



## Stock exchange announcement: Financial Report First Half of 2009

### Highlights

- Order backlog still high at EUR 2.7 billion (bn) as of 30 June 2009 (30 June 2008: EUR 2.6bn) despite sharp decline in order intake; Plant Construction Division impacted by project postponements due to customers' difficulties in obtaining finance as a result of the economic and financial crisis.
- Revenue down by 9.7% to EUR 1,462.7 million (m) — within the targeted range — due to lower copper prices and the economic crisis.
- Earnings before interest, tax, depreciation and amortization (EBITDA) up by 4.2% to EUR 94.4m (H1 2008: EUR 90.6m), driven by satisfactory divisional operating results, despite the severe economic crisis. Depreciation and amortisation expense virtually unchanged, leading to a 5.3% year-on-year growth in earnings before interest and tax (EBIT) to EUR 69.8m; EBIT margin up from 4.1% to 4.8%.
- Net finance costs up to EUR 26.9m (H1 2008: EUR 3.3m), reflecting last year's one-off gains on disposal of interests in copper companies Cumerio SA and Norddeutsche Affinerie AG. Earnings before tax (EBT) 31.9% lower at EUR 42.9m (H1 2008: EUR 63.0m).
- Consolidated profit for the period down by 51.1% to EUR 22.6m (H1 2008: EUR 46.2m) due to the increased tax burden in the Drive Technology Division and the DST Group.
- Cash flow from operating activities positive by EUR 34.5m in first half (H1 2008: EUR -124.6m) due to profit for the period and working capital optimisation.
- Net debt up from EUR 288.1m at year end 2008 to EUR 292.9m at 30 June 2009. Net gearing 85.5% (31 Dec. 2008: 92.5%; 30 June 2008: 72.8%).
- Management outlook for 2009 sees revenue unchanged at about EUR 3bn, EBIT margin around 3%.

Group financial highlights (unaudited)	Q2 2009 EUR m	Q2 2008* EUR m	% change	H1 2009 EUR m	H1 2008 EUR m	% change
Revenue	771.1	850.1	-9.3	1,462.7	1,620.5	-9.7
EBITDA	43.7	40.5	7.9	94.4	90.6	4.2
EBIT	31.1	28.0	11.1	69.8	66.3	5.3
EBIT margin	4.0%	3.3%		4.8%	4.1%	
EBT	21.1	29.7	-29.0	42.9	63.0	-31.9
Profit for the period	8.3	21.6	-61.6	22.6	46.2	-51.1
Order intake	302.5	812.2	-62.8	729.1	1,548.0	-52.9
Order backlog (as at 30 June)				2,710.2	2,586.9	4.8
Average capital employed	910.8	1,199.2	-24.0	921.4	1,227.5	-24.9
Return on capital employed (ROCE**)	3.4%	2.2%		7.6%	5.5%	
Investment***	15.4	14.4	6.9	30.7	36.8	-16.6
Employees**** (as at 30 June)				12,206	13,910	-12.3
				30 June 2009	31 December 2008	% change
Net debt				292.9	288.1	1.7

\* Comparative period adjusted for changes in discontinued operations.

\*\* ROCE = EBIT / average capital employed.

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

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

**Outlook for 2009**

The outlook for the world economy in 2009 is still subject to major uncertainties. The IMF is forecasting a 1.4% contraction in global economic activity in 2009 as a whole, and the European Commission puts negative growth in the eurozone at 4.0%.

Order backlog in the Plant Construction Division should underpin good capacity utilisation far into 2010. However industrial investment confidence is expected to remain weak in the second half of 2009. We are aiming for further revenue growth, but order intake will be well below last year's level.

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

In the Machine Tools Division, management sees 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.

The management of the Minerals & Metals Division anticipates wide swings in copper prices in the second half of 2009, in a range of USD 5,500–7,000/t. It expects this scenario to be accompanied by dollar exchange rate volatility. The division's sales are likely to recover in the second half of 2009, but revenue for the year is seen running below 2008 levels.

In the light of these trading conditions and expectations for the various divisions, the A-TEC Group is looking for revenue of around EUR 3bn 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 Half Report 2009 on our website under [www.a-tecindustries.com](http://www.a-tecindustries.com)

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