

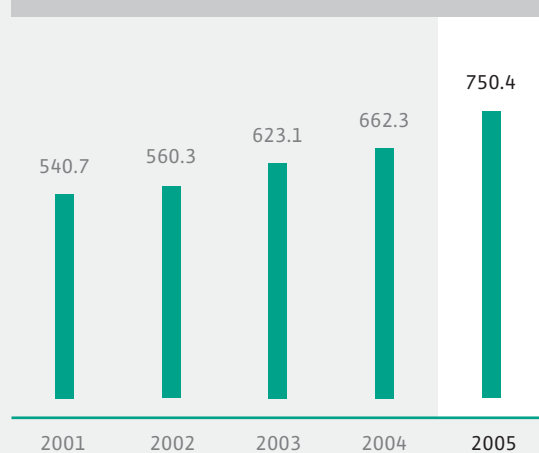




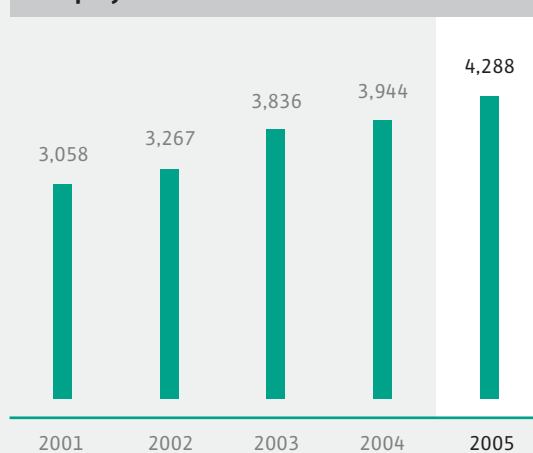
Business development overview

		2005	2004	2003	2002	2001
Sales	mill. EUR	750.4	662.3	623.1	560.3	540.7
Growth rate	%	13.3	6.3	11.2	3.6	24.1
Profit after tax	mill. EUR	53.4	43.3	28.4	18.3	16.9
as % of sales	%	7.1	6.5	4.6	3.3	3.1
Employees		4,288	3,944	3,836	3,267	3,058
Cash flow DVFA/SG	mill. EUR	81.7	66.8	58.7	47.4	35.7
ROCE	%	28.5	25.2	20.3	16.3	14.9
EBIT	mill. EUR	85.0	70.3	49.0	35.0	29.5
as % of sales	%	11.3	10.6	7.9	6.2	5.5
EBITDA	mill. EUR	112.1	94.4	71.0	54.4	47.0
as % of sales	%	14.9	14.3	11.4	9.7	8.7
Capital expenditure	mill. EUR	38.6	26.7	59.6	31.3	34.7
as % of cash flow	%	47.2	40.0	101.5	66.0	97.2
Amortisation	mill. EUR	27.1	24.1	22.0	19.4	17.5
R & D	mill. EUR	21.4	19.4	18.5	16.8	16.2
as % of sales	%	2.9	2.9	3.0	3.0	3.0
Net equity	mill. EUR	230.3	191.0	154.6	141.4	132.3
Equity ratio	%	45.1	42.8	36.9	40.0	39.0
Earnings per share	EUR	5.42	4.33	2.84	1.83	1.69

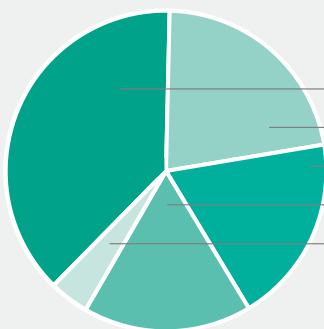
Sales in mill. EUR



Employees



Sales development by geographical areas 2001 – 2005

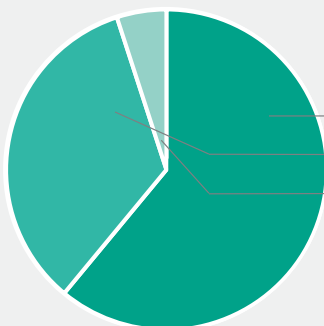


(Mill. EUR)	2005	in %	2001	in %	CAGR* %
Western Europe**	282.8	38	233.5	43	4.9
Germany	167.7	22	121.1	22	8.5
Eastern Europe	143.4	19	74.9	14	17.6
Asia	127.9	17	94.8	18	7.8
Other	28.6	4	16.4	3	14.9
Total	750.4	100	540.7	100	8.5

* Compound annual growth rate

** Without Germany

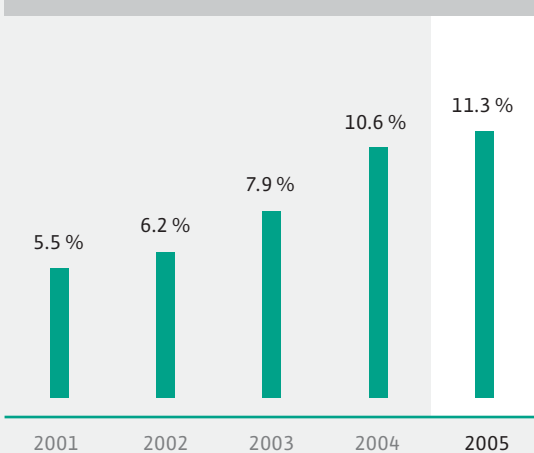
Sales development by business segment 2001 – 2005



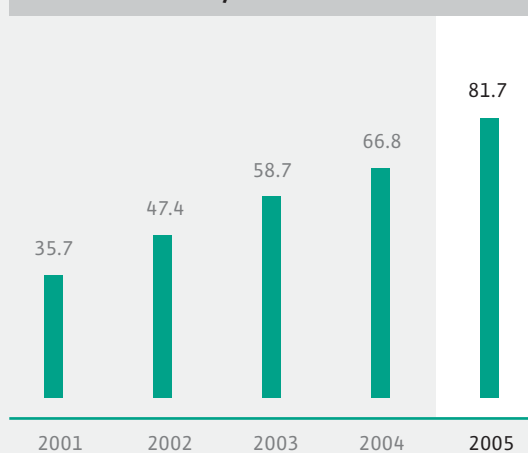
(Mill. EUR)	2005	in %	2001	in %	CAGR* %
Heating, ventilation, air-conditioning	458.0	61	360.8	67	6.1
Water and sewage	256.9	34	152.3	28	14.0
Other	35.5	5	27.6	5	6.5
Total	750.4	100	540.7	100	8.5

* Compound annual growth rate

EBIT in % of sales



Cash flow DVFA/SG in mill. EUR





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Quality counts just as much at WILO INTEC, the French subsidiary in Aubigny, as it does at the other WILO Group companies. The Ministry of Industry, Trade and Finance honoured WILO INTEC's commitment to quality in 2005 by presenting it with the National Quality Award.





Success through change

If you want to make progress you have to move. This has been the very successful motto of the WILO Group for over 130 years and, in the last decade alone, we have managed to double our sales revenues, predominantly on the basis of organic growth.

We have also started to branch out into new business segments over recent years. Building technology is our traditional business segment and it was our core market in the past. Today, WILO is also a successful provider in the municipal water supply and sewage treatment technology markets. Agricultural irrigation pumps are now just as much part of the product portfolio as pumps for marine fish farms and process pumps for industrial applications. We market the great deal of these products to developing countries such as the former CIS states, China and India. In order to participate in the market growth in these countries, we are tailoring our product portfolio to the specific fields of application that are in demand there.

The take-over of ACP, Calcutta/India, and the acquisition of a majority shareholding in Mather and Platt Pumps Ltd. and Mather and Platt Fire Systems Ltd., Pune/India, are the first significant steps towards realising this objective. Not only do they offer us the opportunity to market our flagship products in the Indian market, they also provide us with an additional range of products

for diverse key industries such as energy, agriculture, pulp and paper and chemicals. At the same time, we are building up the relevant application know-how at the subsidiaries which will be marketing these pumps and pump systems in the future.

The progressive international expansion of the WILO Group is the reason for our decision to revise our accounting policy and to prepare our annual financial statements in accordance with the international IFRS standard rather than the German Commercial Code (HGB). This decision will ensure that our accounting system is perfectly equipped for future challenges.

In 2006 we intend to define our strategic focus on specific industrial sectors and to achieve expansion both through organic growth and, to a greater extent, through strategic alliances. This is essential to ensure the fast penetration of our products in segments that have been niche markets for WILO until now and, at the same time, to minimise the associated risks.

Dr. Horst D. Elsner, Chief Executive Officer

For the WILO Group, 2005 was another year of increased customer satisfaction and market penetration in several business fields. Our customer satisfaction surveys specifically highlight the progress in project and software support for planners, logistics optimisation with our distribution partners, as well as application training and after-sales support for installers.

ISH 2005 was the first general public exposure of our new Corporate Identity and Corporate Design. They convey our stronger and extended brand promise and the customer value offered by the WILO Group companies:

- Increasingly sophisticated systems in our core business segment of heating, air conditioning and ventilation.
- Proven energy savings, better interfaces to the building management systems and superior application consulting.
- A credible and dependable partner for drainage/sewage technology and, increasingly, for industrial pump applications.
- A modern global network which combines the strengths and structures of a multinational group with the creativity and flexibility of a private enterprise.

The innovative strength of the WILO Group also enhances our service portfolio. We employ decentralised service technicians who provide on-site support to the installers, our authorised service partners receive regular product/application training, and our specialised service units perform maintenance on small water treatment solutions. All of these services are tailored to the activities of our market partners.

Our performance indicators – attainability, repair cycle times and compliance rates – show a steep upward development.

We outperform market growth in our classic markets of Central and Southern Europe by several percentage points, and we have achieved strong double-digit growth in Asia and Eastern Europe. We owe this to our close customer relationships and our timely investment in application competence in these markets. Major contracts are the result, like the recent over 4 mill. EUR “RADET” district heating contract in Bucharest/Romania, encompassing multistage and inline pumps with excellent life cycle costs. This now serves as a reference point for similar projects in Eastern Europe.

We will continue to drive our development on the basis of organic growth. However, we also focus on acquisitions and joint ventures to enable us to achieve quantum leaps in our market penetration. One such measure, realised in 2005, is the integration of the South African Aquanox/FTT network into the Wilo Group.

With our extended international presence and value adding systems innovations in our core business areas, in addition to significant steps into adjacent application fields and services, we will strengthen our relationships with existing customers and convince new ones of a fruitful partnership. As a competitive player in all our market segments, we will continue to live up to our new brand claim: Pumpen Intelligenz.



Dr. Thomas Schweisfurth, Marketing and Sales Director



Efficient and competitive production processes are one of the many pillars supporting WILO's success. Our just-in-time production concept and the strict quality management procedures that we have introduced in recent years have led to the continuous improvement of our performance.

The advanced globalisation of our markets makes it essential for us to offer customers the same high quality standards all over the world. In order to achieve these standards, we are progressively introducing an international production system that is essentially based on three factors: pooling competences for specific components at the production sites with critical mass, the development of assembly procedures for finished products and systems that can be implemented near to the customer's premises and the optimisation of costs through strategic site selection.

Purchasing is another area in which cost optimisation potential has been exploited, partly in response to the substantial increases in raw material prices over the last few years. We have improved the efficiency of our purchasing organisation to ensure that our prices remain competitive and to prevent the shrinkage of our margins. These improvements were made with the assistance of our Asian purchasing office, which now performs additional local quality inspections on the components that are procured in Asia. In future, this international purchasing project will also be supported by our Indian procurement platform.

Based on the findings of a make or buy analysis that we implemented recently, we will be making investments in the construction of new production facilities, key technologies and components in the coming year.

Not only did WILO achieve significant improvements in the areas of production and procurement last year, it also made clear product portfolio-related progress. On the one hand, new acquisitions have enabled us to supplement our product ranges. On the other, we have standardised the interfaces of existing products in our portfolio to simplify the installation of our pumps in diverse monitoring and building control systems. We also remain committed to incorporating additional performance features in our products so that we can deliver added value to our customers. For example, we have developed new motor technologies and new gateways for diverse bus systems.

We are convinced that the above measures to optimise our technical and production processes will enable us to achieve our objective of 'manufacturing excellence'.

Jérôme Perrod, Operations Director



24 million passengers.

150,000 take-offs and landings.

358 pumps ensuring comfort and safety.



You never get a second chance for a first impression – and that's one of the reasons why exporting countries attach great value to attractive airports. Perfect functionality and safety, aesthetic appeal and maximum comfort are what count.

The biggest airport in Asia, an architectural masterpiece, was built 35 km west of Seoul. Incheon International Airport's main terminal alone covers an area of around 50 km². 358 WILU pumps have been installed at this terminal and throughout the rest of the airport. They are



used for applications ranging from heating, ventilation and air-conditioning to water supply, sewage disposal and fire-fighting.

This very diversified project also included the equipment of the airport's own power station, which today generates 126 MW of electricity and 306 Gcal of heating energy per hour to cover a major portion of the airport's total power requirements. 72 WILo axial split-case pumps ensure that the power station works efficiently.



The building technology segment

Growth through innovative leadership

Heating, refrigeration and air-conditioning applications still play an important role in the building technology segment. In 2005, they accounted for over 60 % of international Group sales.

The construction sector didn't gain the necessary momentum in many Western European countries, which meant continued pressure on our core market of Germany and correspondingly moderate growth in profits. Nevertheless, we were able to stabilise our market position and achieve slight growth in sales compared with last year. In France, the home market for our SALMSON products, we closed the financial year with a slight improvement in the profit situation despite market stagnation.

We tapped into additional potential in our other Southern and Western European markets by stepping up our project business and concluding additional framework agreements. WILO Pumps, Korea, including exports to the Asian continent, realised disproportionately high growth in sales of large-scale pressure booster systems with three to six stand-alone pumps.

A label ensures transparency

In March 2005, the WILO Group put on an impressive presentation at the world's largest sanitary, heating and air-conditioning fair, the ISH in Frankfurt. There was much enthusiasm for our innovative building technology products and widespread interest for another innovation

– the 'Energy Label' – which was announced at a joint press conference with Europump, the European Association of Pump Manufacturers. The Energy Label is a standard label on all of our products providing information about energy consumption. WILO made an important contribution in a joint project to develop a process for rating the energy efficiency of pumps. In future, all participating manufacturers will use it – on a voluntary basis – to determine the energy class of their wet-running pumps for heating applications. Our Wilo-Stratos high-efficiency pump is the reference product for energy efficiency class A.

Consumers are already familiar with the Energy Label because it is used on refrigerators and other household appliances. It provides comprehensible information to consumers about the appliances' consumption of energy and classifies them on a rating scale from A to G. This same principle will be used in future for the classification of pumps. The WILO Group believes that the Energy Label will make a lasting contribution to promoting the principle of environmental protection. Considerable potential for making savings exists because unregulated heat circulation pumps in detached or semi-detached homes generally consume 605 kWh/a in power. This is only 25 % less power than the number-one household power consumer, the electric cooker, which requires 876 kWh/a.

A little sister for Wilo-Stratos

Four years after the launch of the extremely successful Wilo-Stratos high-efficiency pump for residential housing blocks, industrial and real estate applications, we have once again initiated the development of pioneering technology. Based on the technical concept for the Wilo-Stratos, we have developed the Wilo-Stratos ECO for detached and semi-detached residential properties. It enables an impressive reduction of power consumption by up to 80 % compared with conventional, unregulated pumps. As a result of this extremely economical consumption of energy, the Wilo-Stratos ECO – like its big sister – has an Energy Label with energy efficiency rating A.

50 % of all newly installed flange pumps for heating circulation applications in Germany are electronically controlled (though the percentage of electronically controlled screw pumps is still less than 25 %). This development has led to the heating circulation pump industry's technological lead in this market for electronically-controlled drive units.



Based on the technical concept for the Wilo-Stratos, we have developed the Wilo-Stratos ECO for detached and semi-detached residential properties.

Proven success

WILO's success is evident on the basis of many performance parameters, such as business development, key quality indicators and the popularity of the seminars offered by our training centres. We are never satisfied with past achievements, which is why we were able to make considerable improvements at all levels during 2005.

One positive business development was accounted for by WILO INTEC, our French subsidiary which specialises in OEM solutions. It realised over 15 % growth in heating pump sales. This positive result also reflects the company's extension of its customer base to include numerous new key accounts. Over 300 customers around the world and the sale of more than 5 mill. pumps for heating systems are figures that impressively document WILO INTEC's competence.

Our project business also developed positively. We were awarded one of the biggest single contracts in our company's history to deliver over 2,000 inline pumps for heating systems and water supply applications serving around 1.2 mill. people in the Bucharest region. RADET, the Romanian district heat provider, chose to use our pumps based on a complex lifecycle cost assessment and awarded the 4 mill. EUR contract to WILO.

In future, large-scale projects will be associated with increasing pressure to operate more cost efficiently. In addition the Europe-wide concentration of wholesalers and building contractors, sometimes in conjunction with construction companies, means that manufacturers have to take a tougher line on cost management and logistics optimisation, systems design and sales support. The simultaneous, explosive increase in the prices of essential raw materials and components presents additional challenges. We counteract this pressure as well by developing innovative products such as our high-efficiency pumps which offer added value to the operator. Rising electricity prices have made industrial and commercial operators more predisposed to energy-saving, higher-quality and more expensive products. We have profited from this development and sales of the Wilo-Stratos have doubled over the last year.

The outstanding cost-effectiveness of our high-efficiency pumps was conclusively proven in measurements taken by one of our customers, the Maritim Hotel in Hanover, in 2005. It exchanged a total of 83 conventional pumps for Wilo-Stratos pumps and, as a result, reduced its electricity consumption by 82 %. Over their lifetime, these pumps will enable savings amounting to several hundreds of thousands of euros.

There was substantial growth in the regenerative heating systems market in 2005. The Federal Industrial Association for Buildings, Energy and Environmental Technology (BDH), whose members include Europe's leading boiler manufacturers, believes that this trend will consolidate over the next few years. It aims to ensure that around 80 % of the systems launched in the market are regenerative by the year 2015.

Advancing systems technology means that planners and installers have on-going education and training needs. It is up to the manufacturers, including WILO, to support their market partners by providing basic and advanced training concepts that are specifically tailored to these needs. WILO developed the Wilo-Brain concept with the assistance of the Federal Institute for Vocational Training (BIBB) for this very purpose in 2001. Wilo-Brain is a training programme for enterprises in the sanitary, heating and air-conditioning industry. A German-wide network of 16 Brain Centres and mobile units has now been established. These centres and units, as well as the modern training facilities in Dortmund and Oschersleben, provide our customers with practical and relevant know-how relating to the optimisation of heating and domestic hot water circulation systems. In 2005, a total of 9,500 installers and planners took part in WILO seminars, which is 10 % more than in 2004.

Global growth for WILO

In 2005, we pressed ahead with our entry into the US market for heating circulation pumps. We showcased small screw pumps for detached and semi-detached houses at the biggest heating and air-conditioning fair in the USA, ASHRAE in Orlando/Florida, and, in the second half of the year, we also launched practically the entire range of wet-running pumps for larger buildings.

In line with our growth-oriented strategy, we have continued to support the progressive international expansion of the WILO Group on the Indian sub-continent. We acquired Allied Centrifugal Pumps PVT Ltd. (ACP) in Calcutta, Western Bengal, as well as Mather & Platt Pumps Ltd. and Mather & Platt Fire Systems Ltd., both based in Pune near Mumbai in the Indian state of Maharashtra. There is strong demand for large-scale pumps in the Asian building technology market. Numerous investment projects in these markets start out in terms of size and output where projects in Europe leave off. Our acquisitions in Asia not only pave the way for entry into the Indian market, they also enable us to expand our product portfolio to include more powerful and efficient products.



The pitch: 7,140 m²

Irrigation: 12 sprinklers

Also on the field: 2 WILLO pressure booster systems



The Munich-based football clubs, FC Bayern and TSV 1860, moved to their new home ground, fondly referred to as 'The Rubber Dinghy', in 2005. The stadium is equipped with state-of-the-art technology for the optimum security and comfort of around 70,000 spectators. Not quite as many people will be there when the opening match of the FIFA World Cup 2006 takes place at the beginning of June.



The 105 x 68 m pitch is irrigated on a daily basis by 12 retractable sprinklers with a radius of up to 29 metres. To ensure even irrigation, the sprinklers are connected via a ring-shaped underground pipe network. Two WILLO pressure booster systems keep everything flowing smoothly. They can convey 20 m³/h at pressure of around 9 bar. Depending on the weather, the pitch needs between 3,000 and 4,000 m³ of water every year to ensure that the grass stays green.



The industry segment

A new strategy for success

WILO continued in 2005 to build on the strengths of its core business segments of heating, ventilation and air-conditioning, which account for almost 60 % of sales, in order to expand into peripheral fields of application. It supplied building technology products and systems, as well as considerably more solutions for peripheral processes and process pumps, to industrial customers. The specifications were drafted by the engineering specialists at WILO and WILO EMU in conjunction with the customers' process structuring experts.

Our industrial business focuses on the water supply and glanded pump segments. In the year under review, we also supplied WILO EMU products and systems for sewage treatment applications and, as a result, we were able to considerably enhance our position in the industrial sector. Water and chemical standard pumps as per EN 733 and ISO 2858, single and double flow axial split-case pumps, self-priming pumps and side channel pumps, multistage high pressure pumps, borehole & well pumps and submersible sewage pumps with a special coating and 800 kW of power are now available in the WILO quality that has long been appreciated by wet-running circulator pump, inline pump and block unit customers.

Our French site in Laval now plays a pioneering role in connection with our standard industrial pump range, followed by Dortmund and Hof. Our production facilities in Korea and India satisfy MW-level power requirements and their reputation extends far beyond the borders of the Asian markets.

More industry segments use WILO quality

WILO's customers operate in a wide range of industrial sectors. Some are major players in the German industrial chemicals market, others are leading automobile manufacturers and plant construction contractors. We have realised an entire process chain for a French perfume factory, been involved in a liquified natural gas project in Zeebrugge, Belgium, and we have supplied pumps for sinter water transportation at a leading European steel strip manufacturing plant. WILO is one of the leading providers of industrial solutions, extending from pumps for rinsing and chilling processes to industrial-scale remote heating installations, as a result of its longstanding presence in the Eastern European market. WILO China, WILO Pumps Korea and Mather & Platt India are sought-after partners for diverse industrial applications in the Asian market.



However, WILO doesn't work alone when it supplies liquid handling products and services to industrial customers. We optimised many solutions in 2005 with the assistance of OEMs. WILO's subsidiaries are competent local partners that meet the procurement logistics requirements of industrial OEMs in the fields of heating and refrigeration plants, water treatment plants, washing and rinsing plants.

The diversity of applications and systems for industrial customers, the substantial increase of the pump population in this segment and the sites and specialists that were integrated in the Group last year will ensure that we continue to be a preferred partner for industrial pump and system solutions.

Some of WILO's customers are major players in the German industrial chemicals market, others are leading automobile manufacturers and plant construction contractors.

Liquefied gas re-evaporation: 10 billion m³ per year

Terminal storage capacity: 360,000 m³

Fresh water supply: SALMSON pressure booster systems





The majority of natural gas production takes place in 15 countries around the world, and the lion's share of over 40 % is accounted for by Russia and the USA. It is mainly transported in pipelines or ships from the other gas producing countries. But before it can be transported, it has to be compressed. The gas is cooled down to a temperature of -160.5°C , which liquefies it and 'shrinks' it to less than one six-hundredth of its original volume.



Once the liquefied natural gas (LNG) has reached its destination, it is restored to its original gaseous state and fed into the gas grid. Gaz de France has the most powerful LNG re-evaporation plant in Europe. It is located in Montoir-de-Bretagne on the Atlantic coast. Even 'mega' tankers can be unloaded here within the space of 12 hours. SALMSON pressure booster systems guarantee fresh-water supply to the entire plant and its 140 employees.



The municipal applications, construction and mining segment

A powerful international player

The water supply and sewage disposal business divisions accounted for over one-third of Group sales and achieved growth in sales of 15 % compared with the previous year. These two divisions are the supporting pillars of our municipal, construction and mining business and they have made a substantial contribution to the growth of the WILO Group.

The company's change of name to WILO EMU signals that the process of integrating the sewage and borehole pump ranges of EMU Unterwasserpumpen GmbH, Hof, which was acquired in 2003, has now been completed.

Specialised subsidiaries in Germany and France deliver solutions for complex plant construction, maintenance and servicing requirements at installations in the sewage treatment technology and municipal water supply sectors.

Partnerships with upstream planners and operators is one of the reasons why customers choose to work with WILO and WILO EMU in stand-alone pump projects, in plant construction projects and in the service sector.

WILO and WILO EMU are systems suppliers providing pump units, mixers, stirrers, control systems and robust accessories for projects of all sizes – from a collector project in a major Korean city, to pumping stations on the circular pipeline in an Eastern European regional capital with 200,000 citizens and a sewage treatment plant in a Dutch town with a population of 25,000.

Water powered by WILO

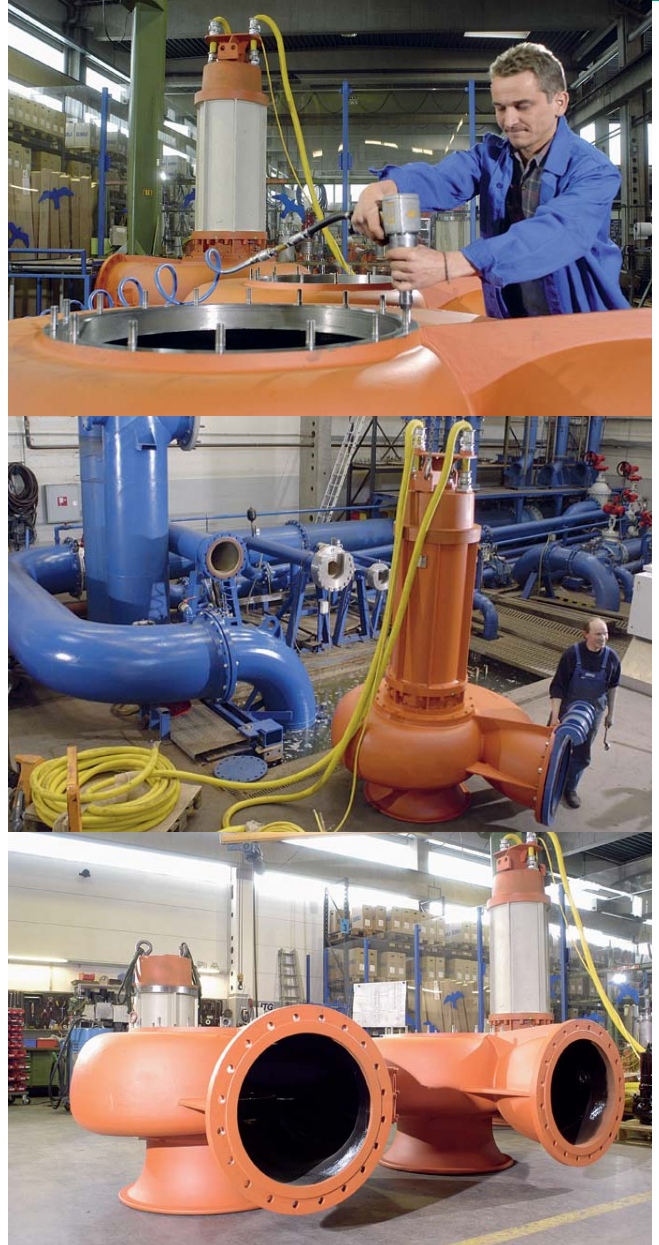
Our local partners and the WILO subsidiaries satisfy our customers' essential water supply needs in the Gulf States and in the irrigation areas of South-Eastern Spain. WILO and WILO EMU achieved above-average growth of sales in this sector with borehole pumps and submersible motor pumps in 2005. The design and delivery of pressure drainage pumps is another of WILO and WILO EMU's specialisations. North American business made very positive progress as a result of the dynamic development of submersible pumps for offshore platforms.

WILO EMU's innovative products made it a sought-after construction site drainage partner in 2005. Its portfolio includes building drainage pumps, mixers, stirrers and an entirely new generation of macerator pumps that deliver maximum product competence in municipal, construction and mining applications. These products were demonstrated by WILO EMU at IFAT in Munich, the most important international trade fair for water, sewage, solid waste and recycling.

French evolution

Major French plant construction enterprises and operators and their international subsidiaries are becoming increasingly significant partners in water and sewage projects, partly because of the rising number of public private partnerships. Our SALMSON sub-group in France and the international WILO network will ensure that the WILO Group is perfectly equipped to be a major player in the municipal market in 2006.

Not only does WILO have the relevant credentials, numerous satisfied building technology customers in the public works industry also underline the Group's reputation as a sought-after partner in this dynamic market.



Our local partners and the WILO subsidiaries satisfy our customers' essential water supply needs in the Gulf States and in the irrigation areas of South-Eastern Spain.

An aerial photograph of a city street featuring a large roundabout with a central landscaped island. The street is lined with multi-story buildings, and the sky is filled with scattered clouds. The text is overlaid on the left side of the image.

1 project.

2,000 pumps.

35 % energy savings.



The Romanian capital city of Bucharest is well on the way to being restored to its former glory as 'Little Paris'. It is the country's political, economic and cultural hub and the process of reform and renewal is progressing faster here than anywhere else in the republic.

One of the major challenges facing Romania is the modernisation of the forty-year-old district heat network by the RADET power company. An ecologically and economically-sound system for heat and water supply is to be installed by autumn 2007. It will serve around 1.2 million people who today still regulate the temperature in their homes by opening and closing windows.



This is possible thanks to coordinated and forward-looking technology. Not only does WILO supply around 2,000 communication-capable pumps for this project, it also delivers the electronic controls for pump management and pump communication and provides maintenance services in what was the largest scale project that we have ever executed. WILO technology ensures that district heat from around 500 transfer stations is transported into the homes with maximum energy efficiency and using technology that enables RADET to monitor and control all transfer stations from one central control room.



External and internal services

New ideas for optimum customer relationships

If we focused exclusively on the development of innovative products with cutting-edge technology, our performance in the market wouldn't be anything to write home about. Our customers are satisfied because we are just as committed to service as we are to product development. Over 90 % of our customers recommend us without hesitation because we make it as easy as possible for them to place orders, because we deliver reliably and on time, and because they know they can count on the competent support of our after-sales service team.

Wired up

We are the only player in our market to provide competent advice to customers via a telephone hotline. Every weekday between 7 am and 6 pm, the service technicians, designers and commercial staff in the hotline team deal with hundreds of enquiries promptly and unbureaucratically.

We also consult our customers when we are developing additional tools for our comprehensive range of advisory and support services. For example, we set up the 'green line' at the end of 2005 in a large German customer's self-service warehouses. It is a hotline that anyone can use if they need competent advice about WILO products.

At the touch of a button

Electronic data exchange with our customers is gaining in significance in addition to telephone contact. More and more of our customers are taking advantage of the vendor managed inventory (VMI) service. It enables the automatic electronic transfer of the customer's inventory

to WILO. Whenever the inventory reaches or falls below a pre-determined minimum stock level, a delivery is automatically initiated. This is the fastest and most convenient method of stock control and it offers considerable advantages for both sides because it eliminates the need for materials scheduling and procurement processes and improves the customer's delivery capacity. WILO, on the other hand, is able to recognise market trends earlier, optimise its production scheduling operations and precisely control the product replacement process.

Obviously, VMI can only be efficient if our internal order management structures also function efficiently. We have streamlined our order processing system and installed efficient network structures at our international production facilities so that we can execute customer orders – to both domestic and international destinations – in the shortest possible time. Our delivery reliability has been stable at 95 to 98 % for many years now.

By request

Although after-sales service is something that many companies dispense with, it makes a decisive contribution to customer satisfaction. This is the reason why we have completely restructured our customer service concept for Germany over the last three years. Our 'process-oriented customer service organisation' is the only system of its kind in our industry. It guarantees outstanding standards of quality and, not only does it reduce costs, it also contributes to improving customer and employee satisfaction.



This new service organisation was designed on the basis of our customers' preferences and needs. A customer survey delivered the necessary information for the creation of a process road map to entirely restructure our after-sales service processes. Then, the responsibilities of our after-sales service staff were redefined. In the past, for example, replacement parts orders passed through several hands on their way from order receipt through to warehouse and dispatch. Today, they are processed by one single individual who is responsible for the entire process. This ensures that there are no delays or misunderstandings and the customer receives the replacement part that he ordered in the shortest possible time. The resulting customer satisfaction is reflected back in the satisfaction of our employees.

We can measure the extent to which our service has improved and these figures confirm the success of our concept and encourage us to continue improving. We now know that 93 % of all callers get through to us the first time they call and that 94 % of all our customers rate the quality of our customer services as good or excellent. These are just two of the many parameters defining WIL0's standard-setting competence.

We intend to channel the experience that we have gained over recent years into our international service network. The process-oriented customer service organisation will be installed throughout the Group so that we can benefit from the considerable competitive advantages that it offers us. This form of proactive customer orientation is absolutely in line with the WIL0 claim, 'Pumpen Intelligenz'.

Although after-sales service is something that many companies dispense with, it makes a decisive contribution to customer satisfaction.

Employees

Improving satisfaction and productivity

If a company wants to be innovative and provide a reliable service to its customers, if it wants to operate in a global network yet remain as flexible as a private enterprise, it needs one thing above all others: motivated, creative and responsible employees. People who want the best for their company and who are also willing to give their best. Yet this can only be expected of employees who enjoy working for the company and are happy in their jobs.

Surveys

That's why we initiated the first Group-wide employee survey in the year under review. The 4,000 WILo employees around the globe were asked to voice their opinions – about their job and about cooperation structures within the Group. The survey revealed that WILo Group employees are more satisfied than employees at comparable organisations. Nevertheless, potential improvements were identified, which was one of the main objectives of the survey, and they will be consistently implemented.

We organised the first international seminars on intercultural communication and team building to promote cross-border cooperation in 2005. They will help our employees to understand different cultures, different ways of thinking and working, and generate synergies within the WILo Group. The positive feedback from participants is confirmation that there is interest in and demand for such measures.

Let the future come

WILo makes every possible effort to ensure that the company is adequately equipped to meet future challenges. Two measures that were implemented with this aim in mind in the year under review at the Oschersleben production facility were the introduction of a 40-hour working week and the agreement of a progressive reduction of holiday pay and Christmas bonus. In return, the employees were given a guarantee that there will be no redundancies before 31 December 2009. This agreement provides security for both the company and its workforce.

In Germany, employment conditions are also influenced by the framework for reforming collective wage agreements [Entgeltrahmenabkommen (ERA)], which all metalworking signatories to the collective wage agreement are required to adopt by the beginning of 2009. The ERA takes changes in the working world into account. It eliminates the differentiation between blue and white collar workers. We plan to be one of the pioneering members of our industry in Germany by installing this modern, fairer pay system in 2006. We made all the necessary preparations for this step, such as the creation of new job descriptions for each position, in 2005.

The developments in the German state pension system make additional private pension income absolutely essential. We have established a provident fund scheme to help our employees deal with this situation as best as possible.

They can now top up their company pension contributions by making voluntary contributions into the WILO pension plan. The WILO pension plan is also a contemporary company pension scheme for new employees joining the company.

Good is good: better is better

In 2006, we will be using the information that we gained in the WILO global employee survey to support an intensive process of improvement. We aim to continuously optimise our workplaces and work processes to boost our employees' satisfaction and, as a result, the company's productivity.

Based on our experiences in the year under review, we will also be considerably expanding our international personnel development schemes. The process of globalisation gives rise to a need for efficient international cooperation structures within the WILO Group as a fundamental prerequisite for its future success.



We organised the first international seminars on intercultural communication and team building to promote cross-border cooperation in 2005.



Group Management Report 2005

Group structure

WILO is an international company specialising in the development, production and marketing of pumps and pump systems. It has a comprehensive portfolio of products and is one of the leading providers in the global market for pumps.

The Group evolved from the copper and brass factory Louis Opländer Maschinenbau which was founded in Dortmund in 1872.

WILO AG, Dortmund, is the Group's holding company. It directly or indirectly holds shares in all Group entities and its share capital is 26.0 mill. EUR. The direct and indirect shareholdings are listed on pages 67–68.

In 2005, we pressed ahead with our international expansion in Asia, mainly in India, by making acquisitions and founding new companies. At the end of 2005, we acquired Mather & Platt Pumps Ltd. and Mather & Platt Fire Systems Ltd., both of which are based at Pune near Mumbai in the Indian state of Maharashtra. Both companies are stock exchange listed. We acquired a 62.84 % stake in Mather & Platt Pumps Ltd. and 55.48 % of the shares in Mather & Platt Fire Systems Ltd. The remaining shares are free float.

We also acquired 100 % of the shares in Allied Centrifugal Pumps Pvt. Ltd. (ACP) in Calcutta, Western Bengal, India.

These acquisitions were made with the aim of consolidating our position as supplier of pumps for chilled water applications because they extend our product portfolio and provide us with a solid basis for entry into the Indian market. They will also give us better access to the Indian procurement market.

In South Africa, we acquired Aquanox (Pty) Ltd., including its subsidiaries. Aquanox is one of South Africa's leading

pump distributors and it will enable us to consolidate our distribution capability in the entire South African market.

The acquisition of FLOM S.A.R.L. in Couzon au Mont d'Or has enabled us to extend our service activities in the French market.

WILO-EMU USA LLC, Thomasville/USA, took over the employees, customer base and current assets of U.S. Filter Wastewater Group Inc. in an asset deal.

In addition to the above acquisitions, WILO AG founded two new companies in 2005. WILO Caspian LLC was founded in Azerbaijan in November and WILO ELEC CO. Ltd. in Qinhuangdao, Hebei Province, China.

The acquisitions and foundations were mainly financed out of cash flow from operating activities.

As mentioned in last year's Management Report, EMU Unterwasserpumpen GmbH's name has changed to WILO EMU GmbH. EMU Anlagenbau GmbH has also changed its name to WILO EMU Anlagenbau GmbH.

Moderate growth in Europe and continuation of the positive trend in Asia

On the whole, the economic developments in our markets around the world were positive in 2005.

According to preliminary figures, European economic growth was 1.5 % last year, whereby the rate of growth in the new Eastern European states was higher than that of the 'old' EU states.

Economic growth in Germany declined from 1.6 % to 0.9 %, consumer spending remained unchanged and building investments declined again by 3.6 %. 2005 came

to a marginally positive conclusion because of the positive overall investment trend and the strong recovery of the business climate indices.

Our second-largest Western European market of France was one of the European 'midfielders' with economic growth of 1.6 % and a 2 % increase in consumer spending.

The Asian economy is still in a dynamic growth phase. Asia's prosperity is increasing at a disproportionately high rate, which is driving up demand for an efficient infrastructure and the development of the water economy in this part of the world. In Korea, our largest single market outside Europe, the 5 % growth rate matched the previous year's level. India's economic growth was impressive at approximately 7 %, and two-digit growth is expected in 2006. China reported growth of 9.8 % in the year under review. The overall positive trend in China is intensified by preparations for the Olympic Games in 2008. Numerous construction projects and environmental protection measures in Beijing are also contributing to China's economic revival. The economy hasn't yet started to overheat.

The euro levelled off against most world currencies in the year under review. Our most important exchange rates and currencies developed over the course of the year as follows: after slipping to 1.33 USD/EUR at the beginning of the year, the US dollar found a stable base again and averaged out at 1.24 USD/EUR over the remaining months of 2005. It grew stronger towards the end of the year under review and the exchange rate improved to less than 1.20 USD/EUR. The Korean won was upvalued against the euro by almost 12 % in 2005.

There were further substantial increases in material prices in the year under review. Copper, aluminium and brass prices went up by two-digit percentages. Nevertheless, we still managed to improve upon last year's gross profit figure, mainly as a result of productivity optimisations and the success of the Asian acquisitions programme that began in 2004. We were able to pass on a proportion of the material price increases in our product retail prices in most markets.

Conversion of financial statements

The WILO Group's annual report for 2005 is the first one to include consolidated financial statements which were prepared in accordance with the International Financial Reporting Standards (IFRS). We spent several years preparing for this change-over. The consolidated financial statements in accordance with IFRS as at 31 December 2004 have already been furnished with our auditor's unqualified audit opinion.

The figures relating to 2004 which are published in the 2005 annual report's consolidated financial statements therefore deviate from the figures disclosed in the 2004 annual report because it was prepared according to German commercial law.

The conversion process to IFRS reporting necessitated changes to the carrying values in the balance sheet, which lead to a corresponding increase in Group equity. Substantial adjustments were made on the assets side of the balance sheet as a result of the extension of the useful lives of tangible assets and the capitalisation of leased assets. Changes on the liabilities side mainly relate to equity and provisions for pensions.

The introduction of segment reporting in accordance with IFRS meant that we had to adapt our disclosures on the international geographical zones to our management structure. This has resulted in minor deviations between the figures in last year's and this year's annual reports, especially those relating to Western and Eastern Europe.

Strong growth in sales

2005 was another successful business year for the WILO Group. Sales increased by 13.3 % from 662.3 mill. EUR to 750.4 mill. EUR. Over 11 % of this increase is accounted for by organic growth, and only around two percent results from the pro rata temporis inclusion of the acquired entities.

Regional distribution of sales

(Mill. EUR)	2005	2004	Change in %
Western Europe	450.5	418.4	7.5
Eastern Europe	143.4	119.8	19.7
Asia	127.9	103.3	19.7
Other regions	28.6	20.8	69.5
Total	750.4	662.3	13.3

In Germany we were able to increase our market share in our core lines of business and we achieved growth in sales of 6.4 % from 157.3 mill. EUR to 167.7 mill. EUR. In our second-largest European market of France, sales rose by 13.5 % to 99.6 mill. EUR.

There was growth in sales of 16.5 % to 83.6 mill. EUR in the Korean market. This growth was partially accounted for by the Korean won's rally against the euro.

In Eastern Europe, we achieved two-digit growth in sales to 143.4 mill. EUR.

Our business on the North American continent also developed positively. The subsidiaries in the USA and Canada which were founded at the end of 2004 realised substantial growth in sales in some of their business divisions in 2005. We are continually expanding our product portfolio for these markets.

Marked growth in EBIT and net income

The WILO Group is realising profitable growth. This growth has been characteristic of our development for some years now. We believe that it is the product of our customers' satisfaction, our technological leadership in our core markets and our highly competent and motivated employees.

EBIT, one of the Group's most important performance indicators, increased from 70.3 mill. EUR to 85.0 mill. EUR, which means our EBIT return rate is 11.3 % of sales. Last year's EBIT return rate was 10.6 % in accordance with IFRS and 10.0 % in accordance with the German Commercial Code (HGB).

We have a high rate of production capacity utilisation as a result of our increase in sales. The disproportionately high EBIT return rate was achieved through production efficiency improvements and an above-average increase in the sales of high-margin products.

The most important transactions in foreign currency were those in US dollars and in South Korean won. The won's average exchange rate increased by almost 12 % compared with 2004. The strength of this currency and the relatively stable average US dollar rate also supported the positive development of EBIT.

Consolidated net income increased from 43.3 mill. EUR to 53.4 mill. EUR, which corresponds to disproportionately high growth of 23.3 % compared with growth in EBIT. Net income in 2005 was 7.1 % of sales (2004: 6.5 %).

Development of earnings

	2005	2004
EBIT (% of sales)	11.3	10.6
Earnings per share (in EUR)	5.42	4.33

Higher equity ratio

Total assets increased by 14.4 % from 446.0 mill. EUR to 510.4 mill. EUR. At the same time, non-current assets increased by 19.6 mill. EUR, while current assets rose by 44.8 mill. EUR.

Fixed assets increased by 17.7 mill. EUR, mainly due to the activation of the portion of capitalised earnings value which exceeds the purchase price of acquisitions and the addition of the assets of the new acquisitions.

Of the current assets, trade accounts receivable increased by 27.3 %, though inventories only rose by 5.2 %. The high level of sales in November and December 2005 and the acquisitions made in 2005 are responsible for the corresponding development of these balance sheet items.

On the reporting date, trade accounts payable had increased by 14 mill. EUR. The Group's working capital rose by a total of 15 %.

Equity developed positively, increasing to 230.3 mill. EUR on 31 December 2005. The equity ratio advanced to 45.1 % of total assets (2004: 42.8 %). ROCE (Return on Capital Employed) improved from 25.2 % to 28.5 %.

Assets				
(Mill. EUR)	2005	%	2004	%
Non-current assets	200.0	39.2	180.4	40.4
Inventories	111.4	21.8	105.8	23.7
Trade accounts receivable	169.4	33.2	133.0	29.9
Other current assets	29.6	5.8	26.8	6.0
Total assets	510.4	100.0	446.0	100.0

Liabilities				
(Mill. EUR)	2005	%	2004	%
Equity	230.3	45.1	191.0	42.8
Long-term debt	104.7	20.5	102.6	23.0
Trade accounts payable	54.7	10.7	40.9	9.2
Other current liabilities	120.7	23.7	111.5	25.0
Total shareholders' equity and liabilities	510.4	100.0	446.0	100.0

Investments

Investments in fixed assets of 22.2 mill. EUR were at a level similar to last year (23.1 mill. EUR). The majority were made for research and development purposes and no single investment had overriding significance.

Investments in financial assets amounted to 14.7 mill. EUR and they were predominantly related to the aforementioned acquisitions.

Capital expenditure (not including investments in financial assets)

(Mill. EUR)	2005	2004	Change in %
Investments in tangible assets	22.2	23.1	-3.9
Investments in intangible assets	1.7	2.0	-15.0
Total	23.9	25.1	-4.8
As a % of depreciation (not including financial assets)	95	105	

Cash flow

The development of the WILo Group's cash flow in accordance with DVFA/SG was positive again in 2005. It amounted to 81.7 mill. EUR following 66.8 mill. EUR in 2004.

Cash flow in accordance with DVFA/SG

(Mill. EUR)	2005	2004	Change in %
Consolidated net income	53.4	43.3	23.3
Depreciation of fixed assets	27.1	24.1	12.4
Change in long-term provisions	1.2	-0.6	>100
Cash flow in accordance with DVFA/SG	81.7	66.8	22.3

Cash flow from operating activities in accordance with IFRS increased by 29.2 mill. EUR. It was used to finance the higher investments and to reduce liabilities due to banks.

IFRS cash flow

(Mill. EUR)	2005	2004	Change in %
Cash flow from operating activities	74.4	45.2	64.6
Cash flow from investment activities	-36.0	-22.3	61.4
Cash flow from financing activities	-39.7	-13.9	>100
Change in liquidity	-1.3	9.0	<-100

Research and development

WILo's brand claim 'Pumpen Intelligenz' expresses the Group's objective of improving its system competence in the process of developing solutions. It reflects WILo's commitment to supporting customers in all market segments by developing innovative products and system solutions.

In working to achieve this objective, we implemented many different general technology and product development projects in 2005. One of these projects involved the extension of our range of multi-level vertical pumps in stainless steel to include two new installation sizes. These new pumps are distinguished by their outstanding efficiency, which enables our customers to operate their

plants on an energy-optimised basis. Our decentral heating pumps project is still progressing well.

Our research and development expenditure has increased by 12 %. It is therefore still at last year's level of almost 3 % of sales revenue.

R&D expenditure

	2005	2004	Change in %
in mill. EUR	21.7	19.4	11.9
as a % of sales	2.9	2.9	0.0

Substantial increase in the number of employees

At 31 December 2005, the WILO Group had 1,043 employees more than on the reporting date last year.

This increase is predominantly due to the acquisitions in India and South Africa.

The positive employment situation has also enabled us to create jobs at the majority of our subsidiaries, in Germany and in Korea. The slight reduction in the number of employees in France is a technical reduction. The level of capacity utilisation at the French plants has also improved.

Number of employees at 31.12.

	2005	2004	Change in %
Germany	1,678	1,615	3.9
France	1,221	1,263	-3.3
Korea	207	191	8.4
Other regions	1,879	875	114.7
Total	4,985	3,944	26.4

Certifications and licenses

The quality and ecological certifications that were obtained last year apply for all of the Group's production facilities and subsidiaries. The applicable standards are ISO 9001:2000, VDA 6.4 and ISO 14001.

Further significant projects necessitated the licensing of product ranges according to UL /CSA (USA/Canada) and ATEX (EU).

Important events at the beginning of the financial year 2006

Our business operations have continued to develop positively over the first two months of 2006 and our sales in this period have surpassed sales in the same period last year.

In the first quarter of 2006 we will be issuing senior notes (US private placement) in the US market which are expected to become payable in March/April 2006. We believe that this medium to long-term exposure will effectively support our Group financing strategy, enable us to restructure internal financing within the Group and ensure the timely availability of funds to cover our high investment requirements in coming years.

Outlook for 2006

We do not anticipate negative business developments in any of our key markets. Strong growth is expected in the Eastern European and Asian markets and we intend to participate in this growth. One main focus this year will be the integration of the Indian companies that were acquired at the end of 2005.

Korea, China and India are the countries that will play a central role in the Asian market. Economic forecasts indicate that growth will remain at last year's level in these countries.

We anticipate economic growth in Europe that is similar to last year's level, with slightly higher growth in Eastern Europe and slightly lower growth in Western Europe. Developments in Germany will be strongly influenced by the pending reforms.

Based on its plans for 2006, WILO expects further mid-term growth of sales and EBIT. Average growth of 7 % is assumed. It is WILO's objective to cross the one billion

sales threshold by 2009, while maintaining EBIT at 10 % to 12 %. Unforeseen developments may, of course, necessitate revisions of expectations.

Risk management

Risk recognition

The prompt recognition of risks is essential in order to implement timely and appropriate measures to minimise or eliminate these risks. Our integral risk management system is further developed year for year and plays a crucial role in this process. We have a risk officer who implements regular risk analyses in conjunction with the responsible employees and promptly reports the findings to the management board. The supervisory board and the audit committee that it has nominated are informed of the results. The objective is for all employees to be aware of risks and to take a constructive approach to dealing with them.

In 2005, we introduced Group-wide standard software in conjunction with the relevant training measures. The Web-based software allocates recognised risks to standard categories and areas of responsibility and condenses it into a Group report. Catalogues of measures to minimise risks can be viewed online at any time. We will systematically extend and further develop this system in coming years, and we regard it as an integral aspect of our quality management system.

Risks and measures

We have identified the following primary risk sources that may jeopardise the success of our company: the loss of market share, the failure to respond promptly to new technological developments, exchange rate fluctuations, loss of employee know-how, quality problems, supplier and customer insolvencies, criminal acts, loss of data, business interruptions and liability risks. Existing market risks are analysed in a timely manner in our controlling system.

Potential quality risks relating to our pumps are ruled out by consistent quality management, both in the development of new products and in day-to-day operations.

We minimise currency risks by way of proactive risk management, either by purchasing in the same currency or the use of derivative financial instruments.

A standardised system for Group-wide monitoring of customer payment patterns minimises the risk of bad debts.

The significance of electronic data processing and secure processes has increased. We apply data security and data protection concepts consistently on a Group-wide basis. Regular independent analyses confirm our high data stock security standards.

A Group-wide insurance programme exists in respect of natural hazards and liability risks. Risks of business interruption are hedged against by way of proactive risk management.

The internal auditing department also supports Group-wide risk management activities. In 2005, the internal auditing department paid particular attention to process integrity. It focused on ascertaining compliance with financial and IT security standards.

Risks which may endanger the continuation of our business operations are not evident today.

Liabilities			
Thsd. EUR	Note	2005	2004
Equity	(7.8)		
Paid-up capital		26,000	26,000
Treasury stock		-4,200	0
Revenue reserve		58,768	48,546
Group profit		148,996	116,457
Equity before minority interest		229,564	191,003
Minority interest		783	0
		230,347	191,003
Non-current liabilities			
Liabilities due to banks	(7.9)	25,278	29,904
Trade accounts payable	(7.9)	2,687	1,621
Other liabilities	(7.9)	12,905	10,761
Provisions for pensions	(7.9)	35,898	34,230
Provisions for similar obligations	(7.9)	7,542	7,697
Guarantee provisions	(7.9)	3,014	2,346
Deferred tax liabilities	(6.9)	17,339	16,047
		104,663	102,606
Current liabilities			
Liabilities due to banks	(7.10)	27,156	36,611
Trade accounts payable	(7.10)	54,684	40,856
Other liabilities	(7.10)	59,367	52,571
Current provisions	(7.10)	34,151	22,323
		175,358	152,361
		510,368	445,970

Consolidated income statement pursuant to IFRS for the period 1 January to 31 December 2005

Thsd. EUR	Note	1.1.–31.12.2005	1.1.–31.12.2004
Sales revenues	(6.1)	750,436	662,254
Cost of sales	(6.2)	-443,955	-398,119
Gross profit		306,481	264,135
Selling expenses	(6.3)	-152,811	-127,573
Administrative costs	(6.4)	-52,268	-51,291
Research and development costs	(6.5)	-21,650	-19,394
Other operating income	(6.6)	17,784	14,115
Other operating expenses	(6.7)	-12,517	-9,676
EBIT	(6.10)	85,019	70,316
Financing costs		-4,518	-4,928
Financial revenue		2,464	880
Financial result	(6.8)	-2,054	-4,048
Comprehensive income before taxes	(6.10)	82,965	66,268
Taxes on income	(6.9)	-29,603	-23,008
Comprehensive income after taxes	(6.10)	53,362	43,260
thereof due to minority interests		666	0
thereof due to shareholders of WILO AG		52,696	43,260
 The undiluted and diluted earnings per share are EUR 5.42 (2004: EUR 4.33 per share)	(6.11)		

Locations of the WILO Group

Sales Subsidiary

Algeria
Argentina
Azerbaijan
Austria
Belgium
Bosnia and Herzegovina
Bulgaria
Byelorussia
Canada
China
Croatia
Czech Republic
Denmark
Estonia
Finland
France
Georgia
Germany
Great Britain
Greece
Hungary
India
Indonesia
Ireland
Italy
Kazakhstan
Latvia
Lebanon
Lithuania
Macedonia
Moldavia
Netherlands
Norway
Poland
Portugal
Romania

Production Facilities

Russia
Serbia
Slovakia
Slovenia
South Africa
South Korea
Spain
Sweden
Switzerland
Taiwan
Tajikistan
Thailand
Turkey
Ukraine
USA
Uzbekistan
Vietnam
China
France
Germany
India
Ireland
Italy
South Korea

Glossary

Axial split-case pumps: Pumps with an axially split volute casing. These pumps are used for applications requiring high delivery rates in circulation systems or for water supply, mainly in Asian countries or when plants are built according to US specifications.

Bus technology: A technology in which several network participants communicate via a shared communication medium.

Cash flow: Cash flow is the net inflow of liquid funds from business operations.

EBIT/EBITDA: EBIT is Earnings Before Tax and Interest. EBITDA is Earnings Before Tax and Interest, Depreciation and Amortisation.

Gateways: Gateways enable communication between networks that are based on different protocols. They are permitted to do everything necessary for data conversion. For instance, they can omit information if it cannot be transported in the target network.

Glanded pumps: In this type of pump, the drive motor does not come into contact with the pumping medium and, as a result, the rotating part of the motor remains dry.

Goodwill: Goodwill occurs when an acquired company is first consolidated and constitutes the difference between the purchase price and the reassessed net assets.

Grinder pumps: Sewage pumps with an integrated grinder that are predominantly used in pressure sewers with narrow cross-section service lines. The grinder shreds long-stranded or large solids in the sewage.

High efficiency: Efficiency is defined in terms of the ratio of performance to total energy expended. From our viewpoint, high efficiency means high performance combined with low energy consumption, which enables us at the same time to conserve natural resources and thus reduce environmental damage to the minimum. One example is the WILO Stratos high efficiency pump. It attains advanced levels of efficiency and offers potential energy savings of up to 80 % compared with conventional pumps.

Inline pump: A typical feature of these pumps is that they can be installed in the direction of the axle of straight pipes.

International Financial Reporting Standards (IFRS): A collective term for all rules and interpretations that are relevant for the international financial statements of the WILO Group. International Accounting Standards (IAS), International Financial Reporting Standards (IFRS), the interpretations of the Standing Interpretations Committee (SIC) and of the International Financial Reporting Interpretations Committee (IFRIC).

LCC: Life Cycle Costs comprise the total costs generated by a product throughout its entire life cycle.

The term “life cycle” covers all phases from procurement, through installation, operation and maintenance to the decommissioning and disposal of the product.

Mixer: A submersible automatic agitator for the homogenisation of sludge in order that it can be pumped.

OEM: Original Equipment Manufacturers are customers who use the pump as an integrated component of their products e. g. wall heaters, air-conditioning systems and machine tools.

Pressure shroud pumps: Submersible motor pumps with a pressure shroud which makes the dry installation of the pumps possible. These pumps are used to boost pressure in water supply and circulation systems and are practically maintenance-free.

ROCE: Return on Capital Employed is the interest earned on invested capital over a specific period.

Wet-running pumps: In this type of pump, the rotating part of the electric motor runs in the pumping medium. This type of pump is practically maintenance-free and operates very quietly.

Wilo-Brain: Wilo-Brain is a training offensive for the sanitary, heating and air-conditioning trade. In cooperation with the Federal Institute for Vocational Training (BIBB), WILO has developed a training programme and practical aids on the subject of “The interaction of plant components in heating and domestic hot water circulation systems”.

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