

# Shareholder Information for the First Three Quarters 2006



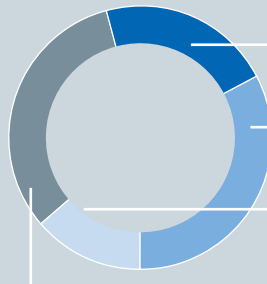
**CHRIST**

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Christ Water Technology Group

# Overview 1<sup>st</sup>-3<sup>rd</sup> Quarter 2006

## Order intake 1<sup>st</sup>-3<sup>rd</sup> quarter



Pharma & Life Science 38.7 mn €

Ultrapure Water 59.0 mn €

Food & Beverage 24.3 mn €

Municipal Water Treatment 57.5 mn €

## Order backlog per 30.9.



Pharma & Life Science 19.3 mn €

Ultrapure Water 57.9 mn €

Food & Beverage 24.4 mn €

Municipal Water Treatment 73.4 mn €

## Sales 1<sup>st</sup>-3<sup>rd</sup> quarter



Pharma & Life Science 34.7 mn €

Ultrapure Water 71.4 mn €

Food & Beverage 16.2 mn €

Municipal Water Treatment 28.7 mn €

## Shareholder Information for the First Three Quarters 2006

### Continuous growth in all important areas

- **Order intake:** +4% (€ 179.6 million compared to € 173.5 million for the prior year)
- **Orders on hand:** +31% (€ 175.0 million compared to € 133.6 million for the prior year)
- **Sales:** +17% (€ 151.1 million compared to € 129.5 million for the prior year)
- **EBIT:** +220% (€ 4.8 million compared to € 1.5 million for the prior year)

The third quarter confirmed the sustained upturn in the Christ Group. Order receipts showed an improvement on the prior year's record figure (€ 173.5 million) and now stand at € 179.6 million. The highest growth rates were posted by the Food & Beverage segment (+ 76%), which in addition to the organic growth at Van der Molen also includes the newly acquired KF Service for the first time. Pharma & Life Science (+12%) also benefited from the buoyant investment mood around the world in the pharmaceutical and biotechnology industry. The growth experienced by the Municipal Water Treatment segment (+25%) resulted primarily from the initial consolidation as per 1 July of the Hungarian company Innoterv RT, part of the Aqua Engineering Group. In the microelectronics sector of the Ultrapure Water segment, the concentration on qualitative growth has resulted in reduced order receipts (-25% to last year). New orders in the investment-friendly power plant business provided an effective cushion against the impact of the resulting decline.

The order book reached an excellent € 175.0 million (prior year: € 133.6 million) at September 30. This figure is distributed over the segments as follows: Pharma & Life Science € 19.3 million (prior year: € 19.8 million), Ultrapure Water € 57.9 million (prior year: € 50.4 million), Food & Beverage € 24.4 million (prior year: € 16.6 million) and Municipal Water Treatment € 73.4 million (prior year: € 46.8 million).

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**Order intake and order book:  
municipal business is powering  
growth**

**Sales: € 151.1 million / + 17 %  
to prior year and on course to  
reach target for the year**

After the first three quarters, consolidated Group sales were running at € 151.1 million and thus + € 21.6 million to prior year (€ 129.5 million).

**Sales by segment (in € 1000s)**

<b>Sales (€ 1000s)</b>	<b>1 – 9 / 2006</b>	<b>1 – 9 / 2005</b>	<b>+ / - %</b>
Pharma & Life Science	34,734	31,867	+9.0 %
Ultrapure Water	71,414	54,452	+31.2 %
Food & Beverage	16,202	16,165	+0.2 %
Municipal Water Treatment	28,701	26,996	+6.3 %
<b>Total</b>	<b>151,051</b>	<b>129,480</b>	<b>+16.7 %</b>

In the Pharma & Life Science segment, the growth in sales decreased to 9% due to project deferrals in North and South America and in Ireland. The business conditions remain good and the order structure is characterized by a majority of medium size orders after the completion of a major pharmaceutical project. Due to the increase in the participation from 10% to 50%, the Indian Joint Venture Christ Nishotech was consolidated pro rata for the first time.

Sales in the Ultrapure Water segment displayed the largest increase with a rise of 31% and these were distributed over the microelectronics sector, flourishing in Asia especially, current power plant projects in Europe and in the Middle East, and industrial process and wastewater treatment solutions.

The Food & Beverage segment is continuing along its road to consolidation and with Van der Molen has succeeded in finally resolving the projects associated with weak sales and in turning around earnings with new order qualities. The 51% participation in aseptic specialists KF Service has been included for the first time from the third quarter.

Sales in the Municipal Water Treatment segment also increased steadily and this reflects the high level of demand worldwide for both clean drinking water and municipal wastewater treatment. Due to cooperation with, and subsequent acquisition of, the Hungarian wastewater specialists Innoterv, we have succeeded in obtaining further interesting municipal projects in Hungary.

Sales in the service business increased year-on-year by 26% to € 24 million (prior year: € 19 million). The proportion of sales thus increased in percentage terms to 16%.

The third quarter closed with an accumulated operating profit (EBIT) of € 4.8 million (prior year: € 1.5 million) and an EBIT margin of 3.2% (prior year: 1.1%) and confirmed the sustained income improvement in the Group.

**Income: continuous margin improvement**

EBIT (€ 1000s)	1 – 9 / 2006	1 – 9 / 2005	+ / - %
Pharma & Life Science	971	621	+56.4 %
Ultrapure Water	3,460	289	+1,097.2 %
Food & Beverage	-840	-786	--
Municipal Water Treatment	1,258	1,353	-7.0 %
<b>Total</b>	<b>4,849</b>	<b>1,477</b>	<b>+228.3 %</b>

**EBIT by segment (in € 1000s)**

Investments in market expansion (mainly the USA, China and India) with associated negative earnings contributions have impaired the positive primary business in the Pharma & Life Science segment in the third quarter. This resulted in the accumulated EBIT margin falling to 2.8%. A healthy level of orders on hand and promising quote volumes in all sites should result in improved income in the last quarter.

Earnings in the third quarter supported the healthy condition of the Ultrapure Water segment. The accumulated EBIT margin was 4.8% (prior year: 0.5%). The fact that all the companies included in the segment are working positively and there is no dependency on major individual projects or sectors, points to continued stable development.

The negative earnings for the Food & Beverage segment in the third quarter were the result of start-up losses of the new acquisition KF Service in the course of processing old orders as well as from project preproduction costs. EBIT for Van der Molen was already positive in the third quarter and validates the restructuring approach. Both companies forecast improvements in earnings for the fourth quarter.

After decreases in earnings with major projects in the prior quarter caused by settlements, earnings for the Municipal Water Treatment segment recovered in the third quarter. The company sites in South Africa and Dubai improved as did the site in Hungary, where the joint appearance of Aqua Engineering and Innoterv on the market has already resulted in positive earnings contributions.

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**Employee numbers as of 30 September 2006: increase to 1,016 employees due to company acquisitions**

Employee numbers have increased from 842 as of 31 December 2005 to 1,016 as of 30 September 2006 due to the acquisition of new participations. KF Service accounted for 54 employees and Innoterv has 85 employees. A further 15 come from the 50/50 joint venture in India. As of 30 September of the prior year, the Group still had 836 employees.

Personnel costs rose by 5% from € 33.7 million to € 35.4 million compared with the prior year. However, the personnel cost proportion improved to 23.4% (prior year: 26%). The cost of materials and purchased services has risen in line with the sales increase to € 102.4 million (prior year: € 83.3 million). The project-related proportion for materials and other purchases was 67.8% (prior year: 64.3%). In absolute terms the gross yield has increased by 8% to € 50.1 million.

The financial result amounted to € -1.4 million (prior year: € -1.0 million) and was the result in the increase of the net debt due to increased volume of business. Higher interest paid was due to the serving of the corporate bond, while interest income grew thanks to deposit of related proceeds currently not required.

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**Net earnings: increase from € 0.4 million to € 2.4 million**

Earnings before tax increased to € 3.5 million (prior year: € 0.5 million). The profit for the period after taxes on income rose from € 0.4 million in the prior year to € 2.4 million. Minority shares produced a negative amount from the loss allocation to KF Service. This resulted in the profit for the period for the shareholders of Christ increasing to € 2.6 million.

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**Balance sheet**

Compared with 31 December 2005, long-term assets increased from € 42.2 million to € 55.6 million. This is primarily due to the granting of a loan in the course of setting up a microchip factory in Dresden (€ 10 million). Goodwill increased in the course of company acquisitions by € 1.2 million.

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**Equity**

The balance sheet total increased in proportion to the expansion of the volume of business from € 144.4 million to € 162.2 million. Group equity (including minority shares) increased from € 41.2 million, as of 31 December 2005, to € 42.5 million, less than the profit for the period due to currency effects and the change in minorities. The equity ratio decreased from 28.5% to 26.2% due to the increased balance sheet total.

Long-term debt arising from the bond issue increased from € 7.1 million, as of 31 December 2005, to € 57.7 million, resulting in a decrease in short-term debt from € 96.1 million to € 62.1 million due to the repayment of short-term bank loans.

At € -7.4 million, the cash flow from operating activities is negative due to the increase in inventories and the decrease in liabilities. Investments of € 5.9 million in tangible and financial assets were financed from bond proceeds as is the requirement for working capital. Liquid assets decreased year-on-year by € 1.6 million and now equal € 15.1 million. Net debt has risen from € 20.4 million, as of 31 December 2005, to € 34 million.

**Cash flow from the bond used for investments and participations as well as working capital**

The third quarter was characterized by the finalization and integration of company acquisitions as well as setting the future course, in operating terms, of current loss-making subsidiaries. The positive momentum is already beginning to be reflected in improved earnings in the fourth quarter.

In order to increase attractiveness for the share for US investors management plans to launch an ADR (American Depository Receipt)-Programme, Level 1, to be implemented over the next few weeks.

## Outlook

The obtaining of attractive orders in all segments as early as the start of the final quarter has laid the foundation for promising annual financial statements. Based on the good order situation in all sectors and the continuing favorable economic climate for the 2006 financial year, the management is still assuming that sales will pass the € 200 million mark and the EBIT margin will continue to improve.

Mondsee, November 2006

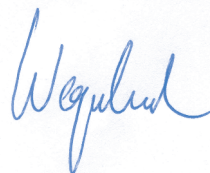
Board of Directors



Karl Michael Millauer



Hartmut Gussmann



Harald Wegscheider

## Consolidated Profit and Loss Account for the 1<sup>st</sup> to 3<sup>rd</sup> Quarter

in € 1000s	1-9 2006		1-9 2005		% - Change
	Amount	in %	Amount	in %	
<b>Sales</b>	<b>151,051.0</b>	<b>100.0</b>	<b>129,479.9</b>	<b>100.0</b>	<b>16,7</b>
Other operating income	4,227.5	2.8	1,375.3	1.1	207.4
Change in inventory of finished and unfinished products	1,462.1	1.0	185.6	0.1	687.8
Other capitalized labor, overheads and material	629.7	0.4	133.0	0.1	373.5
Material and purchased services	-102,395.3	-67.8	-83,252.8	-64.3	23.0
Personnel costs	-35,402.9	-23.4	-33,710.1	-26.0	5.0
Depreciation	-2,118.0	-1.4	-2,118.3	-1.6	0,0
Other operating expenses	-12,604.8	-8.3	-10,615.3	-8.2	18,7
<b>Result from operating activities</b>	<b>4,849.3</b>	<b>3.2</b>	<b>1,477.3</b>	<b>1.1</b>	<b>228.3</b>
Financial income	949.7	0.6	519.1	0.4	83.0
Financial expenses	-2,336.6	-1.5	-1,498.7	-1.2	55.9
<b>Earnings before tax</b>	<b>3,462.4</b>	<b>2.3</b>	<b>497.7</b>	<b>0.4</b>	<b>-</b>
Taxes on income	-1,017.6	-0.7	-81.3	-0.1	-
<b>Net profit / loss for the period</b>	<b>2,444.7</b>	<b>1.6</b>	<b>416.4</b>	<b>0.3</b>	<b>-</b>
of which to minority shares	-115.1	0.1	30.6	0.0	476.0
of which to shareholders of the parent company	2,559.8	1.7	385.8	0.3	-
<b>Earnings per share</b>	<b>0.14</b>		<b>0.02</b>		

## Segment Report for the 1<sup>st</sup> to 3<sup>rd</sup> Quarter

in € 1000	1-9 2006			1-9 2005		
	Sales	EBIT	in %	Sales	EBIT	in %
Pharma & Life Science	34,734	971	2.8	31,867	621	1.9
Ultrapure Water	71,414	3,460	4.8	54,452	289	0.5
Food & Beverage	16,202	-840	-5.2	16,165	-786	-4.9
Municipal Water Treatment	28,701	1,258	4.4	26,996	1,353	5.0
<b>CHRIST-Group</b>	<b>151,051</b>	<b>4,849</b>	<b>3.2</b>	<b>129,480</b>	<b>1,477</b>	<b>1.1</b>

## Consolidated Profit and Loss Account for the 3<sup>rd</sup> Quarter

in € 1000s	3 <sup>rd</sup> Quarter 2006		3 <sup>rd</sup> Quarter 2005		% - Change
	Amount	in %	Amount	in %	
<b>Sales</b>	<b>41,819.2</b>	<b>100.0</b>	<b>42,388.7</b>	<b>100.0</b>	<b>-1.3</b>
Other operating income	2,346.4	5.6	129.9	0.3	1,706.3
Change in inventory of finished and unfinished products	1,431.3	3.4	-695.0	-1.6	-305.9
Other capitalized labor, overheads and material	463.9	1.1	0.7	0.0	-
Material and purchased services	-26,646.0	-63.7	-24,457.7	-57.7	8.9
Personnel costs	-12,586.5	-30.1	-11,427.6	-27.0	10.1
Depreciation	-747.3	-1.8	-669.2	-1.6	11.7
Other operating expenses	-4,258.6	-10.2	-4,420.5	-10.4	-3.7
<b>Result from operating activities</b>	<b>1,822.4</b>	<b>4.4</b>	<b>849.3</b>	<b>2.0</b>	<b>114.6</b>
Financial income	401.5	1.0	197.6	0.5	103.2
Financial expenses	-1,140.8	-2.7	-563.9	-1.3	102.3
<b>Earnings before tax</b>	<b>1,083.1</b>	<b>2.6</b>	<b>483.0</b>	<b>1.1</b>	<b>124.2</b>
Taxes on income	-299.2	-0.7	-203.6	-0.5	47.0
<b>Net profit / loss for the period</b>	<b>783.8</b>	<b>1.9</b>	<b>279.4</b>	<b>0.7</b>	<b>180.5</b>
of which to minority shares	-149.9	-0.4	72.1	0.2	-307.9
of which to shareholders of the parent company	933.7	2.2	207.3	0.5	350.4
<b>Earnings per share</b>	<b>0.05</b>		<b>0.01</b>		<b>-</b>

## Segment Report for the 3<sup>rd</sup> Quarter

in € 1000s	3 <sup>rd</sup> Quarter 2006			3 <sup>rd</sup> Quarter 2005		
	Amount	EBIT	in %	Amount	EBIT	in %
Pharma & Life Science	12,209	155	1.3	12,698	110	0.9
Ultrapure Water	18,883	1,111	5.9	16,543	1,118	6.8
Food & Beverage	4,765	-200	-4.2	6,034	-469	-7.8
Municipal Water Treatment	5,962	756	12.7	42,389	90	1.3
<b>CHRIST-Group</b>	<b>41,819</b>	<b>1,822</b>	<b>4.4</b>	<b>42,389</b>	<b>849</b>	<b>2.0</b>

## Consolidated Balance Sheet

Assets (in € 1000s)	30.09.2006	31.12.2005	Equity and liabilities (in € 1000s)	30.09.2006	31.12.2005
Goodwill	2,300.6	1,097.0	Share capital	17,833.5	17,833.5
Other intangible assets	4,333.7	3,459.5	Capital reserves	4,600.0	4,600.0
Tangible assets	24,544.1	24,507.4	Retained earnings	20,833.3	18,176.4
Financial assets	2,661.1	782.4	Other reserves	-543.1	129.2
Subtotal	33,839.6	29,846.3	<b>Shareholders' equity Christ</b>	<b>42,723.7</b>	<b>40,739.1</b>
			Minority shares	-254.1	445.9
Trade receivables	4,902.3	4,007.9	Provisions for social overhead capital	1,606.6	1,001.4
Financial investments	9,135.4	0.0	Deferred tax liabilities	1,999.2	2,247.8
Receivables from long-term orders	244.1	400.3	Other accruals	500.9	2,125.1
Deferred tax claims	7,450.9	7,949.2	Interest-bearing financial liabilities	53,559.3	625.0
			Other liabilities	0.0	1,123.5
<b>Long-term assets</b>	<b>55,572.3</b>	<b>42,203.7</b>	<b>Long-term liabilities</b>	<b>57,666.0</b>	<b>7,122.8</b>
Inventories	11,153.2	7,179.4	Current tax liabilities	958.7	566.0
Trade receivables	26,975.1	31,127.7	Other accruals	5,719.9	3,546.2
Receivables from long-term orders	38,558.3	33,482.7	Interest-bearing financial liabilities	5,665.1	38,394.4
Receivables from companies with which a participation is held	114.9	120.5	Trade liabilities	37,321.4	36,924.2
Income tax reimbursement claims	566.1	577.6	Liabilities to companies with which a participation is held	96.0	70.6
Financial investments	1,000.0	0.0	Other liabilities	12,220.4	16,143.8
Other receivables from third parties	10,482.3	10,222.2	Deferred income	129.6	415.5
Liquid funds	15,065.7	18,620.1			
Accrued income	2,758.6	834.6			
<b>Short-term assets</b>	<b>106,674.4</b>	<b>102,164.8</b>	<b>Short-term liabilities</b>	<b>62,111.1</b>	<b>96,060.7</b>
<b>BALANCE SHEET TOTAL</b>	<b>162,246.7</b>	<b>144,368.5</b>	<b>BALANCE SHEET TOTAL</b>	<b>162,246.7</b>	<b>144,368.5</b>

## Group-Cash Flow

in € 1000s		1-9 / 2006	1-9 / 2005
	Liquid funds as of January 1 <sup>st</sup>	18,620.1	11,889.8
+	Cash-flow from result	3,522.5	2,382.9
+	Changes in working capital	-10,934.9	-1,254.2
=	Cash-flow from operating activities	-7,412.4	1,128.7
+	Cash-flow from investment activities	-5,889.0	-2,985.8
+	Cash-flow from financing activities	10,069.6	6,738.7
+	Other (foreign exchange changes etc.)	-322.6	-71.7
=	Liquid funds as of 30.09.	15,065.7	16,699.7

## Changes in Shareholders' Equity

in € 1000s	Share capital	Capital reserves	Revenue reserves	Other reserves	Minority reserves	Total
<b>As at Dezember 31, 2005</b>	<b>17,833.5</b>	<b>4,600.0</b>	<b>18,176.4</b>	<b>129.2</b>	<b>445.9</b>	<b>41,185.0</b>
Net profit for the period	0.0	0.0	2,559.8	0.0	-115.1	2,444.7
Other changes	0.0	0.0	97.0	0.0	0.0	97.0
Currency translation	0.0	0.0	0.0	-672.2	0.0	-672.2
<b>Result for the entire period</b>	<b>0.0</b>	<b>0.0</b>	<b>2,656.8</b>	<b>-672.2</b>	<b>-115.1</b>	<b>1,869.5</b>
Minority changes	0.0	0.0	0.0	0.0	-584.9	-584.9
<b>As at 30.09.2006</b>	<b>17,833.5</b>	<b>4,600.0</b>	<b>20,833.2</b>	<b>-543.0</b>	<b>-254.1</b>	<b>42,469.6</b>
<b>As at June 30, 2005</b>	<b>8,800.0</b>	<b>4,600.0</b>	<b>25,304.1</b>	<b>345.2</b>	<b>844.9</b>	<b>39,894.2</b>
Net result for the period	0.0	0.0	447.3	0.0	-30.6	416.4
Currency translation	0.0	0.0	0.0	-71.7	0.0	-71.7
<b>Result for the entire period</b>	<b>0.0</b>	<b>0.0</b>	<b>447.3</b>	<b>-71.7</b>	<b>-30.6</b>	<b>344.7</b>
Minority changes	0.0	0.0	0.0	0.0	-337.1	-337.1
<b>As at 30.09.2005</b>	<b>8,800.0</b>	<b>4,600.0</b>	<b>25,751.1</b>	<b>477.2</b>	<b>836.7</b>	<b>39,901.8</b>

### Financial Calendar 2007

Announcement of preliminary results 2006	March 9
Annual report 2006, press conference	April 11
Report first quarter 2007	May 22
Annual General Meeting	May 24
Report first half year 2007	August 17
Report third quarter 2007	November 23

## CHRIST – World Class Water Technologies

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Christ Water Technology Group