

## KENNZAHLEN

Key figures in € m	HY 2012	HY 2011	FY 2011
Sales revenue	24.0	27.8	69.4
of which in Austria	6.7	7.1	17.9
of which in Hungary	10.2	12.6	29.3
of which in Romania	5.0	5.9	17.1
of which in other	2.1	2.2	5.1
Total output	23.7	28.0	69.1
EBITDA	0.9	0.5	5.4
EBIT	-1.0	-1.7	1.6
P/L on ordinary activities	-0.9	-2.2	-4.3
Annual result	-0.9	-2.1	-4.3
Profit after minority interest	-0.7	-1.9	-4.4
Fixed and intangible asset investments	0.5	1.0	1.7
Balance sheet total	97.9	111.6	96.3
Equity capital	7.1	14.6	7.1
Equity ratio in %	7.3	13.1	7.4
<b>Employees</b>	<b>HY 2012</b>	<b>HY 2011</b>	<b>FY 2011</b>
Total	474	537	540
in Austria	103	119	127
in Hungary	248	264	262
in Romania	123	154	151
<b>Stock exchange ratios</b>	<b>HY 2012</b>	<b>HY 2011</b>	<b>FY 2011</b>
Dividend per share	€ 0	0	0
Weighted number of shares	units 655,878	655,878	655,878
Maximum rate	€ 15.2	23.4	23.4
Lowest rate	€ 8.5	15.6	9.6
Closing rate	€ 8.9	16.5	9.6

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## HIGHLIGHTS

- ▶ Turnover of € 24 m is 14 % lower than in the previous year
- ▶ EBITDA of € 0.9 m is significantly higher than in the previous year
- ▶ Mid-term financing contracts with banks completed

Despite a decrease in turnover – due to the deconsolidation of the Isospan Baustoffwerk GmbH as well as the long delays with local projects in Hungary, SW Umwelttechnik was able to further increase its operating profit. This is mainly due to aligning our fixed costs to our operating performance; we thus decreased our employee numbers by 12 % and our other internal expenses by 14 % compared to the previous year. The ongoing challenging market environment, particularly in Hungary, allows only for a dampened outlook for the second half of 2012.

We were able to successfully complete our negotiations with our financing banks in terms of adapting our repayment schedule to the economic environment and signed the relevant agreements in June 2012.

DEAR LADIES AND GENTLEMEN,

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DEAR SHAREHOLDERS, BUSINESS PARTNERS AND EMPLOYEES,

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We succeeded in making an important step to secure the financing of our company by completing negotiations with our financing banks in June 2012. This means that we have been able to adapt our repayment schedule to the economic backdrop we are currently in. Due to the implemented expansion investments in the years between 2005 and 2008 – mainly financed through bank loans – we were able to create an excellent market position in Hungary and Romania, which allows us to now successfully exist in this challenging market environment.

The ongoing low visibility of the markets in CEE countries does not permit for a clear outlook. We have adjusted to this situation by offering a wide product portfolio as well as flexible production control and would thus like to continuously improve our results.

In spite of a further decrease of turnover in Hungary, we were able to sustain our earnings due to our implemented variability of fixed costs. The deferred commissioning as well as the macro-economic data however, only allow for a cautious outlook for the second half-year.

As expected, we were able to improve our earnings in Romania due to focusing on EU-financed projects for the conservation of the environment as well as the development of transport infrastructure. The inclusion of OMS Romania SRL into our basis of consolidation reflects the increased importance of our activities in Romania within the SW group.

In Austria, we were able to achieve a focus on our core business by rendering our shares of the Isospan Baustoffwerk GmbH and by in turn taking over all shares of the SW Umwelttechnik Österreich GmbH. Our continuous research activities and the resulting product innovations lead to an increase in turnover even in this saturated market. In addition, we were able to increase our exports to Italy, especially with innovative products.

At this point, we would like to thank all our employees for their commitment, which made the improvement of our results possible. We would also like to thank our financing banks for their support in understanding the economic situation in CEE countries. Finally, we would like to especially thank our shareholders who are going with us along this challenging path.

Klagenfurt, August 29<sup>th</sup> 2012

THE MANAGEMENT BOARD



DI Dr. Bernd Wolschner



DI Klaus Einfalt

## OPERATIONAL REVIEW

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### Business Performance and Earnings

SW Umwelttechnik is faced with varying market situations in all its three core markets. Business performance in Austria is developing positively as expected, in Romania there is only an increase in the area of EU-financed projects and in Hungary we continue to face a recessive market environment in all business sectors. The implemented measures to improve our result have had an overall positive effect in terms of the development of our costs.

Turnover amounts to € 24 m and is thus 14 % lower than in the previous year (2011: € 27.8 m) – this is partly due to deconsolidating the Isospan Baustoffwerk GmbH and partly due to the project deferrals in our project engineering segment in Hungary. However, we were able to increase our EBIT from € -1.7 m to € -1.0 m and our EBITDA from € 0.5 m to € 0.9 m. In addition we improved our profit/loss on ordinary activities from € -2.2 m to € - 0.9 m.

The market environment in Hungary has become even more difficult than in 2011. The market decreased by another 15 %. In addition, there are many delays due to late planning permissions and because of commissioning problems with local projects.

Even though we sold our shares on Isospan, we were able to maintain our turnover in Austria by developing product innovations and importing from Hungary. We have been able to complete some interesting projects in Austria and beyond by launching our reinforced concrete containers.

By focusing on EU-financed environmental protection projects and transport infrastructure projects, we have been able to positively affect our results in Romania.

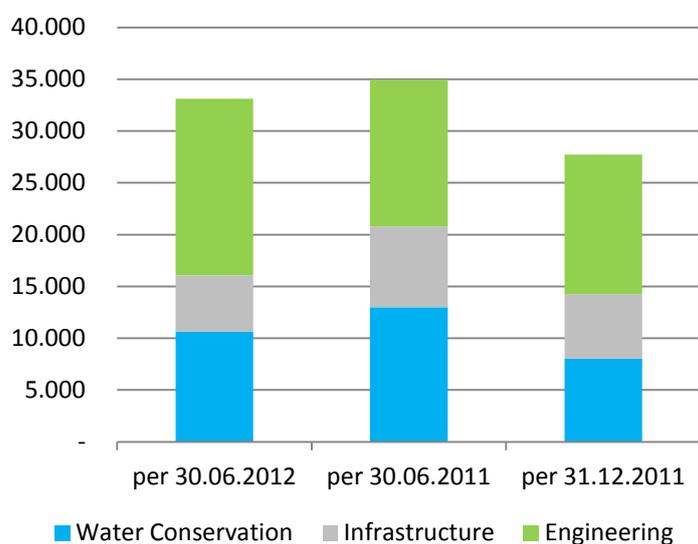
### Development of the Second Quarter

The second quarter 2012 shows a similar picture when viewed individually. We had to accept a decrease of our turnover from € 19.2 m to € 16.2 m, however we were able maintain our earnings. EBIT and EBITDA have been kept at the same level as in the previous year with € 0.8 m and € 1.8 m respectively. Our profit/loss on ordinary activities is back in the black from € -0.5 m in the previous year to € 0.2 m in 2012 – the development of the HUF exchange rate contributed to this improvement.

## Volume of Orders

The volume of orders as of June 30th 2012 amounts to € 33.1 m and is therefore a little below that of the previous year (€ 34.9 m). We are planning on completing 86 % of this in 2012 and 14 % in 2013. There has been movement in terms of business segment shares. The water conservation segment has seen a decrease in orders of 18 % and amounts to 10.6 m – this is particularly due to the project deferrals in Hungary. Our infrastructure segment saw an expected decrease of 30 % to € 5.4 m, which is due to the deconsolidation of the Isospan Baustoffwerk GmbH and our retraction from the structural engineering business in Romania. In contrast our volume of orders increased in our project engineering segment by 20 % to € 17 m, which is also due to the primary consolidation of the OMS Romania SRL.

### Volume of orders



## Employees

Our staff levels were adapted to the business performance and thus reduced by a further 12 %. On average this means a total of employees in the first half 2012 of 474 (2011: 537). In Austria we employed 103 permanent employees (2011: 119), in Hungary 248 (2011: 264) and in Romania 123 (2011: 154).

## Segmental Analysis

Turnover in Hungary further decreased in the first half-year from an already low level in 2011 to € 10.2 m (2011: € 12.6 m). Thanks to our implemented cost optimisation programmes, we were, however, able to sustain our earnings to the same level as in the previous year.

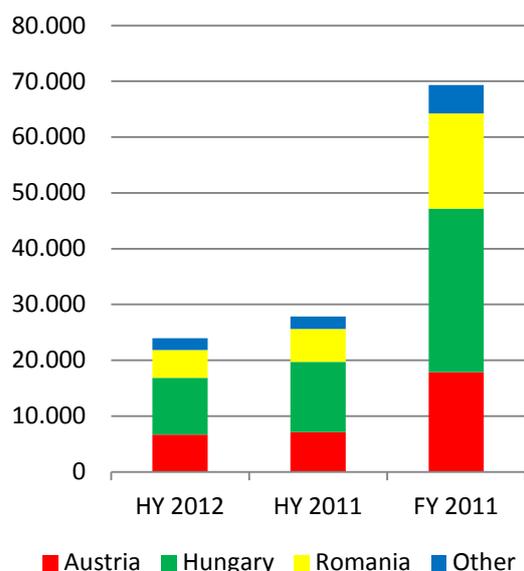
In Austria we were able to keep our turnover at a similar level as in the previous year with € 6.7 m (2011: € 7.1 m) despite the deconsolidation of the Isospan Baustoffwerke GmbH. This was also due to the imports from our Hungarian production sites.

A slight decrease in turnover also occurred in Romania from € 5.9 m to € 5.0 m. By adapting our production, we were, however, able to significantly increase our earnings.

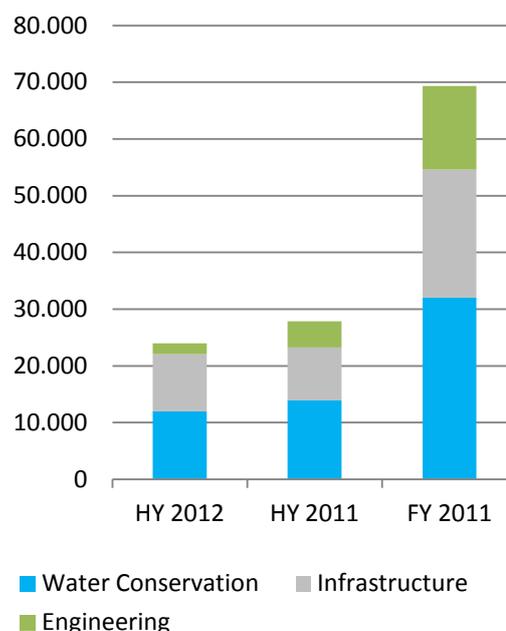
There has been a positive trend in terms of our exports to Italy – we were able to double our turnover compared to the previous year and they already account for 4 % of our group turnover.

The slow commissioning in the water conservation segment in Hungary has had a negative effect on this business segment – it has decreased to € 12.0 m (2011: € 13.9 m), but it has had a particularly negative effect on the project engineering segment, which decreased to € 1.9 m (2011: € 4.6 m). The infrastructure segment saw a slight increase from € 9.3 m to € 10.1 m.

Distribution of turnover according to countries



Distribution of turnover according to business segments



## Summary Balance Sheet

Our long-term assets remain at a near equal level as of June 30th 2012, they amount to € 70.0 m (December 31st 2011: € 69.5 m). The deconsolidation of the Isospan Baustoffwerke GmbH as of January 1st 2012 and the primary consolidation of the OMS Romania SRL as of January 1st 2012 are both contained within this in accordance to the IFRS regulations IAS 27 and IFRS 3.

Floating assets have slightly increased to € 27.8 m (December 31st 2011: € 26.8 m) compared to the ultimo due to our increased business activities. A significant decrease can be seen from June 30th 2011 (€ 33.8 m), which results from our active accounts receivable management and the optimisation of inventory. The balance sheet total as of June 30th 2012 thus amounts to € 97.9 m (December 31st 2011: € 96.3 m).

Equity capital amounts to € 7.1 m as per June 30th 2012 (December 31st 2011: € 7.1 m) – when considering the intrinsic value (valuation of assets at the FX rates of December 31st 2007), equity capital amounts to € 16.6 m and the equity ratio to 15.5 %.

Liabilities as of June 30th 2012 are at a similar level to the ultimo 2011 and amount to € 90.7 m (December 31st 2011: € 89.1 m), but significantly lower than in the previous year (June 30th 2011: € 97.0 m).

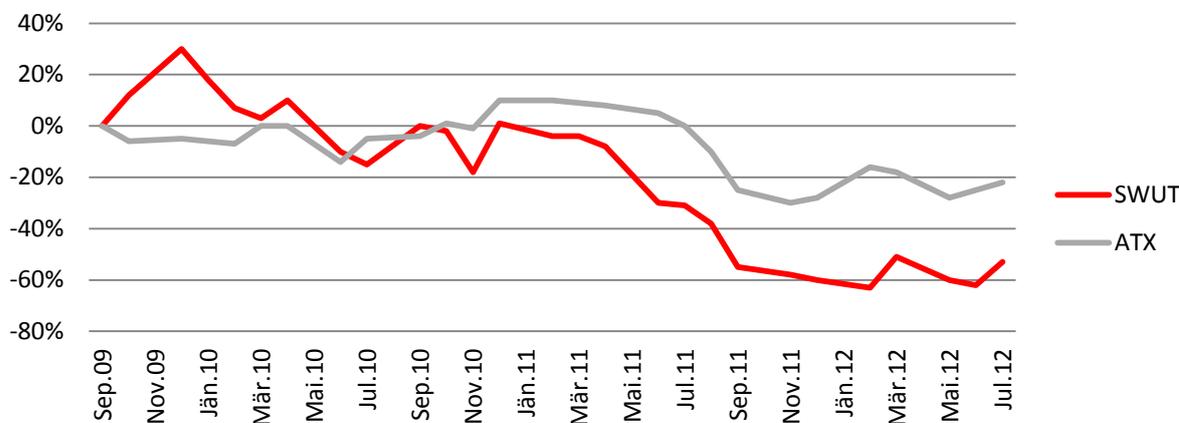
EUR k	HY 2012	Percentage	HY 2011	Percentage	FY 2011	Percentage
Fixed assets	70.004	71,5	77.881	69,8	69.551	72,2
Current assets	27.846	28,5	33.761	30,2	26.789	27,8
Balance sheet total	97.850	100,0	111.642	100,0	96.340	100,0
Equity capital	7.117	7,3	14.635	13,1	7.133	7,4
Fixed liabilities	43.720	44,7	45.489	40,7	38.789	40,3
Current liabilities	47.013	48,0	51.518	46,2	50.418	52,3
Balance sheet total	97.850	100,0	111.642	100,0	96.340	100,0

## Investments

As in the previous year, we kept our investments at a low level and they thus amount to € 0.5 m in the first half year (2011: € 1.0 m). The investments were primarily used for the extension of our product portfolio.

## Our Share

The share has been at a historic low since the beginning of the year and moves between € 8 and € 10 per share; as of June 30th the share quoted at € 8.9. Our membership in the sustainability index VÖNIX was confirmed for 2012/2013.



## Outlook

As an estimate on the development of the CEE region is near impossible, a true forecast is limited in its content.

### Austria

SW has positioned itself as a niche player in this saturated market and we are able to increase our market share by launching innovative products. Our increased exports, especially to Italy, have also proven successful. We are expecting a similar development for the second half-year 2012.

### Hungary

A further decrease of the already very low level in construction cannot be excluded anymore. However, even this possibility can be cushioned by our implemented variability of our fixed costs. We are forecasting an ongoing challenging market development for the full year 2012.

### Romania

We have been able to position ourselves successfully on the market in spite of the sober economic prognoses and the political instabilities. We are expecting a similarly positive development of our earnings for the second half-year 2012.

For the full year 2012 we foresee a similar development as in the first half-year and expect an improved result despite a decrease in turnover.

# INTERIM FINANCIAL STATEMENT

## BALANCE SHEET AT 30 JUNI 2012

€ k	30.06.2012	30.06.2011	31.12.2011
<b>Assets</b>			
Long-term fixed assets			
Fixed assets	67.222	74.011	66.708
Other long-term fixed assets	2.782	3.870	2.843
Current assets	27.846	33.761	26.789
<b>Total</b>	<b>97.850</b>	<b>111.642</b>	<b>96.340</b>
<b>Equity and liabilities</b>			
Equity	7.117	14.635	7.133
Long-term liabilities	43.720	45.489	38.789
Short-term liabilities	47.013	51.518	50.418
<b>Total</b>	<b>97.850</b>	<b>111.642</b>	<b>96.340</b>

## CONSOLIDATED INCOME STATEMENT FOR THE PERIOD 01.01.2012 - 30.06.2012

EUR k	HY 2012	HY 2011
<b>Sales revenue</b>	<b>23.978</b>	<b>27.838</b>
Capitalised services	91	263
Other operating income	748	202
Change in stock of completed and incomplete products	-406	-125
Material expenses and other obtained external services	-14.076	-16.897
Personnel expenses	-5.771	-6.518
Depreciation	-1.889	-2.126
Other operating expenses	-3.695	-4.309
Result from the valuation of investment property	0	0
<b>Operating result</b>	<b>-1.020</b>	<b>-1.672</b>
Financial yield	1.051	87
Financial expenses	-1.167	-1.521
Exchange rate variations	661	955
Other financial expenses	-436	-42
<b>Financial result</b>	<b>109</b>	<b>-521</b>
<b>Result before taxes</b>	<b>-911</b>	<b>-2.193</b>
Tax on earnings	22	117
<b>Annual result</b>	<b>-889</b>	<b>-2.076</b>
of which without dominating influence on the shares	-149	-168
of which applicable to shareholders of the parent company	-740	-1.908

INCOME AND EARNINGS STATEMENT  
FOR THE PERIOD 01.01.2012 - 30.06.2012

EUR k	HJ 2012	HJ 2011
1. Result after income tax	-889	-2.076
2. Transfer of investment property	0	0
3. Divestiture of available financial assets	-27	0
4. Currency conversion	2.362	1.823
<b>5. Total</b>	<b>1.446</b>	<b>-253</b>
of which attributable to other associates	-107	-124
of which attributable to associates of parent company	1.553	-129

CHANGES IN EQUITY STATEMENT  
FOR THE PERIOD 01.01.2012 - 30.06.2012

EUR k	Share capital	Capital reserve	Own shares	Currency conversion	Reevaluation reserves	Reserves for the divestiture of available financial assets	Surplus reserves	Shares without dominating influence	Total
At 01.01.2011	4.798	5.956	-332	-6.118	2.297	0	5.835	2.582	15.018
Period result	0	0	0	0		0	-1.908	-168	-2.076
Other revenue	0	0	0	1.736	43	0	0	44	1.823
Total	0	0	0	1.736	43	0	-1.908	-124	-253
Dividend payout	0	0	0	0		0	0	-130	-130
<b>At 30.06.2011</b>	<b>4.798</b>	<b>5.956</b>	<b>-332</b>	<b>-4.382</b>	<b>2.340</b>	<b>0</b>	<b>3.927</b>	<b>2.328</b>	<b>14.635</b>
At 01.01.2012	4.798	5.956	-332	-9.362	2.404	-60	1.478	2.251	7.133
Period result	0	0	0	0		0	-740	-149	-889
Other revenue	0	0	0	2.321	-1	-27	0	42	2.335
Total	0	0	0	2.321	-1	-27	-740	-107	1.446
Dividend payout	0	0	0	0	0	0	0	0	0
Verkauf an Konzern	0	0	0	0	0	0	244	-1.706	-1.462
<b>At 30.06.2012</b>	<b>4.798</b>	<b>5.956</b>	<b>-332</b>	<b>-7.041</b>	<b>2.403</b>	<b>-87</b>	<b>982</b>	<b>438</b>	<b>7.117</b>

CONSOLIDATED CASHFLOW STATEMENT

FOR THE PERIOD 01.01.2012 - 30.06.2012

EUR k	01.01. - 30.06.2012	01.01. - 30.06.2011
Result before tax	-911	-2.193
Changes caused by currency conversions	-650	-959
Depreciation and amortisation	1.905	2.168
Valuation result from investment property	-1.548	9
Interest income	1.103	1.463
Interest paid	-1.429	-1.521
Interest received	64	58
Changes in long-term reserves	58	-270
Income taxes paid	-37	-20
<b>Resulting net-cash</b>	<b>-1.445</b>	<b>-1.265</b>
Change in inventories and construction contracts	754	-2.540
Change in receivables and other assets	-567	62
Change in liabilities	365	2.335
Change in short-term provisions and accrued liabilities	-680	789
<b>Working capital net cash</b>	<b>-128</b>	<b>646</b>
<b>Net cash from operating activities</b>	<b>-1.573</b>	<b>-619</b>
Primary / De-consolidation of a subsidiary	136	0
Acquisition of tangible and intangible assets	-531	-1.023
Acquisition of financial investments	2	-42
Proceeds from sale of fixed assets	676	98
<b>Net cash from investing activities</b>	<b>283</b>	<b>-967</b>
Dividend minority interest	0	-130
Change in long-term borrowings	5.061	3.646
Change in short-term borrowings	-3.712	-2.419
<b>Net cash from financing activities</b>	<b>1.349</b>	<b>1.097</b>
<b>Change in cash and cash equivalents</b>	<b>59</b>	<b>-489</b>
Cash and cash equivalents at beginning of year	1.326	1.701
Change in cash and cash equivalent	59	-489
Currency differences	87	67
<b>Cash and cash equivalents at end of period</b>	<b>1.472</b>	<b>1.279</b>

# NOTES TO THE GROUP'S INTERIM FINANCIAL STATEMENTS FOR THE FIRST HALF 2012

The Group's Interim Financial Statements at hand as per 30 June 2012 have been created in accordance with the International Financial Reporting Standards (IFRS) as to be applied in the EU.

The abbreviated Interim Financial Statements do not include – in accordance with IAS 34 – all information and data necessary in the Annual Financial Statements and should thus be read in combination with the SW Umwelttechnik Stoiser & Wolschner AG's Annual Consolidated Financial Statements as per 31 December 2011.

## BASIS OF CONSOLIDATION

The basis of consolidation has changed as follows compared to the status as of December 31st 2011 according to the IFRS regulations IAS 27 and IFRS 3:

- The 50 % holding on the Isospan Baustowffwerk GmbH in Raminstein was retroactively deconsolidated as per January 1st 2012.
- OMS Romania srl was first consolidated as of January 1st 2012.

## FINANCIAL ACCOUNTING AND VALUATION METHODS

The same accounting and valuation methods as per 31 December 2011 have been applied.

The following exchange rates have thus been applied:

Currency		Rate at balance sheet date		Average rate for the year	
		30.06.2012	30.06.2011	HY 2012	HY 2011
HUF	Hungarian Forint	288,2	265,6	292,6	268,0
RON	Romanian Lei	4,45	4,24	4,40	4,17

## CURRENCY CONVERSION

The Group's functional currency is the Euro; the functional currencies of the foreign subsidiaries are the respective local currencies.

The annual financial statements of foreign subsidiaries and joint ventures have thus been converted using the modified closing-date-method according to IAS 21 as follows:

- ↗ Assets and liabilities with the exchange rate of the balance sheet closing date
- ↗ Revenue and expenditures with the exchange rate of the annual average
- ↗ Equity entries with the exchange rate of the date of the transaction

## SEGMENTAL REPORT

Distribution of sales revenue according to primary segments:

EUR m	HY 2012	in %	HY 2011	FY 2011
Water Conservation	12,0	50	13,9	32,0
Infrastructure	10,1	42	9,3	22,6
Engineering	1,9	8	4,6	14,8
	24,0	100,0	27,8	69,4

Distribution of sales revenue according to secondary segments:

	HY 2012	in %	HY 2011	FY 2011
Austria	6,7	28	7,1	17,9
Hungary	10,2	43	12,6	29,3
Romania	5,0	21	5,9	17,1
Other	2,1	8	2,2	5,1
	24,0	100	27,8	69,4

## EMPLOYEE DATA

	HY 2012			HY 2011			FY 2011		
	White-collar	Blue-collar	Total	White-collar	Blue-collar	Total	White-collar	Blue-collar	Total
Austria	47	56	103	53	66	119	55	72	127
Hungary	124	122	248	128	136	264	125	137	262
Romania	41	82	123	46	108	154	44	107	151
	212	260	474	227	310	537	224	316	540

### DIVIDEND PAYOUT

At the annual general meeting on 4 May it was decided that SW Umwelttechnik would not be paying out a dividend to their shareholders for the financial year 2011.

### SHARE REPURCHASE SCHEME

In the first halfyear 2012 none of the Company's own shares were repurchased.

### SEASONAL FACTORS

Due to weather conditions there are general seasonal fluctuations in product deliveries as well as in the execution of projects as construction work can only be carried out to a limited extent during the winter. These seasonal fluctuations are reflected in the outcome of the first and fourth quarter, which are usually weaker than the second and third quarters.

### RELATIONSHIPS WITH ASSOCIATED COMPANIES AND INDIVIDUALS

No significant changes have occurred in regards to relationship with associated companies and individuals as compared to those disclosed in the annual report 2011.

### FINANCIAL INSTRUMENTS

No financial instruments apart from those disclosed in the annual report 2011 were applied during the reporting period.

### BUSINESS TRANSACTIONS AFTER THE BALANCE SHEET DATE

As reported, our financing contracts with our banks were completed and signed as per end of June 2012. No business transactions occurred after the balance sheet date of the quarter impacting the interim financial report at hand or that have any particular relevance apart from that.

### OTHER OBLIGATIONS, LITIGATION AND POSSIBLE LIABILITIES

There are no changes to be reported for this period in terms of other obligations, litigation and possible liabilities compared to the ones stated in the consolidated annual financial statements as of 31 December 2011.

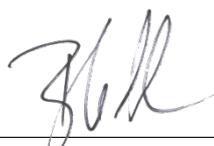
### WAIVER OF AUDITING REVIEW

The current interim report did not undergo a complete audit and was not checked by CPA in terms of an auditing review.

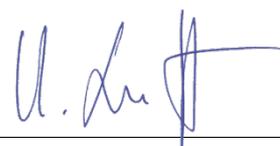
## DECLARATION BY THE MANAGEMENT BOARD

We hereby confirm that to the best of our knowledge, these summarised consolidated interim financial statements have been compiled in accordance with applicable accounting standards and to the maximum extent possible give a true and fair view of the Group's assets, finances and earnings and that this group interim report represents an as accurate picture as possible of our assets, finances and earnings in terms of important occurrences during the first six months of the fiscal year and their effect on the summarised consolidated interim financial statements, in terms of significant risks and uncertainties during the remaining six months of the financial year, and of key transactions with associated companies and individuals where disclosure is required.

Klagenfurt, August 29<sup>th</sup> 2012



DI Dr. Bernd Hans Wolschner  
Member of the Management Board



DI Klaus Einfalt  
Member of the Management Board

## FINANCIAL CALENDAR

[November 9th 2012](#)

[Report on the third quarter 2012](#)

## SHAREHOLDER INFORMATIONEN

Security ID number:	AT 0000080820
Vienna Stock Exchange symbol:	SWUT
Bloomberg:	SWUT AV
Reuters:	SWUT.VI
Datastream:	O:SWU
Index:	WBI
Listing:	Standard Market Auction/Betreute Aktion, Vienna Stock Exchange

SW Umwelttechnik, a family firm founded in 1910 and listed on the Viennese stock exchange since 1997, stands for sustainable management and consistent growth in Eastern and South Eastern Europe. With our innovative environmental technology we provide an important contribution for the development of necessary infrastructure in Central and South Eastern Europe.

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