Company Report – Diversified Industrial – Austria – August 21, 2009

A-Tec from Hold to Accumulate

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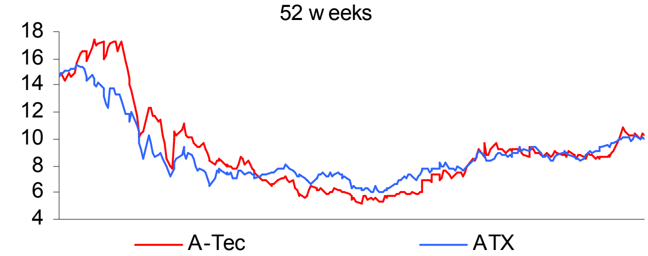
EUR mn	2008	2009e	2010e	2011e
Net sales	3,256.9	2,926.1	2,541.0	2,552.9
EBITDA	77.3	140.0	136.0	155.5
EBIT	19.4	90.8	87.0	106.3
Net result after min.	-33.9	29.0	27.5	40.4
EPS (EUR)	-1.31	1.16	1.11	1.62
CEPS (EUR)	0.67	3.03	3.12	3.66
BVPS (EUR)	12.32	13.55	14.48	15.94
Div./share (EUR)	0.00	0.00	0.00	0.00
EV/EBITDA (x)	7.0	4.2	4.4	3.9
P/E (x)	-5.1	8.8	9.3	6.3
P/CE (x)	9.9	3.4	3.3	2.8
Dividend Yield	0.0%	0.0%	0.0%	0.0%



Performance	12M	6M	3M	1M
in EUR	-29.7%	85.2%	6.6%	17.6%

Share price (EUR)	10.28	Reuters	ATEC.VI	Free float	26.5%
Number of shares (mn)	25.0	Bloomberg	ATEC AV	Shareholders	M.U.S.T PF (55.2%)
Market capitalization (EUR mn)	257.3	Div. Ex-date			Loidold PF (6.8%)
Enterprise value (EUR mn)	589.8	**Target price**	**12.2**	Homepage:	www.a-tecindustries.com

2Q09 results, economic indicators positive

– **Based on our higher short-term EPS estimates, we raise our target price to EUR 12.2 (previously EUR 10.0). We consequently raise our recommendation from Hold to Accumulate.**

– **A-TEC's 2Q09 figures were satisfying across all four divisions. Clearly, the minerals & metals segment benefited from the strong copper price development in 2Q09. Owing to the deep recession, group orders dropped significantly, by 63% to EUR 302.5mn.**

– **Several major global economic indicators have pointed to an economic stabilization as of 2Q09. Major European economies have already been able to exit the recession, posting slight GDP growth on a sequential basis.**

– **In our opinion, the management team of A-TEC has the task to gradually build a track record by delivering solid cash flow, in combination with a healthy return on invested capital in the quarters ahead.**

– **A significantly declining copper price poses the biggest threat to A-TEC's FY09 results.**

2Q09 figures discussion

A-TEC's 2Q09 figures were satisfying across all four divisions. Clearly, the minerals & metals segment benefited from the strong copper price development in 2Q09. Owing to the deep recession, group orders dropped significantly, by 63% to EUR 302.5mn.

Quarterly figures 1Q08 – 2Q09

IFRS (EURmn)		1Q08	2Q08	3Q08	4Q08	FY08	1Q09	2Q09	y/y
Order intake		**713.5**	**834.6**	**1241.7**	**793.7**	**3,583.7**	**426.6**	**302.5**	*-64%*
Sales	Plant Construction	339.3	429.7	357.6	504.5	1,631.1	401.2	494.3	*15%*
	Drive Technology	111.3	92.0	96.1	93.0	392.4	88.3	72.8	*-21%*
	Machine Tools	75.4	84.3	88.9	121.5	370.1	78.2	67.9	*-19%*
	Minerals & Metals	256.0	235.2	224.6	149.1	864.9	126.1	137.2	*-42%*
	Consolidation	-0.6	-0.2	-0.2	-0.6	-1.6	-2.2	-1.1	
	Group Sales	**781.4**	**841.0**	**767.0**	**867.5**	**3,256.9**	**691.6**	**771.1**	***-8%***
	Group EBITDA	**51.7**	**40.3**	**21.4**	**-36.1**	**77.3**	**50.7**	**43.1**	***7%***
	Group EBITDA.margin	*6.6%*	*4.8%*	*2.8%*	*neg.*	*2.4%*	*7.3%*	*5.6%*	
EBIT	Plant Construction	10.4	18.2	16.9	22.7	68.2	12.0	17.0	*-7%*
	Drive Technology	4.0	2.6	-1.9	-7.6	-2.9	4.1	2.7	*4%*
	Machine Tools	5.2	5.5	9.1	9.9	29.7	4.7	2.5	*-55%*
	Minerals & Metals	24.8	8.3	-16.3	-74.5	-57.7	18.4	10.2	*23%*
	Consolidation	-5.2	-7.4	1.1	-6.4	-17.9	-0.5	-1.3	*n.a.*
	Group EBIT	**39.2**	**27.2**	**8.9**	**-55.9**	**19.4**	**38.7**	**31.1**	***14%***
	Group EBIT margin	*5.0%*	*3.2%*	*1.2%*	*neg.*	*0.6%*	*5.6%*	*4.0%*	
EBIT-margin	*Plant Construction*	*3.1%*	*4.2%*	*4.7%*	*4.5%*	*4.2%*	*3.0%*	*3.4%*	
	Drive Technology	*3.6%*	*2.8%*	*-2.0%*	*-8.2%*	*-0.7%*	*4.6%*	*3.7%*	
	Machine Tools	*6.9%*	*6.5%*	*10.2%*	*8.1%*	*8.0%*	*6.0%*	*3.7%*	
	Minerals & Metals	*9.7%*	*3.5%*	*-7.3%*	*-50.0%*	*-6.7%*	*14.6%*	*7.4%*	

Source: Company Data

Profitability improved

Thanks to restructuring measures, all four division turned in a positive operating result in 2Q09. In 2Q09, the Minerals & Metals Division benefited from around EUR 3-4mn in one-offs, thanks to copper inventory revaluations and positive hedges. The Machine Tools Division suffered from a rather weak performance of the EMCO segment (focused on milling and turning machinery). Thanks to restructuring measures, Drive Technology even managed to improve its operating margin compared to 2Q08, with help from the struggling Industrial Motors, which turned break-even in 2Q09. Adjusted for one-offs A-TEC delivered a 1H09 EBIT of EUR 47.1mn which translates into an EBIT-margin level of 3.2%.

1H09 normalised EBIT reconciliation	EURmn
1H09 A-TEC reported EBIT	69.8
Restructuring costs ATB	3.0
Gains for copper revaluation and related hedges	-16.0
Gains from waived scheme debts related to LJ acqusition	-9.7
Total A-TEC 1H09 normalised EBIT	**47.1**
Normalised EBIT-Margin	***3.2%***

source: Erste Group calculation

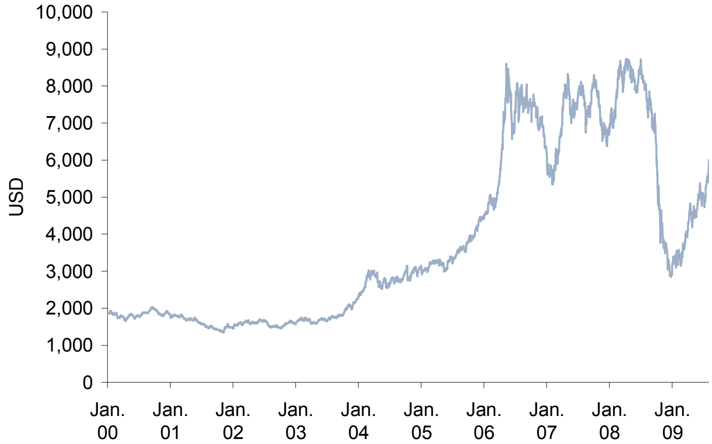
Operating cash flow positive for 1H

In 2Q09, operating cash flow turned negative, due to the declining order intake in the Plant Construction Division. Nevertheless, 1H09 operating cash flow was still positive (EUR 34.5mn), which we see as an encouraging sign. Including personnel provisions, net debt stood at EUR 381.6mn, after EUR 375mn as of December 31, 2008. As of June 30, 2009, A-TEC's gearing stood at 111% - a level still to be considered quite high.

Outlook and forecast

Management continues to anticipate sales of EUR 3bn and an EBIT margin of 3% for 2009. We consider this realistic. The biggest risk factor for A-TEC in 2H09 would be a serious drop of the copper price. YTD, the price for one ton of copper has risen by 93%, from around USD 3,070 to USD 5,930. Thus, it cannot be ruled out that the global copper price could drop by around 20-30% throughout 2H09. This would cause negative one-off effects from copper revaluation and could thus burden A-TEC's 2H09 results.

Copper price development 01/2000 – 08/2009



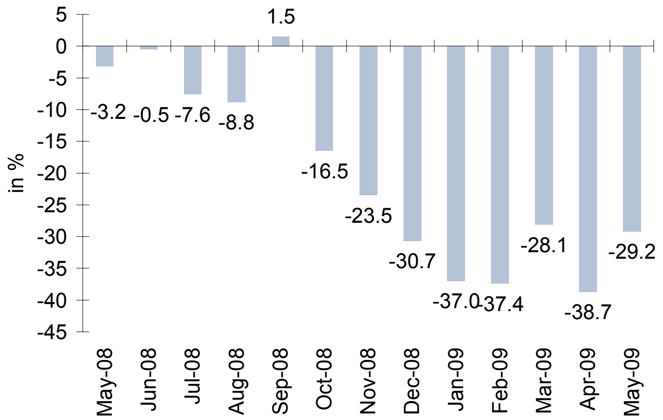
Source: Reuters

GDP growth expected for Euro area in 3Q

Several major global economic indicators have pointed to an economic stabilization as of 2Q09. Major European economies have already been able to exit the recession, posting slight GDP growth on a sequential basis. GDP figures for Germany and France for the second quarter brought a big surprise last week. The two largest Eurozone economies already achieved positive q/q growth rates of 0.3% in 2Q. Given that some smaller member states put in negative contributions, the overall Eurozone GDP in the second quarter was slightly negative at -0.1%, still beating market forecasts. It is clear that the economic decline already slowed down drastically in 2Q. The increased production expectations and higher order intake indicate a slightly improved outlook for the third quarter. We thus expect positive q/q GDP growth rates in 3Q.

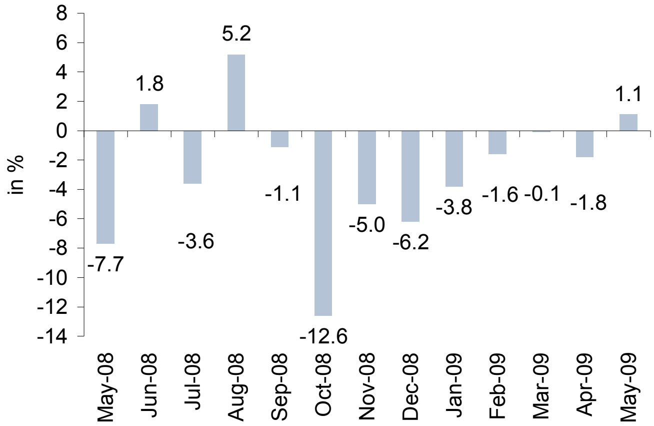
New orders for capital goods also point to a stabilization of the situation. Although such orders continue to drop quite significantly on a monthly basis in comparison to 2008, on a sequential basis, monthly new orders for capital goods already rose by 1.1% in May 2009 compared to April 2009.

Capital Goods EU-27 new orders y/y 08/2008 – 05/2009



Source: Eurostat

Capital Goods EU-27 new orders m/m 08/2008 – 05/2009



Source: Eurostat

Crisis boosting productivity

In our opinion, the majority of industrial companies have done an excellent job making the best of this deep recession. Companies have restructured very fast. Work flows have been optimized and overall productivity has improved quite significantly. We consider this a very encouraging sign, since resources have been made available that might have been stuck in the wrong areas of our economy. We therefore believe that the industrial sector is doing its best to provide the entire economy with a healthy backbone for further growth via new technologies.

Even though it might take some 12-24 months until demand for capital goods picks up again, we believe that the bottom line for the entire sector will continuously improve, given the fact that companies will not stop in their restructuring efforts if new orders do not rise significantly. We see a similar picture for A-TEC. We do not expect a significant rise top line-wise in 2010 or 2011; however, we believe that, via further restructuring measures, the operating profit margin will remain at a healthy level.

Segmental Sales and EBIT forecast 2008 – 2014e

A-TEC	2008	2009e	2010e	2011e	2012e	2013e	2014e
Plant Construction	1,631.1	1,843.1	1,382.4	1,244.1	1,281.4	1,332.7	1,386.0
Drive Technology	392.4	304.1	304.1	349.7	402.2	430.3	460.5
Machine Tools	370.1	294.8	301.2	316.1	363.5	403.1	430.6
Minerals & Metals	864.9	484.1	553.4	643.0	683.0	684.0	684.0
Consolidation							
Group Sales	**3,258.5**	**2,926.1**	**2,541.0**	**2,552.9**	**2,730.1**	**2,850.1**	**2,961.1**
Group Sales growth	*38.0%*	*-10.2%*	*-13.2%*	*0.5%*	*6.9%*	*4.4%*	*3.9%*
Sales growth							
Plant Construction	*55.9%*	*13.0%*	*-25.0%*	*-10.0%*	*3.0%*	*4.0%*	*4.0%*
Drive Technology	*-6.0%*	*-22.5%*	*0.0%*	*15.0%*	*15.0%*	*7.0%*	*7.0%*
Machine Tools	*74.7%*	*-20.4%*	*2.2%*	*5.0%*	*15.0%*	*10.9%*	*6.8%*
Minerals & Metals	*26.2%*	*-44.0%*	*14.3%*	*16.2%*	*6.2%*	*0.1%*	*0.0%*
EBIT							
Plant Construction	68.2	58.4	47.4	48.0	56.0	51.6	62.4
Drive Technology	-2.9	-1.1	6.6	13.2	21.2	27.6	30.0
Machine Tools	29.7	10.9	19.1	25.4	32.9	37.6	40.6
Minerals & Metals	-57.7	27.6	18.9	24.7	28.0	27.8	27.4
Consolidation	-17.9	-5.0	-5.0	-5.0	-5.0	-5.0	-5.0
Group EBIT	**19.4**	**90.8**	**87.0**	**106.3**	**133.2**	**139.6**	**155.4**
Group EBIT margin	*0.6%*	*3.1%*	*3.4%*	*4.2%*	*4.9%*	*4.9%*	*5.2%*
EBIT-margin							
Plant Construction	*4.2%*	*3.2%*	*3.4%*	*3.9%*	*4.4%*	*3.9%*	*4.5%*
Drive Technology	*-0.7%*	*-0.3%*	*2.2%*	*3.8%*	*5.3%*	*6.4%*	*6.5%*
Machine Tools	*8.0%*	*3.7%*	*6.3%*	*8.0%*	*9.1%*	*9.3%*	*9.4%*
Minerals & Metals	*-6.7%*	*5.7%*	*3.4%*	*3.8%*	*4.1%*	*4.1%*	*4.0%*

Source: A-TEC, Erste Group estimates

Based on ongoing cost cutting and restructuring measures, we raised our FY09 and FY10 EBIT and EPS estimates quite significantly.

Estimate changes 2009e – 2011e

in EURmn	2009e			2010e			2011e		
	Old	**New**	**% chg.**	**Old**	**New**	**% chg.**	**Old**	**New**	**% chg.**
Sales	3,023.7	2,926.1	*-3.2%*	2,626.1	2,541.0	*-3.2%*	2,760.9	2,552.9	*-7.5%*
EBITDA	126.3	140.0	*10.8%*	106.0	136.0	*28.3%*	139.1	155.5	*11.8%*
Margin	*4.2%*	*4.8%*		*4.0%*	*5.4%*		*5.0%*	*6.1%*	
EBIT	77.2	90.8	*17.6%*	57.0	87.0	*52.6%*	89.8	106.3	*18.4%*
Margin in %	*2.6%*	*3.1%*		*2.2%*	*3.4%*		*3.3%*	*4.2%*	
EPS (in EUR)	0.75	1.12	*48.9%*	0.39	1.06	*171.8%*	1.34	1.56	*16.3%*

Source: Erste Group estimates

12-month target price EUR 12.2

Based on our increased short-term estimates, we raise our 12-month target price from EUR 10.0 per share to EUR 12.2 per share. We apply a 15% conglomerate discount.

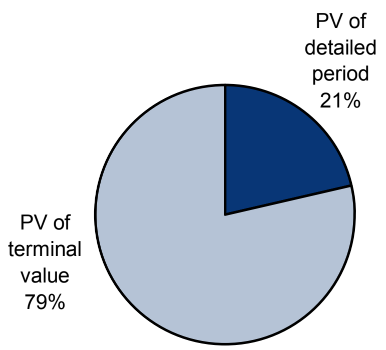
WACC calculation

	2010e	2011e	2012e	2013e	2014e	2015e (TV)
Risk free rate	4.0%	4.0%	4.0%	4.0%	4.0%	5.0%
Equity risk premium	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Beta	1.5	1.5	1.5	1.5	1.5	1.3
Cost of equity	**11.5%**	**11.5%**	**11.5%**	**11.5%**	**11.5%**	**11.5%**
Cost of debt	7.0%	7.0%	7.0%	7.0%	7.0%	8.0%
Effective tax rate	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%
After-tax cost of debt	**4.9%**	**4.9%**	**4.9%**	**4.9%**	**4.9%**	**5.6%**
Equity weight	70%	70%	70%	70%	70%	80%
WACC	**9.5%**	**9.5%**	**9.5%**	**9.5%**	**9.5%**	**10.3%**

DCF valuation

(EUR mn)	2010e	2011e	2012e	2013e	2014e	2015e (TV)
Sales growth	*-10.2%*	*-13.2%*	*0.5%*	*6.9%*	*4.4%*	*4.0%*
EBIT	90.8	87.0	106.3	133.2	139.6	110.6
EBIT margin	*3.1%*	*3.4%*	*4.2%*	*4.9%*	*4.9%*	*3.7%*
Tax rate	*30.0%*	*30.0%*	*30.0%*	*30.0%*	*30.0%*	*30.0%*
Taxes on EBIT	-27.2	-26.1	-31.9	-40.0	-41.9	-33.2
NOPLAT	**63.6**	**60.9**	**74.4**	**93.2**	**97.7**	**77.4**
+ Depreciation	49.0	49.2	49.8	51.5	53.5	53.5
Capital expenditures / Depreciation	*108.1%*	*97.9%*	*109.3%*	*115.5%*	*137.6%*	*100.0%*
+/- Change in working capital	-25.8	-33.1	-16.4	0.1	-1.5	-5.7
Chg. working capital / chg. Sales	*7.8%*	*8.6%*	*-137.7%*	*0.1%*	*-1.2%*	*-5.0%*
- Capital expenditures	-52.9	-48.2	-54.5	-59.5	-73.7	-53.5
Free cash flow to the firm	**33.8**	**28.8**	**53.4**	**85.4**	**76.1**	**71.7**
Terminal value growth						*1.0%*
Terminal value						776.9
Discounted free cash flow - Dec 31 2009	30.9	24.0	40.6	59.4	48.3	488.2
Enterprise value - Dec 31 2009	**691.3**					
Minorities	3.3					
Non-operating assets	0.0					
Net debt	330.5					
Equity of convertible bond	25.5					
Equity value - Dec 31 2009	**332.0**					
Number of shares outstanding (mn)	24.9					
Cost of equity	11.5%					
12M net present value per share (EUR)	**14.3**					
Conglomerate Discount	15%					
12M target equity price per share (EUR)	**12.2**					
Current share price (EUR)	10.3					
Up/Downside	*18.6%*					

Enterprise value breakdown



Sensitivity (per share)

Terminal value EBIT margin

WACC	2.7%	3.2%	3.7%	4.2%	4.7%
9.3%	8.5	11.4	14.3	17.2	20.2
9.8%	7.7	10.5	13.2	15.9	18.7
10.3%	7.0	9.6	**12.2**	14.8	17.4
10.8%	6.4	8.8	11.3	13.7	16.2
11.3%	5.8	8.1	10.5	12.8	15.1

Terminal value growth

WACC	0.0%	0.5%	1.0%	1.5%	2.0%
9.3%	12.2	13.2	14.3	15.6	17.1
9.8%	11.3	12.2	13.2	14.3	15.6
10.3%	10.5	11.3	**12.2**	13.2	14.3
10.8%	9.7	10.5	11.3	12.2	13.2
11.3%	9.0	9.7	10.5	11.3	12.2

Peer group comparison

Overall, our peer group comparison shows that A-TEC trades with quite significant discounts. Even if we apply a 15% conglomerate discount, there would be some upside left.

Peer group comparison

AE&E Peers	EV/Sales			EV/EBITDA			EV/EBIT			P/E		
	2009e	2010e	2011e	2009e	2010e	2011e	2009e	2010e	2011e	2009e	2010e	2011e
Alstom SA	0.6 x	0.6 x	0.6 x	5.6 x	5.8 x	5.9 x	7.0 x	7.5 x	7.6 x	11.0 x	11.9 x	12.7 x
Siemens AG	0.8 x	0.8 x	0.8 x	6.9 x	7.3 x	6.2 x	9.8 x	10.7 x	8.8 x	11.6 x	12.6 x	10.5 x
Andritz Ag	0.4 x	0.4 x	0.4 x	6.5 x	5.9 x	4.7 x	9.0 x	8.0 x	6.2 x	16.4 x	15.2 x	12.5 x
Rafako (Fabryka Kotlow)	0.5 x	0.4 x	0.4 x	7.2 x	7.4 x	6.6 x	9.5 x	9.9 x	8.7 x	19.2 x	17.2 x	15.8 x
Median	**0.5 x**	**0.5 x**	**0.5 x**	**6.7 x**	**6.6 x**	**6.0 x**	**9.2 x**	**8.9 x**	**8.1 x**	**14.0 x**	**13.9 x**	**12.6 x**

EMCO Peers	EV/Sales			EV/EBITDA			EV/EBIT			P/E		
	2009e	2010e	2011e	2009e	2010e	2011e	2009e	2010e	2011e	2009e	2010e	2011e
Gildemeister AG	0.4 x	0.4 x	0.4 x	7.6 x	6.7 x	5.4 x	13.4 x	11.0 x	8.2 x	50.4 x	22.1 x	15.2 x
										20.2 x		
Median	**0.4 x**	**0.4 x**	**0.4 x**	**7.6 x**	**6.7 x**	**5.4 x**	**13.4 x**	**11.0 x**	**8.2 x**	**35.3 x**	**22.1 x**	**15.2 x**

Brixlegg Peers	EV/Sales			EV/EBITDA			EV/EBIT			P/E		
	2009e	2010e	2011e	2009e	2010e	2011e	2009e	2010e	2011e	2009e	2010e	2011e
Norddeutsche Affinerie AG	0.3 x	0.3 x	0.2 x	10.4 x	6.2 x	5.6 x	23.1 x	9.8 x	8.5 x	44.4 x	11.5 x	9.2 x
KGHM Polska Miedz SA	1.6 x	1.6 x	1.5 x	4.9 x	6.1 x	5.4 x	6.5 x	7.9 x	6.8 x	8.2 x	10.0 x	8.6 x
Median	**0.9 x**	**0.9 x**	**0.9 x**	**7.7 x**	**6.2 x**	**5.5 x**	**14.8 x**	**8.9 x**	**7.6 x**	**26.3 x**	**10.7 x**	**8.9 x**

ATB Peers	EV/Sales			EV/EBITDA			EV/EBIT			P/E		
	2009e	2010e	2011e	2009e	2010e	2011e	2009e	2010e	2011e	2009e	2010e	2011e
Emerson Electric Co.	1.4 x	1.5 x	1.4 x	8.2 x	8.9 x	8.5 x	10.5 x	11.4 x	10.6 x	15.7 x	17.4 x	15.1 x
Schneider Electric SA	1.3 x	1.3 x	1.2 x	9.3 x	8.4 x	7.1 x	12.6 x	11.0 x	8.9 x	16.0 x	14.1 x	11.2 x
ABB Ltd	1.2 x	1.2 x	1.1 x	8.0 x	8.7 x	7.5 x	9.7 x	10.8 x	8.9 x	16.3 x	18.4 x	15.8 x
Siemens AG	0.8 x	0.8 x	0.8 x	6.9 x	7.3 x	6.2 x	9.8 x	10.7 x	8.8 x	11.6 x	12.6 x	10.5 x
Median	**1.2 x**	**1.2 x**	**1.1 x**	**8.1 x**	**8.6 x**	**7.3 x**	**10.2 x**	**10.9 x**	**8.9 x**	**15.8 x**	**15.7 x**	**13.2 x**
Weighted Median	**0.6 x**	**0.7 x**	**0.6 x**	**7.2 x**	**6.9 x**	**6.0 x**	**11.0 x**	**9.3 x**	**8.1 x**	**19.6 x**	**14.8 x**	**12.3 x**
A-TEC	**0.2 x**	**0.2 x**	**0.2 x**	**4.3 x**	**4.5 x**	**3.9 x**	**6.6 x**	**7.0 x**	**5.7 x**	**9.2 x**	**9.7 x**	**6.6 x**
Premium/Discount	**-68%**	**-64%**	**-62%**	**-41%**	**-35%**	**-34%**	**-40%**	**-25%**	**-29%**	**-53%**	**-34%**	**-47%**

Source: Factset, Erste Group estimates

Income Statement	2006	2007	2008	2009e	2010e	2011e
(IAS, EUR mn, 31/12)	31/12/2006	31/12/2007	31/12/2008	31/12/2009	31/12/2010	31/12/2011
Net sales	**1,594.37**	**2,360.98**	**3,256.87**	**2,926.09**	**2,540.99**	**2,552.89**
Invent. changes + capitalized costs	32.54	29.38	-41.58	14.66	12.73	12.79
Total revenues	**1,626.91**	**2,390.37**	**3,215.29**	**2,940.75**	**2,553.72**	**2,565.68**
Other operating revenues	27.33	72.02	57.38	49.74	43.20	43.40
Material costs	-1,095.21	-1,727.45	-2,399.16	-2,144.58	-1,851.48	-1,845.93
Personnel costs	-286.58	-364.61	-501.88	-452.65	-390.79	-389.61
Other operating expenses	-147.27	-204.04	-294.36	-253.31	-218.69	-218.03
EBITDA	**125.17**	**166.29**	**77.28**	**139.96**	**135.95**	**155.50**
Depreciation/amortization	-33.16	-72.98	-57.88	-49.15	-48.99	-49.20
EBIT	**92.02**	**93.31**	**19.40**	**90.81**	**86.96**	**106.30**
Financial result	-13.45	-44.09	-31.72	-49.40	-45.27	-45.02
Extraordinary result	-7.28	-17.41	0.00	0.00	0.00	0.00
EBT	**71.29**	**31.81**	**-12.32**	**41.41**	**41.69**	**61.28**
Income taxes	8.23	-4.13	-14.44	-12.42	-12.51	-18.38
Result from discontinued operations	0.00	0.00	-6.90	0.00	0.00	0.00
Minorities and cost of hybrid capital	-2.34	12.70	-0.22	0.00	-1.67	-2.45
Net result after minorities	**77.19**	**40.38**	**-33.88**	**28.99**	**27.52**	**40.44**

Balance Sheet	2006	2007	2008	2009e	2010e	2011e
(IAS, EUR mn, 31/12)						
Intangible assets	255.08	290.62	272.49	275.06	277.57	280.02
Tangible assets	281.16	468.08	518.14	519.35	516.01	518.84
Financial assets	15.64	18.18	19.54	19.54	19.54	19.54
Total fixed assets	**551.89**	**776.88**	**810.17**	**813.96**	**813.12**	**818.40**
Inventories	210.55	334.04	263.10	236.37	205.27	206.23
Receivables and other current assets	439.05	1,334.61	1,177.42	1,108.89	926.85	903.98
Other assets	53.44	55.10	54.57	57.30	60.16	63.17
Cash and cash equivalents	310.95	399.74	446.74	491.16	492.12	485.84
Total current assets	**1,013.98**	**2,123.49**	**1,941.82**	**1,893.73**	**1,684.41**	**1,659.22**
TOTAL ASSETS	**1,565.87**	**2,900.37**	**2,751.99**	**2,707.68**	**2,497.53**	**2,477.61**
Shareholders'equity	**298.64**	**388.65**	**308.28**	**337.26**	**360.43**	**396.75**
Minorities	**19.38**	**7.68**	**3.30**	**3.30**	**4.97**	**7.42**
Hybrid capital and other reserves	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
Pension and other LT personnel accruals	66.31	88.21	86.95	86.95	90.99	95.43
Other LT provisions	0.00	0.00	0.00	0.00	0.00	0.00
Interest-bearing LT debts	268.57	586.16	425.72	425.67	425.62	417.52
Other LT liabilities	87.78	111.58	107.60	107.60	107.60	107.60
Total long-term liabilities	**356.34**	**697.75**	**533.32**	**533.27**	**533.22**	**525.12**
Interest-bearing ST debts	109.31	377.22	309.08	309.08	309.08	309.08
Other ST liabilities	715.89	1,340.88	1,511.06	1,437.82	1,198.83	1,143.81
Total short-term liabilities	**825.20**	**1,718.10**	**1,820.14**	**1,746.90**	**1,507.92**	**1,452.90**
TOTAL LIAB. , EQUITY	**1,565.87**	**2,900.37**	**2,751.99**	**2,707.68**	**2,497.53**	**2,477.61**

Cash Flow Statement	2006	2007	2008	2009e	2010e	2011e
(IAS,EUR mn, 31/12)						
Cash flow from operating activities	135.80	67.62	138.00	97.41	53.51	60.42
Cash flow from investing activities	-51.39	-385.79	240.74	-52.93	-48.15	-54.48
Cash flow from financing activities	74.77	291.06	-252.69	-0.05	-4.40	-12.23
CHANGE IN CASH , CASH EQU.	**157.42**	**-32.60**	**115.80**	**44.43**	**0.96**	**-6.28**

Margins & Ratios	2006	2007	2008	2009e	2010e	2011e
Sales growth	47.1%	48.1%	37.9%	-10.2%	-13.2%	0.5%
EBITDA margin	7.7%	7.0%	2.4%	4.8%	5.3%	6.1%
EBIT margin	5.7%	3.9%	0.6%	3.1%	3.4%	4.1%
Net profit margin	4.9%	1.2%	-0.8%	1.0%	1.1%	1.7%
ROE	37.5%	11.7%	-9.7%	9.0%	7.9%	10.7%
ROCE	19.1%	7.2%	4.3%	8.1%	7.7%	9.0%
Equity ratio	20.3%	13.7%	11.3%	12.6%	14.6%	16.3%
Net debt	133.2	651.8	375.0	330.5	333.6	336.2
Working capital	135.3	350.3	67.1	89.5	116.3	143.1
Capital employed	539.0	1,159.7	794.2	778.7	806.6	848.0
Inventory turnover						

Source: Company data, Erste Group estimates

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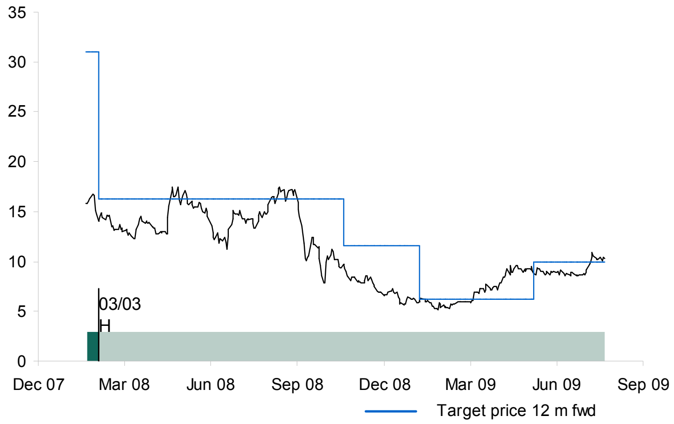

Rating history

Date	Rating	Price	Target Price
03. Mar 08	Hold	14.01	16.25
24. Mar 07	Buy	38.70	48.75
22. Feb 07	Hold	37.50	37.25
17. Jan 07	Accumulate	29.25	31.25

Company	Disclosure
A-Tec	2

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Buy	> +20% to target price
Accumulate	+10% < target price < +20%
Hold	0% < target price < +10%
Reduce	-10% < target price < 0%
Sell	< -10% to target price

Our target prices are established by determining the fair value of stocks, taking into account additional fundamental factors and news of relevance for the stock price (such as M&A activities, major forthcoming share deals, positive/negative share/sector sentiment, news) and refer to 12 months from now. All recommendations are to be understood relative to our current fundamental valuation of the stock. The recommendation does not indicate any relative performance of the stock vs. a regional or sector benchmark.

Distribution of ratings

	Coverage universe		**Inv. banking-relationship**	
Recommendation	**No.**	**in %**	**No.**	**in %**
Buy	23	18.3	4	30.8
Accumulate	24	19.0	0	0.0
Hold	42	33.3	6	46.2
Reduce	20	15.9	2	15.4
Sell	8	6.3	0	0.0
N.R./UND.REV./RESTR.	9	7.1	1	7.7
Total	**126**	**100.0**	**13**	**100.0**

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