

Press release

ATB reports rapid revenue growth in first quarter

Spielberg, Austria, 4 May 2005 – Vienna listed Austria Antriebstechnik AG (ATB) continued to grow in the first quarter of 2005, posting an increase of almost 30% in consolidated revenue to EUR 54.8 million (m) (Q1 2004: EUR 42.3m). Order intake also rose sharply, expanding by some 23% to EUR 56.4m (Q1 2004: EUR 46.0m). And order backlog as at 31 March 2005 was nearly 50% up year on year at EUR 40.9m. The group's House and Garden business unit played a large part in this strong performance. Following two years of flat demand, it profited from a change in consumer behaviour, posting large gains in revenue and order intake during the period, and boosting the ATB Group's share of the European market for domestic and garden appliance motors to more than 50%.

Earnings before interest and tax (EBIT) for the first quarter declined by 28% year on year to EUR 1.4m (Q1 2004: EUR 1.9m) due to exceptional factors, and profit on ordinary activities (POA) also contracted, dropping to EUR 1.1m from EUR 1.8m in the like period of 2004. These downturns mainly reflected integration expenses relating to the ATB Selni (France), ATB Morley (UK) and ATB Sever (Serbia) subsidiaries, acquired in 2004. The ground lost in the first quarter should be made up over the next few months as group companies rapidly work off the large order backlog.

ATB parent to enter automotive components business

The ATB Group intends to keep up its growth momentum in 2005. Apart from making further bolt-on acquisitions, management plans to step up the pace of organic growth. The group will be entering new markets including the automotive component sector. This will give ATB's central operation in Spielberg, Austria a still greater role to play. The Thien Technology Centre in Austria's Vorarlberg province is already developing drive systems for use in hybrid powertrains in cooperation with major motor manufacturers. ATB motors will also drive hydraulic pumps for gear shifts and handbrakes. The automotive electric motor market is booming, and demand has already reached an annual 2.5 billion units. ATB is still three to five years away from volume production of such motors, but when the time comes these operations will be based in Spielberg, creating up to 300 new jobs.

Outlook

The ATB Group will devoting an increased effort to the Chinese growth market in 2005, and its first assembly line in Shanghai started up at the end of April. Giving an upbeat assessment of the outlook for the group, Management Board member Christian Schmidt said: "Last year's acquisitions have given us access to previously underdeveloped markets such as China and the USA. We will be doing still more to exploit this potential. We are currently looking at the possibility of setting up a production line for our explosion proof motors in China so as to have local capacity to serve this fast growing market. Our explosion proof motors are in strong demand due to soaring energy demand and the related coal mining boom." Management expects the group to post revenue and earnings growth over the year as a whole.

Financial highlights for the first quarter of 2005

EUR '000

	Q1 2005	1. Q1 2004
Revenue	54,811	42,273
EBIT	1,362	1,884
POA	1,107	1,815
Order intake	56,415	46,026
Order backlog	40,962	27,405
Employees	3,978	1,356

The interim report can be downloaded from www.atb-motors.com/.

About Austria Antriebstechnik AG (ATB)

The Vienna listed Austria Antriebstechnik AG (ATB) Group, headquartered in Spielberg, Austria, is one of the world's leading manufacturers of electrical drive systems for industrial applications and appliances. Its subsidiaries are: ATB Antriebstechnik, Welzheim, Germany; ATB Motorentchnik, Nordenham, Germany; the Thien Group, Rankweil, Austria; ATB Bastro, Ostrava, Czech Republic; ATB Selni, Nevers, France, ATB Morley, UK; and ATB Sever, Serbia and Montenegro. ATB currently has about 4,000 employees.

About A-TEC Industries

A-TEC Industries AG is a privately owned industrial group based in Vienna with successful operations in the electric motor, plant engineering, machine tool and metallurgical industries. The Group currently employs around 7,000 people in Austria, Croatia, the Czech Republic, France, Germany, Italy, Serbia and Montenegro, Slovakia, Spain, Switzerland, the UK and the USA.

For further information visit www.a-tecindustries.at and www.atb-motors.com/.

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