



Dear **business friend**

Global project activity for electromechanical equipment of hydroelectric power plants has remained satisfying in the last few months and the global hydropower market has also proved stable, despite the restrained investment activity in Europe.

In the market for new installations the positive trend in Africa is more lasting. New projects, such as HPP Laúca in Angola, Manantali in Mali or Inga 2 in the Democratic Republic of Congo are examples. But also in the European rather tense environment projects are being realized by ANDRITZ HYDRO especially in Scandinavia, Austria, and Switzerland.

Particularly worth mentioning is the positive trend in the small hydropower sector. In addition to project activities in the classical European hydropower markets there is a high implementation potential in the emerging and developing countries.

Of particular importance for ANDRITZ HYDRO is the Canadian hydropower market. With 74 GW of installed hydropower capacity, Canada today is the fourth largest hydropower market globally. With the acquisition of the Canadian specialists AFI Hydro, ANDRITZ HYDRO was able to further strengthen its market position in the field of hydraulic steel structures.

ANDRITZ HYDRO also sees very positive developments in other business segments. For instance, energy from tidal resources such as at Sihwa, in Korea, is registering continuously increasing interest worldwide. An important technological milestone is represented by tidal current turbines. At Pentland Firth in Scotland, the world's largest commercial tidal current plant will be built with a future total capacity of 398 MW. ANDRITZ HYDRO is going to deliver – on behalf of MeyGen Ltd. – three 1.5 MW tidal current turbines for the first phase.

Another attractive business segment is turbo generators for thermal power plants. By establishing an additional location for the assembly of large turbo generators, ANDRITZ HYDRO is expanding its existing production potential further and is thus well equipped for future challenges.

From small hydropower plants, the renewal of existing hydropower plants up to the larger new installations, as well as additional business areas, the variety of our activities is allowing us to see – together with our motivated employees and with the confidence of our customers – the future development of the energy market and of ANDRITZ HYDRO as very positive.

With sincere thanks



M. Komböck



H. Heber



W. Semper