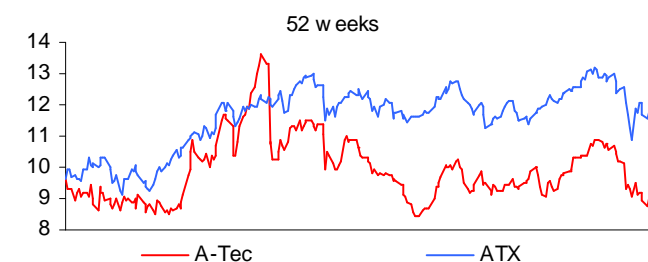


Company Report – Diversified Industrial – Austria – May 21, 2010

A-Tec Hold

Gerald Walek, CFA +43 (0)5 0100 - 16360 gerald.walek@erstegroup.com

EUR mn	2009	2010e	2011e	2012e
Net sales	2,995.1	2,722.8	2,864.8	3,289.8
EBITDA	211.2	139.0	163.8	186.1
EBIT	143.1	79.4	105.2	127.6
Net result after min.	55.2	13.3	33.2	48.2
EPS (EUR)	2.09	0.50	1.26	1.83
CEPS (EUR)	5.25	2.81	3.54	4.11
BVPS (EUR)	14.77	15.27	16.53	18.36
Div./share (EUR)	0.00	0.00	0.00	0.00
EV/EBITDA (x)	3.1	5.0	3.9	3.4
P/E (x)	4.2	17.7	7.1	4.9
P/CE (x)	1.7	3.2	2.5	2.2
Dividend Yield	0.0%	0.0%	0.0%	0.0%



Performance	12M	6M	3M	1M
in EUR	-7.3%	-13.6%	-5.2%	-17.1%

Share price (EUR)	8.94	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)	223.8	Div. Ex-date			Loidold PF (6.8%)
Enterprise value (EUR mn)	687.9	Target price	9.5	Homepage:	www.a-tecindustries.com

Cash flow disappoints

- Due to a significantly lower free cash flow estimate for 2010, we lower our 12-month target price to EUR 9.5 (after EUR 10.0). We confirm our Hold recommendation.
- With regards to the P&L, A-TEC'S 1Q10 performance was convincing. Supported by copper inventory write-ups of EUR 15.4mn, operating profit remained roughly stable.
- The cash flow development was a real disappointment; operating cash flow was negative at EUR -79.8mn. Net debt (including personnel provision of EUR 84.4mn) rose to EUR 547.6mn; consequently, the net gearing ratio rose to around 134%.
- New orders were still weak, dropping by 17% y/y in 1Q10. Even on a sequential basis, new orders in 1Q10 came in below the 4Q09 figure. This development highlights the fact that the European economy (given A-TEC's regional focus on Europe) is still struggling and not yet out of the woods.
- A-TEC's high debt level in relation to its limited cash flow generation ability remains the key risk factor for investors. Valuation-wise, the stock is really cheap, but this is due to A-TEC's lack of a track record in terms of free cash flow generation.

1Q10 figures discussion

EBIT benefits from copper price development

A-TEC's 1Q10 figures have been convincing with regards to the P&L. EBIT and EBITDA remained stable compared to 1Q09. However, adjusted for significant copper inventory write-ups of EUR 15.4mn in 1Q10 (EUR 8.7mn last year), EBIT dropped by 25% to EUR 22.5mn. The second mainstay apart from copper was the Plant Construction Division, delivering a 5.1% EBIT margin.

Quarterly development 1Q09 – 1Q10

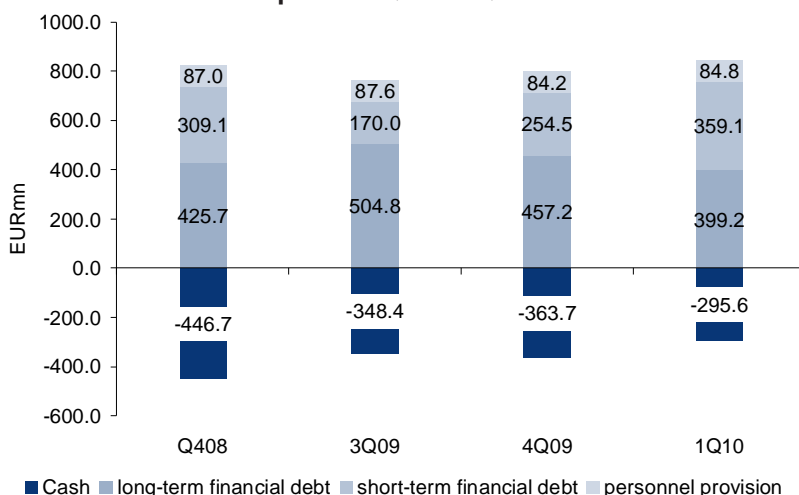
IFRS (EURmn)		1Q09	2Q09	3Q09	4Q09	FY09	1Q10	y/y
Order intake		426.6	302.5	247.5	369.0	1,345.6	360.2	-16%
Sales	Plant Construction	401.2	494.3	383.1	533.6	1,812.2	331.2	-17%
	Drive Technology	88.3	72.8	74.9	70.8	306.8	72.4	-18%
	Machine Tools	78.2	67.9	55.3	60.6	262.0	53.0	-32%
	Minerals & Metals	126.1	137.2	159.7	192.4	615.4	242.3	92%
	Consolidation	-2.2	-1.1	2.4	-0.4	-1.3	-1.1	
	Group Sales	691.6	771.1	675.4	857.0	2,995.1	697.8	1%
	Group EBITDA	50.7	43.1	39.9	77.5	211.2	50.6	0%
	<i>Group EBITDA margin</i>	<i>7.3%</i>	<i>5.6%</i>	<i>5.9%</i>	<i>9.0%</i>	<i>7.1%</i>	<i>7.3%</i>	
EBIT	Plant Construction	12.0	17.0	13.2	43.2	85.4	17.0	42%
	Drive Technology	4.1	2.7	-0.9	-5.3	0.6	-2.8	-168%
	Machine Tools	4.7	2.5	-0.8	4.4	10.8	0.3	-94%
	Minerals & Metals	18.4	10.2	16.2	15.8	60.6	25.4	38%
	Consolidation	-0.5	-1.3	-0.1	-12.4	-14.3	-2.0	
	Group EBIT	38.7	31.1	27.6	45.7	143.1	37.9	-2%
	<i>Group EBIT margin</i>	<i>5.6%</i>	<i>4.0%</i>	<i>4.1%</i>	<i>5.3%</i>	<i>4.8%</i>	<i>5.4%</i>	<i>-3%</i>
EBIT-margin	<i>Plant Construction</i>	<i>3.0%</i>	<i>3.4%</i>	<i>3.4%</i>	<i>8.1%</i>	<i>4.7%</i>	<i>5.1%</i>	
	<i>Drive Technology</i>	<i>4.6%</i>	<i>3.7%</i>	<i>-1.2%</i>	<i>-7.5%</i>	<i>0.2%</i>	<i>-3.9%</i>	
	<i>Machine Tools</i>	<i>6.0%</i>	<i>3.7%</i>	<i>-1.4%</i>	<i>7.3%</i>	<i>4.1%</i>	<i>0.6%</i>	
	<i>Minerals & Metals</i>	<i>14.6%</i>	<i>7.4%</i>	<i>10.1%</i>	<i>8.2%</i>	<i>9.8%</i>	<i>10.5%</i>	

Source: Company Data

Cash flow disappoints

A-TEC's operating cash flow in 1Q10 was a clear disappointment; it turned negative to EUR -79.8mn, after EUR 63.2mn last year. Consequently, net debt (including personnel provisions of EUR 84.8mn) rose to EUR 547.6mn (after EUR 440mn as of December 31, 2009). This development is driven by the lack of down payments in the plant construction division, on the back of weak new orders. Nevertheless, even A-TEC's gross debt position (leaving its cash position out of consideration) rose by EUR 47.2mn (EUR 8mn thereof stem from the purchase of a piece of land) to EUR 843.1mn, which is an indication to us that it is not just the lack of down payments that hurt A-TEC's net debt position in 1Q10.

Cash and debt development 4Q08 – 1Q10



Source: A-TEC, Erste Group calculations

Forecast and DCF valuation

Based on A-TEC's 1Q10 results, we have not made any significant changes to our sales and EBIT estimates. However, due to the disappointing cash flow development (negative free cash flow of EUR -84mn in 1Q10), we significantly lowered our expectations with regards to free cash flow in 2010 from EUR 130mn to EUR -12.4mn. Due to the weaker cash flow forecast, our financial expenses estimate went up, burdening our new EPS estimates for 2010-12 by some 5-13%.

Estimates changes 2010e – 2012e

in EURmn	2010e			2011e			2012e		
	Old	New	% chg.	Old	New	% chg.	Old	New	% chg.
Sales	2,722.8	2,722.8	0.0%	2,864.8	2,864.8	0.0%	3,289.8	3,289.8	0.0%
EBITDA	138.8	139.0	0.1%	163.6	163.8	0.1%	185.9	186.1	0.1%
Margin	5.1%	5.1%		5.7%	5.7%		5.7%	5.7%	
EBIT	81.6	79.4	-2.7%	107.0	105.2	-1.7%	129.1	127.6	-1.2%
Margin in %	3.0%	2.9%		3.7%	3.7%		3.9%	3.9%	
EPS (in EUR)	0.58	0.50	-13.1%	1.37	1.26	-8.2%	1.93	1.83	-5.4%
EPS diluted (in EUR)	0.71	0.65	-8.2%	1.36	1.27	-6.4%	1.83	1.72	-6.2%

Source: Erste Group estimates

New EUR 9.5 target price

Based on our reduced expectations regarding free cash flow development in 2010, we lower 12-month target equity price to EUR 9.5 (after EUR 10.0). A lower risk-free rate is a supportive factor for A-TEC's new target price.

We based our target price calculation on two DCF models. DCF model I assumes no dilution at all and we therefore deduct the entire amount of both convertibles outstanding (EUR 202.4mn) from our Enterprise Value, treating them as debt. In a second scenario, we assumed the conversion of bond II. With an exercise price of EUR 56.25, we do not expect that bond I will be converted until 2014 and thus continue to deduct the remaining value outstanding of bond I (EUR 83.2mn) under this scenario. Scenario I, assuming no conversion, yields a 12-month target equity value of EUR 8.5. Scenario II, assuming a full conversion of bond II (adding 7.45mn new shares), yields a higher 12-month equity value of EUR 10.0 per share. We would like to point out that we have applied a conglomerate discount of 15% in both cases.

Company Report – A-Tec

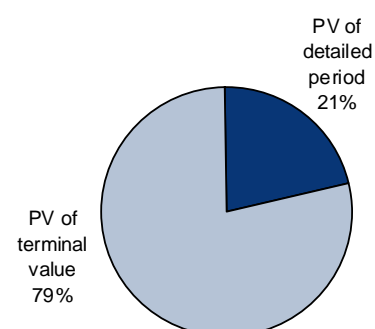
Scenario I / WACC calculation

	2010e	2011e	2012e	2013e	2014e	2015e (TV)
Risk free rate	3.1%	3.1%	3.1%	3.1%	3.1%	4.5%
Equity risk premium	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Beta	1.6	1.6	1.6	1.6	1.6	1.5
Cost of equity	11.1%	11.1%	11.1%	11.1%	11.1%	12.0%
Cost of debt	8.1%	8.1%	8.1%	8.1%	8.1%	9.5%
Effective tax rate	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%
After-tax cost of debt	5.7%	5.7%	5.7%	5.7%	5.7%	6.7%
Equity weight	70%	70%	70%	70%	70%	80%
WACC	9.5%	9.5%	9.5%	9.5%	9.5%	10.9%

DCF valuation

(EUR mn)	2010e	2011e	2012e	2013e	2014e	2015e (TV)
<i>Sales growth</i>	-8.0%	-9.1%	5.2%	14.8%	10.8%	1.0%
EBIT	79.4	105.2	127.6	143.0	158.4	110.5
<i>EBIT margin</i>	2.7%	3.9%	4.5%	4.3%	4.3%	3.0%
<i>Tax rate</i>	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%
Taxes on EBIT	-23.8	-31.6	-38.3	-42.9	-47.5	-33.1
NOPLAT	55.6	73.7	89.3	100.1	110.9	77.3
+ Depreciation	59.6	58.6	58.5	59.5	60.8	60.8
<i>Capital expenditures / Depreciation</i>	66.8%	92.5%	104.2%	121.4%	123.5%	115.0%
+/- Change in working capital	-47.6	6.7	-29.7	-6.1	-6.1	-7.3
<i>Chg. working capital / chg. Sales</i>	18.2%	-2.5%	-20.9%	-1.4%	-1.7%	-20.0%
- Capital expenditures	-39.8	-54.1	-61.0	-72.2	-75.1	-69.9
Free cash flow to the firm	27.7	84.8	57.1	81.3	90.5	60.9
<i>Terminal value growth</i>						1.0%
Terminal value						619.5
Discounted free cash flow - Dec 31 2009	25.3	70.8	43.5	56.6	57.5	432.8
Enterprise value - Dec 31 2009	686.6					
Minorities	3.3					
Non-operating assets	0.0					
Net debt	432.2					
Equity component of convertible bond I + II	23.7					
Equity value - Dec 31 2009	227.3					
Number of shares outstanding (mn)	26.4					
Cost of equity	11.1%					
12M net present value per share (EUR)	10.0					
Conglomerate Discount	15%					
12M target equity price per share (EUR)	8.5					
Current share price (EUR)	8.9					
<i>Up/Downside</i>	-5.0%					

Enterprise value breakdown



Sensitivity (per share)

		Terminal value EBIT margin				
		2.0%	2.5%	3.0%	3.5%	4.0%
WACC	9.9%	2.6	6.4	10.1	13.9	17.7
	10.4%	2.1	5.7	9.3	12.9	16.5
	10.9%	1.7	5.1	8.5	11.9	15.3
	11.4%	1.2	4.5	7.8	11.1	14.3
	11.9%	0.9	4.0	7.1	10.3	13.4
		Terminal value growth				
		0.0%	0.5%	1.0%	1.5%	2.0%
WACC	9.9%	8.4	9.2	10.1	11.2	12.4
	10.4%	7.7	8.4	9.3	10.2	11.3
	10.9%	7.0	7.7	8.5	9.4	10.3
	11.4%	6.4	7.1	7.8	8.6	9.4
	11.9%	5.9	6.5	7.1	7.9	8.6

Source: Erste Group estimates

Company Report – A-Tec

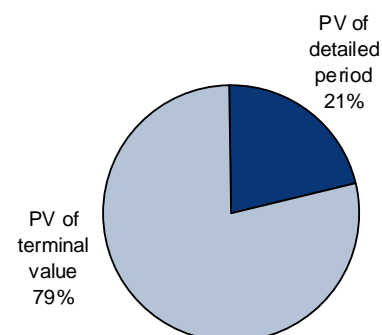
Scenario II / WACC calculation

	2010e	2011e	2012e	2013e	2014e	2015e (TV)
Risk free rate	3.1%	3.1%	3.1%	3.1%	3.1%	4.5%
Equity risk premium	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Beta	1.6	1.6	1.6	1.6	1.6	1.5
Cost of equity	11.1%	11.1%	11.1%	11.1%	11.1%	12.0%
Cost of debt	8.1%	8.1%	8.1%	8.1%	8.1%	9.5%
Effective tax rate	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%
After-tax cost of debt	5.7%	5.7%	5.7%	5.7%	5.7%	6.7%
Equity weight	70%	70%	70%	70%	70%	80%
WACC	9.5%	9.5%	9.5%	9.5%	9.5%	10.9%

DCF valuation

(EUR mn)	2010e	2011e	2012e	2013e	2014e	2015e (TV)
<i>Sales growth</i>	-8.0%	-9.1%	5.2%	14.8%	10.8%	1.0%
EBIT	79.4	105.2	127.6	143.0	158.4	110.5
<i>EBIT margin</i>	2.7%	3.9%	4.5%	4.3%	4.3%	3.0%
<i>Tax rate</i>	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%
Taxes on EBIT	-23.8	-31.6	-38.3	-42.9	-47.5	-33.1
NOPLAT	55.6	73.7	89.3	100.1	110.9	77.3
+ Depreciation	59.6	58.6	58.5	59.5	60.8	60.8
<i>Capital expenditures / Depreciation</i>	66.8%	92.5%	104.2%	121.4%	123.5%	116.0%
+/- Change in working capital	-47.6	6.7	-29.7	-6.1	-6.1	-7.3
<i>Chg. working capital / chg. Sales</i>	18.2%	-2.5%	-20.9%	-1.4%	-1.7%	-20.0%
- Capital expenditures	-39.8	-54.1	-61.0	-72.2	-75.1	-70.5
Free cash flow to the firm	27.7	84.8	57.1	81.3	90.5	60.3
<i>Terminal value growth</i>						1.0%
Terminal value						613.4
Discounted free cash flow - Dec 31 2009	25.3	70.8	43.5	56.6	57.5	428.5
Enterprise value - Dec 31 2009	682.3					
Minorities	3.3					
Equity component of convertible bond I	13.1					
Net debt	432.2					
Equity addition through convertible II	-110.0					
Equity value - Dec 31 2009	343.7					
Number of shares outstanding (mn)	33.9					
Cost of equity	11.1%					
12M net present value per share (EUR)	11.8					
Conglomerate Discount	15%					
12M target equity price per share (EUR)	10.0					
Current share price (EUR)	8.9					
<i>Up/Downside</i>	12.0%					

Enterprise value breakdown



Sensitivity (per share)

		Terminal value EBIT margin				
		2.0%	2.5%	3.0%	3.5%	4.0%
WACC	9.9%	5.4	8.3	11.3	14.2	17.2
	10.4%	5.0	7.8	10.6	13.4	16.2
	10.9%	4.7	7.3	10.0	12.7	15.4
	11.4%	4.4	6.9	9.5	12.0	14.6
	11.9%	4.1	6.5	9.0	11.4	13.9
		Terminal value growth				
		0.0%	0.5%	1.0%	1.5%	2.0%
WACC	9.9%	9.9	10.6	11.3	12.1	13.0
	10.4%	9.4	10.0	10.6	11.4	12.2
	10.9%	8.9	9.4	10.0	10.7	11.4
	11.4%	8.4	8.9	9.5	10.1	10.7
	11.9%	8.0	8.5	9.0	9.5	10.1

Source: Erste Group estimates

Company Report – A-Tec

Peer group comparison

The peer group comparison shows deep discounts for A-TEC. Given the fact that A-TEC has no track record in free cash flow generation, we do not consider these discounts as real guidance for investors.

Peer group comparison

AE&E Peers	EV/Sales			EV/EBITDA			EV/EBIT			P/E		
	2010e	2011e	2012e	2010e	2011e	2012e	2010e	2011e	2012e	2010e	2011e	2012e
Alstom SA	0.5 x	0.5 x	0.4 x	5.4 x	5.2 x	4.1 x	7.3 x	6.7 x	5.1 x	10.6 x	10.6 x	8.9 x
Siemens AG	0.9 x	0.8 x		7.8 x	6.7 x		11.4 x	9.5 x		13.3 x	11.4 x	
Andritz Ag	0.5 x	0.4 x	0.4 x	6.3 x	5.5 x	5.0 x	8.4 x	7.1 x	6.3 x	16.6 x	14.6 x	13.3 x
Rafako (Fabryka Kotlow)	0.6 x	0.5 x	0.4 x	10.1 x	9.0 x	7.4 x	13.2 x	11.6 x	9.4 x	18.7 x	14.6 x	11.8 x
Median	0.6 x	0.5 x	0.4 x	7.1 x	6.1 x	5.0 x	9.9 x	8.3 x	6.3 x	15.0 x	13.0 x	11.8 x
EMCO Peers	EV/Sales			EV/EBITDA			EV/EBIT			P/E		
	2010e	2011e	2012e	2010e	2011e	2012e	2010e	2011e	2012e	2010e	2011e	2012e
Gildemeister AG	0.5 x	0.4 x	0.3 x	9.4 x	5.3 x	3.8 x	16.6 x	7.4 x	4.9 x	104.2 x	13.0 x	7.6 x
Median	0.5 x	0.4 x	0.3 x	9.4 x	5.3 x	3.8 x	16.6 x	7.4 x	4.9 x	104.2 x	13.0 x	7.6 x
Brixlegg Peers	EV/Sales			EV/EBITDA			EV/EBIT			P/E		
	2010e	2011e	2012e	2010e	2011e	2012e	2010e	2011e	2012e	2010e	2011e	2012e
Norddeutsche Affinerie AG	0.2 x	0.2 x	0.2 x	6.0 x	6.1 x	5.2 x	8.6 x	8.8 x	7.4 x	10.6 x	10.8 x	9.6 x
KGHM Polska Miedz SA	1.3 x	1.3 x	1.2 x	3.9 x	3.9 x	3.4 x	4.6 x	4.8 x	4.1 x	6.2 x	6.7 x	6.5 x
Median	0.8 x	0.8 x	0.7 x	5.0 x	5.0 x	4.3 x	6.6 x	6.8 x	5.7 x	8.4 x	8.8 x	8.1 x
ATB Peers	EV/Sales			EV/EBITDA			EV/EBIT			P/E		
	2010e	2011e	2012e	2010e	2011e	2012e	2010e	2011e	2012e	2010e	2011e	2012e
Emerson Electric Co.	1.8 x	1.6 x	1.5 x	9.7 x	8.3 x	7.4 x	11.8 x	9.8 x	8.6 x	18.5 x	15.0 x	13.1 x
Schneider Electric SA	1.4 x	1.2 x	1.1 x	8.7 x	7.1 x	6.4 x	11.0 x	8.7 x	7.6 x	15.1 x	11.9 x	10.6 x
ABB Ltd	1.0 x	0.9 x	0.8 x	7.4 x	5.9 x	5.0 x	8.9 x	6.9 x	5.9 x	15.8 x	12.8 x	11.4 x
Siemens AG	0.9 x	0.8 x		7.8 x	6.7 x		11.4 x	9.5 x		13.3 x	11.4 x	
Median	1.2 x	1.1 x	1.1 x	8.2 x	6.9 x	6.4 x	11.2 x	9.1 x	7.6 x	15.5 x	12.3 x	11.4 x
Weighted Median	0.7 x	0.6 x	0.5 x	7.2 x	5.8 x	5.8 x	9.7 x	7.9 x	6.1 x	22.2 x	12.1 x	10.2 x
A-TEC	0.3 x	0.2 x	0.2 x	5.0 x	3.9 x	3.4 x	8.7 x	6.1 x	5.0 x	17.7 x	7.1 x	4.9 x
Premium/Discount	-64%	-63%	-64%	-31%	-32%	-41%	-11%	-23%	-18%	-20%	-41%	-52%

Source: Factset, Erste Group estimates

Company Report – A-Tec

Income Statement	2007	2008	2009	2010e	2011e	2012e
(IAS, EUR mn, 31/12)	31/12/2007	31/12/2008	31/12/2009	31/12/2010	31/12/2011	31/12/2012
Net sales	2,360.98	3,256.87	2,995.08	2,722.79	2,864.83	3,289.83
Invent. changes + capitalized costs	29.38	-41.58	36.75	13.64	14.35	16.48
Total revenues	2,390.37	3,215.29	3,031.83	2,736.43	2,879.18	3,306.32
Other operating revenues	72.02	57.38	66.69	46.29	48.70	55.93
Material costs	-1,727.45	-2,399.16	-2,124.09	-1,989.00	-2,079.55	-2,389.58
Personnel costs	-364.61	-501.88	-494.79	-419.81	-438.92	-504.36
Other operating expenses	-204.04	-294.36	-268.48	-234.93	-245.63	-282.25
EBITDA	166.29	77.28	211.16	138.98	163.78	186.05
Depreciation/amortization	-72.98	-57.88	-68.07	-59.58	-58.56	-58.48
EBIT	93.31	19.40	143.08	79.40	105.22	127.57
Financial result	-44.09	-31.72	-54.78	-59.23	-54.92	-54.56
Extraordinary result	-17.41	0.00	0.00	0.00	0.00	0.00
EBT	31.81	-12.32	88.31	20.17	50.30	73.01
Income taxes	-4.13	-14.44	-33.61	-6.05	-15.09	-21.90
Result from discontinued operations	0.00	-6.90	0.00	0.00	0.00	0.00
Minorities and cost of hybrid capital	12.70	-0.22	0.49	-0.81	-2.01	-2.92
Net result after minorities	40.38	-33.88	55.19	13.31	33.20	48.19
Balance Sheet	2007	2008	2009	2010e	2011e	2012e
(IAS, EUR mn, 31/12)						
Intangible assets	290.62	272.49	274.08	276.75	279.36	281.90
Tangible assets	468.08	518.14	538.79	516.36	509.33	509.27
Financial assets	18.18	19.54	32.42	32.42	32.42	32.42
Total fixed assets	776.88	810.17	845.29	825.53	821.11	823.59
Inventories	334.04	263.10	285.61	299.51	315.13	361.88
Receivables and other current assets	1,334.61	1,177.42	1,055.45	1,022.86	963.67	1,117.37
Other assets	55.10	54.57	47.92	50.32	52.83	55.48
Cash and cash equivalents	399.74	446.74	363.71	237.57	285.50	306.22
Total current assets	2,123.49	1,941.82	1,752.69	1,610.25	1,617.14	1,840.95
TOTAL ASSETS	2,900.37	2,751.99	2,597.98	2,435.78	2,438.25	2,664.54
Shareholders' equity	388.65	308.28	389.89	403.20	436.40	484.59
Minorities	7.68	3.30	2.77	3.58	5.59	8.51
Hybrid capital and other reserves	0.00	0.00	0.00	0.00	0.00	0.00
Pension and other LT personnel accruals	88.21	86.95	84.16	87.88	91.97	96.43
LT provisions	0.00	0.00	0.00	0.00	0.00	0.00
Interest-bearing LT debts	586.16	425.72	457.24	408.96	408.96	408.96
Other LT liabilities	111.58	107.60	94.99	94.99	94.99	94.99
Total long-term liabilities	697.75	533.32	552.23	503.95	503.95	503.95
Interest-bearing ST debts	377.22	309.08	254.53	189.08	189.08	189.08
Other ST liabilities	1,340.88	1,511.06	1,314.39	1,248.09	1,211.26	1,381.97
Total short-term liabilities	1,718.10	1,820.14	1,568.92	1,437.18	1,400.34	1,571.06
TOTAL LIAB., EQUITY	2,900.37	2,751.99	2,597.98	2,435.78	2,438.25	2,664.54
Cash Flow Statement	2007	2008	2009	2010e	2011e	2012e
(IAS, EUR mn, 31/12)						
Cash flow from operating activities	67.62	138.00	-13.70	27.41	102.07	81.68
Cash flow from investing activities	-385.79	240.74	-26.54	-39.82	-54.14	-60.96
Cash flow from financing activities	291.06	-252.69	-6.17	-113.73	0.00	0.00
CHANGE IN CASH, CASH EQU.	-32.60	115.80	-29.06	-126.14	47.93	20.72
Margins & Ratios	2007	2008	2009	2010e	2011e	2012e
Sales growth	48.1%	37.9%	-8.0%	-9.1%	5.2%	14.8%
EBITDA margin	7.0%	2.4%	7.0%	5.1%	5.7%	5.6%
EBIT margin	3.9%	0.6%	4.7%	2.9%	3.7%	3.9%
Net profit margin	1.2%	-0.8%	1.8%	0.5%	1.2%	1.5%
ROE	11.7%	-9.7%	15.8%	3.4%	7.9%	10.5%
ROCE	7.2%	4.3%	10.3%	5.9%	7.8%	9.3%
Equity ratio	13.7%	11.3%	15.1%	16.7%	18.1%	18.5%
Net debt	651.8	375.0	432.2	448.4	404.5	388.3
Working capital	350.3	67.1	135.8	122.8	164.0	214.4
Capital employed	1,159.7	794.2	919.9	950.1	941.5	976.3
Inventory turnover						

Source: Company data, Erste Group estimates

Contacts

Group Research

Head of Group Research

Friedrich Mostböck, CEFA +43 (0)5 0100 - 11902

CEE Equity Research

Co-Head: Günther Artner, CFA +43 (0)5 0100 - 11523

Co-Head: Henning Eßkuchen +43 (0)5 0100 - 19634

Günter Hohberger (Banks) +43 (0)5 0100 - 17354

Franz Hörl, CFA (Steel, Construction) +43 (0)5 0100 - 18506

Gernot Jany, CFA (Banks, Real Estate) +43 (0)5 0100 - 11903

Daniel Lion, CIIA (IT) +43 (0)5 0100 - 17420

Christoph Schultes, CIIA (Insurance, Utility) +43 (0)5 0100 - 16314

Thomas Unger, CFA (Oil&Gas) +43 (0)5 0100 - 17344

Vera Sutedja, CFA (Telecom) +43 (0)5 0100 - 11905

Vladimira Urbankova, MBA (Pharma) +43 (0)5 0100 - 17343

Gerald Walek, CFA (Machinery) +43 (0)5 0100 - 16360

International Equities

Hans Engel (Market strategist) +43 (0)5 0100 - 19835

Stephan Lingnau (Europe) +43 (0)5 0100 - 16574

Ronald Stöferle (Asia) +43 (0)5 0100 - 11723

Macro/Fixed Income Research

Head: Gudrun Egger, CEFA (Euroland) +43 (0)5 0100 - 11909

Alihan Karadagoglu (Corporates) +43 (0)5 0100 - 19633

Peter Kaufmann (Corporates) +43 (0)5 0100 - 11183

Rainer Singer (US) +43 (0)5 0100 - 11185

Elena Statelov, CIIA (Corporates) +43 (0)5 0100 - 19641

Mildred Hager (SW, Japan) +43 (0)5 0100 - 17331

Macro/Fixed Income Research CEE

Co-Head CEE: Juraj Kotian (Macro/FI) +43 (0)5 0100 - 17357

Co-Head CEE: Rainer Singer (Macro/FI) +43 (0)5 0100 - 11185

Editor Research CEE

Brett Aarons +420 233 005 904

Research Croatia/Serbia

Head: Mladen Dodig +381 11 22 00 866

Damir Cukman (Equity) +385 62 37 2812

Alen Kovac (Fixed income) +385 62 37 1383

Davor Spoljar (Equity) +385 62 37 2825

Research Czech Republic

Head: David Navrátil (Fixed income) +420 224 995 439

Petr Bartek (Equity) +420 224 995 227

Vaclav Kminek (Media) +420 224 995 289

Jana Krajcova (Fixed income) +420 224 995 232

Radim Kramule (Oil&Gas) +420 224 995 213

Martin Lobotka (Fixed income) +420 224 995 192

Lubos Mokras (Fixed income) +420 224 995 456

Research Hungary

Head: József Miró (Equity) +361 235-5131

Bernadett Papp (Equity) +361 235-5135

Gergely Gabler (Equity) +361 253-5133

Zoltan Arokszállasi (Fixed income) +361 373-2830

Research Poland

Head: Artur Iwanski (Equity) +48 22 330 6253

Magda Zabieglik (Equity) +48 22 330 6250

Tomasz Kasowicz (Equity) +48 22 330 6251

Piotr Lopaciuk (Equity) +48 22 330 6252

Marek Czachor (Equity) +48 22 330 6254

Bianka Madej (Equity) +48 22 330 6260

Research Romania

Head: Lucian Claudiu Anghel +40 21 312 6773

Mihai Caruntu (Equity) +40 21 311 27 54

Dumitru Dulgheru (Fixed income) +40 21 312 6773 1028

Cristian Mladin (Fixed income) +40 21312 6773 1028

Eugen Sinca (Fixed income) +40 21312 6773 1028

Raluca Ungureanu (Equity) +40 21311 2754

Research Slovakia

Head: Juraj Barta, CFA (Fixed income) +421 2 4862 4166

Michal Musak (Fixed income) +421 2 4862 4512

Maria Valachyova (Fixed income) +421 2 4862 4185

Research Ukraine

Head: Victor Stefanyshyn (Fixed Income) +38 044 593 - 1784

Svitlana Bazilevich (Equity) +38 044 593 - 9286

Maryan Zablotsky (Fixed income) +38 044 593 - 9188

Research Turkey

Head: Erkin Sahinoz (Fixed Income) +90 212 371 2540

Ali Cakiroglu (Fixed Income) +90 212 371 2536

Sadrettin Bagci (Equity) +90 212 371 2537

Can Oztoprak (Equity) +90 212 371 2539

Group Institutional & Retail Sales

Institutional Equity Sales Vienna

Head: Brigitte Zeitlberger-Schmid +43 (0)5 0100 - 83123

Cash Equity Sales

Hind Al Jassani +43 (0)5 0100 - 83111

Werner Fuerst +43 (0)5 0100 - 83121

Josef Kerekes +43 (0)5 0100 - 83125

Cormac Lyden +43 (0)5 0100 - 83127

Neil Owen +43 (0)5 0100 - 83114

Stefan Raidl +43 (0)5 0100 - 83113

Simone Rentschler +43 (0)5 0100 - 83124

Derivative Sales

Christian Luig +43 (0)5 0100 - 83181

Manuel Kessler +43 (0)5 0100 - 83182

Sabine Kircher +43 (0)5 0100 - 83161

Christian Klukovich +43 (0)5 0100 - 83162

Armin Pflingstl +43 (0)5 0100 - 83171

Roman Rafeiner +43 (0)5 0100 - 83172

Institutional Equity Sales London

Head: Michal Rizek +44 20 7623 - 4154

Dieter Benesch +44 20 7623 - 4154

Tatyana Dachyshyn +44 20 7623 - 4154

Declan Wooloughan +44 20 7623 - 4154

Institutional Equity Sales Croatia

Zeljka Kajkut (Equity) +38 562 37 28 11

Damir Eror (Equity) +38 562 37 28 13

Institutional Sales Czech Republic

Michal Brezna (Equity) +420 224 995-523

Ondrej Cech (Fixed income) +420 224 995-577

Michal Rizek +420 224 995-53

Jiri Smehlik (Equity) +420 224 995-510

Pavel Zdichynec (Fixed income) +420 224 995-590

Institutional Sales Hungary

Gregor Glatzer (Equity) +361 235-5144

Krisztián Kandik (Equity) +361 235-5140

Istvan Kovacs (Fixed income) +361 235-5846

Institutional Equity Sales Poland

Head: Andrzej Tabor +4822 330 62 03

Pawel Czuprynski (Equity) +4822 330 62 12

Lukasz Mitan (Equity) +4822 330 62 13

Jacek Kryszinski (Equity) +4822 330 62 18

Institutional Equity Sales Slovakia

Head: Dusan Svitek +48 62 56 20

Rado Stopiak (Derivatives) +48 62 56 01

Andrea Slesarova (Client sales) +48 62 56 27

Saving Banks & Sales Retail

Head: Thomas Schaufler +43 (0)5 0100 - 84225

Equity Retail Sales

Head: Kurt Gerhold +43 (0)5 0100 - 84232

Fixed Income & Certificate Sales

Head: Thomas Schaufler +43 (0)5 0100 - 84225

Treasury Domestic Sales

Head: Markus Kaller +43 (0)5 0100 - 84239

Corporate Desk

Head: Leopold Sokolicek +43 (0)5 0100 - 84601

Alexandra Blach +43 (0)5 0100 - 84141

Markus Pistracher +43 (0)5 0100 - 84100

Roman Friesacher +43 (0)5 0100 - 84143

Helmut Kirchner +43 (0)5 0100 - 84144

Christian Skopek +43 (0)5 0100 - 84146

Fixed Income Institutional Desk

Head G7: Thomas Almen +43 (0)5 0100 - 84323

Head Germany: Ingo Lusch +43 (0)5 0100 - 84111

Fixed Income International & High End Sales Vienna

Jaromir Malak/ Zach Carvell +43 (0)5 100 - 84254

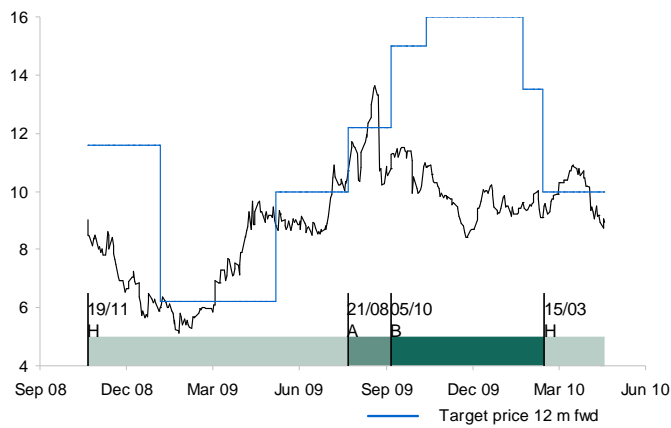
U. Inhofner/ P. Zagan/ C. Mitu +43 (0)5 100 - 84254

Fixed Income International Sales London

Antony Brown +44 20 7623 4159

Company Report – A-Tec

A-Tec



Rating history

Date	Rating	Price	Target Price
15. Mar 10	Hold	9.08	10.00
05. Oct 09	Buy	10.80	15.00
21. Aug 09	Accumulate	10.70	12.20
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

A-Tec

Disclosure

2

Important Disclosures

General disclosures: All recommendations given by Erste Group Research are independent and based on the latest company, industry and general information publicly available. The best possible care and integrity is used to avoid errors and/or misstatements. No influence on the rating and/or target price is being exerted by either the covered company or other internal Erste Group departments. Each research piece is reviewed by a senior research executive, the rating is agreed upon with an internal rating committee of senior research executives. Erste Group Compliance Rules state that no analyst is allowed to hold a direct ownership position in securities issued by the covered company or derivatives thereof. Analysts are not allowed to involve themselves in any paid activities with the covered companies except as disclosed otherwise. The analyst's compensation is primarily based not on investment banking fees received, but rather on performance and quality of research produced.

Specific disclosures:

- (1) Erste Group and/or its affiliates hold(s) an investment in any class of common equity of the covered company of more than 5%.
- (2) Erste Group and/or its affiliates act(s) as market maker or liquidity provider for securities issued by the covered company.
- (3) Within the past year, Erste Group and/or its affiliates have managed or co-managed a public offering for the covered company.
- (4) Erste Group and/or its affiliates have an agreement with the covered company relating to the provision of investment banking services or have received compensation during the past 12 months.
- (5) Erste Group and/or its affiliate(s) have other significant financial interests in relation to the covered company.

Erste Group rating definitions

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

Recommendation	Coverage universe		Inv. banking-relationship	
	No.	in %	No.	in %
Buy	33	22.1	7	53.8
Accumulate	32	21.5	2	15.4
Hold	40	26.8	2	15.4
Reduce	21	14.1	2	15.4
Sell	11	7.4	0	0.0
N.R./UND.REV./RESTR.	12	8.1	0	0.0
Total	149	100.0	13	100.0

Published by Erste Group Bank AG, Neutorgasse 17, 1010 Vienna, Austria.

Phone +43 (0)5 0100 - ext.

Erste Group Homepage: www.erstegroup.com On Bloomberg please type: ERBK <GO>.

This research report was prepared by Erste Group Bank AG ("Erste Group") or its affiliate named herein. The report was prepared for Erste Group clients. The information herein has been obtained from, and any opinions herein are based upon, sources believed reliable, but we do not represent that it is accurate or complete and it should not be relied upon as such. All opinions, forecasts and estimates herein reflect our judgment on the date of this report and are subject to change without notice. The report is not intended to be an offer, or the solicitation of any offer, to buy or sell the securities referred to herein. From time to time, Erste Group or its affiliates or the principals or employees of Erste Group or its affiliates may have a position in the securities referred to herein or hold options, warrants or rights with respect thereto or other securities of such issuers and may make a market or otherwise act as principal in transactions in any of these securities. Erste Group or its affiliates or the principals or employees of Erste Group or its affiliates may from time to time provide investment banking or consulting services to or serve as a director of a company being reported on herein. Further information on the securities referred to herein may be obtained from Erste Group upon request. Past performance is not necessarily indicative for future results and transactions in securities, options or futures can be considered risky. Not all transaction are suitable for every investor. Investors should consult their advisor, to make sure that the planned investment fits into their needs and preferences and that the involved risks are fully understood. This document may not be reproduced, distributed or published without the prior consent of Erste Group. Erste Group Bank AG confirms that it has approved any investment advertisements contained in this material. Erste Group Bank AG is regulated by the Financial Services Authority for the conduct of investment business in the UK.

As required by the Capital Markets Board of Turkey, investment information, comments and recommendations stated here, are not within the scope of investment advisory activity. Investment advisory service is provided in accordance with a contract of engagement on investment advisory concluded between brokerage houses, portfolio management companies, non-deposit banks and clients. Comments and recommendations stated here rely on the individual opinions of the ones providing these comments and recommendations. These opinions may not fit to your financial status, risk and return preferences. For this reason, to make an investment decision by relying solely to this information stated here may not bring about outcomes that fit your expectations.