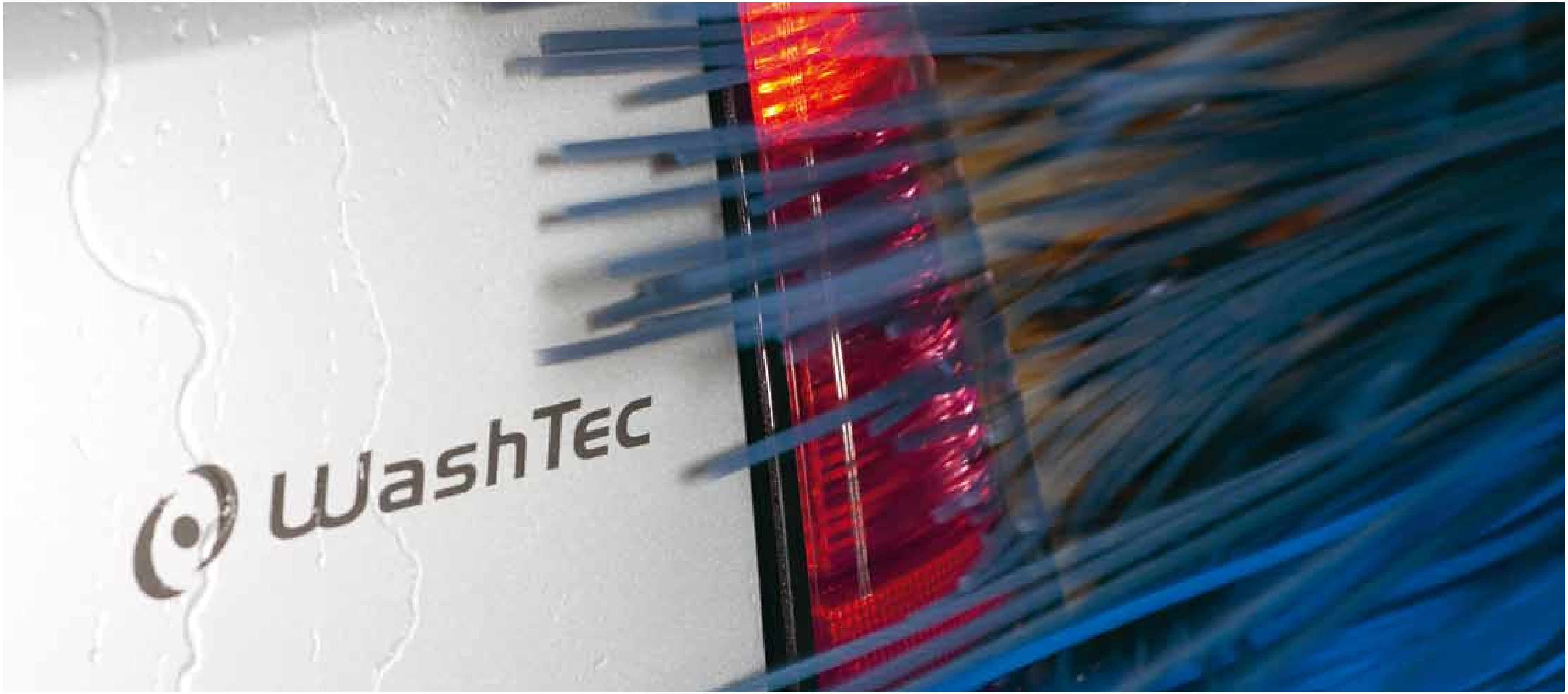
Focusing on the essentials



Annual report 2009 Unaudited translation for convenience pourposes only

WashTec

Group Level KPIs

in €m	2009	2008	2007	2006	2005
Revenues	256.3	285.1	279.7	261.4	225.8
Domestic	97.8	100.9	94.1	92.4	92.7
Abroad	158.5	184.2	185.6	169.0	133.1
EBITDA	22.2	37.1	36.0	32.6	26.1
EBIT	13.1	29.4	28.9	24.9	19.4
EBT	10.5	26.4	25,0	21.0	15.0
Net income	5.8	15.3	12.6	12.5	9.4
Earnings per share €*	0.41	1.03	0.83	0.82	0.81
Net cash flow	20.7	33.0	22.2	22.4	23.7
Investments (excl. finance lease)	5.4	9.8	5.8	10.9	10.5
Balance sheet total	199.9	202.8	211.3	208.8	182.5
Equity	85.6	79.1	72.7	61.7	49.3
Employees**	1,553	1,562	1,529	1,412	1,309

* weighted average number of outstanding shares: 31 Dec 2007: 15.2m, 31 Dec 2008: 14.9m, 31 Dec 2009: 14.0m

** year average

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.

Focusing on the essentials – The carwash business

In the challenging economic climate of 2009, WashTec once again asserted its leading position in the carwash business. WashTec was able to remain profitable and to invest in future opportunities. Despite sales declines in the equipment sector due to the economic downturn, WashTec continued to invest in new products and offerings, while accelerating efforts to further improve the efficiency.

We have been able to maintain profitable in this difficult environment because we have adapted our business model to meet customers' needs already in prior years while focusing on improving efficiencies. Since 2006, we have been able to grow our revenues outside the equipment division by nearly 20% and to keep our revenues stable even during 2009.

Most operators were not heavily impacted by the economic downturn and were still able to run a profitable carwash business. Through our large installed base, our broad sales and service network and additional offerings along the entire value chain, we have been able to contribute greatly to keeping the operation of carwash systems a profitable business model. This is essential to us and this has been and continues to be our focus – helping our customer to run a profitable carwash business.

We do not expect to return to the revenue figures reported in 2007 or 2008 in the coming year. Therefore, our continued focus on the essentials – the carwash business of our customers and the resolute implementation of measures to optimize our cost structures – should improve WashTec's profitability and allow us in the mid-term to return to the EBIT margins of the past.

We would like to invite you to learn more about WashTec with this annual report. In the following pages, our Management Board members, Thorsten Krüger and Christian Bernert, will provide you with a resumé of achievements we have made in the recently completed fiscal year as well as an outlook for the 2010 fiscal year.

We hope you enjoy the read!


shTec

Thorsten Krüger (Dipl.-Ing.), *1964
Spokesman of the management board
Sales, Service, Marketing and Development

Thorsten Krüger has a degree in mechanical engineering. After completing his studies, he began his professional career at Jungheinrich AG, Hamburg before moving to Wap-Reinigungssysteme GmbH, Bellenberg. Prior to his appointment to the management board of WashTec AG in July 2003, he was Managing Director of Alto Deutschland GmbH and also a member of group management for the Alto Group in Denmark, an international manufacturer of cleaning appliances. In his most recent position at the Alto Group, he was responsible for Europe-wide logistics, production and sourcing.

Christian Bernert (BBA/MBA), *1969
Finance, Supply Chain, IT, Law, HR

Mr. Bernert began his professional career as an internal auditor at Henkel-Ecolab, before joining General Electric (GE). He held various positions worldwide for GE, being subsequently appointed Director of Finance for GE Energy Products in Germany. Until 2005, as the director of finance at WashTec, he played a significant part in restructuring the WashTec Group and has served as CEO of the US company following the acquisition of Mark VII Equipment Inc., USA. As of January 1, 2007 Christian Bernert was appointed as CFO of WashTec AG.

Understanding the essentials

A conversation with Thorsten Krüger, CEO, and Christian Bernert, CFO, about strategy and efficiency in times of crisis

Mr Krüger and Mr Bernert, the year 2009 was not exactly easy, particularly for equipment manufacturers in Germany. How was WashTec affected by the downturn?

»WashTec also did not come away unaffected by this year of crisis.«

KRÜGER: WashTec also did not come away unaffected by this year of crisis. The market for carwash equipment shrunk, which led to an approx. 10 percent drop in revenues. The difficulty of obtaining financing for investments and the uncertainty concerning the future economic development have caused our customers to delay investments. These factors have been a particular drag on equipment sales. This effect has manifested itself to varying degrees, depending on the region. In Eastern Europe, a decline in the exchange rate relative to the Euro – in conjunction with high costs for capital – has led to a significant decline in sales. In the core European markets, the decline in sales in individual regions such as Spain and the United Kingdom was particularly substantial. In the United States, the market did not recover in 2009 from the downturn that had already begun there in 2008. In terms of customers, smaller chains and individual retailers have been most affected, as well as car dealerships and transport companies. Our large customers in Europe (the multinational oil companies) have over the past year focused on improving their cost structures, and some of them have announced or already implemented cost-cutting programs effecting their purchasing behavior. Fortunately, at most sites, the carwash business has remained profitable despite economic downturn.

We supply our partners with the best products, processes and services available to develop a successful vehicle wash business.

So WashTec is not any better off than other equipment manufacturers?

»We have been diversifying away from being a pure equipment manufacturer and more towards being a full-service provider.«

BERNERT: Yes it is, because there is one major distinction between WashTec and other manufacturing companies: Roughly 40 percent of our revenues are generated outside of manufacturing equipment, in the service business, wash-chemicals and additional offerings, such as in the operations business. In the past years, we have been diversifying away from being a pure equipment manufacturer and more towards being a full-service provider, in particular through the expansion of our service, operations and wash-chemicals business. Revenues grew from approx. EUR 90m in 2006 to approx. EUR 107m in 2009. In those areas, we offer Service from basic break and fix to long term full service contracts, we operate carwash sites on behalf of and for the account of our customers, and we manufacture and supply wash-chemicals. In addition, we broker financing solutions for our customers and offer market and marketing support. Thanks to these complementary activities, we were able to put some distance between ourselves and the general trends in the equipment manufacturing industry, and were able to remain profitable, even during the 2009 crisis year. We are pleased to say that our revenues in those areas have proven to be stable and therefore, our drop in revenues is less than the losses reported other equipment manufacturers.

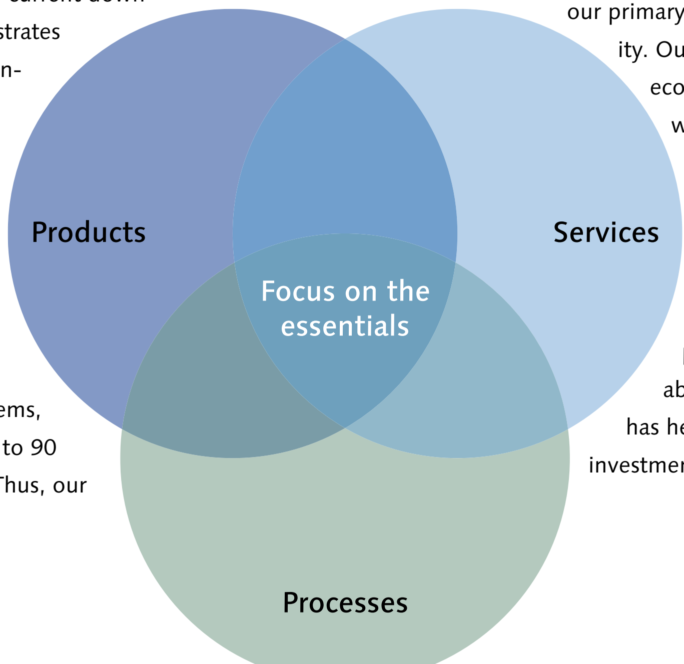
Were there any indications in recent years that overall revenues would decline?

KRÜGER: No, after experiencing five years of uninterrupted growth of revenues and earnings, 2009 was the first year in which we had to report an overall decline in revenues and earnings. Naturally, this is anything but gratifying and by no means satisfactory to us. Unfortunately, the year 2009 has taught us that the business of selling new carwash equipment will not escape the impact of a downturn of the magnitude we are currently experiencing. However, we were also able to see that the diversification of our business model to which we just referred and that focuses on offering products and services covering the entire lifecycle of our carwash equipment, significantly reduces our dependency on the larger economic environment. In these areas, we are reporting revenues at expected levels. This confirms our belief that this strategic alignment has placed us on the right track.

What role does environmental protection play at WashTec? Indeed, can it play any role at all if the goal at the top of everyone's agenda is just getting through the downturn?

»WashTec's business model demonstrates its commitment to sustained environmental protection, and the company makes an active contribution to environmental protection through its products.«

KRÜGER: Completely independent of the current downturn, WashTec's business model demonstrates its commitment to sustained environmental protection, and the company makes an active contribution to environmental protection through its products. For example, our closed-cycle carwash equipment prevents soil and groundwater contamination from wastewater or other substances, such as shampoos and oils. In addition, automated washing of vehicles, using water reclaim systems, reduces fresh water consumption by up to 90 percent compared to manual washing. Thus, our roll-over carwashes which you see at most petrol stations use only 14 liters of fresh water for a standard carwash. By comparison, a modern household washing machine will need 44 liters of fresh water for one standard wash cycle. For this reason, WashTec's products have won several awards for being particularly environmentally-friendly, for example the »White Swan« award in Denmark. In our product innovations and product development, we also constantly focus on further reducing the use of resources including electricity, water and chemicals during the wash process. This is also something we have succeeded in doing on the products we launched on the US market in 2009. Moreover, we are DIN ISO 14001-certified for environmental protection. And something else that matters particularly to our major customers, the multinational oil companies: We comply with their very high HSE standards; HSE stands for Health, Safety and Environment. This is why we also hold a so-called SCC certification (Safety Certificate Contractors), which identifies us as a safe supplier. Of course, we are continuously working on exceeding the specified standards; they constitute a permanent element of our strategic guidelines and a major feature that distinguishes us from our competitors.



BERNERT: Across our entire wash-chemicals product portfolio, as well, our primary focus is on environmental compatibility. Our new ecoline product line provides economical, ecological and effective carwashing, while completely avoiding ingredients requiring mandatory labeling, and the products themselves are completely bio-degradable. Because of our sustainable business model, the WashTec share is included in the investment portfolios of funds that focus on sustainable investments. Since 2007, WashTec has held the SRI Pass status as a sustainable investment.

»Across our entire wash-chemicals product portfolio, as well, our primary focus is on environmental compatibility.«

What else differentiates WashTec from its competitors? Or let me to put the question more specifically: What are WashTec's strengths in this crisis environment?

»As part of our strategy we are constantly working on increasing efficiency and improving our cost structures.«

BERNERT: As part of our strategy we are constantly working on increasing efficiency and improving our cost structures. During 2009, we set up operations in the Czech Republic and China. In the Czech Republic, we are producing customized components as part of in-sourcing for final assembly in Augsburg, whereas our Chinese subsidiary is a ›base camp‹ for procuring components and for entering the Chinese market. These actions have meant that we have been able to defend our margins despite the pricing pressures that inevitably arise whenever there is a slump in sales on the market.

One of our other strengths is that WashTec has enjoyed solid, positive cash flows, even during the crisis year, which has enabled us to take the long view. Therefore, WashTec is continuing to invest, even during the downturn. For example, in 2009 we were the only company in our industry that introduced two completely new product lines in the US market. Thus, we are not merely reducing our costs, but also exploiting our opportunities.

Correct, it is often said that crises always represent opportunities as well. Nevertheless, the slogan at WashTec at the moment seems to be: »focusing on the essentials«: What does that mean precisely?

KRÜGER: Focusing on the essentials means that cost reduction measures will continue to be a high priority for us. We are adapting our cost structures to the decline in sales and strongly pressing forward with our strategic projects in order to increase efficiency. At the same time, we will be watching market trends very precisely and investing wherever growth opportunities present themselves. As the impacts of the financial downturn differ from region to region, we will – depending on market expectations – consolidate our business in certain regions and systematically invest in others. Nor are we ruling out the option of continuing to make acquisitions to expand regionally or further along the value chain.

Products

- Equipment
  - Roll-over wash systems
  - Commercial car wash systems
  - Wash conveyors
- Wash-chemicals
- Water reclaim systems

Every company has adapted its cost structures or is currently doing so. What are the major efficiency measures being introduced at WashTec?

KRÜGER: We do not have to pull efficiency drivers out of our hats just because there is a crisis environment out there. Rather, at WashTec, efficiency improvements constitute the second permanent component of our strategy, together with organic growth. All of the efficiency measures that were planned for 2009 have been implemented on time, and some of them have been accelerated. For example, we reduced our production costs through, among other things, our integrated supply chain that links our factories in China and the Czech Republic with those in Germany and the United States. The plants in the Czech Republic and China began operations in 2009 and are now being expanded step by step. By coordinating our procurement and manufacturing activities, it will be possible in the future to supply standard components to our Augsburg and Denver plants in a cost-effective manner. At the same time, however, we are also taking action at an even earlier stage: when developing components, we are focusing more and more on the design-to-cost aspects – in other words, during the design phase of new components, we already are constantly seeking out solutions that will be particularly cost-effective at all stages of the supply chain. It is just as important for us to increase efficiency in our service business. The expectation we have here is to have the right technician available, with the right spare parts, at the right site at the right time. In addition, at several of our international sales and service subsidiaries, we have launched SAP, thus laying the foundation for further increases in efficiency. In the US, we were able to significantly improve our results of operation, using far-reaching consolidation measures despite the continuing weaknesses in the market.

»During the design phase of new components, we already are constantly seeking out solutions that will be particularly cost-effective at all stages of the supply chain.«

In addition to these »strategic« efficiency drivers, have there been any successful measures that have shown immediate effects?

»We will need to become leaner overall, and continue to significantly streamline our business processes.«

BERNERT: Naturally, we also had some immediate reactions to the changed economic environment. Already at the beginning of last year, we made capacity adjustments at our Augsburg plant, reducing the number of temporary employees. In order to adapt WashTec's cost levels to the changed sales environment, we will be taking further staff measures. We booked restructuring costs for this purpose in 2009. We also reduced our marketing expenses. For example, we did not exhibit at the Equip Auto Trade Fair in Paris last year. Instead we organized an open-house day at our French subsidiary. We will need to become leaner overall, and continue to significantly streamline our business processes. We will further manage logistics and administration more centrally and efficiently, and align all of our business processes more closely with our customers' needs. One prerequisite for all this will be integrated IT systems.

Have you had to adapt your strategy in order to focus on the essentials?

»Our business model is solid. Thus, we see no need to adjust our fundamental strategy.«

KRÜGER: Our business model is solid. Thus, we see no need to adjust our fundamental strategy. It will continue to rest firmly on the two pillars of growth and improving efficiency. Due to the decline in sales last year, however, we will need somewhat more time to achieve the mid-term goals that we had previously communicated. For this reason, measures to increase EBIT will take priority over everything else. Nevertheless, it remains true that even industries like ours have been hit by the global financial and economic downturn. We are constantly looking to see whether our strategy is sufficiently balanced to protect WashTec from these types of impacts. We hope to continue to offer our customers products covering the entire lifecycle of a carwash system, ranging from site analysis to financing, marketing support and service, to wash-chemicals supply and to the operation of equipment. We want to focus more aggressively on the individual areas that have shown themselves to be particularly stable.

Services

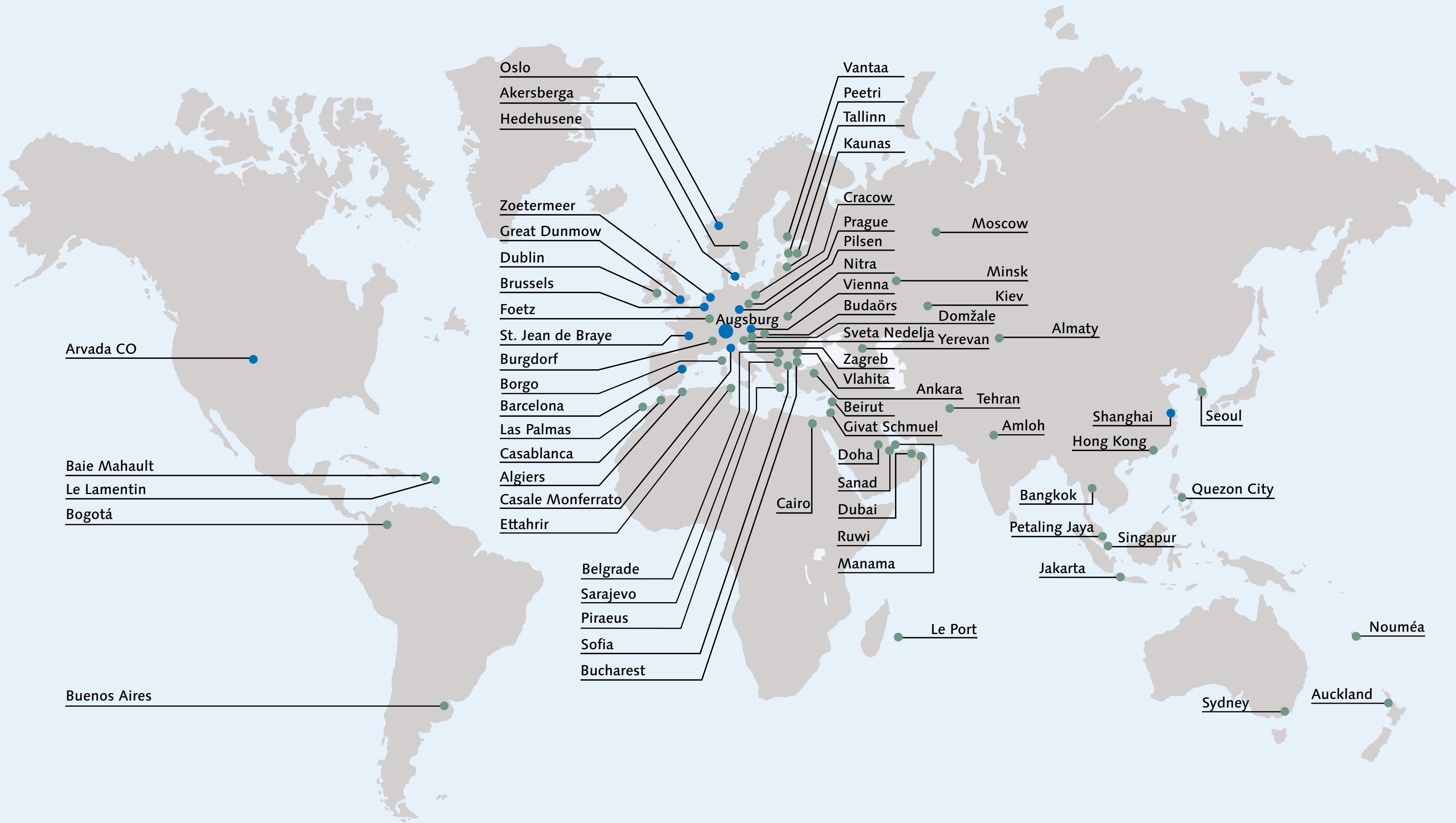
- Full service
- Call-out service
- Operations business
- Financial services
- Marketing
- Spare parts

What do you regard as the key issues and expectations for 2010? Would you like to make a prediction?

»For the years starting 2011, Western Europe should return to »normalized« demands. Despite the set-backs of 2009, Eastern Europe and Asia will continue to be interesting markets.«

BERNERT: Due to our short lead times of six to eight weeks between receiving an order and shipping the equipment, it is difficult for us to make any precise predictions, but we do not expect there to be a significant increase in revenues during 2010. On the other hand, we are also not expecting any further declines, either. During the current year, the market will presumably not recover to 2007 and 2008 sales levels given that the global economic and financial downturn has still not completely run its course. We will continue to focus on cost-effectiveness in 2010, and to exploit all opportunities that present themselves in that regard. Thus, we expect an increase in profitability in 2010. For the years starting 2011, Western Europe should return to »normalized« demands, while in North America we expect to gain in addition further market shares. Despite the set-backs of 2009, Eastern Europe and Asia will continue to be interesting markets. For example, in China we are anticipating further increases to per capita income over the mid-term, accompanied by growth in the car population and in labor costs, which will lead overall to a shift from manual car washing to automated car washing. In addition to benefiting from the local presence that we have established in China, we will have the best preconditions there for entering the Chinese market because our equipment is able to provide carwash customers with better quality and provide operators with a greater number of washes and therefore a higher return on investment than manual washing.

WashTec worldwide



NAFTA
Vehicles: approx. 190m*: stable
Automatic CW Density/usage: moderate
Market > €2 billion*: growing

Mature Europe
Vehicles approx. 200m*: stable
Automatic CW Density/usage: high
Market > €3 billion*: stable

Emerging Europe
Vehicles approx. 60m*: growing
Automatic CW Density/usage: low
Market < €0.5 billion*: growing

Pacific (AUS, NZ, Japan)
Vehicles approx. 80m*: stable
Automatic CW Density/usage: high
Market > €1 billion*: stable

Asia (excl. Japan)
Vehicles approx. 70m*: growing
Automatic CW Density/usage: zero
Market < €0.1 billion*: growing

*WashTec Analysis

Will it be possible in the future to achieve the targeted earnings of the past?

BERNERT: Certainly. Returning to »normalized« demand in Europe and North America, increasing our market share in the US and taking advantage of the market growth in Eastern Europe and Asia will allow us to grow the business further. Thus we will be able to achieve our long term targets of twelve percent EBIT margin. The timing of this will depend on how quickly the overall economy recovers. By focusing on the essentials, however, we are on the right track and are putting a reliable foundation in place for achieving success even in a difficult environment.

»Our targets are achievable, but will be subject to a delay due to the downturn.«

KRÜGER: Yes, our targets are achievable, but will be subject to a delay due to the downturn; in other words, we will not be catching up to them in 2010 or 2011.

Processes
- Sourcing
- Production technology
- Logistic process
- Systems infrastructure for service
- Remote monitoring and diagnostic systems

I have just posed to you quite a few questions to which you provided detailed answers. Are there any thoughts with which you would like to leave our readers?

KRÜGER: On television, what they would say now is: »Stay tuned«. It is a good idea to keep your eyes on WashTec and to watch us develop. Please also feel free to put questions to us directly – we are always pleased to engage in focused discussions with our investors, customers and stakeholders.

Our strategic guidelines

- **Customer focus**
  WashTec is the partner for customers looking for profitable and cost-optimized washing system operations. Our objective has always been to strive for long-term customer relations thanks to the wide availability and proven quality of our systems, combined with the best price-performance ratio.

- **One-stop provider of carwash solutions**
  WashTec aims to meet customer needs in all market segments to the greatest extent possible. We offer intelligent and comprehensive solutions for the entire washing business thanks to our in-depth market knowledge.

- **Quick and measurable key processes**
  Clearly defined processes and management systems set WashTec apart from the competition, allowing us to meet customer requirements in a fast, cost-efficient manner.

- **Employees**
  Employees with an entrepreneurial mindset help shape the strategic focus of the Company. The Code of Ethics is their binding guideline.

- **Growth**
  WashTec aims for growth in the key and developing markets through the optimized exploitation of market potential driven by improved sales structures and a comprehensive product portfolio.

- **Environment and safety**
  Environmental and health protection, as well as safety in the work place are a priority in all business areas. All employees and suppliers are committed to the compliance with legal requirements and continuous improvement.

- **Financial solidity**
  WashTec's sound balance sheet structure, high cash flows, and leadership in terms of return on investment in the carwash industry provide the foundation for the successful future of the Company.

Thorsten Krüger
Spokesman of the
Management Board

Christian Bernert
Member of the
Management Board

Report of the Supervisory Board

Michael Busch
Chairman of the
Supervisory Board

Dear Shareholders,
Ladies and Gentlemen,

In world economic history, the year 2009 will be remembered as the year of shrinking economic output, enormous macro-economic stimulus packages and the resulting growth in government budget deficits throughout the industrial world.

The events of 2009 had a profound impact on the German economy, which depends to a large extent on export trade, as the country's economic output declined by 5%. Many long-standing firms with great historical brands were compelled to march into the bankruptcy courts, and many of them will likely soon be part of history.

In this historical context, the performance of WashTec AG should be viewed with even greater respect. Although the Company was unable to avoid a decline in equipment sales due to the restrained investment environment, the stable service, chemicals and operations businesses all contributed to the positive results that we are reporting to you in this annual report.

The many individual investments, which were made in 2009 for new products and for enhancing efficiencies, will prove to be an enduring step in the continued positive development of WashTec AG.

The supervisory board was particularly happy that the Company was able to make more progress in the United States despite the economic downturn. The growth there gives us hope that we are getting considerably closer – even in 2010 – to our original goal of playing a leading role in that market. We expect that this investment will generate sustainable earnings for us in the years to come.

All things considered: »Car washing« remains »in vogue«, even in times of crisis! And WashTec survives difficult times in solid shape.

All employees and the management board deserve our thanks and appreciation for this achievement.

Work of the Supervisory Board

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 has been directly involved in all decisions with basic relevance for the Company. In fiscal year 2009, the supervisory board regularly obtained information about the status of business and the condition of the Group and 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 had also requested additional reports from the management board and had inspected other relevant Company documentation. Deviations in the planned development of business were explained in detail to the supervisory board, which then checked the explanations based on the documents presented by the management board. The management board conferred and coordinated with the supervisory board on the strategic orientation of the Company. The supervisory board discussed any transactions, which were relevant for the Company, on the basis of the reports issued by the management board.

In fiscal year 2009, the supervisory board regularly obtained information about the status of business and the condition of the Group and supervised the managerial activities of the Company's management board

The supervisory board has given its vote to 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 further development and orientation in various one-on-one talks with the management board. The other supervisory board members were also in contact with the management board outside of the board meetings. All three supervisory board members subsequently provided detailed reports concerning their one-on-one talks with the management board.

In fiscal year 2009, the supervisory board held a total of seven ordinary and extraordinary meetings, of which one was held as a conference call. No resolutions were adopted by the board members without a meeting pursuant to draft resolution circulation and signing procedure. At least one meeting was held each quarter. All members of the supervisory board were present at all the meetings held.

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. 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, discussed with the management board and then decided.

Key issues at supervisory board meetings in fiscal year 2009 were:

- All Meetings: Discussions about current business development and earnings and comparison with the budgeted figures, with a special focus on the development of orders in the wake of the financial and economic downturn;
- Meeting held on February 19, 2009: Discussions in the presence of the annual accounts auditor regarding the earnings generated by the Group and the subsidiaries in the recently completed fiscal year; preliminary financial statements of the WashTec Group; consultation about the items on the agenda for the annual general meeting of shareholders for 2009 as well as about changes in the organizational structure;
- Meeting held on March 19, 2009: Adoption and approval of the annual financial statements and management reports with the involvement of the annual accounts auditor; draft resolutions submitted to the annual general meeting including share buy-back, profit (loss) transfer agreement with AUWA-Chemie and use of profits;
- Meeting held on May 7, 2009: Determination of the focus of the semi-annual audit; discussion of the proposals for improving the audit of the annual financial statements; discussion about planned acquisitions;
- Extraordinary meeting held on July 27, 2009: Resolution on cancelling the redeemed treasury shares;
- Meeting held on September 23, 2009: Update on business progress with a focus on the United States; discussion of the tax strategy; report on internal auditing; the compliance organization and measures; status and outlook for the service business; determination of the focal points for the annual accounts audit;

Key issues 2009:

- *Current business development*
- *Impact of the financial and economic downturn*
- *Strategic orientation and mid-term corporate planning*

- Extraordinary meeting of November 1, 2009: Discussion of the strategy planning for the individual business divisions;
- Meeting held on December 9, 2009: Budget and mid-term planning; additional strategic structuring of the WashTec Group; discussion of possible impact of the financial and economic downturn; resolution regarding remuneration system for the management board and the corporate governance declaration; efficiency assessment.

Corporate Governance

The supervisory board consists of three members; each member is responsible for the area that corresponds to his special expertise

Commensurate with the size of the Company, the supervisory board consists of three members. Given the size of the supervisory board, supervisory board committees are not considered appropriate and were therefore not formed. Within the representative body, each member is responsible for areas and projects that correspond to his area of special expertise. The supervisory board chairman is responsible for the Marketing and Sales divisions as well as for organization, personnel, Group inter-company projects and strategy. Another member of the supervisory board is responsible for the Finance division since he has special knowledge and experience in applying accounting principles and internal control procedures. He acts for the supervisory board in coordinating with the Group auditor selected by the annual general meeting of the Company. In conferences held on February 25 and July 30, 2009, the supervisory board's "financial expert" had extensive discussions with the Group auditor, who was elected by the annual general meeting of shareholders, about the financial statements and interim financial statements. Another member handles the Supply Chain and Development divisions as well as the Asian focus market. The working cooperation among members of the supervisory board can be characterised as efficient and professional. No conflicts of interest arose among supervisory board members.

In its meeting held on December 9, 2009, the Supervisory Board approved a management board remuneration scheme that is based on responsibilities and performance as well as 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 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 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 on corporate management on pages 35–41 (Remuneration Report). A detailed discussion about corporate governance is also set forth there.

Audit of the annual and consolidated financial statements

The financial statements of WashTec AG, which are prepared by the management board, and the consolidated financial statements and the combined management report of WashTec AG and of the Group as of December 31, 2009, were audited by the Company and Group auditors who were selected by the annual general meeting of shareholders – PricewaterhouseCoopers AG, Wirtschaftsprüfungsgesellschaft, Munich – and each issued with an unqualified audit opinion. PricewaterhouseCoopers also audited the annual financial statements of the main WashTec AG subsidiaries. The supervisory board initially defined the focus of the audit and thereupon engaged the auditor to perform the audit. Prior to and during the financial statements (annual accounts) audit, the supervisory board 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) of the German Stock Corporation Act (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, 2009, and the management board's proposal on the use of the non-appropriated retained earnings had been presented to all members of the supervisory board in a timely manner so that the latter could carry out their own review. The audited financial statements, the combined management report and the management board's proposal on the use of non-appropriated retained earnings were the topic of the supervisory board meeting held on March 18, 2010 to approve the accounts. As part of this supervisory board meeting and the supervisory board meeting held on February 23, 2010, the management board also issued a report regarding the development of the Company's earnings.

The auditor attended the meeting on March 18, 2010 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 retained earnings. The supervisory board's review did not yield any objections. At its meeting held for purposes of approving the accounts, the supervisory board therefore 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 adopted. The management board's proposal on the use of the non-appropriated retained earnings was approved by the supervisory board after it reviewed the proposal.

Augsburg, March 2010

Michael Busch
Chairman of the Supervisory Board

Highlights 2009

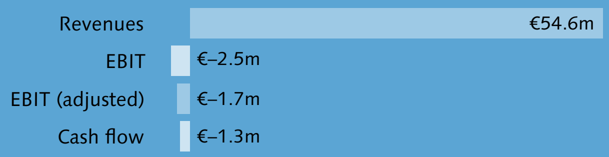
Business divisions

- Continuing growth of the operations business in Europe
- Expansion of the wash-chemicals business
- Investment restraints with negative impact on equipment sales

Markets

- Germany: lower equipment revenues were partially offset by wash-chemical revenues and the operations business
- Central and Eastern Europe: revenues have declined significantly since the second quarter of 2009
- North America: local revenues despite market decline on prior year level

Q1 2009



Q2 2009

Products

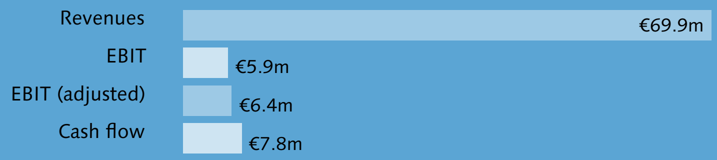
- Successful launch of a new generation of roll-over wash systems in the United States
- Positive feedback to the product innovations launched end of 2008
- New wash-chemical products: all wash-chemicals are biodegradable

Investments

- Start of component manufacturing in the Czech Republic
- Setting-up sourcing activities in China
- International standardization of the IT system environment commenced

Q3 2009

Q4 2009



Sustainability Report

Sustainability as value driver and competitive advantage

The only business model that will ensure WashTec's future business success is one that allows us to secure the long-term loyalty of our satisfied customers and thereby consistently generate solid earnings streams.

At the same time, WashTec conducts its business under the guiding principles of using resources as efficiently as possible and supporting the preservation of available resources by deploying environmentally-friendly products.

The following is a brief summary of the actions we have taken in the fields of ecology, health and safety and social commitment.

1. Environmental protection

- Environment Management System according to DIN ISO 14001
  WashTec has been DIN ISO 14001 certified since 2000, meaning that it is required to meet globally accepted standards for environmental management systems. On a regular basis, Group-wide environmental objectives are set, with measures defined to help us achieve these objectives. The objectives are realized and measured in projects. The extent to which we have met our objectives and the environment management system itself are also regularly assessed and presented in an annual management review.

Significant focus on:

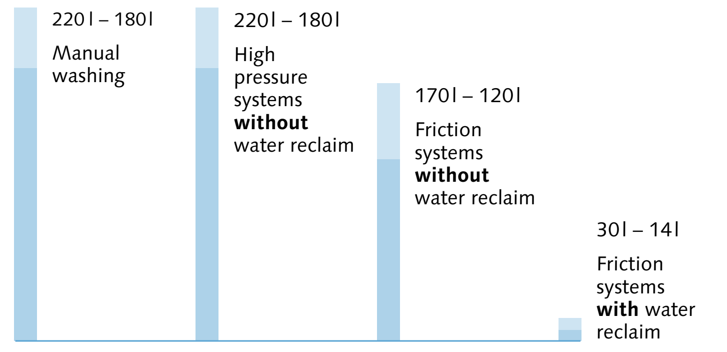
- Energy
  - Optimization of the vehicle fleet as the main generator of the energy needs at WashTec Group (64%): Reducing fuel consumption through GPS routing, Group-wide deployment of carbon particle filters;
  - 29% of the electricity for the Company headquarters and the main production site in Augsburg supplied by renewable energy sources (national average: 15%).
- Waste
  Systematic and segregated collection of all waste material.
  Disposal of waste material (e.g., metal and sheet metal); proceeds 2009: €261k (prior year: €467k).
- Equipment recycling
  All product specification sheets for machine development at WashTec include rules for the most complete possible recycling of the products. Virtually all existing peripheral components can be used again in the event a machine is exchanged – and this ability now extends even to parts of the system control.

2. Environmental protection through WashTec Produkts

WashTec AG is committed to sustainable environmental protection through its business model, and its products make an active contribution in protecting the environment. We expect that the demands in water treatment or water reclamation will continue to rise in view of the increasing scarcity of water as a resource. In this regard, we are best equipped with our products:

- Thanks to the closed cycle, there is no contamination of the ground and ground water through water or other substances such as shampoo and oil
- Mechanical washing and water reclaim systems reduce water consumption by up to 90%. For example, a roll-over wash system uses only 14 liters of fresh water during a standard wash (compared to 44 liters of fresh water consumed during a standard wash using a modern washing machine).

Fresh water consumption (in litres per wash)



Source: WashTec analysis

- For its entire wash-chemicals product portfolio, WashTec puts its major focus on achieving constant improvement specifically with respect to care features and environmental compatibility. For example, the new »ecoline« product line washes economically, ecologically and effectively and uses absolutely no ingredients that require special labelling.
- Multiple awards and distinctions for environmentally-friendly WashTec products, including the »White Swan« prize in Denmark

3. WashTec as a sustainable investment

Due to the Company's sustainable business model, WashTec shares are included in investment funds that focus on sustainable investment. Since 2007, WashTec has had »SRI Pass Status« (Sustainable & Responsible Investment). Currently approx. 10% of WashTec's shares are held by investors who focus on sustainability.

Health and safety

- Reorganization and design of all production processes factoring in ergonomic procedures and tools
- Regular preventative medical examinations offered, organization of »WashTec Health Days«, etc.
- SCC certification regarding an extensive health and safety-at-work management system. Routine training and certification programs on prescribed conduct at the petrol stations when preparing and implementing the commissioning, maintenance and service measures at the car wash system.

Compliance with the safety regulations is routinely monitored through internal and external audits. As a whole, the number of occupational accidents at WashTec has been reduced considerably over the past years.

Social commitment – the Bunte 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.

The registered association, Bunte Kreis e. V., which was formed in Augsburg in 1991, supports handicapped and sick children as well as families with approximately 70 professionals in the fields of psychiatry, social services, medicine and finance.

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

The WashTec Share

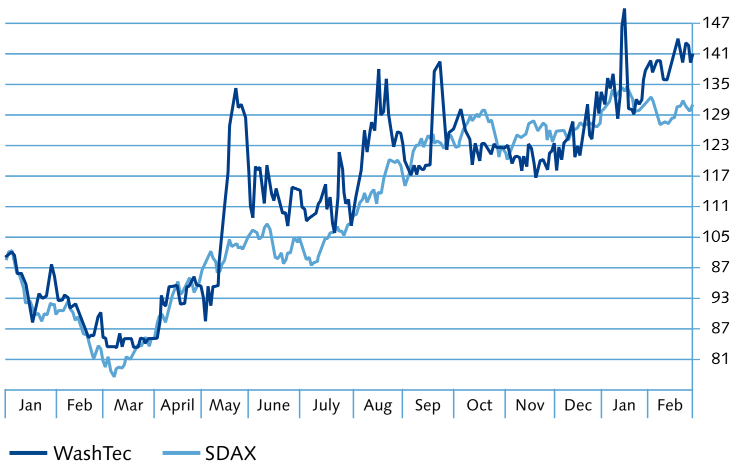
Christian Bernert
Member of the Management Board

The 2009 stock exchange year

The WashTec share price was able once again to recover significantly during the course of the 2009 stock exchange year after it had been heavily weighed down by the global financial and economic downturn at the end of 2008. In general, the share price closely tracked the SDAX benchmark index.

The Company's share price began the year at € 6.18, and then climbed to its high of €8.20. The share price closed the year at €7.61. Thus, the share price performance for the entire year was +23 % (SDAX +25 %). As of March 1, 2010, the Company's shares were trading at €8.40.

Price Development of WashTec shares in 2009/2010 compared to SDAX (indexed)



Cancellation of shares

1,223,030 shares cancelled without reducing the registered share capital

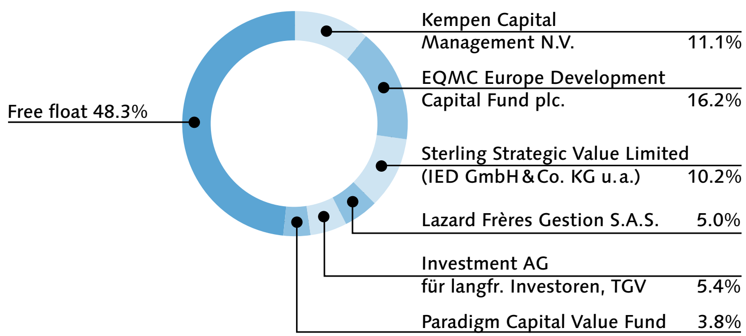
Since the previous stock option plan expired in July of 2009 without the conditions for exercise having been met, the Management Board with the consent of the Supervisory Board resolved on July 27, 2009 to cancel the 1,223,030 shares, which the Company had previously bought back and held as treasury stock, without reducing the registered share capital. The Company's registered share capital therefore reamins at €40 million and is now divided into 13,976,970 no par shares.

Shareholder structure

Shares of WashTec AG are listed on the Prime Standard segment, and the majority of those shares are held by institutional investors.

Shareholder structure (as of February 24, 2010)

Free Float as defined by Deutsche Börse at 100%

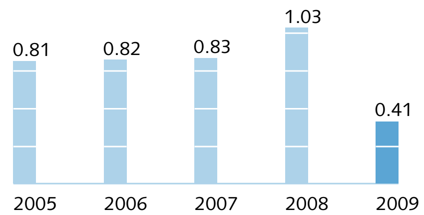


Source: Disclosure pursuant to the German Securities Trading Act (WpHG)

In 2009, there were again reallocations of WashTec shares. »Paradigm Capital Value Fund« and »Investmentaktiengesellschaft für langfristige Investoren TGV« reported that they exceeded the reporting threshold of 3% and 5%, respectively. »EQMC Europe Development Capital Fund« reported that it had exceeded the reporting threshold of 15%. On the other hand, »Julius Bär«, »Cycladic Capital LLP« and »Impax Group plc.« reported that they had fallen below the 3% reporting threshold.

The volume of WashTec shares traded on XETRA remains low and has prevented the share's inclusion in the SDAX.

Earnings per share in €



Active Investor Relations

The Company continued its active investor relations work in 2009. In addition to the comprehensive quarterly reports, shareholders of WashTec AG were also informed about all important events in a timely and ongoing manner.

AUSGEWÄHLT VON DEUTSCHE STANDARDS BEISPIELHAFTE GESCHÄFTSBERICHTE 2009

The 2008 WashTec Annual Report was selected for inclusion in the 2009 edition of »Deutsche Standards« as an exemplary annual report.

WashTec shares are covered by a number of independent analysts

WashTec shares are covered by a number of independent analysts. HSBC Trinkaus & Burkhardt, HVB Unicredit and MM Warburg regularly report on the Company. As of the end of the reporting year, all analysts had issued »buy« recommendations for WashTec shares.

In fiscal year 2009, the Management Board held presentations on the Company at numerous road shows aimed at institutional investors in various countries across Europe. WashTec was also present at a number of analysts' and investor conferences.

Current data on WashTec shares and more detailed information about the WashTec Group and its products can be found at www.washtec.de.

Key data on WashTec shares

		2009	2008	2007
Annual closing price*	€	7.61	5.89	11.25
Annual high*	€	8.20	12.00	16.10
Annual low*	€	4.90	5.30	10.97
Annual opening price	€	6.18	11.20	13.85
Number of shares as of Dec 31	million	14.0	15.2	15.2
Market capitalization as of Dec 31	€m	106.36	89.52	171.00
Development over the year	%	+23	–47	–19
(for comparison: SDAX)	%	+25	–46	–7
Earnings per share	€	0.41**	1.03**	0.83**

* based on XETRA-closing prices
** weighted average number of outstanding shares; Dec 31, 2007: 15.2m; Dec 31, 2008: 14.9m; Dec 31, 2009: 14.0m

Combined Management Report of WashTec AG and the Group for 2009

1. Business performance and background

1.1 Overall economic performance

Current economic environment

The financial and economic downturn and the ensuing decline in the economic climate have affected all of the global markets during the last fiscal year. The German IfW Institute for Economic Research estimates that »the recovery of the global economy [...] will continue during the next two years. However, the momentum of the economy during the forecasting period will remain moderate overall [...]«. In the view of the IfW, growth in the emerging market countries will show a strong increase, whereas »economic growth in the major industrial nations will pick up only at a sluggish pace«. (Source: IfW press release dated December 16, 2009).

Impact on the car wash business

Uncertainty about future economic developments and the limited financing options available led customers to delay investing in car wash equipment

In the past, economic trends have had only little impact on the sale of car wash equipment because the operation of car wash equipment is usually profitable and relatively immune to general economic trends. However, this was only partially true in 2009: Although the operation of carwashes continued to be relatively unaffected by economic trends, uncertainty about future economic developments and the limited financing options available led customers in many cases to delay investments in car wash equipment. This impacted, above all, smaller chains and individual operators, but also customer segments such as car dealerships and transport companies.

Large customers such as multinational oil companies, which operate a large share of the installed base in Europe, are continuing to make investments to replace equipment based, primarily, on the age of the equipment and their investment budgets. Nevertheless, individual multinational oil companies have announced cost cutting schemes and some of them have already implemented them.

During 2009, the development of the exchange rates affected the business performance of the WashTec Group only in terms of sales. Exchange rate devaluations versus the euro, particularly in the UK and Eastern Europe, in conjunction with high costs of obtaining financing, led to a drop in sales. Fluctuations in the US dollar to euro exchange rate did not, however, impact WashTec's operating business because all products for the US market are now produced in the US. In addition, the US subsidiary is financed in US dollars.

1.2 Market

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.

Northern and Western Europe

Particularly Spain and the UK have been affected by the financial and economic downturn; Germany relatively stable

Northern and Western Europe is by far the most developed sub-market, with the highest proportion of installed car wash equipment. As a stable replacement market, it is characterized by a high level of replacement investments. Major clients are multinational oil companies, which operate car wash equipment either themselves or through the operators of their petrol station networks. Further clients are independent customers such as supermarket chains, individual operators, logistics companies or car dealerships. As a rule, the replacement cycle for roll-over wash equipment is between five and ten years. In the Northern and Western European markets, particularly Spain and the UK have been affected by the financial and economic downturn, while Germany remained relatively stable.

US sales of car wash equipment in the last fiscal year strongly affected by the financial and economic downturn

USA

Whereas almost 100% of the roll-over equipment operated in Europe are friction roll-overs, touch-free high-pressure washing equipment accounts for over 70% of the US roll-over market. In addition to roll-over equipment, wash conveyors account for a larger market share in the US than in Europe.

In the US, most customers are independent small- to medium-size operators. Because options for financing have sharply deteriorated for these customers over the past year, US sales of car wash equipment in the last fiscal year were strongly affected by the financial and economic downturn.

Due to the economic downturn many customers have postponed new investments

Emerging Markets

Central and Eastern Europe as well as Asia are markets in which automatic car washing only has a low market share due to lower labor costs. Although before 2009, the market share for automatic car washing was continuously increasing, since the beginning of 2009 much of the new investments in this area have been postponed due to the economic downturn.

WashTec anticipates that the increasing number of vehicles, the rise in per capita income and increasing investments in petrol station networks, will, in the coming years, cause the market for car wash equipment to grow again in the mid-term.

With the exception of individual markets in Japan, Africa and South America, the WashTec Group markets its products globally via subsidiaries or distributors and generated more than 80% of its total 2009 revenues in Europe.

Customer groups

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

Competition

Northern and Western Europe

Major competitors in Europe:
- *Otto Christ AG, D*
- *Ceccato SPA, I*
- *Istobal SA, E*

The European market for car wash equipment is characterized by a small number of suppliers. According to its own surveys, WashTec is the market leader, with more than 20,000 installed roll-overs in Europe. WashTec's key European competitors are Otto Christ AG (Germany), Ceccato SPA (Italy) and Istobal SA (Spain).

Central and Eastern Europe

The competitive situation in Central and Eastern Europe mostly corresponds to the situation in Western Europe.

USA

Fragmented market characterized by a large number of smaller, regional suppliers

In comparison to Europe, the US market is highly fragmented and characterized by a large number of smaller suppliers, many of whom have a regional focus. WashTec expects to see consolidation over the mid-term. The current, difficult market environment may accelerate this trend. WashTec's largest competitors in the North American market are Ryko Equipment Inc., PDQ Manufacturing Inc., and SONNY'S Enterprises Inc.

Asia

Car wash in the Asian markets is performed primarily by professional manual washers. The market is highly fragmented in the automatic car wash business and is dominated by small, local manufacturers.

Pacific (Japan, Korea, Australia, New Zealand)
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 the Australia and New Zealand markets.

Key market drivers

Economy: Rising per capita income and increase in the number of newly registered cars

Rising per capita income and an increase in the number of newly registered cars are leading to an increasing demand for automatic car wash systems. The number of newly registered cars has continuously increased until the financial and economic downturn across the globe; above-average growth rates were being recorded in Eastern Europe and Asia, in particular. Following the declining car sales figures caused by the financial and economic downturn, the number of registered cars now starts to rise again around the world. These factors could provide new impetus to the car wash business and increased demand for car wash equipment (Sources: CAR University Duisburg-Essen; R. L. Polk & Co., February 2010).

Technology: Increasing demands with respect to speed, comfort and quality of the wash

Compared to hand-washing, automatic car wash generates considerably better wash results. Furthermore, the wash process in an automated car wash is far less time-consuming. Rising demands with respect to wash results, combined with lower waiting and throughput times, will mean greater acceptance of automatic car washing in the future.

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

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

1.3 Product range of the WashTec Group

The product range comprises 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. The sale of roll-over wash equipment and Service are the Company's major revenue drivers.

New and used equipment (€149.0m revenues)	■ Roll-over wash equipment ■ Self-service wash equipment ■ Commercial carwash equipment ■ Wash conveyors ■ Water reclaim systems
Spare parts and service (€82.9m revenues)	■ Full service ■ Call-out Service ■ Spare parts
Chemicals (€16.3m revenues)	■ Wash-chemicals
Rent, Accessories and Miscellaneous (€8.1m revenues)	■ Wesurent car wash marketing ■ WashTec Financial Services

1.4 Production and logistics

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

The WashTec Group currently produces its entire product range for Europe in Augsburg, Germany. Since 2009, individual components have been partially sourced or manufactured in China and the Czech Republic. Equipment that is sold to the North American market is produced in Denver, USA.

The Company has two further, small production sites in Recklinghausen, Germany, (control units) and in Grebenau, Germany (wash-chemicals).

The final assembly of various pre-fabricated components and parts accounts for the majority of work performed at the production sites in Augsburg and Denver. 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.

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.

1.5 Legal framework

The WashTec Group must comply with the applicable laws and regulations in force in all of the countries in which it operates. These include, in particular, laws and regulations on technical safety and environmental protection, provisions related to chemicals (such as disclosures, registration, labeling and handling), building standards, labor law and regulations, and laws and standards governing industrial and occupational safety.

Increasing importance of water as a resource and prohibitions on the hand-washing of cars drive automatic car washing

The Company believes that the increasing importance of water as a resource will lead to laws and regulations on the consumption of fresh water. Therefore, regulations on hand-washing of cars will increase on an international level.

1.6 Quality and environmental management

High-quality products provide the basis for the 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 offers biological, mechanical and chemical water reclaim systems for all of its equipment to ensure environmentally-friendly car washes. In this way, the amount of fresh water used by a roll-over car wash can be reduced to less than 20 liters per wash. The ecoline product line provides economical, ecological and effective carwashing, while completely avoiding ingredients requiring mandatory labeling, and the products themselves are completely bio-degradable.

1.7 Research and development

Continuous enhancement of existing product offering through innovation

WashTec is the leader in innovation, and in early April 2009, it presented a new generation of roll-over washing equipment (both touch-free and friction) at the US industry's biggest trade fair, the ICA, in Las Vegas, USA. The research and development activities of the WashTec Group are aimed at continuously enhancing the existing product offering through innovation and at catering to the individual design and program requirements of customers in a timely and effective way. The Company's research is directed particularly at preserving the natural resources, achieving shorter throughput times, car paint-friendly vehicle handling, adapting wash equipment to suit the ever-increasing number of car shapes and contours, high availability of the equipment and meeting customer demands for more user-friendly car washing. A technological product team, including experts from Germany and abroad, is responsible for developing new technological solutions and concepts.

WashTec attaches great importance to the protection of its innovations through the use of patents. The WashTec Group has more than 60 active (i.e., granted or registered) inventions/patent families. The core concept of WashTec's patent strategy is to safeguard innovations that give WashTec unique selling points.

In 2009, the capitalized development costs of the Group totaled €0.7m (prior year: €3.3m). Reported non-capitalized costs totaled €0.6m (prior year: €0.4m). The reason for the high development costs during 2008 was the new equipment generation introduced in the US in April 2009.

Comparison of capitalized and non-capitalized development costs in recent years:

€m	2009	2008	2007
Capitalized development costs	0.7	3.3	0.9
Non-capitalized development costs	0.6	0.4	0.8
Total costs	**1.3**	**3.7**	**1.7**

1.8 Employees

Number of employees increased to 1,553

In recent years, WashTec has used temporary workers for a portion of its final assembly work. Lower capacity needs due to lower equipment sales were compensated to a large degree by reducing the number of temporary workers and working time accounts. Despite additional employees in the areas of service (USA) and supply chain (Czech Republic and China) between December 31, 2008 and December 31, 2009, the total number of employees merely increased by 4 to 1,553.

Personnel expenses in 2009 totaled €89.9m (prior year: €89.4m). The 2009 expenses include €1.0m for restructuring costs. In Germany, the WashTec Group is subject to the collective wage agreements of the trade union IG Metall. In 2007, the Company concluded a supplementary collective wage agreement with representatives of IG Metall, which provides for a gradual increase to 37 working hours per week, with no additional pay, in return for a commitment to maintain jobs in Germany until 2010.

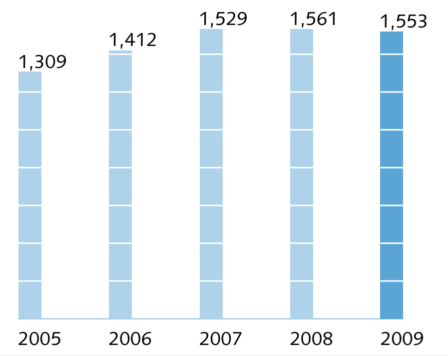
Number of employees

	Dec 31, 2009	Dec 31, 2008	Change
Sales and service	908	904	+4
Production, technology and development	464	470	-6
Finance and administration	181	175	+6
Total	**1,553**	**1,549**	**+4**

WashTec's employees are a significant foundation of the Group's commercial success. The satisfaction of WashTec's employees, for example in Germany, is reflected in the low levels of employee turnover, at 1.4% (prior year: 1.4%) as well as in the long average period of service, which is 16.0 years (prior year: 15.0 years).

All executive employees have contracts with fixed and variable remuneration components. The variable remuneration components are linked to the achievement of Group targets and to individually agreed objectives.

Average number of employees by year



1.9 The Company's management systems

The main instruments used for the Company's monitoring and management system are the following:

- Extended monthly management board meetings with division heads
- Regular international group management meetings with all of the heads of the operating companies
- Strategic and annual planning, including investment planning, production and capacity planning
- Regular reporting and forecasting, ongoing market analysis,
- Revenue, sales, order backlog and market share analyses

Key figures for the Company's planning and management

- EBIT margin
- Operating results per business segment
- Working capital
- Equity ratio and leverage
- Cash flow

Key non-financial performance indicators

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

In order to assess the extent to which WashTec meets these goals, it continuously carries out customer satisfaction surveys by which the Company evaluates customer satisfaction with its products and services. The surveys have shown that the customers are persistently very satisfied with WashTec's performance.

Comparison figures covering multiple years showing employee turnover and average period of service are set forth in the section, »1.8 Employees«.

Multiple year comparison of key planning and management figures

	2009	2008	2007
EBIT margin in %	5.1	10.3	10.3
Equity ratio in %	42.8	39.0	34.4
EBITDA/Net interest expense	8.7	12.2	9.3
Cashflow from operating activities in €m	20.7	33.0	22.2

1.10 Organizational structure of the WashTec Group

WashTec AG

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

Since WashTec AG does not have any operations of its own, its net assets, financial position and results of operation 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 Wesurent car wash marketing GmbH.

WashTec Holding GmbH

With the exception of AUWA-Chemie GmbH and Wesurent car wash marketing 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

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 European, North American and Chinese markets. Subsidiaries in the US, Spain, the UK, France, Belgium, Denmark/Norway, Austria, Italy and the Netherlands are responsible for selling and servicing WashTec products. Furthermore, the US subsidiary assembles car wash equipment geared primarily towards the North American market. The subsidiary in China serves mostly as a supplier of components and should also serve over the mid-term as a distribution platform for the Asian market. The Czech subsidiary, which was formed in early 2009, manufactures customized components for final assembly in Augsburg.

WashTec Financial Services GmbH

WashTec Financial Services GmbH brokers tailored financial solutions to customers of the WashTec Group interested in purchasing 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 facilities using its own distribution organization within Germany and distribution partners throughout Europe. A profit and loss transfer agreement is in place between AUWA-Chemie GmbH and WashTec AG.

Wesurent car wash marketing GmbH

Wesurent car wash marketing GmbH handles the operation of wash systems on behalf of and for the account of its customers. The company also offers numerous other services, such as profitability and site analyses. A profit and loss transfer agreement is in place between WashTec AG and Wesurent car wash marketing GmbH.

The activities, revenues and earnings of AUWA-Chemie GmbH, of WashTec Financial Services GmbH and of Wesurent car wash marketing GmbH are explained in the segment reporting section under the area »Others«.

1.11 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 section 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.

In the fiscal year under review, the management and supervisory board once again gave their careful attention to satisfying the requirements of the Code, including, in particular, the new requirements in the Code as amended on June 18, 2009.

WashTec AG is implementing the recommendations of the Code in substantial respects

After careful consideration, WashTec AG has 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 June 18, 2009, 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 9, 2009, which is reproduced on p. 38,.

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

Corporate and managerial structure

Supervisory board

The Company's supervisory board consists of three members – an appropriate number given the size of the Company. As is commensurate with the size of this corporate body, no committees have been or will be created (contrary to the recommendation in sec. 5.3 of the Code).

Each member of the supervisory board is responsible for a particular area

The work of the supervisory board is characterized by efficiency and professional expertise. Each member of the supervisory board is responsible for a particular area within the framework of overall management responsibility, depending on his particular expertise. In addition to his role as the chairman of the supervisory board, Michael Busch is responsible for sales and marketing as well as organization, personnel and group intercompany projects and strategy. Jürgen Lauer assumes the role of the supervisory board's »Financial Expert«. Roland Lacher is responsible for Supply Chain and Development on the supervisory board. He also oversees the development of the Asian focus market.

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 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. It 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 the system of compensation for the management board, including the main contractual elements of that system (section 4.2.2 of the Code). Management board decisions of special significance – for example, major acquisitions, divestitures and financing measures – are subject to its 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 portfolios of the members of the management board, set forth the matters that are reserved for decision by the full management 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 consists of two members, is a corporate constitutive body of the Company and is required to act in its 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, 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.

Christian Bernert, a member of the management board since 2007, is responsible for finance, IT, legal, human resources, supply chain and service support. Thorsten Krüger, who has been a member of the management board of WashTec AG since 2003, is responsible for sales and service, marketing as well as research and development. He also acts as the spokesman of the management board.

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 of WashTec AG or 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 on the Company's website at www.washtec.de/Investor Relations/Directors' Dealings.

Shareholdings of management and supervisory boards

Management board member, Christian Bernert, held 33,794 shares in WashTec AG as of December 31, 2009. Apart from the foregoing, the management and supervisory board members did not hold any shares in WashTec AG as of December 31, 2009.

Shareholders and annual general meeting

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. Furthermore, WashTec AG is present at a number of analysts' conferences over the course of the year. In 2009, it sent representatives to the German Equity Forum (Deutsches Eigenkapitalforum) and the German Investment Conference, among others.

The annual general meeting of shareholders of WashTec AG takes place in the first five months of the fiscal year, usually in May. The annual general meeting adopts resolutions, inter alia, on the appropriation of net income, the ratification of the acts taken by the management and supervisory board, 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 general meeting of shareholders are available for downloading from the Internet

In 2009, as before, WashTec AG made all of the documents relevant to its annual general meeting available 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 or electronically transmits notices of such meetings.

Risk management

Dealing responsibly with commercial risks is one of the basic principles 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 the German Accounting Law Modernization Act [*Bilanzrechtsmodernisierungsgesetz or BilMoG*] on the internal monitoring and risk management system as it relates to accounting matters.

Compliance

Corporate Governance Guidelines

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 www.washtec.de/Investor Relations.

A compliance organization has been set up

WashTec has established a compliance organization, which is intended to ensure that all of the legal and regulatory requirements are observed. 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.

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

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

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 annually.

The list of insiders mandated pursuant to 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 (see p. 36). Furthermore, the individuals affected at WashTec are 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 on the Company's website at www.washtec.de, provided that the requirements of section 6.6 of the Code have been met. The »Annual Document«, within the meaning of sec. 10 of the German Securities Prospectus Act [WpPG], summarizes all of the publications of WashTec AG required under the securities laws and made over the past 12 months and makes them available to the public once a year on the Company's website.

The text below is the wording of the declaration of conformity required under sec. 161 of the German Stock Corporation Act as it was issued by the Management Board and Supervisory Board on December 9, 2009 and published on the Internet at www.washtec.de.

»Declaration of Conformity under sec. 161 AktG

The management and supervisory boards hereby declare that WashTec AG complied with the recommendations of the Government Commission of the German Corporate Governance Code (version dated 6 June 2008) from the date on which they issued their last declaration of conformity on 3 December 2008 until 4 August 2009, and that since 5 August 2009, WashTec AG has complied and continues to comply with the version of the German Corporate Governance Code dated 18 June 2009. The following exceptions have applied and continue to apply:

- The D&O insurance policy taken out by the Company for the members of its management board and supervisory board did not and does not provide for a deductible (section 3.8, para. 2 of the Code). The management board and supervisory board generally act in the interests of the Company - thereby taking into account the concerns of the shareholders, the Company employees and the other groups affiliated with the Company (stakeholders) - in accordance with the applicable laws and the Corporate Governance Code. In the opinion of the Management Board and Supervisory Board, the agreement of a deductible does not further help to promote responsible actions on the part of the members of the management board and supervisory board. The supervisory board premium for the D&O insurance policy is borne by the members of the supervisory board themselves.
- Until 22 July 2009, stock option plans were a variable component of the management board remuneration scheme and had a multi-year basis of assessment. No possibilities for restricting extraordinary, unforeseen developments have been put in place (section 4.2.3, para. 3 of the Code). The stock option plans lapsed on 22 July 2009 without the conditions for exercising the options having been satisfied. Since that date, there are still variable components, but there is no more multi-year basis of assessment (section 4.2.3, para. 2 of the Code).
- An existing management board contract does not currently provide for a general cap on severance payments (Severance Payment Cap), which is limited to a maximum of two years of annual remuneration, in

the event that there is a premature ending of the management board engagement. Also in the event that there is a premature ending of the management board engagement due to a change of control, the relevant management board contract currently does not provide for a limit of up to 150% of the Severance Payment Cap (section 4.2.3 of the Code). For the period commencing 1 January 2010, this management board contract was, however, amended to take into account the recommendations contained in section 4.2.3 of the Code. Thus, beginning 1 January 2010, the Company will need to comply with section 4.2.3 of the Code with respect to the management board compensation.

- As the Company's supervisory board comprised and comprises only three members, no committees have been or will be formed (sections 5.3.1, 5.3.2, and 5.3.3 of the Code). The supervisory board does not view such action as necessary given the number of members and specifically believes that the creation of committees when there are only three members would make the work of the body unnecessarily difficult.

Augsburg, 9 December 2009

WashTec AG
Management board and supervisory board

Further information about corporate governance is available in the 2008 Annual Report pages 40 et. seq. as well as in the annual reports of prior years and may be downloaded from www.washtec.de.«

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 Corporate Governance 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 [Aktiengesetz or AktG] as well as, to a substantial extent, with the recommendations and suggestions contained in the Code. The remuneration system was last discussed by the supervisory board at its meeting of December 9, 2009 and adopted by resolution, including the major elements of remuneration (section 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 to take unreasonable risks.

Fixed salary

The members of the management board are paid a fixed non-performance related salary amounting to €644,999 in total (prior year: €489,056). 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.

By contrast, variable components of remuneration, which depend, inter alia, on the Company's commercial results, ensure that the interests of the management board and those of the remaining stakeholders are aligned.

Short-term variable remuneration – performance related components

The variable remuneration components include annually payable, recurring components linked to business performance. They track the earnings per share (»EPS«) after taxes, as determined pursuant to IFRS, above a base amount set by the supervisory board. By setting a challenging threshold for achieving variable compensation on the basis of actual earnings per share, WashTec grants its management board members a variable component of compensation which takes account of both favorable and unfavorable developments (section 4.2.3, para. 2 of the Code.).

The entire short-term remuneration paid to the management board during the 2009 fiscal year is set forth below.

EPS €	Base amount	Multiple
Thorsten Krüger	0.60	4,000
Christian Bernert	0.50	3,000

	2009	2009	2008	2008
Remuneration in €k	Fixed	Variable	Fixed	Variable
Thorsten Krüger	429	0	273	318
Christian Bernert	216	0	216	159
Total	**645**	**0**	**489**	**477**

Components with long-term incentive

Until July 22, 2009, stock option plans were available for directors as a component of variable remuneration calculated over a period of multiple years. These stock option plans did not provide any limitation opportunities in the event of extraordinary, unforeseen developments (section 4.2.3, para. 3 of the Code). The stock option plans expired on July 22, 2009 without the preconditions for exercising the options having been met. Since that time, there have been no components of variable remuneration that are calculated over a period of multiple years (4.2.3, para. 2 of the Code). For the future it is however planned to re-incorporate components of variable remuneration that are calculated over a period of multiple years into the remuneration of the members of the management board.

	Option holdings Jan 1, 09	Option holdings Dec 31, 09	Expenses in €k 2009	Expenses in €k 2008
Thorsten Krüger	495,000	0	285	570
Christian Bernert	105,000	0	61	121
Total	**600,000**	**0**	**346**	**691**

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. No defined-benefit obligations have been made.

Contribution-oriented pension commitments in €k	2009	2008
Thorsten Krüger	56	0
Christian Bernert	0	0
Total	**56**	**0**

If the beneficiary dies during the term of the management board agreement, his wife will have a right to claim the full amount of the fixed salary for up to six months thereafter.

Other benefits in connection with the termination of employment

The contracts currently in place with both directors 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.

An existing management board employment contract did not provide for any 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 during the 2009 fiscal year. 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 did not limit such payments to a maximum of 150% of the severance cap (section 4.2.3 of the Code). However, that management board employment contract has been replaced by a new contract effective January 1, 2010, which takes into account the recommendation contained in section 4.2.3 of the Code. As of January 1, 2010, the Company complies with the recommendations of 4.2.3 of the Code.

Miscellaneous

The members of the management board have not received any loans or other indemnities from the Company

Supervisory board remuneration

In accordance with the resolution adopted by the annual general meeting held on May 8, 2008, 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. The basic fixed remuneration for an ordinary member of the supervisory board is €10,000. In addition, each member of the supervisory board receives performance-based remuneration of €800 for each cent that the consolidated results determined in accordance with IFRS exceed the amount of €0.50 per share. The basic fixed and variable remuneration for an ordinary member of the supervisory board is limited to a maximum of €100,000. In accordance with § 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. The Company has not paid any remuneration or granted any benefits to the members of the supervisory board during the 2009 fiscal year for services rendered personally by them (section 5.4.7 of the Code).

2009 in €k	Fixed	Variable	Total
Michael Busch	20	0	20
Jürgen Lauer	15	0	15
Roland Lacher	10	0	10
Total	**45**	**0**	**45**

2008 in €k	Fixed	Variable	Total
Michael Busch	20	85	105
Jürgen Lauer	15	64	79
Roland Lacher	10	42	52
Total	**45**	**191**	**236**

1.12 Disclosures in accordance with secs. 289 (4) and 315 (4) HGB – Explanatory Report by the Management Board

The following text includes both disclosures in accordance with secs. 289 (4) and 315 (4) HGB and the explanatory report by the management board in accordance with secs. 120 (3), sentence 2, and 175 (2), sentence 1 AktG.

Sec. 315 (4) no. 1 HGB »subscribed capital«

The Company's subscribed capital totals €40,000,000 and is divided into 13,976,970 non-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 power of control.

The Company's subscribed capital totals €40,000,000 and is divided into 13,976,970 non-par value bearer shares

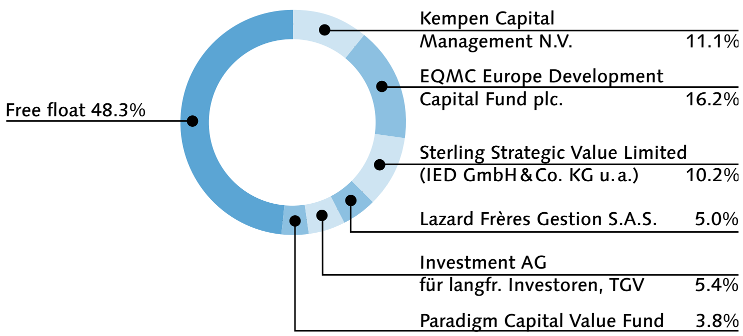
Sec. 315 (4) no. 2 HGB »Restrictions regarding voting rights or transfer«

In accordance with sec. 71 b AktG, the Company has no rights pertaining to 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 management board's knowledge, approx. 48% of the Company's shares are in free float. To the management board's knowledge, companies holding either direct or indirect equity stakes exceeding 10% of the voting rights include EQMC Europe Development Capital Fund plc (16.2%), Kempen Capital Management N.V. (11.1%) and Sterling Strategic Value Limited (10.2%).

The Company's voting rights are currently distributed as follows (sec. 315 (4) no. 3 HGB):

Shareholder structure (as of February 24, 2010)



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 bearers of shares with special rights granting the power 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 § 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 latter currently comprises two members, one of whom has been appointed spokesman by the supervisory board. 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. The supervisory board appoints members of the management board for a maximum term of five years. Members may be reappointed to the management board or have their term of office extended for a maximum of five years in each case.

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. Section 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 formal 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 June 15, 2005, the management board was authorized, with the consent of the supervisory board, to increase the Company's share capital by up to a total of €20,000,000 in the period

leading up to June 15, 2010 by issuing new no-par value bearer shares in exchange for cash or non-cash contributions on one or more occasions and also to determine the substance of the share rights, the details of the capital increase and the terms of the share issue, in particular the issue price. In this respect, the shareholders must generally be granted pre-emptive rights. The shares may also be underwritten by one or more banks which are commissioned by the management board. These banks shall be subject to the obligation to offer these shares to the shareholders (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. 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 22, 2007, the Company's share capital was conditionally increased by up to €2,105,264 by means of the issue of up to 800,000 bearer shares (contingent capital I). The contingent capital increase served solely to grant up to 800,000 preemptive rights (»stock options«) to members of the Company's management board, as well as to further executive employees of the Company and subordinated affiliates (the »Beneficiaries«). The capital increase will be implemented only to the extent that stock options are issued and the Beneficiaries make use of their right to subscribe for new shares. The new shares shall carry dividend rights from the beginning of the financial year in which the shares are issued. On July 23, 2007, the management board and supervisory board made use of the authorization granted to them by the annual general meeting and issued 767,000 options at an issue price of €15.34. As the stock option plan lapsed on 22 July 2009 without the conditions for exercising the options having been satisfied, the contingent capital I has become obsolete.

Share buy-back
Pursuant to a resolution by the annual general meeting of shareholders on May 7, 2009, the management board was authorized to acquire, on or before November 6, 2010, 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 Management Board can opt to acquire these shares via the stock exchange, by means of a public purchase offer to all shareholders or by means of a public invitation to submit sale offers aimed 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 2009. Under that authorization, the Company has, to date, acquired a total of 1,223,030 no-par value shares. By resolution dated July 27, 2009, the Company cancelled these treasury shares without making any capital decrease.

1,223,030 shares that had been redeemed by the Company were cancelled, without any capital decrease, pursuant to a resolution dated July 27, 2009

Sec. 315 (4) nos. 8 and 9 HGB »material contracts which are subject to a change of control provision in connection with the 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. Furthermore, the management staff itself may change in the event of a takeover. The current members of the management board may terminate their employment contracts by giving 12 months' notice or within 6 months following a change of control, upon 3 months' notice, insofar as and as soon as a shareholder acquires, either directly or indirectly, more than 50% of the voting rights in the Company. The members of the management board have been contractually granted a severance payment package consisting of two year's fixed salary plus ancillary expenses in the case of a termination of their employment contracts following a change of control. The attribution rules under sec. 22 WpHG apply accordingly. The terms described reflect current legislation and are similar to those in place for similar, listed companies. They are not intended to impede any takeover attempts.

2. Result of operations

2.1 Key WashTec Group projects in 2009

- **Sourcing activities in China**
  The subsidiary, »WashTec Car Cleaning Equipment (Shanghai) Co. Ltd.«, was formed in China at the end of 2008. This company acts as a supplier of components to Europe and in the United States and also serves as a distribution platform for the Asian market over the mid-term.

- **Expansion of component manufacturing in the Czech Republic**
  The Czech subsidiary, »WashTec Cleaning Technology s.r.o.«, was formed at the beginning of 2009. Customer-specific components for final assembly in Augsburg are sourced here. WashTec expects that the Czech subsidiary will begin contributing to profits as early as 2010.

WashTec emphasized its position as a leader in innovation in 2009

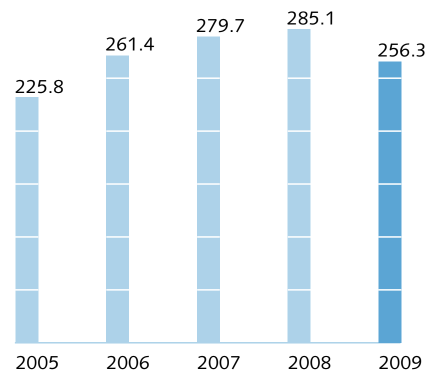
- **Launch of a new generation of roll-over washing systems in the United States**
  At the largest American industry trade fair, ICA, held in Las Vegas in early April, WashTec's US subsidiary, Mark VII, exhibited a newly developed generation of roll-over washing equipment for the touch free and friction segments. The equipment, which has been developed in the United States, offers significantly improved wash results and throughput while using less energy and water. WashTec thereby emphasized its position as a leader in innovation. The most modern product portfolio is a key factor to expanding the market position in the United States.

2.2 Situation of the Company and development of its business

The following text 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 Wesurent car wash marketing GmbH and AUWA-Chemie GmbH. Thus, the following discussion relates primarily to the Group. To the extent necessary, any discussion about AG will be dealt with separately.

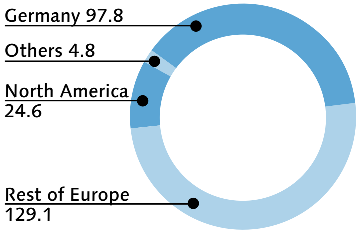
Segment reporting at WashTec AG was changed effective January 1, 2009 as a result of the first-time application of IFRS 8. Since that time, segment reporting has been carried out to reflect the Company's operational management, as explained in more detail below.

Revenues over multiple years (in €m)

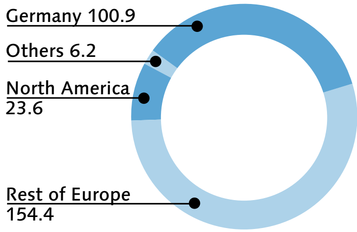


The WashTec Group's revenues were €256.3m and therefore €28.8m or 10.1% below the prior year figure of €285.1m. In the fourth quarter of 2009, revenues declined by merely 4.0% (revenues Q4 2009: €69.9m; revenues Q4 2008: €72.8m).

Revenues by regions (in €m)



Total 2009: €256.3m



Total 2008: €285.1m

Lower equipment revenues were offset, in part, by an increase in revenues in wash-chemicals and operations business

Compared to the same period last year, revenues in Germany declined by €3.1m to €97.8m. Lower equipment revenues were offset, in part, by the increase in revenues in the wash-chemicals and in the operations business.

Since 2009, revenues in Germany are reported as a component of the »DACH« area (Germany (D), Austria (A), Switzerland (CH)). As of December 31, these items totaled €104.1m and were therefore €2.2m below the prior year (€106.3m).

Revenues by segments (in €m)

in €m	2009	2008
»RoW« area	138.7	158.1
»DACH« area	104.1	106.3
»CEE« area	8.4	14.0
»Others« area	11.6	9.0
Consolidation	–6.5	–2.3
Group	**256.3**	**285.1**

The revenues and results of AUWA-Chemie GmbH, WashTec Financial Services GmbH and Wesurent car wash marketing GmbH are presented in the segment reporting under the area »Others«. Revenues in this area improved by €2.6m to €11.6m (prior year: €9.0m).

Since the second quarter of 2009, revenues in Central and Eastern Europe (the »CEE« area) were significantly lower. As of the end of 2009, revenues were €8.4m (prior year: €14.0m).

Revenues in the Rest of the World (»RoW« area) decreased by €19.4m to €138.7m (prior year: €158.1m). Revenues in North America, which are included in the »RoW« area, were reported at €24.6m and therefore €1.0m higher than last year (€23.6m). In US dollar terms, the revenues were on prior year level (US$34.1m; prior year: US$34.0m).

Revenues by products

in €m	2009	2008
New equipment and used equipment	149.0	177.1
Spare parts, Service	82.9	86.1
Chemicals	16.3	14.4
Rent, Accessories and Miscellaneous	8.1	7.5
Total	**256.3**	**285.1**

In 2009, new and used equipment revenues decreased by 15.9% from €177.1m to €149.0m. Service revenues decreased by €3.2m to €82.9m because special projects involving petrol station renovation were included in the prior year figure. Revenues in all other areas increased.

Order backlog as of December 31, 2009 slightly below prior year

As of December 31, 2009, the WashTec Group's order backlog was slightly below prior year. Since WashTec's orders are generally installed within six to ten weeks, the existing order backlog is no indicator of how the entire 2010 business year will develop. WashTec AG's revenues (HGB) were reduced by €0.9m to €1.0m (prior year: €1.9m) due to lower cost allocations.

Result of operations

€m	2009	2008	Change
EBITDA	22.2	37.1	–14.9
EBIT	13.1	29.4	–16.3
EBIT, adjusted for non-recurring effects	14.8	29.4	–14.6

EBITDA

Earnings before interest, taxes, depreciation and amortisation (EBITDA) fell to €22.2m and was therefore €14.9m below the prior year (€37.1m).

EBIT

Earnings before income and taxes (EBIT) declined to €13.1m (prior year: €29.4m), resulting in an EBIT margin of 5.1% (prior year: 10.3%).

EBIT by segments

in €m	2009	2008
»RoW« area	8.6	15.8
»DACH« area	3.4	10.2
»CEE« area	1.5	2.6
»Others« area	2.0	1.5
Consolidation	–2.4	–0.7
Group	**13.1**	**29.4**

Non-recurring effects

Non-recurring effects totaled €1.7m resulting from receivable write-downs and restructuring costs

In 2009, the Company booked €1.7m non-recurring effects. These items include write-downs of receivables generated in Southern Europe (€0.7m) and restructuring costs (€1.0m). In the prior year, no non-recurring effects were included. Negative one-time effects related to M+A activities were offset by positive one-time effects resulting from the sale of real estate.

After adjusting for these non-recurring effects, EBIT totaled €14.8m (prior year: €29.4m) and the adjusted EBIT margin was 5.8% (prior year: 10.3%).

Expense items

The main factors influencing the **cost of materials ratio** are effects from implementing sourcing projects, changes in the mix of products and changes in customer discounts. Collectively, these factors lowered the cost of materials ratio (cost of materials as a percentage of revenues) from 43.2% to 42.4%.

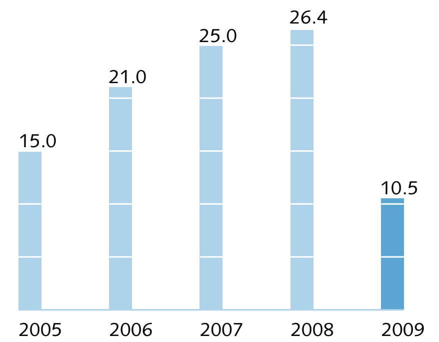
Wage increases and full year acquisition-effect in wash-chemicals area were offset by a reduction in the number of hours worked

Personnel expenses rose only slightly from €89.4m in 2008 to €89.9m in 2009. After adjusting for non-recurring effects, personnel expenses declined slightly (2008: €89.4m; 2009: €88.9m). Wage increases and the full year acquisition-effect in the wash-chemicals area were offset by a reduction in the number of hours worked and the working time accounts. Due to the decline in revenues, the **personnel expense ratio** (personal expenses as a percentage of revenues) increased from 31.4% to 35.1%. The personnel expenses (HGB) of WashTec AG amounting to €1.3m (prior year: €2.1m) consist primarily of the remuneration of the management board, which is explained in more detail in the remuneration report.

Other operating expenses declined primarily as a result of cutting costs for advertising and trade fair participation, for legal and consulting costs and for temporary workers to €37.4m (prior year: €39.3m). The decline of the other operating expenses (HGB) of WashTec AG by €1.0m to €0.9m (prior year: €1.9m) result primarily from reduced legal and consulting costs.

Depreciation and amortisation rose to €9.2m (prior year: €7.7m) as a result of investments made in the operations business and in the sites in the Czech Republic and China.

EBT over multiple years (in €m)



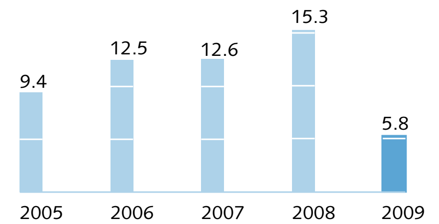
Financial result improved by €0.4m to -€2.6m (prior year: –€3.0m) as a result of lower credit line utilization.

Taxes totaling €4.8m (prior year: €11.1m) consist of deferred tax credits used and current tax expenses. Since the 2009 tax losses were not capitalized in a number of countries, the tax rate rose from 42.0% to 45.2%.

Loss carry-forwards are held mainly by German companies and were applied in part in 2009. These deferred taxes are calculated at a tax rate of 30.7% (prior year: 30.7%). The other tax expenses or income relate to foreign subsidiaries or to tax payments based on minimum taxation in Germany.

Consolidated net income fell by €9.5m to €5.8m (prior year: €15.3m). The earnings per share declined to €0.41 (Dec 31, 2008: 14.9m shares; Dec 31, 2009: 14.0m shares).

Annual net income over multiple years (in €m)



3. Net assets and financial position

3.1. Net assets

Net assets and financial position		2009	2008	2007
Non-current assets	€m	108.3	108.5	100.0
Receivables and other assets	€m	37.3	42.7	46.4
Inventories	€m	32.5	34.6	39.5
Deferred tax assets	€m	7.6	10.0	16.9
Cash and cash equivalents	€m	13.8	6.4	6.0
Other	€m	0.4	0.6	2.5
Equity	€m	85.6	79.1	72.7
Provisions	€m	21.0	24.4	28.3
Liabilities	€m	83.7	92.8	102.4
Deferred revenue	€m	9.6	6.5	7.9
Balance sheet total	**€m**	**199.9**	**202.8**	**211.3**

Balance sheet total for the WashTec Group declined from €202.8m to €199.9m.

WashTec Group's **non-current assets** include goodwill totaling €57.2m (prior year: €57.6m) which is subject to an impairment test each year. The goodwill impairment test is based on a mid-term forecast for the period 2010 through 2012 at Group level. In accordance with IAS 36, there is presently no need for an impairment write-down. Non-current assets also include other items such as »real properties and buildings« (€21.0m), »technical equipment and machines« (€17.7m) and »washing systems under financial leases« (€9.7m). The non-current assets of the WashTec AG mainly consist of financial assets amounting to €128.0m (prior year: €128.0m) as defined under HGB.

Receivables and other assets decreased due to lower revenue in the 4th quarter from €42.7m to €37.3 as of the balance sheet date.

Decline in inventories due to improvements in logistics

Inventories fell from €34.6m to €32.5m as a result of a decline in sales and further improvements in logistics.

Deferred tax assets, which are attributable primarily to losses sustained in Germany in 2002 and 2003, declined from €10.0m to €7.6m.

As of the balance sheet date, **cash and cash equivalents** rose from €6.4m to €13.8m.

Equity ratio at 42.8%

As a result of favorable earnings development, **equity** rose from €79.1m to €85.6m, resulting in an **equity ratio** of 42.8% (prior year: €39.0%). WashTec AG's equity (as defined under the HGB) equals €136.8m (prior year: €143.4m). This results in an equity ratio of 92.4% (prior year: 92.0%).

Net bank debt (bank debt less bank credit balances) equals €26.9m (prior year: €39.0m) and is therefore significantly below prior year.

Net finance debt (net bank debt plus finance lease debt) equaled €37.0m (prior year: €46.9m) and was therefore €9.9m lower than the prior year.

Provisions consist primarily of provisions made for personnel costs, phased retirement, warranty obligations and buy-back obligations. The provisions equaled €21.0m as of the balance sheet date (prior year: €24.4m).

Total interest coverage (EBITDA/net interest expense) was 8.7 as of the end of the year (prior year: 12.2). The **EBITDA Multiple** (net finance debt/EBITDA) as of the end of the year was 1.7 (prior year: 1.3). Further information in connection with the net assets and financial position is described under section 1.9 »The Company's management systems«.

3.2 Financial management

Multi-year syndicated loan matures in July 2011

The financing is done through a long-term syndicated loan, which was granted to WashTec Cleaning Technology GmbH and matures in July 2011. Within the framework 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 and US dollar. The base interest rate of the loans concluded in 2006 is variable and linked to the EURIBOR and LIBOR. To reduce the risk posed by a general increase in interest rates and to improve planning certainty, the variable interest rate is hedged using interest rate swaps.

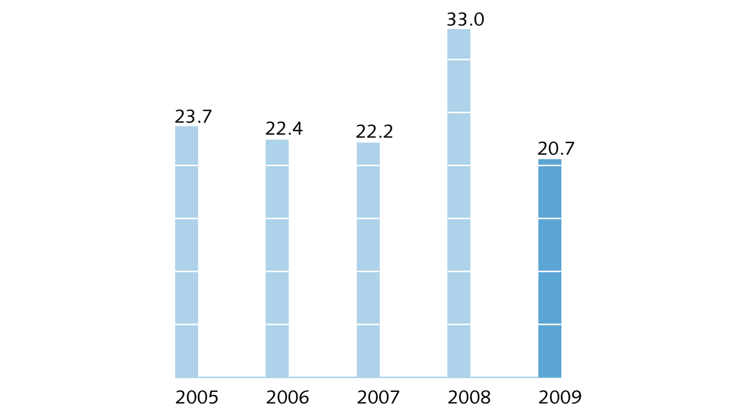
As of December 31, 2009, the Group had a credit line totaling €62.9m. At year end, €17.6m of the credit line, which may be used to finance future operations and to meet obligations but which the Company, have not been utilized. The utilization of such credit lines is subject to special conditions and requires the prior consent of the banking syndicate. The subsidiary, Wesurent car wash marketing, finances its equipment investments using sale and leaseback transactions.

3.3 Cash flow statement

Cash inflows from operating activities (net cash flow) decreased to €20.7m (prior year: €33.0m).

In fiscal year 2009, **cash outflows from investing activities** totaled €5.2m (prior year: €11.6m, which included cash proceeds from the sale of land). The focus of the 2009 investments were on supply chain activities in the Czech Republic and China, information technology and the development of a new generation of roll-over washing equipment in the United States.

Net cash flow in €m



Cash outflows from financing activities totaled €8.6m (prior year: €20.9m). The cash outflows in 2009 included interest payments, the repayment of loans and the repayment of long-term liabilities owed under financial leases. The high level of cash outflows in 2008 resulted mainly from the share buy-back program.

Cash and cash equivalents as of December 31, 2009 rose by €7.4m to €13.8m. The Company was at all times able to discharge its payment obligations.

3.4 Investments

Focus of 2009 investments:
- *Supply chain activities in China and Czech Republic*
- *Information technology*
- *Development of new generation of roll-over washing equipment in the US*

As already described in subsection 3.3 above, the focus of investments had been on supply chain activities in the Czech Republic and China, information technology as well as the development of a new generation of roll-over washing equipment in the United States. In the prior year, the Company had acquired AUWA-Chemie GmbH & Co. KG, sold land and made investments to optimize the manufacturing facility at the Augsburg site.

4. Supplementary report

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

5. Opportunities and risk management

In connection with its international business activities, the WashTec Group is exposed to opportunities and risks that are linked to its business. In order to manage 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 risks at an early stage and to implement the necessary countermeasures in a timely manner.

In the opinion of the management board, the installed system for the early detection of risks permits the Company to reasonably identify all significant risks relating to its ability to continue as a going concern.

Risk management

Multi-stage system for identifying and monitoring risks

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 and mid-term forecasts (24 months), and to take the appropriate steps for launching suitable countermeasures as part of a structured approach.

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 yielded no risks that threatened the existence of the Group.

Monitoring and management system

The following additional tools are utilized for the monitoring and management system:

- extended management board meetings
- management meetings
- annual planning
- ongoing forecast calculations
- monthly and quarterly reporting
- Strategic and Technical Product Committee
- Strategic marketing group
- Investment planning
- Production and capacity planning
- Internal audits
- Debtor management
- Insurance policies
- Risk officer
- Compliance officer
- Purchasing and supply management
- Personal planning and development

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

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 is 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 both timely and updated manner. The financial statements of the Group companies are analysed 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 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. In 2009, additional reviews were conducted on the control systems of companies and procedures, which were evaluated as being exposed to a higher level of risk. Within the business divisions themselves, the control measures are regularly performed, usually by the Controlling Department. The tools and instruments 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.

Business Risks

The following section sets forth the opportunities and risks relating to the WashTec Group as of the balance sheet date December 31, 2009, that could have a material effect on the WashTec Group's further development. There were no material changes to the risk structure compared to the prior year. Ongoing cost optimization and the successful start-up of new sales and service activities are gaining in significance for successful future business development.

Financial and economic downturn

Risks

The current global financial and economic downturn could adversely affect the investment behavior of individual customer groups, whose financing opportunities are limited. The downturn is affecting, above all, individual customers such as independent operators or car dealers as well as individual sub-markets like the United States, Spain or Great Britain, countries that are greatly impacted by the downturn. An intensification of the downturn and the continued investment restraint resulting therefrom could lead to elevated competition and price pressures. Thus, it could become more difficult to meet certain financial ratios such as EBITDA Multiple.

Opportunities

The financial and economic downturn could also provide WashTec with an opportunity to expand its innovation and market leadership as a consequence of increasing consolidation pressure.

Climate and environmental risks

Risks

Climate changes, increasing physical strains 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 car wash activity and, accordingly, reduce investments made in car 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 water as a resource is becoming scarcer and more costly could result in an increase in automatic car washing which, if a water reclaim system is used, could reduce the consumption of fresh water by 90% or at least 150 liters per wash in comparison to manual washing or car wash facilities without water reclaim systems. If the stricter legislation being enacted in various countries becomes more widespread, then the demand for car wash equipment with water reclaim systems 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.

Establishment of new sales and service organizations and product development

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. An expansion of the organization through the acquisition of companies and company business units generally requires 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.

Furthermore, WashTec could be exposed to risks with respect to start-up losses relating to the establishment of new sales and service organizations or in connection with the takeover of sales partners (e.g., in connection with personnel costs and other operating expenses for new infrastructure).

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.

Other economic influences

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 pressure on margins in individual market segments.

WashTec has installed a systematic and intensive 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.

Opportunities

The financial- and economic downturn provides WashTec with the opportunity to expand its dominant 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 carwash 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.

Innovation Risks

Risks

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

Even if patents by operation of the law have a presumption of validity, 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 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, such as the development of car paint designed to repel dirt particles with a »lotus effect«, may 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 systems 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.

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 multiples 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. A takeover could also result in management changes.

Quality and process risks

Quality and process risks can arise in connection with new product launches as well as changes to internal processes and the introduction of new IT systems. Furthermore, WashTec is required to meet very high HSSE requirements (health, safety, security, environment). Reckless violations by individual employees could mean that WashTec loses major contracts, prompting a deterioration of the Company's 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.

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.

Investment risks

The Company has extensive guidelines for approving investments and other expenditures. These guidelines define the expense caps and the individuals who have the authority to make the expenditures. Larger capital investments and expenditures are summarized in an annual investment plan and are approved by the supervisory board.

Capacity risks

A decline in demand usually leads to capacity adjustments. 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.

Financial Risks

Loans and credit lines amounting to €62.9m are made available by a banking syndicate until July 2011. 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 a breach of a fundamental 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 is linked to EURIBOR and LIBOR as well as the Company's actual degree of indebtedness. A further aggravation of the financial and economic downturn might make it more difficult to satisfy certain financial ratios which, in turn, could have a direct adverse effect on the Company's financing situation in fiscal year 2010.

Exchange rate risks

A fluctuating exchange rate between the euro and US dollar has only a small impact on the consolidated balance sheet and/or the earnings of the WashTec Group since most of the US business activities are financed with working capital credit lines denominated in the US currency. 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«.

Liquidity risks

One of the key business objectives is to ensure that WashTec companies are solid 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.

Credit risks

The Group enters into transactions with creditworthy third parties only. In order to keep the delcredere 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. We assume that the bad debt allowances are sufficient to cover the actual risk. There are no material credit risk concentrations within the Group.

Tax risks

80% of the capitalized loss carry-forwards reported by the WashTec Group relate to its German companies. Further changes in tax legislation relating to the tax rate or the extent to which loss carry-forwards can be used could result in expenses arising from the revaluation 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 five years.

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«.

Identified risks are evaluated with respect to the likelihood of occurrence and financial impact

	Likelihood of occurrence	Possible financial impact
Business risks		
Financial and economic downturn	low	medium
Climate and environmental influences	medium	medium
Expansion of a new sales and service organization/ Product development	medium	medium
Other economic influences	low	low
Innovation risks	low	low
Takeover risks	medium	medium
Quality and process risks	medium	medium
Supplier risk	low	low
Investment risk	low	low
Capacity risks	medium	medium
Financial risks		
Currency risks	medium	low
Liquidity risks	low	medium
Credit risks	medium	medium
Tax risks	low	medium

6. Outlook

Economy and market

All markets throughout the world are still impacted by the financial and economic downturn. Although the German Institute for Economic Research (Deutsches Institut für Wirtschaftsforschung or »DIW«) predicts approximately two percent economic growth in Germany for 2010 and 2011, it does not believe, however, that the difficult economic situation is behind us. Since demand for equipment and capital goods is currently still low, exports – at least for 2010 – are expected to grow at a slow pace. (Source: DIW Press Release dated January 7, 2010).

Car wash business remains profitable at most sites even during financial and economic downturn

Despite the financial and economic downturn, the car wash business remains profitable at most sites. Nevertheless, difficulties in obtaining financing and an uncertain overall outlook have resulted in delays in investments in new equipment. This trend affects, above all, smaller chains and individual operators, but also customer groups such as car dealerships and transport companies. Among large customers such as multinational oil companies, which operate most of the installed base in Europe, replacement investments are being made mostly on the basis of equipment age and investment budgets. Individual multinational oil companies have, however, announced or already executed on cost-cutting programs.

WashTec business development

No substantial recovery in the markets 2010 but increase in profitability expected

WashTec is not expecting a substantial recovery for 2010. It is expected that in the short term the financing difficulties for individual customer groups and the uncertain economic outlook in a number of markets will continue. Therefore, no substantial recovery in revenues is expected and the focus lies on the measures taken mostly in 2009 to improve efficiency and to reduce costs. This shall lead to an increase in profitability in 2010.

Financial management

WashTec will continue to focus on optimizing working capital and on effective financial management. For 2010, it is planned to start negotiating the extension of the syndicated loan which is in place until July 2011.

Investments and acquisitions

WashTec plans to make additional investments in products and international production sites as well as in information technology and the expansion of the operations business. Acquisitions in the upcoming years are also a possibility. The objectives here are to expand the Company's international sales and service network and to expand offerings related to car washing.

Employees

Given the likelihood of no substantial economic growth, WashTec expects that the number of employees will remain stable. Expanding the international production sites or the sales and service network may lead to an increasing headcount in certain regions.

Research & Development

WashTec will continue to take the actions necessary to expand its position as innovation leader. In this respect, research is directed at preserving the natural resources, achieving shorter throughput times, better and more car paint-friendly handling of vehicles and meeting customer demands.

Outlook

Starting 2011, WashTec expects a material recovery of the markets and therefore plans to return to its targeted growth rates of 4–7% per annum combined with a disproportionate increase in earnings.

WashTec aims to reach an EBIT margin of over 12% in the long-term

The mid- and long-term outlook remains favorable. The further expansion of offerings along the carwash value chain, the increase in market share above all in North America and growth in countries with an increasing car population will lead to an increase in revenues. Together with the general economic recovery, WashTec aims to reach an EBIT margin of over 12% in the long-term.

Augsburg, 24 February 2010

Thorsten Krüger
Spokesman of the
Management Board

Christian Bernert
Member of the
Management Board

Consolidated Financial Statements of WashTec AG

Consolidated Income Statement

	Note	Jan 1 to Dec 31, 2009 €	Jan 1 to Dec 31, 2008 €
Revenue	7	256,332,774	285,119,968
Other operating income	8	2,730,869	4,718,717
Other capitalized development costs		623,730	1,030,363
Change in inventories		–842,210	–1,172,479
Total		**258,845,163**	**289,696,570**
Cost of materials			
Cost of raw materials, consumables and supplies and of purchased material		90,266,472	103,465,836
Cost of purchased services		18,354,009	19,674,949
		108,620,481	**123,140,785**
Personnel expenses	9	89,893,244	89,407,713
Amortization, deprecation and impairment of tangible assets		9,177,616	7,698,859
Other operation expenses	10	37,361,636	39,342,836
Other taxes		729,851	658,035
Total operating expenses		**245,782,828**	**260,248,230**
EBIT		**13,062,335**	**29,448,340**
Other interest and similar income		94,991	1,096,736
Interest and similar expenses		2,651,549	4,145,596
Financial result	11	**–2,556,558**	**–3,048,860**
Result from ordinary activities/EBT		**10,505,777**	**26,399,480**
Income taxes	12	–4,749,755	–11,084,558
Consolidated profit for the period		**5,756,022**	**15,314,922**
Profit/loss carried forward		**5,156,548**	**–10,158,374**
Consolidated accumulated profit		**10,912,570**	**5,156,548**
Average number of shares		**13,976,970**	**14,919,043**
Earnings per share (basic = diluted)	13	**0.41**	**1.03**

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 2009. Rounding differences may occur.

Consolidated Balance Sheet – Assets

	Notes	Dec 31, 2009	Dec 31, 2008
		€	€
Non-current assets			
Property, plant and equipment	14	41,400,152	39,802,680
Goodwill	15	57,151,866	57,613,241
Intangible assets	15	9,739,410	11,094,942
Financial assets		0	18,731
Tax receivables	18	288,222	321,930
Other assets	20	24,784	29,284
Deferred tax assets	16	7,564,371	10,016,192
Total non-current assets		**116,168,805**	**118,897,000**
Current assets			
Inventories	17	32,536,505	34,565,503
Trade receivables	19	35,126,716	39,740,656
Tax receivables	18	70,283	225,247
Other assets	20	2,206,379	2,972,558
Cash and bank balances	21	13,802,341	6,406,677
Total current assets		**83,742,224**	**83,910,641**
Total assets		**199,911,029**	**202,807,641**

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 2009. Rounding differences may occur.

Consolidated Balance Sheet – Equity and Liabilities

	Notes	Dec 31, 2009 €	Dec 31, 2008 €
Equity			
Subscribed Capital	22	40,000,000	40,000,000
whereof contingent capital	22	2,105,264	2,105,264
Capital reserves	23	36,463,441	45,496,959
Treasury shares	24	0	–9,464,546
Other reserves	25	–1,818,274	–2,077,716
Profit/loss carried forward		5,156,548	–10,158,374
Consolidated profit for the period		5,756,022	15,314,922
		85,557,737	**79,111,245**
Non-current liabilities			
Interest-bearing loans	28	33,804,469	36,992,916
Finance leasing	29	7,704,417	5,998,279
Provisions for pensions	26	6,649,022	6,199,503
Other non-current provisions	27	3,004,227	4,799,115
Other nun-current liabilities	30	1,597,198	1,532,799
Deferred Income	31	824,640	0
Total non-current liabilities		**53,583,973**	**55,522,612**
Current liabilities			
Interest-bearing loans	28	6,855,698	8,374,847
Finance leasing	29	2,423,541	1,930,451
Prepayments on orders	30	8,219,316	7,305,178
Trade payables	30	3,357,764	8,779,005
Other liabilities for taxes and levies	30	3,333,019	4,876,780
Other liabilities for social security	30	982,751	726,730
Tax provisions		358,672	4,458,745
Other current liabilities	30	15,495,908	16,256,240
Other current provisions	27	10,933,157	8,929,937
Deferred Income	31	8,809,493	6,535,871
Total current liabilities		**60,769,319**	**68,173,784**
Total equity and liabilities		**199,911,029**	**202,807,641**

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 2009. Rounding differences may occur.

Consolidated Cash Flow Statement

	Notes	2009 €k	2008 €k
EBT		**10,506**	**26,400**
Adjustments to reconcile profit before tax to net cash flows			
not affecting cash:			
Amortization, depreciation and impairment of non-current assets		9,178	7,699
Gain/loss from disposals of non-current assets		–8	–1,064
Share-based payments expense		431	883
Other gains/losses		4,155	–1,451
Interest income		–95	–1,097
Interest expense		2,651	4,146
Movements in provisions		–21	–2,984
Changes in net working capital:			
Increase/decrease in trade receivables		4,071	3,325
Increase/decrease in inventories		2,124	5,556
Increase/decrease in trade payables		–5,551	–4,328
Changes in other net working capital		–927	501
Income tax paid		–5,863	–4,548
Net cash flows from operating activities		**20,651**	**33,038**
Purchase of property, plant and equipment (without finance leasing)		–5,425	–9,802
Proceeds from sale of property, plant and equipment		234	2,497
Acquisition of a subsidiary, net of cash acquired		0	–4,266
Net cash flows from operating activities		**–5,191**	**–11,571**
Raising of long-term loans		4,045	0
Repayment of non-current liabilities to banks		–8,381	–8,913
Share buy-back		0	–8,860
Cash inflow from financial instruments		0	1,862
Interest received		95	1,097
Interest paid		–2,323	–3,756
Repayment of non-current liabilities from finance leases		–2,034	–2,286
Net cash flows used in financing activities		**–8,598**	**–20,856**
Net increase/decrease in cash and cash equivalents		**6,862**	**611**
Net foreign exchange difference		**624**	**–292**
Cash and cash equivalents at 1 January		**6,246**	**5,927**
Cash and cash equivalents at 31 December	21	**13,732**	**6,246**
Bank balances		**13,802**	**6,407**
Current bank liabilities		**–70**	**–161**

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 2009. Rounding differences may occur.

Statement of Comprehensive Income

	2009	2008
	€k	€k
Results after taxes	**5,756**	**15,315**
Changes in the fair value of financial instruments used for hedging purposes recognized under equity	506	–2,187
Adjustment item for the currency translation of foreign subsidiaris and currency changes	360	–439
Exchange differences on net investments in subsidiaries	–243	993
Actuarial gains/losses from defined benefit obligations and similar obligations	–408	465
Deferred taxes on changes in value taken directly to equity	44	261
Valuation gains/losses recognized directly in equity	**259**	**–907**
Total income and expense and valuation in gains/losses recognized directly in equity	**6,015**	**14,408**

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 2009. Rounding differences may occur.

Statement of Changes in Consolidated Equity

€k	Subscribed capital Note 23	Capital reserve Note 23	Treasury shares Note 24	Other reserves Note 25	Exchange effects Note 25	Loss carried forward	Total
As of December 31, 2007	**40,000**	**44,618**	**–604**	**–797**	**–374**	**–10,159**	**72,684**
Income and expenses recognized directly in equity				–729	–439		–1,168
Taxes on transactions recognized directly in equity		–4		261			257
Share-based payment		883					883
Purchase of own shares			–8,860				–8,860
Consolidated profit for the period						15,315	15,315
As of December 31, 2008	**40,000**	**45,497**	**–9,464**	**–1,265**	**–813**	**5,156**	**79,111**
Income and expenses recognized directly in equity				–144	360		216
Taxes on transactions recognized directly in equity				44			44
Share-based payment		431					431
Purchase of own shares							0
Cancellation of treasury shares		–9,464	9,464				0
Consolidated profit for the period						5,756	5,756
As of December 31, 2009	**40,000**	**36,464**	**0**	**–1,365**	**–453**	**10,912**	**85,558**

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 2009. Rounding differences may occur.

Notes to the Consolidated Financial Statements of WashTec AG (IFRS) for Fiscal Year 2009

General

1. General Information on the Group

The consolidated financial statements of the WashTec Group for fiscal year 2009 were prepared on February 24, 2010 and made available to the supervisory board for review. They are expected to be approved on the Supervisory Board meeting on March 18, 2010 and released for publication by the Management Board afterwards. 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 WashTec AG, as the ultimate parent company, is to acquire, hold and sell equity investments in other entities and to assume the function of a holding company for the WashTec Group.

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

2. Accounting 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 2009 and are also supplemented by additional information required by sec. 315a HGB [»Handelsgesetzbuch«: 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.

Since the beginning of fiscal year 2009, the subsidiary, WashTec Car Cleaning Equipment (Shanghai) Co. Ltd., Shanghai, China, and the newly formed subsidiary, WashTec Cleaning Technology s.r.o., Nyrany, Czech Republic, have been included in the consolidated financial statements of the WashTec Group.

In addition to the parent company, the consolidated financial statements of WashTec AG also contain the following group entities as of December 31, 2009:

Consoldidated entities	Share in capital %	Equity capital at Dec 31, 2009 in €k	Profit/loss for 2009 in €k
German entities			
WashTec Cleaning Technology GmbH, Augsburg [1]	100	29,846	0
WashTec Holding GmbH, Augsburg	100	100,273	18,242
Wesurent car wash marketing GmbH, Augsburg [2]	100	51	0
WashTec Financial Services GmbH, Augsburg [1]	100	62	0
AUWA-Chemie GmbH, Augsburg [2]	100	620	183
Foreign entities			
WashTec France S.A.S., St. Jean de Braye, France	100	1,439	–52
Mark VII Equipment Inc., Arvada, USA	100	1,600	–1,151
WashTec s.r.l., Casale, Italy	100	101	–395
WashTec UK Ltd., Great Dunmow, United Kingdom	100	1,937	577
California Kleindienst Limited,Wokingham, United Kingdom [5]	100	0	0
WashTec A/S, Hedehusene, Denmark [4]	100	3,205	–557
WashTec Cleaning Technology GmbH, Vienna, Austria	100	765	–83
WashTec Spain S.A., Barcelona, Spain	100	881	–477
WashTec Car Cleaning Equipment (Shanghai) Co. Ltd., Shanghai, China	100	189	–21
WashTec Cleaning Technology s.r.o., Nyrani, Czech Republic	100	1,607	–285
WashTec Cleaning Technology España S.A., Bilbao, Spain [5]	100	1	0
WashTec Benelux B.V., Zoetermeer, Netherlands [3]	100	3,920	–140
WashTec Biltvättar AB, Helsingborg, Sweden [5]	100	196	30

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., Zoetermeer, 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

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 significant 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 16 related to Deferred taxes.

Share-based payments
Under IFRS 2, stock options granted to employees shall be valued at the fair value of the underlying equity instrument on the date the option was granted. The valuation will be made using an appropriate valuation model, which requires assumptions regarding the date for the option exercise, the volatility of the share and dividend payments. The assumptions and models used are disclosed in Note 9.

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.

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)
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 2009, the Group applied the following new and revised IFRS Standards and Interpretations.

- IAS 1 Amendments to IAS 1 – Presentation of Financial Statements (revised September, 2007)
- IAS 23 Amendments to IAS 23 – Borrowing Costs (revised September, 2008)
- IAS 32 Financial Instruments in connection with IAS 1 – Presentation of Financial Statements
- IAS 39 Reclassification of Financial Assets
- IFRS 2 Amendments to IFRS 2 – Share-based Payments: Vesting Conditions and Cancellations (revised January, 2009)
- IFRS 7 Amendments to IFRS 7 – Financial Instruments: Disclosures
- IFRS 8 Operating Segments
- IFRIC 9 Reassessment of Embedded Derivatives
- IFRIC 13 Customer Loyalty Programmes
- IFRIC 14 IAS 19 Limit on Defined Benefit Assets, Minimum Funding Requirements and their Interaction
- IFRIC 16 Hedges of Net Investment in Foreign Operations
- IFRIC 18 Transfers of Assets from Customers
- IFRS Amendments to IFRSs

The facts addressed by IAS 32, IAS 39, IFRIC 9, IFRIC 13, IFRIC 14 and IFRIC 18 are currently not relevant to the WashTec Group.

The amendments to IFRS 2 and IFRIC 16 have no effects on the net assets, financial position and results of operation of the WashTec Group.

Amendments to IAS 1 – Presentation of Financial Statements
In September of 2007, the IASB published a revised version of IAS 1 – Presentation of Financial Statements – which must be applied for the first time to reporting periods that begin on or after January 1, 2009. The new version of the Standard provides for a change in the titles of the components of the financial statements. One of the significant changes

is that all income and expenses, including income and expenses recognized in equity capital but not in the income statement, must now be shown in a statement of comprehensive income. Moreover, significantly more information about income and expenses, which are reported in the equity capital (other comprehensive income) and not in the income statement, has been planned. Thus, the future focus of the statement of changes in equity will be in presenting all owner changes in equity. Since the WashTec Group has already reported its figures in this manner, the change in the Standard has led to renaming the »statement of recognized income and expenses« as »statement of comprehensive income« and renaming »development of consolidated equity capital« as »statement of changes in equity«. Furthermore, the »statements of changes in equity« has now become a »primary statement«. The first-time adoption has led to more information provided in Note 16. The amendment to the Standard has not had an effect on WashTec Group's net assets, financial position and results of operation.

Amendments to IAS 23 – Borrowing Costs

The revised version of Standard IAS 23 – Borrowing Costs – was published in March of 2007 by the IASB and must be applied for the first time to fiscal years beginning on or after January 1, 2009. The standard has been revised to require the capitalization of borrowing costs when such costs can be attributable to a qualifying asset. A qualifying asset is an asset, which necessarily takes a substantial period of time to prepare for its intended use or sale. The application of this Standard in fiscal year 2009 had no material effect on the net assets, financial position or results of operation of the WashTec Group.

Amendments to IFRS 7 – Financial instruments: Disclosures

The amendments to IFRS 7 – Financial Instruments: Disclosures - were published in March 2009 by the IASB and must be applied for the first time to fiscal years beginning on or after January 1, 2009. According to the amendments to IFRS 7, the level of measurement hierarchy must be disclosed when the fair value measurement affects the entity's balance sheet. The first-time adoption in fiscal year 2009 merely led to more information contained in Note 33. There was no effect on the net assets, financial position and results of operation of the WashTec Group.

IFRS 8 – Operating Segments

IFRS 8 – Operating Segments – replaces IAS 14, was published in November 2006 by the IASB and must be applied for the first time to fiscal years beginning on or after January 1, 2009. 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. Reportable segments are operating segments or aggregations of operating segments for which discrete financial information is available that is regularly reviewed by the highest management committee of the Company in order to assess and decide on the business performance and how to allocate resources. The first-time adoption in 2009 has led to a different presentation of the segments.

Moreover, IASB and the IFRIC enacted additional Standards and Interpretations listed below, but these standards and interpretations did not yet have to be applied in fiscal year 2009 or have not yet been recognized by the European Union. As of December 31, 2009, the WashTec Group had not applied these Standards earlier than required.

- IAS 24 Amendments to IAS 24 – Related Party Disclosures
- IAS 32 Amendments to IAS 32 – Financial Instruments: Classification of Rights Issues
- IAS 39 Amendments to IAS 39 – Financial Instruments: Recognition and Measurement – Eligible Hedged Items
- IFRS 1 Amendments to IFRS 1 – Additional exceptions for first-time adoption
- IFRS 1 First time Adoption of the IFRS in connection with IAS 27 – Consolidated and Separate Financial Statements under IFRS
- IFRS 2 Amendments to IFRS 2 – Share-based Payments with cash-settled transactions in the Group
- IFRS 3 IFRS 3 - Business Combinations and IAS 27 – Consolidated and Separate Financial Statements under IFRS (revised January 2008)
- IFRS 9 Financial Instruments
- IFRIC 12 Service Concession Arrangements
- IFRIC 14 Amendments to IFRIC 14 – Prepayments of a Minimum Funding Requirement
- IFRIC 15 Agreements for the Construction of Real Estate
- IFRIC 17 Distribution of Non-Cash Assets to Owners
- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments
- IFRS Amendments to IFRS

Amendments to the IFRS

On April 16, 2009, the IASB published the second annual collective project for making small amendments to the IFRS, the so-called »Improvements to IFRSs«. A majority of amendments must be applied for the first time retroactively to the reporting periods beginning on or after January 1, 2010. Entities may elect to apply these revised Standards earlier than required. This will not have any effects on the WashTec Group's net assets, financial position and results of operation.

The facts addressed by the IAS 24, IAS 32, IAS 39, IFRS 1, IFRS 2, IFRS 3, IFRS 9, IFRIC 12, IFRIC 14, IFRIC 15, IFRIC 17 and IFRIC 19 are currently not relevant to the WashTec Group.

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 with the exception of exchange differences 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 euros 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 pro rated 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 year 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 as well as directly attributable incidental acquisition costs as of June 30, 2009. Due to the revision of IFRS 3, all incidental costs directly associated with acquisitions that were made as of July 1, 2009 will be recognized immediately as an expense.

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.

The scheduled amortization of intangible assets is carried out using mostly the following useful lives:

Intangible assets	Useful Life
Acquired patents and technologies	8 years
Licences	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 indefinite 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.

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 assets 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. They are divided between the sales territories of »DACH« (Germany [D], Austria [A], Switzerland [CH]), »CEE« (Central and Eastern Europe), »RoW« (Rest of World) and »Others« (other operating units).

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, loans and receivables, held-to-maturity investments, or available-for-sale financial assets. When financial assets are recognized initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

The Group determines the classification of its financial assets on initial recognition.

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 when 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 cost
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 held at fair value and reported in the income statement, or other financial liabilities or financial liabilities measured at their amortized costs.

In the fiscal year, the Group had merely financial liabilities attributable only to the categories: »measured at amortized cost« and »other financial liabilities«.

Interest-bearing loans and borrowings
All loans and borrowings are initially recognized at fair value less directly attributable transaction costs, and are not designated as at fair value through profit or loss. After initial recognition, interest-bearing loans and borrowings 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 portion of a financial asset or a portion of a group of similar financial assets) will be derecognized, if the contractual right to draw the cash flow from a financial asset expires.

Financial liabilties
A financial liability will be derecognized, if the obligation which forms the basis of the liability is performed, terminated 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 un-recognized 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, 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.

Hedges of a net investments in foreign operations (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: cost of acquisition based on the weighted average cost method
- Finished goods and work in progress: cost of direct materials and labor and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs

Treasury shares

The Group buys back its own shares (treasury shares). The acquisition costs for such shares are deducted from the equity capital account directly. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

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.

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 26.

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 or 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 and is recognized directly and in full once the obligation arises.

Share based payments

As consideration for the work they perform, management board members and other senior managers of the Group are paid shared-based compensation in the form of equity instruments or cash (so-called »equity-settled transactions« or »cash-settled transactions«).

Equity-settled transactions

The costs from granting equity instruments are measured by reference to their fair value on the date they are granted. The fair value is determined by using an appropriate options pricing model (binomial options pricing model).

The cost of equity-settled transactions is recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled (so-called »the vesting period«), ending on the date on which the relevant employees become fully and irrevocably entitled to the award. The cumulative expense recognized for equity-settled transactions on each reporting date until the full entitlement date (first exercise date) reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest at the end of the vesting period. The income or expense recognized for a period represents the movement in cumulative expense recognized as of the beginning and end of that period.

If the terms of a remuneration contract with equity-settled transactions are modified, then minimum expense recognized will be the expense which would have arisen had the terms not been modified. The Company will also recognize the expenses from any modifications, which increase the total fair value of the share-based payment arrangement or are otherwise beneficial to the employee as measured as of the date of modification.

If a remuneration contract with equity-settled transactions is cancelled, then it will be treated as if it had vested on the date of the cancellation, and any expense not yet recognized at that time will be recognized immediately. If, however, a new contract is substituted for the cancelled contract and is designated as a replacement award on the date that it is granted, then the cancelled and new remuneration contracts will be treated as if they were a modification of the original remuneration contract.

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 a rule, lease-back contracts have a term of approximately 5 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 immediately 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

Current 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, associates and interests in joint ventures, where 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 only be recognized 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 Systems division are not recognized until the respective carwash 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.

In this regard, the sales organization is divided into the geographic areas of Germany, Austria, and Switzerland (the »DACH« area), Central and Eastern Europe (the »CEE« area) and the rest of the world (the »RoW« area), and the supporting entities are grouped together under »Others« (other operating units). This category includes the legally independent entities of Wesurent car wash marketing GmbH, WashTec Financial Services GmbH and AUWA-Chemie GmbH, which support the areas in developing the markets for WashTec products and services.

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 business divisions of the WashTec Group operate worldwide and are divided into the following regions: Domestic, Rest of Europe, North America and Rest of World (Others). 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 a 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.

Change in accounting policies

Based on the first-time adoption of IFRS 8, the segment reporting at WashTec AG was reorganized as of January 1, 2009. Since that time, the segment reporting has tracked the Company's operating management. The comparative periods were adjusted accordingly.

6. Business combinations

Business combination in 2008

Pursuant to an agreement dated May 7, 2008, the Group acquired AUWA-Chemie GmbH & Co. KG. The acquisition went into effect on May 1, 2008.

AUWA-Chemie is a mid-sized manufacturer of washing chemicals and has its registered offices in Augsburg. AUWA-Chemie sells a complete range of chemical wash products specifically for vehicle washing systems, and with its »auwa« brand, is a well-established manufacturer in the mid-sized market for wash-chemicals in Europe.

The purchase price, including any incidental costs of acquisition, equaled €3.6m. The assets and liability values allotted to the purchase price are shown according to IFRS 3 according to both fair values and carrying values:

AUWA-Chemie GmbH & Co. KG in €k	Fair value	Carrying value
Cash and cash equivalents	35	35
Current receivables	532	547
Inventories	657	688
Non-current assets	534	511
Current liabilities and provisions	–1,374	–1,155
Equity capital	**384**	**626**

7. Notes on segment reporting

By segment

in €k	Area RoW 2009	Area DACH 2009	Area CEE 2009	Area Others 2009	Consolidation 2009	Group 2009
Revenues	**138,716**	**104,063**	**8,421**	**11,584**	**–6,451**	**256,333**
with third parties	138,094	102,962	8,421	9,840	–2,984	256,333
with other divisions	622	1,101	0	1,744	–3,467	0
EBIT	**8,580**	**3,360**	**1,507**	**1,957**	**–2,342**	**13,062**
Income from interest and financial assets						95
Interest and similar expenses						–2,651
Result from ordinary activities						**10,506**
Income taxes						–4,750
Consolidated net profit						**5,756**
Liabilities	33,009	26,675	1,523	1,895	–120	62,982
Assets	103,410	55,806	4,902	14,123	–120	178,121
Investments in property, plant and equipment	3,435	2,742	170	3,513	0	9,860
scheduled amortization, depreciation and impairment losses	–4,187	–3,207	–224	–1,560	0	–9,178

in €k	Area RoW 2008	Area DACH 2008	Area CEE 2008	Area Others 2008	Consolidation 2008	Group 2008
Revenues	**158,134**	**106,285**	**13,958**	**8,979**	**–2,236**	**285,120**
with third parties	158,134	105,126	13,958	8,579	-677	285,120
with other divisions	0	1,159	0	400	–1,559	0
EBIT	**15,821**	**10,239**	**2,613**	**1,451**	**–676**	**29,448**
Income from interest and financial assets						1,097
Interest and similar expenses						–4,146
Result from ordinary activities						**26,400**
Income taxes						–11,085
Consolidated net profit						**15,315**
Liabilities	38,614	22,700	2,712	1,577	–149	65,454
Assets	110,976	53,137	8,127	12,946	–149	185,037
Investments in property, plant and equipment	8,213	2,982	527	4,685	0	16,407
scheduled amortization, depreciation and impairment losses	–3,428	–2,514	–451	–1,306	0	–7,699

Reconciliation of segment assets and liabilities

in €k	2009	2008
Segment assets	**178,121**	**185,037**
Deferred tax assets	7,564	10,016
Tax receivables	359	547
Cash and cash equivalents	13,802	6,407
Non-current assets held for sale	65	801
Consolidated balance sheet total	**199,911**	**202,808**

in €k	2009	2008
Segment liabilities	**62,982**	**65,454**
Income tax liabilities	359	4,459
Non-current interest-bearing loans	33,804	38,293
Current interest-bearing loans	6,856	7,075
Finance lease liabilities	10,128	7,929
Derivative financial instruments	224	487
Consolidated debt capital	**114,353**	**123,697**
Equity capital	85,558	79,111
Consolidated balance sheet total	**199,911**	**202,808**

The consolidated revenues can be broken down according to the following products:

in €m	2009	2008	Change
New machines	145.3	173.7	–28.4
Spare parts, services	82.9	86.1	–3.2
Used machines	3.7	3.4	0.3
Chemicals	16.3	14.4	1.9
Accessories and miscellaneous	8.1	7.5	0.6
Total	**256.3**	**285.1**	**–28.8**

The consolidated revenues were generated in the following regions:

in €m	2009	2008	Change
Germany	97.8	100.9	–3.1
Rest of Europe	129.1	154.4	–25.3
of which France	*34.7*	*39.9*	*–5.2*
North America	24.6	23.6	1.0
Rest of World [1]	4.8	6.2	–1.4
Total	**256.3**	**285.1**	**–28.8**

[1] primarily Asia and Australia

By region

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

2009 in €k	Germany	Rest of Europe	North America	Rest of World	Group
Carrying value of property, plant and equipment	32,521	7,614	1,139	126	41,400
Investments in property, plant and equipment	4,232	3,485	348	143	8,208
Carrying value of intangible assets	48,857	1,214	16,819	1	66,891
Investments in intangible assets	942	42	654	1	1,639

2008 in €k	Germany	Rest of Europe	North America	Rest of World	Group
Carrying value of property, plant and equipment	32,425	6,094	1,284	0	39,803
Investments in property, plant and equipment	3,909	3,458	209	0	7,576
Carrying value of intangible asset	50,166	1,347	17,195	0	68,708
Investments in intangible assets	3,160	92	1,785	0	5,037

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

8. Other operating income

Other operating income totaled €2,731k (prior year: €4,719k) and consisted primarily of income from exchange rate differentials in the amount of €1,238k (prior year: €29k), income from the sale of scrap in the amount of €307k (prior year: € 549k) and income from the sale of acquired vehicles and from the sale of other property, plant and equipment totaling €70k (prior year €1,142k).

9. Personnel expenses

Personnel expenses consist of the following:

in €k	2009	2008
Wages and salaries	74,597	73,759
Social security contributions	7,363	7,449
Pension and phased-retirement costs	2,226	1,833
Expenses for employer share of statutory and voluntary pension insurance (contribution-oriented)	5,276	5,522
Expenses of share-based payments	431	883
Income for cash-settled share-based payments	0	–38
Total	**89,893**	89,408

The share-based remuneration schemes may be described as follows:

A phantom stock option plan (i.e., share appreciation rights), with a term expiring December 31, 2008, continued to be in place for a former Management Board member. The plan provided for share price-based payments (stock market price less €15.43 (exercise price) multiplied by 116,667 shares). The stock market price is calculated from the average Xetra price at 5.00 pm, in each case, for the 10 trading days following the publication of the financial statements as of December 31, 2008. Under the stock option plan, the payment would have been due in 2009.

The provision as of December 31, 2008, which is calculated using the Black-Scholes Option Pricing Model, factored in a stock market price of €5.79, an average volatility of the last year of 47.09% and a risk-free interest rate of 4.6%, under the assumption that no dividends are being paid. The stock market price and the volatility were based on the publications of reputable German banks in each case. The provisions set aside for the share appreciation rights in fiscal year 2008 equaled €0k.

Based on the calculation using the aforementioned parameters, no amount was due for payment in 2009.

The following table presents the number and the performance of the share appreciation rights during the fiscal year:

Number of shares	2009	2008
Outstanding at beginning of the reporting period	116,677	116,677
Granted in the reporting period	0	0
Exercised in the reported period	0	0
Waived in the reporting period	0	0
Expired in the reported period	116,677	0
Outstanding at the end of the reporting period	**0**	**116,677**
Vested at the end of the reporting period	0	0

On July 23, 2007, 767,000 options were granted to the management board and the first level of management at a strike price of €15.34. The options are settled generally using equity instruments. They may be exercised for the first time, if the share price increases by 20.0% and the two-year waiting period has lapsed. The options expire if the share price increase does not occur during the waiting period. From the date of the grant, these options have a term of five years and will expire worthless, if they are not or cannot be exercised during this term. The fair value is determined using the binomial pricing model as of the date of the grant.

The mathematical model is based on a risk-free interest rate of 4.7%, historically derived volatility of 22.8%, a dividend yield of 2.0%, a share price as of the option grant date of €15.00 and an anticipated term of two years. The expenses incurred in 2009 equaled €431k (prior year: €883k). The market price and volatility information is based on published data from reputable German banks.

Since the aforementioned share price increase has not occurred, the options expired worthless in fiscal year 2009.

The following table shows the number and performance of the equity-based stock options during the fiscal year:

Number of shares	2009	2008
Outstanding at beginning of the reporting period	767,000	767,000
Granted in the reporting period	0	0
Exercised in the reporting period	0	0
Waived in the reporting period	0	0
Expired in the reporting period	767,000	0
Outstanding at the end of the reporting period	**0**	**767,000**
Vested at the end of the reporting period	0	0

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

Average number of employees	Dec 31, 2009	Dec 31, 2008	Change
Sales and servicing	914	905	9
Production, technology and development	462	482	–20
Finance and administration	177	174	3
Total	**1,553**	**1,561**	**–8**

10. Other operating expenses

Other operating expenses may be itemized as follows:

in €k	2009	2008
Vehicle costs	7,461	7,891
Travel expenses	3,551	3,897
Rent/operating leases excluding vehicles	2,591	2,285
Maintenance/repairs	2,407	2,360
Advertising and trade fair costs	2,158	3,257
IT expenses	2,137	2,125
Communication costs	2,077	2,147
Legal and consulting fees	1,730	2,300
Operating leases – vehicles	1,706	1,785
Temporary workers	1,542	2,279
Allocations to bad dept allowances on receivables	1,116	448
Exchange rate effects	1,022	1,052
Insurance	825	947
Training/continuing education costs	648	983
Fees, licences and research costs	640	396
Office supplies	589	835
Product liability	465	420
Expenses for own patents and intellectual property rights	353	345
PR work	261	336
Loss on disposals of non-current assets	62	78
Miscellaneous administrative expenses/other expenses	4,021	3,177
Total	**37,362**	**39,343**

Auditors' fees

The following fees were paid to the auditors (PricewaterhouseCoopers AG, Wirtschaftsprüfungsgesellschaft, Munich, Germany) in the reporting year for services rendered:

in €k	2009	2008
Annual accounts auditing	237	213
Other confirmations	83	12
Tax advisory services	4	83
Other services	30	0
Total	**354**	**308**

11. Financial result

in €k	2009	2008
Interest rate and currency swaps	0	707
Income from interest and similar income	95	390
Financial income	**95**	**1,097**
Interest-bearing loans	1,244	3,433
Interest rate and currency swaps	709	120
Expenses from finance leases	528	346
Expenses from borrowing costs and similar expenses	171	247
Financial costs	**2,652**	**4,146**
Financial result	**–2,557**	**–3,049**

Of the interest income and interest expense, a total of €–1,320k (prior year: €–3,290k) must be apportioned to the categories, »Loans and receivables« (LaR) and »Financial liabilities measured at amortized cost« (FLAC).

12. Income taxes

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 30.70% (prior year: 30.70%). The effective tax rate of the WashTec Group equaled 45.20% (prior year: 42.00%). In the reporting year, the tax rate in Great Britain changed to 28.00% (prior year: 26.45%).

in €k	Tax expenses 2009	Tax expenses 2008
Expected income tax expense	3,225	8,150
Tax differences due to different foreign tax rates	37	–156
Non-deductible expenses	465	578
Effects of the non-recognition of deferred tax assets	610	649
Write-down of deferred tax assets from loss carryforwards	84	1,522
Effect of the use of loss carryfowards from non-recognized deferred taxes	0	–12
Dividends	0	16
Capitalisation of corporate income tax credits	–6	–19
Withholding tax	27	22
Adjustment Group tax rate to 30.70%	0	33
Other	308	302
Actual income tax expenses	**4,750**	**11,085**

Tax expenses consist of the following:

in €k	2009	2008
Deferred tax expenses	2,680	7,394
Actual tax expenses	2,070	3,691
Total income taxes	**4,750**	**11,085**

13. Earnings per share

Calculation of undiluted earnings per share for 2009 and 2008:

in €k or number of shares	2009	2008
Consolidated profit	5,756	15,315
Weighted average of outstanding number of shares	13,976,970	14,919,043
Earnings per share (undiluted = diluted)	**€0.41**	**€1.03**

Since the issued stock options, which are settled using equity instruments, and the stock appreciation rights expired worthless in fiscal year 2009, the options do not dilute the earnings per share.

The Management Board will recommend to the Supervisory Board for the annual general meeting of shareholders on May 5, 2010 that no dividends will be paid for fiscal year 2009.

Notes to the consolidated balance sheet

14. 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, 2008	**38,656**	**15,133**	**13,783**	**17,525**	**51**	**85,148**
Additions	1,072	2,274	1,399	2,769	62	7,576
Additions from company acquisitions	363	49	10	0	0	422
Disposals	0	642	832	2,184	4	3,662
Reclassifications	10	29	–305	–2	–26	–294
Currency translation effects	–36	–45	–95	1	0	–175
December 31, 2008	**40,065**	**16,798**	**13,960**	**18,109**	**83**	**89,015**
Additions	408	2,058	1,324	4,405	12	8,207
Additions from company acquisitions	0	0	0	0	0	0
Disposals	39	825	520	4,399	0	5,783
Reclassifications	444	2,680	–525	–2,613	–63	–77
Currency translation effects	29	28	34	0	0	91
December 31, 2009	**40,907**	**20,739**	**14,273**	**15,502**	**32**	**91,453**
Amortization, depriciation and impairment losses						
January 1, 2008	**17,121**	**10,286**	**10,221**	**9,171**	**0**	**46,799**
Amortization/depreciation for the year	1,256	1,042	1,226	1,968	0	5,492
Impairment losses	0	0	0	0	0	0
Disposals	0	610	620	1,643	0	2,873
Reclassifications	0	0	–34	0	0	–34
Currency translation effects	–3	–57	–114	2	0	–172
December 31, 2008	**18,374**	**10,661**	**10,679**	**9,498**	**0**	**49,212**
Amortization/depreciation for the year	1,432	1,318	1,465	2,149	0	6,364
Impairment losses	0	0	0	0	0	0
Disposals	28	809	424	4,227	0	5,488
Reclassifications	142	2,504	–223	-2,504	0	-81
Currency translation effects	24	–2	24	0	0	46
December 31, 2009	**19,944**	**13,672**	**11,521**	**4,916**	**0**	**50,053**
Carrying value						
December 31, 2009	**20,963**	**7,067**	**2,752**	**10,586**	**32**	**41,400**
December 31, 2008	**21,691**	**6,137**	**3,281**	**8,611**	**83**	**39,803**
January 1, 2008	**21,535**	**4,847**	**3,562**	**8,354**	**51**	**38,349**

Finance leases

Carrying value in €k	2009	2008
Washing equipment, sale and leaseback	10,589	8,294
Finance leasing, fixtures and fittings	84	317
Total	**10,673**	**8,611**

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

As of the reporting date, there are no material contractual obligations such as an obligation to purchase plant, property and equipment or intangible assets.

15. Intangible assets

in €k	Patents, licenses and similar rights internally generated	Acquired	Total	Goodwill	Prepay-ments	Total
Costs						
January 1, 2008	**5,916**	**8,670**	**14,586**	**76,344**	**258**	**91,188**
Additions	3,347	900	4,247	0	790	5,037
Additions from company acquisitions	108	4	112	3,260	0	3,372
Disposals	43	18	61	0	0	61
Reclassifications	32	262	294	0	0	294
Currency translation effects	44	26	70	697	0	767
December 31, 2008	**9,404**	**9,844**	**19,248**	**80,301**	**1,048**	**100,597**
Additions	668	966	1,634	14	5	1,653
Additions from company acquisitions	0	0	0	0	0	0
Disposals	100	15	115	12	41	168
Reclassifications	-429	1,512	1,083	0	–1,006	77
Currency translation effects	–14	–99	–113	–451	0	–564
December 31, 2009	**9,529**	**12,208**	**21,737**	**79,852**	**6**	**101,595**
Amortization and impairment losses						
January 1, 2008	**2,572**	**4,322**	**6,894**	**22,735**	**0**	**29,629**
Amortization for the year	743	1,464	2,207	0	0	2,207
Impairment losses	0	0	0	0	0	0
Disposals	0	0	0	0	0	0
Reclassifications	1	33	34	0	0	34
Currency translation effects	28	38	66	–47	0	19
December 31, 2008	**3,344**	**5,857**	**9,201**	**22,688**	**0**	**31,889**
Amortization for the year	1,057	1,757	2,814	0	0	2,814
Impairment losses	0	0	0	0	0	0
Disposals	44	14	58	0	0	58
Reclassifications	–14	95	81	0	0	81
Currency translation effects	–1	–33	–34	12	0	–22
December 31, 2009	**4,342**	**7,662**	**12,004**	**22,700**	**0**	**34,704**
Carrying calue						
December 31, 2009	**5,187**	**4,546**	**9,733**	**57,152**	**6**	**66,891**
December 31, 2008	**6,060**	**3,987**	**10,047**	**57,613**	**1,048**	**68,708**
January 1, 2008	**3,344**	**4,348**	**7,692**	**53,609**	**258**	**61,559**

Carrying values in €k	2009	2008
Patents and technologies	1,170	1,116
Licences	3,376	2,871
Development costs	5,187	6,060
Miscellaneous, prepayment, excluding goodwill	6	1,048
Total	**9,739**	**11,095**

Patents relate mainly to the technology acquired in 2006 for the production of hydraulic conveyor tunnel systems.

Licenses relate to the licenses for the SAP ERP-System and related incidental acquisition costs.

The intangible assets include capitalized development costs for new generations of rollover wash systems in the amount of a carrying value of €5,187k (prior year: €6,060k).

Also incurred were research and development costs of €640k (prior year: €396k), which were not capitalized since the criteria of the capitalization under IAS 38 was not met.

Goodwill

The total goodwill has a carrying value of €57,152k (prior year: €57,613k) and, pursuant to IFRS 8, is attributed to the operating segments of the »DACH« area (Germany, Austria, Switzerland), the »CEE« area (Central and Eastern Europe), the »RoW« area (Rest of World) and »Others« (other operating units).

According to the approach described under section 5.2, the impairment test for goodwill is based on the Group's medium-term forecast for 2010 through 2014.

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:

- average increase in revenues of 4–7% per annum
- cost increases of 2–3%
- wage and salary cost increases of approx. 2–4% per annum

For discounting purposes, an interest rate of 6.72% (prior year: 8.21% to 8.72%) and a long-term growth rate under a perpetual annuity of 0.5% (prior year: 0.5%) was used as a basis.

The discount rate calculation is derived from a weighted borrowing rate of 5.03% (prior year: 6.78%) and a weighted equity rate. The equity rate is based on a risk-free rate of return averaging 4.25% (prior year: 4.90%) as well as a beta factor of 1.13 (prior year: 0.90).

In the reporting year there has been no need to apply any impairment, according to the corporate planning 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.

16. Deferred taxes

The net deferred assets totaling €7,564k (prior year: €10,016k) is mostly the result of deferred tax assets from expected tax loss carry-forwards.

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.

The Group has €25,098k (prior year: €31,637k) in corporate income tax loss carry-forwards and €18,528k (prior year: €23,513k) in trade tax loss carry forwards available in Germany and has €4,537k (prior year: €4,773k) in tax loss carry-forwards available outside of Germany. This has resulted in the recognition of deferred tax assets from loss carry-forwards totaling €8,056k (prior year: €11,809k), of which €6,723k (prior year: €10,363k) relates to Germany and €1,333k (prior year: €1,446k) relates to other countries.

To the extent that the recoverability of the loss carry-forwards does not appear to be sufficiently certain, deferred tax assets reflecting those loss carry-forwards are not recognized. Accordingly, foreign loss carry-fowards in the amount of €12,886k (prior year: €12,895k) were not recognized. This corresponds to non-capitalized tax assets in the amount of €4,247k (prior year: €4,372k).

Most of the loss carry forwards have no time restrictions with regard to their utilization. Only €10,010k in loss carry-forwards are restricted. Of this amount, €2,439k will lapse between 2011 and 2014 and €7571k will lapse between 2020 and 2029, if they cannot be utilized.

During the reporting year, €44k (prior year: €261k) in deferred taxes were booked directly under equity capital. The net balance of the deferred taxes recorded under equity capital therefore equals €604k (prior year: €560k).

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	2009			2008		
	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	360	–	360	–439	–	–439
Exchange differences on net investments in subsidiaries	–243	74	–169	993	–121	872
Changes in the fair value of financial instruments	506	–155	351	–2,187	538	–1,649
Changes of acruarial gains and losses	–408	125	–283	465	–156	309
Changes in value recorded directly under equity capital	**215**	**44**	**259**	**–1,168**	**261**	**–907**

On the basis of the internal medium-term planning for the years 2010 through 2014, there is sufficient certainty that the tax loss carry-forwards can be recovered.

Deferred taxes are calculated in accordance with the so-called »balance sheet liability method« on the basis of a tax rate of 30.7% (prior year: 30.7%).

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

in €k	Deferred tax receivables		Deferred tax liabilities	
	2009	2008	2009	2008
Tax loss carryforwards	8,056	11,809	0	0
Property, plant and equipment	402	144	–3,571	–3,541
Intangible assets	0	42	–2,177	–2,101
Inventories	2,138	1,884	–384	–553
Trade receivables	78	6	–49	–219
Pensions	510	388	0	0
Provisions	900	1,142	0	–11
Other liabilities	461	0	0	–4
Finance lease liabilities	1,007	889	–187	–229
Miscellaneous	378	370	0	0
Total	**13,931**	**16,674**	**–6,368**	**–6,658**
of which non-current	8,690	10,875	–5,756	–6,325
of which current	5,241	5,799	–612	–333

Upon off-setting receivables and liabilities, the following amounts are shown in the consolidated annual financial statements:

in €k	2009	2008
Deferred tax receivables	13,931	16,674
Deferred tax liabilities	–6,368	–6,658
Total	**7,563**	**10,016**

17. Inventories

in €k	2009	2008
Raw materials, consumables and supplies, including merchandise	20,147	21,525
Work in progress	5,139	4,294
Finished goods and merchandise	7,247	8,738
Prepayments	4	9
Total	**32,537**	**34,566**

During the reporting year, the addition to the inventory allowances equaled €1,387k (prior year: €1,064k).

18. Tax receivables

in €k	2009	2008
Non-current tax receivables	288	322
Current tax receivables	71	225
Total	**359**	**547**

The non-current tax receivables relate primarily to the discounted receivables held against the German tax authorities and based on corporate income tax credits.

19. Trade receivables

in €k	2009	2008
Current trade receivables	**35,127**	**39,741**

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 de-recognized.

As of December 31, 2009, bad debt allowances were charged on trade receivables in the nominal amount of €3,005k (prior year: €2,119k). The bad debt allowance account developed as follows:

in €k	2009	2008
As of January 1	**2,119**	**2,508**
Allocations recognized as an expense	1,482	748
Utilisation	–187	–600
Reversal	–265	–256
Income from de-recognized receivables	–138	–192
Currency translation effects	–6	–89
As of December 31	**3,005**	**2,119**

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	2009	2008
Receivables, neither overdue nor written down	25,395	29,986
Overdue receivables, not written down, of which		
less than 30 days	6,135	5,875
30–120 days	2,483	2,273
120–365 days	1,038	1,463
more than 365 days	48	0
Total	**9,704**	**9,611**
Receivables written down	3,033	2,322

General bad debt allowances were made for receivables, according to the age structure. In addition, receivables, which are unlikely to be recovered and for which legal steps have been instituted, may be subject to individual bad debt allowances.

With respect to receivables, for which no bad debt allowance has been charged and which are not in default, there were no indications, as of the balance sheet date, that the debtors will not meet their payment obligations.

20. Other assets

in €k	2009	2008
Non-current other assets	25	29
Current other assets	2,206	2,973
Total	**2,231**	**3,002**
of which prepaid expenses	889	1,156

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.

21. Cash and cash equivalents

in €k	2009	2008
Cash and cash equivalents	**13,802**	**6,407**

Credit balances held at banks earn interest at variable interest rates based on daily bank account rates. Cash has a fair value of €13,802k (prior year: €6,407k).

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	2009	2008
Bank balances and cash on hand	13,802	6,407
Overdraft account	–70	–161
Cash and cash equivalents	**13,732**	**6,246**

For explanations regarding interest-bearing loans, see Note 28.

Equity capital

22. Subscribed capital

The previous stock option plan expired in July 2009. Therefore on July 27, 2009, the Management Board, with the consent of the Supervisory Board, resolved to cancel the previously redeemed 1,223,030 shares of stock.

The subscribed capital continues to total €40m and is now divided into 13,976,970 no-par-value bearer shares (prior year: 15,200,000) 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.

As of December 31, 2009, the average weighted number of shares issued and outstanding was 13,976,970 (prior year: 14,919,043 shares).

	2009	2008
Ordinary shares in units k	13,977	15,200
Nominal value of ordinary shares in €	2.86	2.63

Number of shares (in '000)	
Number of issued and outstanding shares	15,153
Number of shares bought back (in '000) Average nominal value equals €2.63 per bought-back share	1,176
Of which shares issued and outstanding as of Dec 31, 2008	**13,977**
Number of shares bought back (in '000) Average nominal value equals €2.86 per bought-back share	0
Of which shares issued and outstanding as of Dec 31, 2009	**13,977**

Authorized capital

Authorized capital I:
Pursuant to a resolution of the annual general meeting of the shareholders dated June 15, 2005, the management board was authorized, subject to the consent of the supervisory board, to increase the registered share capital by up to a total of €20m (represents 6,988,000 shares) by issuing, on or before June 15, 2010, new no-par bearer shares in exchange for cash or non-cash capital contributions on one or several occasions, and also to stipulate the content of the share rights, the details of the capital increase and the terms of the share issue, including the issue price.

Shareholders must be granted preemptive rights in this respect. The shares may be underwritten by one or more banks to be commissioned by the management board and shall be obliged to first offer these to the existing shareholders (indirect preemptive rights). Subject to the approval of the supervisory board, the management board is also authorized, however, to exclude the shareholders' preemptive rights in certain cases in accordance with § 5.1 of the WashTec AG articles of association. The management board has made use of the authorization set forth herein.

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.

Contingent capital I:
The registered share capital of the Company will be conditionally increased by up to €2,105,264 through the issue of up to 800,000 shares (contingent capital I). The sole purpose of the contingent capital increase is to grant up to 800,000 subscription rights (stock options) to members of the Company's management board and other managerial employees of the Company and its subordinate affiliates in accordance with the resolution of the Company's annual general meeting of shareholders held on May 22, 2007. Each individual stock option entitles the bearer to subscribe to one company share at the strike price set under the aforementioned resolution of the shareholders' meeting. The capital increase will be implemented only to the extent that stock options are issued and exercised. The new shares include rights to the profit from the beginning of the fiscal year in which they are issued as a result of the exercise of options. If the new shares are issued after a specific fiscal year has ended but before the supervisory board meeting at which a profit allocation decision for that fiscal year is made, then such share will be entitled to participate in the profit of that fiscal year. The management board is authorized, with the consent of the supervisory board, to set forth any details which have not yet been set forth by the shareholders' meeting. The supervisory board is authorized to amend the language of the articles of association to accord with the implementation of the contingent capital reserve.

23. Capital reserves

The capital reserve resulted from contributions made by California Kleindienst Holding GmbH to WashTec AG as of January 1, 2000, in the amount of €26,828k and from the premium paid in connection with the capital increase of August 2005, in the amount of €18,019k – less €1,774k in costs related to the capital increase.

24. Treasury shares

	Number of shares	Value shares in €k	Share (%) in registered share capital
January 1, 2008	46,765	604	0.3%
Additions 2008	1,176,265	8,860	7.8%
December 31, 2008	1,223,030	9,464	8.1%
Redemptions – cancellations 2009	–1,223,030	–9,464	–8.1%
Dec 31, 2009	**0**	**0**	**0.0%**

In exercising the authorization granted to it by the annual general meeting of shareholders on May 7, 2009, the management board, with the consent of the supervisory board, resolved to continue the program to buy back the Company's own shares. The Company is authorized through November 6, 2010, to purchase a total of up to 1,520,000 of its own shares (this represents 10.0% of the Company's registered share capital).

The repurchased shares may be used, inter alia, to satisfy the options, which have been or will be issued to managing directors of enterprises affiliated with the Company or to members of the Company's management board under the stock option plans. The volume of these options also corresponds to 800,000 shares of the Company. The purchased shares could be resold in connection with a direct or indirect acquisition of companies, divisions or holdings in enterprises. The Company reserves the right to cancel all or part of the repurchased shares.

25. 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, 2009	Dec 31, 2008
Recorded changes in the fair value of financial intruments used for hedging purposes	–755	–1,262
Exchange differences from net investments in subsidiaries	–635	–392
Actuarial gains/losses from defined benefit pension commitments and similar obligations	–579	–171
Deferred taxes on value changes recognized directly in equity capital	604	560
Other reserves	**–1,365**	**–1,265**
Currency effects	–453	–813
Total	**–1,818**	**–2,078**

26. Provisions for pensions

The provisions relate mainly to WashTec Cleaning Technology 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. Provisions for defined benefit plans are measured in accordance with the projected unit credit method pursuant to IAS 19. The amount of the provision was computed using actuarial methods at a discount rate of 5.50% (prior year: 6.25%). 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, 2009, equaled 228 employees (prior year: 225 employees).

The amounts reported on the balance sheet break down as follows:

in €k	2009	2008	2007	2006	2005
Present value of defined benefit obligations (cash value)	**6,649**	6,200	6,633	6,704	7,238

Expenses for experience-based adjustments were included in the actuarial gains and losses and totaled €30k (prior year: €12k).

Since fiscal year 2005, all actuarial gains and losses are off-set against equity capital. In the recently completed fiscal year, the actuarial gains and losses equaled €407k. Actuarial gains and losses booked directly against equity capital as of December 31, 2009 totaled –€579k (prior year: –€171k).

In fiscal years 2008 and 2009, the cash value of the pension obligations developed as follows:

in €k	2009	2008
As of January 1	6,200	6,633
Disposals	0	0
Pensions paid	–442	–411
Service cost in the reporting period	90	79
Interest expense	347	358
Actuarial gains and losses	454	–459
As of December 31	**6,649**	**6,200**

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. The development of the so-called »reimbursement rights« in 2008 and 2009 can be shown in the following table:

in €k	2009	2008
Fair value of reimbursement claims January 1	346	334
Expected return	15	15
Employer contributions	0	21
Benefits paid	–18	–18
Actuarial gains and losses	47	–6
Fair value of reimbursement claims as of December 31	**390**	**346**

The reimbursement claims reported in the balance sheet are as follows:

in €k	2009	2008
Cash value of reimbursement claims	**390**	**346**

The costs from making allocations to the pension reserve, which are recorded under personnel expenses in the income statement, consist of the following:

in €k	2009	2008
Service cost in the reporting period	90	79
Interest expense	347	358
Anticipated income from the reimbursement claim	–15	–15
Pension expenses	**422**	**422**

The actual income for the reimbursement claims for 2009 totaled €62k.

The Group is expecting payments of €390k, plus the employer's share of social security for fiscal year 2010.

27. Other provisions

in €k	Phased retirement	Warranty	Repurchase obligations	Restructuring	Other	Total	
	2009	2009	2009	2009	2009	2009	2008
As of January 1	2,521	5,448	3,168	950	1,642	13,729	16,349
Addition	1,167	2,638	448	979	595	5,827	6,370
Utilisation	–906	–2,689	–389	–263	–812	–5,059	–6,246
Reversal	0	–268	–37	–213	–112	–630	–2,448
Reclassification	0	0	0	6	–6	0	0
Exchange differences	0	15	49	0	6	70	–296
As of December 31	**2,782**	**5,144**	**3,240**	**1,459**	**1,313**	**13,937**	**13,729**
current	1,043	5,026	2,162	1,459	1,243	10,933	–
non-current	1,739	118	1,078	0	70	3,004	–
Provisions in 2008							
current	444	5,361	603	950	1,572	–	8,930
non-current	2,077	87	2,565	0	70	–	4,799

The provision for phased retirement was calculated in accordance with IAS 19 »Employee Benefits«. The calculation was based on an interest rate of 4.50% (prior year: 5.25%) and an annual salary increase of 2.00% (prior year: 2.50%).

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 equaled €1,459k (prior year: €950k) and included mostly 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 €1,313k (prior year: €1,642k) relate, above all, to provisions made for litigation risks in the amount of €718k (prior year: €1,087k) and product liability in the amount of €128k (prior year: €114k).

As of the balance sheet date, the WashTec Group believes its contingent liabilities totaled €761k (prior year: €700k) and consisted primarily of contractual performance obligations and potential expenses in connection with repurchasing machinery, and believes that the likelihood that these claims will be enforced is less than 50%.

28. Interest-bearing loans

in €k	2009	2008
Current interest-bearing loans	6,856	8,375
Non-current interest-bearing loans	33,804	36,993
Total interest-bearing loans	**40,660**	**45,368**

In the recently completed fiscal year, there was a regular and a special loan repayment in the amount totaling €8.4m. In addition, loans equaling €4.0m were taken out during the reporting year.

As of December 31, 2009, the Group had a credit line totaling €62.9m (prior year: €72.9m). The credit line consists of a variable interest-bearing (adjustable rate) loan and a working capital facility. The working capital facility consists of several overdraft facilities and a revolving credit line, which is also used to issue guarantees (aval). As of December 31, 2009, €4.1m (prior year: €3.9m) of the facility had been utilized for guarantees. The non-utilized portion of the credit facility, which may be used for future operations and for fulfilling obligations, totaled €17.6m (prior year: €22.5m) as of the balance sheet date.

The variable interest-bearing loan is repaid in annual installments of approximately €7.1m (prior year: €7.1m). The amount, which is still outstanding at the end of the term, falls due for payment immediately. In connection with structuring the finance, 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 €328k (prior year: €390k).

The interest rates for the interest-bearing loan, for the credit lines used for future acquisitions and the utilized amount of the revolving credit line are variable/adjustable and are linked to the EURIBOR and to an interest margin, which in turn is tied to the operating performance of the Company. The interest margin ranges between 0.8% and 2.9% and is computed on a quarterly bases.

The costs for extended guarantees are based on the interest margin less a discount of 0.3%. The overdraft facility bears interest according to the applicable conditions of the relevant banks at the time it is drawn down. In the reporting year, the interest rates range between 1.30% and 5.50%.

Key assets of the German companies of the WashTec Group, including receivables, inventories and trademark rights, were assigned or pledged as collateral to secure the working capital facilities 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	2009	2008
	Carrying value	Carrying value
Trade marks, patents, licences	590	762
Land and buildings	19,149	20,040
Inventory	19,176	20,875
Trade receivables	8,935	9,785

	2009	2008
Weighted, effective average interest rate	5.42 %	5.80 %

29. 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 2009	2,959	8,245	555	11,759
Interest expense for lease liability existing on the respective balance sheet date	535	1,076	20	1,631
Cash value of minimum lease payment 2009	2,424	7,169	535	10,128

Lease payments due (in €k)	< 1 year	1 – 5 years	> 5 years	Total
Minimum lease payment 2008	2,347	6,383	384	9,114
Interest expense for lease liability existing on the respective balance sheet date	416	751	18	1,185
Cash value of minimum lease payment 2008	1,930	5,632	366	7,929

Operating Lease

The obligations owed under the operating leases as of the balance sheet date are shown below in thousands of euro and classified according to their maturities:

Year	< 1 year	1 – 5 years	> 5 years	Total
2009	6,797	10,438	191	17,426
2008	6,087	6,663	58	12,808

These leases relate primarily to service vehicles, which are replaced with new lease contracts at the end of the term.

30. Liabilities

in €k	2009	2008
Trade payables	3,358	8,779
Prepayments on orders	8,219	7,305
Liabilities for taxes and charges	3,333	4,877
Liabilities in connection with social security	983	727
Other liabilities	17,093	17,789
Total	**32,986**	**39,477**
of which current (due <1 year)	31,389	37,944
of which non-current (due > 1 year)	1,597	1,533

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 €541k (prior year: €284k), liabilities to employees for such benefits as vacation, overtime work, travel expenses, etc. in the amount of €8,065k (prior year: €9,165k), and liabilities owed to employer's liability insurers totaling €263k (prior year: €297k). Other liabilities also include accruals for miscellaneous debts totaling €6,057k (prior year: €5,556k), which resulted from missing invoices on services already performed, as well as for credits to be granted in the Service division.

31. Deferred income

Deferred income totaling €9,634k (prior year: €6,536k) related primarily to the recognition of revenues for servicing contracts in the periods to which they relate.

32. Financial risk management objectives and methods

The main risks arising from the Group's financial instruments involve interest-based cash flow, as well 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 monthly basis, WashTec identifies all items which are subject to interest and currency 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.

All risk types to which the Group is exposed are described below together with the strategies and procedures for managing these risks.

Interest rate risk

Derivative financial instruments and hedging relationships

The Company has derivative financial instruments, which were designed 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.

During the reporting year, derivative financial instruments were held for hedging purposes in the form of interest swaps. Pursuant to IFRS, derivative financial instruments will 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.

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.

In order to hedge cash flows from the variable or floating rate loans against fluctuations in the market rates, interest rate swaps were concluded, by means of which the Company swaps the variable interest rate under the loan for their contractually agreed, fixed rate with the counterparty. This swap is intended to hedge the underlying obligation. The fair value of the interest rate swaps as of December 31, 2009, equaled –€224k (prior year: –€487k) and is reported under other current liabilities (prior year: reported under non-current liabilities).

Cash flow hedge

As of December 31, 2009, there were four interest rate swaps, which qualify as hedging instruments and served 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 contractually agreed interest rates of the swap amounted to 3.77%, 4.58% and 2.12%, and the variable interest rate is linked to EURIBOR. The agreements expire on December 31, 2009 and December 2012 respectively, although the cash flow from the interest rate swaps is expected to be distributed throughout the term of the agreement.

The hedging relationship is considered to be highly effective. The effective portion of the hedging relationship is recorded under equity capital and other reserves. As of December 31, 2009, the amount reported equaled €506k (prior year: –€2,187k), also factoring in deferred taxes. 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 –€709k (prior year: €707k).

The following table shows the contractually stipulated due dates for the payments; i.e. when the transaction underlying the hedge is booked as income or expense:

Commencement	End	Nominal values in €k as of Dec 31, 2009	Reference interest rate
December 31, 2007	Dec 31, 2009	16,500	3-month Euribor
July 1, 2007	Dec 31, 2009	10,000	3-month Euribor
January 1, 2010	Dec 31, 2012	9,356	1-month Euribor
January 4, 2010	Dec 31, 2012	9,356	1-month Euribor

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.

2009 EURIBOR				
Increase/decrease in basis points	10	15	–10	–15
Effects on profit/loss before taxes in €k	–22	–33	22	33

2008 EURIBOR				
Increase/decrease in basis points	10	15	–10	–15
Effects on profit/loss before taxes in €k	–15	–23	15	23

Currency risk

Due to the US dollar transactions relating to the subsidiary, Mark VII Equipment Inc., changes in the USD/EUR exchange rate could have a material effect on the consolidated balance sheet. The available US dollar credit line is drawn down in an effort to hedge against this currency risk.

Hedge of a net investment of a foreign operations

A USD-denominated loan in the amount of USD10m (market value: €6.9m), which is classified as a net investment in a foreign operation, will be hedged by another loan in the same amount and the same currency. The requirements of IAS 39 regarding hedge accounting are met so that the exchange rate fluctuations beginning on July 1, 2008, 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.

2009	Rate trend USD	5%	–5%
	Effects on profit/loss before tax €k	200	–202
	Effects on equity capital in €k	0	0
2008	Rate trend USD	5%	–5%
	Effects on profit/loss before tax €k	105	–104
	Effects on equity capital in €k	0	0

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 monthly 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 28 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, 2009. 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, 2009, 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 2009	Cash flows 2010	Cash flows 2011–2013	Cash flows 2014 et seq.
Interest-bearing loans	40,660	7,798	34,360	286
Liabilities from finance leases	10,128	2,959	6,860	1,941
Trade payables	3,358	3,358	0	0
Other financial liabilities	6,845	6,845	0	0
Derivative financial liabilities	224	237	28	0

in €k	Carrying value 2008	Cash flows 2009	Cash flows 2010–2012	Cash flows 2013 et seq.
Interest-bearing loans	45,368	5,259	42,133	283
Liabilities from finance leases	7,929	2,347	5,256	1,511
Trade payables	8,779	8,779	0	0
Other financial liabilities	6,116	6,116	0	0
Derivative financial liabilities	487	709	0	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 material credit risk concentrations within the Group.

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 managements

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 shareholder 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.

It also uses a debt-to-equity ratio, which corresponds to the ratio of net financial liabilities to an operating result as defined in the agreement underlying the interest-bearing loan. Under this definition, the debt-to-equity ratio may not exceed 2.0 as of December 31, 2009. Net financial liabilities comprise interest-bearing loans and liabilities for finance lease less cash.

WashTec's equity capital as of December 31, 2009, must also total at least €71m.

All covenants have been met as of the balance sheet date.

33. 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, 2009	Balance sheet valuation under IAS 39			Balance sheet valuation under IAS 17	Fair value Dec 31, 2009
			Amortized cost	Fair Value in equity	Fair Value through profit and loss		
Assets							
Cash and cash equivalents	LaR	13,802	13,802	–	–	–	13,802
Trade receivables	LaR	35,127	35,127	–	–	–	35,127
Other financial assets	LaR	204	204	–	–	–	204
Derivative financial assets		–	–	–	–	–	–
Derivatives without hedge relationship	FAHfT	–	–	–	–	–	–
Derivatives with hedge relationship	n.a.	–	–	–	–	–	–
Liabilities							
Trade payables	FLAC	3,358	3,358	–	–	–	3,358
Interest-bearing loans	FLAC	40,660	40,660	–	–	–	40,660
Other financial liabilities	FLAC	6,845	6,845	–	–	–	6,845
Finance lease liabilities	n.a.	10,128	–	–	–	10,128	10,128
Derivatives financial liabilities		224	–	224	–	–	224
Derivatives without hedge relationship	FAHfT	–	–	–	–	–	–
Derivatives with hedge relationship	n.a.	224	–	224	–	–	224
Aggregated presentation per IAS 39 measurement categories							
Loans and receivables (LAR)		49,127	49,127	–	–		
Financial assets held for trading (FAHfT)		–	–	–	–		
Financial liabilities measured at amortized cost (FLAC)		50,863	50,863	–	–		

In €k	Measurement-category under IAS 39	Carrying value Dec 31, 2008	Balance sheet valuation under IAS 39			Balance sheet valuation under IAS 17	Fair value Dec 31, 2008
			Amortized cost	Fair Value in equity	Fair Value through profit and loss		
Assets							
Cash and cash equivalents	LaR	6,407	6,407	–	–	–	6,407
Trade receivables	LaR	39,741	39,741	–	–	–	39,741
Other financial assets	LaR	801	801	–	–	–	801
Derivative financial assets		–	–	–	–	–	–
Derivatives without hedge relationship	FAHfT	–	–	–	–	–	–
Derivatives with hedge relationship	n.a.	–	–	–	–	–	–
Liabilities							
Cash and cash equivalents	FLAC	8,779	8,779	–	–	–	8,779
Trade payables	FLAC	45,368	45,368	–	–	–	45,368
Other financial assets	FLAC	6,116	6,116	–	–	–	6,116
Finance lease liabilities	n.a.	7,929	–	–	–	7,929	7,929
Derivative financial assets		487	–	487	–	–	487
Derivatives without hedge relationship	FAHfT	–	–	–	–	–	–
Derivatives with hedge relationship	n.a.	487	–	487	–	–	487
Aggregated presentation per IAS 39 measurement categories							
Loans and receivables (LAR)		46,967	46,967	–	–		
Financial assets held for trading (FAHfT)		–	–	–	–		
Financial liabilities measured at amortized cost (FLAC)		60,263	60,263	–	–		

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 result according to measurement categories

Net results in €k	2009	2008
Loans and receivables	–845	1,173
Financial instruments held for trading purposes	0	430
Financial liabilities valued at amortised cost	–476	–5,688

The net results may be attributed primarily to foreign currency evaluation and allowances (loans and receivables), market evaluation (financial instruments held for trading), interest expense as well as foreign currency evaluation (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 2009		
	Level 1	Level 2	Level 3
Derivative financial instruments	–	224	–

Other Notes

34. Compliance statement pursuant to sec. 161 AktG

WashTec AG has issued the statement required under sec. 161 AktG for fiscal year 2009 and has made the statement available to its shareholders at www.washtec.de.

The management board approved the consolidated financial statements on February 24, 2010 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 18, 2010.

35. Information regarding the Company's governing bodies

Management Board

Thorsten Krüger, (Dipl.-Ing.), Weißenhorn, Germany
Spokesman of the Management Board
Sales, Marketing, Strategic Service and Development

Christian Bernert, (BBA/MBA), Augsburg, Germany
Finance, Personnel, IT, Legal Affairs and Supply Chain

Supervisory Board

Michael Busch, (Dipl.-Kfm.), (Chairman)
Independent business consultant and managing director of Cobe Consult GmbH, Berlin, Germany
Supervisory board member of the following entities:

- Kampa AG, Minden, Germany (member of the supervisory board until March 3, 2009)
- Hamatech AG, Kahl am Main (deputy chairman of the supervisory board until February 24, 2009)
- Schimmel Verwaltungsgesellschaft mbH, Braunschweig, Germany (chairman of the advisory board; position dormant)

Jürgen Lauer, (Dipl.-Betriebswirt/MBA), (Deputy Chairman)
Managing director of JüLa Beteiligungs GmbH, Weißenhorn, Germany
Member of the advisory board/supervisory board of the following companies:

- Medica Medizintechnik GmbH, Hochdorf, Germany (member of the advisory board)
- Singulus Technologies AG, Kahl am Main, Germany (member of the supervisory board since August 17, 2009)
- Pulsion AG, Munich, Germany (deputy chairman of the supervisory board since November 16, 2009)

Roland Lacher, (Dipl.-Ing.), (Board Member)
Independent businessman (Kaufmann), Gelnhausen-Meerholz, Germany
Member of the supervisory board of the following companies:

- Singulus Technologies AG, Kahl am Main, Germany (chairman of the supervisory board through August 17, 2009, chairman of the management board since August 17, 2009)
- OPTIXX AG/Kriens, Switzerland (member of the administrative board, vice-president until April 30, 2009)

36. Information about related party transactions

In fiscal year 2009, 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
Remuneration paid to the entire management board in the fiscal year was €645k (prior year: €966k), plus the expenses for the stock option program that expired in fiscal 2009 in the amount of €346k (prior year: €691k).

Shares held by the management board members developed as follows:

Shares held by members of the management board	2009	2008
Thorsten Krüger	0	0
Christian Bernert	33,794	33,794
Total	**33,794**	**33,794**

Supervisory Board

Remuneration paid to the entire supervisory board in the fiscal year was €45k (prior year: €236k).

Shares held by members of the supervisory board developed as follows:

Shares held by members of the supervisory board	2009	2008
Michael Busch	0	0
Jürgen Lauer	0	0
Roland Lacher	0	0

Former members of the management board

A share appreciation program with a term expiring December 31, 2008 had been in place. The provisions that had been made for the share appreciation program totaled €0k as of December 31, 2008. According to the calculation using the parameters discussed in Note 9 above, no amount was due for payment in 2009. For additional information regarding the share appreciation program, see Note 9 on personnel expenses.

There were also pension obligations owed to a former management board member and his survivors in the amount of €161k, which are covered by a relief fund.

37. Notes after the balance sheet date

No significant events occurred after the balance sheet date.

Augsburg, February 24, 2010

WashTec AG

Thorsten Krüger
Spokesman of the
Management Board

Christian Bernert
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.«

Thorsten Krüger
Spokesman of the
Management Board

Christian Bernert
Member of the
Management Board

Auditor's Report

We have audited the consolidated financial statements prepared by the WashTec AG, Augsburg, comprising the income statement, balance sheet, cash flow statement, statement of comprehensive income, 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 2009. The preparation of the consolidated financial statements and the combined 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) are the responsibility of the parent Company›s Board of Managing Directors. Our responsibility is to express an opinion on the consolidated financial statements and the combined 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 combined 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 in the combined management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of the companies included in consolidation, the determination of the companies 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 combined management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

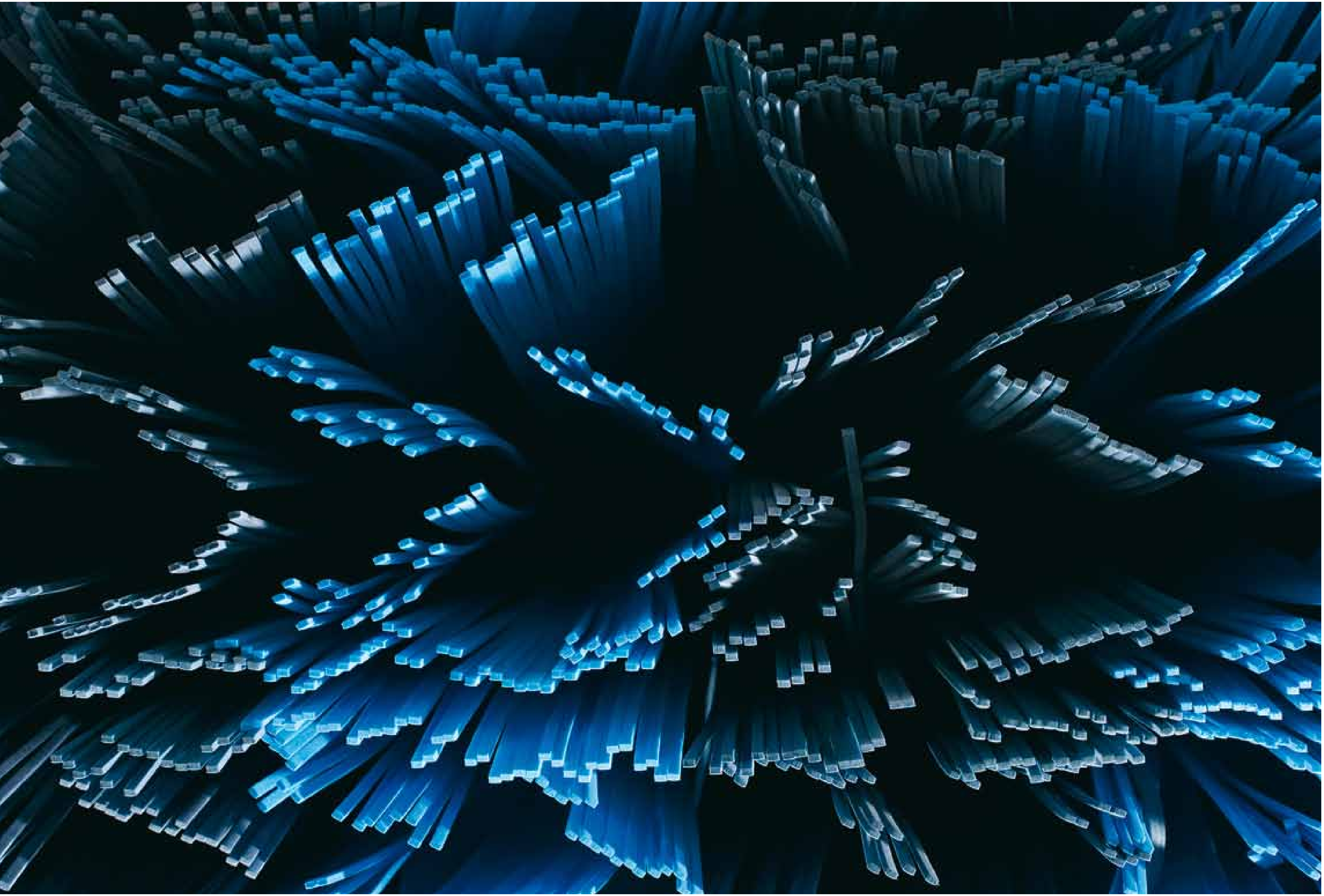
In our opinion based on the findings of our audit the consolidated financial statements comply with the IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315a Abs. 1 HGB and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these provisions. 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, 25 February 2010

PricewaterhouseCoopers AG
Wirtschaftsprüfungsgesellschaft

Franz Wagner (Wirtschaftsprüfer)

Petra Justenhoven (Wirtschaftsprüferin)



Financial Statements of WashTec AG – Balance Sheet (HGB)

Assets	Dec 31, 2009	Dec 31, 2008
	€	€
A. Non current-assets		
I. Intangible assets	135	942
II. Property, plant and equipment		
Fixture and fittings	13,500	16,217
III. Financial Assets		
Shares in associated companies	128,029,510	128,028,320
	128,043,145	**128,045,479**
B. Current assets		
I. Receivables and other assets		
1. Receivables from affiliated companies	19,751,117	20,233,697
2. Other assets	338,032	507,658
thereof mor than one year € 288.217		
	20,089,149	**20,741,355**
II. Securities		
Treasury shares	0	7,081,344
III. Cash	246	405
	246	**7,081,749**
C. Prepaid expenses	**20,833**	**0**
Total assets	**148,153,373**	**155,868,583**

Equity and liabilities	Dec 31, 2009	Dec 31, 2008
	€	€
A. Equity		
I. Subscribed capital	**40,000,000**	**40,000,000**
contingent capital	2,105,264	2,105,264
II. Capital reserve	**90,844,958**	**90,413,931**
III. Revenue reserve		
Reserve for tresury shares	0	7,081,344
IV. Retained earnings	**5,999,032**	**5,863,950**
	136,843,990	**143,359,225**
B. Provisions		
1. Provisions for taxes	2,368	2,664
2. Other provisions	263,141	1,192,596
	265,509	**1,195,260**
C. Liabilities		
1. Trade liabilities	0	132,080
2. Liabilities to affiliated companies	9,848,889	9,409,546
3. Other liabilities	1,194,985	1,772,472
thereof from taxes €1,104,057 (prior year: €1,713,351)		
thereof for social security		
€24.928 (prior year: €0)		
	11,043,874	**11,314,098**
Total equity and liabilities	**148,153,373**	**155,868,583**

Financial Statements of WashTec AG – Income Statement (HGB)

	Dec 31, 2009	Dec 31, 2008
	€	€
Revenues	999,525	1,895,684
Other operating income	80,676	203,243
	1,080,201	**2,098,927**
Personal expenses		
a) Wages and salaries	1,210,032	2,054,279
b) Social security, pension and other benefit costs	116,306	40,942
thereof for old-age pensions €74,540 (prior year: €60)		
	1,326,338	**2,095,221**
Amortization, depreciation and impairment of intangible assets and property, plant and equipment	5,366	7,057
Impairment of current assets	0	2,383,202
	5,366	**2,390,259**
Other operating expenses	866,506	1,905,267
	–2,198,210	**–6,390,747**
	–1,118,009	**–4,291,820**
Income from profit and loss transfer agreement	1,220,137	–8,304
Income from affiliated companies	0	13,000,000
Other interest and similar income	211,083	165,791
thereof from affiliated companies €188,291 (prior year: €145,567)		
Interest and similar income	–202,069	–181,033
thereof from affiliated companies €202,069 (prior year: €181,033)		
	1,229,151	**12,976,454**
EBIT	111,142	8,684,634
Income taxes	23,940	3
Profit for the year	135,082	8,684,637
Profit carried forward	5,863,950	3,656,314
Allocation to reserve for treasury shares	0	–8,860,203
Liquidation of reserves	7,081,344	2,383,202
Expenses for the cancellation of treasury shares	–7,081,344	0
Retained Earnings	**5,999,032**	**5,863,950**

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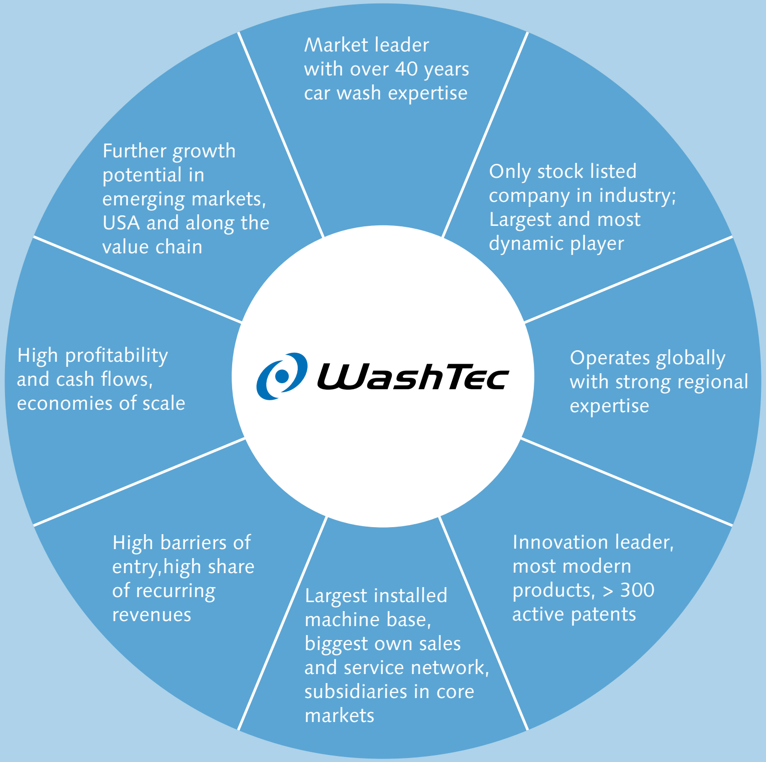
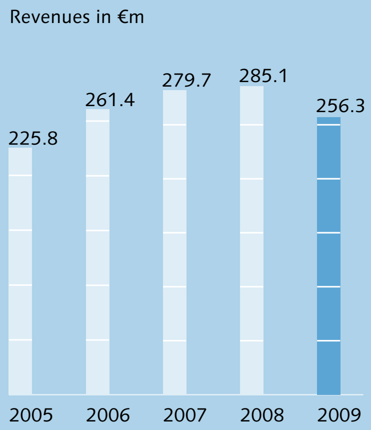
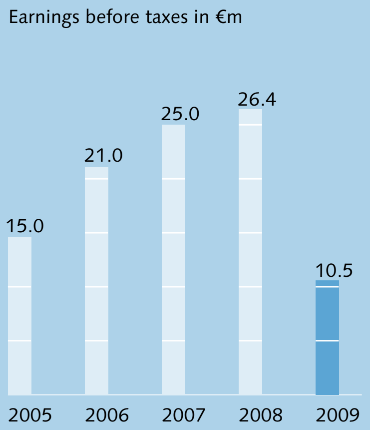
An up-to-date overview of our international sales partners can be found online at www.washtec.de.

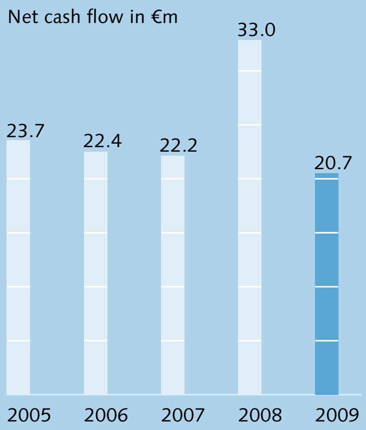
WashTec – »Hidden Champion«

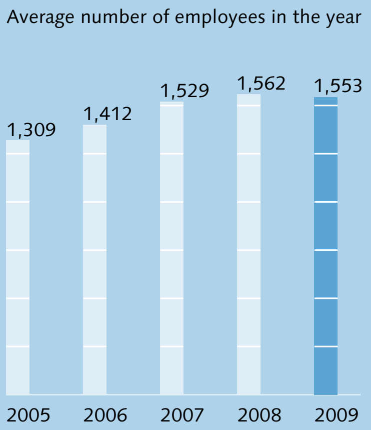


Revenues, earnings, cash flow, employees









WashTec product range

Products (around 2/3 of revenues)

Roll-over
systems

Wash
conveyors

Self-service
wash systems

Commercial
wash systems

Water reclaim
systems

Facility management

- Wesurent car wash marketing

Financing

- WashTec Financial Services

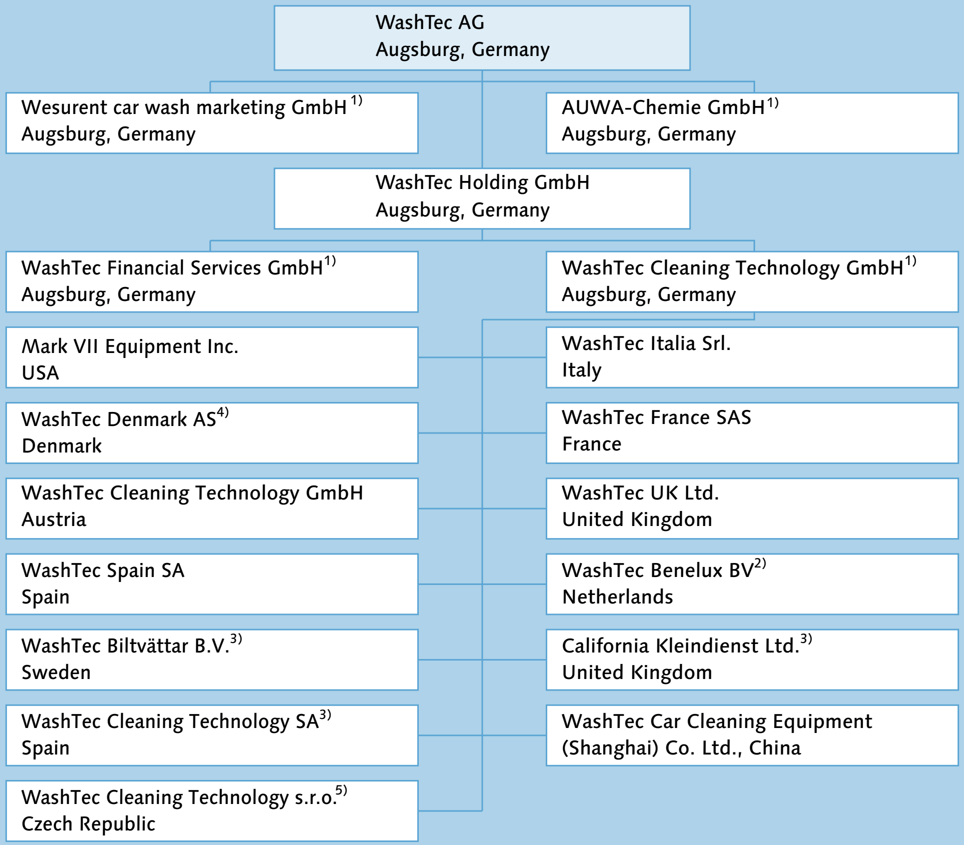
Service (around 1/3 of revenues)

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 California Kleindienst Administrative B.V., Zoetermeer, Netherlands and WashTec Benelux N.V., Brussels, Belgium, whose results are disclosed by WashTec Benelux B.V, Zoetermeer B.V.
3) The company is currently inactive
4) Incl. offices in Norway.
5) WashTec Cleaning Technology GmbH 90%, WashTec Holding GmbH 10%

Financial calendar

Annual report 2009	March 25, 2010
Annual general meeting	May 5, 2010, Augsburg
Q1 report	May 4, 2010
Q2 report	August 9, 2010
Q3 report	November 4, 2010
Analysts' conference,	
German equity forum	November 22–24, 2010, Frankfurt/Main

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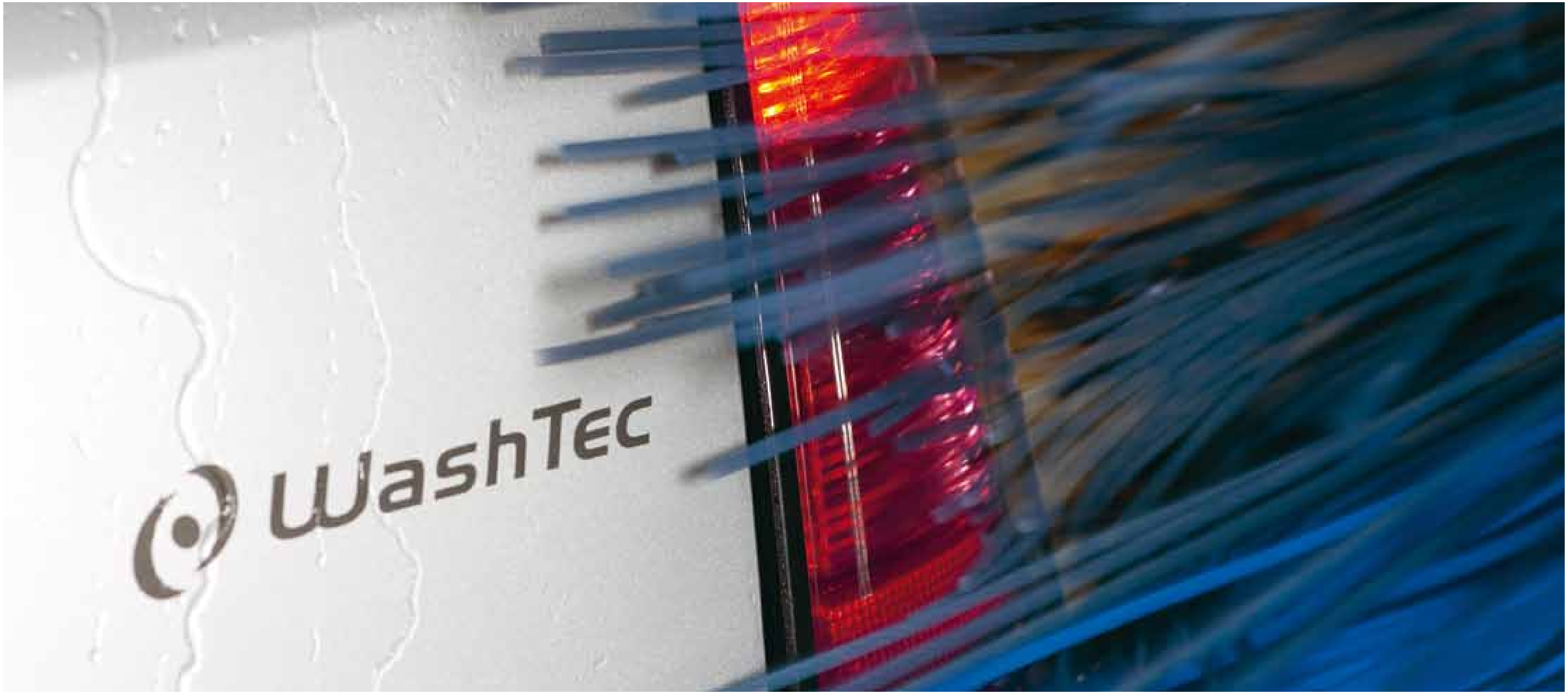

WashTec