

keywords: Financial Figures/Balance Sheet/9-month report

euro adhoc: Andritz AG / Financial Figures/Balance Sheet / Andritz: Results for Q1-Q3 2008

- **Increases in order intake, sales, and net income**
- **Net liquidity, at approximately 529 MEUR, reached record high**
- **High order backlog of more than 4.5 bn. EUR as solid basis for coming months**

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Graz, November 7, 2008. International technology Group Andritz reached increases in order intake, sales, and net income during the first three quarters of 2008 compared to the previous year's reference period. As of September 30, 2008, order backlog amounted to over 4.5 bn. EUR, thus providing a solid workload for the coming months. For the full year 2008, the Andritz Group continues to expect its sales to rise to 3.5 bn. EUR and net income to increase compared to 2007.

Increase in sales

Sales of the Andritz Group during the first three quarters of 2008 amounted to 2,538.9 MEUR, an increase of 10.4% compared to the reference period of last year (Q1-Q3 2007: 2,299.6 MEUR). In particular, the Rolling Mills & Strip Processing Lines and the Hydro Power business areas achieved strong increases in sales compared to the previous year.

Increase in order intake, high order backlog

Despite the global financial and economic crisis, order intake developed solidly during the first three quarters of 2008. At 2,900.4 MEUR, it was 9.4% above the very high level of the reference period of last year (Q1-Q3 2007: 2,651.9 MEUR); in particular, the Hydro Power and the Rolling Mills & Strip Processing Lines business areas increased their order intakes compared to the reference period of last year. The Andritz Group's order intake in the third quarter of 2008 developed very positively. At 771.7 MEUR, it increased by 25.6% compared to the third quarter of 2007 (614.4 MEUR).

Order backlog as of September 30, 2008 amounted to 4,558.1 MEUR, an increase of 22.5% compared to the value at the reference date of last year (September 30, 2007: 3,722.4 MEUR). Thus, the Andritz Group has a solid workload for the coming months.

Increase in earnings

The Group's EBITA for the first three quarters of 2008 amounted to 158.0 MEUR. This is an increase of 13.7% compared to the first three quarters of 2007 (139.0 MEUR), thus showing a stronger growth than sales. As a result, the Group's EBITA margin improved to 6.2% in the first three quarters of 2008 (Q1-Q3 2007: 6.0%). Especially the Hydro Power business area showed a very favorable earnings development.

Net income excluding minority interests amounted to 105.5 MEUR in the first three quarters of 2008, exceeding last year's reference value by 9.3% (Q1-Q3 2007: 96.5 MEUR).

Solid balance sheet structure

Total assets as of September 30, 2008 increased to 3,074.2 MEUR (December 31, 2007: 2,507.5 MEUR). This increase is mainly due to the first-time inclusion of the companies acquired in 2008 and the successful issue of a 150 MEUR public corporate bond, in February 2008. This bond (tenor: seven years, fixed coupon: 5.25% p.a.) replaces the 100 MEUR corporate bond (tenor: six years, fixed coupon: 6.0% p.a.), which was redeemed at the beginning of June 2008.

The equity ratio as of September 30, 2008 amounted to 18.2% (December 31, 2007: 19.2%).

Liquid funds (cash and cash equivalents plus marketable securities) amounted to 930.9 MEUR as of September 30, 2008. Net liquidity (liquid funds minus financial liabilities) increased to 528.5 MEUR and was thus significantly higher than at the end of last year (December 31, 2007: 246.5 MEUR).

Outlook for the Andritz Group

Andritz confirms its sales and earnings guidance for the full year 2008 and expects Group sales to rise to approximately 3.5 bn. EUR and profitability (EBITA margin) to rise in comparison to 2007.

Given the continued uncertainty with regard to the future development of the global economy and particularly the short-term effects of the financial crisis on the real economy, and on the industries served by Andritz in particular, it is not possible, at this moment in time, to provide a profound guidance regarding the sales and earnings development of the Andritz Group in 2009. 'The solid order backlog and the high share of sales from areas that are likely to be less affected by the general economic situation, such as Hydro Power, Service, and Feed & Biofuel, should help to cushion, even if they cannot entirely prevent, the negative impact Andritz may feel from a possible severe economic slowdown,' says Wolfgang Leitner, President and CEO of Andritz AG.

- End -

Key figures of the Andritz Group for the first three quarters of 2008

~ in MEUR (IFRS)	Q1-Q3 2008	Q1-Q3 2007	+/-	Q3 2008	Q3 2007	+/-
Order intake	2,900.4	2,651.9	+9.4%	771.7	614.4	+25.6%
Order backlog (as of end of period)	4,558.1	3,722.4	+22.5%	4,558.1	3,722.4	+22.5%
Sales	2,538.9	2,299.6	+10.4%	888.9	762.6	+16.6%
EBITDA1)	192.4	169.1	+13.8%	68.4	61.2	+11.8%
EBITDA margin (%)	7.6	7.4	-	7.7	8.0	-
EBITA2)	158.0	139.0	+13.7%	56.1	51.6	+8.7%
EBITA margin (%)	6.2	6.0	-	6.3	6.8	-
Earnings before interest and taxes (EBIT)	151.5	134.6	+12.6%	52.7	50.2	+5.0%
EBIT margin (%)	6.0	5.9	-	5.9	6.6	-
Earnings before taxes (EBT)	156.2	137.9	+13.3%	55.7	50.3	+10.7%
Net income	110.0	98.8	+11.3%	38.0	35.8	+6.1%
Net income excl. minority interests	105.5	96.5	+9.3%	35.6	34.9	+2.0%
Cash flow from operating activities	309.2	16.3	+1,796.9%	183.0	-18.3	+1,100.0%
Capital expenditure3)	42.2	32.1	+31.5%	14.5	9.0	+61.1%
Employees (as of end of period)	13,225	11,200	+18.1%	13,225	11,200	+18.1%

1) EBITDA: Earnings before interest, taxes, depreciation, and amortization

2) EBITA: Earnings before interest, taxes, amortization of identifiable assets acquired in a business combination and recognized separately from goodwill at the amount of 4,835 TEUR for Q1-Q3 2008 (4,443 TEUR for Q1-Q3 2007 and 5,967 TEUR for 2007) and impairment of goodwill of 1,663 TEUR (2007: 2,771 TEUR).

3) Capital expenditure: additions to property, plant, and equipment and intangible assets

The financial report for the first three quarters of 2008 is available on the Andritz website at www.andritz.com as an online and pdf version. Printed copies of the financial report can be requested by telephone (+43 316/6902-2722), fax (+43 316/6902-465) or e-mail (petra.wolf@andritz.com).

The Andritz Group

The Andritz Group is a global market leader in the supply of customized plants, systems, and services for the pulp and paper industry, the hydropower industry, the steel industry, and other specialized industries (solid/liquid separation, feed, and biofuel). Headquartered in Graz, Austria, the Group has about 13,200 employees worldwide. It manufactures and sells its products and services globally.

Disclaimer

Certain statements contained in this press release constitute 'forward-looking statements.' These statements, which contain the words 'believe', 'intend', 'expect', and words of a similar meaning, reflect the Executive Board's beliefs and expectations and are subject to risks and uncertainties that may cause actual results to differ materially. As a result, readers are cautioned not to place undue reliance on such forward-looking statements. The Company disclaims any obligation to publicly announce the result of any revisions to the forward-looking statements made herein, except where it would be required to do so under applicable law.

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