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euro adhoc: Andritz AG / Annual Reports / Andritz: Successful Business Development in 2004 - Order Intake, Sales, and Earnings reach record levels - Record Order Backlog provides solid base for 2005 - Proposed dividend of 1.40 EUR per share

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Graz, 3 March 2005. In 2004, international Andritz Group achieved its best financial results in history. Sales increased to 1,481.3 MEUR (+20.9% vs. 2003). Net Income after Minority Interests developed very favorably, increasing significantly to 53.4 MEUR (+83.5% vs. 2003). Order Intake reached a new record level of over 1.8 bn. Euros (+31.7% vs. 2003). Order Backlog as of 31 December 2004 amounted to over 1.4 bn. Euros (+36.6% vs. 2003) and provides a solid workload for 2005. At the upcoming Annual General Meeting, the Managing Board will propose an increase in the dividend to 1.40 EUR per share (2003: 1.00 EUR per share).

Increase in Sales

Sales of the Andritz Group in 2004 developed very favorably. As a result of the execution of the high Order Backlog as of the end of 2003, the favorable development of Order Intake, the growth of the services business, and Sales contributions from the companies acquired in 2004, Sales increased by 20.9% to 1,481.3 MEUR (2003: 1,225.0 MEUR). In particular, the Pulp and Paper, Rolling Mills and Strip Processing Lines, and Environment and Process Business Areas increased their Sales significantly compared to 2003. Sales of the Feed Technology Business Area were only slightly higher than in the previous year, mainly as a result of weak market conditions and the decline of the US dollar against the Euro, which led to negative translation effects, especially for this Business Area.

Sales of the companies/business areas acquired in 2004 (Bird Machine, NETZSCH Filtration, Kaiser, and VA TECH WABAGs fluidized bed drying systems Business Area), which were not included in the financial statements of 2003, added approximately 96 MEUR to the Groups total Sales in 2004. Organic Sales growth of the Group therefore was approximately 13%.

Increase in Earnings

As a result of increased Sales, ongoing cost optimization programs, and positive Earnings contributions from some of the newly acquired companies, the Groups Earnings Before Interest, Taxes, Depreciation, and Amortization of Goodwill (EBITDA) surged from 84.4 MEUR in 2003 to 115.4 MEUR in 2004. Group profitability expressed as EBITDA margin improved from 6.9% in 2003 to 7.8% in 2004. EBIT (Earnings Before Interest and Taxes) increased by 55.6% to 76.1 MEUR (2003: 48.9 MEUR). Net Income after the deduction of Minority Interests surged to 53.4 MEUR (2003 29.1 MEUR).

Record Order Intake and Order Backlog

Order Intake of the Andritz Group reached an historic record level in 2004. Due to the very favorable business development in almost every Business Area, Group Order Intake surged from 1,394.4 MEUR in 2003 to 1,837.0 MEUR in 2004, an increase of 31.7%.

As a consequence of excellent Order Intake, the Groups Order Backlog reached a record level of 1,439.2 MEUR at the end of 2004 (31.12.2003: 1,053.6 MEUR). This provides a solid workload for the Andritz Group in 2005.

Balance Sheet

Net liquidity (cash and cash equivalents minus interest-bearing

financial liabilities) as of 31.12.2004, at 219.6 MEUR, almost quadrupled compared to the reference date of last year (31.12.2003: 55.0 MEUR). With an equity ratio of 23.4% as of 31.12.2004 (24.0% as of 31.12.2003), the Andritz Group has a solid and balanced financial structure.

Dividend

At the upcoming Annual General Meeting, the Managing Board will propose an increase in the dividend to 1.40 EUR per share (2003: 1.0 EUR per share).

Outlook

Provided that the world economy shows a continued positive development, the Andritz Group expects a favorable business development in 2005 with good project activities in all of its Business Areas. "Based on the high Order Backlog at the end of 2004 and the expected solid project activity in all of our Business Areas, we are optimistic for 2005 and expect Sales and Earnings in 2005 to increase compared to 2004. Growth rates, however, will be somewhat lower compared to the very high levels achieved in 2004," says Wolfgang Leitner, President and CEO of Andritz.

Key Figures of the Andritz Group:

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(in MEUR, IAS)	2004	2003	Change
Order Intake	1,837.0	1,394.4	+31.7%
Order Backlog as of 31.12.	1,439.2	1,053.6	+36.6%
Sales	1,481.3	1,225.0	+20.9%
EBITDA	115.4	84.4	+36.7%
EBITDA margin	7.8%	6.9%	-
EBITA	92.8	63.1	+47.1%
EBITA margin	6.3%	5.2%	-
Operating profit (EBIT)	76.1	48.9	+55.6%
Earnings before taxes	77.2	49.3	+56.6%
Net Income after minorities	53.4	29.1	+83.5%

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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.

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