A·TEC INDUSTRIES

Press release

A-TEC Industries AG posts solid figures for first three quarters

- **Marked growth in EBITDA and EBIT (20.1% and 28.3%, respectively)**
- **EBIT margin up to 4.6%**
- **Satisfactory consolidated profit of EUR 35.6 million**
- **Revenue and order intake hit by harsh trading environment**

Vienna, 10 November 2009 – Vienna-listed A-TEC Industries AG (ISIN AT00000ATEC9) recorded major improvements in its operating results in the third quarter, despite what remains a testing trading environment. EBIT and EBITDA for the first nine months of 2009 were up year on year. Both revenue and order intake for the period declined year on year due to continued weak industrial investment, and order books were below their year-earlier level as at 30 September 2009, mainly reflecting project postponements affecting the Plant Construction Division.

"Our outstanding results for the third quarter show that the cost reduction and rationalisation measures we have introduced are bearing fruit. Since the fourth quarter is traditionally our strongest we are upbeat about prospects for a satisfactory full year profit," said A-TEC Industries CEO Mirko Kovats, commenting on the figures. "Revenue and order intake for the period were down in comparison with 2008 — a record year marked by a spate of big contract wins — but our markets are now bottoming out. The trading environment is easing slightly and we are confident that on this front, too, we will soon be on the road to recovery. There are signs that copper demand is reviving, and the Plant Construction Division is well placed to win some large tenders," he added.

Marked improvements in operating results

Despite the challenging economic environment A-TEC Industries posted highly encouraging results for the third quarter. EBITDA rose by 20.1% to EUR 134.3 million (m) (Q1–Q3 2008: EUR 111.8m) over the first nine months of 2009, lifted by a strong performance from the Minerals & Metals Division and the success of cost reduction programmes across all divisions. And third-quarter EBITDA jumped by 88.2% year on year, to EUR 39.9m. Nine-month EBIT climbed by 28.3% to EUR 97.4m (Q1–Q3 2008: EUR 75.9m), and EBIT for the third quarter alone surged by 187.5% to EUR 27.6m. The EBIT margin for the first nine months was 4.6% (Q1–Q3 2008: 3.2%), and the margin in the third quarter was 4.1% compared to 1.3% in the like quarter of 2008.

Third-quarter net finance costs were down to EUR 11.7m (Q3 2008: EUR 16.2m) due to reduced average borrowings and lower interest rates. Finance costs were higher on a nine-month basis, at EUR 38.7m (Q1–Q3 2008: EUR 19.5m). The difference is largely explained by the positive impact of the disposal of the group's interests in Norddeutsche Affinerie AG and Cumerio SA during the comparative period. Earnings before tax (EBT) for the first nine months improved by 4.3% to EUR 58.8m, but the profit for the period was EUR 35.6m (Q1–Q3 2008: EUR 37.0m).

A-TEC Industries returned a satisfactory EUR 13.0m profit for the third quarter, following a loss of EUR 9.1m in the like period of 2008.

Harsh trading environment weighed on revenue and orders
Group revenue shrank by 10.4% to EUR 2,138.1m over the first nine months of 2009 (Q1–Q3 2008: EUR 2,386.7m). The decline was mainly driven by a 41% fall in the revenue contribution of the Minerals & Metals Division due to lower average copper prices and the weak investment climate. Third-quarter revenue was down by 11.9% at EUR 675.4m (Q3 2008: EUR 766.2m).

Group order intake slid by 67.3% to EUR 976.6m, depressed by project postponements in the Plant Construction Division. This figure is set against an exceptionally strong comparative period (Q1–Q3 2008: EUR 2,985.6m), during which the division booked an unusually large number of major orders. Order intake in the third quarter alone was down by 82.8% to EUR 247.5m. Order backlog at 30 September 2009 was a solid EUR 2,393.8m (30 September 2008: EUR 3,473.7m) — enough for good capacity utilisation into 2010, especially in Plant Construction.

Strong balance sheet thanks to improved working capital management
Total assets as at 30 September 2009 were down by 3.0% from year end at EUR 2,669.0m (31 December 2008: EUR 2,752.0m), and were EUR 22.7m lower than at 30 June 2009. The smaller balance sheet is mainly a reflection of tight working capital management. As a result of the profit for the period and the sale of own shares, the equity ratio rose by two percentage points to 13.3% as compared to year-end 2008. Meanwhile net debt climbed from EUR 288.1m at 31 December 2008 to EUR 326.5m at 30 September 2009. The gearing ratio (net financial liabilities/equity) at the quarterly balance sheet date was 91.7% (31 December 2008: 92.5%). (The positive impact of the convertible bond issue placed in September 2009 is not yet reflected in the third quarter financials.)

Divisions

PLANT CONSTRUCTION DIVISION
As in the previous quarter, order intake in the third quarter of 2009 was impacted by numerous project postponements and some cancellations owing to the lack of financing available to some customers. As a result order bookings slumped by 77.3% in the first nine months of this year to EUR 481.4m (Q1–Q3 2008: EUR 2,122.7m). Divisional order intake for the third quarter alone was EUR 96.4m, while order backlog came to EUR 2,095.9 at 30 September 2009 (30 September 2008: EUR 3,003.2m). Revenue rose by 13.5% to EUR 1,278.6m in the first nine months of this year, with the Division working off heavy order backlog. EBITDA was EUR 49.3m (Q1–3 2008: EUR 51.7m), with EBIT also slightly below last year’s result at EUR 42.2m (Q1–Q3 2008: EUR 45.5m).

DRIVE TECHNOLOGY DIVISION
Demand in the Project Motors business remained strong in the period under review, while sales in the Industrial Motors business — which has suffered more as a result of the recession — appear to have stabilised at a low level. Order intake fell by 27.9% year on year to EUR 224.6m (Q1–Q3 2008: EUR 311.3m), although bookings were up slightly on the second quarter of this year. Order backlog amounted to EUR 117.1m at the end of September 2009, compared with EUR 144.4m a year earlier. Divisional revenue for the first three quarters of this year declined by 20.5%, which was mainly attributable to the 35.6% decrease in revenue in the Industrial Motors business. Restructuring costs weighed heavily on EBITDA, which dropped 1.8% year on year to EUR 16.8m. However, lower depreciation and amortization expense contributed to an 11.3%

improvement in EBIT, which stood at EUR 5.9m. EBITDA and EBIT both increased quarter on quarter, thanks to tight cost management.

MACHINE TOOLS DIVISION

Dörries Scharmann Technologie (DST) posted strong performance compared to the industry as a whole, but demand for EMCO products and solutions was significantly weaker, with the difficult trading environment compounding seasonal factors. Divisional order intake in the first three quarters of this year was down by 54.6% at EUR 149.9m. The DST Group accounted for EUR 104.8m of the total. Order intake was 70.4% lower year on year in 2009. Order backlog was EUR 163.3m at 30 September 2009 (30 September 2008: EUR 284.3m). Strict cost management was not sufficient to offset the collapse in sales at EMCO. As a result EBITDA slipped by 48.4% to EUR 15.9m in the first nine months; EBIT dropped by 67.7% to EUR 6.4m.

MINERALS & METALS DIVISION

Copper prices continued to strengthen, to end the third quarter on USD 6,135/tonne (t) at 30 September 2009 — double the level at year end 2008. Nevertheless prices remained below September 2008 levels (30 September 2008: USD 8,510/t), meaning that divisional revenue fell by 40.9% year on year, to EUR 423.0m. The marked pick-up in demand and the continuing rise in copper prices slowed the decline in revenue in the third quarter. EBITDA surged by 118.7% to EUR 52.7m, lifted by lower staff costs, as well as positive knock-on effects from purchase contracts, inventory writeups and hedging. EBIT jumped to EUR 44.8m (Q1–Q3 2008: EUR 17.3m).

Outlook

Management still expects revenue of around EUR 3bn for 2009 as a whole. At the group's investors' day, management's guidance on the EBIT margin was upgraded from around 3% to 3.5%. If the global economic crisis worsens during the final quarter of this year and/or persists into 2010 further restructuring will probably be required, and this will impact results going forward.

Summary results for the first nine months of 2009

(in EUR m, IFRS)

	Q1–Q3 2009	Q1–Q3 2008*	% change
Order intake	**976.6**	**2,985.6**	**-67.3**
Order backlog (at period-end)	**2,393.8**	**3,473.7**	**-31.1**
Revenue • Plant Construction • Drive Technology • Machine Tools • Minerals & Metals **Group total**	 1,278.6 236.0 201.4 423.0 **2,138.1**	 1,126.6 296.7 248.6 715.8 **2,386.7**	 13.5 -20.5 -19.0 -40.9 **-10.4**
EBITDA	**134.3**	**111.8**	**20.1**
EBIT	**97.4**	**75.9**	**28.3**
EBIT margin	**4.6 %**	**3.2 %**	
EBT	**58.8**	**56.4**	**4.3**
Profit for the period	**35.6**	**37.0**	**-3.8**
Investment **	**56.2**	**55.7**	**0.9**
Employees (at period-end)***	**12,114**	**12,881**	**-6.0**

* The comparative period was adjusted for the changes arising from discontinued operations.
** Investment comprises additions to property, plant and equipment and intangible assets.
*** Full-time employees including apprentices and staff at discontinued operations.

The interim report on the first nine months of 2009 is available for download in the investor relations area of the A-TEC Industries corporate website (www.a-tecindustries.com).

About A-TEC Industries AG
Vienna-listed and headquartered A-TEC Industries AG is an international industrial group with thriving Drive Technology, Plant Construction, Machine Tools and Minerals & Metals divisions. The group currently employs around 12,200 people, and in 2008 posted revenue of some EUR 3.3 billion.

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