Q2 2010 Report on the Period of January 1 to June 30, 2010

Unaudited translation for convenience purposes only

WashTec

WashTec continues substantial earnings improvement and regional expansion

- Operating result (EBIT) increases in the first half of the year by € 4.8m to € 6.7m (H1 2009: € 1.9m), EBIT margin increases from 1.6% to 5.4%
- Strengthening of market leader position through acquisitions in Australia and Canada
- Improvement in operating cash flow (increase from € 5.2m to € 14.0m)

		H1 2010	H1 2009	Change
Revenues	€m	123.7	121.5	2.2
EBITDA	€m	11.4	6.4	5.0
EBIT	€m	6.7	1.9	4.8
EBIT adjusted for non-recurring effects	€m	7.4	3.1	4.3
EBT	€m	5.6	0.7	4.9
Employees as of June 30		1,604	1,567	37
Earnings per share*	€	0.19	–0.06	0.25
Net cash flow	€m	14.0	5.2	8.8
Purchase of PP+E	€m	–2.9	–4.4	–1.5

* diluted = undiluted, average number of shares: June 30, 2010; 13,976,970, June 30, 2009: 13,976,970

Interim Management Report

1. Results of operation, net assets and financial position

WashTec grew its revenues by 1.8% (€ 2.2m) in the first half of 2010 to € 123.7m. Key driver was the increase in service, wash chemicals and operations revenues, mainly through the regional expansion and new sites. However, some markets and customer groups still show a reluctance to make investments in car wash equipment. This is mainly caused by a lack of financing opportunities, specifically among individual customers.

- *EBIT increased from € 1.9m to € 6.7m*
- *Improvement of operating net cash flow from € 5.2m to € 14.0m*

The EBIT rose significantly by € 4.8m to € 6.7m (H1 2009: € 1.9m) primarily due to the full year effect of international sourcing activities started in the first half of 2009, as well as favorable foreign exchange rates. After adjusting for non-recurring effects of € –0.7m relating to acquisitions (H1 2009: € –1.2m for non-recurring effects relating to write-downs on receivables) the adjusted EBIT was more than doubled and equals € 7.4m (prior year: € 3.1m).

The operating net cash flow also improved, totaling € 14.0m (H1 2009: € 5.2m).

The results for the first half of 2010 confirm the Company's expectations for the full year 2010: customer investments in new equipment will increase only slightly this year. On the other hand, the cost cutting and efficiency measures will result in improved profitability.

Growth and Products

Direct sales and service activities in Australia and Canada

On April 1, 2010, WashTec acquired substantially all of the assets – as well as certain liabilities – of WashTec's Australian dealer. Thus, WashTec has now commenced direct sales and service activities in Australia. The investment in the Australian market is intended to secure WashTec's equipment sales there and to guarantee a high level of equipment availability for the customers. In the mid-term, this move should strengthen WashTec's worldwide presence and market leadership as well as its relations with major customers.

The growth strategy was also actively implemented in Northern America during the first half of 2010. In this connection, WashTec formed its own subsidiary in Canada which acquired by way of asset deals two sales and service organizations headquartered in Alberta and Ontario. These deals have allowed WashTec to create the basis for a national organization to support its Canadian customers. A key trigger for these steps has been a cooperation agreement with a multinational oil company regarding the delivery of equipment and service.

On July 20, 2010, another asset deal was executed in order to strengthen the sales and service network in the Canadian provinces of Saskatchewan and Manitoba (see also "Events after the end of the reporting period").

Presentation of the new car wash system TurboJet XT for the Northern American market

WashTec also complemented its product portfolio in Northern America. The new car wash system, TurboJet XT, was exhibited for the first time at the Car Care World Expo in Las Vegas in May. This unique product utilizes the "turbo technology" of Mark VII, which provides higher cleaning power with less water consumption and therefore lower operating costs compared to similar systems. During the development of this equipment, the experience of the research department at Mark VII was successfully combined with technology and know-how out of Europe, thereby creating a product which substantially exceeds the standards of competition.

Annual General Meeting of Shareholders

The former Supervisory Board member, Mr. Roland Lacher, resigned from the Board for personal reasons effective at the close of the WashTec annual general shareholders' meeting on May 5, 2010. As his replacement, the shareholders elected Mr. Pedrazzini to the Supervisory Board.

Annual General Meeting resolves to pay a dividend in the amount of € 0.12 per share

On the basis of a shareholder resolution dated May 5, 2010, the Company paid a dividend totaling approximately € 1.7m (€ 0.12 per share) to its shareholders.

A large majority of the shareholders approved all other resolutions proposed by the management.

Miscellaneous

In June 2010, "Wesurent car wash marketing GmbH" was renamed "WashTec Carwash Operations GmbH". This entity operates a majority of the car wash facilities within the operations business in the name and for the account of our customers.

1.1 Economy and market

Overall economy

- *Experts expect continued economic recovery*
- *Investment restraint persists in a number of regions despite economic recovery*

The German Institute for Economic Research (»IFO«) announced in June 2010, that the global economy "continued to find its footing during the current year", even though the strength of the recovery differed between the individual countries and regions. Whereas the economic climate has "greatly improved particularly in Asia" and has slightly risen in North America, it remained almost unchanged in Western Europe, however, and "did not achieve its long-term average".

IFO expects that the world's combined gross domestic product will continue to increase in 2010 and 2011, while the greatest growth will occur among the group of emerging countries. In the United States, 2010 is expected to be a year of very moderate growth, whereas the countries of the EU will be able to emerge from the crisis only slowly. In contrast, specifically the German economy is "on the path of recovery." (Source: IFO press release on economic forecast of June 23, 2010)

The car wash business remains profitable at most locations, even though the extreme weather conditions in the heart of Europe specifically in January and February 2010 led to temporary closings of the wash facilities at a number of locations.

Despite a slight economic recovery in WashTec's core markets, a substantial pick-up in investment activity is still not expected this year. Investment restraint will persist especially in Northern America as well as Southern and Eastern Europe. Smaller operator chains and individual operators together with customer groups such as car dealers and transport companies continue to have only limited financing opportunities, and some multinational oil companies are continuing to implement their cost cutting programs.

The exchange rate developments between the US Dollar and the Euro have had no substantial impact on the operating business. However, the timing of the valuation had a positive effect of approximately € 1.0m on the earnings. Foreign exchange losses from the Euro against other currencies result in lower investment costs for operators in Non-Euro countries.

Industry structure

The competition has not significantly changed compared to the situation described in the Group management report for 2009. The European market, as a stable replacement business, is dominated by four major competitors. The American market is much more fragmented, and equipment revenues of all suppliers have declined there due to the current economic environment. The expectation here is that the market will undergo consolidation in the near and mid-term.

No significant changes in technology have occurred.

1.2 Business and earnings situation

The key financial ratios and figures used by the Company for management and planning are the EBIT margin, gross margin analysis, analysis of current assets, equity ratio, debt-equity ratio and cash flow, which are described below. Non-financial performance indicators like monitoring the employee turnover rate and the average job tenure or regular customer satisfaction surveys are also used. The performance indicators for the employee turnover rate and the average job tenure are described below under "Employees" and are presented in detail in the 2009 Group management report of the WashTec Group.

Revenues

Revenues in the first half of the year increased by € 2.2m or 1.8%

Revenues in the first half of the year equaled € 123.7m and were therefore € 2.2m or 1.8% higher than prior year (H1 2009: € 121.5m). In the second quarter of 2010, revenues were 1.3% higher than in the second quarter of 2009 (Q2 2010: € 67.8m; Q2 2009: € 66.9m). This figure includes € 1.6m resulting from the acquisitions.

Revenues by region

in €m, IFRS	Jan 1 to June 30, 2010	Jan 1 to June 30, 2009	April 1 to June 30, 2010	April 1 to June 30, 2009
Germany	47.1	47.4	26.0	26.6
Europe	63.1	59.7	33.9	32.3
North America	11.0	12.4	6.4	7.1
Rest of World*	2.5	2.0	1.5	0.9
Total	**123.7**	**121.5**	**67.8**	**66.9**

** mainly Asia and Australia*

Revenues by segments

in €m, IFRS	Jan 1 to June 30, 2010	Jan 1 to June 30, 2009	April 1 to June 30, 2010	April 1 to June 30, 2009
Area "DACH"	48.8	49.3	27.1	28.2
Area "CEE"	3.7	4.2	2.1	1.7
Area "RoW"	67.6	64.8	37.1	35.6
Area "Others"	6.4	6.0	3.3	3.3
Consolidation	–2.8	–2.8	–1.8	–1.9
Total	**123.7**	**121.5**	**67.8**	**66.9**

Revenues in Germany decreased slightly by € 0.3m to € 47.1m, compared to the same period last year. Compared to the second quarter of 2009, revenues decreased by € 0.6m.

As of June 30, revenues in the "DACH" area [Germany (D), Austria (A), Switzerland (CH)] totaled € 48.8m and were therefore € 0.5m below the prior year. Key driver are the varying annual replacement cycles of major customers. WashTec market share in this area remained stable on a very high level.

In connection with the segment reporting, the revenues and results of AUWA-Chemie GmbH, WashTec Financial Services GmbH and WashTec Carwash Operations GmbH are reported within the "Others" area. Revenues here increased by € 0.4m to € 6.4m.

Due to the limited investment into new sites, revenues in Central and Eastern Europe ("CEE" area) remained on a low level (Q2 2010: € 2.1m; Q2 2009: € 1.7m). In the first half of 2010, revenues totaled € 3.7m (H1 2009: € 4.2m).

US-market for car wash equipment continues to be impacted by the financial and economic downturn

Revenues in the Rest of World ("RoW" area) decreased from € 64.8m to € 67.6m, especially due to the acquisitions. The US-market for car wash equipment continues to be impacted by the financial and economic downturn. Due to the financing difficulties of smaller operators as well as the uncertain economic outlook, investments in new equipment continue to be delayed. Accordingly, revenues in Northern America, which are included in the "RoW" area, declined by € 1.4m to € 11.0m (H1 2009: € 12.4m). In US Dollar terms, revenues equaled USD 14.6m (H1 2009: USD 16.7m).

Revenues by product				
in €m, IFRS	Jan 1 to June 30, 2010	Jan 1 to June 30, 2009	April 1 to June 30, 2010	April 1 to June 30, 2009
New and used equipment	67.6	67.2	38.7	39.9
Spare parts, services	42.5	41.0	21.9	20.6
Chemicals	8.9	9.1	4.7	4.3
Operations and Other	4.7	4.2	2.5	2.1
Total	**123.7**	**121.5**	**67.8**	**66.9**

Machine revenues at end of first half year at € 67.6m

Machine revenues equaled € 67.6m at the end of the first half year and were therefore € 0.4m above the same period last year (H1 2009: € 67.2m).

Service revenues rose slightly (mainly due to the acquisitions) by € 1.5m to € 42.5m, whereas wash chemicals revenues equaled € 8.9m and were therefore € 0.2m below last year's figure due to the tough winter.

Revenues from Operations and Other rose due to additional sites to € 4.7m (H1 2009: € 4.2m).

As of June 30, the order backlog was for the first time since a year and a half above the prior year's level.

Earnings				
in €m, IFRS	Jan 1 to June 30, 2010	Jan 1 to June 30, 2009	April 1 to June 30, 2010	April 1 to June 30, 2009
EBITDA	11.4	6.4	9.4	6.8
EBIT	6.7	1.9	7.0	4.4
EBIT adjusted for non-recurring effects	7.4	3.1	7.2	4.8
EBT	5.6	0.7	6.4	3.8

EBITDA increased to € 11.4m and was therefore € 5.0m higher than the prior year (H1 2009: € 6.4m). This includes non-recurring effects of € –0.7m for acquisitions (non-recurring effects prior year: € –1.2m for write-downs on receivables).

Gross margin improves from 56.5% to 59.1% due to international sourcing activities

The **gross profit** (including changes in inventory) rose from € 68.7m to € 73.2m due to international sourcing activities (especially in the Czech Republic and China) as well as a change in the mix of products. The **gross margin** rose in the first half of the year to 59.1% (prior year: 56.5%).

Due to increases in wages and headcount, **personnel expenses** totaled € 45.1m, and were therefore € 0.5m higher than the prior year (H1 2009: € 44.6m).

Due to activities in the Czech Republic and China as well as in Australia and Canada, **other operating expenses** (including other taxes) increased by € 1.2m to € 20.2m.

Depreciation and amortization rose by € 0.4m to € 4.8m driven by prior year investments (H1 2009: € 4.4m).

The **operating result (EBIT)** increased to € 6.7m (H1 2009: € 1.9m). After adjusting for non-recurring effects equaling € –0.7m for expenses incurred in connection with the acquisitions, EBIT totaled € 7.4m.

EBIT by segments				
in €m, IFRS	Jan 1 to June 30, 2010	Jan 1 to June 30, 2009	April 1 to June 30, 2010	April 1 to June 30, 2009
Area »DACH«	4.9	1.6	4.5	3.1
Area »CEE«	0.5	0.4	0.3	0.3
Area »RoW«	0.4	0.3	1.8	1.8
Area »Others«	1.2	1.2	0.7	0.7
Consolidation	–0.3	–1.6	–0.3	–1.5
Group	**6.7**	1.9	**7.0**	4.4

Net financing costs were reduced from € 1.2m to € 1.0m due to lower bank liabilities.

EBT improved by € 4.9m to € 5.6m in the first half of 2010

Earnings before taxes (EBT) rose in the first half of the year to € 5.6m (H1 2009: € 0.7m). The **consolidated net income** rose from € –0.9m to € 2.6m.

Earnings per share (diluted = undiluted) increased to € 0.19 (H1 2009: € -0.06).

1.3 Net assets

Balance sheet assets in €m, IFRS	June 30, 2010	Dec 31, 2009
Non-current assets	**116.3**	116.2
thereof intangible assets	69.3	66.9
thereof deferred tax assets	5.3	7.6
Current assets	**82.5**	83.7
thereof inventories	35.3	32.5
thereof trade receivables	36.5	35.1
thereof other assets	3.8	2.2
thereof cash and cash equivalents	6.8	13.8
thereof tax receivables	0.1	0.1
Total assets	**198.8**	199.9

Deferred tax assets on loss carry-forwards decreased due to usage from € 7.6m at the end of 2009 to € 5.3m as of June 30, 2010.

Intangible assets as of June 30, 2010 increased since December 31, 2009, from € 66.9m to € 69.3m mainly due to the appreciation of the US Dollar exchange rate.

Inventories increased due to the expansion in Czech Republic, China and Australia from € 32.5m (as of December 1, 2009) to € 35.3m.

Due to the own sales activities in Australia, **trade receivables** increased by € 1.4m from € 35.1m as of December 31, 2009 to € 36.5m.

As of June 30, **cash and cash equivalents** fell to € 6.7m (December 31, 2009: € 13.8m).

The **balance sheet total** declined from € 199.9m as of the end of 2009 to € 198.8m as of June 30, 2010

Balance sheet equity and liabilities in €m, IFRS	June 30, 2010	Dec 31, 2009
Equity	86.3	85.6
Liabilities to banks	33.8	40.7
Other liabilities + provisions	69.6	64.0
thereof trade payables	7.8	3.4
thereof provisions (including income taxes)	21.2	20.9
Deferred income	9.1	9.6
Total equity and liabilities	**198.8**	199.9

Equity ratio as of June 30, 2010: 43.4%

Equity equaled € 86.3m (December 31, 2009: € 85.6m). Since parts of income and expenses were, as required by IFRS, booked directly to the equity account (see Statement of Changes in Consolidated Equity), the change in equity does not exactly match the results of the period. The equity ratio climbed from 42.8% to 43.4%.

Compared to December 31, 2009, **liabilities to banks** declined by € 6.9m to € 33.8m due to pay-offs.

Net finance debt (net liabilities to bank plus long-term and short-term financial lease liabilities) decreased slightly from € 37.0m to € 36.5m.

Trade payables increased due to timing from € 3.4m as of December 31, 2009 to € 7.8m.

Provisions changed only slightly from € 20.9m as of December 31, 2009, to € 21.2m.

1.4 Financial position

Cash flow statement

Cash flow from operating activities (net cash flow) totaled € 14.0m in the first half year of 2010 mainly due to the improved earnings and changes in the net working capital (H1 2009: € 5.2m).

Cash flow from investment activities, for new product developments, replacement investments and the commencement of direct activities in Australia and Canada, remained stable at € 4.4m (H1 2009: € 4.3m)

Overall, **cash and cash equivalents** decreased by € 7.0m as of June 30, 2010.

1.5 Miscellaneous

Employees

The number of employees rose mainly due to the acquisitions in Australia and Canada by 51 since December 31, 2009 to 1,604. Compared to June 30, 2009, the staff was increased by 37 employees.

Number of employees of WashTec Group now at 1,604

The employees of WashTec are a cornerstone for the success of the WashTec Group. The satisfaction of employees – for example, in Germany – is reflected in the low employee turnover rate (2009: 1.4%) as well as in the long average job tenure (2009: 16.0 years).

WashTec share

Compared to its year-end closing price for 2009, the WashTec share price rose slightly from € 7.61 to € 7.82 as of June 30, 2010 (+3%). Thus, the WashTec's share performance was below the SDAX benchmark (+10%).

Shareholder structure

In the second quarter, “Sterling Strategic Value Ltd.” disclosed exceeding the 15% reporting threshold.

Shareholding in %	June 30, 2010
EQMC Europe Development Capital Fund plc	16.2
Sterling Strategic Value Ltd. (incl. IED)	15.3
Kempen Capital Management NV	11.1
Investment AG für langfristige Investoren TGV	5.4
Lazard Frères Gestion S.A.S.	5.0
Paradigm Capital Value Fund	3.8
Free float	43.2

In the second quarter, the management stayed in constant contact with shareholders and journalists as well as the financial community. In connection with its publications, the Company held conference calls for analysts and investors. A number of one-on-one meetings were held with various institutional investors during road-shows.

WashTec is currently covered by HVB Unicredit, HSBC Trinkaus & Burkhardt and MM Warburg.

Related party transactions

The former Supervisory Board member, Mr. Roland Lacher, resigned from the Board for personal reasons effective at the close of WashTec AG's annual shareholders' meeting on May 5, 2010. As his replacement, the shareholders elected Mr. Pedrazzini to the Supervisory Board.

No related party transactions transpired during the reporting period.

Events after the end of the reporting period

On July 12, 2010, the Company disclosed that Christian Bernert, the Company's CFO, who is also responsible for General Services and Supply Chain, had decided to resign from the Company effective August 31, 2010 in order to explore another professional opportunity. Houman Khorram, who has worked for the WashTec Group since 2004, was appointed to serve on the WashTec AG Management Board effective September 1, 2010. Mr. Khorram will assume responsibility for Finance, General Services as well as Business and Product Development. The Supply Chain area will be managed by Mr. Thorsten Krüger, the CEO of WashTec AG.

On July 20, 2010, the Canadian subsidiary, WTMVII Cleaning Technologies Canada Inc., acquired the assets of a dealer of car wash systems in order to strengthen its sales and service network in the Canadian provinces of Saskatchewan and Manitoba. This step is intended to ensure that the customers will receive a high level of service throughout all of the provinces.

2. Forecast

The investment climate in many markets remains restrained, even though the car wash business continues to be profitable at most locations. The results for the entire first half year of 2010 nevertheless confirm the previously communicated expectations for the full year 2010:

- *Earnings growth through measures to improve efficiency and cost structures*
- *Further strengthening of market position*

WashTec does not expect a substantial recovery of the markets this year. Despite little revenue growth, the Company does, however, expect earnings to grow as a result of the measures taken to improve efficiency and cost structures.

In addition, the regional expansion in Australia and Canada will result in a revenue growth in excess of € 8m with a favorable contribution to earnings in the second half of the year.

The currently challenging market environment in equipment sales offers WashTec opportunities to strengthen its market position through acquisitions and investments. After the regional expansion in Australia and Canada during the first half of 2010, WashTec will exploit further opportunities for expansion. This strategy should help WashTec to continue to extend its position as market leader and to create the foundation for future growth.

After presenting product innovations during the Car Care World Expo in Las Vegas in May of 2010, WashTec will be exhibiting additional product innovations at the »automechanika« industry trade fair held in Frankfurt/Main in September.

The international expansion of the sales and service network, the most recent product innovations in Europe and the United States, and the ongoing measures to reduce costs and improve efficiency emphasize and strengthen WashTec's position as the market leader in the car wash industry.

Unchanged as compared to December 31, 2009, the outlook remains favorable. In connection with the market recovery and the continued growth in countries in which the number of vehicles is expected to rise, the measures to expand WashTec's market leadership and international footprint will result in sustained revenue growth of 4–7% in the mid-term combined with a disproportionate increase in earnings. In connection with the overall economic recovery, WashTec aims for an EBIT margin of over 12% in the long term.

3. Opportunities and risks related to Group development

A description of the WashTec Group's risk management is available in the 2009 annual report. There have been no significant changes in the opportunities and risks as presented in the 2009 annual report.

WashTec AG Consolidated Income Statement

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

	Jan 1 to June 30, 2010	Jan 1 to June 30, 2009	April 1 to June 30, 2010	April 1 to June 30, 2009
	€	€	€	€
Revenues	123,742,043	121,472,827	67,802,242	66,911,355
Other operating income	2,988,029	914,489	1,951,502	187,370
Other capitalized development costs	630,632	443,939	345,509	236,583
Change in inventories	–585,814	–1,948,268	178,668	113,231
Total	**126,774,890**	**120,882,987**	**70,277,921**	**67,448,539**
Cost of materials				
Cost of raw materials, consumables and supplies and of purchased material	40,972,007	42,167,533	22,471,240	24,185,267
Cost of purchased services	9,028,994	8,693,119	4,896,544	5,015,289
	50,001,001	**50,860,652**	**27,367,784**	**29,200,556**
Personnel expenses	**45,144,964**	**44,615,543**	**23,179,676**	**22,102,967**
Amortization, deprecation and impairment of intangible assets and property, plant and equipment	4,770,859	4,442,658	2,407,880	2,336,280
Other operating expenses	19,816,572	18,710,941	10,135,849	9,216,068
Other taxes	377,018	327,737	202,472	169,525
Total operating expenses	**120,110,414**	**118,957,531**	**63,293,661**	**63,025,396**
EBIT	**6,664,476**	**1,925,456**	**6,984,260**	**4,423,143**
Other interest and similar income	25,770	80,394	13,095	68,018
Interest and similar expenses	1,066,241	1,317,260	569,169	742,902
Financial result	**–1,040,471**	**–1,236,866**	**–556,074**	**–674,884**
Result from ordinary activities/EBT	**5,624,005**	**688,590**	**6,428,186**	**3,748,259**
Income taxes	–2,994,957	–1,568,745	–2,385,037	–1,893,700
Consolidated profit for the period	**2,629,048**	**–880,155**	**4,043,149**	**1,854,559**
Average number of shares	**13,976,970**	**13,976,970**	**13,976,970**	**13,976,970**
Earnings per share (basic = diluted)	**0.19**	**–0.06**	**0.29**	**0.13**

WashTec AG Statement of Comprehensive Income

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

€k	Jan 1 to June 30, 2010	Jan 1 to June 30, 2009
Earnings after taxes	**2,629**	**–880**
Changes in the fair value of financial instruments used for hedging purposes recognized under equity	–1,222	181
Adjustment item for the currency translation of foreign subsidiaris and currency changes	219	370
Exchange differences on net investments in subsidiaries	1,207	–110
Actuarial gains/losses from defined benefit obligations and similar obligations	–555	–131
Deferred taxes on changes in value taken directly to equity	176	18
Valuation gains/losses recognized directly in equity	**–175**	**328**
Total income and expense and valuation in gains/losses recognized directly in equity	**2,454**	**–552**

WashTec AG Consolidated Balance Sheet

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

Assets	June 30, 2010	Dec 31, 2009
	€	€
Non-current assets		
Property, plant and equipment	41,282,748	41,400,152
Goodwill	59,518,274	57,151,866
Intangible assets	9,823,270	9,739,410
Tax receivables	288,222	288,222
Other assets	40,843	24,784
Deferred tax assets	5,347,483	7,564,371
Total non-current assets	**116,300,840**	**116,168,805**
Current assets		
Inventories	35,303,910	32,536,505
Trade receivables	36,475,922	35,126,716
Tax receivables	84,364	70,283
Other assets	3,868,707	2,206,379
Cash and bank balances	6,730,109	13,802,341
Total current assets	**82,463,012**	**83,742,224**
Total assets	**198,763,852**	**199,911,029**

Equity and liabilities	June 30, 2010	Dec 31, 2009
	€	€
Equity		
Subscribed Capital	40,000,000	40,000,000
thereof contingent capital	12,000,000	2,105,264
Capital reserves	36,463,441	36,463,441
Other reserves	–1,992,587	–1,818,274
Profit carried forward	9,235,334	5,156,548
Consolidated profit for the period	2,629,048	5,756,022
	86,335,236	**85,557,737**
Non-current liabilities		
Interest-bearing loans	33,731,058	33,804,469
Finance leasing	7,031,367	7,704,417
Provisions for pensions	7,264,451	6,649,022
Other non-current provisions	3,213,344	3,004,227
Other nun-current liabilities	1,647,995	1,597,198
Deferred Income	726,035	824,640
Total non-current liabilities	**53,614,250**	**53,583,973**
Current liabilities		
Interest-bearing loans	32,086	6,855,698
Finance leasing	2,453,840	2,423,541
Prepayments on orders	6,052,718	8,219,316
Trade payables	7,829,299	3,357,764
Other liabilities for taxes and levies	3,612,655	3,333,019
Other liabilities for social security	865,459	982,751
Tax liabilities	286,814	358,672
Other current liabilities	18,876,591	15,495,908
Other current provisions	10,399,387	10,933,157
Deferred Income	8,405,517	8,809,493
Total current liabilities	**58,814,366**	**60,769,319**
Total equity and liabilities	**198,763,852**	**199,911,029**

WashTec AG Consolidated Cash Flow Statement

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

	Jan 1 to June 30, 2010	Jan 1 to June 30, 2009
	€k	€k
EBT	**5,624**	**689**
Adjustments to reconcile profit before tax to net cash flows not affecting cash:		
Amortization, depreciation and impairment of non-current assets	4,771	4,443
Gain/loss from disposals of non-current assets	–81	2
Share-based payments expense	0	431
Other gains/losses	1,160	–64
Interest income	–26	–80
Interest expense	1,066	1,317
Movements in provisions	–1,014	–899
Changes in net working capital:		
Increase/decrease in trade receivables	286	6,034
Increase/decrease in inventories	–334	849
Increase/decrease in trade payables	3,576	465
Changes in other net working capital	–65	–6,843
Income tax paid	–949	–1,142
Net cash flows from operating activities	**14,014**	**5,202**
Purchase of property, plant and equipment (without finance leasing)	–2,852	–4,384
Proceeds from sale of property, plant and equipment	212	65
Acquisition of a subsidiary, net of cash acquired	–1,727	0
Net cash flows from operating activities	**–4,367**	**–4,319**
Repayment of non-current liabilities to banks	–10,012	–3,948
Dividend paid	–1,677	0
Interest received	26	80
Interest paid	–837	–1,145
Repayment of non-current liabilities from finance leases	–1,367	–933
Net cash flows used in financing activities	**–13,867**	**–5,946**
Net increase/decrease in cash and cash equivalents	**–4,220**	**–5,063**
Net foreign exchange difference in cash and cash equivalents	**–2,814**	**145**
Cash and cash equivalents at 1 January	**13,732**	**6,246**
Cash and cash equivalents at 30 June	**6,698**	**1,183**
Bank balances	**6,730**	**4,761**
Current bank liabilities	**–32**	**–3,578**

WashTec AG Statement of Changes in Consolidated Equity

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

€k	Subscribed capital	Capital reserve	Treasury shares	Other reserves	Exchange effects	Profit carried forward	Total
As of January 1, 2009	**40,000**	**45,497**	**–9,464**	**–1,265**	**–813**	**5,156**	**79,111**
Income and expenses recognized directly in equity				–59	370		311
Taxes on transactions recognized directly in equity				18			18
Share-based payment		431					431
Consolidated earnings for the period						–880	–880
As of June 30, 2009	**40,000**	**45,928**	**–9,464**	**–1,306**	**–443**	**4,276**	**78,991**
As of January 1, 2010	**40,000**	**36,464**	**0**	**–1,365**	**–453**	**10,912**	**85,558**
Income and expenses recognized directly in equity				–570	219		–351
Taxes on transactions recognized directly in equity				176			176
Share-based payment		0					0
Dividend						–1,677	–1,677
Consolidated earnings for the period						2,629	629
As of June 30, 2010	**40,000**	**36,464**	**0**	**–1,759**	**–234**	**11,864**	**86,335**

Notes to the Condensed Interim Consolidated Financial Statements of WashTec AG (IFRS) for the period of January 1 to June 30, 2010

General Disclosures

1. Information on the Company

The ultimate parent company of the WashTec Group is WashTec AG, which is recorded in the Commercial Register for the City of Augsburg under registration number HRB 81.

The Company's registered offices are located at Argonstrasse 7 in 86153 Augsburg, Germany.

The Company's shares are publicly traded.

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

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

2. Accounting and valuation policies

Principles in preparing financial statements

The consolidated quarterly financial report for the period January 1 to June 30, 2010 was prepared in accordance with IAS 34 "Interim Financial Reporting".

The interim consolidated financial statements do not include all explanations and information required for the financial statements for the entire fiscal year and should be read in conjunction with the consolidated financial statements for the period ending December 31, 2009.

Significant accounting and valuation methods

The accounting and valuation methods applied when preparing the condensed consolidated interim financial statements comply with the methods used when preparing the consolidated financial statements for the fiscal year ending December 31, 2009, except for IFRS – 3 Business Combinations (revised).

IFRS 3 – Business combinations (revised) were published by the IASB in January 2008 and must be applied for the first time to fiscal years that begin on or after July 1, 2009. In connection with IFRS 3, other standards were modified, most notably IAS 27 – Consolidated and Separate Financial Statements, IAS 28 Investments in Associates, and IAS 31 – Accounting for Interests in Joint Ventures.

At the WashTec Group, the amendment to IFRS 3 meant that the costs associated with the corporate acquisition must be expensed. For possible changes to the acquisition costs resulting from post-acquisition events (contingent consideration), which are recognized as liabilities at the time of acquisition, an adjustment of goodwill is no longer possible in the subsequent valuation. The revision of the IFRS 3 also led to more extensive notes.

In addition, for fiscal years that begin on or after January 1, 2010, the following new and revised Standards and Interpretations must be applied. As explained in the consolidated financial statements as of December 31, 2009, these new Standards and Interpretations are currently either irrelevant with respect to the consolidated financial statements or have no material effect on the WashTec Group's net assets, financial position and results of operation.

- IFRS 1 First-time Adoption of IFRS
- IFRS 1 Amendments to IFRS 1 – Additional Exceptions for First-time Adoption
- IFRS 2 Amendments to IFRS 2 – Share-based Payments with Cash-settled Transactions in the Group

- IAS 39 Amendments to IAS 39 – Financial Instruments: Recognition and Measurement – Eligible and Hedged Items

- IFRIC 12 Service Concession Arrangements
- IFRIC 15 Agreements for the Construction of Real Estate
- IFRIC 16 Hedge of Net Investments in Foreign Operations
- IFRIC 17 Distributions of Non-Cash Assets to Owners
- IFRIC 18 Transfer of Assets from Customers
- IFRS Amendments to the IFRS

Moreover, the IASB and the IFRIC enacted the following additional Standards, Interpretations and Amendments, which by law do not yet need to be applied in fiscal year 2010 or which have not yet been recognized by the EU. The WashTec Group did not opt for an early adoption.

- IFRS 1 Amendments to IFRS 1 – Limited exemption from comparative IFRS 7 disclosures for first-time adopters
- IFRS 9 Financial Instruments
- IAS 24 Amendments to IAS 24 – Related Party Disclosures Companies
- IAS 32 Amendments to IAS 32 – Classification of Rights Issues and Similar Rights
- IFRIC 14 Amendments to IFRIC 14 – Prepayments of a Minimum Funding Requirement
- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

The factual situations, which are addressed by the Standards IFRS 1, IAS 24, IAS 32, IFRIC 14 and IFRIC 19, are currently not relevant to the WashTec Group. At present, the WashTec Group cannot yet conclusively determine which effects the first-time adoption of IFRS 9 will have.

Consolidated group

The consolidated financial statements of the WashTec Group have included the newly formed subsidiary, WashTec Australia Pty Ltd. of Sydney, Australia, since March 2010 and the newly formed subsidiary, WTMVII Cleaning Technologies Canada Inc. of Toronto, Canada, since April 2010.

3. Income taxes

This item relates to both current and deferred taxes.
The deferred tax expense resulted primarily from the use of existing loss carry forwards in Germany. Otherwise, no significant deferred tax assets based on loss carry forwards were created in 2010.

The main components of the income tax expense reported in the consolidated income statement consist of the following:

in €k	Jan 1 to June 30, 2010	Jan 1 to June 30, 2009
Deferred tax expense	–2,122	–820
Actual tax expense	–873	–749
Income taxes	–2,995	–1,569

4. Business Combinations

On March 19, 2010, WashTec Australia Pty Ltd. was formed as an Australian subsidiary of WashTec Cleaning Technology GmbH in order to commence direct sales and service activities in Australia.

On April 1, 2010, WashTec Australia Pty Ltd., concluded an agreement to purchase substantially all of the assets of the former Australian dealer, “CK Group”. The investment in the Australian market is intended to rapidly secure WashTec’s equipment sales there and to guarantee a high level of equipment availability for customers. In the mid-term, this move should strengthen WashTec’s worldwide presence and market leadership as well as its relations with major customers.

On April 20, 2010, a new subsidiary was formed in Canada as a subsidiary of Mark VII Equipment Inc., USA, and was given the name WTMVII Cleaning Technologies Canada Inc. WashTec thereby has commenced direct sales and service activities in Canada.

Pursuant to contracts dated May 13, 2010 and June 15, 2010, WTMVII Cleaning Technologies Canada acquired the assets of the former Canadian dealers, TD Industries and Advantek. A significant trigger for this step was a 5-year framework agreement with Shell Canada (signed in Northern America) concerning the delivery of equipment and servicing for its wash systems network in Canada. Thereby, WashTec wishes to secure the delivery of major customers and to gain significant market share in Canada.

In fiscal year 2010, three former dealers were acquired in a manner summarized below.

An amount of € 1.9m was agreed as the purchase price for the corporate acquisition. The purchase contracts included a holdback provision vis-à-vis the seller. The main thrust of the due diligence examinations was the review of the economic risks. The incidental costs associated with the acquisition, involving costs for due diligence and transaction costs, have so far totaled € 395k and were recognized in the income statement.

The following table shows the book values and the preliminary fair values of the acquired assets and liabilities of the aforementioned companies as of the record date of acquisition:

in €m	Fair value	Book value
Trade receivables	1.7	2.1
Inventories	1.2	2.3
Non-current assets	0.9	0.8
Trade payables	0.6	0.5
Current liabilities and provisions	1.4	0.6

The Company expects that it will be unable to collect € 0.4m of the trade receivables which were assumed and which have a gross value of € 2.1m.

The consolidated result as of June 30, 2010 includes a loss of € 605k as well as revenues amounting to € 1,634k. Had the corporate combinations occurred at the beginning of the year, the consolidated Group revenues would have been approx. € 127.7m and the consolidated result after taxes would have been approx. € 2.1m.

5. Segment Reporting

in €k	Area ROW 2010	Area DACH 2010	Area CEE 2010	Area Others 2010	Consoli-dation 2010	Group 2010
Revenues	67,586	48,853	3,751	6,389	–2,837	123,742
thereof with third parties	67,287	47,921	3,751	5,213	–430	123,742
thereof with other segments	299	932	0	1,176	–2,407	0
Operating result	**350**	**4,900**	**499**	**1,214**	**–299**	**6,664**
Financial result						26
Financial expenses						–1,066
Results from ordinary business activities						**5,624**
Income tax expense						–2,995
Consolidated result						**2,629**

in €k	Area ROW 2009	Area DACH 2009	Area CEE 2009	Area Others 2009	Consoli-dation 2009	Group 2009
Revenues	64,782	49,320	4,183	5,987	–2,799	121,473
thereof with third parties	64,782	48,711	4,183	5,145	–1,348	121,473
thereof with other segments	0	609	0	842	–1,451	0
Operating result	**309**	**1,632**	**352**	**1,197**	**–1,565**	**1,925**
Financial result						80
Financial expenses						–1,317
Results from ordinary business activities						**688**
Income tax expense						–1,568
Consolidated result						**–880**

Reconciliation Segment Assets and Segment Liabilities

in €k	2010	2009
Segment assets	**186,191**	**178,121**
Deferred tax assets	5,347	7,564
Tax receivables	373	359
Cash and cash equivalents	6,730	13,802
Other financial assets	123	65
Consolidated balance sheet total	**198,764**	**199,911**

in €k	2010	2009
Segment liabilities	**68,568**	**62,982**
Income tax liabilities	287	359
Long-term interest-bearing loans	33,731	33,804
Short-term interest-bearing loans	32	6,856
Financial lease liabilities	9,485	10,128
Derivative financial instruments	334	224
Group debt capital	**112,429**	**114,353**
Equity capital	86,335	85,558
Consolidated balance sheet total	**198,764**	**199,911**

The newly formed subsidiaries, WashTec Australia Pty Ltd. and WTMVII Cleaning Technologies Canada Inc., have been assigned to the Area Rest of World ("RoW").

6. Non-current assets

In the first half of 2010, non-current assets (excluding financial leases) amounting to € 2,582k were acquired (H1 2009: € 4,384k).

7. Equity capital

The subscribed capital of WashTec AG was € 40,000k on June 30, 2010 and is divided into 13,976,790 shares. As it was at year's end, these sums represent the average weighted number of issued and outstanding shares.

At the annual shareholders' meeting on May 5, 2010, WashTec AG shareholders resolved that from the Company's non-appropriated retained earnings of € 5,999,032 for fiscal year 2009, € 1,677,236.40 would be paid as a dividend and € 4,321,795.60 would be carried forward to a new account. The payment corresponded to a dividend of EUR 0.12 per no-par value share with dividend rights. The profit carried forward has been thereby reduced by €1,677,236.40.

In addition, the Management Board was authorized by the shareholders' meeting until May 4, 2013 to issue part of the registered share capital up to a total amount of € 12,000.00 in the form of bonds with warrants or convertible bonds. For these purposes, contingent capital was created in the same amount.

8. Interest-bearing loans

Through June of 2010, € 10,000k was repaid on the existing syndicated loan. The repayment of the loan consists of the scheduled loan repayments and a special one-time payment.

9. Contingent liabilities and other financial obligations

Contingent liabilities and other financial obligations remained unchanged compared to December 31, 2009.

10. Related party transactions

The former Supervisory Board member, Mr. Roland Lacher, resigned from the Board for personal reasons effective at the close of WashTec AG's annual shareholders' meeting on May 5, 2010. As his replacement, the shareholders elected Mr. Pedrazzini to the Supervisory Board.

No related party transactions transpired during the reporting period.

11. Notes after the balance sheet date

On July 12, 2010, the Company disclosed that Christian Bernert, the Company's CFO, who is also responsible for General Services and Supply Chain, had decided to resign from the Company effective August 31, 2010 in order to explore another professional opportunity. Houman Khorram, who has worked for the WashTec Group since 2004, was appointed to serve on the WashTec AG Management Board effective September 1, 2010. Mr. Khorram will assume responsibility for Finance, General Services and Business Development as well as Product Development. The Supply Chain area will be managed by Mr. Thorsten Krüger, the CEO of WashTec AG.

On July 20, 2010, the Canadian subsidiary, WTMVII Cleaning Technologies Canada Inc., acquired the assets of a dealer of car wash systems and thereby improved its sales and service network in the Canadian provinces of Saskatchewan and Manitoba. This step was necessary to ensure that customers will receive a high level of service throughout all of the provinces.

Due to the short period since the date of acquisition, as of today no reliable information can be given with regard to the fair value and book value of the acquired assets and liabilities.

Management Compliance Statement

"To the best of our knowledge, and in accordance with the applicable reporting principles, the condensed interim consolidated financial statements give a true and fair view of the net assets, liabilities, financial position and profit or loss of the group, and the interim management report of the group includes a fair view 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 for the remaining months of the financial year."

Augsburg, 29 July 2010

Thorsten Krüger Spokesman of the management board	Christian Bernert Member of the management board

Review Report to WashTec AG

We have reviewed the condensed consolidated interim financial statements – comprising the income statement, statement of comprehensive income, balance sheet, cash flow statement, statement of changes in equity, and selected explanatory notes – and the interim group management report of WashTec AG, Augsburg, for the period from January 1 to June 30, 2010 which are part of the half-year financial report pursuant to § (Article) 37w WpHG ("Wertpapierhandelsgesetz": German Securities Trading Act). The preparation of the condensed consolidated interim financial statements in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and of the interim group management report in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports is the responsibility of the parent company's Board of Managing Directors. Our responsibility is to issue a review report on the condensed consolidated interim financial statements and on the interim group management report based on our review.

We conducted our review of the condensed consolidated interim financial statements and the interim group management report in accordance with German generally accepted standards for the review 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 review so that we can preclude through critical evaluation, with moderate assurance, that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports. A review is limited primarily to inquiries of company personnel and analytical procedures and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot express an audit opinion.

Based on our review, no matters have come to our attention that cause us to presume that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU nor that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports.

München, 30 July 2010

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Franz Wagner Wirtschaftsprüfer (German Public Auditor)	Petra Justenhoven Wirtschaftsprüferin (German Public Auditor)

Contact

WashTec AG
Argonstrasse 7
86153 Augsburg

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

Financial Calendar

automechanika	Sep 14 – 19, 2010
9-month report	Nov 4, 2010
Analysts Conference/ Equity Capital Forum	Nov 22–24, 2010