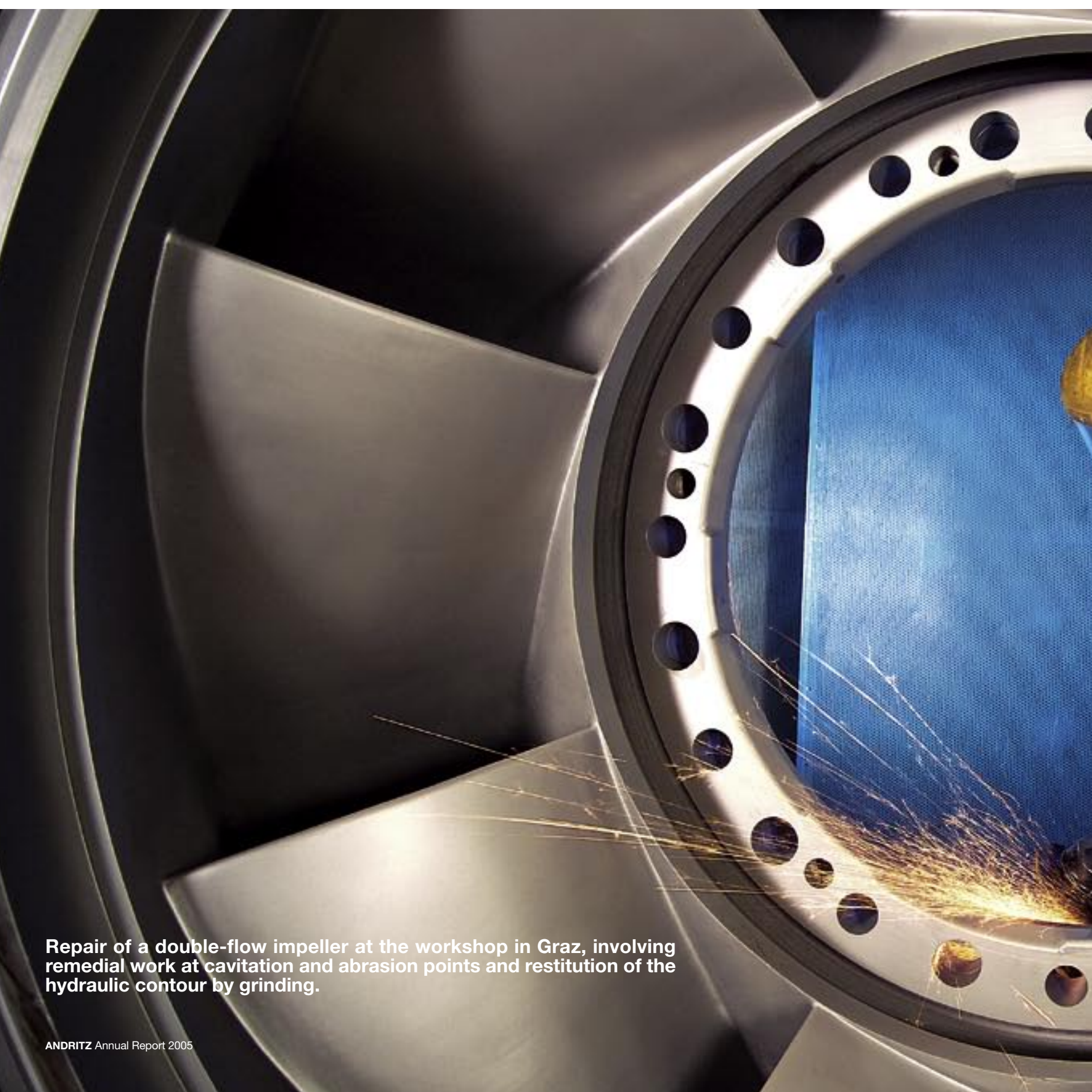


# HYDRAULIC MACHINES/ OTHER OPERATIONS

## Highlights 2005

- Project activity for turbines and large-scale pumps focused mainly on China
- Record Order Intake
- Successful development of Andritz's operations in China



Repair of a double-flow impeller at the workshop in Graz, involving remedial work at cavitation and abrasion points and restitution of the hydraulic contour by grinding.



**Business Area Manager**

**Manfred Wörgötter**  
Graz, Austria



## Profile

The Hydraulic Machines/Other Operations Business Area encompasses the development, planning, and manufacture of water turbines, large-scale pumps for selected applications, pumps for the primary and secondary loops in nuclear power stations, centrifugal pumps for the pulp and paper industry, as well as space technology components. The main markets are Europe and Asia.

## Market development

In 2005, project activity for turbines and large-scale pumps was mainly focused on Asia. In China, particularly, there was considerable interest in capital investments.

In Europe, the investment activity of the power generating industry was also very high. Besides upgrading projects for existing plants, there was also increased project activity for constructing new plants, especially small-sized power stations. The centrifugal pumps market in China, where Andritz is the clear market leader, continued to be very active.

## Business development

The Business Area's financial performance in 2005 was very solid. Due to the processing of the high Order Backlog as of the end of 2004 Sales increased by 20.3% to 52.7 MEUR (2004: 43.8 MEUR). EBITA decreased to 2.6 MEUR (2004: 3.8 MEUR).

Order Intake in 2005 reached another record level. Due to major orders for water turbines and stock pumps, it surged to 71.5 MEUR, surpassing the record set in 2004 (58.7 MEUR) by 21.8%. Andritz's operations in China continued to develop very successfully; the number of stock pumps sold to pulp and paper mills reached another record level.

## Major orders

- Andritz is to supply the electromechanical equipment for a new hydroelectric power station to Salzburg AG, Austria.
- E.ON Wasserkraft, Germany placed an order for revision and repair work at the Reisach 3 pumped storage plant.
- Münchner Stadtwerke, Germany entrusted Andritz with revision and repair work at the Leitzachwerk pumped storage plant.
- Brigl und Bergmeister GmbH, Austria ordered a machine set with automation equipment for the water power station in the Niklasdorf mill.
- The Business Area will supply approximately 300 process pumps for one of the world's largest pulp mills. This is the first order the Business Area ever received from a South American customer.
- A customer from Sudan placed an order for two pumping stations comprising the electromechanical equipment for 20 large-scale pump sets.

## Research and Development

Development of new hydraulics and optimization of existing hydraulic components is based on the cooperation with ASTRÖ, an independent laboratory for hydraulic machinery, utilizing state-of-the-art computer-aided tools and trial stands.

The development of top hydraulic components featuring efficiencies which are considerably superior to competitive equipment essentially contributed to the first sales of a new pump series.

Hydraulic development focusing on Pelton turbines continued. A new test stand was commissioned in the reporting period.

Other development activities focused on special pumps and components for treatment of medium consistency media for the pulp and paper industry, a field which is expected to grow substantially.

## Key figures Hydraulic Machines/Other Operations

MEUR	2005	2004	2003	2002	2001
Sales	52.7	43.8	32.0	29.3	26.0
Order Intake	71.5	58.7	37.3	28.3	28.6
Order Backlog as of 31.12.	60.5	40.7	27.2	21.5	22.6
EBITDA	4.8	5.5	3.2	7.4	2.3
EBITDA margin	9.1%	12.6%	10.0%	25.3%	8.9%
EBITA	2.6	3.8	3.3	5.8	-0.1
EBITA margin	4.9%	8.7%	10.3%	19.8%	n.sp.
Capital investments	3.4	2.4	1.7	2.6	0.9
Employees as of 31.12.	474	365	302	277	246

Andritz Technologies China, Foshan, has developed very successfully.  
In 2005 production was more than doubled  
compared to the previous year.

