



2006

SHAREHOLDER-INFORMATION
for the 1st quarter



Water Technologies for a Better Life



BWT starts 2006 financial year with good quarterly results

With a sales performance which exceeded expectations and a year-on-year increase in EBIT of more than 20 %, BWT – Best Water Technology Group – started the 2006 financial year in a very pleasing fashion.

NOTE: After the spin-off in the last quarter of the previous year of the industrial and municipal business, the "AST – Aqua Systems Technologies" segment, the BWT Group is changing its method of segment reporting. From the first quarter of 2006, primary segment reporting will be by regional responsibilities, whereby the following areas were specified in accordance with the internal management information system:

- Austria/Germany
- France/Benelux
- Scandinavia
- Italy/Spain
- Others

The previous year's data for the AST segment spun-off at the end of October 2005 is shown separately to provide interested shareholders with a comparable database. In this connection, the profit and loss account of the BWT Group without the AST segment and the portrayal of sales and EBIT by segment should be referred to in particular. The activities of the former "FCMT – Fuel Cell Membrane Technologies" segment have been allocated to the new "Austria/Germany" segment.

The accounting and valuation methods in this interim report are the same as those used in the consolidated financial statements as at December 31, 2005. The new format regulations for the balance sheet in connection with maturities were used and relating to this the comparable figures for the previous year have also been correspondingly reclassified if necessary.

BUSINESS DEVELOPMENT in the first quarter

**Consolidated sales: € 82.6 million,
+8.2 % year-on-year (without AST)**

In the first quarter of 2006, the BWT Group generated consolidated sales of € 82.6 million and thus exceeded the comparable figure of last year (without AST) by 8.2 %. Total sales including the AST segment amounted to € 113.3 million in the previous year.

All the newly formed segments increased their sales year-on-year; individual developments are as follows:

Segment (in € million)	1 st quarter 2006	1 st quarter 2005	+ / - %
Austria/Germany	32.716	32.558	+0.5 %
France/Benelux	23.248	21.181	+9.8 %
Scandinavia	9.498	8.224	+15.5 %
Italy/Spain	8.001	7.230	+10.7 %
Others	9.180	7.181	+27.8 %
Subtotal BWT excl. AST	82.643	76.374	+8.2 %
Aqua Systems Technologies (AST) *)	-	36.958	-100.0 %
BWT Group	82.643	113.332	-27.1 %

*) spun-off on October 31, 2005 and launched on the Vienna Stock Exchange on November 8, 2005, as "CHRIST WATER TECHNOLOGY"

The development of the Austria/Germany segment was below average. Increased order book levels already lead us to expect an improvement in the months to come. In the France/Benelux segment, the unsatisfactory development in the concluding months of

the previous year saw a trend reversal. In Scandinavia, the HOH Group generated considerably more sales, HOH Denmark and HOH Birger Christensen in Norway in particular contributed to this. The companies operating under the "Cillit" brand in Italy and Spain were also above-average contributors to developments in sales and earnings with an increase of 10.7 %. The BWT activities in Switzerland, Eastern Europe and outside Europe, summarized in the "Others" segment increased their sales by 27.8 %, in fact the increase for the Eastern European companies was even above 40 %.

FUMATECH GmbH, which concentrates on the development, manufacture and sale of special membranes for fuel cells, increased its sales in the Austria/Germany segment by € 0.1 million to € 0.4 million.

The servicing and spare parts business again recorded above-average growth, this time 20 %, and in the first quarter of 2006 accounted for more than 22 % of the sales of the BWT Group.

The order backlog for the BWT Group amounted to € 51.7 million as at March 31, 2006, which means an increase of 30 % over the previous year's level (without AST) of € 39.7 million. The "Austria/Germany" and "Others" segments in particular registered above-average increases in order book levels, although in Scandinavia the order book level at the end of the first quarter was down 9 % on the previous year.

EBIT (earnings from operating activities) for the BWT Group improved to € 8.4 million, which equals 10.2 % of sales, the increase was thus 10.4 % year-on-year (without AST). Taking into account the still negative AST segment in the first quarter of the previous year, the increase in EBIT even amounts to 20.7 %. This pleasing development is mainly attributable to the "Scandinavia" segment, which after breaking even last year has already achieved EBIT of 9.6 % in the first quarter of 2006, close to the BWT Group average, thanks to the successful realignment of the HOH Group. Regarding EBIT in the "Austria/ Germany" segment, preparation for the launch of the "point-of-use" program deducted some € 0.3 million being more than balanced by improvements in the other segments.

Segment results (EBIT):

Segment (in € million)	1 st quarter 2006	1 st quarter 2005	+ / - %
Austria/Germany	2.927	3.678	-20.4 %
France/Benelux	2.375	2.063	+15.1 %
Scandinavia	0.909	0.066	-
Italy/Spain	1.418	1.124	+26.2 %
Others	0.799	0.704	+13.5 %
Subtotal BWT excl. AST	8.428	7.635	+10.4 %
Aqua Systems Technologies (AST) *)	-	-0.652	-
BWT Group	8.428	6.983	+20.7 %

*) spun-off on October 31, 2005 and launched on the Vienna Stock Exchange on November 8, 2005, as "CHRIST WATER TECHNOLOGY"

The cost of materials (including inventory changes) amounted to 36.8 % of sales in the first quarter, the comparable figure of the previous year (without AST) was 35.4 %. Staff costs increased by 4.7 % to € 27.1 million and thus represented 32.8 % of sales. At € 1.8 million, depreciation and amortization of fixed assets stayed the same as last year and the net total of other operating expenses and income rose by 6.9 % to € 14.9 million.

Financial earnings declined from € -0.2 million to € -0.3 million due to the generally higher level of interest rates and the change from CHF to EUR financing.

EBIT € 8.4 million,
+20.7 % year-on-year (with AST),
+10.4 % year-on-year (without AST)

Annual net profit € 5.8 million,
+30.5 % year-on-year (with AST),
+6.4 % year-on-year (without AST)

Earnings before taxes increased year-on-year by 9.4 % to € 8.2 million. The consolidated tax rate was 29.5 % in the first quarter and the annual net profit increased to € 5.8 million or 7.0 % of sales (previous year without AST: € 5.4 million, incl. AST: € 4.4 million). Earnings per share amounted to € 0.32, 31.5 % higher than in the first quarter of the previous year (€ 0.24).

**Cash flow from the result € 7.7 million
(PY: € 7.1 million)**

**Cash flow from operating activities
€ 0.0 million (PY: € -3.1 million)**

**Equity 38.6 % of the balance sheet,
gearing 39.2 %**

**Investments in fixed assets € 2.2 million
(PY: € 1.5 million)**

**Number of employees at March 31, 2006:
2,069**

Outlook

The improvement in earnings has resulted in the cash flow from the result increasing from € 7.1 million to € 7.7 million. As in the first quarter of the previous year, this cash flow was used to finance the increased working capital, especially receivables. The cash flow from operating activities was thus precisely zero, although this was an improvement on the previous year (€ -3.1 million). The net debt increased compared with the end of 2005 from € 36.3 million to € 38.7 million, gearing amounted to 39.2 % and thus had only changed minimally compared with December 31, 2005 (38.9 %). The capital base of the Group was 38.6 % and thus remained solid (December 31, 2005: 37.7 %)

In the first quarter of 2006, the BWT Group invested a total of € 2.2 million in fixed assets, the increase mainly attributable to the expansion in production capacity in Mondsee.

By the end of the first quarter, the number of employees in the BWT Group had risen to 2,069; the increase was 62 people as against December 31, 2005 and 65 people as against March 31, 2005 and was due to the expansion of service and production capacity.

After the spin-off of the Aqua Systems Technologies segment, the BWT Group is concentrating, under the slogan "Safety, Hygiene and Health", on water treatment with serial-produced products in the domestic sphere. BWT's goal is, based on its leadership of the market in Europe, to expand its international business outside Europe and to make the BWT brands more familiar to end consumers. This is likely to be achieved mainly by intensifying business activities with subsidiaries and partnerships in Eastern Europe and Asia as well as by launching the so-called "point-of-use" program (i.e. devices which are used at the point the water is drawn off). Based on this and the gratifying results of the first quarter in a positive economic environment, the Management Board expects consolidated Group sales for the current financial year of more than € 330 million and an annual net profit of more than € 20 million.

Mondsee, May 2006

The Management Board


Andreas Weissenbacher
Chief Executive Officer


Gerhard Spaigner
Chief Financial Officer

BWT Group

Consolidated profit and loss account for the 1st quarter

in € 1000's	1 st quarter 2006		1 st quarter 2005 (without AST Segment)		1 st quarter 2005 (with AST Segment)	
	Amount	%	Amount	%	Amount	%
SALES	82,643.1	100.0	76,374.3	100.0	113,331.9	100.0
Other operating income	837.7	1.0	523.9	0.7	1,196.2	1.1
Changes in inventory of finished and unfinished products	-215.5	-0.3	-541.6	-0.7	564.0	0.5
Other capitalised labour, overheads and material	36.6	0.0	42.5	0.1	74.8	0.1
Materials and purchased services	-30,166.7	-36.5	-26,530.0	-34.7	-51,051.7	-45.0
Personnel costs	-27,121.1	-32.8	-25,894.5	-33.9	-36,586.6	-32.3
Depreciation	-1,834.5	-2.2	-1,854.5	-2.4	-2,555.5	-2.3
Other operating expenses	-15,751.2	-19.1	-14,484.8	-19.0	-17,989.8	-15.9
RESULT FROM OPERATING ACTIVITIES	8,428.4	10.2	7,635.3	10.0	6,983.3	6.2
Financial income	263.4	0.3	82.0	0.1	279.6	0.2
Financial expenses	-519.8	-0.6	-249.8	-0.3	-747.3	-0.7
EARNINGS BEFORE TAX	8,172.0	9.9	7,467.5	9.8	6,515.6	5.7
Taxes on income	-2,412.4	-2.9	-2,054.5	-2.7	-2,101.1	-1.9
NET PROFIT FOR THE YEAR	5,759.6	7.0	5,413.0	7.1	4,414.5	3.9
of which to:						
-Minority shares	16.3	0.0	56.7	0.1	48.5	0.0
-Shareholders of the parent company	5,743.3	6.9	5,356.3	7.0	4,366.0	3.9
Earnings per share (in €)	0.32		0.30		0.24	

Segment results

in € 1000's	1 st quarter 2006			1 st quarter 2005		
	Sales	EBIT	%	Sales	EBIT	%
Austria/Germany	32,716	2,927	8.9	32,558	3,678	11.3
France/Benelux	23,248	2,375	10.2	21,181	2,063	9.7
Scandinavia	9,498	909	9.6	8,224	66	0.8
Italy/Spain	8,001	1,418	17.7	7,230	1,124	15.5
Others	9,180	799	8.7	7,181	704	9.8
BWT excl. AST	82,643	8,428	10.2	76,374	7,635	10.0
Aqua Systems Technologies	0	0		36,958	-652	-1.8
BWT Group	82,643	8,428	10.2	113,332	6,983	6.2

BWT Group

Consolidated balance sheet

in € 1000's	As at 31. 3. 2006	As at 31. 12. 2005
ASSETS		
Goodwill	26,631.4	26,631.4
Other intangible	12,149.3	12,664.4
Tangible assets	49,921.1	49,135.9
Financial assets	16,094.0	16,017.4
Fixed assets	104,795.8	104,449.1
Trade receivables	222.2	145.6
Receivables from long-term orders	0.0	0.0
Receivables from companies with which a participation is held	129.6	131.6
Other receivables from third parties	991.9	836.0
Deferred tax claims	6,597.2	6,514.4
Long-term assets	112,736.7	112,076.7
Inventories	47,317.6	44,641.2
Trade receivables	66,478.2	61,283.8
Receivables from long-term orders	8,269.2	4,585.9
Receivables from companies with which a participation is held	40.2	49.8
Income tax reimbursement claims	1,693.6	2,218.0
Other receivables from third parties	3,664.7	2,867.2
Liquid funds	13,736.6	18,559.8
Deferred income	2,160.8	1,601.3
Current assets	143,360.9	135,807.0
TOTAL ASSETS	256,097.6	247,883.7

in € 1000's	As at 31. 3. 2006	As at 31. 12. 2005
LIABILITIES		
Share capital	17,833.5	17,833.5
Capital reserves	17,095.8	17,095.8
Retained earnings	64,631.7	58,888.4
Other reserves	-1,294.6	-1,060.9
	98,266.4	92,756.8
Minority interests	594.1	585.5
Equity	98,860.5	93,342.3
Provisions for social overhead capital	28,247.2	28,217.9
Provisions for deferred taxes	3,821.5	3,710.4
Other accruals	823.1	801.6
Bonds	17,000.0	17,000.0
Interest-bearing financial liabilities	11,866.6	11,690.2
Other liabilities	750.2	1,110.7
Long-term liabilities	62,508.6	62,530.8
Current tax liabilities	5,443.8	3,357.6
Other accruals	16,122.0	14,460.1
Interest-bearing financial liabilities	23,603.1	26,183.3
Trade liabilities	26,830.2	27,657.1
Liabilities to companies with which a participation is held	0.0	72.6
Other liabilities	21,865.5	20,010.7
Deferred income	863.9	269.2
Short-term liabilities	94,728.5	92,010.6
TOTAL LIABILITIES	256,097.6	247,883.7

Group cash flow

in € 1000's	1 st quarter 2006	1 st quarter 2005
Liquid funds as of 1 January	18,559.8	20,982.5
Cash flow from result	7,720.3	7,114.5
+/- Changes in working capital	-7,752.8	-10,194.3
Cash flow from operating activities	32.5	-3,079.8
Cash flow from investment activities	-2,145.5	-1,365.1
Cash flow from financing activities	-2,403.8	-938.3
Other (currency changes etc.)	-241.4	-104.6
Liquid funds as of 31 March	13,736.6	15,494.7

Changes in shareholders' equity

in € 1000's	Share capital	Capital reserve	Retained earnings	Other reserves	Sub-total	Minority shares	Equity
As of 31 December 2005	17,833.5	17,095.8	58,888.4	-1,060.9	92,756.8	585.5	93,342.3
Net attributable profit	0.0	0.0	5,743.3	0.0	5,743.3	16.3	5,759.6
Currency translation	0.0	0.0	0.0	-233.7	-233.7	-7.7	-241.4
Result for the entire period	0.0	0.0	5,743.3	-233.7	5,509.6	8.6	5,518.2
As of 31 March 2006	17,833.5	17,095.8	64,631.7	-1,294.6	98,266.4	594.1	98,860.5

in € 1000's	Share capital	Capital reserve	Retained earnings	Other reserves	Sub-total	Minority shares	Equity
As of 31 December 2004	17,833.5	17,095.8	102,536.4	-533.3	136,932.4	766.4	137,698.8
Net attributable profit	0.0	0.0	4,366.0	0.0	4,366.0	48.5	4,414.5
Currency translation	0.0	0.0	0.0	-127.4	-127.4	-22.8	-104.6
Result for the entire period	0.0	0.0	4,366.0	-127.4	4,238.6	71.3	4,309.9
As of 31 March 2005 *)	17,833.5	17,095.8	106,902.4	-660.7	141,171.0	837.7	142,008.7

*) Retained earnings declined by € 56,497.9 thousand due to the spin off of the AST division. Further information can be obtained in the Annual Report 2005 of the BWT Group.

