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**euro adhoc: Andritz AG / quarterly or semiannual financial statement / Andritz Group:  
Results for the First Three Quarters of 2006 - Continued strong organic growth and  
first-time consolidation of VA TECH HYDRO lead to significant increases in Order I**

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Graz, November 7, 2006. Technology Group Andritz reports a very favorable business development for the First Three Quarters of 2006. Due to continued strong organic growth and the first-time consolidation of VA TECH HYDRO from Q3 2006, Group Sales increased to 1,702.6 MEUR, up 41.4% compared to the reference period of last year (Q1-Q3 2005: 1,204.0 MEUR). Net Income excluding minority interests, at 68.2 MEUR, was also significantly up compared to last years reference period (Q1-Q3 2005: 56.2 MEUR). Order Intake also developed very favorably; at 2,062.9 MEUR, it was 47.3% higher than during the reference period of last year (Q1-Q3 2005: 1,400.2 MEUR). Order Backlog, at 3,561.9 MEUR, reached a new record level, thus giving a good visibility with regard to Sales for the coming Quarters.

For the full year of 2006, the Managing Board of Andritz confirms its financial guidance and expects Sales and Net Income to reach record levels.

Favorable development of Sales Sales in the Third Quarter of 2006 amounted to 735.2 MEUR, increasing 72.4% compared to the reference period of last year (Q3 2005: 426.5 MEUR). This increase is mainly due to continued strong organic growth and the first-time consolidation of VA TECH HYDRO, which was included in the Groups profit and loss account from Q3 2006. VA TECH HYDRO added 160.8 MEUR to Group Sales in Q3 2006. Organic growth of the Group was 29.4% during the Third Quarter of 2006, with all Business Areas contributing to this growth.

During the First Three Quarters of 2006, Sales of the Andritz Group increased by 41.4%, to 1,702.6 MEUR (Q1-Q3 2005: 1,204.0 MEUR).

Order Intake significantly above last years reference period Order Intake in the Third Quarter of 2006 also developed very favorably, reaching 785.8 MEUR (+54.1% vs. Q3 2005: 509.9 MEUR). All Business Areas - in particular Pulp and Paper, Feed and Biofuel, and Hydro Power - showed a solid development of Order Intake. Order Intake of the Hydro Power Business Area, reaching 183.7 MEUR in Q3 2006, was influenced by the first-time consolidation of VA TECH HYDRO, adding approximately 150.1 MEUR to Order Intake during Q3 2006.

Order Intake for the First Three Quarters of 2006 was 2,062.9 MEUR, increasing 47.3% compared to the reference period of last year (Q1-Q3 2005: 1,400.2 MEUR).

Order Backlog at record level Order Backlog as of 30.9.2006 surged to 3,561.9 MEUR, reaching a new record level (30.9.2005: 1,667.8 MEUR). VA TECH HYDRO added 1,447.9 MEUR to the Groups Order Backlog.

Strong increase in Earnings In line with higher Sales, Earnings before Interest and Taxes (EBIT) increased to 42.0 MEUR during the Third Quarter of 2006 (Q3 2005: 27.6 MEUR). As expected, profitability (EBIT margin), at 5.7% for the Third Quarter of 2006, however, weakened compared to Q3 2005 (6.5%). This was due to the first-time consolidation of VA TECH HYDRO.

EBIT for the First Three Quarters of 2006 amounted to 99.7 MEUR, an

increase of 37.0% compared to the reference period of last year (Q1-Q3 2005: 72.8 MEUR). Despite the consolidation of VA TECH HYDRO, profitability (EBIT margin), at 5.9%, remained nearly stable compared to the reference period of last year (Q1-Q3 2005: 6.0%). Net Income after deduction of Minority Interests amounted to 68.2 MEUR, increasing 21.4% compared to the reference period of last year (Q1-Q3 2005: 56.2 MEUR).

Outlook Based on the financial results for the First Three Quarters of 2006, the Andritz Group expects to reach new record results for the full year of 2006. The Managing Board confirms the financial guidance for 2006 and expects Group Sales to increase by approximately 40%, to approximately 2.5 billion Euros, and also Net Income to be significantly higher.

For 2007, Wolfgang Leitner, President and CEO of Andritz, is also very confident: "The economic environment for our relevant industries remains favorable. Due to the high Order Backlog and the full consolidation of VA TECH HYDRO we expect Group Sales in 2007 to approach 3 billion Euros and a further increase in Net Income."

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 Three Quarters of 2006

(in MEUR)	Q1-Q3 2005	Q1-Q3 2006	Change	Q3 2005	Q3 2006	Change
Sales	1,204.0	1,702.6	+41.4%	426.5	735.2	+72.4%
Order Intake	1,400.2	2,062.9	+47.3%	509.9	785.8	+54.1%
Order Backlog (as of end of period)	1,667.8	3,561.9	+113.6%	1,667.8	3,561.9	+113.6%
EBITDA 1)	90.4	122.7	+35.7%	33.7	52.5	+55.8%
EBITDA Margin	7.5%	7.2%	-	7.9%	7.1%	-
EBITA 2)	72.8	99.7	+37.0%	27.6	42.0	+52.2%
EBITA Margin	6.0%	5.9%	-	6.5%	5.7%	-
EBIT	72.8	99.7	+37.0%	27.6	42.0	+52.2%
EBIT Margin	6.0%	5.9%	-	6.5%	5.7%	-
Earnings before Taxes	74.4	101.4	+36.3%	28.2	41.5	+47.2%
Net Income excl. Minority Interests	56.2	68.2	+21.4%	23.9	28.2	+18.0%
Cash flow from Operating Activities	107.3	-35.6	-133.2%	68.8	52.4	-23.8%
Capital Expenditure 3)	18.0	27.2	+51.1%	8.2	14.1	+72.0%
Employees (as of end of period)	5,905	10,010	+69.5%	5,905	10,010	+69.5%

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 Three Quarters 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 The Andritz Group - listed on the Vienna Stock Exchange - is a global market leader for advanced production systems for pulp and paper, steel and other specialized industries. Andritz has a staff of approximately 10,000 employees worldwide. It develops

and makes its high-tech systems at 35 production sites (Austria, Germany, Finland, Denmark, France, Netherlands, USA, Canada, and China).

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