



Stock exchange announcement

A-TEC Industries announces breakdown of talks on RTB Bor acquisition

A-TEC Industries today announced that no agreement has been reached with the Serbian Agency for Privatization on the acquisition of the Rudarsko-topionicarski kombinat Bor (RTB Bor) copper mine. A-TEC was prepared to make a substantial part-payment amounting to most of the purchase price but this was rejected by the agency.

A-TEC originally agreed to pay a total of USD 514.119 million (m) for RTB Bor, comprising the purchase price of USD 466m and USD 48.119m for current assets. On 7 February A-TEC made an interest bearing down payment of USD 150m on to a fiduciary account, and provided a bank guarantee of USD 10m.

Today A-TEC offered to pay substantial additional funds for the purchase, namely USD 230m, consisting of USD 70m from its own funds and 160m in the form of a loan from the consortium of banks, as well as 60m as an additional, contractually agreed bank guarantee in order to complete the transaction.

The current credit squeeze due to the international financial crisis, coupled with current political instability in Serbia, has severely hindered A-TEC's efforts to arrange finance for the purchase of RTB Bor. The bank consortium which originally took on the role of lead arranger has decided not to finance any projects in Serbia until the end of the year.

An additional problem which has arisen in the past two days is a USD 65m lawsuit brought by Greek company Mytilineos against RTB Bor. Mytilineos has called on A-TEC to pay it this amount.

A-TEC Industries

Vienna listed A-TEC Industries AG is an international industrial group, headquartered in Vienna, with thriving Drive Technologies, Plant Construction, Mechanical Engineering and Metal Industry divisions. The Group currently employs around 13,800 people, and the preliminary results for 2007 show revenue of about EUR 2.4 billion.

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