



## Stock exchange announcement

### A-TEC Industries: First Quarter Report 2009

#### Highlights

- Continued high order backlog at EUR 3.1 billion (bn) (31 March 2008: EUR 2.6bn);
- Group revenue down by 10.2% to EUR 691.6m.
- Earnings before interest, tax, depreciation and amortisation (EBITDA) slightly higher year on year at EUR 50.7m (Q1 2008: EUR 50.1m) due to lower material costs, particularly in the Minerals & Metals Division.
- Earnings before interest and tax (EBIT) for the period EUR 38.7m (Q1 2008: EUR 38.3m); EBIT margin up from 5.0% to 5.6%.
- Sharp increase in net finance costs reflecting gains on disposal of the interests in copper companies Cumerio SA and partly Norddeutsche Affinerie AG in the comparative last year's period, and exchange losses of EUR 4.6m in the Drive Technology Division in Q1 2009.
- Earnings before tax (EBT) 34.5% lower at EUR 21.8m (Q1 2008: EUR 33.3m).
- Profit for the period EUR 14.3m (Q1 2008: 24.6m).
- Operating cash flow turned positive to EUR 63.6m compared to EUR -94.3m in Q1 2008.
- Further reduction in net debt from EUR 288.1m at year end to EUR 241.8m as at 31 March 2009. Net gearing down to 73.9% (31 December 2008: 92.5%; 31 March 2008: 98.0%).
- Management outlook for 2009 sees revenue unchanged at about EUR 3bn, and EBIT margin at 3%.

#### Group financial highlights (unaudited)

	Q1 2009 EUR m	Q1 2008* EUR m	% change
<b>Revenue</b>	<b>691.6</b>	770.4	-10.2
<b>EBITDA</b>	<b>50.7</b>	50.1	1.2
<b>EBIT</b>	<b>38.7</b>	38.3	1.0
<b>EBIT margin</b>	<b>5.6 %</b>	5.0 %	
<b>EBT</b>	<b>21.8</b>	33.3	-34.5
<b>Profit for the period</b>	<b>14.3</b>	24.6	-42.0
<b>Order intake</b>	<b>426.6</b>	757.5	-43.7
<b>Order backlog (31 March)</b>	<b>3,099.6</b>	2,611.7	18.7
<b>Investment**</b>	<b>15.3</b>	22.4	-31.7
<b>Employees*** (31 March)</b>	<b>12,687</b>	13,339	-4.9

\* The comparative period was adjusted for the changes arising from the adjustment of purchase price allocations and discontinued operations.

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

\*\*\* Full-time employees including apprentices

### **Outlook for 2009**

The outlook for the global economy in 2009 is shrouded in uncertainty. Management anticipates that global economic growth will fall sharply in 2009, to a very low rate at best.

Order backlog in the Plant Construction Division should underpin good capacity utilisation well into 2010. Stricter emission limits, the EU Landfill Directive and growing demand for alternative energy forms lead us to expect a continuation of the division's positive performance in 2009. The division is targeting further revenue growth despite order intake being significantly below last year's level.

The Drive Technology Division expects to face an extremely testing trading environment this year. For the Industrial Motors business unit 2009 is likely to be another year of plunging demand for industrial motors, and drives for domestic and garden appliances. Project Motors is well on budget. Management anticipates a fall in overall divisional revenue and a break-even EBIT performance.

In the Machine Tools Division, we see the adverse market situation leading to significant declines in order intake in the EMCO Group, and in turn to lower revenue. However Dörries Scharmann Technologie (DST) has so far been virtually untouched by the fallout from the recession, and management expects 2009 to be another successful year for the group.

Copper prices have rebounded since the turn of the year, but swings of up to USD 2,000 are expected in 2009 by the management of minerals & metals division. A volatile US dollar is another likely feature of this scenario. This points to a recovery in the division's sales in the second half of 2009, but revenue for the year is expected to be well down on 2008 levels.

In the light of the overall trading environment and expectations for the various divisions, the A-TEC Group anticipates revenue of around EUR 3 billion for the 2009 financial year. The EBIT margin should be about 3%. If the financial and economic crisis deepens in 2009 and persists into 2010, in all probability additional restructuring will be necessary, and the resultant expenses will affect earnings.

For more details please read our First Quarter Report 2009 on our website under [www.a-tecindustries.com](http://www.a-tecindustries.com)

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