



# Q1 2016

**ANDRITZ**

Interim financial report first quarter of 2016

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## KEY FINANCIAL FIGURES OF THE ANDRITZ GROUP

	<i>Unit</i>	<b>Q1 2016</b>	<b>Q1 2015*</b>	<b>+/-</b>	<b>2015</b>
Order intake	MEUR	1,247.4	1,430.6	-12.8%	6,017.7
Order backlog (as of end of period)	MEUR	7,147.6	7,785.6	-8.2%	7,324.2
Sales	MEUR	1,285.6	1,404.3	-8.5%	6,377.2
Return on sales <sup>1)</sup>	%	5.8	4.4	-	5.8
EBITDA <sup>2)</sup>	MEUR	106.7	96.1	+11.0%	534.7
EBITA <sup>3)</sup>	MEUR	83.9	73.4	+14.3%	429.0
Earnings Before Interest and Taxes (EBIT)	MEUR	74.2	61.5	+20.7%	369.1
Earnings Before Taxes (EBT)	MEUR	74.9	62.6	+19.6%	376.4
Net income (including non-controlling interests)	MEUR	52.6	43.8	+20.1%	270.4
Net income (without non-controlling interests)	MEUR	52.5	44.0	+19.3%	267.7
Cash flow from operating activities	MEUR	167.5	37.2	+350.3%	179.4
Capital expenditure <sup>4)</sup>	MEUR	16.5	20.8	-20.7%	101.4
Employees (as of end of period; without apprentices)	-	24,195	24,855	-2.7%	24,508
Fixed assets	MEUR	1,701.0	1,868.2	-8.9%	1,771.1
Current assets	MEUR	4,032.1	4,272.9	-5.6%	4,006.9
Total shareholders' equity <sup>5)</sup>	MEUR	1,100.6	1,031.1	+6.7%	1,215.6
Provisions	MEUR	1,118.1	1,046.0	+6.9%	1,130.4
Liabilities	MEUR	3,514.4	4,064.0	-13.5%	3,432.0
Total assets	MEUR	5,733.1	6,141.1	-6.6%	5,778.0
Equity ratio <sup>6)</sup>	%	19.2	16.8	-	21.0
Return on equity <sup>7)</sup>	%	6.8	6.1	-	31.0
Return on investment <sup>8)</sup>	%	1.3	1.0	-	6.4
Liquid funds <sup>9)</sup>	MEUR	1,574.7	1,610.2	-2.2%	1,449.4
Net liquidity <sup>10)</sup>	MEUR	1,107.0	1,114.2	-0.6%	984.0
Net debt <sup>11)</sup>	MEUR	-724.3	-703.4	-3.0%	-601.6
Net working capital <sup>12)</sup>	MEUR	-401.2	-673.2	+40.4%	-182.1
Capital employed <sup>13)</sup>	MEUR	492.0	303.7	+62.0%	736.7
Gearing <sup>14)</sup>	%	-65.8	-68.2	+3.5%	-49.5
EBITDA margin	%	8.3	6.8	-	8.4
EBITA margin	%	6.5	5.2	-	6.7
EBIT margin	%	5.8	4.4	-	5.8
Net income <sup>15)</sup> /sales	%	4.1	3.1	-	4.2
Depreciation and amortization/sales	%	2.5	2.5	-	2.4

\* Restated, refer to chapter "C) Restatement of prior years" in the Notes to the consolidated financial statements 2015.

1) EBIT (Earnings Before Interest and Taxes)/sales 2) Earnings Before Interest, Taxes, Depreciation, and Amortization 3) Earnings Before Interest, Taxes, Amortization of identifiable assets acquired in a business combination and recognized separately from goodwill at the amount of 9,751 TEUR (11,902 TEUR for Q1 2015, 44,644 TEUR for 2015) and impairment of goodwill at the amount of 0 TEUR (0 TEUR for Q1 2015, 15,273 TEUR for 2015) 4) Additions to intangible assets and property, plant, and equipment 5) Total shareholders' equity incl. non-controlling interests 6) Shareholders' equity/total assets 7) EBT (Earnings Before Taxes)/shareholders' equity 8) EBIT (Earnings Before Interest and Taxes)/total assets 9) Cash and cash equivalents plus marketable securities plus loans against borrowers' notes 10) Liquid funds plus fair value of interest rate swaps minus financial liabilities 11) Interest bearing liabilities including provisions for severance payments, pensions, and jubilee payments minus cash and cash equivalents, marketable securities and loans against borrowers' notes 12) Non-current receivables plus current assets (excluding cash and cash equivalents as well as marketable securities and loans against borrowers' notes) minus other non-current liabilities and current liabilities (excluding financial liabilities and provisions) 13) Net working capital plus intangible assets and property, plant, and equipment 14) Net debt/total shareholders' equity 15) Net income (including non-controlling interests)

All figures according to IFRS. Due to the utilization of automatic calculation programs, differences can arise in the addition of rounded totals and percentages. MEUR = million euros. TEUR = thousand euros.

## KEY FINANCIAL FIGURES OF THE BUSINESS AREAS

### HYDRO

	<i>Unit</i>	<b>Q1 2016</b>	<b>Q1 2015</b>	<b>+/-</b>	<b>2015</b>
Order intake	MEUR	252.0	447.0	-43.6%	1,718.7
Order backlog (as of end of period)	MEUR	3,440.6	3,857.1	-10.8%	3,640.9
Sales	MEUR	367.9	407.9	-9.8%	1,834.8
EBITDA	MEUR	31.5	28.0	+12.5%	183.6
EBITDA margin	%	8.6	6.9	-	10.0
EBITA	MEUR	23.7	19.9	+19.1%	145.3
EBITA margin	%	6.4	4.9	-	7.9
Employees (as of end of period; without apprentices)	-	7,786	8,467	-8.0%	8,230

### PULP & PAPER

	<i>Unit</i>	<b>Q1 2016</b>	<b>Q1 2015</b>	<b>+/-</b>	<b>2015</b>
Order intake	MEUR	545.6	462.4	+18.0%	2,263.9
Order backlog (as of end of period)	MEUR	2,044.8	1,920.3	+6.5%	1,998.6
Sales	MEUR	457.6	480.5	-4.8%	2,196.3
EBITDA	MEUR	46.4	33.6	+38.1%	214.8
EBITDA margin	%	10.1	7.0	-	9.8
EBITA	MEUR	40.2	27.8	+44.6%	190.9
EBITA margin	%	8.8	5.8	-	8.7
Employees (as of end of period; without apprentices)	-	7,516	7,158	+5.0%	7,324

### METALS

	<i>Unit</i>	<b>Q1 2016</b>	<b>Q1 2015</b>	<b>+/-</b>	<b>2015</b>
Order intake	MEUR	299.3	384.9	-22.2%	1,438.6
Order backlog (as of end of period)	MEUR	1,291.3	1,622.6	-20.4%	1,332.5
Sales	MEUR	333.0	377.1	-11.7%	1,718.1
EBITDA	MEUR	23.9	28.2	-15.2%	104.8
EBITDA margin	%	7.2	7.5	-	6.1
EBITA	MEUR	17.3	21.8	-20.6%	70.5
EBITA margin	%	5.2	5.8	-	4.1
Employees (as of end of period; without apprentices)	-	6,158	6,407	-3.9%	6,160

### SEPARATION

	<i>Unit</i>	<b>Q1 2016</b>	<b>Q1 2015</b>	<b>+/-</b>	<b>2015</b>
Order intake	MEUR	150.5	136.3	+10.4%	596.5
Order backlog (as of end of period)	MEUR	370.9	385.6	-3.8%	352.2
Sales	MEUR	127.1	138.8	-8.4%	628.0
EBITDA	MEUR	4.9	6.3	-22.2%	31.5
EBITDA margin	%	3.9	4.5	-	5.0
EBITA	MEUR	2.7	3.9	-30.8%	22.3
EBITA margin	%	2.1	2.8	-	3.6
Employees (as of end of period; without apprentices)	-	2,735	2,823	-3.1%	2,794

# MANAGEMENT REPORT

## GENERAL ECONOMIC CONDITIONS

The economies of the world's main regions continued to show a mixed development in the first quarter of 2016.

In the USA, the solid economic growth shown in the preceding quarters continued during the reporting period. Private consumption, which accounts for around 70% of overall economic performance in the USA, remained at a solid level. The unemployment rate was around 5%, its lowest level for eight years. The US Federal Reserve (FED) announced that it would be leaving the key interest rate in the range of 0.25-0.5% for the time being and would not increase it until there are signs of sustained economic growth. Furthermore, inflation was still below the target level of 2% due to the low cost of energy and raw materials and because of cheap imports as a result of the comparatively strong dollar. According to estimates by economic experts, the Gross Domestic Product (GDP) will increase by approximately 2.5% in 2016.

In contrast, economic growth in the euro zone continued to be moderate. Only slight GDP growth of around 1.4% is expected for the full year 2016. Overall, the general weakness in the emerging economies resulted in lower demand for exports in spite of the weak euro. At the beginning of March, the European Central Bank (ECB) lowered the key interest rate in the euro zone to 0.0% for the first time in its history and also increased the penalty interest for bank deposits. Banks must now pay 0.4% interest on deposits in the ECB instead of 0.3% in order to stimulate lending in the euro zone. In addition, the Central Bank has increased monthly purchases of government bonds from 60 to 80 billion euros and now also buys euro-denominated corporate bonds with investment grade rating.

Growth in the main emerging economies remained unchanged at a moderate level during the reporting period. China is undergoing the transition from an industrial to a consumer society. According to the latest five-year plan by the Chinese government, the economy is expected to grow by an annual average of 6.5-7% between 2016 and 2020. Due to overcapacities particularly in the hard-hit industrial sector, large, state-owned companies will be reformed. In order to support economic growth, there are plans for tax reforms and easier access to loans for private individuals. Brazil remains in economic recession. The reasons for this are the high inflation rate at more than 10%, low raw material prices, rising unemployment, the drop in domestic consumption, as well as an extremely difficult political environment hampering economic and structural reforms. Like Brazil, Russia is also affected by the sharp drop in raw material prices and by currency turbulences, as well as being confronted with economic contraction. In addition, Western sanctions are weighing heavily on economic development.

Sources: research reports by various banks, OECD

## BUSINESS DEVELOPMENT

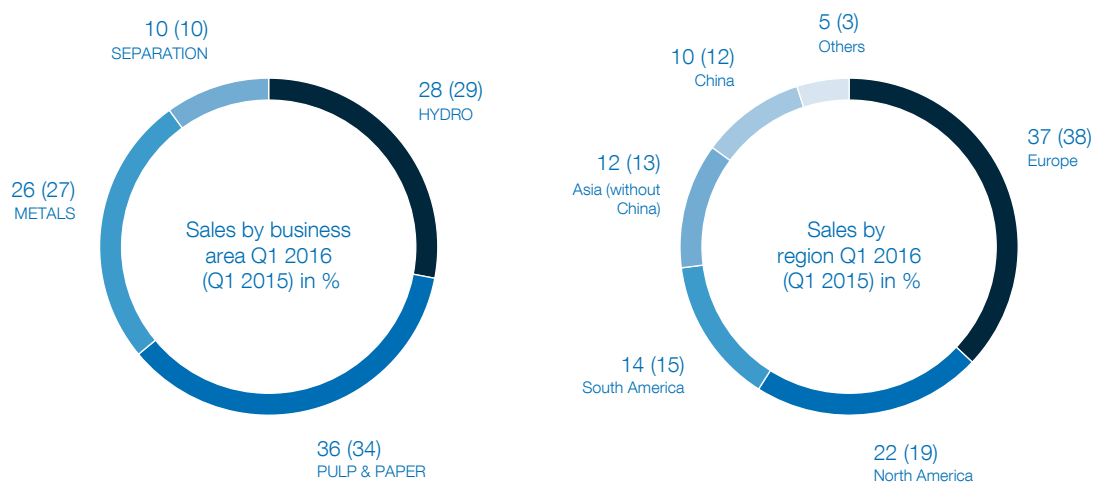
### Notes

- All figures according to IFRS
- Due to the utilization of automatic calculation programs, differences can arise in the addition of rounded totals and percentages.
- MEUR = million euros, TEUR = thousand euros

### Sales

Sales of the ANDRITZ GROUP amounted to 1,285.6 MEUR in the first quarter of 2016 and were thus 8.5% lower than the figure in the previous year's reference period (1,404.3 MEUR). All four business areas noted a decline in sales compared to the previous year. Sales in the HYDRO business area decreased significantly, mainly due to lower project-related sales generation. Similarly, sales in the PULP & PAPER business area declined (-4.8%) compared to the high level of the previous year's reference period. In the METALS business area, sales decreased (-11.7%), which is mainly due to the decline in order intake recorded in the previous year (Schuler market segment). Sales in the SEPARATION business area dropped by 8.4% compared to the previous year's reference period. The business areas' sales development at a glance:

	<i>Unit</i>	<b>Q1 2016</b>	<b>Q1 2015</b>	<b>+/-</b>
HYDRO	<i>MEUR</i>	<b>367.9</b>	407.9	-9.8%
PULP & PAPER	<i>MEUR</i>	<b>457.6</b>	480.5	-4.8%
METALS	<i>MEUR</i>	<b>333.0</b>	377.1	-11.7%
SEPARATION	<i>MEUR</i>	<b>127.1</b>	138.8	-8.4%



#### Share of service sales of Group and business area sales in %

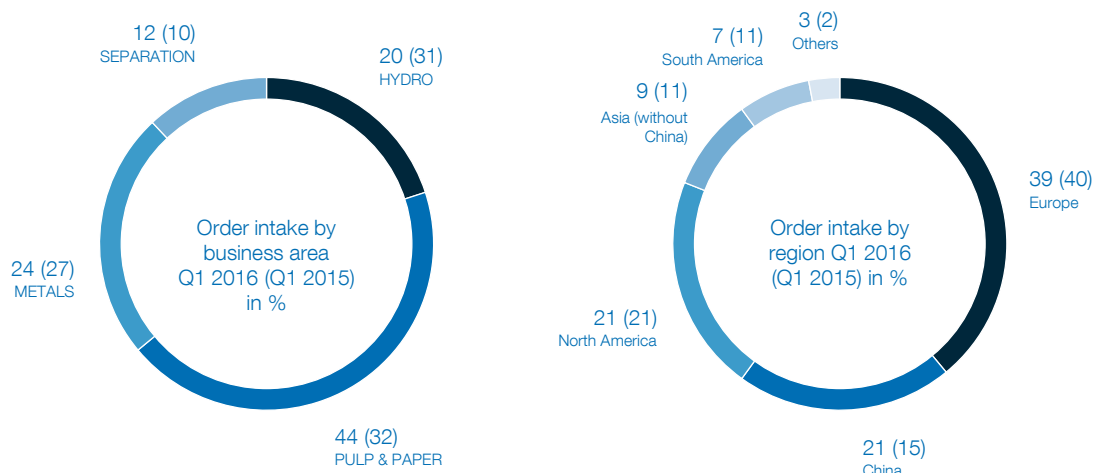
	Q1 2016	Q1 2015
ANDRITZ GROUP	34	29
HYDRO	28	25
PULP & PAPER	42	35
METALS	23	19
SEPARATION	51	44

#### Order intake

The order intake of the Group amounted to 1,247.4 MEUR in the first quarter of 2016 and was thus 12.8% below the reference figure for the previous year (Q1 2015: 1,430.6 MEUR). The business areas' development in detail:

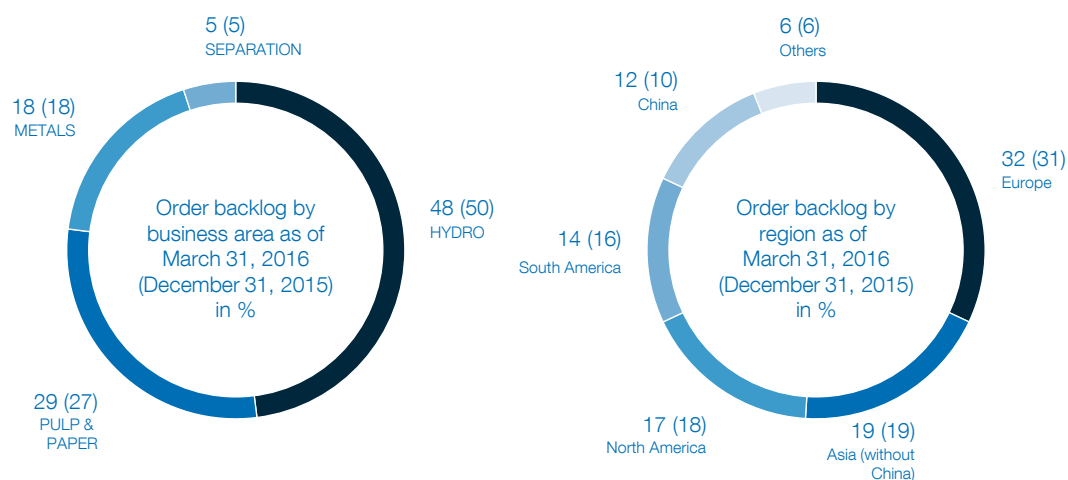
- HYDRO: The order intake amounted to 252.0 MEUR (-43.6% vs. Q1 2015: 447.0 MEUR). The significant decline is due to the continuing moderate investment activity combined with the very challenging competitive conditions in the electromechanical equipment market for hydropower stations. Many modernization and new projects are still postponed or stopped temporarily due to the low electricity and energy prices.
- PULP & PAPER: The order intake reached a very favorable level at 545.6 MEUR (+18.0% vs. Q1 2015: 462.4 MEUR), which included a large order from a Chinese customer with a value totaling more than 150 MEUR.
- METALS: Compared to the first quarter of 2015 (384.9 MEUR), order intake decreased by 22.2% to 299.3 MEUR. This significant decline is due to the continuing weak demand in the metal forming sector (market segment of Schuler) for the automotive industry. However, there are some larger projects currently in the planning phase, which are expected to be awarded in the coming quarters.
- Order intake in the SEPARATION business area increased by 10.4% to 150.5 MEUR (Q1 2015: 136.3 MEUR).





### Order backlog

As of March 31, 2016, the order backlog of the ANDRITZ GROUP amounted to 7,147.6 MEUR (-2.4% versus December 31, 2015: 7,324.2 MEUR).



### Earnings

The EBITA of the Group in the first quarter of 2016 amounted to 83.9 MEUR and was thus 14.3% above the figure for the previous year's reference period (Q1 2015: 73.4 MEUR). The EBITA margin reached a satisfactory level at 6.5% (Q1 2015: 5.2%). This positive development is mainly due to the HYDRO and PULP & PAPER business areas, which achieved a significant increase in profitability compared to last year's reference period.

Profitability in the business areas developed as follows:

- The EBITA margin in the HYDRO business area increased to 6.4% compared to the previous year (Q1 2015: 4.9%).
- In the PULP & PAPER business area, profitability increased significantly, as a result of an increase of the share of the service business, and reached 8.8% (Q1 2015: 5.8%).
- The EBITA margin in the METALS business area was slightly below last year's reference figure at 5.2% (Q1 2015: 5.8%).
- In the SEPARATION business area, the EBITA margin amounted to 2.1%, thus remaining at an unsatisfactory level (Q1 2015: 2.8%).

The financial result decreased slightly to 0.7 MEUR (Q1 2015: 1.1 MEUR).

Net income (without non-controlling interests) reached 52.5 MEUR and was thus higher than the reference figure for the previous year (Q1 2015: 44.0 MEUR).

### Net worth position and capital structure

The net worth position and capital structure as of March 31, 2016 remained solid. Total assets amounted to 5,733.1 MEUR (December 31, 2015: 5,778.0 MEUR). The equity ratio reached 19.2% (December 31, 2015: 21.0%).

Liquid funds (cash and cash equivalents plus marketable securities plus loans against borrowers' notes) amounted to 1,574.7 MEUR (December 31, 2015: 1,449.4 MEUR), net liquidity (liquid funds plus fair value of interest rate swaps minus financial liabilities) amounted to 1,107.0 MEUR (December 31, 2015: 984.0 MEUR).

In addition to the high net liquidity, the ANDRITZ GROUP also has the following credit and surety lines for performance of contracts, down payments, guarantees, etc., at its disposal:

- Credit lines: 193 MEUR, thereof 105 MEUR utilized
- Surety and guarantee lines: 6,214 MEUR, thereof 2,970 MEUR utilized

#### Assets

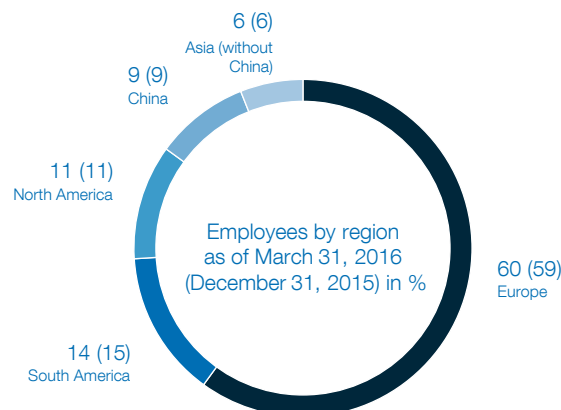
<b>1,772.4</b> MEUR	<b>2,475.9</b> MEUR	<b>1,484.8</b> MEUR
Long-term assets: 31%	Short-term assets: 43%	Cash and cash equivalents and marketable securities: 26%

#### Shareholders' equity and liabilities

<b>1,100.6</b> MEUR	<b>486.9</b> MEUR	<b>796.1</b> MEUR	<b>3,349.5</b> MEUR
Shareholders' equity incl. minority interests: 19%	Financial liabilities: 8%	Other long-term liabilities: 14%	Other short-term liabilities: 59%

### Employees

As of March 31, 2016, the number of ANDRITZ GROUP employees amounted to 24,195 (December 31, 2015: 24,508 employees).



### Major risks during the remaining months of the financial year and risk management

The ANDRITZ GROUP is a globally-operating company serving a variety of industrial markets and customers. As such, the Group is subject to certain general and industry-specific risks. ANDRITZ has a Group-wide control and steering system whose main task is to identify nascent risks at an early stage and – if possible – to take countermeasures. This is an important element of active risk management within the Group. However, there is no guarantee that these monitoring and risk control systems are effective enough.

The essential risks for the business development of the ANDRITZ GROUP relate above all to the Group's dependence on the general economic environment and the development of the industries it serves, to whether major orders are received and to the risks they entail; and to whether adequate sales proceeds are realized from the high order backlog. Furthermore, unexpected cost increases during the execution of orders constitute a considerable risk, particularly in so-called turnkey or EPC orders, where the Group may assume responsibility for engineering, civil work, and erection of a factory in addition to delivery of ANDRITZ equipment and systems.



Projects of this kind involve high risks concerning cooperation with third parties contracted to carry out engineering, as well as civil and construction work (for example the risk of strikes, failure to meet deadlines, or quality problems with components/services purchased from sub-suppliers). Delays and difficulties in achieving the guaranteed performance parameters in the plants that ANDRITZ supplies as well as a possible malfunction in the components and systems supplied by ANDRITZ that can have serious consequences for individuals and on material assets also pose substantial risks.

The financial difficulties and the continuously challenging overall economic development (particularly in Europe and individual emerging markets, mainly in Brazil, Russia, and China) also constitute a serious risk for the ANDRITZ GROUP's financial development. A significant weakness of the global economy or a considerable slowdown of the economy in one of the main economic regions may lead to delays in the execution of existing orders and to the postponement or cancellation of ongoing projects. Cancellations of existing contracts could adversely affect the ANDRITZ GROUP's order backlog, which in turn would have a negative impact on the utilization of the Group's manufacturing capacities.

The Schuler Group, which is part of the ANDRITZ GROUP, derives approximately 80% of its sales from the automotive industry, which is generally exposed to severe cyclical swings. Cyclical swings of this kind can lead to a significant decline in order intake as well as have a negative impact on earnings of the Schuler Group and thus, on the ANDRITZ GROUP's earnings.

Complete or partial goodwill impairments resulting from acquisitions may also negatively influence the earnings development of the ANDRITZ GROUP if the targeted financial goals for these companies cannot be reached. In addition, there is always some risk that partial or full impairment will have to be made for some trade accounts receivable.

For the majority of orders, the risk of payment failure by customers is mitigated by means of bank guarantees and export insurance. However, there is no guarantee that there will not be any individual payment failures that will have a substantial negative impact on earnings development of the Group if they occur. Risks related to deliveries to countries with medium to high political risks are typically also insured to a large extent. However, the requirements for full hedging of these risks are not always available. Quarterly credit risk reporting to the Executive Board has been implemented in order to ensure transparency with respect to financial risks on projects and to implement immediate countermeasures if necessary. The reporting shows the maximum expected unsecured credit risk for orders with a value of over one million euros, which are billed according to percentage of completion (POC), as well as customer ratings.

In dealing with ANDRITZ HYDRO S.A., Brazil, the Brazilian fiscal authorities assumed some financial affiliation of the company to the Inepar Group with regard to circumstances of taxation and labor law because of the previous minority holding of Inepar. As a result of this assumption, joint and several liability for existing tax claims and claims by employees of the Inepar companies towards Inepar could be invoked against ANDRITZ HYDRO S.A.. ANDRITZ is vigorously contesting these labor claims in several labor lawsuits in Brazil. The tax lawsuits, which were also contested, have been suspended in the meantime as a result of Inepar's participation in a governmental tax amnesty program (REFIS). If Inepar does not comply with its obligations under the REFIS program, the tax proceedings against ANDRITZ HYDRO S.A. may be resumed.

In the course of its business, the ANDRITZ GROUP is party to numerous legal proceedings before both administrative and judicial courts and bodies, as well as before arbitration tribunals. The substantial majority of such proceedings is of a nature considered typical of the Group's business, including contract and project disputes, product liability claims, and intellectual property litigation. Where appropriate, provisions are made to cover the expected outcome of proceedings to the extent that negative outcomes are likely and reliable estimates can be made. There is no guarantee, however, that these provisions will be sufficient. Given the amounts at stake in some of these disputes, a negative decision for ANDRITZ in one or several of these legal disputes may have a material adverse effect on the earnings and liquidity position of the Group. The product liability cases include a number of cases alleging injuries and/or death resulting from exposure to asbestos.

In order to minimize the financial risks as best possible and to enhance monitoring, control, and assessment of its financial and liquidity position, the ANDRITZ GROUP implemented both a comprehensive treasury policy and a transparent information system.

The ANDRITZ GROUP's position in terms of liquidity is very good, and the Group has high liquidity reserves. The Group avoids dependence on one single or only a few banks. To ensure independence, no bank will receive more than a certain defined amount of the business in any important product (cash and cash equivalents, financial liabilities, financial assets, guarantees, and derivatives). With this diversification, ANDRITZ is seeking to minimize the counterparty risk as best possible. Nevertheless, if one or more banks were to become insolvent, this would have a considerable negative influence on the earnings development and shareholders' equity of the ANDRITZ GROUP. In addition, the lowering of ANDRITZ's credit rating by several banks can limit the financial leeway available to ANDRITZ, particularly regarding sureties to be issued. In the ANDRITZ GROUP, liquidity not only means the ability to meet financial obligations in the narrower sense, but also the availability of sureties. Operative business requires bid bonds, contract performance guarantees, downpayment guarantees, as well as performance and warranty bonds be provided on a continuous basis. As a result, financial flexibility is also defined as having sufficient surety lines.

ANDRITZ pursues a risk-averse investment strategy. Cash is largely invested in low-risk financial assets, such as government bonds, government-guaranteed bonds, money market funds, investment funds to cover pension obligations, loans against borrowers' notes insured by a certificate of deposit, or term deposits. However, turbulences on the international financial markets may lead to unfavorable price developments for various securities in which the Group has invested or make them non-tradable. This could have an adverse effect on the ANDRITZ GROUP's financial result or shareholders' equity due to necessary depreciation or value adjustments. The crisis has also heightened the risk of default by some issuers of securities, as well as by customers. The Executive Board is informed at regular intervals of the extent and volume of current risk exposure in the ANDRITZ GROUP.

The risk of a complete or partial breakdown of the euro zone and of a resulting possible collapse of the euro currency has decreased, however, the possibility cannot be ruled out entirely. A complete or partial breakdown of the euro zone would very likely have a negative effect on the financial, liquidity, and earnings development of the Group. For further information on risks, please refer to the ANDRITZ annual financial report 2015.

#### **Impact of exchange rate fluctuations**

Fluctuations in exchange rates in connection with the execution of the order backlog are largely hedged by forward exchange contracts and swaps. Net currency exposure of orders in foreign currencies is hedged by forward contracts. Exchange rate risks resulting from the recognition of equity are not hedged.

Depreciation of the euro against many other currencies could also have a positive impact on the shareholders' equity as well on the sales and earnings development of the ANDRITZ GROUP (translation effect).

#### **Information pursuant to Article 87 (4) of the (Austrian) Stock Exchange Act**

During the reporting period, no major business transactions were conducted with related persons and companies.

#### **Important events after reporting period**

The Schuler Group, part of ANDRITZ, signed a contract in the mid of April 2016 for the acquisition of AWEBA Werkzeugbau GmbH Aue, Germany. AWEBA is one of Europe's leading toolmakers and generates annual sales of approximately 60 million euros with around 600 employees. The acquisition is subject to approval by antitrust authorities.

## OUTLOOK

Economic experts do not expect any significant changes in the general economic environment during the coming months. While the economy in the USA should continue to grow as in the preceding quarters, development in Europe is expected to remain unchanged at a moderate level. Furthermore, the countries in the emerging markets that play a major role in the global economy are not expected to generate any sustained impulses for growth. For the current year, China expects a further slowdown in economic growth to 6.5-7%. According to experts, Brazil and Russia will be facing a further economic decline in 2016 as they did last year.

The prospects for the ANDRITZ business areas are largely unchanged compared to the preceding quarter. A continuing difficult environment is anticipated in the HYDRO business area as a result of the unchanged low electricity and energy prices. Many modernization projects are still postponed or stopped temporarily. Some larger, new hydropower projects are currently being planned, but award of these projects is expected only in the medium to long term. In the PULP & PAPER business area, good project activity is expected to continue, however below the extraordinary high level of the previous year. Continuing subdued investment activity is expected in the metalforming sector (Schuler, METALS business area). As a result of the continuing weak demand in the Chinese automotive industry, most car manufacturers and automotive suppliers have postponed or put on hold their investment decisions for the time being; in the stainless steel/steel strip production segment, low investment activity is expected to continue. The SEPARATION business area is also expected to see an unchanged moderate project activity compared to the previous year.

Based on the results for the first quarter of 2016, ANDRITZ expects a slight decrease of Group sales in 2016 compared to 2015. Profitability, however, should remain at solid level.

However, if the global economy weakens further, this could have a negative impact on business development at ANDRITZ. This may lead to organizational and capacity adjustments and, as a result, to financial provisions that could have a negative effect on the ANDRITZ GROUP's earnings.

# HYDRO

## MARKET DEVELOPMENT

Global investment and project activity for electromechanical equipment used in hydropower plants remained at a subdued level during the first quarter of 2016. Due to the unchanged difficult market conditions characterized by low electricity and energy prices, many modernization and refurbishment projects were postponed until further notice, especially in Europe. Only few larger orders were placed and under very challenging market conditions. In the emerging markets, particularly in Africa and South America, some new hydropower projects are in the planning phase; however, these projects are expected to be awarded only in the medium term. Unchanged satisfactory project activity was noted for both small-scale hydropower plants and pumps.

## IMPORTANT EVENTS

The electromechanical equipment supplied for the Xekaman 1 hydropower project in Lao PDR was handed over successfully to the customer for commercial use. HPP Xekaman 1 is the second hydropower project invested by Viet-Lao Power Investment and Development Joint Stock Company in the Lao PDR. ANDRITZ HYDRO supplied two Francis turbine generator sets (147 megawatt each), the governing system, automation and protection system, and auxiliary systems as well as the complete switchyard. The majority of generated electricity will be exported to Vietnam and a small part is used for the needs of domestic consumption.

## IMPORTANT ORDERS

ANDRITZ HYDRO received an order from Landsvirkjun to supply the electromechanical equipment and control systems for the Búrfell Extension hydropower station, Iceland. The 100 megawatt HPP Búrfell Extension will be installed with a single turbine unit in a separate underground power station. The generating capacity of the power plant will thus be increased by up to 300 gigawatt-hours of electricity a year.

The consortium of ANDRITZ HYDRO and The National Research Institute of Mechanical Engineering (NARIME) received an order from Vietnam Electricity (EVN) to upgrade the secondary equipment of the Hoa Binh hydropower plant, Vietnam. The scope of supply for ANDRITZ HYDRO includes the modernization of the protection, excitation, and complete control systems.

Hydro Quebec, Canada, awarded the business area with the modernization of the La Grande-3 hydropower plant on the La Grande River in northern Quebec, Canada. The scope of supply comprises design, supply, and delivery of 12 excitation systems.

Hydro Power LLP awarded the business area an order for the supply of the entire 5.3 megawatt “from water-to-wire” package for the small-scale hydropower plant Issyk 1, Kazakhstan. ANDRITZ HYDRO had already successfully concluded the project Issyk 2 in 2008.

ANDRITZ HYDRO is supplying five double-suction submersible motor pumps for water drainage in disused coal mines to Ruhrkohle AG, Germany.

## PULP & PAPER

### MARKET DEVELOPMENT

In the first quarter of 2016, the international pulp market showed a mixed development by pulp grade. While the price for NBSK (Northern Bleached Softwood Kraft) long-fiber pulp remained at a stable level of around 790 USD per ton, the price for short-fiber pulp (eucalyptus) declined from around 790 USD per ton at the end of December 2015 to just over 740 USD per ton at the end of March 2016. This is mainly due to the subdued demand for pulp from Chinese paper producers, who are the main customers for short-fiber pulp from South America.

Overall, the market for pulping equipment showed satisfactory project activity, particularly for modernization of existing pulp mills. No contracts were awarded for greenfield pulp mills, however there are some projects in the planning phase which are expected to be implemented in the medium term.

### IMPORTANT EVENTS

Klabin S.A., Brazil, successfully started up its 1.5 million ton greenfield pulp mill in Ortigueira. This is the largest investment in the company's history and almost doubles Klabin's production capacity. ANDRITZ supplied the woodyard, the fiberline, and the white liquor plant.

Shandong Sun Honghe Paper Industry, China, started up woodyard equipment, a complete fiberline for the production of both kraft and dissolving pulp, a pulp drying plant, and a white liquor plant.

Resolute Forest Products, USA, started up a new Lo-Solids continuous digester including a TurboFeed chip feeding system and a pressure diffuser for pulp washing. ANDRITZ also provided equipment for modifications to the existing fiberline.

In China, two mills started up ANDRITZ stock preparation equipment. Cheng Loong Corporation started up a production line for processing Old Corrugated Containers (OCC). Shandong Huatai Paper Co. started up rebuilt systems for deinking and the processing of virgin fiber and broke for a paper machine.

The business area started up pulping and screening equipment for VPK Paper's PM 6 in Oudegem, Belgium. The upgraded stock preparation line processes recovered fiber for the production of packaging grades.

The business area provided upgraded equipment and services for two power plants in Finland. For Jyväskylän Energia, the business area modified the Rauhalampi power plant to meet new EU directives for emissions. For Fortum Power and Heat's Kivenlahti plant, the business area provided equipment and services (pellet handling, powder handling, burners, boiler modifications, and automation) to convert the boiler for firing biomass fuels.

In Sweden, the business area started up a circulating fluidized bed (CFB) boiler for Fortum Värme's new Värtaverket combined heat and power plant in Stockholm. In Turkey, two CFB boilers, which fire local lignite, were started up.

In the tissue sector, St. Croix Tissue, USA, started up the first of two new tissue machines delivered by ANDRITZ.

Mondi Frantschach, Austria, started up a new high-density concentrator in the evaporation plant. This concentrator uses medium-pressure steam to increase the dry solids content of black liquor.

### IMPORTANT ORDERS

ANDRITZ signed a contract with a customer in China to deliver all the major production technology and equipment for a new pulp mill. The scope of supply includes the complete chip handling plant, a fiberline with the world's largest ozone bleaching stage, a new evaporation plant, the largest High Energy Recovery Boiler (HERB) in China, a biomass gasification plant, and a white liquor plant. In addition, ANDRITZ will supply the millwide system for collecting and processing non-condensable gases. Start-up is scheduled for early 2018.

Guizhou Chitianhua Paper Industry, China, ordered two identical PrimeLineST tissue machines. The machines will have steam-heated hoods in combination with PrimeDry Steel Yankees (20 ft. diameter).

A customer in the USA selected the business area to deliver new debarking and chipping systems for the woodyard, including the first extra-large (EXL) HHQ-Chipper to be installed in North America. The chipper will be supported by an ANDRITZ Iggesund Tools' PartnerChip service and monitoring program.

Södra Cell AB, Sweden, ordered a new 7-effect evaporation plant for its Mörrum mill to significantly enhance the mill's energy efficiency. In addition to aiding in the recovery of cooking chemicals, the plant produces a considerable amount of district heat to be supplied to the Karlshamn municipality.

Umea Energi AB, Sweden, selected ANDRITZ to replace certain pressure parts for a bubbling fluidized bed power boiler. A similar order was received from Celulosas de Asturias, Spain.

Daio Paper, Japan, selected ANDRITZ to upgrade a continuous digester at the Mishima mill.

Rottneros Bruk AB, Sweden, selected the business area to upgrade its flash dryer with technology capable of increasing capacity by 50%.

Stora Enso, Finland, selected ANDRITZ to upgrade the knot separation and screening process as part of a program to modernize the oxygen delignification process in the Sunila mill.

In Brazil, the business area will upgrade the screening process for the thermo-groundwood line at Melhoramentos Camanducaia in Minas Gerais. In China, Ji'An Group ordered a flotation system for OCC and rejects handling equipment for its existing paper mill.

Arauco, Chile, signed a service contract with ANDRITZ to provide basic condition monitoring for its Nueva Aldea mill as well as lubrication services for the mill's rotating equipment to reduce unplanned downtime.

In the panelboard sector, the business area received an order from Century Plyboards, India, for the supply of a pressurized refining system.



# METALS

## MARKET DEVELOPMENT

In the metalforming sector for the automotive and automotive supplier industries (market segment of Schuler), project and investment activity in the first quarter of 2016 remained at the same low level as 2015, with only a few orders being awarded. Many investment decisions were postponed to the second quarter.

Project activity for equipment for the production and processing of stainless and carbon steel strips remained unchanged at a low level due to continuing overcapacities in the international steel/stainless steel industries and the weak demand as a result of the overall economic environment. Selective projects mainly targeted modernization and improvement of energy efficiency at existing plants, while investments in new plants were still limited.

## IMPORTANT EVENTS

Volvo, Sweden, awarded Schuler the Volvo Cars Quality Excellence Award in recognition of the constantly high quality supplied and the high level of service provided by Schuler.

Schuler opened a new research and demonstration center for hot stamping at its Göppingen location. Innovative applications are demonstrated for lightweight vehicle construction of the future and customers can conduct tests in the Hot Stamping TechCenter, which is equipped with a hydraulic press, roller hearth furnaces, and automation equipment.

## IMPORTANT ORDERS

Schuler received several orders from the German automotive supplier Benteler to supply hot stamping plants for various locations worldwide. In hot stamping, sheet steel is heated to 930 degrees Celsius, and then cooled and thus hardened in the subsequent metal forming process. This makes it possible to produce particularly light, high-strength vehicle parts. Schuler leads the world market for hot stamping lines.

An international car manufacturer awarded Schuler the order to supply a mechanical lead press for its plant in Toluca, Mexico. Another car manufacturer in Mexico ordered a servo press line.

The German automotive supplier Erdrich Umformtechnik ordered a transfer press with ServoDirect technology and a pressing force of 12,500 kilonewtons as well as a servo press in monoblock design for its location in the USA.

Daewon Precision Industrial, South Korea, ordered a monoblock press with ServoDirect technology and 8,000 kilonewtons pressing force from Schuler.

An automotive supplier selected Schuler to supply a tie rod press with ServoDirect technology (16,000 kilonewtons pressing force) for its location in Poland.

A major jet engine manufacturer in the USA awarded Schuler an order to upgrade two spindle presses for forging operations.

Arcelor Mittal, Belgium, placed an order with ANDRITZ for the supply of a completely new Advanced High-Strength Steel (AHSS) furnace and an After Pot Cooling (APC) tower for different types of coating and for best strip stability) for the Sidgal 3 plant. Also in Belgium, Arcelor Mittal awarded the business area an order for the supply and erection of a new, directly fired furnace section ahead of the existing furnace in the continuous annealing line at Kessales. This extension will allow Arcelor Mittal to produce the most advanced high-strength steel of the 3rd generation.

Shandong Iron & Steel Rizhao, China, ordered a push pickling line, including a skin pass mill, from ANDRITZ METALS. The scope of supply includes engineering, manufacturing, and supervision of erection work, as well as the electrical equipment.

The business area received an order from Xuzhou Rothe Erde Ring Mill, China, a subsidiary of ThyssenKrupp Group, for the supply of 14 heating and heat treatment furnaces and one set of charging machines. The scope of supply includes engineering, manufacturing, erection work, and commissioning, as well as the entire electrical equipment.

voestalpine Stampotec GmbH ordered a servo transfer press with four connecting rods and a pressing force of 16,000 kilonewtons for its Dettingen/Erms location, Germany. voestalpine Stampotec GmbH already has numerous ANDRITZ Kaiser presses operating at its facilities.

# SEPARATION

## MARKET DEVELOPMENT

The global markets for solid/liquid separation equipment showed an unchanged, mixed development in the first quarter of 2016. While investment and project activity in the environment and chemicals sectors was satisfactory, the demand from the mining industry remained low. In the animal feed industry, project activity for conventional and special feed was solid. There was good project and investment activity in the biomass pelleting sector.

## IMPORTANT EVENTS

ANDRITZ SEPARATION has developed and successfully launched RheoScan, a new, innovative optical measurement system that can be applied in belt filter presses and gravity belt tables in all types of municipal and industrial sludge processing facilities. ANDRITZ RheoScan measures the actual sludge viscosity during the thickening stage in real time. The new system adjusts the polymer dose needed to match changing flow rates and sludge conditions automatically and accurately. This means cost savings of up to 40% for polymer consumption and an increase in plant reliability. The patented ANDRITZ technology operates without requiring supervision.

SmartFIX is an innovative filter cloth fastening system that can reduce both maintenance time and costs by up to 50%, as well as improving performance and offering maximum safety for high-pressure applications. SmartFIX fits on most brands of filter centrifuges in the chemical and pharmaceutical industries – the first customers have already implemented the new technology successfully.

The business area launched a hard drum layer to be used for starch drum dryers in order to reduce drum damage in heavy-duty applications. The first continuous vacuum dryer has been accepted and is up and running.

## IMPORTANT ORDERS

ANDRITZ sold two single drum dryers to a producer of pre-gelatinized starch and another two units to an animal protein producer in Germany. The dryers will increase the production yield per hour. Also in Germany, the business area developed a new screw for a plastics manufacturer by optimizing the design with proven customer site improvements.

Europe's second largest producer of light and dense soda ash selected ANDRITZ SEPARATION to supply a 4 side-bar membrane filter press and two gypsum centrifuges. Three decanters for soda ash production were secured in China thanks to the favorable lead time from recent optimizations in production.

A customer in Norway ordered two additional double drum dryers in order to expand the existing plant while relying on the same ANDRITZ quality and construction.

To optimize sludge treatment a customer in Bahrain selected the business area to supply a belt dryer. The belt dryer with backmixing system offers fewer cleaning issues.

A customer in Peru ordered two overhead membranes for its copper business. The scope of supply includes the development of a flotation process for dry stacking of solids. The new solution will result in significant energy savings.

Several orders for animal and aqua feed processing lines and pelleting equipment were received from customers in Europe, Asia, and South America. In the biomass pelleting sector, orders were received from customers in North America and Asia.

# CONSOLIDATED INCOME STATEMENT

## For the first quarter of 2016 (unaudited)

<i>(in TEUR)</i>	<b>Q1 2016</b>	<b>Q1 2015</b>
<b>Sales</b>	<b>1,285,636</b>	<b>1,404,267</b>
Changes in inventories of finished goods and work in progress	20,821	34,575
Capitalized cost of self-constructed assets	731	2,989
	<b>1,307,188</b>	<b>1,441,831</b>
Other operating income	69,405	51,649
Cost of materials	-642,709	-746,435
Personnel expenses	-409,938	-421,375
Other operating expenses	-217,246	-229,612
<b>Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA)</b>	<b>106,700</b>	<b>96,058</b>
Depreciation, amortization, and impairment of intangible assets and property, plant, and equipment	-32,546	-34,581
<b>Earnings Before Interest and Taxes (EBIT)</b>	<b>74,154</b>	<b>61,477</b>
Expense from associated companies	-71	-14
Interest income	8,779	9,675
Interest expenses	-7,777	-6,667
Other financial result	-181	-1,892
<b>Financial result</b>	<b>750</b>	<b>1,102</b>
<b>Earnings Before Taxes (EBT)</b>	<b>74,904</b>	<b>62,579</b>
Income taxes	-22,340	-18,780
<b>NET INCOME</b>	<b>52,564</b>	<b>43,799</b>
Thereof attributable to:		
Shareholders of the parent	52,539	44,037
Non-controlling interests	25	-238
Weighted average number of no-par value shares	102,137,551	103,212,143
Basic earnings per no-par value share (in EUR)	0.51	0.43
Effect of potential dilution of share options	0	598,756
Weighted average number of no-par value shares and share options	102,137,551	103,810,899
Diluted earnings per no-par value share (in EUR)	0.51	0.42

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

## For the first quarter of 2016 (condensed, unaudited)

<i>(in TEUR)</i>	<b>Q1 2016</b>	<b>Q1 2015*</b>
<b>NET INCOME</b>	<b>52,564</b>	<b>43,799</b>
<b>Items that may be reclassified to profit or loss:</b>		
Currency translation adjustments	-18,467	55,601
Available-for-sale financial assets, net of tax	-3,591	1,702
Cash flow hedges, net of tax	2,921	-7,250
<b>Items that will not be reclassified to profit or loss:</b>		
Actuarial gains/losses, net of tax	0	0
<b>OTHER COMPREHENSIVE INCOME</b>	<b>-19,137</b>	<b>50,053</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>33,427</b>	<b>93,852</b>
Thereof attributable to:		
Shareholders of the parent	33,735	93,599
Non-controlling interests	-308	253

\* Restated, refer to chapter "C) Restatement of prior years" in the Notes to the consolidated financial statements 2015.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## As of March 31, 2016 (unaudited)

<i>(in TEUR)</i>	March 31, 2016	December 31, 2015
<b>ASSETS</b>		
Intangible assets	191,689	203,397
Goodwill	527,342	528,515
Property, plant, and equipment	701,561	715,394
Shares in associated companies	0	0
Other investments	101,631	140,585
Trade accounts receivable	11,313	11,450
Other receivables and assets	60,182	62,105
Deferred tax assets	178,660	183,284
<b>Non-current assets</b>	<b>1,772,378</b>	<b>1,844,730</b>
Inventories	683,237	665,419
Advance payments made	122,524	126,664
Trade accounts receivable	672,866	735,375
Cost and earnings of projects under construction in excess of billings	619,926	711,062
Other receivables and assets	377,363	335,415
Marketable securities	89,852	103,618
Cash and cash equivalents	1,394,947	1,255,746
<b>Current assets</b>	<b>3,960,715</b>	<b>3,933,299</b>
<b>TOTAL ASSETS</b>	<b>5,733,093</b>	<b>5,778,029</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>		
Share capital	104,000	104,000
Capital reserves	36,476	36,476
Retained earnings	943,390	1,057,557
<b>Equity attributable to shareholders of the parent</b>	<b>1,083,866</b>	<b>1,198,033</b>
Non-controlling interests	16,745	17,543
<b>Total shareholders' equity</b>	<b>1,100,611</b>	<b>1,215,576</b>
Bonds	363,526	364,984
Bank loans and other financial liabilities	86,011	74,785
Obligations under finance leases	14,810	15,018
Provisions	589,412	606,262
Other liabilities	52,866	62,414
Deferred tax liabilities	153,851	159,168
<b>Non-current liabilities</b>	<b>1,260,476</b>	<b>1,282,631</b>
Bank loans and other financial liabilities	21,672	27,633
Obligations under finance leases	856	868
Trade accounts payable	385,981	478,464
Billings in excess of cost and earnings of projects under construction	1,177,301	1,044,976
Advance payments received	236,604	268,756
Provisions	528,697	524,134
Liabilities for current taxes	15,870	24,926
Other liabilities	1,005,025	910,065
<b>Current liabilities</b>	<b>3,372,006</b>	<b>3,279,822</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>5,733,093</b>	<b>5,778,029</b>

# CONSOLIDATED STATEMENT OF CASH FLOWS

## For the first quarter of 2016 (unaudited)

<i>(in TEUR)</i>	<b>Q1 2016</b>	<b>Q1 2015*</b>
<b>Earnings Before Taxes (EBT)</b>	<b>74,904</b>	<b>62,579</b>
Interest result	-1,002	-3,009
Depreciation, amortization, write-ups and impairment of fixed assets	32,546	34,581
Expense from associated companies	71	14
Changes in provisions	-10,532	-30,778
Losses/gains from the disposal of fixed and financial assets	-1,150	-164
Other non-cash income/expenses	-3,382	-948
<b>Gross cash flow</b>	<b>91,455</b>	<b>62,275</b>
Changes in inventories	-24,033	-53,436
Changes in advance payments made	4,215	-11,128
Changes in receivables	57,299	36,982
Changes in cost and earnings of projects under construction in excess of billings	86,078	-58,980
Changes in advance payments received	-29,906	15,120
Changes in liabilities	-129,028	-3,605
Changes in billings in excess of cost and earnings of projects under construction	136,235	78,207
<b>Change in net working capital</b>	<b>100,860</b>	<b>3,160</b>
Interest received	6,273	9,800
Interest paid	-6,576	-6,412
Taxes paid	-24,514	-31,667
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>167,498</b>	<b>37,156</b>
Payments received for asset disposals (including financial assets)	1,660	1,581
Payments made for property, plant, and equipment and intangible assets	-20,329	-20,968
Payments made for non-current financial assets	-1,402	-141
Payments received for current investments of cash and cash equivalents	26,022	48,190
Payments made for current investments of cash and cash equivalents	-16,581	-20,000
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>-10,630</b>	<b>8,662</b>
Payments made for the redemption of bonds	0	-150,000
Repurchase of own corporate bonds	-2,947	0
Cash receipts from other financial liabilities	12,302	19,551
Repayments of other financial liabilities	-10,126	-10,438
Dividends paid to non-controlling interest holders	-490	-588
Proceeds from re-issuance of treasury shares		997
Purchase of treasury shares	-10,723	0
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>-11,984</b>	<b>-140,478</b>
<b>CHANGES IN CASH AND CASH EQUIVALENTS</b>	<b>144,884</b>	<b>-94,660</b>
Changes in cash and cash equivalents resulting from exchange rate fluctuation	-5,683	27,762
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>1,255,746</b>	<b>1,457,335</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>1,394,947</b>	<b>1,390,437</b>

\* Change in presentation compared to prior year.



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the first quarter of 2016 (unaudited)

	Attributable to shareholders of the parent							Non-control- ling interests	Total share- holders' equity	
	Share capital	Capital reserves	Other retained earnings	IAS 39 re- serve	Actuarial gains/ losses	Currency translation adjustments	Treasury shares			Total
<i>(in TEUR)</i>										
<b>STATUS AS OF JANUARY 1, 2015*</b>	104,000	36,476	992,482	17,964	-83,001	-13,419	-32,947	1,021,555	16,721	1,038,276
Net income			44,037					44,037	-238	43,799
Other comprehensive income*				-5,303		54,865		49,562	491	50,053
<b>Total comprehensive income*</b>			44,037	-5,303		54,865		93,599	253	93,852
Dividends			-103,240					-103,240	-588	-103,828
Changes in treasury shares			-767				1,764	997		997
Other changes			1,809					1,809		1,809
<b>STATUS AS OF MARCH 31, 2015*</b>	104,000	36,476	934,321	12,661	-83,001	41,446	-31,183	1,014,720	16,386	1,031,106
<b>STATUS AS OF JANUARY 1, 2016</b>	104,000	36,476	1,144,880	48,932	-70,534	2,852	-68,573	1,198,033	17,543	1,215,576
Net income			52,539					52,539	25	52,564
Other comprehensive income				-768		-18,036		-18,804	-333	-19,137
<b>Total comprehensive income</b>			52,539	-768		-18,036		33,735	-308	33,427
Dividends			-137,802					-137,802	-490	-138,292
Changes in treasury shares							-10,723	-10,723		-10,723
Changes concerning share option programs			612					612		612
Changes in consolidation type			11					11		11
<b>STATUS AS OF MARCH 31, 2016</b>	104,000	36,476	1,060,240	48,164	-70,534	-15,184	-79,296	1,083,866	16,745	1,100,611

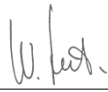
\* Restated, refer to chapter "C) Restatement of prior years" in the Notes to the consolidated financial statements 2015.

# DECLARATION PURSUANT TO ARTICLE 87 (1) OF THE (AUSTRIAN) STOCK EXCHANGE ACT

We hereby confirm that, to the best of our knowledge, the condensed interim financial statements of the ANDRITZ GROUP drawn up in compliance with the applicable accounting standards provide a true and fair view of the asset, financial, and earnings positions of the ANDRITZ GROUP, and that the management report provides a true and fair view of the asset, financial, and earnings positions of the ANDRITZ GROUP with regard to the important events of the first three months of the financial year and their impact on the condensed interim financial statements of the ANDRITZ GROUP, and with regard to the major risks and uncertainties during the remaining nine months of the financial year, and also with regard to the major business transactions subject to disclosure and concluded with related persons and companies.

Graz, May 2016

The Executive Board of ANDRITZ AG



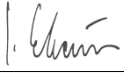
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Wolfgang Leitner  
President and CEO




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Humbert Köfler  
PULP & PAPER  
(Service & Units),  
SEPARATION



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Joachim Schönbeck  
PULP & PAPER  
(Capital Systems),  
METALS

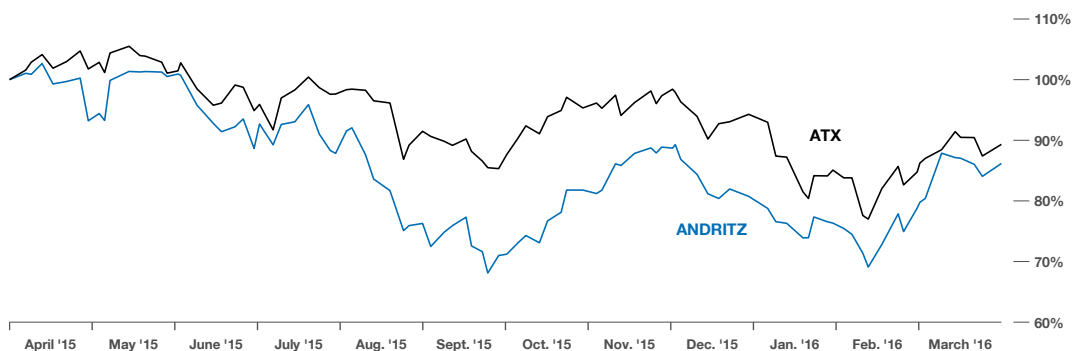


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Wolfgang Semper  
HYDRO

## SHARE

### Relative price performance of the ANDRITZ share compared to the ATX (April 1, 2015-March 31, 2016)



Source: Vienna Stock Exchange

#### Share price development

The development of the international stock exchanges in the first quarter of 2016 was influenced by the continuing uncertain general economic conditions and the resulting high volatility of the financial markets. In this environment, the ANDRITZ share price increased by 11.2% during the reporting quarter. The ATX, the leading share index on the Vienna Stock Exchange, decreased by 3.3% over the same period. The highest closing price of the ANDRITZ share was 49.21 EUR (March 9, 2016), and the lowest was 38.69 EUR (February 11, 2016).

#### Trading volume

The average daily trading volume of the ANDRITZ share (double count, as published by the Vienna Stock Exchange) in the first quarter of 2016 was 428,844 shares (Q1 2015: 353,894 shares). The highest daily trading volume was noted on March 4, 2016 (925,664 shares) and the lowest trading volume on February 25, 2016 (190,974 shares).

#### Annual General Meeting

The 109th Annual General Meeting of ANDRITZ AG on March 30, 2016, agreed to a dividend payment of 1.35 EUR per share for the 2015 business year. This is an increase of 35% compared to the previous year (2014: 1.00 EUR per share).

Jürgen Hermann Fechter and Alexander Isola were elected as members of ANDRITZ AG's Supervisory Board for the maximum period stipulated in the Articles of Association (i.e. until the end of the Annual General Meeting deciding on the discharge for the 2021 business year).

#### Share buy-back program

The Executive and Supervisory Boards of ANDRITZ AG resolved on April 13, 2016, to make use of the authorization pursuant to the resolution by the 109th Annual General Meeting of the company on March 30, 2016, to buy back shares pursuant to Article 65 (1), line 8, of the Austrian Corporation Act. Pursuant to the resolution by the Annual General Meeting, up to 10% of the total shares of ANDRITZ AG can be acquired by purchase between April 14, 2016 and September 30, 2018.

#### Own shares

In the first quarter of 2016, a total of 249,000 own shares were bought back under the share buy-back program approved by the Annual General Meeting (details available at [www.andritz.com](http://www.andritz.com)).

#### Investor Relations

During the first quarter of 2016, meetings with national and international institutional investors and financial analysts were held in Amsterdam, Calgary, Frankfurt, London, New York, and Seattle.

**Key figures of the ANDRITZ share**

	<i>Unit</i>	<b>Q1 2016</b>	<b>Q1 2015</b>	<b>2015</b>
Highest closing price	EUR	49.21	57.11	57.49
Lowest closing price	EUR	38.69	44.63	38.14
Closing price (as of end of period)	EUR	48.26	55.68	45.05
Market capitalization (as of end of period)	MEUR	5,018.5	5,790.7	4,685.2
Performance	%	+11.2	+21.0	-2.1
ATX weighting (as of end of period)	%	10.7611	12.3081	9.5854
Average daily number of shares traded	Share unit	428,844	353,894	355,821

Source: Vienna Stock Exchange

**Basic data of the ANDRITZ share**

ISIN code	AT0000730007
First listing day	June 25, 2001
Types of shares	no-par value shares, bearer shares
Total number of shares	104 million
Authorized capital	none
Free float	< 70%
Stock exchange	Vienna (Prime Market)
Ticker symbols	Reuters: ANDR.VI; Bloomberg: ANDR, AV
Stock exchange indices	ATX, ATX five, ATX Global Players, ATX Prime, WBI

**Financial calendar 2016 and 2017 (preliminary)**

May 4, 2016	Results for the first quarter of 2016
August 5, 2016	Results for the first half of 2016
November 4, 2016	Results for the first three quarters of 2016
March 3, 2017	Results for the 2016 business year
March 28, 2017	Annual General Meeting
March 30, 2017	Ex-dividend
March 31, 2017	Record date dividend
April 3, 2017	Dividend payment
May 4, 2017	Results for the first quarter of 2017
August 4, 2017	Results for the first half of 2017
November 3, 2017	Results for the first three quarters of 2017

The financial calendar with updates, as well as information on the ANDRITZ share, can be found on the Investor Relations page at the ANDRITZ web site: [www.andritz.com/share](http://www.andritz.com/share).

**Contact and publisher's note**

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## Disclaimer:

Certain statements contained in this report constitute 'forward-looking statements.' These statements, which contain the words "believe", "intend", "expect", and words of a similar meaning, reflect the Executive Board's beliefs and expectations and are subject to risks and uncertainties that may cause actual results to differ materially. As a result, readers are cautioned not to place undue reliance on such forward-looking statements. The company disclaims any obligation to publicly announce the result of any revisions to the forward-looking statements made herein, except where it would be required to do so under applicable law.

**ANDRITZ**