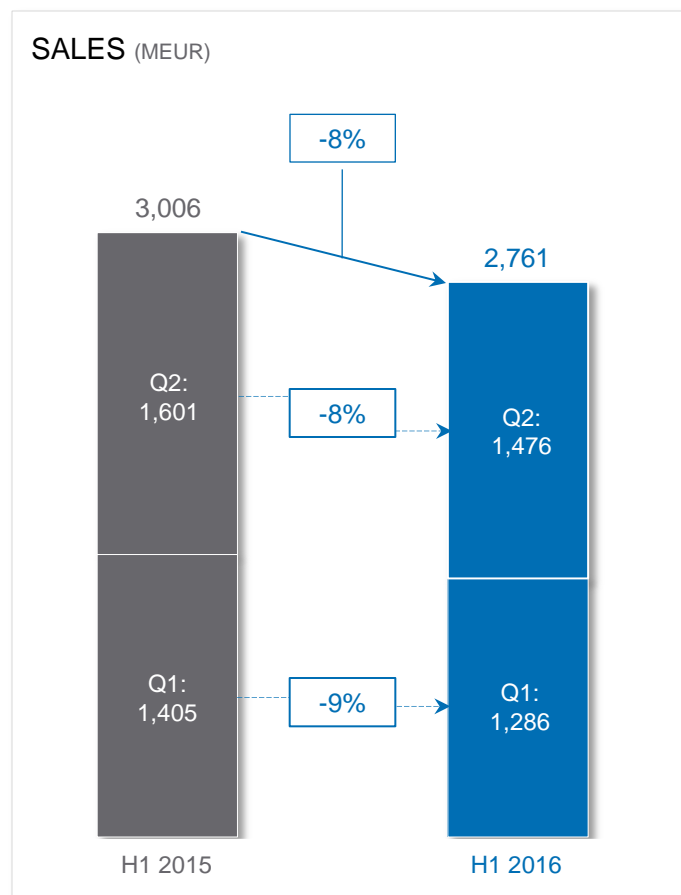




ANDRITZ GROUP: results for H1 2016

August 5, 2016

Group sales down with decline in all four business areas



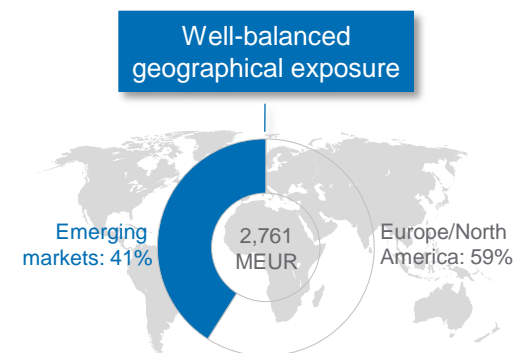
SALES by business area (MEUR)

	H1 2016	H1 2015	+/-	Q2 2016	Q2 2015	+/-
HYDRO	807	866	-7%	439	458	-4%
PULP & PAPER	980	1,044	-6%	523	563	-7%
METALS	704	796	-12%	371	419	-12%
SEPARATION	270	299	-10%	143	161	-11%

SALES by region (%)

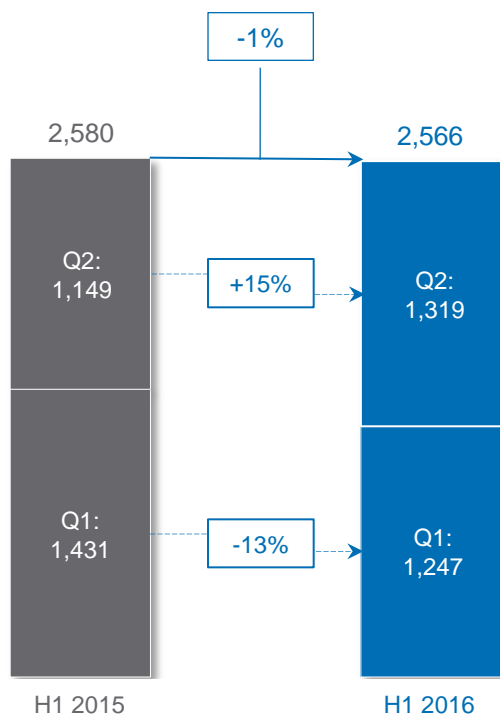
	H1 2016	H1 2015
Europe	38%	37%
North America	21%	19%
South America	14%	15%
China	11%	13%
Asia (without China)	11%	12%
Others*	5%	4%

* Africa and Australia



Increase of Group order intake in Q2 2016, attributable to METALS - Schuler

ORDER INTAKE (MEUR)



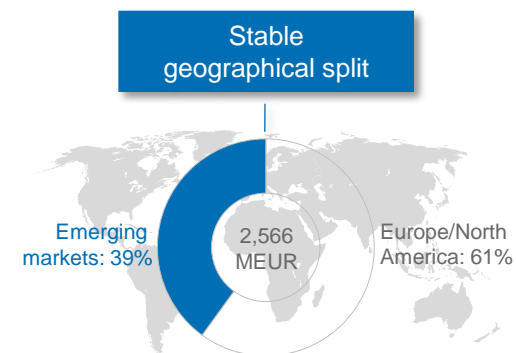
ORDER INTAKE by business area (MEUR)

	H1 2016	H1 2015	+/-	Q2 2016	Q2 2015	+/-
HYDRO	591	795	-26%	339	348	-2%
PULP & PAPER	916	909	+1%	370	447	-17%
METALS	769	595	+29%	469	211	+123%
SEPARATION	290	281	+3%	140	145	-3%

ORDER INTAKE by region (%)

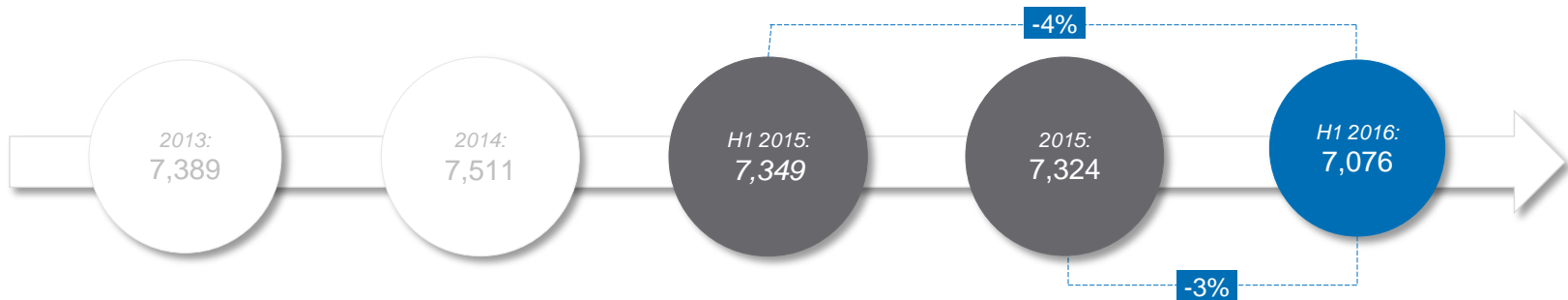
	H1 2016	H1 2015
Europe	42%	44%
China	19%	11%
North America	19%	21%
Asia (without China)	10%	12%
South America	7%	10%
Others*	3%	2%

* Africa and Australia



Group order backlog remains at good level

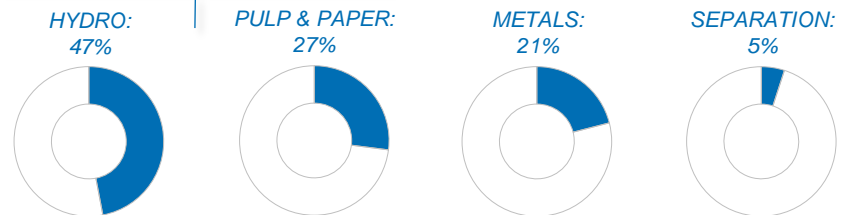
Order backlog (as of end of period in MEUR)



Order backlog by business area (as of end of period in MEUR)

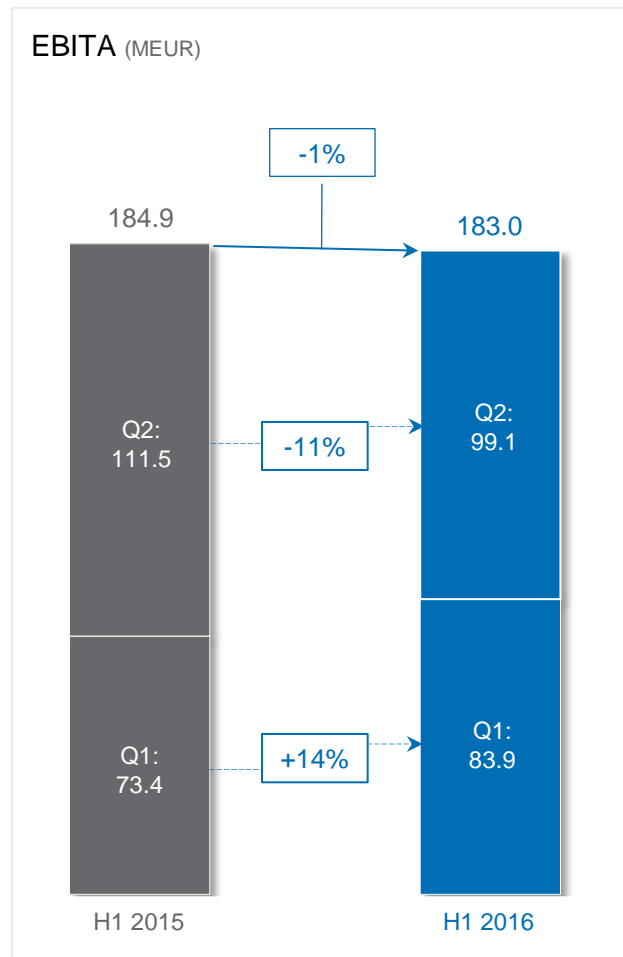
	H1 2016	H1 2015	+/-
HYDRO	3,325	3,750	-11%
PULP & PAPER	1,898	1,809	+5%
METALS	1,488	1,417	+5%
SEPARATION	366	373	-2%

HYDRO and PULP & PAPER account for 74% of total backlog



Earnings and profitability

Satisfactory development in H1 2016



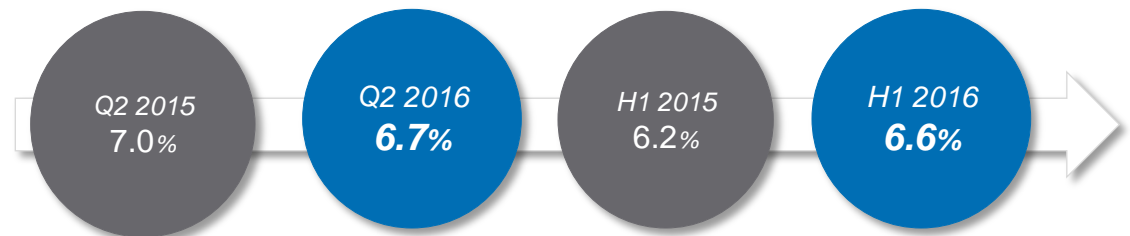
Q2 2016:

- EBITA amounted to 99.1 MEUR (-11.1% vs. Q2 2015: 111.5 MEUR); EBITA margin, at 6.7%, below level of last year (Q2 2015: 7.0%).

H1 2016:

- Despite decline in sales, EBITA, at 183.0 MEUR practically reached level of H1 2015 (-1.0%; 184.9 MEUR). Thus, profitability for H1 2016 increased to 6.6%.

EBITA margin (%)



Key figures Q2/H1 2016 at a glance

	Unit	H1 2016	H1 2015*	+/-	Q2 2016	Q2 2015*	+/-	2015
Order intake	MEUR	2,566.4	2,580.0	-0.5%	1,319.0	1,149.4	+14.8%	6,017.7
Order backlog (as of end of period)	MEUR	7,076.3	7,349.0	-3.7%	7,076.3	7,349.0	-3.7%	7,324.2
Sales	MEUR	2,761.2	3,005.6	-8.1%	1,475.6	1,601.3	-7.8%	6,377.2
EBITDA	MEUR	229.6	230.9	-0.6%	122.9	134.8	-8.8%	534.7
EBITA	MEUR	183.0	184.9	-1.0%	99.1	111.5	-11.1%	429.0
EBIT	MEUR	163.0	159.6	+2.1%	88.8	98.1	-9.5%	369.1
EBT	MEUR	171.8	166.4	+3.2%	96.9	103.8	-6.6%	376.4
Financial result	MEUR	8.9	6.7	+32.8%	8.1	5.6	+44.6%	7.3
Net income (including non-controlling interests)	MEUR	120.3	115.9	+3.8%	67.7	72.1	-6.1%	270.4
Cash flow from operating activities	MEUR	200.6	-7.8	+2,671.8%	33.1	-45.0	+173.6%	179.4
Capital expenditure	MEUR	44.8	36.3	+23.4%	28.3	15.5	+82.6%	101.4
Equity ratio	%	19.8	18.9	-	19.8	18.9	-	21.0
Liquid funds	MEUR	1,358.2	1,363.5	-0.4%	1,358.2	1,363.5	-0.4%	1,449.4
Net liquidity	MEUR	863.0	901.3	-4.2%	863.0	901.3	-4.2%	984.0
Net working capital	MEUR	-232.2	-436.4	+46.8%	-232.2	-436.4	+46.8%	-182.1
EBITDA margin	%	8.3	7.7	-	8.3	8.4	-	8.4
EBITA margin	%	6.6	6.2	-	6.7	7.0	-	6.7
EBIT margin	%	5.9	5.3	-	6.0	6.1	-	5.8
Employees (as of end of period; without apprentices)	-	25,737	24,992	+3.0%	25,737	24,992	+3.0%	24,508

Strong development of operating cash flow mainly due to changes in net working capital

Lower customer advances and payments to sub-suppliers lead to increase in net working capital

* Restated

HYDRO (1): Project and investment activity subdued, however selective larger projects awarded



▲ *Hydropower as renewable energy source – the Limmernboden reservoir in Switzerland*

MODERNIZATIONS/ REHABILITATIONS

Projects postponed until further notice due to unchanged low electricity and energy prices

NEW HYDROPOWER PLANTS

Some new projects in advanced planning phase

SMALL-SCALE HYDROPOWER AND PUMPS

Good project activity

COMPETITION

Challenging market conditions for some selective projects

HYDRO (2)

Market conditions impact order intake in H1 2016

Order intake in H1 2016 significantly down due to difficult market conditions; challenging competition on some selective projects

Sales slightly down

Satisfactory development of earnings and margin despite decline in sales

	ANDRITZ Hydro	Unit	H1 2016	H1 2015	+/-	Q2 2016	Q2 2015	+/-	2015
Order intake	MEUR	591.4	794.7	-25.6%	339.4	347.7	-2.4%	1,718.7	
Order backlog (as of end of period)	MEUR	3,324.8	3,750.1	-11.3%	3,324.8	3,750.1	-11.3%	3,640.9	
Sales	MEUR	807.3	866.3	-6.8%	439.4	458.4	-4.1%	1,834.8	
EBITDA	MEUR	71.8	73.8	-2.7%	40.3	45.8	-12.0%	183.6	
EBITDA margin	%	8.9	8.5	-	9.2	10.0	-	10.0	
EBITA	MEUR	56.0	58.0	-3.4%	32.3	38.1	-15.2%	145.3	
EBITA margin	%	6.9	6.7	-	7.4	8.3	-	7.9	
Employees (as of end of period; without apprentices)	-	7,683	8,588	-10.5%	7,683	8,588	-10.5%	8,230	

PULP & PAPER (1)

Solid project and investment activity

MODERNIZATION AND GREENFIELD

Solid project and investment activity for modernization/refurbishment projects; no contracts were awarded for greenfield pulp mills in Q2 2016

BIOMASS/POWER BOILERS

Unchanged subdued investment activity, especially for power boilers

COMPETITION

Stable competitive environment



▲ *Eldorado pulp mill, Brazil.*

PULP & PAPER (2)

Solid business development

Order intake significantly down compared to Q2 2015 which included a large pulp mill order

Sales down mainly due to lower project-related sales generation in capital business

Satisfactory development of earnings and margin in H1 2016; solid development in Q2 2016

	ANDRITZ Pulp & Paper	Unit	H1 2016	H1 2015	+/-	Q2 2016	Q2 2015	+/-	2015
Order intake	MEUR	916.0	908.9	+0.8%	370.4	446.5	-17.0%	2,263.9	
Order backlog (as of end of period)	MEUR	1,898.4	1,809.0	+4.9%	1,898.4	1,809.0	+4.9%	1,998.6	
Sales	MEUR	980.4	1,043.9	-6.1%	522.8	563.4	-7.2%	2,196.3	
EBITDA	MEUR	90.4	81.7	+10.6%	44.0	48.1	-8.5%	214.8	
EBITDA margin	%	9.2	7.8	-	8.4	8.5	-	9.8	
EBITA	MEUR	78.2	69.9	+11.9%	38.0	42.1	-9.7%	190.9	
EBITA margin	%	8.0	6.7	-	7.3	7.5	-	8.7	
Employees (as of end of period; without apprentices)	-	7,638	7,277	+5.0%	7,638	7,277	+5.0%	7,324	

METALS (1): Continued moderate market, however increasing project activity in metalforming



▲ The new Performer S produces laminations for electric motors and generators with diameters of 80 to 1,800 millimeters.

METALFORMING

Slow market continued, however some selective order awards from automotive OEMs in Q2 2016

STAINLESS STEEL

Unchanged low project activity, only selective investments in emerging markets

ALUMINUM

Project and investment activity below the favorable level of the previous year

COMPETITION

Stable competition at challenging level

METALS (2)

Order intake significantly up, sales, earnings and margin down



Doubling of orders in Q2 2016 compared to the very low figure for the previous year's reference period

Earnings and profitability down mainly due to lower sales generation

Increase mainly due to acquisition of Yadon (991) and AWEBA (580)

	Unit	H1 2016	H1 2015	+/-	Q2 2016	Q2 2015	+/-	2015
Order intake	MEUR	768.7	595.4	+29.1%	469.4	210.5	+123.0%	1,438.6
Order backlog (as of end of period)	MEUR	1,487.5	1,417.4	+4.9%	1,487.5	1,417.4	+4.9%	1,332.5
Sales	MEUR	703.6	796.1	-11.6%	370.6	419.0	-11.6%	1,718.1
EBITDA	MEUR	53.1	60.4	-12.1%	29.2	32.2	-9.3%	104.8
EBITDA margin	%	7.5	7.6	-	7.9	7.7	-	6.1
EBITA	MEUR	38.8	47.2	-17.8%	21.5	25.4	-15.4%	70.5
EBITA margin	%	5.5	5.9	-	5.8	6.1	-	4.1
Employees (as of end of period; without apprentices)	-	7,647	6,317	+21.1%	7,647	6,317	+21.1%	6,160

SEPARATION (1)

Mixed market development continued

ENVIRONMENT AND CHEMICALS

Satisfactory investment activity

MINING AND MINERALS

Satisfactory project activity

FOOD

Low project activity

FEED AND BIOMASS PELLETING

Solid project activity

COMPETITION

Very fragmented market with global and regional competitors



▲ The new ANDRITZ SEPARATION service center in Krefeld serves solid/liquid separation customers in the German and neighboring markets.

SEPARATION (2)

Some profitability improvement in Q2 2016

Order intake practically unchanged compared to Q2 2015; stable development in Q2 2016

Sales significantly down

Improved earnings and margin development, however still not at a satisfactory level

	ANDRITZ Separation	Unit	H1 2016	H1 2015	+/-	Q2 2016	Q2 2015	+/-	2015
Order intake		MEUR	290.3	281.0	+3.3%	139.8	144.7	-3.4%	596.5
Order backlog (as of end of period)		MEUR	365.6	372.5	-1.9%	365.6	372.5	-1.9%	352.2
Sales		MEUR	269.9	299.3	-9.8%	142.8	160.5	-11.0%	628.0
EBITDA		MEUR	14.3	15.0	-4.7%	9.4	8.7	+8.0%	31.5
EBITDA margin		%	5.3	5.0	-	6.6	5.4	-	5.0
EBITA		MEUR	10.0	9.8	+2.0%	7.3	5.9	+23.7%	22.3
EBITA margin		%	3.7	3.3	-	5.1	3.7	-	3.6
Employees (as of end of period; without apprentices)		-	2,769	2,810	-1.5%	2,769	2,810	-1.5%	2,794

Outlook for remainder of 2016

Stable market conditions

ANDRITZ Hydro

Project activity for modernizations and new hydropower stations to continue at subdued level; some medium-sized projects are expected to be awarded in the near future; satisfactory market activity for pumps to continue

ANDRITZ Pulp & Paper

Good project activity for modernizations and capacity increases to continue, however, below the extraordinary high level of 2015

ANDRITZ Metals

Unchanged slow market, however normalization of project activity in metalforming expected

ANDRITZ Separation

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

ANDRITZ GROUP 2016E vs. 2015:

- Decrease of Group sales
- Solid development of profitability