

REPORT OF THE SUPERVISORY BOARD

The Supervisory Board and the Executive Board held five meetings (four regular meetings, one constituent meeting) during the reporting period for in-depth discussions on the economic situation and strategic development of the company, as well as on major events, capital expenditures, and other measures. In the course of regular reporting and in all meetings, the Executive Board informed the Supervisory Board extensively in writing and verbally, by means of detailed reports on the business and financial situation of the Group and its affiliates, as well as on topics 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. The nomination and remuneration committee dealt in two meetings with matters relating to 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 2013, the audit committee called in the annual auditor to attend its meeting on February 27, 2014 in order to review the financial statements, consolidated financial statements, the management report, and the Executive Board's proposal for distribution of profits. In addition, a statement was drawn up on the auditor designated for the 2014 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. Further items on the agenda were the auditor's report on the function of the risk management system in the company, a report on the Internal Auditing department, and the compliance report.

At the meeting of the audit committee held on December 4, 2014, the committee – with the auditor also present – discussed organization, scheduling, and auditing of the 2014 financial statements, as well as a report by the Executive Board on the form and functioning mode of the internal control system.

The mandates of Hellwig Torggler and Peter Mitterbauer expired at the end of the Annual General Meeting on March 21, 2014. Following the recommendation by the Supervisory Board, Monika Kircher and Ralf Dieter were elected to the Supervisory Board by the Annual General Meeting until the end of the Annual General Meeting in 2019. At the Supervisory Board meeting following the Annual General Meeting on March 21, 2014, and held on the same day, Christian Nowotny was elected as Chairman and Klaus Ritter as Deputy-Chairman of the Supervisory Board. Christian Nowotny (Chairman) and Klaus Ritter (Deputy-Chairman) were elected as members of the audit committee, as were Monika Kircher and Andreas Martiner. Christian Nowotny, Klaus Ritter, and Fritz Oberlerchner were elected as members of the nomination and remuneration committee.

The financial statements and management report of ANDRITZ AG and the consolidated financial statements for 2014 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 examined and approved the Executive Board's proposal for distribution of profits. The final results of the audits conducted did not give rise to any objections.

The Supervisory Board would like to thank Hellwig Torggler and Peter Mitterbauer for their many years of service for the ANDRITZ GROUP, characterized by their specialist knowledge and sense of responsibility.

Graz, February 2015

Christian Nowotny
Chairman of the Supervisory Board