

01.08.2008 – 08:02 Uhr

euro adhoc: Andritz AG / quarterly or semiannual financial statement / Andritz: Results for the first half of 2008 - Increase in order intake, sales, and net income - Order backlog, at over 4.6 bn Euros, provides solid basis for the coming quarters

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6-month report

01.08.2008

Graz, August 1, 2008. In the first half of 2008, international technology Group Andritz showed a favorable business development, with order intake, sales, and net income increasing compared to the reference period of last year. Order backlog, at over 4.6 billion Euros as of June 30, 2008, reached a new record high. For the full year 2008, the Andritz Group expects to achieve another record year with increases in sales and earnings compared to 2007.

Increase in sales During the first half of 2008, sales of the Andritz Group amounted to 1,650.0 MEUR, an increase of 7.4% compared to last year's reference period (H1 2007: 1,537.0 MEUR). In particular, the Hydro Power and the Rolling Mills & Strip Processing Lines business areas were able to increase their sales significantly compared to the first half of last year.

Newly acquired companies, which were not included in the consolidated financial statements of the first half of 2007, added 52.1 MEUR to Group sales in the first half of 2008. Organic growth of the Andritz Group, therefore, amounted to 4.0% during the first half of 2008.

Order intake up, order backlog at record level Order intake of the Group developed favorably during the first half of 2008. At 2,128.7 MEUR, it surpassed the high level of last year's reference period (H1 2007: 2,037.5 MEUR) by 4.5%. In particular, the Hydro Power and the Rolling Mills & Strip Processing Lines business areas increased their order intakes compared to the reference period of last year.

Order backlog as of June 30, 2008, at 4,619.5 MEUR, reached a record level and increased by 19.4% compared to the reference date of last year (June 30, 2007: 3,867.9 MEUR). Thus, the Andritz Group has a solid base for the business development during the coming quarters.

Earnings increased In the first half of 2008, the Group's earnings before interest and taxes (EBIT) amounted to 98.8 MEUR. This is an increase of 17.1% compared to the first half of 2007 (84.4 MEUR), thus showing a stronger growth than sales. The Group's EBIT margin improved to 6.0% in the first half of 2008 (H1 2007: 5.5%). In particular, the Pulp & Paper, the Hydro Power as well as the Rolling Mills & Strip Processing Lines business areas showed a favorable development of earnings.

Net income excluding minority interests amounted to 69.8 MEUR, exceeding last year's reference value by 13.3% (H1 2007: 61.6 MEUR).

Solid balance sheet structure Total assets as of June 30, 2008 increased to 2,956.0 MEUR (December 31, 2007: 2,507.5 MEUR), mainly due to the first-time inclusion of the assets and liabilities of the businesses acquired from GE Energy in May/June 2008 as well as to the successful issue of a 150 MEUR corporate bond in February 2008 (replacing the corporate bond 2002-2008, which was redeemed in June 2008). The equity ratio as of June 30, 2008 amounted to 17.6% (December 31, 2007: 19.2%).

As of June 30, 2008, liquid funds amounted to 777.0 MEUR; net liquidity (liquid funds minus financial liabilities) was 366.4 MEUR, thus increasing significantly compared to the end of 2007 (December 31, 2007: 246.5 MEUR).

Outlook for the full year 2008 Project activity in all of Andritz's relevant markets is at a satisfactory level. Based on the high order backlog as of the end of June 2008, the Andritz Group expects a solid business development during the coming quarters. Wolfgang Leitner, President and CEO of Andritz AG: "In all of our business areas, we see a good market environment. Based on the results for the first six months of the year, Andritz expects Group sales for the full year 2008 to increase to a good 3.5 billion Euros and profitability - EBITA margin - to increase compared to the financial year 2007."

Key figures of the Andritz Group for the first half of 2008 at a glance

in MEUR (IFRS)	H1 2008	H1 2007	+/-	Q2 2008	Q2 2007	+/-
Order intake	2,128.7	2,037.5	+4.5%	933.0	1,006.5	-7.3%
Order backlog						
(as of end of period)	4,619.5	3,867.9	+19.4%	4,619.5	3,867.9	+19.4%
Sales	1,650.0	1,537.0	+7.4%	899.1	806.1	+11.5%
EBITDA 1)	124.0	107.9	+14.9%	68.6	58.4	+17.5%
EBIDA margin (%)	7.5	7.0	-	7.6	7.2	-

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