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**euro adhoc: Andritz AG / quarterly or semiannual financial statement / Andritz:
Favorable business development in Q1 2006 - Strong increase in Sales and Net
Earnings - Order Intake almost doubled compared to reference Quarter of last year -
High Order Ba**

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Graz, 5 May 2006. In the First Quarter of 2006, Technology Group Andritz achieved increases in all financial key figures. Sales increased by 31.8% to 451.5 MEUR and Net Income after deduction of minority interests amounted to 18.9 MEUR (Q1 2005: 14.0 MEUR). Order Intake of the Group, at 747.6 MEUR, almost doubled compared to the First Quarter of 2005 (393.2 MEUR). Order Backlog as of 31.3.2006 amounted to over 2 bn. Euros, providing a solid basis for the Sales development in the coming Quarters.

Increase in Sales In the First Quarter of 2006, Sales of the Andritz Group amounted to 451.5 MEUR, an increase of 31.8% compared to the reference Quarter of last year (Q1 2005: 342.5 MEUR). This increase was mainly due to the processing of the high Order Backlog. In particular, the Rolling Mills and Strip Processing Lines and the Environment and Process Business Areas showed strong increases in Sales.

Order Intake almost doubled Order Intake of the Group developed very favorably during the reporting period. At 747.6 MEUR, it surged by 90.1% compared to the First Quarter of 2005 (393.2 MEUR). In particular, the Pulp and Paper, Rolling Mills and Strip Processing Lines, and Feed and Biofuel Business Areas were able to increase the Order Intake considerably compared to the reference period of last year. However, it has to be stated that the Order Intake of the Group in the First Quarter of 2006 reached an extraordinarily high level, which should not be extrapolated for the full year of 2006.

Order Backlog as of 31.3.2006, at 2,007.1 MEUR, was significantly up compared to the reference date of the previous year (31.3.2005: 1,487.7 MEUR). This provides a solid basis for the coming Quarters.

Significant increase in Earnings Due to higher Sales, Earnings before Interest, Taxes, Depreciation, and Amortization of goodwill (EBITDA) increased to 32.3 MEUR. This is an increase of 27.2% compared to the First Quarter of 2005 (25.4 MEUR). EBIT in the First Quarter of 2006 amounted to 26.6 MEUR (Q1 2005: 19.6 MEUR). The EBIT margin, at 5.9%, showed a slight increase compared to the reference period of last year (Q1 2005: 5.7%)

Net Income after deduction of minority interests amounted to 18.9 MEUR, exceeding last years reference Quarter by 35.0% (Q1 2005: 14.0 MEUR).

High net liquidity At 354.3 MEUR, net liquidity (cash and cash equivalents minus interest bearing financial liabilities) as of 31.3.2006 remained at an extraordinarily high level (31.12.2005: 383.9 MEUR). During the coming months, a reduction of net liquidity is expected, also because of the payment of the purchase price for VA TECH Hydro. Nevertheless, net liquidity should remain at a solid, long-term average level.

The equity ratio as of 31.3.2006 was 22.7% (31.12.2005: 23.6%).

Outlook For the coming months, the Andritz Group expects a satisfactory development of its relevant markets. In all Business

Areas, project activity should remain high for both new plants and modernization/enlargements of existing plants.

Wolfgang Leitner, President and CEO of Andritz: "For the coming Quarters, the main goals for the Group are the successful execution of the high Order Backlog and the quick integration of Küsters and VA TECH Hydro, in terms of organization and product range. Given the high Order Backlog as of the end of March 2006, we expect Sales and Net Income for 2006 to surpass the record levels of 2005. In addition, the first-time consolidation of VA TECH Hydro, which is expected to be included in the Groups financial accounts from the beginning of the Third Quarter of 2006, will also lead to additional contributions to Sales and Earnings in 2006".

Key figures for Q1 2006

(in MEUR)	Q1 2005	Q1 2006	Change	2005
Sales	342.5	451.5	+31.8%	1,744.3
Order Intake	393.2	747.6	+90.1%	1,974.6
Order Backlog (as of end of period)	1,487.7	2,007.1	+34.9%	1,695.6
EBITDA1)	25.4	32.3	+27.2%	130.9
EBITDA margin	7.4%	7.2%	-	7.5%
EBITA2)	19.6	26.6	+35.7%	107.0
EBITA margin	5.7%	5.9%	-	6.1%
Operating profit (EBIT)	19.6	26.6	+35.7%	106.7
EBIT margin	5.7%	5.9%	-	6.1%
Earnings before Taxes (EBT)	20.1	27.9	+38.8%	110.0
Net income	14.3	19.5	+36.4%	80.2
Net income after minorities	14.0	18.9	+35.0%	78.7
Cash flow from operating activities	23.6	-24.8	-205.1%	237.3
Capex3)	4.9	4.6	-6.1%	26.7
Employees (as of end of period)	5,408	6,090	+12.6%	5,943

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

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 the 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 2006 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 6,000 employees worldwide. It develops and makes its high-tech systems at 30 production sites (Austria, Germany, Finland, Denmark, France, Netherlands, USA, Canada, and China).

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