

Report on the
first quarter 2011



KEY DATA

in € m	Q1 2011	Q1 2010	Year 2010
Revenue	8.7	8.3	73.8
of which Austria	2.3	1.0	15.6
of which Hungary	4.0	5.5	36.7
of which Romania	1.7	1.4	18.1
Other	0.7	0.4	3.4
Total output	8.6	8.4	73.2
EBITDA	-1.4	-1.5	6.6
EBIT	-2.5	-2.9	1.3
POA	-1.6	-2.5	-2.3
Annual profit	-1.4	-2.2	-2.5
Return after minority interest	-1.1	-1.9	-2.4
Fixed assets investments	0.5	0.6	2.2
Total assets	110,0	110,3	107,6
Equity	15.5	17.3	15.0
Equity ratio in %	14.1	15.7	14.0
Employees	Q1 2011	Q1 2010	Year 2010
total	515	580	628
of which in Austria	103	99	123
of which in Hungary	263	309	320
of which in Romania	149	172	185
Stock exchange data	Q1 2011	Q1 2010	Year 2010
Dividend per share	€ 0	0	0
Weighted amount of shares	Share 655,878	655,878	655,878
Highest rate	€ 23.4	30.5	30.5
Lowest rate	€ 17.5	23.8	14.9
Closing rate	€ 22.9	24.2	23.9

HIGHLIGHTS

- Revenue improved by +4 %
- Volume of orders increased by € 8.5 min Q1 to € 36.2 m
- EBIT increased by € 0.5 m

Despite the challenging market situation in CEESW Umwelttechnik has been able to increase its group revenue by 4 % in the first quarter 2011 and to improve the overall group result. As expected industry and trade clients remain cautious in their investments. In contrast, the water conservation sector shows continuous growth in revenue due to EU subsidised projects. Due to the increased volume of orders in the project engineering segment, we can forecast a positive development of revenue especially in the second half of the year.

**Dear ladies & gentlemen,
dear shareholders, business partners and employees!**

The slight upswing of the last quarters has been continued into the first quarter of 2011 and therefore meets our expectations so far. We have adapted our cost structure to the current market situation and were able to increase our market share. Despite the challenging market environment revenue was increased slightly and earnings considerably.

Although the visibility of the markets in Central and Eastern Europe is limited, we see these countries as impetus of our continuous growth. Possibilities offered by CEE countries are interesting and manifold. As stated in our strategy, we aim to contribute to the development of infrastructure in CEE as a market leader.

The focus on EU subsidised projects was carried out successfully and has compensated the reluctant market development in projects from industry, trade and residential building. For the annual year 2011 we expect an increase in sales revenue and earnings.

Klagenfurt, 25 May 2011

DI Dr. Bernd Wolschner

DI Klaus Einfalt

Operational review	5
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Group interim financial statements	9
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Notes to the Group interim financial statements	12
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Declaration by the Management Board	14
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OPERATIONAL REVIEW

BUSINESS DEVELOPMENT

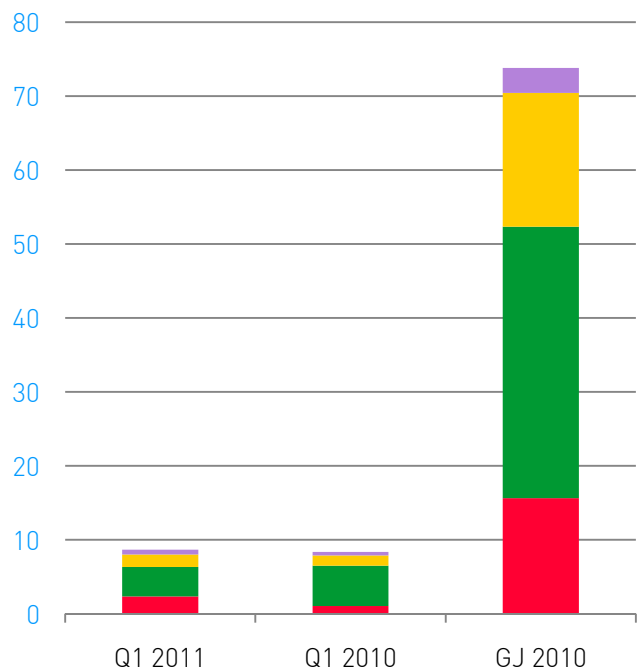
SW Umwelttechnik has successfully adapted to the changed market environment and the lean cost structure as well as the realised restructuring have all led to the expected improvement of earnings in the first quarter.

Despite the ongoing slow restart of projects in Hungary and Romania a group revenue increase of 4 % has been achieved. Revenue by the end of March amounted to € 8.7 m (2010: € 8.3 m). EBIT is reported at € -2.5 m, 16 % higher than in the previous year (2010: € -2.9 m) and EBITDA has been improved by 7 % to € -1.4 m (2010: € -1.5 m).

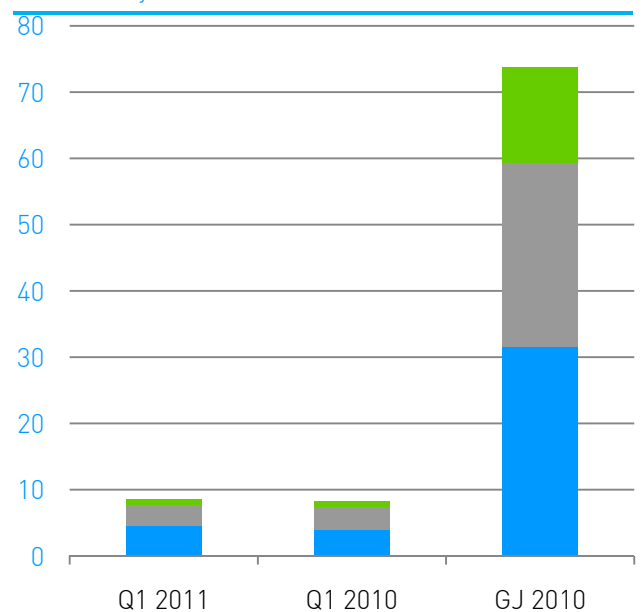
The financial result shows a profit of € 0.8 m due to the stabilisation of the FX rates of HUF and RON compared to the previous year. This results in a strongly improved POA of € -1.6 m (2010: € -2.5 m).



Revenue by geographical markets in € m



Revenue by business sectors in € m



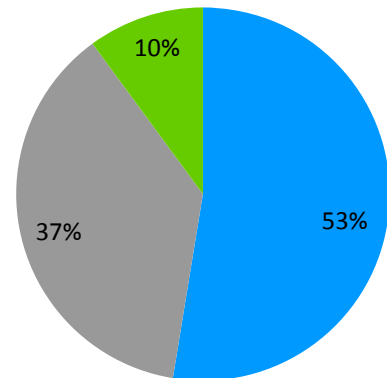
SEGMENTAL ANALYSIS

The breakdown of revenue from the different segments confirms our focus on water conservation products. This segment remains the strongest with € 4.6 m (2010: € 4.0 m) and 53 %. The increase by 14 % compensated the expected decline of the infrastructure revenue. This sector amounts to € 3.2 m in the first quarter (2010: € 3.5 m), which reflects a share of total turnover of 37 % (2010: 42 %). A slight increase has been achieved in the project engineering segment due to good weather conditions.

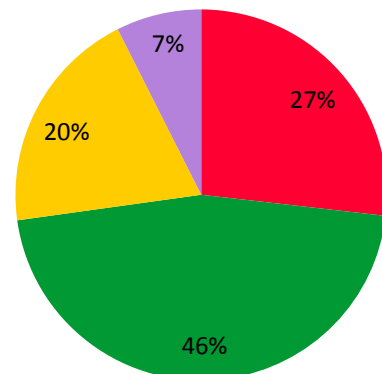
In Austria we were able to make up for the decrease in revenue of the last year and now amounts to € 2.3 m (2010: € 1.0 m), an equivalent of 27 % of the group's revenue (2010: 12 %). This can be traced back to the launch of innovative products and services in the sector water conservation, which confirms our commitment to R & D. Due to an unexpected delay in EU subsidised projects, revenue in Hungary amounts to only € 4.0 m (2010: € 5.5 m) which is 46 % of total revenue.

Revenue in Romania was increased by 25 % to € 1.7 m (2010: € 1.4 m) due to a considerable rise of EU funded projects. This equates to 20 % of group revenue (2010: 16 %).

Revenue by business sectors Q1 2011



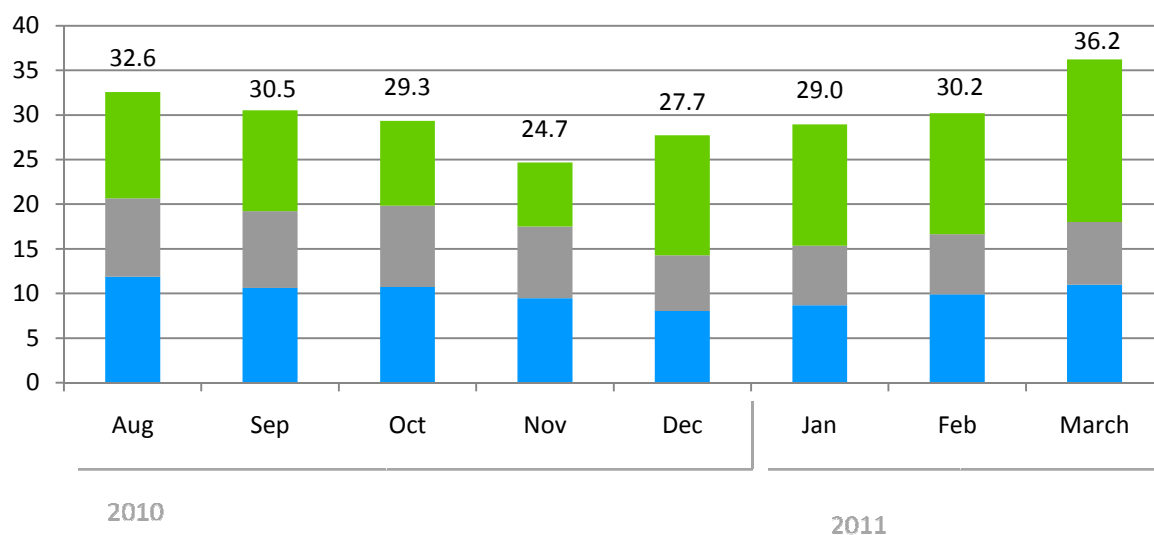
Revenue by geographical markets Q1 2011



VOLUME OF ORDERS

The volume of orders has been increased by € 8.5 m during the first quarter and amounts to € 36.2 m as of 31 March 2011.

The proportion of EU subsidised projects has increased significantly and has compensated for the declined projects from the industry and trade sector.



FINANCIAL SITUATION

Fixed assets were slightly reduced in year on year comparison to € 79.2 m (2010: € 80.6 m). Current assets slightly increased to € 97.2 m (2010: € 80.6 m) because of higher declared accrued orders. Inventories were kept lower than the previous year's level. Therefore the balance sheet total amounts to € 110.0 m (2010: € 110.3) which is just below the 2010 total.

Equity capital as of 31 March 2011 is disclosed at € 15.5 m (2010: € 17.3 m), which is an increase of € 0.5 compared to 31 December 2010. Financial liabilities amount to € 78.2 m (2010: 78.9 m) and thus remain at a similar level to the previous year.

in € '000	Q1 2011	%	Q1 2010	%	Year 2010	%
Fixed assets	79,160	72	80,596	73	76,749	71
Current assets	30,803	28	29,697	27	30,831	29
Total	109,963	100	110,293	100	107,580	100
Equity	15,492	14	17,348	16	15,018	14
Long-term liabilities	43,445	40	48,605	44	43,855	41
Short-term liabilities	51,026	46	44,340	40	48,707	45
Total	109,963	100	110,293	100	107,580	100

OUTLOOK

The company has adapted to the current economic environment and due to our lean cost structure and the realised restructuring, we are able to operate successfully on the market. In addition, we are able to mitigate the volatile market development because of our flexible production modes.

The stable situation in Austria can be explained by the successful positioning in niche markets, the continuous launches of innovative products and the thus achieved differentiation from our competitors.

We expect a slight increase for the water conservation sector, as well as a stabilisation of demand from industry and trade.

The visibility in Hungary and Romania remains limited. We expect a considerable increase of municipal projects in Hungary only in the second half of the year. Investments from industry and trade are expected to increase only slightly during the current fiscal year.

The expected strong decrease of investments from industry and trade dominates the situation in Romania. On the other hand, the likewise expected increase in the water conservation sector is becoming noticeable.

Management is keeping to its previous prognosis of a slight increase in turnover and significant improvement in earnings for 2011.

INTERIM FINANCIAL STATEMENT

BALANCE SHEET AT 31 MARCH 2011

in € '000	31.03.2011	31.03.2011 incl. internal value	31.12.2010
Assets			
Long-term fixed assets	79,160	83,596	76,749
Fixed assets	75,116	79,552	73,065
Other long-term fixed assets	4,044	4,044	3,684
Current assets	30,803	30,803	30,831
Total	109,963	114,399	107,580
Equity and liabilities			
Equity	15,492	19,928	15,018
Long-term liabilities	43,445	43,445	43,855
Short-term liabilities	51,026	51,026	48,707
Total	109,963	114,399	107,580

CONSOLIDATED INCOME STATEMENT FOR THE PERIOD 1 JAN 2011 TO 31 MARCH 2011

in € '000	Q1 2011	Q1 2010
Sales revenue	8.671	8.334
Total output	8.563	8.449
Gross profit	3.879	3.847
Staff costs	2.877	2.879
Depreciation and amortisation	1.098	1.464
Other operating costs	2.448	2.521
Other operating revenue	72	69
EBIT	-2.472	-2.948
EBITDA	-1.374	-1.484
Interest	-684	-575
Exchange rate difference	1.499	988
Financial result	824	457
Profit or loss on ordinary activities	-1.648	-2.491

INCOME AND EARNINGS STATEMENT
FOR THE PERIOD 1 JAN 2011 TO 31 MARCH 2011

in € '000	Q1 2011	Q1 2010
1. Result after income tax	-1,370	-2,183
2. Transfer of investment property	0	0
3. Change of tax rate Hungary	0	0
4. Currency conversion	1,909	798
5. Total	539	-1,385
of which attributable to other associates	-181	-288
of which attributable to associates of parent company	720	-1,097

CHANGES IN EQUITY STATEMENT
FOR THE PERIOD 1 JAN 2011 TO 31 MARCH 2011

in € '000	Share capital	Capital reserve	Own shares	Currency conversion	Reevaluation reserves	Net earnings	Minorities	Total
At 01 01 2010	4,798	5,956	-332	-5,144	2,249	8,243	2,963	18,733
Period result	0	0	0	0	0	-1,876	-307	-2,183
Currency conversion	0	0	0	715	64	0	19	798
Total	0	0	0	715	64	-1,876	-288	-1,385
Dividend payout	0	0	0	0	0	0	0	0
At 31 03 2010	4,798	5,956	-332	-4,429	2,313	6,367	2,675	17,348
At 01 01 2011	4,798	5,956	-332	-6,118	2,297	5,835	2,582	15,018
Period result	0	0	0	0	0	-1,147	-223	-1,370
Currency conversion	0	0	0	1,779	88	0	42	1,909
Total	0	0	0	1,779	88	-1,147	-181	539
Dividend payout	0	0	0	0	0	0	-65	-65
At 31 03 2011	4,798	5,956	-332	-4,339	2,385	4,688	2,336	15,492

CONSOLIDATED CASHFLOW STATEMENT
FOR THE PERIOD 01JAN2011 TO 31MARCH 2011

in € '000	01.01.- 31.03.2011	01.01.- 31.03.2010
Result before tax	-1,648	-2,491
Changes caused by currency conversions	-1,546	-957
Depreciation and amortisation	1,098	1,464
Valuation result from investment property	21	7
Interest income	684	575
Interest paid	-714	-625
Interest received	30	50
Change in long-term reserves	22	-264
Income taxes paid	-10	-14
Resulting net cash	-2,063	-2,255
Change in inventories and construction contracts	-796	-818
Change in receivables and other assets	1,545	937
Change in liabilities	-255	-814
Change in short-term provisions and accrued liabilities	242	0 -331
Working capital net cash	736	-1,026
Net cash from operating activities	-1,327	-3,281
Acquisition of tangible and intangible assets	-492	-555
Acquisition of financial investments	0	0
Proceeds from sale of fixed assets	14	131
Net cash from investing activities	-478	-424
Change in long-term borrowings	-500	-446
Change in short-term borrowing	1,882	3,080
Net cash from financing activities	1,382	2,634
Change in cash and cash equivalents	-423	-1,071
Cash and cash equivalents at beginning of year	1,701	1,903
Change in cash and cash equivalents	-423	-1,071
Currency differences	75	40
Cash and cash equivalents at end of year	1,353	872

NOTES TO THE GROUP'S INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER 2011

The Group's interim financial statements at hand as per 31 March 2011 have been created in accordance with the International Financial Reporting Standards (IFRS) as to be applied in the EU.

The abbreviated interim financial statements do not include – in accordance with IAS 34 – all information and data necessary in the annual financial statements and should thus be read in combination with the SW Umwelttechnik Stoiser & Wolschner AG's annual consolidated financial statements as per 31 December 2010.

SCOPE OF CONSOLIDATION

The scope of consolidation remains unchanged compared to the status as per 31 December 2010.

FINANCIAL ACCOUNTING AND VALUATION METHODS

The same accounting and valuation methods as per 31 December 2010 have been applied.

CURRENCY CONVERSION

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

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

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

The following exchange rates have thus been applied:

Currency		Rate at balance sheet date		Average rate for the year	
		31 032011	31032010	Q1 2011	Q1 2010
HUF	Hungarian Forint	265.80	266.40	270.50	269.20
RON	Romanian Lei	4.12	4.10	4.20	4.11

SEGMENTAL REPORT € m

Distribution of sales revenue according to primary segments:

	Q1 2011	in %	Q1 2010	Year 2010
Water Conservation	4.6	52.6	4.0	31.6
Infrastructure	3.2	37.3	3.5	27.8
Project Engineering	0.9	10.1	0.8	14.4
	8.7	100.0	8.3	73.8

Distribution of sales revenue according to secondary segments:

	Q1 2011	in %	Q1 2010	Year 2010
Austria	2.3	26.8	1.0	15.6
Hungary	4.0	46.0	5.5	36.7
Romania	1.7	19.8	1.4	18.1
Other	0.7	7.4	0.4	3.4
	8.7	100.0	8.3	73.8

EMPLOYEE DATA

	Q1 2011			Q1 2010			Year 2010		
	White-collar	Blue-collar	Total	White-collar	Blue-collar	Total	White-collar	Blue-collar	Total
Austria	49	54	103	51	48	99	54	69	123
Hungary	130	133	263	131	178	309	134	186	320
Romania	47	102	149	51	121	172	51	134	185
	226	289	515	233	347	580	239	389	628

DIVIDEND PAYOUT

At the annual general meeting on 20 May it was decided that SW Umwelttechnik would not be paying out a dividend to their shareholders for the financial year 2010.

SHARE REPURCHASE SCHEME

In the first quarter 2011 none of the Company's own shares were repurchased.

SEASONAL FACTORS

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

RELATIONSHIPS WITH ASSOCIATED COMPANIES AND INDIVIDUALS

No significant changes have occurred in regards to relationship with associated companies and individuals as compared to those disclosed in the annual report 2010.

FINANCIAL INSTRUMENTS

No financial instruments apart from those disclosed in the annual report 2009 were applied during the reporting period.

BUSINESS TRANSACTIONS AFTER THE BALANCE SHEET DATE

No business transactions occurred after the balance sheet date of the quarter impacting the interim financial report at hand or that have any particular relevance.

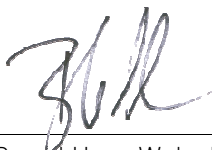
OTHER OBLIGATIONS, LITIGATION AND POSSIBLE LIABILITIES

There are no changes to be reported for this period in terms of other obligations, litigation and possible liabilities compared to the ones stated in the consolidated annual financial statements as of 31 December 2010.

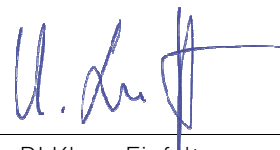
DECLARATION BY THE MANAGEMENT BOARD

We hereby confirm that to the best of our knowledge, these summarised consolidated interim financial statements have been compiled in accordance with applicable accounting standards and to the maximum extent possible give a true and fair view of the Group's assets, finances and earnings. We also confirm that the interim operational review for the first three months of the financial year conveys a true and fair view of the most important events of the first three months of this financial year to the maximum extent possible and their impact on the summarised consolidated interim financial statements, in terms of significant risks and uncertainties during the remaining nine months of the financial year, and of key transactions with associated companies and individuals where disclosure is required. These summarised consolidated interim financial statements have been subjected neither to a complete audit nor to an audit review by an auditor.

Klagenfurt, 25 May 2011



DI Dr. Bernd Hans Wolschner
Member of the Management Board



DI Klaus Einfalt
Member of the Management Board

FINANCIAL CALENDAR

24 August 2011

Interim report on the first half 2011

23 November 2011

Report on the third quarter 2011

SHAREHOLDER INFORMATIONEN

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

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

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