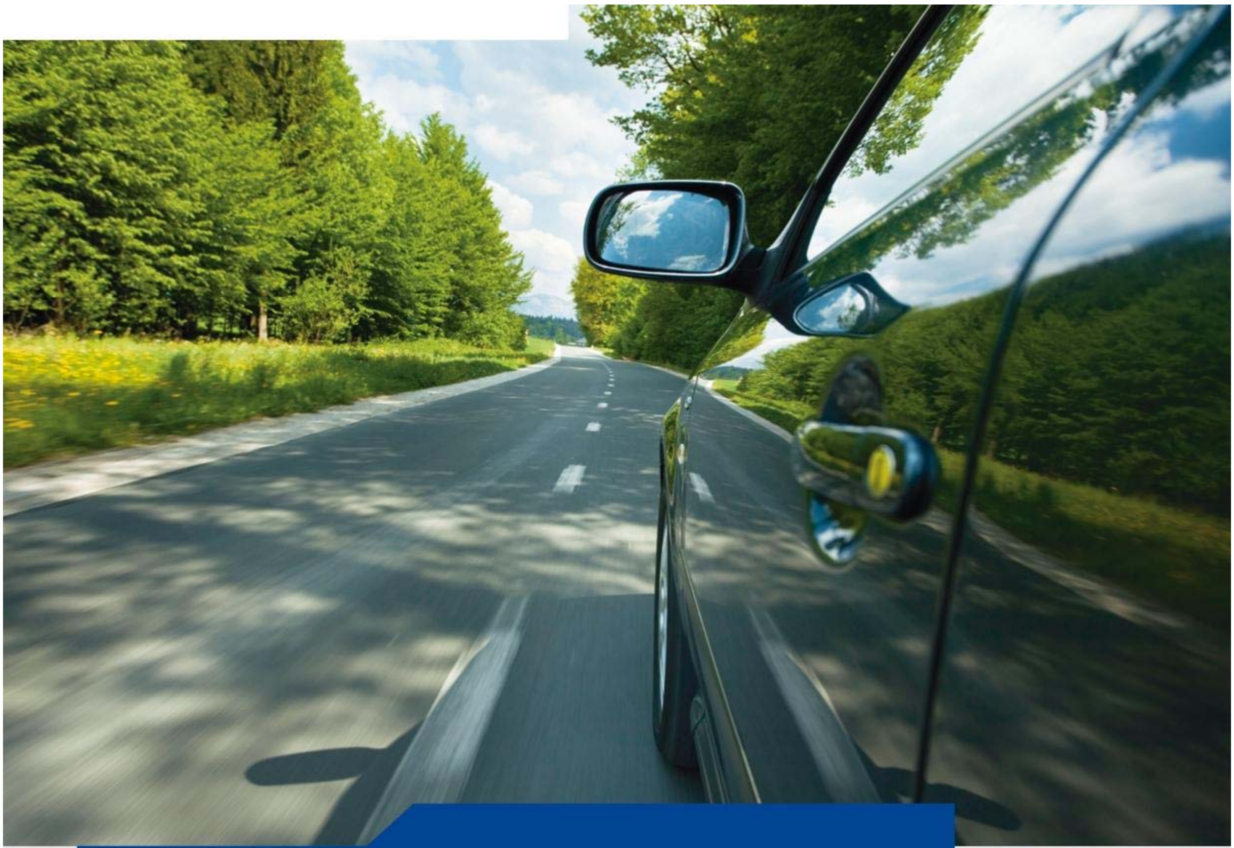


INTERIM REPORT AS AT 31 MARCH 2013

1 January to 30 March 2013

SHW

Key figures SHW Group (IFRS)

K EUR	Q1 2013	Q1 2012[1]	Change in %
Sales	84,875	85,415	-0.6%
EBITDA	7,341	9,570	-23.3%
as % of sales	8.6%	11.2%	-
EBIT	4,302	6,721	-36.0%
as % of sales	5.1%	7.9%	-
Income after tax - continued operations	2,949	4,462	-33.9%
Income after tax - discontinued operations	-	726	-
Net income for the period	2,949	5,188	-43.2%
Earnings per share - continued operations (€)[2]	0.50	0.76	-33.9%
Earnings per share - discontinued operations (€)[2]	-	0.12	-
Earnings per share - continued and discontinued operations (€)[2]	0.50	0.89	-43.2%
Adjusted EBITDA[3]	8,015	9,570	-16.2%
as % of sales	9.4%	11.2%	-
Adjusted EBIT[3]	5,014	6,761	-25.8%
as % of sales	5.9%	7.9%	-
Equity	94,959	61,248	55.0%
Equity ratio	50.5%	34.3%	-
Net cash	1,095	-14,944	-
Number of employees (average)[4]	1.040	997	4.3%

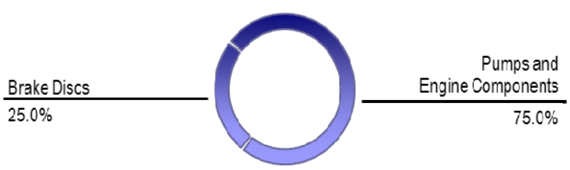
[1] Prior year values were adjusted due to presentation of previously proportionally consolidated STT as "discontinued operations".

[2] Based on average of 5,851,100 shares.

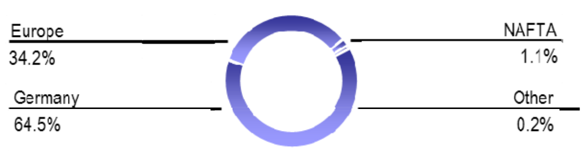
[3] Adjusted for special effects; cf. page 9 of the Q1 report.

[4] Excluding trainees and temporary workers.

Sales by segment
in %



Sales by region
in %



Company profile

With its product portfolio, the SHW Group benefits from the megatrend towards CO_2 reduction. The growing global demand for mobility is counteracted by regulatory requirements for a significant reduction of CO_2emissions by motor vehicles.

SHW started developing relevant products early on, and today has a broad product portfolio of highly-efficient components for motor and engine applications as well as brake discs, which increase the efficiency of the combustion engine and its auxiliary units or bring down the vehicle weight.

We help our customers to fulfil the requirements of today and tomorrow – as a pioneer for attainment of the strict CO_2 targets.

Contents

SHW shares

US stock markets reach record high – European stock markets suffer from crisis in Cyprus and disappointing economic data

The avoidance of the US fiscal cliff, convincing US economic and company data, the Federal Reserve's confirmation that it would continue the Quantitative Easing programme as well as increasing M&A activities formed the basis for S&P's new all-time high in the first quarter of 2013. The European stock markets performed significantly below the overseas markets due to the crisis in Cyprus, the impending political standstill after the parliamentary elections in Italy and the disappointing economic data in the euro zone.

The American leading stock index Dow Jones closed the first quarter at a plus of 11.3 percent at 14,579 points. The Japanese Nikkei index was able to profit from the weaker yen and rose by 19.3 percent to 12,398 points.

In Europe, the Euro Stoxx 50 fell by 0.5 percent, closing at 2,624 points on 28 March 2013. The German benchmark index DAX improved by 2.4 percent in the period from January to March 2013, closing the first quarter at 7,795 points. The selective index SDAX went up by approx. 450 points or 8.5 percent to 5,698 points.

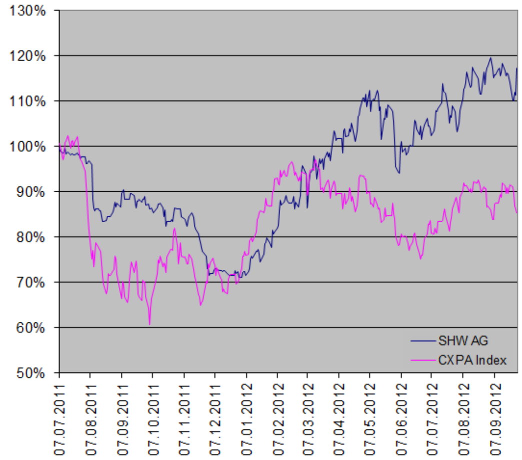
The DAXsector Automobile Performance Index lost points in light of the low new car registration figures in the European Union, closing at just short of 950 points, 2.6 percent less than at year-end 2012.

SHW share again performs significantly better than the industry index

The SHW share stood out from the negative sentiment for automobile and supplier stocks and improved by 13.5 percent compared to the end of 2012 to € 32.86. The SHW share therefore clearly outperformed the DAXsector Automobile Performance Index in the period from early January 2013 to the end of March. SHW shares are currently listed at € 33.51 (as at: X May 2013).

Price development SHW share and DAXsector Automobile Performance Index (July 2011 – May 2013)

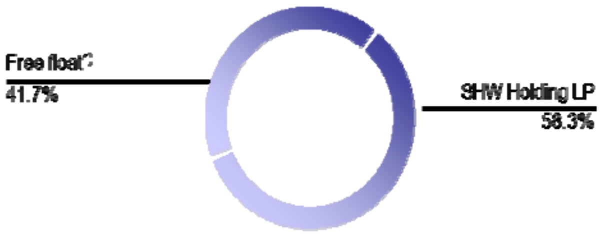
Closing price: 28 December 2011 = 100%



Free float unchanged

In the first quarter of 2013, there were no changes to the free float as defined by Deutsche Börse AG. Two shareholders forming part of the free float of 41.7 percent, Capital Group Companies Inc. (USA) and the Austrian Linz Textil Holding AG, are currently above the reporting threshold of 3 percent.

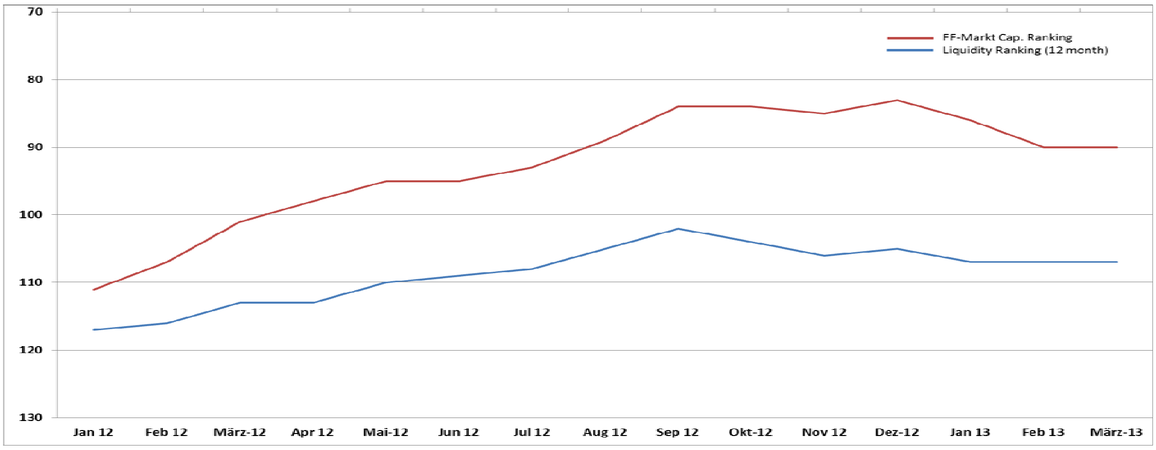
Shareholder structure
in %



¹ Free float, as defined by the German stock exchange, Deutsche Börse AG. Of which: Capital Research and Management Company (3.33 percent).

Status confirmed as formal candidate for SDAX inclusion

As of the end of the first quarter 2013, SHW has been one of the formal candidates for SDAX inclusion. At the end of March 2013, SHW held place 107 in the free-float market capitalisation ranking (31 December 2012: 105) and place 90 in the liquidity ranking (31 December 2012: 83).



Plans for further intensification of Investor Relations work

In the first quarter of 2013, the Company continued to maintain close contact with its investors and analysts, and took part in several capital market conferences and road shows. As a company with a clear focus on CO_2 reduction, we will continue to approach investors focusing on sustainability. We will respond to the continually increasing interest in the SHW share during the year primarily by attending investor conferences and road shows in Germany and abroad. In addition, we offer interested investors the opportunity to gain a direct impression of the innovative strength and manufacturing expertise of the Company on site. Based on our membership in the BWSC (Baden-Württembergische Small Caps), we are planning to maintain and expand our contacts with asset managers, private investors and family offices in the context of investor information events, organised in cooperation with regional banks.

Share at a glance	
WKN	A1JBPV
ISIN	DE000A1JBPV9
Ticker symbol	SW1
Type of shares	Ordinary no-par-value bearer shares
Number of shares	5.85 million
Share capital	€ 5.85 million
Market capitalisation[1)]	€ 192.9 million
Free float	41.7%
Stock exchange	Frankfurt Stock Exchange
Market segment	Regulated market (Prime Standard)
First listing	7 July 2011
Designated sponsor	Commerzbank AG

1) Based on the closing rate of € 32.86 on 28 March 2013

Interim group management report

Business activity and framework conditions

Business activities and corporate structure

The SHW Group is a supplier for well-known automobile manufacturers, manufacturers of commercial, agricultural and construction vehicles and other automotive suppliers.

The Group's business is divided into the Pumps and Engine Components business segment and the Brake Discs business segment. The SHW Group's business activity primarily focuses on developing and manufacturing products that contribute to reducing fuel consumption, and therefore CO_2 emissions, in the automotive sector.

Leading European manufacturer of pumps and engine components

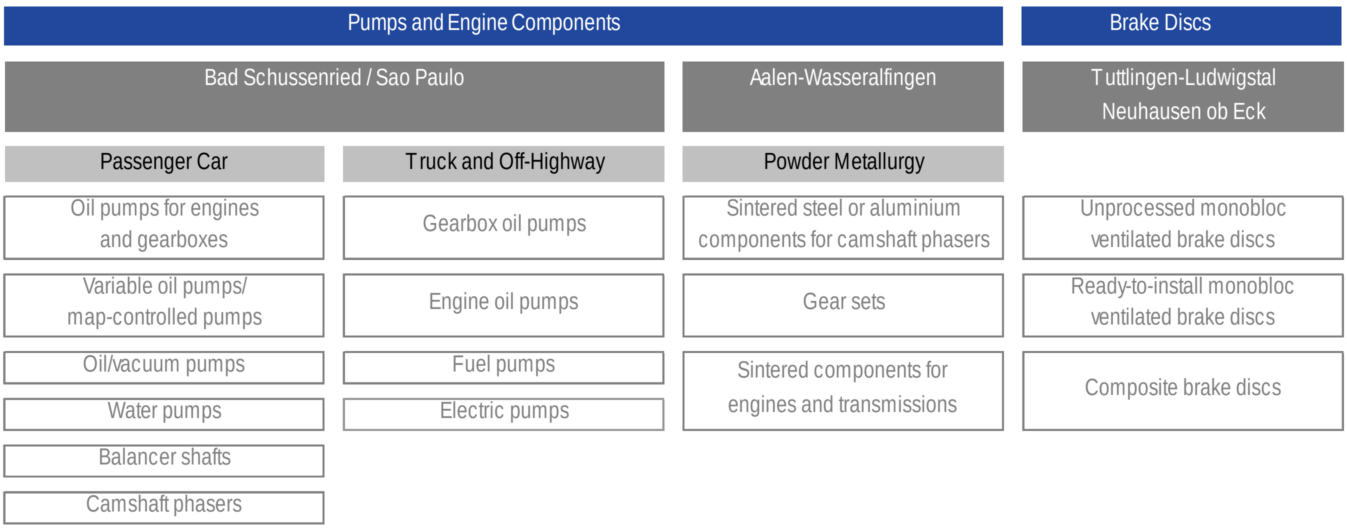
The Pumps and Engine Components business segment is the SHW Group's largest operational segment, with production facilities in Bad Schussenried and Aalen-Wasseralfingen. In Bad Schussenried, the Passenger Car division manufactures oil pumps for engines and gearboxes, vacuum pumps, water pumps, balancer shaft units and camshaft phasers for motor vehicles.

The SHW Group's Truck & Off-Highway division produces different types of pumps for trucks, agricultural and construction vehicles, stationary engines and wind power stations.

In addition, the Group manufactures engine components in the Powder Metallurgy division at its Aalen-Wasseralfingen production facility. Examples of these include gear sets and other pump components (e. g. rotors and adjustment rings) as well as other components for engines and transmissions.

Technological leader in the field of brake discs for high-performance vehicles

The SHW Group is technological leader in the production of brake discs for high-performance vehicles. In its Brake Discs business segment, the SHW Group develops and manufactures monobloc ventilated brake discs made from cast iron as well as composite brake discs made from a combination of an iron friction ring and aluminium pot. The SHW Group has sites in Tuttlingen-Ludwigstal and Neuhausen ob Eck.



Framework conditions

Sovereign debt crisis flares up again – euro zone still experiencing recession

Hopes were squashed that the economy in the euro zone in Q1 2013 would show some growth again for the first time after six quarters. The dramatic negotiations to rescue Cyprus, the ongoing governmental crisis in Italy, growing concerns regarding Slovenia and the Portuguese Constitutional Court's vetoing some of the consolidation measures adopted for the current year, led to another intense flaring up of the sovereign debt crisis. At the same time, the unusually long and cold winter had a dampening effect on the economic development in the euro zone. Overall, the present early indicators for the euro zone suggest that economic performance in the first quarter has dropped by another 0.1 percent. Peripheral countries in the south (Greece, Spain, Portugal and Italy) were particularly affected, as many of them are still experiencing a deep recession in light of a strongly restrictive fiscal policy. The data available for Germany indicate that the German economy merely stagnated in the first quarter - partially due to the weather conditions.

Asian emerging markets again showed positive trends, with economic indicators for China suggesting a stabilisation of the economy. For instance, the Chinese economy went up by 7.7 percent in the first quarter compared to the previous year, thereby presumably hitting economic rock bottom. The Japanese economy probably grew again in the first quarter of 2013. The reason for this was the weaker yen, which served as a boost to the export economy, as well as state economic stimulus packages and ongoing reconstruction work after the tsunami, which increased domestic demand. In the United States, the economy showed a strong increase at a growth rate of 3.5 percent, with growth impulses originating primarily from private consumption, company investments and housing construction.

US and Chinese passenger car market stay on growth course

Sales figures continued to rise in the first three months of 2013 particularly on the Asian passenger car markets, and in the USA. By contrast, the figures for new car registrations in the European Union (EU-27) in the period from January to March noticeably dropped again by 9.8 percent due to the reintensifying sovereign debt crisis.

With the exception of the UK (+7.4 percent), all other European volume markets suffered double-digit reductions across the board. The values ranged from – 11.5 percent in Spain, via – 12.9 percent in Germany to – 13.0 percent in Italy and – 14.6 percent in France. In addition, the lower number of sales days due to the earlier Easter holidays also had a negative effect.

On the other hand, in light of the strong increase in consumer spending, the sale of passenger cars and light trucks in the USA went up by 6.3 percent to 3.68 million units in the first three months of 2013 compared to the previous year.

In Brazil, the registrations for light vehicles (passenger cars and light trucks) rose after a weaker March, reaching 0.79 units in the first three months of 2013, i.e. 2.1 percent more than in the previous year.

The Chinese passenger car market enjoyed a consistently encouraging development in the first quarter of 2013. During the period from January to March, the number of passenger cars sold reached 4.42 million units (+ 17.2 percent).

In Japan, new car registrations of passenger cars fell by 9.2 percent (1.32 million units) in the first three months of 2013, as compared to the prior year level, which had been influenced by state premium incentives.

Earnings, net assets and financial position of the SHW Group

Unless stated otherwise, earnings, net assets and financial position are each reported excluding STT.

K EUR	Q1 2013	Q1 2012[1]	Change in %
Sales	84,875	85,415	-0.6%
EBITDA	7,341	9,570	-23.3%
as % of sales	8.6%	11.2%	-
EBIT	4,302	6,721	-36.0%
as % of sales	5.1%	7.9%	-
Income after tax - continued operations	2,949	4,462	-33.9%
Income after tax - discontinued operations	-	726	-
Net income for the period	2,949	5,188	-43.2%
Adjusted EBITDA[2]	8,015	9,570	-16.2%
as % of sales	9.4%	11.2%	-
Adjusted EBIT[2]	5,014	6,761	-25.8%
as % of sales	5.9%	7.9%	-
Equity	94,959	61,248	55.0%
Equity ratio	50.5%	34.3%	-
Net cash	1,095	-14,944	-

[1] Prior year values were adjusted due to presentation of previously proportionally consolidated STT as "discontinued operations".

[2] Adjusted for non-recurring items; cf. reconciliation statement for SHW Group.

Earnings position

SAP introduction with effect of 1 January 2013

With the SAP switchover we have implemented a significant measure for the support of the company's further growth and improvement in our business processes. Nevertheless the new processes – especially in logistics – led to temporary lower performance and therefore also impacted the bottom line.

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Group sales on prior year's level

In the first three months of 2013, group sales decreased by 0.6 percent from € 85.4 million to € 84.9 million as compared to the prior year's period. In a difficult market environment with clearly declining production and new registration figures in Europe, SHW was able to maintain its position thanks to the stable customer demand and various new product launches.

Cost of sales strained by new product launches and SAP introduction

The cost of sales was up in the first three months of 2013 compared to the prior year, from € 74.8 million to € 75.3 million. The rise on a year-on-year comparison is particularly due to lower performance in Q 1 after the SAP introduction and related to still necessary consulting cost. Higher costs for the launch of new products in the business segment pumps and engine components have also impacted negatively. Thereof extraordinary burdens in the amount of € 0.5 million account for the launch of an oil-vacuum pump (cf. Reconciliation statement: Pumps and Engine Components).

The SAP-systemic reassignment of the costs for DP licenses / maintenance to administrative costs had a relieving effect of € 0.2 million on the cost of sales.

During the first three months of 2013, administrative costs increased by 43.3 percent from € 1.9 million to € 2.7 million as compared to the preceding year. These include the current DP licenses and costs of maintenance of € 0.2 million, reclassified from the cost of sales. In addition for the first time in Q 1 2013, we have depreciation as well as additional maintenance costs for the SAP system put into operation and other IT costs in the amount of € 0.4 million.
Other operating income and expenses (net) decreased by € 0.2 million in the first three months of 2013 compared to the previous year.

Disproportionate rise in research and development spending

During the first three months of 2013, research and development costs went up by 17.3 percent as compared to the prior year period, to € 1.5 million (previous year: € 1.3 million). In addition, development costs amounting to € 0.5 million (previous year: € 0.4 million) were capitalised. Including these capitalised costs, the R&D ratio accounts for 2.4 percent of sales (previous year: 2.0 percent). The focus in the Pumps and Engine Components business segment lay on developing variable oil pumps, start-stop pumps, oil/vacuum pumps, balancer shafts and camshaft phasers. In the Brake Discs business segment, focus was on the further development of lightweight brake discs.

Reconciliation statement: SHW Group

K EUR	Q1 2013	Q1 2012
Sales	84,875	85,415
Operating result (EBIT)	4,302	6,721
Total PPA[1]	38	40
PPA[1] customer base	-	-
PPA[1] patents / licenses	-	-
PPA[1] fixed assets	38	40
Costs from production start-up	494	-
Consulting costs for SAP GoLive	180	-
Total adjustments	712	40
Adjusted EBIT	5,014	6,761
as % of sales	5.9%	7.9%
Other depreciation	3,001	2,809
Adjusted EBITDA	8,015	9,570
as % of sales	9.4%	11.2%

[1] Depreciation arising from purchase price allocation

Adjusted EBITDA burdened by SAP introduction and product launches

In the first three months of 2013, the adjusted Group earnings before taxes, depreciation of tangible assets and amortisation of intangible assets (EBITDA adjusted) dropped by € 1.6 million or 16.2 percent to € 8.0 million. The EBITDA margin deteriorated accordingly from 11.2 percent to 9.4 percent. This was mainly caused by the loss of temporary performance (SAP launch related operating costs for consultants, overtime, special shipments as well as external processing orders) and changes in product mix, higher launch costs and IT expenses.

Apart from the above mentioned influencing factors slightly higher depreciation impacted negatively resulting from the numerous new launches in the prior year and the implementation of the SAP system. The adjusted business segment earnings before interest and taxes (EBIT adjusted) fell by € 1.7 million or 25.8 percent to € 5.0 million as compared to the previous year (previous year: € 6.8 million). The corresponding EBIT margin dropped to 5.9 percent (previous year: 7.9 percent).

Special effects in the first three months of 2013

In the reporting period, a non-recurring item of € 0.5 million arose on Group level due to increased production costs for a new product launch as well as non-recurring consulting costs in connection with the conversion to SAP (After-Go-Live-Support) amounting € 0.2 million.

Financial result improved

The financial result (net) improved slightly due to the lower financial debt from € -0.5 million to € -0.3 million.

Tax ratio down

Taxes on income and earnings were down by € 0.7 million to € 1.1 million in the first three months of 2013. The tax ratio fell from 28.7 percent to 27.0 percent. The lower tax ratio is primarily the result of a deferred tax income due to the revaluation of pension obligations.

Income after tax from continued operations 33.9 percent below the previous year

At € 2.9 million, income after tax from continued operations is 33.9 percent below the comparable prior year's value of € 4.5 million. Net income for the period of € 2.9 million is 43.2 percent lower than previous year's level of € 5.2 million. Last year, this included income after tax from discontinued operations of € 0.7 million.

Earnings per share from continued and discontinued operations amount to € 0.50 in the first three months of 2013 as compared to € 0.89 in the corresponding period last year. Earnings per share from continued operations in the reporting period amount to € 0.50 as compared to € 0.76 in the previous year. The weighted average number of shares used to calculate earnings per share was 5,581,100 in both years.

Business Segments

Development of the Pumps and Engine Components business segment (excluding STT)

Sales increased by 2.1 percent

During the first three months of 2013, sales in the Pumps and Engine Components business segment rose by 2.1 percent to € 63.6 million as compared to the same period last year (previous year: € 62.3 million).

Demand for variable oil pumps/start-stop pumps drives sales in the Passenger Car division

Within the Pumps and Engine Components business segment, the Passenger Car division benefitted from the increased demand for variable oil pumps, start-stop pumps as well as the new product launch of an oil/vacuum pump for diesel vehicles. Sales in the Passenger Car division rose by 6.4 percent from € 46.5 million in the first three months of 2012, to € 49.5 million in the first three months of 2013.

A cyclical fall in demand led to a decrease in sales in the Truck and Off-Highway division from € 0.7 million to € 7.4 million. In the Powder Metallurgy division, sales dropped by 11.7 percent compared to the previous year, from € 7.6 million to € 6.7 million. SAP related we experienced an order backlog in Q 1 of approx. € 0.9 million which could be reduced at the beginning of the second quarter.

Key figures Pumps and Engine Components

K EUR	Q1 2013	Q1 2012[1]	Change in %
Sales	63,634	62,304	2.1%
EBITDA	6,149	8,190	-24.9%
as % of sales	9.7%	13.1%	-
EBIT	4,047	6,153	-34.2%
as % of sales	6.4%	9.9%	-
Adjusted EBITDA[2]	6,806	8,190	-16.9%
as % of sales	10.7%	13.1%	-
Adjusted EBIT[2]	4,714	6,163	-23.5%
as % of sales	7.4%	9.9%	-

[1] Prior year values were adjusted due to presentation of previously proportionally consolidated STT as "discontinued operations".

[2] Adjusted for non-recurring items; cf. Reconciliation statement business segment Pumps and Engine Components.

EBITDA temporarily burdened by additional expenses due to SAP

In the first three months of 2013, the Pumps and Engine Components business segment recorded a reduction in the adjusted Group earnings before taxes, depreciation of tangible assets and amortisation of intangible assets (EBITDA adjusted) by € 1.4 million or 16.9 percent to € 6.8 million. At 10.7 percent, the corresponding EBITDA margin was below the prior year's level of 13.1 percent. The main reasons for this are SAP introduction related additional operating costs for consulting, overtime, special shipments and external processing orders. Additional reasons apart from changes in product mix are lower earnings contributions for the higher margin Truck & Off-Highway business and establishment costs for our Brazilian operations. In addition higher launch related costs in the amount of € 0.4 million had a negative earnings impact.

Due to the slightly higher depreciation, which resulted from the numerous new product launches and the implementation of the SAP system, the adjusted business segment earnings before interest and taxes (EBIT adjusted) fell by € 1.4 million or 23.5 percent to € 4.7 million as compared to the previous year (previous year: € 6.2 million). The corresponding EBIT margin dropped to 7.4 percent (previous year: 9.9 percent).

Reconciliation statement: Pumps and Engine Components

K EUR	Q1 2013	Q1 2012
Sales	63,634	62,304
Operating result (EBIT)	4,047	6,153
Total PPA[1]	10	10
PPA[1] fixed assets	10	10
Costs from production start-up	494	-
Consulting costs for SAP GoLive	163	-
Total adjustments	667	10
Adjusted EBIT	4,714	6,163
as % of sales	7.4%	9.9%
Other depreciation	2,092	2,027
Adjusted EBITDA	6,806	8,190
as % of sales	10.7%	13.1%

[1] Depreciation arising from purchase price allocation

Development of the Brake Discs business segment

Key figures Brake Discs

K EUR	Q1 2013	Q1 2012	Change in %
Sales	21,241	23,111	-8.1%
EBITDA	1,474	1,399	5.4%
as % of sales	6.9%	6.1%	-
EBIT	590	625	-5.6%
as % of sales	2.8%	2.7%	-
Adjusted EBITDA[1]	1,491	1,399	6.6%
as % of sales	7.0%	6.1%	-
Adjusted EBIT[1]	635	655	-3.1%
as % of sales	3.0%	2.8%	-

[1] Adjusted for non-recurring items; cf. Reconciliation statement business segment Brake Discs.

Better product mix partially compensated for reduction in volume

During the first three months of 2013, sales decreased by 8.1 percent to € 21.2 million (previous year: € 23.1 million) in comparison to the prior year as a result of the economic situation and lower material surcharges.

The number of composite brake discs sold went up by 39.7 percent in the first three months of 2013 to approx. 50,200 units (previous year: approx. 35,900 units). By contrast, sales of monobloc brake discs fell by 15.4 percent overall to 909 thousand units (previous year: 1.074 million units). Sales of brake discs overall dropped by 13.6 percent to 959 thousand units (previous year: 1.110 million units).

Improved EBITDA margin compared to previous year

Thanks to the improved product mix towards high-end brake discs, as well as realised cost decreases, business segment earnings before interest, taxes, and depreciation of tangible assets and amortisation of intangible assets (EBITDA adjusted) increased by 6.6 percent to € 1.5 million compared to the previous year in spite of the reduction in sales. The corresponding EBITDA margin improved from 6.1 percent to 7.0 percent in the first quarter 2012. Slightly higher depreciation led to adjusted earnings before interest and taxes (EBIT adjusted) of € 0.6 million (previous year: € 0.7 million). The EBIT margin is at 3.0 percent compared to 2.8 percent the previous year.

Reconciliation statement: Brake Discs

K EUR	Q1 2013	Q1 2012
Sales	21,241	23,111
Operating result (EBIT)	590	625
Total PPA[1]	28	30
PPA[1] customer base	-	-
PPA[1] patents / licenses	-	-
PPA[1] fixed assets	28	30
Consulting costs for SAP GoLive	17	-
Total adjustments	45	30
Adjusted EBIT	635	655
as % of sales	3.0%	2.8%
Other depreciation	856	744
Adjusted EBITDA	1,491	1,399
as % of sales	7.0%	6.1%

[1] Depreciation arising from purchase price allocation

Financial position

Equity ratio still above average

Due to the first time adoption of revised IAS 19, equity as at 31 December 2012 and as at 31 March 2012 was retroactively adjusted (increase in pension obligations due to valuation changes by € 2.3 million and corresponding reduction of other reserves). Compared to 31 March 2012, equity increased by € 33.7 million, primarily due to the special proceeds from the sale of the 50 percent stake in STT. As a result, the equity ratio went up from 34.3 percent to 50.5 percent.

Compared to 31 December 2012, equity went up by € 2.9 million to € 95.0 million. This corresponds to an equity ratio of 50.5 percent as compared to 50.9 percent on 31 December 2012.

Free cash flow influenced by higher working capital

In the reporting period, cash flow from operating activities from discontinued and discontinued operations was € 9.7 million below the prior year's value. This reduction is primarily due an increase in working capital.

Cash flow from investing activities from continued and discontinued operations exceeded last year's value by € 3.1 million. Investments focused on the new logistics hall at the Bad Schussenried site and new assembly lines.

This results in a free cash flow from continued and discontinued operations of € -19.1 million for the first quarter 2013 as compared to € -6.3 million in the corresponding period of 2012.

Net liquidity influenced by additions to working capital

On 31 March 2013, the net liquidity of the SHW Group was € 1.1 million. Compared to the first three months of 2012, net liquidity improved by € 16.0 million due to the cash inflow from the sale of shares in STT. The reduction compared to the end of 2012 is primarily due to an increase in working capital and the inclusion of a KfW (Kreditanstalt für Wiederaufbau) loan of € 3.9 million to finance the new logistics hall.

In addition, the Group has a credit line of € 60 million. This was drawn on as sureties in the amount of € 1.6 million. Up to € 30.0 million of the credit line can also be used for acquisitions.

Change in net cash

K EUR	Q1 2013	Q1 2012
Cash flow from operating activities from continued and discontinued operations	-11,071	-1,392
Cash flow from investment activities from continued and discontinued operations	-8,018	-4,880
Cash flow before financing activities (free cash flow)	-19,089	-6,272
Other	555	-51
Change in net cash	-18,534	-6,323

Significant increase in capital expenditures

In the first three months of 2013, capital expenditures went up to € 8.1 million as compared to € 4.6 million in the previous year. € 6.3 million thereof are attributable to the Pumps and Engine Components business segment, and € 1.6 million to the Brake Discs business segment.

Net assets position

New product launches are reflected in property, plant and equipment, inventories and receivables

Compared to 31 March 2012, total assets increased by € 9.7 million to € 188.2 million. The item "Other Intangible Assets" increased further as a result of the capitalisation of development costs and services capitalized for the SAP project. Tangible assets went up by € 3.9 million to € 63.1 million year-on-year. On a comparable basis (excluding STT), the implementation of new production lines resulted in an increase of € 52.1 million to € 63.1 million. Inventories from the continued operations rose by € 12.6 million to € 46.0 million as compared to 31 March 2012. Trade receivables increased on a comparable basis by € 3.8 million to € 48.8 million.

Compared to 31 December 2012, total assets rose by € 7.3 million to € 188.2 million. In addition to the increase tangible assets, inventories and receivables also rose by € 17.8 million in comparison with the accounting date, due to new product launches. This was also the main reason for the reduction in liquid funds by € 14.6 million to € 5.0 million.

New product launches result in higher employee figures in the Pumps and Engine Components business segment

In the first three months of 2013, the number of employees on the Group level increased compared to the same period last year, from 997 on average to 1,040. The majority of new employees was accounted for by the two sites of the Pumps and Engine Components business segment. There, the average number of employees went up from 607 to 642. At the two sites of the Brake Discs business segment, the number of employees went up from 355 on average to 363.

Opportunities and risks

The opportunities and risks analysis for the SHW Group revealed no material changes compared to the opportunities and risks statements in the Annual Report 2012 (pages 50 to 57 / 61 to 62).

Outlook

Overall economic outlook

According to the economists at Commerzbank, the flaring up of the sovereign debt crisis (The Economy and the Financial Markets, April / May 2013) continued to have a dampening effect on global economy.

After a disappointing first quarter, economic experts revised their economic forecast for the euro zone (as at: 17 April 2013) from + 0.3 percent to - 0.2 percent, while expecting an increase in the GDP in the second quarter of 0.3 percent compared to the first three months. The differences between the core countries and the peripheral countries in the south – Greece, Spain, Portugal and Italy – will likely remain significant as in the preceding year. Commerzbank analysts also adjusted their forecast for Germany's GDP growth for the whole of 2012, and are now only expecting a moderate growth of economic performance of 0.5 percent (previously: 1.0 percent).

For the USA and China, Commerzbank is expecting unchanged GDP growth of 2.0 percent or 7.5 percent, respectively. In spite of current risks, economic perspectives and increasing available income in many emerging economies are offering a stable basis for a continued upswing of the global automobile business in the upcoming quarters of 2013.

Outlook for the industry

In their current update (April 2013), industry experts at PwC Autofacts kept their forecast for the global Light Vehicle production (vehicles < 6 t) largely unchanged. Overall, PwC Autofacts is expecting a growth of 4.1 percent to 82.1 million vehicles in 2013.

By contrast, PwC Autofacts revised downwards its expectations for the European Union for 2013, and now forecasts a production decline of 4.2 percent from 15.9 million to 15.3 million vehicles. In addition to the low domestic demand, the main reason for this is the waning export growth as well as the simultaneous start-up of local manufacturing capacities in markets such as China and Russia. According to PwC Automotive experts, most of the regressive production volume in the European Union will relate to the production site Germany, where a reduction of 5.2 percent to 5.3 million vehicles is expected.

In North America, the persistent robust demand is expected to increase production by 3.6 percent to 15.9 million. The medium-term growth trend in the Chinese automobile market will remain intact during the current year. Further increases in income and the still relatively low passenger car market penetration form the basis for the expected growth in volume in 2013 of approx. 14 percent to 18.9 million vehicles.

Outlook for the Group

As expected, the business development during the first quarter of 2013 was characterised by the difficult market environment in Europe, increased costs of new product launches and internationalisation projects. Added to this were additional costs incurred in the context of the introduction of SAP at the turn of the year.

The sales trend at the beginning of the second quarter is very encouraging. Group sales increased by 16.0 percent from € 27.4 million to € 31.8 million as against April 2012. The business segment Pumps and Engine Components was able to step up by on a year over year basis from 17.7 percent to € 23.9 million. The business segment Brake Discs made up for a large part of the sales deficit of the first quarter, with an 11.3 percent growth in sales, to € 7.9 million.

It continues to be difficult to estimate the effects of the sovereign debt crisis flaring up again particularly in the peripheral countries in the southern euro zone, and the high unemployment figures on the development of vehicle production in Europe and on vehicle exports to North and South America and China. Based on new product launches and the good start into the second quarter, SHW assumes despite the economic uncertainties to grow stronger than the market and to achieve the financial targets in 2013.

Aalen, 7 May 2013

Management Board of SHW AG

Andreas Rydzewski Sascha Rosengart

Consolidated financial statements (IFRS) as at 31 March 2013

Consolidated income statement (unaudited)

K EUR	Q1 2013	Q1 2012
Sales	84,875	85,415
Cost of sales	-75,269	-74,820
Gross profit	9,606	10,595
Selling expenses	-962	-758
General administration expenses	-2,686	-1,875
Research and development costs	-1,521	-1,297
Other operating income	317	1,241
Other operating expenses	-452	-1,185 *
Operating result	4,302	6,721
Financial income	-	-
Financial expenses	-263	-466
Earnings before taxes	4,039	6,255
Deferred taxes	53	-5 *
Current income taxes	-1,143	-1,788
Income after tax from continued operations	2,949	4,462
Income after tax from discontinued operations	-	726
Net income for the period	2,949	5,188
Earnings per share from continued and discontinued operations (in €) [1)]	0.50	0.89
Earnings per share from continued operations (in €) [1)]	0.50	0.76

* Adjusted, for explanations, see Notes page 20.

[1)] Based on an average of 5,851,100 shares.

Consolidated statement of comprehensive income (unaudited)

K EUR	Q1 2013	Q1 2012
Net income for the period	2,949	5,188
Actuarial gains / losses from pensions and similar obligations before taxes	-	-1,520
Tax effect	-	429
Currency translation differences	-2	-95
Change in the market values of hedging instruments	-	-
Variation (gross)	-2	-95
Deferred taxes on changes in value recognised in equity	-	-
Changes in value recognised in equity	-2	-1,186
Capital increase	-	-
Consolidated statement of comprehensive income	2,947	4,002
Minority interests in comprehensive income	-	-

SHW AG shareholders' share of comprehensive income	2,947	4,002

Consolidated balance sheet (unaudited)

K EUR	31.03.2013	31.12.2012	31.03.2012 1)
Assets			
Goodwill	7,055	7,055	7,055
Other intangible assets	12,491	12,314	9,166
Tangible assets (property, plant and equipment)	63,117	58,269	59,228
Deferred tax assets	3,393	3,377 *	3,208 *
Other financial assets	590	1,395	766
Non-current assets	86,646	82,410	79,423
Inventories	46,045	44,073	38,225
Trade receivables	48,760	32,960	53,589
Loans to affiliated companies	—	—	—
Other financial assets	294	—	636
Other assets	1,418	1,807	2,220
Cash and cash equivalents	5,030	19,629	4,387
Current assets	101,547	98,469	99,057
Total assets	188,193	180,879	178,480

* Adjusted, for explanations, see Notes page 20
1) Including discontinued operations

K EUR	31.03.2013	31.12.2012	31.03.2012 1)
Equity and liabilities			
Subscribed capital	5,851	5,851	5,851
Capital reserve	14,780	14,780	14,780
Revenue reserves	76,588	73,662 *	38,605 *
Other reserves	-2,260	-2,258 *	2,012 *
Total equity	94,959	92,035	61,248
Pension accruals and similar obligations	25,851	25,830 *	21,472 *
Deferred tax liabilities	3,082	3,119	3,470
Other accruals	2,878	2,948	2,986
Other financial liabilities	90	100	119
Liabilities to banks	3,656	—	11,250
Non-current liabilities and accruals	35,557	31,997	39,297
Liabilities to banks	279	—	8,081
Trade payables	40,139	40,695	42,440
Other financial liabilities	4,006	4,221	8,950
Income tax liabilities	1,097	1,016	1,518
Other accruals	5,285	5,170	8,178
Other liabilities	6,871	5,745	8,768
Current liabilities and accruals	57,677	56,847	77,935
Total assets	188,193	180,879	178,480

* Adjusted, for explanations, see Notes page 20.
1) Including discontinued operations

Statement of changes in Group equity (unaudited)

K EUR	Subscribed capital	Capital reserves	Revenue reserves	Other reserves	Total equity
As at 1 January 2012 (as shown originally)	5,851	14,780	33,417	1,079	55,127
of which from discontinued operations	—	—	—	1,079	—
Adjustments of valuation methods	—	—	—	2,119	2,119
As at 1 January 2012 (adjusted)	5,851	14,780	33,417	3,198	57,246
Changes of the amount of actuarial gains and losses	—	—	—	-1,091	-1,091
Capital increase	—	—	—	—	—
Foreign currency translation	—	—	—	-95	-95
Total result recognised directly in equity	—	—	—	-1,186	-1,186
Net income for the period until 31 March 2012	—	—	5,188	—	5,188
Total net result for the period	—	—	5,188	-1,186	4,002
As at 31 March 2012 (adjusted)	5,851	14,780	38,605	2,012	61,248
of which from discontinued operations	—	—	—	984	—
As at 31 December 2012 / 1 January 2013 (as shown originally)	5,851	14,780	73,709	—	94,340
Adjustments of valuation methods	—	—	-47	-2,258	-2,305
As at 1 January 2013 (adjusted)	5,851	14,780	73,662	-2,258	92,035
Foreign currency translation	—	—	—	-2	-2
Total result recognised directly in equity	—	—	—	-2	-2
Net income for the period until 31 March 2013	—	—	2,949	—	2,949
Total net result for the period	—	—	2,949	-2	2,947
First-time consolidation of subsidiaries not previously included for reasons of materiality	—	—	-23	—	-23
As at 31 March 2013	5,851	14,780	76,588	-2,260	94,959

Consolidated cash flow statement (unaudited)

K EUR	1.1.2013-31.03.2013	1.1.2012-31.03.2012
Net cash flows from operating activities		
Earnings from continued operations / Net income for the period	2,949	4,462
Depreciation/amortisation on fixed asset items (+)	3,039	2,849
Income tax expenses through profit or loss (+)	1,143	1,788
Income tax paid (-)	-1,063	-1,229
Financing costs through profit or loss (+)	263	466
Interest paid (-)	-46	-138
Financial investment income through profit or loss (-)	—	—
Interest received (+)	—	1,428
Increase (+)/decrease (-) in accruals	3,276	-1,344
Changes in deferred taxes	-958	-23
Other non cash-effective expenses (+)/income (-)	-2,301	-215
Gain (-)/loss (+) on the disposal of assets	-41	—
Increase (-)/decrease (+) in inventories, trade receivables and other current assets	-17,677	-7,760
Increase (+)/decrease (-) in trade payables and other current liabilities	345	-115
Cash flows from operating activities from continued operations	-11,071	169
Cash flows from operating activities from discontinued operations	—	-1,561
Cash flows from operating activities from continued and discontinued operations	-11,071	-1,392
Cash flows from investment activities		
Cash received (+) from disposals of tangible assets	41	—
Cash paid (-) for investments in tangible assets	-7,436	-3,809
Cash paid (-) for investments in intangible assets	-623	-750
Cash flows from investing activities from continued operations	-8,018	-4,559
Cash flows from investing activities from discontinued operations	—	-321
Cash flows from investing activities from continued and discontinued operations	-8,018	-4,880
Cash flows from financing activities		
Proceeds from new borrowings	3,935	—
Cash paid (-) for the redemption of financial liabilities	—	—
Distributions to shareholders	—	—
Proceeds from the disposal of financial assets	—	—
Payments for investments in financial assets	-4	—
Cash flows from financing activities from continued operations	3,931	—
Cash flows from financing activities from discontinued operations	—	—
Cash flows from financing activities from continued and discontinued operations	3,931	—
Cash and cash equivalents at the end of the period		
Cash-effective changes in cash and cash equivalents (subtotal of lines 1–3)	-15,158	-6,272
Exchange rate-related changes in cash and cash equivalents	4	—
Cash and cash equivalents at the beginning of the period	19,629	10,682
Adjustment to cash and cash equivalents resulting from included companies	555	-23
Cash and cash equivalents at the end of the period	5,030	4,387

Notes to the consolidated interim financial statements

Basis of and methods used in consolidated interim financial statements

The present abridged, unaudited consolidated interim financial statements of SHW AG, Wilhelmstrasse. 67, 73433 Aalen, and its subsidiaries (hereinafter referred to as SHW Group) as at 31 March 2013 were compiled according to the provisions of the International Accounting Standards for Interim Reports (IAS 34) and § 315a HGB in conjunction with the International Financial Reporting Standards (IFRS) and the International Accounting Standards Board (IASB) and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC), as applicable in the European Union (EU) at the interim reporting date.

According to IAS 34, the consolidated interim financial statements do not include all details, which are to be provided in consolidated financial statements at the end of the financial year, so that these financial statements should be read in conjunction with the consolidated financial statements for the 2012 financial year.

SHW AG is an Aktiengesellschaft (public limited company) under German law and is entered in the commercial register under HRB 726621. The Group's principal activity is the manufacture and sale of pumps, engine components and brake discs. Its customers are mainly automotive manufacturers and suppliers.

The present consolidated interim financial statements, submitted by the Management Board to the Supervisory Board's Audit Committee on 30 April 2013, cover the period from 1 January to 31 March 2013 as a comparison to the same period last year. The asset situation (statement of financial position) is presented as a comparison to the values as at 31 December 2012 and 31 March 2012. The consolidated interim financial statements are denominated in euro (€). Unless specified otherwise, the figures shown are stated in thousand euros (K EUR).

In the opinion of the Management Board, the consolidated interim financial statements include all of the usual, regular adjustments required for an appropriate presentation of the Group's earnings, net assets and financial position. The accounting and valuation methods applied in the consolidated interim financial statements for the first three months of 2013 correspond to the methods used in the consolidated financial statements as at 31 December 2012. A detailed description of these methods is included in the Notes to the consolidated financial statements as at 31 December 2012.

For each interim period, income tax expenses are stated on the basis of the best estimate of the weighted average annual income tax rate anticipated for the full year.

The standard IAS 19, which is to be applied for the first time starting from the 2013 financial year, results in changes of this quarterly report, because the Group used to apply the corridor method to calculate actuarial gains and losses, which is now no longer permissible. The effects of this, including on the comparative period last year, are shown separately on page 20.

In preparing consolidated interim financial statements according to IFRS, estimates and assessment must to some extent be made in relation to the total assets and liabilities and stated contingent liabilities as of the reporting date, and to the stated income and expenses for the reporting period. The actual figures may differ from the estimates.

Discontinued operations

On 28 September 2012, SHW announced that, in agreement with its joint-venture partner, it would sell its 50-percent stake in STT Technologies Inc. This transaction was agreed taking effect on 26 October 2012 and STT was deconsolidated.

STT is shown in this quarterly report as a discontinued business segment in the meaning of IFRS 5. As a result, the following comprehensive disclosure and measurement changes have been made: The income statement shows the sales, expenses and income for the first quarter of 2012 excluding STT. Income after tax at STT is shown in a separate line called "Income after tax from discontinued operations". The consolidated statement of cash flows provides information regarding this change for the discontinued business segment.

Scope of consolidation

In addition to SHW AG, the consolidated interim financial statements as at 31 March 2013 include the financial statements of SHW Automotive GmbH and SHW Zweite Beteiligungs GmbH. With effect of 1 January 2013, SHW do Brasil is first included in the scope of consolidated companies due to the commencement of its operations. The joint venture company STT Technologies Inc., Concord/Ontario, Canada, in which the SHW Group held a 50-percent stake, was deconsolidated as at 30 October 2012.

Statement of comprehensive income and statement of financial position

In the first three months of 2013, Group sales (excluding STT) declined by € 0.5 million to € 84.9 million as compared to the corresponding prior year's period. Whereas the Pumps and Engine Components business segment increased its sales compared to the previous year by € 1.3 million to € 63.6 by shifting its product mix towards more complex pumps and launching new products, the sales of the business segment Brake Discs decreased by € 1.9 million to € 21.2 million The lower sales in the Brake Discs business segment is mainly due to the lower demand-related sales figures for unprocessed and processed Brake Discs as well as the lower energy and material surcharge increases.

Earnings before taxes from continued operations declined by 35.4 percent in the reporting period, from € 6.3 million to € 4.0 million as a result of the low earnings contribution of the Pumps and Engine Components business segment. The tax ratio in the first three months of 2013 is 27.0 compared to 28.7 in the prior year period. The lower tax ratio in the first quarter of 2013 is principally due to the deferred tax income resulting from the revaluation of pension obligations.

In comparison to the preceding year and 31 December 2012, other intangible assets increased by € 3.3 million or € 0.2 million, respectively, on account of the capitalisation of development costs.

Trade receivables went down by € 4.8 million compared to the previous year. If the trade receivables of STT as at 31 March 2012 in the amount of 8,6 million were excluded, the increase would be 3,8 million instead.

Net liquidity (excluding STT) at the accounting date was € 1.1 million, € 18.5 million less than on 31 December 2012. This reduction is primarily due to higher working capital, high investments and the inclusion of a KfW loan for the construction of the logistics hall.

Non-current financial assets were € 0.8 million lower compared to the 2012 year-end. This reduction resulted from the first-time consolidation of SHW do Brasil and the resulting elimination of the inter-company loan to SHW do Brasil.

Other current assets decreased by € 0.4 million compared to the year-end. This was essentially accounted for by the reduction in VAT receivable.

Changes to the statement of financial position due to the first-time application of IAS 19 "Employee Benefits"

With effect of 1 January 2013, the SHW Group must first apply the amended standard IAS 19 "Employee Benefits". According to this standard, the corridor method is no longer permissible and all actuarial gains and losses must be directly recognised in equity (so-called Other Comprehensive Income). The standard must be applied retroactively so that comparable prior year values are recognised at the same time.

K EUR	31.03.2013	31.12.2012 adjusted	31.12.2012 previously	31.03.2012 adjusted	31.03.2012 previously
Equity	94,959	92,035	94,340	61,248	60,232
Provisions for pensions	25,851	25,830	22,620	21,472	22,887

K EUR	31.03.2012 adjusted	31.03.2012 previously
values from the revaluation included in the operating result	-17	—
deferred taxes from the revaluation	5	—
values from the revaluation included in other comprehensive income	-1,091	—

Equity

The change to equity as compared to 31 December 2012 results from the net income for the period generated in the first three months of 2013, less the revaluation based on IAS 19 recognised in other reserves. The equity ratio decreased by 50.5 percent as compared to 50.9 percent at the end of 2012 (adjusted value). The adjusted equity ratio as at 31 December 2012 was 52.4 percent.

A KfW loan in the amount of € 3.9 million was taken out for the construction of the logistics hall. Current and non-current liabilities to banks thus increased by this amount in comparison to the end of 2012.

Compared to the end of the year, other current liabilities went up by € 1.1 million, owing particularly to the increase in provisions for the Christmas and holiday bonuses.

Segment reporting

Since 2009, segment reporting has been based on the management approach. Operating segments are determined on the basis of internal reports pursuant to IFRS 8 regularly used by the so-called Chief Operation Decision Maker to decide on the distribution of resources and to estimate profitability. The profitability of individual business segments is established on the basis of the operating result (EBIT). EBIT of the business segments as well as the operating result of the Group is determined in accordance with IFRS. The assets and liabilities of each segment are also established on the basis of IFRS. Financial expenses, financial income and income tax are managed at Group level. The Pumps and Engine Components business segment manufactures pumps and sintered metallurgy products for the automobile industry. The Brake Discs business segment produces unprocessed and processed brake discs for the automobile industry. Transactions between the business segments are essentially based on market conditions identical to those that apply to transactions with third parties.

The information for the Pumps and Engine Components business segment for the comparative period 1 January to 31 March 2012 excludes the discontinued business segment (STT).

Segment reporting (unaudited) for the period 1 January to 31 March 2013

	Pumps and Engine Components		Brake Discs		Other eliminations/consolidations		Group	
	2013	2012	2013	2012	2013	2012	2013	2012
K EUR								
External sales	63,634	62,304	21,241	23,111	—	—	84,875	85,415
Sales between the segments	—	—	—	—	—	—	—	—
Segment sales	63,634	62,304	21,241	23,111	—	—	84,875	85,415
Segment result	4,047	6,153	590	625	-335	-57	4,302	6,721
Financial result	—	—	—	—	-263	-466	-263	-466
Net income before taxes	4,047	6,153	590	625	-598	-523	4,039	6,255
Scheduled segment depreciation	2,102	2,037	884	774	53	38	3,039	2,849
Segment investments	6,300	4,002	1,571	208	188	349	8,059	4,559
Major segment expenses	657	—	17	—	—	—	674	—
Number of customers representing sales > 10% of total sales	3	3	1	2	—	—	3	3
VW Group	23,089	20,543	12,471	12,741	—	—	35,560	33,284
Daimler Group	12,708	10,457	56	102	—	—	12,766	10,559
BMW Group	8,026	9,179	1,538	2,440	—	—	9,564	11,619

Development of Group sales by region

Regional sales distribution is stated on the basis of the customer's head office location. The following provides an overview of SHW Group's sales by region (excluding STT):

K EUR	Q1 2013	Q1 2012
Germany	54,763	50,450
Rest of Europe	29,001	33,886
USA	953	828
Other	158	251
Group	84,875	85,415

Events since the balance sheet date

On 30 April, SHW AG announced that Dr. Wolfgang Krause, Chairman of the Management Board, is leaving the company by mutual consent as at 30 April 2013. The Supervisory Board and the Chairman of the Management Board have agreed to this. Dr. Krause had been active as Chairman of the Board of Directors since 2008 and as Chairman of the Management Board since the Company went public in July 2011.

Mr. Andreas Rydzewski, longstanding member of the Management Board, will temporarily assume the chairmanship until a successor has been appointed.

On 7 May, SHW AG announced that Oliver Albrecht, CFO of SHW AG from 28 February 2011 until 6 May 2013 is leaving the Company by best mutual consent.

Mr. Sascha Rosengart has been appointed by the Supervisory as CFO of SHW AG effective 6 May. Mr Rosengart has more than ten years automotive experience and was recently CFO and member of the management board of the Hengst Automotive Group.

Governing bodies, related party transactions

The members of the Supervisory Board are:

Anton Schneider, Cologne, Chairman
Managing Director of Nordwind Capital

Dr. Martin Beck, Munich, Deputy Chairman
Managing Director of Nordwind Capital

Dr. Hans Albrecht, Munich
Managing Director of Nordwind Capital

Christian Brand, Karlsruhe
Chairman of the Management Board,
L-Bank
Edgar Kühn, Aalen
Chairman of the Central Works Council at SHW Automotive GmbH;
Chairman of the Works Council at SHW Automotive GmbH,
Plant Aalen-Wasseralfingen.

Ernst Rieber, Bad Saulgau
Chairman of the Works Council at SHW Automotive GmbH,
Plant Bad Schussenried.

Securities provided and other financial obligations

The securities and other financial liabilities provided and shown in the consolidated financial statements for 2012 underwent no significant changes in the first three months of 2013.

Aalen, 7 May 2013

Management Board of SHW AG

Andreas Rydzewski Sascha Rosengart

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The interim report is also available in English. In cases of doubt, the German version shall prevail.

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