

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

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Graz, May 7, 2010. International technology Group ANDRITZ showed a satisfactory business development in the first quarter of 2010. Sales amounted to 732 MEUR (-7% vs. Q1 2009). Order intake amounted to 908 MEUR and thus declined by 7% compared to the very high reference value for the previous year, but was still significantly higher than the figures for the preceding quarters. Order backlog as of March 31, 2010 amounted to 4.7 billion EUR, which is an increase of 6% compared to the reference date for last year. In spite of the decline in sales, EBITA, at 43.7 MEUR, was at the same level as during last year's reference period (Q1 2009: 43.7 MEUR). Thus, profitability (EBITA margin) increased to 6.0% (2009: 5.5%). Net income (excluding non-controlling interests) amounted to 29 MEUR (Q1 2009: 26 MEUR).

Sales declining, HYDRO business area remains strong
Sales of the ANDRITZ GROUP amounted to 732.3 MEUR during the first quarter of 2010, thus 7.3% below the reference figure for the previous year (Q1 2009: 790.1 EUR). While the HYDRO business area achieved a significant increase in sales compared to last year's reference quarter, sales in the other business areas declined - especially in METALS and ENVIRONMENT & PROCESS.

Solid development of order intake and order backlog
Order intake of the ANDRITZ GROUP saw a solid development in the first quarter of 2010, amounting to 908.4 MEUR and thus declining by 7.4% compared to the very high reference value for the previous year, but still significantly higher than the figures for the preceding quarters. Order intake of the HYDRO business area was significantly below the very high reference value for last year, which had included some major orders; also the METALS business area saw a significant decline in order intake. In contrast, order intake of the PULP & PAPER business area developed very favorably, more than doubling the figure for last year's reference period.

Order backlog of the ANDRITZ GROUP as of March 31, 2010 amounted to 4,724.3 MEUR, an increase of 5.8% compared to the reference date for last year (March 31, 2009: 4,464.0 MEUR).

Satisfactory earnings, increased profitability
Despite the decline in sales, EBITA of the ANDRITZ GROUP, at 43.7 MEUR in the first quarter of 2010, remained stable compared to the reference value of last year (Q1 2009: 43.7 MEUR). While earnings in the HYDRO and the PULP & PAPER business areas rose significantly, the METALS and the ENVIRONMENT & PROCESS business areas in particular showed a decline in earnings.

EBITA margin of the Group increased to 6.0% and was thus higher than during the reference period for the last year (Q1 2009: 5.5%). In particular, the HYDRO and the PULP & PAPER business areas' profitability developed very favorably.

Net income (excluding non-controlling interests) amounted to 28.9 MEUR, which is an increase of 12.5% compared to the reference figure of the previous year (Q1 2009: 25.7 MEUR).

Solid balance sheet structure, substantially higher liquidity
Total assets increased to 3,538.0 MEUR as of March 31, 2010 (December 31, 2009: 3,309.3 MEUR); the equity ratio amounted to 19.0% (December 31, 2009: 20.0%).

Liquid funds (cash and cash equivalents plus marketable securities) amounted to 1,296.5 MEUR as of March 31, 2010 (December 31, 2009: 1,082.1 MEUR). Net liquidity (liquid funds plus fair value of interest rate swaps minus financial liabilities) increased to 897.7 MEUR, thus also substantially higher than at the end of last year (December 31, 2009: 677.9 MEUR).

Outlook for 2010 confirmed

The ANDRITZ GROUP confirms its financial guidance made on the occasion of the release of the 2009 financial results in March 2010 concerning the expected development of the markets it serves and the business development for the 2010 financial year. President and CEO Wolfgang Leitner comments: "While we expect a favorable market environment for the HYDRO business area in the next few months, and the ENVIRONMENT & PROCESS and the FEED & BIOFUEL business areas should also develop satisfactorily, we assume that the very moderate investment activity in the METALS business area will continue in the coming quarters. In the PULP & PAPER business area, we do not expect any sustained improvement for the time being despite the good order intake in the first quarter."

Based on these expectations and the order backlog of more than 4.7 bn. EUR at the end of March 2010, 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.

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Key figures of the ANDRITZ GROUP at a glance

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(Acc. to IFRS) Unit Q1 2010 Q1 2009 +/- 2009

Sales MEUR	732.3	790.1	-7.3%	3,197.5
HYDRO MEUR	349.0	316.6	+10.2%	1,378.0
PULP & PAPER MEUR	217.0	233.7	-7.1%	903.3
METALS MEUR	78.0	135.0	-42.2%	473.4
ENVIRONMENT & PROCESS MEUR	55.7	70.8	-21.3%	322.6
FEED & BIOFUEL MEUR	32.6	34.0	-4.1%	120.2

Order intake MEUR	908.4	981.4	-7.4%	3,349.3
HYDRO MEUR	391.4	574.2	-31.8%	1,693.9
PULP & PAPER MEUR	340.1	164.7	+106.5%	923.0
METALS MEUR	42.7	123.6	-65.5%	296.2
ENVIRONMENT & PROCESS MEUR	89.2	84.3	+5.8%	305.4
FEED & BIOFUEL MEUR	45.0	34.6	+30.1%	103.8

Order backlog
(as of end of period) MEUR 4,724.3 4,464.0 +5.8% 4,434.5

EBITDA MEUR	55.6	56.2	-1.1%	218.2
EBITDA margin %	7.6	7.1	-	6.8

EBITA MEUR	43.7	43.7	0.0%	164.1
EBITA margin %	6.0	5.5	-	5.1

Earnings Before Interest
and Taxes (EBIT) MEUR 41.4 41.6 -0.5% 147.1

Financial result MEUR 1.9 -4.2 +145.2% 2.6

Earnings Before
Taxes (EBT) MEUR 43.3 37.4 +15.8% 149.6

Net income (excl. non-
controlling interests) MEUR 28.9 25.7 +12.5% 96.8

Cash flow from
operating activities MEUR 238.4 55.0 +333.5% 345.7

Investments in fixed
tangible and intangible
assets MEUR 13.9 22.9 -39.3% 70.5

Employees
(as of end of period) - 13,370 13,600 -1.7% 13,049

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The interim financial report for the first quarter of 2010 as well as the annual and financial reports of the ANDRITZ GROUP are available at www.andritz.com in online and pdf versions. Printed copies can be requested by telephone (+43 316 6902-2722), fax (+43 316 6902-465), or e-mail (investors@andritz.com).

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 13,400 employees worldwide. ANDRITZ operates over 120 production sites, service, and sales companies all around the world.

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