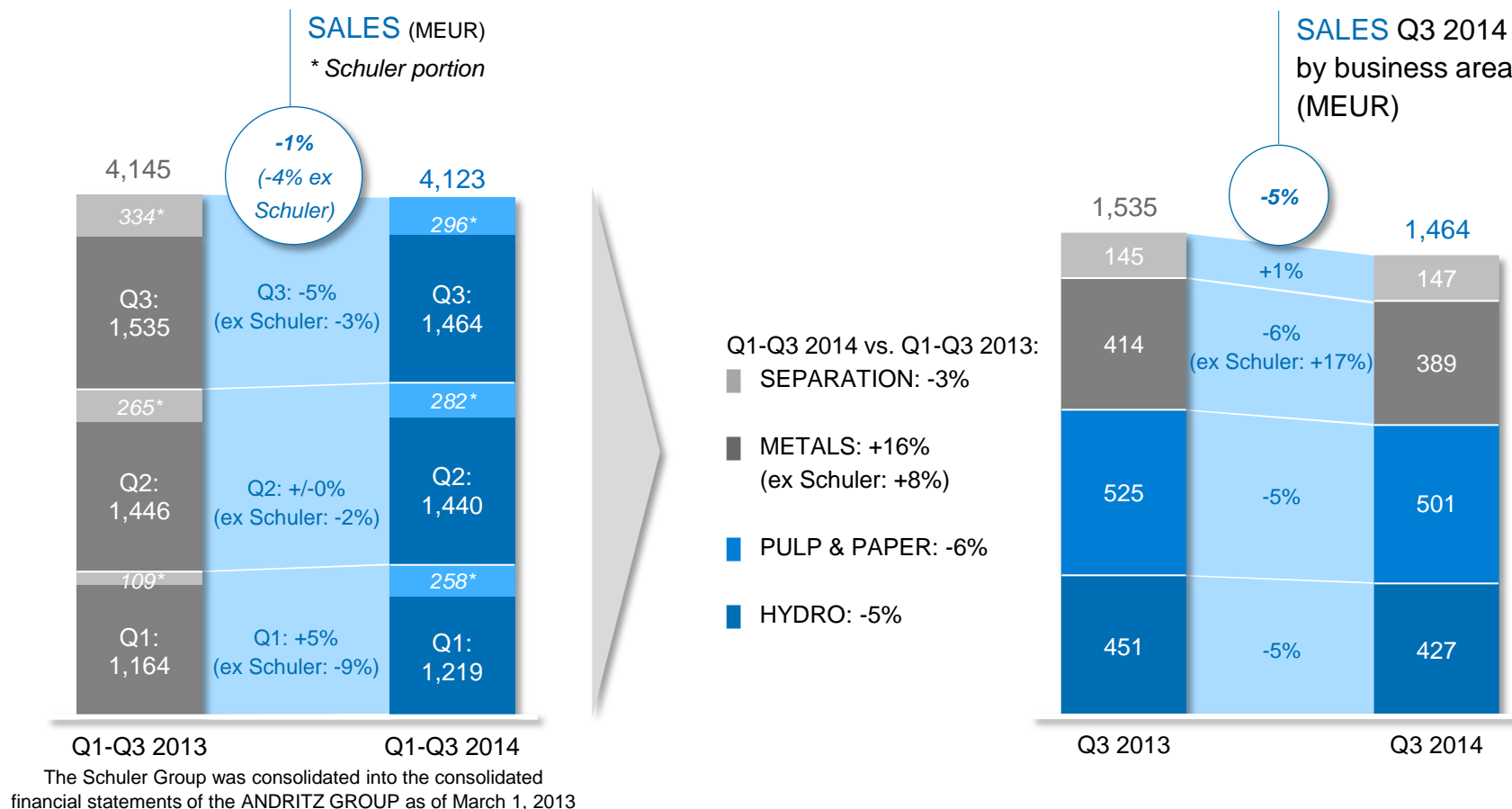




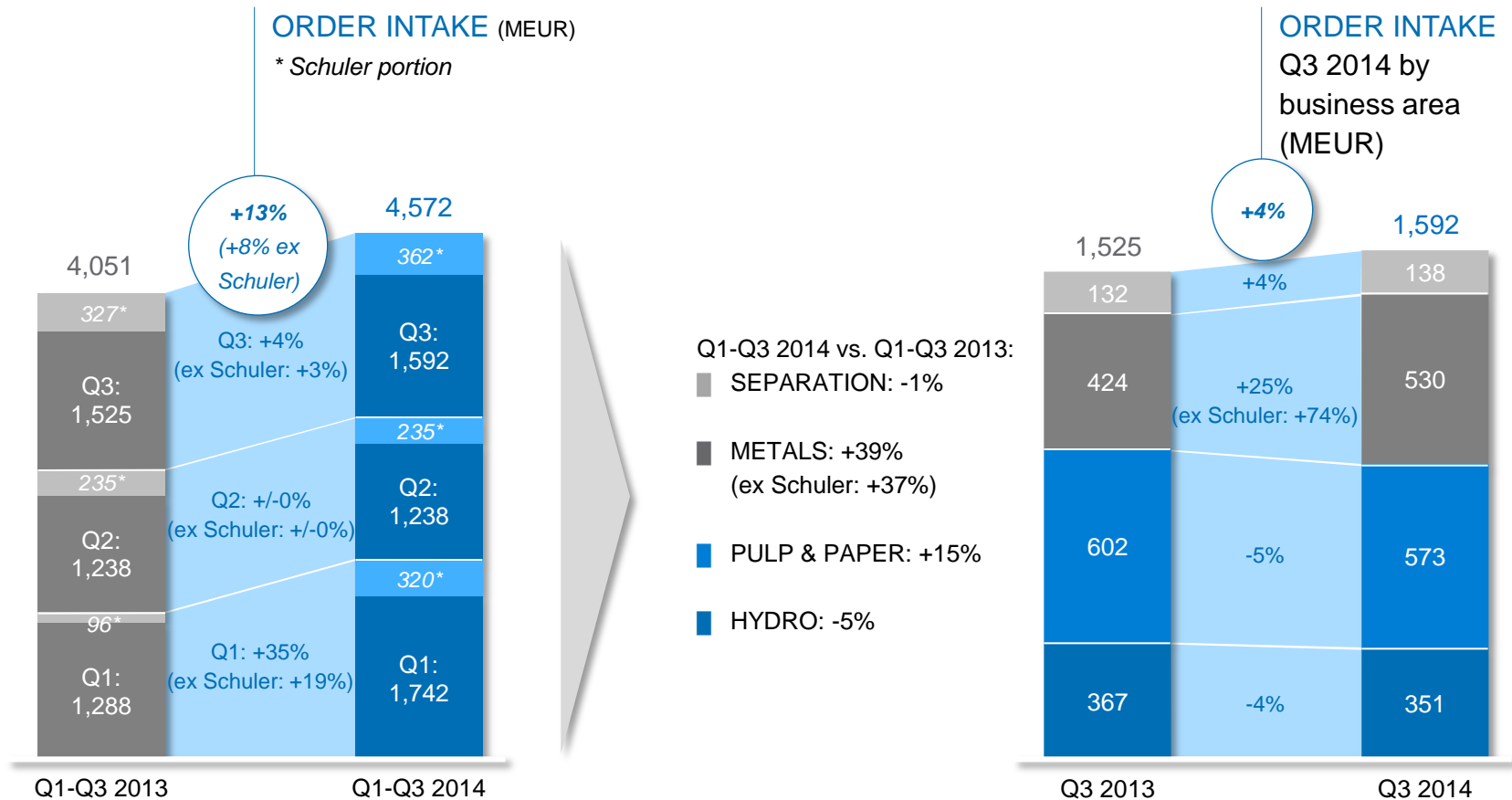
## **Results for the first three quarters of 2014**

November 6, 2014

# Group sales: Q1-Q3 2014 slightly below level of last year; project related sales decline in most business areas in Q3 2014



# Group order intake: Q1-Q3 2014 strongly up due to P&P and METALS; Q3 2014 slightly above good level of last year

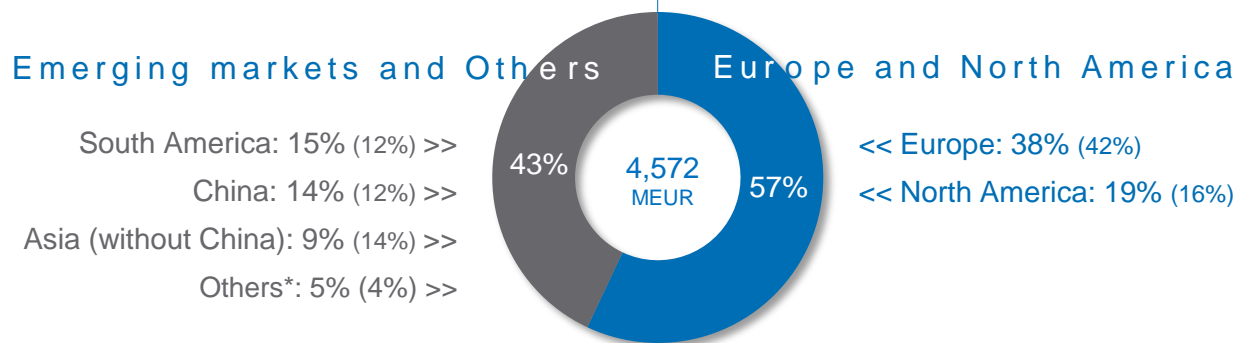


The Schuler Group was consolidated into the consolidated financial statements of the ANDRITZ GROUP as of March 1, 2013

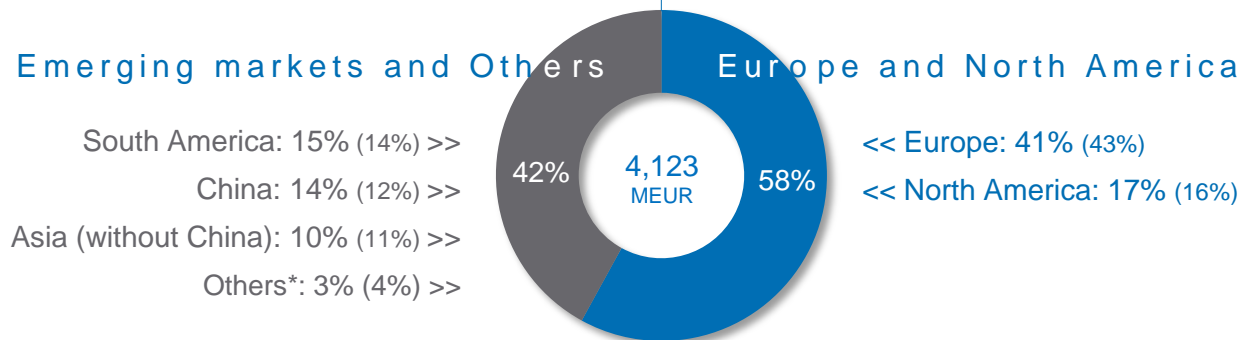
# Order intake and sales by region

## Well-balanced geographical exposure

ORDER INTAKE Q1-Q3 2014 by region (Q1-Q3 2013)



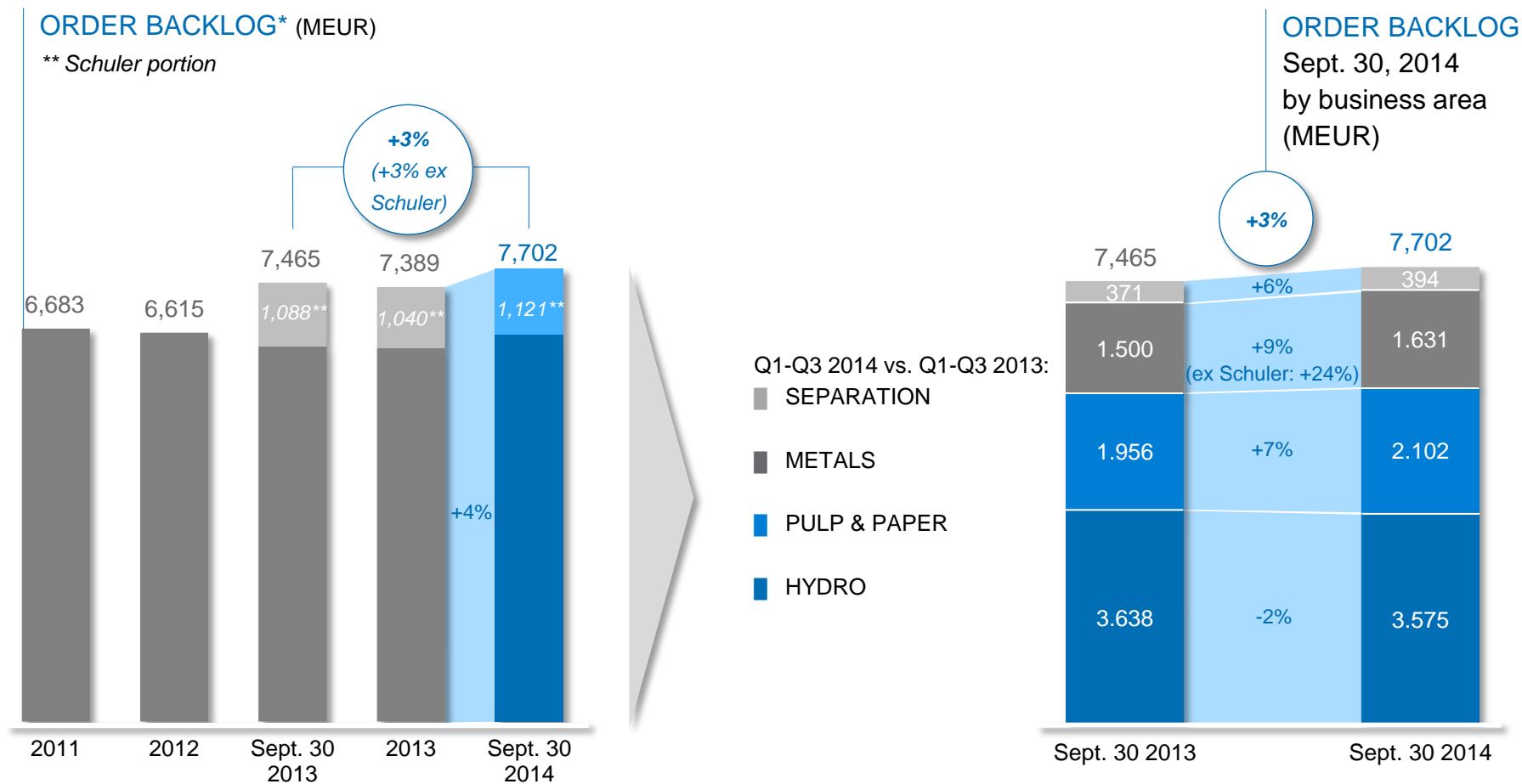
SALES Q1-Q3 2014 by region (Q1-Q3 2013)



\* Africa and Australia

# Order backlog

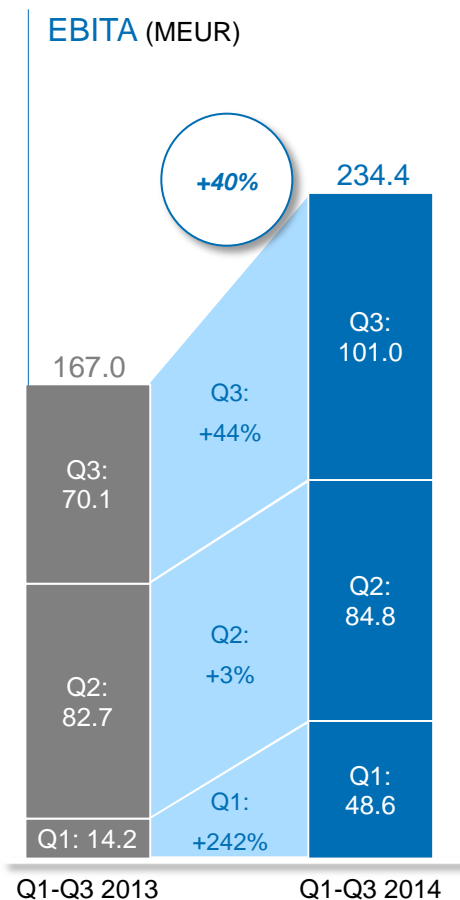
Solid workload in all business areas



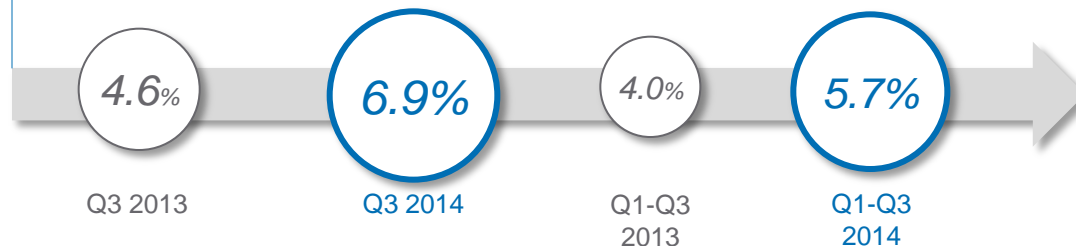
\* As of end of period. The Schuler Group was consolidated into the consolidated financial statements of the ANDRITZ GROUP as of March 1, 2013

# Satisfactory development of EBITA margin

## SEPARATION slightly improved



### GROUP EBITA MARGIN



#### Q3 2014

- >> EBITA, at 101.0 MEUR, increased by 44% compared to Q3 2013 (70.1 MEUR) due to PULP & PAPER and SEPARATION recovering strongly from last year's very low levels
- >> EBITA margin, at 6.9%, (Q3 2013: 4.6%): satisfactory levels at METALS and HYDRO; PULP & PAPER still impacted by some lower margin orders; SEPARATION improvement underway

#### Q1-Q3 2014

EBITA and margin considerably higher compared to low level of last year's reference period, which was negatively impacted by cost overruns in PULP & PAPER and unsatisfactory earnings in SEPARATION

The Schuler Group was consolidated into the consolidated financial statements of the ANDRITZ GROUP as of March 1, 2013

# Key figures Q3/Q1-Q3 2014 at a glance

## Strong cash flow generation and low net working capital

	Unit	Q1-Q3 2014	Q1-Q3 2013	+/-	Q3 2014	Q3 2013	+/-	2013
Order intake	MEUR	4,571.6	4,051.3	+12.8%	1,591.5	1,525.3	+4.3%	5,611.0
Order backlog (as of end of period)	MEUR	7,702.2	7,464.5	+3.2%	7,702.2	7,464.5	+3.2%	7,388.5
Sales	MEUR	4,122.9	4,144.6	-0.5%	1,463.5	1,534.5	-4.6%	5,710.8
EBITDA	MEUR	298.9	229.3	+30.4%	123.2	93.3	+32.0%	255.2
EBITA	MEUR	234.4	167.0	+40.4%	101.0	70.1	+44.1%	164.1
EBIT	MEUR	176.0	116.2	+51.5%	81.6	50.3	+62.2%	89.8
EBT	MEUR	174.3	110.8	+57.3%	81.6	48.0	+70.0%	80.3
Financial result	MEUR	-1.7	-5.4	+68.5%	0.0	-2.3	+100.0%	-9.5
Net income (including non-controlling interests)	MEUR	122.0	77.6	+57.2%	57.1	32.8	+74.1%	53.2
Cash flow from operating activities	MEUR	225.6	-81.1	+378.2%	176.6	5.4	+3,170.4%	93.7
Capital expenditure	MEUR	61.9	65.5	-5.5%	27.4	21.1	+29.9%	111.4
Equity ratio	%	16.9	18.0	-	16.9	18.0	-	16.7
Liquidity	MEUR	1,666.6	1,410.9	+18.1%	1,666.6	1,410.9	+18.1%	1,517.0
Net liquidity (after deduction of all financial liabilities)	MEUR	1,013.8	782.3	+29.6%	1,013.8	782.3	+29.6%	893.1
Net working capital	MEUR	-607.0	-435.6	-39.3%	-607.0	-435.6	-39.3%	-539.4
EBITDA margin	%	7.2	5.5	-	8.4	6.1	-	4.5
EBITA margin	%	5.7	4.0	-	6.9	4.6	-	2.9
EBIT margin	%	4.3	2.8	-	5.6	3.3	-	1.6
Employees (as of end of period; without apprentices)	-	24,468	23,939	+2.2%	24,468	23,939	+2.2%	23,713

The Schuler Group was consolidated into the consolidated financial statements of the ANDRITZ GROUP as of March 1, 2013

# HYDRO

## Reasonable project activity...



ANDRITZ HYDRO Hammerfest has received an order from MeyGen Ltd. to supply three 1.5-megawatt tidal current turbines. This is the first order worldwide for the commercial use of such turbines.

### MODERNIZATIONS/REHABILITATIONS

Reasonable – although clearly below peak years – project activity in Europe and North America

### NEW HYDROPOWER PLANTS

Some projects in emerging markets in implementation or planning phase (particularly in South America and Africa)

### PUMPS

Solid project and investment activity

### COMPETITION

No major changes experienced during reporting period



## ... and stable business development

HYDRO	Unit	Q1-Q3 2014	Q1-Q3 2013	+/-	Q3 2014	Q3 2013	+/-	2013
Order intake <sup>1</sup>	MEUR	1,166.0	1,221.6	-4.6%	351.4	367.3	-4.3%	1,865.4
Order backlog (as of end of period)	MEUR	3,575.5	3,637.4	-1.7%	3,575.5	3,637.4	-1.7%	3,722.4
Sales <sup>2</sup>	MEUR	1,232.2	1,301.5	-5.3%	426.8	450.9	-5.3%	1,804.8
EBITDA	MEUR	114.5	121.2	-5.5%	42.8	44.9	-4.7%	176.8
EBITDA margin	%	9.3	9.3	-	10.0	10.0	-	9.8
EBITA <sup>3</sup>	MEUR	91.7	99.3	-7.7%	34.9	38.0	-8.2%	146.9
EBITA margin	%	7.4	7.6	-	8.2	8.4	-	8.1
Employees (as of end of period; without apprentices)	-	8,080	7,712	+4.8%	8,080	7,712	+4.8%	7,445

1

**ORDER INTAKE** in Q3 2014 slightly below the level of Q3 2013

2

POC-related decline in **SALES**

3

**EARNINGS** and **MARGINS** at unchanged solid levels

# PULP & PAPER

## Good project and investment activity ...

### MODERNIZATIONS/GREENFIELD

Good project and investment activity for modernizations and refurbishments; next green-/brownfield pulp mills in South America and Europe expected during H1 2015

### TISSUE

Solid demand, especially in China



Photo: Montes del Plata



Pulp mill Montes del Plata, Uruguay

### BIOMASS/RECOVERY BOILERS

Good investment activity

### COMPETITION

Unchanged challenging price competition

## ... and earnings recovery from low levels

PULP & PAPER	Unit	Q1-Q3 2014	Q1-Q3 2013	+/-	Q3 2014	Q3 2013	+/-	2013
Order intake <sup>1</sup>	MEUR	1,629.6	1,417.3	+15.0%	572.4	602.3	-5.0%	1,907.7
Order backlog (as of end of period)	MEUR	2,101.7	1,956.0	+7.4%	2,101.7	1,956.0	+7.4%	1,885.6
Sales <sup>2</sup>	MEUR	1,369.9	1,456.7	-6.0%	500.6	524.5	-4.6%	2,005.3
EBITDA	MEUR	85.5	8.2	+942.7%	35.7	-1.8	+2,083.3%	-11.5
EBITDA margin	%	6.2	0.6	-	7.1	-0.3	-	-0.6
EBITA <sup>3</sup>	MEUR	66.9	-9.2	+827.2%	29.1	-7.7	+477.9%	-35.7
EBITA margin	%	4.9	-0.6	-	5.8	-1.5	-	-1.8
Employees (as of end of period; without apprentices)	-	7,340	7,075	+3.7%	7,340	7,075	+3.7%	7,136

1

ORDER INTAKE in Q3 2014 almost reached very high level of Q3 2013

2

Decline in SALES due to strong sales contribution of a pulp mill project in Q3 2013

3

Recovery of EARNINGS and MARGIN in Q3 2014 compared to very low level of last year; good development of profitability in service, capital still impacted by execution of some lower margin orders

# METALS

## Overall good project activity ...

### METALFORMING

Good project activity, especially in China; satisfactory level in Europe

### STAINLESS STEEL

Unchanged low project activity, however some selective investments in emerging markets



Major order from FAW Volkswagen in China for three servo press lines and three tryout presses

### ALUMINUM

Very good project activity

### COMPETITION

No major changes experienced during reporting period

## ... and solid business development

METALS	Unit	Q1-Q3 2014	Q1-Q3 2013	+/-	Q3 2014	Q3 2013	+/-	2013
Order intake <sup>1</sup>	MEUR	1,328.1	958.3	+38.6%	530.2	423.8	+25.1%	1,233.8
Order backlog (as of end of period)	MEUR	1,631.4	1,500.3	+8.7%	1,631.4	1,500.3	+8.7%	1,427.6
Sales <sup>2</sup>	MEUR	1,111.8	962.9	+15.5%	389.5	413.7	-5.8%	1,311.0
EBITDA	MEUR	87.0	90.2	-3.5%	36.8	45.1	-18.4%	76.6
EBITDA margin	%	7.8	9.4	-	9.4	10.9	-	5.8
EBITA <sup>3</sup>	MEUR	69.8	74.7	-6.6%	31.1	37.4	-16.8%	53.5
EBITA margin	%	6.3	7.8	-	8.0	9.0	-	4.1
Employees (as of end of period; without apprentices)	-	6,202	6,309	-1.7%	6,202	6,309	-1.7%	6,300

The Schuler Group was consolidated into the consolidated financial statements of the ANDRITZ GROUP as of March 1, 2013 and is allocated to the METALS business area

1

**ORDER INTAKE** in Q3 2014 favorably up (+25% vs. Q3 2013); ex Schuler, substantial increase by 74% mainly due to the receipt of some selective larger orders for aluminum strip processing equipment

2

Decline in **SALES** in Q3 2014


3

Good **MARGIN**, although below very high reference level of last year which was impacted by positive one-offs

# SEPARATION

Mixed development of project and investment activity ...



 New low-profile belt press: significant reduction in investment costs combined with further decrease in operating costs

## ENVIRONMENT

Solid investment activity by municipalities

## FOOD

Satisfactory project activity

## MINING AND MINERALS

Unchanged low project activity

## CHEMICALS

Slight decrease in project activity compared to the previous quarter

## FEED AND BIOMASS PELLETTING

Good project activity

## ... and earnings and margin recovery

SEPARATION	Unit	Q1-Q3 2014	Q1-Q3 2013	+/-	Q3 2014	Q3 2013	+/-	2013
Order intake <b>1</b>	MEUR	447.9	454.1	-1.4%	137.5	131.9	+4.2%	604.1
Order backlog (as of end of period)	MEUR	393.6	370.8	+6.1%	393.6	370.8	+6.1%	352.9
Sales <b>2</b>	MEUR	409.0	423.5	-3.4%	146.6	145.4	+0.8%	589.7
EBITDA	MEUR	11.9	9.7	+22.7%	7.9	5.0	+58.0%	13.3
EBITDA margin	%	2.9	2.3	-	5.4	3.4	-	2.3
EBITA <b>3</b>	MEUR	6.0	2.2	+172.7%	5.9	2.4	+145.8%	-0.6
EBITA margin	%	1.5	0.5	-	4.0	1.7	-	-0.1
Employees (as of end of period; without apprentices)	-	2,846	2,843	+0.1%	2,846	2,843	+0.1%	2,832

1

**ORDER INTAKE** in Q3 2014 slightly up compared to Q3 2013

2

**SALES** in Q3 2014 at level of last year's reference period

3

Jump in **EARNINGS** and **MARGIN** in Q3 2014 compared to the very low level of Q3 2013

# Outlook for remainder of 2014

## Investment activity to remain at current levels

*stable +*

### HYDRO

Good project activity for modernizations and new hydropower stations to continue; good market activity for pumps to continue

*stable +*

### PULP & PAPER

Solid project activity for modernizations/ capacity increases and power/biomass boilers; good pipeline for green-/brownfield pulp mill projects  
→ order awards expected during H1 2015

*stable +*

### METALS

Global metalforming market to stay at good level; steel at unchanged subdued level; good market activity in aluminum to continue

*stable +/-*

### SEPARATION

Low project activity in mining to remain; solid project activity in chemicals; good investment activity in environment, food, and feed/biomass pelleting

### ANDRITZ GROUP

- >> Slight increase in sales due to Schuler consolidation effect (contribution of additional two months in 2014)
- >> Significant improvement of net income targeted