Q2 2011 Report on the Period of January 1 to June 30, 2011

Unaudited translation for convenience purposes only

WashTec

WashTec is performing favorably in the face of still difficult conditions

- More than 13% revenue growth to € 140.4m (prior year: € 123.7m) exceeds expectations
- EBIT increases from € 6.7m to € 7.4m, comparable adjusted EBIT improves from € 6.4m to € 7.9m
- Substantiation of Guidance for 2011

		Jan 1 to Jun 30, 2011	Jan 1 to Jun 30, 2010	Change in %	Apr 1 to Jun 30, 2011	Apr 1 to Jun 30, 2010	Change in %
Revenues	€m	140.4	123.7	13.5	77.0	67.8	13.6
EBITDA	€m	12.4	11.4	8.8	9.7	9.4	3.2
EBIT	€m	7.4	6.7	10.4	7.2	7.0	2.9
EBIT margin	in %	5.3	5.4		9.4	10.3	
Adjusted EBIT*	€m	7.9	6.4	23.4	7.7	6.2	24.2
EBT	€m	6.6	5.6	17.9	6.8	6.4	6.3
Earnings per share **	€	0.30	0.19	57.9	0.33	0.29	13.8
Employees as of June 30		1,664	1,604	3.7			
Net cash flow	€m	5.4	14.0	–61.4			
Investments in fixed assets	€m	–4.5	–2.9	55.2			
ROCE***	in %	5.7	4.8				

* adjusted for non-recurring effects including foreign exchange effects
** diluted = undiluted, average number of shares: 13,976,970 (unchanged)
*** »Return On Capital Employed« = adjusted EBIT/ (total assets – current liabilities – cash and cash equivalents)

Interim Management Report

1. Results of operation, net assets and financial position

Overview

As expected, the business climate has been subdued in the first half of 2011. The market for car wash equipment still did not recover in the second quarter of 2011. Certain regions such as Spain, Greece and Great Britain remain hampered by significant structural problems which adversely affect investing. The market in the United States is reporting stability at last year's low level for the first time. Individual oil companies are postponing their investments in wash equipment as part of their efforts to restructure their retail business, for example in Northern Europe and Great Britain. The different weather conditions in the regions have also caused an inconsistent development of the wash market.

In the first half of 2011, WashTec revenues rose by 13.5% from €123.7m to €140.4m. This increase resulted primarily from strengthening the Company's market position in North America and Australia and from expanding its chemicals business following the AdeKema acquisition in Northern Europe. After adjusting for these effects, Group revenues were approximately 4.4% higher than in the prior year. The organic growth is attributable, above all, to the »Emerging Europe« region and to the increase in sales from the chemicals and operations business in Core Europe. In this regard, service and chemicals revenues in the regions, which reported lower wash figures due to weather conditions, did not meet expectations. The revenue figures included very few (if any) effects from the activities, which were conducted during the half year in order to improve market position. In Europe, market efforts were strengthened further through the acquisition of a dealer in Spain and the expansion of the Chemicals business in the Netherlands. The Group succeeded in acquiring new major customers in North America. These efforts then created the basis for the continued expansion of direct activities in the states of Florida and California.

In all regions and segments, WashTec has invested in structural measures that should lead to an improvement in earnings. Such measures include the optimization of sales structures in Germany, the shifting of some parts of the production to the Czech Republic and human resource measures at the subsidiaries. Other campaigns are also planned.

The gross profit margin improved by 0.9 percentage points over the first quarter of the current year. This development is mostly attributable to a change in the product mix, the launch of new products, and the expansion of the insourcing activities in the Czech Republic, where another laser system was commissioned. The gross profit margin remained slightly lower than it was in the same period of the prior year; a decline caused primarily by the significant increase in commodity prices.

Personnel costs increased as a result of acquisitions, collective wage increases and the expansion of the insourcing activities compared to the prior year. Due to the launched efficiency measures, the personnel expense ratio has been improved by 0.6 percentage points over the prior year. The other operating expenses and income for the first half of 2011 includes a foreign exchange loss of approximately € 0.3m, whereas during the same period of the prior year, the Company had accrued an extraordinary foreign exchange gain of approximately € 1.0m, which was reported as a non-recurring effect as of the end of 2010.

Comparable adjusted EBIT increases by 23% as of the end of the half year

- *EBIT improves from €6.7m to €7.4m*
- *Adjusted EBIT margin increases from 5.2% last year to 5.6% currently*

The EBIT, after adjusting for non-recurring effects (especially foreign exchange effects), rose substantially by €1.5m, from €6.4m to €7.9m (in the prior year, the foreign exchange effects were reported as non-recurring effects as of the end of the year). Thus, as of the end of the half year, the comparable adjusted EBIT had risen by 23%.

The adjusted EBIT margin climbed commensurately from 5.2% in the prior year to 5.6% currently.

The EBIT improved over prior year by €0.7m to €7.4m (prior year: €6.7m). This corresponds to an EBIT margin of 5.3%.

Also as of the end of the first half year, the Company is reporting a higher order backlog compared to the prior year. This increase can be attributed primarily to market penetration.

Expansion of the market position

- *Direct sales and service activities in Florida and California*
- *Market position in Spain improved by enlarging the sales and service organization*

After Mark VII was able to acquire a number of major regional customers in the first half of 2011, the US subsidiary has – since the end of April 2011 – expanded its direct sales and service network in the United States by entering the Florida and California markets. These moves are intended to guarantee the supply and support of the newly acquired major customers with Mark VII products and to improve market cultivation in the states which are considered to be very important ones for the car wash business.

WashTec also signed a contract in April to acquire the substantial assets of the car wash segment of the former Ceccato-dealer and the second largest market player in Spain, Barin S.A. This step will make WashTec the second largest supplier on the Spanish market. The purchase price equaled approximately €0.6m and included the customer list, some inventory and important employees. The integration of the existing organization has been completed and is already showing positive results. WashTec expects that there will be further positive synergies resulting from these measures.

In China, the sales and service activities should be further expanded on the basis of WashTec's own local representative office. This should lead to a revenue improvement in the mid-term.

The negotiations concerning the follow-up financing, which had already commenced back in 2010, were successfully concluded in the second quarter of 2011. Thus, the long-term financing of the Company has been secured until 2014.

Annual general meeting of shareholders

Annual general meeting of shareholders approves management's recommendation to pay dividend totaling € 0.31 per share

On May 5, this year's annual general meeting of shareholders of WashTec AG was held at the offices of the Chamber of Industry and Commerce (IHK) of Augsburg. With a large majority vote, the shareholders and proxies in attendance approved the draft resolutions on all agenda items as proposed by the management board and supervisory board. This includes management's recommendation regarding the use of distrbutable profit, which provided for a dividend payment of €0.31 per share. On the basis of this resolution, the Company paid its shareholders a dividend totaling approximately €4.3m.

General conditions

Although the global economic recovery has continued in fiscal year 2011, credit remains very tight due to the high sovereign debt and the uncertainty in the financial sector. The lack of financing limits, above all, smaller operator chains and individual operators in their purchase of car wash equipment. Nevertheless, the car wash business remains profitable at most locations.

The competition has not changed significantly from the situation described in the 2010 Group management report. In general, it may be currently observed that in regions and markets that were impacted especially hard by the crisis (for example, in Southern Europe), individual competitors have encountered financial difficulties and are retreating from those markets due to the situation there. Based on the general economic situation, it is therefore possible that the market will continue to consolidate in the near and mid-term. WashTec does not, however, see any strategic advantage in an active consolidation of the manufacturers.

There have been no significant changes in technology.

1.1 Business and earnings situation

The key financial ratios and figures used by the Company for management and planning are the EBIT margin, operating result per segment, current asset and equity ratio, debt-equity ratio and cash flow. 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 2010 Group management report of the WashTec Group.

Since the first quarter of 2011, the segment reporting has been changed to include the regions »Core Europe«, »Emerging Europe«, »North America« and »Asia/Pacific«. The WashTec Group's activities within Northern and Western Europe are combined in the region of »Core Europe«. The region »Emerging Europe« includes Eastern European countries, whereas the region »North America« includes the activities in the United States and Canada. The »Asia/Pacific« region reflects primarily the business development in the Australian subsidiary and developments in China.

Revenues and market development

Revenues in the first half of the year rose by €16.7m or 13.5%

Revenues in the first half of the year equaled €140.4m and were therefore €16.7m or 13.5% higher than the prior year (prior year: €123.7m). In the second quarter of 2011, revenues increased over the same period last year by 13.6% (Q2 2011: €77.0m; Q2 2010: €67.8m). After adjusting for the acquisition effects, revenues in the first six months totaled €127.4m (prior year: €122.0m).

Revenues by region H1

in €m, IFRS	Jan 1– Jun 30, 2011	Jan 1– Jun 30, 2010	Change in %
Core Europe	118.5	112.0	5.8
Emerging Europe	5.3	3.7	43.2
North America	17.7	11.5	53.9
Asia/Pacific	4.8	1.8	166.7
Consolidation	–5.9	–5.3	–11.3
Total	**140.4**	**123.7**	**13.5**

Revenues by region Q2

in €m, IFRS	Apr 1– Jun 30, 2011	Apr 1– Jun 30, 2010	Change in %
Core Europe	65.5	60.2	8.8
Emerging Europe	2.1	2.1	0.0
North America	9.4	6.9	36.2
Asia/Pacific	2.4	1.4	71.4
Consolidation	–2.4	–2.8	14.3
Total	**77.0**	**67.8**	**13.6**

Modest market development in Core Europe

The markets in **Core Europe** have, as expected, developed rather modestly as a whole during the first six months of 2011, even though certain regions such as Spain, Greece and Great Britain remain much more impacted. Nevertheless, the Group was able to improve its market presence in Spain through the acquisition of Barin. Although investments by the large customers in the first quarter were still lower than they were in previous years, the investment volume at the end of the half year did achieve last year's level. Overall, the equipment sales in Core Europe rose due to expenditure shifting compared to the prior year. The chemicals business likewise improved significantly as a result of the AdeKema acquisition and good weather. In the operations business, new locations and good weather conditions led to extraordinary growth in the number of washes. Thus, overall revenues in Core Europe increased by €6.5m to €118.5m (prior year: €112.0m).

In the »**Emerging Europe**« region, the market has stabilized since 2010 and has grown again slightly. Starting at a low level, the revenues in this region have improved significantly, totaling €5.3m at the end of the first half of 2011 (prior year: €3.7m) and resulting mostly from excellent equipment sales. Over the entire year, the favorable revenue effect is expected to be more modest, a trend already seen in the second quarter revenues. For the entire year, the Company is still expecting a two-digit growth rate. WashTec intends to further strengthen its dealer network in this region and to expand its own presence in various focus regions by building up sales offices and making selective acquisitions.

Strong revenue increase in North America due to improved market position

In **North America**, the market climate remains difficult. At present, there is no evidence of either a general market recovery or a market deterioration, which means that the market has remained at the low level reported last year. Due to the continuing limits on financing opportunities and the uncertainty about the economic outlook, investments in new equipment are still being postponed. Moreover, prices have come slightly under pressure following the intensified competition. WashTec was able, however, to expand its market position in the first half of the year by acquiring three new major national customers. Consequently, direct sales and service activities were extended to Florida and California. In Canada, the on-schedule implementation of the tender contract leads to favorable revenue growth. Revenues in North America totaled €17.7m and were substantially higher than the revenues for the same period of the prior year (prior year: €11.5m). Although equipment revenues in this region met expectations, the service and chemicals revenues did not because of weather-related, weak revenue figures. In US dollar terms, the regional revenues at the end of the first half of the year equaled USD 24.7m (prior year: USD 14.7m). Because the implementation of the tender in Canada had already begun in the third quarter of 2010, the growth rates will decline in the upcoming quarter.

The market in Australia, which is part of the »**Asia/Pacific**« region, is still low but is developing stably. Above all, individual operators are still holding back on making investments. The revenues increased in the first half-year from €1.8m to €4.8m mostly as a result of the acquisition completed last year. In China, the first locations of a local oil company were equipped with WashTec products as part of a pilot program at the end of 2010. This test operation is currently being jointly reviewed and analyzed. The development of the direct sales structures has also begun. Even though car wash activities have already increased specifically in China, the activities have generally only just begun in China and the other high-growth regions of Asia and will not deliver any noteworthy revenue or earnings figures until the mid-term.

Revenues by product H1

in €m, IFRS	Jan 1– Jun 30, 2011	Jan 1– Jun 30, 2010	Change in %
New and used equipment	77.2	67.6	14.2
Spare Parts, Service	44.2	42.5	4.0
Chemicals	13.1	8.9	47.2
Operations business and others	5.9	4.7	25.5
Total	**140.4**	**123.7**	**13.5**

Revenues by product Q2

in €m, IFRS	Apr 1– Jun 30, 2011	Apr 1– Jun 30, 2010	Change in %
New and used equipment	45.1	38.7	16.5
Spare Parts, Service	22.4	21.9	2.3
Chemicals	6.4	4.7	36.2
Operations business and others	3.1	2.5	24.0
Total	**77.0**	**67.8**	**13.6**

In the second quarter and first half of 2011, WashTec was able to generate revenues above the last year's levels in all product groups.

Equipment revenues at €77.2m

Equipment revenues equaled €77.2m at the end of the first half year and were therefore €9.6m higher than the same period last year (prior year: €67.6m).

Revenues in spare parts and service rose slightly by €1.7m to €44.2m. The good weather conditions in various regions in Core Europe during the second quarter together with the acquisition of AdeKema both led to a significant (47.2%) increase in wash chemical revenues to €13.1m (prior year: €8.9m). In North America and Australia, revenues in service and chemicals remained below expectations due to poor weather conditions.

Revenues from operations business and others increased to €5.9m because of additional sites and good weather conditions in Core Europe during the second quarter (prior year: €4.7m).

Expenses and earnings

Earnings H1

in €m, IFRS	Jan 1– Jun 30, 2011	Jan 1– Jun 30, 2010	Change in %
EBITDA	12.4	11.4	8.8
EBIT	7.4	6.7	10.4
Adjusted EBIT	7.9	6.4	23.4
EBT	6.6	5.6	17.9

Earnings Q2

in €m, IFRS	Apr 1– Jun 30, 2011	Apr 1– Jun 30, 2010	Change in %
EBITDA	9.7	9.4	3.2
EBIT	7.2	7.0	2.9
Adjusted EBIT	7.7	6.2	24.2
EBT	6.8	6.4	6.3

Gross profit margin declined slightly to 58.9%

Gross profit (including changes in inventory) climbed from €73.2m to €82.7m due to the increased revenues. Due to the rising commodity prices and the change in the mix of products, the **gross profit margin** declined despite the international sourcing activities (especially in the Czech Republic) slightly in the first half of the year to 58.9% (prior year: 59.1%).

Personnel expenses rose by €5.3m to €50.4m (prior year: €45.1m). The principal reasons for this increase were not only expansion-based increased headcount, but also greater costs brought on by the loss of two hours in the working week after the supplemental collective bargaining agreement expired, the implementation of the wage framework agreement (ERA) and increases in collective wages. Despite the cost increases, **personnel expense ratio** (personnel expenses as a percentage of revenues) declined slightly from 36.5% to 35.9% because of the significant revenue growth.

Due primarily to acquisitions and sourcing activities, **other operating expenses** (including other taxes) equaled €23.1m and were therefore €2.9m higher than the prior year (prior year: €20.2m). This item also includes foreign exchange losses totaling approximately €0.3m in the first half of 2011, whereas during the same period of the prior year, the Company had accrued an extraordinary foreign exchange gain of approximately €1.0m, which was reported as a non-recurring effect as of the end of 2010.

EBITDA rose from €11.4m to €12.4m and was therefore €1.0m higher than the prior year.

Depreciation and amortization increased only slightly by €0.2m to €5.0m (prior year: €4.8m).

EBIT rises by €0.7m; adjusted EBIT climbs by €1.5m

The **operating result (EBIT)** rose to €7.4m (prior year: €6.7m), and the EBIT margin equaled 5.3% (prior year: 5.4%). In calculating the EBIT (adjusted for non-recurring effects), this year the foreign exchange effects will also be apportioned to the relevant quarter, instead of being reported as of year's end, as was done last year. After adjusting for the non-recurring effects based on acquisitions, the expansion of the direct sales network, efficiency measures and foreign exchange effects, the EBIT climbed from €6.4m to €7.9m (non-recurring effects prior year: €+0.3m; of which €+0.5m were attributed to the »Core Europe« region and €–0.2m to the »Asia/Pacific« region). Of the €–0.5m reported as non-recurring effects in the first half of 2011, €–0.6m is attributable to the »Core Europe« region and €+0.1m is attributable to the »North America« region. Thus, the adjusted EBIT margin improved from 5.2% in the prior year to 5.6% currently.

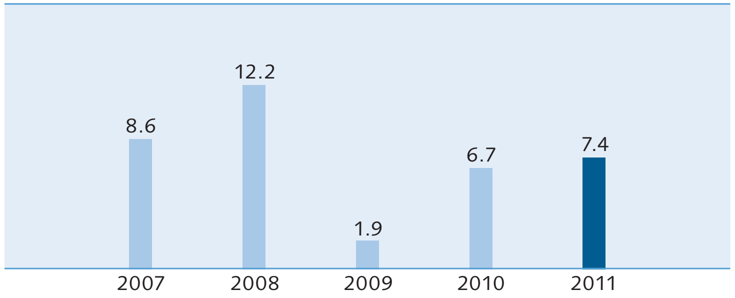
EBIT by region H1

in €m, IFRS	Jan 1– Jun 30, 2011	Jan 1– Jun 30, 2010	Change in %
Core Europe	8.8	9.6	–8.3
Emerging Europe	0.5	0.2	150.0
North America	–1.6	–2.0	20.0
Asia/Pacific	–0.3	–0.5	40.0
Consolidation	–0.0	–0.6	100.0
Group	**7.4**	**6.7**	**10.4**

EBIT by region Q2

in €m, IFRS	Apr 1– Jun 30, 2011	Apr 1– Jun 30, 2010	Change in %
Core Europe	7.6	8.4	–9.5
Emerging Europe	0.1	0.2	–50.0
North America	–0.9	–0.6	–50.0
Asien/Pazifik	0.1	–0.5	120.0
Consolidation	0.3	–0.5	160.0
Group	**7.2**	**7.0**	**2.9**

EBIT Jan 1–Jun 30 in €m, IFRS



The exchange rate development between the US dollar and the euro has generally had little impact on the operating business. The balance sheet date valuation of the recognized assets and liabilities held in foreign currencies negatively influenced earnings by only approximately €–0.3m (prior year: €+1.0m).

The results in **Core Europe** were impacted, above all, by rising personnel costs and by the one-time income generated from the previously discussed foreign exchange gains in 2010. The introduction of the wage framework agreement (ERA), the routine collective wage increase and the loss of two hours in the working week after the supplemental collective bargaining agreement expired at the end of 2010 have so far led to a decline in earnings, specifically in production and service. To counter this increase in costs, additional efficiency measures were implemented that will partially offset the increase. These measures include the optimization of sales structures in Germany and the insourcing of components and shifting of some parts of the production to the Czech Republic. Moreover, the first half of 2011 saw a strong increase in commodity prices. The further expansion of the international sourcing activities should help offset the increase in the cost of materials. The EBIT (adjusted for non-recurring effects, especially foreign exchange effects) therefore rose only slightly from €9.1m to €9.4m. The EBIT equaled €8.8m (prior year: €9.6m). In order to further improve the earnings situation in this region, additional efficiency measures should be rolled-out.

In the »**Emerging Europe**« region, the earnings rose by €0.3m to €0.5m as a result of positive market development and higher revenues (prior year: €0.2m).

North America: Results of the second quarter fail to meet expectations; profits expected for year as a whole

The successful market penetration of Canada is already reflected in the operating result for **North America**. The EBIT in that region improved from €–2.0m to €–1.6m. The development of the results in the second quarter of 2011 from € –0.6m to € –0.9m was, however, below the Company's expectations. Although the major customer tender implementation in Canada did lead to the forecasted revenue growth, it was connected with high losses of efficiency. Accordingly, the additional revenues have not yet been fully reflected in the earnings. Together with the weather-related decline in service and chemicals revenues and a change in the product mix of the equipment division, this has meant that the earnings performance in the second quarter did not meet the Company's expectations. The Company believes that the described effects are temporary, and additional efficiency measures are expected to off-set these effects in the mid- to long-term. WashTec generally expects the North American business for the first time to generate a sustained profit for the whole of 2011. The additional revenues coming from the strengthened market position in the United States are expected to be somewhat tempered initially by the startup costs incurred in 2011 and will have a positive effect from 2012 onwards. This should help offset the projected decline of the effect from the tender startup in Canada

The Australian subsidiary, whose results are included in the »**Asia/Pacific**« region, was able to earn a profit in the second quarter. Overall, as of June 30, 2011, earnings in this region remained negative, however, at €–0.3m (prior year: €–0.5m). This loss was caused, above all, by the weak first quarter. The adjusted EBIT was €–0.3m and thus remained unchanged from last year. WashTec is assuming that the incurred losses can be offset in the second half of 2011.

The **net finance costs** were reduced from €1.1m to €0.8m due to lower bank liabilities.

Consolidated net income in the first half of 2011 improved by €1.4m to €4.0m

Earnings before taxes (EBT) rose in the first half of the year to €6.6m (prior year: €5.6m). The tax expense declined from €3.0m to €2.4m. The **consolidated net income** after taxes climbed from €2.6m to €4.2m. **Earnings per share** (diluted = undiluted) therefore increased to €0.30 (prior year: €0.19) based on an unchanged number of shares totaling approximately 14 million.

1.2 Net assets

Assets in €m, IFRS	Jun 30, 2011	Dec 31, 2010
Non-current assets	**120.2**	**117.7**
thereof intangible assets	12.0	9.9
thereof deferred tax assets	7.8	7.0
Current assets	**90.6**	**99.4**
thereof inventories	39.6	37.4
thereof trade receivables and other assets	46.9	45.5
thereof cash and cash equivalents	3.7	15.3
Total assets	**210.8**	**217.1**

Despite strong growth, the **balance sheet total** decreased from €217.1m as of the end of 2010 to €210.8m as of June 30, 2011. The necessary funds for financing the Company's growth were thereby derived from its own cash flow.

Intangible assets rose from €9.9m as of December 31, 2010 to €12.0m as of June 30, 2011, mainly as a result of acquisitions.

Deferred tax assets increased from €7.0m as of the end of 2010 to €7.8m as of June 30, 2011.

Due to expansion, **inventories** climbed from € 37.4m as of December 31, 2010 to €39.6m.

The item **trade receivables and other assets** rose in the first half of the year, from €45.5m as of December 31, 2010 to €46.9m. Since this increase is proportionately less than the increase in revenues, however, the receivables ageing has improved slightly.

Cash and cash equivalents declined to €3.7m as of June 30, 2011 (December 31, 2010: €15.3m) primarily due to the dividend payment and the changed financing structure.

Equity and liabilities in €m, IFRS	Jun 30, 2011	Dec 31, 2010
Equity	93.6	94.4
Liabilities to banks	25.1	32.7
Other liabilities and provisions	76.7	75.2
of which trade payables	7.0	9.5
of which provisions	19.8	20.6
Deferred income	9.8	10.2
Deferred tax liabilities	5.6	4.6
Total equity and liabilities	**210.8**	**217.1**

Equity ratio as of June 30, 2011: 44.4%

Equity as of June 30, 2011 equaled €93.6m (December 31, 2010: €94.4m). Due to the income and expenses recognized directly in equity pursuant to IFRS (see Statement of Changes in Consolidated Equity), the changes in equity do not match the results for the period. The **equity ratio** rose from 43.5% to 44.4%.

Long-term financing secured

Since December 31, 2010, **liabilities to banks** have declined by €7.6m to €25.1m due primarily to loan repayments. The negotiations concerning the follow-up financing, which had already commenced back in 2010, were successfully concluded in the second quarter of 2011. As of May 31, 2011, the existing syndicated loan was superseded by a revolving loan with a term expiring December 31, 2014 and totaling €45m. Thus, the Company will also have sufficient funding on market terms for its future business operations and will be in a position to continue pursuing its future strategy.

Net bank debt (long-term and short-term liabilities to banks less bank credit balances) equaled €21.4m and was therefore higher than the value reported as of December 31, 2010 (€17.4m) due to substantially reduced cash and cash equivalents resulting from the dividend payment. The **net finance debt** (net bank debt plus long-term and short-term finance leasing liabilities) climbed from €26.6m to €29.6m.

Trade payables declined from €9.5m as of December 31, 2010 to €7.0m.

Deferred tax liabilities increased by €1.0m since the end of 2010 and equaled €5.6m as of June 30, 2011.

The **gearing** – defined as the quotient of the net finance debt to equity – rose only slightly from 0.28 as of December 31, 2010 to 0.32, which is a relatively low figure for companies that produce.

Provisions fell only slightly from €20.6m as of December 31, 2010 to €19.8m.

1.3 Financial position

Cash flow statement

Cash inflow from operating activities (net cash flow) declined in the first half of 2011 to €5.4m (prior year: €14.0m). This development was caused, above all, by changes in net current assets resulting from the strong growth. It should be noted here that at the end of 2009, the Company discharged many of its trade payables early (for purposes such as exploiting early payment discounts). This had led to an exceptionally high cash flow in the first half of 2010.

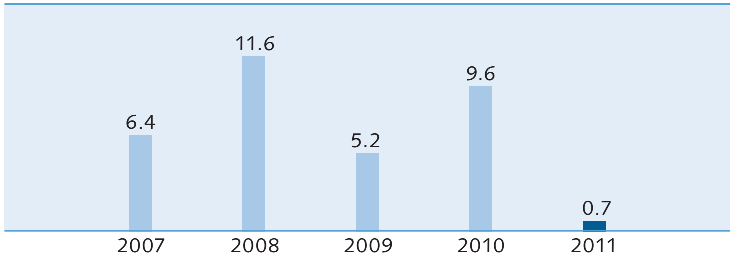
Net current assets (trade receivables + inventories – trade payables) rose from €64.0m to €74.4m mainly because of the significant growth.

Cash outflow from investment activities relating to, above all, acquisitions, product development and investments in the Czech Republic manufacturing site and in information technology, totaled €4.7m and was thus slightly above prior year (€4.4m). Projected over the course of the entire year, the investment volume is likely to be slightly higher than last year's level.

Free cash flow (net cash flow less cash outflow from investment activities) equaled €0.7m (prior year: €9.6m).

Overall, **cash and cash equivalents** decreased by €4.2m as of June 30, 2011.

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

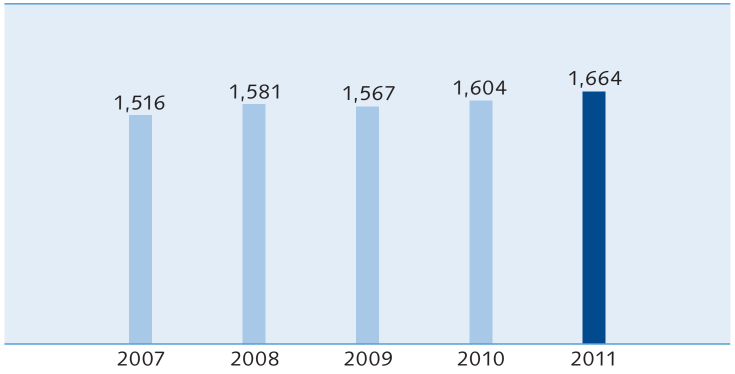


1.4 Miscellaneous

Employees

Since December 31, 2010, the number of employees has risen by 25 to 1,664 employees. Compared to June 30, 2010, the staff has been increased by 60 employees primarily because of acquisitions and the expansion of sourcing activities in the Czech Republic and China. After adjusting for acquisitions and sourcing activities, the number of employees has declined slightly compared to the same period last year.

Employees as of Jun 30



Number of WashTec Group employees now at 1,664

The employees of WashTec are an important cornerstone for the economic success of the Company. The satisfaction of the employees – in Germany, for example – is reflected by the low employee turnover rate (2010: 0.9%) and by a long average job tenure (2010: 17.0 years).

WashTec share

In the second quarter, the management once again stayed in constant contact with shareholders and journalists as well as with 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 roadshows.

WashTec is currently covered by Unicredit, HSBC Trinkaus & Burkhardt, MM Warburg, Equinet and Hauck & Aufhäuser, which have all issued buy recommendations for the share.

Through its extensive investor relations work, WashTec has succeeded in doubling the trading volume of its shares compared to the first half of last year. Although WashTec was thereby able to improve to 120th place in this category of the Deutsche Börse ranking of MDAX and SDAX shares (prior year: 128th place), the volume is nevertheless still too low to qualify for inclusion in the SDAX. Based on market capitalization, WashTec is currently ranked 94th and therefore meets the SDAX criterion. For these reasons, WashTec will continue its extensive investor relations work.

After a closing WashTec share price in 2010 of €9.14, the closing share price as of June 30, 2011 hit €9.70 (+6%). If one also factors in the dividend payment made in the second quarter, the actual share price increase is closer to 10%. Thus, during that same period of time, WashTec shares generally outperformed the SDAX (+5%). For most of the first half of 2011, the share price was above the 10 euro threshold. Since the end of May, however, there have been signs of increasing uncertainty in the markets. Moreover, toward the end of June, the share price came under pressure while the stock was trading in lower volumes. This negative trend was not, however, occasioned by any change in the situation at the Company or in the industry. Instead, the overall lower trading volumes mean that merely trading in a smaller number of shares can cause greater price volatility.

Shareholder structure

Based on the filings made pursuant to the German Securities Trading Act (WpHG), the shareholder structure in the first half of 2011 has not changed.

Shareholding in %	Jun 30, 2011
EQMC Europe Development Capital Fund plc	16.2
Sterling Strategic Value Ltd. (incl. IED)	15.3
Kempen Capital Management NV	11.1
InvestmentAG für langfristige Investoren TGV	5.4
Lazard Frères Gestion S.A.S.	5.0
Paradigm Capital Value Fund	3.8
Free float	43.2

Source: Notifications under the WpHG

Related party transactions

No significant related party transactions transpired during the reporting period.

Events after the end of the reporting period

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

2. Forecast

Annual guidance substantiated

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

Given the results achieved to date, the Company is holding to its previously communicated targets for the entire 2011 year. In Core Europe, the Company expects a slight organic growth in revenues and stable earnings development for 2011. In North America, despite the continued difficult market environment, WashTec is striving for a substantial increase in revenues for 2011 based on the improved market position particularly in Canada and expects that the North American business will generated a sustained profit for the first time ever. In the »Emerging Europe« region, WashTec is assuming that the strong revenue increase of the first quarter will be leveled-off during the course of the entire year and that earnings will develop commensurately. In the »Asia/Pacific« region, the Company is expecting a significant growth in revenues for the entire year based on the effects from the acquisition in Australia and a balanced result.

At Group level, WashTec is seeking a significant revenue growth rate of 6–8% over last year; a rate which is nevertheless less than the growth rate achieved in the first half of this year. Combined with the implemented and planned measures for improving the efficiency and cost structures, such a growth rate should yield a significant increase in earnings compared to 2010. The improvement in earnings is expected to exceed the targeted growth in revenues. The first-year startup effects relating to the non-organic growth will, however, dilute the EBIT margin so that the Company expects it to be in the lower part of the 8–9% Guidance range for the entire year. In connection with the mid-term planning in the second half of the year, additional projects for improving efficiency should be analyzed and launched.

As in the past, WashTec will be selectively seeking external growth opportunities as part of its expansion policy. This should serve to improve the Group's regional presence, expand the value chain to include higher margin activities and improve the Group's overall return on capital. The financial resources required for this endeavor from today's perspective can be financed from the Group's own cash flow.

3. Opportunities and risks related to Group development

A description of the WashTec Group's risk management is available in the 2010 annual report. There have been no significant changes in the opportunities and risks as presented in the risk report of the 2010 annual report.

Augsburg, 28 July 2011

Thorsten Krüger
Spokesman of the
management board

Houman Khorram
Member of the
management board

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, 2011	Jan 1 to June 30, 2010	April 1 to June 30, 2011	April 1 to June 30, 2010
	€	€	€	€
Revenues	140,443,895	123,742,043	77,093,673	67,802,242
Other operating income	2,413,615	2,988,029	936,259	1,951,502
Other capitalized development costs	654,533	630,632	265,768	345,509
Change in inventories	501,582	–585,814	816,266	178,668
Total	**144,013,625**	**126,774,890**	**79,111,966**	**70,277,921**
Cost of materials				
Cost of raw materials, consumables and supplies and of purchased material	47,945,802	40,972,007	26,098,878	22,471,240
Cost of purchased services	10,251,070	9,028,994	5,805,134	4,896,544
	58,196,872	**50,001,001**	**31,904,012**	**27,367,784**
Personnel expenses	**50,383,179**	**45,144,964**	**25,573,358**	**23,179,676**
Amortization, deprecation and impairment of intangible assets and property, plant and equipment	4,974,393	4,770,859	2,527,215	2,407,880
Other operating expenses	22,701,188	19,816,572	11,772,548	10,135,849
Other taxes	353,475	377,018	169,325	202,472
Total operating expenses	**136,609,107**	**120,110,414**	**71,946,458**	**62,293,661**
EBIT	**7,404,518**	**6,664,476**	**7,165,508**	**6,984,260**
Other interest and similar income	72,535	25,770	34,301	13,095
Interest and similar expenses	842,994	1,066,241	407,900	569,169
Financial result	**–770,459**	**–1,040,471**	**–373,599**	**–556,074**
Result from ordinary activities/EBT	**6,634,059**	**5,624,005**	**6,791,909**	**6,428,186**
Income taxes	–2,433,968	–2,994,957	–2,140,795	–2,385,037
Consolidated profit for the period	**4,200,091**	**2,629,048**	**4,651,114**	**4,043,149**
Average number of shares	**13,976,970**	**13,976,970**	**13,976,970**	**13,976,970**
Earnings per share (basic = diluted)	**0.30**	**0.19**	**0.33**	**0.29**

Consolidated 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, 2011	Jan 1 to June 30, 2010
Earnings after taxes	**4,200**	**2,629**
Changes in the fair value of financial instruments used for hedging purposes recognized under equity	430	–1,222
Adjustment item for the currency translation of foreign subsidiaris and currency changes	48	219
Exchange differences on net investments in subsidiaries	–1,344	1,207
Actuarial gains/losses from defined benefit obligations and similar obligations	0	–555
Deferred taxes on changes in value taken directly to equity	283	176
Valuation gains/losses recognized directly in equity	**–583**	**–175**
Total income and expense and valuation in gains/losses recognized directly in equity	**3,617**	**2,454**

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, 2011	Dec 31, 2010
	€	€
Non-current assets		
Property, plant and equipment	42,154,048	41,920,722
Goodwill	57,135,307	58,192,039
Intangible assets	12,032,059	9,862,248
Trade receivables	747,312	387,967
Tax receivables	252,817	252,817
Other assets	74,497	39,793
Deferred tax assets	7,824,811	7,015,377
Total non-current assets	**120,220,851**	**117,670,963**
Current assets		
Inventories	39,573,416	37,378,273
Trade receivables	41,070,696	39,934,929
Tax receivables	532,018	1,210,691
Other assets	5,784,912	5,584,162
Cash and bank balances	3,663,313	15,304,363
Total current assets	**90,624,355**	**99,412,418**
Total assets	**210,845,206**	**217,083,381**

Equity and liabilities	June 30, 2011	Dec 31, 2010
	€	€
Equity		
Subscribed capital	40,000,000	40,000,000
thereof contingent capital	*12,000,000*	*12,000,000*
Capital reserves	36,463,441	36,463,441
Other reserves	–2,698,851	–2,116,221
Profit carried forward	15,678,970	9,235,334
Consolidated profit for the period	4,200,091	10,776,497
	93,643,651	**94,359,051**
Non-current liabilities		
Interest-bearing loans	23,424,748	276,582
Finance leasing	5,660,174	6,617,302
Provisions for pensions	7,045,469	7,013,238
Trade payables	0	47,000
Other non-current provisions	3,264,497	3,693,291
Other nun-current liabilities	2,308,823	1,540,501
Deferred revenue	774,052	698,988
Deferred Income	5,628,675	4,551,105
Total non-current liabilities	**48,106,438**	**24,438,007**
Current liabilities		
Interest-bearing loans	1,686,019	32,427,648
Finance leasing	2,474,345	2,560,143
Prepayments on orders	6,603,803	7,968,064
Trade payables	6,992,398	9,478,523
Other liabilities for taxes and levies	4,190,056	3,321,152
Other liabilities for social security	791,189	815,887
Tax liabilities	2,638,427	1,711,785
Other current liabilities	25,137,472	20,631,733
Other current provisions	9,517,860	9,884,854
Deferred Income	9,063,548	9,486,534
Total current liabilities	**69,095,117**	**98,286,323**
Total equity and liabilities	**210,845,206**	**217,083,381**

Consolidated Cash Flow Statement

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

	Jan 1 to Jun 30, 2011	Jan 1 to Jun 30, 2010
	€k	€k
EBT	**6,634**	**5,624**
Adjustments to reconcile profit before tax to net cash flows not affecting cash:		
Amortization, depreciation and impairment of non-current assets	4,974	4,771
Gain/loss from disposals of non-current assets	–51	–81
Other gains/losses	–3,083	1,160
Interest income	–73	–26
Interest expense	843	1,066
Movements in provisions	–733	–1,014
Changes in net working capital:		
Increase/decrease in trade receivables	–2,045	286
Increase/decrease in inventories	–2,906	–334
Increase/decrease in trade payables	–2,404	3,576
Changes in other net working capita	4,436	–65
Income tax paid	–177	–949
Cash inflow from operating activities (net cash flow)	**5,415**	**14,014**
Purchase of property, plant and equipment (without finance leasing)	–4,521	–2,852
Proceeds from sale of property, plant and equipment	142	212
Acquisition of a subsidiary, net of cash acquired	–353	–1,727
Cash outflow from investment activities	**–4,732**	**–4,367**
Raising of long-term loans	23,354	0
Repayment of non-current liabilities to banks	–31,221	–10,012
Dividend paid	–4,333	–1,677
Interest received	73	26
Interest paid	–622	–837
Repayment of non-current liabilities from finance leases	–1,330	–1,367
Net cash flows used in financing activities	**–14,079**	**–13,867**
Net increase/decrease in cash and cash equivalents	**–13,396**	**–4,220**
Net foreign exchange difference in cash and cash equivalents	**732**	**–2,814**
Cash and cash equivalents at 1 January	**15,155**	**13,732**
Cash and cash equivalents at 30 June	**2,491**	**6,698**
Bank balances	**3,663**	**6,730**
Current bank liabilities	**–1,172**	**–32**

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	Other reserves	Exchange effects	Profit carried forward	Total
As of January 1, 2010	**40,000**	**36,464**	**–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
Dividends					–1,677	–1,677
Consolidated earnings for the period					2,629	2,629
As of June 30, 2010	**40,000**	**36,464**	**–1,759**	**–234**	**11,864**	**86,335**
As of January 1, 2011	**40,000**	**36,464**	**–1,986**	**–130**	**20,011**	**94,359**
Income and expenses recognized directly in equity			–914	48		–866
Taxes on transactions recognized directly in equity			283			283
Dividends					–4,332	–4,332
Consolidated earnings for the period					4,200	4,200
As of June 30, 2011	**40,000**	**36,464**	**–2,617**	**–82**	**19,879**	**93,644**

Notes to the Interim Condensed Consolidated Financial Statements of WashTec AG (IFRS) for the period January 1 to June 30, 2011

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 purpose of the WashTec Group 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.

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).

2. Accounting and valuation policies

Principles in preparing financial statements

The interim condensed consolidated financial statements for the period January 1 to June 30, 2011 were prepared in accordance with IAS 34 »Interim Financial Reporting«.

The interim condensed consolidated financial statements do not include all explanations and information required for the financial statements for the entire fiscal year and should be read in conjunction with the consolidated financial statements for the period ending December 31, 2010.

Significant accounting and valuation methods

The accounting and valuation methods applied when preparing the interim condensed consolidated financial statements comply with the methods used when preparing the consolidated financial statements for the fiscal year ending December 31, 2010.

WashTec Cleaning Technology holds long-term USD-denominated loan receivables against the US subsidiary. Net investments in foreign operations were increased by USD 10m to USD 30m as of May 25, 2011, and the conversion effects are recognized in equity capital.

For fiscal years that begin on or after January 1, 2011, the following new and revised Standards and Interpretations must be applied. As explained in the consolidated financial statements as of December 31, 2010, these new Standards and Interpretations currently have either no relevance with respect to the consolidated financial statements or no material effect on the WashTec Group's net assets, financial position and results of operation.

■ IAS 24	Amendments to IAS 24 – Related Party Disclosures
■ IAS 32	Amendments to IAS 32 – Classifications of Rights Issues
■ IFRS 1	Amendments to IFRS 1 – Limited Exemption from Comparative IFRS 7 for First-time Adopters
■ IFRIC 14	Amendments to IFRIC 14 – Prepayments of a Minimum Funding Requirement
■ IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments
■ IFRS	Improvements to IFRS 2010

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 2011 or which have not yet been recognized by the EU. The WashTec Group did not opt for an early adoption.

IAS 1	Amendment to IAS 1 – Presentation of Items of Other Comprehensive Income
IAS 12	Amendment to IAS 12 – Deferred Tax: Recovery of Underlying Assets
IAS 19	Amendment to IAS 19 – Employee Benefits
IAS 27	Revision of IAS 27 – Separate Financial Statements
IAS 28	Revision of IAS 28 – Investments in Associates
IFRS 1	Amendments to IFRS 1 – Severe Hyperinflation and Relief for First-time Adopters on Fixed Transition Dates
IFRS 7	Amendments to IFRS 7 – Financial Instruments: Disclosures
IFRS 9	Financial instruments: Classification and Measurement
IFRS 10	Consolidated Financial Statements
IFRS 11	Joint Arrangements
IFRS 12	Disclosure of Interests in Other Entities
IFRS 13	Fair Value Measurement

The factual situations, which are addressed by the Standards IAS 1, IAS 12, IAS 19, IFRS 1, IFRS 7, IFRS 10, IFRS 11, IFRS 12 and IFRS 13, are currently not relevant to the WashTec Group, have no material effects on the net assets, financial condition and results of operation of the WashTec Group and/or could lead to additional disclosures in the notes. At present, the WashTec Group cannot yet conclusively determine which effects the first-time adoption of IFRS 9 will have.

3. Business Combinations

In the wash chemicals business segment, WashTec Benelux B. V., Zoetermeer, the Netherlands, entered into an agreement to acquire selected assets (including customer lists and a sales employee) of the former wash chemicals dealer as of April 1, 2011. WashTec is thereby securing the future supply and support of all local customers for Auwa wash chemicals through its subsidiary in the Netherlands.

The purchase price for the corporate acquisition is less than €0.5m. The due diligence examination focused primarily on business risks.

On April 7, 2011, WashTec also signed an agreement to acquire the substantial assets of the car wash division of the former Ceccato dealer and the second largest market player in Spain, Barin S.A. By virtue of this step, WashTec will become the second largest supplier on the Spanish market. Due to the difficult market situation in Spain, Barin had suffered financial difficulties and had to file for bankruptcy at the end of 2010. WashTec had therefore decided to use that opportunity to expand its market position in Spain despite facing a continuing difficult economic environment there. WashTec expects that the merger of both organizations will generate positive synergies.

The parties agreed to a purchase price of approximately €0.6m, which covers the customer lists and some inventory. Key employees were also transferred to WashTec. On June 14, 2011, the approval from the competent bankruptcy court in Madrid, which is required to validate the contract, was also issued.

To date, the incidental costs associated with the acquisitions have totaled € 52k and were recognized in the income statement.

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

€m	fair value	book value
Inventories	0.2	0.2
Intangible assets	0.8	0.8

The consolidated result as of June 30, 2011 includes an estimated profit of €25k as well as sales revenues of €0.2m. Because of the bankruptcy filing by Barin S. A. at the end of 2010, no revenues are expected to be generated in the car wash division in 2011. Had the business combinations occurred at the beginning of the year, the consolidated revenues would have been €140.5m and the consolidated after-tax result would have been approximately €4.2m.

4. Segment reporting

In connection with reorganizing the internal management of the Group, the segment reporting was modified as of the first quarter of 2011 to include the regions »Core Europe«, »Emerging Europe«, »North America« and »Asia/ Pacific«.

In the »Core Europe« region, the activities of the WashTec Group within Northern and Western Europe are combined. This region therefore includes the previous area known as »DACH« (Germany, Austria, Switzerland) as well as the European portion of the »RoW« (Rest of Word) area and of the Chemicals and Operator business (»Others« area). The »Emerging Europe« region corresponds to the previous area known as »CEE« (Central and Eastern Europe), and the »North America« region includes the activities in the United States and Canada, which had been previously reported in the »RoW« area. The »Asia/Pacific« region reflects primarily the business developments of the Australian subsidiary and the future development of China.

Jan–Jun 2011	Core	Emerging	North	Asia/	Consoli-	Group
in €k	Europe	Europe	America	Pacific	dation	
	2011	2011	2011	2011	2011	2011
Revenues	118,518	5,249	17,716	4,811	–5,850	140,444
thereof with third parties	113,437	5,237	17,249	4,811	–290	140,444
thereof with other segments	5,081	12	467	0	–5,560	0
Operating result	**8,828**	**525**	**–1,641**	**-263**	**–44**	**7,405**
Financial result						72
Financial expenses						–843
Results from ordinary business activities						**6,634**
Income tax expense						–2,434
Consolidated result						**4,200**

Jan–Jun 2010	Core	Emerging	North	Asia/	Consoli-	Group
in €k	Europe	Europe	America	Pacific	dation	
	2010	2010	2010	2010	2010	2010
Revenues	111,983	3,752	11,491	1,793	–5,277	123,742
thereof with third parties	107,406	3,751	10,971	1,793	–179	123,742
thereof with other segments	4,577	1	520	0	–5,098	0
Operating result	**9,584**	**180**	**–2,051**	**–460**	**–589**	**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**

5. Non-current assets

In the first half of 2011, non-current assets (excluding financial leases) amounting to €4,521k (H1 2010: €2,852k) were purchased.

6. Equity

On June 30, 2011, the subscribed capital of WashTec AG was €40,000k and 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 general meeting of the shareholders held on May 5, 2011, WashTec AG shareholders resolved that from the Company's non-appropriated retained earnings of €4,759,216 for fiscal year 2010, €4,332,860.70 would be paid as a dividend and €426,355.30 would be carried forward to a new account. The payment corresponds to a dividend of €0.31 per no-par value share with dividend rights. The profit carried forward has been thereby reduced by €4,332,860.70.

7. Interest-bearing loans

The refinancing of the WashTec Group was implemented as of May 31, 2011. A revolving loan with a term expiring December 31, 2014 was concluded. The borrower is WashTec Cleaning Technology GmbH, and it now has a credit line of €45m. The facility consists of a working capital line of credit in the amount of €38m and guarantee credit line [Avalkreditlinie] in the amount of €7m. As of June 30, 2011, €24.9m of the working capital line of credit and €4.7m of the guarantee credit line were drawn down. The WashTec Group has other local lines of credit in foreign currencies, and therefore has a total credit line of €48.3m.

The syndicated loan continues to be subject to terms and conditions, but they are considerably better than the terms and conditions of the previous syndicated loan agreement. For example, WashTec is now bound by only two covenants (instead of five covenants) for the entire term of the Agreement. Moreover, the amount of collateral and security owed to the banks was reduced. The agreement was extended on margins that are considered customary for the market.

The interest rate on the loan is variable and is linked to the EURIBOR movements and depends on an interest margin that is tied to the operating performance of the Company.

In connection with structuring the financing, a discount fee in the amount of €0.4m was charged, which pursuant to IAS 19 is taken into account using the effective interest rate method.

Interest rate risks

The base interest rate under the loan agreement is variable and tracks the EURIBOR. Thus, two additional derivative financial instruments in the form of interest rate swaps (HypoVereinsbank, interest rate 2.58% and DZ Bank, interest rate 2.572%, expiring in each case on December 31, 2015) were executed as a hedging mechanism on June 9, 2011. As of June 30, 2011, there were therefore four interest rate swaps serving to hedge the loan's variable EURIBOR-linked interest rates against interest rate volatility. The market value as of the record date was negative and equaled €–94k (prior year: €–224k).

Foreign exchange risks

By virtue of the USD transactions carried out by the subsidiary, Mark VII, any changes in the USD/EUR exchange rate could have a material effect on the consolidated balance sheet. In order to avoid high risks, WashTec relies on appropriate derivatives in the form of fair value hedges. Thus, in June 2011, both a forward exchange transaction with a six-month option and a structured forward exchange transaction were executed in order to hedge against the USD exposures.

8. Significant business transactions

As of January 1, 2011, the substantial assets of the product development and sales departments of Adekema were transferred, as reported in the 2010 annual financial statements. This resulted mostly in an increase in the intangible assets in the first half of 2011.

Since the end of April 2011, the US subsidiary of WashTec, Mark VII Inc., has expanded its direct sales and service network in the United States and has opened its own branch in Florida. These steps were taken in order to guarantee the supply and support of newly acquired major national customers with Mark VII products.

9. Contingent liabilities and other financial obligations

Contingent liabilities and other financial obligations remain largely unchanged compared to December 31, 2010.

10. Related party transactions

No related party transactions transpired during the reporting period.

11. Events after the balance sheet date

No significant events occurred after the reporting period ended.

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, 28 July 2011

Thorsten Krüger
Spokesman of the
management board

Houman Khorram
Member of the
management board

Review report

We have reviewed the condensed consolidated interim financial statements – comprising the income statement and statement of comprehensive income, balance sheet, cash flow statement, statement of changes in equity and selected explanatory notes – and the interim group management report of WashTec AG for the period from January 1, 2011 to June 30, 2011 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.

Munich, July 29, 2011

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Petra Justenhoven	Holger Graßnick
Wirtschaftsprüferin	Wirtschaftsprüfer

Finance calendar

9-month Report	Nov 4, 2011
Analysts' Conference/ German Investment Conference	Sep 27–29, 2011, Munich (WashTec presentation: Sep 27, 2011, 11.00 am, »Nymphenburger Room«)
Analysts' Conference/ Equity Forum	Nov 21–23, 2011, Frankfurt/Main (WashTec presentation: Nov 22, 2011, 5.15 pm, »Paris Room«)

Contact

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