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**euro adhoc: Andritz AG / quarterly or semiannual financial statement / Andritz Group:  
Results for the First Three Quarters of 2007 - Order Intake, Sales, and Earnings  
significantly up compared to reference period of last year - Order Backlog, at ove**

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9-month report

07.11.2007

Graz, November 7, 2007. International Technology Group Andritz reports a very favorable business development for the First Three Quarters of 2007. Group Sales increased to 2,299.6 MEUR, up 35.1% compared to the reference period of last year (Q1-Q3 2006: 1,702.6 MEUR). Net Income excluding minority interests, at 96.5 MEUR, was also significantly up compared to last year's reference period (Q1-Q3 2006: 68.2 MEUR). Order Intake also developed very favorably; at 2,651.9 MEUR, it was 28.6% higher than during the reference period for last year (Q1-Q3 2006: 2,062.9 MEUR). The Order Backlog of the Group as of 30.09.2007 amounted to 3,722.4 MEUR, thus remaining at a very high level (30.09.2006: 3,561.9 MEUR).

Due to the high Order Backlog and the good project activity, Andritz expects an increase in Group Sales to approximately 3.5 bn Euros in 2008. This corresponds to an increase of approximately 9% compared to 2007, when Sales are expected to reach about 3.2 bn Euros.

Sales Sales in the Third Quarter of 2007 amounted to 762.6 MEUR, increasing 3.7% compared to last year's reference period (Q3 2006: 735.2 MEUR). In particular, Sales of the Pulp and Paper, the Hydro Power and the Feed and Biofuel Business Areas increased significantly compared to last year's reference period.

During the First Three Quarters of 2007, Sales of the Andritz Group increased by 35.1%, to 2,299.6 MEUR (Q1-Q3 2006: 1,702.6 MEUR). This increase is mainly due to the continued strong organic growth of the Group of 16.7% during the First Three Quarters of 2007.

Order Intake and Order Backlog Group Order Intake in the Third Quarter of 2007 amounted to 614.4 MEUR, a decrease of 21.8% compared to the reference period of last year (Q3 2006: 785.8 MEUR). This decline is mainly due to the strong decrease of Order Intake of the Pulp and Paper Business Area. At 185.6 MEUR in Q3 2007, it was down by 51.2% compared to the high level of the reference Quarter of last year (Q3 2006: 380.1 MEUR). This is mainly due to the fact the no large orders were awarded during Q3 2007. All other Business Areas, in particular Environment and Process as well as Feed and Biofuel, showed a satisfactory development of Order Intake.

Order Intake for the First Three Quarters of 2007 was 2,651.9 MEUR, increasing 28.6% compared to the reference period of last year (Q1-Q3 2006: 2,062.9 MEUR).

Order Backlog as of 30.09.2007 amounted to 3,722.4 MEUR, slightly up compared to the reference value of last year (30.09.2006: 3,561.9 MEUR). Thus, the Andritz Group has a solid visibility with regard to Sales for the coming months.

Earnings Earnings before Interest and Taxes (EBIT) increased to 50.2 MEUR during the Third Quarter of 2007 (Q3 2006: 42.0 MEUR). Profitability (EBIT margin), at 6.6% for the Third Quarter of 2007, increased significantly compared to Q3 2006 (5.7%). This was mainly due to the favorable Earnings development of the Pulp and Paper, Hydro Power and the Feed and Biofuel Business Areas.

EBIT for the First Three Quarters of 2007 amounted to 134.6 MEUR, an increase of 35.0% compared to the reference period of last year (Q1-Q3 2006: 99.7 MEUR). Net Income excluding Minority Interests amounted to 96.5 MEUR, increasing 41.5% compared to the reference period of last year (Q1-Q3 2006: 68.2 MEUR).

Outlook Based on the financial results for the First Three Quarters of 2007, the Andritz Group expects Group Sales to increase to approximately 3.2 bn Euros in 2007 (2006: 2.7 bn Euros) and an increase of the Group's Net Income.

For 2008, Wolfgang Leitner, President and CEO of Andritz, is also confident and expects new record results for the Andritz Group: "Due to the current high Order Backlog of approximately 3.7 bn Euros and the solid project activity in all of our Business Areas, we expect Group Sales in 2008 to approach 3.5 billion Euros. Earnings should increase at least at the same rate as Sales."

Disclaimer Certain statements contained in this press release constitute 'forward-looking statements'. These statements, which contain the words 'believe', 'intend', 'expect' and words of similar meaning, reflect management's beliefs and expectations and are subject to risks and uncertainties that may cause actual results to differ materially. As a result, readers are cautioned not to place undue reliance on such forward-looking statements. The Company disclaims any obligation to publicly announce the result of any revisions to the forward-looking statements made herein, except where it would be required to do so under applicable law.

#### Key Figures for the First Three Quarters of 2007 (IFRS)

| (in MEUR)                                       | Q1-Q3 2006 | Q1-Q3 2007 | Change  | Q3 2006 | Q3 2007 | Change  |
|---|------------|------------|---------|---------|---------|---------|
| Sales   | 1,702.6    | 2,299.6    | +35.1%  | 735.2   | 762.6   | +3.7%   |
| Order Intake                                    | 2,062.9    | 2,651.9    | +28.6%  | 785.8   | 614.4   | -21.8%  |
| Order Backlog<br>(as of end<br>of period)       | 3,561.9    | 3,722.4    | +4.5%   | 3,561.9 | 3,722.4 | +4.5%   |
| EBITDA 1)                                       | 122.7      | 169.1      | +37.8%  | 52.5    | 61.2    | +16.6%  |
| EBITDA Margin                                   | 7.2%       | 7.4%       | -       | 7.1%    | 8.0%    | -       |
| EBITA 2)  | 101.1      | 139.0      | +37.5%  | 43.4    | 51.6    | +18.9%  |
| EBITA Margin                                    | 5.9%       | 6.0%       | -       | 5.9%    | 6.8%    | -       |
| Earnings before<br>Interest and Taxes<br>(EBIT) | 99.7       | 134.6      | +35.0%  | 42.0    | 50.2    | +19.5%  |
| EBIT Margin                                     | 5.9%       | 5.9%       | -       | 5.7%    | 6.6%    | -       |
| Earnings before<br>Taxes                        | 101.4      | 137.9      | +36.0%  | 41.5    | 50.3    | +21.2%  |
| Net Income excl.<br>Minority Interests          | 68.2       | 96.5       | +41.5%  | 28.2    | 34.9    | +23.8%  |
| Cash flow from<br>Operating<br>Activities       | -35.6      | 16.3       | +145.8% | 52.4    | -18.3   | -134.9% |
| Capital<br>Expenditure 3)                       | 27.2       | 32.1       | +18.0%  | 14.1    | 9.0     | -36.2%  |
| Employees<br>(as of end<br>of period)           | 10,010     | 11,200     | +11.9%  | 10,010  | 11,200  | +11.9%  |

1) EBITDA: Earnings before Interest, Taxes, Depreciation, and Amortization 2) EBITA: Earnings before Interest, Taxes, and Amortization of intangibles related to acquisitions 3) Additions to property, plant, and equipment, and intangible assets

The Letter to Shareholders for the First Three Quarters of 2007 is available on the Andritz web site ([www.andritz.com](http://www.andritz.com)) both as an online and a PDF version. Printed versions can be requested by telephone (+43 316 6902 2722), fax (+43 316 6902 465) or e-mail ([petra.wolf@andritz.com](mailto:petra.wolf@andritz.com)).

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