Interim financial report first three quarters of 2010

Q1-Q3

10

ANDRITZ

Key figures of the ANDRITZ GROUP

(According to IFRS)	Unit	Q1-Q3 2010	Q1-Q3 2009	+/-	Q3 2010	Q3 2009	+/-	2009
Order intake	MEUR	3,235.8	2,554.9	26.7%	932.1	842.2	10.7%	3,349.3
Order backlog (as of end of period)	MEUR	5,477.6	4,514.5	21.3%	5,477.6	4,514.5	21.3%	4,434.5
Sales	MEUR	2,458.8	2,330.2	5.5%	896.6	756.1	18.6%	3,197.5
EBITDA[1]	MEUR	202.1	146.7	37.8%	78.9	57.5	37.2%	218.2
EBITA[2]	MEUR	164.9	102.0	61.7%	67.0	45.5	47.3%	164.1
Earnings Before Interest and Taxes (EBIT)	MEUR	156.3	87.1	79.4%	63.5	35.1	80.9%	147.1
Earnings Before Taxes (EBT)	MEUR	160.1	93.7	70.9%	63.7	44.6	42.8%	149.6
Net income (including non-controlling interests)	MEUR	111.6	63.5	75.7%	44.3	29.0	52.8%	102.9
Cash flow from operating activities	MEUR	494.2	344.1	43.6%	155.3	226.5	-31.4%	345.7
Capital expenditure[3]	MEUR	36.7	51.4	-28.6%	14.5	11.2	29.5%	70.5
Fixed assets	MEUR	837.4	724.5	15.6%	837.4	724.5	15.6%	731.4
Current assets	MEUR	2,930.3	2,491.6	17.6%	2,930.3	2,491.6	17.6%	2,577.9
Total shareholders' equity[4]	MEUR	729.1	600.5	21.4%	729.1	600.5	21.4%	663.5
Provisions	MEUR	571.8	514.2	11.2%	571.8	514.2	11.2%	529.9
Other liabilities	MEUR	2,466.8	2,101.4	17.4%	2,466.8	2,101.4	17.4%	2,115.9
Total assets	MEUR	3,767.7	3,216.1	17.2%	3,767.7	3,216.1	17.2%	3,309.3
Equity ratio[5]	%	19.4	18.7	-	19.4	18.7	-	20.0
Net liquidity[6]	MEUR	1,002.3	659.5	52.0%	1,002.3	659.5	52.0%	677.9
Net debt7)	MEUR	-842.8	-494.9	-70.3%	-842.8	-494.9	-70.3%	-505.3
Net working capital[8]	MEUR	-416.9	-157.2	-165.2%	-416.9	-157.2	-165.2%	-104.3
Capital employed[9]	MEUR	24.0	233.2	-89.7%	24.0	233.2	-89.7%	285.9
Gearing[10]	%	-115.6	-82.4	-	-115.6	-82.4	-	-76.2
EBITDA margin	%	8.2	6.3	-	8.8	7.6	-	6.8
EBITA margin	%	6.7	4.4	-	7.5	6.0	-	5.1
EBIT margin	%	6.4	3.7	-	7.1	4.6	-	4.6
Net income/sales	%	4.5	2.7	-	4.9	3.8	-	3.2
Employees (as of end of period, excl. apprentices)	-	14,267	13,176	8.3%	14,267	13,176	8.3%	13,049

1) Earnings Before Interest, Taxes, Depreciation, and Amortization 2) Earnings Before Interest, Taxes, Amortization of identifiable assets acquired in a business combination and recognized separately from goodwill at the amount of 8,635 TEUR for Q1-Q3 2010 (6,836 TEUR for Q1-Q3 2009; 9,109 TEUR for 2009), and impairment of goodwill at the amount of 0 TEUR for Q1-Q3 2010 (8,045 TEUR for Q1-Q3 2009; 7,922 TEUR for 2009) 3) Additions to intangible assets and property, plant, and equipment 4) Total shareholders' equity including non-controlling interests 5) Total shareholders' equity/total assets 6) Cash and cash equivalents plus marketable securities plus fair value of interest rate swaps minus financial liabilities 7) Interest bearing liabilities including provisions for severance payments, pensions, and jubilee payments minus cash and cash equivalents and marketable securities 8) Non-current receivables plus current assets (excluding cash and cash equivalents as well as marketable securities) minus other non-current liabilities and current liabilities (excluding financial liabilities and provisions) 9) Net working capital plus intangible assets and property, plant, and equipment 10) Net debt/total shareholders' equity

Financial calendar 2011 (preliminary)

March 8, 2011	Results for the financial year 2010
March 29, 2011	Annual General Meeting in Graz, Austria
March 30, 2011	Ex-dividend
April 4, 2011	Dividend payment
May 6, 2011	Results for the first quarter of 2011
August 9, 2011	Results for the first half of 2011
November 8, 2011	Results for the first three quarters of 2011

The financial calendar with regular updates can be found on www.andritz.com.

Key figures of the business areas

HYDRO

	Unit	Q1-Q3 2010	Q1-Q3 2009	+/-	Q3 2010	Q3 2009	+/-	2009
Order intake	MEUR	1,541.4	1,378.5	11.8%	391.4	324.0	20.8%	1,693.9
Order backlog (as of end of period)	MEUR	3,509.5	2,969.2	18.2%	3,509.5	2,969.2	18.2%	2,894.5
Sales	MEUR	1,087.7	987.4	10.2%	381.0	337.0	13.1%	1,378.0
EBITDA	MEUR	90.5	81.8	10.6%	32.1	31.0	3.5%	120.9
EBITDA margin	%	8.3	8.3	-	8.4	9.2	-	8.8
EBITA	MEUR	73.9	63.2	16.9%	27.2	26.1	4.2%	100.5
EBITA margin	%	6.8	6.4	-	7.1	7.7	-	7.3
Employees (as of end of period)	-	6,147	5,894	4.3%	6,147	5,894	4.3%	5,993

PULP & PAPER

	Unit	Q1-Q3 2010	Q1-Q3 2009	+/-	Q3 2010	Q3 2009	+/-	2009
Order intake	MEUR	1,075.9	604.4	78.0%	327.2	301.6	8.5%	923.0
Order backlog (as of end of period)	MEUR	1,124.9	692.5	62.4%	1,124.9	692.5	62.4%	778.7
Sales	MEUR	767.7	671.2	14.4%	288.4	205.4	40.4%	903.3
EBITDA	MEUR	63.9	26.3	143.0%	25.6	11.9	115.1%	42.0
EBITDA margin	%	8.3	3.9	-	8.9	5.8	-	4.6
EBITA	MEUR	50.5	7.2	601.4%	21.1	7.0	201.4%	17.5
EBITA margin	%	6.6	1.1	-	7.3	3.4	-	1.9
Employees (as of end of period)	-	4,849	4,396	10.3%	4,849	4,396	10.3%	4,239

METALS

	Unit	Q1-Q3 2010	Q1-Q3 2009	+/-	Q3 2010	Q3 2009	+/-	2009
Order intake	MEUR	196.7	261.7	-24.8%	55.1	116.4	-52.7%	296.2
Order backlog (as of end of period)	MEUR	524.7	656.5	-20.1%	524.7	656.5	-20.1%	564.1
Sales	MEUR	246.3	351.9	-30.0%	84.2	108.3	-22.3%	473.4
EBITDA	MEUR	14.2	20.4	-30.4%	6.4	9.5	-32.6%	23.2
EBITDA margin	%	5.8	5.8	-	7.6	8.8	-	4.9
EBITA	MEUR	12.0	18.4	-34.8%	5.6	9.0	-37.8%	20.5
EBITA margin	%	4.9	5.2	-	6.7	8.3	-	4.3
Employees (as of end of period)	-	968	991	-2.3%	968	991	-2.3%	971

ENVIRONMENT & PROCESS

	Unit	Q1-Q3 2010	Q1-Q3 2009	+/-	Q3 2010	Q3 2009	+/-	2009
Order intake	MEUR	310.9	231.8	34.1%	129.0	78.8	63.7%	305.4
Order backlog (as of end of period)	MEUR	259.7	162.9	59.4%	259.7	162.9	59.4%	139.6
Sales	MEUR	245.6	227.7	7.9%	101.1	75.9	33.2%	322.6
EBITDA	MEUR	24.5	15.5	58.1%	11.3	5.2	117.3%	29.3
EBITDA margin	%	10.0	6.8	-	11.2	6.9	-	9.1
EBITA	MEUR	20.6	11.9	73.1%	9.8	4.0	145.0%	24.6
EBITA margin	%	8.4	5.2	-	9.7	5.3	-	7.6
Employees (as of end of period)	-	1,777	1,380	28.8%	1,777	1,380	28.8%	1,329

FEED & BIOFUEL

	Unit	Q1-Q3 2010	Q1-Q3 2009	+/-	Q3 2010	Q3 2009	+/-	2009
Order intake	MEUR	110.9	78.5	41.3%	29.4	21.4	37.4%	130.8
Order backlog (as of end of period)	MEUR	58.8	33.4	76.0%	58.8	33.4	76.0%	57.6
Sales	MEUR	111.5	92.0	21.2%	41.9	29.5	42.0%	120.2
EBITDA	MEUR	9.2	2.7	240.7%	3.7	-0.1	n. a.	2.8
EBITDA margin	%	8.3	2.9	-	8.8	-0.3	-	2.3
EBITA	MEUR	7.9	1.3	507.7%	3.3	-0.6	650.0%	1.0
EBITA margin	%	7.1	1.4	-	7.9	-2.0	-	0.8
Employees (as of end of period)	-	526	515	2.1%	526	515	2.1%	517

Status report

GENERAL ECONOMIC CONDITIONS

During the third quarter of 2010, the economic environment continued to stabilize in the main economic regions of the world, although there were substantial regional differences. While the emerging markets continued to see strong economic growth, particularly in Asia and South America, the economies in Europe and the USA remained weak; there is no evidence of sustained and strong economic recovery in either region.

In the USA, the real estate market was still very moderate during the reporting period. The labor market also remained weak, with persistently high unemployment figures of approximately 9.6% and stagnation in the number of new jobs created. Due to the unchanged difficult situation in the labor market, no real economic stimulus can be expected from private consumption, which is the largest contributor to the US gross domestic product.

In Europe, economic development was also very weak in the third quarter of 2010, remaining at a very moderate level. While domestic consumption was still stagnating in most countries in the euro zone, exports saw very positive development due to considerable demand coming from the emerging markets.

The economies in Asia and the other large emerging economic regions continued their solid development of the previous quarters also during the reporting period. Particularly in South America, India, and China, the economic development was very favorable due to the continuing high domestic demand in these countries.

Source: OECD

BUSINESS DEVELOPMENT

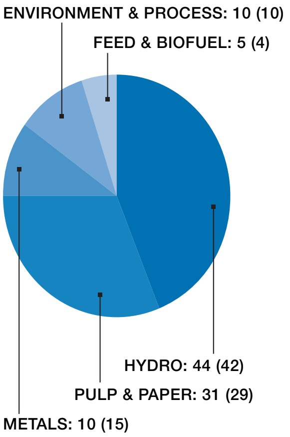
Sales

Sales of the ANDRITZ GROUP during the third quarter of 2010 amounted to 896.6 MEUR, thus 18.6% higher compared to the reference period of last year (Q3 2009: 756.1 MEUR). With the exception of METALS, all business areas noted a significant increase of sales compared to last year's reference period:

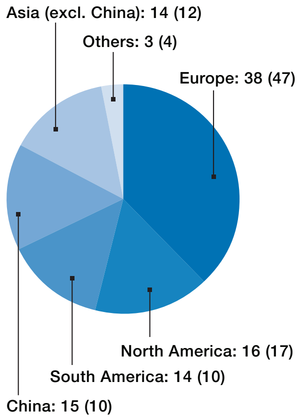
- HYDRO: 381.0 MEUR (+13.1% vs. Q3 2009)
- PULP & PAPER: 288.4 MEUR (+40.4% vs. Q3 2009)
- METALS: 84.2 MEUR (-22.3% vs. Q3 2009)
- ENVIRONMENT & PROCESS: 101.1 MEUR (+33.2% vs. Q3 2009)
- FEED & BIOFUEL: 41.9 MEUR (+42.0% vs. Q3 2009)

Group sales in the first three quarters of 2010 were 2,458.8 MEUR, thus 5.5% higher than in the reference period of last year (Q1-Q3 2009: 2,330.2 MEUR). While sales in the METALS business area declined compared to the reference value of the previous year (-30.0%), they increased in all other business areas, especially in HYDRO (+10.2%), PULP & PAPER (+14.4%), and FEED & BIOFUEL (+21.2%).

Sales by business area
Q1-Q3 2010 (Q1-Q3 2009) in %



Sales by region
Q1-Q3 2010 (Q1-Q3 2009) in %



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

	Q1-Q3 2010	Q1-Q3 2009	Q3 2010	Q3 2009
ANDRITZ GROUP	**29**	27	**28**	27
HYDRO	**24**	24	**24**	23
PULP & PAPER	**40**	41	**37**	42
METALS	**8**	3	**7**	3
ENVIRONMENT & PROCESS	**31**	28	**32**	28
FEED & BIOFUEL	**44**	57	**41**	56

Order intake

The order intake for the ANDRITZ GROUP developed satisfactorily during the third quarter of 2010. At 932.1 MEUR, it increased by 10.7% compared to the third quarter of 2009 (842.2 MEUR). With the exception of the METALS business area, which continues to be impacted by the difficult project situation in the international steel industry, all business areas were able to increase their order intake in comparison with the reference figures of the previous year.

In the HYDRO business area, order intake rose by 20.8% compared to last year's reference period and amounted to 391.4 MEUR in the third quarter of 2010 (Q3 2009: 324.0 MEUR).

The PULP & PAPER business area also achieved a satisfactory development in order intake, which rose to 327.2 MEUR in the reporting period (Q3 2009: 301.6 MEUR).

Order intake of the METALS business area, at 55.1 MEUR, was significantly below the reference value of last year (Q3 2009: 116.4 MEUR), which was influenced by receipt of several large orders.

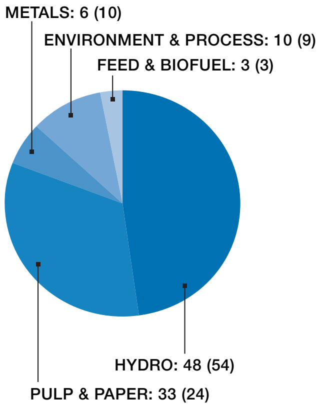
Order intake in the ENVIRONMENT & PROCESS business developed very favorably: at 129.0 MEUR in the third quarter of 2010, order intake was 63.7% higher than the previous year's reference figure (Q3 2009: 78.8 MEUR). This increase is due to both strong organic growth and first-time consolidation of acquired companies in this area.

The FEED & BIOFUEL business area reached an order intake of 29.4 MEUR, thus showing a significant increase of 37.4% compared to the previous year's reference figure (Q3 2009: 21.4 MEUR).

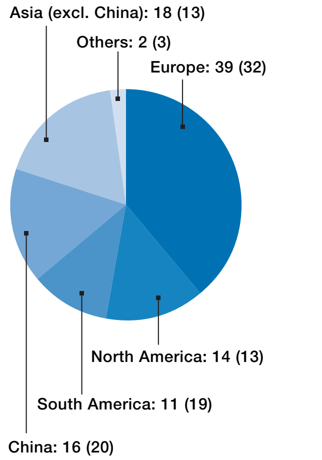
Order intake of the ANDRITZ GROUP during the first three quarters of 2010 amounted to 3,235.8 MEUR and was thus 26.7% higher compared to last year's reference period (Q1-Q3 2009: 2,554.9 MEUR). With the exception of the METALS business area, order intake in all business areas increased substantially in the first three quarters of 2010 compared to the reference figures of the previous year:

- HYDRO: 1,541.4 MEUR (+11.8% vs. Q1-Q3 2009)
- PULP & PAPER: 1,075.9 MEUR (+78.0% vs. Q1-Q3 2009)
- METALS: 196.7 MEUR (-24.8% vs. Q1-Q3 2009)
- ENVIRONMENT & PROCESS: 310.9 MEUR (+34.1% vs. Q1-Q3 2009)
- FEED & BIOFUEL: 110.9 MEUR (+41.3% vs. Q1-Q3 2009)

Order intake by business area
Q1-Q3 2010 (Q1-Q3 2009) in %



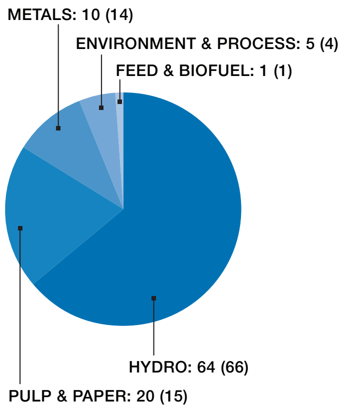
Order intake by region
Q1-Q3 2010 (Q1-Q3 2009) in %



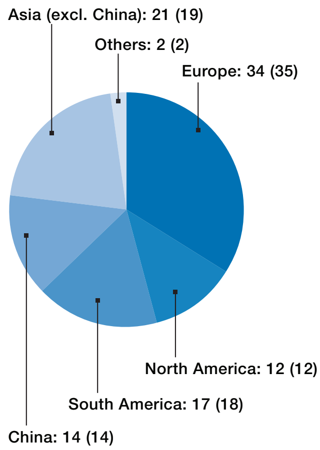
Order backlog

Order backlog of the Group as of September 30, 2010 amounted to 5,477.6 MEUR, thus increasing compared to the reference values as of September 30, 2009 (4,514.5 MEUR: +21.3%) and as of December 31, 2009 (4,434.5 MEUR: +23.5%).

Order backlog by business area
as of September 30, 2010
(September 30, 2009) in %



Order backlog by region
as of September 30, 2010
(September 30, 2009) in %



Earnings

Earnings (EBITA) of the ANDRITZ GROUP developed very satisfactorily during the third quarter of 2010: At 67.0 MEUR, they were 47.3% higher than in the previous year's reference period (Q3 2009: 45.5 MEUR), and, thus, increased significantly stronger than sales. Profitability (EBITA margin) rose to 7.5% during the third quarter of 2010 (Q3 2009: 6.0%). While the PULP & PAPER, ENVIRONMENT & PROCESS, and FEED & BIOFUEL business areas reached significant increases in profitability compared to last year's reference figures, profitability of the HYDRO and METALS business areas declined compared to the very high level of Q3 2009 – however, reaching solid levels (HYDRO: 7.1% in Q3 2010 vs. 7.7% in Q3 2009; METALS: 6.7% in Q3 2010 vs. 8.3% in Q3 2009).

EBITA of the Group during the first three quarters of 2010, at 164.9 MEUR, was 61.7% higher than in last year's reference period (Q1-Q3 2009: 102.0 MEUR; 126.3 MEUR excluding restructuring expenses); EBITA margin also developed favorably and amounted to 6.7% during the first three quarters of 2010 (Q1-Q3 2009: 4.4%; 5.4% excluding restructuring expenses).

The financial result of the ANDRITZ GROUP amounted to 3.8 MEUR during the first three quarters of 2010 and was thus well below the reference value for the previous year (Q1-Q3 2009: 6.6 MEUR) which was positively impacted by price gains of sold money market funds in the third quarter of 2009.

Net income of the Group (excluding non-controlling interests) amounted to 114.6 MEUR during the first three quarters of 2010, thus nearly doubling compared to the reference figure for the previous year (Q1-Q3 2009: 59.6 MEUR).

Net worth position and capital structure

Total assets of the ANDRITZ GROUP increased to 3,767.7 MEUR as of September 30, 2010 (December 31, 2009: 3.309,3 MEUR); the equity ratio amounted to 19.4% (December 31, 2009: 20.0%).

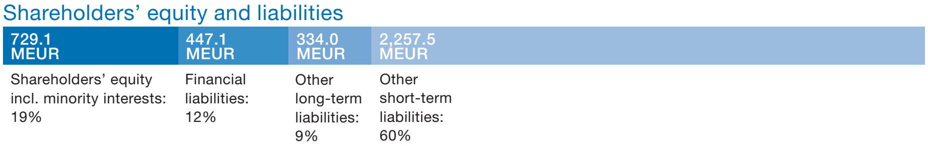
Liquid funds (cash and cash equivalents plus marketable securities) amounted to 1,421.3 MEUR as of September 30, 2010 (December 31, 2009: 1,082.1 MEUR). The net liquidity (liquid funds plus fair value of interest rate swaps minus financial liabilities) increased to 1,002.3 MEUR, thus also substantially higher than at the end of last year (December 31, 2009: 677.9 MEUR).

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

- Credit lines: 225 MEUR, thereof 64 MEUR utilized
- Surety lines: 4,209 MEUR, thereof 2,121 MEUR utilized

Assets

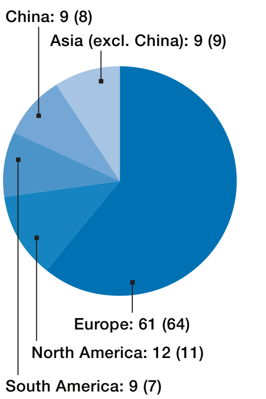
Shareholders' equity and liabilities



Employees

As of September 30, 2010, the number of the Group's employees amounted to 14,267 (September 30, 2009: 13,176 employees). This rise is mainly due to the acquisition of companies.

Employees by region as of September 30, 2010 (September 30, 2009) in %



Acquisition

Via a capital increase, ANDRITZ has acquired a 33.3% stake in the Norwegian company Hammerfest Strøm AS, including its subsidiary Hammerfest Strøm UK Ltd. based in Glasgow, Scotland. Hammerfest Strøm is one of the world's leading companies in power generation from tidal currents occurring in coastal waters.

New Executive Board responsibilities as of April 2011

Due to the retirement of Franz Hofmann on March 31, 2011, who has been a member of the Executive Board of ANDRITZ AG since 1999, the Supervisory Board of ANDRITZ AG took the following resolutions effective as of April 1, 2011:

- Wolfgang Semper will become a new member of the Executive Board and will be responsible for the HYDRO business area (together with Friedrich Papst) and for Automation on a Group-wide level. Wolfgang Semper has successfully headed the 'Large Hydro' division of the HYDRO business area of ANDRITZ.
- Friedrich Papst, who is responsible for the HYDRO and the FEED & BIOFUEL business areas, will additionally assume responsibility for the METALS business area.
- Humbert Köfler, who is responsible for the Service & Units segment of the PULP & PAPER business area, will additionally assume responsibility for the ENVIRONMENT & PROCESS business area.

The responsibility areas of Wolfgang Leitner, President and Chief Executive Officer, and of Karl Hornhofer, member of the Executive Board, will remain unchanged.

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

The ANDRITZ GROUP has a long-established Group-wide risk management system whose goal is to identify nascent risks early and to take countermeasures, if necessary. This is an important element of active risk management within the Group. However, there is no guarantee that the monitoring and risk control systems are sufficiently effective.

The essential risks for the business development of the ANDRITZ GROUP during the remaining months of the financial year 2010 relate above all to: the Group's dependence on the general economic development and the development of the industries it serves; whether major orders are received and the risks they entail; and whether adequate sales proceeds are realized from the high order backlog. Furthermore, unexpected cost increases as well as difficulties in achieving the guaranteed performance parameters in the plants supplied by ANDRITZ also pose substantial risks. The impact of the financial crisis and economic slowdown in the main economic regions of the world also constitute a serious risk for the ANDRITZ GROUP's financial development. The global economic weakness may lead to further delays in the execution of existing orders and to the postponement or cancellation of projects. Cancellations of existing contracts could adversely affect the ANDRITZ GROUP's order backlog, which would in turn have a negative impact on utilization of the Group's manufacturing capacities.

The global financial and economic crisis may also necessitate complete or partial impairments of single goodwill created in the course of acquisitions if the business development goals cannot be reached. This may influence the earnings development of the ANDRITZ GROUP. In addition, there is always some risk that partial or full provisions 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, but individual payment failures can have a substantial negative impact on earnings development of the Group. Risks related to deliveries to countries with medium to high political risks typically are also insured to a large extent. Interest and exchange rate risks are minimized and controlled by derivative financial instruments, in particular forward exchange contracts and swaps. Net currency exposure of orders in foreign currencies (mainly US dollar, Canadian dollar, and Swiss franc) is hedged by forward contracts. Cash flow risks are monitored via monthly cash flow reports.

The ANDRITZ GROUP's position in terms of liquidity is very good; the Group has sufficient liquidity reserves and secures access to liquidity. 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). Nevertheless, if one or more banks were to become insolvent, this would have a considerable negative influence on earnings development and shareholders' equity of the ANDRITZ GROUP. Furthermore, a downgrading of ANDRITZ's credit rating by several banks can limit the financial scope of ANDRITZ, especially regarding surety lines to be issued.

Cash is largely invested in low-risk financial assets, such as government bonds, government-guaranteed bonds, investment funds to cover pension obligations, or term deposits. However, the financial market crisis and its effects may lead to unfavorable price developments for various securities in which the Group has invested (e.g. money market funds, bonds), or make them non-tradeable. 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.

For further information on the risks for the ANDRITZ GROUP, see the ANDRITZ annual financial report 2009.

Effects from exchange rates

Changes in exchange rates are hedged by forward rate contracts.

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

During the first three quarters of 2010, no major business transactions were conducted with related persons and companies.

Significant events after September 30, 2010

The status of the global economy and the financial markets did not change substantially in the period between the date of the balance sheet and publication of this report.

Outlook for the ANDRITZ GROUP

Leading economic experts expect no major changes in economic environment in the most important regions of the world for the remaining months of 2010. While the economies in the emerging markets, particularly China and South America, should continue their very robust development, economic development in the USA and Europe is expected to remain at a more moderate level. A strong and sustained recovery is not expected in these two economic regions during the next months.

Based on the prevailing economic environment and the current project activity in ANDRITZ's relevant markets, the expectations of the ANDRITZ GROUP for its economic development in the coming quarters have not changed. Continuing positive market development is expected for the HYDRO business area in the coming months. Also in the PULP & PAPER business area, a stable project activity is expected, particularly for greenfield plants in the emerging markets. The ENVIRONMENT & PROCESS and the FEED & BIOFUEL business areas should also see satisfactory development. In the METALS business area, the generally moderate project activity is expected to continue.

In view of the present financial results for the first three quarters of 2010, the ANDRITZ GROUP expects sales in the full year 2010 to slightly increase compared to the full year of 2009. Cost savings resulting from the restructuring measures initiated in 2009 should have a positive impact on the net income.

If, however, the global economy weakens again in the coming months, a negative impact can be expected on the order intake, as well as on the future development of sales and earnings of the ANDRITZ GROUP. This may create a need for further restructuring measures that will affect the 2010 earnings development accordingly.

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 status report for the first three quarters of 2010 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 nine 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 three 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, November 8, 2010

The Executive Board of ANDRITZ AG

Wolfgang Leitner (President and CEO)	Franz Hofmann	Karl Hornhofer	Humbert Köfler	Friedrich Papst

HYDRO

MARKET DEVELOPMENT

In the third quarter of 2010, project activity for hydropower equipment remained high worldwide. Investment activity in Europe and North America continued to focus mainly on modernization and rehabilitation of existing capacities, and on pumped storage power stations in order to stabilize the grid. The market for small-scale hydropower plants (Compact Hydro) also saw very positive development – mainly in Turkey where this market has been privatized.

In the emerging markets, led by South America and Asia (particularly India), many new hydropower projects are currently being implemented or are in the project phase. The key drivers are the strong economic growth in these regions, as well as efforts to become less dependent on fossil fuels.

Project activity for pumps for irrigation, drinking water transport, and the power plant sector continued to be strong during the reporting period. Investment activity was high, especially in Asia (above all in India).

IMPORTANT EVENTS

In British Columbia, the first privately financed hydropower plant in Canada successfully went into operation during the reporting period: The ANDRITZ HYDRO scope of supply comprised four units (2 x 73 MW for East Toba, 2 x 44 MW for Montrose Creek), as well as governors and excitation systems. The design of these plants has fully taken into account the particularly comprehensive local regulations to protect flora and fauna.

The largest air-cooled turbo generator ever built by the business area was delivered during the reporting period. This generator for Pilar thermal power station in Argentina has a total weight of 250 t. The scope of supply includes design engineering, manufacture, works testing, excitation, and automation systems.

In the reporting period, ANDRITZ has acquired a 33.3% stake in Hammerfest Strøm AS, Norway (see status report).

IMPORTANT ORDERS

VERBUND AUSTRIAN Hydropower AG commissioned the business area to supply the two 240 MVA generators, including excitation system, for Reisseck II power station, Austria.

ANDRITZ HYDRO was awarded an order for the entire electromechanical equipment for Somplago power station by the Italian utility company Edipower.

In Brazil, the business area received an order from Eletrosul Centrais Elétricas S.A. for refurbishment of the three 25.7 MW Kaplan turbines at Passo São João hydropower plant.

The Turkish company Akfen Enerji awarded ANDRITZ HYDRO orders for supply and start-up of the Dogancay, Princlik, Kavakcali, and Yagmur compact hydropower plants. The scope of supply includes six Kaplan, five Francis, and two Pelton turbines.

The business area will supply the electromechanical equipment for the new Paracambi hydropower plant ordered by the Brazilian company Orteng. The scope of supply includes two 12.8 MW Kaplan turbines and two 14.6 MVA synchronous generators.

In Uzbekistan, the business area will carry out rebuilds of two vertical volute pumps for a pumping station. The order incorporates model testing, supply, supervision of erection work, and start-up. The pumps are part of a pumping station for irrigation of agricultural land.

Further important orders at a glance

Country	Customer	Scope of supply/Project description
China	Kunming	Supply of three 68 MW Pelton turbines for Gonggeer power station
Italy	U.E.I. S.p.A.	Refurbishment of three Kaplan turbines for Tavagnasco power station
Norway	Statkraft	Supply of hydraulic steel structures for Eriksdal power station
South Korea	GS	Turbine for Haman compact hydropower plant
South Korea	Samsung C&T Corporation	Electromechanical equipment for Yeoju compact hydropower plant
Vietnam	Nam Lum Hydro Power JSC	Electromechanical equipment for Suoilum-1 compact hydropower plant

PULP & PAPER

MARKET DEVELOPMENT

The international pulp market showed a stable development during the third quarter of 2010. In spite of plant shutdowns in the pulp processing industry due to summer vacation and scheduled service works, the demand for pulp remained solid due to relatively full order books in the paper industry. Also, pulp inventories stayed at a very low level during the reporting period, with the price for NBSK (Northern Bleached Softwood Kraft Pulp) remaining stable in a narrow range from approximately 950 to 980 US dollars per ton in the third quarter of 2010. For European pulp purchasers, pulp prices fell slightly due to the renewed strength of the Euro against the US dollar.

Prices for hardwood pulp (birch and eucalyptus) declined slightly during the reporting period. As a result of the slight drop in demand, particularly from China, South American pulp producers lowered the price of eucalyptus pulp by approximately 50 US dollars per ton in August 2010. At the end of September 2010 the price was stable at around 870 US dollars.

Project activity for pulp and paper equipment was good worldwide in the third quarter of 2010. Some orders were awarded for modernization projects and capacity increases, particularly in Europe and North America. In South America, planning work continued on new pulp mill projects to be implemented in the medium term.

IMPORTANT EVENTS

The recovery boiler rebuild project for Domtar, Canada was successfully completed.

Reno de Medici, Italy started up the first PrimeFlow SW Headbox, while APP's Perawang Mill in Indonesia started up the first PrimeDry Steel Yankee cylinder.

Three pressurized refiner systems were started up in China during the quarter: for Fujian Yongan Forestry (Group) Joint Stock Co., Ltd., Plantation Timber Products (Leshan) Ltd., and Baoshan Corporation (Group).

ANDRITZ acquired a 50% stake in Modul Systeme Engineering AG, a supplier of second-hand plants and second-hand machinery for the panelboard industry.

IMPORTANT ORDERS

E.ON selected the business area to supply a 70 MW biomass boiler for one of Sweden's largest biofuel-fired cogeneration plants.

For the Hengan Group in China, ANDRITZ PULP & PAPER will deliver four new tissue machines, stock preparation systems, approach flow systems, and automation.

For PT-Tanjungenim Lestari Pulp and Paper, Indonesia, the business area will deliver upgraded wood handling systems and upgrades to the fiberline.

For Nanhua Sugar Group Co. Ltd., China ANDRITZ PULP & PAPER will deliver equipment for washing, screening, and bleaching in a greenfield mill for the production of bagasse pulp.

For Dalkia Poznan ZEC S.A., Poland, the business area will convert a coal-fired boiler to a bubbling fluidized bed biomass boiler.

The business area will deliver key components (calendering systems, film press, coating, drying) for a new paper machine for An Hoa Paper Joint Stock Company in Vietnam for the production of high quality coated papers.

The business area will deliver a new PrimeLine tissue machine to Ganzhou Hwagain Paper, China. The order includes complete stock preparation and a machine control system.

For Shouguang Meilun Paper Co., Ltd., the business area will deliver the world's largest stock preparation plant for the production of packaging grades and board with a capacity of 2,450 t/d.

IMAL S.r.l., Italy ordered a RotaBarker™ debarking system and a pressurized refining system for MDF production for their client, JSC Vitebskdrev, Belarus.

Shandong Huatai, China signed an annual service contract to improve machine runnability and increase fabric life with the business area's Geoflex X Triple Layer forming fabrics.

Further important orders at a glance

Country	Customer	Scope of supply/Project description
Canada	Tembec	Refiner rebuild
Chile	CMPC Santa Fe	White liquor oxidation
China	Yan Cheng Dong Nan Panelboard Co., Ltd.	MDF pressurized refining
China	Hebei Kaiyue Wen An County Tianhua Density Board Co., Ltd.	MDF pressurized refining
China	Hebei Shenzhou Changcheng Wood Industry Development Co., Ltd.	MDF pressurized refining and constant feeder
China	Gold Hong Ye Paper Co., Ltd.	Stock preparation for tissue machine
China	Shandong Huajin Group Co., Ltd.	Two approach systems
China	Chongqing WeiErMei Paper Co., Ltd.	Stock preparation for tissue machiner
Germany	UPM GmbH	TwinFlo refiners
India	ITC Limited	FibreFlow® drum; dispersion
Indonesia	PT. Pabrik Kertas Tjiwi Kimia	Stock preparation
Japan	Marutomi Paper Manufacturing Co. Ltd.	FibreFlow® drum
Sweden	Stora Enso	Dryer rebuild
Uruguay	UPM S.A.	Fiberline capacity increase

METALS

MARKET DEVELOPMENT

The market for steel and stainless steel equipment continued to be subdued in the third quarter of 2010. In spite of relatively good global capacity utilization of steel plants, project activity remained moderate. The persistent uncertainty regarding the economic development in the next few quarters and the slight drop in steel prices influenced by over-capacities in certain segments have prompted many steel producers to postpone their investments for the time being. The few orders awarded, particularly in Asia, were mainly focused on the stainless steel sector.

IMPORTANT EVENTS

The business area successfully handed over an annealing and pickling line for cold-rolled steel strip with an annual capacity of 370,000 t, as well as a reversing skin-pass mill, to Baosteel Stainless Steel Branch, China. In addition, a Pyromars mixed acid regeneration plant was handed over to this customer. ANDRITZ Pyromars is the only process worldwide to guarantee recovery of free and bound acids; in addition to protecting the environment, the customer can also significantly reduce the costs for purchase of pickling acids and for their disposal.

Pickling and annealing line no. 4 supplied by ANDRITZ METALS to Yieh United Steel Corporation in Kaohsiung, Taiwan, was handed over successfully. With an annual capacity of 220,000 t, this line specially designed for ferritic cold-rolled strip, with integrated skin-pass mill, meets the highest demands on product quality.

The pickling section of an annealing and pickling line was handed over to Electrical Steel Department POSCO, China. This line produces 352,000 t of silicon steel annually and is fitted with a device for silicon removal and flushing with caustic soda.

The second expansion stage of the heat-treatment plant for railway wheels delivered to Nizhniy Tagil Iron & Steel Works (NTMK), Russia, a member of the EVRAZ Group, was also handed over successfully. The plant supplied by ANDRITZ Maerz is used for heat-treatment of high-quality railway wheels for the Russian railways and now achieves a production capacity of 100 wheels per hour.

ANDRITZ Maerz handed over a double walking beam furnace with an overall length of approximately 40 m to DanSteel A/S, Denmark for heat treatment of high-grade metal sheets (maximum capacity 30 t/h). DanSteel's customers include the international shipbuilding and wind turbine industries.

IMPORTANT ORDERS

Bonatrans, Czech Republic commissioned the business area to supply a plant for heat treatment and tempering of all kinds of wheels for rail transport (heavy-duty railway wheels, subway train and streetcar wheels, as well as wheels for freight traffic).

ANDRITZ METALS is to install a hydrochloric acid regeneration plant with a capacity of 10,000 l/h for Liuzhou Iron and Steel, China.

Further important orders at a glance

Country	Customer	Scope of supply/Project description
Germany	Hugo Vogelsang	Modernization of 20-high rolling mills
Germany	Diehl Metal Stiftung & Co. KG	Sister machine to a high-performance automatic punching machine with a pressing force of 8,000 kN delivered previously

ENVIRONMENT & PROCESS

MARKET DEVELOPMENT

The market for dewatering plants developed satisfactorily worldwide during the third quarter of 2010. Strong demand was noted particularly in Europe and Asia, especially in China.

The industrial process applications sector also showed considerable investment activity. The most active areas were the mining as well as the petrochemical industries, particularly in China, India, Russia, and the Middle East.

Project activity for sludge drying plants in the municipal sector remained moderate. In contrast, there was satisfactory project activity for industrial drying plants.

IMPORTANT ORDERS

Chang Chon Plastics, China awarded the business area a contract to supply four centrifuges for the production of Bisphenol A, a precursor in the production of polycarbonate.

To OPSC, China, recently acquired ANDRITZ KMPT will supply several multi-cell pressure drum filters for production of PTA (Purified Terephthalic Acid), a precursor in the production of polyester.

Southern Company, USA, ordered six large fluidized bed drying lines for brown coal for a new power generation facility located in Kemper County in Mississippi, USA.

Uralkali, the largest producer of mineral fertilizer in Russia, commissioned the business area to supply two drying lines for potash. ANDRITZ ENVIRONMENT & PROCESS has already successfully supplied four drying lines to this customer.

Following completion of the research and development work on a new conical screen bowl centrifuge, the first orders for this centrifuge were booked in the USA and in Australia.

Further important orders at a glance

Country	Customer	Scope of supply/Project description
Brazil	Vale – Salobo	Supply of two filter presses
China	Donglutian Coal	Eight vibrating screen centrifuges
China	Shanghai Municipal Sewerage Company Ltd.	Spare parts for the Bailonggang plant
China	Jiangsu Golden Bridge	Supply of a fluid bed dryer
Spain	Granollers	Supply of a drying drum, including inspection and supervision of erection work

FEED & BIOFUEL

MARKET DEVELOPMENT

During the third quarter of 2010, project activity in the animal feed sector developed favorably, especially in South America, Asia, and Eastern Europe. In Western Europe, several projects for plant expansions and greenfield plants have been released by customers for further development. In the aquatic feed industries, project activity continued at a solid level, especially in Asia and South America.

The market for biomass/wood pelleting equipment continued to show good project activity, especially in Europe, North America, and to an increasing extent also in the emerging regions in South America and Asia.

IMPORTANT EVENTS

A complete processing line for animal feed production was successfully commissioned for Lifland, Iceland. With this greenfield plant (capacity 50,000 t/a), Lifland will cover nearly 60% of total animal feed production in Iceland.

Several extrusion lines, including the highly energy-efficient Combizone dryers, were successfully started up for customers in the aquatic feed industries in Asia and Europe, as well as in the pet food industries in Europe and South America.

A number of medium-sized wood pelleting plants in North America were successfully handed over during the reporting period.

IMPORTANT ORDERS

A number of orders for animal feed pelleting lines were awarded from customers in several regions, especially in South America, Asia, and Eastern Europe. Amongst them is the order for the supply of a 2 x 30 t/h process line for poultry feed for a new feed mill in South America.

The business area secured several orders for the supply of extrusion and drying lines from customers in the aquatic feed and pet food industries in Europe, South America, and Asia during the third quarter of 2010.

In the sector of biomass/wood pelleting equipment, the business area received an order for supply of the wood pelleting lines for the new large pelleting plant of Pinnacle Pellet, Canada. Several orders for medium-sized biomass pelleting lines were received from other regions.

CONSOLIDATED FINANCIAL STATEMENTS OF THE ANDRITZ GROUP

Consolidated statement of financial position

as of September 30, 2010 (condensed, unaudited)

(in TEUR)	September 30, 2010	December 31, 2009
ASSETS		
Intangible assets	59,041	44,218
Goodwill	246,302	219,894
Property, plant, and equipment	381,812	345,990
Shares in associated companies	21,404	9,397
Other investments	21,425	22,682
Non-current receivables and other non-current assets	49,276	37,807
Deferred tax assets	107,413	89,171
Non-current assets	**886,673**	**769,159**
Inventories	373,532	319,880
Advance payments made	111,843	98,211
Trade accounts receivable	445,327	454,691
Cost and earnings of projects under construction in excess of billings	293,065	383,887
Other current receivables	235,931	201,378
Marketable securities	424,237	372,545
Cash and cash equivalents	997,084	709,532
Current assets	**2,881,019**	**2,540,124**
TOTAL ASSETS	**3,767,692**	**3,309,283**
SHAREHOLDERS' EQUITY AND LIABILITIES		
Share capital	104,000	104,000
Capital reserves	36,476	36,476
Retained earnings	559,699	488,874
Equity attributable to shareholders of the parent	**700,175**	**629,350**
Non-controlling interests	**28,912**	**34,142**
Total shareholders' equity	**729,087**	**663,492**
Bonds – non-current	378,052	371,553
Bank loans and other financial liabilities – non-current	24,318	21,956
Obligations under finance leases – non-current	8,697	736
Provisions – non-current	223,027	209,856
Other liabilities – non-current	17,145	23,303
Deferred tax liabilities	93,840	89,955
Non-current liabilities	**745,079**	**717,359**
Bank loans and other financial liabilities – current	35,244	31,110
Obligations under finance leases – current	772	366
Trade accounts payable	279,263	260,337
Billings in excess of cost and earnings of projects under construction	896,184	722,839
Advance payments received	69,467	49,466
Provisions – current	348,807	320,088
Liabilities for current taxes	40,139	34,832
Other liabilities – current	623,650	509,394
Current liabilities	**2,293,526**	**1,928,432**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**3,767,692**	**3,309,283**

Consolidated income statement

for Q1-Q3 2010 (condensed, unaudited)

(in TEUR)	Q1-Q3 2010	Q1-Q3 2009	Q3 2010	Q3 2009
Sales	**2,458,845**	**2,330,240**	**896,694**	**756,152**
Changes in inventories of finished goods and work in progress	29,058	(4,056)	(130)	(40,553)
Capitalized cost of self-constructed assets	1,014	497	264	246
	2,488,917	**2,326,681**	**896,828**	**715,845**
Other operating income	49,077	39,585	8,509	11,529
Cost of materials	(1,388,515)	(1,308,881)	(501,117)	(384,419)
Personnel expenses	(610,409)	(579,416)	(210,424)	(179,254)
Other operating expenses	(336,996)	(331,292)	(114,904)	(106,181)
Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA)	**202,074**	**146,677**	**78,892**	**57,520**
Depreciation, amortization and impairment of intangible assets and property, plant, and equipment	(45,766)	(51,521)	(15,373)	(14,320)
Impairment of goodwill	0	(8,045)	0	(8,045)
Earnings Before Interest and Taxes (EBIT)	**156,308**	**87,111**	**63,519**	**35,155**
Income/(expense) from associated companies	728	818	155	187
Interest result	2,755	1,673	56	806
Other financial income/(expense), net	345	4,137	26	8,501
Financial result	**3,828**	**6,628**	**237**	**9,494**
Earnings Before Taxes (EBT)	**160,136**	**93,739**	**63,756**	**44,649**
Income taxes	(48,500)	(30,227)	(19,374)	(15,678)
NET INCOME	**111,636**	**63,512**	**44,382**	**28,971**
Thereof attributable to:				
Shareholders of the parent company	114,618	59,592	47,335	27,051
Non-controlling interests	(2,982)	3,920	(2,953)	1,920
Weighted average number of no-par value shares	51,671,047	51,217,706	51,606,643	51,213,576
Earnings per no-par value share (in EUR)	2.22	1.16	0.92	0.53
Effect of potential dilution of share options	76,284	0	224,352	0
Weighted average number of no par value shares and share options	51,747,331	51,217,706	51,830,995	51,213,576
Diluted earnings per no-par value share (in EUR)	2.21	1.16	0.91	0.53

Consolidated statement of comprehensive income

for Q1-Q3 2010 (condensed, unaudited)

(in TEUR)	Q1-Q3 2010	Q1-Q3 2009	Q3 2010	Q3 2009
Net income	**111,636**	**63,512**	**44,382**	**28,971**
Currency translation adjustments	22,468	13,221	(22,651)	1,917
Changes to IAS 39 reserve, net of tax	506	4,536	(1,161)	993
Other comprehensive income for the year	**22,974**	**17,757**	**(23,812)**	**2,910**
Total comprehensive income for the year	**134,610**	**81,269**	**20,570**	**31,881**
Thereof attributable to:				
Shareholders of the parent company	136,116	73,797	25,156	29,096
Non-controlling interests	(1,506)	7,472	(4,586)	2,785

Consolidated statement of shareholders' equity

for Q1-Q3 2010 (condensed, unaudited)

	Attributable to shareholders of the parent							Non-controlling interests	Total shareholders' equity
(in TEUR)	Share capital	Capital reserves	Other retained earnings	IAS 39 reserve	Actuarial gains (losses)	Currency translation adjustments	Total		
Status as of January 1, 2009	**104,000**	**36,476**	**465,479**	**(4,837)**	**(13,890)**	**(44,723)**	**542,505**	**34,877**	**577,382**
Total income and expense for the year			59,592	4,499	0	9,706	73,797	7,472	81,269
Dividends			(56,321)				(56,321)	(7,863)	(64,184)
Changes from acquisitions							0		0
Changes concerning own shares			2,511				2,511		2,511
Other changes			3,523				3,523		3,523
STATUS AS OF SEPTEMBER 30, 2009	**104,000**	**36,476**	**474,784**	**(338)**	**(13,890)**	**(35,017)**	**566,015**	**34,486**	**600,501**
Status as of January 1, 2010	**104,000**	**36,476**	**521,366**	**1,157**	**(4,802)**	**(28,847)**	**629,350**	**34,142**	**663,492**
Total income and expense for the year			114,618	561		20,937	136,116	(1,506)	134,610
Dividends			(51,741)				(51,741)	(1,492)	(53,233)
Changes from acquisitions			(903)			245	(658)	(2,232)	(2,890)
Changes concerning own shares			(15,393)				(15,393)		(15,393)
Other changes			2,756			(255)	2,501		2,501
STATUS AS OF SEPTEMBER 30, 2010	**104,000**	**36,476**	**570,703**	**1,718**	**(4,802)**	**(7,920)**	**700,175**	**28,912**	**729,087**

Consolidated statement of cash flows

for Q1-Q3 2010 (condensed, unaudited)

(in TEUR)	Q1-Q3 2010	Q1-Q3 2009
Cash flow from operating activities	494,231	344,095
Cash flow from investing activities	(138,667)	(62,565)
Cash flow from financing activities	(68,012)	(77,668)
Change in cash and cash equivalents	287,552	203,862
Cash and cash equivalents at the beginning of the period	**709,532**	**558,448**
Cash and cash equivalents at the end of the period	**997,084**	**762,310**

Cash flows from acquisitions of subsidiaries*

for Q1-Q3 2010 (condensed, unaudited)

			Business area	Total	Total
(in TEUR)	HY[1)]	PP[1)]	EP[1)]	Q1-Q3 2010	Q1-Q3 2009
Intangible assets	883	7,989	16,272	25,144	1,407
Property, plant, and equipment	1,248	783	13,000	15,031	53
Inventories	2,323	835	19,663	22,821	697
Trade and other receivables excluding financial assets	674	4,904	15,418	20,996	18
Liabilities excluding financial liabilities	(1,541)	(9,230)	(40,783)	(51,554)	(1,065)
Non-interest bearing net assets	**3,587**	**5,281**	**23,570**	**32,438**	**1,110**
Marketable securities	0	1,948	0	1,948	0
Cash and cash equivalents acquired	4	822	20,760	21,586	0
Debt assumed	(1,807)	(1,526)	(10,917)	(14,250)	0
Goodwill	897	6,931	16,575	24,403	0
Changes in minority interests	2,232	0	0	2,232	0
Changes in equity attributable to shareholders of the parent company	903	0	0	903	0
Total purchase price	**5,816**	**13,456**	**49,988**	**69,260**	**1,110**
Purchase price paid	(5,816)	(13,456)	(49,988)	(69,260)	(1,110)
Changes in receivables due to acquisitions of prior years not affecting net income	0	0	0	0	12,080
Cash and cash equivalents acquired	4	822	20,761	21,587	0
Net cash flow	**(5,812)**	**(12,634)**	**(29,227)**	**(47,673)**	**10,970**

* converted by using exchange rates as per dates of transaction

1) HY = HYDRO
PP = PULP & PAPER
EP = ENVIRONMENT & PROCESS

NOTES

Explanatory notes to the interim consolidated financial statements as of September 30, 2010

General

The interim consolidated financial statements as of September 30, 2010 were prepared in accordance with the principles set forth in the International Financial Reporting Standards (IFRS) – guidelines for interim reporting (IAS 34) – which are to be applied in the European Union. The accounting and valuation methods as of December 31, 2009 have been maintained without any change. For additional information on the accounting and valuation principles, see the consolidated financial statements as of December 31, 2009, which form the basis for this interim consolidated financial report.

Due to the utilization of automatic calculation programs, differences can arise in the addition of rounded totals and percentages.

The interim consolidated financial statements as of September 30, 2010 were neither subject to a complete audit nor to an audit review by an auditor.

Application of new standards

ANDRITZ applies the standards IFRS 3 (revised) 'business combinations' and IAS 27 (revised) 'consolidated and separate financial statements' for the financial year beginning on January 1, 2010.

The revised standards IFRS 3 and IAS 27 are the most essential standards for the treatment of business combinations, consolidated financial statements, and transactions with non-controlling interests.

The amendments do not have a material impact on the interim consolidated financial statements.

Changes in consolidated companies

The following companies were not, or only partially, included in the ANDRITZ GROUP's consolidated financial statements of the reference period January 1-September 30, 2009:

- ANDRITZ Rollteck GmbH: design and manufacturing of winders for the paper industry
- ANDRITZ Biax S.A.S.: systems and equipment for the production of biaxially stretched plastic films
- ANDRITZ Perfojet S.A.S.: machinery and systems for the production of nonwovens
- ANDRITZ Frautech S.r.l.: producer of separators for applications in the dairy and olive oil industry
- ANDRITZ Precision Machine & Supply Inc.: service for the hydropower sector
- ANDRITZ Delkor Capital Equipment: dewatering equipment, especially for the mining industry
- ANDRITZ KMPT Group: mechanical and thermal solid/liquid separation, especially for the chemical and pharmaceutical industries
- Sindus Manutenção e Sistemas Industriais Ltda.: service for the pulp and paper industries

The initial accounting for the companies/businesses acquired in 2009/2010 was based on preliminary figures.

Seasonality

As a rule, the business of the ANDRITZ GROUP is not characterized by any seasonality.

Notes to the interim consolidated income statement

Sales of the ANDRITZ GROUP during the third quarter of 2010 amounted to 896.6 MEUR, thus 18.6% higher compared to the reference period of last year (Q3 2009: 756.1 MEUR). The Group's EBIT in the third quarter of 2010 amounted to 63.5 MEUR (Q3 2009: 35.1 MEUR).

Group sales in the first three quarters of 2010 were 2,458.8 MEUR, thus 5.5% higher than in the reference period of last year (Q1-Q3 2009: 2,330.2 MEUR). EBIT of the Group in first three quarters of 2010 amounted to 156.3 MEUR (Q1-Q3 2009: 87.1 MEUR).

Notes to the consolidated statement of financial position

Total assets of the Group increased to 3,767.7 MEUR as of September 30, 2010 (December 31, 2009: 3,309.3 MEUR). The net working capital as of September 30, 2010 amounted to -416.9 MEUR (December 31, 2009: -104.3 MEUR).

During the current business year, ANDRITZ AG paid dividends in the amount of 51.7 MEUR for the business year 2009.

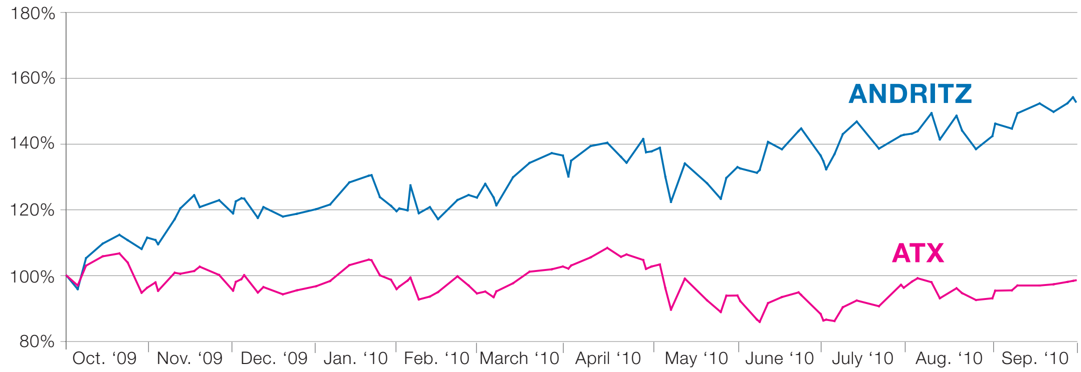
Notes to the consolidated statement of cash flows

Cash flow from operating activities of the ANDRITZ GROUP amounted to 494.2 MEUR for the first three quarters of 2010 (Q1-Q3 2009: 344.1 MEUR).

Cash flow from investing activities during the first three quarters of 2010 amounted to -138.7 MEUR (Q1-Q3 2009: -62.6 MEUR) and resulted from payments made for investments in short-term securities of -51.7 MEUR (Q1-Q3 2009: -30.7 MEUR), investments in tangible and intangible assets of -36.7 MEUR (Q1-Q3 2009: -51,4 MEUR), and the acquisition of companies.

SHARE

Relative price performance by the ANDRITZ share compared to the ATX (October 1, 2009-September 30, 2010)



Source: Vienna Stock Exchange

Share price development

The ANDRITZ share price saw a very satisfactory development in the first three quarters of 2010. It increased by 25.6%, once again outperforming the ATX, the leading share index on the Vienna Stock Exchange, which increased by 0.2% during the same period. In the third quarter of 2010, the ANDRITZ share price increased by 13.4%, while the ATX rose by 14.1%.

The highest closing price of the ANDRITZ share in the first three quarters of 2010 was 51.97 EUR (September 29, 2010), and the lowest was 39.49 EUR (February 12, 2010). In the third quarter of 2010, the highest closing price was 51.97 EUR (September 29, 2010), and the lowest was 44.60 EUR (July 2, 2010).

Trading volume

The average daily trading volume of the ANDRITZ share (double count, as published by the Vienna Stock Exchange) was 235,416 shares in the first three quarters of 2010 (Q1-Q3 2009: 320,392 shares). The highest daily trading volume was noted on May 6, 2010 (1,000,296 shares), the lowest trading volume on July 28, 2010 (50,216 shares).

The average daily trading volume of the ANDRITZ share in the third quarter of 2010 was 189,700 shares (Q3 2009: 281,466 shares). The highest daily trading volume was noted on July 21, 2010 (514,334 shares), the lowest trading volume on July 28, 2010 (50,216 shares).

Investor relations

During the third quarter of 2010, meetings with institutional investors and financial analysts were held in Milan, London, New York, Tokyo, Wilmington (Pennsylvania, USA), and Zurich.

This year's ANDRITZ Capital Market Day, attended by more than 20 international and national analysts and fund managers, was held at the beginning of October at the ANDRITZ AG head-quarters in Graz, Austria. The Executive Board provided information on current developments and expectations for the various business areas, as well as on medium- and long-term goals of the ANDRITZ GROUP.

The 2009 ANDRITZ annual report received several international awards:

- At the ARC Awards in New York – the world's premier and largest annual report competition with a total of 1,800 entries from 25 countries every year – the 2009 annual report with the motto 'Stormy times – stable base' received three awards, with one Grand Award, one Gold, and one Silver award. The jury based its decision on the outstanding conception and realization of the main message – the challenges facing the Group in 2009, the year of the crisis, and how they were successfully mastered. ANDRITZ also won a Silver ARC Award last year for its 2008 annual report.
- At the Galaxy Awards in New York – an international marketing award with 500 entries from 16 countries – the ANDRITZ annual report was awarded the prize for the best annual report world-wide in the industry category.

As part of an analysis of over 500 companies from twelve countries by the leading specialists for online annual reports in Western Europe, the ANDRITZ 2009 online annual report was one of the few to be classified as 'very well implemented.' Features such as online glossary, file collection tool, social media applications, and the facility to generate a personalized report has been evaluated as very positive.

Key figures of the ANDRITZ share

	Unit	Q1-Q3 2010	Q1-Q3 2009	Q3 2010	Q3 2009	2009
Highest closing price	EUR	51.97	36.43	51.97	36.43	41.94
Lowest closing price	EUR	39.49	17.50	44.60	28.06	17.50
Closing price as of end of period	EUR	51.51	34.08	51.51	34.08	40.52
Market capitalization as of end of period	MEUR	2,678.5	1,772.2	2,678.5	1,772.2	2,107.0
Performance	%	+25.6	+77.5	+13.4	+12.7	+111.0
ATX weighting as of end of period	%	6.0191	3.5600	6.0191	3.5600	4.3701
Average daily number of shares traded	Share units	235,416	320,392	189,700	281,466	307,029

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	52 million
Authorized capital	none
Free float	approximately 71%
Stock exchange	Vienna (Prime Market)
Ticker symbols	Reuters: ANDR.VI; Bloomberg: ANDR, AV
Stock exchange indices	ATX, ATXPrime, WBI

Financial calendar 2011 (preliminary)

March 8, 2011	Results for the financial year 2010
March 29, 2011	Annual General Meeting in Graz, Austria
March 30, 2011	Ex-dividend
April 4, 2011	Dividend payment
May 6, 2011	Results for the first quarter of 2011
August 9, 2011	Results for the first half of 2011
November 8, 2011	Results for the first three quarters of 2011

The financial calendar with regular updates as well as information about planned roadshows, participations in investor conferences, etc. can be found on www.andritz.com.

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- Advanced search function for such areas as company share, key figures, consolidated financial statement, order intake, and acquisitions.
- Selection of individual sections and compilation of a customized report.

reports.andritz.com/2010q3/

All annual reports, annual financial reports, and quarterly reports of the ANDRITZ GROUP since the IPO in 2001 are available at: **www.andritz.com/reports**

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