WASHTEC AG – Quarterly Report for the Period from January 1 to March 31, 2007

Unaudited translation for convenience purposes only

WashTec

Stable Business Performance and Expansion of Business in Southern Europe:

- **Revenues at EUR 60.3m (prior year: EUR 59.5m)**
- **EBIT at EUR 2.6m in the first quarter (prior year: EUR 1.1m)**
- **Takeover and integration of long-standing dealer in Spain**

		Q1 2007	Q1 2006	Change
Revenues	EUR m	60.3	59.5	0.8
EBITDA	EUR m	4.5	2.7	1.8
EBIT	EUR m	2.6	1.1	1.5
EBIT adjusted for non-recurring effects	EUR m	2.6	4.7	–2.1
Investments	EUR m	4.4	17.0	–12.6
cash paid for acquisitions	EUR m	5.6	16.2	–10.6
No. of employees as of March 31		1,507	1,409	98
Earnings per share*	EUR	0.07	0.01	0.06
Cash flow	EUR m	1.3	4.1	–2.8

* diluted/basic

Dear shareholders,

As forecasted, we enjoyed a stable business performance in Q1. Revenues were up EUR 0.8m year on year from EUR 59.5m to EUR 60.3m. Revenues in the core markets in Europe were down in comparison to the strong prior-year quarter mainly as a result of a downward investment trend among major customers in the mineral oil industry, in particular in Germany. The subsidiary Mark VII Equipment USA, however, whose revenues fell far short of expectations in the first quarter of the prior year, saw its revenues climb by EUR 2.9m to EUR 7.0m. The revenues of the Spanish subsidiary acquired in January were included in consolidated revenues of the WashTec Group for the first time.

- *Positive development of US-revenues*
- *revenues in core markets slightly below prior year mainly as a result of the downward investment trend among major customers*

EBT stood at EUR 1.7m, compared with EUR 0.2m in the prior year. EBIT rose by EUR 1.1m on the prior year to EUR 2.6m; EBIT, however, in the prior year was influenced by net non-recurring expenses EUR 3.6m, mainly for phantom stocks. The decrease in EBIT adjusted for these non-recurring effects in the prior year can be mainly attributed to expenses in connection with activities to strengthen the Group's own sales and service organizations in Spain and the US.

For fiscal year 2007 as a whole, the management board continues to aim for an EBIT margin of between 10% and 12% with moderate organic growth.

The US subsidiary continued to perform well. Following its integration in the last year, focus in the current fiscal year is on expanding the product portfolio, optimizing the sales and service channels and above all creating a solid basis for further growth in this key market. At the ICA, the largest trade fair for the industry in Las Vegas, Mark VII presented the new conveyor tunnel system designed especially for the US market. As part of the strategy to step up sales and service activities, the Tennessee region has been serviced directly since the start of the year.

USA

- *Presentation of a conveyor tunnel system designed especially for the US market at the ICA trade fair, Las Vegas*
- *Tennessee region serviced directly since the start of the year*

WashTec acquired its longterm Spanish sales partner in January. WashTec thus now has its own sales and service organization in the key Spanish market. The integration process is on track. Once integration is complete, Washtec plans to secure itself a leading market position in Spain in the medium term.

The international product launches of the rollover car wash system NEW SoftWash for the basic segment and the commercial vehicle washing system MaxiWash Vario are going according to schedule. These products are being launched amid growing competitive pressure, in particular in the basic segment, confirming that designing a new machine especially for the basic segment was the right move to take toward optimizing the product portfolio.

Within the scope of the implementation of the European logistics concept, customers of subsidiaries are also being successively supplied by satellite warehouses, a new development since the start of the year.

Cash flows from operating activities stood at EUR 1.3m (prior-year period: EUR 4.1m). The year-on-year dip in cash flows is largely the result of changes in working capital. Cash flows were used mainly to pay accounts payables and short term liabilities.

Resolutions for the shareholder meeting:
- *new elections for the supervisory board*
- *option plan*
- *share buy-back*

During the supervisory board meeting held to approve the financial statements, the resolutions to be put forward to the shareholder meeting of WashTec AG on May 22 were adopted. At this meeting, the Company's shareholders are expected to adopt a resolution on a share buy-back and a "regular" option plan for the management board and top management which is to replace the current virtual stock option scheme for members of the management board. New elections will also be held for the supervisory board. While the current supervisory board members Mr. Michael Busch and Mr. Jürgen Lauer – who was appointed by the local court of Augsburg in January following the resignation of Mr. Robert Osterrieth as the third member of the supervisory board – are up for election, the chairman of the supervisory board Mr. Alexander von Engelhardt may not stand for another term of office on account of his age. The administration will thus put Mr. Roland Lacher forward as the third member of the supervisory board. Mr. Lacher – founder and former chairman of the management board of Singulus Technologies AG – has a wealth of expertise in development and supply chain operations and in the establishment and expansion of production and sales organizations in Asia and the US.

Economic Climate and Market

Economic climate in Germany and Europe remains positive

The economic climate in Germany and Europe remains positive. As the short-term investment pattern in the car wash business does not have any direct correlation with the economic conditions, the positive effects from the economic trend in Q1 were felt only partially. On the flip side, however, the effects of the positive general economic development are pushing up sourcing and personnel costs. And the upward spiral of costs is expected to last, in particular for personnel expenses due to greater demands by trade unions in connection with the collective wage negotiations underway in Germany.

The market conditions in the US are also favorable. Investments in car wash systems in the US were on target, with the market recovering from the downward investment trend of the first half of the prior year.

Revenues

Regional split in EUR m, IFRSs	March 31 2007	March 31 2006
Germany	20.5	23.5
Rest of Europe	32.2	31.1
North America	7.0	4.1
Rest of world (mainly Asia and Australia)	0.6	0.8
Total	**60.3**	**59.5**

Drop in national revenues mainly due to low investments by mineral oil companies

Breakdown by sales divisions in EUR m, IFRSs	March 31 2007	March 31 2006
New machines	36.5	37.5
Spare parts, service	18.7	17.7
Used machines	1.1	0.8
Chemicals	2.5	1.9
Accessories and miscellaneous	0.8	0.8
Cleaning Technology division	59.5	58.7
Systems division	0.8	1.0
Consolidation	0.0	–0.2
Total	**60.3**	**59.5**

Revenues were up EUR 0.8m year on year from EUR 59.5m to EUR 60.3m. However, it should be noted that revenues in the prior-year period were boosted by non-recurring income of EUR 1.1m due to the completion of the train wash projects. Besides the drop in revenues in Germany due to the completion of above projects, low investments by mineral oil companies also cut revenues short.

At EUR 7.0m, revenues of the subsidiary Mark VII Equipment, USA, were up EUR 2.9m on the prior year's EUR 4.1m; although it must be said that revenues in Q1/2006 were well below target.

Revenues in the core European markets outside Germany were down slightly in comparison to the prior year, having surpassed all expectations in the prior-year quarter. Revenues in southern and eastern Europe continued to develop well.

Revenues of Spanish subsidiary were included for the first time. Aim: additional revenues of EUR 3m for year as a whole

The revenues of the Spanish subsidiary acquired in January were included in consolidated revenues for the first time. For the year as a whole, the Company expects to see revenues grow by around EUR 3m on the back of the additional revenues generated from service and machines sales. Up until the date of the acquisition, revenues from machines and replacement parts in Spain were reported under export revenues in the prior-year figures.

The decrease of revenues of the systems division is the result of reduced wash numbers due to extraordinary weather conditions in the first quarter.

Earnings

Decrease in EBIT adjusted for non-recurring effects can be chiefly attributed to expenses in connection with activities to strengthen the Group's own sales and service organization in Spain and the US

in EUR m, IFRSs	March 31 2007	March 31 2006
EBITDA	4.5	2.7
EBIT	2.6	1.1
EBT	1.7	0.2
EBIT adjusted for non-recurring effects	2.6	4.7

EBITDA rose EUR 1.8m year on year from EUR 2.7m to EUR 4.5m. The prior-year figure includes non-recurring expenses of EUR 3.6m (burden from phantom stocks of EUR 4.2m net of positive effects of EUR 0.6m). The decrease in EBIT adjusted for these non-recurring effects in the prior year can be chiefly attributed to expenses in connection with activities to strengthen the Group's own sales and service organization in Spain and the US.

At 56.4%, the gross profit margin (based on revenues) in the first quarter was at the prior-year level (Q1/2006: 56.6%). The main factors behind the development of the gross profit margin are the positive effect from the absence of low-margin train wash revenues, which was compensated for by the increase in the revenue contribution of Mark VII which mainly operates via a dealer structure and thus achieves a relatively lower gross profit margin.

At EUR 20.9m, personnel expenses were down on the prior year (EUR 24.2m). In the prior year, this item included expenses of EUR 4.2m for the phantom stock program (2007 phantom stock expense EUR 0.0m). The year-on-year increase adjusted for the expenses from the phantom stock program is due to a higher headcount at the WashTec Group, owing to the acquisition in Spain and the expansion of direct sales in the US.

At EUR 9.8m, other operating expenses are up EUR 1.4m compared with EUR 8.4m in Q1/2006. This rise can be attributed to the start-up expenses in connection with the acquisition in Spain, costs due to stepped-up sales activities in the US as well as expenses in connection with the implementation of projects to improve efficiency and growth.

The amortization, depreciation and impairment loss expense amounted to EUR 1.8m, an increase of EUR 0.2m compared to the EUR 1.6m reported in the prior year. This increase is due to write-downs on investments in connection with the implementation of phase I and II of plant restructuring in Augsburg and the US.

EBIT rose to EUR 2.6m, compared to EUR 1.1m in the prior year. Adjusted for non-recurring effects EBIT stood at EUR 2.1m below prior year.

Finance costs were up slightly from EUR 0.9m to EUR 1.0 due to the acquisition of the Spanish subsidiary.

EBT increased to EUR 1.7m in Q1, compared with EUR 0.2m in Q1/2006. After deducting taxes, a net profit of EUR 1.0m remains (prior year: EUR 0.1m).

Earnings per share (diluted=basic) stood at EUR 0.07 (prior year: EUR 0.01)

Balance Sheet

Assets in EUR m, IFRSs	March 31 2007	March 31 2006
Non-current assets	124.6	124.7
Current assets	78.6	82.8
Prepaid expenses	1.9	1.3
Total assets	**205.1**	**208.8**

First-time consolidation of WashTec Spain

Motor Mediterraneo, Spain, has been consolidated in the WashTec Group since January 1, 2007. Intangible assets as of March 31, 2007 were up from EUR 61.2m as of December 31, 2006 to EUR 61.8m mainly as a result of this first-time consolidation.

Inventories were up from EUR 34.0m to EUR 37.9m in Q1 due to the restructuring of supplies to customers of foreign subsidiaries through a logistics provider, the related temporary dual warehousing and the first-time consolidation of Motor Mediterraneo.

Trade receivables decreased from EUR 41.8m as of December 31, 2006 to EUR 33.7m.

Equity ratio per March 31, 2007: 30.5 %

Equity and Liabilities in EUR m, IFRSs	March 31 2007	March 31 2006
Equity	62.6	61.7
Liabilities to banks	60.3	57.3
Other liabilities and provisions	76.3	82.9
Deferred income	5.9	6.9
Total equity and liabilities	**205.1**	**208.8**

The acquisition of Motor Mediterraneo was financed through the WashTec Group's credit facilities. As a result, liabilities to banks rose to EUR 60.3m as of December 31, 2006 (EUR 57.3m).

Trade payables decreased from EUR 11.4m as of December 31, 2006 to EUR 10.2m.

In comparison to December 31, 2006, provisions only dropped slightly from EUR 31.3m to EUR 30.1m.

Consolidated equity increased due to the positive result for the period from EUR 61.7m to EUR 62.6m.

Cash Flow Statement

Cash flows from operating activities amounted to EUR 1.3m in the first quarter of 2007 (Q1/2006: EUR 4.1m). The fall in cash flows is largely the result of payments of accounts payables, mainly taxes and social security contributions as well as the increase of inventories.

Cash flows from investing activities came to EUR 4.4m (2006: EUR 17.0m). A year-on-year comparison should take the acquisition of Mark VII in January 2006 into account. The focus of investments in the current year was on the acquisition of the exclusive partner in Spain and the expansion of direct sales in the US while the acquisition of Mark VII Equipment took place in the respective prior year period. Overall, cash and cash equivalents were down EUR 0.2m as of March 31, 2007.

Employees

Headcount of WashTec now at 1,507

Headcount rose by 98 to 1,507 in comparison to March 31, 2006 due to the acquisition in Spain and the expansion of direct sales in the US. In comparison with December 31, 2006, this is an increase of 56 employees. WashTec's employee statistics include 33 employees of Motor Mediterraneo now WashTec, Spain, for the first time.

The WashTec Stock

The WashTec stock price rose from EUR 13.84 as of December 31, 2006 to EUR 14.79 as of March 30, 2007. In Q1, Cycladic Capital Management gave notification that it holds 21.0% of the voting rights. Julius Baer Investment Funds Services gave notification that it exceeded the reporting threshold of 5% and now holds 5.9%.

Management was in continuous contact with journalists and the financial community in the first quarter. A number of conference calls were held with analysts and investors in connection with the Company's publications. The WashTec stock is currently being covered by Berenberg, Cazenove, HVB, HSBC Trinkaus & Burkard, Merill Lynch and MM Warburg.

At the annual press conference in Munich the management board presented the results of fiscal year 2006 and the strategy.

Shareholding in %	March 31, 2007
Threadneedle Asset Management	11.1
Cycladic Capital Management LLP.	21.0
IED – International Equity Development GmbH	8.9
Powe Capital Ltd.	10.9
Julius Baer Investment Funds Services	5.9
Free float	**42.2**

* Source: notifications pursuant to the German Securities Trading Act ["Wertpapierhandelsgesetz": WpHG]

Risks

There were no major changes in comparison to the risks presented in the annual report for 2006.

Outlook

We plan to go ahead with the product and marketing campaign. Focus in the core markets is on the expansion of the vehicle wash systems offering, and covers the expansion of the services offering for existing customers as well as the internationalization of WesuRent's systems business which is already established in the German market.

Product and marketing campaign:

- *expansion of the services offering in core markets*
- *development of the eastern and southern european markets*
- *US: further enhancement of the sales and service quality*

The markets in eastern Europe are being opened up further in close collaboration with the local sales partners. At the same time central key account management operations for the eastern European mineral oil companies form the platform for further growth in these focus markets.

Market expansion in Italy is on track and will be continued. In Spain following the integration activities to optimize market penetration will be intensified.

Operations in the US remain focussed on the enhancement of the sales and service quality to meet the customer demands with an improved regional presence. Besides the rollout of the conveyor tunnel presented in March the optimization and technology transfer for the complete product portfolio will be continued.

We will continue to sound out individual markets and market segments in order to ensure an optimal marketing approach. In this context acquisitions may be made.

Due to competition in the core markets, our focus in 2007 will be on the identification and realization of additional projects to optimize cost structures along with other activities to boost revenues.

For fiscal year 2007 as a whole, the management board continues to aim for an EBIT margin of between 10% and 12% with moderate organic growth. In particular the positive development of the US and eastern and southern European markets is expected to drive growth.

Aim for total year result: EBIT margin of between 10% and 12%

In the medium term, the new additional optimization measures, ongoing exploration of the emerging markets and participation in their growth are expected to drive revenue growth and boost earnings.

Consolidated Balance Sheet

Assets	Mar. 31, 2007	Dec. 31, 2006
	EUR k	EUR k
Non-current assets		
Intangible assets	61,796	61,215
Property, plant and equipment	38,357	38,471
Financial assets	75	173
	100,229	**99,858**
Deferred tax assets	24,360	24,839
Non-current receivables and other assets	32	32
Total non-current assets	**124,621**	**124,730**
Current receivables and other assets		
Non-current assets available for sale	1,110	1,110
Inventories	37,921	34,020
Trade receivables	33,658	41,842
Other assets	3,048	2,762
	75,737	**79,734**
Cash and cash equivalents	2,863	3,045
Total current assets	**78,600**	**82,780**
Prepaid expenses	1,855	1,327
Total assets	**205,076**	**208,836**

Equity and liabilities	Mar. 31, 2007	Dec. 31, 2006
	EUR k	EUR k
Equity		
Subscribed capital	40,000	40,000
Capital reserves	44,338	44,338
Other reserves	–3	124
Loss carryforward	–22,734	–35,236
Net profit for the period	1,019	12,502
	62,620	**61,728**
Non-current liabilities		
Liabilities to banks and similar institutions	51,780	48,226
Loans and liabilities	6,088	5,049
Provisions	13,333	13,474
Current liabilities		
Liabilities to banks and similar institutions	8,497	9,024
Trade payables	10,202	11,389
Advances received on account of orders	5,131	5,951
Provisions	16,769	17,797
Other	24,755	29,269
	65,353	**73,430**
Deferred income	5,903	6,929
Total equity and liabilities	**205,076**	**208,836**

Possible rounding differences due to rounding to EUR k.

Consolidated Income Statement

	Jan. – Mar. 2007	Jan. – Mar. 2006
	EUR k	EUR k
Revenues	60,336	59,496
Change in inventories	223	–2.758
Other operating income	805	1.700
Total	61,363	58,438
Cost of materials	26,278	23,077
Gross profit	**35,085**	**35,360**
Personnel expenses	20,859	24,241
Other operating expenses	9,754	8,375
EBITDA	**4,472**	**2,744**
Depreciation, amortization and impairment losses	1,825	1,640
Goodwill amortization	0	0
EBIT	**2,647**	**1,104**
Financial result (net financial expense)	970	934
EBT	**1,678**	**170**
Income taxes	–658	–68
Profit for the year	**1,019**	**102**
Earnings per share	**0.07**	**0.01**

Possible rounding differences due to rounding to EUR k.

Consolidated Cash Flow Statement

	Mar. 31, 2007	Mar. 31, 2006
	EUR k	EUR k
EBIT	2,647	1,104
Cash received from interest and dividends	225	48
Interest paid	–1,195	–982
Write-downs on non-current assets	1,825	1,640
Change in non-current provisions	–141	–344
Loss from the sale of non-current assets	–242	–385
Gross cash flow	**3,119**	**1,080**
Increase in inventories	–2,876	1,382
Decrease in trade receivables	10,053	856
Increase in trade payables	–2,433	2,424
Change in other net current assets	–6,593	–1,626
Net cash flows from operating activities	**1,270**	**4,116**
Cash paid for investments in non-current assets	–1,307	–1,108
Cash received from the sale of non-current assets	2,598	251
Cash paid for acquisitions	–5,644	–16,165
Net cash flows used in investing activities	**–4,353**	**–17,022**
Cash received from the raising of long-term borrowings	3,300	11,000
Repayment of non-current liabilities from finance leases	–388	–188
Net cash flows used in financing activities	**2,912**	**10,812**
Net decrease/increase in cash and cash equivalents	**–171**	**–2,094**
Cash and cash equivalents as of January 1	**1,569**	**–680**
Cash and cash equivalents as of March 31	**1,399**	**–2,774**
Bank balances	**2,863**	**4,940**
Current bank liabilities	**–1,464**	**–7,714**

Possible rounding differences due to rounding to EUR k.

Statement of Changes in Consolidated Equity

	Subscribed capital	Capital reserve	Accumulated loss/profit	Other reserves	Exchange rates effects	Total
	EUR k	EUR k	EUR k	EUR k	EUR k	EUR k
As of Dec. 31, 2006	**40,000**	**44,338**	**–22,734**	**–395**	**519**	**61,728**
Profit/loss recognized directly in equity				–48	–94	–142
Taxes on items recognized directly in equity				14		14
Profit for 2006			1,019			1,019
As of March 31 2007	**40,000**	**44,338**	**–21,715**	**–429**	**426**	**62,620**

Possible rounding differences due to rounding to EUR k.

Segment Report to IFRS from January 1 to March 31, 2006

	Cleaning Technology		Systems		Consolidation		Group	
	2007	2006	2007	2006	2007	2006	2007	2006
	EUR k	EUR k	EUR k	EUR k	EUR k	EUR k	EUR k	EUR k
External revenues	59,553	58,726	783	987	0	–217	60,336	59,496
Other income	804	1,710	1	0	0	–10	805	1,700
EBIT	**2,647**	**984**	**0**	**229**	**0**	**–109**	**2,647**	**1,104**
Income from interest and financial assets	225	48	0	0	0	0	225	48
Interest and similar expenses	–1,133	–941	–62	–41	0	0	–1,195	–982
Profit/loss from ordinary activities	**1,740**	**91**	**–62**	**188**	**0**	**–109**	**1,678**	**170**
Income taxes							–658	–68
Consolidated net profit for the period							**1,019**	**102**

Possible rounding differences due to rounding to EUR k.

Notes

Accounting Policies

The Q1 report has been prepared in accordance with the International Financial Reporting Standards (IFRSs) applicable as of March 31, 2007. The accounting policies have not changed in comparison to those applied in the consolidated financial statements as of December 31, 2006.

To improve the clarity and readability of the balance sheet, income statement and cash flow statement of the WashTec Group, individual items have been grouped.

Consolidated Group

In comparison to the consolidated financial statements as of December 31, 2006, the consolidated group now includes Motor Mediterraneo S.A., Spain, which was acquired in January.

Balance Sheet/Equity

WashTec AG's capital stock amounted to EUR 40m as of March 31, 2007 and was divided into 15,200,000 shares.

Earnings per Share

Earnings per share are calculated by dividing the net consolidated result by the number of shares:

	March 31, 2007	March 31, 2006
Net result	EUR 1.0m	EUR 0.1m
Number of shares	15,200,000	15,200,000
Earnings per share*	EUR 0.07	EUR 0.01

* diluted = basic

Information on the Parent Company

WashTec AG does not have any operations of its own. It is the ultimate group parent company. WashTec AG has a management board and performs group controlling and risk management functions; it also has a legal department. It provides advisory services in the areas of legal services, finance, marketing, development and production. WashTec AG's most important assets are its direct and indirect investees offering advisory services, which largely shape its result. As of March 31, 2007, WashTec AG had 4 employees.

Financial Calendar

Shareholder Meeting	May 22, 2007
Q2 Report	August 2007
Q3 Report	November 2007
Analysts conference/ Equity forum	November 12 to 14, 2007
Annual Report for 2007	March 31, 2008

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