A·TEC INDUSTRIES

Stock exchange announcement

A-TEC INDUSTRIES unveils results for first quarter of 2007

Vienna, 15 March 2007 – Following record results for 2006, Vienna listed and based A-TEC Industries AG (ISIN AT00000ATEC9) put in another positive performance in the first quarter of 2007. The industrial group returned marked year-on-year improvements in revenue, earnings and order intake for the period. Meanwhile an agreement for the full acquisition of a major manufacturer of semi-finished copper products, Gindre Duchavany during the quarter marked another milestone for A-TEC's strategy of complementary acquisitions.

Sharp improvements in revenue and earnings

First-quarter revenue climbed by 50.4% year on year to EUR 452.7 million (m). The underlying figure, excluding acquisitions, progressed by about 28%, to EUR 386.5m, driven by the favourable trading environment in A-TEC's core markets and high world commodity prices.

The Plant Construction Division contributed 41 %, the Drive Technologies Division 23%, the Mechanical Engineering Division 7% and the Metal Industry Division 29% of consolidated revenue.

The strong revenue performance was accompanied by improvements in key earnings indicators. Earnings before interest, tax, depreciation and amortisation (EBITDA) almost doubled to EUR 22.3m (Q1 2006: 11.2m). Even with the acquisitions stripped out EDBITDA growth was an impressive 73%, taking the adjusted quarterly figure to EUR 19.3m. The Plant Construction and Drive Technologies divisions were chiefly responsible for this sharp rise.

Earnings before income and tax (EBIT) grew more than twofold to reach EUR 13.3m (Q1 2006: EUR 6.4m), while like-for-like EBIT was up by about 106% to EUR 13.2m.

Earnings before tax (EBT) also soared — by 147.3% to EUR 7.6m (Q1 2006: EUR 3.1m). Profit for the period before minority interests increased by 79.2% to EUR 4.1m, and earnings per share were EUR 0.60.

Record order intake and backlog

These highly satisfactory results reflected robust volume growth across all the group's divisions — particularly Plant Construction. The A-TEC Group registered a 54.1% year-on-year increase in order intake to EUR 478.4m. As at 31 March 2007 order backlog was a record EUR 1.7 billion (bn) — about 110% up on the previous year's comparative figure of EUR 0.8bn. The surge in order bookings will mean that the group continues to enjoy good revenue visibility and strong capacity utilisation.

Strong showing from all four divisions

All A-TEC's four sub-groups — Austrian Energy & Environment, ATB Austria Antriebstechnik, Montanwerke Brixlegg and EMCO — contributed to the strong performance posted by the international industrial group.

The Plant Construction Division (AE&E Group) was particularly quick off the blocks at the start of the new financial year, picking up major foreign contract wins that buoyed order intake to EUR 294.1m, compared to EUR 199.8m in the first quarter of 2006. The division's order backlog as at 31 March 2007 was at an all-time high of almost EUR 1.6bn. Revenue almost doubled year on year, advancing by EUR 90.6m to EUR 187.1m.

Following last year's launch of restructuring and consolidation programmes, and action to integrate new subsidiaries, the Drive Technologies Division (ATB Group) likewise posted big increases in order intake and backlog. Incoming orders jumped by about 86% to EUR 128.1m (Q1 2006: 68.8m), while order books expanded to EUR 102.3m as of 31 March 2007 — more than twice as high as the figure at the end of the like period of 2006. Further gains in market shares boosted the division's consolidated revenue by 69.2% to EUR 103.5m.

In the first quarter of 2007 the Mechanical Engineering Division (EMCO Group) returned a 34.5% year-on-year increase in order intake to EUR 56.2m. Order backlog was EUR 66.8m at the end of the quarter, for a gain of some 63% on the comparative figure for the previous year. Divisional revenue decreased by 5.1% to EUR 31.6m, mainly as a result of the strength of the euro and a shift in customer demand towards high margin, low volume products.

During the quarter A-TEC succeeded in rounding out the product portfolio of the Metal Industry Division by acquiring one of Europe's leading manufacturers of copper semi-finished products, and electrical parts and components, Gindre Duchavany, subject to clearance by the competition authorities concerned. Continued strong world copper demand and resultant escalating prices, combined with increased volume raised the division's revenue by 18.3% to EUR 130.4m.

Outlook

Management sees organic growth running at about 30%, meaning that the A-TEC Industries Group is on course to set a new revenue record of some EUR 2.1bn for the year as a whole (excluding any future acquisitions). On the basis of its growth forecast the A-TEC Management Board is targeting a further improvement in earnings, and expects the EBIT margin for 2007 to come in between 5.0–5.5%.

A-TEC constantly monitors potential acquisition targets that are a good match for existing operations and could contribute to growth.

Financial highlights of the first quarter of 2007

(in EUR m)	**Q 1 2007**	**Q1 2006**	**% change**
Revenue	452.7	301.0	50.4%
EBITDA	22.3	11.2	99.7%
EBIT	13.3	6.4	107.9%
EBIT margin	2.9%	2.1%	-
EBT	7.6	3.1	147.3%
Profit for the period before minority interests	4.1	2.3	79.2%
Order intake	478.4	310.4	54.1%
Order backlog (31 March)	1,719.9	819.4	109.9%
Investment*	12.3	11.4	7.9%
Employees as at 31 March	11,110	7,126	55.9%

Investment comprises additions to intangible and financial assets, as well as property, plant and equipment

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