



Press release

A-TEC Industries AG with record revenues and order books

- **Considerable improvements in revenues and order books**
- **Revenue for 2006 matched after just nine months**
- **Strong organic growth**
- **Acquisitions and major new contracts successfully drive growth strategy**

Vienna, 15 November 2007 – Vienna Stock Exchange and ATX listed A-TEC Industries AG recorded highly encouraging revenue and order book increases in the first nine months of 2007. *“Rising global energy demand, the need to retrofit outdated thermal power stations, new environmental regulations and climate targets are having a positive impact on order intake and revenue in our Plant Construction Division. The performance of the other three divisions has also been highly gratifying,”* says Mirko Kovats, CEO of A-TEC Industries AG, of the Group’s performance. *“We have won numerous major international contracts, and our new complementary acquisitions will continue to drive growth and improve penetration of international markets. We expect that all four Divisions will meet their targets for the year and that organic growth will continue,”* adds A-TEC Industries COO, Christian Schmidt.

Major acquisitions set the tone since the start of the year

The first nine months of the current financial year were characterised by vigorous organic growth together with a series of complementary acquisitions. In October the Group successfully concluded the acquisition of German special purpose tool manufacturer Dörries Scharmann and a 90% joint venture holding in Deltak Power Equipment China Co. A perfect complement to EMCO Group’s product portfolio, Dörries Scharmann Technologie is expected to start making a positive contribution to the Group’s earnings from the fourth quarter of 2007. Chinese boilermaker Deltak Power Equipment gives Austrian Energy & Environment (Plant Construction Division) an additional production site. AE&E now has significant competitive advantages, with its highly efficient boiler production facilities in China, Croatia and India. Following completion of the acquisitions of Gindre Duchavany (Metal Industry Division), Laurence Scott & Electromotors and David McClure (Drive Technology Division) these new additions now ensure the availability of sufficient capacity to keep pace with the continued growth of the Plant Construction and Mechanical Engineering Divisions. And in early October a memorandum of understanding was signed for the acquisition of

Italian turbine manufacturer Franco Tosi Meccanica to serve as an addition to the Plant Construction Division. The aim is to expand the Group's strategic positioning in the copper industry in line with A-TEC Industries' medium and long-term expectations in connection with its investment in Norddeutsche Affinerie.

Success in competition for major international contracts

Numerous international large-scale orders highlight the market leadership of all A-TEC Industries' Divisions in their various markets. In the third quarter Austrian Energy & Environment won a number of important new orders in Germany and the USA. AE&E is to supply key components for a steam generation plant for a hard coal power station in Lünen, Germany. AE&E's share of the contract with a consortium that also includes Siemens and IHI is worth about EUR 280m and marks its entry into the large-scale coal-fired power station business. In October A-TEC Industries announced that the Plant Construction Division had achieved preferred bidder status for the construction of a gas-fired combined cycle generating station in Turkey in a project worth about EUR 450m. The power station in Bandirma, Turkey, is to be constructed by A-TEC Power Plant Systems (PPS) in a consortium with Mitsubishi Heavy Industries (MHI).

The Drive Technology Division successfully defended its standing as Europe's third largest manufacturer of electric motors with measures to optimise its product portfolio and further expand its service activities as a systems supplier. The successful unveiling of the Emcomill E 600 at the latest EMO machine tool fair led to a doubling of orders for EMCO (Mechanical Engineering Division) milling machines.

Sharp rise in revenue

The positive performance of all four Divisions is reflected in a 46.3% increase in consolidated revenue for the first nine months of financial 2007 to EUR 1,593.0m, compared with EUR 1,088.6m a year earlier. This means that the international industrial group has matched its revenue for the whole of 2006 after just nine months. Adjusted to exclude the acquisition of Gindre Duchavany, Laurence Scott & Electromotors and David McClure, organic growth was 25.0%, with total revenues of EUR 1,360.8m.

Earnings figures improved by acquisitions

The rapid expansion of A-TEC Industries led to a new revenue record for the Group after only the first nine months of financial 2007. Increased materials costs, however, resulted in a slight decline in profitability. The 2.2% decline in EBITDA to EUR 105.7m compared with EUR 108.1m for the same period a year earlier was chiefly due to increased materials costs and a EUR 26.4m increase in the value of inventories for the Metal Industries Division in the third quarter of 2006.

Earnings before interest and tax (EBIT) of EUR 75.5m were down 11.2% on the same period a year earlier (EUR 85.0m). The EBIT margin of 4.7% was also down, compared with 7.8% after the first nine months of 2006. In the first three quarters of 2007 there were non-recurring effects amounting to EUR 15.6m related to negative goodwill from Gindre Duchavany and gains on the purchase of receivables at the LJ Group. Profit

before tax fell from EUR 74.8m to EUR 49.2m, net profit after minorities for the first nine months of 2007 was down from EUR 79.1m to EUR 41.5m.

Strong order intake and order book

Increasing calls for clean energy and environmental technology systems led to a heavy increase in demand for A-TEC Industries' products and services. At 30 September 2007 the order book reached a record of just over EUR 2 billion, a year-on-year gain of 35.3%. Order intake for the first nine months was up 21.0% year on year to EUR 1,588.3m.

Robust capital and assets base

As at 30 September 2007 total assets were EUR 2,321.9m — well up on the total at the end of financial 2006 (EUR 1,573.5m). This increase is chiefly attributable to the inclusion in consolidation of Gindre Duchavany, the 15% interest in Norddeutscher Affinerie and the 25% plus one share holding in Cumerio.

Plant Construction Division — Austrian Energy & Environment

The performance of the Group's largest Division, Plant Construction, was highly satisfactory over the first nine months of the current financial year. Austrian Energy & Environment recorded a 21.0% jump in order intake to EUR 1,085.4m, compared with EUR 896.9m a year earlier, thanks to improved penetration of international markets. As an international systems supplier, AE&E is becoming increasingly well-known for the efficiency of its industrial energy generation solutions. Massive demand for alternative and environmentally friendly energy generation solutions from industrial and emerging economies is reflected in the numerous European and worldwide large-scale orders. More and more, the focus is on the fast growing combined cycle power plant business. At 30 September 2007 Austrian Energy & Environment Group had a record order book of EUR 1,816.7m (30 September 2006: EUR 1,355.4m).

AE&E Group recorded significant overall increases in all the key revenue and earnings measures in the first nine months of the financial year. Revenue climbed by 81.5% to EUR 705.1m (2006: EUR 388.4m), EBITDA by 46.4% to EUR 32.0m (2006: EUR 21.9m), and EBIT by 49.0% to EUR 27.7m (2006: EUR 18.5m). The EBIT margin was down from 4.8% to 3.9% due to increased operating and materials costs. EBT was 42.1% up at EUR 30.4m compared with EUR 21.4m in 2006.

Drive Technology Division — ATB Austria Antriebstechnik AG

Thanks to the expansion of its product portfolio and the resulting consolidation of its market position, ATB Austria Antriebstechnik — Europe's third largest manufacturer of electric motors — recorded a 25.0% improvement in order intake for the first nine months of the year, up from EUR 304.2m to EUR 380.3m. The significant increase in revenue (38.8%) from EUR 220.1m to EUR 305.5m is chiefly attributable to the inclusion in consolidation of the Lindeteves-Jacoberg (LJ) Group as of June 2006. Accordingly, EBITDA was up by EUR 1.1m (6.2%) from EUR 17.6m for the first three quarters of

2006 to EUR 18.7m for the same period this year. Adjusted for the non-recurring effects of personnel restructuring measures, ATB Group's EBIT for the first nine months more than doubled from EUR 3.1m to EUR 7.4m, and the EBIT margin adjusted for acquisitions advanced from 1.4% to 2.4%. The loss before tax for the period under review increased from EUR 0.1m in 2006 to EUR 9.1m. This was chiefly the result of increased long-term borrowings and trade payables, together with short-term loans in connection with restructuring at the LJ Group.

Machine Tools Division – EMCO Group

Revenue and earnings growth was driven by increasing demand for machine tools in general and turning machines in particular, and by a major trade schools order. Order intake for the EMCO Group as a whole was up 10.0% from EUR 111.5m to EUR 122.6m. Revenue expanded by 21.6% from EUR 96.1m to EUR 116.8m and all the Group's key earnings figures increased satisfactorily. EBITDA for the period was up EUR 6.8m (92.4%) from EUR 7.4m to EUR 14.2m. Despite increased depreciation and amortisation expense, EBIT was up 139.0%, from EUR 2.2m to EUR 5.3m. The EBIT margin rose from 2.3% to 4.5%. The rise in profit before tax was disproportionately higher, from EUR 0.3m to EUR 5.7m.

Metal Industries Division — Montanwerke Brixlegg

The Metal Industries Division's activities in the first nine months of the year were shaped by sharp copper price increases. At the same time, the Division profited from high demand for copper profiles and copper components which continued to drive growth forward. The Division's revenue — which includes Gindre Duchavany for a full three months for the first time — was up an impressive 21.0%, from EUR 384.0m to EUR 464.8m. EBITDA fell 46.9%, from EUR 61.3m to EUR 32.6m, as a result of higher materials costs, increased use of bought-in cathodes and a EUR 26.4m increase in the value of the Division's third quarter inventories in 2006 due to the sharp increase in copper prices. Divisional EBIT was down 50.8% from EUR 57.7m to EUR 28.4m. The EBIT margin also declined, from 15.0% to 6.1%. Earnings before tax (EBT) fell 59.4%, from EUR 55.3m to EUR 22.4m.

Additional electrolysis capacity came on stream at Montanwerke Brixlegg in October. This 50% expansion takes electrolysis capacity to 108,000 tonnes per year and ensures Montanwerke Brixlegg a completely independent supply of its copper cathode requirements. This dispenses with the need to buy in cathodes for future production of copper products and will be reflected in improved margins in the Metal Industries Division. Electrolysis was, however, interrupted for a month during the third quarter for rebuilding work, and the total copper cathode requirement had to be bought in, which was reflected in a temporary increase in inventories and a short-term decline in margins at Montanwerke Brixlegg.

A-TEC share bucks the trend

A-TEC Industries stock put in a robust performance, closing at EUR 133.90 as at 30 September 2007 for a 30.6% gain compared with the end of December 2006. Losses

in the third quarter of financial 2007 were primarily the result of a noticeable increase in risk aversion among private and institutional investors, caused by the US subprime mortgage crisis. In spite of this, A-TEC Industries stock regained its former strength comparatively quickly. The average trading volume for the first nine months was about 62,100 shares.

A-TEC Industries on course for a new record year

Economic conditions in A-TEC Industries' markets are encouraging in spite of the impact of the mortgage crisis on the US economy. Growth rates are respectable, and confirm Management's positive expectations for 2007. A sharp rise in domestic demand means that the emerging markets of new EU member states are growing at a faster pace than their eurozone counterparts, justifying expectations of further orders from these markets of the future.

CEO Mirko Kovats is highly optimistic about the prospects for the remainder of the financial year: *"The results for the first nine months of the year support our forecasts. We expect revenue — excluding any possible future acquisitions — to be up some 30% on financial 2006, which was itself a record year. At the same time we are very confident of reaching our earnings target for 2007 — an EBIT margin of about 5%."*

Specifically, Management is forecasting revenue of about EUR 1.0bn for AE&E, which is currently making the most of the booming international energy markets, and sees profitability increasing to about 4.5%. The successful acquisition of the Lindeteves-Jacoberg Group is expected to swell the Drive Technology Division's revenue by about 40% and to take the EBIT margin to about 4%. The Chairman of A-TEC Industries' Management Board is expecting the successful integration of Dörries Scharmann to contribute to an increase in revenue of about 15% and an EBIT margin in the region of 10% for the EMCO Group. The Metal Industries Division's operations are characterised by vigorous growth. However, operating profit is still expected to fall short of the previous year's level. *"We are convinced that the high level of demand for copper products will continue unabated despite volatile conditions on commodities markets, and we continue to be convinced of the need for a major European player in the copper industry. To this end, we will continue our constructive discussions with the board of Norddeutsche Affinerie in the fourth quarter,"* Kovats concludes.

A pdf copy of the interim report on the first three quarters of 2007 is available for download at www.a-tecindustries.com (Investor Relations / Financial reports and presentations).

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A-TEC Industries AG
Results for the first nine months of 2007 at a glance

(EUR m, according to IFRS)

	2007	2006	% change
Order intake	1,588.3	1,312.6	21.0
Order book (at 30 September)	2,049.7	1,514.4	35.3
Revenues			
• Plant Engineering	705.1	388.4	81.5
• Drive Technology	305.5	220.1	38.8
• Mechanical	116.8	96.1	21.6
• Engineering	464.8	384.0	21.0
• Metal Industry			
Total Group	1,593.0	1,088.6	46.3
EBITDA	105.7	108.1	-2.2
Earnings before interest and tax (EBIT)	75.5	85.0	-11.2
EBIT margin	4.7%	7.8%	
EBT	49.2	74.8	-34.2
Accumulated profit/loss	41.5	79.1	-47.6
Cash and cash equivalents	289.67	310.95	-6.8
Investments in intangible assets and property, plant and equipment	41.4	29.7	39.4
Head count (at 30 September)	11,632	11,151	4.3