Group Management Report on the period from January 1 to June 30, 2016

H1 2016

WashTec

H1 revenues 5.4% above prior year

- Revenues increase to € 169.2m (prior year: € 160.6m)
- EBIT at € 15.5m (prior year: € 13.8m)
- Equipment and service drive growth
- Excellent customer feedback to innovations at Uniti expo exhibition in Stuttgart

H1 2016		Jan 1 to Jun 30 2016	Jan 1 to Jun 30 2015	Change absolute	Change in Percent
Revenue	€m	169.2	160.6	8.6	5.4
EBITDA	€m	20.0	18.6	1.4	7.5
EBIT	€m	15.5	13.8	1.7	12.3
EBIT margin	%	9.2	8.6		
EBT	€m	15.5	13.5	2.0	14.8
Employees per reporting date	persons	1.741	1.668	73	4.4
Average number of shares	units	13,382,324	13,932,312	–549,988	
Earnings per share [1]	€	0.80	0.63	0.17	27.0
Free cash flow [2]	€m	8.4	10.5	–2.1	–20.0
Investments in fixed assets (capital expenditures)	€m	8.0	2.7	5.3	196.3
Capital ratio per reporting day [3]	%	35.1	41.2	–6.1	

Q2 2016		Apr 1 to Jun 30 2016	Apr 1 to Jun 30 2015	Change absolut	Change in %
Revenue	€m	92.4	85.0	7.4	8.7
EBITDA	€m	14.0	11.9	2.1	17.6
EBIT	€m	11.8	9.5	2.3	24.2
EBIT margin	%	12.8	11.1		
EBT	€m	11.8	9.3	2.5	26.9
Average number of shares	units	13,382,324	13,932,312	–549,998	
Earnings per share [1]	€	0.61	0.45	0.16	35.6

[1] Diluted = undiluted
[2] Net cash flow – cash outflow from investing activity
[3] Equity capital/balance sheet total

Contents

Interim Group Management Report for the period from January 1 to June 30, 2016

Interim Condensed Consolidated Financial Statements from January 1 to June 30, 2016

Interim Group Management Report

Interim Group Management Report

1. Total revenues and earnings development

Revenues growth of 5.4%

After a – as expected – strong second quarter (Q2 2016 €92.4m; prior year: € 85.0m), revenues in the first half of 2016 equaled € 169.2m and were therefore € 8.6m (5.4%) above prior year (€ 160.6m). Primarily "Equipment and Service" contributed to the growth, while all other segments also performed as expected. Revenues with individual operators, car dealerships and smaller operator chains particularly increased exceptionally due to initiated sales optimization measures. Adjusted for currency effects revenues increased by 6.3% in the first half year. EBIT improved mainly due to the positive development of revenues to € 15.5m (prior year: € 13.8m) while investments in further growth were made.

WashTec successfully exhibited under the motto "maximize your business" at the exhibition Uniti expo in June. About 40% more visitors than 2014 from 110 countries visited WashTec at the new leading fair for the industry.

The projects regarding the extension of the chemicals production in Grebenau and the showroom in Augsburg are running as scheduled.

Order backlog as of the end of June was again slightly above prior year level. For the full fiscal year, the Company still aims for a revenue increase of about 5% at a double-digit EBIT margin.

2. Economic report

2.1 General conditions and competitive conditions

The general conditions regarding economy and competition corresponded largely to the situation described in the Group Management Report 2015. Significant technology changes did not occur and are not foreseeable.

2.2 Dividend payment

This year's annual general meeting on May 11 decided upon a dividend payment of € 1.70 per share and thus followed the recommendation of the management and supervisory board. With a dividend payout ratio of 93%, shareholders participated in the company's success. The payout was executed May 13, 2016.

2.3 Earnings

2.3.1 Revenues by segments and products

Revenues by segment, H1

in €m, IFRS (Rounding differences possible)	Jan 1 to Jun 30, 2016	Jan 1 to Jun 30, 2015	Change absolute	Change %
Core Europe	138.5	130.0	8.5	6.5
North America	24.8	27.2	−2.4	−8.8
Asia/Pacific	9.1	7.3	1.8	24.7
Consolidation	−3.2	−3.9	0.7	
Total Group	**169.2**	160.6	**8.6**	**5.4**

Revenue increases in the second quarter of 8.7%

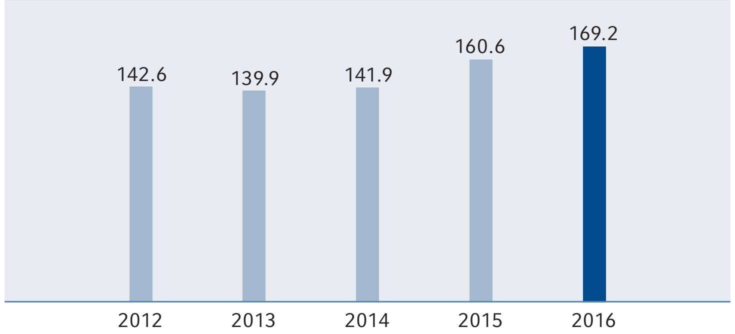
Revenues by segment, Q2

in €m, IFRS (Rounding differences possible)	Apr 1 to Jun 30, 2016	Apr 1 to Jun 30, 2015	Change abs.	Change %
Core Europe	76.2	67.2	9.0	13.4
North America	12.8	15.9	−3.1	−19.5
Asia/Pacific	4.5	3.6	0.9	25.0
Consolidation	−1.1	−1.6	0.5	
Total Group	**92.4**	**85.0**	**7.4**	**8.7**

The positive revenue development during the first half of the year was mainly driven by Core Europe (+6.5% or € 8,5m) and Asia/Pacific (+24.7% or € 1.8m). Revenues in Eastern Europe, which are reported under the Core Europe segment since January 2016, increased by 6% compared to the previous year.

Revenues in North America were influenced by the loss of a major customer in Canada as of July 1, 2015 – as previously communicated several times. In the second half of 2016, there will no longer be an effect when comparing to prior year. Furthermore, revenue realisations of major customers' orders will arise just at the end of the year. Revenues in the USA increased slightly compared to prior year. Revenues for North America in US-Dollar totalled USD 27,7m (prior year: USD 30,3m).

Revenues, Jan 1 to Jun 30, in €m, IFRS



The group's consolidated revenues increased as expected by 8.7% (Q2 2016: € 92.4m; Q2 2015: € 85.0m) in the second quarter.

Revenues by product, H1

in €m, IFRS (Rounding differences possible)	Jan 1 to Jun 30, 2016	Jan 1 to Jun 30, 2015	Change abs.	Change %
Equipment and service	142.6	132.9	9.7	7.3
Chemicals	20.4	20.6	−0.2	−1.0
Operator business and others	6.3	7.0	−0.7	−10.0
Total Group	**169.3**	**160.6**	**8.9**	**5.4**

Revenues by product, Q2

in €m, IFRS (Rounding differences possible)	Apr 1 to Jun 30, 2016	Apr 1 to Jun 30, 2015	Change abs.	Change %
Equipment and service	78.7	71.0	7.7	10.8
Chemicals	10.6	10.3	0.3	2.9
Operator business and others	3.2	3.8	−0.6	−15.8
Total Group	**92.4**	**85.0**	**7.4**	**8.7**

"Equipment and Service" revenues rose by 7.3% from € 132.9m to € 142.6m. **"Chemicals"** revenues declined slightly by 1.0% to € 20.4m. Adjusted for the mentioned effect in North America, "Chemicals" revenues increased about 13%.

With 9.2% already a high EBIT margin as of the first half of the year

2.3.2 Expense items and earnings

Earnings, H1

in €m, IFRS (Rounding differences possible)	Jan 1 to Jun 30, 2016	Jan 1 to Jun 30, 2015	Change abs.	%
Gross profit*	101.7	96.7	5.0	5.2
EBITDA	20.0	18.6	1.4	7.5
EBIT	15.5	13.8	1.7	12.3
EBT	15.5	13.5	2.0	14.8

* Revenues plus change in inventory minus cost of materials

Earnings, Q2

in €m, IFRS (Rounding differences possible)	Apr 1 to Jun 30, 2016	Apr 1 to Jun 30, 2015	Change abs.	%
Gross profit*	55.8	51.3	4.5	8.8
EBITDA	14.0	11.9	2.1	17.6
EBIT	11.8	9.5	2.3	24.2
EBT	11.8	9.3	2.5	26.9

* Revenues plus change in inventory minus cost of materials

Gross profit margin at 60.2 % remained relatively stable compared to 60.1% in the prior year.

Personnel expenses rose due to deliberate step up of human resources and expected pay increases by € 3.9m to € 59.5m (prior year: € 55.6m). At the end of the first half of the year the Group reported 73 FTE more than prior year. The increase in headcount took place mainly in sales and supply chain – due to the positive development of the business and as investments in further organic growth.

Other operating expenses (including other taxes) increased marginally by € 0.1m to € 25.4m (prior year: € 25.3m). Further investments into infrastructure improvement especially at the headquarter as well as higher costs for contract workers impacted the costs. In the second quarter, expenses increased due to Uniti expo exhibition in Stuttgart. In addition expenses for currency losses increased due to the rise of the Euro compared to the USD, that are captured in other operating expenses. In total, currency gains or losses had no significant impact on earnings of the Group or compared to prior year. The cost increase was largely compensated by lower car costs and active cost management in other areas.

EBITDA increased by € 1.4m to € 20.0m (prior year: € 18.6m).

EBIT increased by € 1.7m to € 15.5m (prior year: € 13.8m).

EBIT by segment, H1

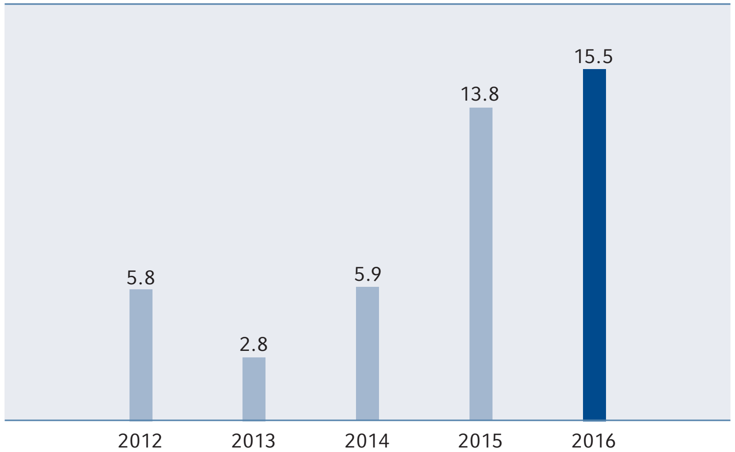
in €m, IFRS (Rounding differences possible)	Jan 1 to Jun 30, 2016	Jan 1 to Jun 30, 2015	Change abs.	%
Core Europe	14.2	11.9	2.3	19.3
North America	0.0	1.4	–1.4	–100
Asia/Pacific	1.1	0.2	0.9	450
Consolidation	0.2	0.3	–0.1	
Total Group	**15.5**	13.8	**1.7**	12.3

EBIT by segment, Q2

in €m, IFRS (Rounding differences possible)	Apr 1 to Jun 30. 2016	Apr 1 to Jun 30. 2015	Change abs.	%
Core Europe	11.1	7.2	3.9	54.2
North America	0.2	1.8	–1.6	–88.9
Asia/Pacific	0.4	0.1	0.3	300
Consolidation	0.1	0.3	–0.2	
Total Group	**11.8**	9.5	**2.3**	24.2

The EBIT increase in the segments **Core Europe** and **Asia/Pacific** is primarily based on the revenue growth achieved. The segment **North America** achieved a balanced result despite its revenue decrease. The positive development of Asia/Pacific continued in the second quarter.

EBIT, Jan 1 to Jun 30, in €m, IFRS



The exchange rate development between the US dollar and the euro had no significant impact on the operating income. The balance sheet date valuation used for the assets and liabilities, which were reported in a foreign currency on the balance sheet, had an influence on earnings of € –0.2m (prior year: € –0.1m).

The **consolidated net result** after taxes increased to € 10.7m (prior year: € 8.8m). A tax refund incl. a credit note for interests paid following a mutual agreement procedure of the prior years resulted in a lower tax rate and the improved financial result.

Earnings per share (diluted = undiluted) increased due to a higher consolidated net result and the lower average number of shares to € 0.80 (prior year: € 0.63).

2.4 Net Assets

Unchanged solid balance sheet structure

Balance sheet, assets, in €m, IFRS (Rounding differences possible)	Jun 30, 2016	Dec 31, 2015
Non-current assets	**89.3**	**85.8**
thereof intangible assets	5.2	5.3
thereof deferred taxes	4.2	4.2
Current assets	**102.2**	**104.3**
thereof inventories	42.0	39.9
thereof trade receivables, other assets	51.2	49.2
thereof cash and cash equivalents	3.4	7.8
Balance sheet total	**191.5**	**190.0**

Balance sheet, equity and liabilities, in €m, IFRS (Rounding differences possible)	Jun 30, 2016	Dec 31, 2015
Equity	**67.2**	**80.3**
Liabilities to banks	16.3	5.3
Other liabilities and provisions	95.7	91.7
thereof trade payables	11.2	7.5
thereof provisions (including income tax debt)	35.6	34.6
Deferred income	8.9	9.0
Deferred tax liabilities	3.4	3.8
Balance sheet total	**191.5**	**190.0**

Mostly as a result of a seasonal increase in trade payables, **net current assets** (short-term trade receivables + inventories – short-term trade payables) declined from € 78.1m as of December 31, 2015 to € 77.3m. In total, stocks of manufactured goods increased for customer orders.

Equity decreased to € 67.2m as of June 30, 2015 (December 31, 2015: € 80.3m), mostly due to the dividend payment. The equity ratio decreased from 42.2% to 35.1% compared to year end 2015.

Net debt (long-term and short-term bank debt – bank deposit) totalled € 12.8m (December 31, 2015: € 2.5m) after the dividend payment of € 22.8m.

Net finance debt (long-term and short-term finance leasing minus net liquidity) increased to € 16.4m (December 31, 2015: € 1.9m).

Other liabilities and provisions increased to € 95.7m mainly because of higher tax liabilities (December 31, 2015: € 91.7).

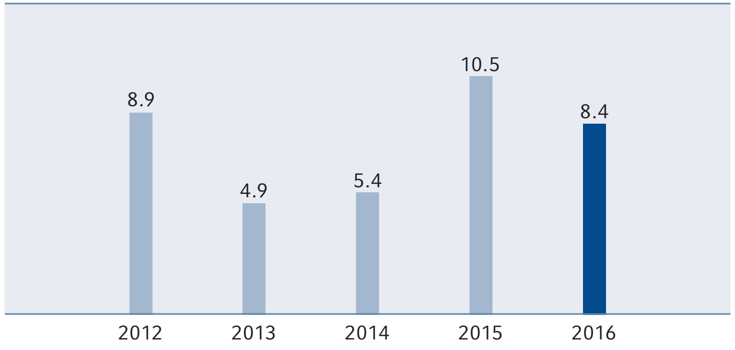
2.5 Financial Position

Cash inflow from operating activities (net cash flow) increased in the first half of the year to € 16.1m (prior year: € 12.9m). As communicated, the company achieved some recovery of capital gains tax payments in the first quarter of 2016 because of pay-outs of the prior year. Simultaneously, the advanced received declined compared to the prior year.

Cash outflow from investing activities increased – as planned – significant to € 7.7m (prior year: € 2.4m). The investment volume for the full fiscal year will therefore increase. The showroom in Augsburg will be completed in September. The extended production in Grebenau will start operations by the end of the year.

The **free cash flow** (net cash flow less cash outflow from investing activities) declined to € 8.4m (prior year: € 10.5m).

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



Overall, **cash and cash equivalents** declined by € 15.3m to € –12.8m compared to December 31, 2015, due to the dividend payment.

2.6 Employees

Number of employees at WashTec Group at 1,741

Compared to June 30, 2015, the number of employees equalled 1,741 and thus increased by 52 compared to the end of 2015. Compared to June 30, 2015, 73 employees commenced service, especially in the Sales and Supply Chain area.

3. Forecast, opportunities and risk report

3.1 Forecast

Besides the above mentioned investments in the showroom and expansion of the chemicals production, the rollout of SAP to North America is being prepared this year and will be completed in 2017. The additional projects to strengthen sales activities as well as R&D and operating improvement of the company are continuing as planned.

After the first half of the year, the Company continues to aim for significant growth in revenues and a significant increase in EBIT in 2016.

In this respect, the following development is expected in the individual segments:

- Core Europe: significant increase in revenues and earnings
- North America: significant increase in revenues and earnings
- Asia/Pacific: significant increase in revenues and earnings

This forecast is uncertain.

The forecast relating to the other defined performance indicators, which is contained in the 2015 annual report, also continues to apply.

3.2 Opportunities and risks for group development

The 2015 annual report includes a description of WashTec Group's risk management. There have been no material changes in the opportunities and risks that are described therein. There will be no significant effect of the Brexit Referendum for 2016. In total, the company estimates potential negative effects, even in the medium term, as rather low due to the revenues and higher local added value compared to other subsidiaries.

Compared to the end of 2015 opportunities increased – as already communicated at the end of the first quarter– with some globally based major customers.

4. Miscellaneous information

4.1 Information about dealings with related companies and persons

No significant transactions were conducted with related companies and persons during the reporting period.

4.2 Events after the end of the reporting period

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

5. Share and investor relations

Management Board maintained continuous contact with the shareholders, journalists and the financial community during the first half of the year. It took part at management roadshows in Frankfurt and Düsseldorf and at the Pan European Discovery Conference of Berenberg.

WashTec achieved the second place of 42 covered companies within an evaluation of "Sustainability Intelligence".

5.1 Share price development

On June 30, 2016, the price for a WashTec share equalled € 31.60. This represents a price increase of 3.6% compared to the € 30.50 per share closing price on the last trading day of the prior year (December 30, 2015). On June 30, 2016, the share was about 15% under its maximum in the second quarter of about € 37.00. Nevertheless, the WashTec share had a significantly better performance than the SDAX, which declined by about 3 % compared to the beginning of the year.

In addition, a dividend of € 1.70 was paid. The distribution by more than 50% has been made from the so-called "capital contribution account for tax purposes" [steuerliches Einlagenkonto] and was accordingly tax-free for many shareholders.

WashTec is currently covered by Hauck & Aufhäuser, HSBC Trinkaus & Burkhardt, MM Warburg and Bankhaus Lampe. All analysts see the price target between € 31.00 minimum up to € 35.00 (by June 2016). On July 12, 2016 a new research study of Hauck & Aushäuser has been published, where they calculate a target share price of € 42.00. On July 28, 2016 Bankhaus Lampe calculated a target share price of € 41.00.

5.2 Shareholder structure

WashTec AG received no voting rights notifications pursuant to the Securities Trading Act in the second quarter of 2016.

Shareholding in %	July 29, 2016
Kempen Oranje Participaties N.V.	10.73
EQMC Europe Development Capital Fund plc[1]	9.78
Dr. Kurt Schwarz[2]	8.38
Paradigm Capital Value Fund	6.01
BNY Mellon Service Kapitalanlage-Gesellschaft mbH	5.61
Investment AG für langfristige Investoren TGV	5.43
Lazard Frères Gestion S.A.S.	4.94
Own shares	4.25
Diversity Industrie Holding AG	4.00
Desmarais Family Risiduary Trust[3]	3.48
Free float	37.39

[1] Nmás1 Dinamia, S.A.
[2] Leifina GmbH & Co. KG et al
[3] Setanta Asset Management
Based on notifications made pursuant to the Securities Trading Act (WpHG)

On July 21, 2016 Diversity Industrie Holding AG announced that their proportion of voting rights is no longer 6.19% but at 4.00% as of July 19, 2016.

Manager Transactions

Two members of the supervisory and the management board invested in additional WashTec shares

On May 17, 2016, Dr. Zimmermann, CEO, purchased further 2,500 shares additional to his existing 12,500 shares, that he purchased in 2015. On May 18, 2016, Mr. Bellgardt also purchased further 2,500 additional to his existing shares.

5.3 Annual general meeting on May 11, 2016

The annual general meeting of WashTec AG was held on May 11, 2016. The management board stated its position in detail regarding business development, current market conditions and strategy and discussed these matters with the shareholders. All of the resolutions proposed were adopted with a very high majority. The shareholders approved, among other things, a resolution to pay a dividend of € 1.70 for each no-par value share entitled to receive a dividend. In addition to the customary agenda items, resolutions regarding the company's contingent and authorised capital have been made.

Interim condensed consolidated financial statements

Consolidated Income Statement

The consolidated notes are an integral component of the consolidated financial statements. Rounding differences may occur.

in €	Jan 1 to Jun 30, 2016	Jan 1 to Jun 30, 2015	Apr 1 to Jun 30, 2016	Apr 1 to Jun 30, 2015
Revenue	169,243,783	160,582,239	92,422,278	85,037,821
Other operating income	2,686,437	2,321,780	1,864,578	486,060
Capitalized development costs	482,516	403,354	382,273	259,915
Change in inventory	2,016,158	2,928,839	1,547,321	1,479,701
Total	**174,428,894**	**166,236,212**	**96,216,450**	**87,263,497**
Cost of materials				
Cost of raw materials, consumables and supplies and of purchased material	55,852,407	54,517,767	30,390,733	28,814,038
Cost of purchased services	13,702,068	12,299,403	7,742,607	6,438,024
	69,554,475	**66,817,170**	**38,133,340**	**35,252,062**
Personnel expenses	**59,512,503**	**55,579,034**	**30,528,400**	**27,637,203**
Amortization, depreciation and impairment of tangible and intangible assets	4,458,055	4,776,282	2,228,152	2,404,709
Other operating expenses	24,929,716	24,852,889	13,318,150	12,305,645
Other taxes	441,959	416,635	223,591	208,750
Total operating expenses	**158,896,708**	**152,442,010**	**84,431,633**	**77,808,369**
EBIT	**15,532,186**	**13,794,202**	**11,784,817**	**9,455,128**
Financial income	273,791	255,364	267,424	130,957
Financial expenses	347,594	515,341	232,909	263,155
Financial result	**–73,803**	**–259,977**	**34,515**	**–132,198**
EBT	**15,458,383**	**13,534,225**	**11,819,332**	**9,322,930**
Income taxes	–4,758,428	–4,771,066	–3,674,770	–3,051,327
Consolidated net income	**10,699,955**	**8,763,159**	**8,144,562**	**6,271,603**
Weighted average number of outstanding shares	**13,382,324**	**13,932,312**	**13,382,324**	**13,932,312**
Earnings per share (diluted = undiluted)	**0.80**	**0.63**	**0.61**	**0.45**

The consolidated notes are an integral component of the consolidated financial statements. Rounding differences may occur.

Statement of Comprehensive Income

in €k	Jan 1 to Jun 30, 2016	Jan 1 to Jun 30, 2015	Apr 1 to Jun 30, 2016	Apr 1 to Jun 30, 2015
Consolidated net income	**10,700**	8,763	**8,145**	6,271
Actuarial gains/losses from defined benefit obligations and similar obligations	−677	0	−677	0
Deferred taxes	316	0	316	0
Items that will not be reclassified to profit or loss	**−361**	**0**	**−361**	**0**
Adjustment Item for the currency translation of foreign subsidiaries and currency changes	−822	790	−78	−241
Exchange differences on net investments in subsidiaries	284	−107	81	29
Deferred taxes	−86	−86	−135	44
Items that may be subsequently reclassified to profit or loss	**−624**	597	**−132**	−168
Other comprehensive income	**−985**	597	**−493**	−168
Total comprehensive income	**9,715**	9,360	**7,652**	6,103

Consolidated Balance Sheet

The consolidated notes are an integral component of the consolidated financial statements. Rounding differences may occur.

Assets in €	Jun 30, 2016	Dec 31, 2015
Non-current assets		
Property, plant and equipment	35,146,147	31,686,043
Goodwill	42,312,235	42,312,251
Intangible assets	5,248,640	5,315,400
Trade receivables	1,777,953	2,000,980
Tax receivables	49,939	49,939
Other assets	563,993	138,573
Deferred tax assets	4,202,397	4,247,587
Total non-current assets	**89,301,304**	**85,750,773**
Current assets		
Inventories	42,042,968	39,882,471
Trade receivables	46,397,045	45,770,028
Tax receivables	5,513,588	7,464,788
Other assets	4,827,678	3,380,592
Cash and cash equivalents	3,408,677	7,781,106
Total current assets	**102,189,956**	**104,278,985**
Total assets	**191,491,260**	**190,029,758**

Equity and liabilities in €	Jun 30, 2016	Dec 31, 2015
Equity		
Subscribed capital	40,000,000	40,000,000
Contingent capital	*8,000,000*	*8,000,000*
Capital reserves	36,463,441	36,463,441
Treasury shares	−13,176,788	−13,176,788
Other reseves and currency translation effects	−3,847,915	−2,862,447
Profit carried forward	−2,906,058	−4,711,829
Consolidated net income (for the period)	10,699,955	24,555,723
	67,232,635	**80,268,100**
Non-current liabilities		
Finance leasing liabilities	2,238,079	2,827,417
Provisions for pensions	10,346,470	9,739,511
Other non-current provisions	3,338,072	3,524,250
Other non-current liabilities	1,864,011	1,346,065
Deferred income	1,068,807	1,175,038
Deferred tax liabilities	3,416,796	3,751,367
Total non-current liabilities	**22,272,235**	**22,363,648**
Current liabilities		
Interest-bearing loans	16,257,640	5,269,040
Finance leasing liabilities	1,325,669	1,553,671
Prepayments on orders	6,177,022	6,797,767
Trade payables	11,155,571	7,542,187
Taxes and levies	4,824,638	4,744,575
Liabilities for social security	1,314,811	1,177,977
Tax provisions	9,817,509	8,337,697
Other current liabilities	31,156,300	31,199,342
Other current provisions	12,123,242	12,953,850
Deferred income	7,833,988	7,821,904
Total current liabilities	**101,986,390**	**87,398,010**
Total equity and liabilities	**191,491,260**	**190,029,758**

Consolidated Cash Flow Statement

The consolidated notes are an integral component of the consolidated financial statements. Rounding differences may occur.

in €k	Jan 1 to June 30, 2016	Jan 1 to June 30, 2015
EBT	**15,458**	13,534
Adjustment to reconcile EBT to net cash flows:		
Amortization, depreciation and impairment of non-current assets	4,458	4,776
Gain/loss from disposals of non-current assets	−233	−82
Other gains/losses	−1,700	−1,875
Financial income	−274	−255
Financial expenses	348	515
Movements in provisions	−1,077	−704
Changes in net working capital:		
Increase/decrease in trade receivables	−776	−1,165
Increase/decrease in inventories	−2,471	−2,235
Increase/decrease in trade payables	3,685	4,755
Changes in other net working capital	50	2,930
Income tax paid	−1,393	−7,318
Net cash flows from operating activities	**16,075**	**12,876**
Purchase of property, plant and equipment (without finance leasing)	−7,965	−2,655
Proceeds from sale of property, plant and equipment	319	233
Net cash flows from investing activities	**−7,646**	**−2,422**
Dividend payout	−22,750	−22,988
Interest received	274	21
Interest paid	−313	−475
Repayment of non-current liabilities from finance leases	−852	−965
Net cash flows used in financing activities	**−23,641**	**−24,407**
Net increase/decrease in cash and cash equivalents	**−15,212**	−13,953
Net foreign exchange difference	**-149**	−442
Cash and cash equivalents at January 1	**2,512**	15,422
Cash and cash equivalents at June 30	**−12,849**	1,027
Composition of cash and cash equivalents for cash flow purposes:		
Cash and cash equivalents	**3,409**	8,301
Interest-bearing loans	**−16,258**	−7,274
Cash and cash equivalents at June 30	**−12,849**	1,027

Statement of Changes in Consolidated Equity

The consolidated notes are an integral component of the consolidated financial statements. Rounding differences may occur.

in €k	Number of shares (in units)	Subscribed Capital	Capital reserve	Treasury shares	Other reserves	Currency translation effects	Profit carried forward	Total
As of January 1, 2016	**13,382,324**	**40,000**	**36,464**	**−13,177**	**−5,004**	**2,142**	**19,845**	**80,268**
Income and expenses recognized directly in equity					−393	−822		−1,215
Taxes on transactions recognized directly in equity					230			230
Dividend							−22,750	−22,750
Consolidated net income for the period							10,700	10,700
As of June 30, 2016	**13,382,324**	**40,000**	**36,464**	**−13,177**	**−5,167**	**1,320**	**7,795**	**67,233**
As of January 1, 2015	**13,932,312**	**40,000**	**36,464**	**−417**	**−4,217**	**812**	**18,277**	**90,917**
Income and expenses recognized directly in equity					−107	790		683
Taxes on transactions recognized directly in equity					−86			−86
Dividend							−22,988	−22,988
Consolidated net income for the period							8,763	8,763
As of June 30, 2015	**13,932,312**	**40,000**	**36,464**	**−417**	**−4,410**	**1,602**	**4,052**	**77,289**

Notes to the Interim Condensed Consolidated Financial Statements

Notes to the Interim Condensed Consolidated Financial Statements of WashTec AG (IFRS) for the period January 1 to June 30, 2016

General Disclosures

1. Information on the Company

The ultimate parent company of the WashTec Group is WashTec AG, which is entered in the commercial register for the City of Augsburg under registration number HRB 81.

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

The Company's shares are in free float and are publicly traded.

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

The consolidated financial statements are presented in euro and, unless otherwise indicated, all figures are rounded to the nearest thousand (€k); this process could produce rounding differences.

2. Accounting and valuation policies

Principles in preparing financial statements

The accounting and valuation methods, which were applied when preparing the interim condensed consolidated financial statements, comply with the methods that were used when preparing the consolidated financial statements for the fiscal year ending December 31, 2015, except for the tax calculation. The tax calculation for the condensed interim financial statements is done by multiplying the result with the anticipated applicable annual tax rate.

The interim condensed consolidated financial statements for the period January 1 through June 30, 2016 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 fiscal year and should be read in conjunction with the consolidated financial statements for the period ending December 31, 2015.

Effects of the new financial reporting standards

In the reporting period, the Group applied the following new and revised IFRS Standards and Interpretations.

Standard/ Interpretation	Title	Mandatory application	Endorsement by the EU	Material effects on WashTec
IAS 1	Amendments to IAS 1 Presentation of Financial Statements – Disclosure Initiative	Jan 1, 2016	Dec 18, 2015	none
IAS 16 and IAS 38	Amendments to IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortization	Jan 1, 2016	Dec 2, 2015	none
IAS 16 and IAS 41	Amendments to IAS 16 Property, Plant and Equipment and IAS 41 Agriculture – Bearer Plants	Jan 1, 2016	Nov 23, 2015	none
IAS 19	Amendments to IAS 19 Employee Benefits – Employee Contributions	Feb 1, 2015	Dec 17, 2014	none
IAS 27	Amendments to IAS 27 Separate Financial Statements – Equity Method in Separate Financial Statements	Jan 1, 2016	Dec 18, 2015	none
IFRS 11	Amendments to IFRS 11 Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations	Jan 1, 2016	Nov 24, 2015	none
IFRS	Annual Improvements to IFRSs (2012–2014 cycle)	Jan 1, 2016	Dec 15, 2015	none

Moreover, the IASB and the IFRS Interpretations Committee have enacted additional Standards, Interpretations and Amendments as listed below, but these did not yet have to be applied in fiscal year 2016 or have not yet been recognized by the European Union.

As of June 30, 2016, the WashTec Group had not adopted or applied these Standards earlier than required. The first-time adoption of the Standards is planned for the date on which they are recognized and endorsed by the EU.

Standard/ Interpretation	Title	Mandatory application	Endorsement by the EU	Material effects on WashTec
IAS 7	Amendments to IAS 7 Statement of Cash Flows - Disclosure Initiative	Jan 1, 2017	expected in Q4 2016	none
IAS 12	Amendments to IAS 12 Income Taxes – Recognition of Deferred Tax Assets for Unrealised Losses	Jan 1, 2017	expected in Q4 2016	none
IFRS 2	Amendments to IFRS 2 Share-based payments – Classification and Measurement of Share-based Payment Transactions	Jan 1, 2018	expected in H2 2017	none
IFRS 9	Financial Instruments	Jan 1, 2018	expected in Q4 2016	currently reviewed
IFRS 10 und IAS 28	Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	deferred indefinitely		none
IFRS 10, IFRS 12 und IAS 28	Amendments to IFRS 10 Consolidated Financial Statements , IFRS 12 Disclosure of Interests in Other Entities and IAS 28 Investments in Associates and Joint Ventures – Applying the Consolidation Exception	Jan 1, 2016	expected in Q3 2016	none
IFRS 14	Regulatory Deferral Accounts	Jan 1, 2016	Postponement of the endorsement process until the publication of the final standard	none
IFRS 15	Revenue from Contracts with Customers	Jan 1, 2018	expected in Q3 2016	currently reviewed
IFRS 16	Leases	Jan 1, 2019	expected in 2017	currently reviewed

3. Segment reporting

Due to organizational changes, which involved consolidating the Eastern European segment and the previous export activities into the headquarters, WashTec does not separately report the Eastern European segment anymore. With the beginning of fiscal year 2016, Eastern Europe is part of the Core Europe segment. The structure for the segments North America and Asia/Pacific remain the same.

Jan to Jun 2016 in €k, rounding differences are possible	**Core Europe**	**Northern America**	**Asia/ Pacific**	**Consoli-dation**	**Group**
Revenues	**138,481**	**24,840**	**9,124**	**−3,202**	**169,244**
with third parties	135,337	24,783	9,124	0	169,244
with other divisions	3,144	58	0	−3,202	0
EBIT	**14,184**	**23**	**1,102**	**222**	**15,532**
Financial income					274
Financial expenses					−348
EBT					**15,458**
Income taxes					−4,758
Consolidated net income					**10,700**

Jan to Jun 2015 in €k, rounding differences are possible	**Core Europe**	**Northern America**	**Asia/ Pacific**	**Consoli-dation**	**Group**
Revenues	**130,024**	**27,174**	**7,273**	**−3,888**	**160,582**
with third parties	126,209	27,102	7,271	0	160,582
with other divisions	3,815	72	2	−3,888	0
EBIT	**11,915**	**1,417**	**197**	**266**	**13,794**
Financial income					255
Financial expenses					−515
EBT					**13,534**
Income taxes					−4,771
Consolidated net income					**8,763**

4. Equity

The subscribed capital of WashTec AG on June 30, 2016 equaled € 40,000k. This capital is divided into 13,976,970 no-par value shares and has been fully paid-in.

The average number of issued and outstanding shares is 13,382,324.

The annual general meeting of WashTec AG, which was held on May 11, 2016, resolved to use the non-appropriated distributable profit of € 22,983,636.87, which was reported in the Company's annual financial statements for fiscal year 2015, as follows: by paying a dividend in the amount of € 1.70 for each no-par value share entitled to receive a dividend, thereby totaling € 22,749,950.80, and by carrying forward the remaining non-appropriated distributable profit of € 233,686.07 to a new account.

The management board is granted the authority until May 10, 2019, with the consent of the supervisory board, to increase one or more times the registered share capital by up to a total amount of € 8,000k (Authorized Capital) by issuing no-par bearer shares in exchange for cash and/or non-cash capital contributions. The former authorization as of May 15, 2013 expired on May 14, 2016 and was eliminated by this year's general meeting.

The management board is further authorized, with the consent of the Supervisory Board, on or before May 10, 2019 to issue one or more times bearer or registered warrant-linked bonds and/or convertible bonds, participation rights or participating bonds or a combination of such instruments with a total face value of up to € 50,000k with or without term limitations. Thereby, option rights or option duties upon the holders or creditors of warrant-linked bonds, option participation rights or option participating bonds on the Company's no-par value bearer shares accounting for a pro rata amount of registered share capital totaling up to € 8,000k pursuant to the more specific terms and conditions of such bonds can be granted or imposed. This also applies to the holders or creditors of the convertible bonds, convertible participation rights or convertible participating bonds and the respective option rights or duties.

Furthermore, the Company will be authorized, on or before May 10, 2019 to purchase its own shares in the amount of up to 10% of the registered share capital of € 40,000k, which exists at the time that the resolution is adopted, for purposes other than to trade in its own shares.

5. Financial instruments – additional information

The following table, which is derived from the relevant balance sheet items, shows the relationships between the classification and the values assigned to the financial instruments.

Carrying values, valuation approaches and fair values per measurement categories:

In €k	Measurement category under IAS 39	Carrying value June 30, 2016	Balance sheet valuation under IAS 39			Balance sheet valuation under IAS 17	Fair Value June 30, 2016	IFRS 13 Level
			Amortized cost	Fair Value in equity	Fair Value through profit and loss			
Assets								
Cash and cash equivalents	LaR	3,409	3,409	–	–	–	3,409	
Trade receivables	LaR	48,175	48,175	–	–	–	48,175	
Other financial assets	LaR	939	939	–	–	–	939	
Liabilities								
Trade payables	FLAC	11,156	11,156	–	–	–	11,156	
Interest-bearing loans	FLAC	16,258	16,258	–	–	–	16,258	
Other financial liabilities	FLAC	17,511	17,511	–	–	–	17,511	
Finance lease liabilities	n.a.	3,564	–	–	–	3,564	3,564	
Derivatives financial liabilities	FVthP/L	0	–	–	–	–	0	2
Aggregated presentation per IAS 39 measurement categories:								
Loans and Receivables (LaR)		52,523	52,523	–	–			
Financial Liabilities Measured at Amortised Cost (FLAC)		44,924	44,924	–	–			
Fair Value Through Profit/Loss (FVthP/L)		0	–	–	0			

in €k	Measurement category under IAS 39	Carrying value December 31, 2015	Balance sheet valuation under IAS 39			Balance sheet valuation under IAS 17	Fair Value December 31, 2015	IFRS 13 Level
			Amortized cost	Fair Value in equity	Fair Value through profit and loss			
Assets								
Cash and cash equivalents	LaR	7,781	7,781	–	–	–	7,781	
Trade receivables	LaR	47,771	47,771	–	–	–	47,771	
Other financial assets	LaR	809	809	–	–	–	809	
Liabilities								
Trade payables	FLAC	7,542	7,542	–	–	–	7,542	
Interest-bearing loans	FLAC	5,269	5,269	–	–	–	5,269	
Other financial liabilities	FLAC	17,031	17,031	–	–	–	17,031	
Finance lease liabilities	n.a.	4,381	–	–	–	4,381	4,381	
Derivatives financial liabilities	FVthP/L	312	–	–	312	–	312	2
Aggregated presentation per IAS 39 measurement categories:								
Loans and Receivables (LaR)		56,361	56,361	–	–			
Financial Liabilities Measured at Amortised Cost (FLAC)		29,842	29,842	–	–			
Fair Value Through Profit/Loss (FVthP/L)		312	–	–	312			

The fair value of the trade receivables and trade payables, of cash and cash equivalents, and of other financial liabilities matches mainly the relevant carrying value because of the short maturities. The fair value of the liabilities under financial leases and loans was calculated by discounting to present value their expected future cash flows based on customary market yields.

In the previous year, the foreign exchange forwards were measured at fair value using the anticipated foreign exchange rates which are quoted on a regulated market. Interest rate swaps were measured at fair value using the anticipated interest rates under recognizable yield curves.

As of December 31, 2015 and June 30, 2016, respectively, the contracts for the foreign exchange forwards and the interest rate swaps expired.

The fair value of these derivative financial instruments is classified according to maturities as follows:

in €k	Jun 30, 2016	Dec 31, 2015
Non-current	0	0
Current	0	312
Total	**0**	**312**

6. Contingent liabilities and other financial obligations

Compared to December 31, 2015, contingent liabilities and other financial obligations have remained mostly unchanged.

7. Disclosures about related party transactions

During the reporting period, no significant related party transactions within the meaning of IAS 24 occurred.

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

Shares held by the management board members (units)	Jun 30, 2016	Dec 31, 2015
Dr. Volker Zimmermann	15,000	12,500
Karoline Kalb	3,300	3,300
Stephan Weber	3,000	3,000
Rainer Springs	4,000	4,000

Shares held by the supervisory board members (units)	Jun 30, 2016	Dec 31, 2015
Dr. Günter Blaschke	50,000	50,000
Ulrich Bellgardt	27,500	25,000
Jens Große-Allermann*	0	0
Dr. Sören Hein	5,000	5,000
Roland Lacher	5,000	5,000
Dr. Hans Liebler	5.000	5.000

* Mr. Große-Allermann sits on the management board of the investment company "Investmentaktiengesellschaft für langfristige Investoren TGV", which – according to the notification dated July 31, 2009 – held 758,358 voting shares (5.43 %) of WashTec AG.

8. Notes after the balance sheet date

There were no significant events after the balance sheet date.

Responsibility statement

"To the best of our knowledge, the interim condensed consolidated financial statements give a true and fair view of the assets and liabilities, financial position and profits and loss of the Group, and the Group Management Report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group during the remaining fiscal year."

Augsburg, July 28, 2016

Dr. Volker Zimmermann Chief Executive Officer	Karoline Kalb Member of the Board	Rainer Springs Member of the Board	Stephan Weber Member of the Board

Review Report

To WashTec AG

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 to June 30, 2016, which are part of the half-year financial report pursuant to Art. 37w WpHG ("German Securities Trading Act"). The preparation of the condensed consolidated interim financial statements in accordance with 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 management board [Vorstand]. Our responsibility is to issue a review report on the condensed consolidated interim financial statements and on the interim group 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 the German generally accepted standards for the review of financial statements, as such standards were promulgated by the Institute of Public Auditors in Germany (IDW). Those standards require that we plan and perform the review such that, through critical evaluation, we can rule out with moderate assurance that the condensed consolidated interim financial statements were not 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 were not 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 offer 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 or cause us to presume 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 28, 2016

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Andreas Eigel	ppa. Sebastian Stroner
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

Group Management Report on the period from January 1 to June 30, 2016

H1 2016

Contact

WashTec AG
Argonstrasse 7
86153 Augsburg

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

Financial calendar

September 20–22, 2016	Baader Investment Conference Munich
October 27, 2016	Berenberg Conference New York
October, 28 2016	9-month-report 2016
November 21–23, 2016	Equity Capital Form, Frankfurt on the Main

WashTec