

---

The logo for ANDRITZ, featuring the company name in a bold, blue, sans-serif font with a 3D effect and a slight shadow.

**Results for 2007**

---

**29 February 2008**

# 2007 – another record year for Andritz

---

## Continued growth based on organic expansion and complementary acquisitions

- Sales increased to 3.3 bn EUR: +21.1% vs. 2006
- Order Intake, at over 3.7 bn EUR, at new record high: +29.7% vs. 2006
- Order Backlog, at over 3.8 bn EUR, also at new record high: +13.1% vs. 2006

## Positive development of Earnings

- EBITA margin increased from 6.0% in 2006 to 6.1% in 2007
- Increase of EBIT to 192.6 MEUR: +20.5% vs. 2006; EBIT margin, at 5.9%, unchanged compared to 2006
- Net Income increased to 132.7 MEUR: +12.0% vs. 2006

## Unchanged solid balance sheet structure

- Gross cash of approximately 600 MEUR as of end of 2007; net liquidity as of 31.12.2007, at 246.5 MEUR, below exceptionally high level as of 31.12.2006 (365.7 MEUR)
- Equity ratio of 19.2% as of 31.12.2007 (31.12.2006: 17.4%)

## Increase of dividend

- Proposal to increase dividend/share to 1.00 EUR (2006: 0.75 EUR/share); corresponds to payout ratio of 38.9% (2006: 32.5%)



## 2007 – further strengthening of market position

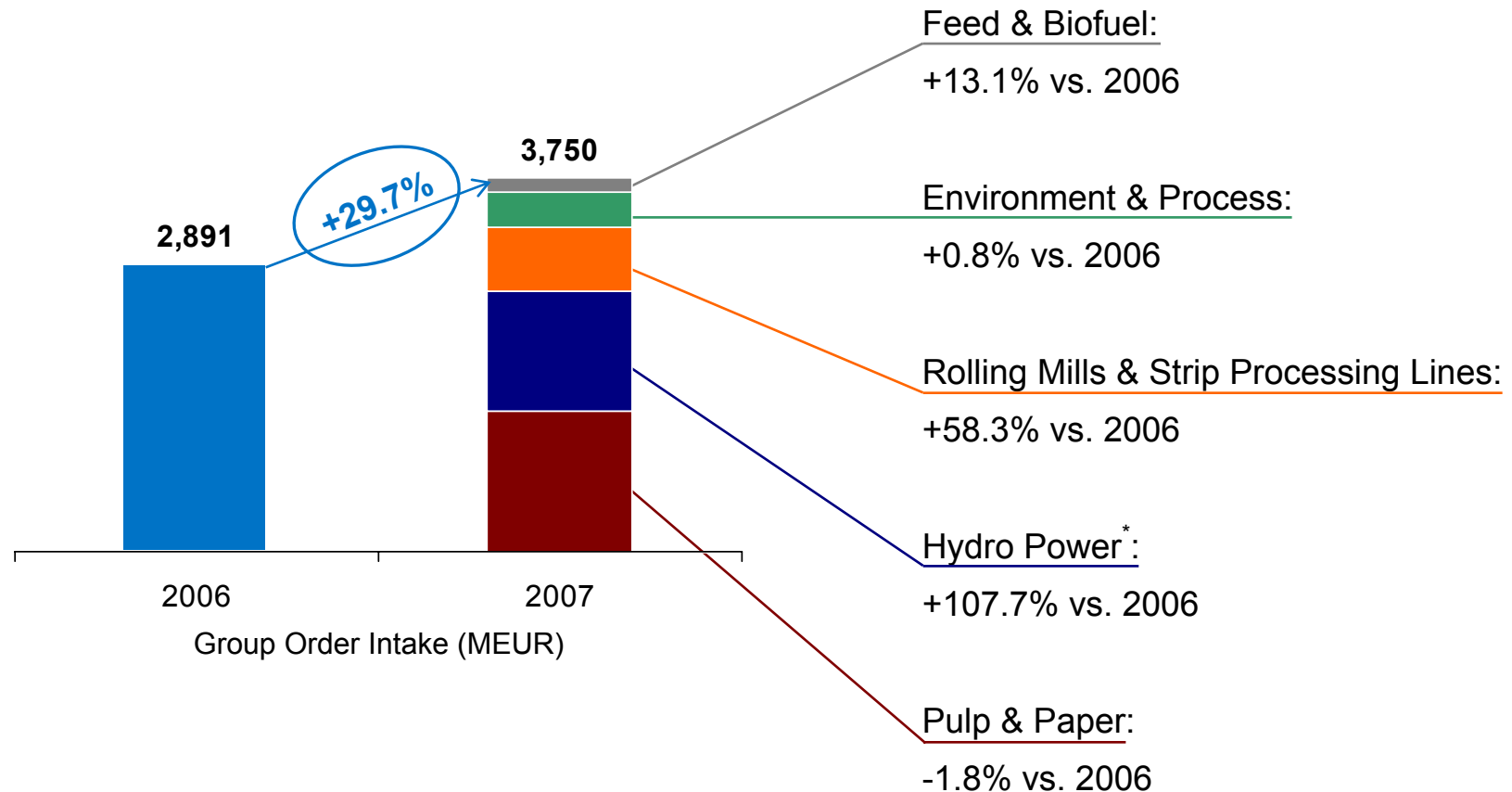
---

### Further acquisitions and own product developments:

- Acquisition of 50% stake in **Sindus Human Technology**, Brazil: maintenance services for pulp and paper industry
- Acquisition of **Tiszkécskei Gépgyár (Tigép)**, Hungary: further strengthening of production competence to support medium-term growth, especially of the Hydro Power as well as the Pulp and Paper Business Areas
- Acquisition of **Maerz-Gautschi Industrieofenanlagen**, Germany: furnaces for the steel and copper industry; closing of the deal in Q1 2008
- Cooperation project with **UPM** in the area of **biomass gasification technology** and synthetic gas cleanup
- Successful **market entry** with **biomass boilers** and enhanced market position in the area of **board machines**

# Order Intake at new record high

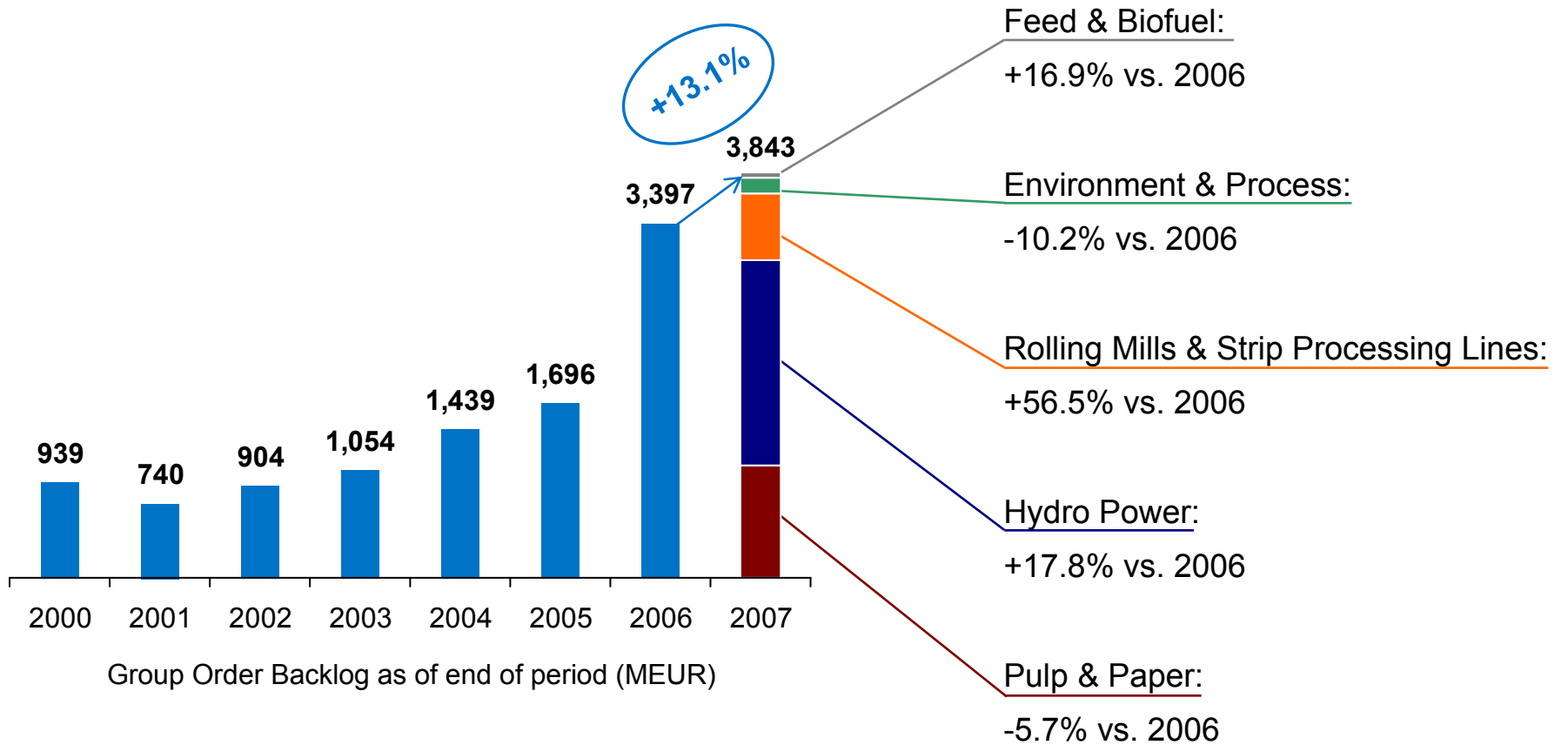
+ 14.7% organic growth



\* Including consolidation of VA TECH HYDRO from Q3 2006; no pro forma figures 2006 available

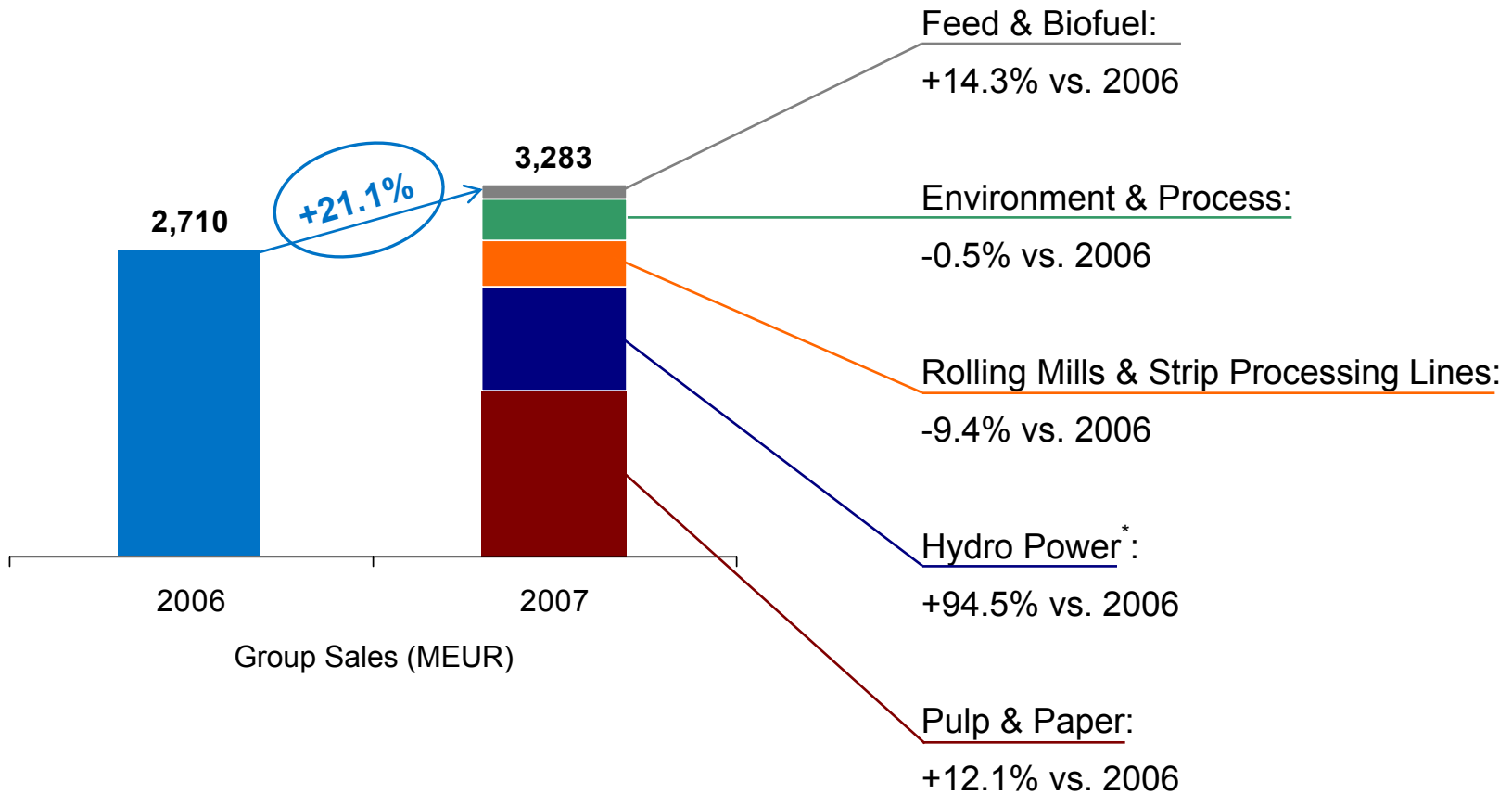
# High Order Backlog provides good Sales visibility

Order Backlog rises 13.1% compared to 2006



# Increase in Group Sales

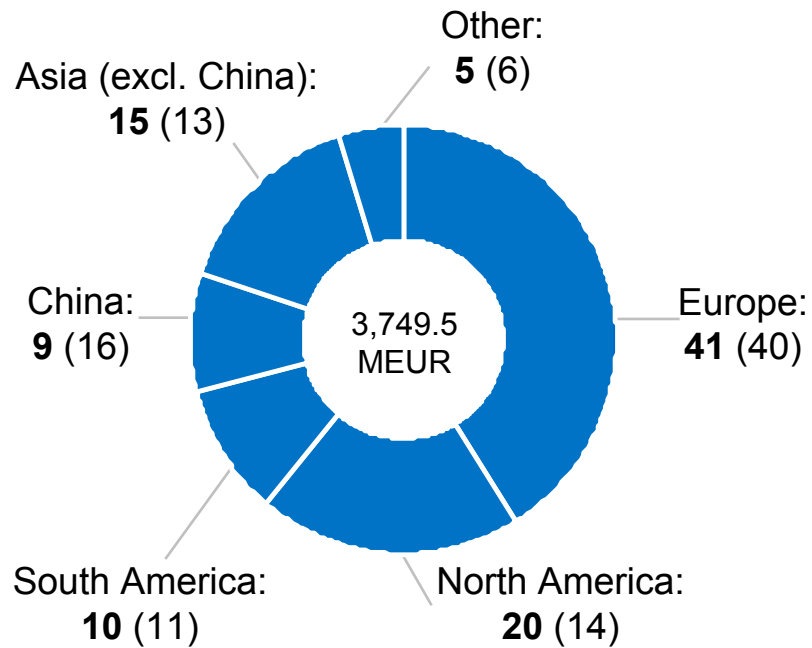
+ 9.4% organic growth



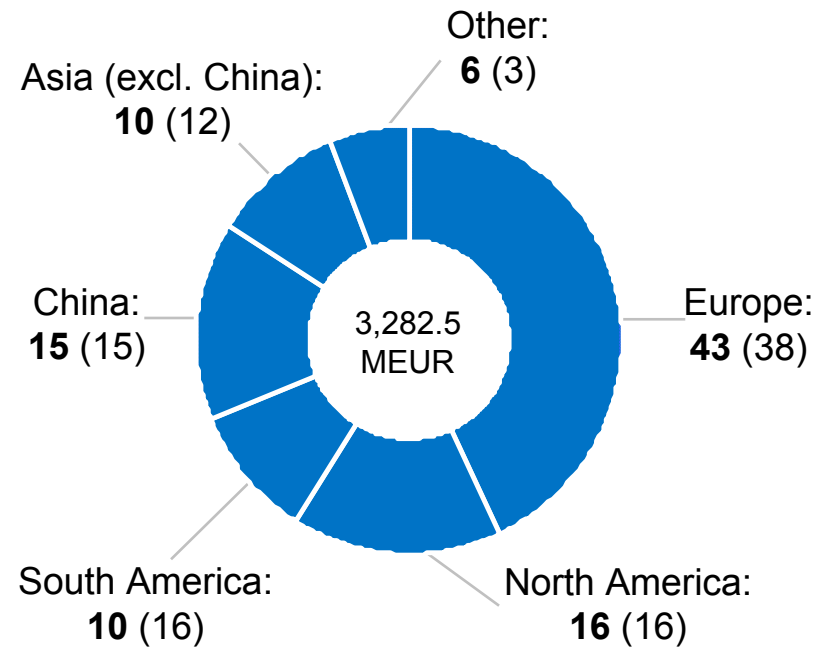
\* Including consolidation of VA TECH HYDRO from Q3 2006; no pro forma figures 2006 available

# Order Intake & Sales by region

Order Intake in % 2007 (2006)

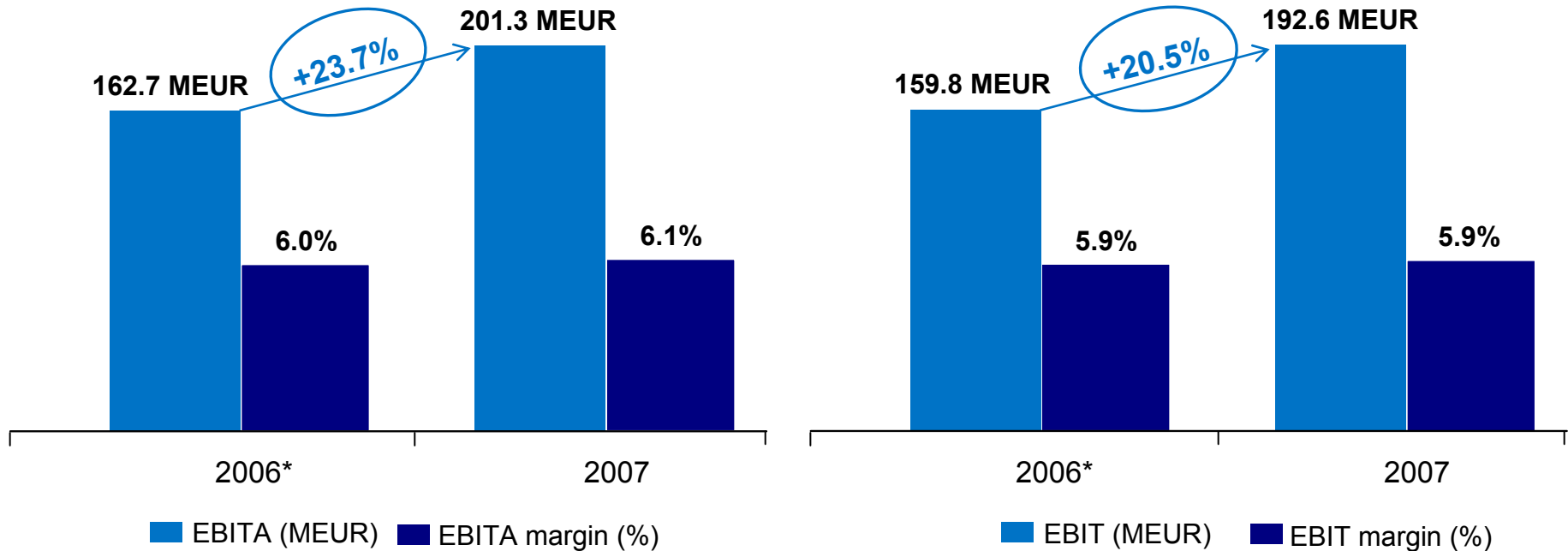


Sales in % 2007 (2006)



# Positive development of Earnings

- EBITA margin increases from 6.0% in 2006 to 6.1% in 2007
- Good business development in all Business Areas offsets the – already at the time of the acquisition expected – dilutive effect of VA TECH HYDRO on the Group’s margin
- EBIT margin, at 5.9% in 2007, was unchanged compared to 2006



\* Including consolidation of VA TECH HYDRO from Q3 2006; no pro forma figures 2006 available



## 2007 results at a glance

- Slightly lower average cash level leads to decrease of financial result compared to 2006
- Due to new assessment of recoverability of tax losses carried forward, the Group's tax rate increased to 31.3% in 2007 (26.9% in 2006); for 2008, tax rate is expected to go down again to ~28%

Andritz Group in MEUR (IFRS)	2006*	2007	+/-
<b>Order Intake</b>	<b>2,891.0</b>	<b>3,749.5</b>	<b>+29.7%</b>
Order Backlog (as of 31. 12.)	3,397.1	3,843.3	+13.1%
<b>Sales</b>	<b>2,709.7</b>	<b>3,282.5</b>	<b>+21.1%</b>
EBITDA	194.2	242.3	+24.8%
EBITDA margin	7.2%	7.4%	-
<b>EBITA</b>	<b>162.7</b>	<b>201.3</b>	<b>+23,7%</b>
EBITA margin	6.0%	6.1%	-
<b>EBIT</b>	<b>159.8</b>	<b>192.6</b>	<b>+20.5%</b>
EBIT margin	5.9%	5.9%	-
Financial result	6.1	5.5	-9.8%
<b>Earnings before Taxes</b>	<b>165.9</b>	<b>198.0</b>	<b>+19.3%</b>
Net Income	121.4	136.1	+12.1%
Net Income excl. minority interests	118.5	132.7	+12.0%

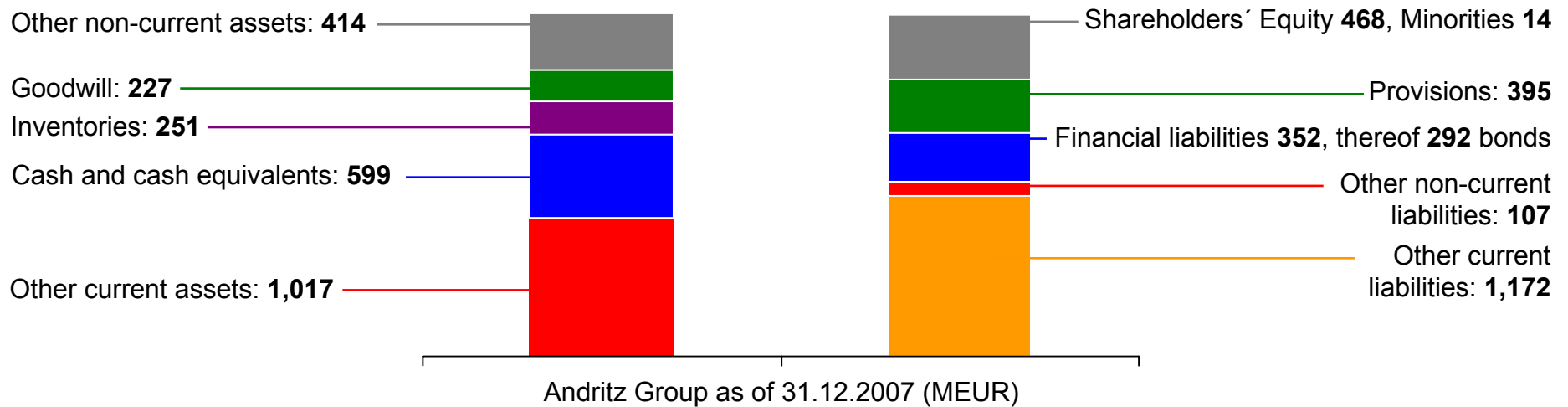
\* Including consolidation of VA TECH HYDRO from Q3 2006; no pro forma figures 2006 available



# Unchanged solid balance sheet structure

- Gross cash position of approximately 600 MEUR as of end of 2007
- Net liquidity, at 246.5 MEUR as of 31.12.2007, below the exceptionally high level as of 31.12.2006 (365.7 MEUR)
- Equity ratio of 19.2% as of 31.12.2007 (31.12.2006: 17.4%)

**Total assets: 2,508 MEUR (2006: 2,386 MEUR)**



# Pulp & Paper

- Market: overall good project activity: investment activity for new pulp plants focused on southern hemisphere (South America, Australia, Asia) and China; modernizations and refurbishments of existing installations were concentrated on Europe and North America
- Successful market entry with biomass boilers and enhanced market position in the area of board machines
- Order to supply the world's largest pulp plant for Votorantim Celulose e Papel (VCP), Brazil

MEUR	2006	2007	+/-
Sales	1,304.2	1,462.2	+12.1%
Order Intake	1,432.4	1,406.4	-1.8%
Order Backlog (31.12.)	1,124.4	1,060.4	-5.7%
EBITDA	89.6	101.1	+12.8%
EBITDA margin	6.9%	6.9%	-
EBITA	75.9	83.5	+10.0%
EBITA margin	5.8%	5.7%	-
Employees (31.12.)	3,863	4,843	+25.4%

# Hydro Power

- Market: very good project activity worldwide: new hydropower plant projects mainly focused on emerging markets, especially on India, China, and South America; modernization of existing plants concentrated on Europe and North America
- Order Intake with more than 1.2 bn EUR above expectations
- Integration and Earnings development of VA TECH HYDRO develop as planned

MEUR	2006*	2007	+/-
Sales	467.9	910.0	+94.5%
Order Intake	585.4	1,216.1	+107.7%
Order Backlog (31.12.)	1,659.5	1,954.9	+17.8%
EBITDA	33.3	63.6	+91.0%
EBITDA margin	7.1%	7.0%	-
EBITA	25.1	49.5	+97.2%
EBITA margin	5.4%	5.4%	-
Employees (31.12.)	3,678	4,390	+19.4%

\* Including consolidation of VA TECH HYDRO from Q3 2006; no pro forma figures 2006 available



## Rolling Mills & Strip Processing Lines

- Market: very favorable project activity worldwide; investment activity for new plants and modernizations focused on Europe, the USA, Russia, China, and India
- Order Intake, at 636.4 MEUR, at new record high
- Slight decline in Sales as many orders have been in their initial processing stages
- Profitability further enhanced

MEUR	2006	2007	+/-
Sales	450.5	408.0	-9.4%
Order Intake	401.9	636.4	+58.3%
Order Backlog (31.12.)	403.7	631.6	+56.5%
EBITDA	32.8	32.1	-2.1%
EBITDA margin	7.3%	7.9%	-
EBITA	30.6	29.7	-2.9%
EBITA margin	6.8%	7.3%	-
Employees (31.12.)	819	880	+7.4%

## Environment & Process

---

- Market: very good project activity for sludge dewatering plants (focus on Europe, Asia, and USA); unchanged low investment activity for sludge drying plants; rising demand for biomass drying plants
- Stable development of Sales and Order Intake
- Earnings and profitability improved

MEUR	2006	2007	+/-
Sales	366.5	364.5	-0.5%
Order Intake	344.2	346.9	+0.8%
Order Backlog (31.12.)	179.3	161.1	-10.2%
EBITDA	25.6	30.3	+18.4%
EBITDA margin	7.0%	8.3%	-
EBITA	20.5	25.3	+23.4%
EBITA margin	5.6%	6.9%	-
Employees (31.12.)	1,324	1,350	+2.0%

## Feed & Biofuel

- Market: good project activity for animal feed plants (focus on Eastern Europe, Russia, Asia, Central and South America) and aquatic feed plants (focus on South America and Asia); unchanged high investment activity for wood pelleting equipment with focus on Northern and Southern Europe, USA, and South East Asia
- Continued strong organic growth of Sales and Order Intake
- Continued favorable development of profitability

MEUR	2006	2007	+/-
Sales	120.6	137.8	+14.3%
Order Intake	127.1	143.7	+13.1%
Order Backlog (31.12.)	30.2	35.3	+16.9%
EBITDA	12.9	15.2	+17.8%
EBITDA margin	10.7%	11.0%	-
EBITA	10.6	13.3	+25.5%
EBITA margin	8.8%	9.7%	-
Employees (31.12.)	531	553	+4.1%

# Outlook 2008

---

- So far, the slowdown of the US economy and the turmoil on the global financial markets have not had an impact on Andritz's relevant markets; as matters are today, Andritz continues to see good project activity in all Business Areas
- Continuation of strategy to acquire complementary businesses/companies in all Business Areas
- Focus on increasing the EBITA margin towards 7%
- Based on the high Order Backlog of more than 3.8 bn Euros and the expected solid development of Andritz's relevant markets, Group Sales in 2008 are expected to grow to approximately 3.5 billion Euros (~ +9% vs. 2007)