

09.05.2005 – 08:01 Uhr

**euro adhoc: Andritz AG / Quarterly or Semiannual Financial Statements / Andritz:
Favorable business development in Q1 2005 - Sales, Order Intake, and Order Backlog
up compared to the reference Quarter of last year - Net profit significantly increased**

Disclosure announcement transmitted by euro adhoc.

The issuer is responsible for the content of this announcement.

09.05.2005

Graz, 9 May 2005. In the First Quarter of 2005, Technology Group Andritz achieved increases in all key financial figures. Sales increased to 342.5 MEUR (+3.2%), and Net Income after deduction of minority interests, at 14.1 MEUR, was 76.3% higher than in the same period of last year. Order Intake of the Group amounted to 393.2 MEUR, an increase of 6.4% compared to the reference Quarter of last year. The Order Backlog as of 31.3.2005 reached almost 1.5 bn. Euros, providing a solid basis for the Sales development in the coming Quarters.

Increase in Sales

In the First Quarter of 2005, Sales of the Andritz Group increased to 342.5 MEUR. This was an increase of 3.2% compared to the reference Quarter of last year (Q1 2004: 331.8 MEUR). Many large orders which Andritz had received at the end of 2004 were still in the engineering phase, thus contributing only slightly to Sales during the reporting period. However, during the coming Quarters, increased Sales contributions from those orders are expected.

Rise in Order Intake

Order Intake of the Group amounted to 393.2 MEUR for the period under review, surpassing the value of the previous years reference Quarter by 6.4% (Q1 2004: 369.6 MEUR). However, some letters of intent for orders have been signed during the reporting period, and are expected to come into force during the coming Quarters. The 100 MEUR order from Marusumi, Japan, will be booked in the Second Quarter of 2005.

Order Backlog as of 31.3.2005 amounted to 1,487.7 MEUR, 33.9% above the value for the previous years reference date (31.3.2004: 1,110.7 MEUR). Compared to 31.12.2004 (1,439.2 MEUR), Order Backlog was up by 3.4%.

Significant Increase in Earnings

Earnings developed favorably. Earnings Before Interest, Tax, Depreciation, and Amortization of Goodwill (EBITDA) increased to 25.4 MEUR, 12.9% above the previous years reference Quarter (Q1 2004: 22.5 MEUR). Profitability (EBITDA margin) increased to 7.4% (Q1 2004: 6.8%).

EBIT in the First Quarter of 2005 surged over proportionally to 19.6 MEUR (Q1 2005: 13.6 MEUR). Non-amortization of goodwill due to the obligatory application of IFRS 3 was, among other things, one of the factors contributing to this increase. IFRS prohibits the amortization of goodwill from 2005 and obliges instead to test the goodwill for impairment at least annually.

Net Income excluding minority interests amounted to 14.1 MEUR, exceeding last years reference Quarter by 76.3% (Q1 2004: 8.0 MEUR).

High net liquidity

Net liquidity (cash and cash equivalents minus interest bearing financial liabilities) as of 31.3.2005, at 231.6 MEUR, was at a very high level (31.12.2004: 219.6 MEUR). The equity ratio as of 31.3.2005 was 21.9% (31.12.2004: 23.4%).

Outlook

The economic environment for Andritz and its relevant markets - pulp, paper, and steel - remains solid. Project activity should remain high for both the Pulp and Paper and the Rolling Mills and Strip Processing Lines Business Areas. In Environment and Process, market activities are expected to develop positively, esp. for sewage sludge drying systems.

Wolfgang Leitner, President and CEO of Andritz: "Given the expected solid economic development, along with the high Order Backlog as of the end of March 2005, we expect Sales and Net Income for 2005 to surpass the record levels of 2004".

Key figures for Q1 2005

~

(in MEUR)	Q1 2004	Q1 2005	Change	2004
Sales	331.8	342.5	+3.2%	1,481.3
Order Intake	369.6	393.2	+6.4%	1,837.0
Order Backlog (as of end of period)	1,110.7	1,487.7	+33.9%	1,439.2
EBITDA 1)	22.5	25.4	+12.9%	115.4
EBITDA margin	6.8%	7.4%	-	7.8%
EBITA 2)	17.1	19.6	+14.6%	92.8
EBITA margin	5.2%	5.7%	-	6.3%
Operating profit (EBIT)	13.6	19.6	+44.1%	76.1
Earnings before taxes (EBT)	13.6	20.2	+48.5%	77.2
Net profit after minorities	8.0	14.1	+76.3%	53.4
Cash flow from operating activities	51.6	23.6	-54.3%	208.0
Capex 3)	2.5	4.9	+96.0%	29.4
Employees (as of end of period)	5,008	5,408	+8.0%	5,314

~

- 1) EBITDA: Earnings before interest, tax, depreciation, and amortization of goodwill
- 2) EBITA: Earnings before interest, tax, and amortization of goodwill
- 3) Additions to tangible and intangible assets

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.

The Letter to Shareholders for the First Quarter of 2005 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).

About the Andritz Group

Publicly listed Andritz Group is a global market leader for advanced production systems for pulp and paper, steel and other specialized industries. Andritz has a staff of 5,400 employees worldwide. It develops and makes its high-tech systems at 15 production sites (Austria, Germany, Finland, Denmark, France, Netherlands, USA, Canada, and China).

end of announcement euro adhoc 09.05.2005 07:30:00

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

ISIN: AT0000730007

WKN:

Index: WBI, ATX Prime, ATX

Börsen: Wiener Börse AG / official dealing

Original content of: Andritz AG, transmitted by news aktuell

Diese Meldung kann unter <https://www.presseportal.de/en/pm/54966/677013> abgerufen werden.