



## Press release

### **A-TEC INDUSTRIES announces solid interim results despite harsh trading environment**

- **Improvement in EBITDA and EBIT**
- **Slight decline in revenue**
- **Order books steady at high level**

**Vienna, 18 August 2009** – Vienna listed A-TEC Industries AG (ISIN AT00000ATEC9) posted a solid performance for the first half of 2009 despite facing a challenging trading environment. Although all of A-TEC Industries' businesses faced harsh economic conditions the group posted year-on-year improvements in its interim operating results. While revenue and order intake declined, order books remained at a high level and were slightly up year on year.

“As in the first quarter, during the second we were confronted with extremely difficult market conditions, and the impact of the economic crisis even worsened for some of our businesses. Despite this negative backdrop all of our divisions returned satisfactory operating results, and the overall figures were actually up on year-earlier levels,” said A-TEC Industries CEO Mirko Kovats, commenting on the figures. He added: “Revenue and order intake continued to decline, but signs of a pick-up in demand emerged in June. Whether the recovery will be sustainable remains to be seen — but our strategic alignment equips us to deal with both a rapid rebound and an extended period of subdued growth.”

#### **Improved operating results**

Group earnings before interest, tax, depreciation and amortisation (EBITDA) rose by 4.2% to EUR 94.4 million (m) (H1 2008: EUR 90.6m) thanks to a sound operating performance despite the prevailing economic crisis. First-half earnings before tax and interest (EBIT) climbed by 5.3% to EUR 69.8m (H1 2008: EUR 66.3m), and the EBIT margin strengthened to 4.8% (H1 2008: 4.1%). Net finance costs increased to EUR 26.9m (H1 2008: EUR 3.3m), reflecting one-time gains on the disposal of investments in copper companies Norddeutschen Affinerie and Cumerio in the comparative period. As a result earnings before tax (EBT) for the first half of 2009 were EUR 42.9m — down from EUR 63.0m in the like period of 2008.

### **Order intake and revenue down, order books strong**

Lower copper prices and depressed demand due to the economic crisis weighed on the industrial group's revenue, which dropped by 9.7% to EUR 1,462.7m (H1 2008: EUR 1,620.5m). Order intake fell more steeply, sliding by 52.9% to EUR 729.1m in the first half. Order intake in the Plant Construction Division (down by 58.7% year on year) was hit by project postponements due to clients' inability to obtain finance. As at 30 June 2009 group order backlog was EUR 2,710.2m (H1 2008: EUR 2,586.9m). Order books remain satisfactory despite of the fall-off in new orders, providing good visibility well into 2010.

### **Sound balance sheet due to strict working capital management**

Rigorous working capital management slimmed total assets to EUR 2,691.7m as at 30 June 2009, while the equity ratio rose to 12.7% from 11.3% at year end 2008. Net debt edged up by EUR 4.8m from its year end 2008 level to stand at EUR 292.9m. However the gearing ratio (net financial liabilities / equity) fell to 85.5% (31 December 2008: 92.5%).

## **Divisions**

### **PLANT CONSTRUCTION DIVISION**

The first half was marked by a wave of contract postponements due to clients' inability to obtain project finance. Order intake slumped by 58.7% to EUR 385.0m (H1 2008: EUR 932.2m) in the first half. However order backlog held up well, to stand at EUR 2,373.9m on 30 June 2009 compared to EUR 2,179.5m a year earlier. With the division working off high order books revenue for the period grew by 16.4% to EUR 895.5m. First-half earnings were stable. EBITDA was EUR 33.7m (H1 2008: EUR 32.3m) and EBIT hit EUR 29.0m (H1 2008: EUR 28.6m). The EBIT margin for the first six months of 2009 was 3.2%.

### **DRIVE TECHNOLOGY DIVISION**

The Industrial Motors business unit was impacted by persistently weak demand due to the economic crisis, whereas the Project Motors business, which specialises in heavy and contract motors, continued to trade strongly. Industrial Motors was entirely responsible for the 24.3% drop in divisional order intake to EUR 154.7m in the first half. Order backlog at continuing operations was EUR 128.4m as at 30 June 2009 (30 June 2008: EUR 152.0m). Revenue decreased by 20.0% to EUR 161.1m owing to the fall in Industrial Motors' sales. While EBITDA dipped by EUR 0.6m to EUR 14.0m in the first half of 2009, EBIT advanced by 3.0% to EUR 6.8m, and the EBIT margin was 4.2% — a 0.9% year-on-year gain.

### **MACHINE TOOLS DIVISION**

Plunging demand for machine tools in the first half of 2009 mainly affected the EMCO Group, while Dörries Scharmann Technologie (DST) recorded a strong performance. Divisional order intake for the period shrank by 45.8% to EUR 114.9m. Order books were EUR 185.3m at the end of 2009; the DST Group accounted for EUR 171.6m of the total. Divisional revenue fell by 8.5% to EUR 146.1m, the decline being driven by the EMCO Group. The division's EBITDA decreased by 26.1% to EUR 13.6m, and EBIT was down by 33.3% to EUR 7.2m. The EBIT margin narrowed to 4.9% from 6.8% in the comparative period.

## **MINERALS & METALS DIVISION**

Copper prices continued to advance in the second quarter of 2009, against market expectations. The LME price ended the period on USD 4,967/tonne — some 62% upon on the 2008 year end close. Divisional revenue dropped by 46.4% year on year to EUR 263.3m, hit by softer copper prices as compared to the first half of 2008 (30 June 2008: EUR 8,510/t) and lower capacity utilisation. Nevertheless, EBITDA held at EUR 33.9m (H1 2008: EUR 37.6m) due to lower material costs, and positive effects arising from purchase contracts, inventory write-ups and hedging. First-half EBIT was EUR 28.6m (H1 2008: EUR 33.1m), and the EBIT margin rose to 10.9% (H1 2008: 6.7%).

### **Outlook**

Management's forecasts of full-year group revenue of EUR 3bn and an EBIT margin of around 3% remain in place. However, if the global economic crisis deepens and persists into 2010 in all probability additional restructuring programmes will be required, and these will impact results.

## Interim financial highlights

(in EUR m, IFRS)

	H1 2009	H1 2008*	% change
<b>Order intake</b>	<b>729.1</b>	<b>1.548.0</b>	<b>-52.9</b>
<b>Order backlog (at period end)</b>	<b>2,710.2</b>	<b>2,586.9</b>	<b>4.8</b>
<b>Revenue</b>			
• Plant Construction	895.5	769.0	16.4
• Drive Technology	161.1	201.4	-20.0
• Machine Tools	146.1	159.7	-8.5
• Minerals & Metals	263.3	491.2	-46.4
<b>Group total</b>	<b>1,462.7</b>	<b>1,620.5</b>	<b>-9.7</b>
<b>EBITDA</b>	<b>94.4</b>	<b>90.6</b>	<b>4.2</b>
<b>EBIT</b>	<b>69.8</b>	<b>66.3</b>	<b>5.3</b>
<b>EBIT margin</b>	<b>4.8%</b>	<b>4.1%</b>	
<b>EBT</b>	<b>42.9</b>	<b>63.0</b>	<b>-31.9</b>
<b>Profit for the period</b>	<b>22.6</b>	<b>46.2</b>	<b>-51.1</b>
<b>Investment**</b>	<b>30.7</b>	<b>36.8</b>	<b>-16.6</b>
<b>Employees (at period end)***</b>	<b>12,206</b>	<b>13,910</b>	<b>-12.3</b>

\* The comparative period was adjusted for the changes arising from discontinued operations.

\*\* Investment comprises additions to intangible assets, and property, plant and equipment.

\*\*\* Full-time employees including apprentices and staff at discontinued operations.

The interim report on the first quarter of 2009 is available for download in the investor relations area of the A-TEC Industries corporate website ([www.a-tecindustries.com](http://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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