

EANS-Adhoc: ANDRITZ GROUP: financial year 2009

Solid business development in spite of the difficult economic environment

- **Sales and earnings below the record level of 2008**
- **Solid order intake**
- **Order backlog slightly above the high level for 2008**
- **Proposed dividend of 1.00 EUR per share**

ad-hoc disclosure transmitted by euro adhoc with the aim of a Europe-wide distribution. The issuer is solely responsible for the content of this announcement.

Graz, March 5, 2010. International technology Group ANDRITZ recorded a solid business development in the 2009 financial year in spite of the generally difficult economic environment. Sales of the ANDRITZ GROUP amounted to approximately 3.2 billion EUR, thus 11% below the record figure for 2008. Order intake, at over 3.3 billion EUR, remained on a very solid level, only 10% below the high value of 2008. The order backlog at the end of 2009 amounted to approximately 4.4 billion EUR and was thus slightly higher than at the end of 2008. Due to the decline in sales and one-off restructuring expenses of approximately 29 MEUR, the Group's EBITA declined to 164.1 MEUR (2008: 233.2 MEUR). Profitability (EBITA margin) amounted to 5.1% (2008: 6.5%) - excluding these one-off restructuring expenses, the EBITA margin was 6.0% (2008: 6.8%). Net income (excl. non-controlling interests) amounted to 96.8 MEUR (2008: 139.7 MEUR). At the Annual General Meeting, the Executive Board will propose a dividend payment of 1.00 EUR per share (2008: 1.10 EUR), which is equivalent to an increase in the payout ratio to 52.9% (2008: 40.3%).

Sales below record level of 2008 - HYDRO remains strong

Sales of the ANDRITZ GROUP amounted to 3,197.5 MEUR in 2009, thus 11.4% below the record figure for the previous year (2008: 3,609.8 MEUR). While the HYDRO business area achieved a significant increase in sales, sales in the other business areas declined compared to 2008 - particularly in PULP & PAPER.

Satisfactory order intake - slight increase of order backlog

Despite the difficult global economic conditions, order intake of the Group in 2009, at 3,349.3 MEUR, was only 9.6% below the high level of the previous year (2008: 3,705.3 MEUR). This is mainly due to the very positive development of the HYDRO business area, where order intake rose by 9.8% to a new record value of 1,693.9 MEUR (2008: 1,543.4 MEUR). In contrast, the other business areas - particularly METALS - saw a decline in order intake compared to the previous year.

The order backlog of the ANDRITZ GROUP as of December 31, 2009 amounted to 4,434.5 MEUR, an increase of 3.7% compared to the previous year's high level (Dec. 31, 2008: 4,277.4 MEUR). While the order backlog of the HYDRO business area showed a significant increase, particularly the METALS business area recorded a decline.

Earnings significantly lower, mainly due to one-off restructuring expenses

The Group's EBITA amounted to 164.1 MEUR, significantly below the reference figure for the previous year (2008: 233.2 MEUR). The profitability (EBITA margin) amounted to 5.1% (2008: 6.5%). This decrease is mainly due to expenses for capacity adjustments and operational restructuring of approximately 29 MEUR, particularly in the PULP & PAPER business area, as well as due to the decline in sales. Excluding these one-off expenses, the EBITA in 2009 amounted to 193.1 MEUR, equivalent to an EBITA margin of 6.0% (2008: 6.8%).

Net income (excl. non-controlling interests) amounted to 96.8 MEUR (2008: 139.7 MEUR).

Solid balance sheet structure - substantially higher liquidity

Total assets of the ANDRITZ GROUP as of December 31, 2009 increased to 3,309.3 MEUR (Dec. 31, 2008: 3,086.3 MEUR). The equity ratio as of December 31, 2009 amounted to 20.0% (Dec. 31, 2008: 18.7%).

Liquid funds (cash and cash equivalents plus marketable securities) amounted to

1,082.1 MEUR as of December 31, 2009 (Dec. 31, 2008: 821.8 MEUR). Net liquidity (liquid funds plus fair value of interest rate swaps minus financial liabilities) increased to 677.9 MEUR, thus well above the value at the end of last year (Dec. 31, 2008: 408.9 MEUR).

Dividend: increase in payout ratio

At the Annual General Meeting, the Executive Board will propose a dividend payment of 1.00 EUR per share (2008: 1.10 EUR), which is equivalent to an increase in the payout ratio to 52.9% (2008: 40.3%).

Outlook for 2010

'We are well-positioned for 2010 and expect a varied development for each of the business areas. While we expect a continuing positive environment for the HYDRO business area, we do not anticipate a substantial increase in investment activity in the PULP & PAPER and METALS business areas. The other business areas should see a slight positive development,' says President and CEO Dr. Wolfgang Leitner.

Based on these expectations and the order backlog of more than 4.4 bn. EUR at the end of 2009, the ANDRITZ GROUP expects sales in 2010 to remain unchanged or slightly up compared to 2009. The cost reductions resulting from the restructuring measures implemented in 2009 should positively impact the net income.

Key figures of the ANDRITZ GROUP

~

(Acc. to IFRS; MEUR)	2009	2008	+/-	Q4 2009	Q4 2008	+/-
Sales	3,197.5	3,609.8	-11.4%	867.3	1,070.9	-19.0%
HYDRO	1,378.0	1,205.9	+14.3%	390.6	407.1	-4.1%
PULP & PAPER	903.3	1,326.6	-31.9%	232.1	345.2	-32.8%
METALS	473.4	566.2	-16.4%	121.5	154.0	-21.1%
ENVIRONMENT & PROCESS	322.6	366.6	-12.0%	94.9	126.8	-25.2%
FEED & BIOFUEL	120.2	144.5	-16.8%	28.2	37.8	-25.4%

Order intake	3,349.3	3,705.3	-9.6%	794.4	804.9	-1.3%
HYDRO	1,693.9	1,543.4	+9.8%	315.4	531.3	-40.6%
PULP & PAPER	923.0	1,033.8	-10.7%	318.6	78.3	+306.9%
METALS	296.2	611.5	-51.6%	34.5	76.9	-55.1%
ENVIRONMENT & PROCESS	305.4	361.2	-15.4%	73.6	86.9	-15.3%
FEED & BIOFUEL	130.8	155.4	-15.8%	52.3	31.5	+66.0%

Order backlog

(as of end of period) 4,434.5 4,277.4 +3.7% 4,434.5 4,277.4 +3.7%

EBITDA 218.2 278.2 -21.6% 71.5 81.7 -12.5%

EBITDA margin 6.8% 7.7% - 8.2% 7.6% -

EBITA (excl.

restructuring expenses) 193.1 246.8 -21.8% 66.8 84.7 -21.1%

EBITA margin (excl.

restructuring expenses) 6.0% 6.8% - 7.7% 7.9% -

EBITA (incl.

restructuring expenses) 164.1 233.2 -29.6% 62.1 71.1 -12.7%

EBITA margin (incl.

restructuring expenses) 5.1% 6.5% - 7.2% 6.6% -

Earnings Before Interest

and Taxes (EBIT) 147.1 218.5 -32.7% 60.0 62.9 -4.6%

Financial result 2.6 -8.1 +132.1% -4.1 -8.6 +52.3%

Earnings Before Taxes

(EBT) 149.6 210.5 -28.9% 55.9 54.3 +2.9%

Net income (excl.

non-controlling interests) 96.8 139.7 -30.7% 37.2 34.3 +8.5%

Cash flow from
operating activities 345.7 255.0 +35.6% 1.6 -54.2 +103.0%

Investments in fixed
tangible and intangible
assets 70.5 69.7 +1.1% 19.1 27.5 -30.5%

Employees
(as of end of period) 13,049 13,707 -4.8% 13,049 13,707 -4.8%

~

The ANDRITZ GROUP

The ANDRITZ GROUP is a globally leading supplier of plants and services for the hydropower, pulp and paper, metals, and other specialized industries (solid/liquid separation, feed and biofuel). The Group is headquartered in Graz, Austria, and has a staff of approximately 13,000 employees worldwide. ANDRITZ operates over 120 production sites, service and sales companies all around the world.

The annual report and financial report are available on the ANDRITZ website at www.andritz.com as an online and pdf version. Printed copies can be requested by telephone (+43 316 6902 2722), fax (+43 316 6902 465), or e-mail (petra.wolf@andritz.com).

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.

Further inquiry note:

Dr. Michael Buchbauer
Head of Group Treasury, Corporate Communications & Investor Relations
Tel.: +43 316 6902 2979
Fax: +43 316 6902 465
<mailto:michael.buchbauer@andritz.com>

issuer: Andritz AG

Stattegger Straße 18

A-8045 Graz

phone: +43 (0)316 6902-0

FAX: +43 (0)316 6902-415

mail: welcome@andritz.com

WWW: www.andritz.com

sector: Machine Manufacturing

ISIN: AT0000730007

indexes: WBI, ATX Prime, ATX

stockmarkets: official dealing: Wien

language: English



Aussendung übermittelt durch euro adhoc
The European Investor Relations Service