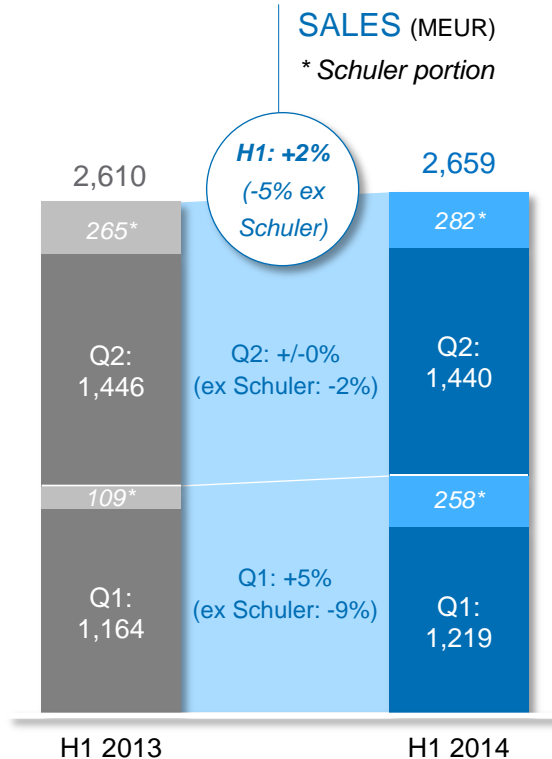




Results of the first half of 2014

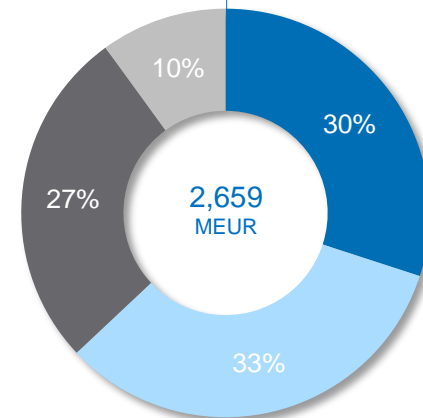
August 7, 2014

Group sales in Q2/H1 2014 at solid level of last year



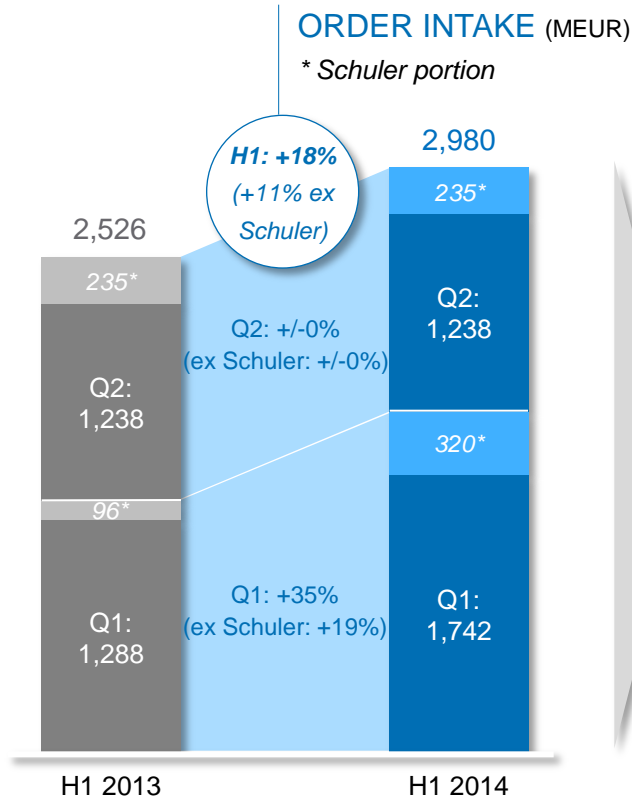
- H1 2014 vs. H1 2013:
- HYDRO: -5%
 - PULP & PAPER: -7%
 - METALS: +32% (+4% ex Schuler)
 - SEPARATION: -6%

SALES H1 2014
by business area

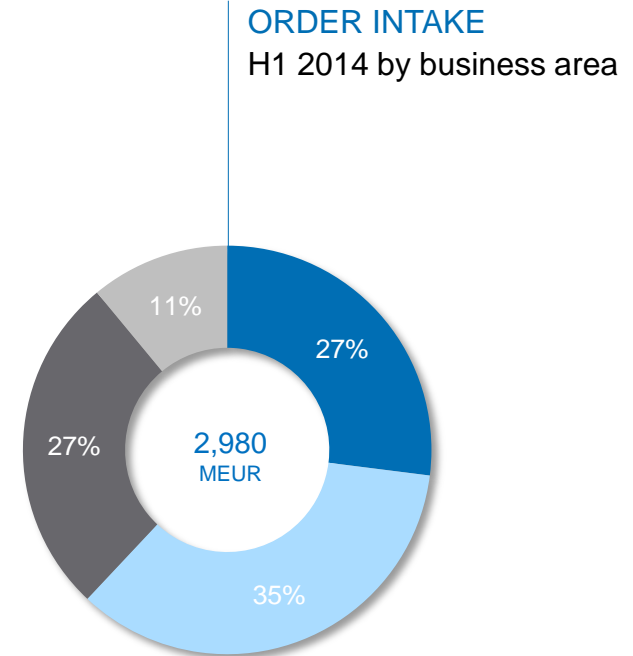


The Schuler Group was consolidated into the consolidated financial statements of the ANDRITZ GROUP as of March 1, 2013

Order intake: stable development in Q2 2014, strong increase in H1 2014 due to PULP & PAPER + METALS



- H1 2014 vs. H1 2013:
- HYDRO: -5%
 - PULP & PAPER: +30%
 - METALS: +49%
(+20% ex Schuler)
 - SEPARATION: -4%

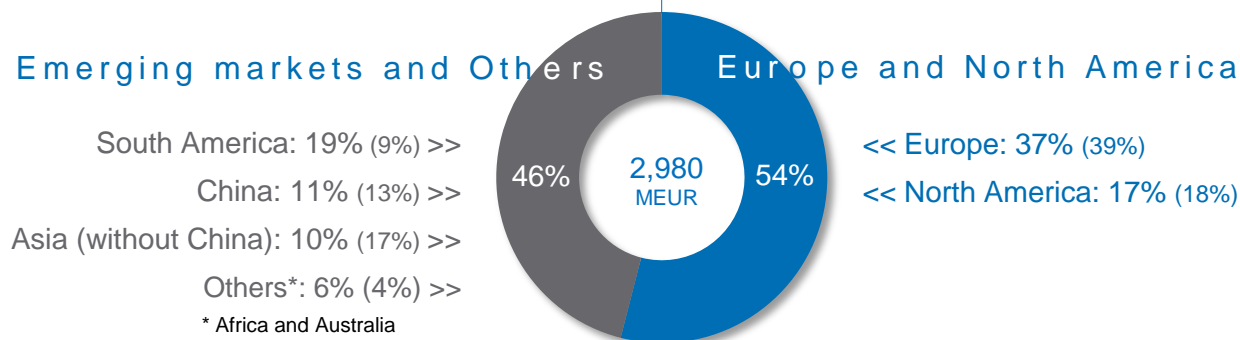


The Schuler Group was consolidated into the consolidated financial statements of the ANDRITZ GROUP as of March 1, 2013

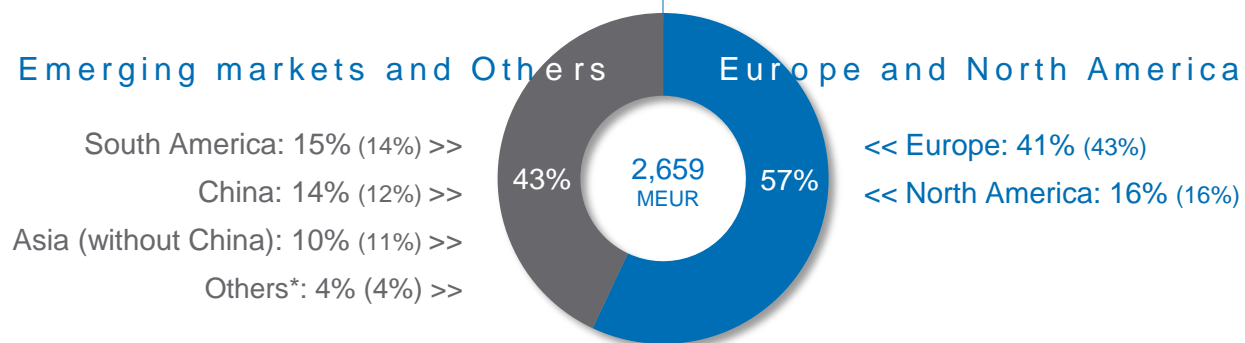
Order intake and sales by region

Well-balanced geographical exposure

ORDER INTAKE H1 2014 by region (H1 2013)



SALES H1 2014 by region (H1 2013)

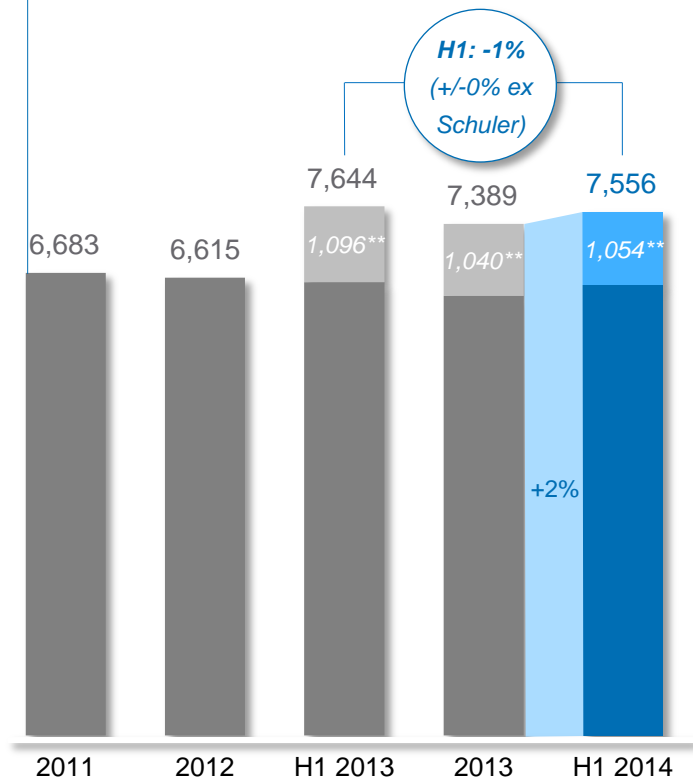


Order backlog

Solid workload in all business areas

ORDER BACKLOG* (MEUR)

** Schuler portion

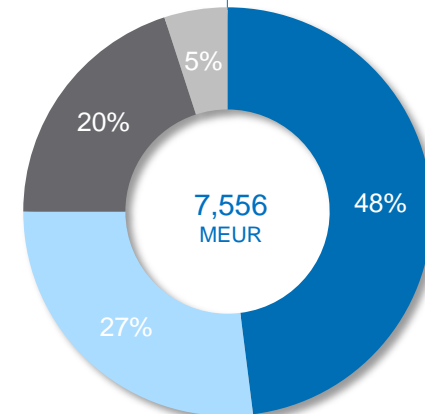


H1 2014 vs. H1 2013:

- HYDRO: -4%
- PULP & PAPER: +7%
- METALS: -5% (-7% ex Schuler)
- SEPARATION: +4%

ORDER BACKLOG

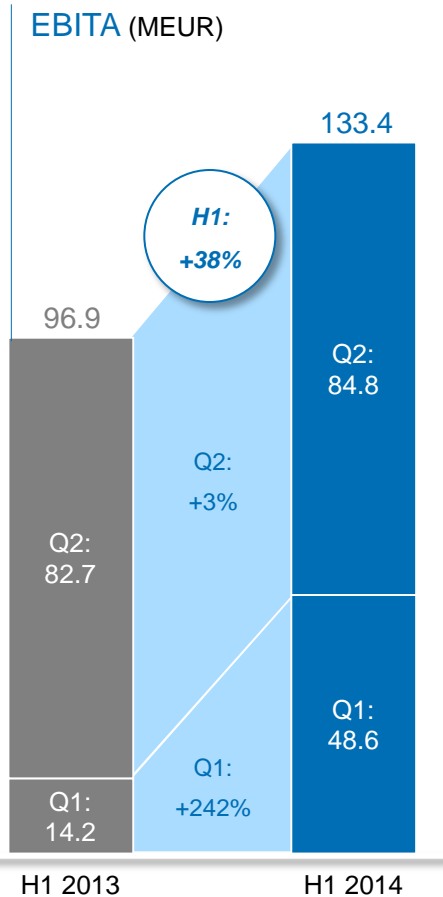
H1 2014 by business area



* As of end of period. The Schuler Group was consolidated into the consolidated financial statements of the ANDRITZ GROUP as of March 1, 2013

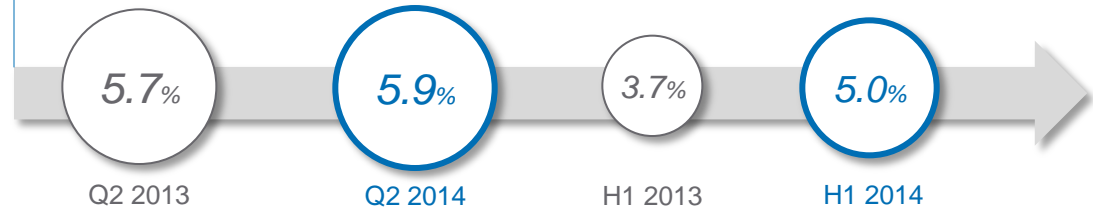
Solid development of margin in Q2 2014:

SEPARATION still impacted by project-related follow-up costs



The Schuler Group was consolidated into the consolidated financial statements of the ANDRITZ GROUP as of March 1, 2013

EBITA MARGIN



Q2 2014

- >> EBITA, at 84.8 MEUR, increased compared to Q2 2013 (82.7 MEUR)
- >> EBITA margin at 5.9% (Q2 2013: 5.7%). Positive development in HYDRO and PULP & PAPER, still unsatisfactory in SEPARATION due to low sales and follow-up costs on equipment delivered in previous years

H1 2014

EBITA and margin clearly up compared to low level of last year's reference period which was impacted by cost overruns in PULP & PAPER in Q1 2013

Key figures Q2/H1 2014 at a glance: unchanged solid net cash position, low capex and favorable net working capital

	Unit	H1 2014	H1 2013	+/-	Q2 2014	Q2 2013	+/-
Order intake	MEUR	2,980.2	2,526.0	+18.0%	1,238.0	1,237.7	+0.0%
Order backlog (as of end of period)	MEUR	7,555.7	7,644.4	-1.2%	7,555.7	7,644.4	-1.2%
Sales	MEUR	2,659.4	2,610.1	+1.9%	1,439.9	1,446.3	-0.4%
EBITDA	MEUR	175.7	136.0	+29.2%	106.2	104.0	+2.1%
EBITA	MEUR	133.4	96.9	+37.7%	84.8	82.7	+2.5%
EBIT	MEUR	94.4	65.9	+43.2%	65.4	62.8	+4.1%
EBT	MEUR	92.7	62.8	+47.6%	65.2	60.8	+7.2%
Financial result	MEUR	-1.7	-3.1	+45.2%	-0.2	-2.0	+90.0%
Net income (including non-controlling interests)	MEUR	64.9	44.8	+44.9%	45.6	43.0	+6.0%
Cash flow from operating activities	MEUR	49.0	-86.5	+156.6%	-12.0	-6.8	-76.5%
Capital expenditure	MEUR	34.4	44.4	-22.5%	17.2	23.0	-25.2%
Equity ratio	%	16.9	17.2	-	16.9	17.2	-
Liquidity	MEUR	1,497.7	1,459.2	+2.6%	1,497.7	1,459.2	+2.6%
Net liquidity (after deduction of all financial liabilities)	MEUR	868.8	817.7	+6.2%	868.8	817.7	+6.2%
Net working capital	MEUR	-511.9	-524.5	+2.4%	-511.9	-524.5	+2.4%
EBITDA margin	%	6.6	5.2	-	7.4	7.2	-
EBITA margin	%	5.0	3.7	-	5.9	5.7	-
EBIT margin	%	3.5	2.5	-	4.5	4.3	-
Employees (as of end of period; without apprentices)	-	24,126	23,849	+1.2%	24,126	23,849	+1.2%

The Schuler Group was consolidated into the consolidated financial statements of the ANDRITZ GROUP as of March 1, 2013

HYDRO

Still satisfactory project activity ...



ANDRITZ supplies two Francis turbines for the Mica hydropower plant in British Columbia, Canada. Each turbine has an output of 520 megawatts and a runner diameter of 5.6 meters

MODERNIZATIONS/REHABILITATIONS

Unchanged satisfactory project activity in Europe and North America

NEW HYDROPOWER PLANTS

Some projects in emerging markets in implementation or planning phase (particularly in South America and Africa)

PUMPS

Solid project and investment activity

COMPETITION

- >> Impact from newly formed GE/Alstom JV remains to be seen
- >> Slightly increasing price competition at selective projects

... and stable performance

HYDRO	Einheit	H1 2014	H1 2013	+/-	Q2 2014	Q2 2013	+/-
Order intake ¹	MEUR	814.7	854.3	-4.6%	291.4	280.1	+4.0%
Order backlog (as of end of period)	MEUR	3,628.6	3,795.4	-4.4%	3,628.6	3,795.4	-4.4%
Sales	MEUR	805.5	850.6	-5.3%	442.7	469.4	-5.7%
EBITDA	MEUR	71.8	76.2	-5.8%	40.2	42.2	-4.7%
EBITDA margin	%	8.9	9.0	-	9.1	9.0	-
EBITA ²	MEUR	56.8	61.3	-7.3%	32.4	34.7	-6.6%
EBITA margin	%	7.1	7.2	-	7.3	7.4	-
Employees (as of end of period; without apprentices)	-	7,673	7,782	-1.4%	7,673	7,782	-1.4%

1

ORDER INTAKE in Q2 2014 only slightly up compared to very low level of Q2 2013

2

EARNINGS down in line with sales → stable **MARGIN**

PULP & PAPER

Good investment activity ...

MODERNIZATIONS/GREENFIELD

Good project and investment activity for modernizations and refurbishments; next greenfield pulp mills in South America expected for end of 2014/beginning of 2015

TISSUE

Good demand, especially in China



Photo: Montes del Plata



Pulp mill Montes del Plata, Uruguay

BIOMASS/RECOVERY BOILERS

Satisfactory investment activity

COMPETITION

Unchanged stiff price competition

... and solid business development

PULP & PAPER	Unit	H1 2014	H1 2013	+/-	Q2 2014	Q2 2013	+/-
Order intake ¹	MEUR	1,057.2	815.0	+29.7%	402.4	391.5	+2.8%
Order backlog (as of end of period)	MEUR	2,027.9	1,892.6	+7.1%	2,027.9	1,892.6	+7.1%
Sales	MEUR	869.3	932.2	-6.7%	469.7	479.8	-2.1%
EBITDA	MEUR	49.8	10.0	+398.0%	33.5	28.1	+19.2%
EBITDA margin	%	5.7	1.1	-	7.1	5.9	-
EBITA ²	MEUR	37.8	-1.5	+2,620.0%	27.4	22.2	+23.4%
EBITA margin	%	4.3	-0.2	-	5.8	4.6	-
Employees (as of end of period; without apprentices)	-	7,392	6,902	+7.1%	7,392	6,902	+7.1%

1

ORDER INTAKE in Q2 2014 slightly up compared to Q2 2013

2

Satisfactory **EARNINGS** and **MARGIN** development in Q2 2014

METALS

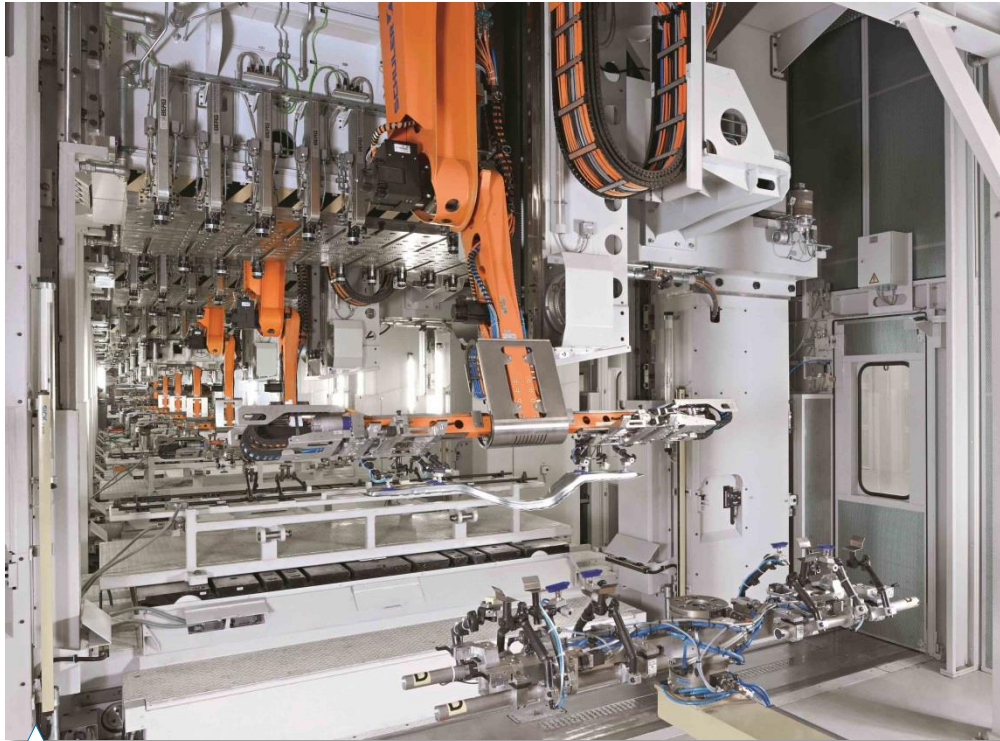
Overall solid project activity ...

METAL FORMING

Good project activity, especially in China; satisfactory level in Europe

STAINLESS STEEL

Unchanged low project activity, however some selective investments in emerging markets decided



Schuler Crossbar Feeder for transportation of tailored blanks in the world's fastest press line which has been started up for a German premium car manufacturer in 2014

ALUMINUM

Very good project activity and successful market entrance

FURNACES

Good investment activity

COMPETITION

Impact from newly formed Siemens/Mitsubishi Heavy Industries JV remains to be seen

... and solid business development

METALS	Unit	H1 2014	H1 2013	+/-	Q2 2014	Q2 2013	+/-
Order intake ¹	MEUR	797.9	534.5	+49.3%	377.8	390.0	-3.1%
Order backlog (as of end of period)	MEUR	1,497.4	1,569.8	-4.6%	1,497.4	1,569.8	-4.6%
Sales ²	MEUR	722.3	549.2	+31.5%	389.5	347.2	+12.2%
EBITDA	MEUR	50.2	45.1	+11.3%	31.1	29.4	+5.8%
EBITDA margin	%	7.0	8.2	-	8.0	8.5	-
EBITA	MEUR	38.7	37.3	+3.8%	25.4	23.9	+6.3%
EBITA margin ³	%	5.4	6.8	-	6.5	6.9	-
Employees (as of end of period; without apprentices)	-	6,239	6,383	-2.3%	6,239	6,383	-2.3%

The Schuler Group was consolidated into the consolidated financial statements of the ANDRITZ GROUP as of March 1, 2013 and is allocated to the METALS business area

1

Good **ORDER INTAKE**, although in Q2 2014 slightly below Q2 2013 (ex Schuler, decline by 8%)

2

SALES favorably up due to Schuler (+6%) and old ANDRITZ METALS (+31%)

3

MARGIN below last year's high reference level; very satisfactory margin of Schuler in Q2 2014

SEPARATION

Mixed development of investment activities ...



ENVIRONMENT

Solid investment activity by municipalities

FOOD

Satisfactory project activity

MINING AND MINERALS

Unchanged low project activity

CHEMICALS

Investment activity improving

FEED AND BIOMASS PELLETING

Good project activity

ANDRITZ decanter centrifuges for Sungai Semenyith, Malaysia, one of the largest treatment plants for drinking-water in Southeast Asia

... and continuing unsatisfactory performance

SEPARATION	Unit	H1 2014	H1 2013	+/-	Q2 2014	Q2 2013	+/-
Order intake ¹	MEUR	310.4	322.2	-3.7%	166.4	176.1	-5.5%
Order backlog (as of end of period)	MEUR	401.8	386.6	+3.9%	401.8	386.6	+3.9%
Sales ¹	MEUR	262.4	278.1	-5.6%	138.1	149.9	-7.9%
EBITDA	MEUR	4.0	4.7	-14.9%	1.5	4.3	-65.1%
EBITDA margin	%	1.5	1.7	-	1.1	2.9	-
EBITA ²	MEUR	0.1	-0.2	+150.0%	-0.4	1.9	-121.1%
EBITA margin	%	0.0	-0.1	-	-0.3	1.3	-
Employees (as of end of period; without apprentices)	-	2,821	2,783	+1.4%	2,821	2,783	+1.4%

1

ORDER INTAKE and **SALES** in
Q2 2014 down compared to Q2 2013

2

EARNINGS and **MARGIN** continue to be impacted by low sales
and follow-up costs on equipment delivered in previous years

Outlook for remainder of 2014

Investment activity to remain at current levels

stable +

HYDRO

Lower but still satisfactory project activity for modernizations and new hydropower stations; increasing price competition at selective projects; market for pumps quite active

stable +

PULP & PAPER

Solid project activity for modernizations/ capacity increases and power/biomass boilers; good pipeline for greenfield pulp mill projects, although decisions probably moving to end of 2014/beginning of 2015

stable +

METALS

Global metal forming market to stay at good level; project activity for stainless steel to remain at subdued level; good market activity in aluminum to continue

stable +/-

SEPARATION

Low project activity in mining to remain; increasing project activity in chemicals; good investment activity in environment, food processing, and feed/biomass pelleting plants

ANDRITZ GROUP

- >> Slight increase in sales due to Schuler consolidation effect (contribution of additional two months in 2014)
- >> Significant improvement of net income targeted