

Shareholder- information

for the 3rd quarter of 2003



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 **BWT**
BEST WATER TECHNOLOGY

BWT after the first nine months of 2003: increase in sales and earnings at Aqua Ecolife Technologies, Aqua Systems Technologies considerably negatively impacted by the semiconductor business.

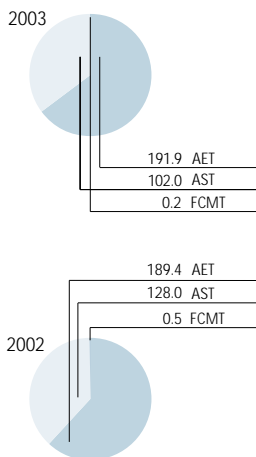
The varying developments in sales and earnings in BWT's two main divisions of Aqua Ecolife Technologies (AET) and Aqua Systems Technologies (AST) have continued into the third quarter of the financial year 2003. While the AET division achieved an increase in both sales and earnings compared to the previous year, a slump in operating output and margins in the semiconductor business lead to considerable losses in the AST division, which also had a major negative impact on the Group's earnings in the first nine months of the year. Nevertheless, both sales and earnings in the 3rd quarter slightly exceeded the figures achieved in the previous year. The Scandinavian HOH Group, which was acquired in August, will be retrospectively included in the consolidated result in the 4th quarter as of 1 July 2003.

Sales: € 294.1 million (-7.5%)

In the first nine months of the current financial year, consolidated sales declined by 7.5% from € 317.9 million to € 294.1 million. While the Aqua Ecolife technologies division increased its sales by 1.4% to € 191.9 million, the Aqua Systems Technologies division recorded a decrease in sales of € 26 million (-20.3%). This was caused primarily by the poor orders position at the Swiss Christ. Sales in the 3rd quarter totalled € 100.7 million, an increase of 0.4% on the previous year (€ 100.2 million).

The sales of the individual divisions are as follows (in € million, excluding intra-company sales):

Sales by business division
(in million €)



- Aqua Ecolife Technologies (AET)
- Aqua Systems Technologies (AST)
- Fuel Cell Membrane Technologies (FCMT)

Division	Qu. 1-3/2003	Qu. 1-3/2002	+/- %
Aqua Ecolife Technologies (AET)	191.9	189.4	+ 1.4%
Aqua Systems Technologies (AST)	102.0	128.0	- 20.3%
Fuel Cell Membrane Technologies (FCMT)	0.2	0.5	-60.0%
Total sales	294.1	317.9	-7.5%

France and BWT activities in Eastern Europe primarily contributed to the growth in sales in the AET division, achieving increases of 7% and 25% respectively. This more than compensated for the slight decline in sales in Germany.

The 20% decline in sales in the AST division was mainly attributable to Christ which showed a decrease in operating performance of 30%. Due to settlement during the previous year, sales at Aqua Engineering and Christ Kennicott were also down as at 30 September. In comparison, van der Molen and Hinke increased sales in the food and beverage industries by 6% on the previous year.

In line with the market situation, the Fuel Cell Membrane Technologies (FCMT) division achieved sales of € 0.2 million (previous year: € 0.5 million).

Order book level as at 30 September:
€ 115.8 million (-0.3%)

The order book level of the BWT Group was marginally down on the previous year (€ 115.8 million compared with € 116.2 million). The order book level in the AET division showed an increase of 4.7%, while in the AST group it was down by 2.3% compared with the previous year. Orders received in the first nine months of the current financial year were at € 291.4 million, 8.6% down on the previous year; whereby the AET division showed an increase of 2.6% and the AST division a decrease of 26.5%.

EBIT € 11.9 million (-€ 36.9%)

Consolidated income
€ 6.2 million (-41.2%)

The decline in operating performance and the increased squeeze on margins in the AST division resulted in a 36% reduction in EBIT from € 18.9 million to € 11.9 million. The AET division EBIT increased to € 21.9 million while the AST division EBIT after nine months was € -9.2 million compared with € -0.4 million in the previous year. As a result of cost savings, the losses in the fuel cell division were reduced from € 1.3 million in the previous year to € 0.9 million.

Segment results (EBIT in € million):

Division	Qu. 1–3/2003	Qu. 1–3/2002	+/- %
Aqua Ecolife Technologies (AET)	21.928	20.548	+6.7%
Aqua Systems Technologies (AST)	-9.181	-0.408	x
Fuel Cell Membrane Technologies (FCMT)	-0.866	-1.331	x
Aqua Finance (AFI)	0.022	0.050	-56.0%
Total EBIT	11.903	18.859	-36.9%

The reduced percentage of the AST division in the overall result led to an improvement in the cost of materials compared to sales. Personnel costs increased by 1.0% in comparison with the previous year, while other operating expenses and revenue in total increased by 7.5%.

The improvement in the financial result also continued in the 3rd quarter. Net interest income rose by 38.5% in comparison to the previous year, which was a reflection of not only the more favourable interest rate levels but also the profit from the cash-positive programme and the clear decline in interest-bearing financial liabilities associated with the latter.

Earnings before taxes were € 10.3 million, which equals 3.5% of sales. Earnings after taxes were € 6.4 million and thus were 41.5% down on the previous year's figure of € 11 million. Consolidated income after minorities was € 6.2 million and the profit per share was € 0.35.

Cash flow from earnings
€ 16.3 million (2002: € 21.0 million)

Cash flow from business activities
€ 20.1 million (2002: € 19.1 million)

Gearing 69%

Group equity € 123.3 million,
35.3% of the balance sheet total

The decline in earnings was reflected in the cash flow from earnings, which in the first nine months of the current financial year fell from € 21.0 million in the previous year to € 16.3 million. The significantly reduced level of debt enabled last year's high level of cash flow from business activities, € 19.1 million, to be exceeded once again and as at the end of September this amounted to € 20.1 million. As a result, financial liabilities decreased considerably and gearing achieved an improved level of 69%. As a result of the reduced balance sheet total, group equity increased to 35.3% (30.9.2002: 31.3%).

Investments in fixed assets
€ 4.8 million (2002: € 7.3 million)

BWT Group investment in fixed assets was € 4.8 million after the first three quarters of 2003 and thus decreased by approximately 34% in comparison to the previous year.

Number of employees as at
30.9.2003: 2,454

The total number of employees at the BWT Group was 2,454 at the end of the 3rd quarter. The figure was 2,468 at the same time last year and 2,466 on 31.12.2002. Of this figure, 1,714 were employed by AET (previous year: 1,698), 726 by AST (previous year: 755) and 14 by FMCT (previous year: 15). The decline in the number of employees at AST primarily concerned Christ.

BWT acquires HOH Group and thus increases its market leadership in Europe

With the acquisition of the HOH Water Technology Group from NTR Holding A/S, Copenhagen, as of 1 July 2003, BWT has achieved another important strategic goal. The BWT Group now has subsidiaries active in all Scandinavian countries.

HOH Water Technology, with its widespread marketing and service network, is one of the largest and most prestigious suppliers in the Northern European water treatment market. The HOH Water Technology Group comprises the parent company in Copenhagen and subsidiaries in Denmark, Sweden, Norway and Finland. From these locations both the domestic market and the export markets in the Baltic States and Russia are supplied. The strategy of HOH is particularly built on a strong service network and the sale of standardised equipment and installations. All existing business activities are being actively expanded.

Outlook


The results of the 3rd quarter confirm the expectations of the Management Board, who as early as the middle of the year had published the considerably downwards revised sales and earnings expectations for the current financial year. After the acquisition of HOH, which will be consolidated at the end of the year with retrospective effect as of 1 July 2003, the BWT Group is expecting consolidated annual sales of approximately € 415 million (2002: € 431 million) and consolidated income after minorities of € 7.5 million (previous year: € 15.2 million). For 2003, the Management Board is planning to retain an unchanged dividend of € 0.24 per share despite the reduction in earnings.

For the coming 2004 financial year, the Management Board is expecting a turnaround in the semiconductor sector, from which Christ should benefit strongly with its optimised cost structure and thanks to its technological leadership. The further development of the AET division will be supported with an innovative product programme focussing on the topic "Drinking Water Hygiene".

Mondsee, November 2003

Board of Management


Andreas Weissenbacher
CEO


Gerhard Speigner
CFO


K. M. Millauer
COO

Consolidated profit and loss account for the first three quarters

in € 1000's	Qu. 1–3/2003		Qu. 1–3/2002		+/- %
	Amount	%	Amount	%	
SALES	294,145.6	100.0	317,877.6	100.0	-7.5
Other operating income	2,416.6	0.8	3,218.5	1.0	-24.9
Changes in inventory of finished and unfinished products	-137.7	0.0	1,457.7	0.5	-109.4
Other capitalized labor, overheads and material	1,026.4	0.3	1,084.6	0.3	-5.4
Materials	-132,619.8	-45.1	-147,975.4	-46.6	-10.4
Personnel costs	-92,475.4	-31.4	-91,594.6	-28.8	1.0
Depreciation of fixed assets	-7,703.2	-2.6	-7,586.4	-2.4	1.5
Depreciation of goodwill	-2,268.0	-0.8	-2,467.0	-0.8	-8.1
Other operating expenses	-50,481.1	-17.2	-55,155.6	-17.4	-8.5
RESULT FROM OPERATING ACTIVITIES	11,903.4	4.0	18,859.4	5.9	-36.9
Financial result	-1,974.6	-0.7	-3,212.0	-1.0	-38.5
Income from group companies	381.6	0.1	256.0	0.1	49.1
EARNINGS BEFORE TAX	10,310.4	3.5	15,903.4	5.0	-35.2
Taxes on income	-3,883.5	-1.3	-4,926.6	-1.5	-21.2
EARNINGS AFTER TAX	6,426.9	2.2	10,976.8	3.5	-41.5
Income from minority shareholders	-179.0	-0.1	-348.0	-0.1	x
CONSOLIDATED EARNINGS	6,247.9	2.1	10,628.8	3.3	-41.2
Earnings per share (in €):	0.35		0.60		-41.2
Average number of outstanding shares	17,833,500		17,833,500		

Segment results

in € 1000's	Qu. 1–3/2003			Qu. 1–3/2002		
	Sales	EBIT	%	Sales	EBIT	%
Aqua Ecolife Technologies	191,953	21,928	11.4	189,363	20,548	10.9
Aqua Systems Technologies	101,967	-9,181	-9.0	128,008	-408	-0.3
Fuel Cell Membrane Technologies	226	-866	x	507	-1,331	x
Aqua Finance	0	22	x	0	50	x
BWT Group	294,146	11,903	4.0	317,878	18,859	5.9

Consolidated profit and loss account for the 3rd quarter

in € 1000's	3 rd quarter 2003		3 rd quarter 2002		+/- %
	Amount	%	Amount	%	
SALES	100,688.9	100.0	100,246.6	100.0	0.4
Other operating income	532.6	0.5	1,416.2	1.4	-62.4
Changes in inventory of finished and unfinished products	-616.3	-0.6	276.2	0.3	-323.1
Other capitalized labor, overheads and material	713.7	0.7	373.8	0.4	90.9
Materials	-50,555.7	-50.2	-45,976.7	-45.9	10.0
Personnel costs	-30,664.4	-30.5	-29,681.0	-29.6	3.3
Depreciation of fixed assets	-2,633.7	-2.6	-2,547.4	-2.5	3.4
Depreciation of goodwill	-756.0	-0.8	-822.3	-0.8	-8.1
Other operating expenses	-13,804.8	-13.7	-19,908.0	-19.9	-30.7
RESULT FROM OPERATING ACTIVITIES	2,904.3	2.9	3,377.4	3.4	-14.0
Financial result	-677.2	-0.7	-987.6	-1.0	-31.4
Income from group companies	306.7	0.3	-33.2	0.0	-1,023.8
EARNINGS BEFORE TAX	2,533.8	2.5	2,356.6	2.4	7.5
Taxes on income	-847.1	-0.8	-878.5	-0.9	-3.6
EARNINGS AFTER TAX	1,686.7	1.7	1,478.1	1.5	14.1
Income from minority shareholders	-25.4	0.0	-75.5	-0.1	-66.4
CONSOLIDATED EARNINGS	1,661.3	1.6	1,402.6	1.4	18.4
Earnings per share (in €):	0,09		0,08		18.4
Average number of outstanding shares	17,833,500		17,833,500		

Segment results

in € 1000's	3 rd quarter 2003			3 rd quarter 2002		
	Sales	EBIT	%	Sales	EBIT	%
Aqua Ecolife Technologies	64,692	6,802	10.5	62,146	5,405	8.7
Aqua Systems Technologies	35,952	-3,631	-10.1	38,064	-1,459	-3.8
Fuel Cell Membrane Technologies	45	-252	x	37	-572	x
Aqua Finance	0	-15	x	0	3	x
BWT-Group	100,689	2,904	2.9	100,247	3,377	3.4

Consolidated balance sheet

in € 1000's	As of 30. 9. 2003	As of 31. 12. 2002
ASSETS		
Goodwill from consolidation	44,155.3	46,423.3
Other intangible assets	11,420.1	12,520.3
Tangible assets	68,822.1	73,406.2
Financial assets	4,439.6	3,353.0
Fixed assets	128,837.1	135,702.8
Inventories	51,110.4	45,123.8
Receivables	139,628.7	152,414.0
Liquid funds	14,835.2	19,506.5
Current assets	205,574.3	217,044.3
Deferred taxes and prepaid expenses	14,890.6	10,452.4
TOTAL ASSETS	349,302.0	363,199.5

in € 1000's	As of 30. 9. 2003	As of 31. 12. 2002
LIABILITIES		
Share capital	17,833.5	17,833.5
Capital reserves	17,095.8	17,095.8
Earnings reserves	89,049.4	87,040.1
Difference from currency conversion	-701.0	1,427.2
Equity	123,277.7	123,396.6
Minorities interests	754.9	805.2
Provisions for severance payments and pensions	21,973.0	21,813.3
Provisions for taxes	11,476.8	8,120.8
Other provisions	35,569.5	31,148.2
Provisions	69,019.3	61,082.3
Long-term interest-bearing financial liabilities	38,963.2	47,837.5
Short-term interest-bearing financial liabilities	61,199.9	62,705.5
Trade liabilities	29,272.0	37,540.8
Other liabilities	22,648.6	26,390.7
Liabilities	152,083.7	174,474.5
Deferred income	4,166.4	3,440.9
TOTAL LIABILITIES	349,302.0	363,199.5

Group cash flow

in € 1000's	Qu. 1–3/2003	Qu. 1–3/2002
Liquid funds as of 1 January	19,506.5	19,529.9
Cash flow from earnings	16,293.8	21,043.7
Changes in working capital	3,822.4	-1,922.0
Cash flow from operating activities	20,116.2	19,121.7
Cash flow from investment activities	-4,802.0	-7,058.2
Cash flow from financing activities	-19,680.2	-7,366.8
Other (currency changes etc.)	-305.3	-224.7
Liquid funds as of 30 September	14,835.2	24,001.9

Statement of changes to shareholders' equity

in € 1000's	Share capital	Capital reserve	Earnings reserve	Difference from currency translation	Total
As of 31 December 2002	17,833.5	17,095.8	87,040.1	1,427.2	123,396.6
Concolidated income	0.0	0.0	6,247.9	0.0	6,247.9
Dividend payment	0.0	0.0	-4,280.0	0.0	-4,280.0
Currency translation	0.0	0.0	0.0	-2,128.2	-2,128.2
Claims – minorities	0.0	0.0	41.4	0.0	41.4
As of 30 September 2003	17,833.5	17,095.8	89,049.4	-701.0	123,277.7

in € 1000's	Share capital	Capital reserve	Earnings reserve	Difference from currency translation	Total
As of 31 December 2001	17,833.5	17,095.8	75,338.4	910.3	111,178.0
Concolidated income	0.0	0.0	10,628.8	0.0	10,628.8
Dividend payment	0.0	0.0	-3,703.3	0.0	-3,703.3
Currency translation	0.0	0.0	0.0	-224.7	-224.7
Claims – minorities	0.0	0.0	624.6	0.0	624.6
As of 30 September 2002	17,833.5	17,095.8	82,888.5	685.6	118,503.4

Investor relations

We are committed to an open and on-going dialogue with our shareholders and partners. On the new BWT website www.bwt-group.com you will find all relevant company information ready at hand.

In addition, our investor relations team will be happy to assist you with any question you may have.

Phone: ++43/6232/5011-ext. 1110
 ++43/6232/5011-ext. 1112
 ++43/6232/5011-ext. 1113

E-Mail: andreas.weissenbacher@bwt.at
gerhard.speigner@bwt.at
investor.relations@bwt.at