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**euro adhoc: Andritz AG / Quarterly or Semiannual Financial Statements / Andritz: Results for the First Half of 2004 - Increase in Order Intake and Sales - Net Income more than doubled - Order Backlog, at over 1.1 billion Euros, reaches record level - In**

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Graz, August 6, 2004. Technology Group Andritz reports favorable business developments for the First Half of 2004, with significant increases in all major financial figures. Sales of the Group were 685.8 MEUR, up 18.9% compared to the reference period for last year (H1 2003: 577.0 MEUR). Net Income excluding minority interests surged to 25.5 MEUR, more than double the amount of last years reference period (H1 2003: 9.8 MEUR). Order Intake, at 775.6 MEUR, was 16.3% higher than in the same period of last year (H1 2003: 667.1 MEUR). Order Backlog as of 30.6.2004 reached a record level of more than 1.1 billion Euros. Due to the favorable business development in H1 2004, the Managing Board of Andritz has increased its Earnings forecast for the full year 2004 and expects Net Income after minority interests to grow by at least 35% compared to 2003.

**Favorable development of Sales**

In the First Half of 2004, Sales of the Andritz Group amounted to 685.8 MEUR, an increase of 18.9% compared to the reference period for last year (H1 2003: 577.0 MEUR). This was mainly due to the favorable development of Andritzs core business and the continuation of its complementary acquisition policy, which further enhances the Groups competitive position and provides the basis for future organic growth. Fiedler and Bird Machine, which were not included in last years consolidated financial statements, added approx. 46 MEUR to Group Sales in the First Half of 2004.

**High Order Intake**

In the First Half of 2004, Group Order Intake reached 775.6 MEUR, a 16.3% increase over the reference period for last year (667.1 MEUR). Due to strong performance in almost all of its Divisions, the Pulp and Paper Business Area increased its Order Intake by 27.9% compared to the First Half of 2003. Order Intake of the Environment and Process Business Area more than doubled, mainly as a consequence of the first-time consolidation of Bird Machine.

At 406.0 MEUR, Order Intake in the Second Quarter of 2004 reached the second highest level the Group has ever achieved during a Quarter. It increased 28.4% compared to the reference Quarter of 2003 (Q2 2003: 316.1 MEUR) and surpassed the previous Quarter (Q1 2004: 369.6 MEUR) by 9.8%.

Order Backlog as of 30.6.2004 amounted to 1,159.8 MEUR, a marked increase of 16.9% compared to reference date in 2003 (30.6.2003: 992.3 MEUR).

**Strong increase in Earnings**

Earnings Before Interest, Taxes, and Amortization of Goodwill (EBITA) for the First Half of 2004 were 41.3 MEUR, an increase of 70.0% compared to the First Half of 2003 (24.3 MEUR). EBITA margin improved to 6.0% (H1 2003: 4.2%).

Earnings Before Interest and Taxes (EBIT) increased to 33.0 MEUR (H1 2003: 17.4 MEUR). Net Income excluding minority interests rose to 25.5 MEUR, more than double the amount of last years reference period (H1 2003: 9.8 MEUR).

**Solid financial structure**

With an Equity Ratio of 23.0% as of 30.6.2004 (31.12.2003: 24.0%),

the Andritz Group has a solid net worth position and capital structure. Net liquidity (cash and marketable securities minus interest bearing borrowings) was 112.5 MEUR as of 30.6.2004 (31.12.2003: 55.0 MEUR).

#### Outlook

According to the forecasts of leading economic researchers, the global economy is expected to continue its growth during the coming months. As a consequence, a continuation of the favorable project activity in the relevant Andritz markets - pulp, paper, and steel - can be expected for the next Quarters.

Quick integration of the newly acquired companies will be one of the key corporate goals for the coming months.

Due to the very favorable business development in the first six months of 2004 and the good visibility for the current Second Half year resulting from the high Order Backlog, Andritz increases its expectations for Sales and Earnings for the full year of 2004. Group Sales are expected to rise by approx. 15% compared to 2003, Net Income excluding minority interests should grow over-proportionally by at least 35%.

#### 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 managements 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 Half of 2004

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| (in MEUR)                     | H1 2003 | H1 2004 | Change  | 2003    |
|-------------------------------|---------|---------|---------|---------|
| Sales                         | 577.0   | 685.8   | +18.9%  | 1,225.0 |
| Order Intake                  | 667.1   | 775.6   | +16.3%  | 1,394.4 |
| Order Backlog (end of period) | 992.3   | 1,159.8 | +16.9%  | 1,053.6 |
| EBITDA 1)                     | 34.9    | 52.0    | +49.0%  | 84.4    |
| EBITDA Margin                 | 6.0%    | 7.6%    | -       | 6.9%    |
| EBITA 2)                      | 24.3    | 41.3    | +70.0%  | 63.1    |
| EBITA Margin                  | 4.2%    | 6.0%    | -       | 5.2%    |
| EBIT                          | 17.4    | 33.0    | +89.7%  | 48.9    |
| Earnings before Taxes         | 18.1    | 32.7    | +80.7%  | 49.3    |
| Net Income excl. Minorities   | 9.8     | 25.5    | +160.2% | 29.1    |
| Cash flow from                |         |         |         |         |
| Operating Activities          | 41.1    | 90.5    | +120.2% | 4.6     |
| Capital Expenditure 3)        | 5.7     | 5.7     | +/-0.0% | 20.5    |
| Employees (end of period)     | 4,518   | 4,885   | +8.1%   | 4,771   |

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1) EBITDA: Earnings before interest, tax, depreciation and amortization of goodwill

2) EBITA: Earnings before amortization of goodwill

3) Additions to tangible and intangible assets

The Letter to Shareholders for the First Half of 2004 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)).

#### The Andritz Group

The Andritz Group- listed on the Vienna Stock Exchange - is a global market leader for advanced production systems for pulp and paper, steel and other specialized industries. As of June 30, 2004, Andritz had a staff of 4,885 employees worldwide. It develops and makes its

high-tech systems at 16 production sites (Austria, Germany, Finland, Denmark, France, Netherlands, USA, Canada and China).

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