

05.08.2005 – 08:01 Uhr

## **euro adhoc: Andritz AG / Quarterly or Semiannual Financial Statements / Andritz: Results for the First Half of 2005 - Increase in Order Intake, Sales, and Net Income - Order Backlog, at over 1.5 billion Euros, reaches record level - Financial guidance f**

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05.08.2005

Graz, August 5, 2005. International Technology Group Andritz reports a very favorable business development for the First Half of 2005. Order Intake as well as Sales and Net Income increased significantly compared to the reference period of last year. Order Backlog as of 30.6.2005 reached a new record level of more than 1.5 billion Euros. For the full year 2005, Andritz raises its financial guidance and expects to achieve record results.

**Increase in Sales** In the First Half of 2005, Sales of the Andritz Group increased to 777.5 MEUR (+13.4%; H1 2004: 685.8 MEUR). In particular, Sales in the Second Quarter of 2005, at 435.1 MEUR, surged by 22.9% compared to the reference period of last year (Q2 2004: 354.0 MEUR).

**Order Intake up, Order Backlog at record level** Order Intake also developed favorably. At 890.3 MEUR, it surged by 14.8% compared to the reference period of last year (H1 2004: 775.6 MEUR). In particular, the Rolling Mills and Strip Processing Lines (+64.3%) and the Environment and Process Business Areas (+105.2%) were able to increase the Order Intake significantly compared to the First Half of 2004.

**Order Backlog** as of 30.6.2005 amounted to 1,566.5 MEUR, a marked increase of 35.1% compared to reference date in 2004 (30.6.2004: 1,159.8 MEUR).

**Earnings increased** Earnings Before Interest, Taxes, Depreciation, and Amortization of Goodwill (EBITDA) increased to 56.7 MEUR, 9.0% above the previous years reference period (H1 2004: 52.0 MEUR).

**EBIT** surged to 45.2 MEUR (H1 2004: 33.0 MEUR). Non-amortization of goodwill due to the obligatory application of IFRS 3 was one of the factors contributing to this increase. IFRS 3 prohibits the amortization of goodwill from 2005 on and obliges instead to test the goodwill for impairment at least annually.

**Net Income** excluding minority interests amounted to 32.7 MEUR, exceeding last years reference period by 28.2% (H1 2004: 25.5 MEUR).

**Outlook** For the Second Half of 2005, project activity in the industries/markets relevant to Andritz (pulp, paper, steel, environmental technologies) is expected to remain at a solid level. Based on both the favorable economic environment and the high Order Backlog of over 1.5 billion Euros as of 30.6.2005, Andritz expects financial figures of 2005 to surpass the record levels achieved in the previous year and raises its financial guidance. Wolfgang Leitner, President and CEO of Andritz: "For the full year of 2005, we are very confident and expect Group Sales to increase by approximately 20%, and Net Income by approximately 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 2005

(in MEUR)	H1 2004	H1 2005	Change	Q2 2004	Q2 2005	Change
Sales	685.8	777.5	+13.4%	354.0	435.1	+22.9%
Order Intake	775.6	890.3	+14.8%	406.0	497.1	+22.4%
Order Backlog (as of end of period)	1,159.8	1,566.5	+35.1%	1,159.8	1,566.5	+35.1%
EBITDA1)	52.0	56.7	+9.0%	29.5	31.3	+6.1%
EBITDA Margin	7.6%	7.3%	-	8.3%	7.2%	-
EBITA2)	41.3	45.2	+9.4%	24.2	25.6	+5.8%
EBITA Margin	6.0%	5.8%	-	6.8%	5.9%	-
Earnings before Interest and Taxes (EBIT)	33.0	45.2	+37.0%	19.4	25.7	+32.5%
Earnings before Taxes	32.7	46.8	+43.1%	19.2	26.5	+38.0%
Net Income excl. Minority Interests	25.5	32.7	+28.2%	17.5	18.6	6.3%
Cash flow from Operating Activities	90.5	38.5	-57.5%	38.9	14.9	-61.7%
Capital Expenditure3)	5.7	9.8	+71.9%	3.2	4.9	+53.1%
Employees (as of end of period)	4,885	5,590	+14.4%	4,885	5,590	+14.4%

1) EBITDA: Earnings before Interest, Taxes, Depreciation and Amortization of Goodwill

2) EBITA: Earnings before Interest, Taxes, and Amortization of Goodwill

3) Additions to tangible and intangible assets

The Letter to Shareholders for the First Half of 2005 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 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 approximately 5,600 employees worldwide. It develops and makes its high-tech systems at 15 production sites in Austria, Germany, Finland, Denmark, France, Netherlands, USA, Canada and China.

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Further inquiry note:

Dr. 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