

29.05.2006 – 10:11 Uhr

euro adhoc: Andritz AG / other / Andritz AG issues corporate bond - Issued size: EUR 200 million - Subscription period: 8 - 9 June, 2006 - Denomination: EUR 500.-- - Proceeds of the issue will be used to finance further growth - BA-CA and Erste Bank

Disclosure announcement transmitted by euro adhoc.
The issuer is responsible for the content of this announcement.

29.05.2006

Graz, 29 May, 2006. Andritz AG plans to issue a EUR 200 million corporate bond with a tenor of 7 years and a fixed rate coupon in June 2006. Pricing of the bond is expected for 6 June 2006. The bond can be subscribed from 8 to 9 June, 2006. Application for listing on the Second Regulated Market (Geregelter Freiverkehr) of the Vienna Stock Exchange will be made. Bank Austria Creditanstalt AG (BA-CA) and Erste Bank der oesterreichischen Sparkassen AG (Erste Bank) will act as Joint Lead Managers for the transaction.

Successful business development of the Andritz Group Publicly traded Andritz Group is - in its own opinion - one of the global market leaders for high-tech production systems for the pulp and paper, steel and other specialized industries (environment and process, feed and biomass). Andritz develops and produces high-tech systems at 30 production sites in Austria, Germany, Finland, Denmark, France, the Netherlands, the USA, Canada, and China with approximately 6,000 employees worldwide. In 2005, the Andritz Group achieved the best financial results in its history. During the First Quarter of 2006, this favorable development continued. Sales and Net Income of the Group increased significantly compared to the reference period 2005.

Commenting on the satisfactory development of the Andritz Group since the Initial Public Offering in 2001, Wolfgang Leitner, President and CEO of Andritz, said: "Over the past few years, we have very successfully expanded our business. Our numerous acquisitions - the most recent one being the hydropower business of VA TECH Hydro in the spring of this year - have made us a full-line supplier in all of our business areas and one of the market leaders in most of the sectors that we serve. In a very competitive and also dynamically growing environment, we aim to further enhance our market position in all business areas in the coming years". Outlining the intended use of the issue proceeds Leitner stated: "We will continue to focus our growth strategy on organic growth and on the acquisition of companies with complementary products and technologies".

In addition, Andritz plans to use a part of the issue proceeds to pay back existing financial liabilities.

BA-CA and Erste Bank act as Joint Lead Managers The Joint Lead Managers of the transaction, BA-CA and Erste Bank, are confident that the transaction will be successfully placed. Franz Hochstrasser, Member of the Managing Board of Erste Bank, stated: "The Andritz Group has established itself successfully on the Austrian financial markets and its shares have become a constant in the portfolios of Austrian and international investors. Following the successful inaugural bond issue of Andritz in 2002, we again expect high demand both from institutional and retail investors for this fairly priced transaction". Willi Hemetsberger, Member of the Managing Board of BA-CA, said: "The Andritz Group bonds provide a further positive impulse for the domestic bond market. We are very pleased to have the opportunity to assist one of Austria's leading companies - which has an impressive investment story - with its return to the bond market."

Key data of the offering

Issuer: Andritz AG
Issued size: EUR 200 million
Denomination: EUR 500.--
Coupon: % p.a.*) on the nominal value
Issue price: Will be fixed shortly before the subscription period
Tenor: 7 years
Subscription period: 8 - 9 June, 2006 **)
Value date: 19 June, 2006
Redemption: 19 June, 2013
Paying agent: Erste Bank der oesterreichischen Sparkassen AG
Listing: ***) Second Regulated Market (Geregelter Freiverkehr) of the
Vienna Stock Exchange
ISIN: AT0000A01633

~ *) The final coupon will be fixed on 6 June 2006. **) After the subscription period, bonds can be purchased at any time at market price.

***) Application for listing will be made.

Subscription will be accepted by all Austrian banks.

Disclaimer:

This document does not constitute an offer or a solicitation to buy bonds.

A prospectus according to the Austrian Capital Market Act was approved by the Austrian Financial Market Authority and is available at the corporate headquarters of Andritz AG Stattegger Strasse 18, A-8045 Graz, as issuer, at Bank Austria Creditanstalt AG, Vordere Zollamtsstraße 13, 1030 Wien, and at Erste Bank der oesterreichischen Sparkassen AG, Graben 21, 1010 Wien, during ordinary business hours. The announcement in accordance with Section 10 of the Austrian Capital Market Act was made on 27 May 2006 in the official journal of the Vienna gazette (Amtsblatt zur Wiener Zeitung). In connection with the issue of bonds by the issuer, only the information in the prospectus is binding. The information contained in this document is not binding.

Certain statements in this press release are "forward-looking statements". Such statements, which include words like "believes", "intends", "expects" and words with similar meaning, reflect the opinions and expectations of the management and are subject to risks and uncertainties, which may have a material negative impact on actual results. The reader should therefore not unduly rely on such forward looking statement. The company is not obliged to publish the results of potential changes to the information contained herein, except to the extent required by applicable laws.

end of announcement euro adhoc 29.05.2006 07:30:00

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: 632305
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/54966/828802> abgerufen werden.