

07.05.2007 – 08:02 Uhr

**euro adhoc: Andritz AG / quarterly or semiannual financial statement / Andritz:
Favorable business development in Q1 2007 - Strong increase in Sales and Net Income
- Order Intake, at over 1 billion Euros, reaches the highest value ever achieved in a Qua**

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quarterly report

07.05.2007

Graz, 7 May 2007. Based on strong organic growth and complementary acquisitions, the Andritz Group showed a very favourable development during the First Quarter of 2007. Sales amounted to 730.9 MEUR, an increase of 61.9% compared to the reference Quarter of last year (Q1 2006: 451.5 MEUR). Net Income excluding minority interests amounted to 28.5 MEUR, exceeding last year's reference Quarter by 50.8% (Q1 2006: 18.9 MEUR). Order Intake, at 1,031.0 MEUR, reached the highest value ever achieved in a Quarter. Order Backlog, at 3,664.5 MEUR as of 31.3.2007 (31.3.2006: 2,007.1 MEUR), provides a solid basis for the business development in 2007.

Increase in Sales In the First Quarter of 2007, Sales of the Andritz Group amounted to 730.9 MEUR, an increase of 61.9% compared to the reference Quarter of last year (Q1 2006: 451.5 MEUR). This increase was due to both continued solid organic growth and the first-time consolidation of VA TECH HYDRO, which added 140.2 MEUR to the Group's Sales during the First Quarter of 2007.

In total, first-time consolidated companies added approximately 159.8 MEUR to Group Sales in the First Quarter of 2007. Organic growth of the Andritz Group, therefore, amounted to 26.5%.

Order Intake significantly up Order Intake of the Group during the First Quarter of 2007 amounted to 1,031.0 MEUR, increasing 37.9% compared to the First Quarter of 2006 (Q1 2006: 747.6 MEUR). This increase was mainly due to the first-time consolidation of VA TECH HYDRO, adding 278.0 MEUR to the Group's Order Intake in the First Quarter of 2007. The combined Order Intake of first-time consolidated companies amounted to approximately 293.6 MEUR.

In particular, the Rolling Mills and Strip Processing Lines, and the Feed and Biofuel Business Areas were able to increase their Order Intakes considerably compared to the reference period of last year. Order Intake of the Pulp and Paper Business Area was somewhat lower compared to the very high level of last year's reference period.

Order Backlog as of 31.3.2007 amounted to 3,664.5 MEUR, an increase of 82.6% compared to the value at the reference date of last year (31.3.2006: 2,007.1 MEUR). VA TECH HYDRO added 1,682.9 MEUR to the Group's Order Backlog as of 31.3.2007.

Increase in Earnings The Group's EBITA (Earnings before Interest, Taxes, and Amortization of intangibles related to acquisitions) amounted to 39.8 MEUR. This is an increase of 49.6% compared to the First Quarter of 2006 (26.6 MEUR). However, the EBITA margin, at 5.4%, was lower compared to the reference period of last year (Q1 2006: 5.9%). This was mainly due to the decline of profitability in the Pulp and Paper Business Area resulting from the processing of some larger orders with lower margins, increasing costs for steel, erection services and other outsourced supplies, as well as costs incurred in connection for the expansion of the product range. However, Earnings and margins of the Rolling Mills and Strip Processing Lines, the Environment and Process and the Feed and Biofuel Business Areas increased compared to the reference period of

last year.

Net Income excluding minority interests amounted to 28.5 MEUR, exceeding last year's reference Quarter by 50.8% (Q1 2006: 18.9 MEUR).

Solid balance sheet structure As of 31.3.2007, the Andritz Group's balance sheet showed an unchanged solid financial structure. Net liquidity (cash and cash equivalents minus interest-bearing financial liabilities) as of 31.3.2007 amounted to 401.5 MEUR, thus increasing compared to the value as of the end of last year (31.12.2006: 365.7 MEUR). The equity ratio as of 31.3.2007 was 16.8% (31.12.2006: 17.5%).

Outlook Based on the forecasts of leading economic researchers who expect the global economy to continue to grow this year, Andritz expects its relevant markets to continue to develop favorably in 2007. Wolfgang Leitner, President and CEO of Andritz: "In all of our five Business Areas, we see a continued high project activity. Based on the favorable economic conditions in all of our relevant markets and the high Order Backlog as of the end of the First Quarter of 2007, we expect Group Sales for the full year of 2007 to amount to approximately 3.1 billion Euros (Sales 2006: 2,709.7 MEUR), thus reaching another record year. Net Income after taxes is expected to increase in line with Sales (Net Income after taxes 2006: 121.4 MEUR)."

Key figures for Q1 2007

| (in MEUR) | Q1 2006 | Q1 2007 | Veränd. | 2006 |
|-------------------------------------|---------|---------|---------|---------|
| Sales | 451.5 | 730.9 | +61.9% | 2,709.7 |
| Order Intake | 747.6 | 1,031.0 | +37.9% | 2,891.0 |
| Order Backlog (as of end of period) | 2,007.1 | 3,664.5 | +82.6% | 3,397.1 |
| EBITDA 1) | 32.3 | 49.5 | +53.3% | 194.2 |
| EBITDA margin | 7.2% | 6.8% | - | 7.2% |
| EBITA 2) | 26.6 | 39.8 | +49.6% | 162.7 |
| EBITA margin | 5.9% | 5.4% | - | 6.0% |
| Operating profit (EBIT) | 26.6 | 38.4 | +44.4% | 159.8 |
| EBIT margin | 5.9% | 5.3% | - | 5.9% |
| Earnings before Taxes (EBT) | 27.9 | 40.5 | +45.2% | 165.9 |
| Net income | 19.5 | 29.1 | +49.2% | 121.4 |
| Net income after minorities | 18.9 | 28.5 | +50.8% | 118.5 |
| Cash flow from operating activities | -24.8 | 39.7 | +260.1% | 143.1 |
| Capex 3) | 4.6 | 10.8 | +134.8% | 45.7 |
| Employees (as of end of period) | 6,090 | 10,422 | +71.1% | 10,215 |

1) EBITDA: Earnings before Interest, Taxes, Depreciation, and Amortization 2) EBITA: Earnings before Interest, Taxes, and Amortization of intangibles related to acquisitions 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 Management's 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.

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The Letter to Shareholders for the First Quarter of 2007 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 approximately 10,400 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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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

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