

# STATUS REPORT

## GENERAL ECONOMIC CONDITIONS

In 2007, the global economy showed an overall solid, but regionally and temporally varied development. In the USA, economic growth weakened somewhat during the First Half of 2007, with private consumer spending and capital investments by companies declining, while at the same time inflation remained at a high level. In the Second Half of 2007, the economic development was mainly influenced by the subprime market crisis and the resulting collapse of the home mortgage market. The slump in housing and real estate prices led to the fear that consumer spending in the USA – the main contributor to the strong GDP growth during recent years – will decline significantly in the future, thus leading to a sustained slowdown of economic activities or potentially to a recession. As a consequence, the Federal Reserve Bank (FED) cut key interest rates in several steps from 5.25 to 4.25%, and provided an extensive amount of cash to the banking system to counter a potential liquidity crunch.

In Euroland, the economic activities developed very strongly during 2007. This was mainly driven by unchanged high domestic consumption and strong exports, despite the increasing strength of the Euro against the U.S. dollar. As a result, the European Central Bank (ECB) increased key interest rates to 4% in June 2007. During the subprime crisis, the ECB also injected cash to stabilize the liquidity crisis, but left key interest rates unchanged due to the continued strong economic activities.

In Asia, economic activities also remained very robust during 2007, with fast growth in both private consumption and corporate capital expenditure. GDP growth was particularly strong in China and India.

Source: OECD

## BUSINESS DEVELOPMENT

### Changes in consolidated companies/ acquisitions

The following material companies were not, or only partially, included in the Andritz Group's consolidated financial statements of the reference year 2006:

- Küsters Group (rolling and calendering technologies for paper and nonwoven textiles)
- Pilão Equipamentos Ltda. (services and products for the pulp and paper industries)
- VA TECH HYDRO GmbH and its subsidiaries (one of the world's leading suppliers of electromechanical equipment and services for hydro-power plants)
- CONTEC Decanter Inc. (service company for the repair and maintenance of centrifuges and separators)
- Coater Division of Bachofen + Meier (a globally active specialist for technologies and systems for paper coating)
- Sindus Human Technology (service company for pulp and paper plants)
- Tigép Kft. (production of heavy machinery, especially for Hydro Power)

### Sales

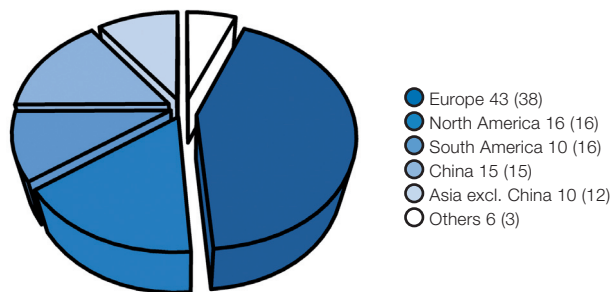
Sales of the Andritz Group developed very favorably in 2007. At 3,282.5 MEUR, they increased by 21.1% compared to 2006 (2,709.7 MEUR), thus reaching a record level. In particular, Sales of the Pulp and Paper, Hydro Power, and Feed and Biofuel Business Areas increased significantly compared to last year. Organic Sales growth of the Group in 2007 was approximately 9.4%.

### Order Intake and Order Backlog

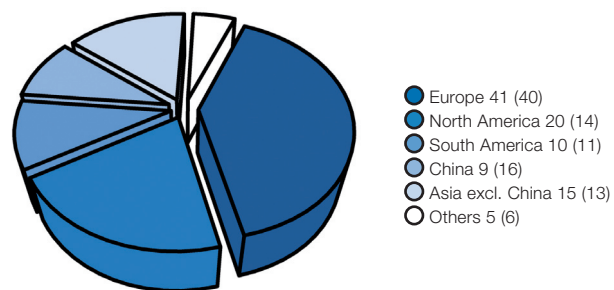
The Order Intake of the Andritz Group amounted to 3,749.5 MEUR in 2007, thus increasing significantly compared to the very high level of 2006 (2,891.0 MEUR). The Rolling Mills and Strip Processing Lines, Hydro Power, and Feed and Biofuel Business Areas achieved strong organic growth rates of the Order Intake. Organic growth of the Order Intake in 2007 was approximately 14.7%.

The Group's Order Backlog also showed a strong increase compared to the reference date of last year, surging to 3,843.3 MEUR as of 31.12.2007 (31.12.2006: 3,397.1 MEUR). Thus, the Andritz Group has a solid visibility with regard to Sales for the coming months.

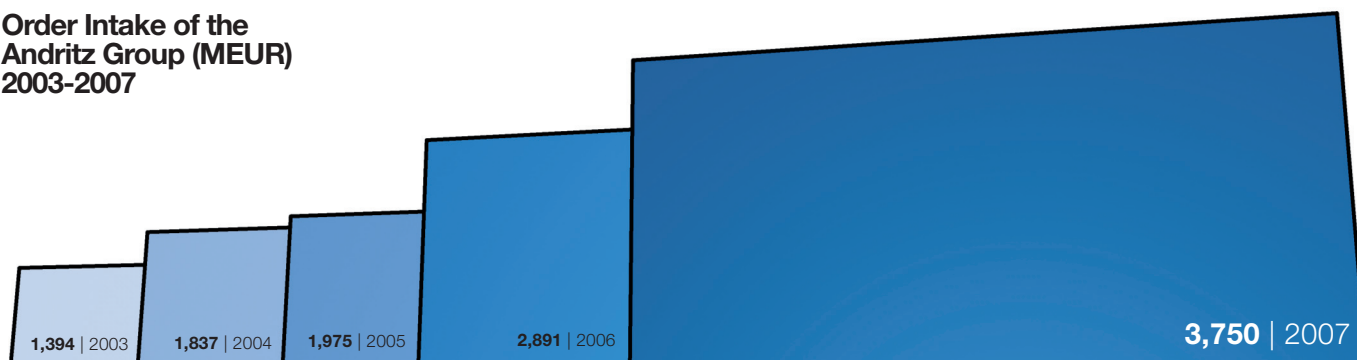
### Sales by region 2007 (2006) in %



### Order Intake by region 2007 (2006) in %



### Order Intake of the Andritz Group (MEUR) 2003-2007



### Earnings

In step with Sales, Earnings before Interest and Taxes (EBIT) increased to 192.6 MEUR in 2007 (2006: 159.8 MEUR). All Business Areas, in particular the Hydro Power, Rolling Mills and Strip Processing Lines, and Feed and Biofuel Business Areas, showed a solid and satisfactory development of Earnings, thus more than offsetting the dilutive effect of VA TECH HYDRO on the Group's profitability expected at the time of the acquisition. As a result, the Group's EBIT margin, at 5.9% for 2007, was unchanged compared to last year (2006: 5.9%).

The financial result, at 5.5 MEUR in 2007, was lower compared to 2006 (6.1 MEUR). The tax rate in 2007 amounted to 31.3% (2006: 26.9%).

Net Income after deduction of Minority Interests amounted to 132.7 MEUR (2006: 118.5 MEUR).

### Net worth position and capital structure

The balance sheet structure as of 31.12.2007 showed no major changes compared to 31.12.2006. Total assets as of 31.12.2007 amounted to 2,507.5 MEUR, thus 121.4 MEUR higher than as of 31.12.2006 (2,386.1 MEUR). The net working capital as of 31.12.2007 was 99.1 MEUR (31.12.2006: -93.6 MEUR).

The Group's net liquidity (cash and cash equivalents minus financial liabilities) as of 31.12.2007 amounted to 246.5 MEUR, thus significantly below the exceptionally high level as of 31.12.2006 (365.7 MEUR). The equity ratio as of 31.12.2007 was 19.2% (31.12.2006: 17.4%).

### Shares and shareholder structure – disclosure according to § 243a UGB

Based on the resolution of the Annual General Meeting of March 29, 2007, the company's capital stock was increased by EUR 9,490,000, from EUR 94,510,000 to EUR 104,000,000 by converting the corresponding partial amount of the company's capital reserves shown in the Financial Statements as of December 31, 2006, in accordance with the Capital Adjustment Act, with no issue of additional no-par value bearer shares. As a result, the share capital of Andritz amounted to EUR 104,000,000 as of 31.12.2007. The Annual General Meeting also approved the resolution to split the Andritz shares in a ratio of 1:4, whereby their number was increased from 13,000,000 to 52,000,000 shares. As a result, the proportionate amount of the capital is EUR 2.00 per no-par value share.

There are no limitations concerning the voting rights or the transfer of shares. Approximately 26% of the shares are held by Certus Beteiligungs-GmbH, whose Managing Director is Wolfgang Leitner, Chief Executive Officer of Andritz.

At present, there is no authorized capital. On March 29, 2007, the Annual General Meeting of Shareholders authorized the Executive Board to buy back up to 10% of the total of shares of Andritz AG between April 1, 2007 and September 30, 2008. There are no powers of the Members of the Executive Board, especially regarding the possibility to issue or buy back shares, that do not result directly from legal stipulations.

As far as is known to the company, there are no holders of shares with special controlling rights. Employees exercise their voting rights directly. Furthermore, there are no stipulations regarding the appointment and removal of the Members of the Executive Board and the Supervisory Board and modifications of the company's Articles of Association that do not result directly from legal stipulations.

There are no significant agreements in which the company participates that would become effective, change, or end in the event of a change in the control of the company following a takeover bid. According to the terms of the Andritz corporate bond 2006–2013 issued in June 2006, all holders of a bond forming part of the issue shall, in the event of a change of control by a new large shareholder taking place and this change of control leading to a substantial impairment of the issuer's ability to fulfill its obligations from the bonds forming part of the issue, be entitled to accelerate maturity of their bonds and to require immediate repayment at the nominal value plus any interest accumulated until the day of repayment.

Compensation agreements exist between the company and some Members of its Executive Board in the event of change of control. There are no compensation agreements for the Supervisory Board and the employees.

### KEY FINANCIAL FIGURES OF THE ANDRITZ GROUP

MEUR	2007	2006	Change in %
Sales	3,282.5	2,709.7	+ 21.1
Return on Sales <sup>1)</sup> (%)	5.9	5.9	-
EBITDA	242.3	194.2	+ 24.8
Operating Result (EBIT)	192.6	159.8	+ 20.5
Earnings before Taxes (EBT)	198.0	165.9	+ 19.3
Net Income	136.1	121.4	+ 12.1

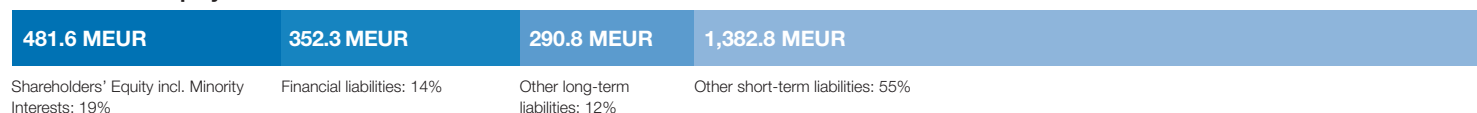
1) EBIT/Sales

### Total assets 2007: 2,507.5 MEUR

#### Assets



#### Shareholders' Equity and Liabilities



## KEY BALANCE SHEET RATIOS

	2007	2006
Equity ratio <sup>2)</sup> (%)	19.2	17.4
Return on equity <sup>3)</sup> (%)	41.1	40.0
Return on investment <sup>4)</sup> (%)	7.7	6.7
Net liquidity <sup>5)</sup> (MEUR)	246.5	365.7
Net debt <sup>6)</sup> (MEUR)	-94.8	-216.9
Net working capital <sup>7)</sup> (MEUR)	99.1	-93.6
Capital employed <sup>8)</sup> (MEUR)	405.6	194.5
Gearing <sup>9)</sup> (%)	-19.7	-52.3

2) Shareholders' Equity/Total assets

3) Earnings before Taxes/Shareholders' Equity

4) EBIT/Total assets

5) Cash and cash equivalents minus financial liabilities

6) Interest-bearing liabilities including provisions for severance payments, provisions for pensions, and jubilee provisions minus cash and cash equivalents

7) Non-current and current receivables and other assets minus non-current and current liabilities excl. financial liabilities and provisions

8) Net working capital plus fixed assets

9) Net debt/Shareholders' Equity

## Risk management and treasury

As a global company serving a variety of different markets and customers, the Group is subject to certain general and industry-specific risks. These risks mainly relate to the industries and markets served by the Group, the Group's business, major orders, and the conversion of the Backlog into Sales. Andritz has a long-established Group-wide risk management system whose main task is to identify nascent risks early and to take countermeasures. This is an important element in the active risk management within the Group.

The monitoring and management of financial risks are integral parts of Andritz's Group-wide accounting and controlling activities. Continuous controlling and regular reporting should attempt to ensure that major risks are identified at an early stage and countermeasures are taken, if necessary.

For most of the orders, the risk of payment failure by customers is reduced by bank guarantees and export insurances. Risks related to deliveries in countries with medium to high political risks typically are also insured. Interest and exchange rate risks are limited and controlled by using derivative financial instruments, in particular forward exchange contracts and swaps. Net currency exposure of orders in non-Euro currencies, mainly U.S. dollars and British pounds, is usually hedged by forward contracts. Cash flow risks are minimized by the Group's cash management system which controls cash in- and outflows of all relevant Andritz affiliates. It also monitors the Group's cash pooling activities in order to optimize net financing income.

However, there is no guarantee that the monitoring and risk control systems are sufficient or sufficiently effective, as the case may be.

## Capex and cash flow

The Andritz Group's investments in tangible and intangible assets amounted to 57.0 MEUR in 2007, thus increasing by 24.7% compared to last year (2006: 45.7 MEUR). Capital expenditure mainly focused on building and workshop modernizations at some of the Group's existing sites as well as on capacity additions, especially in China.

Cash flow from operating activities amounted to 33.1 MEUR, down compared to last year (2006: 143.1 MEUR).

## KEY CASH FLOW RATIOS

MEUR	2007	2006
Cash flow from operating activities	33.1	143.1
Capital expenditure <sup>1)</sup>	57.0	45.7
Free cash flow <sup>2)</sup>	-19.6	100.1
Free cash flow per share <sup>3)</sup>	-0.4	1.9

1) Additions to property, plant, and equipment and intangible assets

2) Cash flow from operating activities minus capital expenditure plus payments received from the sale of tangible and intangible assets

3) Free cash flow/total number of Andritz shares

## Effects from exchange rates

Changes in exchange rates are hedged by forward rate contracts.

## Non-financial performance indicators

### Manufacturing

The year under review was characterized by very high capacity utilization at all Andritz manufacturing sites. Increasing procurement problems in the material and semi-finished goods markets had to be countered by extremely high commitment and flexibility of all employees. Due to the very high Order Backlog, employment of temporary workers and outsourcing of manufacturing orders was further increased.

Investments in automated manufacturing processes, de-bottlenecking, and projects to further improve competitiveness and reduce lead times were successfully implemented. In the strongly growing markets of China, India, and South America, manufacturing capacity is being extended systematically.

### Human Resources

Global training and further development of working skills of Andritz employees was once again a focus of Human Resources activities in 2007. Recruiting activities were extremely challenging due to the lack of well-trained applicants. Nevertheless, most relevant vacancies within the Andritz Group were well filled with highly qualified candidates. Transfers of employees to subsidiaries all over the world (mainly China) to support local business and organization development increased significantly. This is an important activity with regard to the internal growth of the Andritz Group.

### Environmental protection

In 2007, environmental protection activities focused on training programs for employees as well as measures to save energy and to reduce traffic load, entailing CO<sub>2</sub>, CO, and NO<sub>x</sub> emission savings. A new traffic concept was developed for the Graz, Austria, location and the prerequisites for its implementation were established. This concept will be implemented in 2008 and will result in saving 4,000 kilometers on the company's premises and 13,000 kilometers in the district of Graz-Andritz per year. A pilot project to reduce the energy required for office lighting at the Graz site has revealed a savings potential of 20% in this area, which is planned to be realized in 2008 and 2009. A project involving the Andritz sites in Graz and Weiz, Austria was carried out where apprentices from the workshop in Graz repaired the hydro turbine in the company's power station in Weiz enabling them to deepen their knowledge in the field of renewable energy. In 2007, the Graz site was once more awarded the Ökoprofit certificate by the city of Graz for special performance with regard to environmental protection.

## RESEARCH AND DEVELOPMENT

In 2007, the Andritz Group invested approximately 45.4 MEUR in Research and Development (2006: 35.4 MEUR). Including the expenditure for contract-related developments, the total R&D expenditure for new processes and products amounted to approximately 3% of Sales. More than 300 people work in the Group's research centers in the USA, Austria, Finland, Switzerland, and France to develop new processes and equipment and to expand Andritz's technological leadership.

For the Divisions of the **Pulp and Paper Business Area**, two major trends are driving customer investments today. First is the goal to reduce the investment cost per ton to its lowest possible level. This is leading to larger, single-line production units with no redundancy of systems. The second trend is to continue to make the production process more sustainable. Andritz's response to the sustainability requirement is evident in the new systems which have been adapted to the efficient processing of plantation fibers and technology which consumes much less energy than its predecessors. Considerable R&D effort is being employed to more effectively utilize biomass as an energy source.

In May 2007, Andritz, with its associated company Carbona, and UPM, one of the world's leading forest product companies, agreed to cooperate on the development of a technology for biomass gasification and synthesis gas purification. The joint pilot project will demonstrate gasification of the planned feedstock (wood residue) in an 8 MW gasifier and product gas cleaning to the point where it is suitable for treatment and conversion into biofuels with commercially available equipment. As part of the project, an extensive pilot plant testing program will be performed at the Gas Technology Institute (GTI), a renowned research and development organization in the USA. Final results are expected by the end of 2008.

The trend in wood processing is towards high-capacity lines. In order to serve this demand, the Division has developed bigger lines for both barked and debarked logs. A new chipper (the largest in the world) and a new high-capacity debarking drum have been developed. The Division also developed a new technology for separating sand and loose bark which can process logs that have been debarked in the forest.

Technology development in the fiberline area not only targets large greenfield mills, but also small- and medium-sized lines. Digester feedline enhancements, the larger scale of DD washers, the next generation of MC-equipment, and advanced control systems have been introduced. Reduced fresh water consumption and correspondingly lower effluent volumes are achieved by new washing concepts and by pressurizing/closing process steps to prevent emissions to the atmosphere.

For white liquor production, a new lime kiln was designed with a capacity exceeding 1,000 t/d. The application of centrifuge technology for dregs dewatering and washing is gaining acceptance. The centrifuge minimizes the impact of dregs in landfills. A system for the selective reduction of phosphorus in the lime circulation will be installed in a mill in Finland, which will enable further closing of the lime cycle and reduction of solid waste.

In the area of energy production from biomass, a development program was launched in 2006 to introduce advanced biomass-fired power boilers to the industry and the first power boilers are already under construction. High oil and gas prices have triggered growing interest in using biofuels in lime kilns, which are still significant consumers of fossil fuels in the pulp mill.

As experience with the operation of the High Energy Recovery Boiler (HERB) is accumulated, plans for the next steps to increase the electricity generation from black liquor are in place. As mills continue to close their chemical circulation loops to reduce emissions, chloride removal is becoming more important. The first leaching-based chloride removal process by Andritz is being constructed and this offers a lower cost alternative to the proven ash re-crystallization process. Significant development efforts have been made to reduce the operating costs of the evaporation plant. A new patented approach has been developed to address recent developments in thermal and electrical energy prices.

The research and development focus for pulp drying lines is to increase the production capacity of a single drying line based upon Twin Wire forming technology from approximately 4,000 t/d today to over 4,500 t/d or over 1,300,000 t/y of pulp. Energy consumption of the entire drying line will be reduced by simplifying the process and optimizing the 'biggest energy consumers' in the line.

In the paper machine area, developments in the tissue group include the introduction of the PrimeDry Steel, a Yankee dryer with higher performance and higher operational safety compared to a conventional cast iron Yankee. In the air engineering department, the focus was on energy-saving equipment. A new step in heat recovery from the exhaust of Yankee hoods – ReEvaporation – has been developed. Condensate is re-evaporated in a heat exchanger by using exhaust air. Up to 25% savings in primary steam is possible. A new web guiding device after the creping doctor – the PrimeTakeOff – has been introduced. The benefits are fewer paper breaks at higher machine speeds. The development of a modular Yankee hood allows the delivery of the huge hood body in smaller parts, with final assembly on-site.

Increasing system efficiency and reducing energy consumption are the focal points of development in the fiber preparation area. An ash washing machine (SpeedWasher) for Mixed Office Waste (MOW) papers and a pressurized disperser for Old Corrugated Container (OCC) grades have been introduced.

For mechanical pulping, a high-priority program is concentrating on simplifying processes and improving reliability of equipment to lower the investment/operating costs for customers. Two results of this effort in the last year have been the introduction of a new fiber centrifuge, which separates steam and fibers more effectively after the high-consistency refiner, and a new series of compression devices and screws. To meet future requirements, the Division invested in the modernization of its pilot plant in Springfield, Ohio, USA.

In the paper finishing area, the smallest shoe roll ever built (diameter: 710 mm) has been designed for the tissue industry. Patented features like additional lubrication and the edge relief system make it possible to achieve higher dryness without loss of bulk and with the fewest possible belt changes. A new design for the PrimeFeeder makes the entire process significantly more stable and helps reduce the time it takes a paper machine to reach full production after a sheet break.

In the **Hydro Power Business Area** both order-related developments and basic innovations were carried out successfully. In the Tokke, Norway and Larona, Indonesia contract (two Francis rehabilitation projects), the excellent performance of the new runner designs was the basis for receiving the contract awards for further runner deliveries. Hydraulic engineering studies were also initiated in other areas in order to provide customers with advanced and detailed information in a very early project stage.

For bulb units in the head range above 20 m, a new generation of 5-bladed runners has been developed and successfully tested on a model for a contract in China.

The development of large pumps for India and China, as well as the basic developments for new pump turbines, benefited from the synergies between the two product lines.

R&D activities in the field of hydrogenerator cooling focused on the optimization of several components of the ventilation circuits and on the enhancement of numerical tools for the ventilation design.

Based on practical experience with the newly developed StrafloMatrix™ Generator, which has been running in an Austrian hydropower plant for over two years, the special design of the high voltage stator winding, as well as the heat transfer from the end winding, were optimized.

In the course of cost reduction programs and the generator value-analysis project, a number of new technical concepts were analyzed. A concept for global impregnation of large-diameter stator cores, a new plate-rotor design, and an alternative damper winding fixture are among the most promising concepts. →

One focus of R&D activities was on technologies for hydropower plant automation. SAT250, the cutting-edge control center and operator station system, has been optimized in the low-cost range, functionally and ergonomically. The system now covers all man-machine interfaces in a hydropower plant, from small turbine governor panels to sophisticated multi-site control centers for power plant groups. In electrical protection and excitation, a very new platform, the first technologically unified protection/excitation platform in the world, has been defined.

The **Rolling Mills and Strip Processing Lines Business Area's** R&D activities focused mainly on new coating technologies using electro-galvanizing and CVD (Chemical Vapor Deposition) technology. Pilot plants for both processes produced material that is used for application tests at potential customers.

In HCl recovery systems, the iron oxide by-product is important for the economy of the process. New process routes were investigated in order to produce iron oxide for the pigment market.

The delivery program of new-generation punching and metal-forming presses was extended. The new generation of presses features a modular design, which allows flexible adaptation to customer demands.

In the **Environment and Process Business Area**, research work by the Separation Technologies Division continued to concentrate on the optimization of the centrifuge product range in order to further enhance performance and/or reduce manufacturing costs. Another focus area was standardization of the filter press product family in order to shorten delivery times and reduce costs.

Driven by increasingly stringent requirements for highly efficient odor control systems, further efforts and tests have been conducted to minimize odor and TOC (Total Organic Carbon) compounds in the offgas from sludge drying plants. Especially for sewage sludge, with its unpredictable range of odorous substances, extensive R&D work is done to develop a reliable and ecological odor control system that – unlike thermal oxidizers – does not consume further primary energy and cause additional pollution by CO<sub>2</sub>.

Based on the strong market demand for biomass drying, the development of a large-scale belt dryer for biomass with an evaporation capacity of up to 16 t/h has been started with the target to achieve utmost energy efficiency by heat recovery from drying gases. This dryer will operate with nearly closed drying air loops and also recover the energy from the minimized dryer offgas stream. It will be able to run on waste heat or offgas from other processes as well as from combined heat and power plants (CHPs).

Also with respect to biomass drying, intensive pilot tests were carried out with a pilot-scale drying plant to obtain design and feasibility data for belt drying on various biomass materials such as sawdust for pellet mills, spent grain from breweries, rejects, sugar cane bagasse, and bark from the pulp and paper industry.

The **Feed and Biofuel Business Area** successfully launched a new-generation process control based on touch screen technology, for its small and medium-sized pet food and aquatic feed extruders.

To further strengthen the product range targeting the renewable energy sector, a new-generation hammermill for wood powder production in power plants was introduced to the market.

## OUTLOOK

In spite of the general global economic slowdown and the turmoil on the global financial markets, Andritz currently continues to see good project activity in all Business Areas.

For **Pulp and Paper**, project activity remains at a satisfactory level, with investments focusing on both greenfield plants and modernization/refurbishment of existing installations. The most active regions for new pulp mills and/or extension of existing mills are expected to be South America, Australia, and Asia. For Europe and North America, investments should focus on modernization/refurbishment of existing plants as well as on after-market services. In addition, it is expected that the global demand for processes and systems using renewable energy sources (biomass, such as forest residues, grass, straw, etc.), which also further enhance energy efficiency and minimize emissions, will increase.

In the area of **Hydro Power** Business, project activity is expected to continue at a high level in 2008. A large number of new hydropower stations are in the planning or construction stages, in particular in South America, China, and India. For Europe and North America, investments should continue to focus on modernization and rehabilitation due to the aging installed capacities, as well as on capacity increasing projects for existing plants. The demand for pumped storage systems should also remain at a high level due to the necessity of securing network stability. The market for small-scale hydropower stations should also develop positively, mainly pushed by increasing worldwide efforts for climate protection and the increased use of renewable energy sources.

In the area of **Rolling Mills and Strip Processing Lines**, investment activity for both carbon steel and stainless steel equipment continues at a solid level. In the area of stainless steel, a continued high demand from fast growing economies, like China and India, is anticipated. For Europe and the USA, project activity is expected to be focused on the modernization of existing plants, with one or more new projects being decided.

For **Environment and Process**, the market for sludge dewatering equipment should remain at a solid level. In addition, dewatering equipment for industrial applications for the petrochemical, minerals, mining, and food processing industries should continue to develop favorably. In the area of thermal drying, a gradual enhancement of project activity is anticipated, mainly driven by rising fuel prices, leading to increasing demand for drying plants with combined heat and power solutions, and plants with combined incineration.

In the area of **Feed and Biofuel**, the animal feed sector should develop solidly, with Eastern Europe and Russia, as well as Central and South America, being the most active regions. It is also expected that project activity in the aquaculture and the pet food industries should develop positively.

Investment activity for wood pelleting equipment should also remain at a very high level, in particular in North America, Northern and Western Europe, and in the 'new' regions of Southern Europe and South America.

Based on the high Order Backlog of over 3.8 billion Euros as of the end of 2007, and the expected good project activity in all of the Business Areas, Andritz expects Group Sales for 2008 to amount to approximately 3.5 billion Euros, with Earnings increasing at least at the same rate as Sales.

### Significant events after December 31, 2007

Between the balance sheet date and the publication of this report, the turmoil on the international financial markets has persisted. The released economic indicators showed further signs of a global economic slowdown. A significant downturn of the global economy during 2008 might have a negative effect on the financial development of the Andritz Group.

On February 18, 2008 Andritz successfully concluded the issue of a public corporate bond with a volume of MEUR 150 and a tenor of seven years. At a denomination of TEUR 50 the Andritz corporate bond is endowed with an annual fixed coupon rate of 5.25%.

### Disclaimer

Certain statements contained in this report constitute 'forward-looking statements.' These statements, which contain the words 'believe', 'intend', 'expect', and words of similar meaning, reflect the 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. ○