



10 August 2010

A-TEC Industries AG

Reuters: ATEC.VI Bloomberg: ATEC AV Exchange: VIE Ticker: ATEC

2Q10 results review

Christian Bader

Research Analyst
 (+43) 1 53181-156
 christian.bader@db.com

Matthias Pfeifenberger

Research Analyst
 (+43) 1 53181-153
 matthias.pfeifenberger@db.com

Reiterate Hold with unchanged forecasts

A-TEC's 2Q10 results were much below our expectations across the board. Although, the management reiterates 3% EBIT guidance for FY10, we regard it as very optimistic and hence hold our P&L forecasts unchanged. However, given the group's poor working capital management, we lower our operating CF projections for 2010E-12E. We maintain our Hold recommendation on the stock due to poor visibility, primarily in the Plant construction segment.

2Q10 EBIT loss of €5.8m, slim margin of -0.8%

A-TEC reported 2Q10 order intake of Euro 313m (+3.5% YoY), much below DBE of Euro 359m as the poor intake in the Plant construction segment continued in 2Q. Despite a 5% beat in sales, the group's EBIT loss of Euro 5.8 was much below our forecast. The group points it to cost overruns of Euro 17.3m in a turnkey project in the Plant Construction segment. Consequently, pre-tax loss of Euro 20m was also below our forecast. The net loss of Euro -6.9m was however only slightly below our Euro -5.4m forecast because of positive deferred tax effect. Further, operating cash flows remained poor due to negative NWC effects.

Unchanged 2010E-12E EPS forecasts

Management reiterated FY10 guidance of Euro 2.7bn sales and 3% EBIT margin. We regard this as very challenging target given that the group posted a very slim EBIT margin of 2.3% in 1H10, excluding the one-offs. We leave our sales, margin and EPS forecasts unchanged. But we have lowered our operating cash flow projections for the full forecast period as we do not expect the negative NWC effects to reverse fully in 2H. We now forecast Euro 36m operating cash outflow for 2010E vs. our previous Euro 11m positive operating CF forecast.

Risks

Downside risks include: 1) sustained weakness of order intake in the Plant Construction could result in further EPS downgrades; 2) significant decline of the copper price would result in negative valuation and margin effects for the Minerals & Metals segment; and 3) rising input costs for steel and power could negatively affect operating margins; Key upside risks are 1) any disposal or demerger activity which would simplify the group structure or eliminate major loss making activities; and 2) unexpected cost cutting benefits.

Forecasts and ratios

Year End Dec 31	2008A	2009A	2010E	2011E	2012E
DB EPS (EUR)	0.66	0.33	0.37	0.37	0.40
EV/EBITDA (x)	8.9	3.0	6.4	6.3	6.2
EV/EBITA (x)	27.2	4.4	12.0	11.7	11.3
DPS (EUR)	0.00	0.00	0.00	0.00	0.00
Yield (%)	0.0	0.0	0.0	0.0	0.0

Source: Company data & Deutsche Bank estimates

Deutsche Bank AG/London

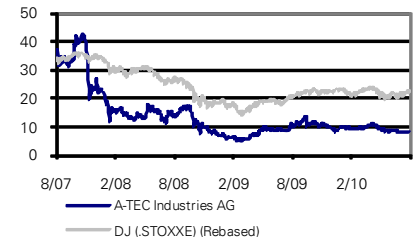
All prices are those current at the end of the previous trading session unless otherwise indicated. Prices are sourced from local exchanges via Reuters, Bloomberg and other vendors. Data is sourced from Deutsche Bank and subject companies. Deutsche Bank does and seeks to do business with companies covered in its research reports. Thus, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making their investment decision. DISCLOSURES AND ANALYST CERTIFICATIONS ARE LOCATED IN APPENDIX 1. MICA(P) 007/05/2010

Results

Hold

Price at 9 Aug 2010 (EUR)	8.42
Price Target (EUR)	NA
52-week range (EUR)	13.65 - 7.89

Price/price relative



Performance (%)	1m	3m	12m
Absolute	0.7	-6.9	-19.7
DJ (.STOXXE)	5.2	11.7	7.6

Stock & option liquidity data

Market cap (EUR)(m)	221.4
Shares outstanding (m)	26
Free float (%)	38
Option volume (und. shrs., 1M avg.)	-

Model updated: 10 August 2010

Running the numbers**Europe****Austria****Engineering****A-TEC Industries AG**

Reuters: ATEC.VI

Bloomberg: ATEC AV

Hold

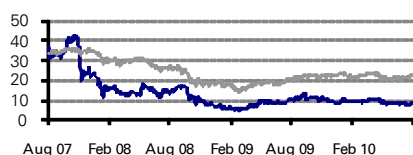
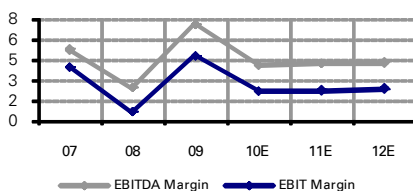
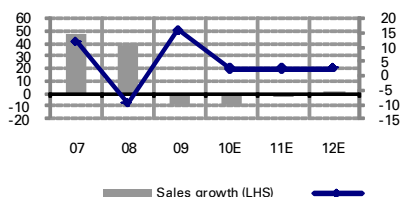
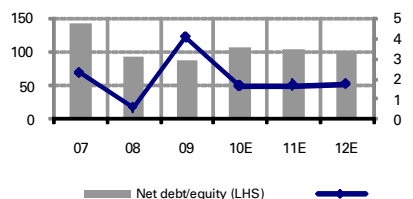
Price (9 Aug 10) EUR 8.42

Target price EUR NA

52-week Range EUR 7.89 - 13.65

Market Cap (m) EURm 221
USDm 293**Company Profile**

A-TEC Industries AG has been growing through acquisitions and consists of four different business areas today. The biggest segment Plant Construction supplies thermal power generation and waste incineration plants as well as flue gas cleaning equipment. The segments Drive Technologies and Mechanical Engineering manufacture electric motors and machine tools primarily for industrial customers. Metal Production operates copper recycling and processing activities in Continental Europe.

Price Performance**Margin Trends****Growth & Profitability****Solvency****Christian Bader**

+43 1 53181-156

christian.bader@db.com

Fiscal year end 31-Dec

	2007	2008	2009	2010E	2011E	2012E
Financial Summary						
DB EPS (EUR)	1.01	0.66	0.33	0.37	0.37	0.40
Reported EPS (EUR)	1.53	-1.31	2.06	0.37	0.37	0.40
DPS (EUR)	0.00	0.00	0.00	0.00	0.00	0.00
BVPS (EUR)	14.7	11.7	14.8	15.1	15.5	15.9
Weighted average shares (m)	26	26	26	26	26	26
Average market cap (EURm)	958	355	230	221	221	221
Enterprise value (EURm)	1,252	688	637	706	708	709
Valuation Metrics						
P/E (DB) (x)	36.0	20.7	26.9	22.8	22.9	21.1
P/E (Reported) (x)	23.7	nm	4.2	22.8	22.9	21.1
P/BV (x)	1.55	0.57	0.59	0.56	0.54	0.53
FCF Yield (%)	nm	nm	nm	nm	nm	0.5
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0	0.0
EV/Sales (x)	0.5	0.2	0.2	0.3	0.3	0.3
EV/EBITDA (x)	10.1	8.9	3.0	6.4	6.3	6.2
EV/EBIT (x)	13.4	35.5	4.4	12.0	11.7	11.3

Income Statement (EURm)

	2007	2008	2009	2010E	2011E	2012E
Sales revenue	2,361	3,257	2,995	2,743	2,689	2,690
Gross profit	298	314	413	292	295	303
EBITDA	124	77	211	111	112	115
Depreciation	44	37	56	50	50	50
Amortisation	-14	21	12	2	2	2
EBIT	93	19	143	59	60	63
Net interest income(expense)	-41	-34	-35	-36	-36	-36
Associates/affiliates	0	0	0	0	0	0
Exceptionals/extraordinaries	0	-8	-14	-12	-11	-12
Other pre-tax income/(expense)	-3	10	-5	0	0	0
Profit before tax	49	-12	88	11	13	15
Income tax expense	4	14	34	3	4	5
Minorities	5	7	1	-2	-1	0
Other post-tax income/(expense)	0	0	0	0	0	0
Net profit	40	-34	54	10	10	11
DB adjustments (including dilution)	-14	51	-46	0	0	0
DB Net profit	27	17	9	10	10	11

Cash Flow (EURm)

	2007	2008	2009	2010E	2011E	2012E
Cash flow from operations	6	108	-76	-36	45	46
Net Capex	-70	-128	-55	-42	-45	-45
Free cash flow	-64	-20	-131	-78	0	1
Equity raised/(bought back)	-109	-69	55	-2	-3	-3
Dividends paid	-20	0	0	0	0	0
Net inc/(dec) in borrowings	0	0	0	0	0	0
Other investing/financing cash flows	-325	365	18	0	0	0
Net cash flow	-518	276	-57	-80	-3	-2
Change in working capital	-228	179	-106	-98	-19	-19

Balance Sheet (EURm)

	2007	2008	2009	2010E	2011E	2012E
Cash and other liquid assets	400	447	364	351	351	352
Tangible fixed assets	468	518	539	529	522	515
Goodwill/intangible assets	291	272	274	274	274	274
Associates/investments	358	38	22	22	22	22
Other assets	1,384	1,477	1,399	1,375	1,371	1,390
Total assets	2,900	2,752	2,598	2,551	2,540	2,554
Interest bearing debt	963	735	712	777	777	777
Other liabilities	1,541	1,706	1,494	1,374	1,353	1,356
Total liabilities	2,504	2,440	2,205	2,151	2,131	2,134
Shareholders' equity	389	308	390	400	409	420
Minorities	8	3	3	1	0	0
Total shareholders' equity	396	312	393	400	410	420
Net debt	564	288	348	426	426	425

Key Company Metrics

	2007	2008	2009	2010E	2011E	2012E
Sales growth (%)	48.1	37.9	-8.0	-8.4	-2.0	0.0
DB EPS growth (%)	-52.6	-34.6	-50.7	13.6	-0.7	8.9
EBITDA Margin (%)	5.2	2.4	7.1	4.0	4.2	4.3
EBIT Margin (%)	4.0	0.6	4.8	2.2	2.2	2.3
Payout ratio (%)	0.0	nm	0.0	0.0	0.0	0.0
ROE (%)	11.8	-9.7	15.5	2.5	2.4	2.5
Capex/sales (%)	3.0	4.0	2.1	1.5	1.7	1.7
Capex/depreciation (x)	1.6	2.5	0.9	0.8	0.9	0.9
Net debt/equity (%)	142.2	92.5	88.6	106.5	104.1	101.2
Net interest cover (x)	2.3	0.6	4.1	1.6	1.7	1.8

Source: Company data, Deutsche Bank estimates

2Q10 results highlights

Figure 1: A-TEC – 2Q10 results vs. DB estimates

Euro million	2Q09A	2Q10 DBE	2Q10A	2Q10A vs. DBE
Order intake	303	359	313	-12.8%
Order backlog	2,710	1,830	1,788	-2.3%
Sales	771	696	729	4.8%
EBITA	31.1	4.9	-5.8	-219.3%
EBITA margin (%)	4.0%	0.7%	-0.8%	
Adjusted EBITA	27.4	11.9	-4.5	-137.8%
Adjusted EBITA margin (%)	3.6%	1.7%	-0.6%	
Pre-tax profit	21.1	-7.2	-19.5	-170.9%
Net Profit (post min.)	8.2	-5.4	-6.4	-18.0%
EPS Stated	0.31	-0.21	-0.24	-15.9%
Adjusted EPS	0.13	-0.02	-0.23	-1022.0%
Segment EBITA				
Plant Construction	17.0	11.9	-20.9	-275.6%
Drive Technologies	2.7	-4.1	-0.5	87.7%
Machine Tools	2.5	0.5	4.8	805.7%
Minerals & Metals	10.2	-2.4	10.3	538.3%
Consolidation	-1.3	-1.1	0.5	141.3%
Cash flow				
Change in Net working capital	-33.4	0.0	-14.8	NM
Operating cash flow	-29.2	8.5	-13.2	-254.3%
Capex	-15.4	-10.0	-30.4	-204.0%
Free cash flow	-44.6	-1.5	-43.6	-2888.8%
Net cash (debt)	-292.9	-464.7	-510.1	-9.8%
Net cash (debt) incl. provisions	-381.6	-548.7	-595.9	-8.6%

Source: Company data & Deutsche Bank estimates

Q2 2010 results review

- The group reports a Q2 2010 EBIT loss of Euro -6m vs. our Euro 5m EBIT forecast. The main reason for that are cost overruns of Euro 17.3m in a turnkey project in the Plant Construction segment.
- The cost overruns of Euro 17.3m are coming from one big project for erection of an Industrial power plant in Australia. The project construction time is already delayed for a couple of months according to A-TEC. Moreover, the group incurred higher wage expenses for local engineers, which means the local project calculation was wrong. The group could not comment if the one-time cost is sufficient or if further provisions have to be made.
- Besides the big miss in the Plant Construction segment the group reported better-than-expected earnings in all other segments, especially in the copper recycling business where the inventory write-downs of just Euro 1.4m were much smaller than we expected with Euro 7m.
- The pre-tax loss of Euro -20m was below our Euro -7m pre-tax loss forecast mainly due to a miss of Euro 11m on the EBIT level.
- The net loss of Euro -6.9m was only slightly below our expectation of Euro -5.4m because the group recognized a positive tax charge due positive deferred taxes.

- Order intake of Euro 313m (+3.5%YoY) was below our Euro 359m forecast leading to a further reduction of group backlog to Euro 1.8bn (-34%YoY).
- CF from operations was much worse than our forecast due to higher NWC consumption.

Company outlook

Management reiterates its 2010 FY guidance of Euro 2.7bn of sales and 3% EBIT margin. Given that 1H EBIT-margin including positive one-offs was a slim 2.3% we regard the margin guidance as challenging.

New CF forecasts

Figure 2: A-TEC – Segment forecasts

Euro million	Q1 09	Q2 09	H1 09	2009	Q1 10	Q2 10	H1 10	Q3 10E	Q4 10E	2010E	2011E	2012E
Order intake	427	303	729	1,346	360	313	673	404	523	1,600	2,015	2,380
Order backlog	3,100	2,710	2,710	2,108	1,999	1,788	1,788	1,525	1,662	1,662	1,605	1,892
Sales												
Plant Construction	401	494	896	1,810	331	323	654	310	316	1,280	1,240	1,200
Drive Technologies	88	73	161	306	72	79	151	73	71	295	300	305
Machine tools	78	68	146	262	53	61	114	54	57	225	232	238
Minerals & Metals	126	137	263	615	242	266	508	230	207	945	919	949
Consolidation	-2	-1	-3	2	-1	-0	-1	-1	-0	-2	-2	-2
Group sales	692	771	1,463	2,995	698	729	1,427	667	650	2,743	2,689	2,690
EBITA margins												
Plant Construction	3.0%	3.4%	3.2%	4.7%	5.1%	-6.5%	-0.6%	3.0%	3.2%	1.2%	2.4%	2.2%
Drive Technologies	4.6%	3.7%	4.2%	0.2%	-3.9%	-0.6%	-2.2%	-3.0%	-3.5%	-2.7%	-1.0%	0.1%
Machine Tools	6.0%	3.7%	4.9%	4.1%	0.6%	7.8%	4.5%	2.4%	2.6%	3.5%	4.2%	4.9%
Minerals & Metals	14.6%	7.4%	10.9%	9.9%	10.5%	3.9%	7.0%	3.8%	3.6%	5.5%	3.5%	3.5%
Group EBITA margin	5.6%	4.0%	4.8%	4.8%	5.4%	-0.8%	2.2%	2.2%	1.9%	2.2%	2.2%	2.3%
Group EBITA margin adjusted	2.5%	3.6%	3.0%	2.6%	3.2%	-0.6%	1.3%	3.0%	3.3%	2.2%	2.2%	2.3%
EBITA												
Plant Construction	12.0	17.0	29.0	85.4	17.0	(20.9)	(3.9)	9.3	10.0	15.4	29.8	26.4
Drive Technologies	4.1	2.7	6.8	0.6	(2.8)	(0.5)	(3.3)	(2.2)	(2.5)	(8.0)	(3.0)	0.3
Machine Tools	4.7	2.5	7.2	10.8	0.3	4.8	5.1	1.3	1.5	7.9	9.7	11.7
Minerals & Metals	18.4	10.2	28.6	60.6	25.4	10.3	35.7	8.7	7.5	52.0	32.2	33.2
Consolidation	(0.5)	(1.3)	(1.8)	(14.3)	(2.0)	0.5	(1.5)	(2.5)	(4.2)	(8.2)	(8.3)	(8.6)
Group EBITA	38.7	31.1	69.8	143.1	37.9	-5.8	32.1	14.6	12.3	59.0	60.4	63.0
Group EBITA adjusted*	17.0	27.4	44.4	77.9	22.5	(4.5)	18.0	19.7	21.3	59.0	60.4	63.0
Goodwill impairment & write-back	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	38.7	31.1	69.8	143.1	37.9	(5.8)	32.1	14.6	12.3	59.0	60.4	63.0
Bank guarantee cost (1.2bn)	(3.8)	(3.0)	(6.8)	(14.2)	(4.8)	(4.5)	(9.3)	(2.2)	(0.5)	(12.0)	(11.3)	(12.0)
Associates & Participations	(4.6)	1.1	(3.5)	(5.3)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Interest	(8.5)	(8.2)	(16.6)	(35.3)	(9.4)	(9.2)	(18.6)	(9.0)	(8.4)	(36.0)	(36.0)	(36.0)
Pre-tax profit	21.8	21.1	42.9	88.3	23.7	(19.5)	4.2	3.4	3.4	11.0	13.1	15.0
Tax charge	(7.4)	(12.7)	(20.1)	(33.6)	(11.2)	12.3	1.1	(1.7)	(2.7)	(3.3)	(3.9)	(4.5)
Tax Rate	-34%	-60%	-47%	-38%	-47%	-63%	26%	-50%	-80%	-30%	-30%	-30%
Net profit	14.4	8.3	22.8	54.7	12.5	(7.2)	5.3	1.7	0.7	7.7	9.1	10.5
Minorities & Discontinued	(0.5)	(0.1)	(0.6)	(0.5)	2.5	0.8	3.3	(0.4)	(0.9)	2.0	0.5	0.0
Net attributable profit	14.0	8.2	22.2	54.2	15.0	(6.4)	8.6	1.3	(0.2)	9.7	9.6	10.5
DB Adjustments	(14.3)	(4.8)	(19.1)	(45.6)	(8.1)	0.5	(7.6)	2.6	5.1	0.0	0.0	0.0
Adj. net attributable	(0.4)	3.4	3.0	8.6	6.9	(5.9)	1.0	3.9	4.9	9.7	9.6	10.5
Av. number of shares	26.3	26.3	26.3	26.3	26.3	26.3	26.3	26.3	26.3	26.3	26.3	26.3
EPS stated	0.53	0.31	0.84	2.06	0.57	-0.24	0.33	0.05	-0.01	0.37	0.37	0.40
EPS adjusted	-0.01	0.13	0.11	0.33	0.26	-0.23	0.04	0.15	0.19	0.37	0.37	0.40
Growth YoY												
Sales	-11.5%	-8.3%	-9.9%	-8.0%	0.9%	-5.5%	-2.5%	-1.3%	-24.2%	-8.4%	-2.0%	0.0%
EBITA	-1.3%	14.5%	5.1%	464.6%	-1.9%	-118.8%	-54.0%	-47.0%	-73.0%	-58.7%	2.2%	4.3%
Net attributable profit	-41.5%	-61.7%	-51.1%	-260.0%	7.7%	-178.3%	-61.1%	-87.9%	-101.0%	-82.0%	-0.9%	8.7%

Source: Company data & Deutsche Bank estimates

Figure 3: A-TEC – Quarterly cash flow forecasts

Euro million	Q1 09	Q2 09	H1 09	2009	Q1 10	Q2 10	H1 10	Q3 10E	Q4 10E	2010E	2011E	2012E
Net Profit	-0	3	3	9	13	-7	5	2	1	8	9	11
Depreciation	12	13	25	68	13	13	26	13	13	52	52	52
Amortisation	0	0	0	0	0	0	0	0	0	0	0	0
Pension Provisions chg.	-1	-1	-1	-2	1	1	1	1	1	2	2	2
Other provisions chg.	-11	-11	-22	-44	0	-5	-5	0	5	0	0	0
Change in NWC	64	-33	30	-106	-106	-15	-120	12	10	-98	-19	-19
CF Operating	64	-29	34	-76	-80	-13	-93	27	30	-36	45	46
Total Capex	-15	-15	-31	-63	-9	-30	-39	-2	-1	-42	-45	-45
Acquisitions	0	0	0	18	0	0	0	0	0	0	0	0
Disposals of tangibles	0	0	0	9	4	0	4	0	-4	0	0	0
CF Investing	-15	-15	-31	-37	-5	-30	-35	-2	-5	-42	-45	-45
CF pre dividends	48	-45	4	-112	-84	-44	-128	25	24	-78	-0	1
Dividend payment	0	0	0	0	0	0	0	0	0	0	0	0
Proceeds of New Issue	0	0	0	0	0	0	0	0	0	0	0	0
Other changes equity	0	-1	-1	55	-1	-1	-1	-1	-1	-2	-3	-3
Net cash flow	48	-46	3	-57	-85	-44	-129	25	24	-80	-3	-2
+ Last Year's Net Cash	-368	-330	-368	-368	-426	-548	-426	-596	-567	-426	-506	-509
Liquid Funds	450	371	371	364	296	271	271	295	351	351	351	352
ST Debt	-208	-171	-171	-255	-359	-358	-358	-320	-320	-320	-320	-320
LT Debt	-485	-493	-493	-457	-399	-422	-422	-457	-457	-457	-457	-457
YE net debt	-242	-293	-293	-348	-463	-510	-510	-482	-426	-426	-426	-425
Employee benefit obligations	-88	-89	-89	-78	-85	-86	-86	-85	-80	-80	-82	-85
YE net debt incl. provisions	-330	-382	-382	-426	-548	-596	-596	-567	-506	-506	-509	-510
FCF	48	-45	4	-131	-84	-44	-128	25	24	-78	-0	1
<i>FCF in % of EBITA</i>	<i>285%</i>	<i>-162%</i>	<i>8%</i>	<i>-168%</i>	<i>-374%</i>	<i>959%</i>	<i>-711%</i>	<i>128%</i>	<i>115%</i>	<i>-132%</i>	<i>0%</i>	<i>2%</i>
<i>Net debt in % of equity</i>	<i>-102%</i>	<i>-111%</i>	<i>-111%</i>	<i>-109%</i>	<i>-134%</i>	<i>-147%</i>	<i>-147%</i>	<i>-139%</i>	<i>-127%</i>	<i>-127%</i>	<i>-124%</i>	<i>-122%</i>
<i>Net debt/EBITDA (x)</i>	<i>1.6</i>	<i>2.2</i>	<i>2.0</i>	<i>2.0</i>	<i>2.7</i>	<i>21.3</i>	<i>5.2</i>	<i>4.1</i>	<i>3.5</i>	<i>4.0</i>	<i>3.9</i>	<i>3.9</i>

Source: Company data & Deutsche Bank estimates

Figure 4: A-TEC – Consolidated profit and loss forecasts

Euro million	2003	2004	2005	2006	2007	2008	2009	2010E	2011E	2012E
Total Net Sales	282	723	1,084	1,594	2,361	3,257	2,995	2,743	2,689	2,690
% change	<i>na</i>	156.5%	49.9%	47.1%	48.1%	37.9%	-8.0%	-8.4%	-2.0%	0.0%
Own Work Capitalised	0	1	12	13	12	11	10	0	0	0
Change in WIP	1	0	15	20	18	-53	27	0	0	0
Cost of Sales	-140	-488	-725	-1,095	-1,727	-2,399	-2,124	-1,968	-1,915	-1,902
<i>% of sales</i>	49.6%	67.5%	66.9%	68.7%	73.2%	73.7%	70.9%	71.8%	71.2%	70.7%
Gross Profit	143	236	386	532	663	816	908	775	774	788
Gross Margin	50.6%	32.6%	34.7%	32.7%	27.7%	25.4%	29.9%	28.3%	28.8%	29.3%
Other Operating Income	7	31	24	38	29	57	67	49	48	48
<i>% of sales</i>	2.5%	4.3%	2.1%	2.4%	1.2%	1.8%	2.2%	1.8%	1.8%	1.8%
Other Operating Costs	-50	-58	-109	-158	-204	-294	-268	-230	-231	-237
<i>% of sales</i>	17.8%	8.0%	9.9%	9.7%	8.5%	9.2%	8.9%	8.4%	8.6%	8.8%
Value Added	100	209	300	412	488	579	706	594	591	599
Value Added Rate	35.4%	28.9%	27.0%	25.3%	20.4%	18.0%	23.3%	21.7%	22.0%	22.3%
Personnel Costs	-82	-163	-221	-287	-365	-502	-495	-483	-478	-484
<i>% of sales</i>	28.8%	22.5%	19.9%	17.6%	15.3%	15.6%	16.3%	17.6%	17.8%	18.0%
EBITDA	19	46	79	125	124	77	211	111	112	115
EBITDA-margin	6.6%	6.4%	7.1%	7.7%	5.2%	2.4%	7.0%	4.0%	4.2%	4.3%
Adjusted Depreciation	-8	-13	-24	-33	-44	-52	-68	-52	-52	-52
o/w Intangibles (excl. goodwill)	-1	-1	-5	-2	0	-15	-12	-2	-2	-2
<i>% of sales</i>	2.8%	1.8%	2.2%	2.1%	1.9%	1.6%	2.3%	1.9%	1.9%	1.9%
EBITA	10.8	33.7	55.0	92.0	79.5	25.3	143.1	59.0	60.4	63.0
EBITA margin	3.8%	4.6%	5.0%	5.7%	3.3%	0.8%	4.7%	2.2%	2.2%	2.3%
Goodwill amortisation	0	0	0	0	14	(6)	0	0	0	0
EBIT	10.8	33.7	55.0	92.0	93.3	19.4	143.1	59.0	60.4	63.0
EBIT margin	3.8%	4.6%	5.0%	5.7%	3.9%	0.6%	4.7%	2.2%	2.2%	2.3%
Bank guarantee cost (1.2bn @)	0	0	0	0	0	-8	-14	-12	-11	-12
Associates income	0	0	0	0	0	-0	-0	0	0	0
Disposals of Assets	1	-5	-1	1	-4	10	-5	0	0	0
Interest received	1.2	5.4	8.7	11.4	15.4	34.2	15.6	0.0	0.0	0.0
Interest paid	(1.7)	(6.9)	(19.5)	(25.6)	(56.3)	(68.1)	(50.9)	(36.0)	(36.0)	(36.0)
Total Net Interest	(0.5)	(1.5)	(10.8)	(14.2)	(40.8)	(33.9)	(35.3)	(36.0)	(36.0)	(36.0)
Pre-tax profit	11.1	27.3	43.0	78.6	49.2	(12.3)	88.3	11.0	13.1	15.0
PTP margin	3.9%	3.8%	3.9%	4.8%	2.1%	-0.4%	2.9%	0.4%	0.5%	0.6%
Income tax	-3	-1	-4.9	8	-4	-14	-34	-3	-4	-5
<i>% rate</i>	28%	5%	11%	-10%	8%	-117%	38%	30%	30%	30%
Stated net profit	8.0	25.9	38.0	86.8	45.1	-26.8	54.7	7.7	9.1	10.5
Net margin	2.8%	3.6%	3.4%	5.3%	1.9%	-0.8%	1.8%	0.3%	0.3%	0.4%
Minorities & Discontinued	(0.9)	(0.8)	(4.6)	(9.6)	(4.7)	(7.1)	(0.5)	2.0	0.5	0.0
Net attributable income	7.1	25.0	33.4	77.2	40.4	-33.9	54.2	9.7	9.6	10.5
DB Adjustments	0	0	0	-21	-14	51	-46	0	0	0
Adj.net profit	7.1	25.0	33.4	56.1	26.6	17.1	8.6	9.7	9.6	10.5
% change	<i>na</i>	252.3%	33.4%	67.9%	-52.6%	-35.7%	-50.0%	13.6%	-0.7%	8.9%
EPS	0.36	1.25	1.67	2.92	1.53	-1.31	2.06	0.37	0.37	0.40
DB EPS	0.36	1.25	1.67	2.12	1.01	0.66	0.33	0.37	0.37	0.40
<i>% change</i>	<i>na</i>	252.3%	33.4%	27.2%	-52.6%	-34.6%	-50.7%	13.6%	-0.7%	8.9%

Source: Company data & Deutsche Bank estimates

Figure 5: A-TEC – Balance sheet forecasts

Euro million	2005	2006	2007	2008	2009	2010E	2011E	2012E
Current Assets								
Inventories	151	217	334	263	286	329	344	363
Trade Debtors	185	224	684	535	595	960	941	941
Other Debtors	132	179	298	606	449	0	0	0
Liquid Funds & securities	178	314	400	447	364	351	351	352
Prepaid & Discontinued	32	26	13	18	22	38	38	38
Total	677	960	1,728	1,869	1,715	1,678	1,674	1,695
Current Liabilities								
Trade Creditors	-258	-479	-826	-1,195	-1,014	-1,125	-1,102	-1,103
Other Creditors	-101	-193	-311	-231	-229	0	0	0
Discontinued	-38	-44	-34	-18	-1	0	0	0
ST Borrowings	-171	-112	-377	-309	-255	-320	-320	-320
Tax provision	-2	0	0	0	-22	-20	-20	-20
Total	-570	-828	-1,548	-1,753	-1,521	-1,465	-1,442	-1,442
Net Working Capital	101	-70	158	-21	84	182	201	220
Long-term Assets								
Intangible Assets	105	256	291	272	274	274	274	274
Tangible Assets	162	272	468	518	539	529	522	515
Financial & Other Assets	27	25	358	38	22	22	22	22
Deferred Taxes	30	61	55	55	48	48	48	48
Total	325	614	1,172	883	883	873	866	859
Long-term Liabilities								
Pension Provisions	-15	-38	-56	-56	-52	-54	-55	-57
Severance Provisions	-22	-22	-25	-24	-25	-26	-27	-28
Other Provisions	-73	-92	-233	-132	-87	-87	-87	-87
Bonds	-81	-90	-244	-136	-219	-219	-219	-219
LT Borrowings	-81	-179	-342	-290	-238	-238	-238	-238
Deferred Taxes	-8	-10	-56	-50	-62	-62	-62	-62
Total	-280	-430	-956	-688	-684	-686	-689	-691
Total Assets	1,002	1,573	2,900	2,752	2,598	2,551	2,540	2,554
Represented by:								
Share capital	5	7	7	26	26	26	26	26
Capital reserves	7	152	178	158	144	144	144	144
Retained Earnings	108	144	157	99	185	195	204	215
Valuation gains & losses	-1	-1	52	47	35	35	35	35
Other	-6	-4	-5	-22	0	0	0	0
Shareholders' Equity	113	298	389	308	390	400	409	420
Minorities	40	18	8	3	3	1	0	0
Total net worth	153	315	396	312	393	400	410	420

Source: Company data & Deutsche Bank estimates

Appendix 1

Important Disclosures

Additional information available upon request

Disclosure checklist

Company	Ticker	Recent price*	Disclosure
A-TEC Industries AG	A TEC.VI	8.42 (EUR) 9 Aug 10	6,8

*Prices are sourced from local exchanges via Reuters, Bloomberg and other vendors. Data is sourced from Deutsche Bank and subject companies.

Important Disclosures Required by U.S. Regulators

Disclosures marked with an asterisk may also be required by at least one jurisdiction in addition to the United States. See "Important Disclosures Required by Non-US Regulators" and Explanatory Notes.

- Deutsche Bank and/or its affiliate(s) owns one percent or more of any class of common equity securities of this company calculated under computational methods required by US law.
- Deutsche Bank and/or its affiliate(s) expects to receive, or intends to seek, compensation for investment banking services from this company in the next three months.

Important Disclosures Required by Non-U.S. Regulators

Please also refer to disclosures in the "Important Disclosures Required by US Regulators" and the Explanatory Notes.

- Deutsche Bank and/or its affiliate(s) owns one percent or more of any class of common equity securities of this company calculated under computational methods required by US law.

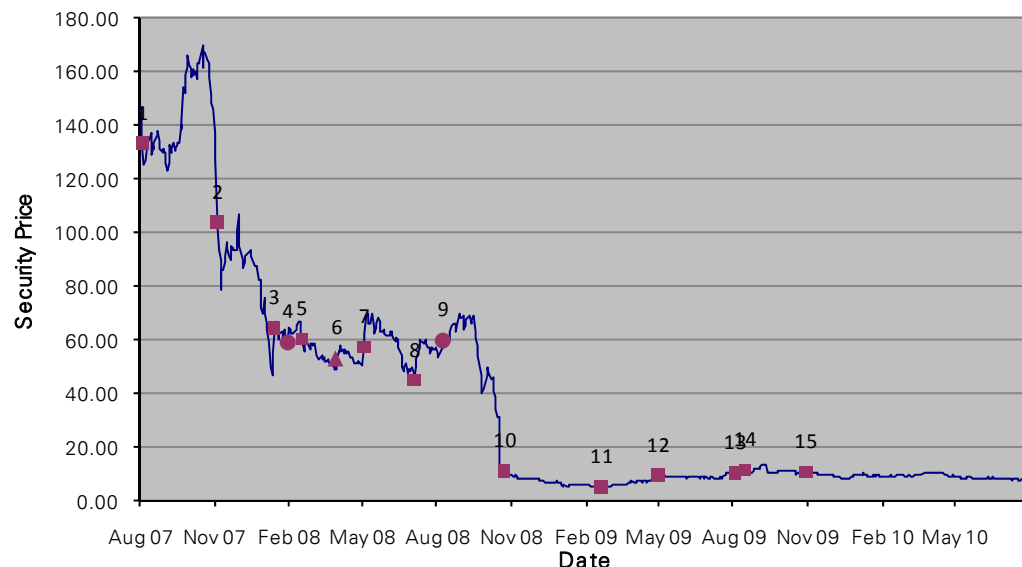
For disclosures pertaining to recommendations or estimates made on securities other than the primary subject of this research, please see the most recently published company report or visit our global disclosure look-up page on our website at <http://gm.db.com/ger/disclosure/Disclosure.eqsr?ricCode=A TEC.VI>.

Analyst Certification

The views expressed in this report accurately reflect the personal views of the undersigned lead analyst(s) about the subject issuer and the securities of the issuer. In addition, the undersigned lead analyst(s) has not and will not receive any compensation for providing a specific recommendation or view in this report. Christian Bader

Historical recommendations and target price: A-TEC Industries AG (ATEC.VI)

(as of 8/9/2010)



Previous Recommendations

- Strong Buy
- Buy
- Market Perform
- Underperform
- Not Rated
- Suspended Rating

Current Recommendations

- Buy
- Hold
- Sell
- Not Rated
- Suspended Rating

*New Recommendation Structure as of September 9, 2002

1.	16/8/2007:	Buy, Target Price Change EUR188.00	9.	20/8/2008:	Downgrade to Hold, Target Price Change EUR73.00
2.	16/11/2007:	Buy, Target Price Change EUR138.00	10.	4/11/2008:	Hold, Target Price Change EUR12.00
3.	25/1/2008:	Buy, Target Price Change EUR107.00	11.	3/3/2009:	Hold, Target Price Change EUR6.50
4.	11/2/2008:	Downgrade to Hold, Target Price Change EUR80.00	12.	12/5/2009:	Hold, Target Price Change EUR10.00
5.	28/2/2008:	Hold, Target Price Change EUR61.00	13.	15/8/2009:	Hold, Target Price Change EUR0.00
6.	11/4/2008:	Upgrade to Buy, Target Price Change EUR80.00	14.	27/8/2009:	Hold, Target Price Change EUR12.00
7.	15/5/2008:	Buy, Target Price Change EUR88.00	15.	10/11/2009:	Hold, Target Price Change NA
8.	16/7/2008:	Buy, Target Price Change EUR82.00			

Equity rating key **Equity rating dispersion and banking relationships**

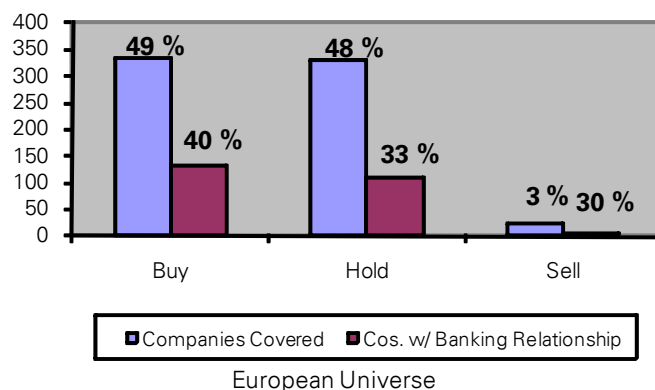
Buy: Based on a current 12-month view of total shareholder return (TSR = percentage change in share price from current price to projected target price plus projected dividend yield), we recommend that investors buy the stock.

Sell: Based on a current 12-month view of total shareholder return, we recommend that investors sell the stock

Hold: We take a neutral view on the stock 12-months out and, based on this time horizon, do not recommend either a Buy or Sell.

Notes:

1. Newly issued research recommendations and target prices always supersede previously published research.
2. Ratings definitions prior to 27 January, 2007 were:
 - Buy: Expected total return (including dividends) of 10% or more over a 12-month period
 - Hold: Expected total return (including dividends) between -10% and 10% over a 12-month period
 - Sell: Expected total return (including dividends) of -10% or worse over a 12-month period



Regulatory Disclosures

1. Important Additional Conflict Disclosures

Aside from within this report, important conflict disclosures can also be found at <https://gm.db.com/equities> under the "Disclosures Lookup" and "Legal" tabs. Investors are strongly encouraged to review this information before investing.

2. Short-Term Trade Ideas

Deutsche Bank equity research analysts sometimes have shorter-term trade ideas (known as SOLAR ideas) that are consistent or inconsistent with Deutsche Bank's existing longer term ratings. These trade ideas can be found at the SOLAR link at <http://gm.db.com>.

3. Country-Specific Disclosures

Australia: This research, and any access to it, is intended only for "wholesale clients" within the meaning of the Australian Corporations Act.

EU countries: Disclosures relating to our obligations under MiFiD can be found at <http://globalmarkets.db.com/riskdisclosures>.

Japan: Disclosures under the Financial Instruments and Exchange Law: Company name - Deutsche Securities Inc. Registration number - Registered as a financial instruments dealer by the Head of the Kanto Local Finance Bureau (Kinsho) No. 117. Member of associations: JSDA, The Financial Futures Association of Japan. Commissions and risks involved in stock transactions - for stock transactions, we charge stock commissions and consumption tax by multiplying the transaction amount by the commission rate agreed with each customer. Stock transactions can lead to losses as a result of share price fluctuations and other factors. Transactions in foreign stocks can lead to additional losses stemming from foreign exchange fluctuations.

New Zealand: This research is not intended for, and should not be given to, "members of the public" within the meaning of the New Zealand Securities Market Act 1988.

Russia: This information, interpretation and opinions submitted herein are not in the context of, and do not constitute, any appraisal or evaluation activity requiring a license in the Russian Federation.

Deutsche Bank AG/London

European locations

Deutsche Bank AG London

1 Great Winchester Street
London EC2N 2EQ

Tel: (44) 20 7545 8000

Deutsche-Bank AG,

3, Avenue de Friedland
75008 Paris Cedex 8
France
Tel: (33) 1 44 95 64 00

Deutsche Bank AG

Equity Research
Große Gallusstraße 10-14
60272 Frankfurt am Main
Germany
Tel: (49) 69 910 00

Deutsche Bank Sim S.p.a

Via Santa Margherita 4
20123 Milan
Italy

Tel: (39) 0 24 024 1

Deutsche Bank AG

Herengracht 450
1017 CA Amsterdam
Netherlands

Tel: (31) 20 555 4911

Deutsche Securities

S.V.B, S.A.
PO de la Castellana, 42
7th Floor
28046 Madrid, Spain
Tel: (34) 91 782 8400

Deutsche Bank AG

Stureplan 4 A, Box 5781
S-114 87 Stockholm
Sweden

Tel: (46) 8 463 5500

Deutsche Bank AG

Uraniastrasse 9
PO Box 7370
8023 Zürich
Switzerland
Tel: (41) 1 224 5000

Deutsche Bank AG, Helsinki

Kaivokatu 10 A, P.O.Bvox 650
FIN-00101 Helsinki
Finland

Tel: (358) 9 25 25 20 0

Deutsche Bank AG

Hohenstaufengasse 4
1010 Vienna
Austria

Tel: (43) 1 5318 10

Deutsche Bank AG

Aurora business park
82 bld.2 Sadovnicheskaya street
Moscow, 115035
Russia
Tel: (7) 495 797-5000

Deutsche Bank AG, Warsaw

al.Armi Ludowej 26
Budynek FOCUS
00-609 Warsaw
Poland
Tel: (48) 22 579 87 00

Deutsche Bank AG, Turkey

Eski Buyukdere Cad. Tekfen Tower
No:209 Kat:17-18
TR-34394 Istanbul
Tel: (90) 212 317 01 00

Deutsche Bank AG, Greece

23A Vassilissis Sofias Avenue
6th Floor
10674 Athens, Greece
Tel: (30) 210 72 56 150

International locations

Deutsche Bank Securities Inc.

60 Wall Street
New York, NY 10005
United States of America
Tel: (1) 212 250 2500

Deutsche Bank AG London

1 Great Winchester Street
London EC2N 2EQ
United Kingdom
Tel: (44) 20 7545 8000

Deutsche Bank AG

Große Gallusstraße 10-14
60272 Frankfurt am Main
Germany
Tel: (49) 69 910 00

Deutsche Bank AG

Deutsche Bank Place
Level 16
Corner of Hunter & Phillip Streets
Sydney, NSW 2000
Australia
Tel: (61) 2 8258 1234

Deutsche Bank AG

Level 55
Cheung Kong Center
2 Queen's Road Central
Hong Kong
Tel: (852) 2203 8888

Deutsche Securities Inc.

2-11-1 Nagatacho
Sanno Park Tower
Chiyoda-ku, Tokyo 100-6171
Japan
Tel: (81) 3 5156 6701

Global Disclaimer

The information and opinions in this report were prepared by Deutsche Bank AG or one of its affiliates (collectively "Deutsche Bank"). The information herein is believed to be reliable and has been obtained from public sources believed to be reliable. Deutsche Bank makes no representation as to the accuracy or completeness of such information.

Deutsche Bank may engage in securities transactions, on a proprietary basis or otherwise, in a manner **inconsistent** with the view taken in this research report. In addition, others within Deutsche Bank, including strategists and sales staff, may take a view that is **inconsistent** with that taken in this research report.

Opinions, estimates and projections in this report constitute the current judgement of the author as of the date of this report. They do not necessarily reflect the opinions of Deutsche Bank and are subject to change without notice. Deutsche Bank has no obligation to update, modify or amend this report or to otherwise notify a recipient thereof in the event that any opinion, forecast or estimate set forth herein, changes or subsequently becomes inaccurate. Prices and availability of financial instruments are subject to change without notice. This report is provided for informational purposes only. It is not an offer or a solicitation of an offer to buy or sell any financial instruments or to participate in any particular trading strategy. Target prices are inherently imprecise and a product of the analyst judgement.

As a result of Deutsche Bank's recent acquisition of BHF-Bank AG, a security may be covered by more than one analyst within the Deutsche Bank group. Each of these analysts may use differing methodologies to value the security; as a result, the recommendations may differ and the price targets and estimates of each may vary widely.

Deutsche Bank has instituted a new policy whereby analysts may choose not to set or maintain a target price of certain issuers under coverage with a Hold rating. In particular, this will typically occur for "Hold" rated stocks having a market cap smaller than most other companies in its sector or region. We believe that such policy will allow us to make best use of our resources. Please visit our website at <http://gm.db.com> to determine the target price of any stock.

The financial instruments discussed in this report may not be suitable for all investors and investors must make their own informed investment decisions. Stock transactions can lead to losses as a result of price fluctuations and other factors. If a financial instrument is denominated in a currency other than an investor's currency, a change in exchange rates may adversely affect the investment. Past performance is not necessarily indicative of future results. Deutsche Bank may with respect to securities covered by this report, sell to or buy from customers on a principal basis, and consider this report in deciding to trade on a proprietary basis.

Unless governing law provides otherwise, all transactions should be executed through the Deutsche Bank entity in the investor's home jurisdiction. In the U.S. this report is approved and/or distributed by Deutsche Bank Securities Inc., a member of the NYSE, the NASD, NFA and SIPC. In Germany this report is approved and/or communicated by Deutsche Bank AG Frankfurt authorized by the BaFin. In the United Kingdom this report is approved and/or communicated by Deutsche Bank AG London, a member of the London Stock Exchange and regulated by the Financial Services Authority for the conduct of investment business in the UK and authorized by the BaFin. This report is distributed in Hong Kong by Deutsche Bank AG, Hong Kong Branch, in Korea by Deutsche Securities Korea Co. This report is distributed in Singapore by Deutsche Bank AG, Singapore Branch, and recipients in Singapore of this report are to contact Deutsche Bank AG, Singapore Branch in respect of any matters arising from, or in connection with, this report. Where this report is issued or promulgated in Singapore to a person who is not an accredited investor, expert investor or institutional investor (as defined in the applicable Singapore laws and regulations), Deutsche Bank AG, Singapore Branch accepts legal responsibility to such person for the contents of this report. In Japan this report is approved and/or distributed by Deutsche Securities Inc. The information contained in this report does not constitute the provision of investment advice. In Australia, retail clients should obtain a copy of a Product Disclosure Statement (PDS) relating to any financial product referred to in this report and consider the PDS before making any decision about whether to acquire the product. Deutsche Bank AG Johannesburg is incorporated in the Federal Republic of Germany (Branch Register Number in South Africa: 1998/003298/10). Additional information relative to securities, other financial products or issuers discussed in this report is available upon request. This report may not be reproduced, distributed or published by any person for any purpose without Deutsche Bank's prior written consent. Please cite source when quoting.