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**euro adhoc: Andritz AG / quarterly or semiannual financial statement / Andritz:  
Results for the First Half of 2006 - Increase in Order Intake, Sales, and Net Income -  
Order Backlog, at over 2 billion Euros, reaches record level - Significant increase in**

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Graz, August 4, 2006. International Technology Group Andritz reports a very favorable business development for the First Half of 2006, with increases in Order Intake as well as in Sales and Net Income compared to the reference period of last year. Order Backlog as of 30.6.2006 reached a new record level of more than 2 billion Euros. For the full year 2006, Andritz expects to achieve new record results, with increases in Sales and Earnings.

Increase in Sales During the First Half of 2006, Sales of the Andritz Group were 967.5 MEUR, an increase of 24.4% compared to the reference period of last year (H1 2005: 777.5 MEUR). Each Business Area - in particular, the Rolling Mills and Strip Processing Lines and Environment and Process Business Areas - was able to increase its Sales compared to the First Half of last year.

Order Intake up, Order Backlog at record level Group Order Intake for the First Half of 2006 increased by 43.4%, to 1,277.1 MEUR (H1 2005: 890.3 MEUR), thus continuing the upward trend. In particular, the Pulp and Paper (+86.1% vs. H1 2005) and the Feed and Biofuel Business Areas (+38.0% vs. H1 2005) were able to increase Order Intake significantly compared to the reference period of last year.

Order Backlog as of 30.6.2006 reached a record level of 2,059.1 MEUR (31.3.2006: 2,007.1 MEUR), thus providing a solid visibility for the Groups Sales development in the coming Quarters.

Earnings increased In step with higher Sales, Earnings before Interest and Taxes (EBIT) in the First Half of 2006 increased by 27.7%, to 57.7 MEUR (H1 2005: 45.2 MEUR). The EBIT margin for the period amounted to 6.0%, slightly up compared to the reference period of last year (H1 2005: 5.8%). Net Income, excluding minority interests, also increased significantly, to 39.9 MEUR (H1 2005: 32.3 MEUR).

Balance sheet structure As a result of the first-time consolidation of VA TECH HYDRO and due to the issue of the 200 million Euro corporate bond, total assets of the Andritz Group as of 30.6.2006 increased significantly, from 1,391 MEUR as of 31.12.2005 to 2,039 MEUR as of 30.6.2006. As a result, the equity ratio as of 30.6.2006 declined to 16.9% (31.12.2005: 23.6%).

Gross liquidity (marketable securities plus cash and cash equivalents) as of 30.6.2006, i.e. after deduction of the purchase price for VA TECH HYDRO, amounted to 523.4 MEUR (31.12.2005: 494.0 MEUR). Net liquidity as of 30.6.2006 (gross liquidity minus financial liabilities, including the corporate bond issued in June 2006) reached a value of 192.4 MEUR (31.12.2005: 383.9 MEUR), which corresponds to the long-term average.

Outlook For the Second Half of 2006, Andritz expects project activity to continue to develop favorably in all Business Areas. Wolfgang Leitner, President and CEO of Andritz: "Based on strong organic growth as a result of the high Order Backlog and the first-time Sales and Earnings consolidation of Andritz VA TECH HYDRO as from Q3 2006, we expect Group Sales in 2006 to increase significantly, to approximately 2.5 billion Euros. Correspondingly, the Groups EBIT

in 2006 will also be up compared to last year; however, the percentage increase of the EBIT will not fully meet the sales growth, mostly due to the first-time consolidation of Andritz VA TECH HYDROs Sales and Earnings."

#### Key Figures for the First Half of 2006

(in MEUR)	H1 2005	H1 2006	Change	Q2 2005	Q2 2006	Change
Sales	777.5	967.5	+24.4%	435.1	515.9	+18.6%
Order Intake	890.3	1,277.1	+43.4%	497.1	529.5	+6.5%
Order Backlog (as of end of period)	1,566.5	2,059.1	+31.4%	1,566.5	2,059.1	+31.4%
EBITDA1)	56.7	70.2	+23.8%	31.3	37.9	+21.1%
EBITDA Margin	7.3%	7.3%	-	7.2%	7.3%	-
EBITA2)	45.2	57.7	+27.7%	25.7	31.1	+21.0%
EBITA Margin	5.8%	6.0%	-	5.9%	6.0%	-
Earnings before Interest and Taxes (EBIT)	45.2	57.7	+27.7%	25.7	31.1	+21.0%
Earnings before Taxes	46.2	59.9	+29.7%	26.1	32.0	+22.6%
Net Income excl. Minority Interests	32.3	39.9	+23.5%	18.2	21.0	+15.4%
Cash flow from Operating Activities	38.5	-88.0	-328.6%	14.9	-63.2	-524.2%
Capital Expenditure3)	9.8	13.1	+33.7%	4.9	8.5	+73.5%
Employees (as of end of period)	5,590	6,766	+21.0%	5,590	6,766	+21.0%

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

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The Letter to Shareholders for the First Half of 2006 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 9,000 employees worldwide. It develops and makes its high-tech systems at 35 production sites in Austria, Germany, Finland, Denmark, France, Netherlands, USA, Canada and China.

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