Results of the first half of 2014
August 7, 2014
Group sales in Q2/H1 2014 at solid level of last year

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

H1 2014 vs. H1 2013:
- HYDRO: -5%
- PULP & PAPER: -7%
- METALS: +32% (+4% ex Schuler)
- SEPARATION: -6%

SALES H1 2014 by business area:
- 33% METALS
- 30% SEPARATION
- 27% HYDRO
- 10% PULP & PAPER

SALES (MEUR)
* Schuler portion

Q1: 1,164
Q2: 1,446
Q1: 1,164
Q2: 1,440
Q1: 1,219
Q2: 1,440
H1 2013
H1 2014

2,610
2,659
265*
262*
109*
258*

Results for the first half of 2014 – August 7, 2014
Order intake: stable development in Q2 2014, strong increase in H1 2014 due to PULP & PAPER + METALS

Order intake (MEUR)
* Schuler portion

H1: +18% (+11% ex Schuler)
Q2: +/0-0% (ex Schuler: +/0-0%)
Q1: +35% (ex Schuler: +19%)

H1 2013
Q1: 1,288
Q2: 1,238
H1 2014
Q1: 1,742
Q2: 1,238

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

H1 2014 vs. H1 2013:
- HYDRO: -5%
- PULP & PAPER: +30%
- METALS: +49% (+20% ex Schuler)
- SEPARATION: -4%

ORDER INTAKE
H1 2014 by business area

- 2,980 MEUR
- HYDRO: 11%
- PULP & PAPER: 27%
- METALS: 27%
- SEPARATION: 35%
Order intake and sales by region

Well-balanced geographical exposure

ORDER INTAKE H1 2014 by region (H1 2013)

Emerging markets and Others
- South America: 19% (9%)
- China: 11% (13%)
- Asia (without China): 10% (17%)
- Others*: 6% (4%)

Europe and North America
- 2,980 MEUR
- 46%
- 54%

<< Europe: 37% (39%)
<< North America: 17% (18%)

SALES H1 2014 by region (H1 2013)

Emerging markets and Others
- South America: 15% (14%)
- China: 14% (12%)
- Asia (without China): 10% (11%)
- Others*: 4% (4%)

Europe and North America
- 2,659 MEUR
- 43%
- 57%

<< Europe: 41% (43%)
<< North America: 16% (16%)

Results for the first half of 2014 – August 7, 2014
Order backlog
Solid workload in all business areas

ORDER BACKLOG* (MEUR)
** Schuler portion

<table>
<thead>
<tr>
<th>Year</th>
<th>2011</th>
<th>2012</th>
<th>H1 2013</th>
<th>2013</th>
<th>H1 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>ORDER BACKLOG</td>
<td>6,683</td>
<td>6,615</td>
<td>7,644**</td>
<td>7,389</td>
<td>7,556**</td>
</tr>
</tbody>
</table>

H1: -1% (+/-0% ex Schuler)

H1 2014 vs. H1 2013:
- HYDRO: -4%
- PULP & PAPER: +7%
- METALS: -5% (-7% ex Schuler)
- SEPARATION: +4%

* As of end of period. The Schuler Group was consolidated into the consolidated financial statements of the ANDRITZ GROUP as of March 1, 2013.
Solid development of margin in Q2 2014: SEPARATION still impacted by project-related follow-up costs

EBITA (MEUR)

Q1: 14.2  Q2: 82.7  H1: 96.9  Q1: 48.6  Q2: 84.8

EBITA MARGIN

Q2 2013  Q2 2014  H1 2013  H1 2014

5.7%  5.9%  3.7%  5.0%

H1 2013
H1 2014

Q2 2014
>> EBITA, at 84.8 MEUR, increased compared to Q2 2013 (82.7 MEUR)
>> EBITA margin at 5.9% (Q2 2013: 5.7%). Positive development in HYDRO and PULP & PAPER, still unsatisfactory in SEPARATION due to low sales and follow-up costs on equipment delivered in previous years

H1 2014
EBITA and margin clearly up compared to low level of last year’s reference period which was impacted by cost overruns in PULP & PAPER in Q1 2013

The Schuler Group was consolidated into the consolidated financial statements of the ANDRITZ GROUP as of March 1, 2013.
Key figures Q2/H1 2014 at a glance: unchanged solid net cash position, low capex and favorable net working capital

<table>
<thead>
<tr>
<th></th>
<th>Unit</th>
<th>H1 2014</th>
<th>H1 2013</th>
<th>+/-</th>
<th>Q2 2014</th>
<th>Q2 2013</th>
<th>+/-</th>
</tr>
</thead>
<tbody>
<tr>
<td>Order intake</td>
<td>MEUR</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>2,980.2</td>
<td>2,526.0</td>
<td>+18.0%</td>
<td>1,238.0</td>
<td>1,237.7</td>
<td>+0.0%</td>
</tr>
<tr>
<td>Order backlog (as of end of period)</td>
<td>MEUR</td>
<td>7,555.7</td>
<td>7,644.4</td>
<td>-1.2%</td>
<td>7,555.7</td>
<td>7,644.4</td>
<td>-1.2%</td>
</tr>
<tr>
<td>Sales</td>
<td>MEUR</td>
<td>2,659.4</td>
<td>2,610.1</td>
<td>+1.9%</td>
<td>1,439.9</td>
<td>1,446.3</td>
<td>-0.4%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>MEUR</td>
<td>175.7</td>
<td>136.0</td>
<td>+29.2%</td>
<td>106.2</td>
<td>104.0</td>
<td>+2.1%</td>
</tr>
<tr>
<td>EBITA</td>
<td>MEUR</td>
<td>133.4</td>
<td>96.9</td>
<td>+37.7%</td>
<td>84.8</td>
<td>82.7</td>
<td>+2.5%</td>
</tr>
<tr>
<td>EBIT</td>
<td>MEUR</td>
<td>94.4</td>
<td>65.9</td>
<td>+43.2%</td>
<td>65.4</td>
<td>62.8</td>
<td>+4.1%</td>
</tr>
<tr>
<td>EBT</td>
<td>MEUR</td>
<td>92.7</td>
<td>62.8</td>
<td>+47.6%</td>
<td>65.2</td>
<td>60.8</td>
<td>+7.2%</td>
</tr>
<tr>
<td>Financial result</td>
<td>MEUR</td>
<td>-1.7</td>
<td>-3.1</td>
<td>+45.2%</td>
<td>-0.2</td>
<td>-2.0</td>
<td>+90.0%</td>
</tr>
<tr>
<td>Net income (including non-controlling interests)</td>
<td>MEUR</td>
<td>64.9</td>
<td>44.8</td>
<td>+44.9%</td>
<td>45.6</td>
<td>43.0</td>
<td>+6.0%</td>
</tr>
<tr>
<td>Cash flow from operating activities</td>
<td>MEUR</td>
<td>49.0</td>
<td>-86.5</td>
<td>+156.6%</td>
<td>-12.0</td>
<td>-6.8</td>
<td>-76.5%</td>
</tr>
<tr>
<td>Capital expenditure</td>
<td>MEUR</td>
<td>34.4</td>
<td>44.4</td>
<td>-22.5%</td>
<td>17.2</td>
<td>23.0</td>
<td>-25.2%</td>
</tr>
<tr>
<td>Equity ratio</td>
<td></td>
<td>16.9</td>
<td>17.2</td>
<td>-</td>
<td>16.9</td>
<td>17.2</td>
<td>-</td>
</tr>
<tr>
<td>Liquidity</td>
<td>MEUR</td>
<td>1,497.7</td>
<td>1,459.2</td>
<td>+2.6%</td>
<td>1,497.7</td>
<td>1,459.2</td>
<td>+2.6%</td>
</tr>
<tr>
<td>Net liquidity (after deduction of all financial liabilities)</td>
<td>MEUR</td>
<td>868.8</td>
<td>817.7</td>
<td>+6.2%</td>
<td>868.8</td>
<td>817.7</td>
<td>+6.2%</td>
</tr>
<tr>
<td>Net working capital</td>
<td>MEUR</td>
<td>-511.9</td>
<td>-524.5</td>
<td>+2.4%</td>
<td>-511.9</td>
<td>-524.5</td>
<td>+2.4%</td>
</tr>
<tr>
<td>EBITDA margin</td>
<td></td>
<td>6.6</td>
<td>5.2</td>
<td>-</td>
<td>7.4</td>
<td>7.2</td>
<td>-</td>
</tr>
<tr>
<td>EBITA margin</td>
<td></td>
<td>5.0</td>
<td>3.7</td>
<td>-</td>
<td>5.9</td>
<td>5.7</td>
<td>-</td>
</tr>
<tr>
<td>EBIT margin</td>
<td></td>
<td>3.5</td>
<td>2.5</td>
<td>-</td>
<td>4.5</td>
<td>4.3</td>
<td>-</td>
</tr>
<tr>
<td>Employees (as of end of period; without apprentices)</td>
<td></td>
<td>24,126</td>
<td>23,849</td>
<td>+1.2%</td>
<td>24,126</td>
<td>23,849</td>
<td>+1.2%</td>
</tr>
</tbody>
</table>

The Schuler Group was consolidated into the consolidated financial statements of the ANDRITZ GROUP as of March 1, 2013.
HYDRO
Still satisfactory project activity …

MODERNIZATIONS/REHABILITATIONS
Unchanged satisfactory 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
>> Impact from newly formed GE/Alstom JV remains to be seen
>> Slightly increasing price competition at selective projects

ANDRITZ supplies two Francis turbines for the Mica hydropower plant in British Columbia, Canada. Each turbine has an output of 520 megawatts and a runner diameter of 5.6 meters
… and stable performance

<table>
<thead>
<tr>
<th>HYDRO</th>
<th>Einheit</th>
<th>H1 2014</th>
<th>H1 2013</th>
<th>+/-</th>
<th>Q2 2014</th>
<th>Q2 2013</th>
<th>+/-</th>
</tr>
</thead>
<tbody>
<tr>
<td>Order intake</td>
<td>MEUR</td>
<td>814.7</td>
<td>854.3</td>
<td>-4.6%</td>
<td>291.4</td>
<td>280.1</td>
<td>+4.0%</td>
</tr>
<tr>
<td>Order backlog (as of end of period)</td>
<td>MEUR</td>
<td>3,628.6</td>
<td>3,795.4</td>
<td>-4.4%</td>
<td>3,628.6</td>
<td>3,795.4</td>
<td>-4.4%</td>
</tr>
<tr>
<td>Sales</td>
<td>MEUR</td>
<td>805.5</td>
<td>850.6</td>
<td>-5.3%</td>
<td>442.7</td>
<td>469.4</td>
<td>-5.7%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>MEUR</td>
<td>71.8</td>
<td>76.2</td>
<td>-5.8%</td>
<td>40.2</td>
<td>42.2</td>
<td>-4.7%</td>
</tr>
<tr>
<td>EBITDA margin</td>
<td>%</td>
<td>8.9</td>
<td>9.0</td>
<td>-</td>
<td>9.1</td>
<td>9.0</td>
<td>-</td>
</tr>
<tr>
<td>EBITA</td>
<td>MEUR</td>
<td>56.8</td>
<td>61.3</td>
<td>-7.3%</td>
<td>32.4</td>
<td>34.7</td>
<td>-6.6%</td>
</tr>
<tr>
<td>EBITA margin</td>
<td>%</td>
<td>7.1</td>
<td>7.2</td>
<td>-</td>
<td>7.3</td>
<td>7.4</td>
<td>-</td>
</tr>
<tr>
<td>Employees (as of end of period; without apprentices)</td>
<td>-</td>
<td>7,673</td>
<td>7,782</td>
<td>-1.4%</td>
<td>7,673</td>
<td>7,782</td>
<td>-1.4%</td>
</tr>
</tbody>
</table>

1. **ORDER INTAKE** in Q2 2014 only slightly up compared to very low level of Q2 2013

2. **EARNINGS** down in line with sales → stable **MARGIN**
MODERNIZATIONS/GREENFIELD
Good project and investment activity for modernizations and refurbishments; next greenfield pulp mills in South America expected for end of 2014/beginning of 2015

TISSUE
Good demand, especially in China

BIOMASS/RECOVERY BOILERS
Satisfactory investment activity

COMPETITION
Unchanged stiff price competition

Photo: Montes del Plata
Pulp mill Montes del Plata, Uruguay
... and solid business development

<table>
<thead>
<tr>
<th>PULP &amp; PAPER</th>
<th>Unit</th>
<th>H1 2014</th>
<th>H1 2013</th>
<th>+/-</th>
<th>Q2 2014</th>
<th>Q2 2013</th>
<th>+/-</th>
</tr>
</thead>
<tbody>
<tr>
<td>Order intake (MEUR)</td>
<td></td>
<td>1,057.2</td>
<td>815.0</td>
<td>+29.7%</td>
<td>402.4</td>
<td>391.5</td>
<td>+2.8%</td>
</tr>
<tr>
<td>Order backlog (as of end of period) (MEUR)</td>
<td></td>
<td>2,027.9</td>
<td>1,892.6</td>
<td>+7.1%</td>
<td>2,027.9</td>
<td>1,892.6</td>
<td>+7.1%</td>
</tr>
<tr>
<td>Sales (MEUR)</td>
<td></td>
<td>869.3</td>
<td>932.2</td>
<td>-6.7%</td>
<td>469.7</td>
<td>479.8</td>
<td>-2.1%</td>
</tr>
<tr>
<td>EBITDA (MEUR)</td>
<td></td>
<td>49.8</td>
<td>10.0</td>
<td>+398.0%</td>
<td>33.5</td>
<td>28.1</td>
<td>+19.2%</td>
</tr>
<tr>
<td>EBITDA margin (%)</td>
<td></td>
<td>5.7</td>
<td>1.1</td>
<td>-</td>
<td>7.1</td>
<td>5.9</td>
<td>-</td>
</tr>
<tr>
<td>EBITA (MEUR)</td>
<td></td>
<td>37.8</td>
<td>-1.5</td>
<td>+2,620.0%</td>
<td>27.4</td>
<td>22.2</td>
<td>+23.4%</td>
</tr>
<tr>
<td>EBITA margin (%)</td>
<td></td>
<td>4.3</td>
<td>-0.2</td>
<td>-</td>
<td>5.8</td>
<td>4.6</td>
<td>-</td>
</tr>
<tr>
<td>Employees (as of end of period; without apprentices)</td>
<td></td>
<td>7,392</td>
<td>6,902</td>
<td>+7.1%</td>
<td>7,392</td>
<td>6,902</td>
<td>+7.1%</td>
</tr>
</tbody>
</table>

**ORDER INTAKE** in Q2 2014 slightly up compared to Q2 2013

**Satisfactory EARNINGS and MARGIN** development in Q2 2014
METALS
Overall solid project activity …

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

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

ALUMINUM
Very good project activity and successful market entrance

FURNACES
Good investment activity

COMPETITION
Impact from newly formed Siemens/Mitsubishi Heavy Industries JV remains to be seen

Schuler Crossbar Feeder for transportation of tailored blanks in the world’s fastest press line which has been started up for a German premium car manufacturer in 2014
... and solid business development

<table>
<thead>
<tr>
<th>METALS</th>
<th>Unit</th>
<th>H1 2014</th>
<th>H1 2013</th>
<th>+/-</th>
<th>Q2 2014</th>
<th>Q2 2013</th>
<th>+/-</th>
</tr>
</thead>
<tbody>
<tr>
<td>Order intake</td>
<td>MEUR</td>
<td>797.9</td>
<td>534.5</td>
<td>+49.3%</td>
<td>377.8</td>
<td>390.0</td>
<td>-3.1%</td>
</tr>
<tr>
<td>Order backlog (as of end of period)</td>
<td>MEUR</td>
<td>1,497.4</td>
<td>1,569.8</td>
<td>-4.6%</td>
<td>1,497.4</td>
<td>1,569.8</td>
<td>-4.6%</td>
</tr>
<tr>
<td>Sales</td>
<td>MEUR</td>
<td>722.3</td>
<td>549.2</td>
<td>+31.5%</td>
<td>389.5</td>
<td>347.2</td>
<td>+12.2%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>MEUR</td>
<td>50.2</td>
<td>45.1</td>
<td>+11.3%</td>
<td>31.1</td>
<td>29.4</td>
<td>+5.8%</td>
</tr>
<tr>
<td>EBITDA margin</td>
<td>%</td>
<td>7.0</td>
<td>8.2</td>
<td>-</td>
<td>8.0</td>
<td>8.5</td>
<td>-</td>
</tr>
<tr>
<td>EBITA</td>
<td>MEUR</td>
<td>38.7</td>
<td>37.3</td>
<td>+3.8%</td>
<td>25.4</td>
<td>23.9</td>
<td>+6.3%</td>
</tr>
<tr>
<td>EBITA margin</td>
<td>%</td>
<td>5.4</td>
<td>6.8</td>
<td>-</td>
<td>6.5</td>
<td>6.9</td>
<td>-</td>
</tr>
<tr>
<td>Employees (as of end of period; without apprentices)</td>
<td></td>
<td>-</td>
<td>6,239</td>
<td>6,383</td>
<td>-2.3%</td>
<td>6,239</td>
<td>6,383</td>
</tr>
</tbody>
</table>

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. Good ORDER INTAKE, although in Q2 2014 slightly below Q2 2013 (ex Schuler, decline by 8%)

2. SALES favorably up due to Schuler (+6%) and old ANDRITZ METALS (+31%)

3. MARGIN below last year’s high reference level; very satisfactory margin of Schuler in Q2 2014
## SEPARATION

Mixed development of investment activities …

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ENVIRONMENT</strong></td>
<td>Solid investment activity by municipalities</td>
</tr>
<tr>
<td><strong>FOOD</strong></td>
<td>Satisfactory project activity</td>
</tr>
<tr>
<td><strong>MINING AND MINERALS</strong></td>
<td>Unchanged low project activity</td>
</tr>
<tr>
<td><strong>CHEMICALS</strong></td>
<td>Investment activity improving</td>
</tr>
<tr>
<td><strong>FEED AND BIOMASS PELLETING</strong></td>
<td>Good project activity</td>
</tr>
</tbody>
</table>

ANDRITZ decanter centrifuges for Sungai Semenyith, Malaysia, one of the largest treatment plants for drinking-water in Southeast Asia
... and continuing unsatisfactory performance

<table>
<thead>
<tr>
<th>SEPARATION</th>
<th>Unit</th>
<th>H1 2014</th>
<th>H1 2013</th>
<th>+/-</th>
<th>Q2 2014</th>
<th>Q2 2013</th>
<th>+/-</th>
</tr>
</thead>
<tbody>
<tr>
<td>Order intake</td>
<td>MEUR</td>
<td>310.4</td>
<td>322.2</td>
<td>-3.7%</td>
<td>166.4</td>
<td>176.1</td>
<td>-5.5%</td>
</tr>
<tr>
<td>Order backlog (as of end of period)</td>
<td>MEUR</td>
<td>401.8</td>
<td>386.6</td>
<td>+3.9%</td>
<td>401.8</td>
<td>386.6</td>
<td>+3.9%</td>
</tr>
<tr>
<td>Sales</td>
<td>MEUR</td>
<td>262.4</td>
<td>278.1</td>
<td>-5.6%</td>
<td>138.1</td>
<td>149.9</td>
<td>-7.9%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>MEUR</td>
<td>4.0</td>
<td>4.7</td>
<td>-14.9%</td>
<td>1.5</td>
<td>4.3</td>
<td>-65.1%</td>
</tr>
<tr>
<td>EBITDA margin</td>
<td>%</td>
<td>1.5</td>
<td>1.7</td>
<td>-</td>
<td>1.1</td>
<td>2.9</td>
<td>-</td>
</tr>
<tr>
<td>EBITA</td>
<td>MEUR</td>
<td>0.1</td>
<td>-0.2</td>
<td>+150.0%</td>
<td>-0.4</td>
<td>1.9</td>
<td>-121.1%</td>
</tr>
<tr>
<td>EBITA margin</td>
<td>%</td>
<td>0.0</td>
<td>-0.1</td>
<td>-</td>
<td>-0.3</td>
<td>1.3</td>
<td>-</td>
</tr>
<tr>
<td>Employees (as of end of period; without apprentices)</td>
<td>-</td>
<td>2,821</td>
<td>2,783</td>
<td>+1.4%</td>
<td>2,821</td>
<td>2,783</td>
<td>+1.4%</td>
</tr>
</tbody>
</table>

1. ORDER INTAKE and SALES in
   Q2 2014 down compared to Q2 2013

2. EARNINGS and MARGIN continue to be impacted by low sales
   and follow-up costs on equipment delivered in previous years
Outlook for remainder of 2014

Investment activity to remain at current levels

HYDRO
Lower but still satisfactory project activity for modernizations and new hydropower stations; increasing price competition at selective projects; market for pumps quite active

PULP & PAPER
Solid project activity for modernizations/capacity increases and power/biomass boilers; good pipeline for greenfield pulp mill projects, although decisions probably moving to end of 2014/beginning of 2015

METALS
Global metal forming market to stay at good level; project activity for stainless steel to remain at subdued level; good market activity in aluminum to continue

SEPARATION
Low project activity in mining to remain; increasing project activity in chemicals; good investment activity in environment, food processing, and feed/biomass pelleting plants

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