1. Update on major topics impacting earnings since last CMD

2. Business areas – market update

3. Main topics 2015

4. Capital Market Days – goals and summary
**Update on Montes del Plata**

**Full production expected for end of 2014**

| Substantial cost overruns led to sharp decline of profitability in 2013 | Q1 2014 still impacted, however no negative impact on earnings since Q2 2014 | Mill is in ramp-up phase, producing round-the-clock and expected to reach full production by end of year |

---

*Photo: Montes del Plata*
Schuler restructuring
Major actions taken in 2014

>> Elimination of complex group structures: merger of several German group companies

>> Lean managing structure: number of executive board members reduced, distinct reduction of second-level management

>> Modified production concept: increased concentration on manufacture of core components, reduction of vertical manufacturing range, and foundry closure

>> Introduction of shared services in Germany under way
SEPARATION

Earnings impacting issues to be resolved by end of 2014

- 2013 and 2014 earnings impacted by product issues in China
- Substantial progress achieved on solving low product performance → expected to be fully resolved by end of 2014
- Implementation of new organizational structure in order to adjust to market requirements in terms of size and customer demand
- Build up improved service set-up

Research and development by ANDRITZ SEPARATION in Vierkirchen, Germany, to optimize centrifuges for the chemical industry
1. Update on major topics impacting earnings since last CMD

2. Business areas – market update

3. Main topics 2015

4. Capital Market Days – goals and summary
HYDRO
Sales, order intake, EBITA, and EBITA margin 2009-2013

Sales (in MEUR): CAGR +7%

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales (MEUR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>1,378</td>
</tr>
<tr>
<td>2010</td>
<td>1,579</td>
</tr>
<tr>
<td>2011</td>
<td>1,773</td>
</tr>
<tr>
<td>2012</td>
<td>1,837</td>
</tr>
<tr>
<td>2013</td>
<td>1,805</td>
</tr>
</tbody>
</table>

Average: 1,674 MEUR

Order intake (in MEUR): CAGR +2%

<table>
<thead>
<tr>
<th>Year</th>
<th>Order intake (MEUR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>1,694</td>
</tr>
<tr>
<td>2010</td>
<td>1,870</td>
</tr>
<tr>
<td>2011</td>
<td>2,096</td>
</tr>
<tr>
<td>2012</td>
<td>2,008</td>
</tr>
<tr>
<td>2013</td>
<td>1,865</td>
</tr>
</tbody>
</table>

Average: 1,907 MEUR

EBITA (in MEUR)

<table>
<thead>
<tr>
<th>Year</th>
<th>EBITA (MEUR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>100.5</td>
</tr>
<tr>
<td>2010</td>
<td>118.0</td>
</tr>
<tr>
<td>2011</td>
<td>147.7</td>
</tr>
<tr>
<td>2012</td>
<td>153.2</td>
</tr>
<tr>
<td>2013</td>
<td>146.9</td>
</tr>
</tbody>
</table>

Average: 133 MEUR

EBITA margin (in %)

<table>
<thead>
<tr>
<th>Year</th>
<th>EBITA margin (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>7.3</td>
</tr>
<tr>
<td>2010</td>
<td>7.5</td>
</tr>
<tr>
<td>2011</td>
<td>8.3</td>
</tr>
<tr>
<td>2012</td>
<td>8.3</td>
</tr>
<tr>
<td>2013</td>
<td>8.1</td>
</tr>
</tbody>
</table>

Average: 7.9%
HYDRO
Major past developments and future focus

Sales CAGR 2009-2013 (+7%) substantially below Group growth (+16%), but with higher profitability (average EBITA margin: 7.9%) than the Group (5.9%)

Global market share increased slightly over the last five years despite overall shrinkage of global market for hydropower equipment from peak levels in 2011

Main strategy for the coming years

- Maintain/further increase profitability level
- Maintain high market share in large hydro and grow at least in line with market
- Achieve above-market growth in small hydro
- Continue to expand service business
- Strengthen product portfolio in pumps and enter new markets
## HYDRO

### Challenging, but solid market environment

<table>
<thead>
<tr>
<th>Market update</th>
<th>Large-scale plants</th>
<th>Small-scale plants</th>
<th>Pumps</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt;&gt; Solid demand for modernizations</td>
<td></td>
<td>Good activity to continue, especially in emerging markets (high energy demand, low capex needs)</td>
<td>Demand for special pumps to remain high (irrigation, water transport, nuclear, etc.)</td>
</tr>
<tr>
<td>&gt;&gt; Pumped storage projects on hold due to low electricity prices</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&gt;&gt; Greenfield hydropower projects in emerging markets (Africa, South America)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Competition</th>
<th>Increasing price competition on selective projects. Main competitors: GE/Alstom, Voith</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outlook</td>
<td>Stable +</td>
</tr>
<tr>
<td></td>
<td>Slightly up</td>
</tr>
<tr>
<td></td>
<td>Slightly up</td>
</tr>
</tbody>
</table>

**Long-term average growth potential:** 3-4% p.a.
Favorable modernization potential: more than half of hydropower capacity installed worldwide over 30 years old

Installed hydropower capacity 2013 by region in %

- Europe: 14%
- China: 26%
- North/Central America: 19%
- Asia (without China): 12%
- South America: 3%
- Africa: 2%

1,076 GW

Units over 30 years old (in % of installed capacity in operation)

- Africa: 71%
- South America: 38%
- Asia: 29%
- North/Central America: 80%
- China: 26%
- Europe: 74%

Average: 55%

Sources: GlobalData, Hydropower & Dams World Atlas, 2013
Cumulative installed hydropower capacity in GW (I)
Average annual growth of 3.5% expected for 2013-2025
Cumulative installed hydropower capacity in GW (II)
Strongest expected growth in China

Hydropower capacity increase 2013-2025E:
+554 GW, thereof (in %) …

- China
- Asia (without China)
- South America
- North/Central America
- Europe
- Africa

Source: GlobalData
Strong potential in South America
Example Brazil

>> Very tight energy supply, but no new capacities due to anti-business electricity pricing of current government

>> Brazil could/should spend 66 bn. EUR expanding its power generation capacity in 2013-2022; thereof …

Typical supply split for hydropower plants

ANDRITZ’s potential scope of supply is ~18 bn. EUR:
- Electromechanical equipment: 50%
- Mechanical equipment: 17%
- Generators: 20%
- Civil and erection work (not ANDRITZ): 13%

Plants approved by governmental authorities
Planned plants

* Nuclear, gas, coal, fuel oil/diesel

Planned projects > 1,000 MW

<table>
<thead>
<tr>
<th>Project Name</th>
<th>River</th>
<th>MW</th>
<th>Planned start-up</th>
</tr>
</thead>
<tbody>
<tr>
<td>São Luiz do Tapajós</td>
<td>Tapajós</td>
<td>6,133</td>
<td>2019</td>
</tr>
<tr>
<td>Jatobá</td>
<td>Tapajós</td>
<td>2,338</td>
<td>2020</td>
</tr>
<tr>
<td>Salto Augusto Baixo</td>
<td>Juruena</td>
<td>1,461</td>
<td>2022</td>
</tr>
<tr>
<td>São Simão Alto</td>
<td>Juruena</td>
<td>3,509</td>
<td>2022</td>
</tr>
<tr>
<td>Marabá</td>
<td>Tocantins</td>
<td>2,160</td>
<td>2022</td>
</tr>
</tbody>
</table>

Source: Ministério de Minas e Energia, January 2014; FX-rate EUR/BRL as of July 31, 2014
PULP & PAPER
Sales, order intake, EBITA, and EBITA margin 2009-2013

Sales (in MEUR): CAGR +21%

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales (MEUR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>926</td>
</tr>
<tr>
<td>2010</td>
<td>1,130</td>
</tr>
<tr>
<td>2011</td>
<td>1,885</td>
</tr>
<tr>
<td>2012</td>
<td>2,282</td>
</tr>
<tr>
<td>2013</td>
<td>2,005</td>
</tr>
</tbody>
</table>

Average: 1,646 MEUR

Order intake (in MEUR): CAGR +19%

<table>
<thead>
<tr>
<th>Year</th>
<th>Order intake (MEUR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>940</td>
</tr>
<tr>
<td>2010</td>
<td>1,416</td>
</tr>
<tr>
<td>2011</td>
<td>2,694</td>
</tr>
<tr>
<td>2012</td>
<td>1,962</td>
</tr>
<tr>
<td>2013</td>
<td>1,908</td>
</tr>
</tbody>
</table>

Average: 1,784 MEUR

EBITA (in MEUR)

<table>
<thead>
<tr>
<th>Year</th>
<th>EBITA (MEUR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>17.2</td>
</tr>
<tr>
<td>2010</td>
<td>82.2</td>
</tr>
<tr>
<td>2011</td>
<td>120.4</td>
</tr>
<tr>
<td>2012</td>
<td>134.6</td>
</tr>
<tr>
<td>2013</td>
<td>-35.7</td>
</tr>
</tbody>
</table>

Average: 64 MEUR

EBITA margin (in %)

<table>
<thead>
<tr>
<th>Year</th>
<th>EBITA margin (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>1.9</td>
</tr>
<tr>
<td>2010</td>
<td>7.3</td>
</tr>
<tr>
<td>2011</td>
<td>6.4</td>
</tr>
<tr>
<td>2012</td>
<td>5.9</td>
</tr>
<tr>
<td>2013</td>
<td>-1.8</td>
</tr>
</tbody>
</table>

Average: 3.9%
Major past developments and future focus

Sales CAGR 2009-2013 (+21%) substantially above Group growth (+16%), mainly driven by large greenfield orders and, to a lesser extent, acquisitions, however …

>> EBITA margin declined due to increasing price competition

>> Poor performance in execution of certain EPC contracts

>> Some divisions within the capital segment developed below expectations due to market conditions and some internal reasons (bioethanol, torrefaction, plastic films, packaging, and flue gas cleaning)

>> Sales growth in service, at ~18% p.a., lower than in capital sales – however, margins remained at stable level during the past five years

Main strategy for the coming years

>> Focus on long-term growth areas within PULP & PAPER

>> Reduce or exit from non-performing segments

>> More selective approach to EPC projects; focus on better terms, pricing, and risk mitigation

>> Further professionalize execution and controlling of projects where civil/erection work is included

>> Further expand service business and maintain/increase profitability
# PULP & PAPER

Good project activity, but fierce competition

<table>
<thead>
<tr>
<th>Market update</th>
<th>Pulp</th>
<th>Paper/packaging</th>
<th>Nonwoven/plastic film</th>
<th>Service</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>&gt;&gt; Investments in greenfield pulp mills to continue</td>
<td>&gt;&gt; Stable demand for tissue and containerboard machines, predominantly in emerging markets</td>
<td>&gt;&gt; Stable and good project activity for nonwoven</td>
<td>Good potential to grow organically and by acquisitions</td>
</tr>
<tr>
<td></td>
<td>&gt;&gt; Modernization projects to increase capacity, efficiency, and profitability of existing mills</td>
<td>&gt;&gt; More stringent quality requirements for food packaging</td>
<td>&gt;&gt; Good potential in certain niches</td>
<td></td>
</tr>
<tr>
<td></td>
<td>&gt;&gt; Green energy investments</td>
<td></td>
<td>&gt;&gt; Plastic film: sharp market decline due to overcapacity</td>
<td></td>
</tr>
<tr>
<td></td>
<td>&gt;&gt; Some selective biomass pelleting projects</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Competition</th>
<th>Unchanged stiff price competition. Main pulp competitor: Valmet</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outlook</td>
<td>Stable +</td>
</tr>
</tbody>
</table>

**Long-term average growth potential:** 2-3% p.a.
PULP & PAPER

12 major greenfield pulps mills expected during next five years

**Chile:**

<table>
<thead>
<tr>
<th>Owner – project</th>
<th>Capacity/a.*</th>
<th>Planned start-up</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arauco – Bio-Bio</td>
<td>1.6</td>
<td>2018 et seq.</td>
</tr>
</tbody>
</table>

**Brazil:**

<table>
<thead>
<tr>
<th>Owner – project</th>
<th>Capacity/a.*</th>
<th>Planned start-up</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eldorado – Três Lagoas</td>
<td>2.3</td>
<td>2017 et seq.</td>
</tr>
<tr>
<td>Fibria – Três Lagoas</td>
<td>1.8</td>
<td>2017 et seq.</td>
</tr>
<tr>
<td>Veracel – Eunápolis</td>
<td>2.0</td>
<td>2018 et seq.</td>
</tr>
<tr>
<td>Braxel – Peixes</td>
<td>1.5</td>
<td>2018 et seq.</td>
</tr>
<tr>
<td>Eco Brasil Florestas – Tocantins</td>
<td>1.5</td>
<td>2018 et seq.</td>
</tr>
<tr>
<td>Mato Grosso do Sul – Ribas do Rio Pardo</td>
<td>1.8</td>
<td>2018 et seq.</td>
</tr>
<tr>
<td>Suzano – Imperatriz</td>
<td>1.3</td>
<td>2018 et seq.</td>
</tr>
<tr>
<td>Fibria – Aracruz</td>
<td>1.7</td>
<td>2018 et seq.</td>
</tr>
</tbody>
</table>

**Mozambique:**

<table>
<thead>
<tr>
<th>Owner</th>
<th>Capacity/a.*</th>
<th>Planned start-up</th>
</tr>
</thead>
<tbody>
<tr>
<td>Portucel</td>
<td>1.5</td>
<td>2020 et seq.</td>
</tr>
</tbody>
</table>

**Finland:**

<table>
<thead>
<tr>
<th>Owner – project</th>
<th>Capacity/a.*</th>
<th>Planned start-up</th>
</tr>
</thead>
<tbody>
<tr>
<td>Metsä Group – Äänekoski</td>
<td>1.3</td>
<td>2017 et seq.</td>
</tr>
</tbody>
</table>

**China:**

<table>
<thead>
<tr>
<th>Owner – project</th>
<th>Capacity/a.*</th>
<th>Planned start-up</th>
</tr>
</thead>
<tbody>
<tr>
<td>Guangxi Jingui – Qinzhou City</td>
<td>1.2</td>
<td>2018 et seq.</td>
</tr>
</tbody>
</table>

* Annual capacity in million tons; source: Pöyry. Capacity/year refers to added gross capacity (i.e. relevant as accessible market) without taking possible shut-downs of existing capacities into account.
METALS

Sales, order intake, EBITA, and EBITA margin 2009-2013

**Sales (in MEUR): CAGR +29%**

- 2009: 473 MEUR
- 2010: 340 MEUR
- 2011: 373 MEUR
- 2012: 405 MEUR
- 2013: 1,311 MEUR

Average ex Schuler: 387 MEUR

- * -8% ex Schuler

**Order intake (in MEUR): CAGR +43%**

- 2009: 296 MEUR
- 2010: 303 MEUR
- 2011: 319 MEUR
- 2012: 324 MEUR
- 2013: 1,234 MEUR

Average ex Schuler: 321 MEUR

- * +5% ex Schuler

**EBITA (in MEUR)**

- 2009: 20.5 MEUR
- 2010: 18.4 MEUR
- 2011: 19.4 MEUR
- 2012: 25.1 MEUR
- 2013: 53.5 MEUR

Average ex Schuler: 19.4 MEUR

**EBITA margin (in %)**

- 2009: 4.3%
- 2010: 5.4%
- 2011: 5.2%
- 2012: 6.2%
- 2013: 4.1%

Average ex Schuler: 5.0%

- * Schuler: 4.1% (8.4% before restructuring expenses)
METALS

Major past developments and future focus

>> Sales CAGR 2009-2013 (+29%) substantially above Group growth (+16%) mainly due to Schuler acquisition (CAGR ex Schuler: -8%)

>> Average EBITA margin below Group margin due to low sales volume and challenging competitive environment

Schuler’s main strategy for the coming years

>> Maintain high market share in metalforming equipment for automobiles
>> Expand product portfolio for mid/small capacities
>> Expansion of service and non-automotive businesses
>> Concentrate on manufacturing of core components
>> Expand manufacturing in Asia

Main strategy for the coming years for METALS ex Schuler

>> Adjust organization to shrunk stainless/carbon steel market
>> Further strengthen growing market share in aluminum (furnaces and processing lines)
>> Increase service volume (from today’s 9%) over the next few years
### METALS: good project activity in metalforming, aluminum, and furnaces – unchanged low activity in carbon/stainless steel

<table>
<thead>
<tr>
<th>Market update</th>
<th>Metalforming</th>
<th>Stainless steel</th>
<th>Furnaces</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt;&gt; Good demand from automobile manufacturers continuing, especially in Asia and Americas</td>
<td>Investment activity to remain at low level, some investment projects planned in Q4 2014/H1 2015</td>
<td>Good demand to continue</td>
<td></td>
</tr>
<tr>
<td>&gt;&gt; Stable demand from other industries</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Competition</th>
<th>Stable competition at challenging level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Main competitors from Japan and China</td>
<td>Main competitors: Danieli, SMS, Mitsubishi/VAI</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Outlook</th>
<th>Stable +</th>
<th>Stable -</th>
<th>Stable +</th>
</tr>
</thead>
</table>

Long-term average growth potential: 4-5% p.a.
Long-term growth of automobile production to support growth of Schuler

Global production volume in million car units (CAGR global 2013-2018E: +4%)

<table>
<thead>
<tr>
<th>Year</th>
<th>Europe</th>
<th>Greater China</th>
<th>Japan/Korea</th>
<th>Middle East/Africa</th>
<th>North America</th>
<th>South America</th>
<th>South Asia</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>22%</td>
<td>25%</td>
<td>16%</td>
<td>2%</td>
<td>20%</td>
<td>5%</td>
<td>10%</td>
</tr>
<tr>
<td>2012</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2014E</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2015E</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2016E</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017E</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2018E</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Share in production volume 2013 | CAGR 2013-2018E

Europe: 22%  +4%
Greater China: 25%  +7%
Japan/Korea: 16%  -1%
Middle East/Africa: 2%  +6%
North America: 20%  +2%
South America: 5%  +6%
South Asia: 10%  +8%

Source: IHS Global Insight
SEPARATION
Sales, order intake, EBITA, and EBITA margin 2009-2013

Sales (in MEUR): CAGR +9%
- 2009: 421 MEUR
- 2010: 505 MEUR
- 2011: 566 MEUR
- 2012: 653 MEUR
- 2013: 590 MEUR

Average 547 MEUR

Order intake (in MEUR): CAGR +10%
- 2009: 419 MEUR
- 2010: 544 MEUR
- 2011: 598 MEUR
- 2012: 629 MEUR
- 2013: 604 MEUR

Average 559 MEUR

EBITA (in MEUR)
- 2009: 25.9 MEUR
- 2010: 39.0 MEUR
- 2011: 44.0 MEUR
- 2012: 44.9 MEUR
- 2013: 44.3 MEUR

Average 31 MEUR

EBITA margin (in %)
- 2009: 6.2%
- 2010: 7.7%
- 2011: 7.8%
- 2012: 6.9%
- 2013: 5.7%

Average 5.7%
SEPARATION
Major past developments and future focus

>> Sales CAGR 2009-2013 (+9%) substantially below Group growth (+16%) due to weak mining/minerals and chemicals segments

>> Average business area margin usually higher than Group level (except for last year) because of high service portion (40%)

>> Too complex organizational structure and some product performance issues led to drop in sales and strong decline in earnings

>> Solid development of food processing segment → positive development by ANDRITZ Gouda, acquired in 2012

>> Make new organization succeed

>> Improve competitiveness of products and expand service business by building up service presence in growth markets

>> Reduce operating expenses, transfer production to low-cost countries

>> Focus on achieving growth by acquisitions and organic growth
## SEPARATION

### Varied project activity in different markets

<table>
<thead>
<tr>
<th>Market update</th>
<th>Municipal</th>
<th>Industrial</th>
<th>Feed</th>
<th>Biomass pelleting</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Investment activity at reasonable levels, mainly in developed markets</td>
<td>&gt;&gt; Reasonable demand in food processing</td>
<td>Continuing at solid level</td>
<td>Stable demand to continue</td>
</tr>
<tr>
<td></td>
<td></td>
<td>&gt;&gt; Low project activity in mining/minerals and chemicals</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Competition

Very fragmented market with global and regional competitors

### Outlook

<table>
<thead>
<tr>
<th>Municipal</th>
<th>Industrial</th>
<th>Feed</th>
<th>Biomass pelleting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stable +/-</td>
<td>Stable -</td>
<td>Stable +</td>
<td>Stable +</td>
</tr>
</tbody>
</table>

*Long-term average growth potential: 2-3% p.a.*
1. Update on major topics impacting earnings since last CMD

2. Business areas – market update

3. Main topics 2015

4. Capital Market Days – goals and summary
Roadmap 2015

Main topics

1. Restructure product segments with limited long-term market growth or earnings potential
2. Further improve cost position
3. Continue long-term profitable growth of Schuler
4. Optimize ANDRITZ SEPARATION’S current organization/set-up
5. Usage of cash
Topic 1: Restructure product segments
with limited long-term market growth or earnings potential

Main selection criteria:

- Limited long-term market growth potential
- Overcapacity situation in end markets
- Weak competitive position
- Not part of ANDRITZ’s core business
- Low level of synergies with other business areas/divisions

Strategic review of product portfolio and newly integrated companies as an ongoing process

Expanding into new markets/products with higher growth opportunities

Focus on core businesses and products with long-term growth potential
Topic 2: Improve cost position

Further shift of manufacturing capacities to emerging markets

Continue to shift production from developed world to emerging markets → goal of 50% by 2017 vs. 44% in 2013

Split of ANDRITZ production capacities by region (in %)

Developed world
Emerging markets

ANDRITZ ex Schuler:

2004: 89% Developed world, 11% Emerging markets
2005: 80% Developed world, 20% Emerging markets
2006: 73% Developed world, 27% Emerging markets
2007: 73% Developed world, 27% Emerging markets
2008: 64% Developed world, 36% Emerging markets
2009: 57% Developed world, 43% Emerging markets
2010: 53% Developed world, 47% Emerging markets
2011: 50% Developed world, 50% Emerging markets
2012: 52% Developed world, 48% Emerging markets
2013: 56% Developed world, 44% Emerging markets

Goal: 50% Emerging markets by 2017 vs. 44% in 2013
Focus on manufacturing of key components (A parts)

Maintain outsourcing of C parts; outsourcing of B parts depending on own workload

Further reduce costs

Consistently use temporary staff

Increase production capacities in emerging markets to serve both local and global markets

Focus on productivity and efficiency

Increase level of automation at manufacturing locations in high-cost countries (e.g. robot systems technology)
Focus on service

- EBITA margin substantially above Group average
- Good potential to grow organically and by acquisitions
- Increased importance of life cycle support (day-to-day business)
- Strong contribution towards customer satisfaction
Development of service sales
Strong contribution towards overall sales growth since 2009

CAGR sales 2009-2013:
- Capital sales: +15%
- SEPARATION service sales: +10%
- METALS service sales: +98%*
- PULP & PAPER service sales: +18%
- HYDRO service sales: +8%

* +6% ex Schuler

Service sales as % of total sales

2009: 27%
2010: 29%
2011: 27%
2012: 26%
2013: 28%
Topic 3: Schuler
Continue long-term profitable growth

Cupping press, designed for production of 3,000 cans per minute

Schuler’s strategy program:
>> Reduce complexity
>> Develop products for B-segment markets
>> Create new production concept
>> Expand production in emerging markets

Long-term EBITA margin goal:
8.5%

Annual cost savings 2015E et seq.:
15-20 MEUR out of restructuring
Topic 4: SEPARATION
Optimization of current organization/set-up in 2015

Main focus of reorganization:
>> Straight-line organization
>> Empowered product homes
>> Customer focus
>> Competitive machines

Profitability actions:
>> Competitive product portfolio
>> Optimized product costs
>> Transfer of manufacturing to low-cost countries
>> Further reduction of operating expenses

ANDRITZ decanter centrifuges for Sungai Semenyith, Malaysia, one of the largest drinking water treatment plants in South East Asia
**Topic 5: Usage of cash with good balance between acquisitions, attractive dividends, and strong balance sheet**

- Continue to look out for complementary acquisitions in existing business areas
- Maintain payout ratio at 50% and potentially move it up to 60%
- Share buy-back mainly for stock option program

**Strengthen tangible equity ratio**:  

<table>
<thead>
<tr>
<th>Year</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ratio</td>
<td>10%</td>
<td>13%</td>
<td>13%</td>
<td>14%</td>
<td>13%</td>
<td>2%</td>
</tr>
</tbody>
</table>

* (Total shareholders’ equity – goodwill – intangible assets) / (total assets – goodwill – intangible assets)
1. Update on major topics impacting earnings since last CMD

2. Business areas – market update

3. Main topics 2015

4. Capital Market Days – goals and summary
Review of Capital Market Day goals:
Dividend goals achieved, EBITA margin goal pending

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales</th>
<th>Share of renewable energy sales</th>
<th>EBITA margin</th>
<th>Payout ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>3.0 bn. EUR</td>
<td>Goal not achieved</td>
<td>7.0% (achieved 6.5%)</td>
<td>~40%</td>
</tr>
<tr>
<td>2008</td>
<td></td>
<td>Goal not achieved</td>
<td>7.0% (achieved 5.1%*)</td>
<td>~50%</td>
</tr>
<tr>
<td>2009</td>
<td></td>
<td>Goal pending</td>
<td></td>
<td>~50%</td>
</tr>
<tr>
<td>2010</td>
<td></td>
<td>Share of renewable energy sales &gt;50%</td>
<td>7.0% over the cycle</td>
<td>~50%</td>
</tr>
<tr>
<td>2011</td>
<td>4.0/4.5 bn. EUR</td>
<td>&gt;&gt; Goal achieved in 2010 and 2011: 7.2% in each case</td>
<td>&gt;&gt; Goal almost achieved in 2012: 6.9%</td>
<td>~50%</td>
</tr>
<tr>
<td>2012</td>
<td>5.0 bn. EUR</td>
<td>&gt;&gt; Average 2010-2013: 6.1%</td>
<td></td>
<td>~50%</td>
</tr>
<tr>
<td>2013</td>
<td></td>
<td>Regain 7.0% (achieved 2.9%)</td>
<td></td>
<td>~78%</td>
</tr>
</tbody>
</table>

* Excluding restructuring expenses: 6.0%
Target to continue long-term profitable growth
Goal: maintain 7% and improve to 8% with top-line sales growth

Average 2000-2004: 5.3%
Average 2005-2009: 6.0%

* Including restructuring expenses
** Including Schuler as of March 1, 2013; no pro forma figures are available for the reference periods of previous years
EBITA margin goal HYDRO
7.0-8.0%

Factors influencing margin:

>> Execution of some large orders  >> Competition from Asia?  >> Impact from new JV GE/Alstom remains to be seen

Average 2006-2009: 6.6%

Figures before 2006 (acquisition of VATECH Hydro) are not representative/applicable for comparison with today’s HYDRO business area
EBITA margin goal PULP & PAPER
6.0-7.0%

Factors influencing margin:

>> Large order execution  >> Share of service business/wear parts lower than competitors’  >> Pricing environment on large projects

Average 2000-2004: 6.1%
Average 2005-2009: 5.0%

Provisions and expenses for cost overruns on MdP project
2010 et seq.: 6.0-7.0%

* Including restructuring expenses
EBITA margin goal METALS
7.0-8.0%

Factors influencing margin:

>> Development of automobile market
>> Expansion of service business
>> Success of Schuler restructuring

>> Unchanged low investment activity in stainless steel due to ongoing overcapacities
>> M&A

Average 2000-2004: 4.0%
Average 2005-2009: 6.3%

2010 et seq.: 7.0-8.0%

Restructuring at Schuler

4.1 5.4
EBITA margin goal SEPARATION
8.0-9.0%

Factors influencing margin:

>> Cost overruns on some projects
>> Investment in expansion of service business and new markets
>> M&A

Average 2005-2009: 6.9%
Average 2000-2004: 3.1%

2010 et seq.: 8.0-9.0%
Confirmation of dividend payout ratio goal
Consistent dividend policy

Dividend goals:
>> Maintain payout ratio at a minimum of ~50%
>> Mid-term increase to ~60%
Summary and goals

Summary:

>> Continuation of long-term structural trends within all four business areas should support continued long-term organic growth of ANDRITZ

>> Acquisitions will remain strategic focus to complement product range and support long-term growth

>> Focus on cost optimization and projects with reasonable risk/reward profile

>> Challenging competitive environment to continue

Capital Market Day goals 2014:

>> Sales: achieve long-term growth of 5-8% p.a. depending on market growth and acquisitions

>> EBITA margin: regain 7% and improve to 8% with top-line sales growth

>> Dividend: payout ratio of at least ~50% and mid-term increase to ~60%

>> Service: increase share of service sales to 30% by 2016