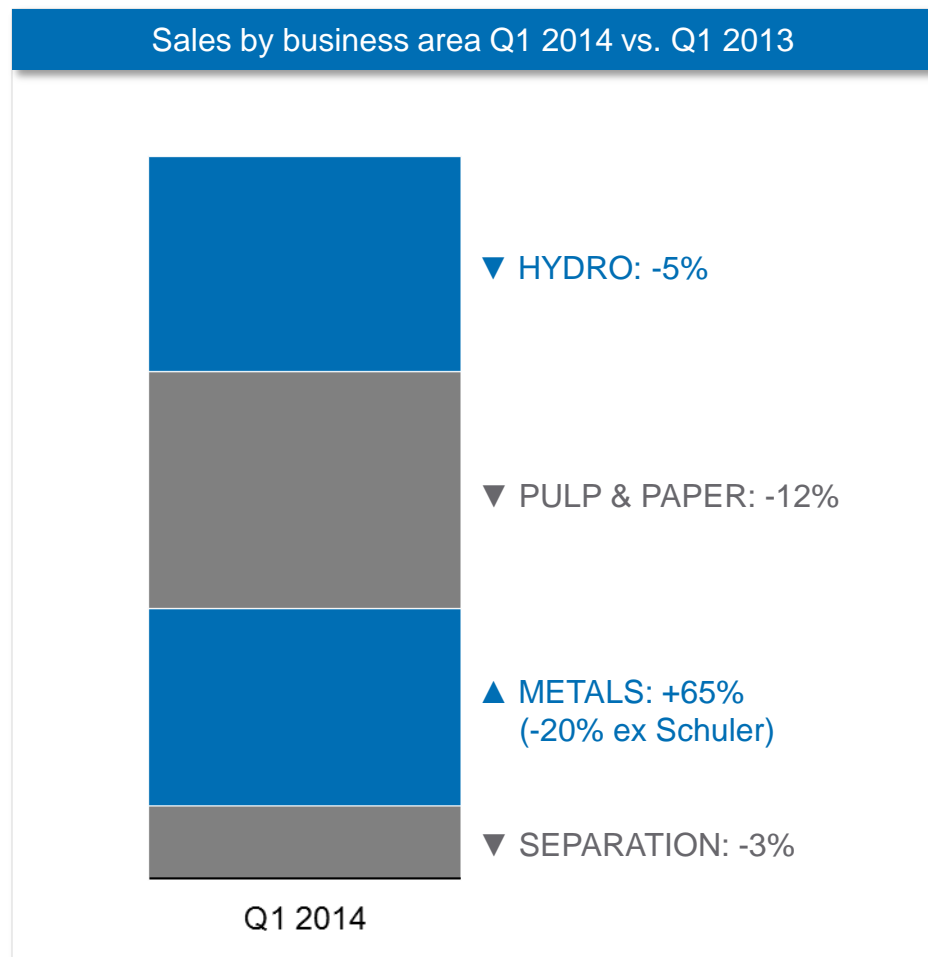
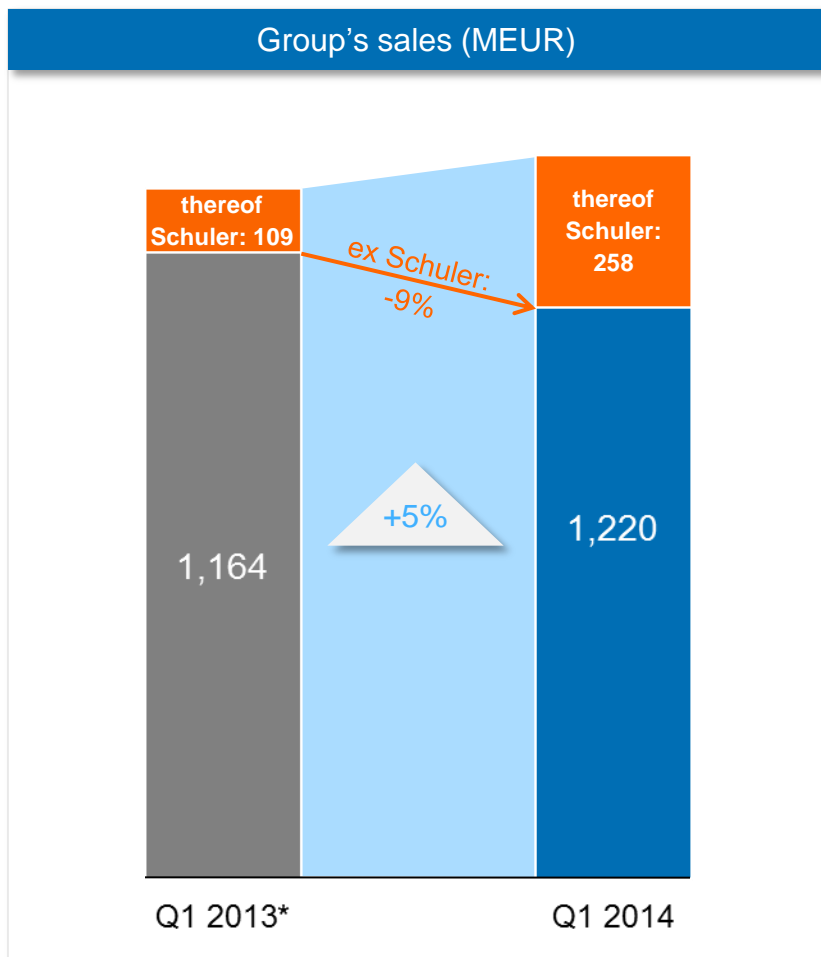




Results of the first quarter of 2014

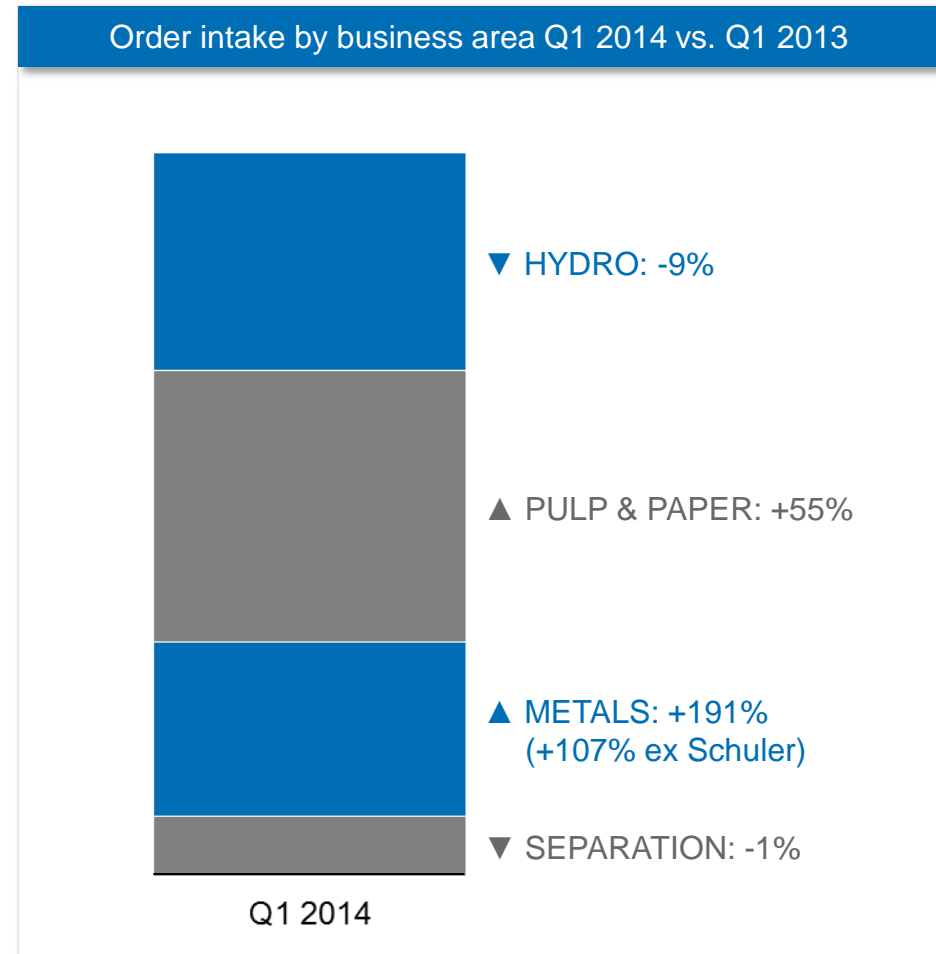
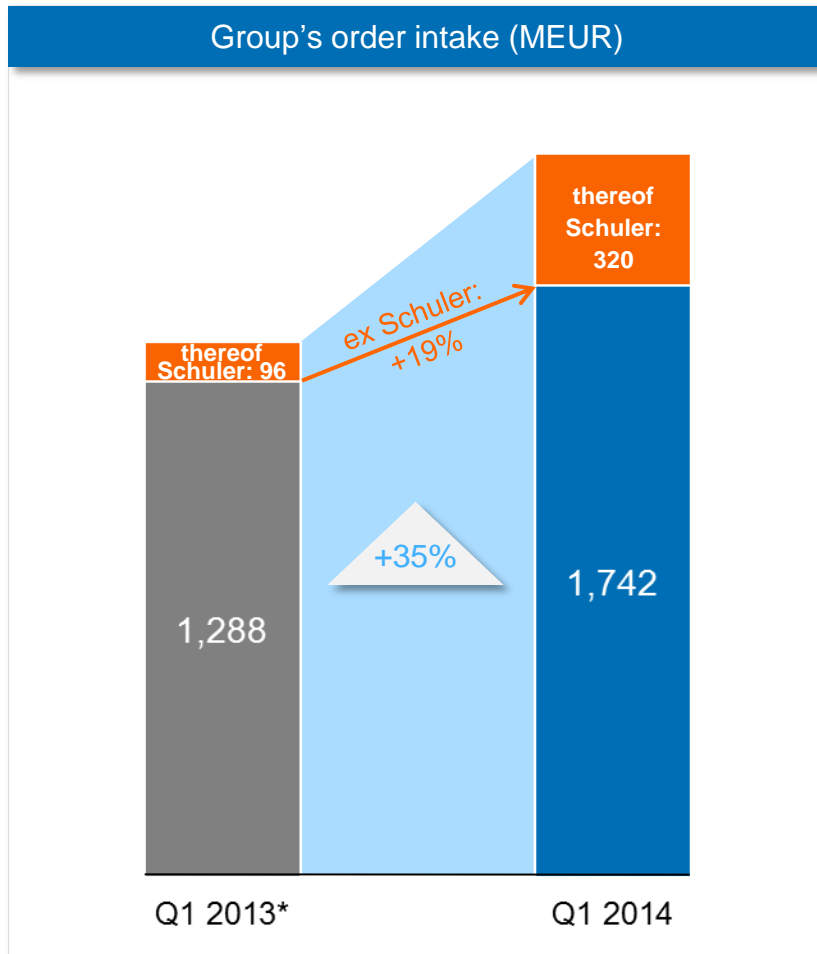
May 6, 2014

Low order-related sales generation in several business areas



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

Favorable order intake in PULP & PAPER and METALS



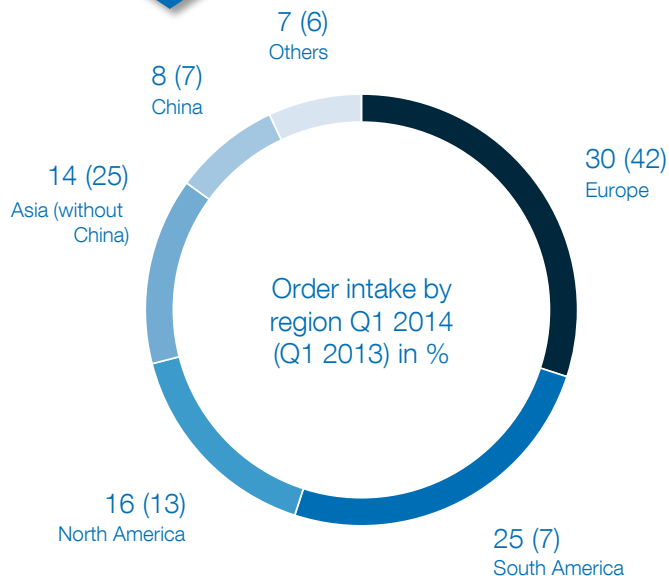
* The Schuler Group was consolidated into the consolidated financial statements of the ANDRITZ GROUP as of March 1, 2013

Order intake and sales by region

Well-balanced geographical exposure

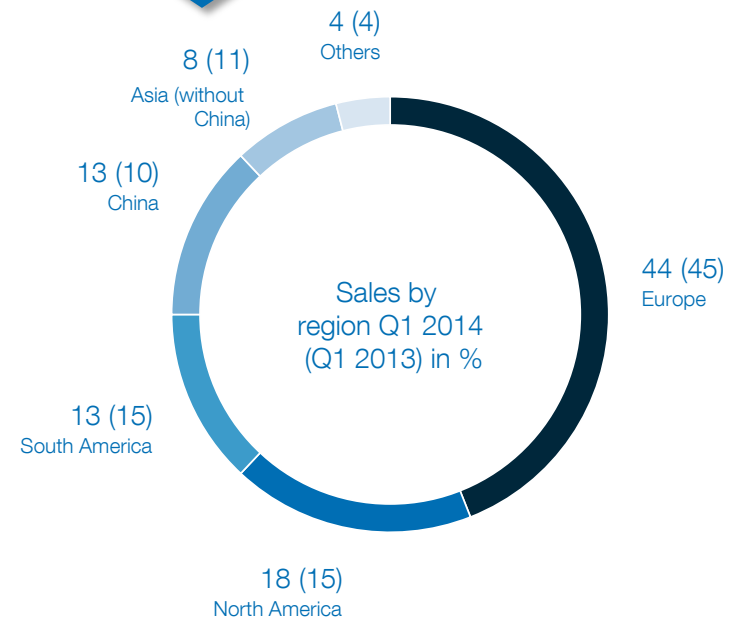
1,742 MEUR order intake, thereof ...

- Europe + North America: 46%
- Emerging markets: 47%
- Others: 7%



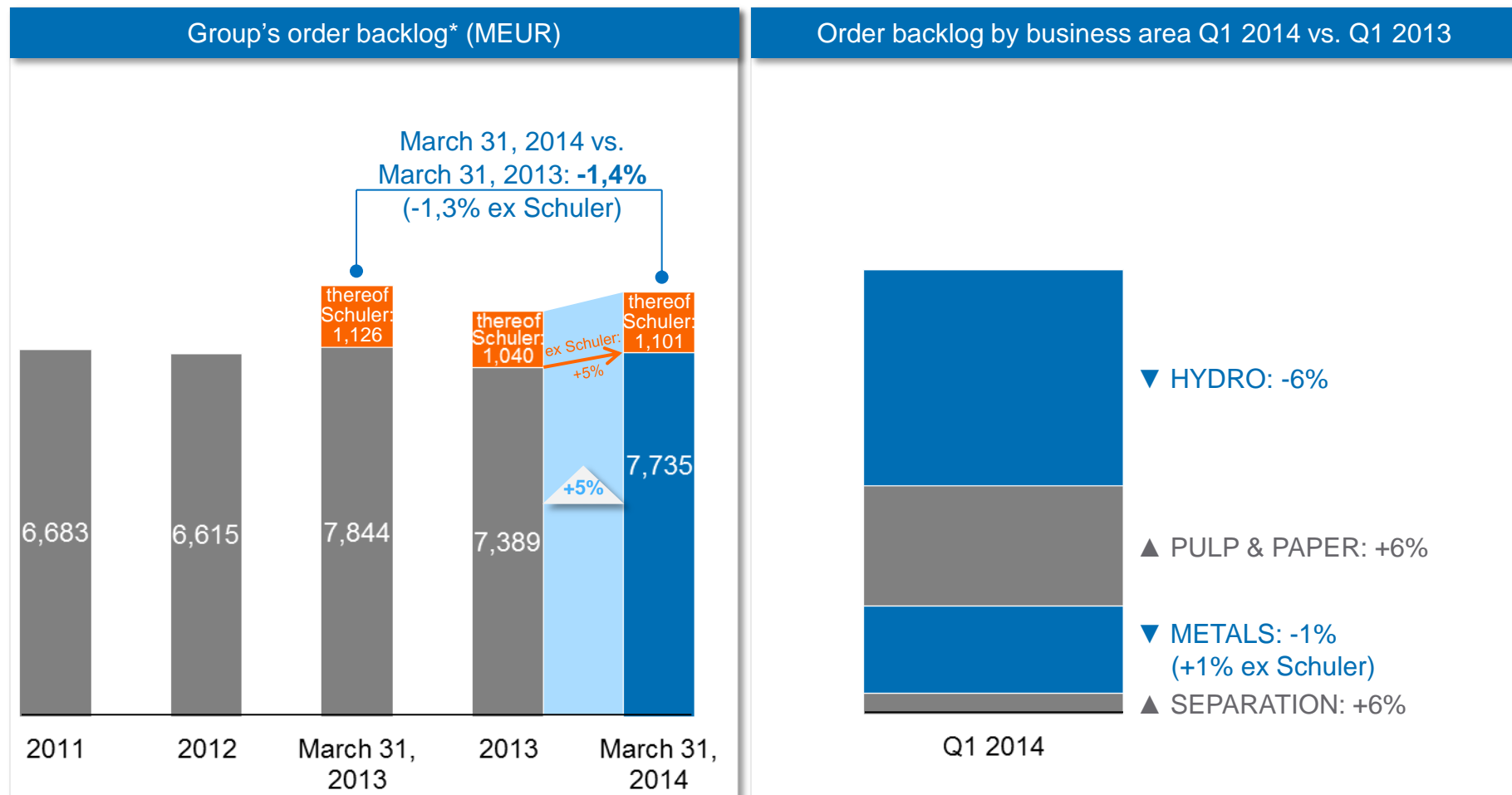
1,220 MEUR sales, thereof ...

- Europe + North America: 62%
- Emerging markets: 34%
- Others: 4%



Order backlog

Solid workload in all business areas



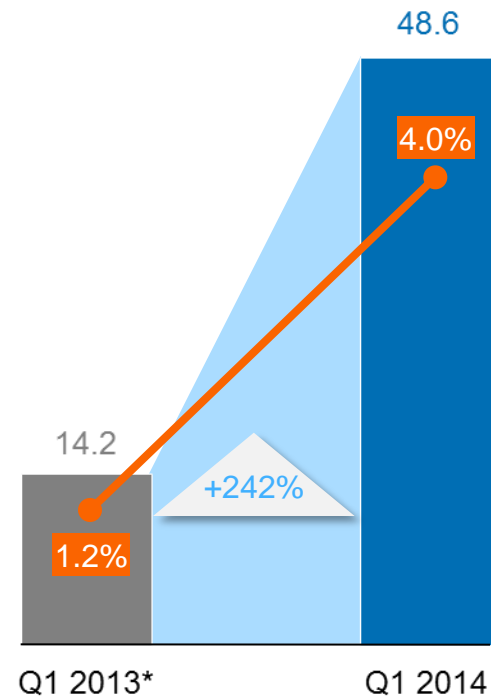
* As of end of period. The Schuler Group was consolidated into the consolidated financial statements of the ANDRITZ GROUP as of March 1, 2013

Earnings improved, but still not satisfactory

- EBITA, at 48.6 MEUR (margin: 4.0%), above very low reference figure of last year (impacted by high provisions for a pulp mill project in South America), however at unsatisfactory level due to:
 - Slow project-related sales generation as well as some cost overruns in PULP & PAPER and METALS
 - Expenses in connection with market launch of new products in China as well as some restructuring expenses in SEPARATION

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

EBITA (MEUR) and EBITA margin



Key figures Q1 2014 at a glance

	Unit	Q1 2014	Q1 2013*	+/-	2013
Order intake	MEUR	1,742.2	1,288.3	+35.2%	5,611.0
Order backlog (as of end of period)	MEUR	7,734.7	7,844.3	-1.4%	7,388.5
Sales	MEUR	1,219.5	1,163.8	+4.8%	5,710.8
EBITDA	MEUR	69.5	32.0	+117.2%	255.2
EBITA	MEUR	48.6	14.2	+242.3%	164.1
EBIT	MEUR	29.0	3.1	+835.5%	89.8
EBT	MEUR	27.5	2.0	+1,275.0%	80.3
Financial result	MEUR	-1.5	-1.1	-36.4%	-9.5
Net income (including non-controlling interests)	MEUR	19.3	1.8	+972.2%	53.2
Cash flow from operating activities	MEUR	61.0	-79.7	+176.5%	93.7
Capital expenditure	MEUR	17.2	21.4	-19.6%	111.4
Equity ratio	%	16.2	15.8	-	16.7
Liquidity	MEUR	1,524.0	1,750.4	-12.9%	1,517.0
Net liquidity (after deduction of all financial liabilities)	MEUR	891.1	884.9	+0.7%	893.1
Net working capital	MEUR	-590.2	-586.4	-0.6%	-539.4
EBITDA margin	%	5.7	2.7	-	4.5
EBITA margin	%	4.0	1.2	-	2.9
EBIT margin	%	2.4	0.3	-	1.6
Employees (as of end of period; without apprentices)	-	23,790	23,660	+0.5%	23,713

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HYDRO

Solid business development

Market development Q1 2014

- **Modernizations/rehabilitations:** satisfactory project activity in Europe and North America
- **New hydropower plants:** some projects in emerging markets in implementation or planning phase
- **Small-scale hydropower plants and pumps:** solid project activity

Business development Q1 2014 vs. Q1 2013

- **Order intake** slightly below very high level of last year
- **Earnings** and **margin** down mainly due to slow project related sales generation

	Unit	Q1 2014	Q1 2013	+/-	2013
Order intake	MEUR	523.3	574.2	-8.9%	1,865.4
Order backlog (as of end of period)	MEUR	3,759.0	3,983.8	-5.6%	3,722.4
Sales	MEUR	362.8	381.2	-4.8%	1,804.8
EBITDA	MEUR	31.6	34.0	-7.1%	176.8
EBITDA margin	%	8.7	8.9	-	9.8
EBITA	MEUR	24.4	26.6	-8.3%	146.9
EBITA margin	%	6.7	7.0	-	8.1
Employees (as of end of period; without apprentices)	-	7,526	7,590	-0.8%	7,445

PULP & PAPER

Very favorable order intake – sales and earnings down

Market development Q1 2014

- Good project and investment activity for both **modernizations and greenfields**
- Satisfactory investment activity for **biomass/recovery boilers**
- Unchanged challenging **competitive environment**, especially for large-scale projects

Business development Q1 2014 vs. Q1 2013

- **Order intake**: strong increase due to order from Klabin
- Low overall **sales** generation, zero-margin projects (after cost overruns), and cost overruns on some projects continue to impact **earnings** negatively

	Unit	Q1 2014	Q1 2013	+/-	2013
Order intake	MEUR	654.8	423.5	+54.6%	1,907.7
Order backlog (as of end of period)	MEUR	2,095.7	1,978.5	+5.9%	1,885.6
Sales	MEUR	399.6	452.4	-11.7%	2,005.3
EBITDA	MEUR	16.3	-18.1	+190.1%	-11.5
EBITDA margin	%	4.1	-4.0	-	-0.6
EBITA	MEUR	10.4	-23.7	+143.9%	-35.7
EBITA margin	%	2.6	-5.2	-	-1.8
Employees (as of end of period; without apprentices)	-	7,148	6,903	+3.5%	7,136

METALS: satisfactory development of Schuler, however legacy ANDRITZ METALS at unchanged low level

Market development Q1 2014

- Good project activity for **metal forming equipment**
- **Steel**: unchanged low project activity → only some selective investments
- **Furnaces**: low investment activity

Business development Q1 2014 vs. Q1 2013

- **Order intake** favorably up due to Schuler and large steel order in China
- **Sales** increase only driven by Schuler (ex Schuler, decline by 20%)
- **Margin** down due to low sales generation

		Unit	Q1 2014	Q1 2013*	+/-	2013
Order intake	MEUR	420.1	144.5	+190.7%	1,233.8	
Order backlog (as of end of period)	MEUR	1,509.2	1,531.2	-1.4%	1,427.6	
Sales	MEUR	332.8	202.0	+64.8%	1,311.0	
EBITDA	MEUR	19.1	15.7	+21.7%	76.6	
EBITDA margin	%	5.7	7.8	-	5.8	
EBITA	MEUR	13.3	13.4	-0.7%	53.5	
EBITA margin	%	4.0	6.6	-	4.1	
Employees (as of end of period; without apprentices)	-	6,273	6,370	-1.5%	6,300	

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SEPARATION

Weak business development

Market development Q1 2014

- **Municipal/industrial wastewater treatment, food and chemical industries:** solid investment activity
- Unchanged low project activity in **mining and minerals**
- **Feed and biomass:** good project activity


Business development Q1 2014 vs. Q1 2013


- **Order intake** at level of last year's reference period – **sales** slightly down
- **Earnings** and **margin** remain impacted by product issue in China, however step by step progress
- Possible expenses in future for restructuring to adjust organization to market requirements


	Unit	Q1 2014	Q1 2013	+/-	2013
Order intake	MEUR	144.0	146.1	-1.4%	604.1
Order backlog (as of end of period)	MEUR	370.8	350.8	+5.7%	352.9
Sales	MEUR	124.3	128.2	-3.0%	589.7
EBITDA	MEUR	2.5	0.4	+525.0%	13.3
EBITDA margin	%	2.0	0.3	-	2.3
EBITA	MEUR	0.5	-2.1	+123.8%	-0.6
EBITA margin	%	0.4	-1.6	-	-0.1
Employees (as of end of period; without apprentices)	-	2,843	2,796	+1.7%	2,832


Outlook 2014: slight sales increase and significant earnings improvement targeted

Expectations for the business area

HYDRO: solid project activity for modernizations and new hydropower stations to continue; some large-scale order awards expected 

PULP & PAPER: solid project activity for modernizations/capacity increases and power/biomass boilers; good pipeline for greenfield pulp mill projects; unchanged competitive pricing environment 

METALS: global metal forming market to stay at good level; project activity for stainless steel to remain at subdued level 

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

Expectations for the Group

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