



Results for the first three quarters of 2008

November 7, 2008

Highlights in Q1-Q3 2008 and in Q3 2008

Sales

- Group sales in Q1-Q3 2008 amounted to 2,538.9 MEUR (+10.4% vs. Q1-Q3 2007: 2,299.6 MEUR); sales in Q3 2008 amounted to 888.9 MEUR (+16.6% vs. Q3 2007).
- Organic growth Q1-Q3 2008: 4.3%.

Earnings

- EBITA in Q1-Q3 2008, at 158.0 MEUR, rose more strongly than sales (+13.7% vs. Q1-Q3 2007: 139.0 MEUR).
- Thus, profitability (EBITA margin) improved to 6.2% in Q1-Q3 2008 (Q1-Q3 2007: 6.0%).
- Net income (excl. minority interests), up to 105.5 MEUR, in Q1-Q3 2008 (+9.3% vs. Q1-Q3 2007: 96.5 MEUR).

Order intake and order backlog

- Order intake in Q1-Q3 2008, at 2,900.4 MEUR, up 9.4% compared to Q1-Q3 2007 (2,651.9 MEUR).
- Order intake in Q3 2008 reached 771.7 MEUR, thus increasing compared to the reference period of last year (+25.6% vs. Q3 2007: 614.4 MEUR).
- High order backlog of 4,558.1 MEUR as of September 30, 2008 gives solid visibility for coming months (+22.5% vs. September 30, 2007: 3,722.4 MEUR).

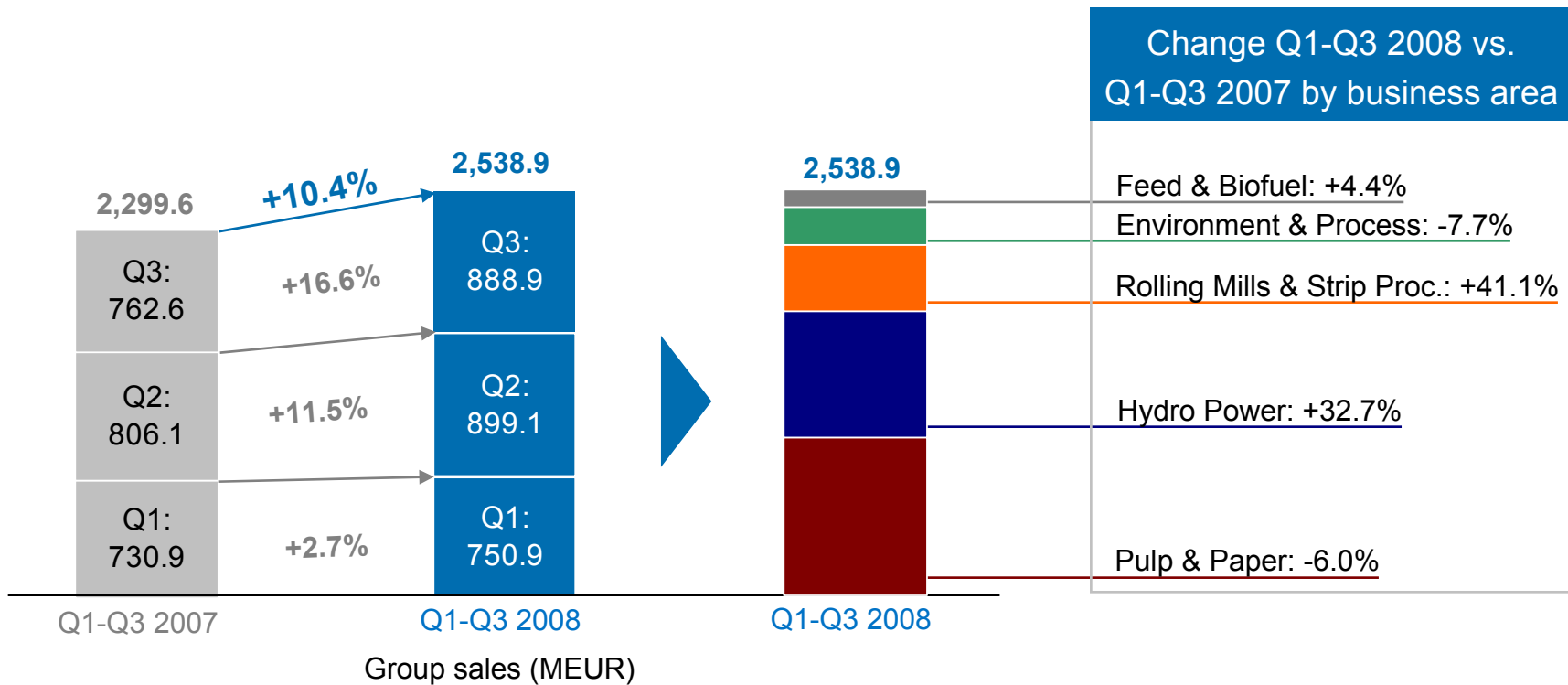
Balance sheet

- Total assets increased to 3,074.2 MEUR as of September 30, 2008 (December 31, 2007: 2,507.5 MEUR).
- Equity ratio amounted to 18.2% as of September 30, 2008 (December 31, 2007: 19.2%).
- Liquid funds as of September 30, 2008 at 930.9 MEUR; net liquidity as of September 30, 2008 increased to 528.5 MEUR (December 31, 2007: 246.5 MEUR).



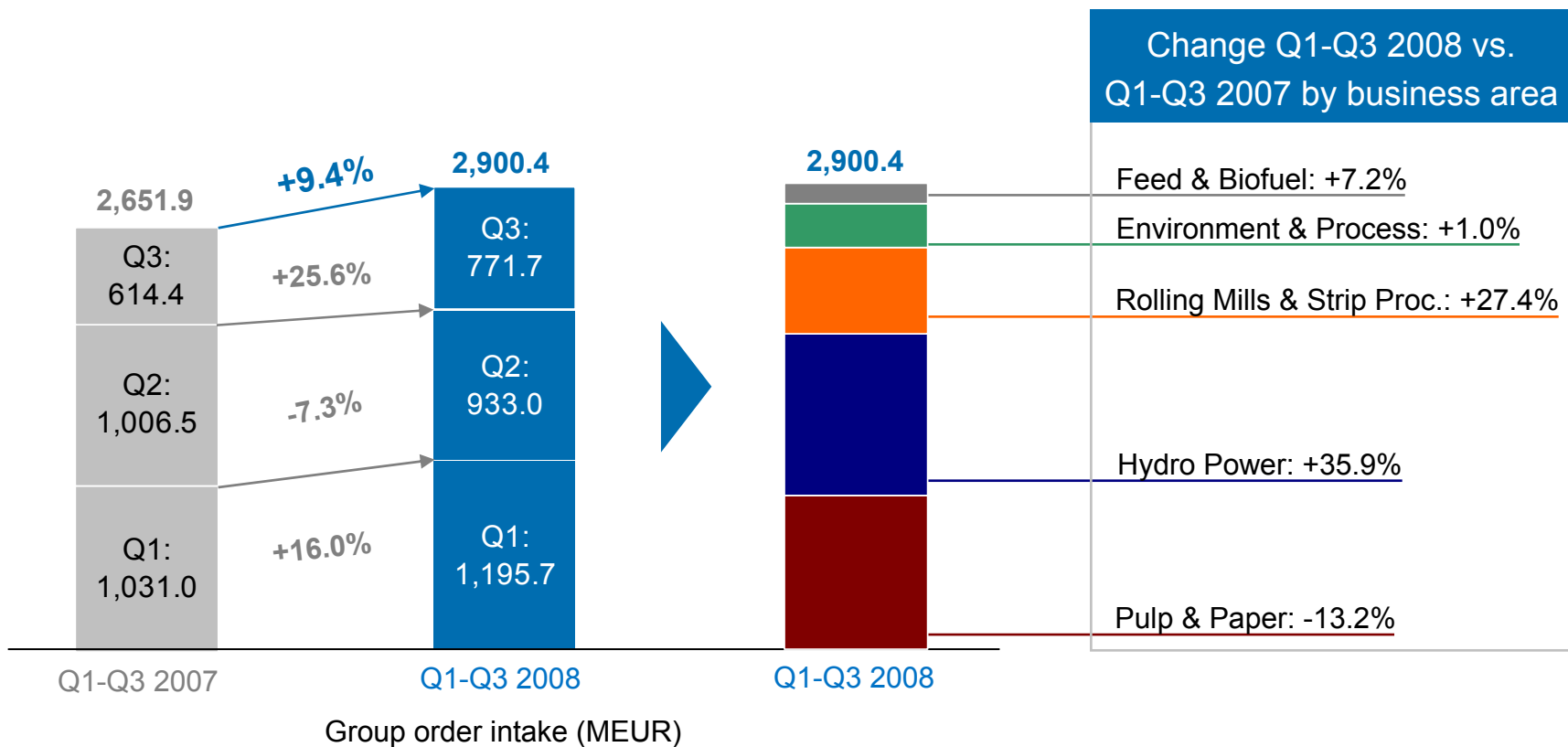
Sales

- Organic growth in Q1-Q3 2008: 4.3%.
- Significant increases in Rolling Mills & Strip Processing Lines and in Hydro Power.



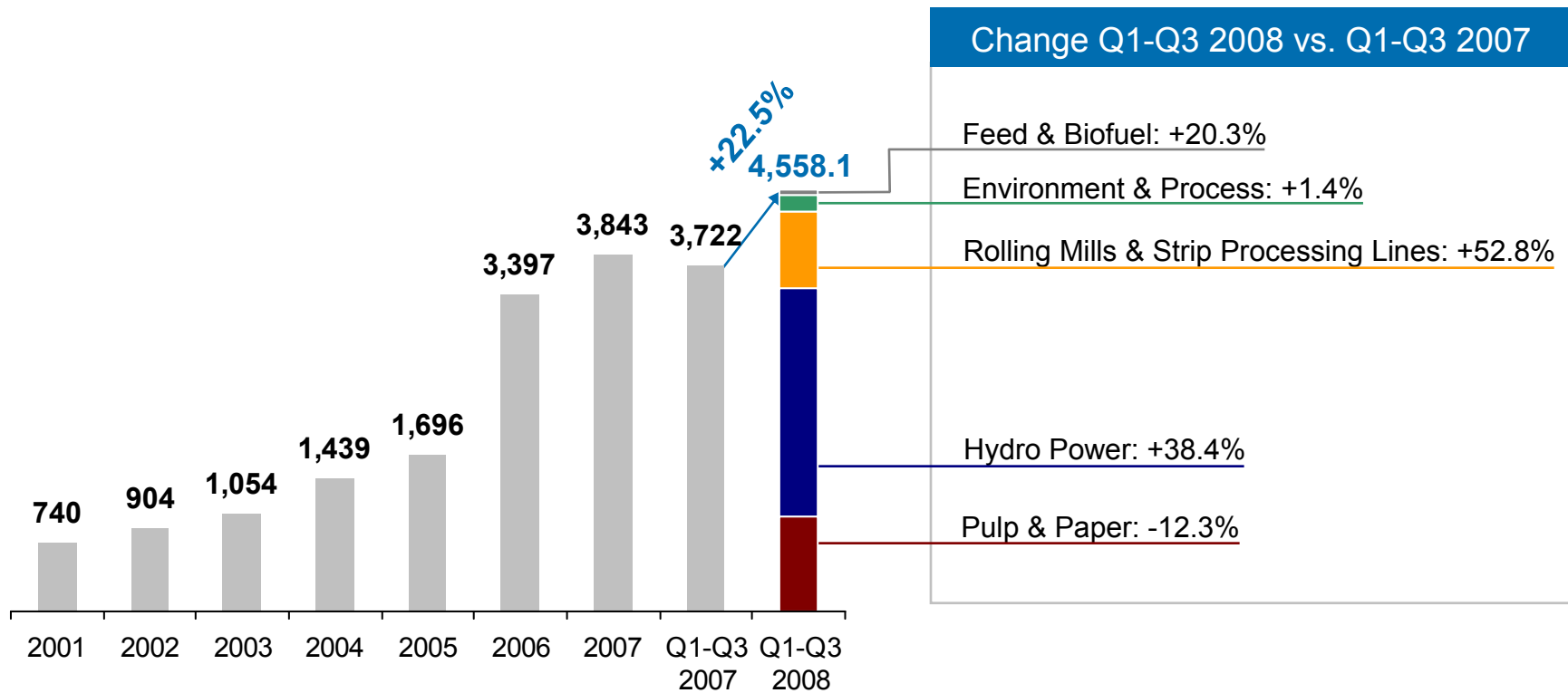
Order intake

- Strong development in Q3 2008 with significant increases in Hydro Power and Rolling Mills & Strip Processing Lines.



Order backlog

- Order backlog of more than 4.5 bn. Euros provides solid visibility for business development for the coming months.



Group order backlog (MEUR) as of end of period

Order intake and sales

Order intake by region (%)		
	Q1-Q3 2008	Q1-Q3 2007
Europe	55	46
China	10	12
Asia (excl. China)	12	6
North America	13	23
South America	8	11
Others	2	2
Order intake Q1-Q3 2008: 2,900.4 MEUR		

Sales by business area (%)		
	Q1-Q3 2008	Q1-Q3 2007
Pulp & Paper	39	45
Hydro Power	32	27
Rolling Mills & Strip Proc.	16	13
Environment & Process	9	11
Feed & Biofuel	4	4
Sales Q1-Q3 2008: 2,538.9 MEUR		

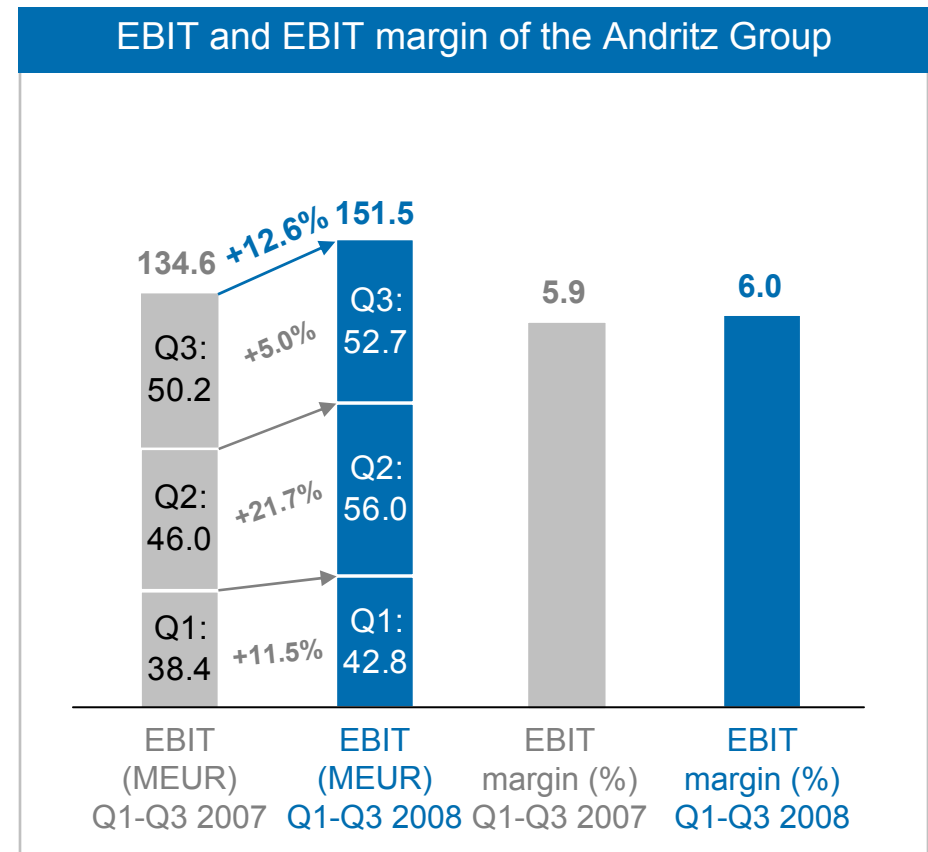
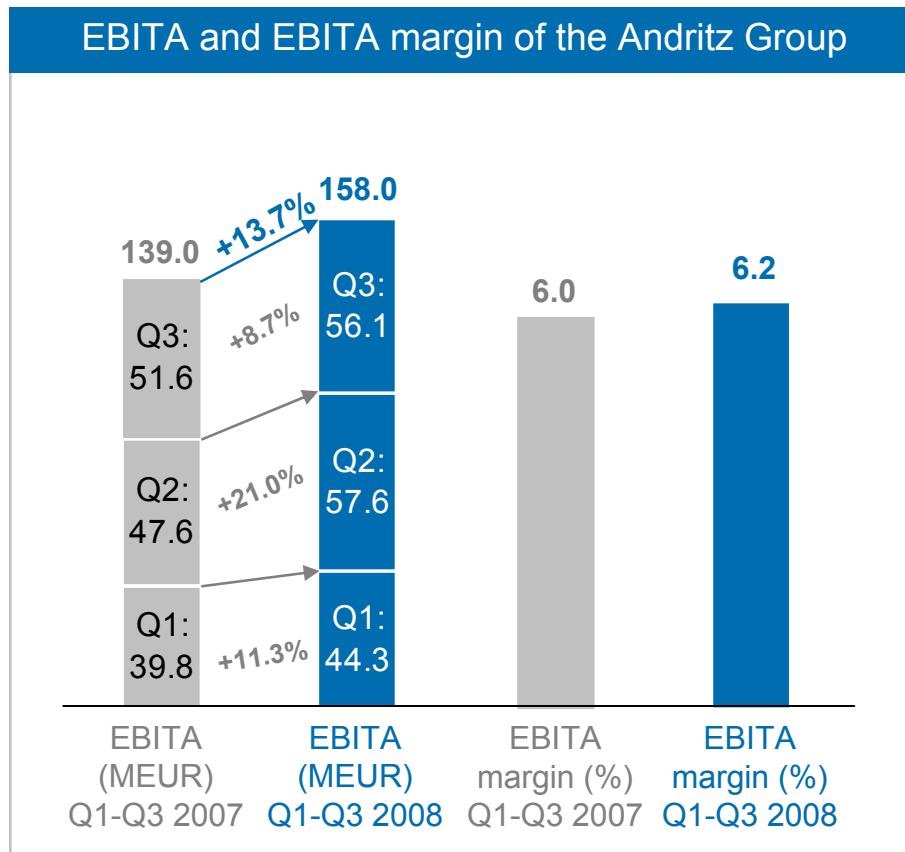
Sales by region (%)		
	Q1-Q3 2008	Q1-Q3 2007
Europe	49	43
China	11	14
Asia (excl. China)	9	12
North America	13	16
South America	12	10
Others	6	5
Sales Q1-Q3 2008: 2,538.9 MEUR		

Service sales as % of business area's sales		
	Q1-Q3 2008	Q1-Q3 2007
Pulp & Paper	31	27
Hydro Power	24	24
Rolling Mills & Strip Proc.	3	4
Environment & Process	26	24
Feed & Biofuel	51	47
Service sales as % of Group sales: Q1-Q3 2008: 24%; Q1-Q3 2007: 24%		



Earnings

- EBIT(A) increased more strongly than sales; thus, profitability – EBIT(A) margin – improved.
- Very favorable development in Hydro Power overcompensates unsatisfactory development in Environment & Process.



Q1-Q3 and Q3 2008 results at a glance

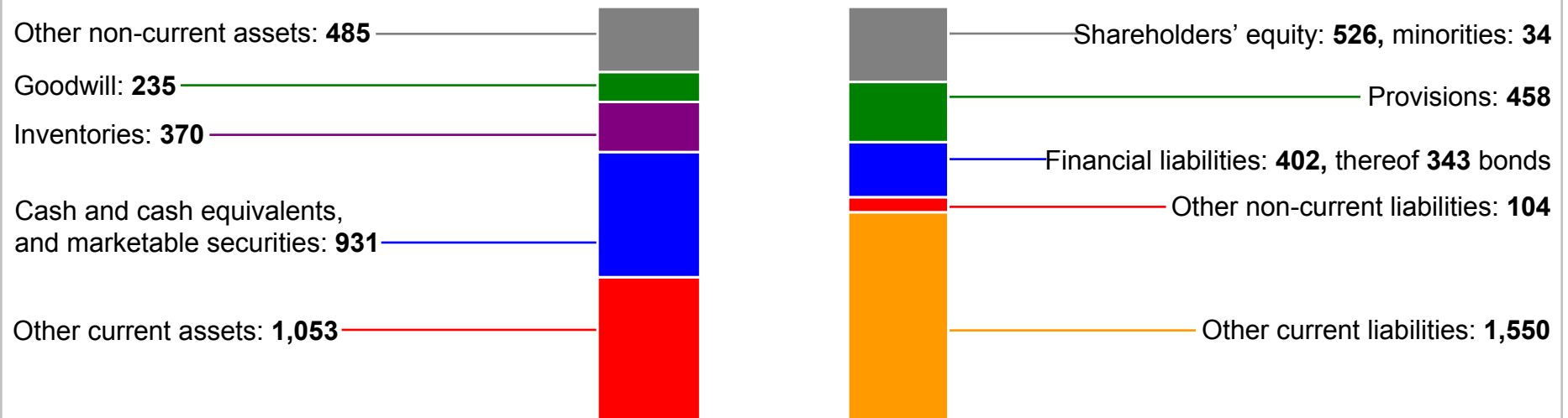
Key figures of the Andritz Group						
MEUR (according to IFRS)	Q1-Q3 2008	Q1-Q3 2007	+/-	Q3 2008	Q3 2007	+/-
Order intake	2,900.4	2,651.9	+9.4%	771.7	614.4	+25.6%
Order backlog (as of end of period)	4,558.1	3,722.4	+22.5%	4,558.1	3,722.4	+22.5%
Sales	2,538.9	2,299.6	+10.4%	888.9	762.6	+16.6%
EBITDA	192.4	169.1	+13.8%	68.4	61.2	+11.8%
EBITA	158.0	139.0	+13.7%	56.1	51.6	+8.7%
Earnings before interest and taxes (EBIT)	151.5	134.6	+12.6%	52.7	50.2	+5.0%
Earnings before taxes (EBT)	156.2	137.9	+13.3%	55.7	50.3	+10.7%
Net income (incl. minority interests)	110.0	98.8	+11.3%	38.0	35.8	+6.1%
Cash flow from operating activities	309.2	16.3	+1,796.9%	183.0	-18.3	+1,100.0%
Capital expenditure	42.2	32.1	+31.5%	14.5	9.0	+61.1%
Employees (as of end of period)	13,225	11,200	+18.1%	13,225	11,200	+18.1%
EBITDA margin (%)	7.6	7.4	-	7.7	8.0	-
EBITA margin (%)	6.2	6.0	-	6.3	6.8	-
EBIT margin (%)	6.0	5.9	-	5.9	6.6	-



Solid balance sheet structure

- **Increase of total assets** mainly due to first-time inclusion of assets and liabilities of companies acquired in 2008 and successful issue of a public 150 MEUR corporate bond, in February 2008 (replaces the matured 2002-2008 bond).
- **Liquid funds** at 930.9 MEUR as of September 30, 2008:
 - > Net liquidity increased to 528.5 MEUR as of September 30, 2008 (December 31, 2007: 246.5 MEUR).
- **Equity ratio** as of September 30, 2008 amounted to 18.2% (December 31, 2007: 19.2%).

Total assets as of September 30, 2008: 3,074 MEUR (December 31, 2007: 2,508 MEUR)



Balance sheet of the Andritz Group as of September 30, 2008 (MEUR)



Pulp & Paper

- Market: overall solid project activity during Q3 2008, but weakening towards the end of the quarter, mainly due to decreasing pulp prices and the global financial crisis; the pipeline of announced projects for new pulp mills and modernizations of existing facilities is solid, but delays are likely.
- Order intake in Q3 2008 up compared to last year's reference period, thus partially making good shortfall of H1 2008.
- Despite decline in sales, slight increase in profitability in Q1-Q3 2008.

Key figures						
MEUR	Q1-Q3 2008	Q1-Q3 2007	+/-	Q3 2008	Q3 2007	+/-
Order intake	955.5	1,100.2	-13.2%	244.0	185.6	+31.5%
Order backlog (as of end of period)	1,025.2	1,168.9	-12.3%	1,025.2	1,168.9	-12.3%
Sales	981.4	1,043.5	-6.0%	311.3	338.8	-8.1%
EBITDA	72.0	73.6	-2.2%	23.8	25.7	-7.4%
EBITDA margin	7.3%	7.1%	-	7.6%	7.6%	-
EBITA	57.9	60.5	-4.3%	18.5	21.5	-14.0%
EBITA margin	5.9%	5.8%	-	5.9%	6.3%	-
Employees (as of end of period)	4,737	4,546	+4.2%	4,737	4,546	+4.2%



Hydro Power

- Market: high project activity; new hydropower plant projects mainly focused on India, China, and South America; modernization of existing plants concentrated on Europe and North America; possibly some delays of privately funded projects in emerging markets.
- Continued positive development of order intake in Q1-Q3 2008.
- Significant increases in sales and earnings; profitability further improved.

Key figures						
MEUR	Q1-Q3 2008	Q1-Q3 2007	+/-	Q3 2008	Q3 2007	+/-
Order intake	1,012.1	744.9	+35.9%	242.9	193.6	+25.5%
Order backlog (as of end of period)	2,482.6	1,793.9	+38.4%	2,482.6	1,793.9	+38.4%
Sales	798.8	602.0	+32.7%	308.2	227.5	+35.5%
EBITDA	63.5	40.6	+56.4%	27.0	18.3	+47.5%
EBITDA margin	7.9%	6.7%	-	8.8%	8.0%	-
EBITA	50.2	30.6	+64.1%	22.3	15.1	+47.7%
EBITA margin	6.3%	5.1%	-	7.2%	6.6%	-
Employees (as of end of period)	5,505	3,916	+40.6%	5,505	3,916	+40.6%



Rolling Mills & Strip Processing Lines

- Market: overall good project activity during Q3 2008, especially in China, Europe, Russia, and India; for the coming months, overall project activity is expected to slow down.
- Favorable development of order intake and sales.
- Successful development of Andritz Maerz (acquired in March 2008).

Key figures						
MEUR	Q1-Q3 2008	Q1-Q3 2007	+/-	Q3 2008	Q3 2007	+/-
Order intake	534.6	419.5	+27.4%	172.0	116.3	+47.9%
Order backlog (as of end of period)	808.5	529.2	+52.8%	808.5	529.2	+52.8%
Sales	412.2	292.2	+41.1%	144.4	78.7	+83.5%
EBITDA	30.8	22.8	+35.1%	9.2	7.0	+31.4%
EBITDA margin	7.5%	7.8%	-	6.4%	8.9%	-
EBITA	28.7	20.8	+38.0%	8.6	6.4	+34.4%
EBITA margin	7.0%	7.1%	-	6.0%	8.1%	-
Employees (as of end of period)	990	863	+14.7%	990	863	+14.7%



Environment & Process

- Market: good project activity for centrifuges (focus on Europe, Asia, and USA); continued weak market for sludge drying plants; rising demand for biomass drying plants.
- Good development of order intake for centrifuges, but slow development of order intake for sludge drying plants as expected.
- Moderate and unsatisfactory development of sales and earnings due to continued under-utilization of the Thermal Process Technologies division.

Key figures						
MEUR	Q1-Q3 2008	Q1-Q3 2007	+/-	Q3 2008	Q3 2007	+/-
Order intake	274.3	271.7	+1.0%	75.4	82.8	-8.9%
Order backlog (as of end of period)	190.2	187.5	+1.4%	190.2	187.5	+1.4%
Sales	239.8	259.7	-7.7%	89.3	81.8	+9.2%
EBITDA	16.1	20.1	-19.9%	5.3	5.7	-7.0%
EBITDA margin	6.7%	7.7%	-	5.9%	7.0%	-
EBITA	12.4	16.4	-24.4%	4.1	4.6	-10.9%
EBITA margin	5.2%	6.3%	-	4.6%	5.6%	-
Employees (as of end of period)	1,430	1,328	+7.7%	1,430	1,328	+7.7%



Feed & Biofuel

- Market: good project activity for animal feed plants (especially in Eastern Europe, Russia, Asia, Central and South America) and aquatic feed plants (South America and Asia); with the exception of North America, high investment activity for wood pelleting equipment, especially in Northern and Southern Europe, and South East Asia.
- Good development of order intake.
- Slight increase of sales, earnings down due to sales decline in North America.

Key figures						
MEUR	Q1-Q3 2008	Q1-Q3 2007	+/-	Q3 2008	Q3 2007	+/-
Order intake	123.9	115.6	+7.2%	37.4	36.1	+3.6%
Order backlog (as of end of period)	51.6	42.9	+20.3%	51.6	42.9	+20.3%
Sales	106.7	102.2	+4.4%	35.7	35.8	-0.3%
EBITDA	10.0	12.0	-16.7%	3.1	4.5	-31.1%
EBITDA margin	9.4%	11.7%	-	8.7%	12.6%	-
EBITA	8.8	10.7	-17.8%	2.6	4.0	-35.0%
EBITA margin	8.2%	10.5%	-	7.3%	11.2%	-
Employees (as of end of period)	563	547	+2.9%	563	547	+2.9%



Outlook 2008 + 2009

Market

- The exact extent of the global financial and economic crisis and its impact on Andritz's businesses cannot be predicted at a profound detailed level.
- High share of sales from areas that are likely to be less affected by the general economic situation (Hydro Power, Service, Feed & Biofuel) should help to cushion potential negative impact Andritz may feel from a possible severe economic slowdown.

Confirmation of financial guidance for 2008

- Andritz confirms financial guidance for full year 2008:
 - > Group sales are expected to increase to ~3.5 bn. Euros.
 - > Profitability (EBITA margin) is expected to improve compared to 2007.
- The actual extent of the increase depends on the further development of the global financial and economic crisis and its impact on Andritz's customers.

No financial guidance for 2009

- Given the persistent uncertainties about the future development of the global economy and the short-term impact of the financial crisis on the real economy – and on the industries served by Andritz in particular – a profound financial guidance for the sales and earnings development of the Andritz Group in 2009 cannot be given at this stage.



Disclaimer

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