



Press release

Preliminary report of the A-TEC Industries Group

Vienna, 28 February 2008 – A-TEC Industries AG (ISIN AT 00000ATEC9) today announced its preliminary results for the 2007 financial year. These bear impressive witness to the Group's positive performance and growth. Consolidated preliminary revenue of the group rose by 48.3% year on year to EUR 2,364.7m, driven by strong organic growth and acquisitions across all four divisions.

Preliminary EBITDA was up by 31.4 % to EUR 164.5m (2006: EUR 125.2m). Strong earnings growth in the Plant Construction Division more than made up for the downturn in the contribution of Metal Industry. Preliminary earnings before interest and tax (EBIT) progressed from EUR 92.0m to EUR 120.7m. The figure for 2006 includes a EUR 13.2m write-up of the copper inventories due to the higher average copper price. In 2007 no material change in the copper inventories occurred. EBIT for 2007 reflects positive non-recurring effects amounting to EUR 50.4m, mainly relating to EUR 32.4m in negative goodwill in the Plant Construction Division and EUR 13.3m in the Metal Industry Division. The Group EBIT margin decreased slightly, from 5.8% to 5.1%. Preliminary earnings before tax (EBT) declined by 2.7% year on year at EUR 76.5m. Despite the positive trend in the Plant Construction Division, net finance costs mounted as a result of increased working capital requirements, higher copper prices, acquisitions and the two copper investments. Preliminary net debt at year end 2007 was EUR 632.1m compared to EUR 66.0m a year earlier. This increase was chiefly attributable to the higher working capital requirements of the copper business, acquisitions and the increase in the holding in Norddeutsche Affinerie and Cumerio.

Group order backlog reached a record level of EUR 2,390.0m at year end (2006: EUR 1,577.5m). Order intake totalled EUR 1,971.5m (2006: EUR 1,775.0). The head count at year end was 13,790 (2006: 10,720). This 28.6% increase is largely explained by the acquisitions. Employment in the Drive Technologies Division was down due to restructuring. Investment in intangible assets, and property, plant and equipment was up by 21.7% to EUR 74.0m (2006: EUR 60.8m). The main factor behind this gain was the expansion of the electrolysis plant in Brixlegg.

Plant Construction Division

2007 was a highly successful year for Plant Construction. The division won numerous large international contracts against a backdrop of tougher environmental standards and heavy investment in thermal power generation.

This development resulted in record order intake of EUR 1,315.3m in 2007, exceeding again the high figure of the previous year at EUR 1,228.3m. Thus order backlog amounted to EUR 1,977.9m (2006: EUR 1,453.1m) at year end 2007. This is in fact a solid basis for the future development of revenues in the division.

Based on the high order backlog at the beginning of 2007 and the strong order intake revenue passed the one billion euro mark for the first time, climbing by 70.7% to reach EUR 1,046.4m (2006: EUR 613.1m). EBITDA leapt by 166.0% to EUR 79.8m (2006: EUR 30.0m). Negative goodwill of EUR 32.4m mainly arising on the acquisition of German plant engineering company Lentjes was recognised in the fourth quarter of 2007. EBIT advanced from EUR 25.4m in 2006 to EUR 73.4 m in 2007. Like-for-like EBIT (excluding non-recurring items) surged by 50.3% to EUR 41.0m.

Earnings before tax were also positively impacted by the positive interest income due to high down payments of received orders, jumping by 145.6% to EUR 77.6m.

Drive Technology Division

For the Drive Technology Division the main features of 2007 were continued restructuring programmes and other activities aimed at improving future performance. Noteworthy developments included the introduction of a holding company structure, the operational integration of the Lindeteves-Jacoberg Group (LJ), the relocation of production capacity and the new approach to the financing of some factories.

The Drive Technology Division, which is listed on the Vienna stock exchange through ATB Austria Antriebstechnik AG, posted a 38.3 % gain in revenue to EUR 421.0m, largely reflecting the increased contribution of the LJ Group, which is consolidated from June 2006. EBITDA rose by 18.3% to EUR 32.3m. Underlying EBIT (excluding restructuring effects) grew by 100.0 %, to EUR 14.6m (2006: EUR 7.3m). The such adjusted EBIT margin edged up from 2.4% in 2006 to 3.5% in 2007. Non-adjusted EBIT was up from EUR 10.8m to EUR 11.2m.

Earnings before tax turned negative by EUR 9.2m, having been positive by EUR 1.3m in 2006. This reflected net finance costs due to a sharp increase in long-term borrowings and short-term borrowings which largely related to the LJ restructuring.

Mechanical Engineering Division

In the Mechanical Engineering Division both the EMCO Group and Dörries Scharmann Technologie (DST) performed well in 2007. The Division hit its targets despite strong demand and delivery bottlenecks for essential quality components.

The business activities of EMCO Mecof – producer of customized high-speed milling solutions – are integrated as from January 1, 2008 into DST because of the similarity in the markets and customer bases.

The Division entered 2008 with full order books amounting to EUR 260.1m (2006: EUR 47.4m). The VDW (German Machine Tool Builders' Association) is forecasting an increase in machine tool output of about 10 % in 2008.

Revenue recorded a 24.0% year-on-year increase to EUR 211.8m in 2007. German special machine tool manufacturer Dörries Scharmann Technologie, consolidated in October 2007, contributed EUR 39.1m to revenue.

In 2007 EBITDA advanced by 16.8% to EUR 25.0m (2006: EUR 21.4m). Despite higher depreciation and amortisation expense EBIT gained 2.0% to EUR 15.5m, for an EBIT margin of 7.3%.

Earnings before tax were EUR 10.9m — a year-on-year decrease of 9.9%.

Metal Industry Division

Revenue rose by 35.4% to EUR 685.5m (2006: EUR 506.1m), lifted by the consolidation of Gindre Duchovany as of May 2007, as well as increased cathode and third party product sales volumes.

EBITDA declined by 45.2 % to EUR 26.4m (2006: EUR 48.2m) due to higher staff and raw material costs. This was due to the Brixlegg electrolysis plant expansion as well increased buying-in of cathodes. The expansion increased copper cathode capacity by around 50% to approx. 108,000 t.

Following the EUR 13.2m write-up of inventories in 2006 due to the higher average copper price, there was no further significant inventory revaluation in 2007. A EUR 8.7m write-up over the first nine months of 2007 was reversed in the fourth quarter owing to falls in copper prices on the LME in November and December.

EBIT dropped by 54.9 % to EUR 19.5m as a result of the above factors. Depreciation and amortisation expense were up on the previous period due to the investments made. Increased use was made of financing lines as it was necessary to build up stocks of anodes for the expanded electrolysis plant. Earnings before tax were down by about 78.4 % year on year, to EUR 8.7m.

Outlook for 2008

A-TEC Industries anticipates continued revenue growth to about EUR 3bn in 2008, excluding future acquisitions. We expect the EBIT margin to be at least 5% in 2008.

About A-TEC Industries

Vienna stock exchange listed A-TEC Industries AG is an international industrial group headquartered in Vienna, with flourishing Drive Technologies, Plant Construction, Mechanical Engineering and Metals Industry divisions. The group currently employs around 13,800 people, and in 2007 posted consolidated preliminary revenue about EUR 2.4 billion.

Contact

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