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euro adhoc: Andritz AG / Quarterly or Semiannual Financial Statements / Andritz: Results for the first three Quarters of 2004 - Significant increase in Sales and Net Income - Record Order Intake for full year 2004 expected - Increased Earnings expected

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Graz, November 8, 2004. Technology Group Andritz reports favorable business developments for the first three Quarters of 2004. Sales of the Group increased to 1,070.3 MEUR, up 23.1% compared to the reference period for last year (Q1Q3 2003: 869.3 MEUR). Net Income excluding minority interests, at 37.7 MEUR, was more than double the amount of last years reference period (Q1Q3 2003: 16.5 MEUR). Although the Order Intake for the first three Quarters of 2004 was somewhat lower than last years reference period (1,068.5 vs. 1,090.4 MEUR for Q1Q3 2003), Andritz expects to reach a new record Order Intake for the full year 2004. Due to favorable business development during the first three Quarters of 2004 and the high Order Backlog, the Managing Board of Andritz has again increased its Earnings forecast for the full year 2004 and expects Net Income after minority interests to grow by approx. 50% compared to 2003.

Favorable development of Sales

During the first three Quarters of 2004, Sales of the Andritz Group amounted to 1,070.3 MEUR, an increase of 23.1% compared to the reference period for last year (Q1Q3 2003: 869.3 MEUR). Sales in the third Quarter of 2004 were 384.5 MEUR, up 31.5% compared to Q3 2003 (292.3 MEUR) and up 8.6% compared to the previous Quarter (Q2 2004: 354.0 MEUR). This was mainly due to higher work-in-progress for many projects, the growth of the services business as well as Sales contribution from the newly acquired companies. Bird Machine and NETZSCH, which were not included in last years consolidated financial statements, added approx. 54.4 MEUR to Group Sales in the first three Quarters of 2004.

Order Intake below high level of last years reference period; but record Order Intake for the full year 2004 is expected

During the first three Quarters of 2004, Group Order Intake reached 1,068.5 MEUR, a slight decline of 2.0% compared to the reference period for last year (Q1Q3 2003: 1,090.4 MEUR). Order Intake in the Third Quarter of 2004 was 292.9 MEUR, which is 130.4 MEUR lower than the reference value of the Third Quarter of last year (Q3 2003: 423.2 MEUR). The main reason for this is that last years largest order (the Veracel greenfield pulping project in Brazil at approx. 180 MEUR) was booked in the Third Quarter. This years largest order (CMPC fiberline and recovery equipment at approx. 320 MEUR) will be booked in the Fourth Quarter. As a result of this large order, Andritz expects Group Order Intake for the full year of 2004 to reach a new record level.

Order Backlog as of 30.9.2004 amounted to 1,080.9 MEUR, a slight decline of 3.5% compared to the reference date in 2003 (30.9.2003: 1,120.5 MEUR).

Strong increase in Earnings

Earnings of the Andritz Group developed favorably during the first three Quarters of 2004. As a result of Sales growth, continued cost optimization measures and positive Earnings contributions from newly acquired companies Earnings Before Interest, Tax, and Amortization of goodwill (EBITA) for the first three Quarters of 2004 increased to 64.4 MEUR, +62.6% compared to the reference period of last year (Q1Q3 2003: 39.6 MEUR). EBITA margin improved from 4.6% in the first

three Quarters of 2003 to 6.0% in the first three Quarters of 2004.

Earnings Before Interest and Taxes (EBIT) increased to 52.4 MEUR (Q1Q3 2003: 29.2 MEUR). Net Income excl. Minority Interests amounted to 37.7 MEUR, almost double the amount of last years reference period (Q1Q3 2003: 16.5 MEUR).

Solid financial structure

The balance sheet as of 30.9.2004 shows no major changes in comparison with 31.12.2003 other than the sharp increase in net liquidity (cash and cash equivalents minus interest-bearing financial liabilities), which increased to 149.0 MEUR. This is 32.4% higher than at the end of the previous Quarter (30.6.2004: 112.5 MEUR), and significantly up compared to the end of 2003 (31.12.2003: 55.0 MEUR). The equity ratio as of 30.9.2004 was 23.0% (31.12.2003: 24.0%).

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.

For the full year 2004, Andritz expects favorable business development. The growth rate in Sales achieved during the first three Quarters of 2004 should also apply for the full year of 2004. Profitability for the full year 2004 is also expected to increase compared to 2003, with Group EBITA margin to reach approx. the level achieved for the first three Quarters of 2004. As a consequence, Andritz expects Net Income after minorities to improve by approx. 50% compared to 2003.

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 three Quarters of 2004

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(in MEUR)	Q1-Q3/03	Q1-Q3/04	Change	Q3/03	Q3/04	Change
Sales	869.3	1,070.3	+23.1%	292.3	384.5	+31.5%
Order Intake	1,090.4	1,068.5	-2.0%	423.3	292.9	-30.8%
Order Backlog (end of period)	1,120.5	1,080.9	-3.5%	1,120.5	1,080.9	-3.5%
EBITDA 1)	55.0	80.8	+46.9%	20.1	28.8	+43.3%
EBITDA margin	6.3%	7.5%	-	6.9%	7.5%	-
EBITA 2)	39.6	64.4	+62.6%	15.3	23.1	+51.0%
EBITA margin	4.6%	6.0%	-	5.2%	6.0%	-
EBIT	29.2	52.4	+79.5%	11.8	19.4	+64.4%
Earnings before taxes	30.1	52.6	+74.8%	12.0	19.9	+65.8%
Net Income after minorities	16.5	37.7	+128.5%	6.7	12.2	+82.1%
Cash flow from operating activities	16.2	130.6	+706.2%	-25.0	40.1	+260.4%
CAPEX 3)	12.4	9.0	-27.4%	6.7	3.3	-50.7%
Employees (end of period)	4,508	5,137	+14.0%	4,508	5,137	+14.0%

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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 three Quarters of 2004 is available on the Andritz web site (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).

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 September 30, 2004, Andritz had a staff of 5,137 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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Further inquiry note:

Michael Buchbauer
Head of Investor Relations
Tel.: +43 316 6902 2979
Fax: +43 316 6902 465
<mailto:michael.buchbauer@andritz.com>

Branche: Machine Manufacturing
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