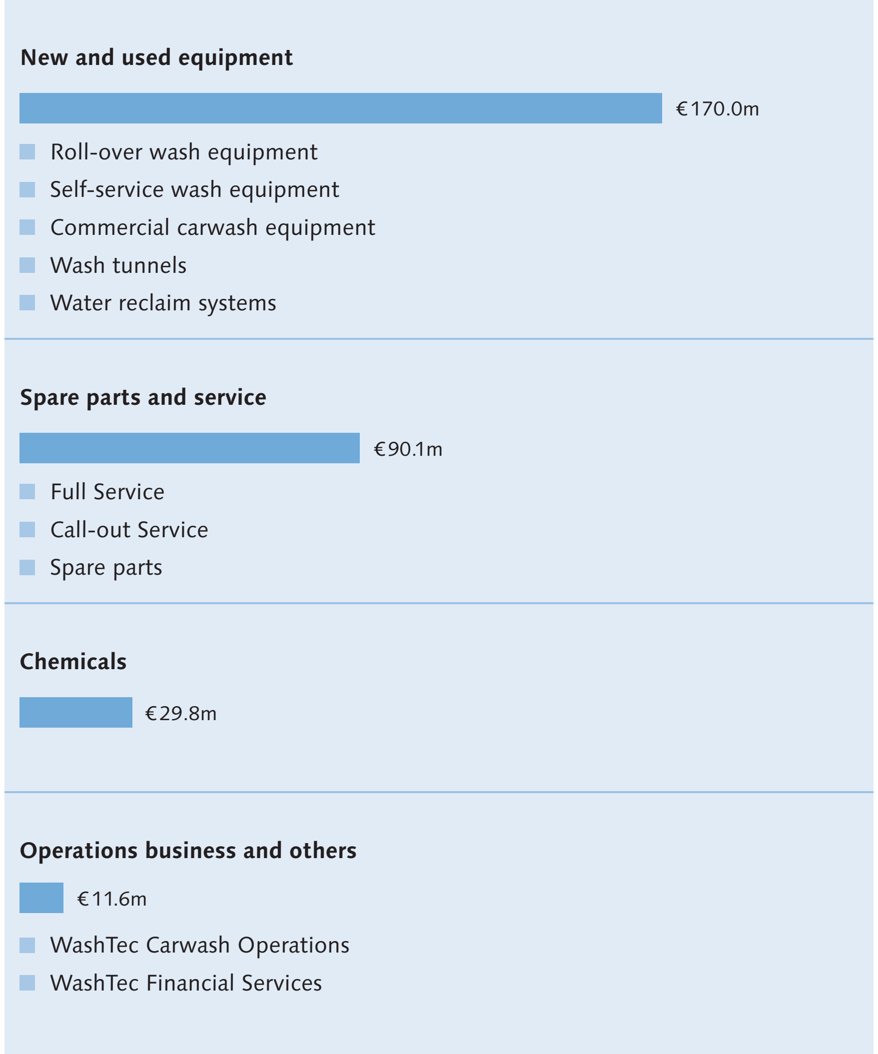
Business performance and background

1.1 Group structure and operations

Numerous offerings along the car wash value chain; most comprehensive product portfolio in the industry

WashTec is the leading provider of innovative solutions for the car wash industry worldwide. The WashTec product range comprises all types of car wash equipment as well as the associated peripheral devices, wash chemicals and water reclaim systems. WashTec also offers comprehensive servicing packages covering the entire lifecycle of the products sold, including the maintenance of the equipment, operator models and brokering the financing for the equipment. The sale of roll-over wash systems and the related servicing are the Company's major revenue drivers.

Revenues by products in €m, 2012



Management Report

1.1.1 Group and organizational structure

- WashTec AG, Augsburg, Germany
  - WashTec Carwash Operations GmbH [1], Augsburg, Germany
  - AUWA-Chemie GmbH [1], Augsburg, Germany
  - WashTec Holding GmbH, Augsburg, Germany
    - WashTec Financial Services GmbH [1], Augsburg, Germany
    - WashTec Cleaning Technology GmbH [1], Augsburg, Germany
      - Mark VII Equipment Inc. [6], USA
      - WashTec Italia Srl., Italy
      - WashTec Denmark AS [4], Denmark
      - WashTec France SAS, France
      - WashTec Cleaning Technology GmbH, Austria
      - WashTec UK Ltd., United Kingdom
      - WashTec Spain SA, Spain
      - WashTec Benelux [2], Netherlands
      - WashTec Nordics AB, Sweden
      - California Kleindienst Ltd. [3], United Kingdom
      - WashTec Cleaning Technology SA [3], Spain
      - WashTec Car Cleaning Equipment (Shanghai) Co. Ltd., China
      - WashTec Cleaning Technology s.r.o. [5], Czech Republic
      - WashTec Australia Pty Ltd., Australia
      - WashTec Polska Sp. z.o.o. [5], Poland

[1] Control and profit (loss) transfer agreement
[2] Company constitutes a sub-group with Benelux Carwash Management B.V., Zoetermeer, Netherlands; WashTec Benelux Administrative B.V. Zoetermeer, Netherlands; and WashTec Benelux N.V., Brussels, Belgium, the profits and losses of which are booked to WashTec Benelux B.V. Zoetermeer, Netherlands.
[3] Company is currently inactive
[4] Includes operating sites in Norway
[5] WashTec Cleaning Technology GmbH 90%, WashTec Holding GmbH 10%
[6] Includes subsidiary WTMVII Cleaning Technologies Canada, Inc. in Canada

As ultimate parent company, WashTec AG is responsible for the strategic management and control

WashTec AG

As the Group's ultimate parent company, WashTec AG is responsible for the strategic management and control of all its subsidiaries.

Since the Company does not have any operations of its own, its results of operation, net assets, and financial position depend solely on the financial performance of its subsidiaries. As a result, the information set out below relates mainly to the Group. Information specific to WashTec AG is provided where required. The subsidiaries of WashTec AG are AUWA-Chemie GmbH, WashTec Holding GmbH and WashTec Carwash Operations GmbH. Profit and loss transfer agreements are in place between WashTec AG and AUWA-Chemie GmbH as well as WashTec Carwash Operations GmbH.

WashTec Holding GmbH

With the exception of AUWA-Chemie GmbH and WashTec Carwash Operations GmbH, the WashTec Group's operational interests are held by WashTec Holding GmbH, which is based in Augsburg, Germany. Profit and loss transfer agreements are in place between WashTec Holding GmbH and WashTec Financial Services GmbH as well as WashTec Cleaning Technology GmbH.

WashTec Cleaning Technology GmbH

The bulk of operations is performed by WashTec Cleaning Technology GmbH, Augsburg, Germany. This is where the key products of the WashTec Group are developed, manufactured, sold and serviced. The Company's subsidiaries and independent foreign sales partners are supplied and supported by the operating company.

Foreign subsidiaries

The WashTec Group has its own subsidiaries in all of the key Core European, North American and Asia/Pacific markets. Subsidiaries in the US, Canada, Australia, China, Spain, the UK, France, Belgium, Denmark/Norway, Sweden, Poland, Austria, Italy and the Netherlands are responsible for selling and servicing WashTec products. Furthermore, the US subsidiary assembles car wash equipment primarily for the North American market. The subsidiary in China also serves as a supplier of components and assembles equipment for the markets in the Asia/Pacific segment. The Czech subsidiary manufactures components for final assembly in Augsburg.

WashTec Financial Services GmbH

WashTec Financial Services GmbH brokers for customers of the WashTec Group customized instruments for financing the acquisition of WashTec products. It receives a brokerage commission from the lenders involved in the financing deals; most of those lenders are commercial leasing entities.

AUWA-Chemie GmbH

AUWA-Chemie GmbH develops, manufactures and sells chemical products for car wash equipment using its own distribution organization within Germany and distribution partners throughout Europe.

WashTec Carwash Operations GmbH

WashTec Carwash Operations GmbH handles the operation of car wash equipment on behalf of and for the account of its customers. The company also offers numerous other services, such as profitability and site analyses.

1.1.2 Locations

WashTec has a global presence with over 1,600 employees worldwide

The WashTec Group has a global presence with over 1,600 employees worldwide and subsidiaries in all major markets including Core Europe, North America, and Asia/Pacific. Furthermore, WashTec has a broad network of independent sales partners and is thereby represented in around 60 countries in total throughout the world.

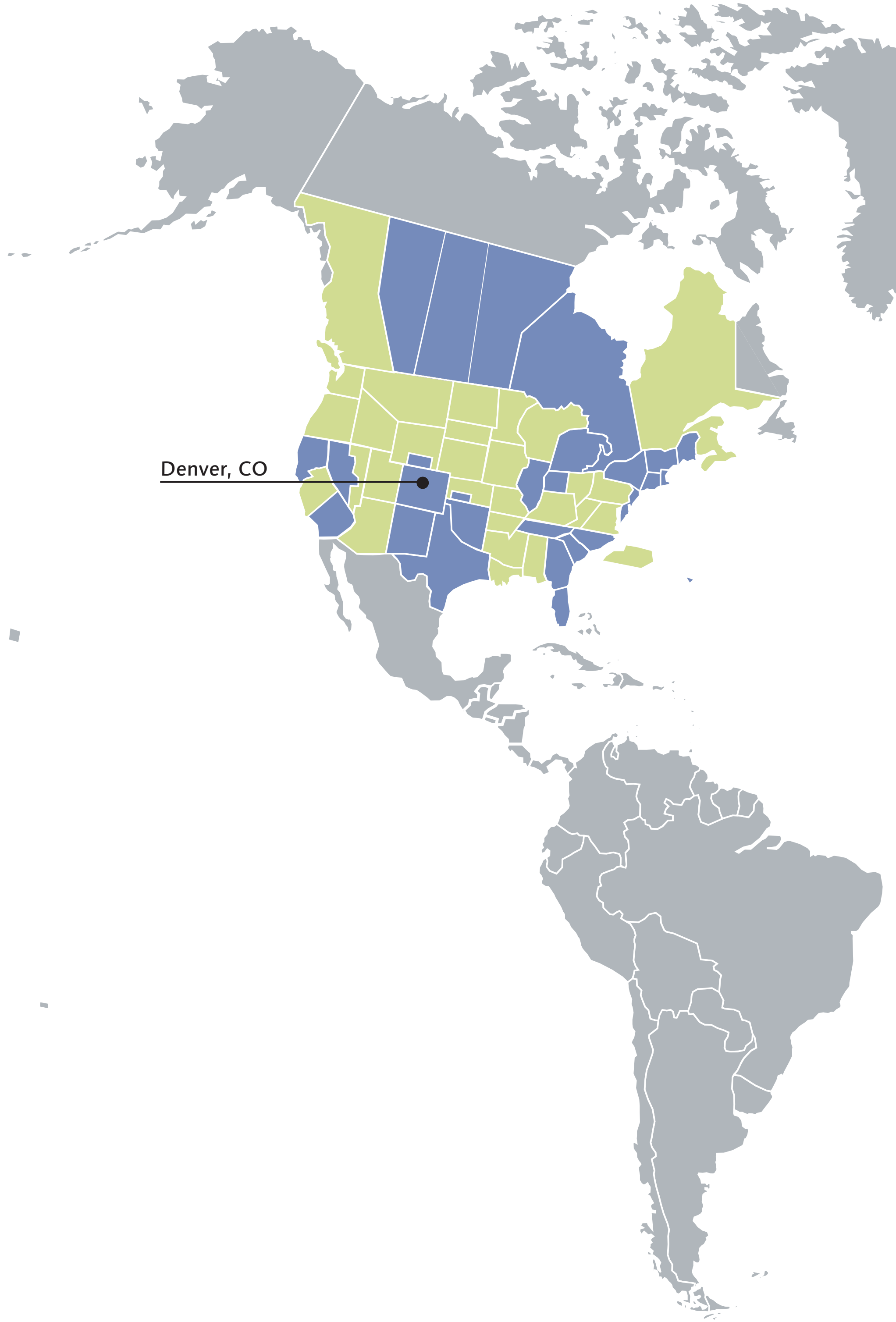
At the start of 2012, another company, WashTec Polska Sp. z.o.o., was formed in Poland, with its registered office in Warsaw. This allows WashTec to support its Polish customers locally.

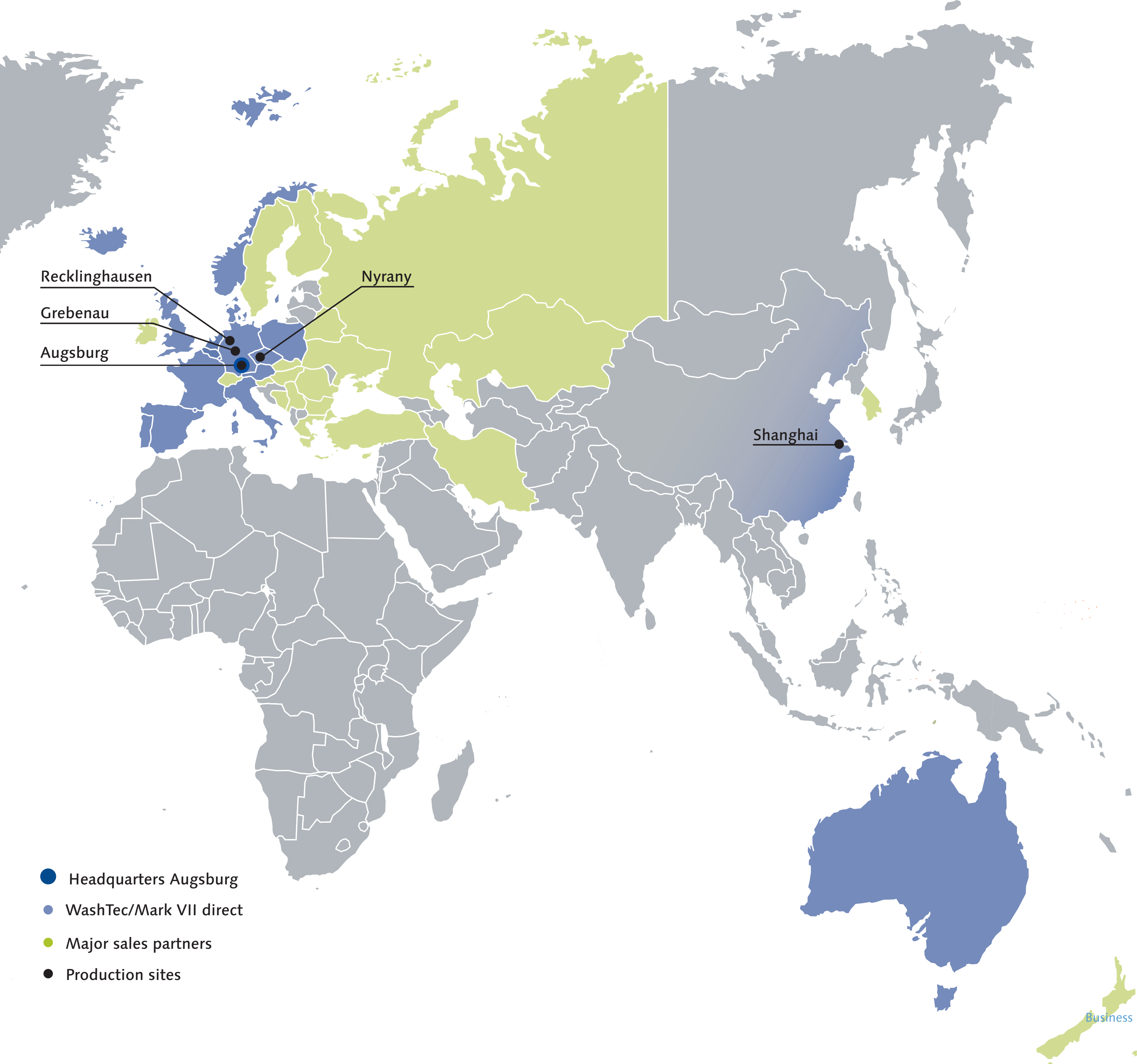
1.1.3 Production, sourcing and logistics

WashTec has an international procurement and production chain, which consists of subsidiaries in China, the Czech Republic, the US and Germany. The final assembly of various pre-fabricated components and parts, some of which are manufactured by the Czech subsidiary, accounts for the majority of work performed at the production sites in Augsburg, Denver and Shanghai. WashTec uses modern production methods to produce all of its products. The Company is able to make capacity adjustments at its main production site in Augsburg by making use of its annual working time models and by increasing and decreasing the number of temporary workers.

Component manufacturing in China and Czech Republic; Final assembly in Augsburg (Germany), Denver (USA) and Shanghai (China)

The WashTec Group currently produces its entire product range for Europe in Augsburg, Germany. In addition, individual components have been partially sourced or manufactured in China and the Czech Republic. Final assembly of car wash equipment is carried out in Denver (USA) for the North American market and in Shanghai (China) for the markets in the Asia/Pacific segments.




Recklinghausen
Grebenau
Augsburg
Nyrany
Shanghai
Headquarters Augsburg
WashTec/Mark VII direct
Major sales partners
Production sites

The Company has two additional smaller sites in Germany producing control units for the entire group (Recklinghausen) and wash chemicals (Grebenau).

The Company has concluded long-term supply agreements with the suppliers of key components. In the Group's supply chain organization, all organizational units – from order clarification to sourcing of parts and order flow in production, to delivery of the equipment – are combined under the umbrella of a single responsible unit. Sourcing of spare parts within Europe is performed centrally from the warehouses of external logistic service providers.

1.2 Management and control

As required by the German Stock Corporations Act (Aktiengesetz or AktG), WashTec AG has a two-tiered management and supervisory structure which is composed of the management board and the supervisory board. WashTec's management board usually has two members. The management board, in its own authority, manages the Company, determines its strategic positioning and pursues the goal of effectively increasing the Company's value. The supervisory board, which consists of six members pursuant to the Articles of Association, advises and supervises the management board.

As the Company which manages the group, WashTec AG determines the corporate strategy and senior management decisions, resource allocation and communications between the Company's important target groups, particularly the capital market and the shareholders. A high-priority goal of WashTec is to sustainably increase shareholder value. The Company's internal controlling pursues this challenge through a value-oriented management system. This system encompasses an integrated controlling strategy, target ratios for management and a variety of measures for ensuring a sustainable growth in profits, efficiency improvements and efficient capital management. The Company's management board and supervisory board define the corporate strategy and the targets resulting therefrom, which are established at all business units through all of the Group's levels of responsibility.

The monitoring is carried out through regular committee meetings held in all reporting units. These include monthly extended management board meetings with the division directors, regular international management meetings with all of heads of the operating companies, strategic and annual planning including investment planning, production and capacity planning, regular reporting and forecasting, ongoing market analyses, and regular unit revenue, sales, order backlog and market share analyses. In this connection, all investment projects are reviewed separately and monitored throughout the establishment period. Portfolio optimizations, such as corporate acquisitions, must undergo a very detailed due diligence process, which is likewise reviewed at the area and management board levels.

1.3 Car wash market

Key market drivers

Economy: Increase in the number of newly registered cars and labor costs, rising per capita income

The number of newly registered cars had been continuously increasing throughout the world until financial and economic crisis began. Above-average growth rates were being recorded in Eastern Europe and Asia, in particular. After the drop in car sales due to the financial and economic crisis, the number of registered cars has since started to rise again in many regions around the world; however, the European car market is sluggish at present. The vehicle inventories are also expected to grow continuously. These factors could give the car wash business some new momentum and elevate demand for car wash equipment (Sources: HSBC Global Research "The World in 2050" – January 2011; CAR University Duisburg-Essen – 2010/2012; Data Monitor European Automotive Markets Database – 2010).

The factors promoting automated car washes are the increasing number of vehicles and the growing demands for technology and convenience

As labor costs increase, the rise in per capita income and the rapidly increasing vehicle inventory in the Emerging Markets as well as the resulting transition from manual washers to automated car washing will open the door to sustained market potential in these regions.

Technology/Convenience: Increasing demands with respect to speed, convenience and quality of the wash

Compared to manual washing, automated car wash generally yields better wash quality and is less abrasive to car finish. Furthermore, the wash process in an automated car wash is far less time-consuming than manual washes. Rising expectations with respect to wash results, combined with lower waiting and throughput times, will mean greater acceptance of automated car washing in the future. In addition, automated car washing is environmentally friendly because it saves fresh water and because other materials such as shampoo and oils remain in a closed cycle and thus cannot end up in the soil or groundwater.

Environmental issues: More stringent requirements and implementation of environmental laws and regulations – fresh water as a limited resource

The importance of fresh water as a limited and precious resource and environmental awareness are increasing around the globe. Significant reduction in water usage and the need to avoid polluting groundwater with lubricants and wash-chemicals are the impetuses for installing car wash equipment which include water reclaim systems.

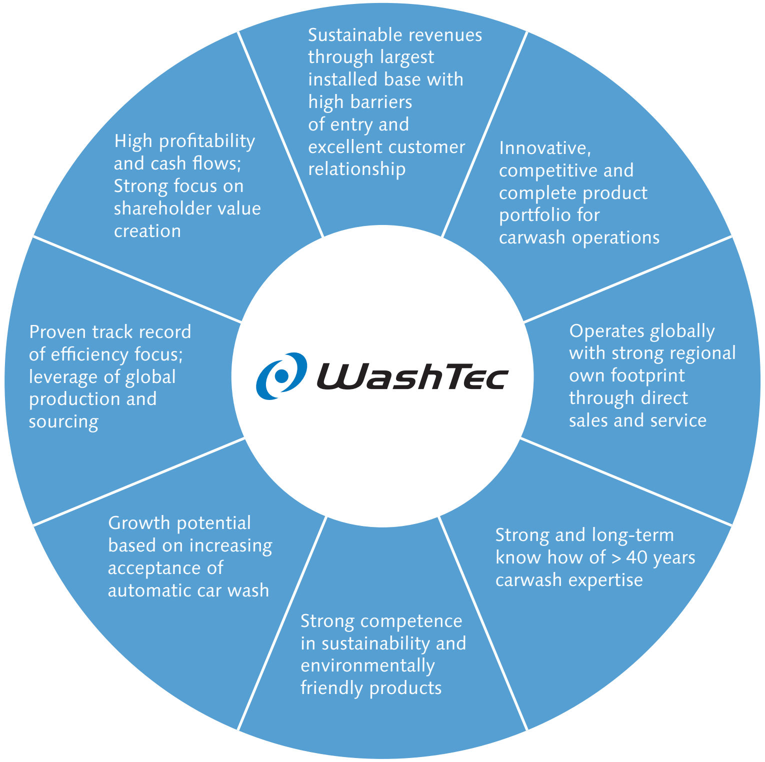
Additional trends and influences:

- Alternative vehicle drive trains: Until now, no clear favorite has emerged as to which drive train concept will prevail in the future (e.g., hybrid/electric) and the development continues to progress – albeit slowly – which means that it remains unclear where "vehicle fuelling" will take place in the future. The Company is assuming, however, that the gas station will remain important in the mid-term.
- Alternative individual mobility concepts (e.g., car sharing models): Vehicles, which are set aside for this arrangement, also require refueling and will be washed by suppliers or users.
- Demographic development: A population that is increasingly aging should trigger more demand for products that are simple to use.

The Company is carefully monitoring these and other trends in order to react to changed circumstances as quickly as possible.

1.4 Corporate strategy and goals

The Group's corporate strategy is aimed at maintaining its position as the leading supplier of innovative solutions for the car wash business worldwide in the future. WashTec's market and technology leadership is based on over 40 years of experience in the car wash segment. With a current installed base of well over 30,000 car wash systems worldwide, the Company is generating sustainable revenue over the entire value chain of car wash activities. This includes the entire equipment portfolio as well as a broadly diversified service palette, assistance with financing models and the supply of special chemicals for car washing and care. In some cases, WashTec also operates entire car wash systems itself.



WashTec is the only supplier in the industry with a presence on all continents in around 60 countries, which affords it great regional market access through direct sales and service activities. The core business is located in Europe and North America, but the strategic goal is on heavy expansion in future growth regions of emerging economies in particular, with a focus on Asia and Eastern Europe. It is specifically in the Emerging Markets such as Asia that the number of vehicles has increased significantly in the recent past. Accompanying this is also an increasing acceptance of automated washing on the part of the customers. The increasing environmental awareness and the tightening of regulations for car washing in some countries have benefited the Group because of the high sustainability of the products it offers. Based on its track record as an innovative and long-established company, WashTec possesses a unique network of customers. The capital expenditures required and our large installed base represent high barriers to market entry for potential competitors. The corporate goal of the WashTec Group is to continue sustainably increasing profitability in the coming years.

The focus of the business policy is on satisfying, and creating added value for, our customers. This applies both to the operators and to the actual car wash customers.

WashTec is the market leader in the car wash business. The Company's goal is to maintain this market leadership. In addition to continued future growth and bringing product innovations to market, this goal also encompasses targeted international market cultivation, particularly in the Emerging Markets. "Operational Excellence" Programs are intended to effectively design ideal processes that raise productivity and therefore create sustainable and favorable profitability growth.

Maintain market leadership through targeted market cultivation and favorable profitability growth

1.4.1 Corporate goals

WashTec will use the various market opportunities and its own strong market position as well as its solid balance sheet structure in a focused manner in order to expand its own positioning in the interest of its customers, shareholders and employees. This specifically includes the following points:

1 Growth through increased innovation, further internationalization of business and greater professionalization of the processes.

2 Further optimization of cost structure through intelligent and international sourcing and production.

3 Expansion of our market position in North America.

4 Resolute further development of the HSE Standards (Health, Safety, Environment) by implementing the WashTec Safety Rules and increasing the quality standards of the Group.

1.4.2 Financial quantitative targets and performance indicators

The main instruments used for the Company's planning and management system are the following figures and additional performance indicators:

Key figures for the Company's planning and management

- EBIT margin (EBIT/revenue)
- Operating results (EBIT) per business segment
- Net-current assets (short term trade receivables + inventories – short term trade payables)
- Equity ratio (equity capital/balance sheet total) and gearing ratio (net financial indebtedness/equity capital)
- Cash flow from operating activities
- ROCE (EBIT/(total assets – short-term liabilities – cash and cash equivalents)

Additional performance indicators

- Employee turnover and average period of service
- Customer satisfaction surveys and analyses

WashTec regularly carries out surveys with which the Company evaluates customer satisfaction with its products and services. The surveys have shown that the customers surveyed are consistently very satisfied with WashTec's performance.

Multiple year comparison of key planning and management figures

Differences possible due to rounding-off	2012	2011*	2010
EBIT in €m	19.2	–10.4	20.3
EBIT margin in %	6.4	–3.5	7.6
Equity ratio in %	46.0	38.6	43.5
Gearing**	0.10	0.32	0.28
Cash flow from operating activities in €m	23.1	17.2	29.1
Net current assets in €m***	73.1	75.5	68.2
ROCE in %****	17.0	16.3	19.9

* Comparative figures adjusted as per IAS 8, see Note. 7 of the Consolidated Notes
** Net financial debt / equity
*** Short term trade receivables + inventory – short-term trade payables
**** "Return On Capital Employed" = adjusted EBIT/(total assets – short-term liabilities – cash and cash equivalents) on the basis of equal dividend payments

Comparison figures covering multiple years showing employee turnover and average period of service are set forth in the section entitled "Employees".

1.5 Declaration on corporate management

(including corporate governance report)

The principles of responsible and good management dictate the actions taken by the management and supervisory board of WashTec AG. This declaration represents the management board's report pursuant to sec. 289a (1) of the German Commercial Code (Handelsgesetzbuch or HGB) on its management of the Company. The management and supervisory boards hereby simultaneously file their report pursuant to sec. 3.10 of the German Corporate Governance Code (the "Code") concerning the corporate governance of the Company.

The management and supervisory board of WashTec AG identify with the objectives of the Code, which encourage responsible, transparent corporate management and supervision aimed at achieving a sustainable increase in shareholder value.

WashTec AG is implementing most of the recommendations of the Code

WashTec AG's management and supervisory boards regularly give their attention to satisfying the requirements of the Code. After careful consideration, WashTec AG decided not to implement all of the recommendations of the Code. Instead, the Company will continue to systematically apply corporate governance where it suits the size, type and structure of WashTec. However, in substantial respects, the recommendations and suggestions of the Code, as amended on May 15, 2012, have been implemented.

Any deviations from individual recommendations of the Code were disclosed in the Declaration of Conformity, issued by the management and supervisory board on December 11, 2012.

The Declaration of Conformity is also published on WashTec's website under Investor Relations (www.washtec.de). Declarations on corporate governance that are no longer current will remain available on WashTec's website for a period of at least five years.

1.5.1 Corporate and managerial structure

Supervisory board

Supervisory board expanded to six members; committees formed

As a result of the expansion approved by the annual general meeting on May 10, 2012, the supervisory board is now composed of six members according to the Articles of Association. In order to perform its duties efficiently and having regard to the requirements of the Code, the supervisory board established an audit committee, a personnel committee and a nomination committee. The committees are charged with the task of preparing the topics and draft resolutions for the supervisory board meetings. The committees also exercise some decision-making powers which have been delegated to them by the supervisory board. Within the scope of the overall responsibility of the supervisory board, each member performs certain duties on the committees based on the member's expertise. Dr. Liebler (chairman), Mr. Große-Allermann and Mr. Busch are on the audit committee, whereas Dr. Liebler, based on his special expertise and experience, also handles the role of the "Financial Expert". Mr. Busch acts as chairman of the personnel committee and Messrs. Lacher and Pedrazzini also serve as additional members. The nomination committee consists of Messrs. Große-Allermann (chairman), Dr. Liebler and Dr. Hein. Details regarding the duties of the committees can be found in the report of the supervisory board.

The composition of the supervisory board is based on the Company's corporate purpose, the size of the Company, the composition of the staff and on the international business activity of WashTec. In accordance with its recommendation under sec. 5.4.1 of the Code, the supervisory board resolved to set specific objectives with respect to its composition

The supervisory board already largely satisfies these goals in its current composition and intends to factor in the approved goals during the next supervisory board election or in the event a supervisory board member resigns before his or her term has ended. The same rule applies to proposals made in the event of a court-ordered appointment.

When proposing candidates to the competent election bodies, no persons will be considered who would turn 75 during the regular term of office as a member of the supervisory board of the Company (see sec. 1.3 of the Company's internal rules of procedure for the supervisory board).

The supervisory board oversees and advises the management board as it manages the Company's business.

At regular intervals, the supervisory board holds discussions with respect to the Company's business development and planning as well as its strategy and the implementation thereof. The supervisory board reviews the Company's quarterly and semi-annual reports and approves WashTec AG's annual financial statements, as well as those of the Group. The annual financial statements of WashTec AG are adopted upon their approval by the supervisory board, inasmuch as there is no resolution of the annual general meeting pursuant to sec. 172 AktG. The supervisory board monitors the Company's compliance with legal norms, regulations and internal corporate guidelines (compliance). Its scope of responsibilities further includes appointing the members of the management board as well as defining their areas of responsibilities. In addition, the supervisory board adopts resolutions on, and regularly reviews, among other things, the system of compensation/remuneration for the management board, including the main contractual elements of that system (sec. 4.2.2 of the Code). Management board decisions of major significance – for example, acquisitions, divestitures and financing measures – are subject to supervisory board approval.

The supervisory board is governed by internal rules of procedure, in particular pertaining to the notice and conduct of meetings, the adoption of resolutions and the manner in which conflicts of interest should be handled.

The supervisory board has adopted internal rules of procedure governing the work of the management board; in particular, these rules define the areas of responsibility for the members of the management board, prescribe the matters that are reserved for decision by the full management board, establish the matters needing the approval of the supervisory board and set quorums for management board resolutions.

The management and supervisory boards cooperate closely in the best interests of the Company. No conflicts of interest on the part of members of the management or supervisory board requiring disclosure to the supervisory board arose. The supervisory board's provision of independent advice to, and oversight over, the management board has been and continues to be assured at all times.

Management board

The management board of WashTec AG, which normally consists of two members, is a corporate managerial body of the Company and is required to act in the Company's best interests. The orientation pursued by the management board in the exercise of its responsibilities is directed toward a sustained increase in shareholder value. It is responsible for specifying the principles of the Company's corporate policies in cooperation with the supervisory board, and bears responsibility for the Company's strategic focus, for planning and setting the Company's budget, for allocating resources and performing oversight over department heads. In addition, the management board is responsible for ensuring compliance with legal and regulatory requirements and with internal corporate guidelines or directives, and it works toward compliance with these by all corporate group affiliates. It reports to the supervisory board at regular intervals and in a timely and comprehensive manner with respect to all questions of strategy and strategic implementation, planning, the Company's financial position and results of operations, compliance, as well as risk and risk management situation, which are of relevance to the Company and the Group.

From the resignation of Mr. Krüger and Mr. Khorram, which went into effect at the end of the day July 31, 2012, until the appointment of the new management board members, Dr. Jürgen Rautert and Dr. Stefan Vieweg, commenced on January 1, 2013, the management board was made up of only one person, the posted supervisory board member Mr. Michael Busch, who filled in during this time. After the new members of the management board started their work, Mr. Busch continued to serve as spokesman of the management board for an additional two-month transition period. Mr. Busch returned to the supervisory board at the start of March 2013. Mr. Rautert is responsible for managing the Sales, Service, Supply Chain, Product Management and Development divisions and serves as spokesman of the management board. Mr. Vieweg is responsible for Finances, Quality Control, IT, Personnel, Investor Relations, Legal and Corporate Audit.

Reported securities transactions ("Directors' Dealings")

Pursuant to sec. 15a of the German Securities Trading Act (Wertpapierhandelsgesetz or WpHG), members of the management and supervisory board have an obligation to disclose their purchase or sale of the securities in WashTec AG or any financial instruments based thereon, to the extent the value of the purchase and sale transactions executed by that board member and persons closely related to him or her reaches or exceeds the sum of €5,000 during a single calendar year. No such transactions were reported to WashTec AG during the fiscal year under review.

All directors' dealings are published in the Investor Relations section of the Company's website at www.washtec.de.

Shareholdings of the management and supervisory boards

As of December 31, 2012, Massimo Pedrazzini, who is a member of the WashTec AG supervisory board, held 2,251 shares of WashTec AG, which he had acquired prior to his election to the supervisory board. Mr. Pedrazzini is also Chairman of the Board of Directors of Sterling Strategic Value Limited. According to its notification dated April 1, 2010, this company held a share of 2,142,868 (15.33%) of the voting rights in WashTec AG as of March 30, 2010. The other management board and supervisory board members did not hold any shares in WashTec AG as of December 31, 2012. The supervisory board member Jens Große-Allermann serves as a member of the management board of Investmentaktiengesellschaft für langfristige Investoren TGV, which pursuant to the notice of July 31, 2009, held as of that date a share making up 758,358 voting rights (5.43%) of WashTec AG.

Shareholders and the annual general meeting

Detailed quarterly financial reports & active investor relations work

WashTec AG reports to its shareholders in the form of quarterly financial reports, which provide detailed information on business developments as well as the financial situation and results of operations of the Company. The Company's investor relations activities involve regular talks with analysts and institutional investors. In addition, when the Company's quarterly figures are published, the Company holds a conference call for analysts. The management board also gave presentations at analyst and investor conferences, such as the German Investment Conference in September and the German Equity Forum (Deutsches Eigenkapitalforum) in November.

The annual general meeting of shareholders of WashTec AG takes place in the first half of the fiscal year, usually in May. The annual general meeting adopts resolutions regarding, inter alia, the appropriation of distributable profit, the ratification of the acts taken by the management and supervisory boards, and the selection of the Company's auditors. Amendments to the Company's Articles of Association and the granting of authority to engage in measures effecting changes to the Company's capital are resolved exclusively by the annual general meeting of shareholders and are implemented by the management board. WashTec AG offers its shareholders, prior to the annual general meeting, the option of authorizing a proxy, who is appointed by the Company but bound by the instructions issued by the shareholder in question.

All documents relevant to the annual geaneral meeting of shareholders are available for downloading from the Internet

In 2012, as in years past, WashTec AG places all of the documents, which were relevant to its annual general meeting, on the Internet in German and in English. This means that WashTec AG's homepage offers a comprehensive information platform for both national and international investors with respect to its annual general meeting. WashTec AG does not broadcast its annual general meeting on the Internet and does not electronically transmit notices of such meetings.

1.5.2 Risk management

Dealing responsibly with commercial risk is one of the basic tenants of good corporate governance. The management board has intra-group and company-specific reporting and management systems at its disposal which permit it to identify, evaluate and manage these risks. These systems are continuously developed and adapted to changes in the business and legal environment. The management board informs the supervisory board regularly as to existing risks and as to developments regarding such risks.

Details of risk management are found in the Risk Report, which is part of the Management Report. The Management Report contains the report required under secs. 289 (5) and 315 (2) no. 5 of the German Commercial Code (HGB) on the internal monitoring and risk management system as it relates to accounting matters.

1.5.3 Compliance

Providing comprehensive and timely information to shareholders and stakeholders is a high priority for WashTec. WashTec reports on its business situation and its results of operation through financial reporting and by holding press conferences on its financial statements as well as through conference calls. WashTec also publishes press releases and ad-hoc disclosures. All notices and disclosures, the Articles of Association of WashTec AG, all of its Declarations of Conformity, its corporate governance report (as a part of the Annual Report) and further documents concerning corporate governance (e.g., the WashTec Code of Ethics) are available for download from the Investor Relations section at www.washtec.de.

Compliance organization is constantly refined

WashTec has established a compliance organization, which is intended to ensure that all of the legal and regulatory requirements are observed. The compliance organization is thereby continuously refined and improved. The management and supervisory board regard the compliance organization as a major element of the structure of management and control at WashTec. The detailed report on internal compliance within the Group is thus a regular part of the meetings of the supervisory board. In addition, a detailed compliance report is prepared each year.

All of the executive managers have acknowledged the WashTec Code of Ethics by their signature

The strategic guidelines and the WashTec Code of Ethics form the basis of the Company's compliance program. The Code of Ethics contains binding rules on legally compliant conduct as well as precise directions dealing with such matters as compliance with competition law and anti-corruption law, handling donations, avoiding conflicts of interests, complying with the prohibition on insider trading, and protecting the Company's assets. The Code of Ethics is binding on all employees of the WashTec Group throughout the world, as well as the members of the management board. The members of the supervisory board observe these rules to the extent they are applicable to them. All of the executives and officers throughout the Group have acknowledged the Code of Ethics by their signature. This acknowledgement of the Code of Ethics is renewed regularly.

The list of insiders mandated under sec. 15b WpHG is maintained and updated on a regular basis. The individuals recorded in the list of insiders are informed of their resulting duties.

Any transactions by executives and officers (so-called "Directors' Dealings"), which must be reported, are published. The individuals at WashTec, who are affected thereby, are also informed about their duties with respect to directors' dealings.

The shareholdings of management and supervisory board members are published both in the Company's Annual Report and in Investor Relations section of the Company's website at www.washtec.de, provided that the requirements of sec. 6.6 of the Code have been met.

The text below is the wording of the declaration of conformity required under sec. 161 of the German Stock Corporation Act (AktG), as it was issued by the management board and supervisory board on December 11, 2012 and published in the Investor Relations section of the Company's website at www.washtec.de.

"WashTec AG, Augsburg
Declaration of Conformity under sec. 161 AktG

The management board and supervisory board declare that WashTec AG has complied with the recommendations in the German Corporate Governance Code of the "Government Commission of the German Corporate Governance Code" ("Code") (version dated May 26, 2010) from the date on which they issued their last Declaration of Conformity on December 22, 2011 (including the supplement to the Declaration of Conformity of August 3, 2012) and will in the future comply with the June 15, 2012 version of the Code. The following exceptions have applied and continue to apply:

- *Pursuant to section 4.2.3 sentence 3 of the Code, the monetary components of the compensation of the management board members should include both fixed and variable elements. It is not clear whether this recommendation also applies to members of the supervisory board who are appointed to the management board pursuant to sec. 105 para. 2 of the German Stock Corporation Act (AktG). As a precautionary measure, the*

Management Report

management board and supervisory board disclose that as consideration for his work on the management board, the Supervisory Board member, Mr. Michael Busch, who was appointed to the management board pursuant to sec. 105 para. 2 AktG from July 28, 2012 through no later than July 27, 2013, is receiving only fixed compensation without any variable component. Given the brevity of the term of office, a variable component would not be appropriate given that such components are generally intended to be based on an evaluation over a number of years according to section 4.2.3 para. 2 of the Code.

- *Although up until the appointment of the new management board members there had been variable compensation components stipulated in the management board contracts as part of the management board compensation, there was, however, no basis for conducting an evaluation over a number of years (section 4.2.3 para. 2 of the Code). The new management board contracts provide for management board compensation that fully complies with the recommendations of the Code.*

- *Section 4.2.1 sentence 1 of the Code provides that the management board should consist of several persons. In accordance with section 7.1 of the Company's Articles of Association and section 2 of the management board internal rules of procedure, the management board shall consist of one or more persons. From the date that Mr. Krüger and Mr. Khorram resigned effective 12 midnight on July 31, 2012 until the appointment of the new management board members, Mr. Rautert and Mr. Vieweg, there has been only one person on the management board in connection with the posting of the supervisory board member, Mr. Michael Busch. The reason for this arrangement was that the previous management board members agreed to resign as of July 31, 2012 and that in order to maintain the Company's ability to transact business, an interim solution needed to be found until the successor's appointment.*

- *Since the Company's supervisory board had consisted of only three members up until the date the Articles of Association were amended with respect to the number of supervisory board members (June 18, 2012), no committees had been formed on or before that date (sections 5.3.1, 5.3.2 and 5.3.3 of the Code). Such a step was viewed as unnecessary given the number of members existing at that time and inasmuch as the supervisory board believed that forming committees would have only complicated the work of the body. In its meeting on May 24, 2012, the new supervisory board, which consists of six members and adheres to the guidelines from the Code, formed the following committees: Nomination Committee, Audit Committee, Personnel Committee.*

- *For the duration of Mr. Busch's posting on the management board, the acting supervisory board chairman will not – contrary to section 5.4.2 of the Code – serve as the chairman of the committee which handles the management board contracts. This arrangement is justified because under the current special situation, new management board members would need to be selected quickly. Under these circumstances, the supervisory board felt it was advisable to appoint another member of the supervisory board to serve as the chairperson of the Personnel Committee for the transitional period. Once Mr. Busch has returned to the supervisory board, the supervisory board will once again seek to comply with the recommendation of section 5.4.2 of the Code.*

- *Notwithstanding section 5.4.6 sentence 3 of the Code, the work of chairing the committees has not to date been factored into the supervisory board member's compensation. Since the supervisory board, due to its size, had not formed any committees prior to the adoption of the amendment of the Articles of Association relating to the number of supervisory board members on June 18, 2012, the previous compensation system did not contain a suitable provision. The management board and the supervisory board are reviewing whether such a related amendment to the Articles of Association should be recommended to the annual general meeting of shareholders*

Augsburg, December 11, 2012

Management Board and Supervisory Board

Additional information about corporate governance can be found in the WashTec AG annual reports under the corporate governance report or the declaration of corporate management and on the Internet at www.washtec.de"

1.5.4 Remuneration report

Remuneration of the management board

The remuneration of the WashTec AG management board as well as the structure of that remuneration are set by the supervisory board and regularly reviewed by it. In conformity with the Code, the remuneration system is, as a whole, structured in such a way as to take account of the duties of the respective management board member, his personal performance, and the performance of the management board as a whole, as well as the Company's economic situation, success and perspectives for the future.

The remuneration of the members of the management board comports with the statutory requirements of the German Stock Corporation Act and with the recommendations and suggestions contained in the Code. The remuneration system was last discussed by the supervisory board at its meeting of December 11, 2012 and adopted by resolution, including the major elements of remuneration (sec. 4.2.2 para. 1 of the Code). The overall remuneration of the members of the management board is made up of monetary and non-monetary as well as fixed and variable components, and in general, it directly aims at the sustained development of the Company. All of the components of remuneration are structured in such a way that each of them is reasonable both by itself and in the aggregate, and that they do not encourage the taking of unreasonable risks.

Supervisory board member Mr. Michael Busch, who was appointed to the management board pursuant to sec. 105 (2) AktG from July 28, 2012 until no later than 27 July 2013, will receive strictly a fixed salary without any variable components for this work on the management board. In view of the brevity of the term of office, a variable salary, which according to sec. 4.2.3 sentence 4 of the Code should generally have a multi-year basis of assessment, would not be appropriate.

Fixed salary

The three acting members of the management board, who were in office during the course of 2012, were paid a fixed non-performance related salary totaling €573,194 in 2012 (prior year [two acting members of the management board]: €693,567). The fixed remuneration of the management board members also includes benefits in-kind consisting, in particular, of the provision of company cars, insurance coverage and reimbursement for the costs of a second residence. The fixed elements of remuneration ensure that the management board members receive basic compensation permitting them, as they go about discharging their duties, to act in accordance with the well-understood best interests of the Company and with the due diligence of a prudent businessman, without becoming dependent on purely short-term objectives for success. On the other hand, the variable components – which, among other things, are tied to the Company's financial results – guarantee an alignment of interests between the management board and the other stakeholders.

Short-term variable remuneration – performance related components

With respect to management board remuneration, it should be noted that until the appointment of the new members of the management board commenced, none of the management board contracts had a multi-year basis of assessment (sec. 4.2.3 para. 2 of the Code), even though the contracts did in fact provide for variable compensation components. The variable remuneration components of the former members of the management board, Thorsten Krüger and Houman Khorram, included annually recurring components linked to the performance of the business. They tracked the earnings per share after taxes, as determined pursuant to IFRS, above a base amount set by the supervisory board. The new management board contracts provide for a management board salary which fully accords with the recommendations of the Code. The variable compensation components here include short-term and long-term components linked to the achievement of various targets to be determined by the supervisory board. This should serve as incentive mechanism for the management board which is tied to the business performance of WashTec AG. The short-term variable annual salary is based on annual strategic and/or financial and/or operational targets to be set each year by the supervisory board. By setting challenging targets, management board members were and are granted a variable component of compensation which takes account of both favorable and unfavorable developments (sec. 4.2.3, para. 2 of the Code).

The entire short-term remuneration paid to the acting management board members during the 2012 fiscal year is set forth below:

	2012	2012	2011	2011
Remuneration in €k	Fixed	Variable	Fixed	Variable
Thorsten Krüger (until July 31, 2012)	281	–	461	0
Houman Khorram (until July 31, 2012)	139	–	232	0
Michael Busch (since July 28, 2012)	153	–	–	–
Total	**573**	**–**	**693**	**0**

Components with long-term incentive

Until the start of the appointment of the new members of the management board, the management board employment contracts did not provide for variable components of the management board remuneration which had a multi-year basis of assessment/evaluation (sec. 4.2.3 para. 2 of the Code).

The new management board employment contracts provide for management board remuneration which fully accords with the recommendations of the Code. The long-term variable compensation is based on a separate strategic and/or financial and/or operational target which has a multi-year basis of assessment to be set by the supervisory board.

Benefits following termination of employment

Pensions and pension commitments

In the realm of retirement pensions, agreements have been put in place to provide special benefits to the members of the management board in the form of contribution-oriented pension commitments, under which the annual contribution does not total more than one-third of the director's annual fixed remuneration. These pension commitments are included in the total reported remuneration. No defined-benefit obligations have been made. If the beneficiary dies during the term of the management board agreement, then his wife will have a right to claim the full amount of the fixed salary for up to six months thereafter.

Contribution-oriented pension commitments in €k	2012	2011
Thorsten Krüger (until July 31, 2012)	61	87
Houman Khorram (until July 31, 2012)	–	–
Total	**61**	**87**

Other benefits in connection with the termination of employment

Both the contracts with the former members of the management board Mr. Krüger and Mr. Khorram as well as the contracts with the new members of the management board Mr. Rautert and Mr. Vieweg provide for remuneration, which is equal to 50% of the last short-term remuneration drawn by them and which serves as consideration for securing the enforceability of a contractually agreed prohibition on competition following termination of their employment relationship.

The old management board employment contracts provided for a general cap on financial settlements (severance cap), limiting payments to a maximum of two annual salaries in the event of premature termination of the director's office. Likewise, in the case of premature termination of a board member's term of office due to a change of control, the relevant management board employment contract limited such payments to a maximum of 150% of the severance cap (sec. 4.2.3 of the Code).

In connection with the termination of the management board employment contracts on July 31, 2012, Thorsten Krüger received a one-time payment totaling around €0.9m and Houman Khorram received a one-time payment totaling around €0.4m. With these payments, all claims of the former management board members under the management board employment contracts, including the variable compensation and all payments for reimbursables and special payments, were fully discharged.

The new management board employment contracts contain a provision, pursuant to which if there is an early termination of the management board work, which was not triggered by good cause justifying termination of the management board employment contract, then severance payments are agreed but should be limited to a maximum of two years worth of compensation including reimbursables (severance cap).

Miscellaneous

The members of the management board do not receive any loans or other indemnities from the Company.

Supervisory board remuneration

The remuneration of the supervisory board is specified in sec. 8.16 of the Articles of Association of WashTec AG. It comprises fixed and variable remuneration components. Pursuant to the shareholder resolution dated May 5, 2011, the supervisory board remuneration was reconfigured starting in fiscal year 2011. The basic fixed remuneration for an ordinary member of the supervisory board is now €20,000 for a full fiscal year of membership on the supervisory board. Members of the supervisory board also receive a fee of €1,500 for each meeting of the supervisory board or its committees, which they attend. In addition, every supervisory board member will receive €500 for each cent by which the consolidated earnings per share (as determined in accordance with IFRS) exceed the comparable amount of the prior fiscal year. The fixed and variable remuneration is limited to a maximum of €50,000. In accordance with sec. 8.16 of the Articles of Association of WashTec AG, the supervisory board chairman receives twice the amount of the fixed salary and variable components, while the deputy chairman receives one-and-one-half that amount. Any supervisory board members, who were on the supervisory board for only part of the fiscal year, will be paid a proportionately lower fixed and performance-based remuneration. The Company has not paid any remuneration or granted any benefits to the members of the supervisory board during the 2012 fiscal year for services rendered personally by them (sec. 5.4.6 of the Code).

2012 in €k, differences possible due to rounding-off	Fixed	Variable	Meeting Fee	Total	Cap	Payout Amount[5]
Michael Busch[1]	23	100	27	150	57	57
Jürgen Lauer[2] (until May 10, 2012)	11	47	11	69	27	27
Massimo Pedrazzini[3]	31	134	27	192	77	77
Jens Große-Allermann (since June 18, 2012)[4]	15	66	16	97	38	38
Sören Hein (since May 10, 2012)	13	56	9	78	32	32
Roland Lacher (since June 18, 2012)	11	47	11	69	27	27
Hans Liebler (since June 18, 2012)	11	47	12	70	27	27
Total	**115**	**497**	**113**	**725**	**285**	**285**

[1] Chairman; mandate suspended during the posting to the management board (since July 28, 2012)
[2] Deputy Chairman until May 10, 2012
[3] Deputy Chairman until July 27, 2012/Chairman since July 28, 2012
[4] Deputy Chairman since July 28, 2012
[5] Payments limited by cap (according to membership status/function)

2011 in €k, differences possible due to rounding-off	Fixed	Variable	Meeting Fee	Total	Cap	Payout Amount
Michael Busch[1]	40	0	24	64	100	64
Jürgen Lauer[2]	30	0	18	48	75	48
Massimo Pedrazzini	20	0	12	32	50	32
Total	**90**	**0**	**54**	**144**	**225**	**144**

[1] Chairman
[2] Deputy Chairman

Management Report

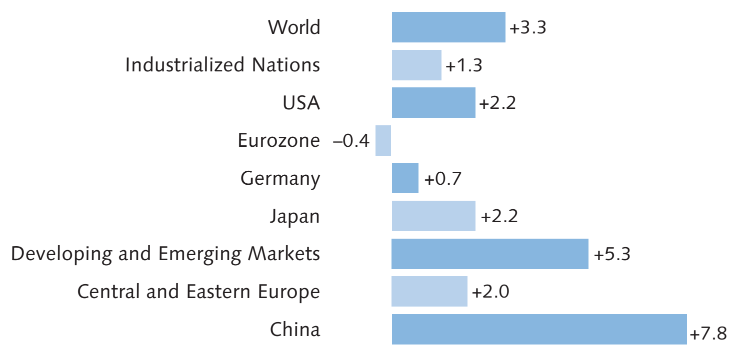
1.6 Overview of business performance

1.6.1 Overall economic performance

Growth of world economy slowed during 2012

Due to the European sovereign debt crisis and a general economic slow-down during the second half of the year, the global economy grew by only 3.3% during 2012, according to data furnished by the International Monetary Fund (IMF). Forecasts of experts had been revised downwards several times over the course of the year. The industrialized nations reported only very moderate growth of 1.3%. The recession in major EU countries such as Italy and Spain was to blame for the fact that the economic performance of the euro zone fell 0.4% below that of 2011. Germany was once again an exception to this rule: the German Federal Government reported growth of 0.7% there during the reporting period. Developments in the United States and Japan were somewhat better. In each of those countries, the IMF reported 2.2% growth. During 2012, once again the most significant impetus for growth came from the emerging markets. However, they failed to match the dynamic growth of past years. Thus, the economies of the developing and emerging markets showed aggregate growth of 5.3% during 2012, with China (at +7.8%) once again taking its position as a leading driver of the world economy, although even its economy performed somewhat more sedately relative to the previous year. Inflation in the industrialized countries came in at 1.9%, whereas that of the emerging markets was significantly higher, at 6.1%. Key interest rates in the industrialized countries remained at historically low levels. The prices of raw materials during 2012 remained largely stable.

Economic growth 2012 in %



Source: International Monetary Fund (IMF) World Economic Outlook, October 2012 and data of German Federal Government, January 2013

Impact on the operation of car wash equipment

Since economic trends in general have had only a limited impact on the operation of car wash equipment, the wash conduct of end customers overall remained mostly stable, even during the financial and economic crisis. Markets such as Spain or Portugal were the exception here, where the continued economic crisis has led to deteriorating wash figures. Weather-related fluctuations in wash figures have compounded this situation. The general conditions under which (individual) customers are able to secure financing to acquire a new wash system have deteriorated significantly as a consequence of the financial and economic crisis. This new reality together with the uncertainty about future economic developments have caused many customers to postpone their investments in new equipment or, in the case of replacement investments, have led to extended life cycles of the equipment.

- *Wash conduct of end customers remains largely stable*
- *Uncertainty about future development and limited financing have led to postponement in investments in car wash equipment*

In general, the wash equipment manufacturing sector is a late-cycle industry, inasmuch as the industry's development does not coincide with the general macroeconomic trends. The specific effects of the financial and economic crisis on the business of WashTec and on the business of the equipment operators vary tremendously from region to region and are described in more detail as part of the segment report.

1.6.2 Market for car wash equipment

Customer groups

The WashTec Group's customers are predominately operators of petrol stations that offer customers on-site washing facilities, with which they generate part of their earnings. These customers include multinational oil companies, individual operators and operators of chains of petrol stations/car washes and supermarkets. The customer base also includes operators of pure car washes. Other customer groups offer car washing as a complementary service to their customers or wash their own vehicles in order to preserve the value of their vehicle pools. These customer groups include car dealerships and garages, forwarding agencies and transport companies.

Competition

Key competitors in Europe:

- *Otto Christ AG, Germany*
- *Istobal SA, Spain*

The main European competitors are Otto Christ AG (Germany), and Istobal SA (Spain). According to its own research, WashTec is the clear European market leader with respect to market coverage and market share. Pursuant to information available to the Company, Ceccato S.p.A. (Italy) is currently in insolvency proceedings. At the same time, competitors with smaller market shares such as Alfred Kärcher GmbH (Germany) or Aquarama (Italy), as well as a host of local producers of self-service wash systems, are attempting to gain market share. The other large competitors in the North American market are Ryko Solutions Inc., PDQ Manufacturing Inc., Belanger Inc. and SONNY'S Enterprises Inc. WashTec is in third place on this market, with a market share of roughly 10% (in relation to the installed base). WashTec is continuously monitoring developments of the competitive situation on all of its major markets in order to be in a position to take timely, appropriate action.

Sales markets

The global structure of WashTec is also reflected in the regional distribution of revenues. In the 2012 reporting year, approximately 67% of Group revenues were generated outside of Germany. Business in Core Europe (with over 80% of the Group's net income) still dominates the picture. In the mid-term, however, more emphasis is expected to be placed on generating revenues in growth regions such as Asia/Pacific and Eastern Europe (currently approximately 4% each) and the North America region.

The global market for car wash equipment is divided into a number of sub-markets, depending on the degree of development within the respective markets. The special features of these sub-markets are set forth in more detail as part of the segment report.

2 Results of operation, net assets and financial position

During fiscal 2012, despite a difficult market environment in certain sub-markets, WashTec substantially increased its sales from €293.3m to €301.5m. EBIT – which had been very negatively impacted during the prior year mostly due to the one-time charges resulting from the unexpected drop in the North America business – rose from €–10.4m to €19.2m; after adjusting for the non-recurring effects, EBIT equaled €18.5m and was therefore €0.9m (or 5.1%) higher than the prior year figures (€17.6m). The restructuring measures that were launched in North America were a great success, enabling the Company to substantially improve its revenues and earnings there. Further measures initiated during fiscal 2012 have created favorable conditions for WashTec's ability to achieve sustained positive earnings in future. Investments in infrastructure and efficiency measures were made in all market segments and regions, which should lead to improved earnings, such as optimization of WashTec's sales and organizational structures in Germany, capacity adjustments, particularly in Spain, the UK and Scandinavia, and the transfer of portions of WashTec's production operations to the Czech Republic.

2.1 Order backlog

Order backlog as of December 2012 slightly lower than prior year

The Group reported as of December 31, 2012 a slightly lower backlog than it had at the end of the prior year, although the last two months of the year showed an above-average order intake.

Since WashTec's orders generally cycle-through within six to ten weeks, the order backlog has only limited indicative value for how the entire 2013 fiscal year will develop.

2.2 Results of operation

The following section examines the WashTec Group's business developments. WashTec AG is not itself an operating entity and earns income exclusively from dividends paid by WashTec Holding as well as from profit transfers made by WashTec Carwash Operations GmbH and AUWA-Chemie GmbH. Thus, the following discussion relates primarily to the Group. To the extent necessary, any discussion about WashTec AG will be dealt with separately.

2.2.1 Key earnings figures

The following table shows the key earnings figures for the WashTec Group:

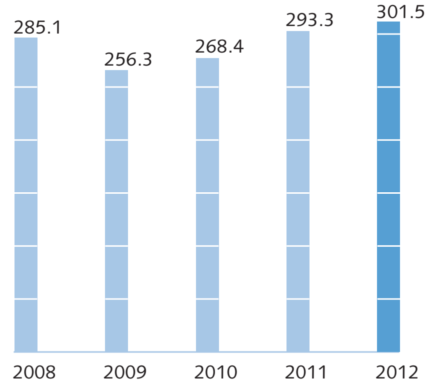
in €m (unadjusted) Differences possible due to rounding-off	2012	2011*	Change in %
Revenues	301.5	293.3	2.8
Cost of materials	126.9	127.4	–0.4
Other operating income	4.3	4.8	–10.4
Personnel expenses	100.2	104.6	–4.2
Other operating expenses (incl. other taxes)	51.7	48.8	5.9
EBITDA	29.2	19.2	52.1
Depreciation and amortization	10.0	29.5	–66.1
Operating result (EBIT)	19.2	–10.4	284.6
Financial result	–2.7	–1.6	–68.8
Earnings before taxes	16.5	–11.9	238.7
Consolidated net income	**10.1**	**–14.6**	**169.2**

*Comparative figures adjusted pursuant to IAS 8, see Note 7 in the Consolidated Notes

2.2.2 Revenue development

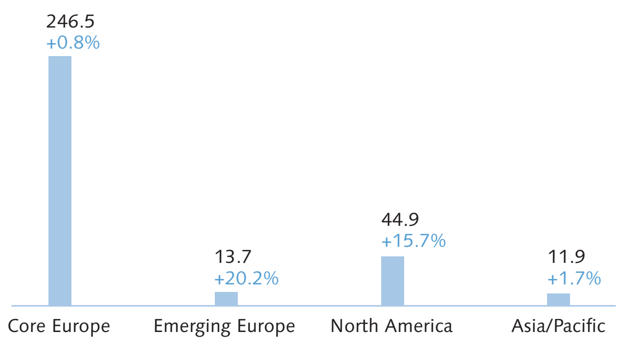
The WashTec Group's revenues totaled €301.5m and were thus €8.2m or 2.8% higher than in the prior year (€293.3m). In the fourth quarter of 2012, revenues increased by €3.8m or 4.7% over the same period of the prior year (revenues in Q4 2012: €84.4m; revenues in Q4 2011: €80.6m).

Revenues over multiple years (in €m)



After adjusting for currency rate effects, revenues equaled €296.2m and were therefore 1.0% above those in the prior year (€293.3m).

Revenues by segments in €m, change in % versus 2011



Overall, the markets in **Core Europe** developed as expected; development was stable. Revenues in this region, which totaled €246.5m, were slightly above those of the prior year (€244.5m). The Central and Eastern European markets (**Emerging Europe**) continued to grow. Accordingly, the revenues in this segment rose by approximately 20% to €13.7m (prior year: €11.4m). In **North America**, revenues rose, above all in the United States, and, at a total of €44.9m, were clearly above those of the prior year (€38.8m). In US dollar terms, these revenues totaled USD 58.0m (prior year: USD 54.3m). In the **Asia/Pacific** segment, revenues totaled €11.9m, and were thus slightly above prior year levels (€11.7m).

A detailed description of the development in the individual segments is set out in the segment report under 2.3 below.

Revenues in all product groups above prior year

Revenues by products

in €m Differences possible due to rounding-off	2012	2011	Change (in %)
New equipment and used equipment	170.0	168.7	0.8
Spare parts, service	90.1	88.9	1.3
Chemicals	29.8	24.3	22.6
Operations business and others	11.6	11.4	1.8
Total	**301.5**	**293.3**	**2.8**

During the 2012 fiscal year, WashTec generated revenues above prior year levels across all of its product groups. Revenues from **new and used equipment** increased slightly from €168.7m to €170.0m.

The profitable wash business is reflected in the increased revenues generated in **service and chemicals**. Revenues from **spare parts and service** climbed by €1.2m to €90.1m (prior year: €88.9m); revenues from **chemicals** once again performed very well, increasing significantly to €29.8m (prior year: €24.3m).

The revenues generated by WashTec Carwash Operations GmbH and WashTec Financial Services GmbH are reported under **operations business and others**. Revenues here totaled €11.6m, and were thus slightly higher than in the prior year (€11.4m).

WashTec AG's revenues (as defined under the HGB) rose by €1.4m to €3.0m (prior year: €1.6m), and consisted of invoicing (pass-through) charges to its subsidiaries for management costs.

2.2.3 Expense items and results

2.2.3.1 Expense items

Cost of materials

The cost of materials includes, above all, purchased raw materials, consumables and supplies, and during the 2012 reporting year, depended on the purchase prices of those materials. The largest items related to the purchase of steel, plastics and other raw materials. The cost of materials fell slightly relative to the prior year, from €127.4m to €126.9m, because provisions accrued during 2011 in connection with restructuring measures in North America had given rise to increased expense during that period. Adjusted for these effects, such costs were approximately at the same levels as during the prior year.

The gross profit climbed from €166.4m to €175.4m because revenues increased. There was a clear improvement in the gross profit margin, which rose to 58.2%, relative to that of the prior year (56.7%).

Personnel expenses

Whereas personnel expenses in North America fell as a result of restructuring measures, expenses in other regions increased, for example as a result of the expansion of WashTec's sales and service structures in its "Emerging Europe" and "Asia/Pacific" regions, as well as due to one-time payments made to former board members and due to wage scale increases under collective bargaining contracts in Core Europe (particularly Germany). Nevertheless, due to lower extraordinary expenses for restructuring measures and changes in accounting in connection with phased-retirement programs, personnel expenses fell in aggregate from €104.6m during the prior year, to €100.2m, in 2012. The personnel expenses ratio (that expense as a percentage of revenues) fell from 35.7% to 33.2%. The prior year figures were adjusted pursuant to IAS 8, see Note 7 in the Consolidated Notes.

Personnel expenses fell from € 104.6m in the prior year, to € 100.2m

Personnel expenses (as defined under the HGB) of WashTec AG equaled €2.2m (prior year: €0.9m) and resulted primarily from the remuneration of the management board (including severance payments), which are explained in the remuneration report and in areas Investor Relations and Legal.

Other operating expenses (including other taxes)

Other operating expenses (including other taxes) rose by €2.9m, from €48.8m to €51.7m, due primarily to costs incurred in connection with the expansion of WashTec's research and development departments, due to consultancy and recruitment expenses incurred while implementing the corporate strategy, and due to the expansion of WashTec's sales structures in Emerging Markets, trade fair expenses and higher company car fleet expenses. This item also includes a foreign exchange loss of approximately €–1.1m. In 2011, a foreign exchange loss of approximately €–1.0m had been reported.

Other operating expenses (as defined in the HGB) of WashTec AG rose by €0.6m to €2.4m (prior year: €1.8m).

2.2.3.2 Foreign currency effects

The exchange rate development of the US Dollar to the Euro does not generally have any impact on the operating business because most of value creation and revenue generation takes place in the respective regions themselves. The reporting date valuation of the balance sheet assets and liabilities that are held in a foreign currency had a negative impact on earnings of only approximately €–0.2m (prior year: €+0.3m), inasmuch as these positions were largely hedged using derivatives.

2.2.3.3 EBITDA

Earnings before interest, taxes, depreciation and amortization (EBITDA) increased to €29.2m, and were therefore significantly above those of the prior year (€19.2m).

2.2.3.4 Depreciation and amortization

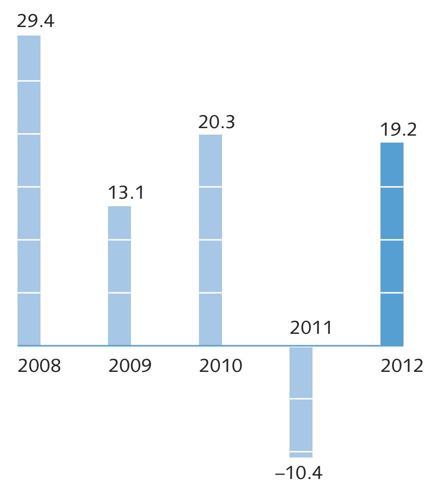
Depreciation and amortization declined to €10.0m (prior year: €29.5m). The reason for the high prior year figure was a write-down of goodwill in North America.

2.2.3.5 Investment result of WashTec AG

The investment result of WashTec AG (as defined under the HGB) is primarily based on income derived from profit (loss) transfer agreements in the amount of €2.5m (prior year: €2.5m). In addition, WashTec Holding GmbH paid a dividend in the amount of €3.9m, which was collected during the same phase (prior year: €2.0m).

- *EBIT rose by €29.6m to €19.2m; EBIT margin at 6.4%*
- *Adjusted EBIT rose to €18.5m; adjusted EBIT margin at 6.1%*

EBIT over multiple years (in €m)



2.2.3.6 EBIT

The unadjusted earnings before interest and taxes (EBIT) increased substantially to €19.2m (prior year: €–10.4m) and the EBIT margin stood at 6.4% (prior year: –3.5%).

EBIT/adjusted EBIT by segments

	2012		2011*	
in €m Differences possible due to rounding-off	EBIT	Adjusted EBIT	EBIT	Adjusted EBIT
Core Europe	19.2	19.7	17.9	22.7
Emerging Europe	0.8	0.8	1.1	1.1
North America	–0.2	–1.4	–29.9	–5.6
Asia/Pacific	–0.7	–0.7	0.7	0.0
Consolidation	0.0	0.0	–0.1	–0.5
Group	**19.2**	**18.5**	**–10.4**	**17.6**

* Comparative figures adjusted pursuant to IAS 8, see Note 7 in the Consolidated Notes

2.2.3.7 Non-recurring effects

Non-recurring effects of €+0.7m

The EBIT adjusted for non-recurring effects rose from €17.6m to €18.5m. The adjusted EBIT margin equaled 6.1% (prior year: 6.0%). At the individual segment level, there were (as in the prior year) regional non-recurring effects that were partially compensated at the Group level. Of the non-recurring effects reported for 2012 and totaling €+0.7m, €–0.5m of these were attributed to the Core Europe and €+1.2m to the North America segment. Non-recurring effects for the prior year and according to segment broke down as follows: Core Europe €–4.8m, Asia/Pacific €+0.7m and North America €–24.3m.

2.2.3.8 Net financial expense

Net financial expense rose to €2.7m

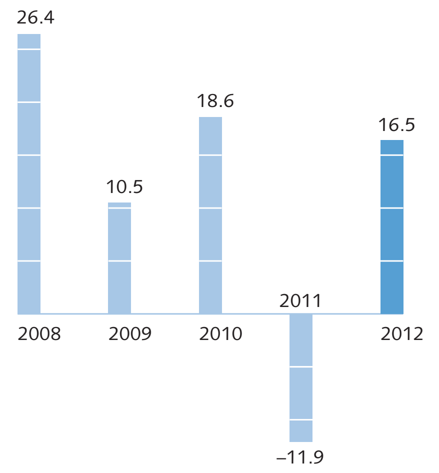
Net financial expense increased from €1.6m to €2.7m due to effects from interest rate swaps.

Breakdown of financial result		
in €m, differences possible due to rounding-off	2012	2011
Income from bank interest and similar income	0.1	0.2
Financial income	**0.1**	**0.2**
Interest-bearing loans	–0.5	–0.8
Interest rate swaps	–1.3	–0.2
Expenses from finance leasing	–0.4	–0.5
Expenses from financing costs and similar expenses	–0.6	–0.2
Financial expense	**–2.8**	**–1.7**
Financial result (net financial expense)	**–2.7**	**–1.6**

2.2.3.9 EBT

The earnings before taxes (EBT) equaled €16.5m (prior year: €–11.9m). The prior year figure was adjusted pursuant to IAS 8, see Note 7 in Consolidated Notes.

EBT over multiple years (in €m)



2.2.3.10 Taxes

Taxes equaling €6.4m (prior year: €2.7m) consist of the use of deferred tax credits and current tax expenses. The tax rate (relative to EBT) rose from –22.7% to 38.8%. In addition to the positive trends in earnings, the non-recognition of deferred taxes on loss carry-forwards in respect of individual equity holdings had an impact on the development of the tax rate.

Loss carry-forwards are held mainly by international companies, while the loss carry-forwards in Germany have been largely exhausted.

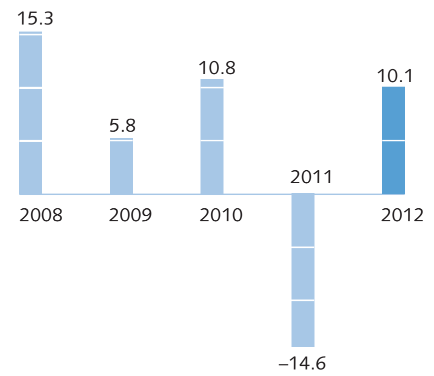
2.2.3.11 Consolidated net income

Consolidated net income after taxes rose by €24.7m to €10.1m (prior year: €–14.6m). Earnings per share (diluted = undiluted) rose slightly to €0.72 (prior year: €–1.04) because the average number of shares had fallen slightly to 13,962,989 shares compared to the average of the prior year (13,976,970 shares) as a result of the share buy-back program. The prior year figures were adjusted pursuant to IAS 8, see Note 7 in the Consolidated Notes.

The annual profit of WashTec (as defined under the HGB) rose from €3.7m to €4.9m.

Consolidated net income over multiple years (in €m)

Consolidated net income rose by €24.7m to €10.1m



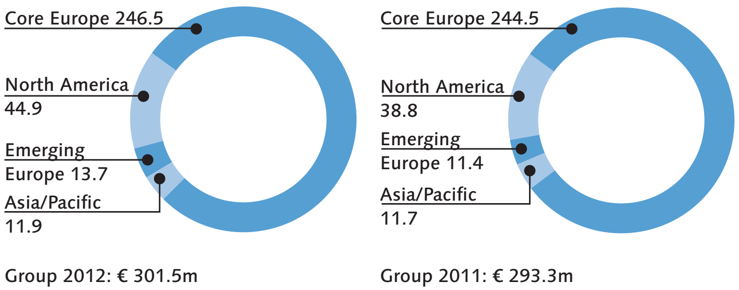
2.2.4 Use of funds/dividend

WashTec considers its share to be value-oriented with an attractive return policy. Another element of WashTec's strategy is to expand its market position globally and to achieve moderate revenue growth while maintaining a conservative leverage (gearing) ratio. WashTec defines a conservative leverage ratio as a ratio of EBITDA to net bank debt and finance leases of less than one (1). Under these conditions, WashTec intends to sustainably distribute around 40% of the annual net income to its shareholders in the form of dividend payments and/or share buy-backs. Against this background, the management board and the supervisory board will tentatively recommend to the annual general meeting of shareholders, which is scheduled for May 15, 2013, that a dividend be paid in accordance with WashTec's existing dividend policy (plus a special dividend) and that the shareholders authorize a further buy-back of the Company's own shares, inasmuch as the Company's current share buy-back program is expiring in May.

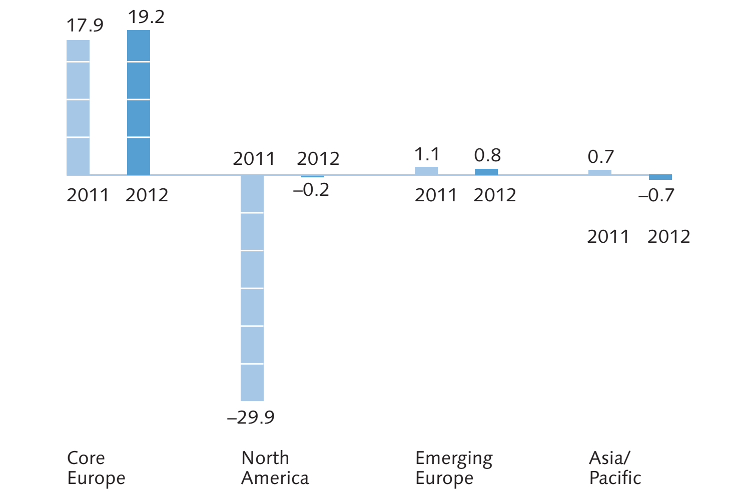
2.3 Segment report

WashTec's global business is broken down into four geographical segments. In the "**Core Europe**" segment, the activities of the WashTec Group in Northern and Western Europe are consolidated. The "**Emerging Europe**" segment comprises the countries of Eastern Europe including Russia, whereas the segment "**North America**" includes the activities in the United States and Canada. The "**Asia/Pacific**" segment primarily reflects the business development of the Australian and Chinese subsidiaries.

Revenues by segments 2011/2012 (in €m)



EBIT by segments 2011/2012 (in €m)



Management Report

2.3.1 Core Europe

Key figures Core Europe			
Differences possible due to rounding-off		2012	2011
Revenues	€m	246.5	244.5
EBIT	€m	19.2	17.9
EBIT margin	%	7.8	7.3
Employees (as of Dec 31)		1,354	1,316

Market environment and competition
In recent years, growth in the number of vehicles in Core Europe has been stable. In the Company's opinion, this trend will also not change significantly in the future. Except for individual regions (e.g., in Southern Europe), the wash behavior of the end customers has been very stable and predictable because such activity is dependent, for the most part, on weather.

The wash equipment market in Core Europe is by far the most developed vehicle wash market in the world, with the highest proportion of installed car wash equipment, the most professional structure in terms of sales and service as well as the highest product quality. Major clients are multinational oil companies that operate car wash facilities in their petrol station networks either themselves or through lessee-operators. Other clients are independent customers such as supermarket chains, individual operators, logistics companies or car dealerships. A review of the various customer groups reveals that some large oil companies have split from the petrol station networks which have instead been taken over by new, in some cases local, operating chains.

The competition is intense and is limited to only a few manufacturers who have successfully shaped the consolidation of the last 20 years. The current main European competitors are Otto Christ AG (Germany) and Istobal SA (Spain). The most important markets are dominated by the direct sales networks of the manufacturers and a direct manufacturer-tied service business. A portion of the sales and service is performed through dealers. Given the great importance of having a geographically expansive service structure, the barriers for new competitors to enter this market are very high. According to its own research, WashTec is the clear market leader in terms of market coverage and market share and has by far the best established direct sales and service network as well as by far the largest installed base of over 20,000 rollover car washes in WashTec's core markets. With this wide-coverage basis, WashTec is very well-positioned in terms of professionalism and efficiency.

Prior to the financial and economic crisis, the market for car wash equipment was a stable replacement market that allowed all manufacturers and dealers in Northern and Western Europe to earn good results with low market growth. In the Company's opinion, the financial and economic crisis has revealed a significant market decline in certain submarkets, particularly Southern Europe, and a transformation of the car wash equipment market, which exhibits the following aspects and features:

- Longer replacement cycles for car wash equipment, which are due to the longer service lives, have resulted in a lower sales volume;
- The earnings situation among some manufacturers has declined significantly.

As a result of the greater competitive intensity, the Company believes that the average returns in the industry have likewise declined significantly.

Markets developed more poorly than in the prior year

In 2012, the markets in Core Europe generally developed more poorly than in the prior year. In this respect, individual regions such as Southern Europe as well as the Benelux countries, France and the United Kingdom remain substantially more affected, while the developments for example in Germany, as the largest single market, have been stable. The Company has seen increasingly aggressive pricing in those regions that have been particularly affected. The continued uncertainty among customers has also become manifest in investment behavior, as some investments and installations have been postponed. Hence, the Company has continued its structural measures to improve efficiency in this segment or has instituted other courses of action. Such actions have included, for example, making changes to WashTec's supply chain structures.

There is a risk that over the mid-term the market will stagnate at its current lower level and that this will bring about additional changes both for manufacturers and for dealers. As in the past, WashTec is addressing this trend through innovations, further professionalization and intelligent cost-cutting and efficiency projects.

Revenue development

Revenues in Core Europe rose slightly by €2.0m to €246.5m

WashTec was able to offset the market-driven, sharp fall in revenues in Southern Europe and in the Benelux countries, France and the United Kingdom through the still stable revenue streams from Germany, Austria and Switzerland and the countries of Northern Europe, such that overall revenues in Core Europe rose slightly by €2.0m to €246.5m (prior year: €244.5m).

Earnings development

Although WashTec's results in Core Europe suffered primarily because of the costs connected with collective wage scale increases in Germany and France, one-time payments as a result of staff lay-offs and increased operational expenses due to the trade fair, an increase in company car costs and further write-downs of receivables in Southern Europe, EBIT still rose to €19.2m (prior year: €17.9m). Adjusted for non-recurring effects, EBIT fell from €22.7m to €19.7m.

2.3.2 Emerging Europe

Key figures Emerging Europe

Differences possible due to rounding-off		2012	2011
Revenues	€m	13.7	11.4
EBIT	€m	0.8	1.1
EBIT margin	%	5.8	9.6
Employees (as of Dec 31)		10	4

Market environment and competition

The number of vehicles in the "**Emerging Europe**" segment has risen considerably. This trend is expected to continue in the coming years, as well. Although the automated car wash still has only a small market share, given the lower labor costs there, that market share continues to rise. The sales and service structure in this region is based primarily on development of the market by independent dealers, who are supported by WashTec's sales representatives. Only a few suppliers have subsidiaries representing them in individual regions. The competitor situation in Emerging Europe is largely similar to the structure prevailing in Core Europe. There are also local competitors, particularly in the self-service area.

Before the onset of the financial and economic crisis, WashTec was generating double-digit growth figures in this segment. The financial and economic crisis impacted some of the countries of Emerging Europe strongly and caused customers to change their strategy and postpone their investments in new car wash equipment. The market has again started to grow in the interim. Thus, thanks to an improved sales structure, the Company has been able to return to the growth rates it enjoyed before the crisis.

Positive market development expected also in the future

WashTec expects that the market in this segment will return to very favorable growth again in the future and plans to further strengthen its dealer network and expand its own presence and direct access to major customers in individual regions, for example by setting up sales offices. In this context, a separate company was formed in Poland in early 2012.

Revenues in Emerging Europe increased by €2.3m to €13.7m

Revenue development

Revenues in this segment have continued to improve significantly. Particularly in light of good equipment sales, revenues as of December 31, 2012 were at €13.7m (prior year: €11.4m).

Earnings development

Earnings dropped to € 0.8m by comparison with the prior year (€1.1m) as a result of expenditures made to expand sales structures. There were no non-recurring effects.

2.3.3 North America

Key figures North America

Differences possible due to rounding-off		2012	2011
Revenues	€m	44.9	38.8
EBIT	€m	–0.2	–29.9
EBIT margin	%	0.0	–77.1
Employees (as of Dec 31)		229	247

Market environment and competition

The number of vehicles in North America has remained largely stable in the last few years. Some slight population growth and growth in the number of vehicles is expected in the future. The wash conduct of the end customers has likewise not changed significantly.

In the United States, most customers are independent, small or medium-size operators of petrol stations and individual operators of car wash equipment. As a result of the financial and economic crisis, the financing options of these customers have become considerably more difficult to use and remain very limited. On the one hand, this has led to longer operating life of the equipment and on the other hand, it has caused a reduction in the number of installed machines. It is estimated that the US market has subsequently shrunk by nearly 40% overall. There were initial indications of a slight recovery of the market discernible during 2012, in particular, customers with a supra-regional scale have, in the interim, started investing again in expanding their petrol station networks and in renewing their car wash equipment. However, a general market recovery is not yet in sight.

US: Fragmented market featuring a large number of manufacturers and dealers

In comparison to Europe, the car wash equipment market in North America is highly fragmented and is characterized by a number of manufacturers that work with different sales structures (dealers and direct sales). The percentage of sales carried out through dealers is considerably higher than in Europe. The leader in the realm of friction system car washes is Ryko Solutions Inc., a local manufacturer which works the market for the most part using its own sales and service teams. There are also manufacturers which have strictly dealer sales structures and those with mixed sales structures. European manufacturers without any local production have so far been unable to establish any noteworthy competitive position in the market. In terms of installed base and market share, WashTec occupies third place in North America, according to its own research. The other biggest competitors in the North American market are PDQ Manufacturing Inc. and Belanger Inc. in the realm of touchless washes, as well as SONNY'S Enterprises Inc. in the realm of car wash conveyor systems.

WashTec has reacted to the changed market situation and the unexpectedly poor development in its results during fiscal 2011 by implementing a comprehensive restructuring program and by making significant adjustments inter alia to its staffing levels both in the direct and indirect areas of the organization. Over the course of 2012, WashTec's organization, which was originally structured in a highly decentralized way both in terms of geographical location and in terms of management, was substantially streamlined, for example by concentrating approximately 70% of the Company's local inventory warehouses and management functions at its headquarters in Denver, Colorado.

In general, the North American business developed favorably in 2012. The restructuring measures are proceeding according to plan and have already led to significant improvements in WashTec's earnings. In Canada, the foundation has been laid for other future improvements to the earnings situation. Given its global customer relationships and favorable outlook, WashTec has decided to retain its presence in North America. Options for strategic alliances continue to be examined.

Revenue development

Revenues in North America increased by €6.1m to €44.9m

Mostly due to the favorable developments in WashTec's direct and key account business, WashTec's revenues in North America developed more favorably than expected and came in substantially above those of the prior year, at €44.9m (prior year: €38.8m). Regional revenues in USD totaled USD 57.5m (prior year: USD 53.0m).

Earnings development

WashTec's successful implementation of its restructuring measures and the favorable business performance in North America led to a substantial improvement in its USD results in this segment. EBIT in euros was €–0.2m, significantly above EBIT in the prior year (€–29.9m). Adjusted for non-recurring effects, EBIT totaled €–1.4m (prior year: €–5.6m). During the fourth quarter, the Company's operational results reached the break-even point.

2.3.4 Asia/Pacific

Key figures Asia/Pacific

Differences possible due to rounding-off		2012	2011
Revenues	€m	11.9	11.7
EBIT	€m	–0.7	0.7
EBIT margin	%	–5.9	6.0
Employees (as of Dec 31)		47	45

Market environment and competition

China: Strong mid-term and long-term market growth expected; great growth potential for WashTec

A significant part of this segment is the Chinese market, which is witnessing very strong growth in the number of vehicles and has extraordinary growth potential. Based on the current, still relatively low labor costs there, the market for car washes is still dominated by manual washes. Since this approach cannot completely serve the tremendous leap in demand for car washes, there will be a transition to automated car washes in the future.

China: First equipment sold in the car dealer and dealership segment

Until now, the competition in this market has been limited to several Chinese manufacturers and to competitors from other Asian countries with limited experience in the field of professional automated car washing. Since 2008, WashTec has had its own production and procurement site near Shanghai and has a sales partner for servicing major customers. In 2012, the first direct sales structures were created, and the local organization was strengthened further in order to help actively shape the important Chinese focus market. The expansion of structures is yielding some initial results – the first equipment has been sold in the car dealer and dealership segment – even though that market is only expected to develop to European levels over the mid- to long term.

On the Australian market, the major American and European manufacturers are in direct competition with one another. WashTec is the only manufacturer with its own presence in this market. All other competitors conduct their business locally through independent dealers.

In Japan and Korea, there are a number of dominant local manufacturers with a national focus. All of the European and the major US competitors have distributors in New Zealand.

The market in Australia, where until now most of the business in the "Asia/Pacific" segment was transacted, has developed and stabilized at a low level. More specifically, individual operators have remained reluctant to make investments or have postponed new installations.

WashTec's goal is to adjust the product portfolio to meet the local needs and to build-up its own sales and service structure in key regions. By continuing to expand the global supply chain and sourcing activities, the Company will also be leveraging the manufacturing and procurement advantages from this region for the entire product portfolio.

Revenue development

Revenues in Asia/Pacific rose slightly to € 11.9m

At € 11.9m, revenues were slightly above the prior year's level (€ 11.7m). The market in Australia, where the major portion of activities in this segment has been conducted to-date, shows stable development.

Earnings development

Earnings in this segment as of December 31, 2012 declined to €–0.7m (prior year: €0.7m), primarily as a result of investments in market development and sales structures. There were no non-recurring effects, whereas non-recurring effects during the prior year totaled € +0.7m, such that adjusted EBIT 2011 totaled €0.0m.

2.4 Net assets

2.4.1 Asset and capital structure

Balance sheet total declines to €183.6m

Condensed consolidated balance sheet

€m, Differences possible due to rounding-off	2012	2011*	2010
Non-current assets	88.8	93.1	110.0
Receivables and other assets	48.5	50.9	47.4
Inventories	36.6	39.3	37.4
Deferred tax assets	5.9	7.1	7.0
Cash and cash equivalents	3.8	4.6	15.3
Equity	84.4	75.3	94.4
Provisions (including income taxes)	27.8	32.3	22.3
Liabilities	59.6	74.0	85.6
of which, trade payables	6.7	9.9	9.5
Deferred revenues	8.8	10.4	10.2
Deferred tax liabilities	3.0	3.0	4.6
Balance sheet total	**183.6**	**195.0**	**217.1**

*Comparative figures adjusted pursuant to IAS 8, see Note 7 in the Consolidated Notes

The **balance sheet total** of the WashTec Group declined from € 195.0m to € 183.6m.

2.4.1.1 Assets

The WashTec Group's **non-current assets** include goodwill totaling €42.3m (prior year: €42.3m). Management subjects the capitalized goodwill to an annual impairment test. The test is based on a mid-term forecast for the period 2013 to 2015 at the Group level. Given the write-downs made during the past year in connection with the special situation in North America, there does not currently appear to be any need for further write-downs. Non-current assets include the items "real properties and buildings" (€17.0m), "technical equipment and machines" (€13.5m) and "intangible assets (excluding goodwill)" (€9.0m).

Under the HGB accounting principles, WashTec AG's non-current assets consist primarily of shares in affiliated enterprises in an amount of €128.0m (prior year: €128.0m). Management also subjects the shares held in affiliated enterprises to an annual impairment test. Here too, there does not currently appear to be any need for further write-downs.

Receivables and other assets declined from €50.9m to €48.5m due to the active management of receivables. Compared to last year, the term of receivables fell by 3 days to 48 days (prior year: 51 days).

WashTec AG's receivables, as defined under HGB accounting principles, equaled €13.5m (prior year: € 8.0m) and resulted primarily from general inter-company setoffs among the affiliated enterprises and from profit (loss) transfer agreements.

Inventories decreased from €39.3m to €36.6m due to an improved inventory management.

Deferred tax assets totaling €5.9m resulted from timing differences (€3.4m) and from deferred tax assets based on loss carry forwards (€2.5m).

As of the balance sheet date, **cash and cash equivalents** (not including short-term current account liabilities) had declined from €4.6m to €3.8m, due primarily to the optimization of financing resources and the related repayment of debt.

2.4.1.2 Liabilities and equity

As a result of favorable earnings development, **equity** rose from €75.3m to €84.4m. Details concerning the income and expenses recognized directly in equity capital pursuant to IFRS may be found in the Statement of Changes in Equity. The equity ratio increased substantially to 46.0% (prior year: 38.6%). The prior year figures were adjusted pursuant to IAS 8; see Note 7 in the Consolidated Notes.

Equity ratio at 46.0%

WashTec AG had equity (as defined by the HGB) of €139.6m (prior year: €134.9m). This yields an equity ratio of 98.4% (prior year: 98.9%).

Compared to December 31, 2011, **bank debt** declined significantly from €21.2m to €5.3m specifically due to high cash flow and an active cash management.

Net bank debt (long-term and short-term bank debt less bank credit balances) was €1.5m and therefore also significantly less than the prior year (€16.6m). **Net finance debt** (net bank debt plus long-term and short-term finance leasing debt) was €8.3m and therefore €16.1m below the prior year (€24.4m).

Trade payables declined from €9.9m to €6.7m as of the balance sheet date.

The **deferred tax liabilities** were €3.0m and therefore at the same level as the previous year (prior year: €3.0m).

The **gearing** – defined as the quotient of the net finance debt to equity – declined to 0.10 (prior year: 0.32) by virtue of the increase in equity.

Gearing drops to 0.10

Provisions (incl. income tax liabilities) consist primarily of provisions made for personnel, phased retirement obligations, warranties and buy-back obligations. As of the balance sheet date, this item equaled €27.8m (prior year: €32.3m).

The provisions of WashTec AG under the accounting rules of the HGB equaled €0.7m (prior year: €0.8m) and were set aside primarily for legal and consulting costs, chartered accounting costs, management board compensation and supervisory board compensation.

2.4.2 Internally generated intangible assets and off-balance sheet financial instruments

Internally generated intangible assets, which have a positive effect on the WashTec business, include, above all, the comprehensive know-how and experience of WashTec employees as well as the knowledge base which has been built up and expanded over the years with respect to research and development. Another key factor of success has been the WashTec Group's own sales and service network which has been cultivated over many years. Mostly due to its global presence, the Company is in the position to offer WashTec products and services in close proximity to the customers.

There are no off-balance sheet financial instruments.

2.5 Financial position

2.5.1 Principles and goals of financial management

As part of the centralized financial management, the companies within the WashTec Group are financed through WashTec Cleaning Technology GmbH. The Company's main liabilities are denominated in euro. The base interest rate of the loan is variable and linked to EURIBOR. To reduce the risk posed by a general increase in interest rates and to improve planning certainty, WashTec uses the customary instruments like interest rate swaps. For the swaps, interest rates ranging from 2.572% to 2.580% are set. As of December 31, 2012, the Group had a credit line totaling €46.3m. The credit line, which was not utilized but which could be deployed for future operations and for discharging obligations, equaled €35.5m as of the balance sheet date. The subsidiary, WashTec Carwash Operations GmbH, finances its equipment investments using sale and leaseback transactions.

	Target value per loan agreement (financial covenants)	Value 2012	Value 2011
EBITDA gearing ratio	< 2.5	0.3	1.3
Equity ratio*	> 35%	46.1%	38.6%

*Incl. treasury shares

The **EBITDA gearing ratio** (net financial debt/EBITDA) equaled 0.3 as of the end of the year (prior year: 1.3).

Additional information concerning the financing of the WashTec Group can be found under the opportunities and risk report in the subsection entitled, "Financing risks".

2.5.2 Cash flow statement

in €m, differences possible due to rounding-off	2012	2011*	Change (in %)
Earnings before taxes	16.5	–11.9	238.7
Change in cash from operating activities (net cash flow)	23.1	17.2	34.3
Change in cash from investing activities	–3.5	–8.8	60.2
Free cash flow	19.6	8.4	133.3
Change in cash from financing activities	–18.6	–20.3	8.4
Net change in cash and cash equivalents	1.0	–11.9	108.4
Cash and cash equivalents as of December 31	3.5	2.6	34.6

*Comparative figures adjusted pursuant to IAS 8, see Note 7 in the Consolidated Notes

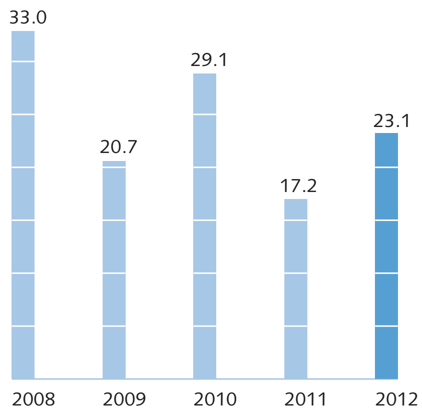
Net cash flow at € 23.1m

Cash inflow from operating activities (net cash flow) climbed to €23.1m (prior year: €17.2m). This increase was caused, above all, by changes in the net current assets due to efficient working capital management.

The Company is constantly taking measures to optimize and improve working capital. By virtue of these measures, the **net current assets** (current trade receivables + inventories – current trade payables) declined from €75.5m to €73.1m. The ratio of net current assets to revenues decreased slightly to 0.24 (prior year: 0.26).

Net cash outflow from investing activities equaled €3.5m in fiscal year 2012 (prior year: €8.8m) and was attributable primarily to the investments made in the manufacturing site in the Czech Republic and in information technology and product development.

Net cash flow (in €m)



Free cash flow (net cash flow less cash outflow from investing activities) improved very significantly to €19.6m (prior year: €8.4m) thanks to efficient working capital management.

Cash outflow from financing activities equaled €18.6m (prior year: €20.3m). The cash outflow in 2012 included interest payments, the repayment of loans as well as the repayment of the long-term finance lease liabilities.

Cash and cash equivalents rose from €2.6m to €3.5m as of the balance sheet date, December 31, 2012. The Company was, at all times, in a position to meet its payment obligations.

2.5.3 Investments and write-downs

Focus of investments in 2012:
- *Investments in manufacturing plant in Czech Republic*
- *IT*
- *New product development*

The focus of the Company's investments was on capital expenditures in the manufacturing plant located in the Czech Republic, on new product development and on IT. In the prior year, the Company had likewise invested mostly in the Czech Republic manufacturing site and in product development.

The scheduled write-down of assets was done on the basis of the statutory requirements and the accounting principles set by WashTec. As a rule, the assets are amortized or depreciated on a straight-line basis over their ordinary useful life. The assets are subject to an impairment test as of the end of the fiscal year.

To the extent goodwill was capitalized, it is not amortized on a scheduled basis. Management does, however, subject capitalized goodwill to an annual impairment test. The basis for this test is the mid-term budget of 2013 through 2015 at the Group level.

3

Additional performance indicators

3.1 Employees

Compared to the staffing status on December 31, 2011, the number of employees rose by 23 to 1,674. After adjusting for acquisitions and sourcing measures, the number of employees fell by 22 on a year-to-year comparison. WashTec employed an average number of 1,650 employees on an annual average basis (prior year: 1,660).

Number of employees increased to 1,674

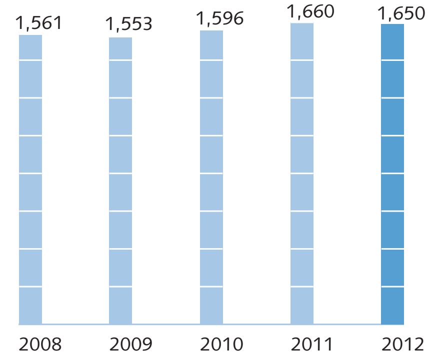
Number of employees

	Dec 31, 2012	Dec 31, 2011	Change
Sales and service	1,005	1,006	–1
Production, technology and development	502	473	29
Finance and administration	167	172	–5
Total	**1,674**	**1,651**	**23**

In Germany, the WashTec Group is subject to the collective wage agreements that are in place with the trade union, IG Metall. In January 2011, WashTec also implemented the Compensation Master Agreement (Entgelt-Rahmenabkommen or ERA).

WashTec's employees are a significant foundation of the Group's commercial success. WashTec employee satisfaction in Germany, for example, is reflected in the low levels of employee turnover, which is 1.3% (prior year: 1.6%) and in a long average period of service, which is 16.9 years (prior year: 16.5 years). All executive employees have contracts with fixed and variable remuneration components. The variable remuneration components are linked to the Group earnings and to meeting individually agreed objectives.

Average number of employees by year



3.2 Quality and environmental management, Sustainability

High-quality products provide the basis for WashTec's technological leadership on the market. Quality, safety and environmental protection are key components of WashTec's corporate philosophy. The Company has an extensive management system for quality, the environment, health and safety protection, which is audited at regular intervals by the German Technical Control Association (TÜV). WashTec thus meets the requirements of internationally recognized standards and is DIN ISO 9001, 14001 and SCC (Safety Certificate Contractors) certified.

WashTec feels committed to the principle of ecological sustainability and therefore always operates its business under the condition that materials and resources be used as efficiently as possible. The Company assumes that the demand for water reclamation or water retention will grow since the shortage of water as a resource will only continue to increase. Thus, the WashTec Group's business model and products actively contribute to the protection and preservation of the globally limited resources of energy and raw materials.

WashTec offers water reclaim systems for all car wash equipment in order to guarantee environmentally-friendly car washes. In this way, the amount of fresh water used by a roll-over car wash can be reduced to 14–30 liters per wash. The AUWA product program is superbly harmonized with all water reclaim systems and also supports in this way the retention of a high level of water quality. Thus, for example, all products under the AUWA "ecoline" are superbly bio-degradable, environmentally-friendly and non-abrasive.

The strong focus of WashTec products on matters involving environmental protection and sustainability is also reflected in the stake held by shareholders who select their investments on the basis of clearly defined criteria relating to the sustainability of the corporate group in question.

Detailed information regarding sustainability can be found in the sustainability report.

3.3 Research and development

WashTec is a leader in innovation, and once again provided proof thereof in 2012. At the world's largest industry trade fair, automechanika, which was held in Frankfurt am Main in September 2012, WashTec presented numerous product innovations such as the "ACS" cartridge system for wash chemicals. The innovations were very well received by visitors.

The range of products should be continuously enhanced by innovations

The research and development activities of the WashTec Group are aimed at continuously enhancing the existing range of products through innovation and at catering to the individual design and program requirements of customers in a timely and effective way. In this respect, the added benefits for operators and end customers are always the focus. The development work also strives, above all, to preserve natural resources, accelerate throughput times, to handle the vehicle effectively and in manner that does not cause paint abrasion, to adjust wash equipment to handle ever-evolving vehicle forms and contours, to provide greater availability of equipment and to meet customer demands for more user-friendly car washing. Also becoming more and more important is the collaborative work with the automobile industry; a collaboration that seeks to identify as early as possible new vehicle forms, materials and surface qualities. WashTec is currently engaged in an extensive dialogue with the industry on these matters.

WashTec can also rely on the ideas and experience of its employees: A technological product team, including experts from Germany and abroad, is responsible for developing new technological solutions and concepts. As a whole, more than 50 employees work in research and development at WashTec's headquarters in Augsburg.

The continuous improvement and further development of the products, specifically with respect to the improvement of the wash and drying results as well as the increase in the efficiency of the equipment with respect to the consumption of resources, ensures a significant competitive advantage for WashTec.

WashTec attaches great importance to the protection of its innovations through the use of patents. The WashTec Group is the holder of more than 700 patents. The core concept of the WashTec Group's patent strategy is to safeguard innovations that provide WashTec with unique selling points.

In 2012, the capitalized development costs of the Group totaled €1.4m (prior year: €1.4m). Added to that are the costs which could not be capitalized totaling €0.8m (prior year €0.5m).

Multi-year comparison of capitalized development costs/development expenses

in €m, differences possible due to rounding-off	2012	2011	2010
Capitalized costs	1.4	1.4	1.5
Expenses	0.8	0.5	0.4
Total costs	**2.2**	**1.9**	**1.9**

4

Supplementary report

Significant events after the balance sheet date

No significant events impacting the condition of the Group and WashTec AG occurred after the balance sheet date.

5

Legal Information

Disclosures in accordance with secs. 289 (4), 315 (4) HGB – Explanatory report by the management board

The following text includes the disclosures in accordance with secs. 289 (4) and 315 (4) HGB.

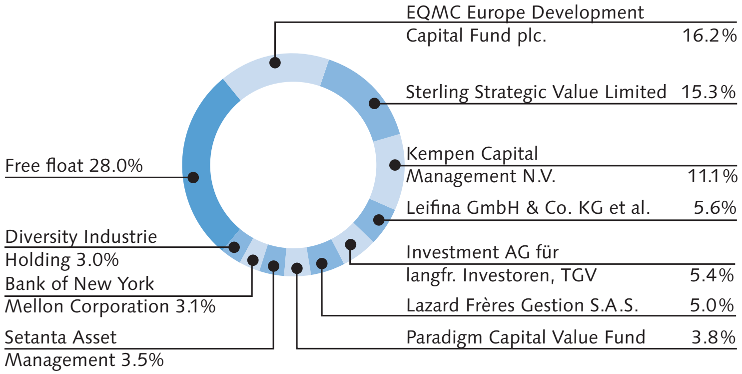
Sec. 315 (4) no. 1 HGB "Subscribed capital"
The Company's subscribed capital totals €40,000,000 and is divided into 13,976,970 no-par value bearer shares, with each share granting the same rights, in particular the same voting rights. There are no different classes of shares. The management board is not aware of any restrictions affecting the voting rights or the transfer of shares. There are no shares carrying special rights granting their holders a power of control.

Sec. 315 (4) no. 2 HGB "Restrictions regarding voting rights or transfer"
In accordance with sec. 71 b AktG, the Company has no rights pertaining to any treasury shares it acquires. In all other respects, each share has one vote. To the management board's knowledge, there are no restrictions on voting rights or restrictions pertaining to the transfer of shares.

Sec. 315 (4) no. 3 HGB "Direct or indirect capital participations"
To the knowledge of the management board, approx. 28% of the Company's shares are in free float. According to the filings made under the German Securities Trading Act, companies that hold either direct or indirect equity stakes exceeding 10% of the voting rights are EQMC Europe Development Capital Fund plc. (16.2%), Sterling Strategic Value Limited (15.3%) and Kempen Capital Management N.V. (11.1%).

The Company's voting rights are currently distributed as follows:

Shareholder structure



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

Sec. 315 (4) no. 4 HGB "Bearers of shares with special rights"
There are no holders or bearers of shares with special rights granting powers of control.

Sec. 315 (4) no. 5 HGB "Control of voting rights, where employees hold a share in the company's capital"
No employees hold a share in the Company's capital.

Sec. 315 (4) no. 6 HGB "Appointment and dismissal of management board members and amendments to the Articles of Association"
The appointment and dismissal of members of the management board is based on secs. 84 and 85 AktG as well as on sec. 7 of the Articles of Association of the Company. Pursuant to sec. 7.1 of the Articles of Association, the management board consists of one or more members. The number of members of the management board is determined by the supervisory board.

In accordance with the Articles of Association and with the current internal rules of procedure of the management board, the management board currently comprises two members, one of whom has been appointed by the supervisory board to serve as spokesman. The Articles of Association do not set out any special requirements with respect to the appointment and dismissal of one or all of the members of the management board. The supervisory board is responsible for appointments and dismissals. Members may be reappointed to the management board or have their term of office extended.

Amendments to the Articles of Association are made pursuant to secs. 179 and 133 AktG and secs. 9.9 and 9.10 of the Articles of Association. The Company has not made use of the option to set out further requirements for amendments to the Articles of Association.

Sec. 9.9 of the Articles of Association reduces the statutory majority requirement to the extent allowed by law. The supervisory board is authorized to make only proofreading/non-editorial amendments to the Articles of Association.

Sec. 315 (4) no. 7 HGB "Powers of the management board to issue and buy back shares"
Authorized capital (sec. 5.1 of the Articles of Association of WashTec AG)
Pursuant to a resolution adopted by the annual general meeting of shareholders held on May 5, 2010, the management board was authorized, with the consent of the supervisory board, to increase on one or more occasions the Company's registered share capital by up to a total of €12,000,000 on or before May 4, 2013 by issuing new no-par value bearer shares in exchange for cash or non-cash contributions, although credited against the aforementioned authorized amount at the time the new shares are issued will be the pro rata amount of the registered share capital that is attributable to those no par-value bearer shares, on which the conversion rights or duties or the option rights or duties exist, which were granted during the period of this authorization based on the authorizing shareholder resolution adopted on May 5, 2010 under agenda item 9; if the foregoing conversion rights or duties or option rights or duties no longer exist because they had been exercised as of the time the new shares are issued, then the shares issued thereunder must be taken into account. In this respect, the shareholders must generally be granted preemptive rights, unless otherwise provided. The new shares may also be underwritten by one or more banks, which are commissioned by the management board and then subject to an obligation to offer these shares to the shareholders for subscription (indirect preemptive right). However, the management board is also authorized (subject to the approval of the supervisory board) to exclude shareholders' preemptive rights in certain cases as set out in sec. 5.1 of the Articles of Association of WashTec AG. The management board has not made use of these authorizations to date. The authorized capital is intended to enable the Company to react rapidly and flexibly to growth opportunities and opportunities that arise on the capital markets.

Contingent capital (sec. 5.2 of the Articles of Association of WashTec AG)
Pursuant to a resolution adopted by the annual general meeting of shareholders held on May 5, 2010, the Company's registered share capital was conditionally increased by up to €12,000,000, divided into up to 4,193,091 no-par bearer shares (Contingent Capital I), although credited against this pro rata amount of the registered share capital will be the amount by which the registered share capital is increased on the basis of sec. 5.1 of the Articles of Association (Authorized Capital); any such credit will be made when the applicable resolution for increasing capital is adopted. This contingent capital increase will be carried out only to the extent that the holders of options (or creditors) or conver-

sion rights or persons obligated to exercise their conversion or option rights under warrant-linked or convertible bonds, participation rights or participating bonds (or a combination of such instruments), which are issued in exchange for cash capital contributions and are issued or guaranteed on or before May 4, 2013 by the Company or by a downstream group enterprise of the Company based on the authorization granted to the management board by the annual general meeting on May 5, 2010, make use of their option or conversion rights or, to the extent they are obligated to exercise the option or conversion rights, satisfy their obligation to exercise their conversion or option rights, or to the extent that the Company exercises an elective right – in complete or partial lieu of payment of the cash amount due – grants its Company shares, provided that no cash compensation is granted or treasury shares or the shares of another publicly listed company are used to satisfy those obligations. The new shares will be issued in each case at the option or conversion price determined in accordance with the aforementioned authorization resolution. The new shares will have dividend rights beginning in the fiscal year in which they are created. The management board is authorized, with the consent of the supervisory board, to prescribe additional details regarding the implementation of the contingent capital increase.

Share buy-back

Pursuant to a resolution by the annual general meeting of shareholders on May 5, 2010, the management board was authorized to acquire, on or before May 4, 2013, the Company's own shares for purposes other than to deal in treasury shares, up to a total of 10% of the Company's current €40,000,000 of registered share capital. The total treasury shares, which are acquired under this authorization and the other treasury shares, which are held by the Company or attributable to the Company in accordance with secs. 71d et seq. of the German Stock Corporation Act (AktG), may at no time exceed 10% of the respective registered share capital. The management board can opt to acquire these shares on the stock exchange, by means of a public purchase offer to all shareholders or by means of a public invitation to submit sales offers directed at all shareholders. The exact terms and conditions for the purchase are set forth in the invitation to WashTec AG's ordinary annual general meeting of the shareholders in 2010. In exercising this authority, the WashTec AG management board, with the consent of the supervisory board, decided on August 14, 2012 to launch a program for buying back the Company's own shares. During the period through May 4, 2013, the Company may repurchase up to 400,000 of its own shares (representing approximately 2.86% of the Company's registered share capital) on the stock exchange. Per December 31, 2012, the Company had reacquired 32,234 shares at an average price of €8.94 per share. Details regarding the buy-back can be found on the Investor Relations section of the Company's website at www.washtec.de.

Sec. 315 IV nos. 8 + 9 HGB "Material contracts which are subject to a change of control provision in connection with a takeover offer"

Individual contracts concluded by the WashTec Group (e.g. loan agreements) provide for the option of extraordinary termination in the event of a change of control.

Opportunities and risk report

6.1 Opportunities and risk management

The international business activities of the WashTec Group provide both opportunities and risks that are inextricably linked to its business. In order to manage these opportunities and risks in a controlled manner, the Company's main business processes are subject to an internal management and monitoring system that is designed to identify opportunities and risks at an early stage and to implement the necessary countermeasures in a timely manner.

Risk management

Multi-stage system for identifying and monitoring risks instituted

WashTec has instituted a multi-stage system for identifying and monitoring all risks that threaten the Company's ability to continue as a going concern. The aim of this system is to identify risks, which are posed by future events, by using short-term and mid-term forecasts (24 months), and to take the appropriate steps for launching suitable counter-measures as part of a structured approach. In the opinion of the management board, all material risks, which threaten the Company's ability to continue as a going concern, can be reasonably identified using this early risk identification system.

In this regard, all business risks are matched against the Company processes, analyzed and quantified. Risk management is carried out by defining and launching suitable counter measures. The evaluation of any risk is made using uniform criteria. Using risk assessment surveys, any and all identified risks are routinely reported by and queried from the divisional heads. These assessments focus on the maximum potential damage, the likelihood of occurrence and the effectiveness of any counter-measures.

At the end of this review, the so-called "net risk" or actual risk potential is isolated. By adding together all individual risk potentials, the total risk situation for the Group is presented. This, in turn, allows for segmentation according to specific risks in individual business divisions and according to more universal risks at Group level. The risk management system regularly monitors the status of the implementation. The risk monitoring revealed that there were no threats to the Company's ability to continue as a going concern.

Opportunity management

The goal of opportunity management is to identify, assess and manage at an early stage future performance potential and to engage in suitable measures for implementing new strategies and innovations. The identification and use of opportunities (opportunity management) is a continuing task of business enterprise for ensuring the long-term success of the Company. This applies both operationally and strategically for identifying growth or efficiency potential. The systems and processes for these purposes are constantly being developed and adjusted to meet the changing overall conditions and environment.

6.1.1 Monitoring and management system

In general, the following additional mechanisms are utilized for the monitoring and management system:

- Extended management board meetings
- Management meetings
- Annual planning
- Ongoing forecast calculations
- Monthly and quarterly reporting
- Product portfolio conference

- Investment planning
- Production and capacity planning
- Internal audits
- Debtor/accounts receivable management
- Insurance policies
- Risk officer
- Compliance officer
- Purchasing and supply management
- Personnel planning and development
- Key projects follow-up

These arrangements and mechanisms form the basis for the existing risk management system.

6.1.2 Internal control system for the accounting process (IKR)

The IKR covers the principles, procedures and actions for ensuring the effectiveness and economic feasibility of the accounting, the propriety of the accounting and the compliance with the applicable legal requirements. The objective of WashTec's IKR is to ensure that reliability of financial reporting and the published annual financial statements are secured. Group-wide guidelines for accounting and measurement are intended to ensure conformity and consistency of the accounting in the WashTec Group. New provisions and changes to existing rules regarding accounting are examined in a timely manner with respect to their impact on the WashTec Group. WashTec has an extensively standardized structure for weekly, monthly and quarterly reporting, which reflects the applicable policies in a timely and updated manner. The financial statements of the Group companies are analyzed internally in the Group on a monthly basis using Group-wide budgeting and reporting tools. During the integration of newly acquired companies, the Company examines whether the IKR of the acquired company matches the standards of the WashTec Group.

All procedures and companies are evaluated according to their potential and previously identified risks and reviewed by the Internal Audit Department, which reports directly to the management board. These reviews are carried out continuously throughout the entire year. Within the business divisions themselves, the control measures are regularly performed, usually by the Controlling Department. The tools and mechanisms used here are described below.

There were no changes made in the internal control system between the balance sheet date and the day on which the management report was prepared.

6.2 Opportunities and Risks

Risks are possible future developments or events, which could lead to projections or target variances that are negative for the Company. The risk is causally linked to a peril.

Opportunities are possible future developments or events, which could lead to projections or target variances that are favorable for the Company. A possible favorable effect of a risk is also referred to as opportunity. Ongoing cost optimization and the successful start-up of new sales and service activities are gaining in significance for successful future business development as well.

Compared to the prior year, there have been no material changes in the opportunity and risk structure. As of December 31, 2012, the following described opportunities and risks exist which could have a material effect on the continued development of the WashTec Group.

6.2.1 Financial and economic crisis, Euro crisis

Risks

The global financial and economic crisis and the Euro crisis are still to some extent adversely impacting the investment behavior of individual customer groups, whose financing opportunities are limited. The crisis is affecting, above all, individual customers such as independent operators or car dealers as well as individual sub-markets like the United States, Southern Europe or Great Britain, countries that are greatly impacted by the crisis. A continuation of the crisis and the ensuing financing difficulties could lead to elevated competition and price pressures among equipment suppliers. Thus, it could become more difficult to meet certain financial covenants or ratios such as the EBITDA gearing ratio.

Opportunities

The financial and economic crisis and the Euro crisis could also provide WashTec with an opportunity to expand its innovation and market leadership as a consequence of increasing consolidation pressure. As it has been noted, some individual competitors in regions and markets particularly impacted by the crisis have encountered financing difficulties and have retreated from individual markets due to the situation there.

6.2.2 Climate and environmental influences

Risks

Climate changes, increasing congestions on roads, high fuel costs and bans on inner-city driving together with road tolls and greater environmental awareness could result in fewer vehicles on the road in an effort to protect the environment. Such a trend could diminish wash activity and, accordingly, reduce investments made in vehicle wash equipment. Likewise, laws and regulations, such as the ban on the operation of car wash facilities on Sundays and public holidays, could have an adverse effect on wash behavior.

Opportunities

The fact that fresh water as a resource is becoming scarcer and more costly could result in an increase in automated car washing which, if water reclaim systems are used, could reduce the consumption of fresh water by 90% or approximately 150 liters per wash in comparison to manual washing or to car wash equipment which do not have water reclaim systems. If the stricter legislation being enacted in various countries becomes more widespread, then the demand for car wash systems with water reclaim equipment could rise. Likewise, laws and regulations, such as the prohibition of manual washing of vehicles, could have a positive effect on the demand for car wash equipment.

6.2.3 Establishment of new sales and service organizations

Risks

The establishment of new sales and service companies, the increasing horizontal diversification and the development of new products could produce specific risks for WashTec. All of the Company's investments are based on an analysis of the market needs and a corresponding investment analysis. It cannot be ruled out, however, that these analyses or the Company's investment analyses will later prove to be incorrect or incapable of implementation. Any efforts to expand the organization through the acquisition of companies and company business units generally would require the Company to raise additional outside capital.
A false assessment or incorrect valuation of the target could have an adverse effect on the Group's net assets, financial position and results of operation. Moreover, WashTec could be exposed to risks in connection with start-up losses in establishing new sales and servicing organizations or in connection with acquiring sales partners (e.g., in relation to personnel costs and other operating costs for the new infrastructure). Moreover, the integration of new companies into the Group may turn out to be more time consuming and expensive than planned and could tie-up human resources.

Opportunities

A favorable start-up and successful integration of any acquired sales and service organizations could improve the WashTec Group's market position and earnings. The successful expansion of the product range, combined with the launch of new products and more extensive market penetration, could increase the Company's market share and improve its profits.

6.2.4 Customers, competition and market

Risks

A freeze on investments by individual multinational oil companies or the listing of other suppliers due to new tender agreements with multinational oil companies could lead to a decline in revenues for WashTec.

Risks from aggressive price competition resulting from declining demand could put increasing pressure on prices and margins in individual markets or market segments.

WashTec has installed a systematic and extensive market tracking system. Risks to earnings from declining demand or risks from falling prices can be mitigated partially by using measures related to ongoing product enhancement, product range optimization, modifications to purchasing terms and conditions as well as capacity adjustments.

As a consequence of the shortage and increasing costs of fossil fuels and the technical advancement and proliferation of electric vehicles, the use of petrol stations in its current form could decline. Nevertheless, it is presently unclear which utility concept for the electrical vehicles will emerge as the prevailing concept (e.g., electrical charging/battery swap at petrol stations; electrical charging at home). In the opinion of our major customers, this development will not, however, have a significant influence on the number and use of petrol stations in the next 5 to 10 years. In WashTec's view, a changed use in the petrol stations would not influence the number of washes, but merely the location of the washes. The Company is carefully following this trend and will, if needed, react to any changes in a timely manner.

Opportunities

The current business climate affords WashTec an opportunity to expand its leading market position. The solid structure of the Company offers opportunities to invest in products and markets and to exploit the weakened position of one or more competitors. An increase in the market share of the installed car wash base could have positive one-time effects. The increasingly global purchasing activities could mean that further efficiency potential could be realized with respect to the procurement and production of individual components in the future.

6.2.5 Investments

Decisions to make investments require, among other things, the making of assumptions and estimates about future developments and trends. The evaluation of risks and opportunities plays a decisive role when reviewing potential investments.

Risks

This entails the risk that the assumptions or estimates, which were made, will not materialize as planned or that wrong investments will be made. Wrong investments would encumber the net assets, financial position and results of operation of the WashTec Group due to interest owed on any committed capital, non-scheduled write-downs, etc. In order to reasonably manage such risk, the Company has a detailed policy for approving investments and other expenditures. The policy defines upper thresholds and identifies the groups of persons authorized to make certain expenditures. Larger investments or capital expenditures are summarized in the annual investment plan, submitted to the management board and then approved by the supervisory board. WashTec plans to support the signature rule for maintaining the so-called "4-eyes-principle" (second set of eyes principle) through the workflow system which is currently implemented only in Germany.

Strategic decisions are taken only after there have been detailed discussions on the management board, within the extended manager group and with the supervisory board.

Opportunities
Investments offer numerous opportunities. These include, depending on the type of investment, the opportunity to strengthen WashTec's market and competitive position and/or to improve earnings or the cost situation.

6.2.6 Innovations

Risks
WashTec has a large number of patents and various licenses that are very important to the Group's business.

Even if patents have a presumption of validity by operation of the law, the granting of patents does not necessarily mean that the patent will be valid or that any patent claims are enforceable. This applies above all to the Asian markets. Insufficient protection or the actual infringement of intellectual property rights could impair the WashTec Group's ability to exploit its technological lead to generate profits and could thereby reduce its future earnings. Furthermore, it cannot be ruled out that WashTec will infringe third party patents because WashTec's competitors, just like WashTec itself, register numerous inventions as patents and receive patent protection. Competitor innovations as well as the development of new substitute innovations in sectors outside of the car wash business could permanently impact the demand for WashTec products. WashTec's R&D department is constantly monitoring new developments in car paints. We currently do not anticipate any sustained impact on the car wash business in the short- or mid-term.

Opportunities
WashTec Group's research and development activities are aimed at further developing the existing product range, developing new car wash equipment and quickly and efficiently meeting the individual requirements of customers with respect to facility designs and programs. WashTec's innovations have already received numerous awards at industry trade fairs and were then successfully launched on the market. The new wash equipment developed on the basis of ongoing research and development activities does not only meet the needs of the Company's existing customers, but also helps to acquire new customers and significantly expand the market position.

6.2.7 Quality and process risks

Quality and process risks can arise in connection with new product launches and with changes to internal processes and the introduction of new IT systems. Furthermore, WashTec is required to meet very high HSE requirements (health, safety, and environment). Reckless violations by individual employees could mean that WashTec loses major contracts, prompting a deterioration of the Company's net assets, financial position and results of operation over the long-term. Certification and ongoing quality control ensure that all processes in the Company are regularly monitored and documented.

6.2.8 Supplier risks

Input materials are subject to the following risks: Supplier scheduling risks, product availability risks, quality risks and purchase price risks. Dependency on suppliers means that the Company requires a strict supplier and procurement management system. A clear system is in place for this purpose, allowing WashTec to assess suppliers and employ only those that are reliable and quality-bound.

6.2.9 Capacity risks

A decline in demand usually leads to capacity adjustments in the processing workflow. By using internal market tracking and ongoing production capacity planning, WashTec aims to identify capacity risks as early as possible. The targeted use of temporary staff and flexible seasonal working models or short-time work facilitates partial short-term capacity adjustments.

6.2.10 Takeover risks

The Company faces a risk of takeover if its stock market valuation fails to sufficiently reflect the Company's long-term intrinsic value based on discounted cash flow calculations or EBITDA gearing ratio performed by independent research analysts.

A takeover could change the WashTec Group's existing strategy and could, in some cases, result in the forfeiture of loss carry-forwards. Some of the WashTec Group's agreements (e.g., loan agreements) stipulate a termination for cause option in the event there is a change in control.

6.2.11 Financial risks

A banking syndicate has made available – in major parts – loans and other local credit lines amounting to €46.3m until December 2014. The terms and conditions under the syndicated loans limit the financial and operating flexibility of the WashTec Group. Thus, for example, during the term of the loan, the WashTec Group must comply with certain financial covenants. If certain events described in the credit agreement should occur (such as a change of control or the loss of a key subsidiary) or a breach of a material contractual obligation (such as a breach of the financial covenants), then the agreement may be terminated for good cause.

The base interest rate on the loans is variable and linked to EURIBOR as well as the Company's actual degree of indebtedness. The financial and economic crisis could make it more difficult to satisfy certain financial ratios which, in turn, could have a direct adverse effect on the Company's financing situation.

6.2.12 Exchange rate risks

By virtue of the USD transactions triggered by the subsidiary in the United States, any changes in the USD/EUR exchange rate could impact the financial statements. In order to avoid high risks, WashTec relies on derivatives that were executed in June 2011. Operational risks resulting from other individual transactions in foreign currencies are immaterial for the Group due to their low volume or are already described under the section "Financial Risks".

6.2.13 Liquidity risks

One of the key business objectives is to ensure that WashTec companies are solvent at all times. Using the implemented cash management system – for example, an annualized rolling group liquidity plan executed each month – the Company is able to identify potential bottlenecks in a timely manner and to ensure that appropriate steps are taken. Unutilized credit lines ensure the supply of liquidity.

There is a potential liquidity risk when there might not be adequate cash to discharge the financial obligations as they fall due. Given the low level of indebtedness and the success of the cash management program, the liquidity risk is viewed as low.

6.2.14 Credit risks

The Group enters into transactions with creditworthy third parties only. In order to keep the del credere risk as low as possible – if the customer does not have a first-rate credit rating – order acceptances are subject to controls. For new regional customers, the Company requests evidence of credit standing or financing. It is assumed that the bad debt allowances are sufficient to cover the actual risk. There are no material credit risk concentrations within the Group.

6.2.15 Tax risks

The WashTec Group has recognized loss carry-forwards in the German and international companies. Changes in tax legislation, which relate to the tax rate or the extent to which loss carry-forwards can be used, could result in expenses arising from the valuation of capitalized deferred tax assets and have an adverse effect on consolidated equity and/or earnings per share. The loss carry-forwards in Germany will presumably be used up in less than three years.

6.3 Overview of corporate risks

Identified risks are assessed with respect to the likelihood of their occurrence and their potential financial impact. In order to depict the aggregated likelihood for the various risk categories, the following table uses three categories: "high", "medium" and "low".

	Likelihood of occurrence	Possible financial impact
Financial and economic crisis, Euro crisis	low	medium
Climate and environmental influences	medium	medium
Establishment of new sales and service organization	medium	medium
Customers, competition and market	low	low
Investments	low	low
Innovations	low	low
Quality and process risks	medium	medium
Supplier risks	low	low
Capacity risks	medium	medium
Takeover risks	medium	medium
Financial risks	low	medium
Exchange rate risks	medium	low
Liquidity risks	low	medium
Credit risks	medium	medium
Tax risks	low	medium

6.4 Total risk assessment

The total risk situation of the WashTec Group remains manageable. Given the good balance sheet structure, no material financial risks are currently identifiable which could adversely affect WashTec. On the basis of the information, which currently exists and is predictable for the foreseeable future, the Company's management believes that there are no individual risks, either currently or in the foreseeable future, which could threaten the Company's existence. The total risk assessment of all single risks does not reveal any threat to the continued existence of the WashTec Group.

7 Outlook

This outlook report takes into account relevant facts and events which were known at the time of the preparation of the report and which could impact the expected development and business performance of the WashTec Group.

7.1 Business policy and strategy

In 2013 and subsequent years, WashTec will continue to adhere to its fundamental business policy and strategy of at least maintaining or further expanding its market and technology leadership in the vehicle wash industry. This is dependent on the economic environment. However, in view of its strong market position, good balance sheet structure and globally unique sales and service network, the Company sees itself as better positioned than most of its competitors. The future strategic direction or positioning of the WashTec Group, i.e. the development of innovation and greater internationalization and professionalization, will play a pivotal role here. Accordingly, there are opportunities to further expand market shares in a number of regions. The profitability of the WashTec Group should continue to increase in coming years through this new direction and through a constant improvement in cost efficiency, in order to thereby generate high cash flow.

7.2 Markets and products

The market drivers of the WashTec business will also persist in 2013, but in view of the uncertain general economic conditions, they may have less of an impact on the development of the operational business than would be expected in the medium to long-term.

- Economy: Increase in the number of newly registered vehicles and labor costs, rising per capita income
- Technology/convenience: Increasing demands with respect to speed, convenience and quality of the wash
- Environmental issues: More stringent requirements and implementation of environmental laws and regulations – fresh water as a limited resource

Over the long-term, the greatest area of potential for the WashTec Group is in the Asian business, particularly in China. It is anticipated that the economy and per capita income there will continue to grow. The number of vehicles, which has already risen very dynamically in the past years, will continue to increase accordingly. In connection therewith, it is expected that the popularity of automated vehicle washing, currently a nonstarter in this region, will increase greatly. Therefore, WashTec is planning the gradual expansion of activities there in order to capture a leading market position in South Asia and Southeast Asia and to set the stage for realizing the great potential for growth in that region.

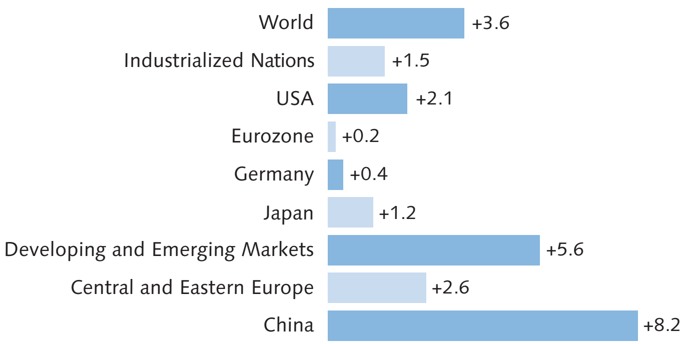
The WashTec product range is successfully established in more than 60 countries worldwide and will continue to comprise all types of car wash equipment as well as the associated peripheral devices, wash chemicals and water reclaim systems. WashTec also offers comprehensive service packages covering the entire lifecycle of the products sold. In addition to maintenance of the equipment, this also includes operator models and the brokering of financing for the equipment. The sale of roll-over wash equipment and the related service are the Company's major revenue drivers.

7.3 General economic conditions

Slight recovery of the world economy expected in 2013

According to information provided by the International Monetary Fund (IMF), the global economy should expand by 3.6% in 2013. The greatest challenge remains solving the sovereign debt crisis in the Eurozone. Experts see an opportunity for a slight growth of 0.2%. While Italy and Spain should remain bogged in a recession, the German Federal Government has announced that it expects 0.4% growth for Germany. The economy in the United States could develop more favorably than Europe. Should the measures that were adopted to avoid the so-called "fiscal cliff" run smoothly, then the growth there in 2013 could be 2.1%, according to the IMF. Japan's economy is hoping for a 1.2% growth rate. As in previous years, the impetus for growth in the world economy should again stem from developing and emerging countries in 2013. A growth rate for this group of countries is forecasted at 5.6%. Thanks to government action to promote the economy, China should once again report somewhat stronger economic output growth at 8.2%.

IMF growth prognosis for 2013 in %



Source: International Monetary Fund (IMF), World Economic Outlook, October 2012 and information provided by the German Federal Government, January 2013

7.4 WashTec business development

Due to the current lack of clarity in the overall development in the submarkets, any forecast for 2013 is marked by considerable uncertainty. The management board is aware that risks exist in light of this lack of clarity, which could have significant influence on the forecasted revenue and earnings development. The management board therefore continuously follows ongoing developments, particularly in the Eurozone, in order to be able to react quickly and effectively – with further cost reduction measures if necessary – in the event of signs of a worsening of the economic situation. Furthermore, it is the goal of the management board to continue the strategic repositioning of the Company and to further improve operating profitability.

In 2013, WashTec will examine all operations and activities of the Group in terms of contribution to earnings and potential for optimization. WashTec will pursue a conservative expenditure and investment policy and focus on projects, areas and regions that have the best growth prospects for the medium term. Future-oriented projects will not be abandoned despite a consolidation of the business. In this context, the focus in Core Europe will be on replacement investments, while an increasing volume of capital expenditure is expected in Emerging Europe and Asia/Pacific (especially China). Market opportunities should be developed here for example through the gradual expansion of sales structures and the further strengthening of the local organizations. The overall capital expenditure volume for the next two fiscal years is expected to be higher than in fiscal year 2012. Furthermore, in the coming years, we expect employee numbers to remain stable or decline slightly.

Due to cost transfers, WashTec AG expects stable revenue development for 2013 and 2014 and thus also continued positive operating results on prior year level. Results in the future will continue to be dependent on the profit distribution potential of the subsidiaries.

By virtue of the long-term financing of the Company and its solid balance sheet structures, WashTec believes that it is well-equipped for future changes and will come out of the difficult market situation strengthened.

The Company, as a whole, is projecting the following regional developments for 2013:

- Core Europe: From the Company's perspective, the market in Core Europe will again remain difficult in 2013. The continuing financial and economic crisis as well as the increasing competition and ongoing pricing pressure will also affect future revenue and margin growth. A normalization of competitive intensity is anticipated in the medium-term only. Thus, in this region, the Company is assuming only slight revenue and earnings growth. Collective wage increases would pose an additional risk to earnings.
- Emerging Europe: The Company expects that the market in Emerging Europe will once again continue to grow in 2013. Thus, in combination with the expanded sales activities, the expectation in this segment is for significant revenue growth but with a disproportionately lower earnings performance.
- North America: Despite a stabilizing market, no general market recovery is in sight. WashTec's efforts in this segment will strongly focus on continued improvement of earnings in order to achieve a small profit on a slightly rising revenue stream.
- Asia/Pacific: The continued expansion of the sales structures will presumably lead to considerable revenue growth with a proportionately lower earnings performance, whereby the largest share in revenue growth will be expected from the Chinese market.

WashTec is looking for slight revenue growth of 1–2% (exchange rate adjusted) for the entire Group in fiscal year 2013, with a proportionate increase in adjusted earnings. In this assessment, the increasingly volatile market environment and the corresponding business development in Core Europe must be taken into account.

WashTec will also continue to focus on optimizing the working capital and on effective financial management. Key financial covenants, which were agreed to in connection with refinancing the Company in 2011, are an EBITDA gearing ratio of below 2.5 and an equity ratio of over 35%. In its outlook, the management board assumes that these key figures will also be met in the future.

In the past, WashTec has shown that it has been relatively unaffected by conditions in the economy; indeed, the economic slump in 2009 represented only about 10% of the prior year's revenues.

Thus, in the coming years, revenues and earnings growth will depend to a large extent on exploiting growth opportunities in new markets and on defending the market position in Core Europe. For 2013 we expect stable revenues and earnings with growth rates up to 2%.

The launched efficiency programs, an ongoing innovation campaign and efforts overseas all create the expectation that in the mid-term revenues will continue to grow slightly compared to 2013, with a corresponding development of earnings. This prognosis is based on the assumptions that exchange rates will remain unchanged and costs will increase slightly.

The corporate strategy is currently under review. The mid-term planning will be adopted and communicated by the last quarter of this year.

Augsburg, March 19, 2013

Dr. Jürgen Rautert Spokesman of the Management Board	Dr. Stefan Vieweg Member of the Management Board

Management Report

Consolidated Financial Statements of Washtec AG

Consolidated Income Statement

in €	Notes	Jan 1 to Dec 31, 2012	Jan 1 to Dec 31, 2011* adjusted
Revenues	8	301,535,828	293,262,274
Other operating income	9	4,301,361	4,836,273
Capitalized development costs		1,427,105	1,383,577
Change in inventories of work in progress		792,996	493,059
Total		**308,057,290**	**299,975,183**
Cost of materials			
Cost of raw materials, consumables and supplies and of purchased material		103,950,751	105,955,214
Cost of purchased services		22,982,988	21,447,364
		126,933,739	**127,402,578**
Personnel expenses	10	**100,210,784**	**104,597,709**
Amortization, deprecation and impairment of tangible and intangible assets		9,986,095	29,527,743
Other operation expenses	11	50,419,930	47,944,912
Other taxes		1,306,716	854,811
Total operating expenses		**288,857,263**	**310,327,752**
EBIT		**19,200,027**	**–10,352,569**
Other interest and similar income		95,390	172,986
Interest and similar expenses		2,812,175	1,724,797
Financial result	12	**–2,716,785**	**–1,551,811**
Result from ordinary activities/EBT		**16,483,242**	**–11,904,380**
Income taxes	13	–6,433,107	–2,697,208
Consolidated profit for the period		**10,050,135**	**–14,601,588**
Average number of shares		**13,962,989**	**13,976,970**
Earnings per share (basic = diluted)	14	**0,72**	**–1,04**

See notes for further explanations to the Consolidated Income Statement. The notes to the Consolidated Statement form an integral part of the Consolidated Financial Statements for fiscal year 2012.

Rounding differences may occur.

* Comparative figures adjusted per IAS 8, see item 7 in the notes to the consolidated financial statements

Statement of Comprehensive Income

in €k	Jan 1 to Dec 31, 2012	Jan 1 to Dec 31, 2011*
Results after taxes	**10,050**	**–14,601**
Changes in the fair value of financial instruments used for hedging purposes recognized under equity	673	–506
Adjustment item for the currency translation of foreign subsidiaris and currency changes	266	–75
Exchange differences on net investments in subsidiaries	–126	339
Actuarial gains/losses from defined benefit obligations and similar obligations	–1,567	–238
Deferred taxes on changes in value taken directly to equity	283	124
Valuation gains/losses recognized directly in equity	**–471**	**–355**
Total income and expense and valuation in gains/losses recognized directly in equity	**9,579**	**–14,956**

See notes for further explanations to the Statement of Comprehensive Income. The notes to the Consolidated Statement form an integral part of the Consolidated Financial Statements for fiscal year 2012.

Rounding differences may occur.

* Comparative figures adjusted per IAS 8, see item 7 in the notes to the consolidated financial statements

Consolidated Balance Sheet – Assets

in €	Notes	Dec 31, 2012	Dec 31, 2011* adjusted	Jan 1, 2011* adjusted
Non-current assets				
Property, plant and equipment	16	37,497,989	41,459,574	41,920,722
Goodwill	17	42,313,530	42,313,523	58,192,039
Intangible assets	17	8,977,370	9,319,436	9,862,248
Trade receivables	21	1,403,564	823,860	387,967
Tax receivables	20	174,115	200,501	252,817
Other assets	22	317,764	277,271	39,793
Deferred tax assets	18	5,916,187	7,140,268	7,015,377
Total non-current assets		**96,600,519**	**101,534,433**	**117,670,963**
Current assets				
Inventories	19	36,648,658	39,273,936	37,378,273
Trade receivables	21	43,014,863	46,158,532	39,934,929
Tax receivables	20	111,909	69,887	1,210,691
Other assets	22	3,458,841	3,365,306	5,584,162
Cash and bank balances	23	3,771,477	4,602,593	15,304,363
Total current assets		**87,005,748**	**93,470,254**	**99,412,418**
Total assets		**183,606,267**	**195,004,687**	**217,083,381**

See notes for further explanations to the Consolidated Balance Sheet. The notes to the Consolidated Statement form an integral part of the Consolidated Financial Statements for fiscal year 2012. Rounding differences may occur.

*Comparative figures adjusted per IAS 8, see item 7 in the notes to the consolidated financial statements

Consolidated Balance Sheet – Equity and Liabilities

in €	Notes	Dec 31, 2012	Dec 31, 2011* adjusted	Jan 1, 2011* adjusted
Equity				
Subscribed capital	24	40,000,000	40,000,000	40,000,000
Contingent capital	24	*12,000,000*	*12,000,000*	*12,000,000*
Capital reserves	25	36,463,441	36,463,441	36,463,441
Treasury shares	26	–431,021	0	0
Other reserves and exchange rate effects	27	–2,943,154	–2,471,897	–2,116,221
Profit carryforward		1,304,817	15,906,406	9,462,770
Consolidated profit for the period		10,050,135	–14,601,588	10,776,497
		84,444,218	**75,296,362**	**94,586,487**
Non-current liabilities				
Interest-bearing loans	30	5,021,125	18,953,013	276,582
Finance leasing liabilities	31	4,434,259	5,251,755	6,617,302
Provisions for pensions	28	8,876,236	7,307,188	7,013,238
Trade payables	32	109,392	0	47,000
Other non-current provisions	29	3,746,019	4,798,116	3,365,101
Other non-current liabilities	32	1,425,801	1,808,373	1,540,501
Deferred Income	33	739,938	860,671	698,988
Deferred tax liabilities	18	2,991,965	3,060,978	4,651,859
Total non-current liabilities		**27,344,735**	**42,040,094**	**24,210,571**
Current liabilities				
Interest-bearing loans	30	242,026	2,294,388	32,427,648
Finance leasing liabilities	31	2,412,581	2,499,054	2,560,143
Prepayments on orders	32	7,746,785	4,175,186	7,968,064
Trade payables	32	6,573,095	9,940,581	9,478,523
Other liabilities for taxes and levies	32	5,651,259	4,207,868	3,321,152
Other liabilities for social security	32	927,168	901,168	815,887
Tax provisions		2,169,914	4,264,330	1,711,785
Other current liabilities	32	25,031,429	23,935,498	20,631,733
Other current provisions	29	13,000,991	15,920,176	9,884,854
Deferred Income	33	8,062,066	9,529,983	9,486,534
Total current liabilities		**71,817,314**	**77,668,232**	**98,286,323**
Total equity and liabilities		**183,606,267**	**195,004,687**	**217,083,381**

See notes for further explanations to the Consolidated Balance Sheet. The notes to the Consolidated Statement form an integral part of the Consolidated Financial Statements for fiscal year 2012. Rounding differences may occur.

*Comparative figures adjusted per IAS 8, see item 7 in the notes to the consolidated financial statements

Consolidated Cash Flow Statement

	Notes	2012 €k	2011* €k
EBT		**16,483**	**–11,904**
Adjustments to reconcile profit before tax to net cash flows			
Amortization, depreciation and impairment of non-current assets		9,986	29,528
Gain/loss from disposals of non-current assets		–175	–112
Other gains/losses		717	–155
Interest income		–95	–173
Interest expense		2,812	1,725
Movements in provisions		–4,273	7,311
Changes in net working capital:			
Increase/decrease in trade receivables		42	–6,916
Increase/decrease in inventories		2,619	–1,375
Increase/decrease in trade payables		–3,291	255
Changes in other net working capital		5,359	–329
Income tax paid		–7,074	–677
Net cash flows from operating activities		**23,110**	**17,178**
Purchase of property, plant and equipment (without finance leasing)		–5,181	–8,025
Proceeds from sale of property, plant and equipment		1,673	549
Acquisition of a subsidiary, net of cash acquired		0	–1,286
Net cash flows from operating activities		**–3,508**	**–8,762**
Raising of long-term loans		0	19,000
Repayment of non-current liabilities to banks		–14,310	–31,293
Dividend payout		0	–4,333
Share buy-back		–246	0
Interest received		95	148
Interest paid		–1,424	–1,362
Repayment of non-current liabilities from finance leases		–2,746	–2,487
Net cash flows used in financing activities		**–18,631**	**–20,327**
Net increase/decrease in cash and cash equivalents		**972**	**–11,912**
Net foreign exchange difference		**–46**	**–640**
Cash and cash equivalents at January 1		**2,603**	**15,155**
Cash and cash equivalents at December 31	23	**3,529**	**2,603**
Composition of cash and cash equivalents for cash flow purposes:			
Cash and cash equivalents		**3,771**	**4,603**
Current bank liabilities		**–242**	**–2,000**
Cash and cash equivalents at December 31		**3,529**	**2,603**

See notes for further explanations to the Consolidated Cash Flow Statement. The notes to the Consolidated Statement form an integral part of the Consolidated Financial Statements for fiscal year 2012.

Rounding differences may occur.

*Comparative figures adjusted per IAS 8, see item 7 in the notes to the consolidated financial statements

Statement of Changes in Consolidated Equity

in €k	Number of shares in units	Subscribed capital	Capital reserve	Treasury shares	Other reserves	Exchange effects	Profit carried forward	Total
As of January 1, 2011 previously reported	**13,976,970**	**40,000**	**36,464**	**0**	**–1,986**	**–130**	**20,011**	**94,359**
Adjustments January 1, 2011							227	227
As of January 1, 2011*	**13,976,970**	**40,000**	**36,464**	**0**	**–1,986**	**–130**	**20,238**	**94,586**
Income and expenses recognized directly in equity					–405	–75		–480
Taxes on transactions recognized directly in equity					124			124
Dividend							–4,333	–4,333
Consolidated profit for the period							–14,601	–14,601
As of December 31, 2011*	**13,976,970**	**40,000**	**36,464**	**0**	**–2,267**	**–205**	**1,304**	**75,296**
As of January 1, 2012	**13,976,970**	**40,000**	**36,464**	**0**	**–2,267**	**–205**	**1,304**	**75,296**
Income and expenses recognized directly in equity					–1,020	266		–754
Taxes on transactions recognized directly in equity					283			283
Share-based payment	–32,234			–431				–431
Consolidated profit for the period							10,050	10,050
As of December 31, 2012	**13,944,736**	**40,000**	**36,464**	**–431**	**–3,004**	**61**	**11,354**	**84,444**

See notes for further explanations to the Statement of Changes in Consolidated Equity. The notes to the consolidated statement form an integral part of the consolidated financial statements for fiscal year 2012.
Rounding differences may occur.
* Comparative figures adjusted per IAS 8, see item 7 in the notes to the consolidated financial statements

Notes to the Consolidated Financial Statements of Washtec AG (IFRS) for Fiscal Year 2012

General

1. General information on the Group

The consolidated financial statements of the WashTec Group for the fiscal year from January 1 through December 31, 2012 were prepared on March 1, 2013 and made available to the supervisory board for review. They are expected to be approved at the supervisory board meeting on March 20, 2013 and thereafter released for publication by the management board. The consolidated financial statements and Group management report are available for viewing on the online version of the Bundesanzeiger [German Federal Gazette] and the electronic company register and may be downloaded from our website, www.washtec.de.

The ultimate parent company of the WashTec Group is WashTec AG, which is entered in the commercial register in Augsburg under registration no. HRB 81.

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

The Company's shares are publicly traded.

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

2. Accounting principles underlying the consolidated financial statements

The consolidated financial statements of WashTec AG have been prepared in accordance with the International Financial Reporting Standards (IFRSs) of the International Accounting Standards Board (IASB) in force as of the balance sheet date and with the applicable interpretations (IFRIC). They comply with the accounting standards applicable in the European Union for fiscal year 2012 and are also supplemented by additional information required by sec. 315a HGB ["Handelsgesetzbuch" or German Commercial Code] and the Group management report.

The requirements under sec. 315a HGB for exempting the Company from having to prepare consolidated financial statements in accordance with German commercial law have been met.

The consolidated financial statements are generally prepared on a historical cost basis, except with respect to derivative financial instruments, which are measured at fair value. The consolidated financial statements are presented in euro and, unless otherwise indicated, all figures are rounded to the nearest thousand (€k).

3. Basis of consolidation

The consolidated financial statements include the financial statements of WashTec AG and its subsidiaries as of December 31 of each fiscal year. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using uniform accounting policies.

Subsidiaries are fully consolidated as of the date of acquisition; i.e. from the date on which the Group acquires control. Control will be deemed to exist from the date on which WashTec AG has the possibility of directly or indirectly determining business and financial policy. Subsidiaries will no longer be consolidated once the parent no longer has the control.

All intra-group balances, transactions, income, expenses as well as unrealized gains and losses resulting from intra-group transactions are eliminated in full.

In addition to the parent company, the consolidated financial statements of WashTec AG also contain the following group entities as of December 31, 2012:

Consolidated entities	Share in capital in %	Equity capital at Dec 31, 2011 in €k	Profit/loss for 2012 in €k
German entities			
WashTec Cleaning Technology GmbH, Augsburg 1)	100	29,846	0
WashTec Holding GmbH, Augsburg	100	93,159	831
WashTec Carwash Operations GmbH, Augsburg 2)	100	51	0
WashTec Financial Services GmbH, Augsburg 1)	100	62	0
AUWA-Chemie GmbH, Augsburg 2)	100	537	0
Foreign entities			
WashTec France S.A.S., St. Jean de Braye, France	100	1,474	346
Mark VII Equipment Inc., Arvada, USA	100	4,651	390
WashTec S.r.l., Casale, Italy	100	261	–4,679
WashTec UK Ltd., Great Dunmow, United Kingdom	100	1,820	280
California Kleindienst Limited, Wokingham, United Kingdom 5)	100	0	0
WashTec A/S, Hedehusene, Denmark 4)	100	2,585	906
WashTec Cleaning Technology GmbH, Wien, Austria	100	733	61
WashTec Spain S.A., Madrid, Spain	100	359	–460
WashTec Car Cleaning Equipment (Shanghai) Co. Ltd., Shanghai, China	100	–150	–88
WashTec Cleaning Technology s.r.o., Nyrany, Czech Republic	100	1,817	–248
WTMVII Cleaning Technologies Canada Inc., Grimsby, Ontario, Canada 6)	100	–6,934	–556
WashTec Australia Pty Ltd., Sydney, Australia	100	228	639
WashTec Cleaning Technology España S.A., Bilbao, Spain 5)	100	1	0
WashTec Benelux B.V., Zoetermeer, Netherlands 3)	100	2,433	446
WashTec Nordics AB, Bollebygd, Sweden	100	–444	–8
WashTec Polska Sp. z o.o., Warsaw, Poland	100	–28	–33

1) Profit/loss assumption by WashTec Holding GmbH
2) Profit/loss assumption by WashTec AG
3) Subgroup with Benelux Carwash Management B.V., Zoetermeer, NL, Washtec Benelux Administratie B.V., Zoetemeer, NL and WashTec Benelux N.V., Brussels, Belgium, whose results are reported in WashTec Benelux B.V., Zoetermeer, NL
4) Including permanent establishments in Norway
5) Company is currently inactive
6) Indirect ownership interest through Mark VII Equipment Inc., Arvada, USA

4. Significant accounting judgments, estimates and assumptions

In certain cases, estimates and accounting assumptions may be required. These estimates and assumptions include complex and subjective assessments and estimates that are based on the current knowledge of facts which, by their very nature, are marked by uncertainty and could be subject to change. Estimates and accounting assumptions can change over time and could affect the presentation of the net assets, financial position and results of operation. The estimates relate primarily to the definition of economic useful lives, the measurement of provisions and the potential use of deferred tax assets as well as assumptions about future cash flows and discount rates. The uncertainty connected with these assumptions and estimates could result in outcomes that may require material future adjustments to the carrying value of the affected asset or liability.

4.1 Significant estimates and assumptions

Impairment of non-financial assets

The Group evaluates non-financial assets on each reporting date to determine whether there are any indications of impairment. Goodwill and other intangible assets with indefinite useful lives are tested for impairment at least once annually and when certain indications exist. Other non-financial assets are tested for impairment when there are indications that the carrying values may not be recoverable.

The discounted cash flow method is used to value the sales price of non-financial assets (less the applicable selling costs). To this end, the future cash flows and interest rate trends are estimated using business and market information, and a suitable discount rate is selected in order to calculate the present value of those cash flows. For further details, please see Note 5.2.

Deferred tax assets

Deferred tax assets are recognized to the extent that it is probable that taxable income will be available. Management judgment is required to determine the amount of the taxable income and the anticipated timing of its receipt. For further details, please see Note 18 related to deferred taxes.

Pension and other post-employment benefits as well as phased retirement benefits

The costs under the pension and phased retirement commitments are determined using actuarial calculations. The actuarial valuation involves making assumptions about discount rates, future wage and salary hikes, mortality rates and future yield increases. Due to the long term nature of these plans, such estimates are subject to considerable uncertainty. Further details are provided in the sections on pension provisions and other provisions for phased retirement.

Provisions

Special restructuring provisions and provisions for loss contracts have been created on the basis of expectations and the planned courses of action. The costs, which are actually incurred, are subject to uncertainties because they depend on the occurrence of underlying premises.

4.2 Significant accounting judgments

Development costs

Development costs are capitalized in accordance with the accounting policies presented in Note 5.2. The first capitalization of costs is based on management's conviction that there is technological and economical feasibility, usually when a product development project has reached a defined milestone under an established project management model.

Buy-back obligations (buy-back contracts)

At the moment, the WashTec Group sells some of its wash systems to major customers through leasing companies. Under these arrangements, the WashTec Group guarantees that, if necessary, it will repurchase wash systems at the end of the lease term for a residual purchase price, to which the parties agreed in advance.

In order to calculate the provision, an estimate is made about the likelihood of whether the system will need to be repurchased at the end of the lease term.

The WashTec Group realizes income at the time that the sale is closed with the leasing company since the economic use and the applicable opportunities and risks pass to the purchaser at that time.

5. General accounting policies

The accounting policies adopted are generally consistent with those adopted in prior years, except as provided below.

5.1 Amendments to the accounting policies

In fiscal year 2012, the Group applied the following new and revised IFRS Standards and Interpretations.

- IAS 1 — Amendment to IAS 1 – Presentation of Items of Other Comprehensive Income
- IAS 19 — Amendment to IAS 19 – Employee Benefits – Early Adoption in Fiscal Year 2012
- IFRS 7 — Amendments to IFRS 7 – Financial Instrument: Disclosures – Transfer of Financial Assets
- IFRS 9 — Financial Instrument: Classification and Measurement
- IFRS — Improvements to IFRS 2009-2011

The effects, which are caused by the early adoption of IAS 19 in fiscal year 2012, are described in Note 7. The other facts addressed by the Standards are currently not relevant to the WashTec Group.

Moreover, IASB and the IFRIC enacted additional Standards, Interpretations and Amendments listed below, but these did not yet have to be applied in fiscal year 2012 or they have not yet been recognized by the European Union. As of December 31, 2012, the WashTec Group had not adopted or applied these Standards earlier than required. The first-time adoption of the Standards is planned for the date on which they are recognized and enacted by the EU.

- IAS 12 — Amendments to IAS 12 – Deferred Tax: Recovery of Underlying Assets
- IAS 27 — Revision of IAS 27 –Separate Financial Statements
- IAS 28 — Revision of IAS 28 –Investments in Associates and Joint Ventures
- IAS 32 — Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities
- IFRS 1 — Amendments to IFRS 1 – Severe Hyperinflation and Fixed Transition Dates Relief for First time Adopters

- IFRS 1 First-time Amendment to IFRS – Government Loans
- IFRS 7 Amendments to IFRS 7 –Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities
- IFRS 9 Financial Instruments and Amendments to IFRS 9 and IFRS 7, Mandatory Effective Date and Transition Disclosures
- IFRS 10 Consolidated Financial Instruments
- IFRS 11 Joint Arrangements
- IFRS 12 Disclosure of Interests in Other Entities
- IFRS 13 Fair Value Measurement
- IFRS 10, 12 Amendments to IFRS 10 Consolidated Financial Instruments, IFRS 11 Joint Arrangements, IFRS 12 Disclosure of Interests and Other Entities – Transition Guidance
- IFRS 10 – 12 and IAS 27 Amendments to IFRS 10 Consolidated Financial Instruments, IFRS 12 Disclosure and IAS 27 of Interests in Other Entities and IAS 27 Separate Financial Statements – Investment Entities
- IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine

The facts addressed by IAS 12, IAS 27, IAS 28, IAS 32, IFRS 1, IFRS 11, IFRS 12, IFRS 13 und IFRIC 20 are currently not relevant to the WashTec Group. The other Standards currently have no material adverse effect on the net assets, financial position and results of operation for the WashTec Group or would not result in more information having to be disclosed.

5.2 Accounting policies in the Group

Foreign currency translation

The consolidated financial statements are presented in euro, which is the Group's functional and reporting currency. Each entity within the Group determines its own functional currency, and the items included in the separate financial statements of each entity are measured using that functional currency. Monetary assets and liabilities denominated in foreign currencies are converted at the functional currency exchange rate on the balance sheet date. All exchange differences are recognized in the income statement.

Excepted therefrom are exchange differences from net investments in a foreign operation and from foreign currency loans that provide a hedge against a net investment in a foreign operation. These are recognized directly in equity until the disposal of the net investment, at which time they are recognized as income or an expense in the relevant period. Deferred taxes charges and credits attributable to exchange differences on those borrowings are also recorded directly under equity. Non-monetary items, which are measured at historical cost in a foreign currency, are translated using the exchange rates applicable on the dates of the initial transactions. Non-monetary items, which are measured at fair value in a foreign currency, are translated using the exchange rates on the date when the fair value is appraised. Any goodwill arising from the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising from the acquisition are recognized as assets and liabilities of the foreign operation and translated as of the closing rate.

The functional currency of the foreign operations is the respective local currency.

The assets and liabilities of foreign operations are translated into euro at the rate of exchange applicable on the balance sheet date and their income statements are translated at the weighted average exchange rates for the year.

The exchange differences from the currency translation are recognized directly as a separate item under equity. On disposal of a foreign operation, the deferred cumulative amount recognized in equity relating to that particular foreign operation is recognized as a gain or loss.

Property, plant and equipment

Property, plant and equipment are recognized at cost less accumulated scheduled depreciation and accumulated impairment losses. Such costs include the cost of replacing part of the plant and equipment when that cost is incurred, if the recognition criteria are met. The costs of manufacturing internally generated equipment will include not only directly attributable costs but also prorated costs of materials and overhead as well as depreciation (IAS 16). Interest will be collected only to the extent a qualifying asset exists. All other repair and maintenance costs are recognized on the income statement as they are incurred. These assets are depreciated on a straight-line basis over their estimate useful life pro rata temporis.

The following assets will generally be depreciated on the basis of the useful lives set forth in the schedule below:

Property, plant and equipment	Useful life
Buildings	20 to 50 years
Technical plant and machinery	5 to 14 years
Finance leasing	6 to 10 years
Other plant, fixtures and fittings	3 to 8 years

An item of property, plant and equipment will be derecognized upon its disposal or when no future economic benefits are expected from its use or disposal.

Any gain or loss arising from the derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) will be included in the income statement for the period in which the asset is derecognized. At the end of each fiscal year, an asset's residual value, useful life and method of depreciation shall be reviewed and, if necessary, adjusted.

Business combinations and goodwill

The acquisition method is used to account for business combinations.

For this purpose, the acquisition costs must be determined. The acquisition costs include the fair value of the transferred assets, the issued equity instruments and the assumed liabilities on the date of the acquisition. All acquisition-related costs are expensed.

Goodwill is initially measured at the cost of acquisition being the excess of the acquisition cost of the business combination over the Group's share in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities.

After first-time recognition, goodwill is measured as the acquisition cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in connection with a business combination is, beginning on the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Intangible assets

Intangible assets include acquired patents, technologies and capitalized development costs and licenses:

Intangible assets	Useful Life
Acquired patents and technologies	8 years
Licences and software	3 to 8 years
Capitalised development costs	6 to 8 years

Acquired intangible assets

Intangible assets, which are not acquired in connection with a business combination, are measured at cost when first recognized. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses.

A distinction is made between intangible assets with finite useful lives and those with in-definite useful lives. During the reporting period, the Group held assets with only finite useful lives.

Intangible assets with finite useful lives are amortized over the useful economic life. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each fiscal year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Gains or losses arising from the derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss in the period when the asset is derecognized.

Internally generated intangible assets (research and development costs)

Research costs are expensed in the period in which they are incurred. Development expenditures on any given project include directly attributable costs (mostly personnel expenses) as well as a share of the overhead costs. These costs will be recognized as an intangible asset when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the asset and the ability to measure reliably the expenditures incurred during the asset's development.

Following initial recognition of the development expenditures as an asset, the cost model will be applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of the expected future benefits. During the development phase in which the period of use is indefinite, the asset is tested for impairment annually.

Impairment of non-financial assets

The Group assesses on each reporting date whether there is any indication that an asset could be impaired. If any such indication exist or if annual impairment testing for an asset is required, then the Group will estimate the asset's recoverable value. An asset's recoverable value is the higher of an asset's or cash-generating unit's fair value less selling costs and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable value, the asset is considered impaired and is written down to its recoverable value. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market expectations of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used.

Except for goodwill, an assessment is made on assets as of each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group will estimate the recoverable value. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable value since the last impairment loss was recognized. If this is the case, then the carrying value of the asset is increased to its recoverable value. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss for the period in question.

The following criteria are also applied in assessing impairment of specific assets.

Goodwill

The Group assesses, as of each reporting date, whether there are any indications that goodwill is impaired. Goodwill is tested for impairment at least once annually and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable value of the cash-generating units, to which the goodwill relates. The cash generating units at the WashTec Group correspond with the segments defined pursuant to IFRS. The cash generating units at the WashTec Group correspond with the operating segments as defined under IFRS. They are divided between the regions of "Core Europe", "Emerging Europe", "North America" and "Asia/Pacific".

Where the recoverable value of the cash-generating units is less than their carrying value, then an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods. The Group performs its annual impairment test of goodwill after completing the budgeting process.

Financial assets

In general, financial assets within the meaning of IAS 39 are classified as financial assets at fair value through profit or loss, as loans and receivables, as held-to-maturity investments, or as available-for-sale financial assets. When financial assets are recognized initially, they are measured at fair value. In the case of investments as such, which are not classified at fair value through profit or loss, transaction costs, which are directly attributable to the acquisition of the asset, will also be taken into account.

Financial assets will be classified in the measurement categories when they are first recognized.

All purchases and sales of financial assets made at arm's length are recognized on the trade date, which is the date that the Group commits to the purchase or sale of the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace. In the fiscal year, the Group held financial assets only from the category "loans and receivables" in the form of receivables and "assets measured at fair market value through profit and loss".

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted on an active market. After initial recognition, loans and receivables are carried at amortized cost using the effective interest method less any allowance for impairment. Gains and losses are recognized in profit or loss in the period in which the loans and receivables are derecognized or impaired.

Fair value

The fair value of investments, which are actively traded in organized financial markets, is determined by reference to quoted market bid prices at the close of business on the balance sheet date. On investments, for which there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions between willing and informed independent business partners, referencing the current market value of another instrument which is substantially the same, conducting a discounted cash flow analysis or deploying other valuation models.

Amortized costs

Held-to-maturity investments and loans and receivables are measured at amortized cost. This is computed using the effective interest method less any allowance for impairment. The calculation takes into account any premium or discount on acquisition and includes transaction costs and fees that are an integral part of the effective interest rate.

Impairment of financial assets

The Group assesses as of each balance sheet date whether a financial asset or group of financial assets is impaired.

Assets carried at amortized cost

If there is objective evidence that an impairment loss on assets carried at amortized cost has been incurred, then the amount of the loss is measured as the difference between the asset's carrying value and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted by the financial asset's original effective interest rate (i.e., the effective yield computed at initial recognition). The carrying value of the asset is reduced through the use of an allowance account. The amount of the loss shall be recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, then the previously recognized impairment loss shall be reversed, to the extent that the carrying value of the asset does not exceed its amortized cost as of the reversal date. Any subsequent reversal of an impairment loss is recognized in profit or loss.

Financial liabilities

Financial liabilities within the meaning of IAS 39 are either “financial liabilities at fair value through profit and loss”, or “financial liabilities measured at their amortized cost”.

In the fiscal year, the Group had merely financial liabilities attributable to the category, “measured at amortized cost”.

Interest-bearing loans

Interest-bearing loans are initially recognized at cost. They are not recognized at fair value. After initial recognition, interest-bearing loans are subsequently measured at amortized cost using the effective interest method.

Derecognition of financial assets and financial liabilities

Financial assets

A financial asset (or a part of a financial asset or a part of a group of similar financial assets) will be derecognized, if contractual rights to receive cash flows from a financial asset expire.

Financial liabilities

A financial liability will be derecognized, if the obligation, which forms the basis of the liability, is discharged, cancelled or expires.

If an existing financial liability is replaced by another financial liability issued by the same lender with substantively different contractual terms and conditions or if the terms and conditions of an existing liability are materially changed, then any such replacement or such change will be treated as a derecognition of the original liability and a recognition of a new liability. The difference between the respective carrying values will be recorded as income or an expense.

Financial instruments and hedging

Original financial instruments

The primary financial instruments used by the Group – with the exception of derivative instruments – include cash and cash equivalents, trade receivables, bank loans, trade payables and financial lease contracts. The main purpose for using these financial instruments is to finance the Group's business activities.

Cash and cash equivalents

Cash and short term deposits shown in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less.

For the purpose of the consolidated cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Derivative financial instruments and hedging

The Group uses derivative financial instruments, such as interest rate swaps, to hedge its risks associated with interest rate fluctuations. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is concluded and are later re-measured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value of derivatives during the year that do not qualify for hedge accounting are taken directly to profit or loss.

The fair value of interest rate swap contracts is determined by reference to market values for similar instruments.

For the purpose of hedge accounting, hedges are classified as:

- fair value hedges when hedging the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment;
- cash flow hedges when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment; or
- hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting, as well as the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges which meet the strict criteria for hedge accounting are accounted for as follows:

Cash flow hedges

The effective portion of the gain or loss on a hedging instrument is recognized directly under equity capital, while the ineffective portion is recognized immediately in profit or loss. Amounts recorded under equity capital are transferred to profit or loss in the period in which the hedged transaction affects profit or loss, such as when the hedged financial income or financial expenses are recognized or when a forecasted sale occurs. If the forecasted transaction or firm commitment is no longer expected to occur, then any amounts previously recognized in equity capital are transferred to profit or loss. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, then the amounts previously recognized in equity capital will remain recorded under equity capital until the forecasted transaction or firm commitment occurs.

Net investment hedge

Hedges of a net investment in a foreign operation are accounted for similarly to a cash flow hedge.

The effective portion of the gain or loss on a hedging instrument used – together with any results from a foreign currency translation of a hedged investment – is recognized directly under equity capital, while the gain or loss attributable to the ineffective portion is recognized immediately in profit or loss.

Only after the disposal (sale or liquidation) of the foreign operation will the changes in the hedging instrument's value as accumulated in the equity capital account together with the conversion results on the underlying transaction be recycled into profit or loss.

Inventories

Inventories are valued at the lower of cost and net realizable value. The net realizable value is the estimated proceeds from a sale in the ordinary course of business less the estimated costs of completion and the costs necessary to make the sale.

Inventories are accounted for as follows:

- Raw materials, consumables and supplies: cost of acquisition based on the weighted average cost method,
- Finished goods and work in progress: costs of materials and production as well as a reasonable portion of the overhead costs based on the normal capacity of the production facilities, but excluding borrowing costs.

Treasury shares

WashTec AG has been acquiring its own shares (treasury shares). The acquisition costs of such shares are removed directly from the equity capital account. The purchase, sale or redemption/cancellation of the Company's own shares is not recognized in profit or loss.

Provisions

A provision is recognized only when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset if the reimbursement is virtually certain. If the time value of money from discounting is material, provisions are discounted using a current pre-tax rate that reflects, where required, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost. The reversal of provisions is generally recognized under the items of the income statement in which the provisions were created.

Provisions for pensions

Provisions for pensions are determined according to the projected unit credit method (IAS 19). This method takes into account the pensions known and expectancies earned as of the balance sheet date as well as the increases in salaries and pensions expected in the future.

In accordance with IAS 19, the actuarial gains and losses were recognized outside of profit or loss immediately and in full. For further details, please see Note 28.

The provisions relate mainly to WashTec Cleaning Technology GmbH and WashTec Holding GmbH, Augsburg, Germany, and have been recognized in order to reflect obligations arising from future and current benefit entitlements to current and former employees and their survivors. The pension plan provides for retirement benefits (upon reaching the age of 63), early retirement and disability benefits. Employees must have served the Company for at least 10 years in order to be entitled to the benefits, with years of service taken into account only after the employee has reached the age of 30. The monthly retirement benefit is derived from a fixed amount multiplied by the number of pension-qualifying years of service. In addition, individual contractual terms and conditions apply.

Risks under the pension obligations arise mostly from an increase in the life expectancies of the pension beneficiaries, which has led to an increase in the pension provision.

Provisions for phased retirement agreements

Phased retirement agreements are based primarily on the so-called "block model". Under these arrangements, there are two types of obligations which, using actuarial principles, are measured at their cash value and then recognized separately from one another: the first type of obligation relates to the accumulated outstanding performance amount, which is recognized pro rata temporis over the term of any active/work phase. The accumulated outstanding performance amount is based on the difference between the compensation earned by the employee prior to the phased retirement agreement (including the employer's share of the social security contributions) and the compensation for the part-time employment (including the employer's share of the social security contributions, but not including the top-up contributions).

The second type of obligation relates to the employer's obligation to pay the top-up contributions plus an additional amount towards the statutory pension insurance. In accordance with IAS 19 (revised), this is set aside as a provision in installments during the work phase (see also discussion under Note 7 above). In prior years, the so-called "top-up contributions" were recognized directly and in full once the obligation arises.

Deferred income

The deferred income item serves to ensure that income from servicing agreements and guaranty extensions is recognized in the relevant accounting period.

Leases

Equipment (machines) produced by WashTec is sold to a leasing company and then leased back by the WashTec Group in order to make it available to its own customers, above all large operator groups or oil companies, as part of the operator model, in return for usage-based fees. The agreements between the leasing company and WashTec are treated as finance leases pursuant to IAS 17 because WashTec bears substantially all the economic risks incidental to ownership. Other finance leases relate to vehicles. As of year's end, the carrying (book) value was €5k.

As a rule, lease-back contracts have a term of approximately 5–7 years, whereas the contracts that WashTec Group has with its customers have terms of up to 10 years. The gains from the sale are amortized over the life of the lease.

The sale and lease-back contracts that are related to machines/equipment generally include a purchase option at the end of the term as well as an option to extend the contract. Price adjustments during the term of the lease are prohibited.

If the WashTec Group is the finance lessee, then the leased property is capitalized at the inception of the lease. The lease is recognized at the fair value of the leased property or, if lower, at the present cash value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are reflected in profit or loss.

Capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term. Operating lease payments are recognized as an expense in profit or loss on a straight-line basis over the lease term.

Taxes

Actual income tax

Actual tax refund claims and tax liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authorities. The estimates are based on the tax rates and tax laws applicable as of the balance sheet date.

Actual taxes relating to items, which are recorded directly in equity capital, are recognized under the equity capital accounts of the balance sheet and not in the Company's income statement.

Deferred taxes

Deferred taxes are recognized using the liability method on temporary differences between the assets and liabilities recognized on the balance sheet and their carrying amounts for financial (tax) reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- where a deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss, and
- where a deferred tax liability arises from taxable temporary differences associated with investments in subsidiaries, if the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that the taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilized with the following exceptions:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss, and,
- where deferred tax assets arise from deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, and it is probable that the temporary differences will not reverse in the foreseeable future and that there will be an insufficient amount of taxable profit against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed on each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Unrecognized deferred tax assets are reassessed on each balance sheet date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured using the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that apply as of the balance sheet date. Future changes in tax rates must be taken into account on the balance sheet date, if tangible enactment conditions are met as part of a legislative process. Deferred taxes relating to items, which are recorded directly in equity capital, are recognized under the equity capital accounts of the Company's balance sheet and not in its income statement.

Deferred tax assets and deferred tax liabilities are offset against each other, if the Group has a legally enforceable right to offset its actual tax refund claims against its actual tax liabilities and these relate to the income taxes of the same taxable entity and are assessed by the same tax authority.

Value added tax

Revenues, expenses and assets are recognized net of value added tax (VAT) amounts, with the following exceptions:

- if the VAT incurred on a purchase of assets or services is not recoverable by the tax authority, then the VAT will be recognized as part of the cost of the asset or as part of the expense item.
- receivables and liabilities are stated with the amount of VAT included.

The net amount of VAT recoverable from, or payable to, the tax authority is included as part of receivables or liabilities in the balance sheet.

Revenue recognition

Revenue is recognized if it is probable that the economic benefits will flow to the Group and the amount of the revenue can be measured reliably. Revenue must be measured at the fair value of the consideration received. Rebates, cash discounts, VAT and other charges are not taken into account. In addition, revenue may be recognized only if the following recognition criteria are met:

- Revenues from the sale of machines, accessories, goods and services are recognized once the performance due has been rendered or the significant risks and rewards of ownership have passed to the buyer. This is normally the case when finished goods or merchandise are delivered, sent or collected.
- Revenues from servicing agreements are recognized once the performance has been rendered.

- Revenues from the rent business are not recognized until the respective car wash is performed, even if the wash system was first sold to an external leasing company, inasmuch as this sale is treated as a "sale and leaseback transaction" in accordance with IAS 17.
- Interest income is recognized as the interest accrues (using the effective interest method, i.e. the rate that discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset).

Earnings per share

In accordance with IAS 33, earnings per share are calculated by dividing the after-tax consolidated profit by the weighted average number of shares outstanding.

Undiluted earnings per share are calculated by dividing the net profit for the year attributable to the ordinary shareholders of the parent company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share are calculated by dividing the net profit attributable to the ordinary shareholders of the parent company by the weighted average number of ordinary shares outstanding during the year, plus the weighted average number of ordinary shares, which would be issued if all dilutive potential ordinary shares were in fact converted into ordinary shares.

Segment reporting

According to IFRS 8, the "management approach" is used as the basis for identifying reportable, operating segments. Under this approach, the external segment reporting is carried out on the basis of the internal group organizational management structure as well as the internal reports submitted to the entity's "chief operating decision maker". IFRS 8 requires that the entity provide a report about the financial and described information on its reportable segments. Where the aggregation criteria are met, operating segments will be aggregated into reportable segments.

At the WashTec Group, the segmentation under the management report is done according to sales territories.

The regions of "Core Europe", "Emerging Europe", "North America" and "Asia/Pacific" have been defined as sale territories.

The individual segments are managed on the basis of the operating results achieved. The segment results consist of income and expenses directly attributable to the reporting segment and to the apportioned income or expenses generated from inter-divisional functions. The sum of the reportable segments equals the consolidated result (after consolidation).

A geographical segment is a distinguishable component of an enterprise, which offers or provides products or services within a particular economic environment and which is subject to the risks and returns that are different from those of components operating in other economic environments.

The Group's geographical segments are based on the location of the Group's assets. Sales to the outside customers, who are identified in geographical segments, are assigned to the individual segments based on the customer's geographical location.

Segment assets and segment liabilities include the assets and liabilities, which are used by one segment for its own operations. Where possible, the balance sheet items are allocated directly to the segment assets and segment liabilities. If a direct allocation is not possible, then the allocation will be done on the basis of an apportionment key.

Transfer prices between the individual Group entities are charged on an "arm's length" basis. They take into account specific market and economic conditions of the individual regions.

6. Business combinations

Business combinations in 2011

In the Wash Chemicals Division, WashTec Benelux B. V., Zoetermeer, Netherlands, concluded a purchase agreement effective April 1, 2011 regarding selected assets, specifically the customer list and acquired a sales employee of the former dealer for Waschchemie-Shop Service Center B.V. WashTec has thereby secured the future supply and support of all local customers for Auwa wash chemicals through the WashTec subsidiary in the Netherlands.

The purchase price for the corporate acquisition was less than €0.5m. It included a variable component. The due diligence reviews focused primarily on economic risks.

WashTec also signed an agreement in April to purchase the key assets of the "Carwash" division of the former Ceccato dealer and second largest market player in Spain, Barin S.A. By virtue of this step, WashTec has become the second largest supplier on the Spanish market. Given the difficult market situation in Spain, Barin had begun experiencing financial difficulties and was forced to file for bankruptcy at the end of 2010. WashTec therefore decided to exploit this opportunity in order to expand its market position in Spain – despite the difficult economic environment that persisted there. WashTec expects the merger of the two organizations to generate good synergies.

The parties agreed to a purchase price of approximately €0.7m, which covers both the customer list and various inventory items. Moreover, key employees were acquired by WashTec. The purchase price included a hold-back, which was enforceable against the seller. During the reporting year, the variable purchase price components totaling €0.2m as well as assets totaling roughly the same amount were derecognized in profit and loss because the goals for the earn-out were not, or are likely not to be, achieved.

In connection with the acquisitions, incidental costs of acquisition totaling €52k were incurred which were recognized in the income statement.

The following table shows the carrying values and the preliminary fair values of the aforementioned companies' assets and liabilities, which were acquired, as of the acquisition closing date:

in €m	Fair Value	Carrying Value
Inventories	0.2	0.2
Intangible assets	1.0	0.0

7. Corrections pursuant to IAS 8

The WashTec Group elected an early adoption of the amended IAS 19 – Employee Benefits – in fiscal year 2012. The early adoption relates to the accounting of phased retirement provisions as well as supplemental notes on pension provisions. Details about the accounting of phased retirement provisions include the description of the accounting policies. Pursuant to IAS 8.19, this change must be applied retrospectively if there is a change made to an accounting policy.

The retrospective application requires the adjustment of the opening balance sheet figures of each of the impacted equity components of the earliest prior period presented and other comparative amounts disclosed for each prior period presented as if the new accounting policy had always been applied [IAS 8.22].

The book entries would be made to the following items:

Profit/loss carry forward: per January 1, 2011, improvement in the amount of €227k, reduction of other long-term provisions by €328k and increase of the deferred tax liabilities by €101k

Profit/loss carry forward: per December 31, 2011, improvement in the amount of €142k, reduction of other long-term provisions by €205k and an increase of the deferred tax liabilities by €63k

Personnel expense: expense in the amount of €123k for calendar year 2011 and increase in other long-term provisions

Income tax expense: Income in the amount of €38k for calendar year 2011 and reduction of the deferred tax liabilities

The following tables 1 through 3 provide an overview of the impact of the corrections.

Table 1 Correction of the Consolidated Income Statement per December 31, 2011

in €	Jan 1 to Dec 31, 2011 previously reported	Correction IAS 8	Jan 1 to Dec 31, 2011 adjusted
Revenues	293,262,274		293,262,274
Other operating income	4,836,273		4,836,273
Capitalized development costs	1,383,577		1,383,577
Change in inventories of work in progress	493,059		493,059
Total	**299,975,183**	**0**	**299,975,183**
Cost of materials			
Cost of raw materials, consumables and supplies and of purchased material	105,955,214		105,955,214
Cost of purchased services	21,447,364		21,447,364
	127,402,578	**0**	**127,402,578**
Personnel expenses	**104,474,580**	**123,129**	**104,597,709**
Amortization, deprecation and impairment of tangible and intangible assets	29,527,743		29,527,743
Other operation expenses	47,944,911		47,944,911
Other taxes	854,811		854,811
Total operating expenses	**310,204,623**	**123,129**	**310,327,752**
EBIT	**–10,229,440**	**–123,129**	**–10,352,569**
Other interest and similar income	172,986		172,986
Interest and similar expenses	1,724,797		1,724,797
Financial result	**–1,551,811**		**–1,551,811**
Result from ordinary activities/EBT	**–11,781,251**	**–123,129**	**–11,904,380**
Income taxes	–2,735,009	37,801	–2,697,208
Consolidated profit for the period	**–14,516,260**	**–85,328**	**–14,601,588**
Average number of shares	**13,976,970**		**13,976,970**
Earnings per share (basic = diluted)	**–1.04**		**–1.04**

Table 2 Correction of the Consolidated Balance Sheet per December 31, 2011

Equity and Liabilities in €	Jan 1, 2011 previously reported	Correction IAS 8	Jan 1, 2011 adjusted	Dec 31, 2011 previously reported	Correction IAS 8	Dec 31, 2011 adjusted
Equity						
Subscribed capital	40,000,000		40,000,000	40,000,000		40,000,000
Contingent capital	*12,000,000*		*12,000,000*	*12,000,000*		*12,000,000*
Capital reserves	36,463,441		36,463,441	36,463,441		36,463,441
Other reserves and exchange rate effects	–2,116,221		–2,116,221	–2,471,897		–2,471,897
Profit carryforward	9,235,334	227,436	9,462,770	15,678,970	227,436	15,906,406
Consolidated profit for the period	10,776,497		10,776,497	–14,516,260	–85,328	–14,601,588
	94,359,051	**227,436**	**94,586,487**	**75,154,254**	**142,108**	**75,296,362**
Non-current liabilities						
Interest-bearing loans	276,582		276,582	18,953,013		18,953,013
Finance leasing liabilities	6,617,302		6,617,302	5,251,755		5,251,755
Provisions for pensions	7,013,238		7,013,238	7,307,188		7,307,188
Trade payables	47,000		47,000			
Other non-current provisions	3,693,291	–328,190	3,365,101	5,003,177	–205,062	4,798,115
Other non-current liabilities	1,540,501		1,540,501	1,808,373		1,808,373
Deferred income	698,988		698,988	860,671		860,671
Deferred tax liabilities	4,551,105	100,754	4,651,859	2,998,024	62,954	3,060,978
Total non-current liabilities	**24,438,007**	**–227,436**	**24,210,571**	**42,182,201**	**–142,108**	**42,040,093**
Current liabilities						
Interest-bearing loans	32,427,648		32,427,648	2,294,388		2,294,388
Finance leasing liabilities	2,560,143		2,560,143	2,499,054		2,499,054
Prepayments on orders	7,968,064		7,968,064	4,175,186		4,175,186
Trade payables	9,478,523		9,478,523	9,940,581		9,940,581
Other liabilities for taxes and levies	3,321,152		3,321,152	4,207,868		4,207,868
Other liabilities for social security	815,887		815,887	901,168		901,168
Tax provisions	1,711,785		1,711,785	4,264,330		4,264,330
Other current liabilities	20,631,733		20,631,733	23,935,498		23,935,498
Other current provisions	9,884,854		9,884,854	15,920,176		15,920,176
Deferred income	9,486,534		9,486,534	9,529,983		9,529,983
Total current liabilities	**98,286,323**	**0**	**98,286,323**	**77,668,232**	**0**	**77,668,232**
Total equity and liabilities	**217,083,381**	**0**	**217,083,381**	**195,004,687**	**0**	**195,004,687**

Table 3 Correction of the Consolidated Cash Flow Statement for January 1 to December 31, 2011

in €k	Jan 1 to Dec 31, 2011 previously reported	Correction IAS 8	Jan 1 to Dec 31, 2011 adjusted
EBT	**–11,781**	**–123**	**–11,904**
Adjustments to reconcile profit before tax to net cash flows			
Amortization, depreciation and impairment of non-current assets	29,528		29,528
Gain/loss from disposals of non-current assets	–112		–112
Other gains/losses	–155		–155
Interest income	–173		–173
Interest expense	1,725		1,725
Movements in provisions	7,188	123	7,311
Changes in net working capital:			0
Increase/decrease in trade receivables	–6,916		–6,916
Increase/decrease in inventories	–1,375		–1,375
Increase/decrease in trade payables	255		255
Changes in other net working capital	–329		–329
Income tax paid	–677		–677
Net cash flows from operating activities	**17,178**	**0**	**17,178**
Purchase of property, plant and equipment (without finance leasing)	–8,025		–8,025
Proceeds from sale of property, plant and equipment	549		549
Acquisition of a subsidiary, net of cash acquired	–1,286		–1,286
Net cash flows from operating activities	**–8,762**	**0**	**–8,762**
Raising of long-term loans	19,000		19,000
Repayment of non-current liabilities to banks	–31,293		–31,293
Dividend payout	–4,333		–4,333
Interest received	148		148
Interest paid	–1,362		–1,362
Repayment of non-current liabilities from finance leases	–2,487		–2,487
Net cash flows used in financing activities	**–20,327**	**0**	**–20,327**
Net increase/decrease in cash and cash equivalents	**–11,912**		**–11,912**
Net foreign exchange difference	**–640**		**-640**
Cash and cash equivalents at January 1	**15,155**		**15,155**
Cash and cash equivalents at December 31	**2,603**		**2,603**
Composition of cash and cash equivalents for cash flow purposes:			
Cash and cash equivalents	**4,603**		**4,603**
Current bank liabilities	**–2,000**		**–2,000**
Cash and cash equivalents at December 31	**2,603**		**2,603**

Had IAS 19 not been adopted early, the consolidated income statement and the consolidated balance sheet would show the following results for fiscal year 2012:

Consolidated Income Statement

in €	Jan 1 to Dec 31, 2012 IAS 19 with early Adoption	Correction IAS 19 without early Adoption	Jan 1 to Dec 31, 2012 IAS 19 without early Adoption
Revenues	301,535,828		301,535,828
Other operating income	4,301,361		4,301,361
Capitalized development costs	1,427,105		1,427,105
Change in inventories of work in progress	792,996		792,996
Total	**308,057,290**	**0**	**308,057,290**
Cost of materials			
Cost of raw materials, consumables and supplies and of purchased material	103,950,751		103,950,751
Cost of purchased services	22,982,988		22,982,988
	126,933,739	**0**	**126,933,739**
Personnel expenses	**100,210,784**	**947,268**	**101,158,052**
Amortization, deprecation and impairment of tangible and intangible assets	9,986,095		9,986,095
Other operation expenses	50,419,930		50,419,930
Other taxes	1,306,716		1,306,716
Total operating expenses	**288,857,263**	**947,268**	**289,804,532**
EBIT	**19,200,027**	**–947,268**	**18,252,758**
Other interest and similar income	95,390		95,390
Interest and similar expenses	2,812,175		2,812,175
Financial result	**–2,716,785**	**0**	**–2,716,785**
Result from ordinary activities/EBT	**16,483,242**	**–947,268**	**15,535,973**
Income taxes	–6,433,107	290,811	–6,142,296
Consolidated profit for the period	**10,050,135**	**–656,457**	**9,393,677**
Average number of shares	**13,962,989**		**13,962,989**
Earnings per share (basic = diluted)	**0.72**		**0.67**

Consolidated Balance Sheet – Equity and Liabilities

in €	Dec 31, 2012 IAS 19 with early Adoption	Correction IAS 19 without early Adoption	Dec 31, 2012 IAS 19 without early Adoption
Equity			
Subscribed capital	40,000,000		40,000,000
Contingent capital	*12,000,000*		*12,000,000*
Capital reserves	36,463,441		36,463,441
Treasury shares	–431,021		–431,021
Other reserves and exchange rate effects	–2,943,154		–2,943,154
Profit carryforward	1,304,817	–142,108	1,162,709
Consolidated profit for the period	10,050,135	–656,457	9,393,678
	84,444,218	**–798,565**	**83,645,653**
Non-current liabilities			
Interest-bearing loans	5,021,125		5,021,125
Finance leasing liabilities	4,434,259		4,434,259
Provisions for pensions	8,876,236		8,876,236
Trade payables	109,392		109,392
Other non-current provisions	3,746,019	1,152,330	4,898,349
Other non-current liabilities	1,425,801		1,425,801
Deferred Income	739,938		739,938
Deferred tax liabilities	2,991,965	–353,765	2,638,200
Total non-current liabilities	**27,344,735**	**798,565**	**28,143,300**
Current liabilities			
Interest-bearing loans	242,026		242,026
Finance leasing liabilities	2,412,581		2,412,581
Prepayments on orders	7,746,785		7,746,785
Trade payables	6,573,095		6,573,095
Other liabilities for taxes and levies	5,651,259		5,651,259
Other liabilities for social security	927,168		927,168
Tax provisions	2,169,914		2,169,914
Other current liabilities	25,031,429		25,031,429
Other current provisions	13,000,991		13,000,991
Deferred Income	8,062,066		8,062,066
Total current liabilities	**71,817,314**	**0**	**71,817,314**
Total equity and liabilities	**183,606,267**	**0**	**183,606,267**

8. Notes on segment reporting

By segment 2012 in €k	Core Europe	Emerging Europe	North America	Asia/Pacific	Consolidation	Group
Revenues	**246,495**	**13,743**	**44,913****	**11,880**	**–15,496**	**301,536**
with third parties	231,867	13,712	44,488	11,880	–411	301,536
with other divisions	14,629	32	425	–1	–15,084	0
EBIT	**19,250**	**758**	**–174**	**–663**	**29**	**19,200**
Other interest and similar income						95
Interest and similar expenses						–2,812
Result from ordinary activities						**16,483**
Income taxes						–6,433
Consolidated net profit						**10,050**
Assets	165,765	1,780	15,191	4,143	–13,406	173,473
Liabilities	69,638	291	6,825	4,892	–1,362	80,284
Investments in property, plant and equipment	5,750	810	237	224	0	7,021
Scheduled amortization, depreciation and impairment losses	–8,790	–487	–378	–331	0	–9,986

By segment 2011* in €k	Core Europe	Emerging Europe	North America	Asia/Pacific	Consolidation	Group
Revenues	**244,485**	**11,379**	**38,836****	**11,673**	**–13,111**	**293,262**
with third parties	233,155	11,357	37,910	11,673	–833	293,262
with other divisions	11,330	23	926	0	–12,279	0
EBIT	**17,886**	**1,068**	**–29,910**	**746**	**–142**	**–10,352**
Other interest and similar income						173
Interest and similar expenses						–1,725
Result from ordinary activities						**–11,904**
Income taxes						–2,697
Consolidated net profit						**–14,601**
Assets	167,208	3,725	17,676	4,640	–10,372	182,877
Liabilities	68,477	206	15,370	3,967	–6,214	81,806
Investments in property, plant and equipment	11,130	1,010	153	323	0	12,616
Scheduled amortization, depreciation and impairment losses	–8,807	–402	–939	–300	0	–10,448
Non-scheduled amortization, depreciation and impairment losses	0	0	–19,079	0	0	–19,079

* Comparative figures adjusted pursuant to IAS 8, see Note 7 of the Consolidated Notes. ** The revenues for North America in 2012 were $ 57,452k (prior year: $ 54,338k)

Reconciliation of segment assets and liabilities

in €k	2012	2011
Segment assets	**173,473**	**182,877**
Deferred tax assets	5,916	7,140
Tax receivables	286	270
Cash and cash equivalents	3,771	4,603
Non-current assets held for sale	159	115
Consolidated balance sheet total	**183,606**	**195,005**

in €k	2012	2011*
Segment liabilities	**80,284**	**81,806**
Deferred tax liabilities	2,992	2,998
Income tax liabilities	2,170	4,264
Non-current interest-bearing loans	5,021	18,953
Current interest-bearing loans	242	2,294
Finance lease liabilities	6,847	7,751
Derivative financial instruments	1,606	1,643
Consolidated debt capital	**99,162**	**119,709**
Equity capital	84,444	75,296
Consolidated balance sheet total	**183,606**	**195,005**

*Comparative figures adjusted pursuant to IAS 8, see Note 7 of the Consolidated Notes

The consolidated revenues were generated in the following products:

in €m	2012	2011	Change
New machines and used machines	170.0	168.7	1.3
Spare parts, services	90.1	88.9	1.2
Chemicals	29.8	24.3	5.5
Rent, accessories and miscellaneous	11.6	11.4	0.2
Total	**301.5**	**293.3**	**8.2**

The consolidated revenues were generated in the following regions:

in €m	2012	2011	Change
Germany	100.9	102.9	–2.0
Rest of Europe	143.2	139.3	3.9
of which France	*43.0*	*44.4*	*–1.4*
North America	44.4	37.9	6.5
Rest of World [1]	13.0	13.2	–0.2
Total	**301.5**	**293.3**	**8.2**

[1] Primarily Asia and Australia

The consolidated assets can be broken down into the following regions within our business segments:

2012 in €k	Germany	Rest of Core Europe	Emerging Europe	North America	Asia/ Pacific	Group
Carrying value of property, plant and equipment	27,308	6,438	2,616	617	519	37,498
Investments in property, plant and equipment	*1,515*	*2,532*	*810*	*237*	*219*	*5,313*
Carrying value of intangible assets	45,161	6,013	0	0	117	51,291
Investments in intangible assets	*1,687*	*16*	*0*	*0*	*5*	*1,708*

2011 in €k	Germany	Rest of Core Europe	Emerging Europe	North America	Asia/ Pacific	Group
Carrying value of property, plant and equipment	31,179	6,650	2,233	789	609	41,460
Investments in property, plant and equipment	*3,572*	*2,492*	*1,010*	*132*	*277*	*7,483*
Carrying value of intangible assets	44,743	6,755	3	0	132	51,633
Investments in intangible assets	*1,796*	*3,270*	*0*	*21*	*46*	*5,133*

The Group has no assets in the other countries because it does not have its own sales organizations in those areas. Any revenues earned from other countries are generated through exports to independent dealers.

Notes to the Consolidated Income Statement

9. Other operating income

Other operating income totaled €4,301k (prior year: €4,836k) and consisted primarily of income from exchange rate differentials in the amount of €921k (prior year: €1,304k), from income accruals based on operator models in the amount of €1,687k (prior year: €1,462k), income from the sale of scrap in the amount of €584k (prior year: €779k) and income from the sale of acquired vehicles and from the sale of other property, plant and equipment totaling €217k (prior year: €168k).

10. Personnel expenses

Personnel expenses consist of the following:

in €k	2012	2011*
Wages and salaries	84,441	89,530
Social security contributions	8,094	7,649
Pension and phased-retirement costs	1,641	1,675
Expenses for employer share of statutory and voluntary pension insurance (contribution-oriented)	6,035	5,744
Total	**100,211**	**104,598**

*Comparative figures adjusted pursuant to IAS 8, see Note 7 of the Consolidated Notes

The average number of staff members, according to their job functions, may be shown as follows:

Number of employees	2012	2011	Change
Sales and service	1,011	1,035	–24
Production, technology and development	484	481	3
Finance and administration	155	144	11
Total	**1,650**	**1,660**	**–10**

11. Other operating expenses

Other operating expenses may be itemized as follows:

in €k	2012	2011
Vehicle costs	10,753	9,951
Travel expenses	5,135	5,022
Rent/operating leases excluding vehicles	3,551	3,360
Legal and consulting fees	3,295	3,185
Maintenance/repairs	3,047	3,126
Advertising and trade fair costs	2,856	2,400
Allocations to bad dept allowances on receivables	2,609	588
Temporary workers	2,383	2,681
Communication costs	2,340	2,288
Operating leases – vehicles	1,971	2,140
IT expenses	1,858	2,210
Exchange rate effects	1,134	1,024
Training/continuing education costs	1,099	883
Insurance	1,035	779
Fees, licences and research costs	818	528
Office supplies	587	588
Expenses for own patents and intellectual property rights	502	355
Product liability	377	425
PR work	324	272
Bank charges	299	323
Loss on disposals of non-current assets	44	27
Miscellaneous administrative expenses/other expenses	4,403	5,790
Total	**50,420**	**47,945**

Auditor's fees

The following fees were incurred in the reporting year for services rendered by the annual account auditors (PricewaterhouseCoopers AG, Wirtschaftsprüfungsgesellschaft, Munich, Germany):

in €k	2012	2011
Annual accounts auditing	278	238
Other confirmations	27	49
Tax advisory services	0	4
Other services	60	68
Total	**365**	**359**

12. Financial result

in €k	2012	2011
Other interest and similar income	95	173
Financial income	**95**	**173**
Interest-bearing loans	512	860
Interest rate swaps	1,326	165
Expenses from finance leases	408	496
Expenses from borrowing costs and similar expenses	565	203
Financial costs	**2,812**	**1,725**
Financial result	**–2,717**	**–1,552**

Of the interest income and interest expense, a total of €–982k (prior year: €–1,237k) must be apportioned to the categories, "Loans and receivables" (LaR) and "Financial liabilities measured at amortized cost" (FLAC).

13. Income tax expense

This item relates to both current and deferred taxes.

The table below shows a reconciliation of the expected and actual tax expenses reported. To calculate the anticipated tax expense, earnings before income taxes were multiplied by the Group tax rate of 30.7% (prior year: 30.7%). The effective tax rate of the WashTec Group equaled 39.0% (prior year: –23.2%).

in €k	2012	2011*
Expected income tax expense	5,061	–3,655
Tax differences due to different tax rates	134	144
Non-deductible expenses	–243	4,193
Effects of the non-recognition of deferred tax assets	1,832	2,113
Write-down of deferred tax assets from loss carryforwards	–535	98
Effects of use of loss carryforwards from non-recognition of deferred tax assets	–129	0
Capitalisation of corporate income tax credits	–5	–5
Withholding tax	31	48
Other	287	–237
Actual income tax expenses	**6,433**	**2,697**

* Comparative figures adjusted pursuant to IAS 8, see Note 7 of the Consolidated Notes.

Tax expenses consist of the following:

in €k	2012	2011*
Deferred tax expense/income	1,469	–1,671
Actual tax expense	4,964	4,368
Total income taxes	**6,433**	**2,697**

* Comparative figures adjusted pursuant to IAS 8, see Note 7 of the Consolidated Notes.

14. Earnings per share

Calculation of undiluted earnings per share for 2012 and 2011:

in €k or units	2012	2011*
Consolidated profit	10,050	–14,602
Weighted average outstanding number of shares	13,962,989	13,976,970
Earnings per share (undiluted + diluted)	**0.72**	**–1.04**

* Comparative figures adjusted pursuant to IAS 8, see Note 7 of the Consolidated Notes.

The management board and supervisory board shall recommend to the annual general meeting of shareholders scheduled for May 15, 2013 that a dividend totaling approximately 40% of net income for the year (€4.0m) and a special dividend be paid for fiscal year 2012.

15. Non-recurring effects

In the reporting year, one-time gains were recognized in the items costs of materials (€1.4m), personnel expenses (€1.4m) and other operating income (€0.3m). Non-recurring charges arising in other operating expenses (€2.4m) can be off-set against these gains.

In the prior year, the Company booked non-recurring charges totaling €5.4m in personnel expenses, €0.5m in other operating expenses, €3.0m in cost of materials. Of this amount, €4.3m is attributable to the initiated restructuring and efficiency program. The remaining amount has been used to endow other provisions.

In the prior year, a non-scheduled write-down was also made on the intangible assets in North America in the amount of €19.1m.

Notes to the Consolidated Balance Sheet

16. Property, plant and equipment

Property, plant and equipment developed as follows:

in €k	Land, land rights and buildings	Technical equipment and machines	Other equipment, fittings and fixtures	Finance leasing	Prepayments and construction in progress	Total
Costs						
January 1, 2011	**41,216**	**23,056**	**15,619**	**16,259**	**42**	**96,192**
Additions	692	3,596	1,582	1,343	271	7,483
Disposals	26	1,108	1,678	834	0	3,647
Reclassifications	18	863	77	–795	–164	0
Currency translation effects	57	28	69	3	2	161
December 31, 2011	**41,957**	**26,435**	**15,668**	**15,977**	**151**	**100,188**
Additions	561	1,043	1,438	1,840	431	5,313
Disposals	1,249	1,116	490	55	0	2,910
Reclassifications	35	1,287	66	–1,240	–136	12
Currency translation effects	8	54	7	–1	1	70
December 31, 2012	**41,312**	**27,704**	**16,689**	**16,522**	**446**	**102,673**
Amortization, depriciation and impairment losses						
January 1, 2011	**21,486**	**14,144**	**12,090**	**6,551**	**0**	**54,271**
Amortization/depreciation for the year	1,519	2,120	1,660	2,257	0	7,556
Disposals	17	1,090	1,345	553	0	3,006
Reclassifications	0	563	0	–563	0	0
Currency translation effects	55	46	–195	1	0	–93
December 31, 2011	**23,043**	**15,782**	**12,210**	**7,693**	**0**	**58,728**
Amortization/depreciation for the year	1,510	2,374	1,702	2,302	0	7,887
Disposals	194	797	384	56	0	1,430
Reclassifications	0	856	48	–892	0	12
Currency translation effects	1	4	–57	6	0	–46
Write-ups	0	26	–2	0	0	23
December 31, 2012	**24,361**	**18,245**	**13,518**	**9,051**	**0**	**65,175**
Carrying value						
December 31, 2012	**16,951**	**9,459**	**3,171**	**7,470**	**446**	**37,498**
December 31, 2011	**18,914**	**10,653**	**3,458**	**8,284**	**151**	**41,460**
January 1, 2011	**19,730**	**8,912**	**3,529**	**9,708**	**42**	**41,921**

Finance leases

Carrying value in €k	2012	2011
Washing equipment, sale and leaseback	7,465	8,243
Finance leasing, fixtures and fittings	5	41
Total	**7,470**	**8,284**

Finance leases, fittings and fixtures cover mainly vehicle leases. These agreements generally have a term of between 3–5 years.

As of the balance sheet date, there were no material contractual obligations such as duties to purchase plant, property and equipment or intangible assets.

17. Intangible assets

in €k	Development costs internally generated	Licences and software acquired	Patents, technologies and other intangible assets	Goodwill	Other, prepayments and construction in progress	Total
Costs						
January 1, 2011	**10,279**	**9,013**	**3,658**	**80,897**	**1,693**	**105,540**
Additions	51	400	21	19	1,395	1,885
Additions from company acquisitions	0	0	3,241	0	0	3,241
Disposals	0	1	4	0	37	43
Reclassifications	0	544	0	0	–544	0
Currency translation effects	101	–1	63	502	8	672
December 31, 2011	**10,430**	**9,955**	**6,979**	**81,417**	**2,515**	**111,297**
Additions	52	269	3	0	1,384	1,708
Disposals	0	72	0	0	0	71
Reclassifications	932	0	–944	0	0	–12
Currency translation effects	–62	2	54	–299	0	–306
December 31, 2012	**11,352**	**10,154**	**6,093**	**81,118**	**3,899**	**112,617**
Amortization and impairment losses						
January 1, 2011	**5,546**	**6,565**	**2,670**	**22,705**	**0**	**37,486**
Amortization for the year	522	1,236	1,135	0	0	2,892
Impairment	2,559	0	126	16,394	0	19,079
Disposals	0	0	–33	0	0	–33
Currency translation effects	104	1	64	4	0	174
December 31, 2011	**8,731**	**7,801**	**4,029**	**39,103**	**0**	**59,664**
Amortization for the year	614	673	811	0	0	2,099
Impairment	0	0	0	0	0	0
Disposals	0	54	1	0	0	54
Reclassifications	155	0	–167	0	0	–12
Currency translation effects	–61	1	–14	–298	0	–372
December 31, 2012	**9,439**	**8,422**	**4,660**	**38,805**	**0**	**61,326**
Carrying value						
December 31, 2012	**1,914**	**1,732**	**1,433**	**42,314**	**3,899**	**51,291**
December 31, 2011	**1,699**	**2,154**	**2,951**	**42,314**	**2,515**	**51,633**
January 1, 2011	**4,732**	**2,447**	**989**	**58,192**	**1,693**	**68,054**

The addition of prepayments and construction in progress resulted as far as possible from capitalized development costs. These developments are currently not yet completed and were therefore subject to impairment test as of the end of the year, which did not necessitate an impairment allowance.

Also incurred were research and development costs of €818k (prior year: €528k), which were not capitalized since the criteria of the capitalization under IAS 38 was not met.

Goodwill

The total goodwill, which has a carrying value of €42,314k (prior year: €42,314k), will be attributed to the operating segments (as determined under IFRS 8) as follows: "Core Europe" in the amount of €41,601k (prior year: €41,601k), "Emerging Europe" in the amount of €705k (prior year: €705k), "North America" in the amount of €0k (prior year: €0k) and "Asia/Pacific" in the amount of €8k (prior year: €8k).

The impairment test for goodwill is routinely carried out for the operating segments on the basis of the useful life calculation.

According to the approach described under section 5.2, the impairment test for goodwill is based on the Group's medium-term forecast for 2013 through 2017.

Medium-term planning was based on the following assumptions, which are derived from the long-standing experience of management as well as from medium-term strategies for the individual markets. More extensive information was available to management in the form of outside market studies. The key assumptions are as follows:

- increase in revenues between 3% and 7% per annum, in individual regions up to 28%
- cost increases of 2–3%
- wage and salary cost increases of approx. 2–4% per annum.

For discounting purposes, an interest rate of 8.6% (prior year: 7.63%) and a long-term growth rate under a perpetual annuity of 1 to 1.5% (prior year: 1 to 1.5%) was used as a basis.

The discount rate calculation is derived from a weighted borrowing rate of 3.6% (prior year: 4.7%) and the weighted equity rate. The equity rate is based on a risk-free rate of return averaging 2.5% (prior year: 3.20%) as well as a beta factor of 1.26 (prior year: 1.06). The rate of the risk premium is 6.5% (prior year: 5.0%).

In the prior year, an unscheduled write-down of goodwill in the amount of €16,394k became necessary. The write-down related to goodwill for North America. The amount recoverable under the basis of "value in use" was less than the carrying (book) value of the cash generating unit on the basis of mid-term planning. The detailed situation in North America is explained in the management report.

In the reporting year, there was no need to write down any other goodwill of the WashTec Group. Even with a 10-percentage-point higher discount rate and a 5-percentage-point lower gross margin, there is still no need for a write-down.

18. Deferred taxes

The Group is reporting deferred tax assets in the amount of €5,916k (prior year: €7,140k) as well as deferred tax liabilities in the amount of €2,992k (prior year: €3,061k). These items resulted from deferred tax claims on expected recoverable tax loss carry-forwards and from timing differences that were calculated according to the so-called "liability method".

The loss carry-forwards were recognized as deferred tax assets, to the extent that the recoverability of the loss carry forwards could be assured with sufficient certainty on the basis of the internal mid-term planning (2013 through 2017).

To the extent that there is uncertainty about whether the loss carry-forwards can be offset against future taxable income, such loss carry-forwards were not recognized as deferred tax assets.

Accordingly, loss carry-forwards in the amount of €23,610k (prior year: €25,450k) were not recognized. This corresponds to non-capitalized tax assets in the amount of €7,712k (prior year: €8,132k).

Some of the loss carry forwards have no time restrictions with regard to their utilization. A total of €15,310k in loss carry-forwards is restricted. Of this amount, €2,301k will lapse between 2013 through 2022 and €13,009k will lapse between 2023 through 2033, if they cannot be utilized.

The deferred tax receivables and tax liabilities are apportioned, prior to netting, according to the following balance sheet items and loss carry-forwards.

in €k	Deferred tax receivables		Deferred tax liabilities	
	2012	2011	2012	2011
Tax loss carryforwards	2,536	3,333	0	0
Property, plant and equipment	233	121	–4,298	–4,743
Intangible assets	96	293	–1,843	–1,695
Inventories	1,111	1,576	–697	–525
Trade receivables	162	250	–405	–236
Provisions	2,112	1,585	–24	–228
Other liabilities	843	718	–65	–72
Finance lease liabilities	1,967	2,116	0	0
Deferred income	1,343	1,620	0	0
Miscellaneous	90	113	–237	–145
Total	**10,493**	**11,724**	**–7,569**	**–7,644**
of which non-current	*6,830*	*7,399*	*–6,319*	*–6,393*
of which current	*3,663*	*4,325*	*–1,250*	*–1,251*

Deferred tax liabilities totaling €4,577k were set-off against deferred tax receivables under the netting rules of IAS 12.

During the reporting year, €283k (prior year: €124k) in deferred taxes were booked directly under equity capital. The net balance of the deferred taxes recorded under equity capital therefore equals €1,293k (prior year: €1,010k).

The following table shows the income and expenses as well as the tax liability incurred thereon for the changes in value recorded directly under equity capital:

in €k	2012			2011		
	before Income tax	Income tax	after Income tax	before Income tax	Income tax	after Income tax
Adjustment item for the currency translation of foreign subsidiaries and currency changes	266	–	266	–75	–	–75
Exchange differences on net investments in subsidiaries	–127	–3	–130	339	–104	235
Changes in the fair value of financial instruments	674	–208	466	–506	156	–350
Changes of acruarial gains and losses	–1,567	494	–1,073	–238	71	–167
Changes in value recorded directly under equity capital	**–754**	**283**	**–471**	**–480**	**124**	**–356**

19. Inventories

in €k	2012	2011
Raw materials, consumables and supplies, including merchandise	22,797	24,844
Work in progress	5,489	5,712
Finished goods and merchandise	8,234	8,325
Prepayments	129	393
Total	**36,649**	**39,274**

During the reporting year, the write-back of the inventory allowances (valuation adjustments) equaled €–324k (prior year addition of €1,942k).

20. Tax receivables

in €k	2012	2011
Non-current tax receivables	174	200
Current tax receivables	112	70
Total	**286**	**270**

The tax receivables involved primarily the discounted claims against the tax authorities based on corporate income tax credits.

21. Trade receivables

in €k	2012	2011
Current trade receivables	43,015	46,158
Non-current trade receivables	1,403	824
Total	**44,418**	**46,982**

Trade receivables are generally due between 0 and 90 days net. Write-downs on trade receivables are recorded in a separate account for bad debt allowances. If the receivable is classified as uncollectible, then the related impaired asset is derecognized.

As of December 31, 2012, bad debt allowances were charged on trade receivables in the nominal amount of €4,976k (prior year: €2,798k). The bad debt allowance account developed as follows:

in €k	2012	2011
As of January 1	2,798	3,277
Allocations recognised as expense	2,784	835
Utilization	–386	–1,100
Reversal	–186	–225
Currency translation effects	–34	11
As of December 31	**4,976**	**2,798**

The ageing analysis of the overdue trade receivables, on which no bad debt allowances have been charged, may be shown as follows as of December 31:

in €k	2012	2011
Receivables, neither overdue nor written down	35,329	37,568
Overdue receivables, not written down, of which		
less than 30 days	4,783	5,372
30–120 days	2,785	3,049
120–365 days	1,262	851
more than 365 days	0	0
Total	8,830	9,272
Receivables written down	**5,236**	**2,942**

A standard bad debt allowance on receivables is made on the basis of the account aging structure. Individual receivables may also be written down where there is a risk that they will not be collected (drohender Uneinbringlichkeit) or where legal action has been initiated.

With respect to those trade receivables, which have not been written down or are not in default, there is no indication as of the financial statements date that the debtors will be unable to meet their payment obligations.

22. Other assets

in €k	2012	2011
Non-current other assets	318	277
Current other assets	3,459	3,365
Total	**3,777**	**3,642**
of which prepaid expenses	*1,487*	*1,223*

Prepaid expenses are recognized in order to account for prepayments of servicing fees and prepayments of insurance premiums and for taxes relating to other periods.

23. Cash and cash equivalents

in €k	2012	2011
Bank balances and cash on hand	**3,771**	**4,603**

Credit balances held at banks earn interest at variable interest rates based on daily bank account rates. The cash in those accounts has a fair value of €3,771k (prior year: €4,603k).

The cash flow statement shows how cash and cash equivalents (cash on hand, bank balances with maturity of up to 3 months, and overdraft accounts) held by the WashTec Group changed in the fiscal year. Cash flows were classified in accordance with IAS 7 as follows: cash flow from operating activities, cash flow from investing activities and cash flow from financing activities.

For purposes of the consolidated cash flow statement, cash and cash equivalents comprised the following as of December 31:

in €k	2012	2011
Bank balances and cash on hand	3,771	4,603
Overdraft account	–242	–2,000
Cash and cash equivalents	**3,529**	**2,603**

For explanations regarding interest-bearing loans, see Note 30.

Equity capital

24. Subscribed capital

The subscribed capital totals €40m. It is divided into 13,976,970 no-par-value bearer shares (prior year: 13,976,970 shares) and is fully paid in. Each share consists of a single voting right and is entitled to dividends according to the share's percentage of the registered share capital.

	2012	2011
Ordinary shares in units k	13,977	13,977
Nominal value of ordinary shares in €	2.86	2.86

As of December 31, 2012, the average weighted number of shares issued and outstanding was 13,962,989 (prior year: 13,976,970 shares).

The annual general meeting of shareholders of WashTec AG resolved on May 10, 2012 to carry forward the entire accumulated and non-appropriated profit, as reported on the balance sheet for 2011, in the amount of €4,096,309.17.

Authorized capital

Pursuant to the resolution adopted at the annual general meeting of shareholders on May 5, 2010, the management board was authorized, with the consent of the supervisory board, to increase on one or more occasions the Company's registered share capital by up to a total of €12,000,000 on or before May 4, 2013 by issuing new no-par value bearer shares in exchange for cash and/or non-cash contributions, although credited against the aforementioned authorized amount at the time the new shares are issued will be the pro rata amount of the registered share capital that is attributable to those no par-value bearer shares, on which the conversion rights or duties or the option rights or duties exist, which were granted on the basis of the shareholder resolution adopted on May 5, 2010. If the aforementioned conversion rights or duties or option rights or duties no longer exist because they had been exercised by the time the new shares were issued, then the shares issued under those rights must be taken into account.

In this respect, the shareholders must be granted preemptive rights. The new shares may also be underwritten by one or more banks, which are commissioned by the management board and then subject to an obligation to offer these shares to the shareholders for subscription (indirect preemptive right).

However, the management board is also authorized (subject to the approval of the supervisory board) to exclude shareholders' pre-emptive rights in certain cases as set out in sec. 5.1 of the Articles of Association of WashTec AG. The management board has not made use of these authorizations to date.

Contingent capital

Pursuant to sec. 218 of the German Stock Corporation Act (AktG), the contingent capital of a stock corporation may be increased in the same proportion as that portion of the registered share capital, which is increased from the corporation's own capital reserves.

Pursuant to a shareholder resolution dated May 5, 2010, contingent capital account was created as follows.

Contingent capital I: The registered share capital was conditionally increased by up to €12,000,000, divided into up to 4,193,091 no-par bearer shares (Contingent capital I), although credited against this pro rata amount of the registered share capital will be the amount by which the registered share capital is increased on the basis of sec. 5.1 of the Articles of Association (Authorized capital); any such credit will be made when the applicable resolution for increasing capital is adopted. This contingent capital increase will be carried out only to the extent that the holders of options (or creditors) or conversion rights or persons obligated to exercise their conversion or option rights under warrant-linked or convertible bonds, participation rights or participating bonds (or a combination of such instruments), which are issued in exchange for cash capital contributions and are issued or guaranteed on or before May 4, 2013 by the Company or by a downstream group enterprise of the Company based on the authorization granted to the management board by the annual general meeting on May 5, 2010, make use of their option or conversion rights or, to the extent they are obligated to exercise the option or conversion rights, satisfy their obligation to exercise their conversion or option rights, or to the extent that the Company exercises an elective right – in complete or partial lieu of payment of the cash amount due – grants its Company shares, provided that no cash compensation is granted or treasury shares or the shares of another publicly listed company are used to satisfy those obligations.
The new shares will be issued in each case at the option or conversion price determined in accordance with the aforementioned authorization resolution. The new shares will have dividend rights beginning in the fiscal year in which they are created. The management board is authorized, with the consent of the supervisory board, to prescribe additional details regarding the implementation of the contingent capital increase.

25. Capital reserves

Capital reserves consist primarily of contributions of California Kleindienst Holding GmbH to WashTec AG as of January 1, 2000 in the amount of €26,828k and €18,019k, less €1,774k in costs relating to capital increase, from the premium paid in connection with the capital increase in August 2005. In 2009, the capital reserve account was reduced when some of the Company's own shares were redeemed in the amount of €9,464k.

26. Treasury shares

	Shares	Value shares
	in units	in €k
As of January 1	–	–
Additions 2012	32,234	289
As of December 31	32,234	289

Pursuant to a resolution adopted at the annual general meeting of shareholders on May 5, 2010, the Company is authorized on or before May 4, 2013 to purchase up to 10% of the current registered share capital of €40,000,000 for purposes other than trading.

On August 14, 2012, the management board of WashTec AG, Augsburg (the "Company"), with the supervisory board's consent which was granted on that same day, resolved to purchase on the open stock market in the period ending May 4, 2013 up to 400,000 of the Company's own shares as part of the stock buy-back program described below. This amount constitutes approximately 2.86% of the current registered share capital of the Company. The Company has thereby exercised the powers granted to it by the annual general meeting on May 5, 2010 in accordance with sec. 71 (1) no. 8 AktG.

The repurchased shares could be used, inter alia, in connection with the direct or indirect purchase of companies, company divisions or equity interests in companies or in connection with a merger with other companies. The shares may also be used to service any options, which are granted under a stock option plan to members of the managing directorship of companies affiliated with the Company or to employees of the Company or enterprises related to the Company.

The Company reserves the right to cancel all or part of the repurchased shares.

27. Other reserves and currency effects

The other reserves item consists of, above all, the recognition of actuarial gains and losses relating to pension provisions as well as the recordation of financial instruments used as hedging devices:

in €k	Dec 31, 2012	Dec 31, 2011
Recorded changes in the fair value of financial intruments used for hedging purposes	–1,078	–1,752
Exchange differences from net investments in subsidiaries	–547	–420
Actuarial gains/losses from defined benefit pension commitments and similar obligations	–2,672	–1,105
Deferred taxes on value changes recognized directly in equity capital	1,293	1,010
Other reserves	**–3,004**	**–2,267**
Currency effects	61	–205
Total	**–2,943**	**–2,472**

28. Provision for pensions

The amount of the provision was computed using actuarial methods at a discount rate of 3.0% (prior year: 4.75%). As in the previous year, the annual salary and cost-of-living increases continue to be measured at a rate of 1.5%. The anticipated return from reimbursement claims due to the existing liability insurance policies amounts to 4.5% (prior year: 4.5%). The "2005 G mortality tables", published by Prof. Klaus Heubeck, were used as the biometrical basis of calculation. Staff turnover ratios were estimated according to age and sex.

The number of beneficiaries as of December 31, 2012 equaled 236 employees (prior year: 233 employees).

Effects for experienced-based adjustments are contained in the new valuations and total €83k (prior year: €51k).

All actuarial gains and losses are off-set against equity capital. In the recently completed fiscal year, the actuarial gains and losses equaled €–1,567k (prior year: €–238k). Actuarial gains and losses booked directly against equity capital as of December 31, 2012 totaled €–2,672k (prior year: €–1,105k).

In fiscal years 2011 and 2012, the cash value of the pension obligations developed as follows:

in €k	2012	2011
As of January 1	7,307	7,013
Pensions paid	–441	–414
Service cost in the reporting period	125	156
Interest expense	321	323
Actuarial gains and losses	1,564	229
As of December 31	**8,876**	**7,307**

The claims held against the relief fund and the employer's liability insurance policies taken out in order to cover the lives of the qualifying employees have an indemnity or reimbursement quality.

In order to hedge or secure obligations arising from pensions, only reinsurance policies will be executed. No investments are made in real estate, stocks or similar assets. The development of the so-called "reimbursement rights" in 2010 and 2011 can be shown in the following table:

in €k	2012	2011
Fair value of reimbursement claims January 1	376	385
Expected return	16	16
Employer contributions	0	0
Benefits paid	0	–18
Actuarial gains and losses	–3	–7
Fair value of reimbursement claims as of December 31	**389**	**376**

Sensitivities pursuant to IAS 19 for pension obligations:

The following table shows the sensitivities (calculations are based on the project unit method) based on current assumptions regarding the possible change in the discount rates in face of annuity dynamics and a life expectancy. All other variables remain constant.

	Impact on defined benefit obligation (DBO)	
2012	Change in assumption	Increase by
Life expetancy	Increase by 1 year	3.6%
Annuities dynamics	Increase by 0.25%	1.8%

Details regarding the change of the actuarial gains and losses:

in €k Actuarial gains and losses	Provisions for pensions Present value	Reimbursement Rights Fair value	Total
Gains and losses from change in financial assumptions	1,430	0	1,430
Experience gains and losses	133	3	137
Total	**1,564**	**3**	**1,567**

The average residual period of the pension obligations is approximately 10.5 years.

The following table shows the expected payment for pension benefits:

In €k	< 1 year	1–5 years	> 5 years	Total
Pension benefits	482	2,474	6,024	8,980

29. Other provisions

in €k	Phased retire-ment 2012	Warranty 2012	Repur-chase obli-gations 2012	Restruc-turing 2012	Other 2012	Total 2012	2011*
As of January 1	1,674	6,185	2,669	4,441	5,748	20,718	13,373
Additions from business combinations	0	0	0	0	0	0	188
Addition	566	6,578	524	231	399	8,299	15,584
Compounding	0	0	0	0	306	306	0
Utilisation	–914	–2,722	–302	–1,300	–2,631	–7,870	–6,449
Reversal	0	–1,927	–285	–2,212	–280	–4,704	–2,006
Exchange differences	0	4	0	–6	1	–2	28
As of December 31	**1,326**	**8,118**	**2,607**	**1,153**	**3,544**	**16,747**	**20,718**
current	878	7,844	556	1,153	2,570	13,001	–
non-current	448	274	2,051	0	974	3,746	–
Provisions in 2011*							
current	1,337	6,015	681	4,441	3,343	–	15,920
non-current	337	170	1,988	0	2,405	–	4,798

* Comparative figures adjusted pursuant to IAS 8, see Note 7 of the Consolidated Notes

The provision for phased retirement was calculated in accordance with IAS 19 “Employee Benefits”. The calculation was based on an interest rate of 1.60% (prior year: 3.75%) and an annual salary increase of 1.50% (prior year: 1.50%).

The provision for warranty obligations is recognized based on past experiences. The assumptions used as a basis for calculating the provision of warranties were founded on current sales levels and on the currently available information about repairs and returns for the sold products during the warranty period. It is expected that these costs will be incurred during the warranty period after the balance sheet date.

The provision for restructuring measures totaled €1,153k (prior year: €4,441k) and included mostly provisions for planned personnel measures.

The provision for repurchase obligations is computed on a rolling basis and takes into account the contractual obligations to repurchase machinery previously sold to major oil companies. In general, these obligations are secured by guarantees.

The other provisions totaling €3,544k (prior year: €5,748k) relate, above all, to provisions for legal and consulting costs in the amount of €905k (prior year: €1,560k) as well as provisions for loss contracts in North America in the amount of €1,740k (prior year: €3,103k).

As of the balance sheet date, the WashTec Group believes its contingent liabilities totaled €1,213k (prior year: €726k) and consisted primarily of contractual performance obligations, potential expenses in connection with repurchasing machinery and lawsuit, and believes that the likelihood that these claims will be enforced is less than 50%.

30. Interest-bearing loans

in €k	2012	2011
Current interest-bearing loans	242	2,294
Non-current interest-bearing loans	5,021	18,953
Total interest-bearing loans	**5,263**	**21,247**

The WashTec Group has credit lines totaling €46.3m. They consist primarily of a revolving credit facility with a term ending December 31, 2014. The principal borrower is WashTec Cleaning Technology GmbH, which has access to a €45m credit line. The credit line consists of a working capital credit facility in the amount of €38m and an aval guarantee facility of €7m.

As of December 31, 2012, €5.5m (prior year: €5.3m) of the aval guarantee facility had been utilized. The non-utilized portion of the credit facility, which may be drawn upon for future operations and for fulfilling obligations, is €35.5m (prior year: €20.3m) as of the balance sheet date.

The syndicated loan contains conditions and covenants. During the term of the contract, WashTec is bound by covenants to maintain a defined equity capital ratio and gearing ratio. Security is also provided as described below.

The interest rate for the loan is variable and is linked to EURIBOR and to an interest margin, which in turn is tied to the operating performance of the Company.

The costs for extended aval guarantees are based on the interest margin, less a discount of 0.6%. The overdraft facility bears interest according to the applicable conditions of the relevant banks at the time it is utilized (drawn-down). In the reporting year, the interest rates range between 1.41% and 3.65%.

In connection with structuring the financing, a discount was calculated using the effective interest method in accordance with IAS 39. The amounts included under interest expense for the amortization of the discount equaled € 100k (prior year: € 198k).

Key assets of the German companies of the WashTec Group were assigned or pledged as collateral to secure the working capital facility granted.

The following table presents the carrying values of the assets that have been used as collateral. These assets have been fully collateralized. In the event of a late payment (if applicable, after the expiration of an applicable cure period), the banks will be entitled to seize and sell the collateral.

Collateral provided in €k	2012 Carrying value	2011 Carrying value
Land and building	15,110	17,142
Trade receivables	7,037	9,491

	2012	2011
Weighted, effective average interest rate	4.42%	5.07%

31. Lease liabilities

Finance leases

The Group has concluded finance leases and lease-purchase agreements primarily for wash equipment in connection with the operator model.

The minimum lease payments for these finance lease liabilities equal:

Lease payment due (in €k)	< 1 year	1–5 years	> 5 years	Total
Minimum lease payment 2012	2,624	4,658	95	7,377
Interest expense for lease liability existing on the respective balance sheet date	211	316	4	530
Cash value of minimum lease payment 2012	2,413	4,344	91	6,847

Lease payment due (in €k)	< 1 year	1–5 years	> 5 years	Total
Minimum lease payment 2011	2,874	5,554	137	8,566
Interest expense for lease liability existing on the respective balance sheet date	375	437	3	815
Cash value of minimum lease payment 2011	2,499	5,117	135	7,751

Operating lease

The obligations owed under the operating leases as of the balance sheet date are shown below in thousands of euro (€k) and classified according to their maturities:

Year	< 1 year	1–5 years	> 5 years	Total
2012	10,045	15,290	1,701	27,037
2011	9,264	12,126	204	21,594

These leases relate primarily to buildings and service vehicles, which are replaced with new lease contracts at the end of the term.

32. Liabilities

in €k	2012	2011
Trade payables	6,682	9,941
Prepayments on orders	7,747	4,175
Liabilities for taxes and charges	5,651	4,208
Liabilities in connection with social security	927	901
Other liabilities	26,402	25,744
Total	**47,409**	**44,969**
of which current (due < 1 year)	*45,874*	*43,161*
of which non-current (due > 1 year)	*1,535*	*1,808*

Trade payables and liabilities for taxes and charges and for social security are generally due within 90 days.

The liabilities for taxes and charges relate primarily to unpaid value added tax.

Other liabilities due within one year include debtors with credit balances of € 1,392k (prior year: € 573k), liabilities to employees for such benefits as vacation, overtime work, travel expenses, etc. in the amount of € 11,376k (prior year: € 11,619k), and liabilities owed to employer's liability insurers totaling €106k (prior year: €247k). Other liabilities also include accruals for miscellaneous debts totaling €7,654k (prior year: €7,193k), which resulted from missing invoices on services already performed, as well as for credits to be granted in the Service division.

33. Deferred income

Deferred income totaling €8,802k (prior year: €10,391k) related primarily to the recognition of revenues for servicing contracts in the periods to which they relate.

34. Financial risk management objectives and methods

The main risks arising from the Group's financial instruments involve interest-based cash flow, as well as liquidity, currency and credit risks.

It is the Company's policy to avoid or mitigate these risks as far as possible. All hedging measures are largely coordinated and implemented centrally. For example, on a regular basis, WashTec identifies all items which are subject to interest and foreign exchange rate risks, assesses the probability of the occurrence of negative developments for the Company and makes any decisions required to avoid or reduce the corresponding interest and/or currency positions. Furthermore, WashTec prepares a monthly rolling consolidated liquidity plan on an annual basis which facilitates the timely management of the current and future liquidity situation.

The Company has derivative financial instruments, which were designed in part to act as hedging instruments. Their purpose is to hedge against interest rate and market risks, which result from the Group's business activities and its financing sources.

In accordance with internal Group policy, derivatives are generally not traded.

At the inception of the hedge, both the hedging relationship and the Group's risk management objectives and strategies for arranging the hedge are formally stipulated and documented. The documentation contains the designation of the hedging instrument, the underlying or secured transaction and the nature of the hedged risks, and a description as to how the Company assesses the hedging instrument's effectiveness in offsetting the risk exposure. These types of hedging relationships are considered highly effective in off-setting exposures to changes in the fair value or the cash flow and such effectiveness is constantly reviewed.

All risk types, to which the Group is exposed, together with the strategies and procedures for managing these risks, are described below.

Interest rate risk

During the reporting year, derivative financial instruments were held in the form of interest swaps. Pursuant to IFRS, derivative financial instruments must be measured at fair value as of the balance sheet date and will be recognized as assets, if their fair value is positive, and as liabilities, if their fair value is negative. The positive value of financial instruments is recognized under current assets, the negative value is recognized under current liabilities.

The fair value of the interest rate swap as of December 31, 2012 is €–1,305k (prior year: €–1,029k) and has been reported under other current liabilities (prior year: current liabilities).

The following table shows the contractual due dates for the payments:

Commencement	End	Nominal values in €k as of Dec 31, 2012	Reference interest rate
Jan 1, 2011	Dec 31, 2015	12,267	1-month Euribor
June 30, 2011	Dec 31, 2015	6,133	1-month Euribor

Cash flow hedge

The base interest rate under the loan agreement is variable and tracks the EURIBOR 1-month rate. As of December 31, 2012, there were a total of two interest rate swaps – designed in part as a hedging instrument and with terms ending December 2012 – which serve to hedge the exposure to fluctuations under the loan's variable, EURIBOR-linked interest rates. Under the swap contracts, the entity pays fixed interest on the loan amount and in return receives a floating-rate interest on the same principal. The interest rate swaps serve to hedge the underlying obligation. For these two swaps with terms ending December 31, 2015, the interest rates are set at 2.580% and 2.572%, respectively. The cash flow from the interest rate swaps is expected to be distributed throughout the term of the agreement.

As of December 31, 2012, €5m of the interest rate swaps are designed as a hedging relationship. This hedging relationship is considered to be highly effective. The effective portion of the hedging relationship is recorded under equity capital and other reserves.

The amounts, which are accumulated under equity capital, are transferred to the income statement (financial result) in the fiscal years in which the underlying transaction is recognized. In the fiscal year, this amount equaled €–377k (prior year: €–165k). The design and assessment of the financial instruments for interest rate hedges generated an expense in the amount of €949k in the reporting year.

The following table shows the sensitivity of the consolidated profit or loss before taxes (due to the effects of the floating interest loan but subject to any existing interest rate hedges) to a reasonable possible change in interest rates. All other variables remain constant. Significant effects on the consolidated equity capital do not exist.

2012 EURIBOR				
Increase/decrease in basis points	10	15	–10	–15
Effects on profit/loss before taxes in €k	5	8	–5	–8

2011 EURIBOR				
Increase/decrease in basis points	10	15	–10	–15
Effects on profit/loss before taxes in €k	–20	–31	20	31

Currency risk

Due to the USD transactions relating to the subsidiary in the USA, changes in the USD/EUR exchange rate could affect the financial statements. To avoid major risks, WashTec relies on corresponding derivatives that were concluded in June of 2011. These derivatives comprise foreign exchange forwards with varying terms, some of which include a six-month term option. The last maturity date is December 30, 2015. The changes in the fair value of the hedging instrument and the underlying transaction are recognized in profit or loss in the income statement.

Net investments in foreign operations

The Group holds non-current loan receivables against its subsidiary, Mark VII. Through the end of March 2012, there had been a net investment of USD 15m. Based on a capital increase at Mark VII, which occurred when a portion of the loan receivable was contributed as capital, this net investment was reduced by USD 11m to USD 4m effective April 1, 2012. The American subsidiary has long-term CAD-denominated loan receivables against the Canadian subsidiary. The net investment in foreign operation as of July 1, 2011 was set at CAD 5.9m and was increased by CAD 0.9m in October 2011. Accordingly, the translation effects of these loans are recognized in equity capital.

Operating risks, which arise from additional individual transactions in a foreign currency, were considered insignificant for the Group given their low volume.

The following table shows the sensitivity of the consolidated profit and losses before taxes (based on the change in the fair values of monetary assets and liabilities) and the consolidated equity capital of the Group (due to hedge of net investments) to a reasonable possible change in the EUR/USD exchange rate. All other variables remain constant.

2012	Rate trend USD	–5%	5%
	Effects on profit/loss before tax €k	–95	95
	Effects on equity capital in €k	152	–152
2011	Rate trend USD	5%	–5%
	Effects on profit/loss before tax €k	120	–120
	Effects on equity capital in €k	–580	580

Liquidity risk

Ensuring that the WashTec entities are solvent at all times is a key corporate business objective. Thanks to the cash management system in place, which includes such features as a rolling consolidated liquidity planning on an annualized basis, reasonable steps are taken to identify possible bottlenecks in a timely and transparent manner. Non-utilized credit lines also ensure the supply of liquidity. The working capital facilities were granted by the syndicate banks of the WashTec Group subject to the joint and several liability of WashTec Cleaning Technology GmbH, as the borrower, and the joint liability of other Group companies. For additional details, please see Note 30 concerning interest-bearing loans. The WashTec Group is financed primarily via WashTec Cleaning Technology GmbH, which also has the largest funding requirements, being the Group's most important operating company.

The following table shows all the contractually stipulated payments and repayments of interest and principal on financial liabilities recognized on the balance sheet as of December 31, 2012. The non-discounted cash flows for the next few fiscal years are stated.

The table includes all instruments, which were on the books as of December 31, 2012, and for which payments have already been agreed. Amounts in foreign currency were translated at the closing rates. The variable interest payments under the financial instruments, above all from the loan, were calculated using the anticipated interest rates. Financial liabilities, which are repayable at any time, are always included in the earliest repayment category. The disclosures are made on the basis of the contractual, non-discounted payments.

in €k	Carrying value 2012	Cash flows 2013	Cash flows 2014–2016	Cash flows 2017 et seq.
Interest-bearing loans	5,263	211	5,463	0
Liabilities from finance leases	6,847	2,624	4,307	446
Trade payables	6,682	6,682	0	0
Other financial liabilities	13,017	13,017	0	0
Derivative financial liabilities	1,606	413	1,193	0

in €k	Carrying value 2011	Cash flows 2012	Cash flows 2013–2015	Cash flows 2016 et seq.
Interest-bearing loans	21,247	2,616	21,055	0
Liabilities from finance leases	7,751	2,874	5,112	579
Trade payables	9,941	9,941	0	0
Other financial liabilities	13,741	13,741	0	0
Derivative financial liabilities	1,029	307	759	0

Credit risks

The Group trades with creditworthy third parties only. In order to keep the del credere risk as low as possible, if the customer does not have a first-rate credit rating, then orders are subject to strict controls. For new regional customers, the customer requests evidence of credit standing with financing. We assume that the bad debt allowances are sufficient to cover the actual risks.

There are no significant concentrations of credit risks in the Group. A concentration of the credit risk will be assumed, if a single customer or an oil company makes up more than 10% of the revenues. This was not the case in fiscal year 2012.

With respect to credit risk arising from the other financial assets of the Group, such as cash and cash equivalents and other financial assets, the maximum credit risk in the event of a default by a counterparty is the carrying amount of these instruments.

Capital management

The Group's capital management activities are primarily aimed at maintaining a high credit rating and a good equity ratio in order to support its operations and maximize its share-holder value. The Group manages its capital structure and makes adjustments in response to the changes in economic conditions. The Group monitors capital using appropriate financial covenants.

The Group monitors its capital by using a debt-to-equity (gearing) ratio, which corresponds to the ratio of net financial liabilities to an operating result as defined in the agreement un-derlying the interest-bearing loan. Under this definition, the debt-to-equity ratio may not exceed 2.5. Net financial liabilities comprise interest-bearing loans and liabilities for finance leases, less cash.

In addition, WashTec's equity capital must be at least 35% of the balance sheet total (which includes the treasury shares) as of the end of each quarter.

All covenants have been met as of the balance sheet date.

35. Financial instruments – additional information

The following table, which is derived from the relevant balance sheet items, shows the connection between the classification and the carrying values of the financial instruments.

Carrying values, valuation approaches and fair value measurement categories:

In €k	Measurement category under IAS 39	Carrying value Dec 31, 2012	Balance sheet valuation under IAS 39			Balance sheet valuation under IAS 17	Fair value Dec 31, 2012
			Amortized cost	Fair Value in equity	Fair Value through profit and loss		
Assets							
Cash and cash equivalents	LaR	3,771	3,771	–	–	–	3,771
Trade receivables	LaR	44,418	44,418	–	–	–	44,418
Other financial assets	LaR	1,124	1,124	–	–	–	1,124
Liabilities							
Trade payables	FLAC	6,682	6,682	–	–	–	6,682
Interest bearing-loans	FLAC	5,263	5,263	–	–	–	5,263
Other financial liabilities	FLAC	13,017	13,017	–	–	–	13,017
Finance lease liabilities	n.a.	6,847	0	–	–	6,847	6,847
Derivatives financial liabilities		1,606	–	356	1,250	–	1,606
Derivatives with hedge relationship	n.a.	356	–	356	–	–	356
Aggregated presentation per IAS 39 measurement categories							
Loans and Receivables (LaR)			49,314	–	–		
Financial Liabilities Measured at Amortised Cost (FLAC)			24,963	–	–		

Financial Statements

In €k	Measurement category under IAS 39	Carrying value Dec 31, 2011	Balance sheet valuation under IAS 39			Balance sheet valuation under IAS 17	Fair value Dec 31, 2011
			Amortized cost	Fair Value in equity	Fair Value through profit and loss		
Assets							
Cash and cash equivalents	LaR	4,603	4,603	–	–	–	4,603
Trade receivables	LaR	46,982	46,982	–	–	–	46,982
Other financial assets	LaR	750	750	–	–	–	507
Liabilities							
Trade payables	FLAC	9,941	9,941	–	–	–	9,941
Interest bearing-loans	FLAC	21,247	21,247	–	–	–	21,247
Other financial liabilities	FLAC	13,741	13,741	–	–	–	13,741
Finance lease liabilities	n. a.	7,751	–	–	–	7,751	7,751
Derivatives financial liabilities		1,643	–	1,029	614	–	1,643
Derivatives with hedge relationship	n. a.	1,029	–	1,029	–	–	1,029
Aggregated presentation per IAS 39 measurement categories							
Loans and Receivables (LaR)			52,335	–	–		
Financial Liabilities Measured at Amortised Cost (FLAC)			44,929	–	–		

Due to their short terms, the fair values of trade receivables, trade payables and cash and cash equivalents match their carrying values. The fair value of the derivatives, liabilities from finance leasing and loans has been calculated by discounting the expected future cash flows at the current market interest rates.

The following table shows the net gains and losses from financial instruments according to the categories under IAS 39:

Net results according to measurement categories

Net results in €k	2012	2011
Loans and receivables	–1,983	–1,380
Financial liabilities valued at atmortised cost	626	843

The net results are attributable primarily to foreign currency valuation, allowances (loans and receivables), and interest expenses as well as foreign currency valuation (financial liabilities measured at amortized costs).

The following table shows how the financial instruments that are measured at fair value are classified. The level of hierarchy reflects the degree of marketability.

Disclosure fair value hierarchy

in €k	Fair value 2012		
	Level 1	Level 2	Level 3
Derivative financial instruments	–	1,606	–

in €k	Fair value 2011		
	Level 1	Level 2	Level 3
Derivative financial instruments	–	1,643	–

Other Notes

36. Compliance statement pursuant to sec. 161 AktG

WashTec AG has issued the statement required under sec. 161 AktG for fiscal year 2012 and has made the statement available to its shareholders at www.washtec.de.

The management board approved the consolidated financial statements on March 1, 2013 and has forwarded them directly to the supervisory board for review.

The separate financial statements and the consolidated financial statements are expected to be approved at the supervisory board meeting on March 20, 2013.

37. Information about the Company's governing bodies

Management board

Dr. Jürgen Rautert, (Dr.-Ing.), Heidelberg
(Term of office commenced January 1, 2013)
Spokesman of the Management Board (since March 1, 2013)
Sales, Service, Supply Chain, Product Management and Development

Dr. Stefan Vieweg, (Dr. rer. oec, Dr.-Ing.), Augsburg
(Term of office commenced January 1, 2013)
Finance, Quality Control, IT, Personnel, Investor Relations, Law and Corporate Audit

Michael Busch, (Dipl.-Kfm.), Berlin
(Term of office from July 28, 2012 through February 28, 2013)
Spokesman of the Management Board (through February 28, 2013)

Thorsten Krüger, (Dipl.-Ing.), Weißenhorn
(Term of office ended July 31, 2012)
Spokesman of the Management Board
Sales, Supply Chain, Service and Service Support

Houman Khorram, (Dipl.-Ing. und Dipl.-Wirtsch.-Ing.), Gröbenzell
(Term of office ended July 31, 2012)
Finance, General Services, and Business Development as well as Product Development

Supervisory board

Michael Busch, (Dipl.-Kfm.), (Chairman, Board membership suspended while he served on the management board from July 28, 2012 through February 28, 2013)
Independent Business Consultant, Berlin

Memberships on other supervisory boards mandated by law:
- KHD Humboldt Wedag International AG, Köln (Member of the Supervisory Board)

Memberships on similar foreign and domestic governing bodies of business enterprises:
- member of the supervisory board of proDIU GmbH, Nauen

Massimo Pedrazzini (Deputy Chairman; acted as Chairman during the period in which Mr. Busch served on the management board from July 28, 2012 through February 28, 2013)
Attorney at Law, Massagno, Switzerland

Memberships on other supervisory boards mandated by law: None

Memberships on similar foreign and domestic governing bodies of business enterprises:
- Fidinam Group Holding SA, Lugano, Schweiz (President of the Board of Directors)
- Sterling Strategic Value Ltd., Tortola, British Virgin Islands (President of the Board of Directors)
- Fondazione Fidinam, Lugano, Switzerland (Member of the Foundation board)
- Katadyn Produkte AG, Wallisellen, Switzerland (President of the Board of Directors)
- Pestalozzi Stiftung, Zürich, Switzerland (Member of the Foundation board)
- Precicast Bilbao SA, Bilbao, Spain (Member of the Board of Directors)
- Rex Articoli Tecnici SA, Mendrisio, Switzerland (Member of the Board of Directors)
- City Nuova Holding SA, Lugano, Switzerland (Member of the Board of Directors)
- Fidinam Australasia Real Estate, Sydney, Australia (Member of the Board of Directors)
- FI Partecipazioni SA, Lugano, Switzerland (Member of the Board of Directors)
- Fly Away SA, Lugano, Switzerland (Chairman of the Board of Directors)
- Saunion, Lugano, Switzerland (Member of the Board of Directors)
- Taxfid SA, Lugano, Switzerland (Member of the Board of Directors)
- Terzerina SA, Lugano, Switzerland (Member of the Board of Directors)
- Tifina Holding SA, Lugano, Switzerland (Member of the Board of Directors)
- Fidinam Monte Carlo SAM, Monte Carlo (Chairman of the Board of Directors)
- Fidinam R and T, Hong Kong (Chairman of the Board of Directors)
- MP Advisors SA, Lugano, Switzerland (Sole Board member)

- Salus Trust, Georgetown, Cayman Islands (Trustee)
- Fondazione Isabel – una stellina per Ibipora', Lugano, Schweiz (Chairman of the Foundation Committe)

Jens Große-Allermann (Member since June 18, 2012; acted as Deputy Chairman during the period in which Mr. Busch served on the management board from July 28, 2012 through February 28, 2013)
Management board of Investmentaktiengesellschaft für langfristige Investoren TGV as well as management board of Fiducia Treuhand AG, Bonn

Memberships on other supervisory boards mandated by law:
- FPM Deutsche Investmentaktiengesellschaft mit Teilgesellschaftsvermögen, Frankfurt

Memberships on similar foreign and domestic governing bodies of business enterprises:
None

Dr. Sören Hein (Member since May 10, 2012)
Managing Director of Compound Disk Drives GmbH, Munich

Memberships on other supervisory boards mandated by law: None

Memberships on similar foreign and domestic governing bodies of business enterprises:
None

Roland Lacher (Member since June 18, 2012)
Independent Businessman, Gelnhausen-Meerholz

Memberships on other supervisory boards mandated by law: None

Memberships on similar foreign and domestic governing bodies of business enterprises:
None

Dr. Hans Liebler (Member since June 18, 2012)
Investment Manager, Gräfelfing

Memberships on other supervisory boards mandated by law:
- Investunity AG, München (Chairman of the Supervisory Board)
- AUGUSTA Technologie AG, München (Deputy Chairman of the Supervisory Board)
- J.P. Rosselet Cosmetics AG, Bremen (Member of the Supervisory Board)
- Grammer AG, Amberg (Member of the Supervisory Board)

Memberships on similar foreign and domestic governing bodies of business enterprises:
- Identive Group Inc., Santa Ana, Kalifornien, USA (Member of the Board of Directors)
- autowerkstattgroup N.V., Amsterdam, Netherlands (Member of the Supervisory Board since May 23, 2012)

Jürgen Lauer, (Dipl.-Betriebswirt/MBA),
(Member and Deputy Chairman through May 10, 2012)
Managing Director of JüLa Beteiligungs GmbH, Weißenhorn

Member of the advisory board/supervisory board of the following companies:
- Pulsion SE, München (Deputy Chairman)

Memberships on similar foreign and domestic governing bodies and business enterprises:
- Medica Medizintechnik GmbH, Hochdorf (Member of the Advisory Board)

38. Information about related party transactions

In fiscal year 2012, the WashTec Group was impacted by the disclosure obligation under IAS 24 solely with respect to business transactions with members of the management board and supervisory board as well as with former members of the management board. The terms and conditions of the transactions reflected arms-length transactions.

For a detailed description of the management board remuneration and supervisory board remuneration, reference is made to the remuneration report in the management report, which is incorporated by reference into the Notes.

Management board

The remuneration of the entire management board in the fiscal year was €573k plus one-time payments totaling approximately €1.3m, which were disbursed due to the early termination of the management board agreements. The remuneration in the prior year equaled €693k.

Shares held by the management board members developed as follows:

Shares held by members of the management board (pcs.)	2012	2011
Dr. Jürgen Rautert (since January 1, 2013)	0	0
Dr. Stefan Vieweg (since January 1, 2013)	0	0
Michael Busch (since July 28, 2012 through February 28, 2013)	0	0
Thorsten Krüger (through July 31, 2012)	0	0
Houman Khorram (through July 31, 2012)	390	390
Resignation of Houman Khorram	–390	0

Supervisory board

Remuneration paid to the entire supervisory board in the fiscal year was €285k (prior year: €144k).

Shares held by members of the supervisory board developed as follows:

Shares held by members of the supervisory board (pcs.)	2012	2011
Massimo Pedrazzini*	2,251	2,251
Jens Große-Allermann (since June 18, 2012)**	0	0
Dr. Sören Hein (since May 10, 2012)	0	0
Roland Lacher (since June 18, 2012)	0	0
Dr. Hans Liebler (since June 18, 2012)	0	0
Michael Busch (through July 28, 2012)	0	0
Jürgen Lauer (through May 10, 2012)	0	0

* Mr. Pedrazzini is also the president of the board of directors of Sterling Strategic Value Limited, which - according to the notification dated April 1, 2010 – held 2,142,868 voting shares (15.33 %) of WashTec AG on March 30, 2010.

** The supervisory board member, Jens Grosse-Allermann, sits on the management board of Investmentaktiengesellschaft für langfristige Investoren TGV, which – according to a notification dated July 31, 2009 – held on that same date 758,358 voting shares (5.43%) of WashTec AG.

Former members of the management board

There were also pension obligations owed to a former management board member or his survivors in the amount of €220k (prior year: €146k), which are covered by a relief fund.

39. Notes after the balance sheet date

No significant events occurred after the balance sheet date.

Augsburg, March 19, 2013

WashTec AG

Dr. Jürgen Rautert Spokesman of the Management Board	Dr. Stefan Vieweg Member of the Management Board

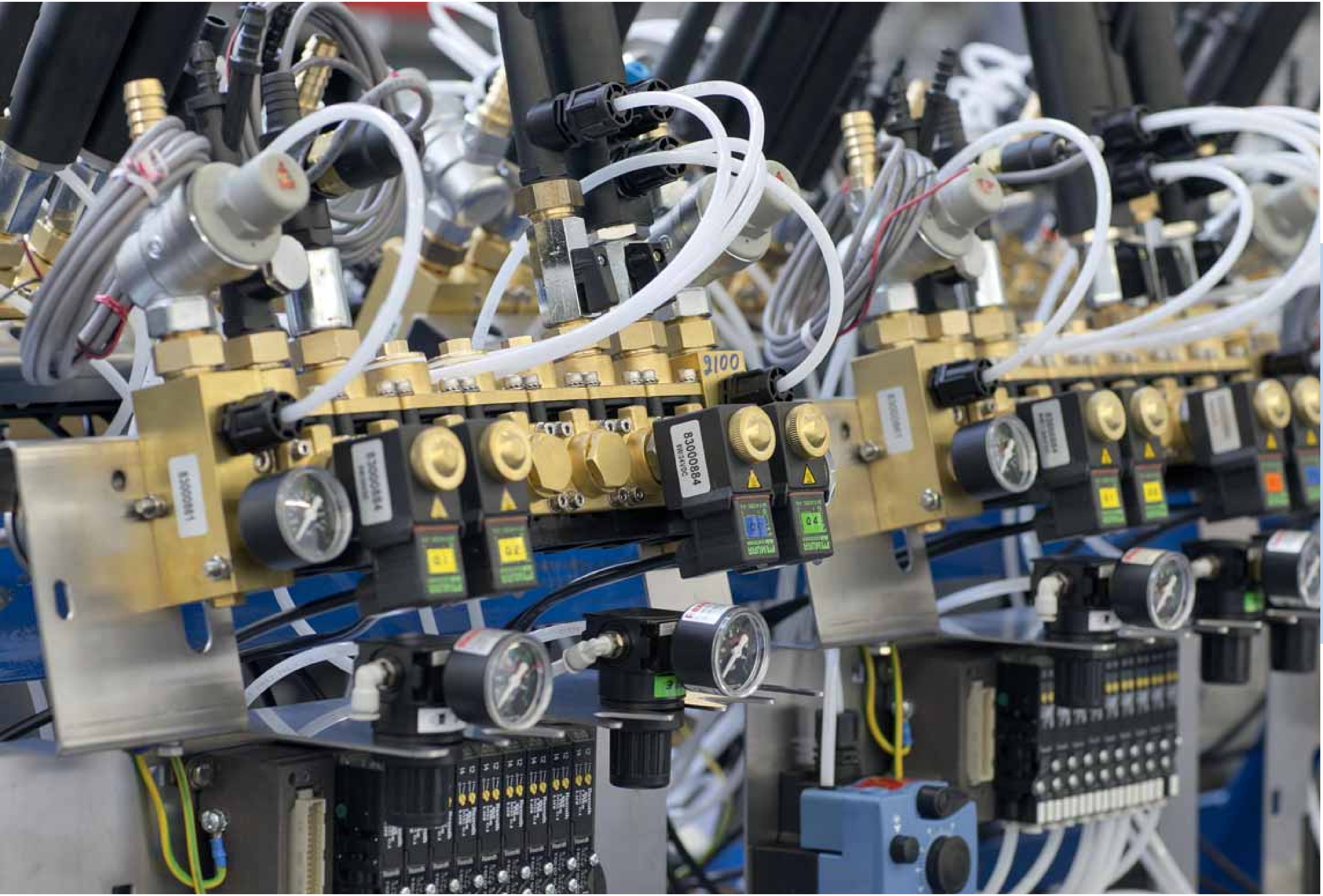
Responsibility Statement

"To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or 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."

Augsburg, March 19, 2013

Dr. Jürgen Rautert
Spokesman of the
Management Board

Dr. Stefan Vieweg
Member of the
Management Board



Auditor's Report

We have audited the consolidated financial statements prepared by the WashTec AG, comprising the income statement, statement of comprehensive income, balance sheet, cash flow statement, statement of changes in equity and the notes to the consolidated financial statements, together with the group management report of WashTec AG, which is combined with the management report of the company for the business year from 1 January to 31 December 2012. The preparation of the consolidated financial statements and the group management report in accordance with the IFRSs, as adopted by the EU, and the additional requirements of German commercial law pursuant to § (Article) 315a Abs. (paragraph) 1 HGB ("Handelsgesetzbuch": German Commercial Code) is the responsibility of the parent Company's Board of Managing Directors. Our responsibility is to express an opinion on the consolidated financial statements and on the group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with § 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable financial reporting framework and in the group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the group management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of the entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by the Company's Board of Managing Directors, as well as evaluating the overall presentation of the consolidated financial statements and the group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion based on the findings of our audit the consolidated financial statements comply with the IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315a Abs. 1 HGB and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these requirements. The combined management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the Group›s position and suitably presents the opportunities and risks of future development.

Munich, March 19, 2013

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Petra Justenhoven	Holger Graßnick
Wirtschaftsprüferin	Wirtschaftsprüfer

Financial Statements of WashTec AG – Balance Sheet (HGB)

Assets	Dec 31, 2012	Dec 31, 2011
	€	€
A. Non current-assets		
I. Property, plant and equipment		
Fixture and fittings	14,676	22,983
II. Financial Assets		
Shares in associated companies	128,048,510	128,048,510
	128,063,186	**128,071,493**
B. Current assets		
I. Receivables and other assets		
1. Receivables from associated companies	13,504,441	8,049,394
2. Other assets	226,432	270,459
thereof more than one year €176,622 (prior year: €215,649)		
	13,730,873	**8,319,853**
II. Cash	730	22
	730	**22**
C. Prepaid expenses	**41,570**	**20,833**
Total assets	**141,836,359**	**136,412,201**

Equity and liabilities		Dec 31, 2012	Dec 31, 2011
		€	€
A. Equity			
I. Subscribed capital		**40,000,000**	**40,000,000**
Contingent capital		*12,000,000*	*12,000,000*
Treasury shares	–92,343		
		39,907,657	**40,000,000**
II. Capital reserve		**90,844,959**	**90,844,959**
III. Retained Earnings		**8,811,698**	**4,096,309**
		139,564,314	**134,941,268**
B. Provisions			
1. Provisions for taxes		109,123	89,615
2. Other provisions		609,243	705,259
		718,367	**794,874**
C. Liabilities			
1. Trade liabilities		38,496	74,825
2. Liabilities to affiliated companies		246,106	0
3. Other liabilities		1,269,076	601,234
thereof from taxes €1,209,347 (prior year: €578,988)			
thereof for social security €15,879 (prior year: €18,896)			
		1,553,678	**676,059**
Total equity and liabilities		**141,836,359**	**136,412,201**

Financial Statements of WashTec AG – Income Statement (HGB)

	Dec 31, 2012	Dec 31, 2011
	€	€
Revenues	2,967,399	1,594,215
Other operating income	65,539	243,130
	3,032,938	**1,837,345**
Personal expenses		
a) Wages and salaries	–2,037,826	–794,624
b) Social security, pension and other benefit costs	–114,000	–122,279
thereof for old-age pensions €–83,160 (prior year: €–91,291)		
	–2,151,827	**–916,902**
Amortization, depreciation and impairment of intangible assets and property, plant and equipment	–7,582	–7,512
Other operating expenses	–2,438,921	–1,764,663
	–4,598,330	**–2,689,077**
	–1,565,392	**–851,731**
Income from profit and loss transfer agreement	2,499,659	2,521,691
Expenses fom profit and loss transfer agreements	3,900,000	2,000,000
Other interest and similar income	99,531	87,878
thereof from affiliated companies €86,242 (prior year: €72,729)		
Interest and similar income	–1,923	–44
thereof from affiliated companies €–1,293 (prior year: €–44)		
	6,497,267	**4,609,524**
EBIT	4,931,875	3,757,793
Income taxes	–19,808	–87,839
Profit for the year	4,912,067	3,669,954
Profit carried forward	4,096,309	4,759,216
Withdrawal from retained earnings	0	–4,332,861
Allocation for difference of share repurchase	–196,678	0
Retained Earnings	**8,811,698**	**4,096,309**

WashTec Worldwide

Subsidiaries

Australia
WashTec Australia Pty. Ltd.
21 Burrows Road South
St. Peters NSW 2044
Tel. 0061 02 83945002
Fax 0061 02 83945099
washtecaustralia@washtec.de

Austria
WashTec Cleaning Technology GmbH
Wehlistraße 27 b
A-1200 Vienna
Tel. 0043 13343065-0
Fax 0043 13343065150
office@washtec.at

Belgium
WashTec Benelux
Humaniteitslaan 415
B-1190 Brussels
Tel. 0032 23760035
Fax 0032 237698 51
info@washtec.be

Canada
WTMVII Cleaning Technologies
Canada, Inc.
623 South Service Road, Unit 1
Grimsby, Ontario, Canada
L3M 4E8
Tel. 001 8666589274
Fax 001 9056437050
markvii@markvii.net

China
WashTec Car Cleaning Equipment
(Shanghai) Co., Ltd.
Building 1, No. 5343 Nanting
Road,Tinglin,
Jinshan District, Shanghai 201505
Tel. 0086 02137 283217-0
Fax 0086 02137 283200
info@washtec.cn

Denmark
WashTec A/S
Guldalderen 10
DK-2640 Hedehusene
Tel. 0045 46557717
Fax 0045 46557716
pkrebs@washtec.dk

France
WashTec France S.A.S.
84, Avenue Denis Papin
F-45 808 St. Jean de Braye Cedex
Tel. 0033 238607073
Fax 0033 238607071
washtec@washtec.fr

Italy
WashTec Srl.
Via Achille Grandi 16/E
I-15033 Casale Monferrato
Tel. 0039 0142418775
Fax 0039 0142453704
info@washtec.it

Netherlands
WashTec Benelux
Industrieterrein Lansinghage
Radonstraat 9
NL-2718 SV Zoetermeer
Tel. 0031 793683720
Fax 0031 793683725
info@washtec.nl

Norway
WashTec Bilvask
Bedriftsveien 6
N-0950 Oslo
Tel. 0047 22918180
Fax 0047 22161717
mdale@washtec.no

Poland
WastTec Polska Sp. z o.o.
ul. Sienna 73
00-833 Warsaw
Tel. 0048 782 402999
jwitkowska@washtec.de

Sweden
WashTec Nordics AB
Grönkullen
S-51781 Bollebygd
Tel. 0046 337006557732
aingebretsen@washtec.no

Spain
WashTec Spain, S.A.U.
C/Isla Graciosa, 1/Edificio Ancora
E-28703 San Sebastián de los Reyes
(Madrid)
Tel. 0034 916636070
Fax 0034 916636071
info@washtec.es

United Kingdom
WashTec UK Ltd.
Unit 14 A Oak Industrial Estate
Chelmsford Rd.
Great Dunmow
Essex CM 6 1 XN
Tel. 0044 1371878800
Fax 0044 1371878810
enquiries@washtec-uk.com

USA
Mark VII Equipment Inc.
5981 Tennyson Street
CO-80003 Arvada
Tel. 001 3034324910
Fax 001 3034230139
markvii@markvii.net

Distributors

An up-to-date overview of our international sales partners can be found online at www.washtec.de

WashTec product range

Products (approx. 2/3 of revenues)

Roll-over systems

Wash tunnels

Self-service wash systems

Commercial wash systems

Water reclaim systems

Operations Business

- WashTec Carwash Operations

Financing

- WashTec Financial Services

Services (approx. 1/3 of revenues)

Service

- Full service
- Call-out service
- Spare parts

Wash Chemicals

Remote Management

Corporate structure

[1] Controlling and profit and loss transfer agreement
[2] Subgroup with Benelux Carwash Management B.V., Zoetermeer, Netherlands, WashTec Benelux Admistrative B.V. Zoetermeer, Netherlands and WashTec Benelux N.V., Brussels, Belgium, whose results are disclosed by WashTec Benelux B.V, Zoetermeer, Netherlands
[3] The company is currently inactive
[4] Incl. offices in Norway
[5] WashTec Cleaning Technology GmbH 90%, WashTec Holding GmbH 10%
[6] Including subsidiary WTMVII Cleaning Technologies Canada, Inc. in Canada

WashTec AG
Augsburg, Germany

WashTec Carwash Operations GmbH [1]
Augsburg, Germany

AUWA-Chemie GmbH [1]
Augsburg, Germany

WashTec Holding GmbH
Augsburg, Germany

WashTec Financial Services GmbH [1]
Augsburg, Germany

WashTec Cleaning Technology GmbH [1]
Augsburg, Germany

Mark VII Equipment Inc. [6]
USA

WashTec Italia Srl.
Italy

WashTec Denmark AS [4]
Denmark

WashTec France SAS
France

WashTec Cleaning Technology GmbH
Austria

WashTec UK Ltd.
United Kingdom

WashTec Spain SA
Spain

WashTec Benelux [2]
Netherlands

WashTec Nordics AB
Sweden

California Kleindienst Ltd. [3]
United Kingdom

WashTec Cleaning Technology SA [3]
Spain

WashTec Car Cleaning Equipment (Shanghai) Co. Ltd., China

WashTec Cleaning Technology s.r.o. [5]
Czech Republic

WashTec Australia Pty Ltd.
Australia

WashTec Polska Sp. z.o.o. [5]
Poland

Financial Calendar

Annual Report 2012	March 26, 2013
Q1 Report 2013	May 7, 2013
Annual General Meeting	May 15, 2013, Augsburg
Q2 Report 2013	August 7, 2013
Q3 Report 2013	November 6, 2013
Equity Forum, Analysts' Conference	November 11–13, 2013, Frankfurt am Main

Publication details

Publisher	WashTec AG Argonstrasse 7 86153 Augsburg Germany
Design/layout	Büro Benseler
Text	WashTec AG
Photo	altro – die fotoagentur, WashTec AG
Printing/litho	Mediahaus Biering GmbH, Munich
Paper	Römerturm Druckfein hochweiß matt 130g/m² FSC mix
Circulation	German 500, English 500

FSC www.fsc.org MIX Paper from responsible sources FSC® C010887

WashTec AG
Argonstrasse 7
86153 Augsburg
Germany

Phone +49 821 5584-0
Fax +49 821 5584-1135
www.washtec.de
washtec@washtec.de