

Hard work:
Half year report 2013

Concrete mission since 1910

SW
Umwelttechnik
STOISER & WOLSCHNER AG

KEY FIGURES

Key figures in € m	HY 2013	HY 2012	FY 2012
Sales revenue	23.2	24.0	62.1
of which in Austria	5.4	6.7	16.7
of which in Hungary	11.6	8.7	24.8
of which in Romania	5.3	5.0	15.0
of which in other	0.9	3.6	5.6
Total output	23.8	23.7	61.7
EBITDA	0.8	0.9	5.7
EBIT	-1.0	-1.0	1.9
P/L on ordinary activities	-2.5	-0.9	0.3
Annual result	-2.2	-0.9	0.1
Investments into fixed and intangible assets	1.2	0.5	1.7
Balance sheet total	102.3	97.9	100.9
Equity capital	4.7	7.1	7.3
Equity ratio in %	4.6	7.3	7.3
Employees			
	HY 2013	HY 2012	FY 2012
Total	496	502	501
in Austria	86	103	104
in Hungary	249	245	241
in Romania	161	154	156
Stock exchange ratios			
	HY 2013	HY 2012	FY 2012
Dividend per share	€ -	-	0
Weighted number of shares	units 655,878	655,878	655,878
Maximum rate	€ 9.6	15.2	15.2
Lowest rate	€ 6.0	8.5	7.1
Closing rate	€ 8.7	8.9	7.8

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HIGHLIGHTS

- ▶ Company earnings have already reached the same level as in the previous year due to a strong second quarter
- ▶ Good amount of incoming orders from EU-financed projects
- ▶ Strong market position secures a positive development in CEE

Although SW Umwelttechnik had to accept a decrease in turnover - due to the on-going difficult market situation and the adverse weather conditions – company earnings have already been increased to the previous year's level. This development could be achieved due to our consistent implementation of efficiency and cost optimisation measures. The general tough economic situation and the low willingness to invest from industry and trade clients continue to provide a challenging framework for our company. The increased volume of orders, however, shows a positive development of EU-subsidised wastewater projects in CEE. Our strong market position secures a similar development for the second half-year.

OPERATIONAL REVIEW

Business performance and earnings

The general tough economic situation and the low willingness to invest from industry and trade clients continue to provide a challenging framework for our company. The first half-year 2013 was also marked by an especially long winter in all the markets we operate in – the effects thereof could already be compensated in the second quarter.

Overall SW Umwelttechnik is confronted by different market situations in our three core markets.

SW Umwelttechnik was able to achieve a significant increase in turnover in the area of EU-subsidised wastewater projects in the recessive Hungarian market environment due to our strong market position and was thus able to compensate the continued strong market decrease in residential constructions.

We have realised a steady increase in EU-financed projects in Romania, whereas trade and industry construction shows no recovery as of yet.

Market development in Austria in the first half-year 2013 was marked by restrained investments from industry and trade clients, by the governmental savings restraints and by the market disturbance resulting from the bankruptcy of ALPINE Bau GmbH.

The decrease in turnover from the first quarter, was virtually caught up on and operating efficiency amounts to € 23.8 m, so slightly above that of the previous year (€ 23.7 m). EBIT has been increased to € - 1.0 m and EBITDA to € + 0.8 m, so on the same level as in the previous year. Our financial result amounts to € -1.4 m, which is € 1.5 m lower than in the previous year – this is due to non cash-affecting negative spreading and special revenue not being applicable. Profit or loss on ordinary activities of € -2.5 m is thus still lower than in 2012 (€ -0.9 m).

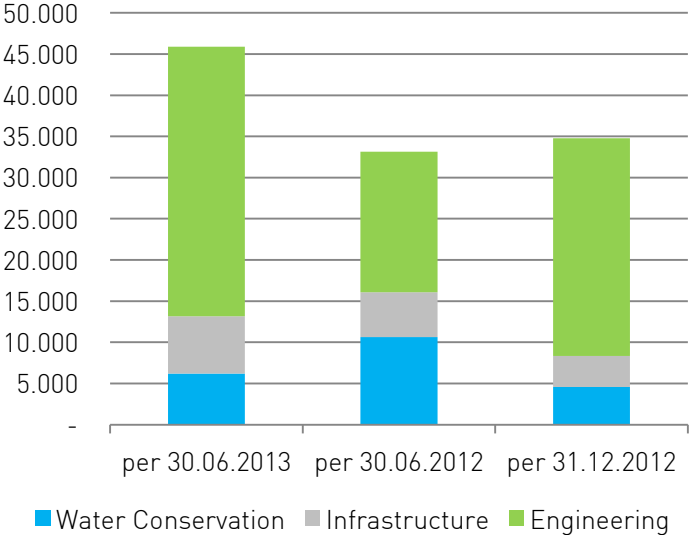
Second quarter development

The described catch-up effect is clearly visible in the second quarter 2012. Turnover was increased by 10 % to € 17.8 m (2012: € 16.2 m) and earnings were also raised. EBIT increased to € 1.2 m (2012: € 0.8 m) and EBITDA to € 2.2 m (2012: € 1.8 m). Profit/loss on ordinary activities amounted to plus € 0.9 m – the development of the HUF exchange rate contributed to the improved financial result.

Incoming orders

Volume of orders as of June 30th 2013 amounts to € 45.9 m and is significantly higher than in the previous year (€ 33.1 m as of June 30th 2012 and € 34.8 m as of December 31st 2012). We plan on completing around 60 % in 2013 and the other 40 % in the following years. The volume of orders in our water conservation segment increased to € 6.2 m (31st of December 2012 : € 4.6 m) and in our infrastructure segment to € 6.9 m (31st of December 2012 : € 3.8 m). The most significant increase has been noted in our project engineering segment – our incoming orders have increased by 24 % to € 32.8 m (31st of December 2012: € 26.4 m).

Volume of orders by segments



Employees

The average number of staff was adjusted to our business development. It amounts to 496 in the first half-year (2012: 502). In Austria we employed an average of 86 permanent staff (2012: 103), in Hungary 249 (2012: 245) and in Romania 161 (2012: 154).

Segmental analysis

Our turnover in Hungary increased significantly to € 11.6 m (2012: € 8.7 m) due to the intensified handling of EU-subsidised wastewater projects. This reflects a share of the Group turnover of 50 % (2012: 36 %).

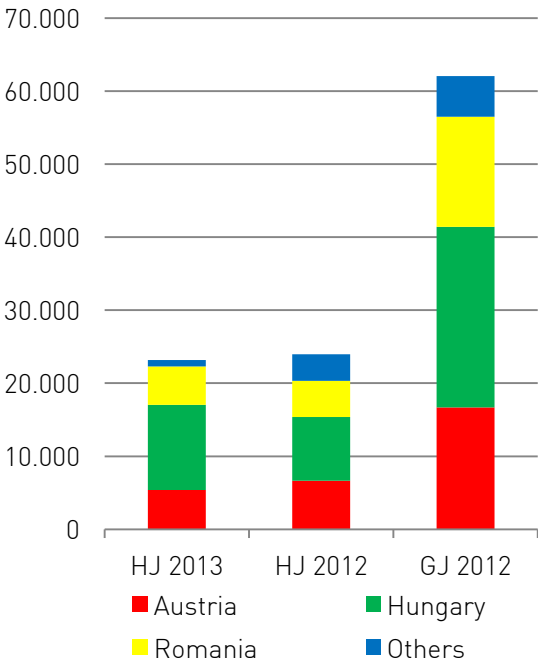
A slight increase in turnover was noted in Romania from € 5.0 m to € 5.3 m and a share of Group turnover of 23 % (2012: 21 %). A positive impetus has been achieved by adjusting our product portfolio and due to a slight recovery of the market.

In Austria we had to accept a decrease in turnover to € 5.4 (2012: € 6.7 m) due to the regressive market environment. This reflects a share of Group turnover of 23 % (2012: 28 %).

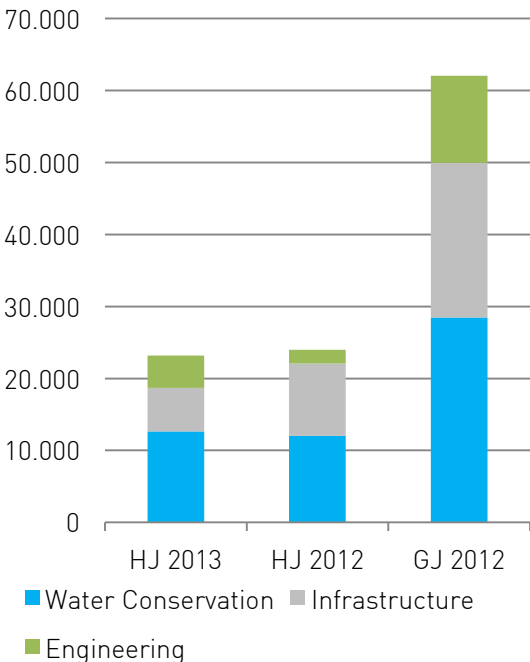
Exports decreased to € 0.9 m (2012: € 3.6 m) and only represent a share of Group turnover of 4 % (2012: 15 %).

The positive development of our water conservation segment can be seen in the increase of turnover in this segment to € 12.6 m (2012: 12.0 m). Our infrastructure segment decreased to € 6.1 m (2012: 10.1 m), whereas our project engineering segment increased to € 4.5 m (2012: € 1.9 m).

Turnover according to regions



Turnover according to business segments



Summary balance sheet

Our long-term assets amount to € 67.3 m as of 30th of June 2013 (31st of December 2012: € 68.7 m). Our floating assets have increased significantly to € 35.0 m (31st of December 2012: € 32.2 m) compared to the ultimo due to increased business activities in the second quarter. Balance sheet total as of 30th of June 2013 thus amounts to € 102.3 m (31st of December 2012: € 100.9 m).

Equity capital amounts to € 4.7 m as of 30th of June 2013 (31st of December 2012: € 7.3 m) – when considering the intrinsic value of fixed assets (valuation of assets at the FX rates of December 31st 2007), equity capital amounts to € 15.2 m and equity capital ratio amounts to 13.4 %.

Liabilities as of 30th of June 2013 amount to € 97.6 m (31st of December 2012: € 93.6 m) and are thus higher than at the ultimo 2012. Financial liabilities were reduced compared to the previous year and amount to € 75.0 m (2012: € 78.2 m).

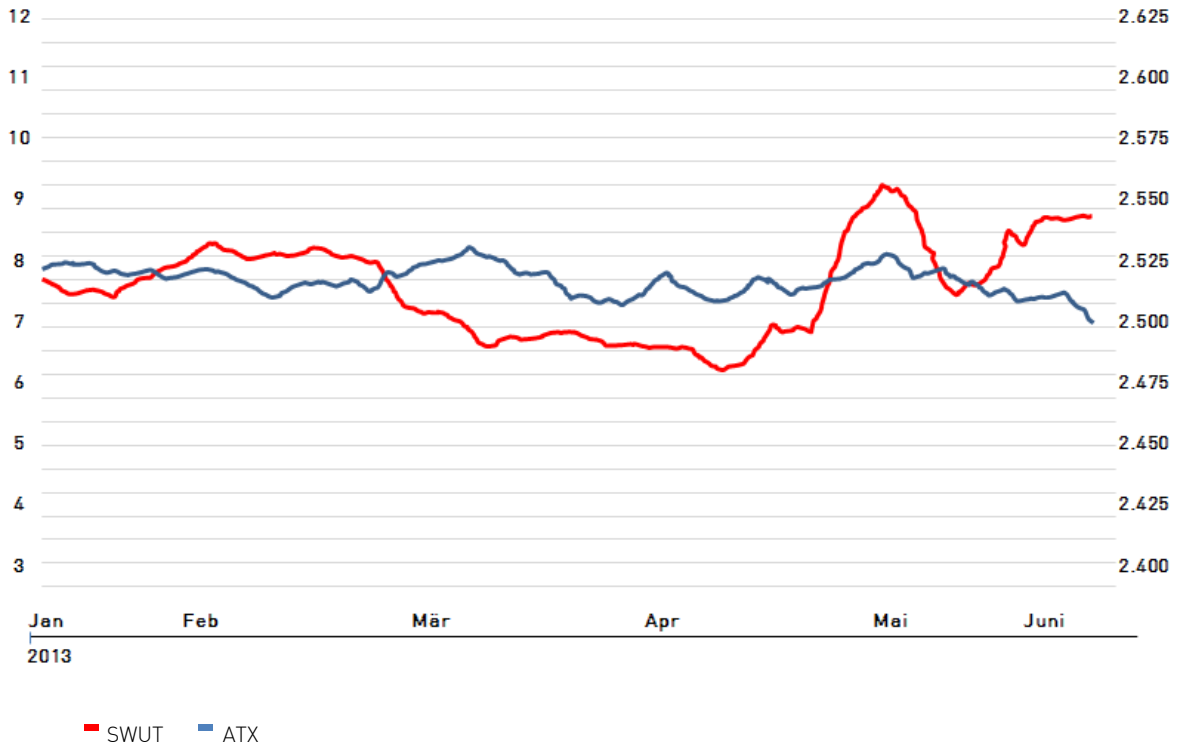
€ k	HY 2013	Percentage	HY 2012	Percentage	FY 2012	Percentage
Fixed assets	67,269	65.8	70,004	71.5	68,686	68.1
Current assets	34,995	34.2	27,846	28.5	32,215	31.9
Balance sheet total	102,264	100.0	97,850	100.0	100,901	100.0
Equity capital						
Fixed liabilities	4,704	4.6	7,117	7.3	7,332	7.3
Current liabilities	41,309	40.4	43,720	44.7	42,278	41.9
Balance sheet total	56,251	55.0	47,013	48.0	51,291	50.8
Fixed assets	102,264	100.0	97,850	100.0	100,901	100.0

Investments

As in the previous years, we have kept investments on a low level. They amounted to € 1.2 m in the first half-year (2012: € 0.5 m). Investments were mainly used to increase our product portfolio.

Our share

The share has levelled out at around € 8 since the beginning of the year. As of 30th of June 2013 it was noted at € 8.66. Our membership in the sustainability index VÖNIX was confirmed for 2013/2014.



Outlook

In spite of the difficulty in estimating the development of the CEE market, the management has a positive outlook for business development in the second half-year. The implemented restructuring measures have already shown their value and further optimisation measures are currently scheduled for implementation.

We expect a similar market development for the second half-year as experienced in the second quarter. In Hungary and Romania we forecast a positive development for the water conservation and project engineering segments resulting from the increased commissioning and realisation of EU-subsidised projects, whereas residential construction and trade and industry construction will probably remain on a low level. The company has adapted to the recessive market environment in Austria, however, we do not expect a further significant decline compared to the first half-year.

We predict a similar development to the previous year for the full year 2013 and expect improved earnings with a slight increase in turnover.

INTERIM FINANCIAL STATEMENT

BALANCE SHEET AT 30 JUNI 2013

€ k	30.06.2013	30.06.2012	31.12.2012
Assets			
Long-term fixed assets			
Fixed assets	64,306	67,222	65,894
Other long-term fixed assets	2,963	2,782	2,792
Current assets	34,995	27,846	32,215
Total	102,264	97,850	100,901
Equity and liabilities			
Equity	4,704	7,117	7,332
Long-term liabilities	41,309	43,720	42,278
Short-term liabilities	56,251	47,013	51,291
Total	102,264	97,850	100,901

CONSOLIDATED INCOME STATEMENT
FOT THE PERIOD 01.01.2013 - 30.06.2013

EUR k	HY 2013	HY 2012
Sales revenue	23,185	23,978
Capitalised services	100	91
Other operating income	498	748
Change in stock of completed and incomplete products	534	-406
Material expenses and other obtained external services	-14,103	-14,076
Personnel expenses	-5,596	-5,771
Depreciation	-1,834	-1,889
Other operating expenses	-3,787	-3,695
Result from the valuation of investment property	0	0
Operating result	-1,003	-1,020
Financial yield	76	1,051
Financial expenses	-1,120	-1,167
Exchange rate variations	-340	661
Other financial expenses	-63	-436
Financial result	-1,447	109
Result before taxes	-2,450	-911
Tax on earnings	272	22
Annual result	-2,178	-889
of which without dominating influence on the shares	-94	-149
of which applicable to shareholders of the parent company	-2,084	-740

INCOME AND EARNINGS STATEMENT
FOR THE PERIOD 01.01.2013 - 30.06.2013

EUR k	HY 2013	HY 2012
1. Result after income tax	-2,178	-889
2. Transfer of investment property	0	0
3. Divestiture of available financial assets	20	-27
4. Currency conversion	-453	2,362
5. Total	-2,611	1,446
of which attributable to other associates	-100	-107
of which attributable to associates of parent company	-2,511	1,553

CHANGES IN EQUITY STATEMENT

FOR THE PERIOD 01.01.2013 - 30.06.2013

EUR k	Share capital	Capital reserve	Own shares	Currency conversion	Reevaluation reserves	Reserves for the divestiture of available financial assets	Surplus reserves	Total	Shares without dominating influence	Total
At 01.01.2012	4,798	5,956	-332	-9,362	2,404	-60	1,478	4,882	2,251	7,133
Period result	0	0	0	0	0	0	-740	-740	-149	-889
Other revenue	0	0	0	2,321	-1	-27	0	2,293	42	2,335
Total	0	0	0	2,321	-1	-27	-740	1,553	-107	1,446
Dividend payout	0	0	0	0	0	0	0	0	0	0
Sale to group	0	0	0	0	0	0	244	244	-1,706	-1,462
At 30.06.2012	4,798	5,956	-332	-7,041	2,403	-87	982	6,679	438	7,117
At 01.01.2013	4,798	5,956	-332	-7,373	1,927	-85	1,973	6,864	468	7,332
Period result	0	0	0	0	0	0	-2,084	-2,084	-94	-2,178
Other revenue	0	0	0	-428	-19	20	0	-427	-6	-433
Total	0	0	0	-428	-19	20	-2,084	-2,511	-100	-2,611
Dividend payout	0	0	0	0	0	0	0	0	0	0
Remaining changes	0	0	0	0	0	0	0	0	0	0
Others	0	0	0	0	0	0	-17	-17	0	-17
At 30.06.2013	4,798	5,956	-332	-7,801	1,908	-65	-128	4,336	368	4,704

CONSOLIDATED CASHFLOW STATEMENT
FOR THE PERIOD 01.01.2013 – 30.06.2013

EUR k	01.01. - 30.06.2013	01.01. - 30.06.2012
Result before tax	-2,450	-911
Changes caused by currency conversions	270	-650
Depreciation and amortisation	1,905	1,834
Valuation result from investment property	-1,548	-3
Interest income	1,103	1,043
Interest paid	-1,429	-1,098
Interest received	64	77
Changes in long-term reserves	58	113
Income taxes paid	-37	-11
Resulting net-cash	-1,445	-225
Change in inventories and construction contracts	754	-3,068
Change in receivables and other assets	-567	-624
Change in liabilities	365	4,865
Change in short-term provisions and accrued liabilities	-680	0
Working capital net cash	-128	1,173
Net cash from operating activities	-1,573	948
Primary / De-consolidation of a subsidiary	0	136
Acquisition of tangible and intangible assets	-531	-1,200
Acquisition of financial investments	2	347
Proceeds from sale of fixed assets	676	54
Net cash from investing activities	283	-799
Dividend minority interest	0	0
Change in long-term borrowings	5,061	-972
Change in short-term borrowings	-3,712	209
Net cash from financing activities	1,349	-763
Change in cash and cash equivalents	59	-614
Cash and cash equivalents at beginning of year	1,326	2,067
Change in cash and cash equivalent	59	-614
Currency differences	87	-18
Cash and cash equivalents at end of period	1,472	1,435

NOTES TO THE GROUP'S INTERIM FINANCIAL STATEMENTS FOR THE FIRST HALF 2013

The Group's Interim Financial Statements at hand as per 30 June 2013 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 2012.

BASIS OF CONSOLIDATION

The basis of consolidation has not changed compared to the status as of December 31st 2012.

FINANCIAL ACCOUNTING AND VALUATION METHODS

The same accounting and valuation methods as per 31 December 2012 have been applied.

The following exchange rates have thus been applied:

Currency		Rate at balance sheet date		Average rate for the year	
		30.06.2013	30.06.2012	HY 2013	HY 2012
HUF	Hungarian Forint	295.2	288.2	297.5	292.6
RON	Romanian Lei	4.46	4.45	4.39	4.40

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 2013	in %	HY 2012	FY 2012
Water Conservation	12.6	55	12.0	28.5
Infrastructure	6.1	26	10.1	21.5
Engineering	4.5	19	1.9	12.1
	23.2	100	24.0	62.1

Distribution of sales revenue according to secondary segments:

	HY 2013	in %	HY 2012	FY 2012
Austria	5.4	23	6.7	16.7
Hungary	11.6	50	8.7	24.8
Romania	5.3	23	5.0	15.0
Other	0.9	4	3.6	5.6
	23.2	100	24.0	62.1

EMPLOYEE DATA

	HY 2013			HY 2012			FY 2012		
	White-collar	Blue-collar	Total	White-collar	Blue-collar	Total	White-collar	Blue-collar	Total
Austria	42	44	86	47	56	103	46	58	104
Hungary	135	114	249	123	122	245	119	122	241
Romania	67	94	161	56	98	154	58	98	156
	244	252	496	226	276	502	223	278	501

DIVIDEND PAYOUT

At the annual general meeting on 3 May it was decided that SW Umwelttechnik would not be paying out a dividend to their shareholders for the financial year 2012.

SHARE REPURCHASE SCHEME

In the first half year 2013 none of the Company's own shares were repurchased.

RISK MANAGEMENT

The company-wide risk management is incorporated into the operational and organisation structure. In the first half-year no changes were noted compared to the risk report presented in the annual report 2012.

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 2012.

FINANCIAL INSTRUMENTS

No financial instruments apart from those disclosed in the annual report 2012 were applied during the reporting period.

BUSINESS TRANSACTIONS AFTER THE BALANCE SHEET DATE

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 2012.

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.

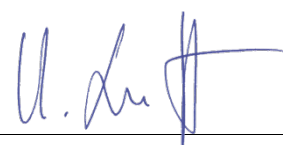
DECLARATION BY THE MANAGEMENT BOARD

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 28th 2013



DI Dr. Bernd Hans Wolschner
Member of the Management Board



DI Klaus Einfalt
Member of the Management Board

FINANCIAL CALENDAR

[November 8th 2012](#)

[Report on the third quarter 2013](#)

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 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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