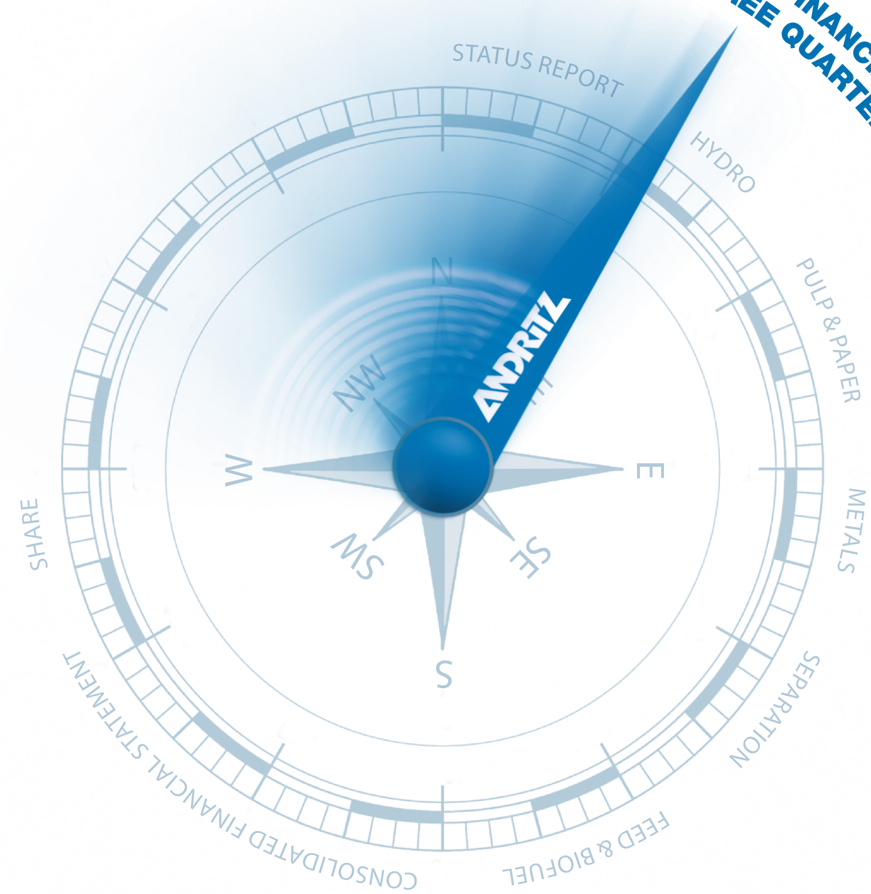
360° ANDRITZ

INTERIM FINANCIAL REPORT FIRST THREE QUARTERS OF 2011



Key figures of the ANDRITZ GROUP

(According to IFRS)	*Unit*	Q1-Q3 2011	Q1-Q3 2010	+/-	Q3 2011	Q3 2010	+/-	2010
Order intake	*MEUR*	4,898.6	3,235.8	+51.4%	1,254.1	932.1	+34.5%	4,131.9
Order backlog (as of end of period)	*MEUR*	7,325.0	5,477.6	+33.7%	7,325.0	5,477.6	+33.7%	5,290.9
Sales	*MEUR*	3,184.2	2,458.8	+29.5%	1,173.1	896.6	+30.8%	3,553.8
EBITDA[1)]	*MEUR*	261.3	202.1	+29.3%	104.3	78.9	+32.2%	307.3
EBITA[2)]	*MEUR*	221.4	164.9	+34.3%	89.8	67.0	+34.0%	257.6
Earnings Before Interest and Taxes (EBIT)	*MEUR*	207.9	156.3	+33.0%	84.8	63.5	+33.5%	245.5
Earnings Before Taxes (EBT)	*MEUR*	215.1	160.1	+34.4%	88.0	63.7	+38.1%	247.9
Net income (including non-controlling interests)	*MEUR*	151.8	111.6	+36.0%	62.1	44.3	+40.2%	177.0
Cash flow from operating activities	*MEUR*	339.9	494.2	-31.2%	133.1	155.3	-14.3%	704.5
Capital expenditure[3)]	*MEUR*	41.7	36.7	+13.6%	18.2	14.5	+25.5%	68.8
Fixed assets	*MEUR*	1,088.2	837.4	+29.9%	1,088.2	837.4	+29.9%	858.9
Current assets	*MEUR*	3,297.0	2,930.3	+12.5%	3,297.0	2,930.3	+12.5%	3,176.9
Total shareholders' equity[4)]	*MEUR*	853.3	729.1	+17.0%	853.3	729.1	+17.0%	794.4
Provisions	*MEUR*	638.3	571.8	+11.6%	638.3	571.8	+11.6%	582.8
Other liabilities	*MEUR*	2,893.6	2,466.8	+17.3%	2,893.6	2,466.8	+17.3%	2,658.6
Total assets	*MEUR*	4,385.2	3,767.7	+16.4%	4,385.2	3,767.7	+16.4%	4,035.8
Equity ratio[5)]	*%*	19.5	19.4	-	19.5	19.4	-	19.7
Net liquidity[6)]	*MEUR*	1,330.4	1,002.3	+32.7%	1,330.4	1,002.3	+32.7%	1,177.0
Net debt[7)]	*MEUR*	-960.8	-842.8	-14.0%	-960.8	-842.8	-14.0%	-992.0
Net working capital[8)]	*MEUR*	-629.8	-416.9	+51.1%	-629.8	-416.9	+51.1%	-556.1
Capital employed[9)]	*MEUR*	-135.1	24.0	+662.9%	-135.1	24.0	+662.9%	-86.0
Gearing[10)]	*%*	-112.6	-115.6	-	-112.6	-115.6	-	-124.9
EBITDA margin	*%*	8.2	8.2	-	8.9	8.8	-	8.6
EBITA margin	*%*	7.0	6.7	-	7.7	7.5	-	7.2
EBIT margin	*%*	6.5	6.4	-	7.2	7.1	-	6.9
Net income/sales	*%*	4.8	4.5	-	5.3	4.9	-	5.0
Employees (as of end of period, excl. apprentices)	-	16,692	14,267	+17.0%	16,692	14,267	+17.0%	14,655

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 13,507 TEUR for Q3 2011 (8,635 TEUR for Q3 2010, 12,158 TEUR for 2010) 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 and loans against borrowers' notes 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 2012 (preliminary)

March 1, 2012	Results 2011 business year
March 22, 2012	Annual General Meeting
March 26, 2012	Ex-dividend
March 28, 2012	Dividend payment
May 4, 2012	Results first quarter of 2012
August 7, 2012	Results first half of 2012
November 6, 2012	Results first three quarters of 2012

The financial calendar with updates, as well as information on the ANDRITZ share, can be found on the Investor Relations page at the ANDRITZ website: www.andritz.com/share

Key figures of the business areas

HYDRO	Unit	Q1-Q3 2011	Q1-Q3 2010	+/-	Q3 2011	Q3 2010	+/-	2010
Order intake	MEUR	1,812.7	1,541.4	+17.6%	715.6	391.4	+82.8%	1,870.1
Order backlog (as of end of period)	MEUR	3,978.8	3,509.5	+13.4%	3,978.8	3,509.5	+13.4%	3,376.0
Sales	MEUR	1,223.0	1,087.7	+12.4%	417.9	381.0	+9.7%	1,579.2
EBITDA	MEUR	112.5	90.5	+24.3%	40.3	32.1	+25.5%	139.9
EBITDA margin	%	9.2	8.3	-	9.6	8.4	-	8.9
EBITA	MEUR	92.8	73.9	+25.6%	32.8	27.2	+20.6%	118.0
EBITA margin	%	7.6	6.8	-	7.8	7.1	-	7.5
Employees (as of end of period)	-	7,343	6,147	+19.5%	7,343	6,147	+19.5%	6,530

PULP & PAPER	Unit	Q1-Q3 2011	Q1-Q3 2010	+/-	Q3 2011	Q3 2010	+/-	2010
Order intake	MEUR	2,350.5	1,075.9	+118.5%	312.6	327.2	-4.5%	1,388.4
Order backlog (as of end of period)	MEUR	2,489.0	1,124.9	+121.3%	2,489.0	1,124.9	+121.3%	1,099.6
Sales	MEUR	1,273.1	767.7	+65.8%	492.6	288.4	+70.8%	1,105.3
EBITDA	MEUR	97.4	63.9	+52.4%	41.1	25.6	+60.5%	98.4
EBITDA margin	%	7.7	8.3	-	8.3	8.9	-	8.9
EBITA	MEUR	85.1	50.5	+68.5%	37.2	21.1	+76.3%	80.7
EBITA margin	%	6.7	6.6	-	7.6	7.3	-	7.3
Employees (as of end of period)	-	5,905	4,849	+21.8%	5,905	4,849	+21.8%	4,851

METALS	Unit	Q1-Q3 2011	Q1-Q3 2010	+/-	Q3 2011	Q3 2010	+/-	2010
Order intake	MEUR	253.8	196.7	+29.0%	70.7	55.1	+28.3%	302.7
Order backlog (as of end of period)	MEUR	510.2	524.7	-2.8%	510.2	524.7	-2.8%	521.0
Sales	MEUR	263.4	246.3	+6.9%	101.3	84.2	+20.3%	340.2
EBITDA	MEUR	12.9	14.2	-9.2%	5.9	6.4	-7.8%	21.2
EBITDA margin	%	4.9	5.8	-	5.8	7.6	-	6.2
EBITA	MEUR	11.3	12.0	-5.8%	5.3	5.6	-5.4%	18.4
EBITA margin	%	4.3	4.9	-	5.2	6.7	-	5.4
Employees (as of end of period)	-	952	968	-1.7%	952	968	-1.7%	937

SEPARATION*	Unit	Q1-Q3 2011	Q1-Q3 2010	+/-	Q3 2011	Q3 2010	+/-	2010
Order intake	MEUR	373.7	310.9	+20.2%	120.9	129.0	-6.3%	424.3
Order backlog (as of end of period)	MEUR	296.0	259.7	+14.0%	296.0	259.7	+14.0%	242.3
Sales	MEUR	317.2	245.6	+29.2%	124.4	101.1	+23.0%	375.4
EBITDA	MEUR	30.3	24.5	+23.7%	13.9	11.3	+23.0%	34.8
EBITDA margin	%	9.6	10.0	-	11.2	11.2	-	9.3
EBITA	MEUR	26.0	20.6	+26.2%	12.5	9.8	+27.6%	29.5
EBITA margin	%	8.2	8.4	-	10.0	9.7	-	7.9
Employees (as of end of period)	-	1,937	1,777	+9.0%	1,937	1,777	+9.0%	1,816

FEED & BIOFUEL	Unit	Q1-Q3 2011	Q1-Q3 2010	+/-	Q3 2011	Q3 2010	+/-	2010
Order intake	MEUR	107.9	110.9	-2.7%	34.3	29.4	+16.7%	146.4
Order backlog (as of end of period)	MEUR	51.0	58.8	-13.3%	51.0	58.8	-13.3%	52.0
Sales	MEUR	107.5	111.5	-3.6%	36.9	41.9	-11.9%	153.7
EBITDA	MEUR	8.2	9.2	-10.9%	3.1	3.7	-16.2%	13.0
EBITDA margin	%	7.6	8.3	-	8.4	8.8	-	8.5
EBITA	MEUR	6.2	7.9	-21.5%	2.0	3.3	-39.4%	11.0
EBITA margin	%	5.8	7.1	-	5.4	7.9	-	7.2
Employees (as of end of period)	-	555	526	+5.5%	555	526	+5.5%	522

* The ENVIRONMENT & PROCESS business area was renamed SEPARATION as of October 1, 2011.

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Status report

GENERAL ECONOMIC CONDITIONS

In the third quarter of 2011, global economic activities slowed down substantially, especially in the USA and the Euro zone. Turbulences on the international financial markets and declining industrial capital spending, in combination with sluggish consumer demand, led to stagnation or even a significant global economic slowdown.

Economic development in the USA was impacted by the substantial decline in private consumption, which is the largest contributor to the gross domestic product, and by the stagnating employment situation during the reporting period. A sharp slowdown was also noted in investments by the processing industry. The US central bank FED announced that it will be leaving the base interest rate at just above 0% until at least midyear 2013 and continuing its expansive monetary policy in order to revive the economy.

In Europe also, development in the third quarter of 2011 was marked by a sharp slowdown of economic activities. Declining private consumption in the largest countries in the Euro zone and a significant decrease in capital spending by governments and industrial companies led to stagnating economic activities. The European Central Bank, which focuses on monetary stability, left the base interest rate at 1.5% as a result of the inflation rate staying above 2% in the Euro zone, but has indicated that interest rates may be cut if the economy continues to decline.

In Asia and the other large emerging market regions, there was also an economic slowdown. However, this was much more moderate than in the USA and Europe, mainly due to the continuing good domestic consumption which largely compensated for the partial slow-down in industrial production – particularly in the export-oriented industries.

Source: OECD

BUSINESS DEVELOPMENT

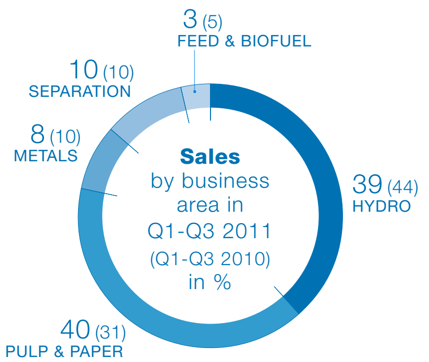
Note: The ENVIRONMENT & PROCESS business area was renamed SEPARATION as of October 1, 2011.

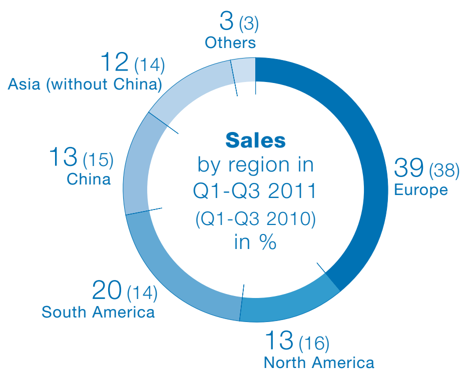
Sales

In the third quarter of 2011, sales of the ANDRITZ GROUP amounted to 1,173.1 MEUR, which is an increase of 30.8% compared to last year's reference period (Q3 2010: 896.6 MEUR). With the exception of the FEED & BIOFUEL business area, sales increased substantially in all business areas compared to last year's reference period, mainly in PULP & PAPER.

- HYDRO: 417.9 MEUR (+9.7% vs. Q3 2010)
- PULP & PAPER: 492.6 MEUR (+70.8% vs. Q3 2010)
- METALS: 101.3 MEUR (+20.3% vs. Q3 2010)
- SEPARATION: 124.4 MEUR (+23.0% vs. Q3 2010)
- FEED & BIOFUEL: 36.9 MEUR (-11.9% vs. Q3 2010)

In the first three quarters of 2011, sales rose to 3,184.2 MEUR, thus 29.5% up compared to last year's reference figure (Q1-Q3 2010: 2,458.8 MEUR). With the exception of FEED & BIOFUEL, all business areas noted a substantial increase of sales.





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

	Q1-Q3 2011	Q1-Q3 2010	Q3 2011	Q3 2010
ANDRITZ GROUP	28	29	27	28
HYDRO	24	24	27	24
PULP & PAPER	31	40	29	37
METALS	9	8	10	7
SEPARATION	34	31	31	32
FEED & BIOFUEL	51	44	49	41

Order intake

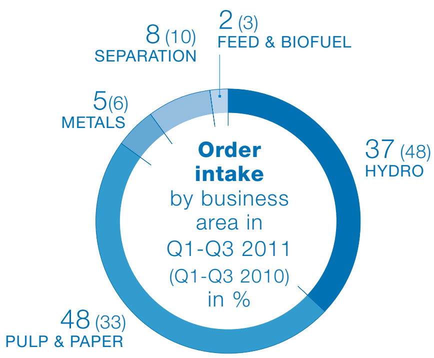
The order intake of the ANDRITZ GROUP saw satisfactory development in the third quarter of 2011. At 1,254.1 MEUR, order intake increased by 34.5% compared to the third quarter of 2010 (932.1 MEUR). This is particularly due to the booking of the large order for the supply of turbines and generators for Belo Monte hydropower project, Brazil. As a result, the order intake of the HYDRO business area, at 715.6 MEUR in the third quarter of 2011, rose sharply compared to the previous year's reference period (Q3 2010: 391.4 MEUR).

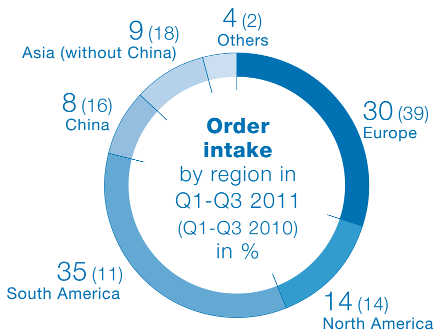
The METALS business area (from 55.1 MEUR in Q3 2010 to 70.7 MEUR in Q3 2011) as well as the FEED & BIOFUEL business area (from 29.4 MEUR in Q3 2010 to 34.3 MEUR in Q3 2011) also succeeded in increasing their order intake.

However, order intake in the PULP & PAPER (from 327.2 MEUR in Q3 2010 to 312.6 MEUR in Q3 2011) and SEPARATION (from 129.0 MEUR in Q3 2010 to 120.9 MEUR in Q3 2011) business areas declined slightly.

The order intake of the Group during the first three quarters of 2011 amounted to 4.898.6 MEUR and was thus up by 51.4% compared to last year's reference period (Q1-Q3 2010: 3,235.8 MEUR). In addition to the large order for Belo Monte (HYDRO) mentioned above, this high figure includes two large orders in the PULP & PAPER business area. With the exception of FEED & BIOFUEL, order intake in all business areas increased substantially in the first three quarters of 2011 compared to the reference period of the previous year:

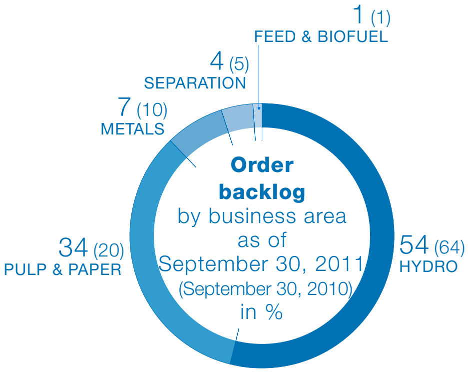
	Q1-Q3 2011 (in MEUR)	Q1-Q3 2010 (in MEUR)	+/- (in %)
HYDRO	1,812.7	1,541.4	+17.6
PULP & PAPER	2,350.5	1,075.9	+118.5
METALS	253.8	196.7	+29.0
SEPARATION	373.7	310.9	+20.2
FEED & BIOFUEL	107.9	110.9	-2.7

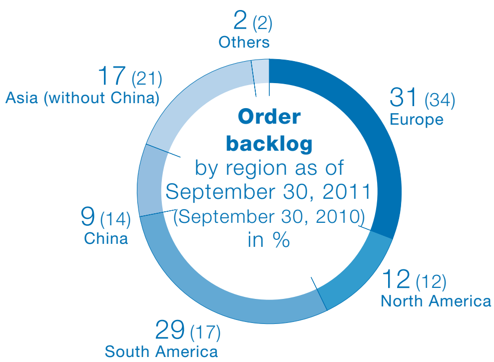




Order backlog

Order backlog of the Group as of September 30, 2011 amounted to 7,325.0 MEUR, thus sharply increasing compared to the reference values as of September 30, 2010 (5,477.6 MEUR: +33.7%) and as of December 31, 2010 (5,290.9 MEUR: +38.4%).





Earnings

The EBITA of the ANDRITZ GROUP developed very satisfactorily in the third quarter of 2011: At 89.8 MEUR, earnings were up by 34.0% compared to the third quarter of 2010 (67.0 MEUR) and thus increased slightly more than sales. The EBITA margin amounted to 7.7% (Q3 2010: 7.5%), with the HYDRO, PULP & PAPER, and SEPARATION business areas all showing good profitability.

The EBITA of the Group in the first three quarters of 2011 amounted to 221.4 MEUR, an increase of 34.3% compared to the reference period of the previous year (Q1-Q3 2010: 164.9 MEUR). The EBITA margin, at 7.0%, also saw positive development in the first three quarters of 2011 (Q1-Q3 2010: 6.7%).

The financial result of the ANDRITZ GROUP amounted to 7.1 MEUR during the first three quarters of 2011 (Q1-Q3 2010: 3.8 MEUR).

Net income of the Group (excluding non-controlling interests) increased to 150.5 MEUR during the first three quarters of 2011 (Q1-Q3 2010: 114.6 MEUR).

Net worth position and capital structure

Total assets of the ANDRITZ GROUP increased to 4,385.2 MEUR as of September 30, 2011 (December 31, 2010: 4,035.8 MEUR); the equity ratio amounted to 19.5% (December 31, 2010: 19.7%).

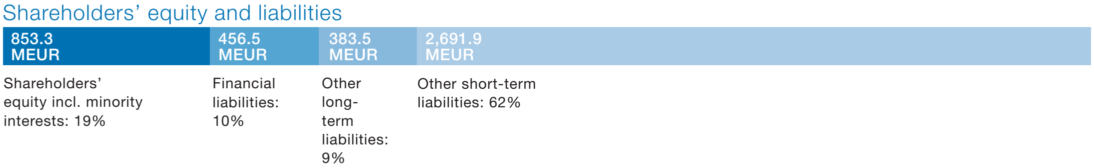
Liquid funds (cash and cash equivalents plus marketable securities plus fair value of interest rate swaps and loans against borrowers' notes) amounted to 1,787.0 MEUR as of September 30, 2011 (December 31, 2010: 1,617.6 MEUR). The net liquidity (liquid funds minus financial liabilities) increased to 1,330.4 MEUR, thus also substantially higher than at the end of last year (December 31, 2010: 1,177.0 MEUR).

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

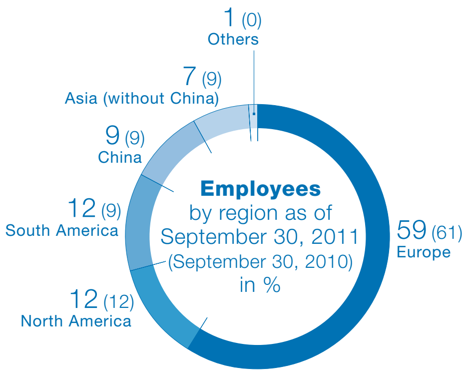
- Credit lines: 186 MEUR, thereof 71 MEUR utilized
- Surety and guarantee lines: 4,805 MEUR, thereof 2,404 MEUR utilized

Assets

Shareholders' equity and liabilities



Employees
As of September 30, 2011, the number of the Group's employees amounted to 16,692 (September 30, 2010: 14,267 employees).



Acquisitions
By acquiring the Canadian company Hemicycle Controls, the HYDRO business area has extended and strengthened its automation business mainly in North America. Hemicycle Controls is an established supplier of automation systems for hydropower plants.

ANDRITZ acquired the nonwovens division of the French NSC Group, including its affiliates Asselin-Thibeau, France, and NSC Wuxi, China. ANDRITZ Asselin-Thibeau delivers systems for the production of dry nonwovens (especially for applications in the textile and hygiene sectors). In combination with the well-proven products and technologies of ANDRITZ Küsters and ANDRITZ Perfojet, the PULP & PAPER business area can now offer its customers complete system solutions for the production of nonwovens. After approval by the relevant authorities, the acquisition is expected to come in force during the fourth quarter of 2011.

The PULP & PAPER business area has strengthened and expanded its service portfolio in the wood processing sector by acquiring Iggesund Tools International AB, with headquarters in Iggesund, Sweden. ANDRITZ Iggesund Tools supplies chipping and debarking equipment for pulp and saw mills.

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 Group during the remaining months of 2011 relate above all to the Group's dependence on the general economic development 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. In addition, unexpected increases in costs and difficulties in achieving the guaranteed performance parameters in the plants that ANDRITZ supplies present substantial risks during project execution. Non-achievement of guaranteed performance parameters can lead to penalty payments by ANDRITZ. The global economic development constitutes a serious risk for the ANDRITZ GROUP's financial development and could lead to delays in the execution of existing orders and to postponement or cancellation of existing 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.

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. 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.

A negative economic development may also necessitate complete or partial goodwill impairments resulting from acquisitions if the targeted financial goals for these companies 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 dollars, Canadian dollars, and Swiss francs) 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 secured 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. In addition, the lowering of ANDRITZ's credit rating by several banks can limit the financial leeway available to ANDRITZ essentially, particularly regarding sureties 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, turbulences on the international financial markets 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 2010.

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 2011, no major business transactions were conducted with related persons and companies.

Major events after September 30, 2011

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 the present report. The major issues of uncertainty are the continued debt crisis suffered by some countries in the Euro zone, the rising inflation, and the high public debt in the USA.

OUTLOOK

Leading economic experts are forecasting a further slowdown in global economic activities for the coming months. In Europe in particular, a further economic downturn is anticipated as a result of the latent Euro crisis and the related impact on the real economy. The leading economic indicators in the USA are also signaling economic stagnation for the coming quarters. On the other hand, the economic growth in the emerging countries is expected to continue, although some slowdown can also be expected here.

In spite of the difficult economic conditions in general, the ANDRITZ GROUP currently sees solid project activity in the markets it serves. The moderate project and investment activity is only expected to continue in the METALS business area.

On the basis of these expectations and in view of the high order backlog, the ANDRITZ GROUP expects an increase in sales to more than four billion Euros and a rise in the net income for 2011 compared to the previous year. However, if the global economy should deteriorate further in the coming months, this may have a negative impact on earnings of the ANDRITZ GROUP.

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 2011 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, 2011

The Executive Board of ANDRITZ AG

Wolfgang Leitner
President and CEO

Karl Hornhofer
PULP & PAPER (Capital Systems)

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

Friedrich Papst
METALS, FEED & BIOFUEL, HYDRO

Wolfgang Semper
HYDRO

HYDRO

MARKET DEVELOPMENT

In the third quarter of 2011, project activity continued to be high for electromechanical equipment in hydropower plants. The main focus of investments for refurbishments and upgrades of existing capacities and in construction of pumped storage power stations for stabilization of the electric grid remained in Europe and North America. In the emerging markets – particularly in South America and in Southern and Southeast Asia – numerous new hydropower plant projects are being planned or implemented due to the strong economic growth in these regions and the resulting rise in demand for electricity. The market for small-scale hydropower plants also saw good project activity worldwide.

In the market for pumps used in irrigation and drinking water transport, the favorable project activity continued, particularly in the Middle East and India. Investment activity was high for centrifugal pumps used in the pulp and paper industry in China, India, Brazil, and Russia.

IMPORTANT EVENTS

The world's largest tidal power plant in Sihwa, Korea, was commissioned successfully. For an order from Daewoo Engineering & Construction Co., Ltd., ANDRITZ HYDRO supplied essential parts of the electromechanical equipment for ten 26 MW bulb turbine units. The runner diameter of one bulb turbine is 7.3 m.

In the Bajina Basta hydropower plant, Serbia, the second 108 MW machine set was commissioned successfully. The order from Elektroprivreda Srbije (EPS) included the entire electromechanical equipment for four machine sets, each containing 108 MW Francis turbines.

After just under 30 months, ANDRITZ HYDRO was able to successfully conclude modernization of the Augst-Wyhlen and Laufenburg hydropower stations on the Swiss-German border. The order includes the new automation and control system for 30 machine units and the control room.

IMPORTANT ORDERS

From Salini Malaysia SDN BHD, Malaysia, ANDRITZ HYDRO received the order for turnkey delivery and commissioning of two 191 MW machine units, including the electromechanical equipment for the new Ulu Jelai hydropower plant. Tenaga Nasional Berhad (TNB), Malaysia's largest utility company and future owner of the power station, will use the power plant to cover peak load demand and thus increase grid security in Malaysia.

On behalf of the AltaGas Income Trust, the entire electromechanical equipment for the private Canadian hydropower plant Forrest Kerr (total capacity: 125 MW) will be supplied and commissioned.

For the Coca Coda Sinclair hydropower station, Ecuador, the business area is to supply the main equipment for eight 187 MW Pelton turbines for an order from Harbin Electric Machinery Company Ltd. With a total output of 1,500 MW, the power station will cover around one-third of the entire electricity demand in Ecuador. Just under half of the electricity in Ecuador is already generated from hydropower.

For Iovskaya hydropower station operated by the Russian utility company JSC Territorial Generating Company No. 1 (TGC), ANDRITZ HYDRO has received an order to refurbish the two Kaplan turbines (with an output of 48 MW each), the generator windings, as well as the automation and control system. TGC is the leading energy generating company in the Russian Northwest and the third largest utility company in Russia.

BKW FMB Energie AG, Switzerland, ordered the supply and commissioning of two machine units, comprising 11 MW bulb turbines and generators, for the Hagneck hydropower station.

On behalf of Cobra Infraestructuras Hidráulicas, S.A., Panama, ANDRITZ HYDRO will equip the Monte Lirio (3 x 16 MW Pelton turbines) and Pando (2 x 15 MW Pelton turbines) small-scale hydropower stations.

Vorarlberger Illwerke AG, Austria, placed an order with the business area to refurbish three 115 MVA generators for the Kops storage power station, Austria.

The Swedish utility company Vattenfall AB has awarded ANDRITZ HYDRO an order for the rehabilitation of three Kaplan turbines (output 71 MW each) in the Laxede hydropower station.

For Hydro Tasmania, Australia, two Kaplan turbines will be refurbished for the Paloona (28 MW) and Meadowbank (40 MW) power plants. The turbines have been in operation since 1964 and are part of the fleet of equipment installed by ANDRITZ HYDRO.

Four vertical spiral casing pumps will be supplied for a pump station in India. The order also includes model testing, supervision of erection work, and start-up. The pumps are part of a pumping station to irrigate agricultural land.

FURTHER IMPORTANT ORDERS AT A GLANCE

Country	Customer	Scope of supply/project description
Austria	VERBUND Hydro Power AG	Upgrade of a Pelton turbine at Mayrhofen storage power station
Germany	EON	Supply of a new central control station for the integration of up to 100 hydropower stations operated by EON
Germany	VERBUND-Innkraftwerke GmbH	Complete electromechanical equipment, including turbines, generators, and additional equipment, for the Gars small-scale hydropower plant
Indonesia	Selo Kencana	Turbine and generator for the Lubuk Gadang small-scale hydropower plant
Italy	ENEL Produzione S.p.A.	Refurbishment of the Pelton turbines and generators at the Lappago hydropower station
Italy	SEL S.r.l.	Supply of four new Pelton turbines for the Molini di Tures hydropower station
Turkey	Kalyon Insaat	Delivery and commissioning of the electromechanical equipment for the Ordu small-scale hydropower plant
USA	East Texas Electricity	Refurbishment of the turbine at Lake Livingston hydropower station

PULP & PAPER

MARKET DEVELOPMENT

The international pulp market declined in the third quarter of 2011 compared to the quarter before. As a result of the falling demand from European and Asian papermakers and unchanging production output, pulp stock levels rose substantially during the reporting period. As a result, the price for NBSK (Northern Bleached Softwood Kraft Pulp) fell from around 1,040 USD per ton at the beginning of July, 2011 to approximately 940 USD per ton at the end of September 2011. Prices for hardwood pulp (birch and eucalyptus) also declined. Due to the weak demand, particularly from China, the price of eucalyptus pulp dropped from approximately 880 USD per ton at the beginning of July, to around 780 USD per ton at the end of September 2011.

Project activity for pulp and paper equipment was satisfactory in the reporting period. Although no new pulp mills were awarded, investment activity remained solid for the modernization of existing plants, particularly in Europe and North America.

IMPORTANT EVENTS

The new pulp mill for Zhanjiang Chenming Pulp & Paper Co. Ltd., China, has started up successfully. ANDRITZ delivered all key equipment, including the woodyard, fiberline, pulp dryer, evaporation plant, recovery boiler, and white liquor plant.

In the USA, Packaging Corporation of America started up a new recovery boiler at its Valdosta mill in Georgia and a recovery boiler rebuilt at its Counce mill in Tennessee.

PT-Tanjungenim Lestari Pulp and Paper (Musi Pulp), Indonesia, started up its pulp production line after ANDRITZ performed an upgrade to the woodyard and fiberline.

After a refurbishment, two oil/gas-fired utility boilers (150 MW each) for the Ataka power station, Egypt, were successfully started up.

SCA Tissue's Neenah mill in Wisconsin, USA, restarted its towel/napkin machine after installing a PrimeFlow two-layer headbox.

ANDRITZ completed a rebuild of the press section on a carton board machine for Reno de Medici S.p.A. in Ovaro, Italy.

APP Gold East Paper (Jiangsu) Co., Ltd., China, started up a 750 t/d P-RC APMP mechanical pulping system one month ahead of schedule.

Three pressurized refining systems for MDF production in China were started up for Yuncheng Xinyuan Junda Wood Industry Co., Ltd. (360 t/d), Hebei Kaiyue Wen An County Tianhua Density Board Co., Ltd. (440 t/d), and Yan Cheng Dong Nan Panelboard Co., Ltd. (360 t/d).

IMPORTANT ORDERS

After having received the order for the supply of all production systems and equipment for Montes del Plata's new pulp mill in Punta Pereira, Uruguay, ANDRITZ was also selected to provide complete maintenance for this mill. The contract period is for 8.5 years.

Sappi Southern Africa (Pty) Ltd. ordered a pulp dryer upgrade for its Ngodwana mill, South Africa.

JSC Kamenskaya BKF, Russia, selected ANDRITZ to relocate a kraft paper machine that had been shut down in Finland to the Tver region of Russia, and rebuild it as a modern board machine for the production of fluting and testliner. For the same customer, ANDRITZ will deliver some new equipment for the paper machine approach system and a new plant for processing 800 t/d of mixed waste paper and OCC (Old Corrugated Container).

Xinxiang Xinya Group Co., Ltd. (Henan Xinhai Paper Co., Ltd.), China, placed an order for equipment, services, and a new automation system to complement their purchase of an existing softwood CTMP line from Canada. The new line will be converted to the ANDRITZ P-RC APMP process and will be one of the largest hardwood mechanical pulping lines in China.

For BASF in Ludwigshafen, Germany, ANDRITZ will retrofit a flue gas cleaning system in order to remove mercury and potentially toxic air pollutants such as dioxins and furans.

For LLC Pulp Invest of Kazan City, Russia, ANDRITZ will deliver a new PrimeLineCompact tissue machine. The scope of supply comprises the complete stock preparation plant and a high-precision dry steel yankee.

For a customer in Virginia, USA, ANDRITZ was selected to deliver a new biomass boiler. The order also includes the biomass feed, sand, and ash handling systems.

For Soporcel's Figueira da Foz mill, Portugal, ANDRITZ will deliver a new evaporator train and will modernize the existing plant on a mechanical turnkey basis.

Henan Yijia Forestry Development Co., Ltd., China, ordered a new pressurized refining system for MDF with a capacity of 600 t/d.

FURTHER IMPORTANT ORDERS AT A GLANCE

Country	Customer	Scope/Description
Australia	Visy Pulp & Paper Pty. Ltd.	Evaporation plant modernization
Austria	SCA Hygiene Products GmbH	Bleaching and dispersing system
Austria	Sappi	Forming fabrics
China	Jiangsu Bohui Paper Industry	Save-all and thickening disc filter
China	Quzhou Wuzhou Special Paper	Stock preparation components
China	Tiger Yuanjiang	Two CenterScrew reclaimers for woodyard
China	Ningbo, Hainan Jinhai, Shandong Huatai	Forming fabrics
Finland	PVO Kaukaan Voima	Biomass handling system
Finland	UPM Kymmene	LC refiner
Germany	Palm, Propapier EHS, Technocell	Forming fabrics
Israel	Hadera Paper	Forming fabrics
Italy	Cham Paper	PrimeWinder Ortho
Italy	Cartiere del Polesine S.p.A.	PrimeFlow two-layer headbox
Italy	Cham Paper	Forming fabrics
Japan	Doh-Ei Paper Mfg.	PrimeDry Steel Yankee
Russia	JSC "Ilim Group"	Recovery boiler rebuild
Sweden	M-real	Rebuild of sheet dryer
USA	Domtar	JetScreen

METALS

MARKET DEVELOPMENT

The project activity for plants and equipment to produce and process stainless steel, carbon steel, and non-ferrous metal strip continued at a moderate level during the reporting period, although development differed regionally. Relatively solid investment activity was noted in the emerging markets in South America and Asia, particularly in China and India. In contrast, project activity in Europe and North America remained low.

IMPORTANT EVENTS

A cut-to-length line was started up successfully for Antwerp Decoil Center, Belgium. This plant in the port of Antwerp, with an annual capacity of 200,000 t, will process steel strip rolls with strip dimensions of 2-20 mm and a strip width of up to 2,100 mm.

ThyssenKrupp Acciai Speciali Terni S.p.A. (TKAST), Italy, started up the inline rolling mill supplied by the business area, with an annual capacity of 700,000 t of hot-rolled stainless steel. In addition, the order included an extension to an existing annealing and pickling line for hot-rolled strip and the supply of a strip cleaning and looping plant.

IMPORTANT ORDERS

In the industrial furnaces sector, the business area received two major orders. A pusher-type furnace built in 1961 will be modernized for DanSteel A/S, Denmark. The furnace plant is to heat much larger dimensioned slabs and have greater capacity with reduced energy consumption and improved temperature accuracy in the future. A thin strip casting plant will be refurbished at the Krefeld plant for an order from Thyssenkrupp Nirosta, Germany.

FURTHER IMPORTANT ORDERS AT A GLANCE

Country	Customer	Scope of supply/project description
Austria	Böhler Bleche GmbH	Car bottom furnace
Germany	RMA Rheingau GmbH & Co. KG	Car bottom furnace
Germany	Slawinski & Co. GmbH	Batch furnace heat treatment plant
Turkey	Erdemir	Rebuild of a pusher-type furnace

SEPARATION

Note: The ENVIRONMENT & PROCESS business area was renamed SEPARATION as of October 1, 2011.

MARKET DEVELOPMENT

Project activity for municipal sludge dewatering plants and for industrial process applications developed satisfactorily during the reporting period. The demand for municipal sludge drying plants was on the rise, especially in North America and Europe. In the industrial drying plants sector, increased investment activity was noted particularly for the drying of potash, polymer, and urea.

IMPORTANT ORDERS

A Korean zinc producer commissioned the business area to supply ten decanter centrifuges.

The local authorities of Suwalki and Koszalin, Poland, ordered the supply of belt dryers for sludge. These new modular dryers are service-friendly because the number of rotating parts has been minimized and the dryers require less energy than conventional sludge belt dryers.

To the largest copper producer in Zambia, Konkola Copper Mine, ANDRITZ SEPARATION is to supply eight side-bar chamber filter presses for the dewatering of copper concentrate.

Complete sludge drying plants will be supplied to Upper Occoquan Service Authority, Virginia, and to Irvine Ranch Water District, California, USA.

The Tierra Del Fuego Power & Chemical Co., Ltd., China, commissioned ANDRITZ to supply a fluidized bed dryer for drying urea at a plant in Argentina.

To Agrium Inc., Canada, the business area will supply three fluidized bed dryers for potassium chloride.

A Taiwanese pharmaceuticals producer ordered four centrifuges for processing various pharmaceutical products.

FURTHER IMPORTANT ORDERS AT A GLANCE

Country	Customer	Scope of supply/project description
Brazil	Itafos Mineração Ltda.	Two thickeners and two overhead bar chamber filter presses for the phosphate industry
China	JSC Shchekinoazot	Fluidized bed dryer (capacity 30 t/h)
Poland	Soda Polska Ciech	Fluidized bed dryer for sodium bicarbonate
Russia	Chernigovets	Three side-bar membrane filter presses for dewatering of coal concentrate
USA	HPD, LLC	Two decanter centrifuges
USA	Evonik Degussa Corporation	Fluidized bed dryer for lysine

FEED & BIOFUEL

MARKET DEVELOPMENT

Investment activity in the animal feed, aquatic feed, and pet food industries remained at a satisfactory level during the reporting period.

The market for pelleting equipment based on wood and other biomass showed good project activity, particularly in Europe, North America, and in the emerging markets. The number of projects for straw pelleting was on the rise.

IMPORTANT ORDERS

In the animal feed sector, the business area received orders for the supply of processing lines for the poultry industry in South America, as well as for lines in Russia and India.

Within the aquatic feed sector, orders for the supply of extrusion lines were secured from customers in South America and Asia.

A customer in Eastern Europe awarded ANDRITZ with the supply of a greenfield wood pelleting plant. The plant will have an annual production capacity of 50,000 t.

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Consolidated statement of financial position

As of September 30, 2011 (condensed, unaudited)

(in TEUR)	September 30, 2011	December 31, 2010
ASSETS		
Intangible assets	72,033	62,042
Goodwill	274,596	255,063
Property, plant, and equipment	422,672	408,023
Shares in associated companies	26,064	22,110
Other investments	209,840	19,986
Non-current receivables and other non-current assets	41,625	39,309
Deferred tax assets	82,967	91,704
Non-current assets	**1,129,797**	**898,237**
Inventories	383,148	334,912
Advance payments made	173,469	105,752
Trade accounts receivable	540,554	510,148
Cost and earnings of projects under construction in excess of billings	273,311	339,886
Other current receivables	306,983	252,159
Marketable securities	369,965	406,728
Cash and cash equivalents	1,207,968	1,187,946
Current assets	**3,255,398**	**3,137,531**
TOTAL ASSETS	**4,385,195**	**4,035,768**
SHAREHOLDERS' EQUITY AND LIABILITIES		
Share capital	104,000	104,000
Capital reserves	36,476	36,476
Retained earnings	673,135	616,141
Equity attributable to shareholders of the parent	**813,611**	**756,617**
Non-controlling interests	**39,683**	**37,763**
Total shareholders' equity	**853,294**	**794,380**
Bonds – non-current	372,559	372,880
Bank loans and other financial liabilities – non-current	12,344	19,128
Obligations under finance leases – non-current	17,667	8,163
Provisions – non-current	284,108	218,968
Other liabilities – non-current	11,322	14,639
Deferred tax liabilities	88,099	79,796
Non-current liabilities	**786,099**	**713,574**
Bank loans and other financial liabilities – current	53,324	39,669
Obligations under finance leases – current	650	748
Trade accounts payable	367,912	305,340
Billings in excess of cost and earnings of projects under construction	1,101,432	993,706
Advance payments received	104,799	91,358
Provisions – current	354,230	363,784
Liabilities for current taxes	20,426	46,038
Other liabilities – current	743,029	687,171
Current liabilities	**2,745,802**	**2,527,814**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**4,385,195**	**4,035,768**

Consolidated income statement

For the first three quarters of 2011 (condensed, unaudited)

(in TEUR)	Q1-Q3 2011	Q1-Q3 2010	Q3 2011	Q3 2010
Sales	**3,184,225**	**2,458,845**	**1,173,094**	**896,694**
Changes in inventories of finished goods and work in progress	24,366	29,058	(6,483)	(130)
Capitalized cost of self-constructed assets	487	1,014	271	264
	3,209,078	**2,488,917**	**1,166,882**	**896,828**
Other operating income	63,025	49,077	21,893	8,509
Cost of materials	(1,881,482)	(1,388,515)	(705,029)	(501,117)
Personnel expenses	(732,772)	(610,409)	(247,738)	(210,424)
Other operating expenses	(396,505)	(336,996)	(131,708)	(114,904)
Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA)	**261,344**	**202,074**	**104,300**	**78,892**
Depreciation, amortization and impairment of intangible assets and property, plant, and equipment	(53,414)	(45,766)	(19,491)	(15,373)
Earnings Before Interest and Taxes (EBIT)	**207,930**	**156,308**	**84,809**	**63,519**
Income/(expense) from associated companies	1,332	728	512	155
Interest result	6,172	2,755	3,029	56
Other financial result	(383)	345	(433)	26
Financial result	**7,121**	**3,828**	**3,108**	**237**
Earnings Before Taxes (EBT)	**215,051**	**160,136**	**87,917**	**63,756**
Income taxes	(63,262)	(48,500)	(25,829)	(19,374)
NET INCOME	**151,789**	**111,636**	**62,088**	**44,382**
Thereof attributable to:				
Shareholders of the parent company	150,541	114,618	61,996	47,335
Non-controlling interests	1,248	(2,982)	92	(2,953)
Weighted average number of no-par value shares	51,270,462	51,671,047	51,500,610	51,606,643
Earnings per no-par value share (in EUR)	2.94	2.22	1.20	0.92
Effect of potential dilution of share options	557,496	76,284	392,476	224,352
Weighted average number of no-par value shares and share options	51,827,958	51,747,331	51,893,086	51,830,995
Diluted earnings per no-par value share (in EUR)	2.90	2.21	1.19	0.91

Consolidated statement of comprehensive income

For the first three quarters of 2011 (condensed, unaudited)

(in TEUR)	Q1-Q3 2011	Q1-Q3 2010	Q3 2011	Q3 2010
Net income	**151,789**	**111,636**	**62,088**	**44,382**
Currency translation adjustments	(19,406)	22,468	(2,442)	(22,651)
Changes to IAS 39 reserve, net of tax	(2,419)	506	(704)	(1,161)
Other comprehensive income for the year	**(21,825)**	**22,974**	**(3,146)**	**(23,812)**
Total comprehensive income for the year	**129,964**	**134,610**	**58,942**	**20,570**
Thereof attributable to:				
Shareholders of the parent company	131,798	136,116	61,538	25,156
Non-controlling interests	(1,834)	(1,506)	(2,596)	(4,586)

Consolidated statement of shareholders' equity

For the first three quarters of 2011 (condensed, unaudited)

(in TEUR)	Attributable to shareholders of the parent							Non-controlling interests	Total shareholders' equity
	Share capital	Capital reserves	Other retained earnings	IAS 39 reserve	Actuarial gains (losses)	Currency translation adjustments	Total		
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 in consolidation method							0		0
Capital increase							0		0
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**
Status as of January 1, 2011	**104,000**	**36,476**	**613,575**	**1,648**	**(1,693)**	**2,611**	**756,617**	**37,763**	**794,380**
Total income and expense for the year			150,541	(2,428)		(16,315)	131,798	(1,834)	129,964
Dividends			(86,857)				(86,857)	(3,063)	(89,920)
Changes from acquisitions							0		0
Changes in consolidation method			979				979		979
Capital increase							0	6,817	6,817
Changes concerning own shares			9,170				9,170		9,170
Other changes			1,904				1,904		1,904
STATUS AS OF SEPTEMBER 30, 2011	**104,000**	**36,476**	**689,312**	**(780)**	**(1,693)**	**(13,704)**	**813,611**	**39,683**	**853,294**

Consolidated statement of cash flows

For the first three quarters 2011 (condensed, unaudited)

(in TEUR)	Q1-Q3 2011	Q1-Q3 2010
Cash flow from operating activities	339,862	494,231
Cash flow from investing activities	(235,438)	(138,667)
Cash flow from financing activities	(84,402)	(68,012)
Change in cash and cash equivalents	20,022	287,552
Cash and cash equivalents at the beginning of the period	**1,187,946**	**709,532**
Cash and cash equivalents at the end of the period	**1,207,968**	**997,084**

Cash flows from acquisitions of subsidiaries*

For the first three quarters of 2011 (condensed, unaudited)

		Business area	Total	Total
(in TEUR)	HY1)	PP2)	Q1-Q3 2011	Q1-Q3 2010
Intangible assets	981	24,179	25,160	25,144
Property, plant, and equipment	139	14,725	14,864	15,031
Inventories	92	9,107	9,199	22,821
Trade and other receivables	673	48,477	49,150	20,996
Liabilities excluding financial liabilities	(546)	(53,348)	(53,894)	(51,554)
Non-interest bearing net assets	**1,339**	**43,140**	**44,479**	**32,438**
Marketable securities	0	0	0	1,948
Cash and cash equivalents acquired	288	6,668	6,956	21,586
Fixed financial assets	0	1,243	1,243	0
Debt assumed	(5)	(19,924)	(19,929)	(14,250)
Goodwill	1,673	19,024	20,697	24,403
Changes in minority interests	0	0	0	2,232
Changes in equity attributable to shareholders of the parent company	0	0	0	903
Total purchase price	**3,295**	**50,151**	**53,446**	**69,260**
Purchase price paid	(3,295)	(47,526)	(50,821)	(69,260)
Cash and cash equivalents acquired	288	6,668	6,956	21,587
Net cash flow	**(3,007)**	**(40,858)**	**(43,865)**	**(47,673)**
Liabilities from purchase price not paid	0	(2,625)	(2,625)	0
Purchase price not paid in cash	**0**	**(2,625)**	**(2,625)**	**0**

* converted by using exchange rates as per dates of transaction
1) HY = HYDRO
2) PP = PULP & PAPER

Notes

Explanatory notes to the interim consolidated financial statements as of September 30, 2011

General
The interim consolidated financial statements as of September 30, 2011 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, 2010 have been maintained without any change. For additional information on the accounting and valuation principles, see the consolidated financial statements as of December 31, 2010, 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, 2011 were neither subject to a complete audit nor to an audit review by an auditor.

Application of new standards
ANDRITZ applies the following changed standards and interpretations since January 1, 2011:
- IAS 24 (revised) Related Party Disclosures
- IAS 32 (revised) Financial Instruments: Presentation (Classification of Rights Issues)
- IFRIC 14: amendment to IFRIC 14

The application of these standards and interpretations does 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, 2010:
- ANDRITZ Biax: systems and equipment for the production of biaxially stretched plastic films
- ANDRITZ Perfojet: machinery and systems for the production of nonwovens
- ANDRITZ Frautech: separators for applications in the dairy and olive oil industries
- ANDRITZ Delkor Capital Equipment: dewatering equipment, especially for the mining industry
- ANDRITZ KMPT Group: mechanical and thermal solid/liquid separation, mainly for the chemical and pharmaceutical industries
- ANDRITZ Ritz Group: pumps for the water supply, mining sector, offshore and sub-sea applications
- ANDRITZ Energy & Environment: fluidized bed boilers for steam generation and flue gas cleaning systems
- Hemicycle Controls: automation systems for hydropower plants
- ANDRITZ Iggesund Group: supply of chipping and debarking equipment for pulp and saw mills
- Assets from Tristar Industries: service and manufacturing centre for the PULP & PAPER service business

The initial accounting for the companies/businesses acquired in 2010/2011 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 2011 amounted to 1,173.1 MEUR, which is an increase of 30.8% compared to the reference period of last year (Q3 2010: 896.6 MEUR). The Group's EBIT in the third quarter of 2011 reached 84.8 MEUR (Q3 2010: 63.5 MEUR).

Group sales in the first three quarters of 2011 were 3,184.2 MEUR, thus significantly exceeding the level of the previous year's reference period (Q1-Q3 2010: 2,458.8 MEUR). The EBIT of the Group in the first three quarters of 2011 amounted to 207.9 MEUR (Q1-Q3 2010: 156.3 MEUR).

Notes to the consolidated statement of financial position

Total assets of the ANDRITZ GROUP as of September 30, 2011 increased to 4,385.2 MEUR, thus 349.4 MEUR higher than as of December 31, 2010 (4,035.8 MEUR). The net working capital as of September 30, 2011 amounted to -629.8 MEUR (December 31, 2010: -556.1 MEUR).

During the current business year, ANDRITZ AG paid dividends in the amount of 86.9 MEUR for the 2010 business year. 300,000 shares were bought back during the third quarter of 2011.

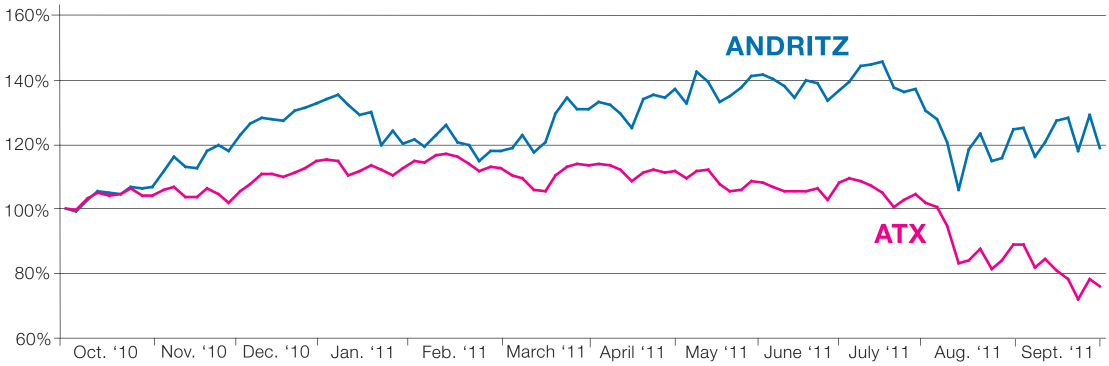
Notes to the consolidated statement of cash flows

Cash flow from operating activities of the ANDRITZ GROUP amounted to 339.9 MEUR in the first three quarters of 2011 (Q1-Q3 2010: 494.2 MEUR). This decrease was mainly due to project-related changes in working capital.

Cash flow from investing activities during the first three quarters of 2011 amounted to -235.4 MEUR (Q1-Q3 2010: -138.7 MEUR) and resulted mainly from payments made for investments in short-term securities of -149.9 MEUR (Q1-Q3 2010: -54.3 MEUR), investments in tangible and intangible assets of -41.7 MEUR (Q1-Q3 2010: -36.7 MEUR), as well as acquisition of businesses.

Share

Relative price performance by the ANDRITZ share compared to the ATX (October 1, 2010-September 30, 2011)



Source: Vienna Stock Exchange

Share price development

During the third quarter of 2011, development on the international financial markets was influenced by the prevailing Euro crisis and a global economic slowdown. Within a generally very weak stock market environment, the price of the ANDRITZ share declined by 11.2% in the first three quarters of 2011. However, this decline was significantly less than the drop of the ATX, the leading share index on the Vienna Stock Exchange, which fell by 34.0% over the same period.

The highest closing price of the ANDRITZ share in the first three quarters of 2011 was 75.50 EUR (July 13, 2011), and the lowest was 54.82 EUR (August 8, 2011).

Trading volume

The average daily trading volume of the ANDRITZ share (double count, as published by the Vienna Stock Exchange) was 288,790 shares in the first three quarters of 2011 (Q1-Q3 2010: 235,416 shares). The highest daily trading volume was noted on August 9, 2011 (1,241,280 shares); the lowest trading volume on May 30, 2011 (81,704 shares).

Investor Relations

During the third quarter of 2011, meetings with institutional investors and financial analysts were held in Boston, Frankfurt, London, Melbourne, Milan, New York, Paris, Singapore, Sydney, and Tokyo.

This year's ANDRITZ Capital Market Days were held in October in Salzburg, Austria, and attended by more than 20 international and Austrian financial analysts and fund managers. The Executive Board provided information on current developments and expectations for the business areas, as well as the goals of the ANDRITZ GROUP in the medium- and long-term.

The ANDRITZ annual report once again received international awards. At the ARC Awards in New York – the world's premier and largest annual report competition – the 2010 annual report took first place with a "Gold Award". At the Galaxy Awards, an international corporate communication and marketing prize, the annual report came in second in the category of best annual report in the industry sector.

Commerzbank and Jefferies International started its coverage of ANDRITZ in the third quarter of 2011. Thus, 13 international banks and investment houses are now publishing reports on ANDRITZ on a regular basis.

Key figures of the ANDRITZ share

	Unit	Q1-Q3 2011	Q1-Q3 2010	Q3 2011	Q3 2010	2010
Highest closing price	EUR	75.50	51.97	75.50	51.97	68.92
Lowest closing price	EUR	54.82	39.49	54.82	44.60	39.49
Closing price (as of end of period)	EUR	61.60	51.51	61.60	51.51	68.79
Market capitalization (as of end of period)	MEUR	3,203.2	2,678.5	3,203.2	2,678.5	3,577.1
Performance	%	-11.2	+25.6	-14.7	+13.4	+67.8
ATX weighting (as of end of period)	%	8.3607	6.0191	8.3607	6.0191	7.3211
Average daily number of shares traded	Share units	288,790	235,416	342,600	189,700	230,773

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, ATX five, ATXPrime, WBI

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  reports.andritz.com/2011q3/

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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