



Press release

A-TEC Industries reports strong results for first half of 2008 Major orders and acquisitions driving growth

Vienna, 19 August 2008 – Vienna listed A-TEC Industries AG (ISIN AT00000ATEC9) has posted outstanding results for the first half of 2008. The industrial group's four divisions — Plant Construction, Drive Technology, Machine Tools and Minerals & Metals — all performed well, and A-TEC registered significant year-on-year improvements in revenue, earnings and order intake. The disposal of shares in Norddeutsche Affinerie (NA) played a major part in running down net debt, which is also reflected in the lower net finance costs.

“Despite tougher conditions on our export markets, all four divisions have performed in line with our expectations, and have met their targets for orders and earnings,” said A-TEC Industries CEO Mirko Kovats, commenting on the figures announced today. “In particular, the fact that the Plant Construction Division won a number of major contracts in the second quarter makes us optimistic about the group's performance going forward. “These encouraging figures have led us to upgrade our revenue forecast for the 2008 financial year, and we now expect revenue to come in well above the EUR 3 billion mark,” he added.

Big increases in revenue and earnings

Group revenue jumped by 67.2% in the first six months of this year, to EUR 1,622.4 million (m).

This positive revenue performance was accompanied by improvements in key earnings indicators, with EBITDA up by 39.6% from EUR 66.1m to EUR 92.3m.

EBIT was up by 42.5% year on year at EUR 66.4m. The gain was mainly attributable to the fact that depreciation and amortisation expense grew more slowly than revenue. The EBIT margin edged down to 4.1% (H1 2007: 4.8%).

Earnings before tax surged to EUR 62.7m — a rise of 79.7% year on year. Profit for the period attributable to equity shareholders advanced by 27.6% to EUR 46.2m, while basic earnings per share were EUR 6.99 (H1 2007: EUR 5.48).

Sharp rise in order intake

Demand for A-TEC Industries products and services remained robust in the first half of 2008, with the Plant Construction and Machine Tools divisions posting outstanding increases in order intake. Total order intake expanded by 49.6% year on year, to EUR 1,548.1m, lifting order backlog to a record EUR 2,586.9m as at 30 June 2008 (30 June 2007: EUR 1,953.2m). These figures give the group excellent revenue visibility, and mean that high capacity utilisation is certain to remain high some time to come.

Solid balance sheet

As at 30 June 2008 total assets were EUR 2,881.5m — little changed from their level at the end of 2007 (EUR 2,900.4m). The growth of continuing operations largely compensated for the disposal of A-TEC's investments in Cumerio and NA. The equity ratio as at 30 June 2008 was 15.3% — slightly up on the 13.7% recorded at the end of 2007. Cash and cash equivalents also increased to reach EUR 432.2m at 30 June 2008 (31 December 2007: EUR 399.7m). The sale of the holdings in NA and Cumerio cut net debt from EUR 548.5m at the end of 2007 to EUR 320.7m at 30 June 2008.

Strong showings from all four divisions

Each of the four divisions — Plant Construction, Drive Technology, Machine Tools and Minerals & Metals — contributed to the group's progress.

The Plant Construction Division (AE&E Group) posted further gains in the first half of the year. A number of major foreign contract wins buoyed order intake to EUR 932.2m, compared to EUR 716.9m in the first half of 2007, bringing order backlog at 30 June 2008 to EUR 2,179.5m. Revenue almost doubled year on year to EUR 769.0m — an increase of 83.9%. Funding for continued growth was assured when the AE&E Group inked an agreement on a EUR 700m syndicated bank guarantee facility with a consortium headed by KBC Bank NV on 5 August 2008.

The Drive Technology Division was restructured in April 2008 and now consists of two business units — Project Motors and Industrial Motors — which are supported by the centralised, Group-wide Shared Services unit. Weaker trading by the Industrial Motors business in the opening quarter of 2008 resulted in a 12.2% drop in order intake to EUR 204.3m for the six months to 30 June 2008. This trend was reversed in the second quarter of 2008, with order intake up by 7.2% year on year. By 30 June 2008 order backlog was marginally higher than a year before, at EUR 152.0m (30 June 2007: EUR 150.4m). First-half divisional revenue dipped by 1.4% to EUR 203.3m.

In the Machine Tools Division, which comprises the EMCO Group and Dörries Scharmann Technologie (DST), order intake more than doubled to EUR 211.9m (H1 2007: EUR 85.2m), and order backlog mounted to a record EUR 198.9m (30 June 2007: EUR 63.4m), of which DST accounted for EUR 143.0m. Divisional revenue soared by 121.5% to EUR 159.7m, mainly reflecting the consolidation of DST, which generated EUR 74.3m in revenue.

The Minerals & Metals Division recorded a 79.3% jump in revenue to EUR 491.2m in the first half of 2008. Growth was driven by the consolidation of Gindre Duchavany — one of Europe's leading manufacturers of copper semi-finished products, and electrical parts and components.

Outlook

Management anticipates further revenue growth over the rest of 2008. Full-year revenue is expected to be well above EUR 3 billion (bn), excluding potential acquisitions. Earnings indicators are also forecast to improve significantly. The performance of the Plant Construction Division is especially encouraging, and annual revenue is expected to pass the EUR 1.5bn mark.

A-TEC constantly monitors potential acquisition targets that are a good match for existing operations and could contribute to growth.

Interim financial highlights

(in EUR m, IFRS)	First half 2008	First half 2007	% change
Order intake	1,548.1	1,034.7	49.6
Order backlog (at interim balance sheet date)	2,586.9	1,953.2	32.4
Revenue			
• Plant Construction	769.0	418.1	83.9
• Drive Technology	203.3	206.2	- 1.4
• Machine Tools	159.7	72.1	121.5
• Minerals & Metals	491.2	274.0	79.3
Total	1,622.4	970.3	67.2
EBITDA	92.3	66.1	39.6
EBIT	66.4	46.6	42.5
EBIT margin	4.1 %	4.8 %	
EBT	62.7	34.9	79.7
Profit for the period attributable to equity holders of the parent	46.2	36.2	27.6
Investment*	36.8	27.8	32.3
Employees (at interim balance sheet date)	13,887	10,825	28.3

* Investment comprises additions to intangible assets and property, plant and equipment

About A-TEC Industries

Vienna listed and headquartered A-TEC Industries AG is an international industrial group with thriving Drive Technology, Plant Construction, Machine Tools and Minerals & Metals divisions. The group currently employs around 13,800 people, and in 2007 posted revenue of some EUR 2.4bn.

Contact

Claudia Müller-Stralz
A-TEC Industries AG Press Office
Pleon Publico Public Relations & Lobbying
Tel: +43 (0)1 71786 direct dial 107
E-mail: claudia.mueller@pleon-publico