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EANS-Adhoc: ANDRITZ: results for the first half of 2010

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6-month report

09.08.2010

Graz, August 9, 2010. International technology Group ANDRITZ showed a favorable business development in the first half of 2010.

Especially in the second quarter, sales, earnings, and profitability rose substantially compared to the previous year's reference figures; order intake in the second quarter of 2010 reached the highest quarterly figure in the company's history.

Rise in sales in the second quarter of 2010 In the second quarter of 2010, sales of the ANDRITZ GROUP rose by 5.9%, to 829.9 MEUR (Q2 2009: 784.0 MEUR). With the exception of METALS, all business areas recorded significant increases in sales. Thus, sales of the Group in the first half of 2010, at 1,562.2 MEUR, were only slightly below the reference figure for the previous year (H1 2009: 1,574.1 MEUR).

Record levels in order intake and order backlog Order intake of the ANDRITZ GROUP in the second quarter of 2010 amounted to 1,395.3 MEUR, which was the highest quarterly figure ever achieved in the company's history. Compared to the reference figure for the previous year (Q2 2009: 731.3 MEUR), order intake almost doubled. Order intake rose in all business areas compared to the previous year's reference figures, with the HYDRO and PULP & PAPER business areas achieving substantial increases. In total, the order intake of the Group amounted to 2,303.7 MEUR in the first half of 2010 and was thus 34.5% higher than the previous year's reference figure (H1 2009: 1,712.7 MEUR). With the exception of METALS, all business areas saw a rise in order intake.

The order backlog as of June 30, 2010 amounted to 5,384.9 MEUR and was thus higher than the figure for the previous year's reference period (+22% vs. June 30, 2009: 4,426.9 MEUR), as well as exceeding the value for the end of 2009 (+21% vs. December 31, 2009: 4,434.5 MEUR).

Favorable development in earnings and profitability EBITA of the ANDRITZ GROUP in the second quarter of 2010 amounted to 54.2 MEUR and was thus many times higher than the very low reference figure for Q2 2009 (12.8 MEUR), which was impacted by restructuring expenses of approximately 24 MEUR. Excluding these restructuring expenses, earnings increased by 46.1%. Profitability (EBITA margin) rose substantially in the second quarter of 2010, to 6.5% (Q2 2009: 1.6%; 4.7% excl. restructuring expenses), with all business areas showing significant increases in earnings in absolute terms, as well as in profitability. The EBITA of the Group in the first half of 2010 increased to 97.9 MEUR (H1 2009: 56.5 MEUR), while the EBITA margin was up to 6.3% (H1 2009: 3.6%; 5.1% excl. restructuring expenses).

The net income (excluding non-controlling interests) amounted to 67.3 MEUR in the first half of 2010 and was thus more than double the figure for the previous year's reference period (H1 2009: 32.5 MEUR).

Unchanged solid net worth position and capital structure As of June 30, 2010, the ANDRITZ GROUP showed an unchanged solid net worth position and capital structure: total assets rose to 3,750.1 MEUR (December 31, 2009: 3,309.3 MEUR), and the equity ratio amounted to 19.6% (December 31, 2009: 20.0%).

Liquid funds (cash and cash equivalents plus marketable securities) as of June 30, 2010 amounted to 1,340.0 MEUR (December 31, 2009: 1,082.1 MEUR). Net liquidity (liquid funds plus fair value of interest rate swaps minus financial liabilities) increased to 932.8 MEUR (December 31, 2009: 677.9 MEUR); this rise is mainly due to receipt of advance payments for some large orders.

Outlook for the full year 2010 ANDRITZ expects solid project activity in all business areas for the coming months and confirms the sales and earnings expectations for the 2010 business year published with the figures for the full year 2009: Sales of the ANDRITZ GROUP should at least reach the level of 2009 or increase slightly, while net income should be impacted positively by the cost reductions resulting from restructuring measures initiated in 2009. As Wolfgang Leitner, President and CEO of ANDRITZ AG, explains, 'The results for the first half of 2010 are satisfactory - above all due to the positive development by all business areas in the second quarter - and have shown that we took the right measures at the right time, with a good sense of proportion, in the light of the general economic crisis. We are on the right course and optimistic that we can achieve our targets for the 2010 business year.'

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Key figures of the ANDRITZ GROUP at a glance

(acc. to IFRS; in MEUR)	H1 2010	H1 2009	+/-	Q2 2010	Q1 2009	+/-
Sales	1,562.2	1,574.1	-0.8%	829.9	784.0	+5.9%
HYDRO	706.7	650.4	+8.7%	357.7	333.8	+7.2%
PULP & PAPER	479.3	465.8	+2.9%	262.3	232.1	+13.0%
METALS	162.1	243.6	-33.5%	84.1	108.6	-22.6%
ENVIRONMENT & PROCESS	144.5	151.8	-4.8%	88.8	81.0	+9.6%
FEED & BIOFUEL	69.6	62.5	+11.4%	37.0	28.5	+29.8%
Order intake	2,303.7	1,712.7	+34.5%	1,395.3	731.3	+90.8%
HYDRO	1,150.0	1,054.5	+9.1%	758.6	480.3	+57.9%
PULP & PAPER	748.7	302.8	+147.3%	408.6	138.1	+195.9%
METALS	141.6	145.3	-2.5%	98.9	21.7	+355.8%
ENVIRONMENT & PROCESS	181.9	153.0	+18.9%	92.7	68.7	+34.9%
FEED & BIOFUEL	81.5	57.1	+42.7%	36.5	22.5	+62.2%
Order backlog (as of end of period)	5,384.9	4,426.9	+21.6%	5,384.9	4,426.9	+21.6%
EBITDA	123.2	89.2	+38.1%	67.6	33.0	+104.8%
EBITDA margin	7.9%	5.7%	-	8.1%	4.2%	-
EBITA	97.9	56.5*	+73.3%	54.2	12.8*	+323.4%
EBITA margin	6.3%	3.6%*	-	6.5%	1.6%*	-
Earnings Before Interest and Taxes (EBIT)	92.8	52.0	+78.5%	51.4	10.4	+394.2%
Financial result	3,6	-2.9	+224.1%	1.7	1.3	+30.8%
Earnings Before Taxes (EBT)	96.4	49.1	+96.3%	53.1	11.7	+353.8%
Net income (excl. non- controlling interests)	67.3	32.5	+107.1%	38.4	6.8	+464.7%

