



Report on the
1st quarter of 2010



SW
Umwelttechnik
STOISER & WOLSCHNER AG

KEY DATA

Key data		Q 1 2010	Q 1 2009	GJ 2009
Sales revenue	EUR m	8,3	8,4	66,2
of which Hungary	EUR m	5,5	2,5	31,0
of which Austria	EUR m	1,0	3,9	18,7
of which Romania	EUR m	1,4	1,7	13,6
Other	EUR m	0,4	0,3	2,9
Total output	EUR m	8,4	8,1	66,9
EBITDA	EUR m	-1,5	-2,4	7,3
EBIT	EUR m	-2,9	-3,7	1,4
P(L)OA	EUR m	-2,5	-8,9	-2,9
Annual profit	EUR m	-2,2	-8,9	-2,9
Return after minority interest	EUR m	-1,9	-8,6	-3,2
Fixed asset investments	EUR m	0,6	0,7	2,8
Total assets	EUR m	110,3	98,5	110,2
Equity (incl. Minority interest)	EUR m	17,3	6,2	18,7
Equity ratio (incl. Minority interest)	%	15,7	6,3	17,0
Employees		580	791	735
of which in Hungary		309	397	367
of which in Austria		99	128	142
of which in Romania		172	266	226
Stock exchange data				
Dividend per share	EUR	0	0	0
Weighted amount of shares	Share	655.878	655.878	655.878
Highest rate	EUR	30,50	29,90	30,90
Lowest rate	EUR	23,84	17,12	17,12
Closing rate	EUR	24,19	19,80	30,90

HIGHLIGHTS

- Turnover of € 8.3 m on the same level as that of the previous year
- EBIT and Group result have significantly improved
- Good market outlook for the water conservation segment

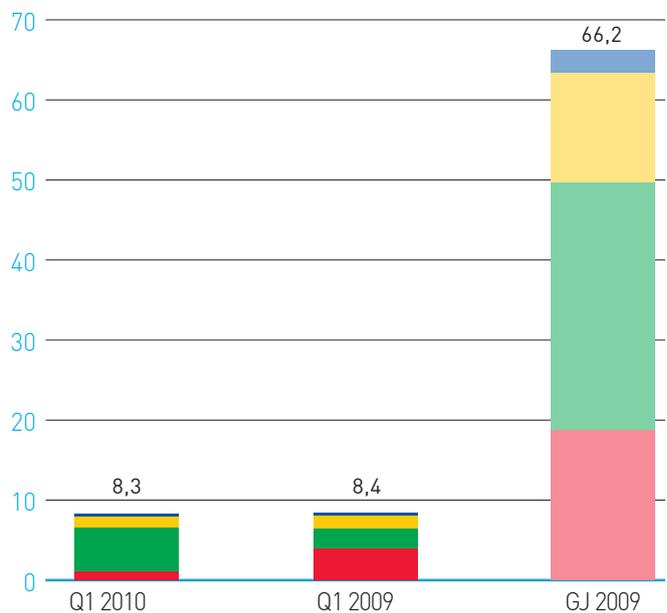
We were able to noticeably improve our results due to the instigated cost saving measures and focusing on locally financed projects. SW Umwelttechnik is satisfied with Quarter 1 2010 – we dealt with the market in a proactive manner and stringently saved on fixed costs, which led to a significant improvement in our Group results. In addition the stabilisation of the CEE currencies has contributed to our financial result and means we can show a strong POA in comparison to the previous years.

OPERATIONAL REVIEW

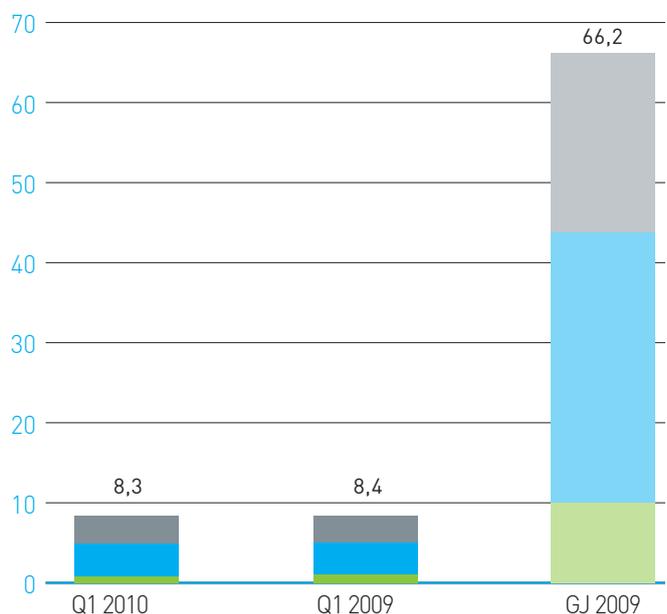
PERFORMANCE AND PROFITABILITY

The bad weather during the first two months of the year caused our turnover to collapse, however we were already able to significantly improve this by March. Our turnover by this stage was € 8.3 m (2009: € 8.4 m) and thus reached the same level as that of the previous year. The operative result could be improved by € 0.9 m due to the cost saving measures introduced in 2009 and we were thus able to report EBITDA of € - 1.5 m (2009: € - 2.4 m) and EBIT of € - 2.9 m (2009: € - 3.7 m). The financial result shows a profit of € 0.5 m (2009: € - 5.2 m) due to reduced interest costs and the stabilisation of the FX rates of HUF and RON compared to the previous year. This results in a POA for the first quarter of € - 2.5 m (2009: € - 8.9 m).

Revenue by geographical markets in EUR m



Revenue by business sectors in EUR m

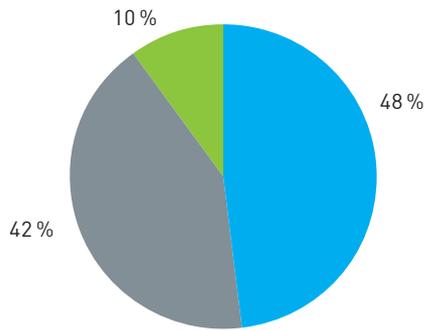


- Austria
- Hungary
- Romania
- Other

- Water conservation
- Infrastructure
- Project engineering

SEGMENTAL ANALYSIS

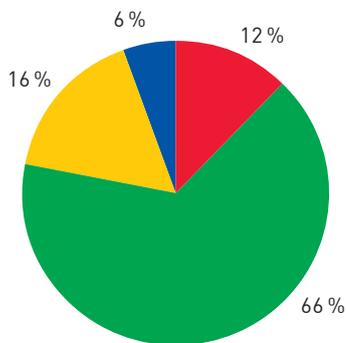
Revenue by business sectors



The allocation of turnover between the different segments has remained the same in comparison to the same period (quarter 1) in 2009. The water conservation segment remains the strongest with 48 % of total turnover (2009: 48 %), infrastructure holds 42 % (2009: 41 %) and the project engineering segment has 10 % (2009: 11 %).

We have noted strong regional movement as the market for SW Umwelttechnik has significantly improved in our prime market Hungary. Turnover increased to € 5.5 m (2009: € 3.9 m) and now holds 66 % of the Group's turnover (2009: 46 %).

Revenue by geographical markets



Turnover in Romania of € 1.4 m remains below the level of the previous year (€ 1.7 m) mainly due to the delay of local project financing. It now makes up 16 % of the total turnover (2009: 21 %). The market situation in Austria has, as expected, greatly deteriorated and its share of total turnover is now only 12 % (2009: 30 %) with € 1.0 m (2009: € 2.5 m). Exports mainly to Italy as well as to Slovenia, Slovakia and Germany were slightly increased to € 0.4 m (2009: € 0.3 m).

FINANCIAL STATUS

The fixed assets that were strongly devalued in quarter one of 2009 due to the FX volatility increased from € 69.8 m to € 80.6 m. This supports the view of the company that a normalisation of the FX rates leads to the real value of fixed assets to again be represented in the financial statements.

Current assets remained almost the same with € 29.7 m (2009: € 28.7 m) despite the FX revaluations and because of the enforced tightening of inventories and the stringent claims management. The balance sheet total shows € 110.3 m (2009: € 89.5 m) and equity stands at € 17.3 m (2009: 6.2 m) which results in an equity ratio of 15.7 %.

Financial liabilities were slightly reduced to € 78.9 m (2009: € 79.9 m) of which about 60 % remain long-term liabilities.

in EUR `000	Q1 2010	%	Q1 2009	%	GJ 2009	%
Assets	110.293	100	98.459	100	110.234	100
Fixed assets	80.596	73,1	69.731	70,8	79.893	72,5
Current assets	29.697	26,9	28.728	29,2	30.341	27,5
Liabilities	110.293	100	98.459	100	110.234	100
Equity	17.348	15,7	6203	6,3	18.733	17,0
Long-term liabilities	48.605	44,1	51.694	52,5	49.274	44,7
Short-term liabilities	44.340	40,2	40.562	41,2	42.227	38,3

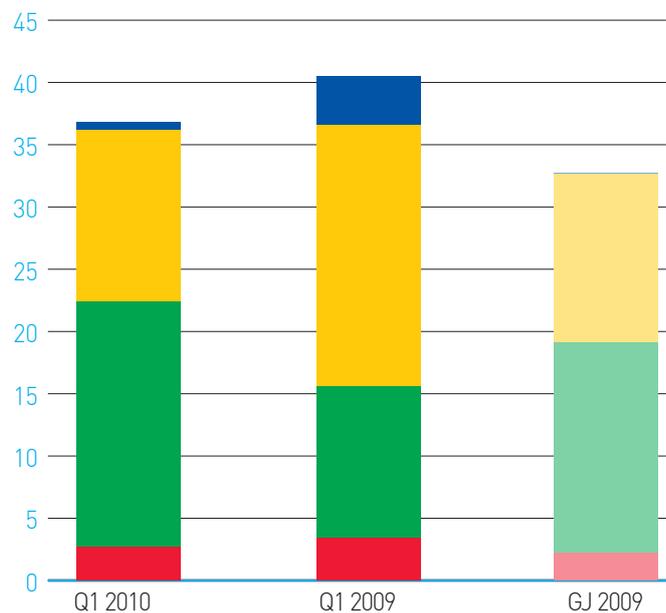
VOLUME OF ORDERS

We were able to increase our volume of orders to € 36.6 m in comparison to the last trading day 2009 of € 32.8 m (2009: € 41.4 m). The volume of orders reflects the current economic situation.

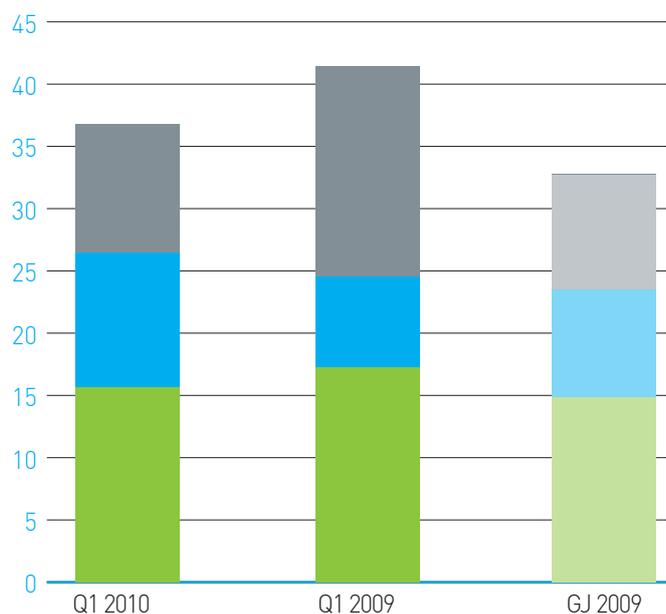
Hungary shows an increase in the volume of orders with € 19.6 m (2009: € 12.2 m) and is 17 % higher than on 31 December 2009 when it lay at € 16.8 m. In Austria the volume of orders of € 2.7 m (2009: € 4.3 m) is 23 % above the level of 31 December 2009 when it was € 2.2 m. Romania shows a similar level of orders with € 13.8 m compared to 31 December 2009 where it was € 13.5 m (2009: € 20.9 m).

The volume of orders in the water conservation segment of € 10.8 m (2009: € 7.2 m) is already 25 % higher than on the last trading day of 2009 and in the infrastructure segment it has increased to € 10.4 m so by 12 % in comparison to the ultimo 2009 (2009: € 16.9 m). The shifting of the infrastructure segment to the water conservation segment, which was already noted in the turnover of 2009, is reflected in these figures. The volume of orders in the engineering projects remains stable with € 15.6 m (1009: € 17.3 m).

Volume of orders by geographical markets in EUR m



Volume of orders by business sectors in EUR m



OUTLOOK

The company's current performance is consistent with our forecast for 2010. Clear incentives have been noted in the markets that SW Umwelttechnik works in mainly due to the support of the IMF and the ECB in Hungary and Romania.

➤ Austria

We expect a decrease in trade and industry projects in Austria for 2010 that can only be partially compensated with local investments.

➤ Hungary

The industry and trade sector in Hungary should stabilise and we anticipate a significant increase in local investments already in the first half of 2010. From 2011 on we expect a considerable improvement for all segments in the market.

➤ Romania

We are now experiencing a more relaxed market environment in Romania due to the involvement of the IMF and the ECB as well as because of the government's sanction for the recapitalisation measures of the budget. We predict an improvement by mid 2010 compared to the previous year and significant growth by 2011.

Klagenfurt, 26th of May 2010

DI Dr. Bernd Hans Wolschner
Managing Director



DI Klaus Einfalt
Managing Director



CONSOLIDATED INTERIM FINANCIAL STATEMENT

CONSOLIDATED BALANCE SHEET AT 31ST OF MARCH 2010

ASSETS

	31.03.2010	31.03.2009	31.12.2009
	in EUR `000	in EUR `000	in EUR `000
Long-term fixed assets			
Fixed assets			
Intangible assets	1.134	1.068	1.152
Property, plant and equipment	66.232	63.896	65.893
Investment property	6.788		6.609
Financial investments	2.025	2.434	2.183
Other long-term fixed assets			
Receivables and other assets	976	0	976
Deferred tax assets	3.441	2.333	3.080
Current assets			
Inventories	12.182	11.970	11.443
Accrued orders - assets	1.218	1.139	941
Receivables and other assets	15.425	14.004	16.054
Liquid assets	872	1.615	1.903
Total	110.293	98.459	110.234

EQUITY AND LIABILITIES

Equity			
Share capital	4.798	4.798	4.798
Capital reserves	5.956	5.956	5.956
Own shares	-332	-332	-332
Currency conversion reserves	-4.429	-9.320	-5.144
Reevaluation reserves	2.313	0	2.249
Net earnings	6.367	2.803	8.243
Minority interests	2.675	2.298	2.963
Fixed liabilities			
Long-term borrowings	44.968	48.825	45.414
Deferred tax liabilities	1.918	860	1.877
Provisions for severance pay and pensions	1.719	2.009	1.983
Current liabilities			
Short-term borrowings	33.866	31.073	30.786
Accrued orders - liabilities	560	1.119	1.019
Tax provisions	5	29	7
Other provisions	180	855	35
Other liabilities	9.729	7.486	10.380
Total	110.293	98.459	110.234

CONSOLIDATED INCOME STATEMENT
FOR THE PERIOD 1ST OF JAN TO 31ST OF MARCH 2010

in EUR `000	Q 1 2010	Q 1 2009
1. Revenue	8.334	8.354
2. Own work capitalised	120	15
3. Other operating income	69	133
4. Changes in work in progress, finished goods and services not yet invoiced	-5	-289
5. Cost for materials and external services	-4.602	-4.261
6. Staff costs	-2.879	-3.564
7. Depreciation and amortisation	-1.464	-1.317
8. Other operating costs	-2.521	-2.773
9. Operating result	-2.948	-3.702
10. Financial yield	94	104
11. Financing costs	-625	-885
12. Currency losses	988	-4.387
13. Other financing costs	0	0
14. Financial result	457	-5.168
15. Result before income tax	-2.491	-8.870
16. Income taxes	308	-3
17. Result after income tax	-2.183	-8.873
attributable to other holdings	-307	-269
attributable to owners of the parent	-1.876	-8.604
Earnings per share	-2,86	-13,12

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD 1ST JAN TO 31ST MARCH 2010

	AZ	Share capital	Capital reserve	Own shares	Currency conversion reserves	Reevaluation reserves	Net earnings	Minority interests	Total
		in EUR `000	in EUR `000	in EUR `000	in EUR `000	in EUR `000	in EUR `000	in EUR `000	in EUR `000
At 1 January 2009		4.798	5.956	-332	-4.093		11.407	2.723	20.459
Annual result		0	0	0	0	0	-3.164	262	-2.902
Valuation of investment property		0	0	0	0	2.249	0	0	2.249
Currency conversion	5.2.	0	0	0	-1.051	0	0	-22	-1.073
Total		0	0	0	-1.051	2.249	-3.164	240	-1.726
At 31 December 2009		4.798	5.956	-332	-5.144	2.249	8.243	2.963	18.733
At 1 January 2010		4.798	5.956	-332	-5.144	2.249	8.243	2.963	18.733
Annual result		0	0	0	0		-1.876	-307	-2.183
Valuation of investment property						0			0
Currency conversion	5.2.	0	0	0	715	64	0	19	798
Total		0	0	0	715	64	-1.876	-288	-1.385
At 31 March 2010		4.798	5.956	-332	-4.429	2.313	6.367	2.675	17.348

CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD 1ST JAN TO 31ST MARCH 2010

in EUR `000	01.01. - 31.03. 2010	01.01. - 31.03.2009
Result from ordinary activities	-2.491	-8.870
Depreciation and amortisation	1.464	1.320
Losses/gains on disposal of fixed assets	7	0
Interest on income	575	814
Interest paid	-625	-885
Interest received	50	71
change in long-term provisions	-264	-301
Income taxes paid	-14	-11
Changes caused by currency conversions	-957	4.192
Net cash from result	-2.255	-3.670
Change in inventories and construction contracts	-818	1.624
Change in receivables and other assets	937	4.695
Change in shares of current assets	0	0
Change in liabilities	-814	-5.119
Change in short-term provisions and accrued liabilities	-331	-2
Negative difference from first consolidation	0	0
Net cash from operating activities	-3.281	-2.472
Deconsolidation of subsidiaries	0	0
Acquisition of tangible and intangible fixed assets	-555	-713
Acquisition of financial investments	0	-8
Proceeds from sale of fixed assets	131	10
Net cash from investing activities	-424	-711
Dividend payouts	0	0
Purchase of own shares	0	0
Purchase of minority interests	0	0
Dividend of minority interests	0	0
Change in long-term borrowings	-446	374
Change in short-term borrowings	3.080	1.951
Net cash from financing activities	2.634	2.325
Change in cash and cash equivalents	-1.071	-858
Cash and cash equivalents at beginning of year	1.903	2.774
Change in cash and cash equivalents	-1.071	-858
Currency differences	40	-301
Cash and cash equivalents at end of year	872	1.615

NOTES TO THE GROUP INTERIM FINANCIAL STATEMENTS FOR Q1 2010

The Group interim financial statements at hand are created in accordance with the International Financial Reporting Standards (IFRS), as to be applied in the EU, with an end date of 31st of March 2010.

The abbreviated interim financial statements do not contain – in accordance with IAS 34 – all information and data that is required for the annual financial statements and should therefore only be read in combination with the Group's annual financial statements per 31st of December 2010.

SCOPE OF CONSOLIDATION

There were no changes in the scope of consolidation since the 31st of December 2009.

FINANCIAL ACCOUNTING AND VALUATION METHODS

The same financial accounting and valuation methods were applied as per 31st of December 2009.

CURRENCY CONVERSION

The functional currency of the Group is the Euro, the functional currencies of the foreign subsidiaries are the respective national currencies.

The annual financial statements of foreign subsidiaries and joint ventures were thus 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

The following exchange rates were thus used:

Currency		Closing date exchange rate		Average exchange rate	
		March 31st 2010	March 31st 2009	2010 Q1	2009 Q1
HUF	Hungarian Forint	266,4	309,2	269,2	300,2
RON	Romanian Lei	4,10	4,24	4,11	4,28

SEGMENTAL REPORTING in EUR m

Revenue according to primary segments:

	Q1 2010	Q1 2009	GJ 2009
Water conservation	4,0	4	33,7
Project engineering	3,5	3,5	22,5
Infrastructure	0,8	0,9	10,0
	8,3	8,4	66,2

Investment expenses according to primary segments:

	Q1 2010	Q1 2009	GJ 2009
Water conservation	0,4	0,3	1,1
Project engineering	0,0	0,0	0,1
Infrastructure	0,2	0,4	1,6
	0,6	0,7	2,8

Revenue according to secondary segments:

	Q1 2010	Q1 2009	GJ 2009
Austria	1,0	2,5	18,7
Hungary	5,5	3,9	31,0
Romania	1,4	1,7	13,6
Other	0,5	0,3	2,9
	8,3	8,4	66,2

Investment expenses according to secondary segments:

	Q1 2010	Q1 2009	GJ 2009
Austria	0,2	0,2	1,1
Hungary	0,4	0,2	0,9
Romania	0,0	0,3	0,8
	0,6	0,7	2,8

EMPLOYEE INFORMATION

	Q1 2010			Q1 2009			GJ 2009		
	White-collar	Blue-collar	Total	White-collar	Blue-collar	Total	White-collar	Blue-collar	Total
Austria	51	48	99	57	71	128	58	84	142
Hungary	131	178	309	168	229	397	151	216	367
Romania	51	121	172	58	208	266	48	178	226
	233	347	580	283	508	791	257	478	735

DIVIDEND PAYOUT

At the annual shareholders' meeting on May 14th it was decided that SW Umwelttechnik would not pay out any dividends to their shareholders for the financial year 2010.

SHARE REPURCHASE SCHEME

In the first quarter 2010 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. The quarter one sales revenue of SW Umwelttechnik thus always only accounts for around 10 – 15 % of total annual revenue. The second and third quarter tend to be stronger.

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 2009.

FINANCIAL INSTRUMENTS

No financial instruments apart from those disclosed in the annual report 2009 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.

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 December 31st 2010.

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. We also confirm that the interim operational review for the first three months of the financial year conveys a true and fair view of the most important events of the first three months of this financial year to the maximum extent possible and their impact on the summarised consolidated interim financial statements, in terms of significant risks and uncertainties during the remaining nine months of the financial year, and of key transactions with associated companies and individuals where disclosure is required. These summarised consolidated interim financial statements have been subjected neither to a complete audit nor to an audit review by an auditor.

SHAREHOLDER INFORMATION

25th of August Quarter 2 report
24th of November Quarter 3 report

INFORMATIONEN ZUR AKTIE

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

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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Klagenfurt, 26th of May 2010

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Managing Director

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