



**Results for the First Quarter of 2007**

**7 May 2007**

# Disclaimer

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***Certain statements contained in this presentation constitute “forward-looking statements”. These statements, which contain the words “believe”, “intend”, “expect” and words of similar meaning, reflect management’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.***



# Highlights of Q1 2007

## Order Intake & Order Backlog

- Group Order Intake, at 1,031.0 MEUR in Q1 2007 (+37.9% vs. Q1 2006), reaches highest value ever achieved in a Quarter
  - Strong Order Intake of VA TECH HYDRO (278.0 MEUR in Q1 2007)
  - Favorable development of the Rolling Mills and Strip Process Lines and the Feed and Biofuel Business Areas
- High Order Backlog of over 3.6 bn EUR as solid base for 2007

## Sales

- Strong increase in Group Sales (+61.9%) due to the continued strong organic growth (+26.5%) and consolidation of VA TECH HYDRO
- First-time consolidated companies added approx. 159.8 MEUR to Group Sales

## Earnings

- EBITA, at 39.8 MEUR, showed an under-proportionate increase (+49.6% vs Q1 2006) compared to Sales due to a decline of profitability in Pulp and Paper, and first-time consolidation of VA TECH HYDRO
- EBITA margin down to 5.4% (Q1 2006: 5.9%)
- Net income after minorities increased to 28.5 MEUR (Q1 2006: 18.9 MEUR)

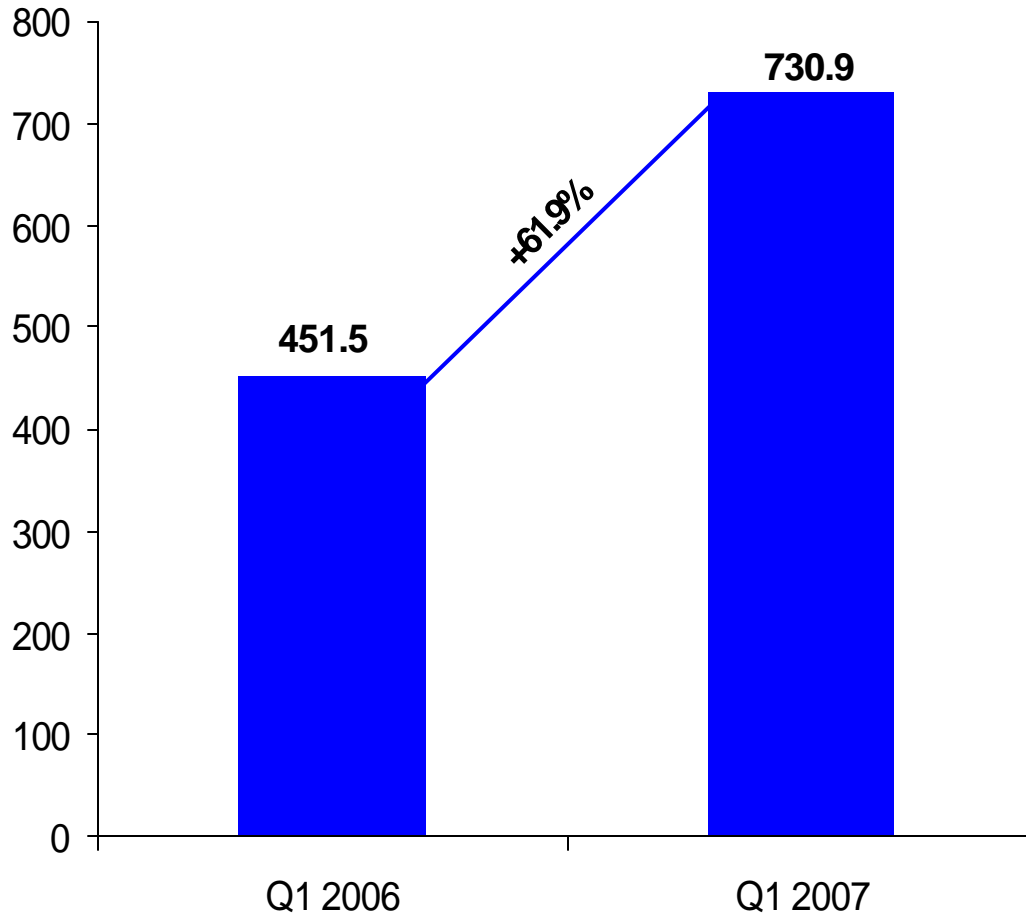
## Balance Sheet

- Net liquidity (EUR 401.5 MEUR) remains at an extraordinarily high level
- Equity ratio practically unchanged at 16.8% (31.12.2006: 17.5%)



# Sales

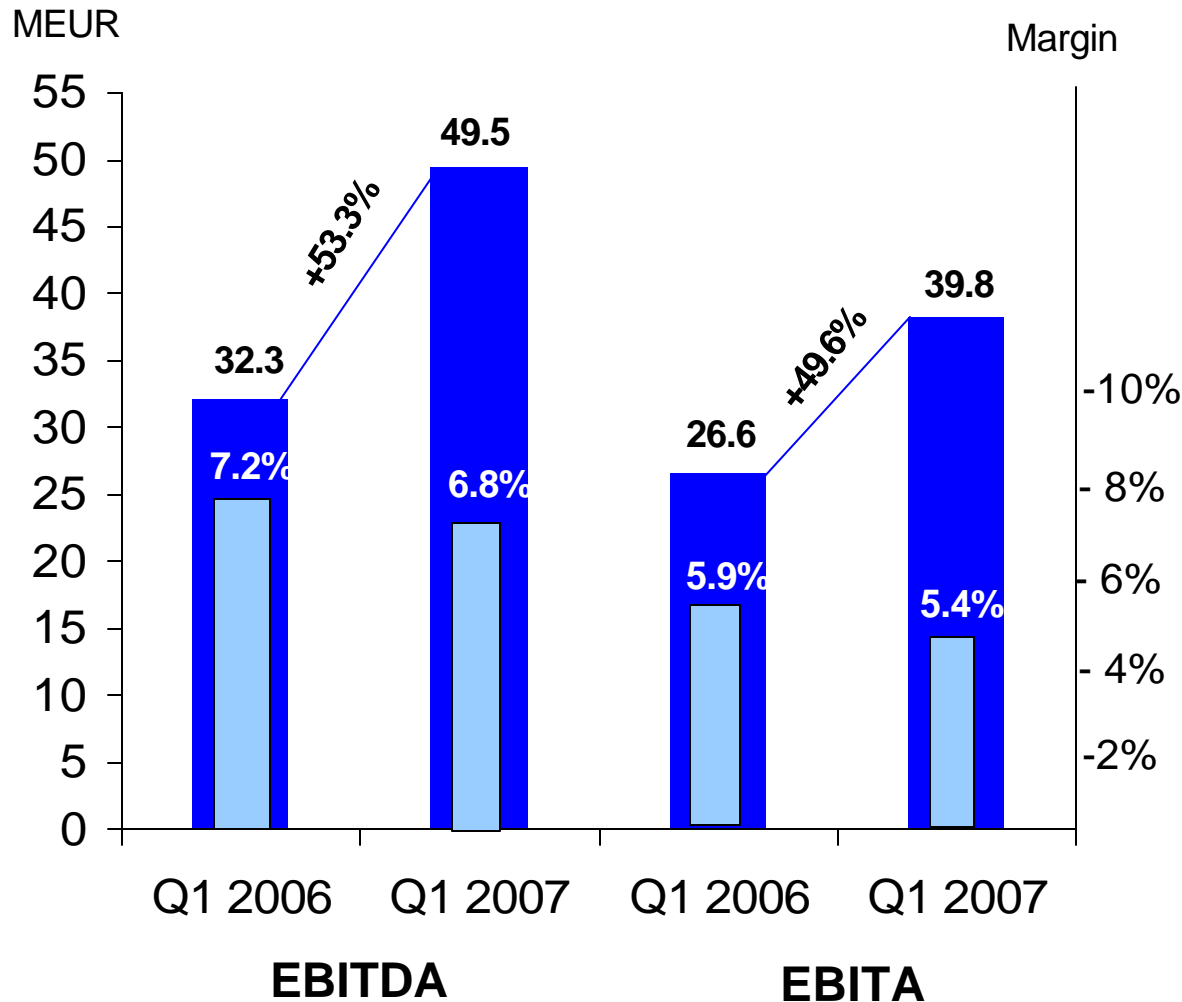
Andritz Group in MEUR



- Strong increase in Group Sales mainly due to continued strong organic growth (+26.5%) and the first-time consolidation of VA TECH HYDRO, adding 140.2 MEUR to Group Sales in Q1 2007



# Increase in Earnings

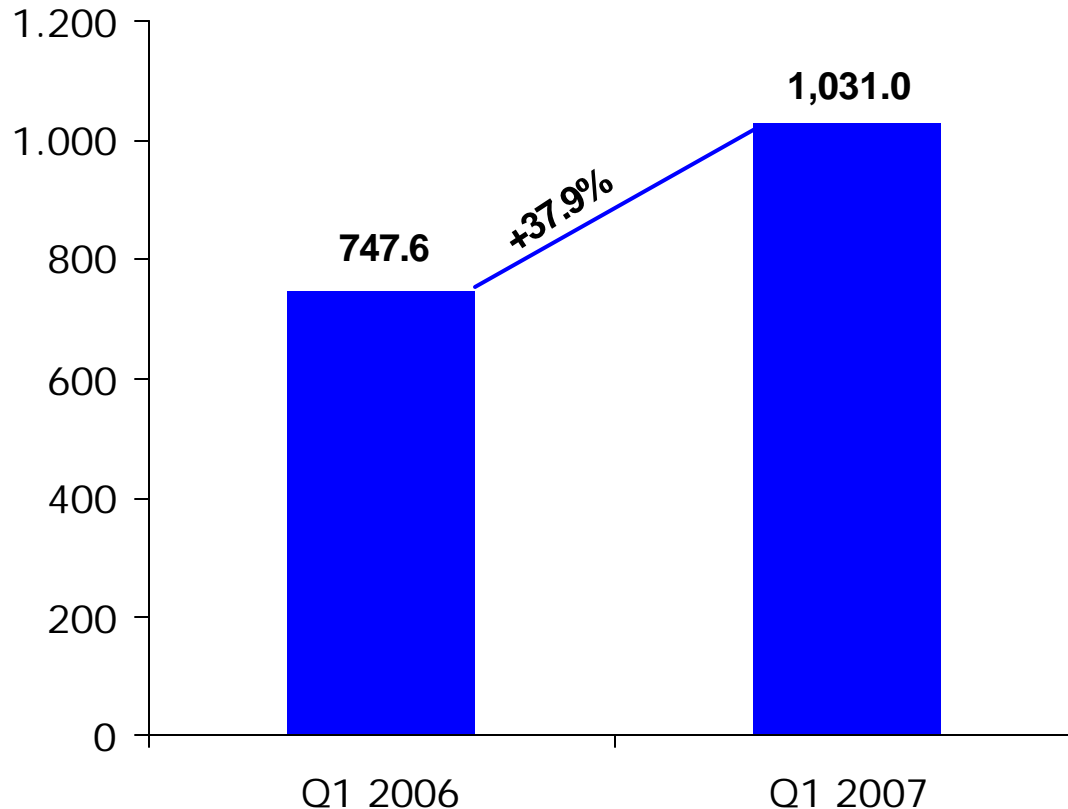


- Under-proportionate increase in EBITA compared to Sales
- Decrease in EBITA margin to 5.4% (Q1 2006: 5.9%) mainly due to decline of profitability in Pulp and Paper, and first-time consolidation of VA TECH HYDRO



# Order Intake

Andritz Group in MEUR



- Order Intake for Q1 2007 reached highest level ever achieved in a Quarter; figures for Q1 2007 should not be extrapolated for the full year of 2007
- Very strong development in Hydro Power, Rolling Mills and Strip Processing Lines, and Feed and Biofuel

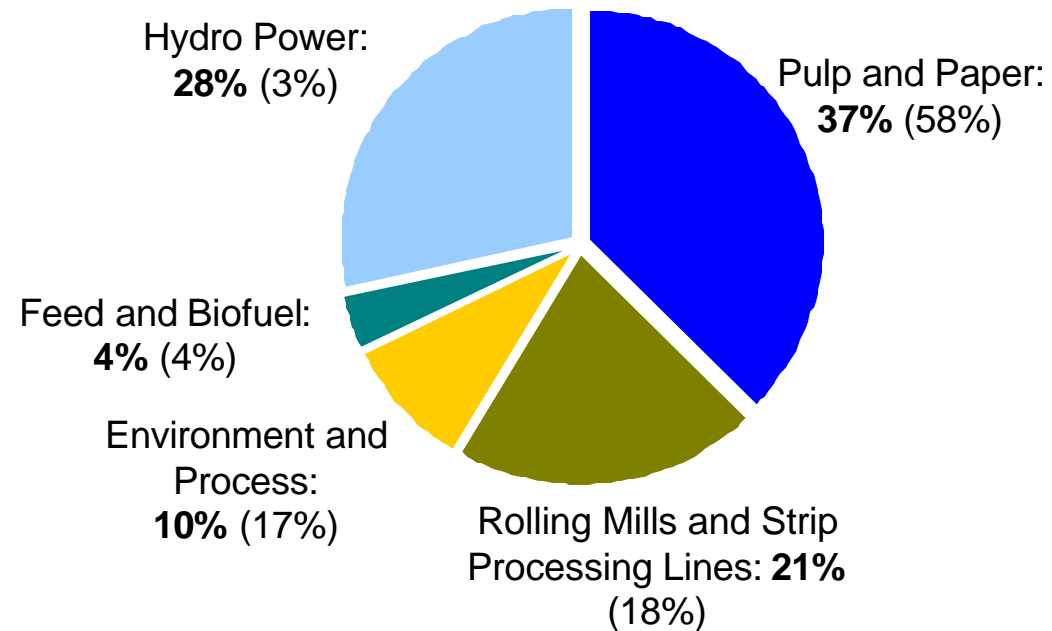
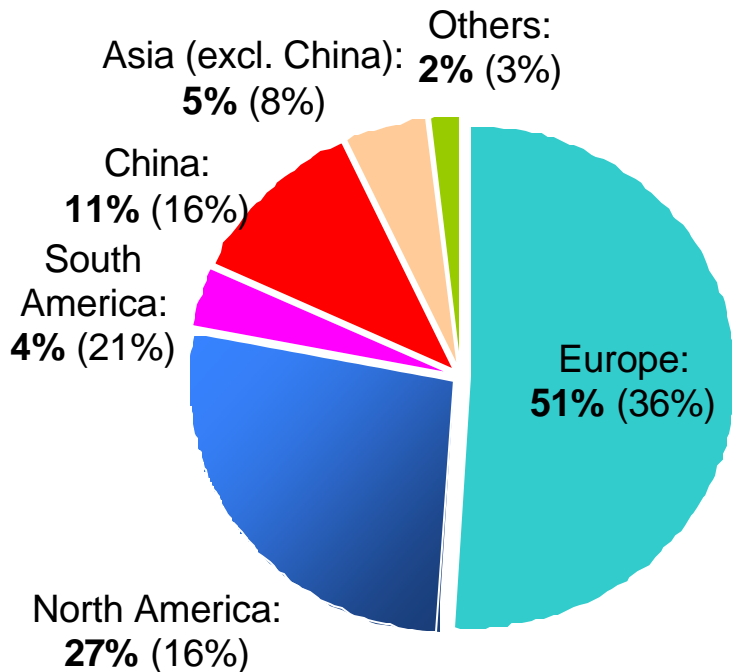


# Order Intake by region and Business Area

By region

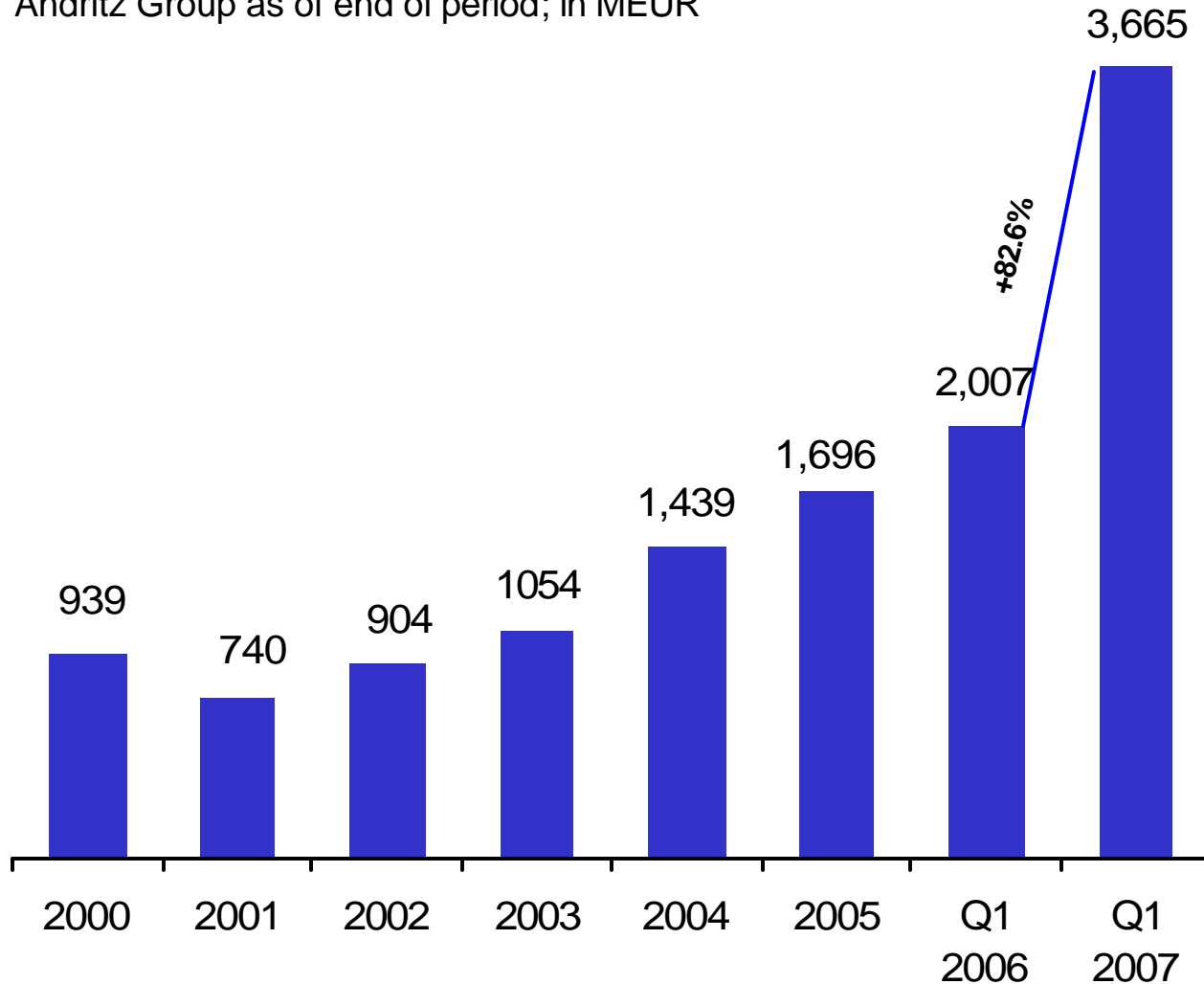
By Business Area

Q1 2007 (Q1 2006)



# High Order Backlog

Andritz Group as of end of period; in MEUR



## Order Backlog as of end of Q1 2007 by Business Area:

Pulp and Paper: 1,163.2 MEUR (+1.0% vs. Q1 2006)

Hydro Power<sup>\*)</sup>: 1,770.2 MEUR (change vs. Q1 2006 not meaningful)

Rolling Mills: 498.9 MEUR (-1.5% vs. Q1 2006)

Environment and Process: 195.4 MEUR (-22.3% vs. Q1 2006)

Feed and Biofuel: 36.8 MEUR (+36.8% vs. Q1 2006)

\*) Consolidation of VA TECH HYDRO from Q3 2006, no pro-forma figures available





# Pulp and Paper

## Highlights Q1 2007:

- Pulp market: continued solid project activity for both greenfield plants and modernizations/refurbishments
- Order Intake down compared to high level of reference period of last year
- Profitability down due to processing of some larger orders, increasing costs for steel, erection services and other outsourced supplies, as well as costs incurred in connection with the expansion of the product range

## Key figures:

MEUR	Q1 2006	Q1 2007	Change
Sales	249.8	332.5	+33.1%
Order Intake	433.0	379.9	-12.3%
Order Backlog (31.3.)	1,151.6	1,163.2	+1.0%
EBITDA	16.0	19.1	+19.4%
EBITDA margin	6.4%	5.7%	-
EBITA	13.2	14.9	+12.9%
EBITA margin	5.3%	4.5%	-



# Hydro Power

## Highlights Q1 2007:

- High project activity for hydropower equipment and systems; new hydropower plants mainly in China and India; modernizations in Europe and North America
- VA TECH HYDRO contributed 140.2 MEUR to Sales and 278.0 MEUR to Order Intake in Q1 2007
- Profitability, at 4.7%, high due high share of Service Sales and relatively low Sales from Capital

## Key figures<sup>\*)</sup>

MEUR	Q1 2006	Q1 2007 <sup>*)</sup>	Change
Sales	11.1	162.0	+1,359.5%
Order Intake	21.0	294.0	+1,300.0%
Order Backlog (31.3.)	70.7	1,770.2	+2,403.8%
EBITDA	1.7	10.9	+541.2%
EBITDA margin	15.3%	6.7%	-
EBITA	1.0	7.6	+660.0%
EBITA margin	9.0%	4.7%	-

<sup>\*)</sup> Consolidation of VA TECH HYDRO from Q3 2006, no pro-forma figures available



# Rolling Mills and Strip Processing Lines

## Highlights Q1 2007:

- Continued high demand for steel and stainless steel products; project activity mainly concentrated on China, Russia, North America, and Europe
- Order Intake significantly up compared to Q1 2006 (mainly orders from China, North America, and Russia)
- Increase in Sales and Earnings

## Key figures

MEUR	Q1 2006	Q1 2007	Change
Sales	82.5	121.5	+47.3%
Order Intake	136.1	216.9	+59.4%
Order Backlog (31.3.)	506.5	498.9	-1.5%
EBITDA	6.1	9.3	+52.5%
EBITDA margin	7.4%	7.7%	-
EBITA	5.7	8.7	+52.6%
EBITA margin	6.9%	7.2%	-



# Environment and Process

## Highlights Q1 2007:

- Continued high project activity for industrial applications (mining, steel); market for sewage sludge dewatering and drying equipment at a satisfactory level
- Order Intake decreased compared to the very high level of Q1 2006; continued strong Order Intake for dewatering systems for industrial applications
- Sales practically unchanged vs. Q1 2006; Earnings and profitability increased

## Key figures

MEUR	Q1 2006	Q1 2007	Change
Sales	80.8	79.6	-1.5%
Order Intake	127.2	98.0	-23.0%
Order Backlog (31.3.)	251.4	195.4	-22.3%
EBITDA	5.7	6.5	+14.0%
EBITDA margin	7.1%	8.2%	-
EBITA	4.5	5.3	+17.8%
EBITA margin	5.6%	6.7%	-



# Feed and Biofuel

## Highlights Q1 2007:

- Continued high demand for wood pelleting equipment worldwide, especially in Europe and North America
- High organic growth in Order Intake and Sales
- Earnings and profitability further increased

### Key figures

MEUR	Q1 2006	Q1 2007	Change
Sales	27.3	35.3	+29.3%
Order Intake	30.3	42.2	+39.3%
Order Backlog (31.3.)	26.9	36.8	+36.8%
EBITDA	2.8	3.7	+32.1%
EBITDA margin	10.3%	10.5%	-
EBITA	2.2	3.3	+50.0%
EBITA margin	8.1%	9.3%	-



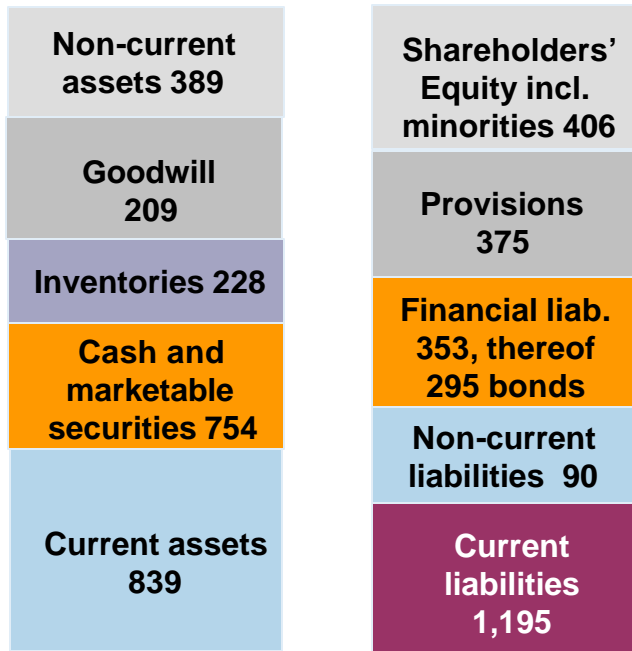
# Results for Q1 2007 at a glance

IFRS; in MEUR	Q1 2006	Q1 2007	Change
Order Intake	747.6	1,031.0	+37.9%
Order Backlog (31.3.)	2,007.1	3,664.5	+82.6%
Sales	451.5	730.9	+61.9%
EBITDA	32.3	49.5	+53.3%
EBITDA margin	7.2%	6.8%	-
EBITA	26.6	39.8	+49.6%
EBITA margin	5.9%	5.4%	-
Earnings before taxes	27.9	40.5	+45.2%
Net income	19.5	29.1	+49.2%
Net income (excl. minorities)	18.9	28.5	+50.8%



# Solid balance sheet structure

**Total assets  
2,419 MEUR**



**Andritz Group as of 31.3.2007**

- Balance sheet structure as of 31.3.2007 practically unchanged compared to 31.12.2006
- Net liquidity, at 401.5 MEUR as of 31.3.2007, remains at a very high level (31.12.2006: 365.7 MEUR)
- Equity ratio amounts to 16.8% as of 31.3.2007 (17.5% as of 31.12.2006)

# Outlook 2007

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## **Economic environment:**

- Global economy expected to continue to develop positively
- Solid market conditions and high project activity in all of Andritz's served customer industries

## **Andritz in 2007**

- Increase of Group Sales to approximately 3.1 billion EUR
- During the coming Quarters, margins in Pulp and Paper are expected to increase gradually
- Group Net Income is expected to increase in line with Sales