

# Highlights of the financial year 2007

## Highlights

- Results for the four operating divisions are final; consolidated results for the 2007 financial year are still provisional.
- New announcement date for the consolidated results and publication date for the annual report is the end of May at the latest.
- Preliminary revenue for 2007 was up by 48.1% to EUR 2,361.0 million (m).
- Preliminary EBITDA rose by 35.1 % to EUR 169,2m
- Preliminary EBIT rose by 4.6% from EUR 92.0m to EUR 96.2m; the EBIT margin edged down to 4.1% (2006: 5.8%).
- EUR 29.0m in impairments of goodwill and intangible assets recognised in the Drive Technology Division. This has no impact on operational performance or the liquidity of the Company.
- Preliminary profit before tax was EUR 51.7m (2006: EUR 78.6m)
- Net debt was up by EUR 493.8m to EUR 559.8m as at year end 2007
- Due to the decline in the equity ratio the Management Board does not anticipate payment of a dividend. The final decision on this will be taken by the Annual General Meeting.
- Numerous large international contract wins by the Plant Construction Division led to record order backlog of EUR 2,320m as at year end (2006: EUR 1,578m).
- The takeovers of Gindre Duchovany, Dörries Scharmann Technologie, Laurence Scott & Electromotors, Deltak and Lentjes extended our successful acquisition strategy.
- Management is forecasting revenue of about EUR 3bn and an EBIT margin of at least 5% for 2008.

# Group report A-TEC Industries

## Report of the A-TEC Industries Group

Vienna, 30 April 2008: A-TEC Industries AG (ISIN AT00000ATEC9) is announcing the final results of the Plant Construction, Drive Technology, Machine Tools and Minerals & Metals Divisions and the preliminary results of the A-TEC Group for the 2007 financial year today.

Owing to the unusual approach to the resale of the shares, valuation of the interest in Norddeutsche Affinerie was among factors leading to the audit taking longer and to a further delay in the announcement of the consolidated results.

Consolidated preliminary revenue of the group rose by 48.1% year on year to EUR 2,361.0m, driven by strong organic growth and acquisitions across all four divisions.

Preliminary EBITDA was up by 35.1% to EUR 169.2m (2006: EUR 125.2m). Strong earnings growth in the Plant Construction Division more than made up for the downturn in the contribution of Metal Industry.

Preliminary earnings before interest and tax (EBIT) progressed from EUR 92.0m to EUR 96.2m. The Group EBIT margin decreased from 5.8% to 4.1%.

The figure for 2006 includes a EUR 13.2m write-up of the copper inventories due to the higher average copper price. In 2007 no material change in the copper inventories occurred. EBIT for 2007 reflects positive non-recurring effects amounting to EUR 28.4m, mainly relating to EUR 32.4m in negative goodwill in the Plant Construction Division, EUR 13.3m in the Metal Industry Division and EUR 11.7m debt haircut. In the Drive Technology Division impairments of goodwill and intangible assets amounting to EUR 29.0m were recognised for the 2007 financial year.

Preliminary earnings before tax (EBT) declined by 34.2% year on year at EUR 51.7m. Despite the positive trend in the Plant Construction Division, net finance costs mounted as a result of increased working capital requirements, higher copper prices, acquisitions and the two copper investments.

Due to the decline in the equity ratio the Management Board does not anticipate payment of a dividend. The final decision on this will be taken by the Annual General Meeting.

Preliminary net debt at year end 2007 was EUR 559.8m compared to EUR 66.0m a year earlier. This increase was chiefly attributable to the higher working capital requirements of the copper business, acquisitions and the increase in the holding in Norddeutsche Affinerie and Cumerio. Adjusted by the stakes in Cumerio and Norddeutsche Affinerie net debt amounted to EUR 225.0m at year end 2007.

Group order backlog reached a record level of EUR 2,320.1m at year end (2006: EUR 1,577.5m). Order intake totalled EUR 1,934.7m (2006: EUR 1,775.0).

The head count at year end was 13,708 (2006: 10,720). This 27.9% increase is largely explained by the acquisitions. Employment in the Drive Technologies Division was down due to restructuring.

Investment in intangible assets, and property, plant and equipment was up by 21.7% to EUR 74.0m (2006: EUR 60.8m). The main factor behind this gain was the expansion of the electrolysis plant in Brixlegg.

## Events after balance sheet date

On 23 January 2008 the European Commission cleared the acquisition of Cumerio S.A. by Norddeutsche Affinerie (NA). On 12 February A-TEC Industries tendered its 25% plus one share interest (6,482,520 shares) in Cumerio at a price of EUR 30. The clearing of the disposal takes place begin of March 2008.

On 7 February A-TEC Industries announced that the consortium of A-TEC Minerals and Metals Holding, A-TEC Industries und Montanwerke Brixlegg was the successful bidder in the auction by the Serbian government of the RTB Bor copper mine. The purchase price was USD 466m.

# Group report A-TEC Industries

On 27 February 2008 the German Federal Cartel Office in Bonn prohibited A-TEC Industries from acquiring a 13.75% interest in Norddeutsche Affinerie AG (NA) and ordered A-TEC Industries to resell the holding.

The Serbian government has announced on April 10, 2008 its rejection of the revised offer for Rudarsko-topioninarski kombinat Bor (RTB), adjusted to current circumstances, submitted by A-TEC Industries to the Serbian Agency for Privatisation.

A-TEC Industries received back the interest bearing down payment in the amount of USD 150m of the escrow account for RTB Bor.

## Outlook for 2008

It is difficult to assess the potential impact of the US subprime crisis and current volatility of financial markets on the real economy. The European Commission has downgraded its GDP growth forecast to a range of 1.5–2%.

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

## Preliminary group financial highlights

	Q4 2007 EUR m	Q4 2006 EUR m	% change	FY 2007 EUR m	FY 2006 EUR m	% change
<b>Revenue</b>	<b>768.0</b>	505.8	51.8	<b>2,361.0</b>	1,594.4	48.1
<b>EBITDA</b>	<b>63.5</b>	17.1	271.3	<b>169.2</b>	125.2	35.1
<b>Earnings before interest and tax (EBIT)</b>	<b>20.7</b>	7.0	195.7	<b>96.2</b>	92.0	4.6
<b>EBIT margin</b>	<b>2.7%</b>	1.4%		<b>4.1%</b>	5.8%	
<b>Earnings before tax (EBT)</b>	<b>2.5</b>	3.8	-34.2	<b>51.7</b>	78.6	-34.2
<b>Order intake</b>	<b>346.4</b>	462.4	-25.1	<b>1,934.7</b>	1,775.0	9.0
<b>Order book (as at end of December)</b>				<b>2,320.1</b>	1,577.5	47.1
<b>Investment*</b>	<b>32.6</b>	31.1	4.8	<b>74.0</b>	60.8	21.7
<b>Head count (as at end of December)</b>				<b>13,708</b>	10,720	27.9

\* Investments consist of additions to intangible assets, property, plant and equipment

### Disclaimer

Certain statements in this report contain forward looking statements which are subject to risks and uncertainties. These statements employ expressions such as "believes", "is of the opinion that", "assumes", "plans" and "anticipates", and reflect management's views and expectations. These forward looking statements are made subject to certain risks and uncertainties, which could cause actual results to differ materially from those presented in these forward looking statements. Readers are cautioned not to place undue reliance on these forward looking statements. This report should not be construed as legal, tax or investment advice.

# Plant Construction Division

## Results for the Plant Construction Division

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

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

Based on the high order backlog at the beginning of 2007 and the strong order intake revenue passed

the one billion euro mark for the first time, climbing by 70.7% to reach EUR 1,046.4m (2006: EUR 613.1m). EBITDA leapt by 166.2% to EUR 79.8m (2006: EUR 30.0m). Negative goodwill of EUR 32.4m mainly arising on the acquisition of German plant engineering company Lentjes was recognised in the fourth quarter of 2007.

EBIT advanced from EUR 25.4m in 2006 to EUR 73.4 m in 2007. Like-for-like EBIT (excluding non-recurring items) surged by 50.3% to EUR 41.0m.

Earnings before tax were also positively impacted by the positive interest income due to high down payments of orders received, jumping by 145.7% to EUR 77.6m.

Financial highlights Plant Construction Division	FY 2007 EUR m	FY 2006 EUR m	% change
Revenue	1,046.4	613.1	70.7
EBITDA	79.8	30.0	166.2
Earnings before interest and tax (EBIT)	73.4	25.4	189.1
EBIT margin	7.0%	4.1 %	
Earnings before tax (EBT)	77.6	31.6	145.7
Order intake	1,315.3	1,228.3	7.1
Order book (as at end of December)	1,977.9	1,453.1	36.1

# Drive Technology Division

## Results of the Drive Technology Division

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

The Drive Technology Division, which is listed on the Vienna stock exchange through ATB Austria Antriebstechnik AG, posted a 38.7 % gain in revenue to EUR 417.3m. This reflected the division's strong operating performance. It should be noted that comparisons with the previous year are of limited value because of the consolidation of Laurence Scott & Electromotors and McClure during 2007, and full-year consolidation of Lindeteves-Jacoberg Group for the first time.

EBITDA rose by 26.3% to EUR 32.1m. Underlying EBIT, adjusted for personnel reduction programmes and impairments grew by 86.6 %, to EUR 14.2m (2006: EUR 7.6m).

In the fourth quarter of 2007 there was a non-recurring effect amounting to EUR 29.0m in the shape of the recognition of impairments of goodwill and intangible assets. This had no impact on operational performance or the liquidity of the Company.

The such adjusted EBIT margin edged up from 2.5% in 2006 to 3.4% in 2007. Non-adjusted EBIT was down from EUR 9.0m to a negative EUR 18.2m.

Earnings before tax turned negative by EUR 38.6m, having been negative by EUR 0.8m in 2006. This reflected net finance costs due to a sharp increase in long-term borrowings and short-term borrowings which largely related to the LJ acquisition.

## Financial highlights Drive Technology Division

	FY 2007 EUR m	FY 2006* EUR m	% change
<b>Revenue</b>	<b>417.3</b>	300.9	38.7
<b>EBITDA</b>	<b>32.1</b>	25.4	26.3
<b>Adjusted earnings before interest and tax (EBIT)**</b>	<b>14.2</b>	7.6	86.6
<b>Earnings before interest and tax (EBIT)</b>	<b>-18.2</b>	9.0	-
<b>Adjusted EBIT margin**</b>	<b>3.4%</b>	2.5%	
<b>Earnings before tax (EBT)</b>	<b>-38.6</b>	-0.8	-
<b>Order intake</b>	<b>411.5</b>	340.0	21.0
<b>Order book (as at end of December)</b>	<b>143.7</b>	77.7	85.0

\*) Comparable time period adapted by changes in discontinued operations

\*\*) Adjusted EBIT represents earnings before personal restructuring expense and depreciation of goodwill and intangible assets.

# Mechanical Engineering Division

## Results of Mechanical Engineering Division

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

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

The Division entered 2008 with full order books amounting to EUR 198.5m (2006: EUR 47.4m). The VDW (German Machine Tool Builders' Association)

is forecasting an increase in machine tool output of about 10 % in 2008.

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

In 2007 EBITDA advanced by 16.4% to EUR 24.9m (2006: EUR 21.4m). Despite higher depreciation and amortisation expense EBIT gained 2.7% to EUR 15.6m, for an EBIT margin of 7.4%.

Earnings before tax were EUR 10.8m – a year-on-year decrease of 10.7%.

## Financial highlights Mechanical Engineering Division

	FY 2007 EUR m	FY 2006 EUR m	% change
<b>Revenue</b>	<b>211.8</b>	170.8	24.0
<b>EBITDA</b>	<b>24.9</b>	21.4	16.4
<b>Earnings before interest and tax (EBIT)</b>	<b>15.6</b>	15.2	2.7
<b>EBIT margin</b>	<b>7.4%</b>	8.9%	
<b>Earnings before tax (EBT)</b>	<b>10.8</b>	12.1	-10.7
<b>Order intake</b>	<b>207.9</b>	206.7	0.6
<b>Order book (as at end of December)</b>	<b>198.5</b>	47.4	318.8

# Minerals & Metals Division

## Results of the Minerals & Metals Division

Revenue rose by 35.7% to EUR 686.5m (2006: EUR 506.1m), lifted by the consolidation of Gindre Duchovany as of May 2007, as well as increased cathode and third party product sales volumes.

EBITDA declined by 45.0% to EUR 26.5m (2006: EUR 48.2m) due to higher staff and raw material costs. This was due to the Brixlegg electrolysis plant expansion as well increased buying-in of cathodes. The expansion increased copper cathode capacity by around 50% to approx. 108,000 t.

Following the EUR 13.2m write-up of inventories in 2006 due to the higher average copper price, there

was no further significant inventory revaluation in 2007. A EUR 8.7m write-up over the first nine months of 2007 was reversed in the fourth quarter owing to falls in copper prices on the LME in November and December.

EBIT dropped by 54.7% to EUR 19.7m as a result of the above factors. Depreciation and amortisation expense were up on the previous period due to the investments made.

Increased use was made of financing lines as it was necessary to build up stocks of anodes for the expanded electrolysis plant. Earnings before tax were down by about 72.1% year on year, to EUR 11.2m.

## Financial highlights Minerals & Metals Division

	FY 2007 EUR m	FY 2006 EUR m	% change
Revenue	686.5	506.1	35.7
EBITDA	26.5	48.2	-45.0
Earnings before interest and tax (EBIT)	19.7	43.5	-54.7
EBIT margin	2.9%	8.6%	
Earnings before tax (EBT)	11.3	40.2	-71.9
Copper price in EUR (six-month average)	5,147	5,259	-2.1