

Stock exchange announcement

ATB Austria Antriebstechnik AG announces results for first half of 2006

Spielberg, 8 September 2006 – Vienna listed ATB Austria Antriebstechnik AG — a subsidiary of A-TEC Industries AG (86% holding), headquartered in Spielberg, Austria — recorded substantial gains in order intake and backlog in the first half of 2006. The key developments of the first six months of the current year were the acquisition of a 51% interest in the Lindeteves-Jacoberg Group, as well as extensive integration and restructuring programmes at recently acquired companies aimed at enhancing the ATB Group's efficiency and exploiting potential synergies.

Sharp year-on-year increases in order intake and backlog

Consolidated revenue for the first half of 2006 (excluding the Lindeteves-Jacoberg Group) grew by 4% year on year to EUR 119.09 million (m), from EUR 114.75m in the like period of 2005. The largest revenue contribution again came from the Industrial Motors business unit, at EUR 62.83m or 53% of the first-half total. The House and Garden business unit generated 29% of overall revenue (EUR 34.56m), the Explosion-proof Motors business 16% (EUR 19.54m), and ATB Technologies 2% (EUR 2.16m).

Order intake rose strongly, advancing by some 14% to EUR 129.03m (H1 2005: EUR 113.07m), while order backlog jumped by 38% to stand at EUR 51.91m as at 30 June 2006.

Significant delays in passing on further increases in copper, electrical sheet and aluminium prices to customers due to severe competitive pressures were to blame for a decline in earnings before tax (EBT) from EUR 3.14m to EUR 0.18m, necessitating cost reduction programmes which are already in place. As at 30 June 2006 the ATB Group had 3,525 employees (30 June 2005: 3,845).

Industrial Motors business unit benefiting from integration of Serbian subsidiary

The ATB Group's most revenue generative business grew turnover by 13% to EUR 62.83m in the first half of 2006 (H1 2005: EUR 55.73m). The gain was due both to the Group's strong market position and to the revenue contributions of ATB Sever, acquired in 2005, and the recently formed ATB Schweiz sales subsidiary.

House and Garden business lifted by Chinese assembly line start-up

The group's second-largest business, Spielberg based House and Garden, posted a year-on-year decline in revenue to EUR 34,56m (H1 2005: EUR 37,89m). Apart from the impact on consumer demand of higher prices due to rising material costs, this reflected a fall in a US customer's sales on its home market. The successful start-up of an assembly line in China means that the ATB Group will be well placed to counter today's harsher market conditions.

Strong performance from Explosion-proof Motors business

The Explosion-proof Motors business, with sites in Nordenham, Germany and Leeds, UK, as well as a sales company in Singapore, boosted its revenue by about 11% to EUR 19.54m (H1 2005: EUR 17.53m). This encouraging progress was driven by the current readiness of the oil and gas, and shipbuilding industries to invest.

ATB Technologies at new site

ATB's smallest business unit acts as the centre of development expertise for all group companies. It returned EUR 2.16m in revenue in the first half of 2006 (H1 2005: EUR 3.6m). ATB Technologies moved to a new site in Lustenau, in Austria's Vorarlberg province, on 1 January 2006. The facility boasts state-of-the-art infrastructure for the development of innovative electronic drive systems. The drop in revenue was due to restructuring carried out on the heels of relocation in order to enable ATB Technologies to focus exclusively on its group-wide development role.

Lindeteves-Jacoberg Ltd. acquired

The multi-stage investment in the Singapore listed Lindeteves-Jacoberg Group, initiated by a loan to the acquiree, continued according to plan in the second quarter of 2006. Since May 2006 ATB has held about 51% of the group; the other 49% are still listed on the Singapore stock exchange. The company, which has subsidiaries in Britain, China, Germany and Poland, and owns the international Western Electric, Schorch, Brook Crompton and Tamel brands, will be an major gain for the entire group.

Outlook for 2006 as a whole

The main highlights of the second half will be the integration of the new subsidiaries, and continued restructuring and consolidation across the ATB Group. "We are proud of the successful integration of the companies acquired to date and the majority stake in the Lindeteves-Jacoberg Group, and anticipate a significant increase in revenue as compared to 2005," said CEO Christian Schmidt, reviewing the latest chapters in the ATB success story. "As part of the swift integration of all the new subsidiaries — particularly Lindeteves-Jacoberg — we will be working to optimise material and staff costs, and internal business processes at all sites during the second half," he added. "We have already started taking action to add to our strength in the marketplace. In the light of recent business developments, the current trading environment and the order book situation, we are confident of at least holding last year's result in 2006 as a whole, despite continued adverse conditions on international commodity markets."

Financial highlights of the first half of 2006

(according to IFRS, in EUR '000)

	Period ended 30 June 2006	Period ended 30 June 2005
Revenue	119,085	114,753
EBIT	1,925	4,554
EBT	176	3,139
Order backlog	51,911	37,677
Order intake	129,026	113,072
Total assets	196,867	164,734
Employees	3,525	3,845

About ATB Austria Antriebstechnik AG

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; ATB Technologies, Lustenau, Austria; ATB Components, Ostrava, Czech Republic; ATB Selni, Nevers, France, ATB Morley, Leeds, UK; and ATB Sever, Subotica, Serbia; ATB Motors, Shanghai, China; and Lindeteves-Jacoberg Ltd., Singapore.

About A-TEC Industries

A-TEC Industries AG is an international industrial group based in Vienna with successful operations in the drive systems, plant engineering, machine tool and metallurgical industries. The group currently employs around 10,000 people in Australia, Austria, China, Croatia, the Czech Republic, France, Germany, India, Italy, Poland, Serbia, 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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