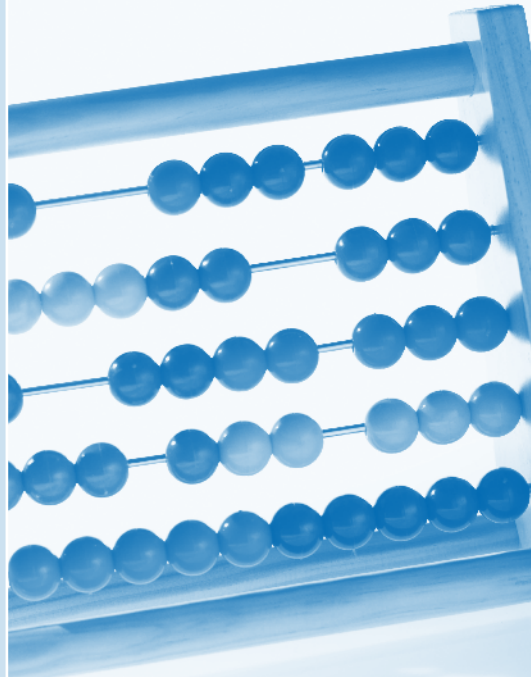


BWT Aktiengesellschaft  
**CONSOLIDATED  
FINANCIAL  
STATEMENTS**

in accordance with International  
Financial Reporting Standards  
as applicable in the EU

2009





# I. Consolidated statement of comprehensive income for financial year 2009

P & L

	Note	2009 T€	2008 T€
Revenues	(1)	400,659.7	410,217.2
Other operating income	(2)	5,366.4	6,633.1
Changes in inventories of finished goods and work in progress		73.9	-158.5
Own work capitalized	(2)	949.6	788.7
Raw materials supplies and purchased merchandise	(3)	-158,647.5	-171,840.7
Personnel expenses	(4)	-128,775.3	-126,845.3
Other operating expenses	(6)	-73,920.7	-78,603.0
<b>Operating expenses before amortisation/depreciation</b>		<b>45,706.2</b>	<b>40,191.6</b>
Depreciation and amortisation	(5)	-18,913.1	-10,986.5
<b>Operating earnings</b>		<b>26,793.1</b>	<b>29,205.1</b>
Financial income	(7)	6,257.7	2,074.2
Share in earnings of associated companies	(25)	197.6	0.0
Financial expenses	(7)	-2,904.3	-4,324.6
<b>Earnings before taxes</b>		<b>30,344.1</b>	<b>26,954.6</b>
Income taxes	(8,16)	-7,242.3	-6,329.4
<b>Earnings for the period</b>		<b>23,101.8</b>	<b>20,625.3</b>
Of which:			
Shareholders of the parent company		23,002.9	20,627.4
Minority interest	(17)	98.9	-2.1
Earnings per share (in €): basic = diluted	(28)	1.32	1.16
Number of shares issued		17,453,187	17,745,489

## II. Consolidated balance sheet as at Decemer 31, 2009

ASSETS	Note	As at 31.12.2009 T€	As at 31.12.2008 T€
Goodwill	(9)	32,523.2	28,839.5
Other intangible assets	(9)	21,712.0	16,247.7
Property, plant and equipment	(9)	79,796.5	64,245.5
Financial investments	(10)	3,883.0	6,915.4
Interests in associated companies	(25)	236.4	0.0
Other receivables from third parties	(14)	777.8	620.0
Deferred tax assets	(16)	7,235.6	4,118.3
<b>Non-current assets</b>		<b>146,164.6</b>	<b>120,986.4</b>
Inventories	(11)	64,896.3	61,564.7
Trade receivables	(12)	65,533.9	68,868.1
Receivables from construction contracts	(12,13)	13,953.1	9,341.6
Income tax rebates	(12)	1,920.8	1,239.2
Other receivables from third parties	(12,14)	6,333.1	6,699.7
Liquid assets	(15)	16,164.1	13,484.4
<b>Current assets</b>		<b>168,801.4</b>	<b>161,197.6</b>
<b>BALANCE SHEET TOTAL</b>		<b>314,965.9</b>	<b>282,184.0</b>

EQUITY and LIABILITIES	Note	As at 31.12.2009 T€	As at 31.12.2008 adjusted*) T€
Subscribed capital		17,833.5	17,833.5
Capital reserves		17,095.8	17,095.8
Revenue reserves			
Accumulated profit/loss		125,359.4	108,988.1
Accumulated other earnings		-1,393.2	-226.7
Foreign currency translation		-1,017.0	-961.3
Available-for-sale		444.0	331.1
Own shares		-6,421.6	-5,292.6
		151,901.0	137,767.9
Minority interest	(17)	927.9	383.8
<b>Equity</b>	<b>(17)</b>	<b>152,828.9</b>	<b>138,151.7</b>
Provisions for social capital	(18)	24,338.2	22,533.5
Deferred tax liabilities	(16)	5,967.7	5,351.8
Other provisions	(19)	2,274.4	1,552.4
Interest-bearing financial liabilities	(21, 26)	12,932.6	4,437.9
Other liabilities	(21)	525.8	1,001.7
<b>Non-current liabilities</b>		<b>46,038.8</b>	<b>34,877.3</b>
Current income tax liabilities		3,905.0	2,224.4
Other provisions	(19)	10,021.6	8,146.0
Bonds	(20, 21)	0.0	17,000.0
Interest-bearing financial liabilities	(21, 26)	21,149.8	17,981.8
Trade and other liabilities	(21)	38,102.9	30,721.6
Liabilities from construction orders	(13)	5,860.3	2,232.3
Other liabilities	(21)	37,058.6	30,848.9
<b>Current liabilities</b>		<b>116,098.2</b>	<b>109,155.0</b>
<b>BALANCE SHEET TOTAL</b>		<b>314,965.9</b>	<b>282,184.0</b>

\* For explanations, please see Accounting and Valuation Principles (page 67)

### III. Consolidated statement of cash flows for financial year 2009

	Note	2009 T€	2008 adjusted*) T€
+ Earnings before taxes		30,344.1	26,954.7
- Profit (+loss) from the sale of property, plant and equipment and financial investments		-4,219.6	-209.6
+ Depreciation and impairment of intangible assets		10,550.8	7,084.5
+ Depreciation and impairment of property, plant and equipment		8,362.2	3,902.0
- Write-ups of financial investments		-17.5	0.0
- Increased (+decreased) inventories		522.1	-957.8
- Increased (+decreased) receivables		21,403.2	9,149.2
+ Increased (+decreased) trade and other liabilities		-6,328.4	-10,912.5
+ Increased (+decreased) provisions		-2,142.0	-1,014.8
- Income tax paid		-8,597.5	-5,856.1
- Share in earnings of associated companies		-197.6	0.0
<b>CASH FLOW from operating activities</b>	<b>(23)</b>	<b>49,679.9</b>	<b>28,139.6</b>
- Disbursements for property, plant and equipment and non-current assets		-9,705.3	-16,635.3
- Disbursements for financial investments		0.0	-274.1
+ Proceeds from disposal of property, plant and equipment and non-current assets		506.3	1,281.1
+ Proceeds from disposal of financial investments		7,681.5	1,058.3
- Disbursement for acquisition of minority shares and subsidiaries		-16,673.9	-2,954.9
<b>CASH FLOW from investment activities</b>	<b>(24)</b>	<b>-18,191.3</b>	<b>-17,524.9</b>
- Dividends paid out		-6,629.5	-6,761.8
- Disbursements to minority shareholders		-28.8	-42.3
+ Proceeds from minority shares for capital increases		53.3	0.0
- Share buy-back		-1,129.0	-5,292.6
+/- Change in notes payable		-1,231.1	1,934.1
+ Issue of non-current financial liabilities		162.4	234.9
- Repayment of non-current financial liabilities		-6,239.5	-8,038.6
- Redemption of bonds		-17,000.0	0.0
+/- Change in current financial liabilities		3,363.7	5,520.3
<b>CASH FLOW from financing activities</b>		<b>-28,678.4</b>	<b>-12,446.0</b>
+/- Cash flow from operating activities		49,679.9	28,139.6
+/- Cash flow from investment activities		-18,191.3	-17,524.9
+/- Cash flow from financing activities		-28,678.4	-12,446.0
<b>Change in cash and cash equivalents</b>		<b>2,810.2</b>	<b>-1,831.3</b>
+ Opening balance of cash and cash equivalents		13,484.4	15,372.6
+/- Effects of changes in exchange rates		-130.5	-56.9
<b>Closing balance of cash and cash equivalents</b>		<b>16,164.1</b>	<b>13,484.4</b>
<b>Composition of cash and cash equivalents</b>	<b>(15)</b>		
Cash-in-hand		119.7	140.6
Bank balances, cheques		16,044.4	13,343.8
		<b>16,164.1</b>	<b>13,484.4</b>
<b>Other disclosures:</b>		<b>2009</b>	<b>2008</b>
		<b>T€</b>	<b>T€</b>
Interest received		363.0	591.6
Interest paid		1,549.9	2,799.5

Interest received and interest paid are included in the CASH FLOW from operating activities.

\*For explanations, please see Accounting and Valuation Principles (page 67)

## IV. BWT-Group: Consolidated changes in equity

Equity

	Subscribed capital T€	Capital reserves T€	Revenue reserves				Own shares T€	Total T€	Minority interest T€	Total (17) T€
			Accumulated earnings T€	Foreign currency translation T€	Available-for-sale T€	Shares T€				
As at 31.12.2007	17,833.5	17,095.8	95,124.1	356.2	-1,123.9	0.0	0.0	129,285.7	347.4	129,633.1
Total earnings for the period	0.0	0.0	20,627.4	1,170.2	162.6	331.1	0.0	21,960.2	-2.1	21,958.1
Acquisition of minority shares	0.0	0.0	0.0	-1,422.0	0.0	0.0	0.0	-1,422.0	-187.0	-1,609.0
Disbursements	0.0	0.0	-6,761.8	0.0	0.0	0.0	0.0	-6,761.8	-42.3	-6,804.1
Share buy-back 2008	0.0	0.0	0.0	0.0	0.0	0.0	-5,292.6	-5,292.6	0.0	-5,292.6
Other changes	0.0	0.0	-1.6	0.0	0.0	0.0	0.0	-1.6	267.8	266.2
As at 31.12.2008	17,833.5	17,095.8	108,988.1	-226.7	-961.3	331.1	-5,292.6	137,767.9	383.8	138,151.7
Total earnings for the period	0.0	0.0	23,002.9	-1,256.2	-55.7	112.9	0.0	21,804.0	97.7	21,901.7
Subsequent adjustment from acquisition of minority interest	0.0	0.0	0.0	84.2	0.0	0.0	0.0	84.2	0.0	84.2
Dividend distribution	0.0	0.0	-6,629.5	0.0	0.0	0.0	0.0	-6,629.5	-28.8	-6,658.3
Share buy-back 2009	0.0	0.0	0.0	0.0	0.0	0.0	-1,129.0	-1,129.0	0.0	-1,129.0
Acquisition of a subsidiary	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	418.2	418.2
Other changes	0.0	0.0	-2.1	5.6	0.0	0.0	0.0	3.4	57.0	60.4
As at 31.12.2009	17,833.5	17,095.8	125,359.4	-1,393.2	-1,017.0	444.0	-6,421.6	151,901.0	927.9	152,828.9

## Statement of comprehensive income

	2009 T€	2008 T€
Earnings for the period	23,101.8	20,625.3
<b>Other earnings</b>		
Actuarial gains/losses	-1,665.0	1,204.2
Taxes thereon	408.8	-365.1
Valuation of securities („available-for-sale“, pursuant to IAS 39)	150.6	441.5
Taxes thereon	-37.6	-110.4
Foreign currency translation	-56.9	162.6
<b>Total amount of other earnings</b>	<b>-1,200.2</b>	<b>1,332.8</b>
<b>Total earnings for the period</b>	<b>21,901.7</b>	<b>21,958.1</b>
<b>Of which:</b>		
Shareholders of the parent company	21,804.0	21,960.2
Minority interest	97.7	-2.1

BWT GROUP  
CONSOLIDATED  
FINANCIAL STATEMENTS

# NOTES

# 2009



## V. Notes for 2009

### General comments

The consolidated annual financial statements of BWT Aktiengesellschaft (BWT AG) with its registered office in Austria, 5310 Mondsee, Walter-Simmer-Straße 4, were drawn up in accordance with International Financial Reporting Standards (IFRS) as applicable in the EU and with the Management Board being responsible for their preparation.

BWT – Best Water Technology Group – was established in 1990 as a result of a management buy-out and is now Europe's leading water technology supplier in the "residential" sector. The goal of BWT employees is to provide its customers from private households, businesses and local authorities with innovative technologies, ensuring the highest levels of safety, hygiene and health in their daily contact with water – the elixir of life.

BWT Aktiengesellschaft is represented around the world by 60 subsidiaries and employed 2,701 employees as at 31 December 2009 (previous year: 2,389). The number of employees disclosed as at December 2009 also included 165 employees who were taken on as a result of the first-time consolidation of the zeta Group as at 31 December 2009.

The accounting policies applied in the case of companies included in the consolidated financial statements follow the uniform financial accounting regulations of the BWT Group and which are based on IFRS.

The balance sheet date of the consolidated financial statements is the reporting date of the parent company, in accordance with IAS 27. The annual financial statements of companies included as a result of full consolidation were prepared as at the date of the consolidated financial statements. In order to improve clarity of presentation, individual line items in the balance sheet and the income statement have been grouped together. Their detailed presentation is available in the Notes.

All reporting for financial years 2009 and 2008 was prepared in T€ (€ ,000) (rounded in accordance with the commercial rounding method). Calculation differences related to rounding may occur for totals of the rounded amounts and percentages due to the application of automatic calculation aids.

The consolidated annual financial statements are essentially prepared according to the cost method. This does not apply to derivative financial instruments or to the disposal of "available for sale" financial assets, such being stated at fair value.

### Application of new and revised standards and interpretations

As at January 1 2009, the Group has applied the new and revised IFRS Standards and Interpretations listed below.

The following standards and interpretations had no effect on the net assets, financial position and results of operations of the Group:

- IFRIC 12 Service Concession Arrangements: The interpretation provides assistance in the accounting treatment of public-private service concessions; to be applied starting from 2009.
- IFRIC 13 Customer Loyalty Programmes: In accordance with this interpretation, award credits for customers have to be carried as a separate element of sales activities, within the framework of which they were granted; to be applied starting from 2009.
- IFRIC 15 Agreements for the Construction of Real Estate: IFRIC 15 provides guidelines on how to determine whether an agreement on the construction of real estate falls within the scope of IAS 11 Construction contracts or within the scope of IAS 18 Revenue. This determines when the revenue from the construction should be recognised.
- IFRIC 16 Hedges of a Net Investment in a Foreign Operation: This interpretation provides guidelines on the disclosure in the balance sheet of a hedge of a net investment.
- IFRIC 18 Transfers of Assets from Customers; to be applied from 1 July 2009.
- IAS 23 (revised) Borrowing Costs: The revised standard requires the capitalization of all borrowing costs which are directly attributable to the acquisition, construction or production of a qualifying asset; to be applied starting from 2009.
- IAS 32 Financial Instruments: Presentation and IAS 1 Presentation of Financial Statements – Puttable Financial Instruments and Obligations in the Event of Liquidation: The amendment of the standards to a limited extent permits exceptions, which allow a classification of puttable financial instruments as equity, insofar as they fulfil certain criteria: to be applied starting from 2009.

- IFRS 1/IAS 27 Amendments to IFRS 1 First-time Application of International Financial Reporting Standards and IAS 27 Consolidated and Separate Financial Statements in accordance with IFRS; to be applied starting from 2009.
- IFRS 2 Share-based Payment: As a result of the revision of this standard, the definition of vesting conditions has been made more precise and the accounting treatment of cancelled commitments, as well as the treatment of cash-settled share-based payments in the Group regulated; to be applied starting from 2009.
- Improvements to IFRSs (2008): The IASB published a group standard for changes to different IFRSs with the primary objective of eliminating inconsistencies and clarifying formulations; to be applied starting from 2009

The following standards resulted in amendments to the consolidated financial statements of BWT AG:

- IAS 1 (revised) Presentation of Financial Statements: The standard requires a separate disclosure for changes in equity, which result from transactions with shareholders in their capacity as shareholders, and other changes to equity. Moreover, the standard introduces a statement of comprehensive income in which all line items of income and expenditure recognised in the income statement as well as earnings components recognised in equity without recognition in profit or loss are either disclosed in a single statement or in two statements that are related to each other. To be applied starting from 2009. This involves changes in the presentation of the consolidated statement of changes in equity.
- IAS 27 (revised): The new IAS 27 provides for a change in the level of an investment which does not result in the loss of control being stated in the balance sheet as an equity transaction. Thus, neither goodwill nor a profit or loss can result from such a transaction. Moreover, rules on the allocation of losses to the owners of the parent company and on minority interest and on the accounting regulations for transactions which result in a loss of control have been amended; came into effect on 1 July 2009 (applied in anticipation).
- IFRS 3 Business Combinations and Consequent Amendments to Other Standards: The standard introduces amendments to the accounting treatment of business combinations, which will affect the level at which goodwill is stated, the earnings during the reporting period in which a company has been acquired, and the future earnings; came into effect on 1 July 2009 (applied in anticipation).
- IFRS 7 (revised) Financial Instruments - Disclosures: The amended standard provides for additional disclosures regarding the determination of fair value and liquidity risk. The amendment requires a quantitative analysis of the determination of fair values on the basis of a three-level hierarchy for each class of financial instruments which are recorded at fair value. Additionally, disclosure of material restructuring between levels 1 and 2 of the determination hierarchy is necessary. The amendment furthermore clarifies the requirements for the disclosure of liquidity risks in relation to business transactions which relate to derivatives, and of assets used for the purposes of liquidity management

Disclosures for the determination of fair values are presented in Note 26. The disclosures in relation to liquidity risk are not changed materially by the new regulation.

At the time of the release of these financial statement for publication, in addition to the standards and interpretations applied by the Group, the following interpretations had already been published, the application of which was, however, not yet mandatory:

- IFRIC 17 Distributions of Non-Cash Assets to Owners. No effects are anticipated (to be applied starting from 1 July 2009).
- Amendments to IFRIC 9/IAS 39 Reassessments of Embedded Derivatives; effects are being evaluated (to be applied starting from 30 July 2009).
- Amendments to IAS 39 Financial Instruments: Recognition and Measurement; effects are being evaluated (to be applied starting from 1 July 2009).
- IAS 32 Classification of Subscription Rights; standard not relevant (to be applied starting from 1 February 2010).
- IFRS 1 First-time Application of IFRS; standard not relevant (to be applied starting from 1 July 2009).

The Management Board assumes that the aforementioned standards and interpretations will be applied starting from the consolidated financial statements that are provided for in the respective implementing regulation, and that the application of these standards and interpretations will not have any material impact on equity and income as disclosed in the consolidated financial statements in the year of their first-time application.

Published standards and interpretations which have not yet been applied

## Scope of consolidation

An overview of the material fully consolidated companies is available in Appendix V.1.

As a result of full consolidation, the consolidated balance sheet as at 31 December 2009 includes 58 (previous year: 53) subsidiaries, apart from BWT AG itself. One company was consolidated at equity.

The scope of consolidation developed as follows in reporting year 2009:

As at 01.01.2009	54
Incorporated for the first time in the reporting year	14
Merged in the reporting year	-5
Closed in the reporting year	-3
As at 31.12.2009	60

Shares held in those companies that have been included but which shares do not confer a controlling influence on them are presented as a separate item. Shares in earnings attributable to other shareholders included in net income for the period are presented separately in the consolidated statement of comprehensive income.

## Business combinations

At the start of 2009, BWT AG acquired 80% of OOO BWT Russland, A provision of T€ 1,014 was recognised for purchase price adjustment regulations resulting from the acquisition of OOO BWT Russland.

As at 1 October 2009, BWT took over the pharmaceutical water activities of the Christ Water Technology Group including a 49% equity interest in the zeta Group. On 14 December 2009, the BWT Group exercised its call option for an additional 49% stake in the zeta Group.

The BWT guideline "Safety, Hygiene and Health" in contact with water, the elixir of life, has been further supplemented by the inclusion of pharmaceutical water. Under the brand „Christ Aqua Pharma & Biotech“, comprehensive solutions for pure water and ultrapure water, water for injection purposes, pure steam, cleaning systems (CIP/SIP), pharmaceutical waste water treatment and comprehensive services are offered.

At the same time, BWT is expanding its presence with sites close to customers in Switzerland, Germany, Sweden and Ireland, as well as China and India.

At the time of acquisition, the market value of identifiable assets and liabilities was as follows:

ASSETS	Note	Fair value at time of acquisition Pharmaceutical water business T€	Fair value at time of acquisition OOO BWT Russland T€
Fixed assets	(9, 10)	25,660.1	-
Deferred tax assets	(16)	1,618.5	-
Inventories	(11)	3,853.6	-
Trade and other receivables	(12)	17,565.5	-
Receivables from construction contracts	(13)	2,853.3	-
Income tax rebate claims		8.3	-
Other receivables from third parties	(12, 14)	2,039.9	6.8
Liquid assets	(15)	3,229.0	20.0
		56,828.2	26.8

LIABILITIES	Note	Fair value at time of acquisition Pharmaceutical water business T€	Fair value at time of acquisition OOO BWT Russland T€
Provisions for social capital	(18)	171.6	–
Deferred tax liabilities	(16)	1,506.6	–
Interest-bearing financial liabilities	(21, 26)	14,362.9	–
Current income tax liabilities		344.1	–
Other provisions	(19)	3,968.8	–
Trade and other liabilities	(21)	15,872.7	–
Other liabilities	(21)	7,769.5	–
		43,996.3	0.0
<b>Total identifiable net assets at fair value</b>		<b>12,831.9</b>	<b>26.8</b>
less proportional net assets of minority shares		–414.3	–4.0
Goodwill on the basis of acquisitions	(9)	7,142.3	1,291.3
<b>Total consideration</b>		<b>19,560.0</b>	<b>1,314.0</b>
of which not yet paid purchase price		240.0	1,014.0
Liquid assets taken over		3,229.0	20.0
Purchase price paid		–19,320.0	–300.0
<b>Cash flow for acquisition of the company</b>		<b>–16,091.0</b>	<b>–280.0</b>

In addition to the aforementioned purchase prices, the BWT Group also paid a further T€ 302.9 for subsequent purchase price adjustments for acquisitions carried out in previous years, which results in the cash flow for the acquisition of the companies totalling T€ 16,673.9.

The fair value of trade receivables totals T€ 17,565.5. The gross value of trade receivables amounts to T€ 17,698.3.

The newly created goodwill of € 8.5 million (previous year: € 0.6 million) comprises the value of the expected synergies arising from the acquisitions. It is not expected that the goodwill disclosed can be treated as deductible for tax purposes. The minority interest was stated at the value of the corresponding proportion of net assets.

The purchase price was supported by an external expertise created in accordance with the DCF method. As a result of subsequent negotiations relating to the purchase price, the resultant residual liability has not yet been determined finally. The transaction also included the acquisition of real estate in Aesch (Switzerland) under an asset deal worth € 14.2 million, in respect of which liabilities in the same amount were taken over.

Within the course of the takeover, customary liabilities and guarantees as well as warranty obligations were assumed. At the time of the takeover, it was deemed unlikely that a claim would arise from these obligations.

Since the time of the acquisition, the companies of “Christ Aqua Pharma & Biotech” and OOO BWT Russland contributed € 11.3 million in revenues and € 0.3 million in earnings before taxes to the results of the BWT Group. If the takeovers had taken place at the start of the year, the companies would have contributed € 40.6 million in revenues and € 1.4 million in earnings before taxes to the results of the BWT Group.

The transaction costs of T€ 550.0 are disclosed in the consolidated statement of comprehensive income under the item „Other operating expenses“.

## Consolidation method

Business combinations are accounted for using the purchase method. The costs of a company acquisition are based on the total of the transferred consideration, measured at fair value at the time of acquisition and in terms of the minority interest in the acquired company. For each business combination, the purchaser measures the minority interest in the acquired company either at fair value or in terms of the corresponding acquirer's interest in the identifiable net assets of the acquired company. Costs incurred in connection with a business combination are expensed.

Initially, goodwill is measured at its cost, being the excess of the transferred consideration over the identifiable assets acquired and the liabilities assumed of the group. If this consideration is less than the fair value of the net assets of the acquired subsidiary, the difference is recognised in the income statement.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of the impairment test, the goodwill acquired in connection with a business combination is allocated to the cash-generating units of the Group, starting from the time of acquisition, which are expected to profit from the business combination. This applies regardless of whether other assets or liabilities of the acquired company are assigned to these cash-generating units.

The Group applied IFRS 3 in anticipation.

The acquisition of shares conferring a decisive influence is recognised in accordance with the equity method (see notes on associates).

Intragroup receivables and liabilities, expenses and income, as well as interim results, are eliminated.

## Foreign currency translation within the Group

Foreign currency translation in respect of foreign financial statements is performed in accordance with the functional currency concept. This is the respective domestic currency for all companies conducting their operations independently in financial, economic and organizational terms.

Apart from equity items, all balance sheet items are translated to the reporting currency using the average exchange rate as at 31 December 2009. The income statement items related to foreign consolidated companies are translated using average exchange rates for the period. Differences from currency translation are recorded in equity without recognition in profit or loss. In the case of the withdrawal of a foreign business from the scope of consolidation, such currency differences are recognised in profit or loss.

The exchange rates of material currencies, adopted for currency translations, developed as follows:

Counter value = 1 €	Period-end exchange rate		Average annual exchange rate	
	31.12.2009	31.12.2008	2009	2008
Swiss franc	1.48	1.49	1.51	1.58
Polish zloty	4.10	4.15	4.35	3.53
Hungarian forint	270.42	266.70	281.44	251.05
Czech krone	26.47	26.88	26.50	25.04
US dollar	1.44	1.39	1.40	1.47
Swedish krone	10.25	10.87	10.59	9.68
Danish krone	7.44	7.45	7.45	7.46
Norwegian krone	8.30	9.75	8.69	8.29
Chinese renminbi	9.84	9.50	9.54	10.20

## Accounting and valuation principles

In 2009, the provision for personnel expenses and the provision for currency losses totalling T€ 3,560.2 were reclassified from Other provisions to Other liabilities and the previous year was corrected. This results in a decrease in other current provisions of T€ 3,560.2 and an increase in other current liabilities of T€ 3,560.2. The figures for the previous year (T€ 2,565.7) were similarly reclassified from Other current provisions to Other current liabilities. Furthermore, the liabilities from construction contracts are disclosed in the balance sheet as a separate line item. This reclassification has no impact on earnings per share.

Intangible assets and property, plant and equipment are stated at cost, less straight-line, scheduled depreciation/amortisation and impairments. The production costs include both direct costs and reasonable components of material and production overheads. General administrative expenses are not capitalised. Borrowing costs are capitalised if the asset fulfils the prerequisites of a qualifying asset in accordance with IAS 23.

Assets are depreciated/amortised starting from the time they are ready to use. Depreciation/amortisation is carried out according to the straight-line method over the anticipated useful life of a given asset. When establishing the anticipated useful life of property, plant and equipment, the expected economic useful life is taken into consideration.

In order to determine possible declines in the value of property, plant and equipment and of intangible assets, an impairment test is carried out if appropriate indications exist (goodwill, intangible assets with an indefinite useful life and capitalised development costs are essentially tested for impairment once a year). The higher of the two values (recoverable amount), net selling price or value in use, which is calculated as cash equivalent of future cash inflows and outflows, is compared with the existing carrying amount as written down thus far. If it is not possible to carry out the estimations on the basis of a separate valuation, it is carried out on the basis of the superior "cash-generating unit (CGU)". If the carrying amount is higher, it is written down to the recoverable amount. If the reasons giving rise to impairment no longer exist, the impairment loss is reversed (excluding goodwill), up to, at most, the level of regular amortised cost. Maintenance measures are expensed. In order to determine the useful life, the expected future cash flows are discounted to their cash value on the basis of a discount rate before taxes, which reflects current market expectations regarding the interest effect and the specific risks of the asset.

A positive difference in value resulting from a business combination is disclosed as goodwill. Goodwill is tested for impairment on each balance sheet date from the point of view of its economic benefit. Decreases in the future benefit are booked as value impairment. Starting from the application of IFRS 3 in conjunction with IAS 36 and IAS 38 for the first time, as of 2005 annual impairment test are carried out for the value of existing goodwill on the basis of "cash-generating units" (CGUs).

In the case of self-developed intangible assets, the production period is broken down into a research and a development phase. Costs incurred during the research phase are immediately recognised in profit or loss. Expenses in the development phase are capitalised as intangible assets (in accordance with IAS 38), provided that they meet certain assumptions confirming the future usefulness of the planned expenditure, primarily the technical feasibility of the developed product or process. Valuation of self-developed intangible assets is carried out at production cost, less depreciation and impairment. Intangible assets in development and intangible assets with an indefinite useful life are to be tested for impairment once a year.

Amortisation of intangible assets and depreciation of property, plant and equipment is carried out using the straight-line method over the expected economic useful life of a given item. The following useful life periods were adopted for the calculation of depreciation rates, unchanged against the previous year:

Useful life in years	from	to
<b>Intangible assets</b>		
Software	3	5
Patents, trademark rights	5	10
<b>Property, plant and equipment</b>		
Buildings	20	50
Investments in third-party buildings	10	20
Machinery	3	15
Office equipment	3	10

Intangible assets, and property, plant and equipment

#### Leased and rented assets

Leasing and rental contracts in which all risks and rewards arising from the use of assets are transferred to the Group are treated as finance leases. Assets underlying respective leasing or rental contracts are capitalised at the current value of the capitalised leasing or rental instalments at the time of acquisition and depreciated over their useful life. The capitalised assets are offset by the present value of the liability arising from the outstanding leasing or rental instalments as at the balance sheet date.

Assets made available under any other leasing or rental contracts are treated as operating leases. Rental payments are expensed.

#### Financial investments (assets)

Financial assets (see Note 10) are not held for trading purposes. Insofar that there is actual intention and ability to hold the asset to final maturity, the asset is valued at amortised cost in accordance with the effective interest rate method, less any impairments. If the reasons for the writing down of a financial asset no longer apply, the asset is written up to a value no higher than its cost.

Part of securities included in financial assets are classified as available for sale. They are valued at cost (fair value) at the time of their acquisition and in later periods at their respective current market values. Market values of securities are their exchange prices as at the balance sheet date.

Assets are classified as available for sale if they do neither fulfil the prerequisites for loans and receivables, are not held until maturity and are not recognised in profit or loss at their market value. This category includes, in particular securities for covering pension provisions and equity interests, which are not traded as securities held for trading purposes.

Other investments for which it is not possible to establish a market value are carried at cost less any impairments.

Financial assets are recognised or derecognised as at the date on which they are traded. Financial assets are tested for impairment on each balance sheet date. The Group derecognises financial assets only if the contractual rights to cash flows from a financial asset expire or if it assigns the financial asset and all opportunities and risks fundamentally associated with it to a third party.

#### Interests in associates

The interests in an associate are carried in accordance with the equity method. An associate is a company over which the Group has a decisive influence and which is neither a subsidiary nor a joint venture.

In accordance with the equity method, the interests in an associate are recognised in the balance sheet at cost less changes in the Group's interest in the net assets of the associate that occurred after the acquisition.

The income statement contains the share of the Group in the results of the associate.

#### Inventories

Inventories are valued at cost or at the lower net selling price. Consumption of primary energy and raw materials and supplies is calculated using the average-cost method. Low turnover frequency of inventories is used as an indicator for calculating the net selling price.

#### Receivables

Trade receivables as well as other current receivables recognised for the first time are carried at fair value if they are allocated to the "Credits and receivables" category, at amortised cost in accordance with the effective interest rate method.

Tax receivables are presented offset against tax liabilities if they relate to the same tax authority and there is both the right and intention to offset them.

In the case of some categories of financial assets (for example, trade receivables), assets for which no impairment is established on an individual basis are tested for any impairment requirement on a portfolio basis.

In accordance with IAS 11, for all construction contracts for which it was possible to reliably determine the degree of completion, total costs and total proceeds, the realisation of profits is calculated using the contracts costs incurred to date in relation to total estimated costs (percentage of completion method). When the „percentage of completion method“ is applied, a realisation of profits thus occurs at a point in time at which no claim to a corresponding payment that can be asserted in law yet exists. The BWT Group determined the percentage of completion in relation to the ratio of the costs incurred until the balance sheet date to the estimated total costs (cost-to-cost method). The costs incurred thus far are taken from parallel calculations agreed with the accounting department and time recording.

#### Receivables from construction contracts

The balance sheet item „Cash and cash equivalents“ comprises cash at hand, bank balances and short-term deposits with an original term of less than three month. For the purpose of the consolidated statement of cash flow, the aforementioned payment means are included “Composition of liquid funds“.

#### Cash and cash equivalents

At BWT AG, Mondsee and at foreign consolidated companies in Germany and Switzerland, there are direct pension obligations in respect of certain employees on the basis of individual commitments. In Sweden, as at 31 December 2009, there are no longer any pension obligations.

#### Employee benefits

Due to legal obligations, employees of the Austrian, French and Italian consolidated companies receive a one-off severance payment in the event of termination of employment or of retirement. This depends on the number of years of service and on their relevant salary for severance pay purposes.

The provision for long-service bonuses was established for employees of certain Austrian and French consolidated companies.

Pension provisions and provisions for similar obligations, as well as for severance payment and long-service bonus obligations, are measured in accordance with IAS 19 in accordance with the projected unit credit method. Under this method, the expected benefits to be paid by the company are attributed to the number of years of service with the company salary increases expected in the future are taken into consideration. The provision amounts are calculated by an actuary for each reporting date in the form of an actuarial certificate.

In accordance with IAS 19, in the case of pension provisions and provisions for similar obligations as well as for severance pay obligations, actuarial profits and losses are recognised in equity in the accumulated earnings without recognition in profit or loss, while in the case of provisions for long-service bonus obligations, they are recognised in profit or loss through personnel expenses.

Defined contribution plans exist at various consolidated companies on the basis of legal obligations. For defined contribution plans, the contributions are recognised as expenses in the period for which they are paid.

Other provisions were created respectively in the amount of the uncertain obligations, using the best possible estimate of the expense necessary for fulfilment. Non-current provisions are stated at present value if the interest effect is material.

#### Provisions

Monetary foreign currency liabilities are valued at the average exchange rate of the currency concerned on the balance sheet date.

#### Liabilities

Financial liabilities are initially measured at fair value. The subsequent valuation is at amortised cost, applying the effective interest rate method.

#### Derivative financial instruments

Derivative financial instruments are held in order to hedge economic risks. As the criteria for hedge accounting are not fulfilled, these instruments are classified as "held for trading" in accordance with IAS 39 and recognised in profit or loss at fair value.

#### Translation into functional currency

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the average exchange rate on the reporting date, while non-monetary items are translated at the currency buy rate. Write-ups and write-downs resulting from foreign currency valuations are recognised in profit or loss.

#### Revenue recognition

Revenues from trading are earned if all material risks and opportunities arising from the goods or services delivered have passed to the purchaser.

In order for the progress of orders and the performance of the company to be reflected accurately in the appropriate periods, profit from construction contracts is realized using the percentage of completion method, in accordance with IAS 11, on the basis of a reliable estimate of the degree of completion, total costs and total revenues.

Dividend revenues are recognised when a legal claim to payment arises. Interest income and interest expense are recognised in accordance with the effective interest rate method.

#### Taxes

For individual companies, income tax expenses reported for the financial year comprise the income tax calculated on the basis of their taxable income multiplied by the tax rate to be applied in their respective countries ("actual taxes") and the changes in deferred tax items.

The calculation of deferred tax items is carried out using the balance sheet liability method for all temporary differences between the values of the balance sheet items in IFRS consolidated financial statements and their tax values recorded at the individual companies. Furthermore, the likely tax advantages to be gained from existing loss carry forwards are included in the calculation. Differences from non-tax deductible goodwill and from the first-time recognition of an asset or debt are not included in deferred tax items, provided that certain conditions are met.

Deferred tax assets and liabilities for financial year 2009 are based on the following tax rates:

Country	Tax rate	Country	Tax rate
Austria	25 %	Hungary	19 %
Germany	30 %	Ukraine	25 %
France	33 %	Czech Republic	20 %
Italy	31 %	Poland	19 %
Spain	30 %	China	25 %
Denmark	25 %	Russia	20 %
Sweden	26 %	India	34 %
Switzerland	21 %	Ireland	13 %

The following tax rates were applied in financial year 2008:

Country	Tax rate	Country	Tax rate
Austria	25 %	Hungary	16 %
Germany	30 %	Ukraine	21 %
France	33 %	Czech Republic	21 %
Italy	31 %	Poland	19 %
Spain	30 %	China	25 %
Denmark	25 %		
Sweden	26 %		
Switzerland	21 %		

Earnings per share are calculated by dividing Group profit due to the shareholders of the parent company by the weighted number of issued shares.

## Earnings per share

For the purposes of preparing the consolidated financial statements, some estimates and assumptions have to be made and influence the value of assets and liabilities as disclosed in the balance sheet, the statement of other liabilities on the balance sheet date and the reporting of income and expenses for the reporting period. The actual amounts may deviate from these estimates. In particular, it can be difficult to estimate individual value adjustments made for receivables, and to determine useful value in impairment tests (see Note 9) and the deferred tax liabilities, due to deviations from expected events in the future. Deferred tax assets are recognised for all unused tax loss carryforwards to the extent that it is probable that taxable income will be available in this regard (see Note 16).

## Estimates and discretionary assumptions

Development costs are capitalised in keeping with the accounting and valuation methods described. The initial capitalization of costs is based on the assessment of management that technical feasibility and economic viability have been demonstrated (see Note 9). In the valuation of inventories, the opinions of the management regarding pricing and market trends are necessary to establish the amount of the values (see Note 11). In the case of receivables, assumptions regarding the probability of default are necessary (see Note 12).

Furthermore, the preparation of the consolidated annual financial statements requires the determination of future developments. For example, for the valuation of existing social capital obligations, assumptions are used in respect of the discount rate, retirement age, life expectancy and future salary and pension increases (see Note 18). The amount set aside for guarantee provisions is cash value, based on a best-possible estimate of such costs as derived from past experience (see Note 19). Moreover, the classification of financial instruments and leases also entails discretionary assumptions.

When applying the accounting methods of the Group, the management has made the following discretionary decisions, which have a material effect on the amounts stated in the consolidated financial statements:

### Obligations arising from operating leases – Group as lessee

The Group has concluded a lease in respect of a property that it uses for operating purposes in Hungary. On the basis of an analysis of the terms of the lease, it was established that all risks and opportunities associated with ownership of these properties were not essentially passed to the Group. Moreover, the land component was assessed as immaterial and the land and building therefore classified as a single entity when classifying the lease. The risk arising from costs assumed by the Group and which may arise from any pre-existing contamination, was also evaluated as low on the basis of the available information. Accordingly, this lease is carried in the balance sheet as an operating lease.

Operating segment reporting is defined in terms of regional responsibilities, with the following divisions being determined in accordance with the internal management information system:

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

## Segment reporting

Transactions with external customers are correspondingly assigned to the registered office of the selling company.

The Austria / Germany segment managed to achieve a moderate increase in revenues of 0.2% in comparison to the previous year due to the newly consolidated pharmaceutical water business and the gratifying development of point-of-use products, while at -1.6%, the decrease in France / Benelux was still below the average for the Group. As a result of the weak economic climate, Scandinavia (-4.0%), Italy / Spain (-7.0%) and Switzerland / Others (-6.6%, primarily Eastern European countries, Switzerland even achieved revenue growth of 6.3%) posted declines in revenues. In our home country of Austria, revenues reached a total of € 74.4 million (previous year: € 78.7 million) and € 11.7 million (previous year: € 7.9 million) was invested in intangible assets and property, plant and equipment.

Settlements between the individual segments are normally effected in accordance with the arm's length principle. Group products and services are distributed in all segments.

## Segments of business regions

2009	Austria/ Germany T€	France/ Benelux T€	Scandinavia T€	Italy/Spain T€	Switzerland/ Others T€	Elimination T€	Total T€
External sales	172,372.6	95,288.9	43,238.9	31,788.6	57,970.7		400,659.7
Internal sales	14,253.5	3,135.4	336.3	99.4	1,619.7	-19,444.3	0.0
Total	186,626.1	98,424.2	43,575.3	31,888.0	59,590.5	-19,444.3	400,659.7
Segment earnings (EBIT)	12,264.9	4,096.9	6,916.2	3,645.7	-130.5		26,793.1
Interest income	690.6	6.7	184.1	48.6	74.6	-643.4	361.2
Interest expense	-2,308.3	-474.3	-278.0	-135.5	-341.5	643.4	-2,894.3
Income from participations							6,084.0
Income taxes	-1,188.5	-1,701.5	-1,028.6	-2,003.5	-1,320.2		-7,242.3
Minority interest							-98.9
Annual results of the parent company shareholders							23,002.9
Earnings per share in €							1.32
Segment assets	168,337.6	52,103.8	34,820.6	23,783.0	74,747.5	-38,594.9	315,197.7
Segment liabilities	107,021.7	30,698.6	12,811.7	11,286.4	39,145.4	-38,594.9	162,368.9
Investments	14,134.7	1,917.4	218.7	78.0	1,506.2		17,855.0
Depreciation/ Amortisation	-6,550.6	-2,852.0	-323.8	-203.1	-1,846.2		-11,775.8
Impairment charges	-271.4	-850.0	-0.7	-	-6,015.9		-7,138.0
2008	Austria/ Germany T€	France/ Benelux T€	Scandinavia T€	Italy/Spain T€	Switzerland/ Others T€	Elimination T€	Total T€
External sales	172,063.0	96,863.1	45,036.0	34,184.0	62,071.1		410,217.2
Internal sales	12,856.5	3,784.9	394.4	84.6	1,352.9	-18,473.4	0.0
Total	184,919.5	100,648.0	45,430.5	34,268.6	63,424.0	-18,473.4	410,217.2
Segment earnings (EBIT)	10,495.9	4,702.2	5,693.3	3,631.4	4,682.3		29,205.1
Interest income	1,450.1	32.8	173.1	177.8	78.7	-1,269.7	642.8
Interest expense	-3,692.1	-1,074.2	-113.5	-238.2	-476.3	1,269.7	-4,324.6
Income from participations							1,431.4
Income taxes	-1,606.1	-1,387.6	-1,069.5	-1,244.4	-1,021.8		-6,329.4
Minority interest							2.1
Annual results of the parent company shareholders							20,627.4
Earnings per share in €							1.16
Segment assets	147,166.8	58,594.0	23,494.4	24,129.9	57,121.8	-28,323.0	282,184.0
Segment liabilities	93,777.2	38,808.5	10,854.1	10,789.2	18,126.3	-28,323.0	144,032.3
Investments	10,668.0	4,027.3	348.8	126.7	1,464.4		16,635.3
Depreciation/ Amortisation	-5,325.5	-2,303.6	-359.4	-202.6	-1,566.8		-9,758.0
Impairment charges	-560.0	0.0	-1.8	0.0	-666.7	0.0	-1,228.5

## Notes to the consolidated profit and loss statement

The consolidated statement of comprehensive income is presented in accordance with the total cost accounting.

The consolidated Group revenues of the BWT Group totalled € 440.7 million and were therefore down 2.3% on the figure of € 410.2 million for the previous year. Of this amount, € 285.3 million (previous year: € 305.6 million) can be attributed to the "Point of Entry" product segment and € 19.9 million (previous year: € 17.3 million) to the "Point of Use" business. With its Service and Spare Parts business, the BWT Group achieved revenues of € 95.5 million in 2009 (previous year: € 87.3 million).

### NOTE 1: Revenues

The other operating income is as follows

	2009	2008
	T€	T€
Income from disposal of property, plant and equipment	68.3	301.3
Rental/leasing and licence income	555.7	360.9
Income from bonus/commission agreements	253.3	474.4
Income from insurance damages	210.9	729.6
Income from further charging of transportation costs	828.3	949.8
Income from further charging of services	1,265.6	1,779.4
Income from written-down receivables and impairment losses	765.9	460.5
Other income	1,418.3	1,577.2
	<b>5,366.4</b>	<b>6,633.1</b>

### NOTE 2: Other operating income and capitalised labour, overheads and materials

The capitalised labor, overheads and material amounting to T€ 949.6 (previous year: T€ 788.7) principally consist of development costs to be capitalised pursuant according to IFRS.

	2009	2008
	T€	T€
Material expenses	143,961.2	157,817.3
Expenditure on services	14,686.4	14,023.4
	<b>158,647.5</b>	<b>171,840.7</b>

### NOTE 3: Cost of materials and services

	2009	2008
	T€	T€
Wages	15,312.3	15,432.3
Salaries	84,556.5	82,737.5
Expenses for severance payments and pensions	1,853.2	2,639.0
Statutory social security contributions	24,537.2	23,772.9
Other social expenses	2,516.1	2,263.7
	<b>128,775.3</b>	<b>126,845.3</b>

### NOTE 4: Personnel expenses

The average number of employees developed as follows:

	2009	2008
	T€	T€
White collar workers	1,747	1,715
Blue collar workers	635	630
Apprentices	52	42
	<b>2,433</b>	<b>2,387</b>

Part-time employees have been included in this table on a pro-rata basis.

The expenses for severance payments include insignificant expenses for the employee welfare fund.

NOTE 5: Depreciation/amortisation charges and impairment losses on intangible assets, and property, plant and equipment

	2009 T€	2008 T€
Scheduled depreciation/amortisation on property, plant and equipment and on other intangible assets	11,775.8	9,758.0
Impairment losses	7,137.3	1,228.5
	<b>18,913.1</b>	<b>10,986.5</b>

The impairment losses concern the value adjustment for a property in Switzerland, for capitalised research and development services as well for impairments of goodwill. The latter concerned an equity interest in France of T€ 850 and T€ 3,712 for Christ Aqua AG, CH. The takeover agreement for the pharmaceutical water business acquired by the Christ Water Technology Group as at 1 December 2009 only authorises BWT to use the brand name „CHRIST AQUA“ until 31 December 2017. In connection with the impairment, this, in turn, resulted in the devaluation of the equity interest recognised for Christ Aqua AG in manner affecting taxes and, as a further consequence, to an impairment of goodwill in the Group of T€ 3,712.

NOTE 6: Other operating expenses

	2009 T€	2008 T€
Advertising expenses incl. entertainment costs	10,690.7	11,887.3
Fleet and travel expenses	10,442.7	11,402.8
Freight and warehousing	8,402.2	9,105.9
External staff	3,730.5	4,745.1
Rental and leasing expenses	10,362.1	10,459.9
Consultancy costs	3,577.0	2,911.9
Office, postal and telephone expenses	4,320.3	4,484.0
Commissions	5,385.2	5,337.6
Licence expenses	202.3	355.9
Insurance	1,563.5	1,750.4
Maintenance	3,219.1	3,043.8
Energy and fuel	2,032.6	1,971.2
Risks on receivables	886.9	811.9
Other taxes and fees	2,601.7	2,547.4
Cleaning expenses	1,046.7	1,064.4
Banking charges and other third-party costs	854.5	946.8
Exchange rate difference	-146.8	521.7
Other taxes and fees	4,749.6	5,254.7
	<b>73,920.7</b>	<b>78,603.0</b>

In financial year 2009, expenditure on services provided by the Group auditors Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H. as well as by companies within the Ernst & Young network amounted to T€ 712.5 (previous year: T€ 468.4). Of this amount, T€ 513.8 (previous year: T€ 400.2) related to auditing costs and T€ 198.7 (previous year: T€ 68.2) to other services.

The other expenses mainly comprise expenditure on safety, technical support and events resulting in damage.

	2009 T€	2008 T€
Profit distributions from equity interests	1,427.2	1,405.4
Income from profits of financial investments	4,453.5	0.0
Income from other securities	15.8	26.0
Other interest and similar Income	361.2	642.8
	<b>6,257.7</b>	<b>2,074.2</b>
Expenses from equity interests	9.4	0.0
Impairment losses of financial investments	0.7	0.0
Interest expense for social capital pursuant to IAS 19	1,260.4	1,215.9
Interest and similar expenses	1,633.9	3,108.7
	<b>2,904.3</b>	<b>4,324.6</b>

## NOTE 7: Financial income and financial expenses

Financial expenses cover interest incurred on loans and financial leases, expenses similar to interest and earnings from interest rate hedging transactions. Moreover, interest expenses for social capital in accordance with IAS 19, as well as losses related to equity interests not subject to consolidation are also presented in financial expenses.

Income from financial investments includes interest, dividends and similar income arising from the investing of financial resources and from investing in financial assets. Income for the disposal of financial investments related to the sale of a 12.2% interest in the Male Water & Sewerage Company Ltd. by HOH Water Technology, Denmark.

The effective tax rate for financial year 2009 is approximately 23.9% and approximately 23.5% for financial year 2008.

## NOTE 8: Tax expense

The main elements of the income tax expense are as follows:

	2009 T€	2008 T€
Actual income taxes:		
Actual tax expense	8,682.5	6,482.0
Corporate income tax for previous years	234.4	-159.7
Deferred income taxes:		
Changes in tax assets and liabilities	-1,674.6	7.1
Tax expense disclosed in the income statement	<b>7,242.3</b>	<b>6,329.4</b>

Deferred income taxes from items recorded in Other income during the financial year:

	2009 T€	2008 T€
On actuarial gains/losses IAS 19	-408.8	365.1
On valuation of securities available for sale pursuant to IAS 39	37.6	110.4
Tax expense disclosed in Other earnings	<b>-371.2</b>	<b>475.4</b>

The reconciliation of the income tax liability applying the Austrian corporate tax rate of 25% (previous year: 25%) to the effective tax rate for the reporting period results in the following:

	2009	2008
	T€	T€
Earnings before taxes	30,344.1	26,954.6
Income tax expense at tax rate of 25% (previous year: 25%)	7,586.0	6,738.7
Different foreign tax rates	-19.8	667.7
Tax-free income from equity interests	-1,458.2	-224.9
Effects of local tax rate changes	10.3	-132.3
Effect of non-recognised loss carryforwards	450.9	-177.9
Frist-time capitalization of previously non-recognised loss carryforwards	-175.9	-380.2
Tax expense for previous years	234.4	-159.7
Permanent differences	614.6	-2.0
<b>Effective tax liability</b>	<b>7,242.3</b>	<b>6,329.4</b>
<b>Effective tax rate</b>	<b>23.9%</b>	<b>23.5%</b>

The line item Permanent differences includes non-deductible expenses as well as the effect of consolidation entries.

## Notes to the balance sheet

A detailed breakdown of the developments in this regard is presented in the schedule of non-current assets which forms an integral part of these consolidated financial statements. The effects of changes in the scope of consolidated companies is presented in a separate column. Those amounts that arise from differences in the translation of assets applying the exchange rate prevailing at the beginning and at the end of the reporting year for foreign companies are reported as currency-related differences.

Testing goodwill with an indefinite useful life for impairment:

Goodwill acquired in connection with business combinations and of an indefinite useful life was allocated to the acquired individual companies or to the material cash generating units for the purpose of testing for impairment.

In testing for impairment, the recoverable value of cash generating units or individual companies is calculated based on the calculation of useful life, applying cash flow forecasts. Cash flow forecasts are based on financial plans approved by the management for a period of three years. The short-term discount rate adopted for cash flow forecasts is 8.19%, and for the terminal value 8.4% (2008: 8.61% for both periods under examination). Cash flows occurring after the period of three years are extrapolated assuming a growth rate of 1.0% to 5.0% (2008: 3.0%). A sensitivity analysis in which the discount rates were set at about 50 basis points higher in each case would not result in any write-down of goodwill of further cash generating units.

The main goodwill concerns Christ Aqua in Switzerland with T€ 10,861.3 (previous year: T€ 14,573.2), the new cash generating units Pharma (P&LS) with T€ 7,141.8 and the cash generating unit "Softener France" with T€ 6,652.3 (previous year: T€ 7,502.3) For explanations of the write-downs undertaken, please see Note 5.

Development costs are only capitalised to the extent to which the necessary conditions in accordance with IAS 38 are fulfilled, in particular when the technical useful life is regarded as applicable. Expenses for research and development projects amounted to € 6.5 million (previous year: € 5.6 million), of which T€ 537.9 (previous year: T€ 537.3) were capitalised.

The balance sheet item "Land and buildings" comprises property with a value of T€ 20,046.7 (previous year: T€ 13,450.5).

Mortgage collateral amounts to T€ 14,005.1 (previous year: T€ 976.6). The reason for the increase in relation to the previous year is the assumption of a mortgage loan for property acquired in Switzerland in connection with the acquisition of the pharmaceutical water activities of the Christ Group.

Purchase commitments for major investment projects totalled T€ 1,488.1 (previous year: T€ 2,401.8) as at 31 December 2009.

	Book value 31.12.2009	Book value 31.12.2008
	T€	T€
Investments	2,583.3	5,502.9
Securities	1,299.7	1,412.5
	3,883.0	6,915.4

### NOTE 9: Intangible assets, and property, plant and equipment

### NOTE 10: Financial investments

Investments relate to equity interests held in the following companies:

Company	Interest	Carrying amount 31.12.2009	Carrying amount 31.12.2008
		T€	T€
Nomura Micro Science Co. Ltd., Japan	4.009%	1,587.9	1,437.4
Wiener Börse AG, Austria	0.790%	274.6	274.5
ADDUXI S.A., France	16.600%	52.6	52.6
Syclope, France	11.940%	140.5	140.5
Male Water & Sewerage Company Ltd	0.000%	0.0	3,087.0
Other		527.6	510.9
		2,583.3	5,502.9

The securities comprise the following:

	31.12.2009	31.12.2008
	T€	T€
Fund units	205.2	187.6
Other securities	1,094.5	1,224.9
	1,299.7	1,412.5

As far as it was possible to determine market values for the securities, changes in value were recorded in equity without recognition in profit or loss. Value impairments are recognised in profit or loss.

#### NOTE 11: Inventories

	2009	2008
	T€	T€
Raw materials and supplies	22,489.9	20,800.6
Unfinished goods	8,570.6	6,230.9
Finished goods and products	31,345.6	32,621.6
Services not yet invoiced	513.5	613.8
Prepayments	1,976.7	1,297.9
Total	64,896.3	61,564.7

As at 31 December 2009, valuation allowances of € 4.8 million (previous year: € 3.8 million) were recognised for inventories of € 17.2 million. The change also affected companies consolidated for the first time. In the consolidated statement of comprehensive income, the valuation allowances on inventories are expensed in the amount of T€ 685.5 (previous year: T€ 127.1).

#### NOTE 12: Receivables and other assets

2009	Total	Of which current	Of which non-current
	T€	T€	T€
Trade and other receivables	65,533.9	65,533.9	–
Receivables from construction contracts	13,953.1	13,953.1	–
Income tax rebate claims	1,920.8	1,920.8	–
Other third-party receivables	7,110.9	6,333.1	777.8
Total	88,518.7	87,741.0	777.8

2008	Total	Of which current	Of which non-current
	T€	T€	T€
Trade receivables	68,868.1	68,868.1	0.0
Receivables from construction contracts	9,341.6	9,341.6	0.0
Income tax rebate claims	1,239.2	1,239.2	0.0
Other third-party receivables	7,319.7	6,699.7	620.0
<b>Total</b>	<b>86,768.6</b>	<b>86,148.5</b>	<b>620.0</b>

Maturity structure of trade receivables and receivables from construction contracts:

	2009	2008
	T€	T€
Not due	59,954.8	59,784.7
Overdue by 1 to 60 days	12,871.0	13,136.2
Overdue by 60 to 90 days	1,319.1	1,376.2
More than 90 days overdue	2,356.6	1,759.5
Unimpaired receivables	76,501.6	76,056.6
Impaired receivables	2,985.4	2,153.1
<b>Total</b>	<b>79,487.0</b>	<b>78,209.7</b>

Change in impairment losses on receivables:

	2009	2008
	T€	T€
Start of year	2,153.1	1,984.1
Impairments of receivables	1,906.5	892.4
Amounts written down due to uncollectability	-308.3	-262.9
Amounts from receivables written down received during the financial year	-2.1	-56.6
Impairment losses	-763.8	-403.9
<b>End of year</b>	<b>2,985.4</b>	<b>2,153.1</b>

If no definitive event of default has occurred, allowances are recognised when necessary. Receivables are only written down once the default has become effective.

As at 31 December 2009, receivables were impaired to T€ 2,985.4. Such impairments are partially based on the number of reminder levels. Moreover, the Company runs individual impairment tests for material overdue receivables.

We have no indications of default in the case of receivables which are not yet due.

Information regarding construction contracts	2009	2008
	T€	T€
Contract revenues in the financial year	18,693.3	23,445.5
Cumulative costs until 31.12.	50,044.9	24,424.3
Cumulative profits realized until 31.12.	11,583.4	6,992.1
Cumulated losses realized until 31.12.	285.0	215.6
<b>Prepayments received</b>	<b>56,179.9</b>	<b>25,843.8</b>

NOTE 13: Receivables from construction contracts

Wherever permissible, prepayments received were offset against receivables from construction contracts.

Construction contracts with debit balances in relation to customers amounted to T€ 5,860.3 (previous year: T€ 2,232.3).

NOTE 14: Other receivables  
from third parties

There was no securitisation of receivables in the form of bills of exchange as at the balance sheet date.

NOTE 15: Cash and cash equivalents

	31.12.2009 T€	31.12.2008 T€
Bank balances	16,044.4	13,279.8
Cash at hand	119.7	140.6
Cheques	0.0	64.0
<b>Total = cash and cash equivalents (net) in the cash flow statement</b>	<b>16,164.1</b>	<b>13,484.4</b>

NOTE 16: Deferred taxes

Deferred taxes result from the following temporary valuation and accounting differences between carrying amounts in IFRS financial statements and the respective assessment bases for taxation purposes and are as follows:

	31.12.2009 T€	31.12.2008 T€
<b>Deferred tax assets:</b>		
Social capital provisions	739.1	378.6
Deferred tax claims arising from tax loss carryforwards	1,077.8	712.4
Various tax write-downs of tangible assets	2,638.7	615.0
Non-tax deductible receivables values	345.9	65
Non-tax deductible provisions	1,029.7	610.9
Other (temporary valuation differences)	150.9	256.2
<b>Deferred tax claims</b>	<b>5,982.1</b>	<b>2,638.1</b>
<b>Deferred tax liabilities:</b>		
Capitalized R&D	953.6	1,198.1
Various tax write-downs of property, plant and equipment	362.2	805.4
Revaluation of financial assets available for sale	148.0	110.4
Revaluation of land property at fair value	706.6	753.4
Differences due to production orders (POC)	2,011.0	607.9
Revaluation of assets within the framework of acquisition price assignment	468.4	0.0
Other (temporary valuation differences)	64.3	396.4
<b>Deferred tax liabilities</b>	<b>4,714.2</b>	<b>3,871.6</b>
<b>Deferred tax assets/(liabilities)</b>	<b>1,267.9</b>	<b>-1,233.5</b>
<b>Recorded as follows in the balance sheet:</b>		
Deferred tax claims	7,235.6	4,118.3
Deferred tax liabilities	-5,967.7	-5,351.8
<b>Deferred tax assets/(liabilities)</b>	<b>1,267.9</b>	<b>-1,233.5</b>

With regard to deferred tax claims and tax liabilities, the items have been presented net across the Group for each underlying cause. In accordance with IAS 12, deferred taxes on existing losses carried forward amounting to T€ 1,077.8 (previous year: T€ 712.4) were capitalised, as these can be netted against future taxable profits. Deferred tax on losses carried forward were capitalised in the probable amount which can be netted against future taxable profits. In some countries there is no time limitation regarding the use of loss carryforwards. Moreover, non-capitalised loss carryforwards amount to T€ 12,487.0 and largely stem from those companies consolidated for the first time.

The composition and development of the equity disclosed in the balance sheet is presented in the development of Group equity.

The share capital consists of 17,833,500 shares (previous year: 17,833,500 shares), with each no-par value share representing an equal amount in the capital issued. All issued shares are fully paid-up.

The major shareholders of the BWT Group are YSRO Holding B.V. with approximately 31.6% and WAB Privatstiftung with approximately 18.9%. The free float of 49.5% is held by Austrian and international investors. BWT shares are quoted on the Prime Market of the Vienna Stock exchange and bear the international securities identification number AT0000737705. In the USA, BWT shares are traded on the OTC market via a Sponsored ADR Level 1 Program operated by the Bank of New York Mellon.

Under the Articles of Association of BWT AG, the Management Board is authorised to increase by 20 June 2012 the equity capital of the company by up to a further € 8,916,500 to € 26,750,000 through the issuance of new shares.

The tied-up capital reserves of BWT Aktiengesellschaft, the parent company, amounting to € 17 million are not distributable and result from the premium on the 1994 share issue.

The balance of accumulated profit and loss includes retained profits, the cumulative other earnings comprise other earnings (actuarial profits/losses, valuation of securities less taxes and the acquisition of minority interest) and currency translation differences.

Losses are then also allocated to the minority interest if this results in a negative balance.

The resolution of the Annual General Meeting of 24 May 2007 and of 20 May 2008 authorised the Management Board to buy back the Company's own shares. In 2008 and 2009, the Management Board exercised this right by conducting a total of three programmes. On 10 February 2009, 75,000 shares were acquired, and between 20 November 2009 and 21 December 2009, 12,438 shares were acquired. Between 11 April 2008 and 25 May 2008, 39,404 shares were acquired, and between 28 August 2008 and 18 November 2008, 273,015 shares were acquired. In total, 399,857 own shares (equivalent to 2.24% of the share capital) were thus acquired at a cost of € 6,421,566. The weighted purchase price was thus € 16,06 per share.

Dividends amounting to T€ 6,629.5 (previous year: T€ 6,761.8) were distributed in financial year 2009, which corresponds to € 0.38 per share (previous year € 0.38).

The calculation of social capital provisions (pension, severance payment and long-service bonus provision) was made in accordance with the provisions of IAS 19.

## NOTE 17: Equity

## NOTE 18: Provisions for social capital

## PROVISIONS FOR PENSIONS

The following parameters were applied in performing calculations using the projected unit credit method:

Biometric calculation bases	2009	2008
Actuarial discount rate Eurozone	5.50%	6.00%
Actuarial discount rate Switzerland	3.25%	3.25%
Actuarial discount rate Sweden	–	4.10%
Wage/salary trend Eurozone	1.50%	1.50%
Wage/salary trend Sweden	–	3.00%
Pension trend	0.0% – 1.0%	0.75% – 2.0%

Retirement age was established on the basis of the legal provisions in force in individual countries. The turnover rate in Switzerland is based on the Swiss Federal Law on Occupational Old-Age, Survivors and Invalidity Pensions 2005 (BVG 2005), whereas in other countries the rate oscillated from 0% to 2% depending on age, and in Switzerland it was selected in accordance with the BVG 2005.

Changes in the present value of defined benefit obligations of the respective plans, divided into plans with and those without plan assets, are as follows:

	2009			2008		
	Without plan assets T€	With plan assets T€	Total T€	Without plan assets T€	With plan assets T€	Total T€
Present value of the pension obligations as at 1 January	15,714.1	15,888.9	31,603.0	17,197.3	15,659.8	32,857.1
Change in scope of consolidation	21.6	1,910.6	1,932.2	0.0	0.0	0.0
Expenses arising from time in service	90.1	2,185.0	2,275.2	70.5	1,665.2	1,735.6
Interest expenses	910.5	514.7	1,425.2	864.1	541.8	1,405.8
Pension payments	-1,103.9	-1,394.4	-2,498.4	-1,018.6	-3,297.8	-4,316.4
Actuarial profits/losses	885.9	408.1	1,294.0	-1,385.8	-377.4	-1,763.2
Exchange rate differences	0.0	42.3	42.3	-13.3	1,697.3	1,684.0
Present value of pension obligations as at 31 December	16,518.3	19,555.2	36,073.5	15,714.1	15,888.9	31,603.0
Plan assets	0.0	-19,135.0	-19,135.0	0.0	-15,731.9	-15,731.9
Provisions for pensions	16,518.3	420.2	16,938.5	15,714.1	156.9	15,871.1

Actuarial profits/losses were recorded in equity without recognition in profit or loss in accordance with IAS 19. The interest expense was disclosed in the financial result. The remaining components are included in personnel expenses.

Plan assets consist entirely of reinsurance policies. The changes in the fair value of the plan assets are as follows:

	2009 T€	2008 T€
Fair value of plan assets as at 1 January	15,959.0	15,412.5
Change in scope of consolidation	1,764.3	0.0
Expected yield	537.5	563.4
Employer contributions	798.6	701.7
Contributions of participants in the plan	1,545.9	811.1
Benefits paid out	-1,394.4	-3,297.8
Actuarial profits/losses	-112.4	61.4
Currency differences	36.5	1,706.7
Fair value of plan assets as at 31 December	19,135.0	15,959.0
Surplus not capitalized	0.0	-227.1
Plan assets	19,135.0	15,731.9

Employer contributions estimated for the next financial year are expected to have a similar value to those paid in financial year 2009.

Amounts paid in the current and previous four reporting periods are as follows:

	2009 T€	2008 T€	2007 T€	2006 T€	2005 T€
Present value of defined contribution-based obligations	36,073.5	31,603.0	32,857.1	33,839.4	22,472.1
Fair value of plan assets	19,135.0	15,959.0	15,412.5	14,986.3	-
Actuarial profits/losses of plans	16,938.5	15,644.0	17,444.6	18,853.1	22,472.1
Adjustments of DBO on the basis of experience	976.7	-1,763.2	-1,914.3	-603.4	2,238.8
Adjustments of plan assets on the basis of experience	-112.4	61.4	97.7	-	-

Until 2008, the line items for experience-based adjustments report all actuarial profits/losses in accordance with the information available from the individual expert reports.

#### PROVISIONS FOR SEVERANCE PAYMENTS

The following parameters were applied in performing calculations using the projected unit credit method:

Biometric calculation bases	2009	2008	2007	2006	2005
Actuarial discount rate	5.50%	6.00%	5.25%	4.33%	4.33%
Wage/salary trend	3.0%	3.0%	2.5%	2.0%	2.0%

Retirement age was established on the basis of the legal provisions in force in individual countries. A turnover rate of between 0% and 12.0% was selected, depending on age. Changes in the present value of defined benefit obligations under the respective plans, divided into plans with and those without planned assets, are as follows:

	2009			2008		
	Without plan assets T€	With plan assets T€	Total T€	Without plan assets T€	With plan assets T€	Total T€
Present value of obligations (DBO) as at 1 January	4,954.6	1,316.1	6,270.7	4,899.0	1,286.9	6,185.9
Change in scope of consolidation	138.1	0.0	138.1	0.0	0.0	0.0
Expenses arising from time in service	305.0	86.2	391.2	270.1	78.6	348.7
Interest expense	264.2	83.0	347.2	215.0	69.2	284.1
Severance payments	-841.5	-36.7	-878.2	-761.1	-70.2	-831.3
Actuarial profits/losses	580.0	79.2	659.1	331.6	-48.4	283.3
Present value of obligations (DBO) as at 31 December	5,400.4	1,527.7	6,928.1	4,954.6	1,316.1	6,270.7
Plan assets	0.0	-605.6	-605.6	0.0	-565.5	-565.5
Provisions for severance payments	5,400.4	922.0	6,322.4	4,954.6	750.6	5,705.2

Actuarial profits/losses were recorded in equity without recognition in profit or loss in accordance with IAS 19. The interest expense was disclosed in the financial result. The remaining components are included in personnel expenses. Plan assets consist of reinsurance policies. The changes in the fair value of the plan assets are as follows:

	2009 T€	2008 T€
Fair value of plan assets as at 1 January	565.5	548.3
Expected yield	33.6	19.6
Employer contributions	59.9	120.0
Benefits paid-out	-53.3	-122.3
Fair value of plan assets as at 31 December	605.6	565.5

Employer contributions estimated for the next financial year are expected to have a similar value to those paid in financial year 2009.

Amounts paid in the current and previous four reporting periods are as follows:

	2009	2008	2007	2006	2005
	T€	T€	T€	T€	T€
Present value of contribution based obligation	6,928.1	6,270.7	6,185.9	6,033.6	5,351.6
Fair value of plan assets	605.6	565.5	548.3	–	–
Actuarial profits/losses of plans	6,322.5	5,705.2	5,637.6	6,033.6	5,351.6
Adjustments to DBO on the basis of experience	172.1	283.3	–133.6	–13.7	–46.2
Adjustments to plan assets on the basis of experience	0.0	0.0	0.0	–	–

Until 2008, the line items for experience-based adjustments report all actuarial profits/losses in accordance with the information available from the individual expert reports.

#### ANNIVERSARY BONUS PROVISIONS

The following parameters were applied in performing calculations using the projected unit credit method:

Biometric calculation bases	2009	2008	2007	2006	2005
Discount rate	5.50%	6.00%	5.25%	4.33%	4.33%
Wage/salary trend	3.0%	3.0%	2.5%	2.0%	2.0%

Retirement age was established on the basis of the legal provisions in force in individual countries. A turnover rate of between 0% and 12.0% was selected, depending on age.

Changes in the present value of defined benefit obligations are as follows:

	2009	2008
	T€	T€
Present value of obligations (DBO) on 1.1	957.2	924.7
Service costs	89.4	103.6
Interest expense	59.1	49.5
Anniversary bonus payments	–91.2	–85.1
Actuarial gains/losses	60.9	–35.5
Present value of obligations (DBO) on 31.12	1,075.3	957.2

Actuarial profits/losses were recorded as service costs under personnel expenses in accordance with IAS 19. The interest expense was disclosed in the financial result. The remaining components are included in personnel expenses.

Amounts paid in the current and previous four reporting periods are as follows:

	2009	2008	2007	2006	2005
Present value of defined benefit obligations	1,075.3	957.2	924.7	904.0	394.2
Experience-based adjustments to DBO	–0.5	–35.5	–14.1	5.6	9.5

Until 2008, the line items for experience-based adjustments report all actuarial profits/losses in accordance with the information available from the individual expert reports.

The development of other provisions, which were valued according to IAS 37, is presented in the table below:

## NOTE 19: Other provisions

2009	01.01.2009	Change in scope of consolidation	Currency difference	Utilisation	Release	Addition	31.12.2009	of which non-current
	T€	T€	T€	T€	T€	T€	T€	T€
Guarantees	3,497.8	956.1	7.1	2,936.5	188.5	3,164.4	4,500.4	632.5
Bonuses, rebates	591.9	0.0	0.1	587.0	0.0	725.0	730.0	0.0
Annual financial statements	390.5	76.5	1.7	390.3	33.6	431.7	476.5	0.0
Litigation	537.6	28.5	0.8	513.0	19.0	239.2	274.2	0.0
Events causing damage	701.3	20.0	0.0	278.1	34.3	274.3	683.2	0.0
Other	3,979.2	2,887.7	12.0	2,517.0	585.7	1,855.5	5,631.8	1,641.9
	9,698.4	3,968.8	21.8	7,221.9	861.1	6,690.1	12,296.0	2,274.4

2008	01.01.2008	Change in scope of consolidation	Currency difference	Utilisation	Release	Addition	31.12.2008	of which non-current
	T€	T€	T€	T€	T€	T€	T€	T€
Guarantees	3,753.2	0.0	15.9	2,991.2	153.9	2,873.7	3,497.8	640.4
Bonuses, rebates	944.7	0.0	-0.8	938.1	0.7	586.9	591.9	0.0
Annual financial statements	395.8	0.0	3.0	410.7	24.1	426.5	390.5	0.0
Litigation	530.7	0.0	2.1	89.3	20.6	114.9	537.6	0.0
Events causing damage	695.2	0.0	0.0	162.3	39.0	207.4	701.3	0.0
Other	4,621.5	0.0	54.9	2,603.3	674.6	2,580.8	3,979.2	912.0
	10,941.1	0.0	75.0	7,195.0	913.0	6,790.3	9,698.4	1,552.4

The provisions for guarantees concern the costs of expected complaints relating to products which are still under guarantee. It is expected that most of these costs will be incurred within the next financial year, and in the case of guarantee provisions within the guarantee period of up to three years after the balance sheet date.

Other provisions include the provision for purchase price adjustment and the provision for sales representatives' severance claims.

In November 1999 a € 17 million note was issued, divided into 17,000 bearer bonds of equal rank with a nominal value of € 1,000 per bond, which was duly redeemed in November 2009. The refinancing was funded from current cash flow and short-term bank credit lines.

## NOTE 20: Bonds

NOTE 21: Liabilities

2009	Total	Residual maturity of less than 1 year	Residual maturity between 1 year and 5 years	Residual maturity of more than 5 years	Residual maturity of more than 1 year and collateralised
	T€	T€	T€	T€	T€
Bonds	0.0	0.0	0.0	0.0	0.0
Interest-bearing financial liabilities	34,082.4	21,149.8	12,831.7	100.9	11,243.6
Trade liabilities	38,102.9	38,102.9	0.0	0.0	0.0
Other liabilities	37,584.4	37,058.6	825.8	0.0	0.0
Of which:					
Payments on account	7,652.8	7,652.8	0.0	0.0	0.0
Liabilities from acceptance of bills of exchange drawn and from own bills of exchange issued	1,144.3	1,144.3	0.0	0.0	0.0
Other liabilities	28,787.3	28,261.4	525.8	0.0	0.0
	109,769.8	96,311.3	13,357.5	100.9	11,243.6
2008	Total	Residual maturity of less than 1 year	Residual maturity between 1 year and 5 years	Residual maturity of more than 5 years	Residual maturity of more than 1 year and collateralised
	T€	T€	T€	T€	T€
Bonds	17,000.0	17,000.0	0.0	0.0	0.0
Interest-bearing financial liabilities	22,419.7	17,981.8	4,240.1	197.8	2,611.7
Trade liabilities	30,721.6	30,721.6	0.0	0.0	0.0
Other liabilities	31,850.6	30,848.9	1,001.7	0.0	147.0
Of which:					
Payments on account	5,191.3	5,191.3	0.0	0.0	0.0
Liabilities from acceptance of bills of exchange drawn and from own bills of exchange issued	2,375.5	2,375.5	0.0	0.0	0.0
Other liabilities	24,283.8	23,282.1	1,001.7	0.0	147.0
	101,991.8	96,552.2	5,241.8	197.8	2,758.7

Other liabilities include other tax liabilities of T€ 7,055.1 (2008: T€ 5,351.7) and other social security liabilities of T€ 2,634.2 (2008: T€ 2,346.9).

The security referred to above mainly consists of mortgage rights and retention of title.

#### RENTAL AND LEASE AGREEMENTS

BWT Group has concluded operating rental and lease agreements with a number of contractual partners, which mainly relate to the use of buildings, offices and cars. The minimum amounts payable under those agreements in the future are as follows:

2009	T€
2010	10,365.8
2011–2014	13,420.2
thereafter	4,499.2

2008	T€
2009	8,983.4
2010–2013	10,889.0
thereafter	40.3

Total rent and leasing expenses in the financial year amounted to T€ 10,362.1 (2008: T€ 10,459.9).

BWT Group has constructed a new water technology centre near Budapest which besides BWT companies also accommodates external businesses. For this project, a 15-year property lease agreement was concluded involving a total investment of approx. T€ 8,230.0. For further information on the classification of this lease relationship, see above under discretionary decisions.

#### WARRANTIES AND GUARANTEES

The Company assumed warranties and guarantees in the course of its normal business operations. As at the balance sheet date, it is unlikely that claims will be made under all the warranties and guarantees.

Furthermore, an undertaking to purchase a property with a preliminary purchase price of approx. T€ 770.0 was signed, which is expected to be fulfilled in the financial year 2010.

#### PENDING LITIGATION

No legal disputes of extraordinary significance exist. For legal proceedings which are at a stage where the outcome can be predicted with a reasonable degree of certainty, a corresponding provision in keeping with IAS 37 was established. The management expects that the other disputes will have no significant impact on the net assets, financial position and results of operations of the Group.

#### NOTE 22: Other liabilities and uncertain liabilities

## Notes to the statement of cash flows

The statement of cash flow shows how the funds of the Group changed during the reporting year as a result of cash inflows and outflows. The effects of company purchases were eliminated and are detailed in the item "Payments for the acquisition of minority shares and participations". The statement of cash flows distinguishes between operating, investing and financing activities. Cash and cash equivalents recorded in the statement of cash flows include cash in hand, cheques, cash in bank and securities that qualify as cash equivalents.

### NOTE 23: Cash flow from operating activities

Cash flow from operating activities shows the cash flows arising from inter-company transactions in goods and services carried out during the financial year. Cash flows from current operating activities of T€ 49,679.9 (2008: T€ 28,139.6) include changes in working capital.

### NOTE 24: Cash flow from investing activities

Expenses on purchases of plant, property and equipment, intangible assets and financial investments totalled T€ 10,323.3 (2008: T€ 16,909.4). As at 31 December 2009, T€ 618.0 consisted of liabilities (2008: T€ 991.5).

Outlays on acquisitions and takeovers of minority interests totalled T€ 16,673.9 (2008: T€ 2,954.9).

### NOTE 25: Shares in an affiliated company

In the course of the takeover of the pharmaceutical water activities of Christ Water Technology Group on 1 October 2009, a 49% interest in the Indian company Christian Nishotech Water Systems Pte. Ltd. was also taken over.

Christ Nishotech Water Systems Pte. Ltd. is not a listed company. The table below contains summarised financial information on the Group's participation in Christ Nishotech Water Systems Pte. Ltd.:

	31.12.2009	31.12.2008
	T€	T€
Share in assets and liabilities of associates		
Current assets	736.5	612.9
Non-current assets	82.4	34.9
Current liabilities	554.5	408.5
Non-current liabilities	27.9	4.3
Equity	236.4	235.0
Share in revenues and earnings of associates		
Revenues	382.4	0.0
Earnings	1.4	0.0
Book value of investment	236.4	235.0

## NOTE 26: Financial instruments

**Financial risk management**

The Group treasury performs services for business segments and coordinates access to national and international financial markets. It also monitors and controls financial risks associated with the Group's business segments.

**Interest rate risk**

As part of the company's business activities, it is necessary to use borrowed capital to finance current assets, investments and possible company expansions. The current borrowed capital has both fixed and variable interest rates, and is both current and medium-term. Loans with a short-term fixed interest rate and variable interest loans are exposed to a standard market interest rate risk. The Management Board assesses the interest rate risk for the financial instruments shown in the balance sheet as low. Possible risks which may result from changes in the interest rate are regularly evaluated as part of the Group's financing activities.

The following interest rate sensitivity analysis was prepared assuming that with variable interest rates and short-term fixed interest rates (cash advances), interest rates in the reporting period would be 50 basis points higher or lower in all currencies. For the assessment of interest rate derivatives, the entire interest rate curve was shifted 50 basis points upwards or downwards. This represents the assessment of the Company's management in terms of a justified possible change in interest rates.

As a base case, the interest rate risk exposure of derivative and non-derivative instruments as at the balance sheet date was determined by assuming that the liabilities or receivables outstanding as at the balance sheet date were outstanding for the entire year.

If interest rates were 50 basis points higher, and all other variables remained constant, net interest income would be T€ 16.3 lower (2008: T€ 28.0 higher). With interest rates lower by 50 basis points and other variables constant, interest earnings would be T€ 16.3 higher (2008: T€ 28.2 lower). The tested interest rate fluctuations have no direct impact on equity.

**Exchange rate risks**

The Company partly finances its operating resources, investments and possible expansion with foreign currencies. This is directly related to the international character of its operations. Covering transactions are carried out in the Group's central treasury for cash flows in foreign currencies, and these reduce the negative repercussions of exchange rate fluctuations.

EUR/CHF, EUR/USD and EUR/PLN were identified as the most relevant currency pairs for the Group in the long term. The EUR/CHF risk is primarily related to the Swiss companies' EUR balance sheet items from operating activities, as well as CHF financial items of EUR companies. The EUR/USD risk arises from USD balance sheet items. The EUR/PLN exchange rate primarily influences the Polish company. The following currency sensitivity analysis investigates the effects of an increase or decrease in the relevant currency pairs by 5% on the valuation of financial instruments as at the balance sheet date. This relates to the balance sheet date 31 December. The tested interest rate fluctuations have no direct impact on equity.

Impact on 2009 EBIT	Increase	Decrease
	5% in T€	5% in T€
EUR/CHF exchange rate	-2.8	3.1
EUR/USD exchange rate	-73.0	80.7
EUR/PLN exchange rate	-104.5	115.5

Impact on 2008 EBIT	Increase	Decrease
	5% in T€	5% in T€
EUR/CHF exchange rate	23.0	-25.5
EUR/USD exchange rate	-8.3	9.1
EUR/PLN exchange rate	-57.0	63.0

#### Liquidity risk / financing risk

Liquidity relates on the one hand to the ability to obtain at any time sufficient financial resources in the form of cash and/or lines of credit to make due payments or to obtain necessary guarantees and suretyships from banks. On the other hand, it should also be guaranteed that available liquidity and financial investments are provided or can be accessed by the company practically without risk and at short notice.

A corporate-wide financing company operating within the Group, which also holds the existing cash pools, is available to control and optimise liquidity. BWT Group's investment strategy is oriented towards cooperating with financial partners of impeccable credit standing.

The BWT Group has access to sufficient bank credit lines. Due to the Group's good credit standing and its low level of net debt, at present the financial market crisis appears to have had no direct impact on its access to credit lines.

#### Customer default / solvency risk

BWT's business activities are exposed to a risk that customers will not be able to fulfil, partially or completely, their payment obligations to the BWT Group.

In line with standard market practices, BWT Group attempts to reduce this risk by, for example, obtaining payment guarantees from banks and export credit agencies. Moreover, whenever necessary the company covers risks in the project business with international credit insurers. The management makes sure that BWT Group companies obtain information about the credit standing of customers before signing agreements with them, e.g. by obtaining company information from reputable agencies.

#### Default risk management:

BWT Group has trade receivables from a large number of customers distributed across various industries and regions. Credit assessments regarding the financial status of the receivables are carried out on an ongoing basis. Default insurance is taken out where appropriate. As at 31 December 2009, the sum total of the five largest balances of outstanding receivables from individual customers amounted to T€ 4,657.7, i.e. 7.1% of due trade receivables. As at 31 December 2008 that figure was T€ 5,979.1, i.e. 8.7%. Receivables from affiliated companies were not included in this figure, as made clear in Note 27.

#### Primary financial instruments

Primary financial instruments are presented in the balance sheet. On the assets side they include investments in securities, liquid funds, trade receivables and other receivables. On the liabilities side they include trade liabilities, other liabilities and interest-bearing financial liabilities. The book value of primary financial instruments in the balance sheet basically reflects their market or fair value. On the assets side, the recorded amounts also reflect the maximum default and solvency risk, as there are no global set-off agreements. The risk related to receivables from customers is regarded as low, as the creditworthiness of new and existing customers is continually monitored and no more than 5% of total receivables are outstanding from any one customer.

Credit risk related to cash investments and securities is limited, as only a small number of securities are held, primarily in Austrian companies, and BWT Group only cooperates with financial partners which have impeccable creditworthiness.

Due to the decentralised character of BWT Group in Europe, loans for current assets are also taken out in the respective currencies of local companies. Exchange rate risks are therefore very limited, as outgoing invoices of foreign companies are mainly issued in the respective local currency.

## Valuation categories of financial instruments

2009 in T€	Book value as at 31.12.2009	Loans and receivables	Liabilities at amortised cost	Available for sale	Held for trading purposes	Book value of financial instruments as at 31.12.2009	Fair value of financial instruments as at 31.12.2009	Not financial-instrument
<b>Non-current assets</b>								
Financial investments	3,883.0	–	–	3,883.0	–	3,883.0	3,883.0	–
Other receivables from third parties	777.8	777.8	–	–	–	777.8	777.8	–
<b>Current assets</b>								
Trade receivables	65,533.9	65,533.9	–	–	–	65,533.9	65,533.9	–
Other receivables from third parties	6,333.1	3,097.2	–	–	86.0	3,183.2	3,183.2	3,149.9
Cash & Cash equivalents	16,164.1	16,164.1	–	–	–	16,164.1	16,164.1	–
<b>Non-current debt</b>								
Interest-bearing financial liabilities	12,932.6	–	12,932.6	–	–	12,932.6	12,932.6	–
Other liabilities	525.8	–	525.8	–	–	525.8	525.8	–
<b>Current liabilities</b>								
Bonds	–	–	–	–	–	–	–	–
Interest-bearing financial liabilities	21,149.8	–	21,149.8	–	–	21,149.8	21,149.8	–
Trade liabilities	38,102.9	–	38,102.9	–	–	38,102.9	38,102.9	–
Other liabilities	37,058.6	–	14,110.4	–	6.2	14,116.6	14,116.6	22,942.0
<b>2008 in T€</b>								
	Book value as at 31.12.2008	Loans and receivables	Liabilities at amortised cost	Available for sale	Held for trading purposes	Book value of financial instruments as at 31.12.2008	Fair value of financial instruments as at 31.12.2008	Not financial-instrument
<b>Non-current assets</b>								
Financial investments	6,915.4	–	–	6,915.4	–	6,915.4	6,915.4	–
Other receivables from third parties	620.0	620.0	–	–	–	620.0	620.0	–
<b>Current assets</b>								
Trade receivables	68,868.1	68,868.1	–	–	–	68,868.1	68,868.1	–
Other receivables from third parties	6,699.7	3,215.1	–	–	25.1	3,240.2	3,240.2	3,459.5
Cash & Cash equivalents	13,484.4	13,484.4	–	–	–	13,484.4	13,484.4	–
<b>Non-current debt</b>								
Interest-bearing financial liabilities	4,437.9	–	4,437.9	–	–	4,437.9	4,437.9	–
Other liabilities	1,001.7	–	1,001.7	–	–	1,001.7	1,001.7	–
<b>Current liabilities</b>								
Bonds	17,000.0	–	17,000.0	–	–	17,000.0	17,000.0	–
Interest-bearing financial liabilities	17,981.8	–	17,981.8	–	–	17,981.8	17,981.8	–
Trade liabilities	30,721.6	–	30,721.6	–	–	30,721.6	30,721.6	–
Other liabilities	30,848.9	–	12,624.7	–	214.0	12,838.7	12,838.7	18,010.2

## Fair Value

### Disclosures regarding fair value of financial instruments

The fair value of financial instruments is the amount which is used for business transactions between well-informed, willing and independent business partners. The fair value is often identical to market price. It is therefore derived from market information available as at the balance sheet date. Due to varying influencing factors, the values presented here may differ from values realised later.

The book values of bank liabilities with variable interest rates mainly reflect the market value. Bank liabilities with fixed interest rates are mainly short-term. For this reason, the book value of these liabilities also generally reflects the market value.

### Fair value hierarchy

	Level 1 T€	Level 2 T€	Level 3 T€	Total T€
<b>Non-current assets</b>				
Financial investments	1,793.1	-	-	1,793.1
<b>Current assets</b>				
Other receivables from third parties	-	86.0	-	86.0
<b>Current liabilities</b>				
Other liabilities	-	6.2	-	6.2

The Group uses the following hierarchy to determine and disclose the fair value of financial instruments depending on the valuation method:

Level 1: (unadjusted) prices listed on active markets for similar assets or liabilities;

Level 2: Procedures in which all input parameters that substantially affect fair value are either directly or indirectly observable;

Level 3: Procedures which use input parameters that substantially affect the ascertained fair value and are not based on observable market data.

Financial investments designated Level 1 include stock exchange listed shares and fund units. Other receivables and other liabilities, which are designated Level 2, result from the valuation of outstanding derivative foreign exchange transactions.

### Capital management

The primary objective of capital management in the Group is to make sure that it maintains a high credit rating and high equity ratio to support its business activities. The Management Board's objective is to maintain the equity ratio above 35%. Moreover, in particular net debt and gearing are monitored on a regular basis, the aim being to maintain gearing below 50%. It is regularly checked whether capital management needs to be adjusted to current developments.

### Net debt

Net debt as at the end of the year was as follows:

	31.12.2009 T€	31.12.2008 T€
Interest-bearing financial liabilities	34,082.4	39,419.7
less cash and cash equivalents	-16,164.1	-13,484.4
<b>Net debt</b>	<b>17,918.3</b>	<b>25,935.3</b>
Net debt	152,828.9	138,151.7
Net debt in relation to equity	11.7%	18.8%

## Interest bearing financial liabilities 2009

## Non-bank financial liabilities

Type	Currency	Nominal amount in thd. local currency	Book value in T€	Effective interest in %
Bond	EUR	–	–	–
		Sub-total	0.0	
Other	EUR	553	553	4.59
	DKK	3,870	520	4.11
	Other	–	158	9.62
		Sub-total	1,230	
		Total	1,230	

## Fixed-interest financial liabilities to credit institutions

Type	Currency	Nominal amount in thd. local currency	Book value in T€	Effective interest in %
Loan	EUR	3,610	3,610	2.35
	CHF	15,000	10,111	2.36
	CZK	2,005	76	6.47
		Sub-total	13,796	
Advances	EUR	5,650	5,650	1.59
	CHF	5,500	3,707	1.00
		Sub-total	9,357	
		Total	23,154	

## Variable-interest financial liabilities to credit institutions

Type	Currency	Nominal amount in thd. local currency	Book value in T€	Effective interest in %
Loan	EUR	4,772	4,772	1.67
	CZK	3,492	132	2.94
		Sub-total	4,904	
Current account	EUR	4,734	4,734	1.88
	CZK	1,595	60	4.55
		Sub-total	4,795	
		Total	9,698	

## Interest bearing financial liabilities 2008

### Non-bank financial liabilities

Type	Currency	Nominal amount in thd. local currency	Book value in T€	Effective interest in %
Bond	EUR	17,000	17,000	4.98
		Sub-total	17,000	
Other	EUR	1,186	1,186	8.97
	CZK	4,235	158	11.24
	DKK	3,119	419	4.02
		Sub-total	1,763	
		Total	18,763	

### Fixed-interest financial liabilities to credit institutions

Type	Currency	Nominal amount in thd. local currency	Book value in T€	Effective interest in %
Loan	EUR	4,624	4,624	2.55
		Sub-total	4,624	
Advances	EUR	9,856	9,856	4.17
		Sub-total	9,856	
		Total	14,480	

### Variable-interest financial liabilities to credit institutions

Type	Currency	Nominal amount in thd. local currency	Book value in T€	Effective interest in %
Loan	EUR	3,176	3,176	5.53
	CZK	5,984	223	4.03
	HUF	4,926	19	6.00
		Sub-total	3,418	
Current account	EUR	2,630	2,630	4.63
	CZK	2,608	97	5.65
	PLN	133	32	5.33
		Sub-total	2,759	
		Total	6,177	

Fair values of non-current liabilities are based on the current interest rates on liabilities with the same maturity date. Fair values of long-term loans and other liabilities largely correspond to their book values. The management believes that the risk of changing interest rates on financial investments and other liabilities is insignificant.

## Derivatives

The risk of changing interest rates for the bonds was secured through the following interest rate swap regarding the fair value risk:

	31.12.2009 Nominal amount T€	31.12.2009 Market value T€	31.12.2008 Nominal amount T€	31.12.2008 Market value T€
Interest rate swap 2007 – 2009	0.0	0.0	17,000.0	-214.0

In order to secure exchange rate risk, BWT Group concluded the following currency futures contracts:

	Currency	31.12.2009 Nominal amount T€	31.12.2009 Market value T€	31.12.2008 Nominal amount T€	31.12.2008 Market value T€
Sale of USD futures against DKK	TUSD	920.0	39.0	920.0	19.8
Sale of USD futures against EUR	TUSD	174.6	0.1	0.0	0.0
Sale of SGD futures against EUR	TSGD	393.3	-5.4	0.0	0.0
Sale of GBP against EUR	TGBP	47.0	-0.8	0.0	0.0
Sale of USD futures against EUR	TUSD	2,370.0	40.8	0.0	0.0
Sale of USD futures against CHF	TUSD	396.0	5.7	0.0	0.0
Sale of CHF futures against EUR	TCHF	370.0	0.3	1,000.0	5.3

The remaining terms of the currency futures contracts are all less than one year. Fair value is based on the futures rates as at the balance sheet date.

The book values of the financial assets correspond to the maximal loss risk to the balance target date. The market values of all currency futures contracts were recorded in net income as other current receivables or other liabilities. Hedge accounting is not used.

**NOTE 27: Information on affiliated companies and persons**

Due to the fact that major shareholders of BWT Aktiengesellschaft were also shareholders of Christ Water Technology AG until the Christ Group was taken over, which was also listed on the Vienna Stock Exchange, trade relationships between the BWT Group and the Christ Group have up till now been regarded as transactions with affiliated companies. The balance sheet items (receivables/liabilities) relating to the CHRIST Group as at 31 December 2009 were already classified as receivables and or liabilities from/towards third parties.

In 2009 affiliated companies and persons supplied BWT Group with materials and services totalling T€ 2,899.1 (2008: T€ 4,700.7), while BWT Group supplied materials or provided services to those companies and persons amounting to a total of T€ 7,643.4 (2008: T€ 11,190.8). As at the balance sheet date 31 December 2009, BWT Group's receivables from affiliated companies and persons amounted to T€ 116.1 (2008: T€ 2,744.5), while it had no liabilities (previous year: T€ 1,257.3). Transactions with affiliated companies and persons mainly were carried out on normal regular market terms.

For information on the takeover of the pharmaceutical water activities of the CHRIST Group, please see the section on business combinations on page 64.

Total remuneration of Management Board members at BWT AG mainly consisted of short-term benefits and amounted in the financial year to T€ 808.0 (2008: T€ 796.7). No payments were made to former members of the Management Board or the survivors of such former members.

**NOTE 28: Other information**

**Material events after the balance sheet date**

No reportable events occurred after the balance sheet date which would be significant for the valuation as at the balance sheet date.

**Information on corporate bodies**

Members of the Supervisory Board only received expenses reimbursements for their activities in the financial year 2009. There are no loans or credit guarantees granted to Management Board or Supervisory Board members.

The following persons were appointed as members of the Management Board in the financial year 2009:

- Mr Andreas Weißenbacher (CEO)
- Mr Gerhard Speigner (CFO)

The Supervisory Board consisted of the following members in the financial year 2009:

- Dr. Leopold Bednar (Chairman)
- Dr. Wolfgang Hochsteger (Vice-Chairman)
- Mr Ekkehard Reicher
- Ms Gerda Egger
- Mr Klaus Reinhard Kastner
- Mr Serge Schmitt (to 20 May 2009)

### Earnings per share

Undiluted = diluted earnings per share are calculated by dividing the Group earnings by the weighted number of outstanding ordinary shares during the year.

	2009	2008
Annual earnings in T€ attributable to shareholders of the parent company	23,002.9	20,627.4
Weighted number of shares in circulation	17,453,187	17,745,489
Earnings per share in €	1.32	1.16

### Proposal for profit distribution

Pursuant to the provisions of the Austrian Stock Corporation Act (Aktiengesetz), the separate financial statements of BWT AG as at 31 December 2009, drawn up in accordance with Austrian accounting regulations, provide the basis for the payment of dividends.

The Management Board proposes the following profit distribution to the Annual General Meeting of Shareholders to be held on 26 May 2010:

- a) A dividend payment of € 0.40 per share for outstanding shares;
- b) Carrying forward the remaining amount to the new financial year.

The consolidated financial statements as at 31 December 2009, drawn up in accordance with IFRS, were approved by the Management Board on 25 February 2010.

Mondsee, 25 February 2010



Andreas Weissenbacher  
Chief Executive Officer



Gerhard Speigner  
Chief Financial Officer



## Overview of the material participations

As of December 31, 2009, the scope of consolidation comprises the following companies:

Abbreviation	Company, location	Total in %	Indirectly in %	via	Consolidation
BWT	BWT Aktiengesellschaft, Mondsee				
BWTGMBHA	BWT Austria GmbH, Mondsee	100.000%			F
NEHER	Manufactur für Glas und Spiegel GmbH, Villach	100.000%	100.000%	BWTGMBHA	F
ASBET	Aqua Service Beteiligungen GmbH, Mondsee	100.000%			F
IAM	IAM Immobilien Asset Management GmbH, Mondsee	100.000%	100.000%	ASBET	F
BWTGS	BWT Group Services GmbH, Mondsee	100.000%	100.000%	ASBET	F
BWTM	BWT Malta Holdings Ltd., Valetta	100.000%	100.000%	BWTGS	F
BWTITC	BWT International Trading Ltd, Sliema	100.000%	100.000%	BWTM	F
ANNA	ANNA International Limited, Sliema	100.000%	100.000%	BWTM	F
APS	Arcana Pool Systems GmbH, Gerasdorf	100.000%			F
BWTD	BWT Wassertechnik GmbH, Schriesheim	100.000%			F
FUMA	FuMA-Tech GmbH, St. Ingbert	100.000%	100.000%	BWTD	F
W&MD	Water & More by BWT GmbH, Wiesbaden	100.000%	100.000%	BWTD	F
W&MI	WATER & MORE ITALIA S.R.L., Bresso	100.000%	99.800%	W&MD	F
			0.200%	CCI	F
W&MESP	Water + More Iberica S.L., Barcelona	100.000%	99.800%	W&MD	F
			0.200%	CILSP	F
BWT HU	BWT Hungaria KFT, Budaörs	93.000%			F
BWTB	BWT Belgium nv/sa, Zaventem	100.000%	100.000%	BWTD	F
BWTF	BWT France S.A.S., Paris	100.000%			F
CPED	C.P.E.D. S.A.S., Paris	100.000%	100.000%	BWTF	F
CPS	C.P.S. S.A.S., Paris	100.000%	99.800%	BWTF	F
			0.200%	CPED	F
CAET	Christ Aqua AG, Aesch	100.000%			F
BWTINTCH	BWT International AG, Aesch	100.000%			F
CCI	Cillicemie Italiana S.R.L., Mailand	100.000%			F
CILSP	Cilit S.A., Barcelona	100.000%	100.000%	CCI	F
BWTP	BWT Polska Sp.z.o.o., Warschau	100.000%			F
BWTUKR	BWT Ukraine, Kiev	99.800%	99.800%	BWTP	F
BWTCR	BWT Ceska Republika s.r.o., Prag	100.000%			F
HOHDK	HOH Water Technology A/S, Greve	100.000%			F
HOHSCOV	Safety Covers ApS, Auning	100.000%	100.000%	HOHDK	F
HOHVAT	HOH Vattenteknik AB, Malmö	100.000%	100.000%	HOHDK	F
HOHBBC	HOH Birger Christensen AS, Rud	100.000%	100.000%	HOHDK	F
HOHSEP	HOH Separtec OY, Raisio	100.000%	100.000%	HOHDK	F
BWTPRC	BWT Water Technology (Shanghai) Co. Ltd.	100.000%			F
BWTNL	BWT Nederland BV, Zoeterwoude	100.000%			F
BWTRU	OOO BWT, Moskau	80.000%			F
PLSBET	P & LS Beteiligungs GmbH, Mondsee	100.000%			F
PLSHOLD	P & LS Holding GmbH, Mondsee	100.000%	100.000%	PLSBET	F
PLSD	Christ Pharma & Life Science GmbH, Vaihingen	100.000%	100.000%	PLSHOLD	F
CAMANUCH	Christ Aqua Manufacturing AG, Aesch	100.000%	100.000%	PLSHOLD	F
CANORDIC	Christ Nordic AB, Malmö	100.000%	100.000%	PLSHOLD	F
CAIRL	Christ Aqua Ireland Ltd., Ashbourne	100.000%	100.000%	PLSHOLD	F
CACHINA	Christ Pharma & Life Science (Shanghai) Ltd, Shanghai	100.000%	100.000%	PLSHOLD	F
CANISHO	Christ Nishotech Water Systems Pte. Ltd, Mumbai	49.000%	49.000%	PLSHOLD	E
ZETAHOLDA	zeta Holding GmbH	98.000%	49.000%	PLSHOLD	F
			49.000%	BWTITC	F
ZETABIOA	zeta Biopharma GmbH, Tobelbad	98.000%	98.000%	ZETAHOLDA	F

F = fully consolidated, E = at equity consolidated

## Development of fixed assets (Appendix V.2.)

2009							
	ACQUISITION/PRODUCTION COST						
	1.1.2009	Currency difference	Reclassification	Initial consolidation	Additions	Disposals	31.12.2009
<b>Intangible assets</b>	<b>67,652.2</b>	<b>-3.5</b>	<b>273.1</b>	<b>14,852.1</b>	<b>2,399.9</b>	<b>366.3</b>	<b>84,807.4</b>
Goodwill	29,399.5	0.0	-300.0	8,433.6	112.2	0.0	37,645.3
Other intangible assets	38,252.6	-3.5	573.1	6,418.5	2,287.8	366.3	47,162.1
Concessions, rights, licenses	25,937.6	-3.7	573.1	6,418.5	1,749.9	366.3	34,309.1
R & D capitalized (self-provided)	12,315.0	0.2	-	-	537.9	-	12,853.0
<b>Tangible assets</b>	<b>136,082.8</b>	<b>176.2</b>	<b>-273.1</b>	<b>18,989.2</b>	<b>8,035.5</b>	<b>3,702.7</b>	<b>159,307.9</b>
Land and Buildings	65,723.4	41.4	11.7	16,045.7	157.6	16.7	81,963.1
Lands	13,450.5	9.8	-	6,586.4	0.0	-	20,046.7
Buildings	52,272.8	31.5	11.7	9,459.3	157.6	16.7	61,916.3
Technical equipment and machinery	33,770.8	2.5	1,231.9	1,630.9	4,109.8	1,409.4	39,336.3
Factory and office equipment	34,862.7	94.6	150.4	1,285.9	2,629.1	2,242.1	36,780.5
Prepayments and construction in progress	1,725.9	37.8	-1,667.1	26.8	1,139.1	34.5	1,228.0
<b>TOTAL</b>	<b>203,734.9</b>	<b>172.7</b>	<b>0.0</b>	<b>33,841.4</b>	<b>10,435.4</b>	<b>4,069.0</b>	<b>244,115.4</b>

2008							
	ACQUISITION/PRODUCTION COST						
	1.1.2008	Currency difference	Reclassification	Initial consolidation	Additions	Disposals	31.12.2008
<b>Intangible assets</b>	<b>63,524.5</b>	<b>270.0</b>	<b>347.2</b>	<b>198.4</b>	<b>3,989.5</b>	<b>677.4</b>	<b>67,652.2</b>
Goodwill	28,315.9	-	300.0	197.5	586.1	-	29,399.5
Other intangible assets	35,208.6	270.0	47.2	0.9	3,403.4	677.4	38,252.6
Concessions, rights, licenses	23,452.0	248.8	47.2	0.9	2,866.1	677.4	25,937.6
R & D capitalized (self-provided)	11,756.6	21.1	-	-	537.3	-	12,315.0
<b>Tangible assets</b>	<b>126,520.7</b>	<b>224.6</b>	<b>-347.2</b>	<b>282.0</b>	<b>12,645.8</b>	<b>3,243.1</b>	<b>136,082.8</b>
Land and Buildings	59,439.3	376.6	1,860.9	177.0	4,311.0	441.5	65,723.4
Lands	12,142.4	120.7	0.9	17.1	1,400.4	230.9	13,450.5
Buildings	47,296.9	255.9	1,860.0	159.9	2,910.6	210.5	52,272.8
Technical equipment and machinery	29,051.0	-6.1	2,375.8	9.1	2,795.5	454.5	33,770.8
Factory and office equipment	33,214.5	-14.9	108.8	95.9	3,801.8	2,343.3	34,862.7
Prepayments and construction in progress	4,815.9	-131.0	-4,692.6	-	1,737.5	3.8	1,725.9
<b>TOTAL</b>	<b>190,045.2</b>	<b>494.6</b>	<b>0.0</b>	<b>480.4</b>	<b>16,635.3</b>	<b>3,920.5</b>	<b>203,734.9</b>

AMORTIZATION/DEPRECIATION							BOOK VALUE		
1.1.2009	Currency difference	Reclassification	Initial consolidation	Depreciations	Disposals	31.12.2009	31.12.2009	31.12.2008	
22,564.9	-1.9	0.0	3,528.9	4,833.4	353.1	30,572.2	54,235.3	45,087.2	
560.0	0.0	0.0	0.0	4,562.0	0.0	5,122.1	32,523.2	28,839.5	
22,004.9	-1.9	0.0	3,528.9	271.4	353.1	25,450.1	21,712.0	16,247.7	
14,458.5	-2.1	-	2,384.9	-	353.1	16,488.2	17,821.0	11,479.1	
7,546.4	0.2	-	1,144.0	271.4	-	8,961.9	3,891.1	4,768.6	
71,837.3	98.9	0.0	8,246.9	2,303.9	2,975.6	79,511.4	79,796.5	64,245.5	
22,753.9	5.8	0.0	2,216.2	2,303.4	0.2	27,279.0	54,684.1	42,969.5	
0.0	-	-	-	-	-	0.0	20,046.7	13,450.5	
22,753.9	5.8	-	2,216.2	2,303.4	0.2	27,279.0	34,637.3	29,518.9	
22,853.9	4.6	-	2,735.5	-	916.0	24,678.1	14,658.2	10,916.8	
26,229.4	88.5	-	3,295.2	0.5	2,059.4	27,554.3	9,226.2	8,633.3	
0.0	-	-	-	-	-	0.0	1,228.0	1,725.9	
94,402.2	96.9	0.0	11,775.8	7,137.3	3,328.7	110,083.6	134,031.8	109,332.7	

AMORTIZATION/DEPRECIATION							BOOK VALUE		
1.1.2008	Currency difference	Reclassification	Initial consolidation	Additions	Depreciations	Disposals	31.12.2008	31.12.2008	31.12.2007
18,674.9	45.7	-	-	2,675.3	1,226.7	57.7	22,564.9	45,087.2	44,849.5
0.0	-	-	-	-	560.0	-	560.0	28,839.5	28,315.9
18,674.9	45.7	-	-	2,675.3	666.7	57.7	22,004.9	16,247.7	16,533.7
12,253.0	24.5	-	-	1,572.1	666.7	57.7	14,458.5	11,479.1	11,199.0
6,421.9	21.2	-	-	1,103.2	-	-	7,546.4	4,768.6	5,334.7
67,416.9	-31.2	-	-	7,082.7	1.8	2,633.0	71,837.3	64,245.5	59,103.8
20,828.3	42.0	-	-	1,926.0	-	42.4	22,753.9	42,969.5	38,611.0
20,828.3	42.0	-	-	1,926.0	-	42.4	22,753.9	13,450.5	12,142.4
20,828.3	42.0	-	-	1,926.0	-	42.4	22,753.9	29,518.9	26,468.6
21,274.6	-9.3	-	-	2,039.1	-	450.5	22,853.9	10,916.8	7,776.4
25,314.1	-63.9	-	-	3,117.6	1.8	2,140.1	26,229.4	8,633.3	7,900.4
-	-	-	-	-	-	-	-	1,725.9	4,815.9
86,091.9	14.5	-	-	9,758.0	1,228.5	2,690.7	94,402.2	109,332.7	103,953.3

## Statement of all Legal Representatives

We confirm to the best of our knowledge that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group as required by the applicable accounting standards and that the group management report gives a true and fair view of the development and performance of the business and the position of the group, together with a description of the principal risks and uncertainties the group faces.

We confirm to the best of our knowledge that the separate financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the parent company as required by the applicable accounting standards and that the management report gives a true and fair view of the development and performance of the business and the position of the company, together with a description of the principal risks and uncertainties the company faces.

Mondsee, February 25, 2010



Andreas Weissenbacher  
Chief Executive Officer, responsible for Operations, R&D, Purchasing, Human Resources, Marketing and IR & PR.



Gerhard Speigner  
Chief Financial Officer, responsible for Finance & Controlling, Treasury, IT, Legal Affairs, Taxes and Risk Management.

## Audit certificate

(Independent auditor's report)

### Report on Consolidated Financial Statements

We audited the enclosed Consolidated Financial Statements of BWT Aktiengesellschaft, Mondsee, for the accounting year from January 1, 2009 to December 31, 2009. The Consolidated Financial Statements include the Consolidated Balance Sheet at December 31, 2009, the Consolidated Profit and Loss Account, the Consolidated Statement of Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the accounting year ending on December 31, 2009 as well as a summary of the accounting policy applied, and the Notes.

### Responsibility of the statutory representatives for the Consolidated Financial Statements and Accounting

The statutory representatives of the Company are responsible for the preparation of Consolidated Financial Statements providing a true and fair view of the financial and asset position as well as the results of the Group in accordance with the International Financial Reporting Standards (IFRSs) which are applicable in the EU. The responsibility includes: establishing, implementation and maintenance of an internal control system, as far as it is significant for the preparation of consolidated financial statements and provision of a true and fair view of the financial and asset position as well as the results of the Group, so that the consolidated financial statements are free from material misrepresentations, be it because of intentional or non-intentional errors; the selection and application of appropriate accounting policy; preparation of estimates which seem appropriate in consideration of given general parameters.

### Responsibility of the auditor of annual accounts and description of audit activities

Our responsibility consists in issuance of an opinion on the Consolidated Financial Statements on the basis of our audit. We have conducted the audit in compliance with the statutory regulations applicable in Austria and the International Standards on Auditing (ISAs) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC). These principles require that we observe the ethics of the profession, plan and conduct the audit in such a way as to form with reasonable assurance an opinion whether consolidated financial statements are free from material misrepresentations.

An audit includes the performance of auditing activities in order to obtain audit evidence with regard to the amounts and other information contained in consolidated financial statements. The choice of auditing activities is at obligatory discretion of the auditor, having regard to his assessment of the risk of occurrence of material misrepresentations, be it because of intentional or non-intentional errors. In the course of performance of the risk assessments the auditor takes into account the internal control system, as far as it is significant for the preparation of consolidated financial statements and the provision of a true and fair view of the financial and asset position as well as the results of the Group, in order to determine appropriate auditing activities taking into account the general parameters, but not to give an opinion on the efficiency of the internal control system of the Group. Furthermore, the audit includes the assessment of the appropriateness of the accounting policy applied and of the significant estimates prepared by the statutory representatives as well as an evaluation of the overall assertion of the consolidated financial statements.

In our judgment, we have obtained sufficient and appropriate audit evidence, so that our audit provides a sufficiently sound basis for our audit opinion.

### Audit opinion

Our audit did not give rise to any objections.

In our assessment, on the basis of findings obtained during the audit, the Consolidated Financial Statements comply with the statutory regulations and provide a true and fair view of the financial and asset position of the Group as at December 31, 2009 as well as of the results and the cash flows of the Group for the accounting year from January 1, 2009 to December 31, 2009 in accordance with the International Financial Reporting Standards (IFRSs) applicable in the EU.

### Report on the Consolidated Annual Report

Pursuant to the statutory regulations applicable in Austria, the inspection of the Management Report is to be carried out in order to determine whether it is in accord with the Consolidated Financial Statements and whether the other information in the Consolidated Annual Report does not suggest a misconception of the situation of the Group. The Audit Certificate also has to include a statement whether the Management Report is in accordance with the Consolidated Financial Statements and whether the statement pursuant to § 243a UGB (Austrian Commercial Code) is appropriate.

In our assessment, the Management Report is in accordance with the Consolidated Financial Statements. The statement pursuant to § 243a UGB (Austrian Commercial Code) is appropriate.

Linz, February 25<sup>th</sup>, 2010



Mag. Erich Lehner  
Auditor



Mag. Johanna Hobelsberger-Gruber  
Auditor

Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H.

## Supervisory Board Report

The Supervisory Board performed its duties and obligations in the 2009 financial year pursuant to the statutory provisions and Company Articles of Association and was informed about the business situation as well as the development of the company and the Group in the course of four ordinary meetings and one extraordinary meeting. Two meetings of the audit committee (composed of three Supervisory Board Members out of six), as well as informal oral and written information exchange supplemented communication between the Supervisor and the Management Board and the Auditor. The Supervisory Board did not appoint any committees apart from the Audit Committee, all its duties and obligations were discussed and decided by the entire Supervisory Board.

The results of the 2008 financial year of BWT AG and the BWT Group were analyzed in detail during the audit committee meeting in March 2009 and it was recommended that the Supervisory Board adopt the submitted annual financial statements. The Audit Committee together with the Auditor discussed and defined the focal points of the audit of the annual accounts.

In the year 2009, besides monitoring the business development in a difficult economic climate, the Supervisory Board focused on accompanying the acquisition project "Aspro". In the course of this project, BWT took over major activities of the "Pharma & Life Science" division of Christ Water Technology AG, i.e. the water treatment for the pharmaceutical and biotechnological industries, pursuant to the long-term strategy to offer products and services for "safety, hygiene and health". Classified as a fact of a transaction between related parties, the professional implementation and monitoring by the Supervisory Board was given particular importance. This was accounted for by regular checks of project progress by close contact with the Management Board, the discussion during three ordinary meetings and one extraordinary meeting and finally also by the proposal for approval of the acquisition by an Extraordinary General Meeting by the shareholders of BWT. Further work of the Supervisory Board included the progress in the Point-of-Use segment and associated required investments. The aforementioned items and their effects also were discussed and approved during the budget review for the financial year 2010.

In the 2009 financial year, BWT continued to exercise its right to buy back own shares. This measure aimed at repaying capital to shareholders with simultaneous improvement of the capital structure, was supported by the Supervisory Board.

Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H., Linz, selected as auditor of the financial statements during the 19<sup>th</sup> Annual General Shareholders Meeting on May 20<sup>th</sup>, 2009, audited the annual financial statements and the management report of BWT Aktiengesellschaft as at December 31<sup>st</sup>, 2009, as well as the consolidated financial statements.

Based on the aforementioned audit the auditor issued the following unqualified opinion on the individual and consolidated financial statements:

a) Individual financial statements: "Our audit did not raise any objections. Based on the findings during the audit, the auditor is of the opinion that the annual financial statements meet the statutory provisions and reflect the most true and fair picture of the asset and financial position of BWT Aktiengesellschaft as at December 31<sup>st</sup>, 2009, as well as the results standing of the company for the financial year from January 1<sup>st</sup> to December 31<sup>st</sup>, 2009, pursuant to the Austrian principles of diligent accounting. In our opinion, the financial report is congruent with the annual financial statements. The statements pursuant to § 243a UGB (Austrian Business Code) are appropriate."

b) Consolidated financial statements: "Our audit did not raise any objections. Based on audit findings the auditor is of the opinion that the annual consolidated financial statements meet the statutory provisions and reflect the most true and fair picture of the asset and financial position as well as the cash flows of the Group as at December 31<sup>st</sup>, 2009, as well as the results standing and cash flows of the Group for the financial year from January 1<sup>st</sup> to December 31<sup>st</sup>, 2009, pursuant to the International Reporting Standards (IFRSs), as applicable in the EU. In our opinion, the Group's financial report is congruent with the annual consolidated financial statements. The statements pursuant to § 243a UGB (Austrian Business Code) are appropriate."

The Supervisory Board approves the annual financial statements of BWT Aktiengesellschaft, as well as the consolidated financial statements as at December 31<sup>st</sup>, 2009, drawn up by the Management Board. Herewith, the accounts are established pursuant to the provisions of § 125 (2) Aktiengesetz (Austrian Companies Act). Moreover, the Supervisory Board supports the proposal of the Management Board regarding the utilization of the annual result.

Mondsee, March 9<sup>th</sup>, 2010



Dr. Leopold BEDNAR  
Chairman of the Supervisory Board

## Financial definitions

Depreciation	Depreciation for fixed assets considered in the income statement (profit and loss account)
Book value per share	Equity per share
Call Option	Derivative financial instrument; an agreement that gives an investor the right (but not the obligation) to buy a stock, bond, commodity, or other instrument at a specified price within a specific time period
Capital Employed (CE)	Average used capital in the company defined by equity + net debt
Cash Management	Management of currencies/equivalent net assets of a company with the objective of an efficient use of these assets keeping the company solvent
Forward exchange transaction	Currency transaction, where the fulfillment takes place not immediately after transaction, but at a later time; for hedging changes in currency exchange rates
EBIT	Earnings Before Interest and Tax
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization
EBIT- / EBITDA-margin	EBIT / EBITDA in relation to turnover
Equity ratio	Ratio of equity capital in relation to all assets (balance sheet total)
Equity return	Result after taxes in relation to average equity capital; indicates the equity yield rate
EPS	Earnings per Share; group results divided by the weighted number of shares minus own shares
Equity-method	Consolidation method in group accounting for interests between 20% and 50%
Gearing	Net debt in relation to equity capital inclusive minority interests; a measure for the amount of debt
Goodwill	Positive difference between the price and net assets of an acquired company
Hedging	Measures of financial risk management in order to limit or avoid negative market value changes in the interest, currency, market price or raw material prices
Capital costs	Price for the allocation of capital in a broader sense (see also WACC)
KGV	Kurs-Gewinn-Verhältnis = Price-earnings-ratio; measure for the valuation of a share on the equity market
Tax accruals/deferrals	Temporally deviating estimated values in commercial accounting and tax accounting of the subsidiaries and from consolidation procedures lead to tax assets or tax liabilities
Material ratio	Expenditure for material and supplies in percent of the output
Net debt	Balance from financial liabilities minus liquid assets; opposite: net cash
Personnel ratio	Personnel expenditure in percent of total sales
Put Option	Derivative financial instrument; an agreement that gives an investor the right (but not the obligation) to sell a stock, bond, commodity, or other instrument at a specified price within a specific time period
Risk management	Systematic approach in order to identify and to evaluate potential risks and select and implement measures for risk handling
ROCE	„Return on Capital Employed“; NOPAT in relation to the capital employed = net yield on the capital employed: EBIT - group taxes in relation to average capital employed
Treasury	Company function for securing the financing, the financial risk and cash management (see there) of the company
WACC	Weighted Average Cost of Capital; average capital costs, which the company has to pay for debt and equity capital on the financial markets
Interest rate swap	Agreement on the exchange of differing cash flows for a certain period; the cash flows are based on fixed and variable interest rates; for hedging changes of interest rates

## Water technology definitions

Absorption	Uptake or dissolving of one substance in another. In the process, substances taken up penetrate into the sorbent.
Adsorption	Accretion of gases or dissolved substances on the surface of a solid substance. This enrichment takes place on the surface only, and is caused by van der Waals' forces. An example is the adsorption of pesticides from water on activated carbon.
Activated carbon	Collective term for a group of synthesized, porous carbons with a spongy structure. This highly porous pure carbon is characterized by a large specific surface area (up to 1100 m <sup>2</sup> per gram). Activated carbon adsorbs organic matters from water and air.
Disinfection	Disinfection means the gradation or inactivation of pathogenic microorganisms by chemical agents (disinfectants) or physical processes resulting in disinfection (heat [e.g. steam of 100°C, boiling water], ultraviolet radiation - UV disinfection, ionising radiation).
Softening	Hardness components (calcium and magnesium ions) are exchanged for sodium ions with the aid of ion exchange resins which after depletion are regenerated back by sodium chloride solution. As the sodium salts formed in this way are easily water soluble, no limescale deposits develop in devices or pipes in the process of water heating.
Desalination	Process leading to elimination of dissolved ionic compounds from water by ion exchange, reverse osmosis or electrodialysis.
Deacidification	Refers almost exclusively to the elimination of aggressive carbonic acid which is aggressive to materials and can dissolve metals (iron, lead, zinc, cadmium, copper) from water pipes.
Filtration	Mechanical separation process resulting in separation of a suspension in its components, solid and liquid. As filter material, porous materials e.g. silica sand, filter cloths etc. are used.
Flocculation	Synthetic formation of flocs. In the process, colloids and other particles suspended in water, as e.g. alumina or sludge particles are removed. These particles mostly carry an electric charge, thus they must be destabilized before their separation by adding a flocculating agent.
Hardness	The quantity of hardness components in water, i.e. the sum of carbonate and non-carbonate hardness. Hardness components are primarily the ions of alkaline earth metals, calcium and magnesium, because they form hardly soluble deposits with carbonate and partly also with sulfations (the metals barium, strontium und radium which are also counted among the alkaline earth group occur in natural waters mostly in trace amounts only). In natural waters, carbonate hardness constitutes the main part of the total hardness. It is consistent with the proportion of alkaline earth ions which are present in water as hydrocarbonate and carbonate. The residual hardness components which are present e.g. as sulphates or chlorides are referred to as non-carbonate hardness.
Hard water	Hard water causes calcination of domestic appliances, increases the consumption of detergents, affects the taste and look of sensitive meals and drinks (e.g. tea). Hard water originates from regions in which sandstones and limestones predominate.
Lime and carbonic acid equilibrium	Calcite saturation; formerly: lime and carbonic acid equilibrium. The state of calcite or calcium carbonate saturation in water is achieved when in contact with calcite it tends neither to dissolve nor to precipitate calcium carbonate. If, due to carbonic acid excess, a water falls below its own pH-value of calcite saturation, it has a calcite dissolving effect; in contrast, if the pH-value is exceeded, it causes oversaturation (calcite precipitation). According to the provisions of the Drinking Water Directive, drinking water should not be calcite dissolving, otherwise calcareous materials (e.g. concrete) may be attacked, moreover, the formation of protective layer on metallic surfaces is inhibited. Hence, it is necessary to remove excessive carbonic acid from calcite-dissolving drinking water by deacidification.

Bacterial count	Colony count; expression for the number of visible and countable germinal colonies which have grown from a liquid or solid substance containing bacteria after incubation by mixing with a first liquefied, and then re-solidified medium.
Corrosion	Chemical reactions which develop when metallic materials come into contact with water are called corrosion. The most noted form of corrosion is the formation of rust on iron and metal. For instance, a corrosion form of copper is known by the name of verdigris.
Legionella	Legionellas are rod-shaped bacteria. Apart from legionella pneumophila, the most important species from epidemiological perspective, there are more than 30 further species of which at least 17 are "human pathogenic".
Membranes	Natural or synthesized flat formations which are able to separate fluid phases or even two volumes of a phase with different composition from each other, and their ability consists in enabling mass transfer between them. Depending on the dividing line, a distinction is made between microfiltration, ultrafiltration, nanofiltration and reverse osmosis.
Microfiltration	Membrane separation process (pore size 0.05 to 1.0 µm; usually 0.2 µm) with low pressure (0.5 to 1.5 bar). Both particles and bacteria can be retained.
Nanofiltration	Is a special membrane separation process which retains particles from the size of ca. 1 nanometre (1 nm).
Oxidation	In the process of chemical oxidation, the element or compound oxidised releases electrons and changes into a higher valence stage. Generally speaking, oxidation means the uptake of oxygen. Typical oxidation reactions in water treatment technology are iron and manganese removal, wastewater from chemical and electroplating industries, but also the reduction of organic ingredients.
Ozone	Oxygen molecule formed by three oxygen atoms. It is the strongest oxidising agent used in water treatment which is durable for a short time only.
pH-value	Measured value for the hydrogen ion concentration contained in aqueous solutions, thus the measure for the acid, neutral or basic reaction of a solution. The pH-value ranges from 0 to 14. Acids have a pH-value below 7, and bases above 7. Water in its original form has a pH-value of 7 (neutral). According to the Drinking Water Directive, drinking water must not show a pH-value below 6.5, and not above 9.5.
Process water	Water for the operation or maintenance of an industrial process; the water can come into direct contact with other substances and partly dissolve them or take up undissolved. The requirements on the quality of process water depend on the particular process.
Ultrapure water	Deionised water manufactured from demineralised water by means of additional treatment steps with special mixed-bed ion exchangers, activated carbon adsorbers and microfilters. This water contains only residual contents of dissolved salts and organic compounds in the range of several nanograms.
Pure water	Purified water manufactured by means of ion exchangers, reverse osmosis systems or distillation which still shows a certain residual salt content (e.g. 1 µS/cm or more).
Drinking water	Water which is suitable for human consumption/use and complies with the Drinking Water Directive is referred to as drinking water. The drinking water requirements are defined in EU Guidelines and in the Drinking Water Directive of August 21, 2001.
Ultrafiltration	Membrane separation process (pore size ca. 0.005 to 0.05 µm) under pressure (2 to 10 bar). Particles from submicron range (bacteria, viruses, giardias, cryptosporidia) through to macromolecules can be retained.
Reverse osmosis	Membrane separation process; salt concentrate (brine) forming on the water side of pipes is discharged as wastewater. Water which flowed through the membrane (permeate) is low in salt. The retention rate for dissolved salts amounts 95 to 99%.
UV irradiation	Ultraviolet (UV) radiation is a short-wave, energy-rich, electromagnetic radiation invisible for the human eye which is used for disinfection in drinking water treatment.

## BWT Group Locations

### Headquarters

BWT Aktiengesellschaft  
A-5310 Mondsee, Walter-Simmer-Straße 4  
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### BWT locations

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Financial calendar 2010:

2009 Annual results	16.04.2010
Annual General Meeting (Vienna)	26.05.2010
Ex-dividend date	31.05.2010
Dividend payment date	02.06.2010
Quarterly Report I/2010	07.05.2010
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