

## REPORT OF THE SUPERVISORY BOARD

The Supervisory Board and the Executive Board held five meetings during the reporting period for in-depth discussions on the economic situation and strategic development of the company, as well as major events, capital expenditures, and other measures. In the course of regular reporting and in all meetings, the Executive Board informed the Supervisory Board, by means of detailed reports, on the business and financial situation of the Group and its affiliates, as well as on the situation regarding Human Resources, medium-term planning, capital expenditure, and acquisition projects. Additional information was provided on special occurrences. The Chairman of the Supervisory Board and the Chief Executive Officer were also in regular contact to review the company's strategy and business development.

The Presidium of the Supervisory Board acted on behalf of the company in matters concerning the Executive Board. None of the members of the Supervisory Board was absent from more than half of the meetings.

Specific topics were discussed in two meetings in depth by the audit committee and subsequently reported on to the Supervisory Board. All members of the audit committee attended the committee meetings.

With regard to the financial statements for 2012, the audit committee called in the annual auditor to attend its meeting on February 28, 2013 in order to review the financial statements, consolidated financial statements, the management report, and the Executive Board's proposal for appropriation of profits. In addition, a statement was drawn up on the auditor designated for the 2013 business year, his legal relationship with the ANDRITZ GROUP and the members of its Boards was verified, the auditing fees were negotiated, and a recommendation for the auditor appointment was made. As further items on the agenda, the auditor reported on the function of the risk management system in the company. In addition, a report on the Internal Auditing department was issued and explanations on the compliance report were provided.

At the meeting of the audit committee held on December 5, 2013, the Supervisory Board – with the auditor also present – discussed organization, scheduling, and auditing of the 2013 financial statements, as well as a report by the Executive Board on the form and functioning mode of the internal control system.

At the Supervisory Board meeting following the Annual General Meeting on March 22, 2013, and held on the same day, Hellwig Torggler was elected as Chairman and Klaus Ritter as Deputy Chairman of the Supervisory Board.

The financial statements and management report of ANDRITZ AG and the consolidated financial statements for 2013 drawn up according to IFRS were audited (including the accounts) and certified by Deloitte Audit Wirtschaftsprüfungs GmbH, Vienna, who had been appointed as auditors by the Annual General Meeting. The Supervisory Board examined the documents in accordance with Article 96 of the Corporation Act and approved the financial statements, which are hereby adopted in accordance with Article 96, para. 4, of the Corporation Act. The Supervisory Board also checked and approved the proposed appropriation of profits submitted by the Executive Board.

Graz, February 2014

Hellwig Torggler

Chairman of the Supervisory Board