



Press release

Solid performance from A-TEC Industries in third quarter of 2008 Record order intake and revenue despite tough trading environment

Vienna, 12 November 2008 – Vienna listed A-TEC Industries AG (ISIN AT00000ATEC9) again grew revenue across all its four divisions — Plant Construction, Machine Tools, Drive Technology and Minerals & Metals — during the first nine months of this year, posting an overall year-on-year revenue gain of 53.4%. The industrial group also posted record order intake and backlog for the period.

“Naturally, current developments on the world financial, commodity and energy markets have not passed us by, but we have taken prompt strategic action, and are aiming not just to come to terms with the current situation but to emerge from it stronger than ever,” said A-TEC Industries CEO Mirko Kovats. Outlining the group’s new approach, he added: “Instead to pursuing an aggressive growth and acquisition strategy, since the start of 2008 we have been focusing on consolidating our group and integrating existing subsidiaries. We are continuing to concentrate on reducing net debt and building up a sound cash position.”

Marked increase in revenue but weaker earnings due to copper price crash

In the first nine months of this year the A-TEC Industries Group registered a 53.4% increase in revenue to EUR 2,389.4 million (m) (Q1–Q3 2007: EUR 1,557.9m); organic growth accounted for 40.1% of the improvement.

The negative impact of the copper price correction on the earnings of the Minerals & Metals Division counterbalanced by the excellent results returned by the Plant Construction and Machine Tools divisions, nevertheless earnings lagged revenue growth.

EBITDA rose by 10.6% to EUR 113.6m during the first nine months (Q1–Q3 2007: EUR 102.7m). EBIT grew by 3.0% to EUR 75.3m, underlying EBIT, adjusted for one-time effects, was up by 35.0%.

Basic earnings per share for the first three quarters climbed to EUR 1.40, compared to EUR 1.38 in the like period in 2007.

Record order intake and backlog

Demand for the group’s products and services remained strong in the third quarter, and the Plant Construction and Machine Tools divisions recorded rapid growth in order intake. Overall group order intake more than doubled during the period, surging by 112.5% to reach EUR 2,789.8m (Q1–Q3 2007: EUR 1,312.6m). Order backlog as of 30 September 2008 was EUR 3,470.4m, compared to EUR 2,049.7m at the end of the third quarter of 2007 — a rise of

69.3%. These figures are indicative of the group's continued strong performance, and give it good revenue visibility.

Divisional results

Demand for the energy and environmental technologies supplied by the **Plant Construction Division** (AE&E Group) was again robust in the third quarter. Last year's high order books were surpassed thanks to a number of major export orders including the contracts to build the Riverside energy from waste plant — Britain's largest — and to supply a turnkey flue gas purification unit for the Ledvice coal-fired power station in the Czech Republic. Order intake almost doubled year on year, to stand at EUR 2,122.7m (Q1–Q3 2007: EUR 1,085.4m), lifting order backlog by 65.3% to EUR 3,003.2m as at 30 September 2008. The division's revenue also jumped, climbing by 59.8% to EUR 1,126.6m.

In the **Drive Technology Division**, demand for the products and solutions of the Project Motors business remained strong, while the Industrial Motors business faced subdued demand with customer confidence hit by the looming recession. Divisional order intake declined to EUR 311.3m (Q1–Q3 2007: EUR 363.5m). Order backlog at the end of September was down by 11.6% to EUR 144.4m. However divisional revenue grew by 10.3% to EUR 299.4m.

The **Machine Tools Division**, consisting of the EMCO Group and Dörries Scharmann Technologie (DST), put in a highly positive performance over the first nine months despite challenging market conditions. The division's revenue rose by 112.9% to EUR 248.6m, reflecting the consolidation of DST which contributed EUR 117.7m. Order intake soared to EUR 330.2m (Q1–Q3 2007: EUR 122.6m), due to both acquisition driven and organic growth (DST generated EUR 161.9m of the total). As at 30 September 2008 order backlog was a record EUR 284.3m (30 September 2007: EUR 63.5m).

The **Minerals & Metals Division** suffered from the heavy falls in copper prices, which impacted results by requiring an inventory writedown, among other effects. The 54.0% increase in the division's revenue to EUR 715.8m was largely attributable to the consolidation of the Gindre Group. Organic growth, with this acquisition stripped out, was 6.8%.

Outlook

Management continues to anticipate strong revenue growth for 2008 as a whole. Annual revenue should be well above the EUR 3 billion (bn) mark, excluding future acquisitions, and the revenue of the largest division — Plant Construction — is set to exceed EUR 1.5bn.

Due to the uncertain trading environment created by the financial crisis, group management is not yet able to give guidance for 2009.

Summary results for the first nine months of 2008

(in EUR m, IFRS)

	Q1–Q3 2008	Q1–Q3 2007*	% change
Order intake	2,789.8	1,312.6	112.5
Order backlog (at interim balance sheet date)	3,470.4	2,049.7	69.3
Revenue			
• Plant Construction	1,126.6	705.1	59.8
• Drive Technology	299.4	271.5	10.3
• Machine Tools	248.6	116.8	112.9
• Minerals & Metals	715.8	464.8	54.0
Group total	2,389.4	1,557.9	53.4
EBITDA	113.6	102.7	10.6
Earnings before interest and tax (EBIT)	75.3	73.1	3.0
EBIT margin	3.2%	4.7%	
Earnings before tax (EBT)	54.8	49.3	11.2
Profit for the period before minority interests	37.0	36.5	1.5
Investment**	55.2	41.4	33.3
Employees (at interim balance sheet date)	14,214	11,632	22.2

* Excluding the contribution of ATB Selni, which was recognised as a held-for-sale asset in accordance with IFRS 5

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

About A-TEC Industries AG

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.

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